



October 8, 2013

By E-mail

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

Attention: Ms. Kirsten Walli, Board Secretary

Dear Ms. Walli,

**RE: London Hydro Inc.
Application for Distribution Rates Effective May 1, 2014
Board File No. EB-2013-0150**

Please find enclosed an extension of the Management Summary in addition to the pre-filed application and evidence originally submitted by London Hydro Inc. for new rates under the Fourth Generation Regulation Mechanism (IRM4), on September 26, 2013. This extension is accompanied by the updated 2014 Rate Generator Model.

Upon review of the pre-filed evidence London Hydro became aware of an update needed to be made to the 2014 Rate Generator Model and the Deferral and Variance Account Rate Rider section of the application. London Hydro apologizes for any inconvenience this change may have caused.

Should you have any questions or require further information, please contact the undersigned at (519) 661-5800 ext 5587 or via email at nagyj@londonhydro.com.

Yours truly,

Original signed by

Judith Nagy, C.G.A.

Accountant, Finance and Regulatory Compliance

cc: Mr. David Arnold, Chief Financial Officer, Vice President of Finance, Corporate Secretary
Mr. Mike Chase, Director of Finance and Regulatory Compliance

EXTENSION OF MANAGER'S SUMMARY

Deferral and Variance Account Rate Rider

Upon review of the pre-filed evidence London Hydro became aware of a change required to the Continuity Schedule within the Board issued 2014 Rate Generator Model and the Deferral and Variance Account Rate Rider section of the Management Summary.

The updates to the Continuity Schedule within the Board issued 2014 Rate Generator Model are:

1. The title of Column CO (cell CO20) should be construed as "Projected interest from January 1, 2014 to April 30, 2014 on Dec 31-12 balance adjusted for disposition during 2013, instead of "January 1, 2013 to April 30, 2013.
2. Include carrying charges for the period of January 1, 2014 to April 30, 2014 on the Dec 31-12 balances adjusted for disposition during 2013 in Column CO as titled above. The updated cells are CO25, CO26, CO27 for accounts 1580 RSVA Wholesale Market Service Charge, 1584 RSVA Retail Transmission Network Charge, and 1586 RSVA Retail Transmission Connection Charge, respectively.
3. Remove carrying charges for the period of January 1, 2013 to April 30, 2013 on 1588 RSVA Power and 1589 RSVA Global Adjustment balances disposed on May 1, 2013, as the resulting order of the Quarterly application (EB-2012-0380). The carrying charges for the period of January 1, 2013 to April 30, 2013 were included in the pre-filed evidence on December 31, 2012 audited balances for account RSVA Power and RSVA Global Adjustment, since these balances were carried until April 30, 2013. The updated cells are CO28 and CO29, respectively.

The updated Continuity Schedule within the Board issued 2014 Rate Generator Model now reflects the projected interest only on the closing principal balances as of Dec 31-12 adjusted for disposition during 2013, up to April 30, 2014. No other updates have been made to the 2014

Rate Generator Model than as listed above. The updated 2014 Rate Generator Model has also been submitted.

London Hydro performed a disposition threshold test for Group 1 Deferral and Variance Accounts. The 1.47% Board prescribed interest rate was applied to the audited December 31, 2012 balances adjusted with disposition during 2013 in the calculation of the total claim. The threshold test resulted in \$0.00097/kWh which does not exceed the Board established limit of \$0.001/kWh, therefore London Hydro proposes to not dispose balances in Group 1 accounts.

Table 8: Projected Group 1 Account Balances and Threshold Test was also updated to reflect projected interest only on the closing principal balances as of Dec 31-12 adjusted for disposition during 2013 up to April 30, 2014, accordingly.

Table 8: Projected Group 1 Account Balances and Threshold Test - Updated

Accounts for Which Disposition is Requested in This Application	Account Number	Principal Net Accruals / Variances Dec. 31, 2012	Carrying Charges to Dec. 31, 2012	Audited Ending Balances at Dec. 31, 2012	Amount Approved for Disposition May 1, 2013	Closing Principal Balances as of Dec 31-12 Adjusted for dispositions during 2013	Projected Interest on Dec 31-12 balance adjusted for disposition during 2013 for the period of Jan 1/13 to Dec 31/13 - 1.47%	Projected Interest on Dec 31-12 balance adjusted for disposition during 2013 for the period of Jan 1/14 to Apr 30/14 - 1.47%	Projected Balances as at Apr 30/14
Group 1 Accounts:									
RSVA - Wholesale Market Service Charge	1580	\$ (8,865,669)	\$ 297,449	\$ (8,568,220)	\$ (3,992,936)	\$ (4,541,452)	\$ (66,759)	\$ (21,948)	\$ (4,663,991)
RSVA - Retail Transmission Network Charge	1584	1,263,774	(184,900)	1,078,874	250,184	818,948	12,039	3,958	844,686
RSVA - Retail Transmission Connection Charge	1586	814,480	75,453	889,933	325,412	563,625	8,285	2,724	575,531
RSVA - Power	1588	(4,016,485)	574,793	(3,441,692)	(3,461,103)	-	-	-	19,411
RSVA - Global Adjustment	1589	2,493,144	121,406	2,614,550	2,626,599	-	-	-	(12,049)
		\$ (8,310,756)	\$ 884,201	\$ (7,426,555)	\$ (4,251,844)	\$ (3,158,879)	\$ (46,436)	\$ (15,266)	\$ (3,236,413)

Total Claim for Threshold Test	\$ (3,236,413)
Total metered kWh approved by the Board (EB-2012-0146)	3,320,872,357
Threshold Test (Total claim per kWh)	(0.00097)

All of Which is Respectfully Submitted