



EB-2011-0224

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
Bluewater Power Distribution Corporation seeking an
extension to its mandated time-of-use pricing date.

By delegation, before: Jennifer Lea

DECISION AND ORDER

Bluewater Power Distribution Corporation (“Bluewater”) filed an application dated June 6, 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. The Board assigned file number EB-2011-0224 to the application.

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 its 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

Bluewater applied for an extension to its mandated TOU pricing date of October 2011 and requested a new date of the latter of January 2012 or fourteen weeks after the start date of when the Independent Electricity System Operation (“IESO”) confirms Bluewater’s wave assignment. Bluewater stated the extension is necessary due to delays in the deployment of a version upgrade by the IESO and Bluewater’s testing schedule conflicting with the planned IESO upgrade.

The Notice of Application and Written Hearing was issued on June 27, 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. No other parties participated in this proceeding.

In its application, Bluewater stated a four week delay in the deployment of R7.2 and Energy IP 2011 Measurement Canada solution had affected its schedule for TOU implementation. Bluewater indicated that while theoretically possible to achieve a targeted October 2011 date it would require an inefficient and costly duplication of effort as the legacy system would be operational for one month before being replaced by the revised requirement to comply with the R7.2 protocol. Bluewater provided a revised timeline to meet the requested TOU pricing dates. Bluewater stated its circumstances were extraordinary and unanticipated because its testing schedule was concurrent with the planned IESO upgrade to version R7.2. Without the IESO planned upgrade Bluewater indicated it would have achieved its original October 2011 TOU pricing date. In response to Board staff interrogatories, Bluewater stated it had installed 100% of its Residential meters and 93% of its General Service under 50kW meters with the remaining meters to be installed by end of August 2011.

Board staff filed a submission on the application expressing concerns regarding Bluewater’s request for a delay in TOU implementation. Staff observed that no other distributor affected by delays of the IESO’s R7.2 system upgrade had come forward with a TOU extension application. Board staff stated that Bluewater had not provided sufficient evidence regarding why it faces extraordinary and unanticipated circumstances that make it unable to meet its October 2011 mandatory TOU date. Staff also requested that in Bluewater’s reply submission, the distributor present a schedule for completing TOU implementation without further delay.

In its reply submission Bluewater reiterated its need for a January 2012 TOU pricing date and provided additional information on the reasons for the delay. Bluewater stated that it consulted with the IESO very closely and was satisfied that based on current understanding of the circumstances its current path is the only path that will lead to full compliance and a stable implementation of TOU billing. Bluewater observed that if it continued on a path to implement TOU billing within the existing R7.0 system, it would have implemented TOU billing by October 1st. However, Bluewater stated that it would be required to commence development, testing and implementation under the R7.2 system utilizing the same six staff and outside consultants. Bluewater indicated that this second project could not be carried out in parallel due to a lack of resources. Bluewater also stated that the timeline provided in its original application was the shortest possible timeline achievable for TOU implementation.

By letter dated September 27, 2011 Bluewater informed the Board that the implementation schedule for the IESO's implementation of R7.2 has slipped by about 6 weeks. However, Bluewater did not seek to amend its application, stating "the nature of our application filed June 6, 2011 was such that it allowed flexibility in the event of a delay at the IESO."

BOARD FINDINGS

The amendment request will be granted in part. I find that the circumstances encountered by Bluewater are not sufficiently extraordinary or unanticipated to justify an indefinite extension to Bluewater's mandated TOU pricing date. The proposed date of fourteen weeks after the confirmation of Bluewater's wave assignment by the IESO could involve a delay beyond the limits of acceptability. I recognize that the letter of September 27, 2011 implies that Bluewater is relying on this flexible date in deciding not to amend their application. However, other distributors are affected by the implementation of R7.2. The wave assignment date is not unilaterally imposed by the IESO, but it is a function of the distributor's MDM/R enrolment project plan, its implementation of the project plan, and the IESO's resources available to support the wave. Bluewater's circumstances are not unique, and not entirely outside the distributor's control.

However, given the date of this decision, it is impractical to require Bluewater to implement TOU pricing by its originally required October 2011 date. The proposed delay to January 2012 is not excessive in the circumstances. Bluewater will be

exempted from the requirement to apply TOU pricing under the Standard Supply Service Code until January 31, 2012.

The applicant is expected to work diligently to implement TOU for its customers and provide the Board with timely information regarding the implementation of TOU pricing.

IT IS THEREFORE ORDERED THAT:

1. Bluewater Power Distribution Corporation's distribution licence ED-2002-0517, 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, for those customers. This exemption will expire on January 31, 2012.

DATED at Toronto, October 6, 2011

ONTARIO ENERGY BOARD

Original Signed By

Jennifer Lea
Counsel, Special Projects