



February 7, 2014

Board Secretary  
Ontario Energy Board  
P.O. Box 2319  
27<sup>th</sup> Floor  
2300 Yonge Street  
Toronto, ON -M4P 1E4

*Via web portal and by courier*

Dear Board Secretary:

**Re: Board File No. EB - 2013- 0311  
Proposal to Amend Distribution System Code – Installation of Interval Meters for Customers  
over 50 kW but less than or equal to 500 kW.**

The Electricity Distributors Association (EDA) is the voice of Ontario's local distribution companies (LDCs). The EDA represents the interests of over 75 publicly and privately owned LDCs in Ontario.

In providing these comments, the EDA recognizes that some variation exists in the metering and billing policies and practices of its member LDCs. The EDA's submission is therefore intended to address the needs of all of its members, with the understanding that certain LDCs may have fewer constraints and are submitting comments separately.

The Ontario Energy Board (OEB) is proposing to amend the Distribution System Code (DSC) to require a distributor to install a Metering Inside the Settlement Timeframe (MIST) meter on any installation that is forecast by the distributor to have a monthly average peak demand during a calendar year of over 50 kW (i.e., General Service > 50 kW customers). Potentially many issues would arise by mandating interval meters for all General Service (GS) > 50 kW customers. While the EDA is supportive of allowing LDCs the option to do so, the EDA believes that mandating the installation of MIST meters for all existing GS > 50 kW customers within a 5 year period is not appropriate for the reasons cited in the following paragraphs.

Some of the existing GS > 50 kW but less than or equal to 500 kW customers already have either smart meters or interval meters installed, while the balance of the customers in this class have demand meters installed. Customers with interval meters have already paid for the installation of interval meters and in addition continue to pay for the communication line (dedicated phone line or internet connection). Customers with smart meters in this class have also paid for the installation of smart meters and are also receiving hourly pricing or time-of-use (TOU) pricing in accordance with Ontario Regulation (O. Reg.) 95/05. Therefore, there is no need to replace those smart meters with more expensive interval meters.

The EDA believes that it may be more appropriate to mandate the implementation of interval meters (including Measurement Canada-approved smart meters that qualify as MIST meters) for all GS customers with average demands over 200 kW. Many distributors believe the benefits of interval

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meters may not outweigh the considerable costs of interval meters for most customers between 50 kW and 200 kW. Smart meters are considerably less expensive and would continue to be an attractive option for many customers in this range. Smart meters could be used to provide the same hourly wholesale price signals as interval meters. We note that using smart meters for customers between 50 kW and 200 kW means demand charges may be based on hourly demands rather than existing rolling 15 minute peak. If demand is measured on an hourly basis for these customers, distribution rates may need to be adjusted to recover the same revenue. With this approach, existing installed smart meters would not need to be changed.

The 200 kW threshold could be revisited as metering technology continues to evolve and meters become more advanced and potentially less expensive. Additionally, communications technology such as TCP/IP internet connections replacing telephone lines will allow for future reduction in ongoing customer communications costs for interval meters.

Further, some GS Customers with over 200 kW demand have already got smart meters installed which are approved by Measurement Canada (MC). These customers in this group are able to have hourly meter data which can be used to bill the 'Hourly Ontario Energy Price (HOEP)'. Therefore, there should be no requirement to replace those MC-approved smart meters with interval meters.

Although the proposed wording for the revised DSC 5.1.3. does not indicate which data communication system to use, the notice says the OEB expects "distributors will install interval metering systems that communicate through the distributor's Advanced Metering Infrastructure (AMI) installed as part of Ontario's smart meter initiative". Interval meters are capable of providing data in more detail than smart meters in order to continue measuring demand on a rolling 15 minute basis as mechanical meters had done before. Currently, interval meters with higher level of capability typically use MV 90 software for validation, editing and estimating (VEE), and for managing metering data, whereas smart meters use the AMI system.

Distributors have already installed interval meters which can only provide data through MV 90, and do not have the capability to use the AMI. Distributors believe that it is costly to require interval meters to communicate with an AMI system designed only to be used with smart meters providing TOU data. Although interval meters can be purchased to communicate through the AMI, installation of AMI communication protocol would work out to be much more expensive than the existing MV 90 protocol. If these AMI capable interval meters were required to be purchased and installed, the EDA strongly recommends that existing interval meters and existing smart meters be grandfathered.

The metering data obtained from customers over 50 kW using either smart meters or new AMI-capable interval meters, should not be processed through the MDMR. There may be other settlement options that are preferred or already in use that fit the needs of the customer and the LDC. Distributors believe GS > 50 kW customers that pay demand charges should use the Distributor's system for VEE as is currently done for existing interval meter customers.

If AMI-capable interval meters must be used for all GS > 50 kW customers, the existing smart meters for some customers in this class would need to be replaced with a significantly more expensive AMI-capable interval meter, creating avoidable stranded costs. There would also be costs to the customer for changing the customer-owned meter base to accept the interval meter. Under the scenario where interval meters are used for all GS > 50 kW customers, and MV 90 is used for VEE, there are additional customer costs for dedicated communication lines and MV 90 points. In both scenarios the total costs

for interval meters, stranded costs and systems would be very expensive for customers between 50 kW and 200 kW.

The EDA also notes that there will be some additional operating costs associated with the daily data transactions that will not be offset by the nominal reduction in contracted monthly field meter reading costs. There may also be some additional operating costs with the ongoing reclassification of customers around the 50 kW threshold, associated with changing meters and pricing protocol when the customer migrates to another rate class. The EDA recommends that a deferral account be established to recover, between rebasing years, the additional costs incurred by the implementation of these changes.

In order to use smart meters as interval meters some changes would be required in codes. We note that the Retail Settlement Code (RSC) Section 11 states the following “Until the metering evolution period end date, a distributor shall for all purposes under sections 11.1 to 11.3 inclusive treat a smart meter as a non-interval meter. RSC Section 3.3.3 states “Until the metering evolution period end date, a distributor shall determine settlement costs for consumers with smart meters in accordance with section 3.3.2.” Distribution System Code (DSC) Section 5.1.7 states “For the purposes of sections 5.1.2 to 5.1.5 inclusive, a smart meter and unit smart meter is not an interval meter.” However, O. Reg. 95/05 defines an interval meter as follows: “interval meter means a meter that measures and records electricity use on at least an hourly basis or a time-of-use meter that is capable of providing data on at least an hourly basis”.

The EDA recommends that, with approximately 4 million smart meters installed, it is time for the OEB to set the “metering evolution period end date” and amend the RSC and DSC accordingly. The definition in O. Reg. 95/05 already provides for the use of smart meters as interval meters. With the change, LDCs could use smart meters that have been approved by Measurement Canada as MIST meters in place of more expensive interval meters for customers between 50 kW and 200 kW.

With respect to the proposal to install a MIST meter on any new installation over 50 kW, the EDA notes that there may need to be an initial transition period before it is mandated. LDCs that use SENSUS meters presently are unable to reset demand through the AMI until required software changes are completed. These required changes have continued to be delayed by the provider. Some LDCs are currently replacing GS > 50 kW meters with GE smart meters, but ‘walk up’ reads will continue to be needed to measure demand until a solution for demand is available that meets Measurement Canada approval.

A transition period is also needed to implement the programming changes for some LDCs that have not begun to install interval meters for their GS > 50 kW customers. Processes and programs would need to be developed to send the metering data to the billing systems for those GS > 50 kW customers who are RPP eligible.

Yours truly,

Original Signed

Teresa Sarkesian  
Vice President, Policy and Government Affairs  
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