

January 26, 2016

**Application by the Smart Metering Entity for extension of the SME/LDC Agreement and
Disbursement of the Service Levels Credit Account**

The SME is providing the following information to assist the Board in its decision making with respect to the disbursement of the Service Levels Credit Account as described in the Application by the Smart Metering Entity, EB-2015-0298.

- A. A summary of the funds into the Service Level Credits' variance account
- B. Whether the Service Level Credits Account is an interest bearing account
- C. The process to allocate the service level credits amongst distributors as determined by the SME Steering Committee

[A] Summary of Funds:

The table below lists the incidents and respective months where the MDM/R Operational Service Provider (OSP) did not meet the Service Levels contracted for, and as such Service Level Credits were deducted from the monthly operate fee.

Incident Month	Description	Service Level Credit Amount
July 2013	On July 8 th and 9 th , the Meter Read Data Processing was delayed due to implications caused by the GTA Power Outage. IBM's backup generator did not work as expected causing the MDM/R infrastructure to be unavailable for an extended period of time.	\$133,161.66
October 2013	On October 10 th and 11 th , the MDM/R Production environment suffered a forced outage. Root cause identified was a hardware failure (faulty "flex cable" between 2 processors). Business Continuity process was followed and appropriate communication was issued. It took 20 hours to diagnose the problem and return to normal processing, which was considered excessive.	\$127,704.96
June 2014	On June 6 th , based on a ticket from an LDC related to connectivity issues, an investigation was launched and a connectivity issue impactful to all LDCs was found. As part of the recovery process, a certain application was re-started. However, the recovery process was not entirely successful leading to	\$85,420.86

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	some LDC files not being sent to the respective LDCs. Since that incident, the OSP and IESO agreed to add additional recovery steps into the recovery process.	
October 2014	On October 14 th , a ticket was raised by an LDC concerned about missing billing responses. The OSP and IESO Operate teams were able to correlate the missing responses to an application core dump that impacted the transmission of billing responses to LDCs.	\$22,422.98

[B] Is the Service Level Credits Account an interest bearing account?

No, the account is not interest bearing.

[C] Allocation Process:

The SME is required to report to the SME Steering Committee with any pertinent information in the possession of the SME which may assist the SME Steering Committee in determining which MDM/R service recipients were affected by the service failure. As Toronto Hydro does not make use of the service it was not affected by any service failure. For the incidents in 2013 and 2014, the SME Steering Committee acknowledged that all incidents were equally impactful to all LDCs.

The SME Steering Committee has approved the following guidelines for the disbursement of Service Level funds:

- a. Allocation is applicable to LDCs impacted by the different incidents as reviewed and determined by the SSC,
- b. All incidents that impact a service available to all LDCs or delivered to all LDCs are classified as equally impactful to all LDCs, regardless of the number of LDCs who attempted and were denied the use of the service, or did not receive the service during the period of the incident.
- c. Allocation is applicable to active MDM/R service recipients during the period when the Service Level Credits were collected,
- d. Subject to (c) the allocation is done in proportion to the customers of each LDC as per the OEB's Yearbook of Distributors for the year that the Service Level Credits were accumulated, and
- e. The Service Level Credits are to be disbursed to LDCs according to the IESO Settlement process used for invoicing the Smart Metering Charge to LDCs.