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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: Cooperative Hydro Embrun Inc. – Extension to Mandated Time-of-Use
Pricing Date for Certain Regulated Price Plan Consumers
Board File No.: EB-2011-0258**

Please find enclosed Board Staff's interrogatories respecting 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
Cooperative Hydro Embrun Inc.
EB-2011-0258
Dated August 11, 2011

Board Staff question 1

Preamble

Cooperative Hydro Embrun Inc. ("Cooperative Embrun") filed an application dated July 6, 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. Cooperative Embrun has applied for an extension to its October 2011 mandated TOU pricing date and requested a new date of January 2012.

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

Cooperative Embrun cited three reasons for requesting an extension. The first reason was:

1. Customer Transition to TOU Rates

While Cooperative Hydro Embrun 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 Cooperative Hydro Embrun to work with its customers to adapt to the new billing reality. Cooperative Hydro Embrun 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.

Cooperative Embrun files monthly reports with the Board on smart meter deployment and TOU pricing.¹ Prior to its July 6, 2011 application, Cooperative

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

Embrun 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 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 Cooperative Embrun should be granted an extension because of an expectation of “significant customer distress.”
- b) Please explain in detail why Cooperative Embrun did not raise this concern in its monthly reports filed prior to this application for an extension.
- c) Please state how many billing cycles Cooperative Embrun proposes to provide parallel billing for customer transition purposes.
- d) Please state what Cooperative Embrun'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 Cooperative Embrun has issued to its customers over the last two years. Please explain why Cooperative Embrun has failed to provide these customers with materials containing sufficient information to prepare them for TOU implementation.

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/>

- f) Has Cooperative Embrun 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 Cooperative Embrun's expectation of "customer distress."
- g) Please provide the details of Cooperative Embrun'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.

Board Staff question 2

Preamble

In its application for an extension, Cooperative Embrun 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 (Cooperative Hydro Embrun), Renfrew Hydro and Hydro 2000. Therefore, version 7.5 conversion from ORPC has to be coordinated with all the utilities' SIT and QT testing. When we (Renfrew, Cooperative Hydro Embrun 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.*

Cooperative Embrun files monthly reports with the Board on smart meter deployment and TOU pricing.⁴ Cooperative Embrun 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 Cooperative Embrun did not raise this concern in its monthly reports prior to its application for an extension.

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

- b) Please explain in detail why AMI upgrades require an extension to Cooperative Embrun's TOU date and how they prevent Cooperative Embrun from cutting-over to production and TOU billing.
- c) Can Cooperative Embrun 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 Cooperative Embrun's requested extension date.
- e) Please state the contribution of AMI upgrades to Cooperative Embrun's requested extension date.

Board Staff question 3

Preamble

In its application for an extension, Cooperative Embrun stated that a delay is required because:

*3. Upgrade of the IESO System
Cooperative Hydro Embrun 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.*

Cooperative Embrun files monthly reports with the Board on smart meter deployment and TOU pricing.⁵ Cooperative Embrun 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 Cooperative Embrun 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 Cooperative Embrun's TOU date and how they prevent Cooperative Embrun from cutting-over to production and TOU billing.
- c) Please state the contribution of IESO system upgrades to Cooperative Embrun's requested extension date.

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