



January 27, 2011

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

Dear Ms. Walli:

Re: Mandatory Time of Use Extension Application (EB-2010-0367)

Enclosed please find *ENWIN's* responses to the interrogatories of Board Staff, pursuant to the Notice of Application

Yours very truly,
ENWIN Utilities Ltd.

A handwritten signature in blue ink, reading "Andrew J. Sasso".

Per: Andrew J. Sasso
Director, Regulatory Affairs
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Responses to Board Staff Interrogatories
Application for Exemption from Mandated Time of Use Pricing
for Regulated Price Plan Consumers
EnWin Utilities Ltd.
EB-2010-0367
January 27, 2011

Board Staff question 1

Preamble

In its application, EnWin Utilities Ltd. ("EnWin") states that it is seeking an exemption from its June 2011 TOU date and requesting a new TOU date of December 2012.

Questions

- a) Please confirm the current status of EnWin's smart meter deployment and TOU implementation, including its progress on the ten milestones reported on each month.

Please see Attachment A.

- b) Please identify the dates, and the number of RPP consumers on each of these dates, by which EnWin will begin billing its RPP consumers on a TOU basis, if the request for a new mandatory TOU dates is granted.

ENWIN plans on beginning to transition RPP ratepayers to TOU in Q4 2012. The plan is to start billing each RPP ratepayer on a TOU basis no later than the monthly bill received by each RPP ratepayer in December 2012. The exact dates will be determined in consultation with the Smart Metering Entity as the MDM/R implementation moves through the prescribed process.

- c) Please explain why EnWin has not yet submitted project plans with the Smart Metering Entity ("SME") confirming dates for enrolment testing.

ENWIN began communicating with the Smart Metering Entity (SME) as early as July 2009. Those communications continue with the next conversation scheduled for January 31, 2011. The SME has been kept apprised of *ENWIN's* SAP CIS and MDM/R-readiness status on an ongoing basis.

A project plan will be developed by *ENWIN* in consultation with the SME and *ENWIN's* SAP CIS System Implementer (Deloitte). That plan is expected to be prepared following the outcome of this proceeding and the conclusion of the SAP

CIS design work being performed at present in respect of the MDM/R interfaces and TOU billing. *ENWIN* expects that the project plan could be submitted to the SME before the end of Q2 2011.

- d) Please describe in detail EnWin's plan for enrolling with the MDM/R (Meter Data Management and Repository).

Please see the plan as set out in response to Question 1(a).

Further, please see the status of project plan development set out in response to Question 1(c).

ENWIN recognizes the importance that the CIS plays in its relationships with its ratepayers and in the company's financial viability. Accordingly, *ENWIN* decided to not jeopardize these interests by creating and implementing a plan to enroll its legacy PeopleSoft CIS with the MDM/R.

ENWIN plans on ensuring the SAP CIS is operating reliably before introducing into that CIS environment the complexities associated with MDM/R connectivity and TOU billing. The applied for Mandatory TOU date is intended to provide time for that stabilization in order to minimize disruption to ratepayers and the company during MDM/R and TOU implementation.

- e) Please describe in detail the consequences of the delays on the costs of the EnWin's smart meter and TOU implementation plan.

Implementing TOU by December 2012 instead of June 2011 will not increase costs.

A requirement for *ENWIN* to implement TOU prior to December 2012 would increase costs. Costs would be increased because a tighter timeframe would necessitate additional resource time from Deloitte systems implementers and *ENWIN* staff. From cost-mitigation and rate-mitigation perspectives, a Mandatory TOU date earlier than December 2012 would be undesirable.

Board Staff question 2

Preamble

EnWin states in its application that it does not have the “resource capabilities to move to SAP CIS and move to TOU in the PeopleSoft CIS simultaneously” and that it has requested an exemption “due to the time required in implementing a new customer information system.” EnWin stated further that it “expects that SAP CIS development will take from September 2010 until early 2012.”

Questions

- a) Please explain in detail why EnWin decided to develop a SAP CIS rather than retaining its PeopleSoft CIS.

The status of *ENWIN's* existing Enterprise Resource Planning (ERP) Systems were set out and considered by the Board in *ENWIN's* 2009 Cost of Service Rate Application (EB-2008-0227). The Application noted numerous limitations of these legacy systems. The Application cited major groupings of limitations that justified moving to a new system: Lack of Vendor Support for ERP Systems, Lack of Integration among ERP Systems, and Functionality Limitations. The Application examined the options of upgrading the legacy ERP Systems, implementing a partial ERP System, or implementing a Comprehensive ERP. The Application made the case for a Comprehensive ERP.

It was resolved in s. 2.3 of the Settlement Agreement in EB-2008-0227 that, “the Parties agree that procurement and implementation of the proposed Comprehensive ERP system is appropriate.”

The Board approved the Settlement Agreement on February 19, 2009.

ENWIN considers the decisions to procure and implement a Comprehensive ERP System as set out in EB-2008-0227, which included a CIS, to not be relevant in this proceeding.

- b) Please indicate the date, including documentation, when *ENWIN* decided to develop a SAP CIS.

A variety of events occurred over the past few years that set the context and impacted the decisions related to 3 major projects:

- a) Comprehensive ERP System
- b) International Financial Reporting Standards (IFRS)
- c) Smart Metering and TOU implementation

The Comprehensive ERP System includes many components, including Finance, Asset Management and CIS, among others. IFRS and many of the questions and processes related to that are well known to the Board. The Green Energy Act (GEA), with its attention to connecting and metering renewable generators and promoting a Smart Grid, was viewed by *ENWIN* as having real potential to impact the types of Smart Meters that would best serve ratepayers and LDCs. The chart below starts with the date that *ENWIN* decided to develop a new CIS and moves forward in chronology, noting many of the important markers that impacted the 3 projects or the way *ENWIN* viewed the 3 projects.

| Date | Event |
|----------------|--|
| March 2008 | Board of Directors approved budget for Comprehensive ERP System, including CIS |
| March 2008 | Board of Directors approved budget for Smart Meters |
| May 2008 | Ontario Energy Board initiated a consultation on the anticipated January 1, 2011 transition to IFRS |
| June 2008 | Regulations enacted to give <i>ENWIN</i> and other LDCs the option of engaging in Smart Metering |
| September 2008 | Cost of Service Rate Application filed |
| October 2008 | Ontario Energy Board issues Smart Metering Guideline |
| November 2008 | Management identified SAP as the preferred Comprehensive ERP System provider |
| December 2008 | Ontario Energy Board initiated a consultation on the transition to IFRS |
| February 2009 | Ontario Energy Board approved <i>ENWIN</i> 's Cost of Service Settlement Agreement |
| February 2009 | Bill 150 to create the <i>Green Energy and Green Economy Act, 2009</i> , with references to a broadly defined "Smart Grid", passed First Reading |
| April 2009 | Ontario Energy Board Decision issued in <i>ENWIN</i> 's Cost of Service Rate Application |
| April 2009 | Board of Directors authorized proceeding with SAP as the Comprehensive ERP System vendor and Deloitte as |

| | |
|----------------|---|
| | systems implementer |
| May 2009 | Ontario Energy Board hosted IFRS stakeholder conference |
| May 2009 | Phase 1 of SAP implementation began (Phase 1 included the components of the Comprehensive ERP System pertaining to Asset Management, Finance, Human Resources, Supply Chain, Work Management) |
| May 2009 | <i>Green Energy and Green Economy Act, 2009</i> received Royal Assent |
| June 2009 | Ontario Energy Board issued Distribution System Planning Guidelines, including on Smart Grid |
| June 2009 | Ontario Energy Board announced Smart Meter and TOU Baseline Report filing requirement effective July 2009 |
| July 2009 | Communications with the SME began by this point |
| July 2009 | Ontario Energy Board issued Report on transition to IFRS |
| August 2009 | Ontario Energy Board hosted GEA implementation workshops |
| September 2009 | Ontario Energy Board amended Codes to reflect new metering requirements for renewable generators |
| December 2009 | Ontario Energy Board webcast on proper metering for renewable generators |
| March 2010 | Ontario Energy Board issued Distribution System Plan Filing Requirements, including for Smart Grid |
| May 2010 | Switch-over from legacy ERP Systems to SAP ERP System for the components pertaining to Phase 1 |
| May 2010 | Implementation began on SAP Business Reporting component of Comprehensive ERP Systems |
| May 2010 | Received input from Deloitte regarding implementation of SAP CIS and Smart Metering / TOU |
| July 2010 | <i>ENWIN</i> filed a submission on the Ontario Energy Board's |

| | |
|----------------|--|
| | June 2010 proposal to set Mandatory TOU dates (please see Attachment B) |
| August 2010 | Ontario Energy Board set Mandatory TOU date |
| August 2010 | ENWIN advised Ontario Energy Board of its concerns with its assigned Mandatory TOU date |
| August 2010 | Phase 1 components stabilized |
| August 2010 | SAP Business Reporting put in use |
| August 2010 | Phase 1 debriefed |
| August 2010 | Legacy CIS modifications began for the purpose of achieving compliance with numerous regulatory initiatives taking effect in October 2010 and January 2011 |
| September 2010 | Negotiations began with Deloitte for Phase 2 systems implementer work |
| October 2010 | Ontario Energy Board established new reporting requirements regarding Smart Meter installations |
| November 2010 | Board of Directors authorized proceeding with Deloitte as systems implementer |
| November 2010 | Minister issued Directive on Smart Grid |
| December 2010 | Legacy CIS modifications concluded and regulatory compliance achieved for numerous regulatory initiatives |
| December 2010 | ENWIN files formal Application to extend Mandatory TOU to a later date |
| January 2011 | Phase 2 of SAP implementation began (Phase 2 includes Billing, Credit & Collections, Customer Service, FIT/microFIT, Time-of-Use) |
| January 2011 | Ontario Energy Board initiated Smart Grid proceeding |

- c) Please indicate the date, including documentation, when EnWin determined that it did not have the “resource capabilities to move to SAP CIS and move to TOU in the PeopleSoft CIS simultaneously”.

Please see the response to Question 2(b).

In May 2010 there was a final determination that the SAP CIS implementation and a legacy PeopleSoft CIS TOU implementation could not occur for human resource constraint reasons. With only 4-5 IT staff members sufficiently knowledgeable about CIS, it was determined it was not possible to simultaneously:

- a) Continue to support the legacy CIS,
- b) Design, develop, debug TOU in the legacy CIS, and
- c) Be submersed in the design & implementation of the SAP CIS.

Moreover, with the PeopleSoft CIS being so fragile, adding a large MDM/R interface and TOU billing customizations would not be prudent. The additional demands placed on the system could have rendered the PeopleSoft CIS entirely inoperable. This was not an acceptable risk.

Finally, from a business perspective, beyond the fragility of the legacy CIS and the inherent risk that would have created, making significant investments in the legacy CIS with a new SAP CIS in development would have created duplicative costs. This presents a financial resource constraint.

- d) Please indicate the dates when EnWin selected, began and finalized contract negotiations with its SAP CIS implementer.

Please see the response to Question 2(b).

- e) Please describe in detail, including timelines and documentation from EnWin's CIS implementer, how EnWin came to expect that SAP CIS development will take from September 2010 until early 2012.

In July 2010, Deloitte provided *ENWIN* with its expert advice that a SAP CIS implementation would take 14.5 months. Given *ENWIN*'s experience with the first phase of the Comprehensive ERP system project, knowledge of unique Ontario complexities such as EBT, FIT/microFIT and TOU, and the tight regulatory parameters around CIS functionality for billing, credit and collections, etc. and low-income ratepayers, *ENWIN* anticipated that this timeline was optimistically condensed. *ENWIN* anticipated an implementation period closer to 18 months.

- f) Please indicate the current status of EnWin's SAP CIS development, including information regarding whether it is on time and on budget.

ENWIN continues to anticipate SAP CIS readiness in time to achieve a Mandatory TOU date of December 2012.

It is worth noting that since *ENWIN* first requested a December 2012 Mandatory TOU date on August 23, 2010, *ENWIN* has successfully implemented other changes to its legacy CIS to support regulatory requirements. Namely, *ENWIN* has achieved compliance by the required dates for the:

- a) Billing, credit & collections and related customer service requirements that took effect October 1, 2010 and January 1, 2011,
- b) Global adjustment charges for Class A and Class B ratepayers, and
- c) Bills that incorporated the Ontario Clean Energy Benefit as of the first billing date in January 2011.

These accomplishments demonstrate both *ENWIN*'s commitment to addressing regulatory requirements in a timely fashion and the capabilities of its human resources in respect of CIS initiatives.

These accomplishments also demonstrate that *ENWIN* has made selective modifications to its legacy CIS in the recent past in order to achieve regulatory compliance and customer service objectives. These scenarios are distinguishable from the MDM/R and TOU project in that:

- a) They were of narrower scope,
- b) They could be achieved using only internal resources, and
- c) The processes and legacy CIS development associated with those projects can be leveraged in the SAP CIS development process because they were changes internal to the CIS, unlike the interface-based work associated with MDM/R and TOU project which could not be leveraged.

The financial status of the SAP CIS project is not relevant to this proceeding.

Board Staff question 3

Preamble

In EnWin's 2009 Cost of Service application (EB-2008-0227), ENWIN applied for, and received approval for, an increase in their smart meter adder from \$0.27 to \$1.00. In the same proceeding, ENWIN estimated that it would install approximately 40,000 Smart Meters in the 2009 test year. (Ex. 5, T. 2, Sch. 2) and estimated that the total incremental expenditure for Smart Metering in the 2009 test year would be approximately \$7,336,100. (Ex. 5, T. 2, Sch. 2).

Questions

- a) Please provide EnWin's original plan for Smart Meter installation and TOU implementation at the time of its 2009 Cost of Service application.

At the time *ENWIN* filed its 2009 Cost of Service Application, *ENWIN* planned to start Smart Meter expenditures in 2008 and complete its Smart Meter installations by the end of 2010. *ENWIN* did not have a plan for moving to TOU.

- b) Please describe the state of EnWin arrangements with its smart meter vendor and installer on the date that it submitted its 2009 Cost of Service application to the Board (September 18, 2008).

At the time *ENWIN* filed its 2009 Cost of Service Application, *ENWIN* did not have any arrangements in place with a Smart Meter vendor. *ENWIN* had identified a preferred vendor as a member of the London Consortium RFP process. *ENWIN* was engaged in preliminary negotiations with the preferred vendor (Sensus).

- c) Please describe the state of EnWin arrangements with its smart meter vendor and installer on the date that the decision and order for its 2009 Cost of Service application was issued by the Board (April 9, 2009).

At the time *ENWIN* received its 2009 Cost of Service Decision (April 9, 2009) and Order (May 1, 2009), *ENWIN* did not have any arrangements in place with either a Smart Meter vendor or a Smart Meter installer. *ENWIN* had identified a preferred vendor as a member of the London Consortium RFP process. *ENWIN* was engaged in negotiations and other discussions with the preferred vendor (Sensus).

As noted in this Application, Bill 150 was moving through the Legislature from February until in May in received Royal Assent and the *Green Energy and Green Economy Act, 2009* (GEA) was finalized. Various provisions would not be

proclaimed in force or regulations issued until September 2009. The GEA had introduced the possibility of Smart Grid initiatives. The Board was busily churning out policy papers and Code amendments that created questions about what the metering needs of the future would be (e.g. bidirectional meters, in-series metering arrangements). Accordingly, the negotiations with Sensus took on an added element of examining features such as “remote disconnect under glass” and “Zigbee” home area network enabling technology.

- d) Please indicate how much EnWin collected from its customers in smart meter adder funding in 2009 and in 2010.

This Application does not seek to change the Smart Meter Funding Adder, establish a Smart Meter Rate Rider, add Smart Meters into rate base, or otherwise obtain recovery or disposition of any Smart Meter amounts. Accordingly, this question is not relevant.

- e) Please indicate how much EnWin spent on smarting metering and TOU implementation in 2009 and in 2010.

This Application does not seek to change the Smart Meter Funding Adder, establish a Smart Meter Rate Rider, add Smart Meters into rate base, or otherwise obtain recovery or disposition of any Smart Meter amounts. Accordingly, this question is not relevant.

Board Staff question 4

Preamble

EnWin states in its application that it suspended its 2009 advanced metering infrastructure deployment ("AMI") plan, which included the installation of approximately 40,000 Smart Meters as approved in its 2009 Cost of Service application, because of the passage of the *Green Energy and Green Economy Act, 2009* ("GEA").

Questions

- a) Please provide the date on which EnWin made the decision to suspend its original 2009 AMI deployment plan, including supporting documentation.

When the original plan was developed in 2008, there was the prospect of the Government mandating Smart Meters by the end of 2010. The original plan had regard for this prospect in the interest of maintaining regulatory compliance.

When following the conclusion of *ENWIN's* 2009 Cost of Service Application the company started the SAP project, the Government still had a "target" for Smart Meter installations, but no requirement for LDCs. Similarly, there was no TOU requirement. At the same time, the expectation at the time was that IFRS was going to be mandatory for LDCs in January 2011. These differing expectations of regulatory requirements impacted *ENWIN's* April 22, 2009 decision to:

- 1) Move forward with SAP in priority to Smart Metering and
- 2) Implement the SAP Finance, Asset Management and other smaller SAP components in the first phase of the SAP project and the SAP CIS as the second phase of the SAP project.

The timing of the Smart Meter installations has not had any material impact on *ENWIN's* readiness for the MDM/R and TOU implementations. While the Smart Meters were not all installed by the end of 2010, which had been the original plan, as of January 21, 2011, *ENWIN* had installed the vast majority of its Smart Meters. *ENWIN* expects that all Smart Meters will be installed prior to *ENWIN* starting the SAP CIS enrollment with the MDM/R.

- b) Please provide the specific date when EnWin first informed the Board of its decision to suspend its original AMI deployment plan, including supporting documentation.

ENWIN's timing for performing installations changed, but *ENWIN* did not suspend its implementation. *ENWIN* has complied with the Board's filing requirements in respect of Smart Meters and TOU implementation.

- c) Is EnWin aware of any Ontario electricity distributors that suspended or delayed smart meter deployment and TOU implementation plans for the same GEA-related reasons as EnWin? If so, please indicate the specific electricity distributors.

The reasonableness of *ENWIN's* actions in respect of Smart Metering and TOU implementation and the merits of this request to extend the Mandatory TOU date, stand independently of the choices of other LDCs. Accordingly, this question is not relevant.

- d) When EnWin made the decision to suspend its original 2009 AMI deployment plan how did it take into account the number of smart meters that had already been installed by electricity distributors in Ontario at that time?

In April 2009, *ENWIN* was aware that many LDCs were installing Smart Meters despite the absence of regulatory requirements for Smart Metering or TOU. *ENWIN* was concerned about putting the right SAP components in place to address its impending regulatory compliance obligation (IFRS).

ENWIN's decision to triage the SAP Finance and Asset Management components ahead of the Smart Meter installation and the SAP CIS was based on the situation facing *ENWIN*, its ratepayers and its shareholder, and the best information available at the time.

- e) Please provide the reasons for and specific date when EnWin determined that it would resume Smart Meter installation and TOU implementation, including documentation.

The April 22, 2009 decision to put mandatory IFRS ahead of optional Smart Metering and TOU did not necessitate a decision to "resume" the secondary projects. Once the SAP Finance, Asset Management and other smaller components of the Comprehensive ERP System were in use (May) and substantially stabilized (summer) in 2010, the activities for Smart Metering installation and TOU implementation could continue.

ENWIN took delivery of its Smart Meters beginning in early July 2010 and began installing the Smart Meters the first week of August 2010.

ENWIN also engaged in significant interdepartmental projects from August through to the end of December to address the regulatory compliance initiatives set out in response to Question 2(f).

ENWIN began the design stage of the SAP CIS in January 2011.

- f) Please indicate the date and describe how the London Hydro Consortium RFP process identified Sensus as EnWin's best smart meter vendor option.

Neither the selection of Sensus nor Sensus itself factor into the request made in this Application. Accordingly, this question is not relevant.

- g) Please indicate the dates when EnWin selected, began and finalized contract negotiations with its smart meter vendor.

ENWIN and Sensus entered into a contract on April 21, 2010. This date is contemporaneous with the early May completion of the first phase of the SAP project and precedes the Board's August 4, 2010 issuance of Mandatory TOU dates.

- h) Please indicate the dates when EnWin selected, began and finalized contract negotiations with its smart meter installer.

ENWIN and Olameter entered into a contract on June 23, 2010. Olameter conducted training for its staff in July and began Smart Meter installations in early August.

Board Staff question 5

Preamble

EnWin states in its application that it filed a baseline plan with the Board.

Questions

- a) Please explain in detail the planning components of EnWin's Baseline Report filed on July 6, 2009 for implementing TOU billing for RPP-eligible consumers.

In each Baseline Report, *ENWIN* provided the information requested, to the best of its knowledge at the time. While *ENWIN*'s original plan was to begin Smart Meter expenditures in late 2008, by July 6, 2009 the GEA had been released giving rise to the considerations set out in the Application and in response to other questions.

At that time and for those reasons, *ENWIN* did not have a contract with its preferred Smart Meter vendor. *ENWIN* was quite clear in the filing that no contract was in place. Therefore, while *ENWIN* was in a position to include historical information in the filing, it would have been imprudent to fill in data for future dates.

First, to do so in the public filing could have adversely impacted *ENWIN*'s negotiations with Sensus by committing *ENWIN* to a particular start date. Second, it would have been total speculation in the absence of an arrangement with a Smart Meter vendor. Third, and most importantly, it would have suggested to the Board that dates had been planned despite it being *ENWIN*'s intention to very candidly communicate to the Board that the implementation was in a very early stage and in a holding pattern.

Board Staff question 6

Preamble

EnWin states in its application that “Input from the SME and other LDCs has also helped EnWin come to a better understanding about the MDM/R enrolment process. EnWin’s understanding is that it would take approximately 10 months to become TOU-ready and another several weeks to roll-out TOU across its numerous billing cycles.”

- a) Please indicate the date when EnWin sought input from the SME regarding the MDM/R enrolment process, including any documentation.

Please see the responses to Questions 1(c) and (d).

- b) Are there any other factors (internal and/or external) that EnWin has considered in making this application?

ENWIN has put considerable focus on regulatory compliance as part of its SAP, Smart Metering and TOU decision-making. Pursuing regulatory compliance drove:

- a) Delaying optional Smart Metering and TOU in favour of mandatory IFRS,
 - b) The projects described in 2(f) following the first phase of SAP,
 - c) An aggressive Smart Meter implementation schedule,
 - d) Development of a TOU implementation through SAP CIS,
 - e) *ENWIN* filing a letter of concern in respect of its Mandatory TOU date on the very same date that the notice was issued by the Board, and
 - f) Making this application.
- c) Are there any other factors (internal and/or external) that EnWin has identified that may hinder its ability to comply with its requested mandatory TOU dates?

While the future is always uncertain, the main factors that are likely to affect *ENWIN*’s expected ability to meet its requested Mandatory TOU date include:

- a) Installation of the remaining Smart Meters,
- b) Implementation of SAP CIS,
- c) New regulatory requirements that impact the implementation of SAP CIS or force SAP CIS resources back to work on the legacy CIS,
- d) Emergency legacy CIS repairs required to keep the system operational until the SAP CIS is in use,
- e) Issues with the Sensus AMI,
- f) Issues with the Sensus AMI interface with SAP CIS,

- g) Enrollment of the SAP CIS and Sensus AMI with the MDM/R,
- h) SME issues with the MDM/R, and
- i) Transitioning to TOU billing.

It is worth noting that *ENWIN* considers this risk profile to be much more favourable to *ENWIN*, its ratepayers and other stakeholders relative to any other option.

Appendix A

Smart Meter Time of Use

For the Period to: 21-Jan-11

RPP Eligible Consumers:

| Description | Residential Class | GS < 50kW Class | Total |
|--|-------------------|-----------------|--------|
| Total Number of RPP-eligible consumers | 76,792 | 6,968 | 83,760 |
| Number of smart meters installed in the period | 7,768 | 328 | 8,096 |
| Number of smart meters registered with the MDM/R in the period | 0 | 0 | 0 |
| Number of RPP consumers being charged TOU prices added in the period | 0 | 0 | 0 |
| Total cumulative number of smart meters installed in the service area at the end of the period | 72,258 | 2,779 | 75,037 |
| Total cumulative number of smart meters registered with the MDM/R at the end of the period | 0 | 0 | 0 |
| Total cumulative number of consumers being charged TOU prices at the end of the period | 0 | 0 | 0 |

Progress Report on SME Milestones

| Activity | Original Scheduled Completion Date | Status | Expected Completion Date | Actual Completion Date |
|--------------------------|------------------------------------|----------|--------------------------|------------------------|
| 1. AMCC Internal Testing | | Complete | July 30, 2010 | July 30, 2010 |

| Activity | Original Scheduled Completion Date | Status | Expected Completion Date | Actual Completion Date |
|-------------------------|------------------------------------|-------------|--------------------------|------------------------|
| 2. CIS Internal Testing | March 1, 2012 | On Schedule | March 1, 2012 | |

| Activity | Yes or No? | Expected Completion Date | Actual Completion Date |
|---|------------|--------------------------|------------------------|
| 3. MDM/R Registration Application submitted | Yes | January 1, 2010 | January 1, 2010 |

| Activity | Yes or No? | Status, if Yes | Expected Completion Date | Actual Completion Date |
|--|------------|----------------|--------------------------|------------------------|
| 4. Enrolment Wave requested and confirmed (Note: the SME will either confirm the requested start date or suggest an alternate) | No | | January 30, 2012 | |

| Activity | Original Scheduled Completion Date | Status | Expected Completion Date | Actual Completion Date |
|-----------------|------------------------------------|-------------|--------------------------|------------------------|
| 5. Unit Testing | May 3, 2012 | On Schedule | May 3, 2012 | |

| Activity | Original Scheduled Completion Date | Status | Expected Completion Date | Actual Completion Date |
|---|------------------------------------|-------------|--------------------------|------------------------|
| 6. Submitted a completed Self Certification for Enrolment Testing SME_FORM_0007 (Note: This must be submitted at least one week prior to the confirmed enrolment wave start date) | June 1, 2012 | On Schedule | June 1, 2012 | |

| Activity | Original Scheduled Completion Date | Status | Expected Completion Date | Actual Completion Date |
|-------------------------------------|------------------------------------|-------------|--------------------------|------------------------|
| 7. System Integration Testing (SIT) | July 3, 2012 | On Schedule | July 3, 2012 | |

| Activity | Original Scheduled Completion Date | Status | Expected Completion Date | Actual Completion Date |
|-------------------------------|------------------------------------|-------------|--------------------------|------------------------|
| 8. Qualification Testing (QT) | September 17, 2012 | On Schedule | September 17, 2012 | |

| Activity | Original Scheduled Completion Date | Status | Expected Completion Date | Actual Completion Date |
|---------------------------------|------------------------------------|-------------|--------------------------|------------------------|
| 9. Self Certification - Cutover | October 3, 2012 | On Schedule | October 3, 2012 | |

| Activity | Original Scheduled Completion Date | Status | Expected Completion Date | Actual Completion Date |
|---|------------------------------------|-------------|--------------------------|------------------------|
| 10. Transition to Production Operations | November 15, 2012 | On Schedule | November 15, 2012 | |

Additional Comments and Information

Appendix B



July 8, 2010

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

Dear Ms. Walli:

Re: Proposed Mandatory TOU Effective Dates (EB-2010-0128)

In the pages that follow, please find *ENWIN's* comments in respect of the Board's letter dated June 24, 2010.

Yours very truly,
ENWIN Utilities Ltd.

A handwritten signature in blue ink, reading "Andrew J. Sasso".

Per: Andrew J. Sasso
Director, Regulatory Affairs
P: 519-255-2735
F: 519-973-7812
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Comments on Proposed Determination

Basis for the Proposed Determination

ENWIN notes that in the Board's letter it states that since 2005 the SSS Code contemplated that TOU would become mandatory. *ENWIN* suggests that in fact the SSS Code wording indicated that TOU could become mandatory. At no point until the June 24, 2010 letter was there any message of inevitability. This distinction is important. It goes to the degree of advance notice that distributors have had and have not had.

ENWIN notes that the Board is moving forward based on Government's "expectation" for the evolution of smart metering and electricity commodity pricing. It is not clear to *ENWIN* that this "expectation" has been solidified, expressed and committed to in statute, regulation or some other authoritative instrument.

To the extent this change in policy is not directly rooted in legislation, it is disconcerting, particularly in light of a recent comparable situation. In September 2009 the Government through the Minister of Energy and Infrastructure announced to the Board its expectation that the Government would be directly addressing issues related to low income electricity consumers and that the Board should not act on that file. Approximately 10 months later, the Government announced that it would not take action and instead leave the subject to the Board. It appears to be the case for TOU, just as it appeared to be the case for low income, that the Board is engaging in regulatory direction setting not in response to a statutory obligation, but in response to Government goals, objectives, targets, and expectations. In the absence of a change in legislation or regulation, these direction changes introduce instability for LDCs who are being charged with implementation.

The consequence of instability can be significant. The proposed moved to mandatory TOU, just like the originally proposed low income initiatives, would require considerable investments of time and resources into CIS. These changes can require both internal and external resources, often they draw upon specialized expertise, and often they must be co-ordinated with other significant work on the CIS. When instability is introduced, it affects the ability of LDCs to efficiently plan and implement these CIS investments.

As the Board is aware, *ENWIN* and various other LDCs are in the process of upgrading, replacing or otherwise investing heavily in modifications to their CIS, in large part to replace aging system infrastructure, but also to build capacity to implement smart metering, smart grid and other Board and provincial energy policies. *ENWIN* and other LDCs have received approval or support from the Board and intervenors to take this approach. This work is multi-year in nature. It requires extensive planning and resource commitments to implement. In some cases it requires co-ordination with systems experts operating around the globe. In short, changing course is can be difficult and costly.

The Proposed Determination does not appear to provide a mechanism for these issues to be brought to the Board's attention on an LDC-specific basis. It appears that the Board would simply set a certain date, reporting would occur and the Board would expect compliance.

ENWIN recommends that there be a mechanism for LDCs to engage the Board in a conversation about the proposed mandatory TOU effective date for that LDC.

Applications to the Board for Extension

Certainly, it would not be prudent or necessary for every LDC to engage the Board on this topic. Many LDCs that have made being at the leading edge of TOU implementation would not need to come to the Board. LDCs that have a TOU schedule implementation schedule in place that aligns with the proposed dates or that can relatively easily amend their schedules to conform will also have no need to come to the Board. If the proposed dates are generally attainable, then LDCs will generally not have any issue with the proposed determination.

However, there are situations, when looking across the expanse of approximately 80 LDCs, where for some of those LDCs the proposed date may be projected to result in considerable costs or risks. In these cases, the Board should hear submissions and intervenors should be provided the opportunity to comment. It may be that on hearing the case, the Board would decide that the costs or risks of meeting the Government's expectation would not outweigh other objectives of the Government or the Board. Alternatively, the Board might provide LDC-specific direction in respect of competing priorities, such as the recently announced amendments to customer service practices. Another possibility is that the Board might provide deferral accounts or other mechanisms to capture or review the incremental costs. And, of course, the Board may reaffirm the proposed dates. Even this final scenario, affirmation of the Board's proposed dates, would be beneficial. It would provide the LDC, ratepayers and others with the comfort that the Board has considered the implications of an LDC moving to TOU by a certain date despite reservations held by the LDC. It would also provide the Board and others with forewarning about those implications.

In the event that the Board adopts this recommendation, it would be helpful for the Board to provide some guidance on the threshold, contents and timing of those filings.

- § *ENWIN* suggests that reasonable thresholds have recently been set in respect of Green Energy initiatives and those may be useable here.
- § *ENWIN* suggests that the contents include an independent review of the LDC's situation that provides the Board with information sufficient to demonstrate the prudence of extending the proposed date.

- § *ENWIN* suggests that the timing of the filings should depend on the desired content and if there is any requirement for an independent review of the LDC's situation that time should be provided for that review. *ENWIN* suggests that the Board may wish to manage received applications on an expedited basis in order to maximize the potential for meeting the proposed dates.

In the event that the Board does not adopt this recommendation, it would be helpful for the Board to provide some guidance on how to address the situation. If incremental costs and risks are part of coming into compliance on an accelerated timeframe, what is the Board's direction on recovery of those costs? If those costs and risks are so considerable that they incline an LDC to not implement TOU by the proposed date, what will be the consequences of non-compliance in respect of this matter?

Baseline Reports

It is not clear how to interpret the Proposed Determination in the event that a LDC does not have a date for commencing meter enrolment set out in its baseline report. *ENWIN*, aware of its CIS situation, did not propose a meter enrolment date in its baseline report, nor in the updates thereto.

This issue may provide the Board with an alternative way of dealing with the issues set out in the previous sections. If an LDC, mindful of its limited time and resources or mindful of the uncertainty of its smart metering project, did not propose a meter enrolment date, then the Board may choose to interpret its Proposed Determination in a manner that provides the LDC with latitude to resolve its various CIS projects, including TOU implementation, according to an alternative timeframe.

Recovery for Costs of Transition to TOU

At a recent Board-SOAR training event, *ENWIN* was surprised to learn of the uncertainty among Board Staff, LDCs and ratepayer groups in respect of recovery issues associated with TOU. It was stated by event participants that TOU transition costs are not minimum functionality costs and therefore cost recovery is not provided for under the pertinent smart metering regulation. Of note, it was stated that TOU is not considered part of smart metering. This contrasts directly with the assertions in the Board's June 24 letter in this proceeding which expresses the need to "ensure that smart meters funded at ratepayer expense are being used for their intended purpose".

This proceeding would be an opportune moment for the Board to clarify cost recovery issues for costs associated with transitioning to TOU. *ENWIN* as well as the other participants from many LDCs were informed that these costs fall outside the guidance that the Board has provided to date. Moving to TOU, whether before, upon or following the proposed date will have cost implications. Understanding how those cost implications will be addressed would be appreciated as LDCs ramp-up these efforts.