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Vice-President, Finance & CFO

WATERLOO NORTH HYDRO INC.

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August 3, 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

Dear Ms Walli:

**Re: Waterloo North Hydro Inc. EB-2011-0240
Interrogatory Response re: Extension to Mandated Time-of-Use
Pricing Date for its General Service < 50 kW RPP Customers**

Pursuant to the Board Staff Interrogatories of July 27, 2011, Waterloo North Hydro Inc. (WNH) has provided its Interrogatory Responses below.

WNH has filed this document via the OEB 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 or Chris Amos at 519-888-5541, camos@wnhydro.com.

Yours truly,

Original Signed By

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

a) Please confirm the status of Waterloo North's smart meter deployment, including meters with suspect data, for its General Service <50kW customers and TOU implementation as of July 1, 2011.

WNH had 5,430 eligible General Service < 50 kW customers at July 1, 2011, of which 5,269 customers had a smart meter installed (97.0%). WNH has not commenced TOU implementation for its General Service < 50 kW customers.

WNH also notes that as of July 1, 2011 it had installed all but 3 of its Residential Smart Meters (in difficult access locations). WNH has commenced TOU Billing for its Residential Customers and should have this rollout complete in August 2011. WNH has demonstrated that it has been diligent in fulfilling the requirements and mandates of the OEB and the Province with respect to Smart Meters and TOU.

b) Please provide greater detail on the firmware problem encountered including any documentation from the vendor on the firmware problem and solution as well as the schedule for delivery and final testing of the upgrade.

WNH has attached the Product Information Notice received from Sensus describing the firmware problem and solution as "Attachment A" and an e-mail from Sensus confirming a compliant status by January 31, 2012 as "Attachment B".

c) With respect to General Service <50 kW customers, please provide details on the number of customers with:

a. Eligible TOU meters requiring firmware upgrades;

2,957 meters

b. Eligible TOU Meters that do not require firmware upgrades;

2,312 meters

c. No eligible TOU meter installed as of yet.

161 meters

d) Are there any technical issues delaying the rollout of TOU billing to customers with eligible TOU meters that do not require firmware upgrades? If there are no technical issues, are there any extraordinary and unanticipated circumstances that are causing a delay in TOU rollout to these customers?

WNH does not have any technical issues delaying the rollout of TOU billing to customers with eligible TOU meters that do not require firmware upgrades. As stated in WNH's application *"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."*

e) Please confirm that Waterloo North Hydro has the capacity to perform mixed-mode billing.

WNH has the capacity to bill its General Service < 50 kW accounts on either a TOU or Non-TOU basis within the same billing cycle.

f) Please provide the TOU billing rollout schedule for customers with TOU meters requiring firmware upgrades.

WNH does not yet have its billing schedule determined at this time for 2012. In general, with a TOU commencement date of January 31, 2012, and moving its General Service < 50 kW customers on a cycle by cycle billing basis, it will take approximately 60 days to move all of these customers to TOU billing. WNH notes that as with any conversion process, successful TOU billing is dependent on smart meter performance being acceptable on a location by location basis.

g) Are there any other factors (internal and/or external) that Waterloo North has identified that may hinder its ability to comply with their requested mandatory TOU date?

WNH currently has not identified any other factors that may hinder its ability to comply with its requested mandatory dates. As WNH stated in its application “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.”

h) Please provide the details of and rationale for Waterloo North’s proposed TOU billing implementation schedule for the General Service <50kW customers, including:

i. billing cycle dates

As stated in WNH’s response to IR (f) above, WNH does not yet have its billing schedule determined at this time for 2012. WNH bills approximately 96% of its General Service < 50 kW customers on a bi-monthly basis, thus, the TOU billing implementation would be staggered over billing cycles in approximately the 60 days following a January 31, 2012 implementation date.

ii. number of customers on each billing date.

WNH has provided below the number of < 50 kW customers in each of its billing cycles that are referred to in IR (h) (i) above.

Number of General Service < 50 kW Customers in Each Billing Cycle

Cycle #	# < 50 kW Customers in Cycle
1	193
2	113
3	27
4	49
5	130
6	141
7	198
8	84
9	17
10	238
11	166
12	259
13	204
14	151
15	61
16	143
17	24
18	69
19	173
21	188
22	836
25	49
26	125
27	271
28	249
29	37
30	17
31	182
32	232
33	201
34	141
36	28
37	50
38	168
40	3
44	162
95	51
Total	5,430

Attachment A



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

Attachment B



Fw: Elster meter f/w issue Customer Communication
Max Guerrero
to:
Herb Haller
06/10/2011 03:04 PM
Hide Details
From: Max Guerrero/WNHYDRO

To: "Herb Haller" <HHaller@wnhydro.com>

Fyi

From: "Mike Higgins" [mike.higgins@ktiltd.on.ca]
Sent: 06/10/2011 06:53 PM GMT
To: "Yuki Yamada" <yyamada@util-assist.com>; Marianne Blasman; Max Guerrero; "Wilf Meston" <wmeston@kwhydro.on.ca>; "Terry Eggleston" <teggleston@kwhydro.on.ca>; "Michael Knox" <mknnox@camhydro.com>; "Dom Longo" <dlongo@camhydro.com>
Subject: Re: Elster meter f/w issue Customer Communication

I have confirmed that we believe that all necessary steps can be completed to have the meters fully compliant by jan 31, 2012

Regards,
Mike

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