

Hydro One Networks Inc.

7th Floor, South Tower
483 Bay Street
Toronto, Ontario M5G 2P5
www.HydroOne.com

Tel: (416) 345-5700
Fax: (416) 345-5870
Cell: (416) 258-9383
Susan.E.Frank@HydroOne.com

**Susan Frank**

Vice President and Chief Regulatory Officer
Regulatory Affairs

February 7, 2014

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

Dear Ms. Walli:

**Hydro One Comments on Proposed Amendments to the Distribution System Code
Board File No.: EB-2013-0311**

Hydro One Networks Inc. (Hydro One) agrees that it is appropriate to amend section 5.1.3 of the Distribution System Code (DSC) to require a distributor to install a Metering Inside the Settlement Timeframe (MIST) meter for a customer that is forecast by the distributor to have a monthly average peak demand during a calendar year of over 50 kW. Enabling spot pricing based on actual consumption data from a MIST meter (instead of the net system load shape of the distributor) promotes fairness and will also provide this group of customers with greater ability and incentive to manage their electricity consumption and costs.

Hydro One's current metering policy is generally aligned with the Ontario Energy Board's (OEB's) proposed changes in section 5.1.3 of the DSC. We are already providing MIST meters for new customers whose average monthly peak demand is forecasted by Hydro One to exceed 50 kW¹. It is also our current plan to install, in the next few years, MIST meters for all existing customers whose average monthly peak demand exceeds 50 kW. As such, most of the costs associated with installing these new MIST meters, in accordance with the proposed amendments, are already included in Hydro One's current business plan and its recent 2015-2019 distribution rate filing.

Currently, a significant portion of Hydro One's small demand customers (i.e. over 50 kW and less than 500 kW) are billed based on Hydro One's net system load shape. The enablement and implementation of spot pricing for this group of customers will impose additional costs (as compared to Hydro One's current business plan). Based on a preliminary assessment, further upgrades to Hydro One's computer infrastructure and enhanced business processes will be required.

¹ See section 2.3.7.3 (page 58) of Hydro One's Conditions of Service document. [Link to Hydro One's Conditions of Service](#)

Hydro One recommends the use of deferral accounts, where required, to allow distributors to capture material prudently incurred incremental costs associated with this proposed DSC amendment.

Thank you for the opportunity to provide these comments.

Sincerely,

Susan Frank