

March 22, 2011

Kirsten Walli Board Secretary Ontario Energy Board, 2300 Yonge St. Suite 2700, P.O. Box 2319 Toronto, Ontario M4P 1E4 Canada

Dear Ms. Walli:

Re: Guelph Hydro Electric Systems Inc. (Guelph Hydro) Application for an Exemption from its Mandated Date for Time-of-Use Pricing for Rockwood Division

In accordance with the OEB's letter dated August 4, 2010, re: Determination under Section 1.2.1 of the Standard Supply Service Code to mandate Time-of-Use Pricing for Regulated Price Plan Customers, please find accompanying this letter Guelph Hydro's Application for an Exemption from its Mandated Date for Time-of-Use Pricing for Rockwood Division.

Guelph Hydro is hereby seeking an extension for the implementation of TOU rates for approximately 1,750 Rockwood customers to May 1, 2012 (first TOU bills on May 1, 2012 and all Rockwood customers billed on TOU by July 1, 2012).

Should there be any questions, please contact me at the number below.

Respectfully Submitted,

Cristina Birceanu

Manager of Regulatory Affairs Guelph Hydro Electric Systems Inc.

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1. Preamble

On August 4, 2010 the Ontario Energy Board (OEB) issued a determination (The Letter) under Section 1.2.1 of the Standard Supply Service Code to require the implementation of TOU pricing for Regulated Price Plan customers. The determination established mandatory TOU implementation dates for each electricity distributor.

Guelph Hydro's mandatory TOU date is June 2011.

By its Letter, the OEB acknowledged that distributors may encounter extraordinary and unanticipated circumstances during the implementation of TOU pricing. The OEB requested that any distributor encountering such circumstances bring these matters to the OEB's attention in order that the OEB can assess the impact on the distributor's mandatory TOU date and assess whether any adjustments in that date is warranted.

2. Guelph Hydro's circumstances of making the application:

Guelph Hydro services approximately 46,000 eligible RPP customers in the city of Guelph and 1,750 eligible RPP customers in the town of Rockwood.

- Guelph Hydro is on target to meet its mandatory TOU date of June 2011 for the city of Guelph, but Rockwood customers must be integrated into our (Enterprise Resources Planning (ERP) system before they can be converted to TOU.
- Currently our Guelph and Rockwood customers reside in separate Customer Information Systems (CIS) databases. In our original project plan we had contemplated maintaining two separate CIS interfaces with the MDMR, and through Information Systems developing software tools that would manage all of the data flows between the single MDMR interface and the two CIS interfaces. Following a review of this potential approach, we have determined that due to the complexity of MDMR interface design, this approach will result in unacceptable risks around daily operations, including MDMR report acceptance, filtering for

two separate operating environments, review and follow-up in two separate environments, as well as additional IT support in maintaining the tools needed to manage the data flows.

- At this time, our preferred approach is to migrate all Rockwood customer accounts into the Guelph billing environment. An assessment of the effort involved in the migration of approximately 1,750 accounts into the Guelph CIS is a one-year project requiring resources from the Billing, Credit, Customer Inquiry, Information Systems, Metering and Engineering groups. Many of these resources are currently engaged in the existing MDMR configuration, testing and training activities, and will be heavily involved in the upcoming MDMR cutover and TOU cutover work.
- In addition to this project we expect to need to work with the MDMR's "Measurement Canada Solution" (see details below under Additional Supporting Information section), anticipated to be released this fall as a major software change, which will again affect the smart metering project team.
- The integration into Guelph Hydro's ERP system would require significant effort to plan and execute. Some important considerations include:
 - Application and Data conversion changes
 - Resource availability; same resources are required for both TOU implementation and Rockwood migration
 - Customer impact such as changes of account number, change from monthly to bimonthly billing, collection activities
 - Interfaces with third party such as EnerConnect, banks, Retailers, etc
 - IESO settlements
- The alternative to migrating Rockwood into the Guelph CIS would be to treat it as a separate organization with the IESO, but this would required a significant amount of effort which would jeopardize our ability to meet our TOU mandate for the city of Guelph.

• The effort required to integrate Rockwood into the current ERP will be approximately 1 year. For this reason Guelph Hydro is requesting an extension to the TOU implementation for its Rockwood customers to May 2012 since 96% of Guelph Hydro's total customer will be on TOU as per the OEB's mandate.

3. Additional Supporting Information:

• Measurement Canada Compliance

During the process of the MDMR configuration and testing, Measurement Canada (MC) identified a requirement to display meter register reads at the start and end of each bill period, so that a customer would have the ability to compare the customer's real meter readings and against the information supplied on the customer's electricity invoice, based on the meter register reads.

Currently the MDMR design does not meet this requirement, resulting in a working group of LDCs and the MDMR struck to find a solution to address the deficiency. The MDMR expects to release a "Measurement Canada software solution" for LDCs by the third quarter of 2011, and while this issue does not affect our ability to integrate our existing systems into the MDMR, it has and will continue to divert resources that might otherwise be working on the Rockwood customer migration project. This fall we expect to be faced with significant modifications to our billing system, bill print, as well as smart meter MDMR data interface as a result of the "Measurement Canada solution" that will be needed to be addressed in order to meet the January 1, 2012 Measurement Canada compliance requirement.

• Guelph Hydro's staff resources:

The Rockwood billing system migration is a complex and integrated IT project, and it will affect all of our departments including Engineering, Metering, Customer Service, Credit / Collections, Finance/Accounting, staffing resources, as well as our Enterprise systems: Work Order System, Purchasing & Inventory System, Land Management System, Financial Systems, etc.

Other projects that have/will divert Guelph Hydro's resources:

- Financial system changes for IFRS implementation
- New distribution rates tests and implementation for May 1, 2011
- 2012 Cost-of-Service Rate Application including Intervenor Interrogatories in the summer/fall of 2011
- Significant Customer Information System (CIS) upgrade from V6.4 to v7.2 scheduled for April 2011 CIS vendor is discontinuing support on version 6.x effective May 1, 2011
- Anticipate new distribution rates testing in December 2011 for January 1, 2012
 implementation

4. High Level of Rockwood Migration Project Timeline

1	Rockwood: Detailed migration Project Planning	June – July 2011
2	Significant Customer Information System (CIS) upgrade from V6.4 to v7.2 scheduled for April 2011 – CIS vendor is discontinuing support on version 6.x effective May 1, 2011	April 2011
3	GUELPH CUSTOMER ENROLLMENT IN MDMR – JUNE – SEPTEMBER	June - September 2011
4	Rockwood: Business Process Review & Re-Engineering	August – September 2011
5	Rockwood: Develop Testing Strategy	September 2011
6	MEASUREMENT CANADA SOLUTION IMPLEMENTATION BLACKOUT WINDOW FOR JANUARY 1, 2012 COMPLIANCE	October 2011 - December 2011
7	MEASUREMENT CANADA SOLUTION REGRESSION TESTING	December 2011
8	Anticipate new Rates testing in December 2011 for January 1, 2012 implementation	December 2011
9	Rockwood: System Configuration Testing, Employee Training	January 2011 - March 2011
10	Rockwood: MDMR customer enrolment for Rockwood customers	April 2012
11	Rockwood: TOU Rate Implementation	Start TOU billing May 1, 2012 Finish July 1, 2012

5. Guelph Hydro's current status of Smart Meter deployment and TOU implementation:

The current status of Guelph Hydro's smart meter deployment and TOU implementation, including its progress on the ten milestones reported for the month-end of February, 2011 is as follows: Please note that the February month-end milestone report was submitted prior to finalizing the review of the Rockwood customer implementation options, and does not factor in the results of the assessment.

ummary							
Distributor Name							
Guelph Hydro Electric Systems Inc.							
For the Period From	For the Period To		First Submitted On				
February 1, 2011	February 28, 201	1	March 7, 2011				
Submitter Name	Status		Due Date				
Cristina Birceanu	Submitted		March 10, 2011				
RRR Filing No	Report Version		Edit Date				
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PP Eligible Consumers: Description		Residential	General Service Less	Total			
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Total Number of RPP-eligible consu		45,744	2,300	48,04			
Number of smart meters installed in	the period	0	386	38			
Number of smart meters registered veriod	with the MDM/R in the	o	0				
Number of RPP consumers being chadded in the period	narged TOU prices	0	0				
Total cumulative number of smart me service area at the end of the period		45,845	2,685	48,53			
Total cumulative number of smart make MDM/R at the end of the period	eters registered with	0	0				
Total cumulative number of consume TOU prices at the end of the period	ers being charged	0	0				
ercentages (Calculated on Save)							
Percentage of RPP-eligible const	umers with smart me	ters installed at	the end of the period				
Residential Class	General Service 50kW Class		Total				
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Percentage of total smart meters	installed that are reg	gistered with the	MDM/R at the end of the per	iod			
Residential Class	General Service 50kW Class		Total				
0.00	0.00		0.00				
Percentage of total RPP-eligible	consumers being cha	arged TOU price	es at the end of the period				
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