

# Monitoring Report Smart Meter Deployment and TOU Pricing – December 2010

**February 28, 2011**

This report summarizes the activities by licensed distribution companies with respect to the implementation of smart meters and Time of Use (TOU) pricing for Regulated Price Plan (RPP) consumers during the period December 1, 2010 through December 31, 2010.

- Distributors remain approximately on target to meet the Government of Ontario's target of having 3.6 million RPP consumers billed on a TOU basis by June 2011
- As of December 31, 2010 there were 4,569,976 installed smart meters and 1,628,896 customers on TOU billing.
- In its monthly report, the SME states that “despite challenges that lie ahead, we remain confident that we can continue to adequately support distributor enrolment and the implementation of TOU billing under the Board's TOU mandate.”

## **Background**

On August 4 the Board issued a determination that set mandatory dates by which distributors must complete certain activities required for the implementation of Time-Of-Use (TOU) billing. There are three important activities that a distributor must undertake to implement TOU pricing. These three activities are meter installation, smart meter enrolment with the MDM/R (Meter Data Management Repository), and activation of TOU pricing within their service area.

In order to monitor progress towards meeting the requirements of the determination, the Board is requiring distributors to submit monthly progress reports. Further, the Board is also requiring the Smart Meter Entity (“SME”) to submit monthly reports regarding its status and readiness in supporting the implementation of TOU billing.

The remainder of this report provides a summary of the activities undertaken by licensed distribution companies and the SME reflecting the mandatory TOU implementation requirements as of December 31, 2010.

## Distributor Summary

- As of December 31, 2010 there were 4,569,976 installed smart meters and 1,628,896 customers on TOU billing.
- Distributors remain approximately on target to meet the Government of Ontario's target of having 3.6 million RPP consumers billed on a TOU basis by June 2011:
  - Of the 40 distributors<sup>1</sup> (representing 3,791,922<sup>2</sup> customers) having June 2011 mandatory dates:
    - Milton Hydro has completed TOU roll-out for all of its eligible RPP customers.
    - Newmarket-Tay Power Distribution has completed TOU roll-out for all of its residential customers and is proceeding with its eligible RPP general service customers.
- In response to follow up 23 distributors have written letters confirming their commitment to achieving their respective TOU dates including a brief summary of their plans for enrolling with the MDM/R.

1. Bluewater Power
2. Brant County Power
3. Burlington Hydro
4. Clinton Power
5. COLLUS Power
6. Cooperative Hydro Embrun
7. Eastern Ontario Power
8. Erie-Thames Powerlines
9. Festival Hydro
10. Hearst Power
11. Hydro 2000
12. Hydro Hawkesbury
13. Middlesex Power
14. Niagara Peninsula Energy
15. Northern Ontario Wires
16. Oakville Hydro
17. Orangeville
18. Ottawa River Power
19. Parry Sound

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<sup>1</sup> Thunder Bay was granted an extension on its mandatory TOU date from June 2011 to August 2011 therefore there are now only 40 distributors with a mandatory TOU date of June 2011.

<sup>2</sup> Hydro One was granted an exemption from their mandatory TOU date for 150,000 remote customers and is reflected in this figure.

20. Rideau St Lawrence
21. St. Thomas Energy
22. Wasaga Distribution
23. Welland

- Algoma Power Inc. has not yet scheduled an enrolment testing date with the SME. However, Algoma has reported that a project plan will be submitted in March 2011.
- A total of 12 distributors (representing 481,771 customers), including 5 with a June 2011 mandatory date but excluding Hydro One<sup>3</sup>, have applied to the Board to extend their mandatory date. These distributors are:
  1. Algoma Power Inc.
  2. Brantford
  3. Cambridge and North Dumfries
  4. Canadian Niagara Power: Fort Erie
  5. Cooperative Hydro Embrun
  6. Eastern Ontario Power
  7. Enersource
  8. ENWIN
  9. Grimsby Power
  10. Port Colborne
  11. Thunder Bay Hydro
  12. Westario Power

On January 13<sup>th</sup>, 2011 the Board granted Thunder Bay's request to extend its mandatory TOU date from June 2011 to August 2011.

- Hydro One Networks has been granted an exemption from its mandatory date excluding approximately 150,000 customers that are currently outside the reach of Hydro One's smart meter telecommunications infrastructure.

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<sup>3</sup> Hydro One has only requested a partial exemption and is therefore not included in this list.

## SME Summary

- In its monthly report, the SME states that “despite challenges that lie ahead, we remain confident that we can continue to adequately support distributor enrolment and the implementation of TOU billing under the Board’s TOU mandate.”
- Previous monitoring reports provided limited detail about the status of the SME. This is because the SME appeared to be managing and resolving the challenges identified in its monthly reports. However, this is the SME’s fifth report in which progress in addressing these issues appears limited, therefore it is necessary to address these issues in more detail.
- The SME identified the following challenges:
  1. The implementation of Release 7.0 (R7.0) of the Energy IP software solution continues to be delayed due to a recently identified defect, however the vendor has developed a fix, which is now being tested.
    - The report does not provide a date by which R7.0 will be implemented but noted it will occur ‘as soon as possible’.
    - In the meantime R6.3 continues to provide for the stable operation of the MDM/R. However, R6.3 cannot support full provincial volumes and delaying the release of R7.0 will hinder enrolment of large distributors such as Hydro One and Toronto Hydro.
  2. The SME developed an aggressive deployment plan for the 2011 Measurement Canada Solution and identified a number of risk mitigation measures to promote delivery in accordance with the plan.
  3. 18 distributors are scheduled to be in enrolment testing in January, 22 in February and 22 in March. Due to these high volumes the SME has noted it may be necessary to defer some distributor’s enrolment testing.
    - If this occurs the SME plans to work with all affected distributors to identify an alternate schedule that would have as little impact as possible on achieving distributors’ mandatory TOU dates and meeting the June 2011 target.

### Distributor Progress in Implementation

	Previous Total	Added This Period	Current Total	Percent of June 2011 Target Achieved
<b>Smart Meters Installed</b>	4,531,016	38,960	<b>4,569,976</b>	<b>127%</b>
<b>Smart Meters Enrolled with MDM/R</b>	1,973,742	241,518	<b>2,215,260</b>	<b>62%</b>
<b>Customers on TOU Billing</b>	1,408,952	219,944	<b>1,628,896</b>	<b>45%</b>

### Distributor Progress in MDM/R Enrolment

	Previous Total	Added this Period	Current Total
<b>LDCs Scheduled for Enrolment Testing (submitted project plan and confirmed date with SME)</b>	<b>43</b>	<b>32</b>	<b>75</b>
<b>LDCs in Enrolment Testing</b>	<b>8</b>	<b>3</b>	<b>11</b>
<b>LDCs in Production (completed enrolment testing)</b>	<b>13</b>	<b>2</b>	<b>15</b>

### Distributors With Customers on TOU Billing

Distributor	RPP-eligible customers	Customers on TOU Billing	% of Customers on TOU Billing
Chatham-Kent Power	31,520	28,710	91%
Horizon Utilities	232,279	157,143	68%
Hydro One Networks	1,191,502	553,637	46%
Hydro Ottawa	297,306	30,371	10%
Milton Hydro	27,465	27,449	100%
Newmarket-Tay Hydro	31,953	26,648	83%
Oakville Hydro	61,820	373	1%
Peterborough Distribution Inc.	34,754	187	1%
Powerstream Inc.	316,208	230,170	73%
Toronto Hydro	691,566	509,376	74%
Veridian Connections	111,415	64,832	58%
<b>Total</b>	<b>3,027,788</b>	<b>1,628,896</b>	-

### Pending Applications for Exemptions

Distributor	Mandatory TOU Date	Requested Date	Number of RPP Eligible Customers
Algoma Power Inc.	Jun-11	Jul-12	11,581
Brantford Power	Jul-11	Nov-11	37,073
Cambridge and North Dumfries	Oct-11	Feb-12	49,938
Canadian Niagara Power (Fort Erie)	Dec-11	Jan-12	15,467
Cooperative Hydro Embrun	Jun-11	Oct-11	1,779
Enersource	Jun-11	May-12	188,444
EnWin	Jun-11	Dec-12	71,420
Grimsby Power	Sep-11	Dec-11	9,985
Port Colborne	Dec-11	Jan-12	9,042
Westario Power	Sep-11	Dec-11	21,641
Eastern Ontario Power	Feb-12	Feb-12	3,494