



London Hydro
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March 6, 2015

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

Re: Comments on OEB's proposed amendments to the DSC Board File No.:EB-2015-0006

Dear Ms. Walli:

London Hydro hereby submits its comments with respect to the OEB's proposed amendments to the distribution system code Board File No.: EB-2015-0006. This is in respect to the elimination of the remaining load transfer arrangements between electricity distributors.

Please do hesitate to contact me if you have questions.

Yours Truly,

A handwritten signature in black ink that reads "M Benum".

Martin Benum
Director of Regulatory Affairs
London Hydro
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London Hydro – Physical Distributor (6.5.3)

London Hydro is the physical distributor to 6(six) Hydro One customers. London Hydro believes that the elimination of the load transfer arrangement would result in the load transfer customer receiving a reduction in distribution charges by transferring the load transfer customer to London Hydro. Hence according to the proposed new section 6.5.3, the load transfer customer (i.e., the property associated with the load transfer customer) would need to be transferred to London Hydro within six months of the DSC amendments coming into force through a service area amendment licence application. It is London Hydro's understanding that Hydro One, being the geographic distributor, will be responsible for making the application for the service area amendments to the necessary licences to affect the transfer.

London Hydro has no concerns with respect to the proposed section 6.5.3; as long as no compliance actions are reflected on London Hydro should Hydro One not execute the application within the six month time frame.

London Hydro – Geographic Distributor (6.5.4)

London Hydro is the geographic distributor to 6(six) London Hydro customers that are fed by Hydro One feeders. London Hydro believes that the elimination of the load transfer arrangement would result in the load transfer customer receiving an increase in distribution charges by transferring the load transfer customer to Hydro One. Hence according to the proposed new section 6.5.4, the load transfer customer (i.e., the property associated with the load transfer customer) would need to be transferred to Hydro One upon the current customer account changing through a service area amendment licence application. It is London Hydro's understanding that London Hydro, being the geographic distributor, will be responsible for making the application for the service area amendments to the necessary licences to affect the transfer.

London Hydro has a several concerns with this proposed amendment.

The customers misfortunately placed in this situation are inhabitants within the defined municipal borders of the City of London as at January 1, 1993, as noted in Schedule 1 Definition of Distribution Service Area in our current Electricity Distribution Licence ED-2002-0557. London Hydro is concerned with respect to the optics of customers who pay City of London municipal taxes not be treated like all other customers of London Hydro.

The only reason for London Hydro not connecting these customers to London Hydro's grid is that it would be economically infeasible to prudently justify such expenditure today. The current estimated cost for installing a higher reliable urban-centric connection today is substantially more than the potential cash flow required to provide positive payback. London Hydro today does not wish to encumber its current customer base with additional cost when lower cost alternatives exist. Using Hydro One's lower reliable rural-centric facilities currently, in most cases, is the best economically feasible sub-optimal solution.

The City of London is fortunate to have the potential for further greenfield development in the future. Such development could progress into the territories that are serviced by the current long term load transfers arrangements. London Hydro is concerned that the proposed amendments do not consider potential re-instatement of customers back to the geographic distributor in such circumstances. In addition London Hydro is concerned about the potential that should development of areas post licence amendment take place, territorial turf disagreements between distributors could take place.

London Hydro is aware that the services to two meters on one owner's property is a tenant relationship. The tenant account at this location can experience frequent changes in ownership while the other account which is the owner's does not. We are unsure whether the amendments would require only one account to be transferred to the low cost distributor. London Hydro would seek OEB clarification as to when and how the application for the service area amendments to the necessary licences to affect the transfer would be addressed in situations such as this.

Further, London Hydro is also concerned with respect to the fact that there is no stipulation for the requirement for notification of proposed changes to the holders of current accounts. London Hydro would suggest the OEB provide a uniform communication notice to advise of impacts to those next in line upon change in account and the potential legal responsibility to disclose such change in a real estate agreement or other potential legal transactions.

London Hydro is also concerned with respect to the potential that account changes may not occur for many years or many decades. The requirement to store a reminder on a customer's account and the required institutional knowledge for action upon change in perpetuity may be a challenge going forward.

London Hydro is also concerned that the time frame to institute a service area amendment to coincide with an account change will be disproportional. Customer notifications of impending account change periods can be very short, whereas a service area amendment takes several months to facilitate.

Lastly London Hydro is concerned about potential service reliability issues should Hydro One fail to maintain reasonable reliability as prescribed under proposed amendment 6.5.5.

London Hydro would suggest that the OEB consider the following:

- Clarification in section 6.5.4 on what constitutes a new customer account change and the final trigger points for filing service area amendment applications.
- Clarification in section 6.5.3 and 6.5.4 on a definitive calculation for what constitutes a reduction or increase in distribution charges.
- Before final amendments London Hydro suggest the OEB should exercise due diligence and assume the responsibility of directing the notification and inclusion into this consultation those customers who will be ultimately affected and allow them to respond.

- Before final amendments London Hydro suggest the OEB should exercise due diligence and assume the responsibility for contacting the Ontario Real Estate Board or other such legal bodies with respect to Purchase and Sale disclosures requirements and other legal disclosure requirements.
- A standard application template be provided to geographic distributor for quick turnaround of licence amendments. A pre-approval process might also be considered to expedite final approval.
- Continuation of annual reporting to ensure continuity for maintenance of institutional knowledge.

All of which is respectfully submitted.