



34 Cumberland St. N.  
Thunder Bay, Ontario P7A 4L4  
Telephone (807) 343-1111  
Website: www.tbhydro.com

December 3, 2010

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

Dear Ms. Walli:

**Re: Thunder Bay Hydro Electricity Distribution Inc. – Application for an  
Exemption from Mandated Time of Use Pricing for Regulated Price Plan  
Consumers  
Board File Number EB-2010-0306**

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This letter acknowledges receipt of the Board Staff Interrogatories dated November 26, 2010. Thunder Bay Hydro Electricity Distribution Inc. submits two (2) paper copies of its responses to the Board Staff Interrogatories for the Application for an exemption from mandated time-of-use pricing for regulated price plan customers. In addition, an electronic copy has been submitted through the OEB's RESS on-line filing system.

Should you require any additional information, please do not hesitate to contact the undersigned.

Yours truly,

If you require any further information, please contact the undersigned at (807) 343-1030.

Yours truly,

Tim Wilson  
Vice President, Customer Service & Conservation

**Response to Board Staff Interrogatories  
Application for Exemption from Mandated Time of Use Pricing for  
Regulated Price Plan Consumers Submission  
Thunder Bay Hydro Electricity Distribution Inc. ("Thunder Bay Hydro")  
EB-2010-0306**

**Board Staff question 1**

Preamble

Thunder Bay Hydro Electricity Distribution Inc. (Thunder Bay Hydro) states in its application that it is seeking an exemption from its mandatory Time-of-Use (TOU) date of June 2011 for Regulated Price Plan (RPP) consumers and a new date of August 2011.

Questions

- a) Please confirm the current status of Thunder Bay Hydro's smart meter deployment and TOU implementation, including its progress on the ten milestones reported on each month.
- b) Please describe in detail the factors that Thunder Bay Hydro considered in making this application.
- c) Please identify the dates, and the number of RPP consumers on each date, by which Thunder Bay Hydro will begin billing its RPP consumers on a TOU basis, if its request for a new mandatory TOU date is granted.

Responses

- a) The status of the ten milestones reported on November 10, 2010 to the Ontario Energy Board remains the same. Thunder Bay Hydro is progressing as expected and is in step with its approved project plan with the IESO.
- b) Thunder Bay Hydro's letter of application to extend the mandatory TOU date contemplated one single factor; the technical delays experienced in testing with the IESO. A second minor factor was the IESO transitioning to a newer software version. Ultimately, based on the fact that Thunder Bay Hydro is partnering with four other utilities in the Northwest of Ontario on the testing and implementation, it was deemed prudent that the last utility into the testing environment would be the one that should be delayed. This has been approved in the project plan filed with the IESO. Thunder Bay Hydro did contemplate not requesting an extension but in the end it did not want to risk its reputation and that of the regulator or the government if it failed to meet the mandatory date. Thunder Bay Hydro will still work toward the original mandatory TOU date even if the extension is granted.

c) Please see the table below:

Cycle - Route	Bill Date	# of Customers Billing
60 - 01 GEN & 70 - 01 ALL	25/08/2011	2889
60 - 02 GEN & 70 - 02 ALL	30/08/2011	2842
60 - 03 GEN & 70 - 03 ALL	01/09/2011	2918
60 - 04 GEN & 70 - 04 ALL	06/09/2011	2476
60 - 05 GEN & 70 - 05 ALL	08/09/2011	2662
60 - 06 GEN & 70 - 06 ALL	13/09/2011	3997
60 - 07 GEN & 70 - 07 ALL	15/09/2011	3438
60 - 08 GEN & 70 - 08 ALL	20/09/2011	2420
60 - 09 GEN & 70 - 09 ALL	22/09/2011	3104
60 - 01 ALL & 70 - 01 GEN	27/09/2011	2335
60 - 02 ALL & 70 - 02 GEN	29/09/2011	2660
60 - 03 ALL & 70 - 03 GEN	04/10/2011	2552
60 - 04 ALL & 70 - 04 GEN	06/10/2011	3470
60 - 05 ALL & 70 - 05 GEN	11/10/2011	3235
60 - 06 ALL & 70 - 06 GEN	13/10/2011	2969
60 - 07 ALL & 70 - 07 GEN	18/10/2011	2895
60 - 08 ALL & 70 - 08 GEN	20/10/2011	2004
60 - 09 ALL & 70 - 09 GEN	20/10/2011	537

## **Board Staff question 2**

### Preamble

Thunder Bay Hydro states in its application that its “original project plan with the IESO had to be rescheduled due to technical testing delays that occurred in the summer months.”

### Questions

- Please describe in detail the events, including timelines, which occurred since during the summer causing Thunder Bay Hydro to request a change to its mandatory TOU date.
- Please describe in detail the consequences of the delays on the costs of Thunder Bay Hydro’s Smart Meter and TOU implementation plan.
- Are there any other factors (internal and/or external) Thunder Bay Hydro has identified that may hinder Thunder Bay Hydro’s ability to comply with its requested mandatory TOU date?

## Responses

- a) The original unit testing for the five utilities in Northwestern Ontario was slated to start in June of 2010. The first test (Universal Service Delivery Point (USDP) request for 5 Locations) failed. A bug was identified to the IESO on June 10, 2010 and was subsequently resolved on August 12, 2010. Unit testing could not be continued while the bug was being repaired due to the nature of the USDP request. A workaround solution was proposed by the IESO but this would have required the USDP information to be completely altered and would have affected all downstream data, processes, and tests. The delay was approximately 10 weeks in length. During this period the IESO was also transitioning to a new version of its software (7.0). A decision was made to wait until this new version was made available in the test environment to restart unit testing. This resulted in another two weeks of delay and so unit testing restarted on August 30, 2010.
- b) The cost consequences incurred by Thunder Bay Hydro are for the equivalent of one Full-time employee (Testing Personnel) for approximately 12 weeks beyond the budgeted amount. On the positive side, the extension would allow Thunder Bay Hydro an additional 12 weeks in its communications plan with respect to TOU rates and avoids a TOU launch in the summer as home owners vacate the city during summer months for recreational opportunities at camps and cottages.
- c) Thunder Bay Hydro remains skeptical about the proposed "Interim Solution" put forth by the IESO in regards to the Cumulative Register Read issue raised by Measurement Canada in September of 2009. Thunder Bay Hydro's understanding is that the inability to reconcile TOU data to a register read remains in contravention of Measurement Canada regulation and also has serious customer presentment issues. The IESO has not yet committed as to when it will have its "Interim Solution" in place and has notified us that the bill-to-bill reconciliation portion will not be in place until sometime in 2012. Thunder Bay Hydro is currently evaluating its options to deal with this issue.