



Operations Department
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June 14, 2011

VIA RESS and Courier

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

Attention: Ms. Kirsten Walli, Board Secretary

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

Dear Ms Walli:

This application seeks an extension to Kitchener-Wilmot Hydro Inc.'s (KWH) mandated Time-of-Use (TOU) pricing date for its approximately 7,500 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 KWH from billing its General Service < 50 kW RPP customers until a remedy by the Smart Meter Infrastructure Vendor (Sensus) can be put in place.

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

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

KWH 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, Wilfred Meston at 519-749-6178, wmeston@kwhydro.on.ca or Margaret Nanninga at 519-749-6177, mnanninga@kwhydro.on.ca.

Yours truly,

Wilfred Meston, P. Eng.
Vice-President Operations

Application

To seek an extension to KWH'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 KWH's supporting information as described in more detail below, KWH respectfully requests that the Ontario Energy Board (the "Board") adjust KWH's mandatory TOU pricing date for these 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 KWH.

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 Metering Systems ("Sensus") was selected as the provider of the Smart Metering Infrastructure (SMI) technology or Smart Meters for KWH. On June 3, 2011, KWH was notified by Sensus that it had investigated and confirmed that interval data delivered from certain 3 phase meters is suspect due to improper time-alignment of the consumption intervals. Sensus recommended that the meters should not be relied on for time aligned Time-Of-Use (TOU) interval billing of customers. A copy of the Sensus Product Information Notice (PIN: EM-25-May-2011-1) is attached for your reference. Initially, the Sensus Project Manager indicated to KWH staff that this notice did not affect KWH-owned meters, however in a

conference call held June 10, 2011 it was confirmed that KWH meters purchased for the General Service < 50 kW RPP Customers were affected. This Product Information Notice applies to approximately 88% of the meters utilized by KWH in the General Service < 50 kW RPP Customer class.

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 then 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 Sensus and the lack of specific time frames provided, KWH 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 KWH finds itself in are not in the hands of KWH, but in the hands of Sensus and Measurement Canada.

Sensus has advised KWH 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.”

KWH has been diligent in fulfilling the requirements and mandates of the OEB and the Province with respect to Smart Meter/TOU. KWH has completed all of its SME Milestones, installed 99.0 % of its Smart Meters and has already commenced rollout of TOU pricing to its Residential RPP Customers. It should be noted that Residential customers are not included in KWH’s application for this extension of the mandated TOU pricing date.

General Service < 50 kW RPP Customers

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

Conclusion

KWH remains committed to the completion of the transition to TOU. KWH 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, KWH is seeking this extension as a result of circumstances outside the control of KWH.

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

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



Subject: <u>Suspect Interval Data on Elster ALPHA A3 Meters</u>		PIN: <u>EM-25-May-2011-1</u>	
		Date: <u>May 25, 2011</u>	
Distribution:	Sensus Internal & Sales: <input checked="" type="checkbox"/>	Distributors & Agents: <input checked="" type="checkbox"/>	Customers: <input checked="" type="checkbox"/>

Dear Valued Sensus Customer:

Sensus has investigated and confirmed that interval data delivered in the FlexNet Supervisory Message from Elster ALPHA A3 meters running FlexNet communications firmware version 1.2.B is suspect due to improper time-alignment of the consumption intervals. This is caused by delays of metrology register read requests from the FlexNet communications board or by metrology real-time clock adjustments by the network.

Therefore, Sensus recommends that ALPHA A3 meters (w/512k Flash) with FlexNet board firmware Version 1.2.B should not be relied on for time aligned Time-Of-Use (TOU) interval billing of customers.

Sensus has developed a firmware update for the FlexNet communications (radio) module in the Elster ALPHA A3 meters that addresses these issues. Therefore, any customers intending to use the Elster ALPHA A3 meters for TOU billing purposes are required to execute the following actions before initiating TOU billing. **To be clear, Elster meter metrology firmware will not be updated.**

Actions for Resolution:

1. Sensus will release V2.1.3.0 FlexNet radio firmware from System Test week of May 30, 2011
2. Elster FlexNet radio firmware Version 2.1.3.0 will be immediately submitted to Measurement Canada for approval. It is expected that Sensus will receive Measurement Canada approval (via a Modification Acceptance Letter) to load this firmware image within the next 2-3 weeks with work commencing immediately upon receipt of the approval.
3. Sensus will distribute this new firmware to customers for over-the-air update of their Elster meter populations. In the coming days, Sensus' Project Management will be working on a deployment schedule for all Canadian customers and your specific Project Manager will be in contact with you directly to schedule the upgrade.
4. Sensus AEMs and Project Managers will aid customers in over the air updating of all Elster meters in their meter populations. There are no RNI FlexWare version dependencies, however on-air firmware upgrades are most efficient when run using FlexWare version 2.2.x or greater.

Important: To the extent that these same meters are being used as consumption meters, all reported consumption data is accurate and can be used for billing purposes.

Sincerely,
Chuck Armatys