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## BY E-MAIL AND WEB POSTING

August 4, 2010

**To: All Licensed Electricity Distributors  
All Other Interested Parties**

**Re: Determination Under Section 1.2.1 of the Standard Supply Service Code to  
Mandate Time-of-Use Pricing for Regulated Price Plan Consumers  
Board File No. EB-2010-0218**

On June 24, 2010, the Board issued for comment a Proposed Determination (the "June Proposed Determination") to mandate time-of-use ("TOU") pricing for RPP consumers by establishing the "mandatory TOU date" for each electricity distributor as contemplated in section 1.2.1 of the Standard Supply Service Code (the "SSS Code").

In the June Proposed Determination, the Board proposed that a distributor's mandatory TOU date will be one of two dates, depending on the distributor's progress to date against the schedule set out in its baseline plan (updated to the date of the June Proposed Determination, where applicable). Specifically, the Board proposed the following:

- A. ***For a distributor that has commenced MDM/R enrollment testing on or before the date on which the Board's final determination comes into effect (referred to as the "Effective Determination Date"),*** the mandatory TOU date would be the first day of the first billing period that commences 10 months from the Effective Determination Date.
- B. ***For a distributor that has not yet commenced MDM/R enrollment testing as of the Effective Determination Date and whose meter enrollment date has also not yet passed as of the Effective Determination Date,*** the mandatory TOU date would be the first day of the first billing period that commences 9 months from the date identified in the distributor's baseline plan for the commencement of meter enrollment. The distributor must also be ready to begin MDM/R enrollment testing no later than 1 month before the date identified in the distributor's baseline plan for commencing meter enrollment.

- C. ***For a distributor that has not yet commenced MDM/R enrollment testing as of the Effective Determination Date but whose meter enrollment date in the baseline place has already passed as of the Effective Determination Date,*** the mandatory TOU date would be the first day of the first billing period that commences 10 months from the Effective Determination Date.

The Board received written comments on the June Proposed Determination from 21 interested parties, including representatives of electricity distributors, retailers, ratepayers, and the Independent Electricity System Operator (the "IESO") in its capacity as the Smart Metering Entity (the "SME").

The comments received on the June Proposed Determination are available for viewing on the Board's website at [www.oeb.gov.on.ca](http://www.oeb.gov.on.ca).

### **I. Issuance of Final Determination**

The Board has considered the comments received in response to the June Proposed Determination, and has concluded that the approach set out in the June Proposed Determination remains appropriate. The Board is therefore today issuing its final determination (the "Final Determination").

With two exceptions, the Final Determination is identical to the June Proposed Determination. The first exception is that a mandatory TOU date has been included for those distributors that had not filed a baseline plan as of June 24, 2010 (the date of issuance of the June Proposed Determination). The second exception is that revisions have been made to clarify the references to billing periods in various provisions.

The Final Determination is set out in Attachment A to this letter. Attachment B to this letter sets out, for information, a comparison version of the Final Determination relative to the June Proposed Determination.

For the assistance of interested parties, Attachments C, D, and E to this letter set out the mandatory TOU date for each electricity distributor, determined in accordance with the Final Determination.

### **II. Summary of Comments and Discussion of Revisions to the June Proposed Determination**

The following provides a summary of the more significant comments received on the June Proposed Determination.

#### **A. MDM/R Readiness**

Representatives of a number of distributors expressed the view that the setting of mandatory TOU dates is premature and inappropriate at this time because of issues associated with the performance and stability of the SME's meter data management

and repository (the “MDM/R”). These distributor representatives expressed concern that these issues could hinder the ability of distributors to be compliant with any mandatory TOU pricing requirements.

In light of these concerns, the Board sought further information relating to the MDM/R from the IESO in its capacity as the SME, requesting that the IESO provide to the Board a response to the concerns expressed by distributors regarding MDM/R readiness and performance. The IESO provided responses to the Board’s requests on July 20, 2010 and August 3, 2010 that are available for viewing on the Board’s website. After reviewing the IESO’s response, the Board is satisfied that deferral of the mandatory TOU dates as set out in the June Proposed Determination is not warranted by reason of MDM/R readiness or performance issues. In recognition of the importance of the MDM/R to the implementation of TOU, the Board will require the SME to report on a periodic and regular basis about its readiness and performance and the progress in respect of distributor integration.

#### **B. Mandatory TOU Date**

One distributor representative raised the issue of whether the mandatory TOU date represents a single date applicable to all RPP consumers with TOU meters, or whether the mandatory TOU date varies according to the distributor’s billing cycle.

In the June Proposed Determination, the mandatory TOU date was described by reference to a distributor’s billing cycle, the intention being that consumers need not be switched to TOU pricing in mid billing cycle. The Board acknowledges that, for some distributors, not all RPP consumers to whom mandatory TOU pricing will apply are billed on the same billing cycle. The Final Determination more clearly accommodates this particular circumstance.

#### **C. Baseline Plans**

A number of distributors stated that they wanted an opportunity to update their baseline plan before their mandatory TOU date is set. In some cases, this request was made because the distributor was experiencing delays in completing the upgrades to its consumer information systems that are required to implement TOU pricing. Some distributors also filed a revised baseline plan following the issuance of the June Proposed Determination.

The Board notes that, in June 2009, the Board requested distributors to file a “baseline” plan that included monthly plans until June 2011 for their plans for meter installation, MDM/R meter enrollment and implementation of TOU pricing, as well as a quarterly filing of actions taken by each distributor to achieve the timelines set out in its baseline plan. Distributors have had ample opportunity to update their baseline plans since the initial 2009 filings, and some distributors did so prior to the issuance of the June Proposed Determination. The Board does not believe that it is necessary or desirable to allow distributors to file updated baseline plans that would have the effect of deferring

their mandatory TOU dates. For the purposes of the Final Determination, mandatory TOU dates that are set by reference to a distributor's baseline plan will continue to be based on the baseline plan as updated up to (but not beyond) June 24, 2010 (the date of the June Proposed Determination).

The Board confirms that, with the introduction of the reporting requirements described in section III below, the Board will no longer monitor the progress of distributors against the information filed in their baseline plans. There is therefore no need for distributors to file updated baseline plans for monitoring purposes.

### **C. Consumer Eligibility**

Some distributor representatives sought clarification as to whether all RPP eligible consumers are included in mandatory TOU pricing, including RPP eligible general service consumers that are demand metered. Section 3.4 of the SSS Code makes it clear that TOU pricing applies specifically to RPP consumers that have "eligible time-of-use meters" as defined. As such, mandatory TOU pricing does not apply to an RPP consumer that is demand metered unless the meter also qualifies as an "eligible time-of-use meter". There is currently no requirement in the SSS Code to install an "eligible time-of-use meter" for demand metered customers.

### **D. Other Issues**

Distributor representatives also identified one or more of the following as outstanding matters that should be resolved prior to the implementation of mandatory TOU pricing: (1) the finalization of an Operating Agreement to govern the commercial terms of the relationship between distributors and the SME; (2) the development of the capability of the MDM/R to support a billing format that meets the requirements of the *Electricity and Gas Inspection Act* (Canada), which is administered by Measurement Canada; and (3) the coordination of consumer awareness programs with the implementation of mandatory TOU pricing.

The Board acknowledges that these matters need to be addressed. However, the Board notes that processes are in place to ensure that each is resolved and that the Board will monitor progress towards the resolution of these matters as the implementation of TOU pricing proceeds in accordance with the schedule set out in this Determination.

The Board acknowledges that distributors may encounter extraordinary and unanticipated circumstances during the implementation of TOU pricing. The Board requests that any distributor encountering such circumstances bring these matters to the Board's attention without delay in order that the Board can assess the impact on the distributor's mandatory TOU date and assess whether any adjustment in that date is warranted.

### **III. Reporting Requirements**

The Board confirms that it will require that distributors provide additional information to enable the Board to monitor their progress in relation to the achievement of their mandatory TOU dates as set out in the June 24, 2010 letter that accompanied the June Proposed Determination. For convenience, the reporting requirements are reiterated below. The Board has adjusted the timing and content of the first report to reflect the fact that the Final Determination is being issued in late July, 2010 and to reflect that the timing of TOU billing may vary within a given service area depending on the billing cycle applicable to different RPP consumers within that service area.

The Board will require each distributor to file with the Board the completed "Self-Certification for Enrollment Testing" that has been accepted by the SME. The purpose of the Self-Certification is to indicate that the distributor has completed the necessary pre-testing activities to the satisfaction of the SME, and is ready to proceed into the formal testing process.

Each distributor must also file a monthly report with regard to its progress. The monthly report must include all of the information that is currently being filed on a quarterly basis. In addition, the monthly report must include information regarding the distributor's progress leading up to and through the MDM/R enrollment testing and meter enrollment process. Specifically, the distributor must file with the Board the information required by the SME's "LDC Information and Progress Report" regarding the major milestones related to integration with the MDM/R production system and TOU implementation. The first monthly report is due on **September 10, 2010** to cover the months of **July and August 2010**. Subsequent monthly reports are due on the **tenth (10<sup>th</sup>)** day of each month.

The first monthly report due on September 10, 2010 must also include a list of the dates on which each category of RPP consumer will start to be billed on the basis of TOU pricing, based on the billing cycle applicable to each.

### **IV. Coming Into Force**

The Final Determination as set out in Attachment A to this letter comes into force on today's date, being the date on which it is published on the Board's website after having been made by the Board.

This letter, including the Final Determination set out in Attachment A, will be available for public inspection on the Board's website at [www.oeb.gov.on.ca](http://www.oeb.gov.on.ca) and at the office of the Board during normal business hours.

Any questions relating to the Final Determination set out in Attachment A should be directed to the Market Operations Hotline at [market.operations@oeb.gov.on.ca](mailto:market.operations@oeb.gov.on.ca) or 416-440-7604. The Board's toll free number is 1-888-632-6273.

**DATED** at Toronto, August 4, 2010

**ONTARIO ENERGY BOARD**

Yours truly,

*Original signed by*

Kirsten Walli  
Board Secretary

- Attachment A: Determination Under Section 1.2.1 of the Standard Supply Service Code to Mandate Time-of-Use Pricing
- Attachment B: Comparison Version Showing the Final Determination relative to the June Proposed Determination (for information purposes only)
- Attachment C: Mandatory TOU dates for distributors that have already commenced MDM/R enrollment testing or that did not file a baseline plan
- Attachment D: Mandatory TOU dates for distributors that have not commenced MDM/R enrollment testing and whose meter enrollment date has already passed
- Attachment E: Mandatory TOU dates for distributors that have not commenced MDM/R enrollment testing and whose meter enrollment date has already passed

## Attachment A

### Final Determination Under Section 1.2.1 of the Standard Supply Service Code to Mandate Time-of-Use Pricing

The Ontario Energy Board (the “Board”) has made this determination under sections 1.2.1 and 1.3.3 of the Standard Supply Service Code.

#### Definitions:

“Baseline plan” means the information a distributor has filed with the Board in response to the Board’s letter of June 26, 2009, amended as applicable prior to June 24, 2010, setting out the distributor’s plan for smart meter deployment and application of time-of-use billing.

“Effective Determination Date” means the date on which this determination comes into effect.

“Mandatory TOU date” means the date determined by the Board as the date on which the commodity pricing provisions of section 3.4 become mandatory.

“MDM/R” means the meter data management and meter data repository.

“MDM/R enrollment testing” means the process that includes formal MDM/R system integration testing and qualification testing with the SME which, if successful, culminates in the distributor being cutover to the MDM/R production system.

“Meter enrollment” means the process of registering eligible time-of-use meters with, and reporting daily meter read data to, the MDM/R production system.

“Self-Certification for Enrollment Testing” means the document bearing that name and required by the SME to show that a distributor has completed the necessary pre-testing activities to the satisfaction of the SME, and is ready to proceed to MDM/R enrollment testing.

“SME” means the Smart Metering Entity, being the corporation incorporated, the limited partnership or the partnership formed or the entity designated pursuant to section 53.7 of the *Electricity Act, 1998* to accomplish the government’s smart metering initiative as defined in the *Electricity Act, 1998*.

#### Determination:

- A. *Distributors that have already commenced MDM/R enrollment testing or that did not file a baseline plan*
1. The mandatory TOU date for a distributor:

- i. that had commenced MDM/R enrollment testing on or prior to the Effective Determination Date; or
- ii. that had not filed a baseline plan with the Board prior to June 24, 2010,  
shall be the first day of the first billing cycle that commences 10 months from the Effective Determination Date.

*B. Distributors that have not commenced MDM/R enrollment testing and whose meter enrollment date has already passed*

2. The mandatory TOU date for a distributor:

- i. that had not yet commenced MDM/R enrollment testing as of the Effective Determination Date; and
- ii. whose baseline plan date for the commencement of meter enrollment had already passed as of the Effective Determination Date,

shall be the first day of the first billing cycle that commences 10 months from the Effective Determination Date.

*C. Distributors that have not commenced MDM/R enrollment testing and whose meter enrollment date has not yet passed*

3. A distributor:

- i. that had not yet commenced MDM/R enrollment testing as of the Effective Determination Date; and
- ii. whose baseline plan date for the commencement of meter enrollment had not already passed as of the Effective Determination Date,

shall be ready to commence MDM/R enrollment testing no later than one month prior to the date identified by the distributor in its baseline plan for commencing meter enrollment. For this purpose, a distributor will be considered ready to commence MDM/R enrollment testing on the date that it files with the Board a completed "Self-Certification for Enrollment Testing" that has been accepted by the SME.

4. The mandatory TOU date for a distributor referred to in paragraph 3 shall be the first day of the first billing cycle that commences 9 months from the date identified by the distributor in its baseline plan for commencing meter enrollment.

*D. Distributors with Multiple Billing Cycles*

5. Where a distributor has RPP consumers that are billed on different billing cycles, the reference in paragraphs 1, 2 and 4 to the “first day of the first billing cycle” shall be construed as including a reference to each such billing cycle, with the effect that each RPP consumer will commence to be billed on the basis of the commodity pricing provisions of section 3.4 depending on the billing cycle applicable to the RPP consumer.

#### **Coming into Effect**

This determination shall come into effect on **August 4, 2010** being the date on which this determination is published on the Board's website after having been made by the Board.

## Attachment B

### Comparison Version Showing the Final Determination relative to the June Proposed Determination (for information purposes only)

The Ontario Energy Board (the “Board”) has made this determination under sections 1.2.1 and 1.3.3 of the Standard Supply Service Code.

#### Definitions:

“Baseline plan” means the information a distributor has filed with the Board in response to the Board’s letter of June 26, 2009, amended as applicable prior to June 24, 2010, setting out the distributor’s plan for smart meter deployment and application of time-of-use billing.

“Effective Determination Date” means the date on which this determination comes into effect.

“Mandatory TOU date” means the date determined by the Board as the date on which the commodity pricing provisions of section 3.4 become mandatory.

“MDM/R” means the meter data management and meter data repository.

“MDM/R enrollment testing” means the process that includes formal MDM/R system integration testing and qualification testing with the SME which, if successful, culminates in the distributor being cutover to the MDM/R production system.

“Meter enrollment” means the process of registering eligible time-of-use meters with, and reporting daily meter read data to, the MDM/R production system.

“Self-Certification for Enrollment Testing” means the document bearing that name and required by the SME to show that a distributor has completed the necessary pre-testing activities to the satisfaction of the SME, and is ready to proceed to MDM/R enrollment testing.

“SME” means the Smart Metering Entity, being the corporation incorporated, the limited partnership or the partnership formed or the entity designated pursuant to section 53.7 of the *Electricity Act, 1998* to accomplish the government’s smart metering initiative as defined in the *Electricity Act, 1998*.

#### Determination:

- A. *Distributors that have already commenced MDM/R enrollment testing or that did not file a baseline plan*

1. The mandatory TOU date for a distributor:
- i.            that had commenced MDM/R enrollment testing on or prior to the Effective Determination Date; or
  - ii.            that had not filed a baseline plan with the Board prior to June 24, 2010,
- shall be the first day of the first billing cycle that commences 10 months from the Effective Determination Date.

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B. *Distributors that have not commenced MDM/R enrollment testing and whose meter enrollment date has already passed*

2. The mandatory TOU date for a distributor:
- i. that had not yet commenced MDM/R enrollment testing as of the Effective Determination Date; and
  - ii. whose baseline plan date for the commencement of meter enrollment had already passed as of the Effective Determination Date,
- shall be the first day of the first billing cycle that commences 10 months from the Effective Determination Date.

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C. *Distributors that have not commenced MDM/R enrollment testing and whose meter enrollment date has not yet passed*

3. A distributor:
- i. that had not yet commenced MDM/R enrollment testing as of the Effective Determination Date; and
  - ii. whose baseline plan date for the commencement of meter enrollment had not already passed as of the Effective Determination Date,
- shall be ready to commence MDM/R enrollment testing no later than one month prior to the date identified by the distributor in its baseline plan for commencing meter enrollment. For this purpose, a distributor will be considered ready to commence MDM/R enrollment testing on the date that it files with the Board a completed "Self-Certification for Enrollment Testing" that has been accepted by the SME.

4. The mandatory TOU date for a distributor referred to in paragraph 3 shall be the first day of the first billing cycle that commences 9 months from the date identified by the distributor in its baseline plan for commencing meter enrollment.

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D. Distributors with Multiple Billing Cycles

5. Where a distributor has RPP consumers that are billed on different billing cycles, the reference in paragraphs 1, 2 and 4 to the “first day of the first billing cycle” shall be construed as including a reference to each such billing cycle, with the effect that each RPP consumer will commence to be billed on the basis of the commodity pricing provisions of section 3.4 depending on the billing cycle applicable to the RPP consumer.

**Coming into Effect**

This determination shall come into effect on August 4, 2010 being the date on which this determination is published on the Board’s website after having been made by the Board.

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**Appendix C: Distributors that have already commenced MDM/R enrollment testing or that did not file a baseline plan**

Distributor	Date in Baseline indicating commencement of enrolment	Mandatory Enrollment testing date	Mandatory TOU Date*
Chatham-Kent Power	N/A	N/A	June 2011
Cooperative Hydro Embrun	N/A	N/A	June 2011
ENWIN Utilities	N/A	N/A	June 2011
Halton Hills Hydro	N/A	N/A	June 2011
Horizon Utilities	N/A	N/A	June 2011
Hydro One Brampton	N/A	N/A	June 2011
Hydro One Networks	N/A	N/A	June 2011
Hydro Ottawa	N/A	N/A	June 2011
Milton Hydro	N/A	N/A	June 2011
Newmarket-Tay Hydro	N/A	N/A	June 2011
Powerstream Inc.	N/A	N/A	June 2011
Toronto Hydro	N/A	N/A	June 2011
Veridian Connections	N/A	N/A	June 2011

\*Note: The month indicated is the earliest month in which TOU billing must commence. The actual date(s) will depend on the distributor's billing cycles.

**Appendix D: Distributors that have not commenced MDM/R enrollment testing and whose meter enrollment date has already passed**

Distributor	Date in Baseline indicating commencement of enrolment	Mandatory Enrollment testing date	Mandatory TOU Date*
Algoma Power Inc.	Aug 2010	N/A	June 2011
Atikokan Hydro	May 2010	N/A	June 2011
Clinton Power	Apr 2010	N/A	June 2011
Enersource Hydro Mississauga	Apr 2010	N/A	June 2011
Essex Powerlines	Oct 2009	N/A	June 2011
Fort Frances Power	Jun 2010	N/A	June 2011
Greater Sudbury Hydro	Mar 2010	N/A	June 2011
Guelph Hydro	Mar 2010	N/A	June 2011
Innisfil Hydro	Apr 2010	N/A	June 2011
Kenora Hydro	Apr 2010	N/A	June 2011
Kingston Electricity Distribution Ltd	Jul 2010	N/A	June 2011
Kitchener-Wilmot Hydro	May 2010	N/A	June 2011
Lakeland Power	Jan 2010	N/A	June 2011
London Hydro	Jun 2009	N/A	June 2011
Middlesex Power	Jan 2010	N/A	June 2011
Midland Power	Aug 2010	N/A	June 2011
Norfolk Power	Sep 2010	N/A	June 2011
Orangeville Hydro	Jul 2010	N/A	June 2011
Orillia Power	Jun 2010	N/A	June 2011
Oshawa PUC	Jun 2010	N/A	June 2011
Renfrew Hydro	Aug 2010	N/A	June 2011
Sioux Lookout	May 2010	N/A	June 2011
Thunder Bay Hydro	Apr 2010	N/A	June 2011
Tillsonburg Hydro	Dec 2009	N/A	June 2011
Wasaga Distribution	Jun 2010	N/A	June 2011
Waterloo North Hydro	Mar 2010	N/A	June 2011
Wellington North Power	Jan 2010	N/A	June 2011
West Perth Power	Nov 2009	N/A	June 2011

\*Note: The month indicated is the earliest month in which TOU billing must commence. The actual date(s) will depend on the distributor's billing cycles.

**Appendix E: Distributors that have not commenced MDM/R enrollment testing and whose meter enrollment date has not yet passed**

Distributor	Date in Baseline indicating commencement of enrolment	Mandatory Enrollment testing date	Mandatory TOU Date*
Bluewater Power	Jan 2011	Dec 2010	Oct 2011
Brant County Power	Dec 2010	Nov 2010	Sep 2011
Brantford Power	Oct 2010	Sep 2010	Jul 2011
Burlington Hydro	Oct 2010	Sep 2010	Jul 2011
Cambridge and North Dumfries	Jan 2011	Dec 2010	Oct 2011
Centre Wellington Hydro	Jun 2011	May 2011	Mar 2012
Chapleau	Dec 2010	Nov 2010	Sep 2011
CNPI - Fort Erie	Mar 2011	Feb 2011	Dec 2011
COLLUS Power	Oct 2010	Sep 2010	Jul 2011
Eastern Ontario Power	May 2011	Apr 2011	Feb 2012
ELK Energy	Dec 2010	Nov 2010	Sep 2011
Erie-Thames Powerlines	Dec 2010	Nov 2010	Sep 2011
Espanola Regional Hydro Distribution	Jan 2011	Dec 2010	Oct 2011
Festival Hydro	Dec 2010	Nov 2010	Sep 2011
Grimsby Power	Dec 2010	Nov 2010	Sep 2011
Haldimand County Hydro	Dec 2010	Nov 2010	Sep 2011
Hearst Power	Dec 2010	Nov 2010	Sep 2011
Hydro 2000	Jan 2011	Dec 2010	Oct 2011
Hydro Hawkesbury	Jan 2011	Dec 2010	Oct 2011
Lakefront Utilities	Dec 2010	Nov 2010	Sep 2011
Niagara Falls Hydro	Jan 2011	Dec 2010	Oct 2011
Niagara-on-the-Lake Hydro	Nov 2010	Oct 2010	Aug 2011
North Bay Hydro	Dec 2010	Nov 2010	Sep 2011
Northern Ontario Wires	Oct 2010	Sep 2010	Jul 2011
Oakville Hydro	Oct 2010	Sep 2010	Jul 2011
Ottawa River Power	Jan 2011	Dec 2010	Oct 2011
Parry Sound Power	Dec 2010	Nov 2010	Sep 2011
Peterborough Distribution Inc.	Apr 2011	Mar 2011	Jan 2012
Port Colborne	Mar 2011	Feb 2011	Dec 2011
PUC Distribution	Jan 2011	Dec 2010	Oct 2011
Rideau St. Lawrence	Mar 2011	Feb 2011	Dec 2011
St. Thomas Energy	Jan 2011	Dec 2010	Oct 2011
Welland Hydro	Dec 2010	Nov 2010	Sep 2011
West Coast Huron Energy	Nov 2010	Oct 2010	Aug 2011
Westario Power	Dec 2010	Nov 2010	Sep 2011
Whitby Hydro	Mar 2011	Feb 2011	Dec 2011
Woodstock Hydro	Mar 2011	Feb 2011	Dec 2011

\*Note: The month indicated is the earliest month in which TOU billing must commence. The actual date(s) will depend on the distributor's billing cycles.