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August 5, 2011

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

Dear Ms. Walli:

**Re: Tillsonburg Hydro Inc. – Extension to Mandated Time-of-Use Pricing
Date for Regulated Price Plan Consumers
Board File No.: EB-2011-0247**

Please find enclosed Board Staff's submission respecting the above application.

Please forward the submission along with this cover letter to the applicant in this proceeding.

Yours truly,

Original signed by

Roy Hrab
Policy Advisor, Regulatory Policy

Attachment



ONTARIO ENERGY BOARD

BOARD STAFF SUBMISSION

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

Tillsonburg Hydro Inc.

EB-2011-0247

August 5, 2011

BACKGROUND

Tillsonburg Hydro Inc. ("Tillsonburg") filed an application dated June 21, 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 Regulated Price Plan ("RPP") consumers.

Tillsonburg applied for an extension to its June 2011 mandated TOU pricing date and requested a new date of January 2012. Tillsonburg states the extension is necessary due to delays experienced in relation to its customer information system, testing and training of staff and customer education on TOU pricing scheduling issues.

The Board issued a Notice of Application and Hearing on July 8, 2011. Board staff filed interrogatories on the application on July 20, 2011. Tillsonburg responded to the interrogatories on July 26, 2011.

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

STAFF SUBMISSION

Having reviewed the application and evidence, Board staff agrees with Tillsonburg that it has experienced extraordinary and unanticipated circumstances that have made it unable to meet its current mandatory TOU date and warrant an extension to January 2012 as Tillsonburg has proposed.

However, staff submits that Tillsonburg has not presented evidence that clearly demonstrates an ability to meet the requested extension date. Staff submits that further information is required from Tillsonburg for the Board to have confidence that, if the extension is granted as requested, Tillsonburg will be able to meet its requested TOU date of January 2012.

Project Management and Human Resources

Tillsonburg references the resignations of its Operations Regulatory Affairs Manager and its Utility Revenue Coordinator in its interrogatory responses numerous times. Staff interrogatories pointed out that Tillsonburg had never indicated a problem with its TOU implementation in any of its monthly reports to the Board prior to the filing of its extension application. In its response, Tillsonburg states that “The Operations Regulatory Affairs Manager (ORAM), who was project managing the Smart Metering Initiative, resigned in May 2011. The ORAM was the one who had previously filed the monthly reports, and this position has yet to be filled.” Further, Tillsonburg states that “Senior Management” was not aware of the problems facing its Smart Meter Initiative “until just prior to the ORAM's resignation.” Also, in its interrogatory responses Tillsonburg states that The Utility Revenue Coordinator, who was managing the testing and training of staff in the Customer Service and Billing areas, resigned in April 2011. This resignation has left a void in the affected areas. While the position has subsequently been filled, learning is still taking place to fill this void.”

In light of the evidence above, regarding issues related to project management and human resource capability (e.g., lack of an ORAM), staff submits that the Board needs assurances that Tillsonburg has taken corrective actions to ensure that Tillsonburg's TOU implementation will be completed successfully. Therefore, staff submits that Tillsonburg, in its reply, should (1) state the steps have been taken to ensure that its future monthly reports portray the status of its TOU implementation accurately; (2) demonstrate that Tillsonburg is exercising greater control in the rollout of this important consumer initiative; and (3) a clear and concise statement demonstrating the feasibility of Tillsonburg's timelines for meeting its requested extension date of January 2012.

Technology Concerns

Regarding technological problems, Tillsonburg states in its interrogatory responses that:

Technology related issues are:

Harris - Northstar

- *Meter point & index number issues.*
- *Switching to Time-of-Use functionality. This is not working completely in Harris which means customers would have to be switched over manually one at a time.*
- *Customer web presentment tool is not finished. It was our hope to have this developed and rolled out to customers at least two months prior to transitioning to Time-of-Use.*

Harris-MeterSense (ODS)

- *MeterSense is not picking up meter changes/installs/removals completed in Harris. Have to add meter changes/installs/removals manually.*

MeterSense not creating CMEP files to send to the MDM/R when requested by Tillsonburg Hydro Inc. which is needed to send correct information for data validation.

- *MeterSense poor performance issues*
- *Problems with Elster meters and power outages. MeterSense is creating CMEP files back to the date of the meter installation which causes thousands of requests to be generated which are unmanageable and unnecessary.*

Meter Communication Problems.

- *Tillsonburg Hydro Inc. is still struggling to achieve required meter reading communications.*

Tillsonburg also submitted a collection of correspondence regarding its technology issues and a timeline for completing TOU implementation. It is the opinion of staff that the materials provided in Tillsonburg's interrogatory responses do not give a clear picture of the current status of these issues or how Tillsonburg intends to resolve them by the requested extension date of January 2012. Staff submits that the Board requires more information demonstrating that both Tillsonburg and its technology providers understand the problematic technological issues and have a plan for resolving them to allow Tillsonburg to achieve its requested extension date.

Therefore, staff submits that Tillsonburg, in its reply, should provide a clear and concise status report on its key technology related issues. The status report should clearly indicate each problem, the specific steps being taken to resolve them and how these steps will allow Tillsonburg to achieve its proposed January 2012 date. Also, where applicable, the report should indicate the number of meters affected by the specific technology issue.

Staff submits further that Tillsonburg, in its reply, indicate the number of customers (if any) that it can begin billing on TOU basis without further delay.

All of which is respectfully submitted.