



BY EMAIL

registrar@oeb.ca

August 20, 2019

Irina Kuznetsova, Advisor, Licensing, Industry Policy & Compliance
2300 Yonge Street, 24th Floor
Toronto, ON, M4P 1E4

Dear Mrs. Kuznetsova,

**RE: NGUTECH Inc., dba ValEnergy Company
Application for Unit Sub-Metering Licence
OEB File Number EB-2019-0169**

Please find below the responses to the OEB's request for addition information/clarification of our original submission. Please note information regarding the OEB's point 1 and 2(a) have been submitted previously but are attached to the email for your reference.

RESPONSES

2. Section 9. Finance

- b(i) ValEnergy has recently added a new customer that will be commencing October 1, 2019. The portfolio is currently ~1,000 accounts. This new relationship will add the volume and revenue to bring our operations into a gain position shortly. In addition, we are engaging with funders for financing in order to fund some larger projects including portfolio acquisitions.

We are also in negotiations with two companies to offer sub-metering services for a couple of developers in conjunction with a new innovative BAS systems technology.

- b(ii) No, there is no risk. ValEnergy has drawn funds from the corporation for several initiatives including R&D for software development, project development and new relationship development. In addition, the shareholders have maximized on their drawing of funds from the corporation. These "shareholder" payments can be lessened and left in the corporation. As at the statements provided those funds were drawn from the corporation.

As indicated in b(i), we are in several stages of completion of new project initiatives. These opportunities will more than guarantee the future of our company.

3. Section 10. Technical Resources

We have a joint venture with HCI Corporation and Powered Inc. to provide technical sub-metering services. They have provided these services for over 20 years. Their services include project management, installation and support.

4. Compliance with Unit Sub-metering Code

a(i) Our systems have been developed with VEE processes to automatically test and validate meter reads. This is done using the following criteria:

1. Validation

- a. Historical data trend analysis
- b. Threshold settings for variance tolerances (spikes negative or positive)
- c. 0 read detection
- d. No read detection
- e. Negative read detection

2. Estimation and Editing

- a. Calculations for estimates based on the above collection of data
 - i. Historical data usage trends are used
 - ii. An average calculation is then applied
- b. Recent trend data is also used in conjunction with historical

a(ii) The tolerances and variances set in the system are automatic. All data, when billing is to occur, will be rejected by the VEE engine when it does not meet the systems analysis and tests of the data. This data then is put into the VEE processor and determinations are made for solutions including physical fixes to communications and data is updated. Where reads are not exceeding the tolerances, the estimating/editing engine is applied.

b(i) All issuances of OEB policies and procedures are actively reviewed by management. Documentation, policies and procedures are updated with the latest rules and regulations of the OEB. Staff are required to review this documentation but are encouraged to review the OEB website directly.

We as a company will receive feedback from employees and review for implementation the requirements of the OEB but in addition try to improve those standards set by the OEB. Currently our staffing is small per our requirements. This keeps us always in touch with each other ensuring our compliance is up to date.

We currently have staff with 5-10 years experience with our methodology for staying compliant and up to date.

Documentation is direct copies of OEB wording so as not to leave any room for confusion. The only changes are enhancements where we see we can make a difference as well as improve the understanding for our staff.

We are currently actively following these processes with our third-party services customer. As an additional requirement, we are held to their scrutiny and review regarding compliance.

We hope this document answers all your questions and will now further clarify not only ValEnergy's commitment to the sub-meter market but also to establish that we are not only viable as a company but actively working to keep in step with the requirements of the OEB and its set standards.

Please contact us with any questions or concerns as needed.

We look forward to receiving your approval for the renewal of our licence.

Best regards,

Randy Hann

President, NGUTech Inc. dba ValEnergy Company