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DECISION AND ORDER

EB-2019-0217

KITCHENER-WILMOT HYDRO INC.

Application for Electricity Distribution Licence Amendment

BY DELEGATION, BEFORE: Brian Hewson

Vice President,
Consumer Protection & Industry Performance

February 11, 2020

DECISION AND ORDER

Kitchener-Wilmot Hydro Inc. (KWHI) applied on September 3, 2019, under section 74 of the *Ontario Energy Board Act, 1998* (OEB Act) for an amendment to its Electricity Distribution Licence ED-2002-0573. The amendment would provide a temporary exemption from section 4.2.4A of the Distribution System Code (DSC) and section 2.6.2 of the Standard Supply Service Code (SSSC) for the period March 1, 2020 to April 1, 2021. Both of these sections are amendments to the respective codes which do not come into force until March 1, 2020, as per the Ontario Energy Board's (OEB) March 14, 2019 notice of amendments to the DSC, the SSSC, and the Unit Sub-Metering Code (USMC) (together, Codes) and Gas Distribution Access Rule (GDAR).¹

In its application, KWHI had initially also sought an exemption from sections 2.4.9, 2.4.9A, 2.7.1 and 4.2.5.d of the DSC. Following enquiries by OEB staff, KWHI informed the OEB that it will be able to implement manual work-arounds to comply with these four sections.

KWHI's rationale for the exemption is that it is in the process of replacing its COBOL-based in-house customer information system (CIS) with the new Oracle Customer Care and Billing (CC&B) system, which will meet all the requirements of the amended customer service rules, with an estimated in-service date in December 2020. KWHI submitted that it is not possible for it to economically comply with section 4.2.4A of the DSC and the new section 2.6.2 of the SSSC, as doing so would require the utility to divert significant labour resources from the new CC&B implementation project. KWHI also submitted that additional programming and testing to KWHI's current CIS, which is now 35 years old and soon to be replaced, is very costly and time consuming, and would not be in the best interest of KWHI's customers. KWHI also stated that there was no acceptable way to implement manual processes that would comply with the two specific requirements until the new CC&B system was operational.

The amendments to section 4.2.4A of the DSC will require that, at least seven days before issuing a disconnection notice for non-payment, a distributor deliver an account overdue notice to the customer. KWHI stated that, due to the lack of flexibility of its existing CIS, in order to comply with this section, KWHI would need to manually issue approximately 300 notices a day, which is very time consuming and would, thus, require the diversion of significant labour resources that would otherwise be dedicated to the implementation of the new CC&B system.

¹ EB-2017-0183

A similar concern lies with respect to the new requirements under section 2.6.2 of the SSSC. This section will require a distributor to offer to all non-seasonal residential customers and general service < 50kW customers receiving standard supply, an equal monthly payment plan option that must follow specific requirements outlined in subsection 2.6.2A. With regard to this section, KWHI stated that there are approximately 5,000 customers on KWHI's existing equal billing plan², and that a manual workaround is not feasible. To re-establish these customers on a new plan would require substantial programming, testing and training. These additional financial and labour resources would have to be diverted from the new CC&B system implementation, and would be of no value once transition to the new CC&B system is complete.

This Decision and Order is being issued by the Delegated Authority, without holding a hearing pursuant to section 6(4) of the OEB Act.

The OEB accepts that it would not be prudent for KWHI to incur significant costs to customize its existing CIS. The OEB also acknowledges that re-allocation of the resources from the implementation of the new CC&B system to the extensive programming and testing of the existing CIS, which will soon be replaced, may potentially delay implementation of the new CC&B system.

The OEB finds that the application for a temporary exemption from sections 4.2.4A of the DSC and 2.6.2 of the SSSC should be granted. However, the temporary exemption period shall end on December 31, 2020 (as this is the month that KWHI expects its new CC&B system to go "live"). During the exemption period, the OEB expects that KWHI will take appropriate steps to address customer concerns in relation to non-payment of accounts and disconnection notices, as part of its customer services.

IT IS ORDERED THAT:

1. Kitchener-Wilmot Hydro Inc.'s Electricity Distribution Licence ED-2002-0573, specifically Schedule 3 "List of Code Exemptions", is amended to include an exemption from section 4.2.4A of the Distribution System Code. This exemption takes effect on March 1, 2020 and expires on December 31, 2020.
2. Kitchener-Wilmot Hydro Inc.'s Electricity Distribution Licence ED-2002-0573, specifically Schedule 3 "List of Code Exemptions", is amended to include an

² The code amendment also revokes subsections 2.6.2B and 2.6.3C, effectively eliminating the equal billing plan currently offered by KWHI to its customers.

exemption from section 2.6.2 of the Standard Supply Service Code. This exemption takes effect on March 1, 2020 and expires on December 31, 2020.

DATED at Toronto, February 11, 2020

ONTARIO ENERGY BOARD

Original Signed By

Brian Hewson
Vice President, Consumer Protection & Industry Performance