



October 6, 2010

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319, 27th Floor
2300 Yonge Street
Toronto, Ontario M4P 1E4

Dear Ms. Walli:

RE: TIME-OF-USE RATE IMPLEMENTATION; EB-2010-0218
Canadian Niagara Power Inc.
Algoma Power Inc.
Grimsby Power Inc.
Westario Power Inc.

This letter provides information on behalf of all FortisOntario utilities ("FOU") and associated LDCs; Grimsby Power Inc. ("GPI") and Westario Power Inc. ("WPI") on the implementation of Time-of-Use ("TOU") rates. FOU consists of the three Canadian Niagara Power service territories: Fort Erie, Port Colborne and Gananoque, and Algoma Power Inc ("API"). Comments on the subject TOU rate implementation were provided to the Board by FOU, GPI, and WPI in early July 2010 (specifically, FOU on July 7, GPI on July 6, 2010, and WPI on July 7, 2010).

As noted in this prior correspondence, FOU, GPI, and WPI share a common Customer Information System ("CIS") platform, SAP, that is hosted by FOU. Therefore, FOU, GPI and WPI are working collaboratively with a common project plan to implement TOU rates. As further noted in the prior correspondence, FOU is in the process of upgrading its CIS to a newer version of SAP. Progression to CIS-MDM/R integration and subsequent TOU billing is dependent upon the successful completion of this SAP upgrade, which is planned for completion by the end of February 2011. Once the upgrade is implemented, work on MDM/R integration will proceed, followed by the various testing processes with the IESO MDM/R. The transition to TOU billing for FOU, GPI and WPI is scheduled to occur in late 2011 and early 2012.

In addition to the CIS upgrade noted above, API is in the process of integrating to FOU information systems as a result of the recent acquisition of API by FortisOntario. To avoid duplication and needless expenditure of resources and capital, a single-step CIS integration process is required, whereby API will migrate to the FOU SAP CIS platform during 2011 and early 2012. This will be followed by MDM/R integration and the rollout of TOU rates at API by mid-year 2012. This plan was described in API's rate application EB-2009-0278.

FOU, GPI and WPI have noted the Board's Determinant issued on August 4, 2010, that mandated TOU rate implementation timelines for Ontario LDCs and the subsequent Compliance Bulletin issued on September 2, 2010. FOU, GPI and WPI recognize the necessity to ensure that LDCs are moving toward the goal of implementing TOU rates in a timely fashion. To that end, FOU, GPI and WPI did review its project plan to determine whether the OEB-mandated dates for TOU billing could practically be achieved, but concluded that this was impractical because of the need for the CIS upgrade and the various steps involved in the process of achieving MDM/R integration and TOU billing. The expected dates when each LDC will commence TOU billing are shown in the table below, along with the OEB-mandated dates.

LDC	OEB-mandated date for commencement of TOU billing	LDC practical date to commence TOU billing
CNPI – Fort Erie	December 2011	January 2012
CNPI – Port Colborne	December 2011	January 2012
CNPI - Gananoque	February 2012	February 2012
API	June 2011	July 2012
GPI	September 2011	December 2011
WPI	September 2011	December 2011

Table 1: Expected Dates to Commence TOU Billing

For most, there is only a slight variation from the OEB-mandated date and the practical date to commence TOU billing. For API, there is about a one-year discrepancy between the OEB date and the practical TOU billing date. This is due to the fact that TOU baselines for API, upon which the OEB determinant was based, were established prior to the acquisition by FortisOntario. As noted earlier, it would be imprudent to establish TOU billing with API's existing CIS, only to soon thereafter implement a new CIS.

The process to achieve TOU billing is a complex, multi-stage endeavour that requires a thoughtful, systematic approach to achieve a successful implementation. FOU, GPI and WPI believe that their plan to achieve TOU billing is reasonable and meets the objective of achieving TOU rates in the province in a timely manner. A great deal of capital is being invested in Smart Meter/AMI systems, and FOU, GPI and WPI believe that a hasty approach to achieving TOU rates would not serve the interests of ratepayers in their service territories nor the provincial goal of implementing an energy conservation culture in Ontario.

Yours truly,



Douglas R. Bradbury
Director, Regulatory Affairs

SIGNATORY PAGE



Name: Douglas R. Bradbury
Title: Director, Regulatory Affairs
Canadian Niagara Power Inc.



Name: Douglas Curtiss
Title: CEO, Grimsby Power Inc.



Name: Lisa Milne
Title: President and CEO, Westario Power Inc.