



EB-2011-0138

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 Festival
Hydro Inc. seeking an extension to its mandated time-of-use
pricing date.

By delegation, before: Theodore Antonopoulos

DECISION AND ORDER

Festival Hydro Inc. ("Festival") filed an application dated May 10, 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

Festival applied for an extension from its September 2011 TOU pricing date and requested a new date of May 2012. Festival stated that the extension is necessary due to key human resource losses during TOU implementation, delays retrofitting the customer information software and to educate customers on TOU prior to transitioning to TOU prices.

The Board issued a Notice of Application and Written Hearing for the application on May 26, 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 Festival indicated that in March 2011 as a result of an unplanned resignation by key IT personnel, Festival would not be able to execute the IT portion of the smart project plan on schedule. Festival stated that because of the departure a decision was made to retrofit new software with existing customized software. Festival stated that this change in direction had a significant impact on its project plan. Festival also indicated that its CIS software implementation was affected by this retrofitting process and the timelines to complete this portion of the project were insufficient for the work necessary. Festival also proposed a TOU introduction plan to smooth the transition for its customers into TOU billing until it had sufficient comfort in its internal system testing. In response to Board staff interrogatories Festival provided a timeline outlining key dates in its implementation plan and a schedule for when customers would be transferred to TOU pricing. In addition, Festival stated it was able to begin rolling out TOU pricing 4 weeks earlier, by April 2012, if it were to bypass offering the 4 week TOU introduction plan to customers.

BOARD FINDINGS

I find the application should be granted but only until April 2012. Festival will be exempted from the requirement to apply TOU pricing under the Standard Supply Service Code until April 30, 2012.

Festival 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. Festival has made a considerable effort towards completing TOU pricing implementation, and has installed smart meters for approximately 99% of its eligible customers. I find that the difficulties and delay encountered by Festival in relation to implementation of a new CIS and loss of key personnel to be extraordinary and unanticipated circumstances sufficient to justify an extension to Festival's mandated TOU pricing date. However, the applicant has indicated that it faces no technical or operational barriers to implement TOU pricing by April 2012. I do not accept the applicant's argument that additional time is required to address customer education. Extraordinary or unanticipated circumstances generally relate to operational or technical issues. However, Festival may wish to continue with its plans for the TOU communication initiative contemporaneously with the TOU rollout.

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. Festival Hydro Inc.'s distribution licence ED-2002-0513, 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 April 30, 2012.

DATED at Toronto, September 6, 2011

ONTARIO ENERGY BOARD

Original Signed By

Theodore Antonopoulos
Manager, Electricity Rates