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## WATERLOO NORTH HYDRO INC.

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June 14, 2011

VIA RESS and Courier

Ontario Energy Board  
P.O. Box 2319  
27<sup>th</sup> Floor  
2300 Yonge Street  
Toronto, Ontario  
M4P 1E4

**Attention: Ms. Kirsten Walli, Board Secretary**

Dear Ms Walli:

**Re: Waterloo North Hydro Inc.  
Application for an Extension to Mandated Time-of-Use Pricing Date for its  
General Service < 50 kW RPP Customers**

This application seeks an extension to Waterloo North Hydro Inc.'s (WNH) mandated Time-of-Use (TOU) pricing date for its approximately 5,400 General Service <50 kW RPP Customers, pursuant to the Determination under Section 1.2.1 of the Standard Supply Service Code to Mandate Time-of-Use Pricing for Regulated Price Plan Customers (Board File EB-20100218). An issue that has just come to light, and which will be described in more detail in this application, prevents WNH from billing its TOU <50 kW customers until a remedy by the Smart Meter Infrastructure Vendor (Sensus) can be put in place.

Having considered WNH's supporting information that focuses on developments that are outside of its control, WNH respectfully requests that the Ontario Energy Board (the "Board") extend WNH's mandatory TOU pricing date for its General Service < 50 kW RPP Customers from June, 2011 to January 31, 2012.

WNH requests that this application be disposed of by way of a written hearing.

WNH has filed this application via the web portal RESS and couriered two copies to the Board Offices.

If there are any questions, please contact myself, Albert Singh at 519-888-5542, [asingh@wnhydro.com](mailto:asingh@wnhydro.com) or Chris Amos at 519-888-5541, [camos@wnhydro.com](mailto:camos@wnhydro.com).

Yours truly,

*Original Signed By*

Albert P. Singh, MBA, CGA  
Vice-President, Finance & CFO

## **Application**

To seek an extension to WNH's mandated Time-of-Use (TOU) pricing date, for its General Service <50 kW RPP Customers, pursuant to the Determination under Section 1.2.1 of the Standard Supply Service Code to Mandate Time-of-Use Pricing for Regulated Price Plan Customers (Board File EB-2010-0218). Having considered WNH's supporting information as described in more detail below, WNH respectfully requests that the Ontario Energy Board (the "Board") adjust WNH's mandatory TOU pricing date for this class of customers from June 2011 to January 31, 2012.

## **Background**

On August 4, 2010, the Ontario Energy Board issued a final determination under Section 1.2.1 of the Standard Supply Service Code to require the implementation of TOU pricing for Regulated Price Plan ("RPP") customers. The determination established mandatory TOU implementation dates for each electricity distributor. The date of June 2011 is the determined mandatory TOU date for WNH.

In its August 4, 2010 letter, it stated, "The Board acknowledges that distributors may encounter extraordinary and unanticipated circumstances during the implementation of TOU pricing. The Board requests that any distributor encountering such circumstances bring these matters to the Board's attention without delay in order that the Board can assess the impact on the distributor's mandatory TOU date and assess whether any adjustment in that date may be warranted."

Sensus Flexnet ("Sensus") was selected as the provider of the Smart Metering Infrastructure (SMI) technology or Smart Meters for WNH. On June 3, 2011, Sensus notified WNH, that it had investigated and confirmed that interval data delivered from 3 phase meters is suspect due to improper time-alignment of the consumption intervals. Sensus recommends that the meters should not be relied on for time aligned Time-Of-Use (TOU) interval billing of customers.

Sensus has advised that an upgrade of its radio firmware is required and that this version of the radio firmware would be submitted to Measurement Canada for approval. After Measurement Canada approval is received, Sensus will distribute the approved firmware to distributors. Distributors then would be required to install and test the upgraded firmware extensively prior to any commencement of use of these 3 phase meters for TOU billing purposes.

Based on the information from the Sensus, and the lack of specific time frames, WNH cannot be definitive at this time as to the TOU pricing commencement date. Sensus has stated that it believes that all necessary steps can be completed to have the meters fully compliant by Jan 31, 2012. Unfortunately, remedies for the situation that WNH finds itself in are not in the hands of WNH, but in the hands of Sensus and Measurement Canada.

Sensus has advised WNH regarding these 3 phase meters that, "To the extent that these same meters are being used as consumption meters, all reported consumption data is accurate and can be used for (RPP) billing purposes."

WNH has been diligent in fulfilling the requirements and mandates of the OEB and the Province with respect to Smart Meter/TOU. WNH has completed all of its SME Milestones, installed 99.2 % of its Smart Meters and has already commenced the billing of its Residential RPP Customers on TOU pricing. It should be noted that Residential customers are not included in WNH's application for this extension of the mandated TOU pricing date.

### **Smart Meter/TOU Monthly Filings**

WNH has kept the Board updated, through its Smart Meter/TOU Filings, as to ongoing issues with the installation of its 3 phase smart meters as follows:

Month of September 2010 WNH stated “Participating in the Provincial Smart Meter Initiative - Phase 2 RFP led by London Hydro, the Sensus Flexnet Smart Metering Infrastructure (SMI) was evaluated as the preferred SMI for Waterloo North Hydro Inc. (WNH). On June 22, 2009 WNH entered into a purchase agreement with Sensus for the SMI which included the supply of approximately 2,700 polyphase meters to meet the requirement for Commercial and Industrial (C&I) customers <50kW. Sensus produced a conforming meter, received Measurement Canada approval and communicated plans to go into production and deliver the meters in a time frame which would allow WNH to complete installation by December 31, 2010. WNH, in good faith, relied on the assurances of Sensus and their communicated delivery dates, that the meters would be available.

On September 17, 2010, KTI Limited, the Canadian sales agent for Sensus, communicated to WNH that Sensus was no longer committed to providing the polyphase meters. WNH has been working with KTI to provide an alternative source of meters and expedited delivery schedules. Delivery of the meters will not occur until November 2010. It is expected that installation of these meters will be complete by March 30, 2011.

WNH anticipates that the GS<50 customers affected by the delay in meter delivery, will meet the timelines as detailed in TOU/Smart Meter Appendix A that was e-mailed to the Board Secretary on October 7, 2010.”

Month of February 2011 WNH stated “In its September 2010 Smart Meter/TOU Filing, Waterloo North Hydro Inc. (WNH) indicated that its supplier would no longer provide polyphase meters and that WNH was working to obtain the 2,700 polyphase meters it required to complete its GS <50 kW Installations. WNH indicated that it anticipated that all of the 2,700 meters would be installed by March 31, 2011. WNH is having difficulty obtaining the last shipment of these polyphase meters and anticipates that approximately 425 of these meters will not be installed by March 31, 2011. WNH anticipates that these 425 meters will be installed prior to the start of the scheduled TOU Billing Dates.”

Month of June 2011 WNH stated “Waterloo North Hydro (WNH) was notified on June 3, 2011 by its Smart Meter Software Vendor, that its 3 phase meters should not be relied upon for TOU interval billing of customers. WNH, thus, will be filing an Application for Adjustment of its Mandated TOU Date for its General Service < 50 kW RPP customers.”

### **General Service < 50 kW RPP Customers**

WNH is applying for an extension to its mandated TOU pricing date for all of its General Service (GS) < 50 kW RPP customers. WNH is concerned that a rollout of TOU pricing to only a portion of this class of customers may produce an unfair competitive advantage or disadvantage to individual customers. WNH may have customers in this class that are competing businesses and that equitable treatment may not be applied if some of these GS < 50 RPP businesses are billed on TOU pricing and the other businesses are billed on Regulated Price Plan pricing.

### **Conclusion**

WNH remains committed to the completion of the transition to TOU. WNH is currently in the process of transitioning its Residential RPP Customers to TOU pricing and is applying for an extension to its mandated TOU pricing date for its General Service < 50 kW RPP customers only. As detailed above, WNH is seeking this extension due to circumstances outside the control of WNH.

We trust that the Board will support and approve this application as being prudent given the circumstances.

For the factors that have been identified, WNH respectfully requests that the Board adjust WNH's mandatory TOU pricing date for all its General Service < 50 kW RPP customers from June 2011 to January 31, 2012.