January 16, 2018

Hon. Glenn Thibeault
Ministry of Energy
4th Floor, Hearst Block
900 Bay Street
Toronto, Ontario M7A 2E1

Dear Minister Thibeault,

Alectra Utilities ("Alectra") understands that O. Reg 196/17 has recently been approved and that by March 31st, 2018, distributors will be required to display customer-specific Ontario Fair Hydro Plan (OFHP) savings on electricity invoices. I am writing to you to explain why it would be unreasonably difficult for Alectra to implement the proposed changes as specified by this date and to propose an alternative approach for your consideration and approval, as per Section 3 (1) of the Regulation.

Since its amalgamation in February 2017, Alectra has been undertaking a rigorous approach to integration that has required careful planning and alignment with customer, shareholder and regulatory obligations. Alectra is committed to being an ally to our customers as they navigate the dynamic and changing energy environment. As such, one of our most pressing priorities has been to achieve a seamless transition from four legacy billing systems to one. Customer trust in Alectra is largely based on delivery of accurate and timely bills, and privacy protection—areas in which we would never wish to compromise.

The consolidation of the Customer Information Systems ("CIS") environment into one common Oracle Customer Care & Billing ("CC&B") system to facilitate integration of Customer Service business functions and improve service to customers is currently underway. Each CIS system migration of the predecessor utilities involves significant customer change including new bill formats and account number changes. It will be necessary to stabilize our systems and ensure our customers are informed and confident of the service changes before further bill re-design and dynamic messaging changes can be implemented. An aggressive timeline for CIS consolidation has been set in order to achieve these goals in as timely a manner as possible while also respecting the fact that the migration will mean significant impacts to customers in 2018. Alectra will be transferring legacy systems to the new CIS platform in stages, beginning in January 2018, with the goal of completing the transition by the end of 2018.

Numerous ongoing parallel activities are underway throughout the conversion process, including efforts to develop a single consolidated customer bill. This involves design, development and testing at each “go live” milestone in 2018; there are three such “go lives”. Any interruption of these activities or the addition of new requirements will have an immediate impact on the CIS consolidation schedule. The timing of any additional changes will also require re-work and further testing.

Alectra estimates that a total of five months and 1600 hours will be required to support the implementation of O. Reg 196/17. This estimate is based on significant testing required, as well as current resource constraints. Alectra will not have sufficient resources to support: the parallel priorities of “business as usual”; the CIS convergence project and the requirements of the new regulation.

Alectra is also concerned that customers would be presented with several billing changes in quick succession as a result of the transition to the new CIS system, including but not limited to: branding changes; bill statement design changes; new account numbers; bill cycle changes; and changes to due dates.

Alectra understands the Ministry’s efforts to have LDCs display on-bill dynamic messaging for Fair Hydro Plan savings by March 31, 2018; we are proposing to implement the O. Reg. 196/17 changes in Q2 of 2019. In the meantime, we would be pleased to continue displaying the current OFHP message. Alectra considers this a prudent approach, based on a significant amount of analysis and consideration of the competing priorities brought about by a merger of our scale. Some of the risks associated with implementing these changes during the current CIS implementation schedule include: incremental costs associated with additional configuration changes; delays to the current implementation schedule; and most importantly, disruption for customers.

Alectra has been a supportive and engaged participant in the Ministry’s ongoing bill re-design efforts and we share the Ministry’s desire to achieve greater clarity and simplicity for customers over the longer term. We are committed achieving and maintaining compliance with O. Reg. 196/17. We propose to do so as set out in this letter. Alectra believes that this is a responsible approach and one that provides the maximum benefits to customers while recognizing current CIS system constraints.

Sincerely,

Indy Butany-DeSouza
Vice President, Regulatory Affairs
Alectra Utilities

cc: Matt Whittington, Minister's Office