

March 15, 2011

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
PO Box 2319  
27<sup>th</sup> Floor  
2300 Yonge Street  
Toronto ON M4P 1E4

Dear Ms. Walli:

**Re: Application for Adjustment to Mandated Time-of Use End Date**

**Application**

On August 4, 2010 the Ontario Energy Board issued its final determination under section 1.2.1 of the Standard Service Supply Code to mandate time of use pricing (EB-2010-0218). In this decision the mandatory date for Kingston Hydro to achieve time of use pricing was June 2011.

The Applicant is requesting an adjustment from June 2011 to October 2011 such that all conversions are completed by the end of October 2011.

Further the Applicant requests that this matter be disposed of by way of a written hearing.

**Background**

Kingston Hydro has been actively implementing all the required components of the smart metering infrastructure since 2008 when the applicant participated in the London Hydro Consortium in the procurement of smart meter infrastructure.

An agreement to purchase Sensus metering technology was completed in September 2009 with communication infrastructure being installed in October of that year and meter installations beginning in February 2010.

As indicated in the most recent filing (end Feb 2011) 98.5% of residential and 95.70% of General service less than 50 meters have been installed.

---

Registration with the MDM/R was completed in January 2010 and the applicant had worked with IESO staff to develop a detailed project plan which was completed and filed with the IESO on May 31, 2010. It had been the applicant's intention to submit the detailed project plan as an update to the Baseline plan that had originally been filed in July 2009 with the next reporting period for the end of June 2010. The detailed plan indicated enrolment testing commencing in January 2011.

In correspondence with the Board on July 6, 2010 the Applicant requested the following:

*"The detailed project plan reflects considerably more work to understand all of the requirements of MDM/R enrolment than the baseline plans that had been submitted previously. Given that Kingston Hydro has been diligently working since January with the IESO with a view to compliance we respectfully request the project plan as it has been reviewed by the IESO be considered to replace the January baseline for the purpose of meeting the Code requirements as they are being considered by the Board."*

When the Board issued the proposed determination date on June 24, 2010 no further updates to the baseline were accepted. Had the detailed project plan been considered the enrolment date would not have been considered "passed" and the effective determination date would have been the first billing period in October, 2011.

Subsequently the Board issued the determination that Kingston Hydro must achieve time of use pricing by June 2010.

At the time of the determination the company determined that the best course of action would be to attempt to achieve the required implementation date and has been proceeding with that objective.

#### **Factors Considered in making the request**

Billing services are provided to Kingston Hydro by its affiliate, Utilities Kingston. Utilities Kingston maintains a customized system that is capable of billing for all utility services (electricity, natural gas, water and wastewater) in Kingston. The application is supported by in-house staff.

A concerted effort has been made to achieve the effective date of June 2011, however the project schedule has been impacted, in part, by the required implementation of new Customer Service Standards and the Ontario Clean Energy Benefit. Invoices including the Ontario Clean Energy Benefit commenced on January 19, 2011.

In the filing of the Applicant on December 7, 2010 it was indicated that activities starting with activity 5 Unit testing, were behind schedule by approximately two months but that the applicant still hoped to achieve the June implementation date.

The Applicant is currently in the process of final preparations to complete the Self Certification for Enrolment Testing and hopes to complete System Integration testing on April 18, 2011 and Qualification testing on May 16, 2011.

Bills are issued on a daily basis with all customers being billed within a one month billing cycle. In order to meet the current mandatory date effective June 4, 2011 all customers would have to be transitioned to time of use billing within a single billing cycle.

It is the Applicant's view that a preferred deployment would permit transitioning smaller numbers of customers in the initial billing cycles so that quality control can be assured and that any issues that may result can be corrected before impacting large numbers of customers. In addition, a gradual implementation would ensure sufficient resources in the Call Centre to respond appropriately to anticipated questions, as well as to ensure a manageable impact on the Billing and Metering groups as they adjustment many new business processes. The ramped up approach will also permit monitoring and adjustment of communications to facilitate a smooth transition.

### **Conclusion**

Kingston Hydro is committed to the implementation of time of use pricing for residential and small commercial customers. The requested amendment from June 2011 to October 2011 would assist in ensuring a smoother transition to time of use billing for our customers.

Respectfully submitted,



Nancy Taylor  
Vice President and Corporate Secretary