



3240 Mavis Road  
Mississauga, Ontario  
L5C 3K1

Tel: 905.273.9050  
Fax: 905.566.2737

[www.enersource.com](http://www.enersource.com)

November 26, 2004

Mr. John Zych  
Board Secretary  
Ontario Energy Board  
2300 Yonge Street, 26<sup>th</sup> Floor  
Toronto, Ontario, M4P 1E4

Dear Mr. Zych:

**Re: RP-2004-0196, Smart Meter Implementation Plan**

We are pleased to enclose the written submission of Enersource Hydro Mississauga in response to your request for comments concerning the subject Ontario Energy Board Draft Smart Meter Implementation Plan.

Enersource Hydro Mississauga is fully supportive of the Government of Ontario's and the Ontario Energy Board's demand side emphasis as reflected in the smart metering initiative. We are pleased to have participated in the consultation process as a member of the Data and Communication Working Group.

In summary, we agree with the proposed cost recovery mechanism whereby capital, operating and stranded costs are recovered from all customers within a particular class at the outset of the program. In addition, we ask that the Board consider accelerated Smart meter deployment in rapid growth urban centres and provide allowance within the proposed plan for current smart metering initiatives undertaken by LDC's specifically serving multiple-occupancy residential buildings. Finally, we seek clarification related to back office infrastructure required to support the deployment of smart meters. We further elaborate on these issues in the comments enclosed.

Enersource has discussed the Plan with other members of the Coalition of Large Distributors (PowerStream, Toronto Hydro-Electric System Ltd, Veridian Connections Inc. and Hydro Ottawa Limited). While we are fully supportive of each other's positions, time constraints precluded a joint submission.

A handwritten signature in black ink, appearing to read 'Chris Buckler', written in a cursive style.

Chris Buckler  
Vice President, Customer Service and Regulatory Affairs  
Enersource Hydro Mississauga  
Email: [cbuckler@enersource.com](mailto:cbuckler@enersource.com)

**Enersource Hydro Mississauga**  
**RP-2004-0196 Smart Metering Implementation Plan Comments**

1. We seek clarification related to the back office infrastructure needed to support the smart metering deployment. We anticipate that the back office will have to be in place shortly after the first round of meters are installed and activated. This differs from the diagram on pg. 19 of the draft plan where it appears that back office functions are not ready until Q3 2007. Does this mean that the smart meters installed during the first round will not be activated as smart meters until some time later?
2. Scalability of existing IT systems. Customer Groups 2 and 3, 50kW to 200kW and >200kW respectively, require expansion of the current meter data acquisition and Settlement systems. These systems were not designed for the number of meters proposed in the report. Activation of smart meters within these groups requires further study and potential changes to existing IT systems. This significant task needs to be identified within the implementation plan.
3. We strongly support a standard for meter data editing and rebuilding and we encourage the OEB to recommend the proposed completion date of mid-2005.
4. Pg. 23, Table B: 'Resources Used for Deployment'  
We do appreciate that it may not be feasible to mass deploy all meters within the proposed timeline using current LDC metering staff. We do however, recommend the use of Certified Meter Technicians, to some extent, for Group 1 installations as well as Group 2 and 3. As a minimum for Group 1 installations, a Certified Meter Technician should lead small groups of 'task specific' installation crews. Within our service territory we have encountered meter bases <50kW that pose serious safety hazards upon meter change-out. To minimize this risk, we recommend that 'task specific' crews work in cooperation with Certified Meter Technicians.
5. Implementation Coordinator: We do not agree with the creation of a new body or organization to undertake this task. We recommend an LDC self-certification process. Given the proposed implementation timeline we do not think it is feasible for a new group to mobilize in time without delaying the proposed implementation plan. We do recognize the need for provincial coordination and the need to evaluate the cost effectiveness and prudence of smart metering investments.
6. In Figure 2 (pg. 19), showing the draft Smart Meter implementation plan, and according to 2.5.4, new residential metering cannot be installed until 2006 at the earliest, following the December 2005 approval of LDC procurement plans. The absence of any activity in the residential sector for a further year is inconsistent

with stated priorities in the Minister's directive and will unnecessarily result in further stranded assets in the Enersource service area, which averages 4500 new homes annually. Enersource believes that LDC's serving rapid growth urban centres should, at minimum, be able to deploy the "meter only" to these new homes using one of a number of proven product suppliers meeting the 10,000 meter point criteria.

7. Re: Section 2.5.8 Distributor Specific Mass Deployment Strategies: In accordance with stated wishes of the government, Enersource is currently planning to commence several new Smart Meter installations in multiple-occupancy residential buildings and in some cases convert existing meter installations in multiple-occupancy buildings to Smart Meters. In aggregate, this plan would include an estimated 2000 new residential Smart Meter installations during 2005 that would not be permitted under 2.5.4 or 2.5.8. Enersource believes there should be a further allowance for this particular specific mass deployment.

8. Section 3.4 Cost Recovery Principles:

The last paragraph of page 37 indicates that the details of the various options need to be developed over the next year as part of the 2006 Electricity Distribution Rate (EDR) process. Since the 2006 EDR process will likely describe some mitigation method to minimize bill impacts to customers, we would like to suggest that a statement be added to this paragraph to confirm that metering cost recoveries will be excluded from the rate mitigation exercise.

We support recovery of program costs from all customers within a class as outlined in Section 3.4.1 and do not recommend the option identified in Section 3.4.2 that would create deferral accounts postponing the cost recovery to future rates. In addition, the statement in the Executive Summary, Cost Section (first paragraph) also suggests that the option detailed in Section 3.4.1 is the preferred option.

In respect to Section 3.4.5 Stranded Cost Recovery, we do not support the transfer of stranded costs from the ratebase into regulatory assets. These costs should remain in the ratebase for the duration of the recovery period. This will avoid administrative burden and maintain simplified accounting processes.

9. Measurement Canada: The OEB and LDC's should work collectively to seek Dispensation from Measurement Canada for meter seals expiring after approval of the Smart Meter Implementation Plan. This will avoid unnecessary expenditures on meters that will be replaced before the next seal expiry.