

July 4, 2011

Ms, Kristen Walli, Board Secretary
Ontario Energy Board
2300 Yonge Street
26th Floor
P.O.Box 2319
TORONTO, ON M4P 1E4

ONTARIO ENERGY BOARD

JUL 07 2011

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Dear Ms. Walli:

Re: Hydro 2000 Inc. Application for an Extension of Mandates Time-of-Use Date

On August 4, 2010 the Ontario Energy Board (the "Board") issued a final determination under Section 1.2.1 of the Standard Supply Service Code to require the implementation of TOU pricing for Regulated Price Plan ("RPP") customers. The determination established mandatory TOU implementation dates for each electricity distributor. The date of October 2011 is the determined mandatory TOU date for Hydro 2000.

In its August 24, 2010 letter, the Board acknowledged that distributors may encounter extraordinary and unanticipated circumstances during the implementation of TOU pricing and impact on the distributor's mandatory TOU date and whether any adjustment in that date may be warranted. While Hydro 2000 has made significant progress in meeting this mandatory date, there remain a few issues that have led to delays in the corporation's TOU implementation schedule. Therefore Hydro 2000 respectfully requests an extension of mandated TOU pricing until January 2012.

Hydro 2000 has presently deployed 100% of all RPP customers. To date Hydro 2000 has completed AMCC Internal Testing (Hydro 2000 shares and lease the Ottawa River Power Corporation AMCC), CIS Internal Testing, MDMR Registration and the completion of the Self Certification for Enrolment Testing. As well, Hydro 2000 has finished System Integration Testing (SIT) in mid-June and will start Qualification Testing (QT) on July 7, 2011. In order To be successful in implementing TOU pricing the following three items should be completed prior to Self Certification – Cutover:

1- Customer Transition to TOU Rates

While Hydro 2000 has been preparing its customers for the introduction of TOU rates through published information, public meeting and bills inserts, significant customer distress is expected when customers are suddenly faced with larger bills resulting, in part, from their lack of experience in managing electricity consumption in a TOU environment. A period covering a number of billing cycles is essential to enable Hydro 2000 to work with its customers to adapt to the new billing reality. Hydro 2000 plans to provide parallel billing information to its customers so they can modify their pattern of energy usage and thus mitigate the impact of potential bill increases.

2- Upgrade of the AMI System of Ottawa River Power Corporation

ORPC uses the Elster AMI system to collect the customers' TOU energy usage data and deliver it to the IESO for central processing. Currently ORPC is using version 6.2, but must upgrade to version 7.5 to meet the requirements of Measurement Canada. The upgrade is planned for the summer period (July/August 2011). ORPC is carrying out the IESO implementation with us (Hydro 2000), Renfrew Hydro and Cooperative Hydro Embrun. Therefore, version 7.5 conversion from ORPC has to be coordinated with all the utilities' SIT and QT testing. When we (Renfrew, Cooperative and Hydro 2000) have completed testing the conversion of the AMI system can be undertaken and then the system must be extensively tested before full implementation of TOU pricing.

3- Upgrade of the IESO System

Hydro 2000 will also have to re-complete SIT and QT testing after the IESO completes their system upgrade to version 7.2 that is expected in November 2011.

For these reasons, Hydro 2000 respectfully request that the Board grant approval for a revised mandatory TOU implementation end-date of January 2012. This will have no material impact on the costs of Hydro 2000 smart meter and TOU implementation plan.



Rene Beaulne
Manager