



Ontario  
Energy  
Board | Commission  
de l'énergie  
de l'Ontario

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## **DECISION AND ORDER**

### **EB-2020-0159**

## **HYDRO ONE NETWORKS INC.**

### **Application for Electricity Distribution Licence Amendment**

**BY DELEGATION, BEFORE: Brian Hewson**  
Vice President,  
Consumer Protection & Industry Performance

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**March 25, 2021**

## INTRODUCTION

Through this Decision and Order, the Ontario Energy Board (OEB) amends Hydro One Networks Inc.'s (Hydro One) electricity distribution licence (ED-2003-0043), in order to exempt it from compliance with section 5.1.3 of the Distribution System Code (DSC) until no later than December 31, 2024 for a defined set of consumers.

The exemption provided by this Decision and Order is in respect of approximately 270 customers, each with a monthly average peak demand of over 50 kW, located in hard to reach areas of the province (the hard to reach customers).

This Decision and Order is being issued by the Delegated Authority, without holding a hearing pursuant to section 6(4) of the *Ontario Energy Board Act, 1998*.

## BACKGROUND

On May 21, 2014, the former section 5.1.3 of the DSC was deleted and replaced with the following:

- 5.1.3 For the purposes of measuring energy delivered to the customer, a distributor shall:
- a) install a MIST meter on any new installation that is forecast by the distributor to have a monthly average peak demand during a calendar year of over 50 kW; and
  - b) have until August 21, 2020 to install a MIST meter on any existing installation that has a monthly average peak demand during a calendar year of over 50 kW.

On July 23, 2020, the OEB issued a Decision and Order (EB-2020-0187) amending the licences of all electricity distributors to exempt them from having to comply with section 5.1.3 (b) of the DSC until March 31, 2021. In that decision, the OEB acknowledged that the operational challenges related to the COVID-19 emergency could reasonably lead to an unavoidable delay in meeting the August 21, 2020 deadline by many distributors. The OEB also stated that, if any distributor required an extension beyond March 31, 2021, it would need to make a separate application.

## APPLICATION

Hydro One has filed an application requesting an exemption from both provisions of section 5.1.3 of the DSC until December 31, 2024.

The request relates to 72 identified customer facilities whose MIST meters do not communicate reliably with Hydro One's Advanced Metering Infrastructure (AMI) network, and another 198 identified customer facilities whose MIST meters have shown to not communicate reliably and on an intermittent basis with Hydro One's AMI network for Hydro One to interval bill them for their actual consumption each billing cycle.

Hydro One states, that although the 270 hard to reach customers have been provided with interval meters as required by section 5.1.3 of the DSC, due to their remote location, Hydro One has faced challenges in connecting these meters to the network and getting these meters to communicate reliably once they are connected. Hydro One continues to experience the issues that it has reported to the OEB in the past, with regard to residential and GS<50 customers that are also located in hard to reach areas and for whom Hydro One is not able to issue regular monthly Time of Use bills based on actual meter readings<sup>1</sup>. Hydro One states that unique aspects of its service territory create many challenges preventing the utility from compliance with section 5.1.3 of the DSC, including the following key factors:

- Extremely low customer density in many parts of the service territory that makes it impossible to economically build out the AMI network to make these meters communicate reliably based on the current technology;
- The extreme rugged nature and topography of many parts of Hydro One's service territory (hills, valleys, Canadian Shield), which both block and/or absorb RF signal impacting signal strength and range;
- Extensive tree coverage and growth across many parts of Hydro One's service territory which impacts signal strength and range; and
- Private commercial cellular coverages are not present across Hydro One's service territory and therefore connectivity is not possible in many areas.

In the absence of technological advancements in automated meter reading infrastructure or cellular network expansion into the remaining hard to reach areas of Hydro One's service territory, the utility submits that it is not reasonably possible to

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<sup>1</sup> Hydro One is exempt from sections 2.10.1 and 7.11.1 to 7.11.7 of the DSC with regard to estimated billing and billing accuracy until December 31, 2024.

maintain reliable communication with some interval meters that are connected to the AMI network and bill these customers based on real-time energy pricing. Any possible options to get these meters to communicate more reliably are excessively costly and would result in upward pressure on rates. Therefore, Hydro One proposes to maintain those customer facilities for which this exemption is being sought on their current rate structures and meter reading frequency. Hydro One proposes that these facilities will continue to be billed based on their monthly peak demand and monthly energy consumption. Hydro One also proposes to annually report to the OEB on any progress made to improve meter communication reliability for these customer facilities and provide an assessment of the accuracy of the estimated bills that were issued to these customers over the previous 12 months.

## FINDINGS

The OEB accepts that, with respect to the approximately 270 hard to reach customers, as described in Hydro One's application, it is not yet feasible for Hydro One to economically implement interval billing and to make all MIST meters communicate reliably enough to issue regular monthly bills based on actual meter readings. The OEB finds that the exemption from section 5.1.3 of the DSC with regard to using the MIST meter data to bill the approximately 270 hard to reach GS>50 customers should be granted until December 31, 2024. Hydro One is expected to continue its efforts to identify cost-effective technological solutions during the exemption period.

The OEB finds that it would be of value to monitor Hydro One's progress in transitioning the hard to reach customers to monthly billing based on actual reads and billing accuracy with respect to the estimated bills. Therefore Hydro One shall report annually to the OEB on any progress made to improve meter communication reliability for these customer facilities and provide an assessment of the accuracy of the estimated bills that were issued to these customers over the previous 12 months.

## IT IS ORDERED THAT:

1. Hydro One Networks Inc.'s Electricity Distribution Licence ED-2003-0043, specifically Schedule 3 "List of Code Exemptions", is amended to include an exemption from section 5.1.3 of the Distribution System Code with respect to approximately 270 hard to reach customers with a monthly average peak demand of over 50 kW. This exemption expires on December 31, 2024.

**DATED** at Toronto, March 25, 2021

**ONTARIO ENERGY BOARD**

*Original Signed By*

Brian Hewson  
Vice President, Consumer Protection & Industry Performance