



EB-2010-0367

IN THE MATTER OF the *Ontario Energy Board Act, 1998*,
S.O. 1998, c. 15, Schedule B;

AND IN THE MATTER OF an application pursuant to
section 74 of the *Ontario Energy Board Act, 1998* by EnWin
Utilities Ltd. seeking an exemption from their Mandated
Time-of-Use Pricing Date.

BEFORE: Paula Conboy
Presiding Member

Ken Quesnelle
Member

DECISION AND ORDER

EnWin Utilities Ltd. (“EnWin”) filed an application with the Ontario Energy Board on December 3, 2010, under section 74 of the *Ontario Energy Board Act, 1998*, seeking an exemption from their mandated time-of-use pricing date for Regulated Price Plan (“RPP”) customers. The Board assigned file number EB-2010-0367 to the application.

BACKGROUND

Under cover of a letter to all Ontario electricity distributors dated August 4, 2010, the Ontario Energy Board provided its determination of mandatory dates by which each distributor must bill those of its regulated price plan (“RPP”) customers that have eligible time-of-use meters using time-of-use pricing. The Board’s determination was made pursuant to sections 3.4 and 3.5 of the Standard Supply Service Code for Electricity Distributors, which requires time-of-use pricing for RPP consumers with eligible time-of-use meters, as of the mandatory date. Compliance with this Code is a condition of

licence for nearly all licensed electricity distributors in Ontario. In this letter, the Board also requested that any distributor with concerns about its Board-prescribed Mandatory TOU Date bring those concerns to the Board's attention.

THE APPLICATION

EnWin applied for an exemption from its mandatory time-of-use date of June 2011, and proposed a new date of December 2012. EnWin is seeking the extension due to the time required to convert their current PeopleSoft Customer Information System ("CIS") to a new SAP CIS (which is one component of the overall SAP Comprehensive Enterprise Resource Planning systems). The need and timing for a new CIS was first recognized in EnWin's 2009 Cost of Service Application (EB-2008-0227).

The Notice of Application and Written Hearing for EnWin's application was issued on December 31, 2010, and interrogatories and submissions on the application were invited. The Applicant responded to interrogatories filed by Board staff, providing more information about the delays and EnWin's progress to date in implementing smart meters and TOU enrolment. Board staff filed a submission on the application on February 17, 2011. EnWin filed a reply submission on March 3, 2011.

Board staff submissions outlined several concerns with EnWin's request for an exemption. In particular, Board staff stated that it could not identify in the application or evidence any extraordinary and unanticipated circumstances during the deployment of smart meters or the implementation of TOU-related CIS upgrades encountered by EnWin. Board staff also had concerns with respect to the degree to which EnWin was proactively pursuing smart meter deployment and TOU pricing implementation.

EnWin's interrogatory responses and reply submission provided several clarifications about the timing of its smart meter deployment. As of January 21, 2011 90% of EnWin's eligible ratepayers have smart meters. EnWin submitted that it would not be prudent to move customers onto TOU pricing with the current PeopleSoft CIS (which would require considerable investment and effort to become capable of accommodating TOU pricing), only to dismantle and move customers over to TOU on the new SAP CIS when it is ready.

EnWin states that it had no concerns when it made its business plans in 2009 to have its SAP CIS ready to implement TOU pricing by December 2012 and that concerns were only raised with the issuance of the Board's letter of August 4, 2010 which announced EnWin's Mandatory TOU date of June 2011. It is the letter of August 4 that EnWin submits is the "extraordinary and unanticipated circumstances" that it encountered and that has prompted the present application.

BOARD FINDINGS

The Board finds that the application should be granted. The planning and timing of conversion to a new ERP and CIS platform was addressed in EnWin's 2009 COS application. EnWin established a prioritization and sequencing of its CIS system conversion and introduction of TOU within a regulatory paradigm that included an **expectation** that TOU pricing would be available to customers in 2011. Its plans were open and transparent and based on its assessment of benefits and tradeoffs. The timing only became a problem for EnWin when Mandatory TOU dates were set by the Board on August 4, 2010. What had been an expectation now became a condition of licence. EnWin's only recourse to meet this timeline would be to convert customers to TOU on its existing CIS and then again onto the new CIS when it is ready. The Board finds that the expenditure of additional resources and costs associated with this scenario are not in the public interest. EnWin will be exempted from the requirement to apply time-of-use pricing under the Standard Supply Service Code until no later than December 1, 2012.

EnWin has been diligent in advising the Board of its inability to meet the June 2011 Mandatory TOU pricing date. EnWin first informed the Board about its concern over a Mandatory TOU pricing date on July 8, 2010 in its submission during the Board's initiative on the Proposed Determination to Mandate TOU Pricing (EB-2010-0218). EnWin notified the Board again on August 4, 2010 that "extraordinary and unanticipated circumstances" were expected to arise for EnWin resulting in its inability to meet the June 2011 target. Details were provided in a subsequent letter filed by EnWin dated August 23, 2010. EnWin provided further information in its response to Board staff information requests on September 9, 2010. On December 3, 2010 EnWin submitted this application to the Board seeking an exemption from its Mandatory TOU pricing date. Throughout this time, EnWin has been clear that while it has been actively

installing smart meters for eligible customers, the planned and approved upgrade to its CIS would prevent it from meeting its Mandated TOU pricing date. The Board finds the reasons given by EnWin in this application in support of its request for an exemption from its license with respect to the Mandatory TOU pricing date are reasonable and supported by the evidence filed with the application.

The Board notes that, subject to the Board's approval, EnWin plans to begin transitioning customers to TOU in the 4th quarter of 2012 and begin billing RPP customers on a TOU basis by no later than the monthly billing of each RPP ratepayer in December 2012. The Board is also aware that EnWin has been consulting with its SAP CIS System Implementer and the IESO (in its SME capacity) on the status of its SAP CIS and MDM/R readiness. While the exemption from Mandatory TOU pricing is granted until no later than December 1, 2012, the Board expects EnWin to work diligently in an attempt to complete its conversion sooner so that ratepayers may benefit from TOU pricing as soon as possible.

IT IS THEREFORE ORDERED THAT:

1. EnWin Utilities Ltd.'s distribution licence ED-2002-0527, specifically Schedule 3 List of Code Exemptions, is amended to include an exemption from the requirement to apply time-of-use pricing under the Standard Supply Service Code for Electricity Distributors. The exemption will expire December 1, 2012.

DATED at Toronto, April 13, 2011

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary