

April 19, 2011

**Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
PO Box 2319
2300 Yonge Street
Toronto, ON
M4P 1E4**

Dear Ms. Walli:

**Re: Application for Extension of Time-of-Use Pricing for Regulated Price Plan Customers
(EB-2010-0218)**

In accordance with the Ontario Energy Board's ("OEB") letter of August 4, 2010 regarding determination under Section 1.2.1 of the Standard Supply Service Code to mandate time-of-use ("TOU") pricing for regulated price plan customers, Welland Hydro Electric System Corp. is hereby making an application for an exemption from its mandated TOU pricing date (the "TOU Date") of September 2011 to January 2012 to appear on February bills.

In response to the OEB letter of June 24, 2010 regarding the mandating of TOU pricing, Welland Hydro filed a letter with the Board (see Appendix A) on July 8, 2010. This letter identified issues which had arisen since Welland Hydro had filed its baseline plan for transition to TOU billing on January 10, 2010. The main issue was the determination that it was more strategic to procure a new CIS system than to attempt the development for the MDM/R interfaces and TOU functionality within the existing system which was unique to Welland Hydro. Subsequent to the June 24, 2010 letter, Welland Hydro's Director of Information Services & Billing for the past 31 years announced his retirement effective December 31, 2010.

As indicated in the July 8, 2010 letter, Welland Hydro expected the CIS project to be completed in March 2011. Welland Hydro can now report to the Board that the transition to the new CIS system went live on February 28, 2011. In addition, prior to moving to the new CIS, Welland Hydro transitioned from bi-monthly to monthly billing to better utilize the capabilities of the AMI data and the future integration to the MDM/R. Welland Hydro has been diligently working with our CIS vendor, NorthStar Utilities to stabilize the billing environment and processes so that commencement of unit testing with the MDM/R can start. Training of a new Billing Supervisor and new billing staff is ongoing.

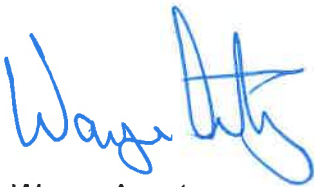
The CIS is a critical component of the MDM/R testing process and therefore, Welland Hydro finds it necessary to delay testing and enrolment dates. Discussions with partners, vendors and a review of internal resources have resulted in a revised plan for transition to TOU pricing which will be filed with the IESO shortly. Based on the new forecasted timelines, Welland Hydro

expects to commence MDM/R enrolment testing in July, 2011 and to commence the transition of RPP customers to TOU pricing on February 01, 2012.

Welland Hydro-Electric System Corp. respectfully requests that the Board consider these unforeseen circumstances and allow the adjustment of the mandatory MDMR enrolment testing and TOU dates accordingly.

Sincerely

Welland Hydro Electric Systems Corp.

A handwritten signature in blue ink, appearing to read "Wayne Armstrong", with a stylized flourish at the end.

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Kirsten Walli
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July 8, 2010

RE: File EB-2010-0218

Ms. Walli,

Welland Hydro is currently in the process of replacing its CIS system in order to better facilitate the integration to the IESO MDM/R and transition to TOU Billing. The CIS project was not within scope when our Baseline plan was submitted but after discussions with our current CIS vendor, it became apparent that procuring a new CIS was more strategic than attempting to obtain development for the MDM/R interfaces and TOU functionality in our current system. This CIS project is expected to be completed in March 2011.

Progression to MDM/R Enrollment and TOU billing is dependent on the successful implementation and optimization of the AMI Network within the NEPA group and the successful completion of this CIS upgrade at Welland Hydro. Once the CIS upgrade is complete, work on connection to the MDMR will begin. Based on the CIS project timeline, MDMR enrollment is planned to begin in September 2011. The transition to TOU Billing is scheduled to take place in the months of October to December 2011.

The OEB's letter of June 24, 2010 references setting the mandatory TOU dates based on the LDC's baseline plan. Welland Hydro's plan submitted on January 10, 2010 does not reflect the newly developed plan referenced above for transition to TOU billing.

Welland Hydro would propose that the LDCs be able to update their baseline plan before the mandatory TOU date is set by the OEB. This will allow all LDCs to explain changes in their baseline plan, if necessary.

Sincerely,

A handwritten signature in black ink, appearing to read 'Ross Peever', with a large, stylized initial 'P'.

Ross Peever
President and CEO
Welland Hydro-Electric System Corp.