



March 3, 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: Application for Extension of Mandatory Time-of-Use Pricing Date
EB-2010-0367
Submissions**

On February 9, 2011, the Board made a Procedural Order in the above noted proceeding. The Procedural Order required that Board Staff file Submissions no later than February 17, 2011 and that EnWin file its Submissions no later than March 3, 2011. Enclosed please find EnWin's Submissions.

Respectfully,

EnWin Utilities Ltd.

A handwritten signature in blue ink, appearing to read "Andrew J. Sasso", is written over a light blue horizontal line.

Per: Andrew J. Sasso
Director, Regulatory Affairs

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SUBMISSIONS

THE APPLICATION

1. On December 3, 2010, EnWin filed this Application. EnWin has sought an extension of its Mandatory TOU date to December 2012.
2. As the Application noted, “EnWin acknowledges that TOU is a matter of provincial energy policy and that both the Board and EnWin have roles to play in implementing that policy.” EnWin’s role was established by the Board in an Order made on August 4, 2010.
3. In the Application, EnWin requested that the Board reclassify EnWin from the “Appendix C” grouping to the “Appendix E” grouping to reflect that “EnWin has not yet commenced MDM/R enrolment testing, EnWin’s meter enrolment date has not yet passed, and EnWin did file a baseline plan.”
4. Irrespective of the regrouping, EnWin requested that the Board extend EnWin’s Mandatory TOU date from June 2011 to December 2012. The focus of these Submissions is on the request for an extension.

OVERVIEW

5. For the reasons specified in this proceeding and EnWin’s 2009 Cost of Service Rate Application (COS)¹, in 2008-2009, EnWin needed to make significant decisions in respect of its IT infrastructure, in particular its insufficient legacy Enterprise Resource Planning (ERP) systems. These business decisions led to a significant course of action, the implementation of the SAP Comprehensive ERP system. The system is and will increasingly become a critical part of EnWin’s business strategy and operations. EnWin is in the midst of a multi-year SAP Comprehensive ERP project. It is being implemented in two phases:
 - Phase 1 – Finance and other small and mid-sized modules
 - Phase 2 – Customer Information System (CIS).
6. It is beyond EnWin’s resource capabilities to move to its new CIS and move to TOU in its current PeopleSoft CIS simultaneously. Even if those resources were available, the status of EnWin’s PeopleSoft CIS is unsupported and it would require considerable investment and effort to become capable of handling voluminous TOU data. Assessments to date suggest it could take a re-installation on a scale comparable to the new CIS Development. Finally, setting-up

¹ EB-2008-0227

PeopleSoft CIS with TOU capabilities would provide only short-term benefit since the entire system will be decommissioned within a couple years when SAP CIS goes live. In short, EnWin does not consider it to be prudent to move to TOU in its PeopleSoft CIS.

7. The SAP CIS phase of the project is underway. However, it will not be functioning in time to meet the currently established June 2011 date. The SAP Comprehensive ERP is a complex system with many modules and interfaces. While the SAP product comes “out of the box”, it needs to be extensively mapped out, developed by international system implementation experts, configured to Ontario-specific requirements, and thoroughly tested prior to becoming operational. This implementation process is resource-intensive and requires a multi-year effort. According to best practices, the implementation is conducted in phases. The phase to which modules are assigned is based both on best practices and with regard for known regulatory requirements.
8. A consequence of EnWin’s business decisions was that the SAP Comprehensive ERP will not be TOU-ready until December 2012. This timing was not a problem and not envisioned to become a problem when the phasing decision was made in 2009. When on August 4, 2010 the Board announced an EnWin Mandatory Time-of-Use (TOU) date of June 2011, the timing became a problem.
9. The request for the delay in the date for TOU implementation has nothing to do with the pace at which EnWin has installed its smart meters. Any suggestion that EnWin waited until the Board’s TOU deliberations and Decision in June-August 2010 would be absolutely incorrect. EnWin has been installing smart meters at an aggressive pace. Enclosed as Appendix A to the Board Staff interrogatories is the Board’s Smart Metering and TOU reporting form. Per that form, 75,037 out of 83,760 (90%) of EnWin’s eligible ratepayers had a smart meter installed as of January 21, 2011.
10. EnWin takes regulatory compliance very seriously. EnWin has been very active for many years to ensure compliance throughout its business. This includes the recent flurry of new regulatory requirements.² In that same spirit, EnWin participated in the Board consultation on Mandatory TOU (EB-2010-0218) and engaged the Board early and actively once the date was set on August 4, 2010. These actions demonstrate EnWin’s commitment to compliance.
11. The Board invited applications such as this in its August 4, 2010 Order. It instructed distributors facing “extraordinary and unanticipated circumstances” come before the Board. EnWin submits that the test in this case is based on the

² Interrogatory Response to 2(f).

Board's statutory objectives. EnWin submits that its case meets that test; a test that has regard for the interests of ratepayers, the company and policy objectives.

12. In the event that the Board grants EnWin's request, EnWin submits that no additional filing requirements are necessary or appropriate.

CHRONOLOGY OF SMART METERING AND TIME OF USE

13. In this proceeding, EnWin provided an extensive chronology of 3 intimately related project implementations: Smart Metering, TOU, and the SAP Comprehensive ERP.³ Some key events are restated below.
14. The EnWin Board of Directors gave budget approval for the Smart Metering and the SAP Comprehensive ERP projects in March 2008. At that time, there was no regulatory or business requirement to install smart meters or to move to TOU.
15. Despite the absence of a regulatory or business requirement to install smart meters between March 2008 and August 2010, as the chronology demonstrates, EnWin expended considerable effort during that time to put in place the devices (smart meters) and billing systems (SAP Comprehensive ERP) that will ultimately be required for a "Smart Grid future", including Smart Metering and TOU.
16. In 2008-2009, EnWin developed, presented and obtained approval through its 2009 COS for investments in Smart Metering devices and a Comprehensive ERP.
17. In 2008-2010, EnWin participated in the London Consortium Smart Meter Procurement initiative and aggressively negotiated with its Smart Meter Vendor (Sensus). EnWin hosted a competitive selection process through which it selected its Smart Meter Installer (Olameter).
18. In 2008-2009, EnWin hosted a competitive selection process and engaged in aggressive negotiation through which it selected SAP as the Vendor for its Comprehensive ERP. From 2009 to present, EnWin has been engaged in a major project to implement the SAP Comprehensive ERP. That project has included the system and process design activities required to implement TOU. For EnWin, this includes transitioning from less than 1 million meter reads per year to more than 700 million meter reads per year.
19. The SAP Comprehensive ERP project, including TOU-readiness, is expected to conclude in 2012 with the last eligible ratepayers moved over to TOU billing in December 2012.

³ Interrogatory Response to 2(b).

20. On August 4, 2010, through a Decision issued in EB-2010-0218, the Board created a regulatory requirement for EnWin to move to TOU. This created a business requirement for EnWin to install smart meters and a TOU-capable billing system.

CENTRALITY OF SAP COMPREHENSIVE ERP TO TOU-READINESS

21. While smart meters will be the devices to provide metering data to enable TOU, the SAP Comprehensive ERP hosts the CIS billing system EnWin requires to enable TOU. Both the meters and billing systems are preconditions for billing on TOU.
22. The timing and status of the Smart Meter project is not a factor driving this Application. By contrast, the timing and status of the SAP Comprehensive ERP project has necessitated this Application.
23. The Comprehensive ERP budget was approved by the EnWin Board of Directors in March 2008.⁴ In April 2009, an extensive RFP process concluded resulting in the selection of SAP as the system vendor and Deloitte as the system implementer. Phase 1 of the SAP Comprehensive ERP project started in May 2009. Among the Phase 1 modules were Finance, Human Resources, Asset Management and Supply Chain. These SAP modules started coming into use in May 2010 and were fully in use by August 2010.
24. In and around September 2010 to November 2010, EnWin negotiated the details of Phase 2 of the SAP Comprehensive ERP project.⁵ Implementation of Phase 2 started in January 2011 and is a work-in-progress. The modules being implemented in Phase 2 are those generally referred to as Customer Information Systems (CIS). The CIS handles all the billing and invoicing, including for TOU eligible ratepayers. The anticipated time and effort required to implement Phase 2 of the SAP Comprehensive ERP is approximately equal to that of the Phase 1.
25. As addressed in EnWin's 2009 COS application, the business decision to phase the implementations was based on industry expert input that given the internal resource requirements and availability, scoping the project by phase was necessary. Industry expert input informed EnWin's decision to split CIS from most of the other modules because of the enormity of the task of implementing the CIS. Faced with a decision on whether to implement the CIS in Phase 1 or Phase 2, EnWin made the business decision to implement it in Phase 2.

⁴ Interrogatory Response 2(b) for all dates in paragraph.

⁵ Interrogatory Response 2(b) for all dates in paragraph.

26. This decision meant that the Finance and other core systems could be implemented in Phase 1. As discussed in the 2009 COS application, implementing Finance in Phase 1 meant that EnWin would be able to conduct its IFRS transition in the new SAP system. This was a preferable approach from regulatory, technological, staffing, and audit perspectives. It is important to remember that in late 2008 and early 2009 when EnWin was considering and making the decision on the order of implementation, the industry expectation was that IFRS would require distributors to have a 2010 GAAP-IFRS comparative year and a 2011 IFRS year.
27. It is beyond EnWin's resource capabilities to move to its new CIS and move to TOU in its current PeopleSoft CIS simultaneously.⁶ Even if those resources were available, the status of EnWin's PeopleSoft CIS is unsupported and it would require considerable investment and effort to become capable of handling voluminous TOU data. Assessments to date suggest it could take a re-installation on a scale comparable to the new CIS Development. Finally, setting-up PeopleSoft CIS with TOU capabilities would provide only short-term benefit since the entire system will be decommissioned within a couple years when SAP CIS goes live. In short, EnWin does not consider it to be prudent to move to TOU in its PeopleSoft CIS.

DIRECT RESPONSES TO BOARD STAFF SUBMISSIONS

28. EnWin disagrees with Board Staff's Submissions and submits that the Board should wholly reject those Submissions. Board Staff misstated a number of the facts and Board Staff is incorrect in its conclusions. EnWin's direct responses to Board Staff's Submissions are organized in sequence with the Board Staff document.

Application Filing Date

29. Board Staff states that EnWin filed this Application on "December 9, 2010."⁷
30. In fact, the Application was filed on December 3, 2010, as stated on the Application and as verified from a review of the Board's online WebDrawer.

Reason for Extension Request

31. Board Staff states that the reason EnWin is seeking an extension to December 2012 is "due to the time required in implementing a new customer information

⁶ Interrogatory Response 2(c).

⁷ Board Staff Submission at 2.

system ("CIS") along with delays experienced due to implementation of International Financial Reporting Standards ("IFRS") and the Green Energy & Green Economy Act."⁸

32. In fact, EnWin is seeking an extension due to business decisions regarding the multi-year implementation and phasing of a SAP Comprehensive ERP and resource constraints associated with that project.⁹ As noted below, IFRS related to the phasing of the SAP Comprehensive ERP in order to implement the Finance module first. This in turn delayed the CIS implementation. This phased approach was established well in advance of the Board's August 4, 2010 letter.
33. Further, as the record shows, the GEA impacted the timing of smart meter installations, but has not impacted TOU implementation. Smart meter installation is not the reason for EnWin's request and that project is on track.¹⁰

Notice to the Board

34. Board Staff states that EnWin "first informed the Board that it would require a new TOU implementation date in its letter in response to an August 23, 2010 information request from Board Staff."¹¹
35. In fact, EnWin first informed the Board that it was concerned about the timing of a potential Mandatory TOU date in its July 8, 2010 submission in EB-2010-0218. EnWin then informed the Board that it was concerned about "extraordinary and unanticipated circumstances" in a letter dated August 4, 2010 in response to the Board's Final Determination issued that same day. EnWin provided details of its "extraordinary and unanticipated circumstances" in a letter dated August 23, 2010.
36. Board Staff's Submissions seem to question EnWin's vigilance in respect of Smart Metering and TOU. Therefore it is particularly important to be clear about EnWin's: forthright participation in EB-2010-0218, expedient response to the August 4 Final Determination and detailed follow-up with Board Staff.

Start of Phase 2 of SAP Comprehensive ERP

37. Board Staff states that EnWin "began implementation of TOU-related CIS upgrades in April 2010."¹² There is no basis in evidence for this reference.

⁸ Board Staff Submission at 2.

⁹ Interrogatory Response 4(d).

¹⁰ Interrogatory Responses 2(c) and 4(a).

¹¹ Board Staff Submission at 2.

¹² Board Staff Submission at 2.

38. In fact, Phase 1 of the SAP Comprehensive ERP implementation (Finance, Human Resources, etc.) began in May 2009; Phase 2 of the SAP Comprehensive ERP implementation (Billing, TOU, etc.) began in January 2011.¹³ This phased approach was part of the original SAP Comprehensive ERP planning.

Status of Smart Meter Installations

39. Board Staff states that EnWin “installed approximately 8,000 [smart] meters for the period to January 21, 2011.”¹⁴
40. In fact, 75,037 out of 83,760 (90%) of EnWin’s eligible ratepayers had a smart meter installed as of January 21, 2011.¹⁵
41. Again, given that Board Staff’s submissions seem to question EnWin’s vigilance in respect of Smart Metering and TOU, it is particularly important to be clear about EnWin’s actual performance in installing smart meters and to raise as a concern the inaccuracy of Board Staff’s submissions.

Evidentiary Issues

42. Board Staff states that “EnWin asserts the decision to prioritize IFRS ahead of smart metering and TOU... but does not provide further information explaining why such a decision was necessary.”¹⁶ Board Staff also states that “EnWin never raised IFRS as an issue that may delay TOU implementation with the Board prior to the filing of this application.”¹⁷
43. In fact, EnWin has provided the Board and Board Staff with significant documentation as part of this proceeding, including much more detailed interrogatory responses than Board Staff has found to be sufficient in at least one other request for a Mandatory TOU date extension.¹⁸ Moreover, IFRS was dealt with by EnWin in the evidence of this proceeding.¹⁹
44. Further, EnWin raised IFRS in relation to its SAP Comprehensive ERP implementation in its 2009 Cost of Service rate application, EB-2008-0227.²⁰ EnWin raised the broader issue of SAP Comprehensive ERP implementation in

¹³ Interrogatory Response 2(b).

¹⁴ Board Staff Submission at 3.

¹⁵ Interrogatory Response 1(a) – Appendix A.

¹⁶ Board Staff Submission at 3.

¹⁷ Board Staff Submission at 3.

¹⁸ Compare the interrogatory responses in EB-2010-0367 with those in EB-2010-0307, the FortisOntario proceeding, in which Board Staff’s entire submission following one page of Background reads “Having reviewed the application and evidence, Board staff has no issue with the FortisOntario Utilities’ request for an exemption.”

¹⁹ For example, see Interrogatory Response 2(b), 4(a) and 4(d).

²⁰ Exhibit 2-1-1 Attachment E at 11.

EB-2010-0218.²¹ In terms of the nexus between IFRS and TOU, this proceeding is the first in which the impact of any externality (including IFRS) on Mandatory TOU has been relevant. The link between IFRS and TOU is the implementation and phasing of the SAP Comprehensive ERP.²²

Materiality of TOU becoming Mandatory

45. Board Staff states that “Board Staff observes nothing in the evidence indicating a material change in EnWin’s circumstances that enabled it to provide TOU implementation dates in its September 9, 2010 filing, but not in its July 6, 2010 filing.”²³
46. In fact, within the period from July-September 2010, the most material change occurred in EnWin’s circumstances: EnWin became subject to a Mandatory TOU date.²⁴ It was also during this period that Phase 1 was debriefed and SAP CIS and Smart Metering / TOU planning discussions took place.²⁵ The confluence of these events set the stage for EnWin to provide TOU implementation dates in its September 9, 2010 filing.

Compliance Preparations prior to Compliance Mandate

47. Board Staff states that “The other 77 electricity distributors in Ontario, though not required by the Board to deploy smart meters or implement steps towards TOU pricing until the August 4 determination letter, took material steps towards this initiative to meet their mandatory implementation date within a reasonable amount of time.”²⁶
48. In fact, this is impossible. It is not possible to take steps to meet a mandatory implementation date until a mandatory implementation date exists. The Board Staff statement is a flaw in logic, but reveals even more troubling interpretations of administrative law, regulatory principles and public policy.
49. Moreover, irrespective of one’s views on the feasibility of taking compliance actions prior to a compliance requirement, the record demonstrates that EnWin has been engaged in its Smart Metering project since March 2008 and that nearly all smart meters were installed as of January 21, 2011. It also demonstrates that EnWin has been active on the Comprehensive ERP project since March 2008 and

²¹ Interrogatory Response 2(b) – Appendix B.

²² Interrogatory Responses 2(b), 4(a) and 4(d).

²³ Board Staff Submission at 5.

²⁴ Interrogatory Response 2(b).

²⁵ *Ibid*.

²⁶ Board Staff Submission at 5-6.

that this considerable multi-year initiative will include moving eligible ratepayers to TOU.

50. Further, EnWin submits that the Board should adjudicate this matter based on EnWin's circumstances.
51. Finally, Board Staff did not present any evidence in respect of "the other 77 distributors". EnWin has not had an opportunity to challenge the broad claim that the other distributors took the actions claimed by Board Staff.

INCORRECT DECISION CRITERIA

Compelling Proactive Behaviour / Penalizing Non-Proactive Behaviour

52. Board Staff asserts that EnWin ought to have been "proactive" in pursuing smart meter deployment and TOU pricing implementation.²⁷ Board Staff did not offer any basis in administrative law, regulatory principle or public policy to support the assertion that, in general, distributors ought to be "proactive". Neither did Board Staff point out an authoritative instrument in the electricity sector that suggests distributors are obliged or even encouraged to be proactive in implementing smart meters or TOU.
53. EnWin submits that as a matter of administrative law, the legislature, government and regulator have the tools available to compel regulated distributors to act or not act. However, there is no foundation for compelling proactive behaviour. Since proactive behaviour cannot be compelled (and in any event in this case was not compelled), it would be unreasonable to penalize EnWin for not being proactive.
54. EnWin submits that as a matter of regulatory principle, compelling proactive behaviour or penalizing non-proactive behaviour would amount to prospective regulation. It would be "regulation by suggestion". EnWin is not aware of any instance where the Board has adopted this approach. Good regulation requires clarity and consistency, neither of which is possible under "regulation by suggestion".
55. EnWin submits that as a matter of public policy, the public interest is best served by distributors making the best business decisions possible given the information available and regulatory regime in place at the time. Since each distributor faces different circumstances and has access to different information, the actions and

²⁷ Board Staff Submission at 3.

inactions and the degree and nature of proactive behaviour will necessarily differ among distributors.

56. EnWin submits that the authoritative instruments in the electricity sector, be it the *Electricity Act, 1998*, the *Ontario Energy Board Act, 1998* or other instruments under the authority of those instruments, do not contain provisions that require regulated bodies to implement smart meters or engage in TOU pricing in anticipation of future mandates.

Actions of Other Distributors

57. Board Staff asserts that EnWin ought to have had regard for the actions of other distributors in pursuing smart meter deployment and TOU pricing implementation.²⁸ Board Staff did not offer any basis in administrative law, regulatory principle or public policy to support the assertion that, in general, distributors ought to be “proactive”. Neither did Board Staff point out an authoritative instrument in the electricity sector that suggests distributors are obliged or even encouraged to be proactive in implementing smart meters or TOU.
58. EnWin submits that its arguments under “Compelling Proactive Behaviour” apply with the necessary modifications as counter-points to this Board Staff assertion.
59. Further, EnWin submits that it is not the legal or regulatory reality or intention that distributors operate on a “following the leader” or “herd mentality”. The Board is very careful to licence and regulate each distributor individually and has regard for the distributor-specific circumstances in many cases. The legislature, government, and Board have not abdicated or delegated their authority to any individual distributor or group of distributors. EnWin takes its regulatory direction from the legal instructions of the legislature, government and Board. Having regard for those directions, EnWin sets its own course with regard for the interests of its ratepayers, shareholder and company.

TEST FOR AN EXTENSION

60. EnWin submits that the basis for the Board to evaluate this request is the Board’s statutory objectives.
61. When the Board established Mandatory TOU Pricing on August 4, 2010, the notice stated:
“The Board acknowledges that distributors may encounter extraordinary and unanticipated circumstances during the

²⁸ Board Staff Submission at 4.

implementation of TOU pricing. The Board requests that any distributor encountering such circumstances bring these matters to the Board's attention without delay in order that the Board can assess the impact on the distributor's mandatory TOU date and assess whether any adjustment in that date is warranted."²⁹

62. The statement can be looked at two ways. First, circumstances can be "extraordinary and unanticipated" from a distributor perspective if relevant and material circumstances caught the distributor by surprise.
63. EnWin submits that it is consistent with the Board's objectives under section 1 of the *Ontario Energy Board Act, 1998* and in keeping with administrative law principles and good public policy for the Board to want to be made aware of these circumstances.
64. Second, circumstances can be "extraordinary and unanticipated" from a Board perspective if relevant and material circumstances facing a distributor vary from the Board's expectation of the circumstances in general facing distributors.
65. EnWin submits that from this perspective too it is consistent with the Board's objectives under section 1 of the *Ontario Energy Board Act, 1998* and in keeping with administrative law principles and good public policy for the Board to want to be made aware of these circumstances.
66. The Board has not issued a Code, Policy or Guideline that sets out different decision-making criteria. Therefore, EnWin respectfully submits that the Board should use section 1 of the *OEB Act, 1998* as its point of reference.

BASIS FOR THE REQUEST FOR AN EXTENSION

67. EnWin is not in a position to meet the current June 2011 Mandatory TOU date due to the confluence of several events:
 - Multi-year implementation of the SAP Comprehensive ERP,
 - Business decision to implement SAP Finance prior to SAP CIS, and
 - Board established Mandatory TOU date.

Multi-year implementation of the SAP Comprehensive ERP

²⁹ p. 4

68. The multi-year SAP Comprehensive ERP project budget was approved by EnWin's Board of Directors in March 2008. The project was the subject of scrutiny during EnWin's 2009 COS from September 2008 through April 2009. The project was accepted as part of EnWin's Board-approved 2009 COS Settlement Agreement. The project commenced in May 2009 and is expected to conclude in December 2012, with the last several months focused on rolling out TOU to all eligible ratepayers.
69. At the time of the decision to implement the SAP Comprehensive ERP, EnWin was aware that smart meters and smart grid were on the horizon. EnWin saw and continues to see the SAP Comprehensive ERP as a means to providing it with incremental functionality that, among other benefits, will support and facilitate smart metering and the smart grid.

Business decision to implement SAP Finance prior to SAP CIS

70. In EnWin's 2009 COS application, it was explained that the Comprehensive ERP was expected to be implemented in two phases: Phase 1 likely implementing the Finance (among others) and Phase 2 likely implementing the Customer Information System (among others).
71. At the time of the decision to implement the Finance and other modules (e.g. Human Resources, Asset Management, Supply Chain) concurrently, but ahead of CIS, EnWin continued to be aware that smart meters and smart grid were on the horizon. EnWin had actively participated in the London Consortium RFP and was in negotiations with its preferred devices vendor.

Board established Mandatory TOU date

72. The Board issued its letter on June 24, 2010, inviting stakeholder input on its plan to establish Mandatory TOU. EnWin provided its input on July 8, 2010 and that response was included as Appendix B to EnWin's responses to the Board Staff interrogatories. EnWin's July 8 submission makes a number of points that are relevant for consideration in this proceeding. That document is already on the record and need not be repeated.
73. When the Board issued its notice on August 4, 2010, it established a new regulatory requirement, Mandatory TOU.
74. Despite significant new legislation, regulations and codes and numerous and substantial amendments to existing authoritative instruments, not the Legislature,

the Government, nor the Board had established a requirement to install smart meters or implement TOU until August 4, 2010.

75. At the time of the Board's June 2010 suggestion of moving to Mandatory TOU, EnWin was immediately aware that, depending on the Mandatory TOU date, this new regulatory requirement could present it with a daunting and potentially extremely costly situation. Accordingly, EnWin filed the submission noted above.
76. At the time of the Board's August 2010 determination that EnWin move to Mandatory TOU by June 2011, EnWin was immediately aware that, in light of its SAP Comprehensive ERP implementation and the business decision to proceed with CIS in Phase 2, it would require an extension to a later date. Accordingly, EnWin filed a notice to that effect with the Board that same day. After several conversations and informal filings with Board Staff, EnWin filed this Application.

Smart Meter Installations not a driver of the need for an Extension

77. Importantly, neither the decision to implement the SAP Comprehensive ERP nor the decision to implement SAP CIS in Phase 2 had a material adverse impact on EnWin's ability to install smart meters.
78. As early as the March 2008 Board of Directors approval of EnWin's 2009 Smart Metering budget, EnWin anticipated the installations could be performed concurrently with implementation of the Comprehensive ERP.
79. While the mass installation of smart meters did not begin until August 2010, a lot of project work had been done over the prior couple years. Any suggestion that EnWin waited until the Board's TOU deliberations and Decision in June-August 2010 would be absolutely incorrect.
80. EnWin has been installing smart meters at an aggressive pace. Enclosed as Appendix A to the Board Staff interrogatories is the Board's Smart Meter and TOU reporting form. Per that form, 75,037 out of 83,760 (90%) of EnWin's eligible ratepayers had a smart meter installed as of January 21, 2011.

Concluding Submissions on the Basis for an Extension

81. Board Staff states that “EnWin’s inability to meet its mandatory TOU date is the result of business planning decisions made by EnWin to not pursue smart meter deployment and TOU pricing implementation in a proactive manner.”³⁰
82. EnWin agrees that its inability to meet the June 2011 date is the result of business planning decisions. The first relevant decision was to implement a Comprehensive ERP. The decision was made approximately two and a half years before the Mandatory TOU date was proposed and set in EB-2010-0218. The second relevant decision was to implement the Finance and other modules in Phase 1 and implement CIS in Phase 2. The decision was made in early 2009; still well before any legislative, ministerial or regulatory initiative to make TOU mandatory.

CONSIDERATION OF BOARD OBJECTIVES

83. EnWin submits that granting this request will not adversely impact the interests of consumers. EnWin’s review of the Board’s website rate calculator indicates that consumers will not pay more as a result of staying on Stepped RPP as opposed to TOU RPP. Further, granting this request will not impact the adequacy, reliability or quality of electricity. However, not granting this request would increase costs and EnWin would expect to seek cost recovery at the appropriate time.
84. EnWin submits that granting this request will promote economic efficiency and cost effectiveness and facilitate the maintenance of a financially viable electricity industry. As EnWin has stated in this proceeding, “A requirement for EnWin to implement TOU prior to December 2012 would increase costs.”³¹ Regardless of who bore these costs, the bottom line is that a Mandatory TOU date prior to December 2012 (including June 2011) would create higher costs within the sector as compared to a December 2012 date.
85. EnWin submits that granting this request will facilitate the implementation of a smart grid in Ontario. Part of the purpose of the SAP Comprehensive ERP is to provide a sophisticated platform that will enable EnWin to introduce smart grid technology and offerings for the benefit of its ratepayers and the company. However, a Mandatory TOU date prior to December 2012 would like require EnWin to scale back its SAP Comprehensive ERP. It is reasonable to assume that the scale-back would reduce future functionality or make that functionality more expensive to introduce as a part of a separate future initiative.

³⁰ Board Staff Submission at 3.

³¹ Interrogatory Response to 1(e)

86. EnWin submits that granting this request will promote generation from renewable sources because the Phase 2 of the SAP Comprehensive ERP includes the billing modules and customer relations modules, which will be used to interact with renewable generation ratepayers. Reliable CIS modules are important to sustaining and improving the ratepayer experience. However, a Mandatory TOU date prior to December 2012 would like require EnWin to scale back its SAP Comprehensive ERP. It is reasonable to assume that the scale-back would reduce future functionality or make that functionality more expensive to introduce as a part of a separate future initiative.
87. EnWin does not perceive that the result of this Application will materially impact the promotion of electricity conservation and demand management.

SUBMISSIONS IF REQUEST IS DENIED

88. EnWin's position is that the Board should grant the request for an extension of EnWin's Mandatory TOU date to December 2012. The following submissions are offered in the event that the Board denies the request.

Compulsion

89. Board Staff stated that "The Board may wish to consider measures to compel EnWin to meet a new mandatory date."
90. EnWin submits that compulsion is a binary state: one is either compelled or not compelled. EnWin is currently compelled to meet the June 2011 date as a result of the August 4, 2010 Final Determination. If the Board grants EnWin's request, EnWin will be compelled to meet the December 2012 date. No further orders are required to establish compulsion.

Additional Filings

91. Board Staff has proposed that if the Board grants EnWin's request, that the Board should require additional filings of EnWin. Board Staff seeks further information about EnWin's SAP implementation and TOU implementation on an ongoing basis.
92. EnWin submits that if the Board grants EnWin's request, the Board and Board Staff will have the opportunity to monitor EnWin's progress towards its amended Mandatory TOU date through the existing monthly filings.
93. Board Staff has not explained how the additional filings would enhance the monitoring activity. The "schedule", "key activities", "milestones", and "timelines" referred to in the Board Staff proposal are precisely what the existing monthly filing includes.³²
94. Moreover, there is no basis in this proceeding or otherwise to suggest that TOU implementation "costs" are relevant to EnWin meeting the requested December 2012 date. Scrutiny of Smart Metering and TOU implementation costs will be the subject of a future rate proceeding.
95. Further, the details of EnWin's SAP Phase 2 implementation schedule are not a necessary or even useful proxy for monitoring TOU-readiness, given the aforementioned existing monthly filing.

³² Interrogatory Response to 1(a) – Appendix A.

96. EnWin notes that in EB-2010-0307, Board Staff did not propose that FortisOntario make additional filings, even for Algoma Power, which is seeking a 12 month extension. Given that the basis for the Algoma Power is implementation of a SAP CIS³³ this dichotomy in proposals is confusing at best and seemingly unjust and unreasonable.
97. EnWin submits that the Board has, through the existing monthly filings exactly the information it needs to monitor TOU-readiness. EnWin submits that if this filing did not already exist or was not already a monthly filing, it would have been a reasonable to create the filing or increase EnWin's filing frequency to on a monthly basis.

ALL OF THIS IS RESPECTFULLY SUBMITTED.

³³ Of note, the Algoma SAP CIS has already been designed through the FortisOntario group, as opposed to EnWin's situation where the SAP CIS is being designed from "out-of-the-box to Ontario-configured".