



Market Rule Amendment Proposal

PART 1 – MARKET RULE INFORMATION

Identification No.: MR-00249-R00	
Subject: Revenue Metering	
Title: Extension of Registration of Metering Installations Granted Temporary Dispensation by Measurement Canada	
Nature of proposal (please indicate with X): <u> X </u> Alteration <u> </u> Deletion <u> </u> Addition	
Chapter: 6	Appendix:
Sections: 4.4	
Sub-sections proposed for amending: 4.4.5; 4.4.5A (new); 4.4.8	

PART 2 – PROPOSAL HISTORY

Version	Reason for Issuing	Version Date
1.0	Submitted for Technical Panel Consideration and Vote	5 Nov 2003
2.0	Recommended by Technical Panel and submitted for IMO Board approval	11 Nov 2003
Approved Amendment <i>Publication</i> Date:		
Approved Amendment <i>Effective</i> Date:		

PART 3 – EXPLANATION FOR PROPOSED AMENDMENT

Provide a brief description of the following:

- The reason for the proposed amendment and the impact on the *IMO-administered markets* if the amendment is not made
- Alternative solutions considered
- The proposed amendment, how the amendment addresses the above reason and impact of the proposed amendment on the *IMO-administered markets*.

Summary

This amendment proposes to extend the registration of certain revenue metering installations beyond their seal expiry period. The registration extension would expire at the end of 2004. The metering installations that would be eligible for the extensions are those that have been recently granted a temporary dispensation by Measurement Canada. Measurement Canada granted a one-year (i.e. until the end of 2004) dispensation on the continued use of such metering installations for settlement purposes.¹ Extension of the registration of the metering installations within the market rules is necessary so that these metering installations can be used for market settlement purposes under the market rules and that efficient settlement of the IMO-administered markets can continue during 2004.

Background and Rationale

In the IMO-administered markets there is a large number of legacy revenue metering installations that are registered under the alternative metering installation standards (Appendix 6.2 of the market rules). In 2003, the seals expired on a significant number of these metering installations. The market rules currently specify that the registration of these metering installation also expires when the seals expire (section 4.4.5 of Chapter 6) and that the metered market participants are obligated to bring these metering installations into full compliance with the metering installation standard specified in section 4.1 of chapter 6. The market rules also specify that market settlements are on the basis of registered metering installations (section 6.1.1 of Chapter 6).

Metered market participants (MMPs) have not brought these metering installations into full compliance for a number of reasons, namely:

1. The Bill 210 rate freeze for local distribution companies (LDCs). MMPs that are LDCs are reluctant to incur the cost to bring their metering installation into full compliance and not be able to recover those costs through their distribution tariffs.
2. Metering service providers (MSP) have had difficulties (e.g. gaining access) working on metering installations within the asset owners facilities.
3. MMPs that select and hire a new MSP to upgrade the metering installation and meet their market rule obligations would continue to pay for the services of the transitional MSP through their transmission charges. Some MMPs desiring to assume ownership of the metering installation were quoted exit fee costs from the asset owner. The MMPs objected to the amounts quoted. Both these issues are being addressed through the Ontario Energy Board.
4. Some MMPs left it too late to meet their market rule obligations and there is a limited MSP resource pool within the market to handle all the required metering installation upgrades.

¹ Letter from Alan E. Johnston, Measurement Canada to Mr. Dave Barrie, Hydro One, “Temporary Dispensation for Meters and Recorders with Seals Expiring in 2003”, October 14, 2003.

PART 3 – EXPLANATION FOR PROPOSED AMENDMENT

5. Changes to the market rules regarding revenue metering equipment standards that would facilitate MMP compliance did not come into force until June 2003.

The transitional MSP for these metering installations requested, and received from Measurement Canada, temporary dispensation regarding the use of these metering installations for the “the continued use of the existing WRMI (wholesale revenue metering installations) in 2004 for settlement purposes...”². This temporary dispensation applies to over 300 devices (meters and recorders).

For the continued efficient settlement of the IMO-administered markets and to align the market rules with the Measurement Canada temporary dispensation, rule amendments are necessary to extend the registration of the specified metering installations so that the metering installations can continue to be used for settlements. The proposed amendment would allow for the registration of these metering installations to continue beyond the seal expiry period, but would place a sunset on that registration extension of December 31, 2004. This sunset is the same as the sunset of the Measurement Canada temporary dispensation. Refer to proposed section 4.4.5A below.

It should be noted that the Measurement Canada dispensation does **not** defer the seal expiry of these metering installations; it is simply the declaration that these metering installations can be used for settlement purposes beyond the seal expiry period. As noted above, there are a number of market rule obligations that an MMP must meet upon seal expiry i.e. obtain a MSP to replace the transitional MSP; bring their metering installation into full compliance. These market rule amendments also propose to **temporarily** relieve these MMPs of their obligation to bring their metering installation into full compliance upon seal expiry. This allowance is proposed in recognition of the limited time and MSP resources available to undertake such significant metering equipment upgrades by the end of 2003. This allowance is proposed to be accomplished by specifying that the MMP would continue to meet the applicable metering standards under which it was originally registered and that the IMO would determine compliance on that basis. Refer to proposed section 4.4.5A.3 below.

It is proposed that the MMP obligation to obtain an MSP service provider to replace the transitional MSP at the time of seal expiry not be changed. As a result of the Measurement Canada decision, the existing transitional MSP is no longer obligated, and has declared that it no longer intends to meet any market rule obligations associated with being the transitional MSP. The MMP selection of an MSP is crucial not only in maintaining the integrity of the existing metering installation, but also as a step towards upgrading the metering installation to full compliance.

PART 4 – PROPOSED AMENDMENT

4.4 Alternative Metering Installation Standards

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² Letter from Alan E. Johnston, Measurement Canada to Mr. Dave Barrie, Hydro One, “Temporary Dispensation for Meters and Recorders with Seals Expiring in 2003”, October 14, 2003.

4.4.5 Subject to section 4.4.5A, rRegistration of a *metering installation* granted by the *IMO* pursuant to section 4.4.4 in respect of a particular alternative standard shall expire on:

- 4.4.5.1 the date specified in Appendix 6.2 in respect of that alternative standard; or
- 4.4.5.2 the date on which registration is revoked by the *IMO* in accordance with section 4.4.6,

whichever is the earlier.

4.4.5A Notwithstanding any other provision within these market rules, for metering installations that are currently registered pursuant to section 4.4.4 and whose seals expires in 2003 and for which Measurement Canada has granted, subject to specified conditions, temporary dispensation for the continued use for settlement purposes until the end of 2004:

- 4.4.5A.1 registration of those metering installations shall continue beyond the expiry of the seal period;
- 4.4.5A.2 registration of those metering installations shall expire on the earlier of December 31, 2004 or the date that the metering installation is brought into full compliance by the metered market participant with the applicable requirement set forth in this Chapter or in any policy or standard established by the IMO pursuant to this Chapter; and
- 4.4.5A.3 for the period of the continued registration of those metering installations, the metered market participant shall continue to meet the applicable obligations and alternative metering standard under which those metering installations remain registered, except for the requirements set forth in Appendix 6.2, sections 1.1A.1.3, 1.4.1.3 and 1.5.1.3, and the IMO shall determine compliance on that basis.

As of December 31, 2004, this section shall cease to have effect and shall be noted as “[Intentionally left blank]”.

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4.4.8 Subject to section 4.4.5A, eEach *metered market participant* for a *metering installation* registered pursuant to section 4.4.4 shall ensure that the *metering installation* is brought into full compliance with the applicable requirement set forth in this Chapter or in any policy or standard established by the *IMO* pursuant to this Chapter in respect of a *metering installation* prior to the date on which registration under the alternative standard expires in accordance with Appendix 6.2 and shall so notify the *IMO*.

PART 5 – IMO BOARD COMMENTS



Market Rule Amendment Proposal

PART 1 – MARKET RULE INFORMATION

Identification No.: MR-00249-R01	
Subject: Revenue Metering	
Title: Extension of Registration of Metering Installations Granted Temporary Dispensation by Measurement Canada	
Nature of proposal (please indicate with X): <input type="checkbox"/> Alteration <input type="checkbox"/> Deletion <input type="checkbox"/> Addition	
Chapter: 6	Appendix: 6.1
Sections: 1.2	
Sub-sections proposed for amending: 1.2.1.3	

PART 2 – PROPOSAL HISTORY – PLEASE REFER TO MR-00249-R00

Version	Reason for Issuing	Version Date
Approved Amendment <i>Publication</i> Date:		
Approved Amendment <i>Effective</i> Date:		

PART 3 – EXPLANATION FOR PROPOSED AMENDMENT

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- The reason for the proposed amendment and the impact on the *IMO-administered markets* if the amendment is not made
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- The proposed amendment, how the amendment addresses the above reason and impact of the proposed amendment on the *IMO-administered markets*.

Please refer to MR-00249-R00.

This amendment proposes to qualify the obligation on metered market participants to ensure that metering installations are re-sealed. This qualification is necessary to recognize that the metering installations subject to the Measurement Canada temporary dispensation will not be re-sealed.

PART 4 – PROPOSED AMENDMENT

1.2 Obligations of Metered Market Participants

1.2.1 Each *metered market participant* shall:

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1.2.1.3 ensure that each *meter* forming part of a *metering installation* in respect of which it is the *metered market participant* that may be used for *settlement* purposes has been shop tested, verified and/or re-verified for accuracy in accordance with the requirements set forth in this Chapter and in any policy or standard established by the *IMO* pursuant to this Chapter, and subject to section 4.4.5A of this Chapter, sealed and/or re-sealed in accordance with all applicable *federal metering requirements* by a person that is an accredited meter verifier within the meaning of the *Electricity and Gas Inspection Act* (Canada);

PART 5 – IMO BOARD COMMENTS



Market Rule Amendment Proposal

PART 1 – MARKET RULE INFORMATION

Identification No.: MR-00249-R02	
Subject: Revenue Metering	
Title: Extension of Registration of Metering Installations Granted Temporary Dispensation by Measurement Canada	
Nature of proposal (please indicate with X): <input type="checkbox"/> Alteration <input type="checkbox"/> Deletion <input type="checkbox"/> Addition	
Chapter: 6	Appendix: 6.2
Sections: 1.1A; 1.4; 1.5; 1.10	
Sub-sections proposed for amending: 1.1A.2; 1.4.2; 1.5.3; 1.10.3	

PART 2 – PROPOSAL HISTORY – PLEASE REFER TO MR-00249-R00

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Please refer to MR-00249-R00.

These proposed rule amendments are consequential to MR-00249-R00. These specific amendments proposed recognize that the registration of the metering installations that are the subject of the Measurement Canada temporary dispensation does not expire on the seal expiry date.

PART 4 – PROPOSED AMENDMENT**1.1A Metering Installation Not Comprised of Two Meters**

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- | 1.1A.2 Subject to section 4.4.5A, rRegistration of a *metering installation* that meets the conditions set out in section 1.1A.1 shall expire on the earliest expiry date of the seal period of the *meter* within the *metering installation*, including the expiry date of the seal period of the *data logger* if sealed separately from the remainder of the *meter*. Registration of a *metering installation* shall not expire in instances where there are multiple *metering installations* served by a single *data logger* whose seal expires.

1.4 Accuracy

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- | 1.4.2 Subject to section 4.4.5A, rRegistration of a *metering installation* that meets the conditions set out in section 1.4.1 shall expire on the earliest expiry date of the seal period of any *meter* within the *metering installation*.

1.5 Functional Requirements

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- 1.5.3 Subject to section 4.4.5A, rRegistration of a *metering installation* that meets the conditions set out in section 1.5.1 shall expire on the earliest expiry date of the seal period of any *meter* within the *metering installation*.

1.10 Meter Installation Enclosures

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- 1.10.3 Subject to section 4.4.5A, rRegistration of a *metering installation* that meets the conditions set out in section 1.10.1 shall expire on the earliest expiry date of the seal period of any *meter* within the *metering installation*.

PART 5 – IMO BOARD COMMENTS