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June 8, 2011

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
P. O. Box 2319
2300 Yonge Street
Suite 2700
Toronto, Ontario
M4P 1E4

Dear Ms. Walli:

**Re: Enersource Hydro Mississauga Inc. Application for Adjustment to
Mandated Time-of-Use Date EB-2011-0028**

Enclosed is the final submission (the "Final Submission") of Enersource Hydro Mississauga Inc. for the subject proceeding.

This Final Submission is being filed via the Board's RESS, and is being provided via email to the Independent Electricity System Operator. Two hard copies of the Final Submission will be delivered via courier to the Board.

If you have any questions or concerns with this Final Submission, please do not hesitate to contact me at (905) 283-4098.

Sincerely,

(Original signed by)

Gia M. DeJulio
Director, Regulatory Affairs

cc. Dan Pastoric, Executive Vice-President and Chief Operating Officer
Tom Wasik, Director, Strategic Projects
Helen Lainis, Independent Electricity System Operator, helen.lainis@ieso.ca

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**Final Submission
Enersource Hydro Mississauga Inc.
EB-2011-0028**

1. This is the final submission of Enersource Hydro Mississauga Inc. (“Enersource”) in reply to the submissions filed by Ontario Energy Board Staff (“Board Staff”) and the Independent Electricity System Operator (the “IESO”).
2. Enersource makes submissions on the following matters:
 - Status of the Meter Data Management/Repository;
 - Status of compliance with Measurement Canada regulations;
 - Smart Metering Entity Agreement; and
 - Indefinite Exemption.

Status of the Meter Data Management/Repository (“MDM/R”)

Enersource’s Proposal

3. At the time of the original submission, January 27, 2011, of Enersource’s application (the “Application”) to adjust its mandated Time-of-Use (“TOU”) date, Release 7.0, also known as version 7.0, of the MDM/R had not yet been available for Enersource to begin enrollment testing. In the amendment to the Application, Enersource stated that it would be imprudent for Enersource to conduct enrollment testing with a version of the MDM/R (version 6.3) soon to be superseded.¹

Positions of Parties

4. Board Staff “is of the view that while version 7.0 of the MDM/R may have previously been a valid reason for delaying Enersource’s original TOU implementation plan, this

¹ See Amendment to Application dated March 16, 2011, p. 2.

perceived obstacle no longer exists and is not a valid reason for Enersource to request an indefinite exemption to TOU implementation.”²

5. The IESO filed a submission in this proceeding, stating that it “takes no position on Enersource’s request for an exemption from its mandatory TOU implementation date. The IESO is committed to working with Enersource to assist in the implementation of TOU pricing. The IESO and the MDM/R are ready to support Enersource’s completion of unit, enrolment testing and transition to production when Enersource is ready to do so.”³
6. The IESO also stated that “Enersource undertook unit testing in a sandbox environment for Release 7.0 starting in August 2010. On October 7, 2010 Enersource submitted a System Integration Testing (“SIT”) self-certification form to the IESO. The SME requested evidence of successful testing from Enersource on October 26, 2010. To date, the SME has not accepted Enersource’s SIT self-certification as this is pending receipt and review of Enersource’s unit testing results. Enersource cannot advance to enrolment testing until its certification has been accepted by the SME.”⁴

Enersource’s Response

7. Enersource acknowledges the progress that the IESO has made with respect to implementing version 7.0 of the MDM/R. Enersource is working with the IESO and has completed unit testing as required in preparation for enrollment testing. Enersource agrees with the IESO’s statement that Enersource is scheduled to begin enrollment testing using Release 7.0 on June 20, 2011.
8. With respect to SIT self-certification, Enersource advises that an updated SIT self-certification form was re-submitted to the IESO on June 1, 2011. All requested evidence to support successful testing was submitted by Enersource on June 7, 2011, and Enersource has now received the IESO’s acceptance of the submitted SIT self-certification form.

² See Board Staff submission, dated June 1, 2011, p. 3.

³ See the IESO submission, dated June 1, 2011, para. 4.

⁴ *Ibid.*, para. 8.

9. Completion of this milestone allows Enersource to proceed with the revised schedule discussed later in this submission.

Status of Compliance with Measurement Canada Regulations

Enersource's Proposal

10. In summary, Enersource submitted that requiring the implementation of TOU billing through the MDM/R, while being out of compliance with Measurement Canada regulations, would introduce unacceptable business and legal risks, reduce integrity of the smart meter data, increase customer dissatisfaction, increase call centre volumes, and erode customer confidence in general.⁵

Positions of Parties

11. Board Staff submitted that dealing with customer complaints is part of normal business functions, not unique to Enersource, and that Board staff does not see anticipated concerns over "estimated" bills to be an extraordinary and unanticipated circumstance.⁶
12. The IESO submitted that it has been working together with LDCs, Measurement Canada and the provincial government to facilitate a sector approach that achieves compliance with Measurement Canada's TOU billing requirements. It noted, however, that additional time may be needed to adapt the solution for Enersource's AMI technology. During that period, the IESO will provide support to Enersource and Measurement Canada for reconciliation and dispute resolution, including the establishment of an off-bill process to respond to requests for data needed to reconcile any variances between the total billed energy consumption and the meter's cumulative register reads. The IESO claimed that it is confident that it can work with Enersource and Measurement Canada to find a solution that will allow Enersource to implement TOU rates in a manner that complies with Measurement Canada's requirements.⁷

⁵ See Exhibit 1.3, p. 3.

⁶ See Board Staff Submission, dated June 1, 2011, p. 4.

⁷ See IESO Submission, dated June 1, 2011, paragraphs 16 and 19.

Enersource's Response

13. With all due respect to Board Staff, Enersource submits that a designation of “estimate” on every eligible customer’s bill for an indefinite period of time is not part of normal business functions. Enersource surveys repeatedly reveal that customers believe that “estimated” bills are inaccurate bills, and the number of calls to customer service increases directly proportional to the number of estimated bills issued.
14. Enersource is pleased to participate in the efforts that the IESO is taking in addressing the Measurement Canada compliance issue for Enersource's meters and, in particular, the IESO's acknowledgement of the need to adapt a solution for Enersource's AMI technology. As members of the Cumulative Register Reading Working Group, and in separate meetings between the two companies, Enersource and the IESO have continued to engage in detailed and technical discussions with the goal of ensuring Enersource's compliance with Measurement Canada regulations.
15. Based on the IESO's stated expectations⁸ that the MDM/R changes will be implemented to support LDC compliance with Measurement Canada's requirements, Enersource is confident that its non-first generation (i.e., non-REX1) Elster meters will produce data that is compliant and on a schedule that meets Measurement Canada's January 2012 timeline.
16. The IESO-described “off-bill process” amounts to a manual reconciliation process which is not practical for the large number of first generation (i.e., REX1) Elster meters (approximately 88,000 installed by Enersource). However, Enersource expects that the IESO will continue its efforts to find a practical Measurement Canada compliance solution for ALL meters, including REX1 Elster meters, at which point Enersource will convert its customers with REX1 Elster meters to TOU pricing.

⁸ See IESO submission, dated June 1, 2011, para. 18.

Smart Metering Entity Agreement

Enersource's Proposal

17. Enersource proposed that there is a critical need for thorough and detailed executed documentation between itself and the SME as the systems service provider. Without an agreement, Enersource is exposed to risks in operations, billings and cash flow, service level performance, dispute resolution, as well as the risk of no satisfactory resolution to the Measurement Canada non-compliance issue.⁹

Positions of Parties

18. Board Staff submitted that although a form has not yet been approved by the Board, Section 5.4.1 of the Distribution System Code does not prohibit Enersource from entering into a Memorandum of Understanding ("MOU") with the SME. It added that while other Ontario utilities faced similar issues with respect to an MOU with the SME, those utilities have progressed in their implementation of TOU rates, and this was not an obstacle to TOU implementation and not a valid reason for an indefinite exemption.¹⁰
19. The IESO submitted that it and the Electricity Distributors Association (the "EDA") had finalized the SME/LDC Agreement and supporting Terms of Service in February 2010. It further stated that each LDC that is operating in the MDM/R production environment can enter into an MOU with the IESO that incorporates the SME/LDC Agreement and Terms of Service. The MOU is a transitional substitute until such time as the SME/LDC Agreement has been approved by the Board under section 5.4.1 of the Distribution System Code.¹¹

Enersource's Response

20. Enersource reiterates its concerns with respect to entering into a critical business services relationship without a complete and unconditional agreement in place. The current MOU does not capture many of the issues and concerns raised by Enersource in

⁹ See Exhibit 1.2 p. 3.

¹⁰ See Board Staff Submission, dated June 1, 2011, pp. 3-4.

¹¹ See IESO Submission, dated June 1, 2011, paras. 13-15.

this Application. The Board is in a position to compel the IESO to either come forward with an application seeking approval of the SME/LDC Agreement which was finalized more than a year ago in February, 2010, or, in the very least, to amend the MOU to address these issues raised by Enersource, particularly the issue of compliance with Measurement Canada regulations.

21. Enersource expects the IESO to conclude an OEB-approved agreement. In the meantime, Enersource seeks the Board's guidance on the provisions it should anticipate with respect to SME transaction rates and their cost recovery.

Indefinite Extension

Enersource's Proposal

22. In its amended Application, Enersource noted that three prerequisite conditions for Enersource to be able to complete implementation of TOU rates by May, 2012 had not yet materialized. These conditions are addressed in greater detail above. Enersource concluded that resolution of these conditions "is outside of Enersource's control, but we continue to monitor and try to positively influence their progress".¹²
23. Enersource requested 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.

Positions of Parties

24. Board Staff submitted that "Enersource's request for an indefinite extension should be denied" but that "it is clear that Enersource will not be able to meet its current mandated TOU implementation date of June 2011."¹³ Board Staff went further to recommend that if the Board were to decide that an extension was warranted, Enersource should provide

¹² See Amendment to Application dated March 16, 2011, p. 2.

¹³ See Board Staff Submission dated June 1, 2011, p. 5.

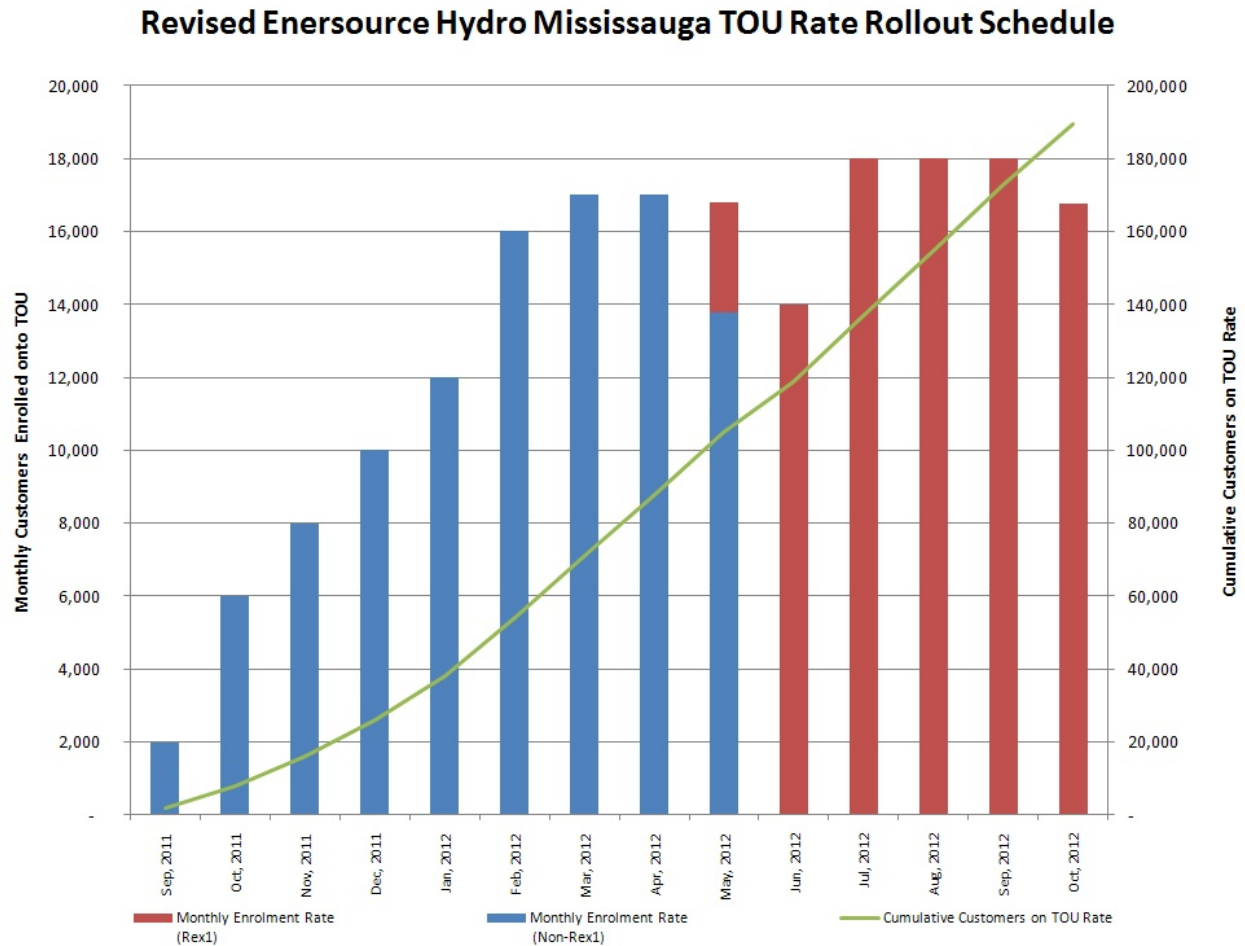
a (presumably revised) schedule for enrolling meters with the MDM/R and billing customers on a TOU basis. Board Staff is of the view that a May 2012 deadline would provide a reasonable implementation schedule to complete TOU conversions.

25. As stated in paragraph 5 above, the IESO takes no position on Enersource's request for an exemption from its mandatory TOU implementation date.

Enersource's Response

26. Enersource provides in Attachment A, a revised proposed schedule for the enrollment of meters and the implementation of TOU pricing, which commences September, 2011 and concludes (for non-first generation or non-REX1 Elster meters) by May, 2012. This planned schedule is indicated in the blue bars of the graph.
27. Similar to Enersource's schedule filed in its original Application, the planned rate of implementation starts off modestly and then grows exponentially to a large number of conversions each month. Again, this allows Enersource to closely manage the process, to maintain quality assurance, to adjust the process as needed, and to meet customers' expectations with respect to responses to inquiries should problems arise.
28. Customers with first generation (or REX1) Elster meters (approximately 88,000) would be converted to TOU pricing as soon as the IESO establishes a permanent and practical solution for all meters to be compliant with Measurement Canada regulations. The IESO has not yet confirmed a date when such a solution will be available; however, in discussions with the IESO, Enersource has learned that such a solution may be available in mid-2012 and for planning purposes Enersource has built a TOU conversion schedule on that projected implementation date. That schedule is indicated in the red bars of the graph in Attachment A.
29. Enersource submits that the Application for an exemption to its mandated June, 2011 implementation of TOU pricing ought to be approved, and that the revised proposed schedule in Attachment A also be approved.

Attachment A



Prerequisites for Enersource TOU Billing:

1. MDM/R is stable and in production; and
2. IESO promotes into production a practical Measurement Canada compliant solution, which does not require every bill to be designated "estimated", **for all Enersource smart meters** by May 2012.