

VERIDIAN CONNECTIONS INTERROGATORY #9

INTERROGATORY

In paragraph 49, Wirebury recognizes that ‘reliability and quality of electricity service are important determinants of customer value’:

- (a) Does Wirebury accept that customers served by embedded distributors are often confused regarding which distributor (host or embedded) is accountable for the reliability of their electricity supply? Will the proliferation of new embedded supply points not exacerbate this confusion and result in an erosion of direct accountability for reliability?
- (b) Does Wirebury accept that close coordination between host and embedded distributors is needed to promptly respond to service disruptions affecting end-use customers, and that an increase in the number of embedded distributors will make this coordination more complex? Will this not negatively affect reliability? Please explain?
- (c) Does Wirebury support the ‘pan-caking’ of embedded distributors? (i.e. an embedded distributor embedded within the service area of another embedded distributor). If so, how many levels of ‘pan-caking’ does Wirebury deem acceptable? Please explain why?

RESPONSE

- (a) Wirebury does not accept that customers served by embedded distributors are confused since it is the customer who initially chooses to be served by the embedded distributor. Over time, Wirebury does not accept there will be any additional confusion, as consumers will receive, at a minimum, monthly invoices from their electricity distributor, Wirebury. The same level of consumer confusion probably occurred when Veridian introduced its new name or when Toronto Hydro amalgamated its six predecessor utilities. Should confusion occur, it is the role of electricity distributors to be responsive to consumer issues and clarify any confusion. Wirebury also does not accept that the addition of new supply points will have any impact on customer confusion. Finally, Wirebury does not accept that embedded distribution will lead to an “erosion of direct accountability for reliability”. Distributors, host and embedded will remain directly responsible and accountable for the reliability of their systems.



- (b) As explained in Board Staff's interrogatory, Ex. J12, T10, S4, all utilities are responsible for responding to emergencies on their own distribution systems and notifying impacted upstream and downstream distributors. Wirebury accepts that responding to service disruptions is a responsibility of all utilities and emergency preparedness requires coordination between host and embedded distributors. However, response protocols exist today for the 95 distributors operating in over 200 service areas in the province, hence Wirebury does not expect that additional embedded distributors will add to the complexity of co-ordination efforts or compromise system reliability.
- (c) There are roughly 75 fully or partially embedded distributors in Ontario. Wirebury believes that where it is economically efficient and it makes good business sense to be embedded within one of these existing embedded distributors, customer choice and open competition should be allowed. Wirebury does not recommend any specific maximum level of "pan-caking". Rather it believes that the level of embedded distribution will be based upon the competitive offerings to customers.

