



EB-2011-0116

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
Welland Hydro-Electric System Corp. seeking an extension
to its mandated time-of-use pricing date.

By delegation, before: Jennifer Lea

DECISION AND ORDER

Welland Hydro-Electric System Corp. (“Welland Hydro”) filed an application dated April 19, 2011 with the Ontario Energy Board under section 74 of the *Ontario Energy Board Act, 1998*, 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 (“RPP”) consumers.

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 RPP customers that have eligible TOU meters using TOU 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 TOU pricing for RPP consumers with eligible TOU meters, as of the mandatory date. Compliance with this Code is a condition of licence for nearly all licensed electricity distributors in Ontario.

THE APPLICATION

Welland Hydro applied for an extension to its mandated TOU date of September 2011 and requested a new TOU date of January 2012. Welland Hydro stated the extension to its mandated TOU date was necessary as a result of delays experienced implementing a new customer information system (“CIS”) and the retirement of key personnel involved in its implementation.

The Board issued a Notice of Application and Written Hearing for the application on May 2, 2011, and interrogatories and submissions on the application were invited. The applicant responded to interrogatories filed by Board staff, providing more information about the delay and progress to date in implementing TOU pricing. Board staff filed a submission on the application stating it had no issues with the request for extension. The applicant responded to the submission requesting approval of the application. No other parties filed interrogatories or submissions on the application.

In its application and interrogatory answers, Welland Hydro stated that it decided to procure a new CIS rather than to attempt the development of the MDM/R interfaces and TOU functionality within the existing system. This decision was in part motivated by the retirement of the utility’s Director of Information Services & Billing. The new CIS went live on February 28, 2011, and Welland Hydro has been working with the CIS vendor to stabilize the billing environment and processes so unit testing can start. Welland Hydro also indicated that at the time of the application, training of a new billing supervisor and new billing staff was ongoing. As result of these delays, Welland Hydro stated it expected to commence enrollment testing on July 2011 and commence transition of RPP consumers to TOU pricing on February 1, 2012. The utility indicated that these proposed dates are consistent with the recommendations of the Independent Electricity System Operator. At the time of the application, approximately 95% of Welland Hydro’s eligible customers had smart meters installed. Welland Hydro provided a timeline and schedule as well as billing cycle dates for actual billing using TOU pricing.

BOARD FINDINGS

I find the application should be granted. Welland Hydro will be exempted from the requirement to apply TOU pricing under the Standard Supply Service Code until January 31, 2012.

Welland Hydro has taken the responsible step of seeking an extension from the Board in advance of its mandated TOU date. The reasons given in the application for missing the original date are credible and supported by the evidence filed with the application. Welland Hydro has made a considerable effort towards completing TOU pricing implementation, and has installed smart meters for approximately 95% of its eligible customers. I find that the difficulties and delay encountered by Welland Hydro in relation to implementation of a new CIS and retirement of key personnel to be extraordinary and unanticipated circumstances sufficient to justify an extension to Welland Hydro's mandated TOU pricing date.

The findings in this decision should in no way be construed as determinative of any future cost recovery applications that the applicant may make.

IT IS THEREFORE ORDERED THAT:

1. Welland Hydro-Electric System Corp.'s distribution licence ED-2003-0002, specifically Schedule 3 List of Code Exemptions, is amended to include an exemption from the requirement to apply time-of-use pricing by a mandatory date under the Standard Supply Service Code for Electricity Distributors. This exemption will expire on January 31, 2012.

DATED at Toronto, July 27, 2011

ONTARIO ENERGY BOARD

Original Signed By

Jennifer Lea
Counsel, Special Projects