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December 8, 2011

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

**Re: EB-2011-0224 Application for extension to Mandated TOU Date
Information Update**

Bluewater Power Distribution Corporation ("Bluewater Power") sought an extension to its mandated TOU billing date and the Board, through its Counsel, Special Projects issued a decision on October 6, 2011 granting as follows:

"Bluewater will be exempted from the requirement to apply TOU pricing under the Standard Supply Service Code until January 31, 2012"; and

"I expect the applicant to work diligently to implement TOU for its customers and provide the Board with timely information regarding the implementation of TOU pricing."

Bluewater Power has continued to work diligently to implement TOU pricing for its customers, but in keeping with the Board's direction to provide timely information we must advise of a potential delay beyond the control of Bluewater Power. On November 30, 2011 the IESO issued an e-mail (a full copy of which is attached) stating as follows:

"Several LDCs yet to complete MDM/R enrolment testing and cutover to production have been timing their efforts around the mid January R7.2 target deployment date. While this delay will undoubtedly impact those plans, we do offer a contingency plan that would allow these LDCs to conduct enrolment testing under R7.2 but cutover to the production system under R7.0. Without the availability of the new XML Billing Quantity Interface in production most of these LDCs will not be able to bill their customers on TOU rates"

Bluewater Power has, in fact, already taken advantage of the contingency plan noted in the e-mail. The benefit of the contingency was taken without the time and expense of fully developing or testing its CIS under R7.0 version. However, this contingency plan only permits data to flow. It does not allow for billing.

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Therefore, as noted in the excerpt by the IESO “most of these LDC’s will not be able to bill their customers on TOU rates.” That is, until R7.2 is available.

Bluewater Power will be in a better position to advise the impact of this IESO announcement on its implementation plans when more information is available. At this point, the announcement simply states that “a March deployment is achievable” but without further information from the IESO we are not in a position to advise the Board of the impact on this utility’s target date.

Before closing this update, we believe it is important for the OEB to know, and for the IESO to know by copy of this letter, that we are also considering our obligation to provide notice to customers of the start of TOU billing. If, for example, the IESO works diligently to roll out R7.2 by the beginning of March but fails to confirm that information until February, then we will not be in a position to comply with our obligation to provide notice to our customers 30 days prior to implementing TOU Billing. Our point in making this comment is that diligence in resolving technical issues is important, but diligence on the part of the IESO in communicating the results of those efforts is equally as important.

We trust the foregoing is clear and we will provide further information once it is available.

Sincerely,



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From: Orozco, Luis [<mailto:Luis.Orozco@ieso.ca>]
Sent: November-30-11 2:41 PM
Subject: RE: MDM/R Production R7.2 Deployment Schedule Update

This message is being sent on behalf of Bob Guberman

Good Afternoon,

As previously reported, throughout the month of November the IESO, together with eMeter and IBM, has been reassessing the timing for the deployment of R7.2, with the Measurement Canada 2011 Solution, to the MDM/R production environment. This reassessment has considered the status of issues needing remediation before R7.2 can be considered production ready. Although our progress has been considerable, it has not been sufficient to keep to the mid January 2012 target production deployment date.

Based on our current analysis we feel confident that a March deployment is achievable. Once we get further scheduling details for the remediation of the remaining issues, we will then be in a position to put forward a revised High Level R7.2 Target Deployment Schedule. Measurement Canada, the Ministry of Energy, the OEB and the EDA have all been informed of the situation.

We know that many LDCs are in the process of conducting their R7.2 certification testing as per the IESO's requirements. We are doing a detailed review of the remaining open issues to see if they will impact the results of the R7.2 certification testing. Based on our assessment to date we expect there will be little or no impact to R7.2 certification testing; hence, the testing currently underway should proceed as scheduled because the results are expected to remain valid. When we complete our detailed review we will communicate the final findings to all the LDCs.

Several LDCs yet to complete MDM/R enrolment testing and cutover to production have been timing their efforts around the mid January R7.2 target deployment date. While this delay will undoubtedly impact those plans, we do offer a contingency plan that would allow these LDCs to conduct enrolment testing under R7.2 but cutover to the production system under R7.0. Without the availability of the new XML Billing Quantity Interface in production most of these LDCs will not be able to bill their customers on TOU rates; however, all the system functionality, reporting and business processes around meter read data and synchronization can be fully exercised under R7.0. Taking advantage of this early opportunity should shorten the time needed by these LDCs to begin billing customers once R7.2 is promoted to production.

In the meantime, the MDM/R production system continues to operate reliably under R7.0.

Our apologies to all the LDCs for any inconvenience caused by this delay; however, with over four million smart meters enrolled in production and more than 3.25 million customers on TOU rates we must make sure that the reliable operation of the MDM/R is protected. Therefore, we will not promote R7.2 to production prematurely.

We will provide a revised schedule for the promotion of R7.2 as soon as possible. Thank you for your cooperation and support.

Bob Guberman

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