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File 15754

**VIA EMAIL AND COURIER**

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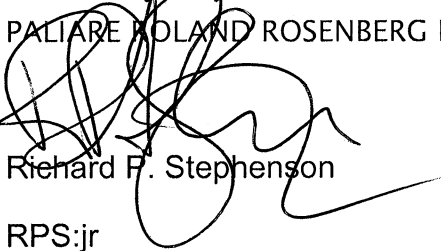
**Re: Code Amendments for the Smart Metering Initiative Transition Period  
Board File No. EB- 2007-0032**

The Power Workers' Union ("PWU") represents a large portion of the employees working in Ontario's electricity industry and has the utmost interest in initiatives that impact the energy industry and the provision of on going service quality, reliability and safety for customers. Attached please find a list of PWU employers.

The PWU is committed to participating in regulatory consultations and proceedings to contribute to the development of regulatory direction and policy that ensures on going service quality, reliability and safety at a reasonable price for Ontario customers. To this end, attached please find the PWU's comments on the Ontario Energy Board's May 14, 2007 proposed amendments to the Standard Service Supply Code, the Retail Settlement Code and the Distribution System Code for the Smart Metering Initiative transition period.

We hope you will find the PWU's comments useful.

Yours very truly,  
PALIARE ROLAND ROSENBERG ROTHSTEIN LLP



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**List of PWU Employers**

Atomic Energy of Canada Limited (Chalk River Laboratories)  
Barrie Hydro  
BPC District Energy Investments Limited Partnership  
Brant County Power Incorporated  
Brighton Beach Power Limited  
Bruce Power Inc.  
Corporation of the City of Dryden - Dryden Municipal Telephone  
Corporation of the County of Brant  
Electrical Safety Authority  
EPCOR Calstock Power Plant  
EPCOR Kapuskasing Power Plant  
EPCOR Nipigon Power Plant  
EPCOR Tunis Power Plant  
Erie Thames Services Corporation  
Great Lakes Power Limited  
Grimsby Power Incorporated  
Halton Hills Hydro Inc.  
Hydro One Inc.  
Independent Electricity System Operator  
Inergi LP  
Innisfil Hydro Distribution Systems Limited  
Kenora Hydro Electric Corporation Ltd.  
Kincardine Cable TV Ltd.  
Kinectrics Inc.  
Kitchener-Wilmot Hydro Inc.  
Lake Superior Power (Brookfield Power)  
London Hydro Incorporated  
Middlesex Power Distribution Corporation  
Milton Hydro Distribution Inc.  
Mississagi Power Trust (Brookfield Power)  
New Horizon System Solutions  
Newmarket Hydro Ltd.  
Norfolk Power Distribution Inc.  
Nuclear Safety Solutions  
Ontario Power Generation Inc.  
Orangeville Hydro Limited  
PUC Services Inc.  
Sioux Lookout Hydro Inc.  
Sodexo Canada Ltd.  
TransAlta Energy Corporation - O.H.S.C. Ottawa  
Vertex Customer Management (Canada) Limited  
Whitby Hydro Energy Services Corporation

**Power Workers' Union Comments to the  
Ontario Energy Board on  
  
Proposed Code Amendments for the  
Smart Metering Initiative Transition Period  
EB-2007-0032**

**1. INTRODUCTION**

The Power Workers' Union ("PWU") offers the following comments on the Ontario Energy Board's ("OEB" or the "Board") May 14, 2007 proposed amendments to the Standard Service Supply ("SSS") Code, the Retail Settlement Code ("RSC") and the Distribution System Code ("DSC") for the Smart Metering Initiative transition period (EB-2007-0032).

The PWU represents a large portion of the employees working in Ontario's electricity industry and has been a key participant in Ontario's energy policy discussions for over 60 years. Our submission stems from our energy policy statement:

**Reliable, secure, safe and reasonably priced electricity supply and service, supported by a financially viable industry, and a skilled labour force, is essential for the continued prosperity and social welfare of the people of Ontario. In minimizing environmental impact, due consideration must be given to economic impacts, and the efficiency and sustainability of all energy sources and existing assets. A stable environment and predictable and fair regulatory framework will promote investment in technical innovation that results in efficiency gains.**

**2. THE STANDARD SERVICE SUPPLY CODE**

Background

The summary of the proposed amendments to the SSS Code indicates that the stated purpose of the proposed amendments is to introduce consumer choice in relation to time-of-use ("TOU") pricing until such time when TOU pricing becomes mandatory for all consumers

that have smart meters installed. The current version of the SSS code requires a licenced electricity distributor that elects to make TOU pricing available to apply TOU pricing to all consumers equipped with an eligible TOU meter. The Board currently has TOU pricing that was developed through a stakeholder working group process followed by a public consultation including consumer groups and industry participants. In addition the Board retained an expert consultant for advice. Any local distribution company ("LDC") with eligible TOU meters as defined in the SSS code, including smart meters, can currently choose to implement these TOU rates. At present Milton Hydro is the only Ontario LDC that currently charges TOU prices.

While the Board's initial conclusion is that the current basic three-part TOU pricing structure (i.e. off-peak, mid-peak and on-peak) does not require changes, the Board indicates that future refinements in pricing methodology and allocation of hours may be desirable. The Board plans a consultation on these issues in the summer of 2007.

#### PWU Comment

The Board indicates that it initiated a pilot project in mid-2006 to gauge consumers' responses to TOU pricing and two Critical Peak Pricing enhancements. While the Board states that "initial results for this study are informative", we note that we have been unable to locate information on this pilot project on the Board's website. If the Board in fact has not posted this information on its website, the PWU would request that the Board provide interested parties with access to the pilot study design and preliminary results via the Board's website. We are interested in understanding the pilot study design, in particular, whether the pilot study is based on voluntary or on mandatory consumer participation and the profile of the participating consumers, so that we may gain an appreciation of the significance of the pilot study.

Both the first and second sentences of the paragraph immediately following the proposed amended section 3.5.2 (b) of the SSS code, include the following phrase "... the distributor shall charge each RPP consumer served by that distributor that has an eligible time-of-use meter...". To clarify that "the distributor" and "that distributor" referred to in this phrase are one and the same distributor, and to clarify that the party "that has an eligible time-of-use meter" is the consumer rather than the distributor, the PWU suggests the following rephrasing:

..., the distributor shall charge the RPP consumer that is served by the distributor and that has an eligible time-of-use meter...

### **3. PROPOSED AMENDMENT TO THE RETAIL SETTLEMENT CODE**

#### Background

The Board's document on Code Amendments for the Smart Metering Initiative Transition Period ("proposed amendments document") indicates that the principal purpose for the amendments to the RSC is to clarify the status of smart meters for billing and settlement purposes so as to avoid the need for system changes to accommodate smart meters, pending the final implementation of the meter data management and repository ("MDM/R") and the synchronization of the distributors' systems with the MDM/R.

#### PWU Comments

One of the proposed amendments to section 1.2 of the RSC is the addition of a definition for "metering evolution period end date" as follows:

*"Metering evolution period end date" means, in relation to a distributor, the date determined for that purpose by the Board;*

The reference to "that purpose" ought to be described explicitly as per the definition provided on page 5 of the Board's proposed code amendments document. For clarity, it would be helpful to first provide a definition for "metering evolution period" followed by the definition for "metering evolution period end date":

"Metering evolution period" means, in relation to a licenced distributor, the period when smart meters have been installed but are not fully utilized for hourly billing and settlement purposes and treated as interval meters, but rather are treated as MOST meters and non-interval meters in relation to meter-reading cycles and settlement timelines, and as non-interval meters for the purpose of the provision of usage data to consumers and retailers.

"Metering evolution period end date" means, in relation to a licenced distributor, the date determined by the Board when a distributor can fully use smart meters for hourly billing and settlement purposes and treat the smart meters as interval meters.

For enhanced specificity, should the reference in the proposed definition for "smart meter" be to s.1. of O. Reg.425/06, rather than left at O.Reg. 425/06?

The proposed new section 3.3.3 is as follows:

*Until the metering evolution period end date, a distributor shall determine settlement costs for consumers with smart meters in accordance with section 3.3.2.*

This proposed amendment to the RSC is intended to provide flexibility by allowing the Board to determine when smart meters can be treated as interval meters and to make that determination at different times for different licenced distributors as required. To convey the flexibility of making this determination at different times for different licenced distributors, the following re-wording (in bold) of the proposed new section 3.3.3 is suggested:

Until **a distributor's** metering evolution period end date, a distributor shall determine settlement costs for consumers with smart meters in accordance with section 3.3.2.

For similar reasons noted in our comment on the proposed amendment to section 3.3.3 with regard to the Board's flexibility in the determination of treating smart meters as interval meters for different distributors as required, the amendment to section 11 of the RSC should be reworded as indicated in bold print as follows:

Until **a distributor's** metering evolution period end date, a distributor shall for all purposes under sections 11.1 to 11.3 inclusive treat a smart meter as a non-interval meter.

#### **4. PROPOSED AMENDMENTS TO THE DISTRIBUTION SYSTEM CODE**

##### Background

The Board's principle purpose for the proposed amendments to the DSC is to ensure that when a distributor is synchronized with the MDM/R that the distributor will not be performing meter data activities that are expected to be carried out by the MDM/R. The amendments are also intended to clarify that a consumer cannot compel a distributor to install a smart meter when at present only some distributors are authorized to deploy smart meters.

##### PWU Comments

One of the proposed amendments to the DSC is the addition of sections 5.1.7 and 5.1.8. Proposed section 5.1.7 states that:

*For the purpose of sections 5.1.2 to 5.1.5 inclusive, a smart meter is not an interval meter.*

Proposed section 5.1.8 states:

*Section 5.1.7 ceases to have effect in relation to a distributor on the date determined for that purpose by the Board.*

It is not clear how the “date determined for that purpose” might be determined or whether it might be related to the metering evolution end date. Clarity around this would be helpful.

On the amendment to add the proposed section 5.3.13 to section 5.3 with regard to the validating, estimating and editing (“VEE”) process, the notwithstanding statement should be specific to the provisions dealing with the VEE process in sections 5.3.1, 5.3.2, 5.3.3, 5.3.4 and 5.3.5 rather than to the provisions in section 5.3 in its entirety. Broader reference to “any other” provisions in section 5.3 may inadvertently limit the distributors’ obligations related to e.g. compliance with Measurement Canada standards and meter dispute resolution.

A proposed amendment to section 5 of the DSC is the addition of Section 5.4 “Agreement with Smart Metering Entity (SME) or IESO Relating to Metering” as follows:

*A distributor shall, upon being requested to do so, enter into an agreement with the Smart Metering Entity or the IESO, in a form approved by the Board, which sets out the respective roles and responsibilities of the distributors and the Smart Metering Entity or the IESO in relation to metering and the information required to be exchanged to allow for the conduct of these respective roles and responsibilities.*

It is not clear who it is that will be requesting the distributor to enter into an agreement with the SME or the Independent Electricity System Operator (“IESO”). It is also not clear whether a distributor will, if not in whole, at least in part, individually negotiate its role and responsibility relative to those of the SME and IESO in relation to metering and the information required to be exchanged. Clarity is required around this proposed amendment.

If there are still too many unknowns at present with regard to the issues related to the respective roles and responsibilities of the distributors, the SME and the IESO in relation to metering and the information exchange required, then the Board ought not to proceed with this amendment at this point in time but propose an amendment when there is more clarity on the roles and responsibilities. Therefore, the PWU submits that the proposed section 5.4 amendment to the DSC is premature until a SME has been established and a stakeholder consultation on roles and responsibilities of the distributor, SME and the IESO with regard to metering and information exchange has taken place.