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August 11, 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: Hydro 2000 Inc. – Extension to Mandated Time-of-Use Pricing Date for
Certain Regulated Price Plan Consumers
Board File No.: EB-2011-0259**

Please find enclosed Board Staff's interrogatories with respect to the above application.

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

Yours truly,

Original Signed By

Roy Hrab
Policy Advisor, Regulatory Policy

Attachment

Board Staff Interrogatories
Application for Extension to Mandated Time-of-Use Pricing Date for
Regulated Price Plan Customers
Hydro 2000 Inc.
EB-2011-0259
Dated August 11, 2011

Board Staff question 1

Preamble

Hydro 2000 Inc. (“Hydro 2000”) filed an application dated July 4, 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 its Regulated Price Plan (“RPP”) consumers.

Under cover of a letter to all Ontario electricity distributors dated August 4, 2010, the Ontario Energy Board provided its determination of mandatory dates by which each distributor must bill those of its RPP customers that have eligible TOU meters using TOU pricing. Hydro 2000 has applied for an extension to its October 2011 mandated TOU pricing date and requested a new date of January 2012.

Hydro 2000 has stated that in its application that it has completed System Integration Testing (SIT) and started Qualification Testing (QT) in July 2011.

Hydro 2000 cited three reasons for requesting an extension. The first reason was:

1. Customer Transition to TOU Rates

While Hydro 2000 Power Corporation has been preparing its customers for the introduction of TOU rates through published information 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.

Hydro 2000 files monthly reports with the Board on smart meter deployment and TOU pricing.¹ Prior to its July 4, 2011 application, Hydro 2000 had not indicated it had concerns with customer transition or that its customers would experience “distress.”

On April 19, 2011 the Board released RPP electricity commodity prices that took effect May 1, 2011. The backgrounder accompanying the release of the RPP prices noted that “Though the electricity line on the bill has increased since last May, a comparison of May

¹ See: http://www.ontarioenergyboard.ca/html/touimplementation/toufilings_monthly_read.cfm

2010 and May 2011 shows overall the total bill has remained relatively flat as a result of the introduction of the Ontario Clean Energy Benefit.”²

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.”³

Questions

- a) Given the Board’s decision on the TOU extension applications of PowerStream Inc. and Midland Power Utility Corporation, please explain why Hydro 2000 should be granted an extension because of an expectation of “significant customer distress.”
- b) Please explain in detail why Hydro 2000 did not raise this concern in its monthly reports filed prior to this application for an extension.
- c) Please state how many billing cycles Hydro 2000 proposes to provide parallel billing for customer transition purposes.
- d) Please state what Hydro 2000’s requested extension date would be in the absence of providing a period for customer transition.
- e) Please provide a description of all smart meter and TOU communications Hydro 2000 has issued to its customers over the last two years. Please explain why Hydro 2000 has failed to provide these customers with materials containing sufficient information to prepare them for TOU implementation.
- f) Has Hydro 2000 performed analysis of the bill impact benefits to its customers with the implementation of TOU billing? performed analysis of the bill impact benefits to its customers with the implementation of TOU billing? If so, please provide this analysis. If no such analysis has been conducted, please explain (1) why no analysis conducted, and (2) the basis of Hydro 2000’s expectation of “customer distress.”
- g) Please provide the details of Hydro 2000’s proposed TOU implementation schedule, including the specific dates customers will be converted to TOU billing and how many customers will be converted on each date.

² See: http://www.ontarioenergyboard.ca/OEB/ Documents/Press%20Releases/rpp_Backgrounder_20110419.pdf

³ See <http://www.rds.ontarioenergyboard.ca/webdrawer/webdrawer.dll/webdrawer/rec/284503/view/>

Board Staff question 2

Preamble

In its application for an extension, Hydro 2000 stated that a delay is required because:

*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 requirement of Measurement Canada. This upgrade is planned for the summer period (July/August 2011). ORPC is carrying out the IESO implementation with (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.*

Hydro 2000 files monthly reports with the Board on smart meter deployment and TOU pricing.⁴ Hydro 2000 did not indicate it had any concerns or issues regarding AMI upgrades in the monthly reports it has filed.

Questions

- a) Please explain in detail why Hydro 2000 did not raise this concern in its monthly reports prior to its application for an extension.
- b) Please explain in detail why AMI upgrades require an extension to Hydro 2000's TOU date and how they prevent Hydro 2000 from cutting-over to production and TOU billing.
- c) Can Hydro 2000 implement TOU pricing using Ottawa River's existing Elster version 6.2 AMI system?
- d) Please state and explain the contribution of Renfrew Hydro, Ottawa River and Cooperative Embrun's TOU implementation to Hydro 2000's requested extension date.
- e) Please state the contribution of AMI upgrades to Hydro 2000's requested extension date.

⁴ See: http://www.ontarioenergyboard.ca/html/touimplementation/toufilings_monthly_read.cfm

Board Staff question 3

Preamble

In its application for an extension, Hydro 2000 stated that a delay is required because:

3. Upgrade of the IESO System

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

Hydro 2000 files monthly reports with the Board on smart meter deployment and TOU pricing.⁵ Hydro 2000 did not indicate it had any concerns or issues regarding IESO system upgrades in the monthly reports it has filed.

Questions

- a) Please explain in detail why Hydro 2000 did not raise this concern in its monthly reports prior to its application for an extension.
- b) Please explain in detail why the IESO system upgrades warrant an extension to Hydro 2000's TOU date and how they prevent Hydro 2000 from cutting-over to production and TOU billing.
- c) Please state the contribution of IESO system upgrades to Hydro 2000's requested extension date.

⁵ See: http://www.ontarioenergyboard.ca/html/touimplementation/toufilings_monthly_read.cfm