



ONTARIO ENERGY BOARD

BOARD STAFF SUBMISSION

**Application for Extension to Mandated Time-of-use
Pricing Date for Certain Regulated Price Plan
Consumers**

Hydro One Networks Inc.

Board File No.: EB-2012-0384

November 28, 2012

BACKGROUND

Hydro One Networks Inc. ("Hydro One") filed an application dated September 21, 2012 with the Ontario Energy Board under section 74 of the Ontario Energy Board Act, 1998 for a licence amendment granting an extension in relation to the mandated date for the implementation of time-of-use ("TOU") pricing rates for certain Regulated Price Plan ("RPP") customers.

Hydro One has requested an extension to the exemption from its mandated TOU pricing date granted by the Board's Decision and Order of January 13, 2011, in the proceeding EB-2010-0282. In that Decision and Order the Board granted an exemption from the requirement to apply TOU pricing in respect of approximately 150,000 RPP customers who are outside the smart meter telecommunications infrastructure reach of Hydro One. The exemption applies until December 31, 2012. Hydro One is applying for an extension on that exemption and requests it to begin on January 1, 2013 and have an indefinite expiry date. Hydro One states that there are no current options that will meet full compliance. Hydro One indicates that the options that are available to reach these customers will achieve only partial compliance and create excessive costs. Hydro One states that the situation is not expected to be resolved until there is improved telecommunication infrastructure in place or when future technological advancements in automated meter infrastructure become available.

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

STAFF SUBMISSION

Having reviewed the application and evidence, Board staff does not have concerns with the applicant's requested extension.

However, Board staff is of the view that Hydro One should continue to report on its progress in transitioning these hard to reach customers to TOU pricing. Staff notes that electricity distributors currently report monthly on their progress with regard to TOU implementation under the Board Proceeding EB-2010-0218 as well as quarterly under section 2.1.2 of the Electricity Reporting and Record Keeping Requirements. However staff is of the view that, Hydro One should no

longer submit the monthly reports since the information captured in them and the frequency of reporting is not well suited to Hydro One's situation with respect to these hard to reach customers. Instead, Hydro One should file a report under EB-2010-0218 regarding it's hard to reach customers transition to TOU pricing. Board staff submits that a TOU pricing report filed annually that describes Hydro One's progress in transitioning it's hard to reach customers to TOU pricing should include:

- the total number of RPP eligible customers;
- the number of hard to reach customers transitioned to TOU in that year;
- the total cumulative number of customers on TOU;
- information on any new available technologies for these hard to reach customers;
- progress in the ongoing monitoring of cost effective technologies;
- the costs related to any of these technologies, and;
- any other related information that would inform the Board on Hydro One's progress to transition hard to reach customers to TOU pricing.

Board staff is of the view that this report filed annually would be useful for the Board to monitor Hydro One's progress during the course of Hydro One's requested indefinite extension period.

All of which is respectfully submitted.