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January 31, 2008

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
P.O. Box 2319  
27<sup>th</sup> Floor  
2300 Yonge Street  
Toronto, Ontario M4P 1E4

Dear Ms. Walli,

**Re: Ontario Energy Board Proposed Amendment to the Distribution System Code and Proposed Smart Sub-Metering Code – EB-2007-0772**

Hydro One Brampton Networks Inc. and Hydro One Networks Inc. (referred together as “Hydro One”) are pleased to file comments concerning the proposed amendment to the Distribution System Code (“DSC”) and the proposed Smart Sub-Metering Code (“SSM”) to the Board.

In Section I (D) of the Board’s Notice of Proposal in EB-2007-0772, the Notice states that “the Board has no rate-making authority over smart sub-metering providers. The condominium corporation maintains its status as an exempt distributor by recovering no more than its reasonable cost.” These costs could include very material amounts for the installation of sub-metering systems in older condominiums and these costs would be recovered from customers in addition to administration costs and electrical losses. There is also allowance for a reasonable profit factor to be applied in the price being charged to customers. Hydro One believes that without rate regulation or an audit for reasonable costs, there may be concerns from customers of the condominium corporation in regards to billing and the possibility of higher rates. Rate regulation should be enforced in order to provide customers with price transparency and an ability to compare bills against other service providers.

Section 2.2.1 of the proposed SSM requires smart sub-meter providers to ensure that the bulk (master) meter for the condominium is an interval meter. Where a new interval meter must be installed, Hydro One submits that it will be the responsibility of the smart sub-metering provider to work with the local distributor to make the necessary arrangements. In addition, the local distributor will be reimbursed for all costs associated with the installation of the new interval meter.

Section 2.4.2 of the proposed SSM states “a smart sub-metering provider shall ensure that persons involved in metering services have competency in performing these services. Competency may be based on recognized qualification requirements that include a training course that meets the requirements of the tasks to be performed. Metering services provided by a person that does not have the recognized qualification requirements shall be reviewed, affirmed and documented by a person with exhibited competency.” Hydro One submits that this section does not go far enough in ensuring that metering services are being provided on a satisfactory level and could be compromising the integrity of consumer billing. Furthermore, any subsequent smart sub-meter providers may find that enhancements and repairs may be required due to the potential issues that may arise from sub-standard service, making it more costly on initial set-up.

Further to this point, there is a concern that with the possibility of contract terminations between condominium corporations and smart sub-meter providers, distributors may be required to step in as the default smart sub-meter providers. Smart metering would be the preferred method of installation for Hydro One. If a condominium corporation chooses to go the smart sub-metering route, the distributor must have some assurance from the Board that the distributor will not be required to act as a default smart sub-meter provider in any circumstances as this could lead to substantial additional costs for distributors and customers. As well, there would be substantial billing system modifications along with the interfacing of potentially many different smart sub-metering systems in order to bill all customers. Distributors also require some assurance that if there were additional costs, they would be absorbed by the customer.

Proposed section 5.1.9 of the DSC indicates that a condominium corporation may request the installation of smart meters at any stage of construction. Hydro One submits that, in order to install these meters in a cost effective way, the condominium corporation must notify the distributor at the time of building design and approval. Any later time may require significant additional costs to install. If proper notification cannot be made in time for efficient installation, the distributor must receive assurance that the potential additional costs will be absorbed by the condominium corporation. As well, the Board should ensure that these additional costs are not subsequently recovered from the customer.

Hydro One also contends that individual condominium owners would not be able to participate in conservation and demand management initiatives sponsored by the local distributor in a smart sub-metering scenario. The principal customer to the distributor would be the condominium corporation. Hydro One submits that it should be the responsibility of the licensed smart sub-meter providers to arrange for and facilitate conservation and demand management initiatives to the individual unit owners in order to allow for the benefits of conservation sought by specific programs.

As requested in the Notice, I am attaching 3 paper copies of these written submissions. As well, an electronic version of the submission will be forwarded in both Word and PDF format.

We would be pleased to provide any additional information that the Board requires in the processing of these documents. If additional information is required, please contact the undersigned.

Sincerely,

*Original Signed By*

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Encl.