



The Voice Of Ontario's Electricity Distributors

November 18, 2010

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board, 2300 Yonge Street  
P.O. Box 2319  
Toronto, ON M4P 1E4

*Via Board's Web portal and by mail*

Dear Ms. Walli:

**Re: Board File No. EB- 2010- 0321  
Proposed Amendments to the Smart Sub-Metering Code and the Distribution  
System Code**

The Electricity Distributors Association (EDA) is the voice of Ontario's local distribution companies (LDCs). The EDA represents the interests of over 80 publicly and privately owned LDCs in Ontario.

The EDA has reviewed the proposed amendments to the Distribution System Code (DSC) and the Smart Sub-Metering Code which were issued on October 28, 2010, and identified a key issue with respect to the amendments to Section 5.1.9 of the DSC.

Section 5.1.9 currently states that distributors shall install smart metering when requested by either by the board of directors of a condominium corporation; or the developer of a condo building under construction. This is consistent with Section 53.17 of the *Electricity Act, 1998* and Ontario Regulation 442/07.

The purpose of October 28 proposed amendments was to recognize and implement the new legislative provisions in Ontario Regulation 389/10. O. Reg 389/10 indicates that a suite meter provider may install suite meters in multi-unit complexes, which include condominiums and rental apartments. It also makes reference to landlords, building owners and condominium board (master consumers) retaining suite meter providers to install suite meters.

The proposed change to Section 5.1.9 would require distributors to install unit smart meters when requested to do so by the master consumer. This requirement on distributors to install smart meters moves beyond what was provided in O. Reg 389/10. The new regulation is permissive and does not mandate that distributors install suite meters upon request of the master consumer.

In submissions made to the Ministry of Energy on the proposed suite metering regulations under *Energy Consumer Protection Act, 2010*, the EDA noted that distributors did not want to be providers of last resort to rental apartments. The EDA noted that requiring distributors to supply

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*Electricity Distributors Association*

3700 Steeles Ave. W., Suite 1100, Vaughan, Ontario L4L 8K8 Tel 905.265.5300 1.800.668.9979 Fax 905.265.5301 email@eda-on.ca www.eda-on.ca

smart metering when master consumers have a choice between multiple sub-meter providers and their local distributor, could create a situation where the local distributor is left to be the default provider when all other suite meter providers (namely the sub-metering companies) refuse to provide an offer to suite meter the building. Sub-metering providers can selectively cherry pick which buildings to serve. Therefore situations can occur where sub-meter providers do not provide their services, and the distributor, in this situation, should not be left with the responsibility to be the provider of last resort. The EDA's identification of this issue may be the reason why the new regulation does not indicate that the distributor is the provider of last resort.

The EDA understands that section 3 of the DSC requires the distributor to set the basic connection under its Conditions of Service and allows the distributor to recover costs above and beyond the basic connection through a connection charge or equivalent payment. As a result, the potential additional costs of installing smart meters in building units must be funded by the building. Nevertheless, there may be other ongoing costs, not recoverable upfront under existing rules that could result from providing smart metering in multi-unit complexes, and distributors believe it is not appropriate to have the distributor be a default provider in a market deemed to be competitive.

In past OEB decisions, the OEB has stated that the sub-metering market, including the distribution of electricity on behalf of an exempt distributor behind the bulk meter, was contestable, and that multi-unit customers should have choice to enable the contestable market for sub-metering. Distributors were allowed to enter the market directly to promote competition and offer another choice. In a contestable market there should not be a default provider.

The EDA submits that the proposed amendments to Section 5.1.9 are not required, conflict with the new regulations, and are inconsistent with the contestable sub-metering market, and therefore should not be implemented.

Yours truly,

“Original Signed”

Maurice Tucci  
Policy Director, Regulation