

January 5, 2011

TO: Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, Suite 2700
Toronto, Ontario M4P 1E4

**RE: Consultation on Regulated Price Plan Time-of-Use Pricing
Board File No.: EB-2010-0364**

I am filing these comments with the Ontario Energy Board as a private citizen.

I have reviewed the Brattle Group's Report "ASSESSING ONTARIO'S REGULATED PRICE PLAN: A White Paper" dated December 8, 2010, and wish to present the following comments for the Board's consideration.

Delivery, regulatory, and debt retirement charges on Ontario electricity bills are based on cumulative consumption during the billing period, and are therefore not affected by customer efforts in shifting demand. As per the document published at http://www.oeb.gov.on.ca/OEB/_Documents/2011EDR/bill_impacts_H1_2011.pdf, the combination of delivery, regulatory, and debt retirement charges for a Hydro One residential customer consuming 1000 kWh per month on the current Regulated Price Plan Tiered Rate, now make up 51% of the total electricity bill for the Residential Urban rate class, 54% for the Residential Medium Density Rate Class, and 63% for the Residential Low Density Rate Class. These percentages are calculated before sales taxes and the Ontario Clean Energy benefit are applied. This means that residential customers are able to impact less than one-half of their electricity bills by leveraging TOU rates, depending on the fixed customer charge portion of the delivery portion of the bill levied by the Local Distribution Company (LDC).

The sum of delivery, regulatory, and debt retirement charges are essentially a fixed base charge per kilowatt-hour, which should be presented in conjunction with the TOU commodity charge to the consumer as the true TOU rate by each LDC, as the delivery charge varies among LDCs. When the total TOU price is viewed in this way, the difference between the three TOU tiers is even less than the commodity charge alone, and is most certainly not at the 1:2:3 ratios in the RPP Manual. The Brattle Group's report only notes this fact in footnote 12 on page 9 referencing Appendix C, even though these are ultimately the effective rates that consumers are paying, and ultimately the most important thing that will impact consumer response.

In order for any type of TOU price structure to be successful, it must offer an incentive that is significant enough to every consumer to shift energy usage. As an example, shifting 100 kWh from on-peak to off-peak periods, which would be a significant change for most families, would only yield a monthly savings of \$5.52 at today's rates, including HST. In my opinion, this potential savings is not enough to encourage significant behaviour modification.

Therefore I strongly urge that the Board must consider the entire cost of electricity to the consumer in this consultation and its impact on success, not only the commodity charges.

Regards,

Corey Reynolds, A.Sc.T, CEM, LEED® AP

