



ONTARIO ENERGY BOARD

BOARD STAFF SUBMISSION

Application for Extension to Mandated Time of Use Pricing Date for Regulated Price Plan Consumers

Kitchener-Wilmot Hydro Inc.

EB-2011-0239

August 2, 2011

BACKGROUND

Kitchener-Wilmot Hydro Inc. ("Kitchener-Wilmot") filed an application dated June 14, 2011 with the Ontario Energy Board under section 74 of the *Ontario Energy Board Act, 1998*, S.O. 1998, c.15 (Schedule B) for a licence amendment granting an extension in relation to the mandated date for the implementation of time-of-use ("TOU") pricing rates for certain Regulated Price Plan ("RPP") consumers.

Kitchener-Wilmot applied for an extension to its June 2011 TOU pricing date and requested a new date of January 31, 2012 for approximately 7,500 General Service <50kW customers. Kitchener-Wilmot states the extension is necessary due to an issue with certain three phase meters for these customers that are delivering suspect interval data due to improper time-alignment of the consumption intervals.

The Board issued a Notice of Application and Hearing on June 27, 2011. Board staff filed interrogatories on the application on July 18, 2011. Kitchener-Wilmot responded to these interrogatories on July 22, 2011.

This submission is being provided by Board staff following a review of the application and evidence filed in this proceeding.

STAFF SUBMISSION

Having reviewed the application and evidence, Board staff has concerns with Kitchener-Wilmot's proposed delay in TOU pricing for the 12%, or approximately 900 customers, of General Service <50kW customers with properly operating meters that do not require firmware upgrades.

Staff agrees with Kitchener-Wilmot that the discovery of suspect interval data delivered from certain 3 phase meters due to improper time-alignment of the consumption intervals may represent extraordinary and unanticipated circumstances that warrant an extension. Kitchener-Wilmot states that the data problem "applies to approximately 88% of the meters utilized by KWH in the General Service < 50 kW RPP Customer class."

However, Kitchener-Wilmot has requested an extension for its entire General Service <50kW customer class, stating:

KWH is applying for an extension to its mandated TOU pricing date for its General Service (GS) < 50 kW RPP customers. KWH is concerned that a rollout of TOU pricing to only a portion of these customers may produce an unfair competitive advantage or disadvantage to individual customers. KWH may have competing businesses and if some of these GS < 50 kW RPP businesses are billed on TOU pricing and the other businesses are billed on Regulated Price Plan pricing, equitable treatment may not be applied.

Staff submits that an extension should be granted for only those GS<50 kW customers with meters with improper time-alignment of the consumption intervals. Staff submits that customers with functioning meters not requiring firmware upgrades should be placed on TOU pricing without further delay.

Staff notes that Kitchener-Wilmot has not provided any evidence or analysis regarding any "unfair competitive advantage or disadvantage to individual customers."

Further, staff does not consider such factors (i.e., bill impacts) as extraordinary and unanticipated circumstances that warrant an extension. Staff notes that in the Board's decision denying extension applications based on bill impacts for PowerStream Inc. (EB-2011-0117) and Midland Power Utility Corporation (EB-2011-0133) the Board stated that "extraordinary" or "unanticipated circumstances" generally "relate to operational or technical issues which cannot be adequately resolved in time to meet the mandated date. The fact that there are bill increases for some customers (and decreases for others) is not extraordinary or unanticipated."¹

Staff submits that Kitchener-Wilmot, in its reply, should indicate the number of customers affected by the improper time-alignment of the consumption intervals and the number of customers with meters unaffected by this problem with separate TOU implementation schedules for each customer group. The TOU implementation schedules should reflect only affected customers being granted an extension and unaffected customers being placed on TOU pricing without further delay.

All of which is respectfully submitted.

¹ See <http://www.rds.ontarioenergyboard.ca/webdrawer/webdrawer.dll/webdrawer/rec/284503/view/>