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August 9, 2011

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, Suite 2700
Toronto ON M4P 1E4

Dear Ms. Walli:

**Re: West Coast Huron Energy Inc. – Extension to Mandated Time-of-Use
Pricing Date for Regulated Price Plan Consumers
Board File No.: EB-2011-0241**

Please find enclosed Board Staff's submission with respect to the above application.

Please forward the submission along with this cover letter to the applicant in this proceeding.

Yours truly,

Original Signed By

Roy Hrab
Policy Advisor, Regulatory Policy

Attachment



ONTARIO ENERGY BOARD

BOARD STAFF SUBMISSION

Application for Extension to Mandated Time of Use Pricing Date for Regulated Price Plan Consumers

West Coast Huron Energy Inc.

EB-2011-0241

August 9, 2011

BACKGROUND

West Coast Huron Energy Inc. (“West Coast Huron”) filed an application dated June 16, 2011 with the Ontario Energy Board under section 74 of the *Ontario Energy Board Act, 1998*, S.O. 1998, c.15 (Schedule B) for a licence amendment granting an extension in relation to the mandated date for the implementation of time-of-use (“TOU”) pricing rates for certain Regulated Price Plan (“RPP”) consumers.

West Coast Huron has applied for an extension to its August 2011 TOU pricing date and is requesting a new date of January 2012. West Coast Huron states that the extension is necessary due to delays it has experienced in converting its customer information system and training staff on the new processes and billing system, as well as awaiting a solution to a Measurement Canada issue.

The Board issued a Notice of Application and Hearing on July 7, 2011. Board staff filed interrogatories on the application on July 26, 2011. West Coast Huron responded to the interrogatories on August 5, 2011.

This submission is being provided by Board staff following a review of the application and evidence filed in this proceeding.

STAFF SUBMISSION

Having reviewed the application and evidence, Board staff is of the view that West Coast Huron has not provided sufficient evidence to support its requested extension.

Staff submits that West Coast Huron has neither presented sufficient evidence as to why it was unable to meet its August 2011 date nor has it presented an implementation schedule for its requested extension date. Staff further notes that, prior to the filing of its extension application, West Coast Huron never indicated any problem with its TOU implementation in any of its monthly reports to the Board. West Coast Huron states that it did not indicate these problems in its monthly reports because it “did not recognize areas on the monthly report that addressed other areas of concerns similar to those that are stated in our application to extend the mandatory TOU date.” Staff notes that other distributors have successfully used the monthly reports to indicate concerns similar to those expressed by West Coast Huron (e.g., CIS upgrades and Measurement Canada requirements).

In addition, according to its monthly reports, West Coast Huron completed the Self-Certification process for transition into the MDM/R Production environment and Transition to Production Operations in March 2011.

West Coast Huron states in its interrogatory responses that it “considers it best to do the successful conversion from Harris Pubs 5.2.19 to Harris Northstar 6.3.1 first prior to proceeding with TOU.” West Coast Huron states further that “Significant workloads, for both normal day to day operations plus installation of smart meters and the preparation for TOU has left all staff resources (both in and out of house) maxed out and unable to complete the required work and complete it to a standard that produces accurate billings and minimizes confusion to the customer.”

While staff notes that human resource and other constraints may have delayed West Coast Huron’s ability to convert its Harris systems, staff is of the view that the decision to delay TOU implementation because of the conversion appears to be a discretionary choice by West Coast Huron rather than an operational or technical barrier to TOU implementation. Staff notes that West Coast Huron has presented no evidence indicating that TOU billing cannot be implemented using its existing Harris Pubs 5.2.19 system.

With respect to Measurement Canada requirements, West Coast Huron states in its interrogatory responses that it “is hesitant to produce billings to customers that do not provide start and end meter readings, as mandated by Measurement Canada. Our customers are presently provided with start and end meter readings and it will be less confusing to the customer to have consistent information on billings.” Staff notes that Measurement Canada is requiring full compliance with requirements related to the invoice presentment of meter readings by January 1, 2012.¹ Therefore, given the deadline for Measurement Canada compliance, staff is of the view that the decision to not implement TOU by August 2011 because of Measurement Canada requirements is a discretionary choice and not an operational, technical, or regulatory barrier to TOU implementation.

Staff also notes that the Board’s August 4, 2010 letter dealt with the compliance of the MDM/R billing format with Measurement Canada legislation. At page 4 of that letter,

¹ See: <http://www.ic.gc.ca/eic/site/mc-mc.nsf/eng/lm04256.html>

under the heading “Other Issues”, the Board considered the submissions of distributors that mandatory TOU pricing dates should not be set until the compliance of the MDM/R billing format with Measurement Canada legislation is assured. While acknowledging the existence of this issue, the Board proceeded to determine mandatory TOU pricing dates.

Staff submits that West Coast Huron has not demonstrated why it was operationally or technically unable to complete TOU implementation by its mandatory date of August 2011 and has neither demonstrated extraordinary nor unanticipated circumstances related to the implementation of TOU billing. Therefore, staff submits that this application for an extension should be denied.

However, while Staff cannot support the requested extension based on the evidence provided by West Coast Huron Staff recognizes that West Coast Huron will not be able to implement TOU billing by August. Staff submits that West Coast Huron should, together with its reply, provide a schedule for implementing TOU as soon as possible, including the dates when customers will be converted to TOU billing and the number of customers converted on each date.

All of which is respectfully submitted.