



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

July 25, 2011

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

Re: EB-2011-0224 Bluewater Power Responses to Board Staff Interrogatories

Dear Ms. Walli:

Please find attached the Interrogatory responses of Bluewater Power to the OEB Board Staff interrogatories.

Two hard copies will follow.

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

Bluewater Power Distribution Corporation (“Bluewater”)

EB-2011-0224

Responses to Board Staff Interrogatories

Board Staff Interrogatory #1

Preamble

Bluewater Power Distribution Corporation (“Bluewater”) filed an application dated June 6, 2011 with the Ontario Energy Board for a licence amendment granting an extension in relation to the mandated date for the implementation of time-of-use (“TOU”) pricing rates for Regulated Price Plan consumers.

Bluewater has applied for an extension to its mandated TOU pricing date of October 2011 and requested a new date of January 2012. Bluewater states the extension is necessary due to a four week delay in the deployment of a version upgrade by the IESO and Bluewater’s testing schedule conflicting with the planned IESO upgrade.

In its application, Bluewater states that its ability to meet its October 2011 mandatory TOU date has been compromised because of delays to the IESO’s version ‘R7.2 and Energy IP 2011 Measurement Canada solution’ (“R7.2”). Bluewater states that:

...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.

...[Bluewater’s] 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.

Question

1. Please provide the analysis has Bluewater conducted regarding the costs and resources required to develop and test both the IESO's legacy system and the R7.2 system. If no analysis has been conducted, please explain why.

Response

Bluewater Power has not performed a formal analysis of costs and resources because, as we state in our application, although it is a theoretical option to develop and test both the IESO's legacy system and the R7.2 update, this theoretical option is not practically achievable. We have six internal staff working full-time on development and testing and, due to the size of our utility, we do not have six other staff to assign to a parallel project to test a redundant legacy system.

Furthermore, the IESO would not allow parallel testing, meaning the distributor would have to choose the platform that it is testing and continue through to completion rather than testing two platforms simultaneously.

Board Staff Interrogatory #2

Bluewater's application includes an "IESO Enrollment & TOU Billing Timeline" diagram. The diagram indicates that Bluewater is proposing a five month TOU billing rollout schedule (i.e., January 2012-May 2012). The diagram also indicates that Bluewater is proposing new Unit Testing dates of July 2011-September 2011. Bluewater has previously scheduled Unit Testing for April 2011-June 2011.

Questions

1. Please confirm the status of Bluewater's smart meter deployment and TOU implementation as of July 1, 2011.

(1) Response

As of July 1, 2011 nearly 100% of the residential meters have been installed and 93% of the GS<50 meters have been installed. There are approximately 200 GS<50 meters still to be installed and we expect them to be completed by the end of August 2011.

As of July 1, 2011 we continued to develop the new XML Billing Service Standard Interface (BSSI) required for the new R7.2 system. We are scheduled to begin Unit Testing on the new R7.2 system beginning on July 25, 2011. We are on schedule with the timeline filed in our June 6, 2011 application for extension.

2. Please explain in detail why Bluewater requires a five month TOU billing rollout schedule.

(2) Response

Bluewater Power bills the majority of our Residential and GS<50kW customers on a bi-monthly basis. Therefore the five month rollout schedule is required in order to accommodate the rolling billing schedule on a bi-monthly basis.

For example, A customer whose last non-TOU bill was issued for the period ending December 31, 2011 will have TOU meter reads starting January 1, 2012 and will have the first TOU bill to them approximately March 15, 2012; that bill will cover the meter read period of Jan 1, 2012 to Feb 28, 2012 and, with the required 10 business day lag for retail interaction and IESO final pricing availability, the bill would be issued March 15, 2012.

An example of the last customer to receive their first TOU bill would be as follows. A bill would be issued for the period December 31, 2011 until approximately February 27, 2012 and would be issued on approximately March 14, 2012 . The entire bill will be non-TOU because the 'start date' of the billing period would be December 31, 2011 not January 1, 2012 (the commencement date of TOU). Therefore, the customer's next bill will cover the period March 1, 2012 to April 30, 2012 which will be the first bill that is entirely TOU pricing. That bill will be issued on approximately May 15, 2012. Hence, the 5 month TOU billing rollout schedule.

3. Please explain in detail why Bluewater did not meet its original Unit Testing dates

(3) Response

Bluewater Power began its original Unit Testing on schedule. We halted testing once we became aware of the change in technical specifications. But for the change to the R7.2 system, we would have completed our original Unit Testing in accordance with the original Unit Testing Dates.