



P.O. Box 2140
855 Confederation Street
Sarnia, Ontario N7T 7L6
Tel: (519) 337-8201
Fax: (519) 344-6094

June 6, 2011

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

Re: Application for an Extension to the Mandated Time-of-Use Pricing Date

Application

Bluewater Power Distribution Corporation (“Bluewater Power”) is writing to request an extension to our mandated time-of-use (“TOU”) pricing date from October 2011 until the latter date of January 2012 or fourteen weeks after the start date the IESO confirms as Bluewater Power’s wave assignment, to be discussed in further detail below.

Background

On August 4, 2010, the OEB issued a determination under section 1.2.1 of the SSS code to mandate TOU pricing for regulated price plan (“RPP”) consumers. The following dates were specified for Bluewater Power:

- | | |
|-------------------------------------|---------------------|
| • Commencement of enrollment | January 2011 |
| • Mandatory enrollment testing date | December 2010 |
| • Mandatory TOU Date | October 2011 |

Attachment ‘A’ is a letter dated December 8, 2010 wherein Bluewater Power advised the OEB that a revision to our internal timeline was required in order to meet the mandatory TOU date of October 2011. The mandatory TOU date that was established in turn required revised enrollment testing to occur during the period of May/June 2011 rather than December 2010.

...cont’d

Attachment 'B' is a letter dated May 4, 2011, whereby Bluewater Power advised the OEB that the October 2011 mandatory TOU date may be compromised given the pending release by the IESO of version 'R7.2 and Energy IP 2011 Measurement Canada solution' ("R7.2"). In that letter, we state *"It is critical that the IESO maintain their timelines in order for Bluewater to meet our mandatory TOU date."*

Bluewater Power has been in regular contact with the IESO to ensure that we are aware of potential delays and their possible impact on our implementation schedule. On May 12th, 2011 we were notified of a four week delay in the deployment of R7.2. At that point Bluewater Power had two options: 1) continue to test in the legacy BQI format until the IESO has released the new version R7.2 to the Sandbox for testing; or 2) request an extension to the Mandatory TOU date of October 2011 to January 2012.

However, the first option was effectively lost on May 25th, 2011 when we held a further conference call with our IESO project enrollment manager to review a revised schedule to accommodate the four week delay. The IESO advised during that conference call that our proposed timeline would not fit into the IESO schedule because R7.2 would not be available in Sandbox within adequate time to allow us to meet the October 2011 deadline using the R7.2 protocol.

Accordingly, Bluewater Power believes that requesting an extension to January 2012 is the most prudent and responsible option. Theoretically, it would be possible to achieve an October 2011 target by continuing to develop within the legacy system and, then, upgrade that system to R7.2. Clearly, that would create an inefficient and costly duplication of effort since the legacy system would be in operation for a period of just over one month before being replaced by the revised requirement to comply with the R7.2 protocol. We do not believe that would be a prudent course of action given the costs and the drain on our resources. In any event, this theoretical option is not practically achievable. The same internal staff would be required to develop and test both the legacy system and the R7.2 system. Given the time required for testing, that would lead to an overlap in effort. It is simply not possible for the same staff to work on two overlapping implementations.

The attached Chart contains two timelines as follows:

- (1) The top timeline (gold colour) indicates Bluewater Power's original path to attain the Mandatory TOU Date of October 2011.
- (2) The bottom timeline (green colour) indicates the proposed path assuming a January 2012 cutover to TOU billing.

Bluewater Power is proposing an extension to January 2012. The attached Chart demonstrates our ability to achieve a January 2012 target given the required testing, but also demonstrates that our ability to meet that target is dependent upon the IESO achieving its targets. We believe it is appropriate to seek an extension that allows for the possibility of the IESO missing its targets without creating the need for Bluewater Power to return to the OEB a further extension. What we are proposing, therefore, is an extension to the latter of January 2012 or fourteen weeks following the start date the IESO confirm's as Bluewater Power's wave assignment for testing.

The OEB letter of August 4, 2010, Section D – 'Other Issues' states that:

"The Board acknowledges that distributors may encounter extraordinary and unanticipated circumstances during the 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."

Bluewater Power submits that our situation is extraordinary and unanticipated as our testing schedule is in the unfortunate position of being at the exact time that the planned IESO upgrade to version R7.2 is taking place. Without the IESO planned version upgrade, Bluewater Power would have achieved the original October 2011 TOU billing date.

Further, it is the position of Bluewater Power that our request for an automatic extension in the event of further delays at the IESO also meets this test. An extension to the latter of January 2012 or fourteen weeks following the start date the IESO confirm's as Bluewater Power's wave assignment for testing would create an automatic extension only as a result of circumstances beyond the control of Bluewater Power, such as delay in the roll-out of R7.2 or congestion scheduling LDCs for testing. All such delays would be reflected in the date set by the IESO for Bluewater Power wave enrollment assignment and we are confident that the language in the extension set out below is the most efficient manner for the OEB to deal with this matter.

Bluewater Power has been committed to the achievement of the provincial mandate for smart meters and as of the May 10, 2011 Smart Meter filing with the OEB, Bluewater Power had installed 100% of the residential meters, and 85.3% of the General Service < 50 kW meters with the remaining meters to be installed in the next few weeks. Moreover, we have a vested interest in avoiding further delays, if possible, since every delay adds cost to this project.

In conclusion, Bluewater Power respectfully submits that our request for an extension is justified as being extraordinary and unanticipated. The requested relief is as follows:

“An extension to Bluewater Power Distribution Corporation’s mandated time-of-use (“TOU”) pricing date from October 2011 until the latter date of January 2012 or fourteen weeks after the start date the IESO confirms as Bluewater Power’s wave assignment for testing within the R7.2 and Energy IP 2011 Measurement Canada solution.”

Sincerely,



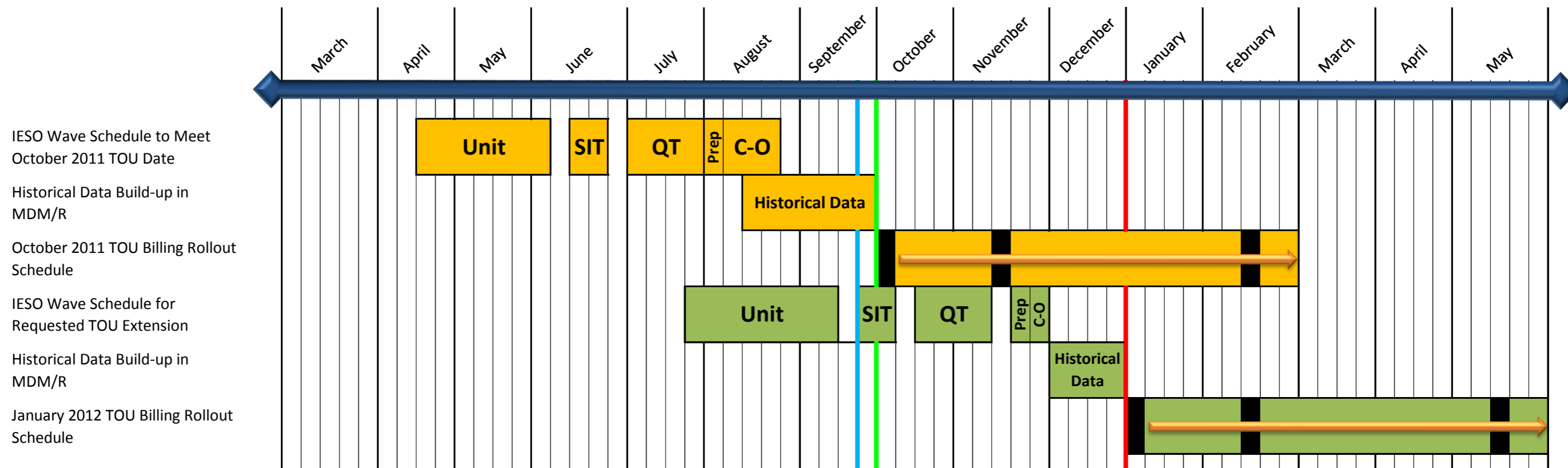
Leslie Dugas
Manager of Regulatory Affairs
Bluewater Power Distribution Corporation
Phone: 519-337-8201, Ext 255
Email: ldugas@bluewaterpower.com

/enc.

cc - via email:

Gisella Lopez, Gissella.Lopez@ieso.ca
James Murphy, James.Murphy@ieso.ca
Jann Wynn, jan.wynn@ieso.ca

IESO Enrollment & TOU Billing Timeline



- Confirmed Wave Assignment - September 26, 2011
- Current OEB Mandated TOU Billing Schedule for Bluewater Power (October 1, 2011)
- Requested OEB TOU Billing Schedule for Bluewater Power (January 1, 2012)
- Beginning of TOU Billing Period, First Customer TOU Bill, Last of First TOU Customer Bill



P.O. Box 2140
 855 Confederation Street
 Sarnia, Ontario N7T 7L6
 Tel: (519) 337-8201
 Fax: (519) 344-6094

December 8, 2010

Ms. Kirsten Walli
 Board Secretary
 Ontario Energy Board,
 2300 Yonge Street, 27th Floor,
 Toronto, Ontario
 M4P 1E4

Re: EB-2010-0218 Mandated TOU Pricing for RPP Customers

Dear Ms. Walli:

On August 4, 2010, The Ontario Energy Board (“OEB”) issued a Determination under section 1.2.1 of the Standard Supply Service Code to mandate TOU pricing for regulated price plan consumers. In Appendix E of the report, the following dates were specified for Bluewater Power Distribution Corporation (“Bluewater Power”):

	Date in Baseline indicating commencement of enrolment	Mandatory Enrollment testing date	Mandatory TOU Date
Bluewater Power	January 2011	December 2010	October 2011

The date indicated for commencement of enrolment of January 2011 was Bluewater Power’s original plan based on an anticipated ‘summer of 2011’ Mandatory TOU date. The date of December 2010 for ‘Mandatory Enrollment testing date’ was determined by the OEB based on the commencement of enrolment date originally provided.

Given the updated mandatory TOU date of October 2011, Bluewater Power has revised its internal timeline in order to meet that date. The result of that internal review is that Bluewater Power has revised the dates internally as shown in the table below.

	Commencement of enrolment	Mandatory Enrollment testing date	Mandatory TOU Date
Bluewater Power	June 2011	May/June 2011	October 2011

We are, therefore, writing to advise the OEB that the enrollment testing is proposed to commence in May/June 2011 instead of December 2010. Furthermore, the commencement of enrollment will begin in June of 2011 instead of January 2011. To that effect, Bluewater Power has received confirmation from the IESO of a MDM/R wave assignment of June 13, 2011 to August 15, 2011.

Bluewater Power is committed and on schedule to meet the October 2011 Mandatory TOU Date. This letter is for the OEB's information only as we are not requesting an exemption from OEB requirements. If there are any concerns, please contact the undersigned directly.

Bluewater Power will continue to advise the OEB of our progress through the monthly Smart Meter reporting requirements.

Sincerely,

A handwritten signature in blue ink that reads "L. Dugas".

Leslie Dugas
Manager of Regulatory Affairs
Bluewater Power Distribution Corporation
Phone: 519-337-8201 Ext 255
Email: ldugas@bluewaterpower.com



P.O. Box 2140
855 Confederation Street
Sarnia, Ontario N7T 7L6
Tel: (519) 337-8201
Fax: (519) 344-6094

May 4, 2011

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

Re: Smart Meter Time-of-Use (“TOU”) Implementation

Dear Ms. Walli:

Bluewater Power Distribution Corporation (“Bluewater Power”) would like to provide an update to the Ontario Energy Board (“OEB”) in regard to our TOU cutover plan.

On August 4, 2010, the OEB issued a determination under section 1.2.1 of the SSS code to mandate TOU pricing for regulated price plan (“RPP”) consumers. The following dates were specified for Bluewater Power:

- | | |
|-------------------------------------|---------------|
| • Commencement of enrollment | January 2011 |
| • Mandatory enrollment testing date | December 2010 |
| • Mandatory TOU Date | October 2011 |

By letter dated December 8, 2010 Bluewater advised the OEB that a revision to our internal timeline was required in order to meet the mandatory TOU date of October 2011. The mandatory TOU date would in turn require revised enrollment testing to occur during the period of May/June 2011 rather than December 2010.

More recently, a development initiated by the IESO and known as the ‘Measurement Canada 2011 Solution’ (“MC Solution”) has arisen which may compromise our targets. The original MDM/R Billing Quantity Interface (“BQI”) did not include register reads in the billing data to be sent to distributors. However, meter consumption is verified and approved by Measurement Canada as the basis of the charge for electricity, and therefore billed energy usage must be equal to the difference of start and end actual register reads for the bill period. In order to deliver register reads to the MDM/R a new standard billing XML interface is required which supports

transmission of TOU, periodic and hourly billing determinants together with start register read and end register read determinants.

This change to XML will require all distributors to modify their CIS billing quantity request and reply interface if already developed or, in cases such as ours modify our process in mid-development.

The IESO has released a 'High Level R7.2 Target Deployment Schedule – Revision 4 – dated April 14, 2011'. The schedule details the following dates:

- a. R7.2 2011 MC Solution to IESO targeted for June 17, 2011
- b. Deploy R7.2 to Sandbox 2, and IESO testing – June-July 2011
- c. Deploy R7.2 to sandbox, and LDC regression testing – August-mid October 2011
- d. R7.2 to Production – mid November 2011.

The timing of the IESO schedule noted above poses unique challenges for Bluewater Power in that the XML timeline overlays our existing testing timeline (ie. June to October 2011). We have limited internal personnel that are currently involved in development with external consultants. These are the same personnel that would be required to develop and test the new XML protocol. Therefore duplicate efforts may be required to develop and test both the legacy BQI and the new XML system which in turn would warrant extra costs, extra time and extra resources. Our goal is to reduce duplication of effort as much as possible without compromising the mandatory TOU date of October 2011.

On April 27, 2011 Bluewater Power held a conference call with key staff at the IESO to discuss our current testing timeline as compared to the new XML roll-out timeline. We have analyzed the options and have decided that the best course of action would be to maintain the existing testing path excluding the BQ interface and concurrently begin development of the BQI utilizing the XML technical specifications provided by the MDM/R on April 14, 2011. This will delay Bluewater's ability to test the BQ XML interface until the June/July timeline in order to align with the current IESO deployment timeline of R7.2 to Sandbox. Bluewater Power is therefore anticipating to move forward from that point with only the XML protocol.

Bluewater Power's point of concern, as we draw closer to the IESO XML timeline will be to continually assess the IESO's milestones to determine if they are on target. It is critical that the IESO maintain their timelines in order for Bluewater to meet our mandatory TOU date. If it appears that the IESO is not able to reach their specified timeline Bluewater Power will have to either i) consider the re-instatement of the development of the legacy BQI which will duplicate effort and cost, or ii) request an extension to the Mandatory TOU date.

In conclusion, Bluewater Power is committed to meet the target mandatory TOU date of October 2011, however want to advise the OEB of the new developments and the potential to impact these target dates.

Sincerely,

A handwritten signature in blue ink that reads "L. Dugas".

Leslie Dugas
Manager of Regulatory Affairs
Bluewater Power Distribution Corporation
Phone: 519-337-8201 Ext 255
Email: ldugas@bluewaterpower.com

Cc via email:

Gisella Lopez, Gissella.Lopez@ieso.ca
James Murphy, James.Murphy@ieso.ca
Jann Wynn, jan.wynn@ieso.ca