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Board Secretary
Ontario Energy Board
27th Floor
2300 Yonge Street
Toronto, ON
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May 9, 2011

Dear Ms. Walli,

**RE: Burlington Hydro Inc.
Application for an Extension of Mandated Time-of-Use Pricing Date**

On August 4, 2010, the Ontario Energy Board (the "Board") advised Burlington Hydro Inc. ("Burlington Hydro") that its mandatory implementation Time of Use ("TOU") date would be July 2011.

Burlington Hydro has always taken very seriously such Board directives and thus it has done everything possible to meet the July 2011 date. Burlington Hydro's commitment to that objective is evidenced by the fact that by early May 2011 we have, apart from a few dozen special cases, installed all residential TOU meters in our service territory and have substantially installed the TOU meters for the balance of our customer base.

In addition to pursuing the installation of TOU meters, Burlington Hydro has undertaken the thorough testing of its metering equipment and Elster's Energy Axis System ("EAS") which collects the customers' TOU energy usage data and delivers it for central processing. Moreover, Burlington Hydro has provided its customers with extensive information aimed at permitting them to manage their electricity consumption within the TOU environment.

Despite Burlington Hydro's best efforts to ensure the integrity of the EAS through extensive testing and to make ready its customers to manage their electrical consumption within the TOU environment, there are technical and human factors present that are beyond Burlington Hydro's control. As detailed below, it is clear



that it would be imprudent to transition our RPP customers to TOU rates by July 2011. Consequently, Burlington Hydro respectfully requests that the Board grant a mandatory TOU date extension until January 1, 2012, in order to ensure the smooth and effective implementation of the TOU initiative.

Reasons for requesting extension:

- Energy Axis System Issue

The EAS collects the customers' TOU energy usage data and delivers it for central processing. A major component of the EAS – and its highest risk component – is the 900 MHz wireless local area network ("LAN"). While the LAN has been extensively tested under winter and early spring conditions during which time minimal foliage was present to cause signal interference, Burlington Hydro's technical experts have serious concerns about the LAN's ability as currently configured to self-heal in the presence of extensive foliage. This anticipated problem is envisaged to be most serious in the heavily-treed part of the service territory north of Highway 5. A period of several months is needed to test and reconfigure the system as necessary in order to ensure its stability in all seasons. Failure to harden the system before using the data for live billing will cause significant customer dissatisfaction and virtually guarantee Burlington Hydro's failure to meet the 98% Service Level Agreement ("SLA").

- Customer Transition to TOU Rates

While Burlington Hydro through published information and bill inserts has been preparing its customers for the introduction of TOU rates, significant customer distress is expected when customers are suddenly faced with larger bills resulting, in part, from their lack of experience in managing their electricity consumption in a TOU environment. A period covering a number of billing cycles is essential to enable Burlington Hydro to work with its customers to develop and implement programs in order that these customers will more readily adapt to the new billing reality. Burlington Hydro plans to provide parallel billing information to its customers so they can modify their pattern of energy usage and thus mitigate the impact of potential bill increases.

Burlington Hydro remains committed to the successful implementation of TOU billing and believes it is important that the credibility of this important initiative is not diminished by unrealistic technical expectations and customers who feel they have been thrust into a situation where, initially at least, they have inadequate experience and no control.

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I can be reached at 905-332-1851 ext. 234 or through e-mail at sshields@burlingtonhydr.com should you require anything further. In light of my impending absence from the office, please copy Joe Saunders, Director of Regulatory Compliance and Asset Management at 905-332-1851 ext. 258 or through e-mail at jsaunders@burlingtonhydro.com

Yours truly,

A handwritten signature in black ink, appearing to read 'S. Shields', with a stylized, flowing script.

Stephen Shields
Manager, Regulatory Affairs
Burlington Hydro Inc.