



London Hydro
111 Horton Street
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September 11, 2014

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

Re: Application for Exemption from Section 5.1.3 of the DSC

Dear Ms. Walli:

London Hydro Inc. ("London Hydro") submits this as an application and request for a date extension to section 5.1.3 a) of the DSC to December 31, 2015. This section of the DSC required distributors to start installing MIST meters on any new installation effective on or after August 21, 2014.

London Hydro has reviewed the amendments to the Distribution System Code ("DSC") (EB-2013-0311) regarding the requirements for distributors to install an interval meter (i.e. MIST meter) on any installation that is forecast by the distributor to have a monthly average peak demand during a calendar year greater than 50 kW. Please note that for London Hydro all customers over 200 kW have interval meters installed. London Hydro therefore is addressing those customers that are greater than 50 kW but less than 200 kW.

London Hydro has identified two distinct sub customer types within the group that would be affected by the change in metering technology. The first sub customer type would be customers that have transformers included in their electrical configuration. These are normally customers with higher level demand. London Hydro has determined that this type of customer can be converted with minimal conversion cost. London Hydro intends to proceed with converting these customers in compliance with the proposed change in the DSC. The extension will not be applied to this sub customer type.

For London Hydro it is the other members of this affected class; i.e. those without transformers included in their electrical configuration. For this sub customer type London Hydro has determined the most efficient and least cost solution would be to



install a smart meter and use our existing Sensus smart meter communication system to read the meter. This group is unique as the desired meter interface configuration for MV90 is currently being developed by the manufacturer of our smart meter communication system but is not market ready for implementation.

In order for London Hydro to be compliant with new requirement implementation date, London Hydro would need to install brand new interval meters with cellular reading capability as an interim solution and hence incur monthly cellular connection fees. This configuration would become redundant once the smart meter communication solution becomes market ready. If required to comply this interim solution could result in unnecessary stranded asset costs plus the incurrence of additional operational cost. London Hydro conservatively estimates that this could exceed \$100,000. London Hydro does not believe it is prudent to incur the unnecessary additional cost in order to be compliant.

It is London Hydro's desire to approach this conversion with the least costs incurred. London Hydro would propose to continue to install legacy pulse meters for this sub customer class until our smart meter communication provider has a market ready solution. London Hydro notes that it believes it has the necessary legacy pulse meters in stock to provide continuation of installation without requiring the purchase of potential stranded assets.

London Hydro understands that new customers in this sub class may be moderately disadvantaged by delayed implementation of interval metering; London Hydro would suggest that this disadvantage would be short lived and on average should not disadvantage this sub class as a whole.

As noted above London Hydro is aware that the manufacturer is currently developing the MV90 interface, however London Hydro does not anticipate that the interface will be available until sometime in 2015. Therefore London Hydro proposes to request an extension date to December 31, 2015.

London Hydro notes that the required implementation date has passed. London Hydro would note that an earlier request was filed on July 30, 2014 under EB-2013-0311. London Hydro acknowledges that it filed our original request incorrectly in the RESS system. To date London Hydro has not been required to install any new meters for this sub customer type, but will note that there are impending activations. London Hydro respectfully requests that the Board acknowledge and accept our proposed date extension.

London Hydro confirms that should any connections be required for this sub customer type before acknowledgement and acceptance of the proposed date extension, London Hydro intends to remain compliant. London Hydro will install our interim solution.



London Hydro expects that all additional costs incurred for the interim solution will be approved for recovery by the Board when London Hydro applies for final MIST meter stranded costs disposition.

If you require any further information, please contact the undersigned.

Respectfully yours,

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cc Paul Gasparatto, Policy Advisor, Regulations & Liaison, OEB