

Monitoring Report Smart Meter Deployment and TOU Pricing – January 2011

March 17, 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 January 1, 2011 through January 31, 2011.

- 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 January 31, 2011 there were 4,600,987 installed smart meters and 1,738,477 customers on TOU billing.
- In its monthly report, the SME states that it is "confident that the MDM/R will continue to adequately support distributor enrolment and the implementation of TOU billing under the Board's TOU mandate."

Background

On August 4, 2010 the Board issued a determination that set mandatory dates by which distributors must complete certain activities required for the implementation of 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 January 31, 2011.

Distributor Summary

- As of January 31, 2011 there were 4,600,987 installed smart meters and 1,738,477 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 distributors¹ (representing 3,791,922² customers) that have June 2011 mandatory dates:
 - Milton Hydro has completed TOU rollout for all of its eligible RPP customers.
 - Chatham-Kent Power and Newmarket-Tay Power Distribution have completed TOU rollout for all of their residential customers and are proceeding with their eligible RPP general service customers.
- Staff identified four distributors that displayed limited progress towards accomplishing MDM/R enrolment activities (e.g., had fallen behind schedule or rescheduled enrolment testing dates):
 1. Festival Hydro
 2. Greater Sudbury
 3. Parry Sound Power
 4. Wasaga Distribution

Board staff followed up with these distributors requesting further information regarding their delays in TOU implementation. Festival, Wasaga, and Parry Sound provided explanations and reaffirmed their commitment to achieving their mandatory TOU dates. Greater Sudbury has experienced some obstacles and is currently revising its implementation plan.

- Algoma Power Inc., Enersource, EnWin, Middlesex Power, and Niagara on the Lake currently have no enrolment testing dates confirmed with the SME.
 - Middlesex Power and Niagara on the Lake withdrew their previous project plans as of January 31st 2011. Niagara-on-the-Lake has since submitted a revised project plan. Middlesex is in the process of developing a new project plan.

¹ 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.

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

- Algoma, EnWin, and Enersource are applying to the Board to extend their mandatory TOU dates. Algoma reported that a project plan will be submitted in March 2011.
- A total of 12 distributors (representing 482,264 customers), including four with a June 2011 mandatory date but excluding Hydro One³, have applied to the Board to extend their mandatory date. These distributors are:
 1. Algoma Power Inc.
 2. Brantford Power
 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

It should be noted that Algoma Power Inc., Canadian Niagara Power: Fort Erie, Eastern Ontario Power, and Port Colborne are all owned by FortisOntario. These distributors are working in association with Grimsby and Westario Power and jointly filed an application for extension.

On January 13, 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.

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

Smart Meter Entity (SME) Summary

In its monthly report, the SME states that it had “experienced several significant service disruptions and lesser incidents in January” but that these disruptions were diagnosed and corrective measures are being applied. The SME states that “with the actions already taken, additional plans in motion, and with the support of distributors we are confident that the MDM/R will continue to adequately support distributor enrolment and the implementation of TOU billing under the Board’s TOU mandate.”

- The implementation of Release 7.0 (R7.0) of the Energy IP software solution was delayed due to a defect, however, the vendor has delivered a fix which is now being tested by distributors.
 - It’s currently expected that R7.0 will be implemented in early March.
 - 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 further delaying the release of R7.0 will hinder enrolment of large distributors such as Hydro One.
- The SME developed an aggressive deployment plan for the 2011 Measurement Canada Solution⁴ and identified a number of risk mitigation measures to promote delivery in accordance with the plan.
 - “In December the SME contracted for the development and delivery of software to support the 2011 Measurement Canada solution . . . “
- Twenty distributors are scheduled to be in enrolment testing in February, 21 in March, and 25 in April. Due to these high volumes the SME has noted it may be necessary to defer some distributors’ 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.
- Board staff are closely monitoring progress through regular communication with the SME.

⁴ In November 2009 Measurement Canada notified both the IESO and the Ministry of Energy that “Measurement Canada requirements that were not being met and gave notice that the shortcomings needed to be corrected by January 1, 2012. The MDM/R will have to align total energy consumption with the differences between the cumulative register reads at the beginning and end of the billing period. Distributors will have to modify their systems to receive the cumulative register reads and to include those reads, along with the TOU consumption information, on their customer bills.”

(<http://www.smi-ieso.ca/news/mdmr-update-sme>)

Distributor Progress in Implementation

	Previous Total	Added This Period	Current Total	Percent of June 2011 Target Achieved
Smart Meters Installed	4,569,976	31,011	4,600,987	128 %
Smart Meters Enrolled with MDM/R	2,215,260	199,673	2,414,933	67 %
Customers on TOU Billing	1,628,896	109,581	1,738,477	48 %

Distributor Progress in MDM/R Enrolment

	Previous Total	Added this Period	Current Total
LDCs Scheduled for Enrolment Testing (submitted project plan and confirmed date with SME)	75	-2	73⁵
LDCs in Enrolment Testing	11	2	13
LDCs in Production (completed enrolment testing)	15	5	20

⁵ Middlesex Power and Niagara-on-the-Lake withdrew their project plans as of January 31, 2011. Niagara on the Lake has since submitted a revised project plan. Middlesex is in the process of developing a new project plan.

Distributors With Customers on TOU Billing

Distributor	RPP-eligible customers	Customers on TOU Billing	% of Customers on TOU Billing
Chatham-Kent Power	31,616	28710	91%
Horizon Utilities	232,798	183694	79%
Hydro One Networks	1,192,703	620176	52%
Hydro Ottawa	297,751	31504	11%
Milton Hydro	27,465	27449	100%
Newmarket-Tay Hydro	31,953	26648	83%
Oakville Hydro	61,834	373	1%
Peterborough Distribution Inc.	34,778	186	1%
Powerstream Inc.	316,208	241807	76%
Toronto Hydro	692,565	518086	75%
Veridian Connections	111,489	59844	54%
Total	3,031,160	1,738,477	-

Pending Applications for Exemptions

Distributor	Mandatory TOU Date	Requested Date	Number of RPP Eligible Customers
Algoma Power Inc.	Jun-11	Jul-12	11,551
Brantford Power	Jul-11	Nov-11	37,286
Cambridge and North Dumfries	Oct-11	Feb-12	50,251
Canadian Niagara Power (Fort Erie)	Dec-11	Jan-12	15,517
Cooperative Hydro Embrun	Jun-11	Oct-11	1,780
Eastern Ontario Power	Feb-12	Feb-12	3,494
EnWin	Jun-11	Dec-12	83,727
Enersource	Jun-11	May-12	188,787
Grimsby Power	Sep-11	Dec-11	10,052
Port Colborne	Dec-11	Jan-12	9,060
Westario Power	Sep-11	Dec-11	21,747