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May 19, 2011

Ms. Kristen Walli, Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street
Suite 2700
Toronto, Ontario
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Re: London Hydro Final Submission

Re: Application for Adjustment to Mandated TOU End Date
OEB Reference: EB-2011-0092

With respect to the above referenced application, please find attached London Hydro's Final Submission, in response to Board Staffs Final Submission of May 13, 2011.

In accordance with the Board's instructions, we are enclosing two paper copies. An electronic copy in Word format and searchable PDF format has been e-mailed to the Board Secretary and posted on the Boards RESS filing system.

Yours truly,

LONDON HYDRO INC

A handwritten signature in black ink that reads "D. Williamson".

Dave Williamson
CFO & Vice President - Finance

cc: Mike Chase London Hydro, Director of Finance & Regulatory

London Hydro Final Submission

Re: Application for Adjustment to Mandated TOU End Date

OEB Reference: EB-2011-0092

With respect to the OEB Staff submission entitled: *Application for Extension to Mandated Time of Use Pricing Date for Regulated Price Plan Consumers*, and dated May 13th, London Hydro appreciates that OEB staff recognizes the extraordinary and unanticipated circumstances (i.e. congestion of the wireless network) that have arisen with our AMI system and the consequent delay until November 2011 in starting the process of transitioning our customers to TOU billing.

Since the date of our application for an extension, a number of issues have arisen that potentially threaten our expectation of having a stable and reliable RF communications network by November. Specifically:

- The AMI vendor has already slipped by one month in the delivery, installation and configuration of the requisite supplementary radio transceivers and antennas. This is due to manufacturing delays, inclement weather (that precluded work on the communications towers) and, as indicated in Note 8A to our April 30th filing, the AMI vendor manufactured the transceivers for application in the PCS radio band (used for vendor-hosted AMI systems in Ontario) as opposed to the correct MAS radio band (used by London Hydro and Greater Sudbury Utilities).
- The supplementary radio equipment has now been installed and commissioned at the first of the four sites. The consequent network performance improvement has been virtually imperceptible so far. However, RF tuning and optimization across the full network can't proceed until all the supplementary radio transceivers and antennas have been installed.
- The AMI vendor informed London Hydro on May 10th that they were able to reproduce the anomaly that London Hydro earlier reported with the polyphase revenue meters – refer to Note 9 in our April 30th filing. As it turns out, this is not simply a configuration error confined to London Hydro's polyphase meters. Rather it is a software error within the radio module. We don't yet have a date when the software will be corrected but understand we will need to upgrade our master station software in order to distribute the upgrade patch "*over the air*" to all affected polyphase meters. This is yet another unanticipated task along the pathway of achieving a stable and reliable RF communications system that will take time and resources to complete.

London Hydro will continue to work closely with the AMI vendor to manage the remediation work while maintaining the goal of a November 2011 network stabilization date.

As a matter of clarification, on the Board staff concern about utilizing the 5 month period between June 2011 and November 2011 to advance transition to TOU billing, London Hydro wants to explain why earlier cut-over is not feasible:

- This period has already been reduced by one month due to the AMI vendor's schedule slippages outlined previously;
- As indicated in Figure 2 of our original application, there is also a ramp-up period (that spans several months) for flowing hourly data from the AMI system to the provincial MDM/R. Only a small number of smart-meters will be flowing data in June, but this number will increase in subsequent months.
- During this time, AMI network tuning and corrective maintenance activities are expected to cause numerous disruptions and discontinuities in the hourly data. London Hydro will deliberately forgo retrieving this missing data from the revenue meters during this period to focus attention and resources on RF network tuning and optimizing tasks. As a consequence, the number and frequency of data gaps will be problematic for estimating and unsuitable for TOU billing.
- London Hydro intends to notify affected customers two months in advance of their respective TOU transition date. London Hydro does not want to communicate firm dates or the actual transition to TOU billing until after AMI network performance is assured.
- Notification of customers prior to actually achieving a high level of data quality could result in undesirable correction communications.
- Coincidentally not cutting over customers during this period will also avoid any re-work for Measurement Canada changes and preclude the necessity for customer communications regarding the missing register reads on the bill.

On the matter of Board staff concern regarding a planned 7-month transition timeframe for TOU billing starting in November 2011, London Hydro offers the following rationale concerning the prudence of this plan:

- Starting with 100 pilot group customers in November minimizes the number of customers getting two billing changes in one month (e.g. TOU billing and TOU-RPP rate change). A customer's first TOU bill crossing a TOU rate change will result in 6 TOU lines which will certainly cause confusion and generate customer calls.
- The pilot group will only receive the TOU cut-over communication in September prior to AMI network issues actually being resolved. This group will require additional communications to manage the negative impact of network tuning and other activities.
- The proposed cutover plan also factors in staffing and customer communications during the December holiday period. Realistically the call center will have a skeleton crew, support staff will be on vacation and contractors are generally unavailable during the latter part of December.

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- The gradual ramp up in subsequent months will avoid any spike in billing exceptions. This will enable existing staff to handle manual interventions without overwhelming London Hydro resources and the need for additional resources.

London Hydro observes from the Board's quarterly *Consumer Snapshot* reports, that the top three consumer issues of concern and complaint raised to the Boards attention over the past six months have been associated with Billing, Smart Meters/Time of Use and Rate Issues. London Hydro's transition plan for moving customers to time-of-use over the November 2011 to May 2012 timeframe is a prudent and carefully designed process to ensure a smooth transition that in management's opinion will minimize customer complaints and concerns.

London Hydro respectfully submits that, a mandatory TOU end date prior to May 2012 will introduce higher risks and increased rate-payer costs. We trust that this supplementary information alleviates OEB staff concerns and London Hydro will be granted its requested May 2012 end date for TOU billing.