

Festival Hydro

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July 8, 2011

BY COURIER

Kristen Walli, Board Secretary
Ontario Energy Board
PO Box 2319, 27th Floor
2300 Yonge Street
Toronto ON M4P 1E4

**Re: EB-2011-0138
Festival Hydro Inc. Reply Submission
TOU Pricing Extension Application**

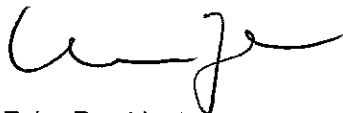
Dear Ms. Walli:

Festival Hydro Inc. filed an application dated May 10, 2011 with the Ontario Energy Board for a licence amendment granting an extension in relation to the mandated date for the implementation of Time-of-use ("TOU") pricing rates for Regulated Price Plan consumers. The Board issued a Notice of Application and Hearing on May 26, 2011 and Board staff filed interrogatories on the application on June 15, 2011. Festival Hydro responded to these interrogatories on June 29, 2011 and Board staff provided a submission on July 6, 2011. Included in this package is Festival Hydro's reply submission.

A copy of this package has been electronically filed through the Ontario Energy Board's RESS system and emailed to the Board Secretary. Two hard copies have been couriered to the Board's offices.

Should you require any further information or clarification of any of the above please contact me.

Respectfully submitted,
Originally Signed by



W.G. Zehr, President

Reply Submission

**Application for Extension to Mandated Time-of-Use Price Date for
Regulated Price Plan Consumers
Festival Hydro Inc. ("Festival Hydro")
EB-2011-2011
Filed July 13, 2011**

Background

Festival Hydro Inc. (Festival) filed an application dated May 10, 2011 with the Ontario Energy Board for a licence amendment granting an extension in relation to the mandated date for the implementation of time-of-use ("TOU") pricing rates for Regulated Price Plan consumers.

Festival Hydro is requesting an extension from its September 2011 TOU pricing date and requesting a new date of May 2012. Festival Hydro states the extension is necessary due to key human resource losses during TOU implementation, delays retrofitting the customer information system ("CIS") software and time required to educate customers on TOU prior to transitioning to TOU prices.

The Board issued a Notice of Application and Hearing on May 26, 2011. Board staff filed interrogatories on the application on June 15, 2011. Festival responded to these interrogatories on June 29, 2011. Board staff provided a submission on July 6, 2011 following a review of the application and evidence filed in this proceeding.

This reply submission is being provided by Festival Hydro based on information provided throughout this proceeding.

Summary

Festival Hydro provided three reasons for requesting an extension: (1) human resource losses; (2) CIS software implementation; and (3) additional customer education.

Festival Hydro agrees with Board staff's submission that the reasons noted are unanticipated and extraordinary circumstances that have hindered its ability to implement TOU pricing in the timeframe mandated by the Board and an extension is therefore warranted. Festival Hydro also agrees with Board staff's comment that it is technically feasible to move the requested TOU roll-out forward by 4 weeks if Festival Hydro was to eliminate the customer informational period during which customers would review their consumption under TOU pricing through a web presentment tool, and not actually be billed on TOU rates.

Festival Hydro submits the customer informational period is a key component of its customer communication plan and the rollout of TOU rates. Festival Hydro is concerned that eliminating the customer informational period and having an April 1, 2012 implementation date may negatively impact the customers' understanding of TOU and potentially add to confusion with the plan and the planned subsequent implementation of 2012 rates on May 1, 2012 through the IRM process.

Festival Hydro respectfully requests the Board approve the extension to its mandated date for the implementation of TOU pricing for Regulated Price Plan consumers to May 2012.