

FILED ON RESS

June 13, 2011

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

Dear Ms. Walli:

**Re: PowerStream Inc. - Application for an Extension to Mandated Time-of-Use Pricing Date for Certain Regulated Price Plan Customers
Board File Number EB-2011-0117
Responses to Canadian Federation of Independent Business
Interrogatories**

Please find attached PowerStream's responses to the interrogatories from the Canadian Federation of Independent Business.

These responses have been filed on RESS.

Yours truly,

Original signed by

Colin Macdonald
VP, Rates and Regulatory Affairs

cc. Richard D. Butler, Fasken Martineau DuMoulin LLP
Counsel for the Canadian Federation of Independent Business

**Application by PowerStream Inc. ("PowerStream") for an Extension to its
Mandated Time-of-Use Pricing Date for Certain Regulated Price Plan Consumers**

EB-2011-0117

**PowerStream Responses to
CANADIAN FEDERATION OF INDEPENDENT BUSINESS ("CFIB")
Interrogatories**

Filed: June 13, 2011

1. PowerStream states in its application that it is ready to implement time of use rates for small commercial customers, and that it anticipates, if these customers cannot shift consumption away from the peak periods, this will lead to higher bills.

If PowerStream is ready to implement the time of use rates, does this mean that bills for small commercial customers can be computed accurately using available consumption information for individual customers and the time of use rates? If so, has PowerStream made such computations? If yes, please provide a frequency distribution of total annual bill increases and decreases resulting from applying the time of use rates to PowerStream's General Service <50 kW class, in terms of percentage total bill change and the dollar value of bill changes in the class. If PowerStream has not made such a computation, please do so for a randomly selected sample of customers in the class, and provide the results.

Response:

Analysis completed by PowerStream was a key factor in the decision to file the April 19, 2011 application to the OEB asking for the extension for the implementation of time-of-use ("TOU") rates to General Service < 50kW ("GS<50kW") customers.

PowerStream has about 25,000 GS<50kW customers that will be migrated to TOU rates. Hourly consumption data was taken from a sample of 11,568 of these customers. TOU rates were applied to these data to determine the bill impacts as compared to two-tiered pricing.

The analysis showed that 59% of the customers would experience an increase in their bills. The average total bill for this group was \$84.22 per month. The average increase in the total bill was 6.1% or \$5.12 per month. The highest increase in the total bill was 24% or \$20.21.

The analysis also showed that 41% of the customers would experience a decrease in their bills. The average total bill for this group was \$269.60 per month. The average decrease in the total bill was 8.2% or \$22.12 per month. The highest decrease in total bill was 31% or \$83.58.

The analysis used data from the winter season. Bill impacts could be higher in the summer period due to the use of air conditioning.

Note that when billing customers on TOU rates it is not practical to anticipate and separate customers between those that may experience a bill increase from those that may have a bill decrease. Any given customer could change consumption, due to business conditions for example, and get a rate increase where a decrease might have been expected.

2. Does PowerStream have any information as to whether the expected levels of bill impact on PowerStream's small business customers would be typical of the customers of other Ontario LDCs? If so, please provide the information to the extent allowed by considerations of confidentiality, if any.

Response:

No. PowerStream does not have any information as to whether the expected level of bill impact on small business customers would be typical of the customers of other Ontario LDCs. We are aware, however that on May 4, 2011 Midland Public Utilities Corporation filed an extension application with the OEB (Board File No. EB-2011-0133) citing concerns similar to those identified by PowerStream.

3. Please list and describe the measures that PowerStream plans to take during the postponement period, if approved by the Board.

Response:

PowerStream plans to market and help customers to implement three Ontario Power Authority (“OPA”) Conservation and Demand Management (“CDM”) programs:

Equipment Replacement Incentive Initiative (“ERII”) – This program, previously called the Equipment Replacement Incentive Program (“ERIP”) provides incentives to customers to achieve reductions in electricity demand and consumption by upgrading to more energy-efficient equipment for lighting, space-cooling, ventilation and other measures.

Direct Install Lighting – Previously referred to as the Power Savings Blitz, this program offers the free installation of eligible lighting measures up to \$1,000.00 including applicable taxes.

Direct Service Space Cooling – This new program offers free servicing of air conditioning and refrigeration units up to \$750.00 including applicable taxes.

The OPA will promote these programs. PowerStream will also market the programs through its website, local community newspapers, radio advertisements, cable television advertisements, in community workshops and in dialogues with Business Improvement Area (“BIA”) contacts.

As PowerStream did for residential customers, prior to TOU rate implementation, each GS<50kW customer will receive by mail an individualized comparator statement that will clearly show the bill impact resulting from migration to TOU rates with no change in consumption. Included with this statement will be contact information should the customer have questions or wish to learn more about CDM programs. PowerStream received favourable feedback from residential customers on this information package.

4. Is PowerStream confident that customer bill impacts can be mitigated by the new proposed implementation date of February 1, 2012? Why, or why not?

Response:

PowerStream's approach is to make customers aware of CDM programs and assist with the implementation in order to mitigate the impacts of TOU billing. Our experience with ERIP (now called ERII) and the Power Savings Blitz over the period 2008 to 2010 indicates that GS<50kW customers are interested and do implement CDM measures. (The Direct Service Space Cooling program is new.) The measures, once implemented can reduce customer bills. We cannot predict, however, the extent to which the three OPA programs will be implemented by these customers by February 1, 2012. In some cases, customers can also increase consumption due to other factors at the same time that CDM measures are implemented with a net increase in consumption and bills.

5. Has PowerStream consulted with customers, or with organizations of small business in developing measures to reduce the negative impacts of time of use rates? If not, what is PowerStream's view of the potential value of such consultations?

Response:

PowerStream has conducted focus groups with customers as part of customer satisfaction studies. These focus groups included, but were not limited to discussions on TOU rates. We have also held CDM workshops with small business customers and met with representatives from the Retail Council of Canada to outline CDM programs.

PowerStream considers such consultations to be valuable.

6. Is PowerStream aware of any requirement of the Ontario Energy Board for LDCs to compute and report customer bill impacts resulting from the implementation of TOU rates?

Response:

No.

7. Ref: "PowerStream has contracted through the Ontario Power Authority (OPA) to deliver Conservation and Demand Management (CDM) programs to the GS<50kW class."

Has PowerStream been provided with any data by the OPA as to the level of acceptance of the CDM programs by the GS<50kW class, or as to the results achieved by the program participants? If so, please provide that data.

Response:

No.