



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

Please find enclosed Cooperative Hydro Embrun Inc. response to Board Staff's interrogatories with respect to the above application.

Yours truly,

A handwritten signature in blue ink, appearing to be 'B. Lamarche', written over a horizontal line.

Benoit Lamarche  
Manager  
Cooperative Hydro Embrun Inc.

**Cooperative Hydro Embrun Inc Responses**  
**Application for Extension to Mandated Time-of-Use Pricing Date for**  
**Regulated Price Plan Customers**  
**Cooperative Hydro Embrun Inc.**  
**EB-2011-0258**  
**Dated August 25, 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.<sup>1</sup> Prior to its July 6, 2011 application, Cooperative 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."<sup>2</sup>

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."<sup>3</sup>

### 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."

#### Response:

Cooperative Hydro Embrun has completed the installation of all smart meters, residential and small commercial as of October 2009.

Unlike PowerStream Inc., Cooperative Hydro Embrun has a very small staff of 3 employees in total. There has been one key staff member involved in the IESO testing which is, as you may be aware, intensive. Cooperative Hydro Embrun has been using all OEB information "stuffers" to help customers prepare for TOU pricing; we also have our website available to clients with a link to OEB TOU information and our marketing plan is to distribute more information by sending letters to clients to advise of the upcoming TOU.

- 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.

#### Response:

As mentioned in response a) Cooperative Hydro Embrun has minimal staff. It was Cooperative Hydro Embrun'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 employee on this project required time to resume to her day to day work activities. Also note since we are utilizing the same resources as ORPC we are unable to proceed with TOU till they have their resources available.

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

#### Response:

Cooperative Hydro Embrun has contacted its CIS provider and has decided that providing parallel billing for customer transition purposed will not be possible without significant costs to our small utility.



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

**Response:**

Without the period of customer transition, Cooperative Hydro Embrun 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 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.

**Response:**

Cooperative Hydro Embrun has used all OEB 'stuffers' over the last two years. Cooperative Hydro Embrun then continued to use OEB stuffers each time these were made available. We also had our website in place with links to the OEB with the TOU information. Cooperative Hydro Embrun believes however, that its customers will require further education and will update its website with more information closer to the implementation of TOU pricing. We will also provide more information in the local newspapers. Cooperative Hydro Embrun has registered for OPA programs to help mitigate the impacts of TOU prices.

- 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."

**Response:**

1. Cooperative Hydro Embrun 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 Cooperative Hydro Embrun's expectations of 'customer distress' is information that has been provided by the OEB. 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, Cooperative Hydro Embrun is particularly concerned about our customers. Cooperative Hydro Embrun 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. Cooperative Hydro Embrun is also concerned for our GS under 50KW customers who operate their small businesses during these peak times.

- 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.

**Response:**

Cooperative Hydro Embrun has 7 billing cycles which are billed on a monthly basis. All of our customer base will be converted to TOU as of January 2012 and billed monthly. Consumption month starting TOU on January 1, 2012 and first bill will be processed February 19, 2012.

**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.<sup>4</sup> 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.

**Response:**

Ottawa River Power Corporation has to upgrade its AMI system to become compliant with Measurement Canada. A number of 1<sup>st</sup> 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 requirements until just recently. Once again Cooperative Hydro Embrun would like to emphasize that it had full intentions of complying with its TOU timeline. Again, since Cooperative Hydro is



using the same AMI system as ORPC we have to wait till the system is functional to comply with the TOU timeline.

- 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.

Response:

The AMI upgrade requires an extension to Cooperative Hydro Embrun's TOU date simply because of its limited resources and the inability to cutover twice within a short period of time. Cooperative Hydro Embrun's staff that is on this project must delay her day to day tasks while in this phase and then scramble to 'catch up' again. This is causing undue stress on the employee. 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. Since Cooperative Hydro Embrun utilizes the same AMI system as ORPC, we are unable to proceed with the TOU billing till the upgrade of the system is available to us.

- c) Can Cooperative Embrun implement TOU pricing using Ottawa River's existing Elster version 6.2 AMI system?

Response:

Cooperative Hydro Embrun 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, Cooperative Hydro Embrun has to wait for the new resources to be available at ORPC as we utilize the same systems. 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 without TOU pricing.

- 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.

Response:

Ottawa River Power Corporation, Renfrew Hydro, Hydro 2000 and Cooperative Hydro Embrun 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. All the utilities are on a

shared mass system which is operated and managed by ORPC; therefore, we need to wait till the upgrades are done in order to proceed with the TOU implementation.

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

**Response:**

As stated in response b) As per ORPC, 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, 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.<sup>5</sup> 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.

**Response:**

The IESO upgrade was just recently announced and is scheduled for January 2012. Originally, it was scheduled to upgrade in November 2011, this causing some delays with our implementation of TOU. It is difficult to assess the delays at this time as IESO has not released the test scripts for the new 7.2 upgrade.

- 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.

**Response:**

The IESO upgrade will require Cooperative Hydro Embrun to once again complete mandatory testing with its limited resources. With the IESO doing their upgrade in January 2012 this will conflict with a number of first time billing cycles.

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

**Response:**

Cooperative Hydro Embrun estimates that the IESO upgrade will delay their TOU schedule as time needs to be allotted for the testing of the 7.2 upgrade. The upgrade will delay the TOU schedule by approximately 4 to 6 weeks again, based on our limited resources.