

Board Staff Interrogatories
Application for Exemption from Mandated Time of Use Pricing
Date for Regulated Price Plan Consumers
Enersource Hydro Mississauga Inc.
EB-2011-0028
Dated March 25, 2011

Board Staff question 1

Preamble

Enersource Hydro Mississauga Inc. (“Enersource”) applied on January 28, 2011 for an exemption from its mandatory Time-of-Use (“TOU”) date of June 2011 for Regulated Price Plan (“RPP”) consumers (the “Initial Application”). On March 16, 2011 Enersource submitted an amendment to its application (the “Application Amendment”). The Application Amendment stated that “three prerequisite conditions for Enersource to be able to complete implementation of TOU rates by May, 2012 have not yet materialized.”

The first prerequisite condition Enersource references is that “the provincial Meter Data Management/Repository (the “MDM/R”) is not yet stable; Enersource has built its interface systems to be compatible with version 7.0 of the MDM/R which has not yet been available for Enersource to begin enrollment testing; it would be imprudent for Enersource to conduct enrollment testing with a version of the MDM/R soon to be superseded.”

In its October 2010 through December 2010 reports to the Board, the Smart Metering Entity (SME) stated that Release 7.0 was experiencing delays related to the discovery and fixing of defects.¹ The SME’s December 2010 report stated that “The deployment of EnergyIP R7.0 to the production system was delayed until early March due to the discovery of a critical defect related to verification and editing.”²

On March 7, 2011 the SME announced that “Smart meters are not being enrolled with the MDM/R between March 2 and March 14 due to the planned EnergyIP Version 7.0 software upgrade taking place this week.”³ On March 16, 2011 the SME announced that “EnergyIP Version 7.0 is available in the MDM/R’s Sandbox

¹ See, for example, OEB Monitoring Report: http://www.ontarioenergyboard.ca/OEB/Documents/SMdeployment/SME_TOU_Mandate_Progress_Report_Oct2010.pdf

² OEB Monitoring Report: http://www.ontarioenergyboard.ca/OEB/Documents/SMdeployment/SME_TOU_Mandate_Progress_Report_Jan2011.pdf

³ Smart Metering Entity website: <http://www.smi-ieso.ca/node/585>

testing environment and is expected to be installed in the MDM/R's Enrolment and Quality Assurance (QA) testing environment by early April."⁴

Questions

- a) Please explain why delays surrounding the first prerequisite condition were not included in Enersource's Initial Application.
- b) Please indicate when Enersource was prepared to begin enrollment testing.
- c) Please describe in detail Enersource's view that it was "imprudent" to conduct enrollment testing on the previous version of the MDM/R, including reference to the costs and issues related to conducting enrollment testing on the previous version of the MDM/R.
- d) Did Enersource seek guidance from the SME regarding conducting enrollment testing on the previous version of the MDM/R and/or Version 7.0? If yes, please indicate the guidance sought and the response. If no guidance was sought, please explain why.
- e) Is Enersource aware of other LDCs that built their interface systems to be compatible with version 7.0 of the MDM/R? Is Enersource aware of any LDCs that proceeded to conduct enrollment testing with the previous version of the MDM/R? Is Enersource aware of any LDCs that specifically delayed testing to await version 7.0? If so, please list them.
- f) Is Enersource testing EnergyIP Version 7.0 in the MDM/R's Sandbox testing environment? If yes, please state when Enersource started testing, and its status. If not, please explain why not and when it expects to.

Board Staff question 2

Preamble

In its Application Amendment Enersource states the second prerequisite condition is that "the SME agreement between the IESO and Enersource has not yet been executed and, as such, represents an unquantifiable risk." Enersource also noted this issue in its July 8, 2010 submission to the Board on Mandatory TOU Pricing for RPP Customers (EB-2010-0218), stating that "A formal Operating Agreement to govern the commercial terms of the relationship between the SME and LDCs is required. Final terms and

⁴ Smart Metering Entity website: <http://www.smi-ieso.ca/node/590>

conditions and rights and obligations to address liabilities and performance must precede final meter registrations.”⁵

On November 30, 2010, the IESO filed a written submission with the Board in relation to its Application for the SME Licence (EB-2007-0750). In that submission the IESO stated that “As a transitional substitute for a Board-approved SME-LDC Agreement, each LDC receiving service from the MDM/R has the option to enter into a Memorandum of Understanding with the IESO that references the SME/LDC Agreement (and the associated Terms of Service) and remains in force until a Board-approved agreement is in place.”⁶

As of January 31, 2011 there were 4,600,987 installed smart meters, 2,414,933 meters enrolled with the MDM/R, and 1,738,477 customers on TOU billing.⁷

On March 7, 2011 the SME announced that 25 LDCs were integrated with the MDM/R and 27 LDCs were testing their systems and business processes with the MDM/R as of Feb. 25.⁸

Questions

- a) Please explain why the second prerequisite condition was not included in Enersource’s Initial Application.
- b) With specific reference to the transitional substitute in place, please explain in detail why Enersource believes the second prerequisite condition is an obstacle to the implementation of TOU billing.
- c) Given that approximately 2.4 million meters are enrolled in the MDM/R, 25 LDCs are integrated with the MDM/R, and 1.7 million customers are on TOU billing, please explain in detail why Enersource believes the second prerequisite condition is an obstacle to its implementation of TOU billing.
- d) Is the second prerequisite condition specific to Enersource or is Enersource aware of other LDCs that have delayed TOU implementation because of this issue? If so, please list them.

⁵ See Enersource Submission:

<http://www.rds.oeb.gov.on.ca/webdrawer/webdrawer.dll/webdrawer/rec/202893/view>

⁶ EB-2007-0750, IESO Submission , Filed November 30, 2010.

⁷ OEB Monitoring Report:

http://www.oeb.gov.on.ca/OEB/Documents/SMdeployment/SM_Monitoring_Report_Jan2011.pdf

⁸ Smart Metering Entity website: <http://www.smi-ieso.ca/node/585>

- e) Is Enersource aware of any statement or direction by the Government of Ontario or the Board that indicates that the lack of execution of a SME agreement with the IESO represents a reason to delay TOU implementation?
- f) Please describe in detail the “unquantifiable risk” the second prerequisite condition represents.

Board Staff question 3

Preamble

In its Application Amendment Enersource states the third prerequisite condition is that “a comprehensive resolution of the issue of smart meter compliance with Measurement Canada (“MC”) legislation has not been reached. Enersource has determined that it is an unacceptable business risk to operate in non-compliance with MC regulations.”

Enersource also noted this issue in its July 8, 2010 submission to the Board on Mandatory TOU Pricing for RPP Customers (EB-2010-0218), stating that “While a working group has been assigned to develop a solution to this issue, no solution exists at this time. Billing in a manner compliant with Measurement Canada regulation is the responsibility of the LDC and for Enersource, non-compliance is an unacceptable business risk.”⁹

The SME’s January monthly filing with the Board states that “In December, the IESO contracted for the development and delivery of software to support the 2011 Measurement Canada solution requirements within the required timeframes, and for software to enable early LDC testing of the new billing interface.”¹⁰

As of January 31, 2011 there were 4,600,987 installed smart meters, 2,414,933 meters enrolled with the MDM/R, and 1,738,477 customers on TOU billing.¹¹

⁹ See Enersource Submission:

<http://www.rds.oeb.gov.on.ca/webdrawer/webdrawer.dll/webdrawer/rec/202893/view>

¹⁰ SME Time-of-Use Mandate Progress Report Through January 31, 2011:

http://www.oeb.gov.on.ca/OEB/Documents/SMdeployment/SME_TOU_Mandate_Progress_Report_Jan2011.pdf

¹¹ OEB Monitoring Report:

http://www.oeb.gov.on.ca/OEB/Documents/SMdeployment/SM_Monitoring_Report_Jan2011.pdf

On March 7, 2011 the SME announced that 25 LDCs were integrated with the MDM/R and that 27 LDCs were testing their systems and business processes with the MDM/R as of Feb. 25.¹²

Questions

- a) Please explain why the third prerequisite condition was not included in Enersource's Initial Application.
- b) With specific reference to the MC solution development in place, please explain in detail why Enersource believes this issue to be an obstacle to the implementation of TOU billing. Please explain the "unacceptable business risk" that Enersource has identified.
- c) Given that approximately 2.4 million meters are enrolled in the MDM/R, 25 LDCs are integrated with the MDM/R, and 1.7 million customers are on TOU billing, please explain in detail why Enersource believes the third prerequisite condition to be an obstacle to its implementation of TOU billing.
- d) Is Enersource aware of other LDCs that have delayed TOU implementation because of the third prerequisite condition? If so, please list them.
- e) Is Enersource aware of any statement or direction by the Government of Ontario or the Board that indicates that the third prerequisite condition represents a reason to delay TOU implementation?

Board Staff question 4

Preamble

In its Application Amendment Enersource "requests that the Board approve an indefinite exemption for both Enersource's mandatory TOU date, as well as the date by which TOU billing must be completed."

In its Initial Application Enersource indicated that it had planned "to commence implementation of TOU pricing by May, 2011, and had planned a staged roll out over eighteen months, concluding in October, 2012," but had "identified a way to accelerate its previously stated roll out schedule for TOU billing by six months [...] demonstrating commencement by May, 2011 and completion of the residential conversion to TOU billing by May, 2012."

¹² Smart Metering Entity website: <http://www.smi-ieso.ca/node/585>

Questions

- a) Please specify and explain in detail the extraordinary and unanticipated circumstances that occurred between Enersource's Initial Application on January 28, 2011 and its March 16, 2011 Application Amendment that resulted in this change to Enersource's TOU implementation plan.
- b) Please describe in detail the rationale for Enersource's request for an "indefinite exemption" to complete TOU implementation and why Enersource has not requested a new mandatory TOU date.
- c) Please state how Enersource's application can be approved in the absence of Enersource requesting a new date.
- d) Please indicate Enersource's intentions, timelines, and expectations regarding integrating with the MDM/R and the implementation of TOU billing.
- e) Please confirm the current status of Enersource's smart meter deployment and TOU implementation, including progress on the ten milestones reported each month.
- f) Please describe in detail how costs are affected by the delay in Enersource's TOU implementation.
- g) Please indicate the amount Enersource collected from its customers in smart meter adder funding in 2009 and 2010.
- h) Please indicate the amount Enersource spent on smarting metering and TOU implementation in 2009 and 2010.