



February 10, 2025

Ms. Nancy Marconi
Registrar
Ontario Energy Board
2300 Yonge Street
27th Floor
Toronto ON M4P 1E4

Dear Ms. Marconi:

Re: EB-2021-0041: London Hydro Inc. (LHI) 2022 Cost of Service Application
Proposed Addendum to the Settlement Proposal filed January 31, 2022

We are writing on behalf of all the parties to the settlement proposal filed on January 31, 2022, and approved by the Ontario Energy Board (OEB) on February 24, 2022, in EB-2021-0041 (the "Settlement Proposal") to seek approval of a proposed addendum to the settlement proposal (the "Addendum").¹

Summary of Relief under Proposed Addendum

If approved, the addendum would provide the following relief to the parties:

- a) LHI would be authorized under s. 71(4) of the Ontario Energy Board Act, 1998, S.O. 1998, c. 15, Sched. B (the "Act") to continue to provide Green Button related service to three specified customers until April 30, 2027; and

¹ The registered intervenors in EB-2021-0041, all of whom participated in the settlement conference and either supported or took no position on the original Settlement Proposal, were the School Energy Coalition (SEC), the Vulnerable Energy Consumers Coalition (VECC), the Consumers Council of Canada (CCC), the London Property Management Association (LPMA), Environmental Defence, and Chippewas of Kettle and Stony Point First Nation with Southwind Development Corporation (CKSPFN - Southwind).

All the intervenors have agreed to the proposed addendum to the Settlement Proposal.

- b) LHI would be authorized to establish a Green Button Net Revenue Deferral Account, which would track the net revenue from the three specified customers for the calendar years 2025 and 2026, with 60% of that net revenue to be disposed of to the credit of ratepayers in LHI's next Cost of Service proceeding.

Summary of Circumstances Leading the Requested Approval

As noted above the parties drafted a settlement proposal filed on January 31, 2022, and ultimately approved by the OEB on February 24, 2022, resolving all the issues in LHI's Cost of Service Application for its 2022 Test Year (EB-2021-0041).

As part of LHI's original application in EB-2021-0041 it sought approval of an extension to an existing order of the OEB under s. 71(4) of the Act to authorize LHI to continue to provide Green Button related services that were either unrelated to electricity or provided to customers outside of Ontario.² The request in the original application sought an extension to April 30, 2027, to coincide with LHI's next planned cost of service application.

As part of the Settlement Proposal approved by the OEB on February 24, 2022, LHI was provided the requested extension of authorization under s. 71(4) of the Act, albeit to April 30, 2025, instead of April 30, 2027.³ The relevant excerpt from the Settlement Proposal is provided as Attachment A to this letter. Accordingly, currently, LHI is not permitted to provide Green Button services unrelated to electricity or to a customer outside the province of Ontario beyond April 30, 2025.

As the OEB is likely aware LHI hired a new CEO in the summer of 2024; at the time the new CEO was reviewing the situation with respect to the need to comply with the April

² EB-2021-0041, Exhibit 1, page 42, lines 22-26. LHI notes that it provides Green Button services to customers for electricity within Ontario, including customers outside of the London Hydro franchise area, for which it does not require authorization under s. 71(4) of the Act. The history of the authorization under s. 71(4) is set out in the noted exhibit between pages 40 and 43.

³ EB-2021-0041, Settlement Proposal filed January 31, 2022, Issue 5.4, pages 56 to 57.

30, 2025 deadline LHI only had (and only has) three Green Button customers that do not receive electricity related Green Button services within Ontario; a single customer within Ontario (the City of Waterloo) who receives water related Green Button services, and two customers outside of Ontario (Big Data Energy Services and Nova Scotia Power) who receive electricity related Green Button services (collectively referred to as the Subject Customers).⁴

In view of the minimal number of Subject Customers that require authorization under s. 71(4) of the Act and a desire to, if possible, obtain additional time for LHI's new CEO to consider how to proceed with those customers once authorization under s. 71(4) of the Act expires, LHI approached the parties to the original Settlement Proposal to canvass whether they would consider extending the authorization under s. 71(4) of the Act for those customers to April 30, 2027. To that end the intervenors agreed to meet with LHI to discuss the issue, and a meeting between LHI and all the parties to the Settlement Proposal was held on December 9, 2024, leading ultimately, in late January 2025, to all the parties to the Settlement Proposal agreeing to the proposed Addendum, which is attached as Attachment B to this letter.

The Requested Relief Benefits both LHI and its Customers

As summarized above the proposed Addendum allows LHI to continue to provide Green Button services for the three customers subject to the extended exemption without the need to move the services for those customers outside of the regulated entity. In the absence of the requested extension, LHI would be required to either assign the contracts for those customers to a third party, establish and run an affiliate to handle those customers, or find some other solution. With only three customers it is uncertain

⁴ The Parties note that while the City of Waterloo and Nova Scotia Power have contracts that have terms that extend beyond April 30, 2027, Big Data Energy Services has a contract with an initial term that ends April 30, 2025, with the option to renew. The request to allow the exemption under s. 71(4) of the OEB to persist until April 30, 2027, for the three Subject Customers would permit LHI to accept a renewal of the Big Data Energy Services contract beyond April 30, 2025.

as to whether it would be beneficial to LHI to expend the time and effort to establish an affiliate to try and preserve the ultimate benefit of providing Green Button service to those three customers.

As noted above, as part of the proposed Addendum, the parties have agreed that 60% of the net revenue from the Subject Customers in 2025 and 2026 will be disposed of to the credit of LHI's distribution customers. In this way both LHI's distribution customers and LHI will benefit directly from a share of the net revenue facilitated by the Addendum.

In addition, the proposed Addendum provides an additional 2 years of certainty to the Subject Customers with respect to how service under their contracts with LHI will be provided to them. As noted in the original Settlement Proposal, the parties acknowledge LHI's unique role in the development of Green Button Services, particularly in Ontario in response to the province wide requirement that all regulated distributors deploy Green Button Services. The parties respectfully submit that allowing the extension for the specified Subject Customers for a limited additional period is consistent with the recognition of LHI's continued role in expanding the use of Green Button services and a finding that there continues to exist special circumstances that warrant the very limited additional exemption to assist LHI's efforts to come into compliance with s. 71(1) of the Act in a way that is most beneficial to all directly impacted parties, namely LHI, the Subject Customers, and LHI's distribution customers.

The Requested Relief is Reasonably Discrete

As noted above the requested relief is limited to only a 2-year extension, and only with respect to already existing three Subject Customers. LHI is not seeking to further expand the number of customers that require authorization under s. 71(4) of the Act to serve.

Lastly, LHI reiterates that this application is made with the consent and support of all the parties to the original Settlement Proposal.

For all these reasons LHI respectfully requests that the OEB approve the proposed Addendum to the Settlement Proposal, permitting LHI to continue to provide Green Button services to the Subject Customers until April 30, 2027, and authorizing the proposed Green Button Net Revenue Deferral Account in order to track and ultimately dispose 60% of the net revenue from the Subject Customers over the 2025 and 2026 calendar years to the benefit of LHI's distribution customers.

Timing of Review

In the event the OEB requires time to review the requested Addendum beyond April 30, 2025, the parties respectfully request that the OEB provide interim authorization under s. 71(4) of the Act so that LHI will not be required to cease services to the Subject Customers while the OEB considers the requested approval.

Respectfully submitted,

A handwritten signature in black ink that reads "Mike Packer". The signature is written in a cursive, flowing style.

Mike Packer

Director of Regulatory Affairs

Office: [519-661-5800](tel:519-661-5800) Ext. [885750](tel:885750)

Email: packerm@londonhydro.com

111 Horton St. London, ON
N6A 4H6

cc. Michael Buonaguro, Legal Counsel, London Hydro
David Arnold, Vice President Finance, CFO, Corporate Secretary, London Hydro