



ONTARIO ENERGY BOARD

BOARD STAFF SUBMISSION

Application for Exemption from Mandated Time of Use Pricing for Certain Regulated Price Plan Consumers

Hydro One Networks Inc.

EB-2010-0282

November 30, 2010

BACKGROUND

Hydro One Networks Inc. ("Hydro One") filed an application dated September 16, 2010 with the Ontario Energy Board under section 74 of the *Ontario Energy Board Act, 1998*, S.O. 1998, c.15 (Schedule B) (the "Act") for an Exemption from Mandated Time-of-Use ("TOU") Pricing for Certain Regulated Price Plan ("RPP") Consumers.

Hydro One is requesting an exemption from their mandatory TOU date of June 2011, pertaining to certain RPP consumers that are currently outside the reach of Hydro One's smart meter telecommunications infrastructure. Hydro One is asking to exclude approximately 150,000 very rural customers from their obligation to migrate to TOU rates until Hydro One has successfully sourced and deployed a solution that can effectively service this customer base.

The Board issued a Notice of Application and Hearing on October 27, 2010.

This submission is being provided by Board staff following a review of the application and evidence filed in this proceeding.

STAFF SUBMISSION

Board staff has no objection to Hydro One's request for an exemption. Hydro One has demonstrated commitment and progress towards smart meter deployment and TOU implementation. Staff also recognizes the challenges that Hydro One's large service territory presents with respect to the installation and operation of smart meters.

However, Board staff is concerned with the lack of detail provided by Hydro One concerning its plan to reach the affected customers and transition them to TOU billing. Board staff submits that if Hydro One's exemption application is approved it should include a provision requiring Hydro One to provide the Board with quarterly reports about its plan and progress towards reaching the affected customers and transitioning them to TOU billing. These progress reports should contain, but not be limited to, information regarding timelines, milestones, technology and solution selected as well as cost estimates. Board staff submits that the first quarterly report should be submitted to the Board by March 31, 2011 with subsequent reports submitted to the Board at the end of each quarter thereafter until project completion.

All of which is respectfully submitted.