

Board Staff Interrogatories

Hydro One Networks Inc.

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

EB-2014-0360

January 16, 2015

PREAMBLE

Hydro One Networks Inc. ("Hydro One") filed an application dated December 1, 2014 with the Ontario Energy Board (the "Board") under section 74 of the *Ontario Energy Board Act, 1998* (the "Act") 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.

On August 4, 2010 the Board issued a determination under Section 1.2.1 of the Standard Supply Service Code to require the implementation of TOU pricing for RPP customers. The determination established mandatory TOU implementation dates for each electricity distributor. On December 21, 2012 Hydro One was granted an extension to its mandated TOU pricing date for certain identified hard-to-reach RPP customers that are outside Hydro One's smart meter telecommunications infrastructure. Hydro One stated that there were no current options that would meet full compliance to providing TOU pricing to these customers. Hydro One indicated that the options that were available to reach these customers would achieve only partial compliance and create excessive costs. Hydro One stated that the situation was not expected to be resolved until there is improved telecommunications infrastructure in place or when future technological advancements in automated meter reading infrastructure become available. The extension began on January 1, 2013 and expired on December 31, 2014.

On December 1, 2014 Hydro One filed an application for a further extension to its TOU pricing date for these hard-to-reach customers. Hydro One requested that the extension begin on January 1, 2015 and remain in place until December 31, 2019. Hydro One states that during the previous extension period 12,000 of the identified hard-to-reach customers were successfully migrated to TOU pricing. Hydro One requests that this extension apply to the remaining 110,000 hard-to-reach customers as well as 50,000 customers currently on TOU pricing that demonstrate consistently unreliable meter communication resulting in billing errors and consumer dissatisfaction. Hydro One also requests that the extension

apply for approximately 10,000 new customers who are projected to be connected to Hydro One's service area during the requested five year exemption period.

On December 18, 2014, the Board issued an Interim Decision and Order granting an interim extension of the exemption to June 30, 2015 or until the final determination of the current application, whichever is earlier.

QUESTIONS

1. Please provide the geographic location, by municipality, of the 110,000 hard-to-reach customers identified in this application.
 - a. Please confirm the status of available commercial cellular network coverage, current and projected, in each location identified. For this group of customers, please also provide a breakdown by indicating the reason why customers are affected (telecommunications infrastructure, automated meter reading infrastructure, etc.).
2. Please provide the geographic location, by municipality, of the 50,000 customers currently on TOU pricing that demonstrate consistently unreliable meter communication identified in this application.
 - a. Please confirm the status of available commercial cellular network coverage, current and projected, in each location identified. For this group of customers, please also provide a breakdown by indicating the reason why customers are affected (telecommunications infrastructure, automated meter reading infrastructure, etc.).

3. Please provide the geographic location, by municipality, of the 12,000 hard-to-reach customers that were successfully migrated to TOU pricing during the previous extension period.
4. Please provide specific details of Hydro One's plans to ensure that any customers currently on TOU pricing that are converted to two-tier pricing do not receive consecutive, multiple or persistent estimated bills.
 - a. Please also explain how Hydro One intends to treat any TOU customers converted to two-tier pricing who receive large true-ups, multiple bills, and large withdrawals from bank accounts as a result of estimated bills.
 - b. Please clarify how switching customers from TOU pricing to two-tier pricing will help consumers receive accurate bills, not estimates.
 - c. Please provide details of Hydro One's proposed communications plan to update TOU customers on their status and transition to two-tier pricing.
5. Please confirm whether customer accounts identified in this application who remain affected by smart meter network communication issues will be excluded from credit and collections activity, including disconnection, during the five year exemption period requested. Please also indicate if these affected customers will be subject to late payment charges, installation of load limiters, and auto-dialer calls.
6. Hydro One has proposed to eliminate the exemption reporting schedule as it states the number of customers on TOU pricing is already reported quarterly in the Board's *Reporting and Record Keeping Requirements*. If Hydro One is granted a five year exemption, please identify reporting measures that would be appropriate for Hydro One to report its progress to the Board regarding transitioning the affected customers to TOU pricing as well as the number of customers receiving estimated bills as a result of smart meter network communication issues.

7. Please provide a summary of the results of Hydro One's net present value calculations conducted for network tuning and indicate whether these calculations are done on a regional basis.
8. Please provide additional details of the impact, current and projected, of the phase out of Bell Canada's CDMA network, including total numbers of customers impacted, by municipality across the province.
9. Please provide specific details of Hydro One's processes regarding manual meter reading and meter reads provided by customers and indicate how these are used to generate actual bills under two-tier pricing.
10. Please provide details of the analyses completed by Hydro One regarding the following:
 - a. the advantages and/or disadvantages of switching TOU customers to two-tier pricing including associated demand management opportunities; and
 - b. the options to achieve compliance and resulting costs and impact on rates.
11. Please provide specific details, including costs and timelines, of Hydro One's plans to:
 - a. improve communication reliability of its smart meter network;
 - b. monitor the availability of commercial cellular network coverage for those affected customers that do not currently have available cellular network coverage; and
 - c. adapt to technology changes in cellular network coverage across the province.