



February 20, 2013

VIA E-mail, and Courier

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

Dear Ms. Walli,

**RE: London Hydro Inc.
Proposed Roof-top Solar Generation Project (LREI)**

Pursuant to Section 80 of the Ontario Energy Board Act, 1998, please find attached a notice of proposal in respect of the above stated generation project. In supporting the fundamental principles of the Green Energy Act 2009, London Hydro Inc. ("London Hydro") is pursuing the development of a renewable energy supply for Ontario.

London Hydro proposes to participate, through a majority controlling interest, in the construction of a variety of roof-top renewable energy generation facilities (the "Project") within the City of London with an approximate total maximum capacity of 955 kW. The proposed projects will include the forming of a joint venture consisting of London Hydro and the London District Renewable Energy Co-operative Inc (LDREC). The resultant joint venture will be called the London Renewable Energy Initiative (LREI) and will operate in compliance with the FIT rules. It will be through LREI that the projects will be constructed and operated on the roof tops of buildings owned by the Corporation of the City of London. ("City of London"), and will be connected to the distribution grid. London Hydro will be the signatory to the Ontario Power Authority FIT contract and will hold a controlling interest of 51 percent share of the Project's assets; the residual 49 percent controlling interest will be held by LDREC.

If you have any questions as to the attached, please do not hesitate to contact me.

Yours truly,

Original Signed

Mike Chase
Director of Finance and Regulatory
London Hydro Inc.
Telephone (519) 661-5800 Ext.5750
E-mail chasem@londonhydro.com

Ontario Energy Board

Preliminary Filing Requirements For a Notice of Proposal under Sections 80 and 81 Of the *Ontario Energy Board Act, 1998*

INSTRUCTIONS:

This form applies to all applicants who are providing a Notice of Proposal to the Ontario Energy Board (the "Board") under sections 80 and 81 of the *Ontario Energy Board Act, 1998* (the "Act"), including parties who are also, as part of the same transaction or project, applying for other orders of the Board such as orders under sections 86 and 92 of the Act.

The Board has established this form under section 13 of the Act. Please note that the Board may require information that is additional or supplementary to the information filed in this form and that the filing of the form does not preclude the applicant from filing additional or supplementary information.

PART I: GENERAL MINIMUM FILING REQUIREMENTS

All applicants must complete and file the information requested in Part I.

1.1 Identification of the Parties

1.1.1 Applicant

Name of Applicant London Hydro Inc.	File No: (Board Use Only)	
Address of Head Office 111 Horton Street, PO Box 2700 London, Ontario N6A 4H6	Telephone Number (519) 661-5800	
	Facsimile Number (519) 661-2596	
	E-mail Address chasem@londonhydro.com	
Name of Individual to Contact Mike Chase, Director of Finance and Regulatory	Telephone Number (519) 661-5800 ext. 5750	
	Facsimile Number (519) 661-2596	
	E-mail Address chasem@londonhydro.com	

1.1.2 Other Parties to the Transaction or Project

If more than one attach list

Name of Other Party London Renewable Energy Initiative (“LREI”).	Board Use Only	
Address of Head Office Yet to be established.	Telephone Number (519) 661-5800 Ext. 5624	
	Facsimile Number (519) 661-2596	
	E-mail Address arnoldd@londonhydro.com	
Name of Individual to Contact David Arnold, Executive Committee – Chair, LREI	Telephone Number (519) 661-5800 Ext. 5624	
	Facsimile Number (519) 661-2596	
	E-mail Address arnoldd@londonhydro.com	

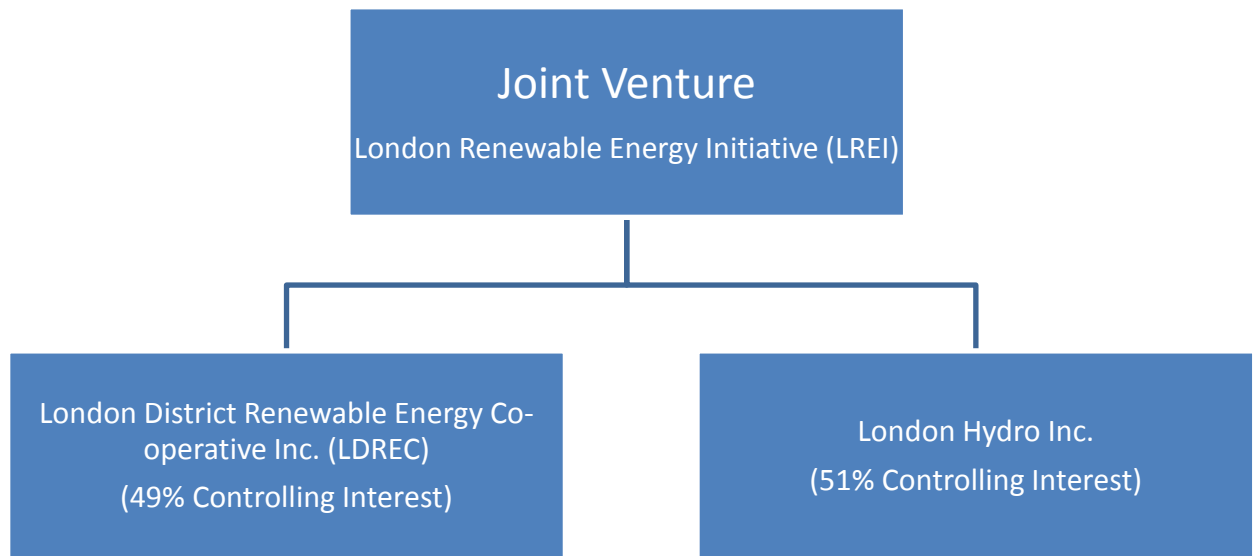
1.2 Relationship between Parties to the Transaction or Project

1.2.1	<p>Attach a list of the officers, directors and shareholders of each of the parties to the proposed transaction or project.</p> <p><i>London Hydro Inc.:</i></p> <p><i>Officers</i></p> <ul style="list-style-type: none">• Vinay Sharma - Chief Executive Officer• Ken Walsh, VP Operations• David Arnold, CFO, VP Finance, and Secretary• Bill Kunz, VP Corporate Services <p><i>Board</i></p> <ul style="list-style-type: none">• Peter Johnson - Chair• Mohan Mathur - Vice-Chair• Bernard Borschke• Joe Fontana• Connie Graham• Marilyn Sinclair• Gabe Valente <p><i>Shareholder</i></p> <ul style="list-style-type: none">• The Corporation of the City of London <p><i>London Renewable Energy Initiative ("LREI"):</i></p> <p><i>Executive Committee</i></p> <ul style="list-style-type: none">• David Arnold (Chair)• Vinay Sharma• Allan Van Damme• Mohan Mathur• Jim Fonger• Ken Walsh (alternate)• Susan Shaw (alternate) <p><i>Venturers</i></p> <ul style="list-style-type: none">• London Hydro Inc.• LDREC (Co-op)
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1.2.2

Attach a corporate chart describing the relationship between each of the parties to the proposed transaction or project and each of their respective affiliates.

London Hydro is a party to the proposed joint venture entity London Renewable Energy Initiative (“LREI”). The joint venture will own the proposed solar renewable energy projects through participation in the Ontario Feed-In-Tariff program (FIT). London Hydro will hold a controlling interest of 51% of the joint venture entity. LDREC will hold a controlling interest of 49% of the joint venture.



1.3 Description of the Businesses of Each of the Parties

1.3.1

Attach a description of the business of each of the parties to the proposed transaction or project, including each of their affiliates licenced under the OEB Act to operate in Ontario for the generation, transmission, distribution, wholesaling or retailing of electricity or providing goods and services to companies licenced under the OEB Act in Ontario ("Electricity Sector Affiliates").

London Hydro is a municipally-owned local electricity distribution company, licenced by the Ontario Energy Board (ED-2002-0557). Its service territory is within the City of London, with approximately 150,000 customers. The Corporation of the City of London is the sole municipal shareholder of London Hydro. London Hydro does not have any affiliates other than the City of London, which is not licenced under the OEB Act in Ontario.

London Renewable Energy Initiative ("LREI"), is a joint venture entity that is being proposed in which London Hydro Inc. will have control interest of 51% of the entity. The remaining 49% of the joint venture will be held by a co-operative named LDREC consisting of more than 50 contributing members.

LREI is not licenced under the OEB Act in Ontario.

LREI is proposing to contract for roof-top solar generation facilities to be placed on top of a variety of roofs located within London, Ontario. The joint venture arrangement dictates that London Hydro will have controlling interest of 51% for all projects with the residual 49 percent controlling interest held by LDREC.

Revenues and expenses will be shared between the two parties in proportion to their financial interest in the project (which will be London Hydro 49% and LDREC 51%).

1.3.2	<p>Attach a description of the geographic territory served by each of the parties to the proposed transaction or project, including each of their Electricity Sector Affiliates, if applicable, and the geographic location of all existing generation facilities.</p> <p>London Hydro provides electricity distribution services within the City of London.</p> <p>LREI expects the placement of the FIT solar generation facilities to be located on suitable rooftops situated within the City of London, Ontario. There are nine proposed FIT applications and two proposed microFIT applications with the Ontario Power Authority. All of the rooftops being proposed for FIT solar generation development are owned by the City of London. These roof top locations will be arranged with the City of London through a lease agreement with LREI.</p> <p>London Hydro is engaged in renewable generation activities which are considered to be non-distribution in nature (as defined by the OEB Act, amended S.71). These renewable generation activities include seven (7) solar ground mounted units, and one (1) roof top facility which are all are located within the City of London. The total capacity of these units is 80 kW. All these units are controlled by London Hydro.</p> <p>Each of the solar renewable energy generator facilities do not exceed the prescribed 10 megawatts capacity, and uses technology that produces power from a single source. With respect to London Hydro's renewable generation activities, the Company follows the Board's Guidelines: <i>Regulation and Accounting Treatments for Distributor-Owned Generation Facilities G-2009-0300</i>, dated September 15, 2009.</p>
1.3.3	<p>Attach a breakdown of the annual sales (in C\$, and in MWh) as of the most recent fiscal year end of the existing generation output among the IESO Administered Markets ("IAM"), bilateral contracts, and local distribution companies.</p> <p>London Hydro has not sold existing generation output to the IESO Administered Markets, bilateral contracts, and other local distribution companies.</p>

1.3.4	<p>Attach a list identifying all relevant Board licences and approvals held by the parties to the proposed transaction or project and each of their Electricity Sector Affiliates, and any applications currently before the Board, or forthcoming. Please include all Board file numbers.</p> <p>London Hydro: OEB Electricity Distribution License ED-2002-0557.</p>
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1.4 Current Competitive Characteristics of the Market

1.4.1	<p>Describe the generation capacity (in MW), within the Province of Ontario, of the parties to the proposed transaction or project, including each of their respective Electricity Sector Affiliates, prior to the completion of the proposed transaction or project.</p> <p>Prior to completion of these Solar Roof Top Projects, London Hydro through its ownership of Micro FIT sites, as identified in 1.3.2, has a generation capacity of 0.080 MW.</p>
1.4.2	<p>Describe the generation market share based on actual MWh production as a percent of the Annual Primary Demand, within the Province of Ontario, of the parties to the proposed transaction or project, including each of their respective Electricity Sector Affiliates, prior to completion of the proposed transaction or project.</p> <p>Total Annual Ontario Energy Demand (2011) is 141.4 TWh. The proposed Project would therefore represent a small fraction of one percent of the Annual Primary Demand within Ontario.</p>

1.5 Description of the Proposed Transaction or Project and Impact on Competition

1.5.1	<p>Attach a detailed description of the proposed transaction or project, including geographic locations of proposed new transmission or distribution systems, or new generation facilities.</p> <p>LREI is proposing to install roof-top solar generation facilities at the following locations:</p> <p>135 kW - 1221 Sandford Street, London, Ontario</p> <p>75 kW – 1045 Wonderland Road North, London, Ontario</p> <p>170 kW – 1948 Wavell Street, London, Ontario</p> <p>10 kW – 825 Valetta Street, London, Ontario (microFIT)</p> <p>10 kW – 1141 Hamilton Road, London, Ontario (microFIT)</p> <p>50 kW – 1103 Florence Street, London, Ontario</p> <p>200 kW – 300 York Street, London, Ontario</p> <p>100 kW – 799 Homeview Road, London, Ontario</p> <p>30 kW – 7112 Beattie Street, London, Ontario</p> <p>100 kW – 707 Exeter Road, London, Ontario</p> <p>75 kW – 665 Bathurst Street, London, Ontario</p> <p>These installations will not require the addition of any new transmission or distribution assets the existing assets have adequate capacity.</p>
1.5.2	<p>Describe the generation capacity (in MW), within the Province of Ontario, of the parties to the proposed transaction or project, including each of their respective Electricity Sector Affiliates, after the completion of the proposed transaction or project.</p> <p>The LREI proposal will have capacity to generate 0.955 MW of electricity.</p>
1.5.3	<p>Describe the generation market share based on anticipated MWh production as a percentage of the Annual Primary Demand, within the Province of Ontario, of the parties to the proposed transaction or project, including each of their respective Electricity Sector Affiliates, after the completion of the proposed transaction or project.</p> <p>At peak capacity the proposed Project will produce 1,300 MWh per year of electricity. This production represents an insignificant fraction of Annual Primary Demand within Ontario.</p>

1.5.4	<p>Attach a short description of the impact, if any, of the proposed transaction or project on competition. If there will be no impact on competition, please state the reasons. Cite specifically the impacts of the proposal on customer choice regarding generation, energy wholesalers, and energy retailers.</p> <p>This Project has no impact on competition, due to insignificant size. Also of consideration is that these units will generate electricity to be sold to the Ontario Power Authority under the terms of the Feed In Tariff (“FIT”) and (“MicroFIT”) programs.</p>
1.5.5	<p>Provide confirmation that the proposed transaction or project will have no impact on open access to the transmission or distribution system of the parties or their affiliates. If open access will be affected explain how and why.</p> <p>The proposed Project will have no impact on open access to the transmission or distribution system.</p>

1.6 Other Information

1.6.1	<p>Attach confirmation that the parties to the proposed transaction or project are in compliance with all licence and code requirements, and will continue to be in compliance after completion of the Proposed transaction or project.</p> <p>London Hydro, the Applicant, has in the past and will continue to be in compliance with any License and Code requirements.</p>
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**PART II: SECTION 80 OF THE ACT—TRANSMITTERS AND DISTRIBUTORS ACQUIRING AN INTEREST
IN GENERATORS OR CONSTRUCTING A GENERATION FACILITY**

All applicants filing a Notice of Proposal under section 80 of the Act must complete and file the information requested in Part II.

2.1 Effect on Competition

2.1.2	<p>Describe whether the proposed generation output will be primarily offered into the IAM, sold via bilateral contracts, or for own use.</p> <p>Generation output will be offered to the distribution grid and sold pursuant to the OPA FIT contracts.</p>
2.1.3	<p>Provide a description of the generation including fuel source, technology used, maximum capacity output, typical number of hours of operation in a year, and peaking versus base-load character.</p> <p>The generation will use solar energy as the fuel source. The generation will use photovoltaic solar modules and inverters to produce power. The initial proposed maximum capacity output is 955 kW. It can be estimated that the installation will generate power for approximately 1800 hours per year. This value is dependent on the amount of sunlight hour available in London, Ontario.</p> <p>See (2.1.3) graph's below for typical peaking versus base-load character.</p>
2.1.4	<p>Provide details on whether the generation facility is expected to sign a “must run” contract with the IESO.</p> <p>The Project is not contemplating signing a “must run” contract with the IESO.</p>
2.1.5	<p>Provide details of whether the generation facility is expected to serve a “load pocket” or is likely to be “constrained on” due to transmission constraints.</p> <p>Not Applicable.</p>

2.1.3 Graphs of generation and System Load Profile

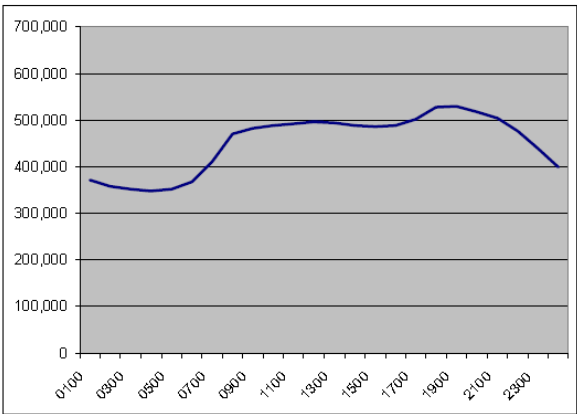
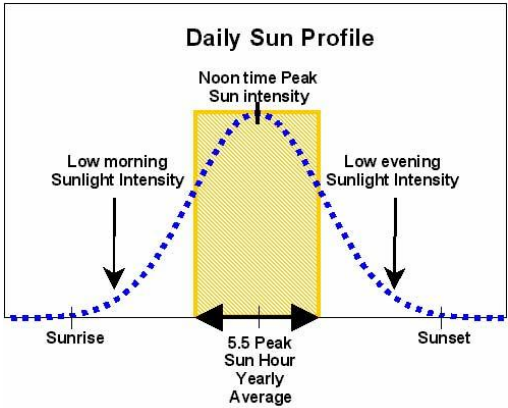


Figure 5-1, Daily Load Profile - Winter (January 17, 2008)

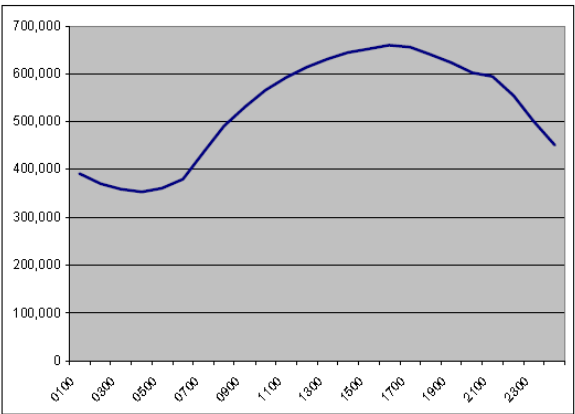


Figure 5-2, Daily Load Profile - Summer (August 21, 2008)

2.2 System Reliability

Section 2.2 must be completed by applicants who are claiming that the proposed transaction or project is required for system reliability under section 82(2)(b) of the Act.

2.2.1	<p>Provide reasons why the proposal is required to maintain the reliability of the transmission or distribution system. Provide supporting studies.</p> <p>Not applicable.</p>
2.2.2	<p>Discuss the effect of the proposal on the adequacy (ability of supply to meet demand) of supply in the relevant control area or distribution region, citing effects on capacity plus reserve levels in comparison to load forecasts.</p> <p>Not applicable.</p>
2.2.3	<p>Discuss the effect of the proposal on the security (ability of supply to respond to system contingencies) of supply.</p> <p>Not applicable.</p>
2.2.4	<p>Provide a copy of the IESO Preliminary System Impact Assessment Report, if completed, and the IESO Final System Impact Assessment Report, if completed. If the IESO is not conducting a System Impact Assessment Report, please explain.</p> <p>Not applicable.</p>

**PART III: SECTION 81 OF THE ACT—GENERATORS ACQUIRING AN INTEREST IN OR CONSTRUCTING
A TRANSMISSION OR DISTRIBUTION SYSTEM**

3.1 Effect on Competition

All applicants filing a Notice of Proposal under section 81 of the Act must complete and file the information requested in Part III.

3.1.1	Provide a description of the transmission or distribution system being acquired or constructed. Not applicable.
3.1.2	Provide details on whether the generation facilities owned by the acquiring company are or will be directly connected to the transmission or distribution system being acquired or constructed. Not applicable.
3.1.3	Provide details of whether the generation facility is expected to serve a “load pocket”, or is likely to be “constrained on” due to transmission constraints. Not applicable.
3.1.4	Provide details on whether the generation facilities are expected to sign a “must run” contract with the IESO. Not applicable.

How to Contact the Ontario Energy Board

The Ontario Energy Board is located at:

P.O. Box 2319
2300 Yonge Street, Suite 2701
Toronto, Ontario
M4P 1E4

Telephone:	416-481-1967
Toll Free Number:	1-888-632-6273
Fax:	416-440-7656
Website:	http://www.oeb.gov.on.ca
Board Secretary's e-mail address:	boardsec@oeb.gov.on.ca

All respectfully submitted