

# Monitoring Report Smart Meter Deployment and TOU Pricing – 2010 Second Quarter

August 11, 2010

## **Purpose and Objective**

This report summarizes the activities by licensed distribution companies (distributors) with respect to the implementation of smart meters and Time of Use (TOU) pricing for Regulated Price Plan (RPP) consumers during the period April 1, 2010 through June 30, 2010.

On August 4, 2010 the Board issued its Final Determination with respect to the Mandatory Implementation of Time of Use pricing. In its letter the Board identified that new filing requirements will be issued to distributors. This report relies on the existing baseline and filings of distributors. The next report will provide the first report based on the new filing requirements and reflect the mandatory TOU implementation requirements.

Government of Ontario targets for implementing TOU pricing for consumers were announced in May 2009.<sup>1</sup> These targets are 1 million consumers by the summer of 2010 and 3.6 million consumers by June 2011.<sup>2</sup> 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.

On June 26, 2009, the Board issued a letter requiring distributors to file a plan with the Board, by July 10<sup>th</sup>, 2009, that included monthly targets for each of these activities over the June 2009 to June 2011 period. The Board also directed that distributors make quarterly filings of their progress in these activities so that actions could be compared to plans. The data filed in July 2009 was compiled to form the basis for the “Baseline Plan” that has been used up to now to assess distributors’ progress toward the targets based on quarterly filings of their completed activities. As part of the new reporting requirements noted above, the Board will no longer monitor the progress of distributors against the information filed in their baseline plans.

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<sup>1</sup> Residential consumers, General Service less than 50 kW monthly demand consumers and consumers with a total load of 250,000 kWh or less per year are eligible for the RPP.

<sup>2</sup> Government of Ontario news release, “Smarter Electricity Pricing Coming to Ontario,” May 14, 2009.

The following report summarizes the results of the distribution companies' quarterly filing for the period ending June 2010, and provides a comparison to the Baseline Plans filed by each distributor. Individual distributors' Baseline Plans and all quarterly filings are posted on the Ontario Energy Board website.

## Summary

Seventy-six distributors have provided Baseline Plans; twelve are incomplete lacking plans for moving to TOU pricing. Two distributors did not file baseline plans.

Seventy-seven distributors filed quarterly data for this Quarterly Monitoring Report, including both distributors that did not file a Baseline Plan.

		<b>Baseline Projection for Q2 2010</b>	<b>Q2 2010 Actual</b>
<b>Meter Installation</b>	Residential	3,806,507	3,845,868 (101% of planned)
	GS<50kW	291,735	239,362 (82% of planned)
	Total	4,098,242	4,085,230 (99% of planned)
<b>Enrollment with MDM/R</b>	Residential	1,694,568	949,108 (56% of planned)
	GS<50kW	143,088	34,635 (24% of planned)
	Total	1,837,656	983,743 (54% of planned)
<b>Customers on TOU Billing</b>	Residential	607,859	765,059 (125% of planned)
	GS<50kW	65,266	19,691 (30% of planned)
	Total	673,125	784,750 (117% of planned)

### Government of Ontario targets for implementing TOU pricing:

- **1 million consumers by the summer of 2010**
  - **3.6 million consumers by June 2011**
- As of June 2010, total meters installed exceed the number required to achieve both the 2010 target for TOU pricing (1 million consumers) and the 2011 target (3.6 million consumers).

- As of June 2010, the total number of meters enrolled had reached 98% of the 2010 target and 27% of the 2011 target. The total number of consumers on TOU pricing reached 78% of the summer 2010 target and 22% of the June 2011 target.
- Baseline Plans indicate that by August 2010 more than 1 million consumers will be on TOU pricing.
- Baseline Plans would surpass the June 2011 target of 3.6 million customers on TOU pricing.
- To date the data shows that in the case of meters installed, and TOU pricing, distributors appear to be achieving their baseline plans.<sup>3</sup> In regards to the 125% of baseline result for implementation of TOU pricing, the principal reason for this is that three distributors: Toronto Hydro Electric System Ltd, Powerstream Inc. and Hydro One Networks Inc. have significantly exceeded their baseline plans for TOU implementation.
- Thirty-three distributors had baseline plans for meter enrolment in the fourth quarter and sixteen distributors had baseline plans for TOU billing in the fourth quarter.

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<sup>3</sup> Select distributors had been granted short-term exemptions from the requirement to only use MDMR data for the purpose of TOU billing in order to permit early start-up of billing. These exemptions have sunset clauses that require the distributors to migrate all meters onto the MDMR.