



CANADIAN NIAGARA POWER INC.

A **FORTIS** ONTARIO
Company

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

November 25, 2010

Dear Ms. Walli:

**RE: Application for Exemption from Mandated Time of Use Pricing; EB-2010-0307
Canadian Niagara Power Inc., Algoma Power Inc., Grimsby Power Inc. and
Westario Power Inc.**

Please accept this letter, submitted on behalf of Canadian Niagara Power Inc.¹ (ED-2002-0572), Algoma Power Inc. (ED-2009-0072), Westario Power Inc. (ED-2002-0515) and Grimsby Power Inc. (ED-2002-0554), as an application for an exemption from the Determination Under Section 1.2.1 of the Standard Supply Service Code to Mandate Time-of-Use Pricing for Regulated Price Plan Customers ; Board File EB-2010-0218. The Board, in response to an earlier informational letter, assigned case number EB-2010-0307 to this request.

This application provides information on behalf of Canadian Niagara Power Inc. ("CNPI"), Algoma Power Inc. ("API"), Grimsby Power Inc. ("GPI") and Westario Power Inc. ("WPI") collectively described herein as "the parties" on the implementation of Time-of-Use ("TOU") rates. On June 24, 2010, the Ontario Energy Board ("OEB") issued a proposed determination under Section 1.2.1 of the Standard Supply Service Code to mandate deadlines for the implementation of TOU rates for RPP consumers. Comments on the proposed determinant were provided to the Board by the parties in early July 2010 (specifically, CNPI and API on July 7, 2010 GPI on July 6, 2010, and WPI on July 7, 2010). Comments focused on the need for the parties to implement upgrades to their Customer Information Systems ("CIS") to facilitate integration to the provincial Meter Data Management/Repository ("MDMR") and support the implementation of TOU billing.

¹ Canadian Niagara Power Inc. is inclusive of its distribution service territories in Fort Erie, Port Colborne and Gananoque. In Gananoque, Canadian Niagara Power Inc. uses the brand name of Eastern Ontario Power and this brand name ought not to be confused with the legal entity and licenced distributor, Canadian Niagara Power Inc., ED-2002-0572.

On August 4, 2010, the OEB issued its final determination that mandated specific dates for each LDC to implement TOU rates in their respective service territories. In this Application the parties request an exemption from the OEB-mandated TOU implementation dates because of the need to first undertake an upgrade to their CIS systems. The Provincial Smart Meter Functional Specification imposes high standards pertaining to the functionality of Smart Meter systems in terms of data availability, retrieval, transfer, and processing for the purpose of TOU billing. It is imperative that LDC information technology platforms and customer information systems be able to support these requirements.

As noted in prior correspondence, the parties share a common CIS (an “SAP” system) that is hosted by CNPI. Therefore, the parties are working collaboratively with a common project plan to implement TOU rates. The parties are presently upgrading the 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 complete, work will proceed on building TOU functionality within the CIS, configuring business processes within the CIS, and integrating the CIS to the MDM/R. This stage of the project is expected to be complete by August 2011, at which time the various testing processes with the IESO MDM/R will commence. The transition to TOU billing for CNPI’s service territories in Fort Erie and Port Colborne, GPI and WPI is scheduled to occur in late 2011 and early 2012. As shown in the Table below, these dates represent only a slight variation from the dates mandated in the OEB’s August 4 determinant. CNPI’s service territory in Gananoque will meet the mandate of TOU billing in February 2012.

The specific case of API is more complex and involves a lengthier process to transition to TOU billing. In addition to the CIS upgrade noted above, API is in the process of integrating to CNPI information systems as a result of the recent acquisition of API by FortisOntario. To avoid duplication and unnecessary expenditure of resources and capital, a single-step CIS integration process is planned, whereby API will migrate to the 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 recent cost-of-service rate application, EB-2009-0278.

The parties are committed to implementing Smart Meter/AMI systems and transitioning RPP consumers to TOU billing in a timely fashion. The parties request this exemption from the OEB in consideration of the practical requirements to successfully implement a CIS upgrade, and in the specific case of API to implement a completely new CIS. The expected dates for each LDC to commence TOU billing are shown in the table below, along with the dates mandated in the OEB August 4 determinant. The parties request that the OEB grant this exemption to allow these LDCs to implement TOU billing by the dates stated below.

Expected Dates to Commence TOU Billing

LDC	OEB-mandated date for commencement of TOU billing	LDC 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
GPI	September 2011	December 2011
WPI	September 2011	December 2011
API	June 2011	June 2012

Yours truly

Original Signed By

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

Original Signed By

Douglas Curtiss, P. Eng.
President and CEO, Grimsby Power Inc.

Original Signed By

Lisa Milne
President and CEO, Westario Power Inc.