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October 7, 2014

Mr. John Pickernell
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

Re: EB-2014-0198
Consultation on Estimated Billing for Electricity Distributors

Dear Mr. Pickernell:

The Draft Report of the Board dated September 18, 2014 in respect to Policy Review of Electricity and Natural Gas Distributors' Residential Customer Billing Practices and Performance EB-2014-0198 invited response to questions raised in section 4.4.

Please find London Hydro's completed response to those questions raised.

Respectfully yours,

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Consultation on Estimated Billing for Electricity Distributors (EB-2014-0198)

In the Draft Report of the Board - Electricity and Natural Gas Distributors' Residential Customer Billing Practices and Performance - the Board's states its expectation that all electricity distributors' customers have bills based on actual consumption data, with limited exceptions. The Board makes notice that it intends to establish a residential consumer estimated billing policy for electricity distributors.

London Hydro hereby responds to the following Board prepared questions and provides comment on the proposed policy of the Board regarding estimated billing for residential consumers:

1. Are there circumstances that should be considered as exceptions to the requirement for all residential consumers to receive bills based on actual meter reads?

London Hydro response:

Ideally actual meter reads would always be available in a timely way for customer billing. However, there are real operational circumstances that should be considered as exceptions. Firstly, in emergency or disaster situations, electrical power may be restored to customers by field crews where metering and business operations may follow. Also, emergencies or weather or environmental conditions may prevent access to obtain meter readings. Advanced Electric Meters and related communications may suffer from hardware and software failures. Communication system failures due to equipment issues or external factors such as interference may require significant evaluation to remedy. Also, customer or site specific issues such as physical access, tampering or damage may be a factor. In all, there are a variety of circumstances that could cause meter readings to be unavailable to fully support customer bills.

2. Are there any barriers to moving to eliminate estimated billing? Are these offset by any benefits?

London Hydro response:

The explanation in question 1 above identifies some circumstances that would need to be addressed individually to identify the barriers that would need to be addressed in order to realize elimination of estimated billing. Providing a high level of customer service and cost effective solutions are weighed in addressing barriers. Some of the barriers that exist today are that much of this technology is still in its infancy. Vendors are continually working to improve their wireless solutions however they are not quite where they need to be yet. This can be combatted by increasing the redundancy of the smart meter infrastructure by adding additional towers and increasing the bandwidth, however this is offset by additional costs to the LDC and to our customers.

3. For those limited circumstances where an estimated bill may be required, what is the appropriate methodology to be used in estimating the data?

London Hydro response:

When possible, “like day” information is used. When binding registers are available, the LDC’s billing or ODS system should estimate the data between the binding registers using a like day or historical calculation.

When binding register readings are available where there is no like day information (i.e. new customer), our calculations have shown that a linear estimation of the data between those two binding registers is not significantly different in cost to the customer than if a much more time consuming and complex estimation algorithm is used.

If binding registers are not available, a daily consumption should be used from the new meter to determine the amount of consumption used for the period in question. Then the approach mentioned above should be used with the new calculated register reading.

If a customer feels that the estimate is not reflective of their actual usage, through dialogue with the customer, an adjustment to the estimate can be made on case by case basis.

4. Should the policy establish a similar measure to that in the GDAR (< 0.5% of meters with no read for 4 consecutive months)? If so, what should this measure be and should there be a disincentive for not meeting the measure?

London Hydro response:

There are situations where London Hydro is unable to access the meter. An argument could be made that if after a predetermined number of attempts are made to access the meter with no success, the electricity be disconnected by the LDC until such time as access is granted to inspect the meter. Any disincentive for not meeting the measure should either discount the Utility for access issues beyond their control, or provide a basis for obtaining access.

Similarly, any incentive should be in line with the costs required to overcome the barriers in providing the desired levels.