



August 25, 2011

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

Dear Ms. Walli:

**Re: Ottawa River Power Corporation – Extension to Mandated Time-of-Use
Pricing Date for Certain Regulated Price Plan Consumers
Board File No.: EB-2011-0255**

Please find enclosed Ottawa River Power Corporation's response to Board Staff's interrogatories with respect to the above application.

Regards,

A handwritten signature in black ink, appearing to read "D. Fee", is written over a solid horizontal line.

Douglas Fee

President

**Application by Ottawa River Power Corporation (ORPC) for an
Extension to Mandated Time-of-Use Pricing Date for
Regulated Price Plan Customers**

EB-2011-0255

**Ottawa River Power Corporation Responses to
BOARD STAFF
Interrogatories**

Filed August 25, 2011

Board Staff question 1

Preamble

Ottawa River Power Corporation ("Ottawa River") filed an application dated July 5, 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. Ottawa River has applied for an extension to its October 2011 mandated TOU pricing date and requested a new date of January 2012.

Ottawa River has stated that in its application that it has completed System Integration Testing (SIT) and Qualification Testing (QT).

Ottawa River cited three reasons for requesting an extension. The first reason was:

1. Customer Transition to TOU Rates

While Ottawa River 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 ORPC to work with its customers to adapt to the new billing reality. ORPC 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.

Ottawa River files monthly reports with the Board on smart meter deployment and TOU pricing.¹ Prior to its July 5, 2011 application, Ottawa River 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 Ottawa River should be granted an extension because of an expectation of "significant customer distress."

Response:

Ottawa River Power Corporation's installation of smart meters for residential customers was completed in November 2010 while small commercial (>50Kw) installations are close to 92% complete as of July 31, 2011 with 112 outstanding. ORPC's smart meter implementation plan from 2008 to 2010 focused primarily on meter installation and TOU system changes to meet TOU implementation targets.

Unlike, PowerStream Inc., ORPC has a very small staff of 27 employees in total. The implementation of the meters themselves was completed by our service and line staff in order to keep costs to a minimum for our customers. There has been four key staff involved in the IESO testing which is, as you may be aware, intensive. It is only now that staff has the resources to provide additional education to residential and in particular small commercial customers. ORPC has been using all OEB information "stuffers" to help customers prepare for TOU pricing; however, it plans on holding some town hall meetings.

- b) Please explain in detail why Ottawa River did not raise this concern in its monthly reports filed prior to this application for an extension.

Response:

As mentioned in response a) Ottawa River Power Corporation has minimal staff. It was ORPC's intention to be completely compliant in meeting its TOU schedule. All resources however, have been concentrating on the back office readiness. When SIT and QT testing was completed with the IESO, the staff on this project required time to resume their day to day work. This has meant a delay in the town hall meetings mentioned above.

- c) Please state how many billing cycles Ottawa River proposes to provide parallel billing for customer transition purposes.

Response:

ORPC has contacted its CIS provider and has decided that providing parallel billing for customer transition purposes will not be possible without significant costs not only monetarily, but resource wise as well. Ottawa River Power is in the process of contacting a third party vendor who may be able to provide this service, but again will have to examine the cost of doing this.

- d) Please state what Ottawa River's requested extension date would be in the absence of providing a period for customer transition.

Response:

Without the period of customer transition, Ottawa River Power Corporation believes that the extension date would still be January 1, 2012. The customer transition was planned in conjunction with the AMI upgrade and the IESO retesting.

- e) Please provide a description of all smart meter and TOU communications Ottawa River has issued to its customers over the last two years and when these were issued. Please explain why Ottawa River has failed to provide these customers with

materials containing sufficient information to prepare them for TOU implementation.

Response:

Ottawa River Power Corporation has used all OEB “stuffers” over the last two years. A brochure on smart meters was hand delivered to each customer at the time that their smart meter was installed. ORPC then continued to use OEB stuffers each time these were made available. Ottawa River Power Corporation also has its own customer newsletter that is normally published semi-annually. Smart meter education has been an article in these for the last few years. In addition Ottawa River Power has also registered for OPA programs to help mitigate the impacts of TOU prices. Some programs however, were only finalized in late spring this year. ORPC believes however, that its customers will require further education and wants to hold town hall meetings, providing more in depth information, closer to the implementation of TOU pricing.

- f) Has Ottawa River 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 Ottawa River’s expectation of “customer distress.”

Response:

1. Ottawa River Power Corporation has not finalized its’ bill impact analysis, but is currently in the process of completing this. The software that would allow us to perform this was purchased in October 2010, but has only been fully functional since June 2011.
2. The basis of Ottawa River’s expectation of “customer distress” is information that has been provided by the Ontario Energy Board. With week day on-peak periods taking place from 11:00am to 5:00pm in summer and from 7:00am to 11:00am plus 5:00pm to 7:00pm in the winter, ORPC is particularly concerned about our customers. ORPC has a customer base that consists of many senior citizens and those on social assistance, where they are at home and using electricity during these hours. Ottawa River is also concerned for our GS<50KW customers who operate their small businesses during these peak times.

- g) Please provide the details of Ottawa River'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.

Response:

Ottawa River Power Corporation has 31 billing cycles and does bi-monthly billing for all residential and a number of small commercial customers. The first TOU bill will be sent out approximately the first week of February 2012 with January being the first consumption month of TOU pricing. Approximately 1300 customers will be billed each week.

Board Staff question 2

Preamble

In its application for an extension, Ottawa River stated that a delay is required because:

2. Upgrade of the AMI System

Ottawa River Power Corporation 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). Ottawa River Power Corporation is carrying out the IESO implementation with Renfrew Hydro, Hydro 2000 and Cooperative Embrun. Therefore, version 7.5 conversion has to be coordinated with the other utilities' SIT and QT testing. When they 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.

Ottawa River files monthly reports with the Board on smart meter deployment and TOU

pricing.⁴ Ottawa River 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 Ottawa River did not raise this concern in its monthly reports prior to its application for an extension.

Response:

Ottawa River Power Corporation has to upgrade its AMI system to become compliant with Measurement Canada. A number of 1st generation smart meters, will not provide end of interval reading with the older version of the AMI system. It was unclear of the ramifications of the Measurement Canada requirement until just recently. Once again Ottawa River would like to emphasize that it had full intentions of complying with its TOU timeline.

- b) Please explain in detail why AMI upgrades require an extension to Ottawa River's TOU date and how they prevent Ottawa River from cutting-over to production and TOU billing.

Response:

The AMI upgrade requires an extension to Ottawa River Power Corporation's TOU date simply because of its limited resources and the inability to cutover twice within a short period of time. ORPC staff that is on this project must delay their day to day tasks while in this phase and then scramble to "catch up" again. This is causing undue stress on these employees. The estimated time to complete the upgrade is 4 to 6 weeks. ORPC had to make the decision to step out of the queue in order to complete the upgrade and stabilize the network again.

- c) Can Ottawa River implement TOU pricing using its existing Elster version 6.2 AMI system? Please explain.

Response:

Ottawa River Power Corporation would be able to implement TOU pricing using the existing Elster version 6.2, however they would not be Measurement Canada compliant. As mentioned above, ORPC cannot do this because of its limited resources and the inability to cutover twice within a short period of time. In view of the imminent requirement to upgrade to the new version it was preferable to complete the upgrade prior to going live with TOU pricing.

- d) Please state and explain the contribution of Renfrew Hydro, Hydro 2000 and Cooperative Embrun's TOU implementation to Ottawa River's requested extension date.

Response:

Ottawa River Power Corporation, Renfrew Hydro, Hydro 2000 and Cooperative Embrun's made a decision when the Smart Meter Project began that the four utilities would collaborate. We share consultants, software, and computer hardware. This has saved time and money and intellectual resources. In actuality the collaboration has had no effect on the requested extension.

- e) Please state the contribution of AMI upgrades to Ottawa River's requested extension date.

Response:

As stated in response b) The AMI upgrade could take 6 to 8 weeks including the time required to stabilize the network.

Board Staff question 3

Preamble

In its application for an extension, Ottawa River stated that a delay is required because:

3. Upgrade of the IESO System

Ottawa River Power Corporation 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.

Ottawa River files monthly reports with the Board on smart meter deployment and TOU pricing.⁵ Ottawa River 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 Ottawa River did not raise this concern in its monthly reports prior to its application for an extension.

Response:

The IESO upgrade was originally planned for November 2011. Just recently this has been postponed until January 2012. To re-iterate, ORPC had intended to be compliant with the TOU schedule. When this issue came to light, ORPC once again decided it just did not have the resources to complete testing twice.

- b) Please explain in detail why the IESO system upgrades warrant an extension to Ottawa River's TOU date and how they prevent Ottawa River from cutting-over to production and TOU billing.

Response:

The IESO upgrade will require ORPC to once again complete mandatory testing with its limited resources.

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- c) Please state the contribution of IESO system upgrades to Ottawa River's requested extension date.

Response:

Ottawa River Power estimates that the IESO upgrade will delay their TOU schedule by approximately 4 to 6 weeks again, based on our limited resources.