

**DECISION OF THE INDEPENDENT PANEL - Exemption Application No. 01-1215**

**Exemption Application:** Application No. 01-1215 made by Cambridge & North Dumfries Hydro Inc. ("CNDHI").

**Panel Hearing the Application:** Glenna Carr, Carl Anderson and John Grant

**Date Application Heard:** March 25, 2003.

**Market Rules from which Exemption is Requested:** Wholesale Revenue and Metering Standard – Hardware (the "Hardware Standard"), section 7.4.1(k).

**Decision:** CNDHI is granted an exemption on the terms and conditions specified herein.

**Effective Date of the Exemption:** February 15, 2002, the date the exemption application was received.

**Conditions of the Exemption:** The exemption is granted on the following conditions:

- (a) If tampering is detected, this exemption will expire immediately.
- (b) If the IMO discovers tampering either by CNDHI or another entity, CNDHI will be responsible for the payment of costs resulting from the metering installation tampering. These costs can include but are not limited to adjustments to invoices and costs incurred by the IMO.
- (c) The integrity of the existing cable in dedicated conduit to be witnessed and certified by a Professional Engineer.
- (d) The location and routing of the buried cable to be clearly identified on the site plans and marked and protected by suitable means.

**Term of the Exemption:** The exemption shall expire at the earliest of the following:

- (a) a substantial upgrade of the Current Transformer Secondary connections;
- (b) an upgrade of the metering installation; or
- (c) if tampering is detected, the exemption will expire at the tampered location immediately.

**Reconsideration of the Exemption:** At this time there are no foreseen circumstances that would warrant reconsideration.

**Transfer:** Approval to transfer the exemption may be granted once the following criteria have been met:

- (a) the transfer meets the applicable terms and conditions set forth in the exemption and the transfer would not affect the ability of the proposed transferee to comply with all the terms and conditions of the exemption;
- (b) the proposed transferee is a market participant or undertakes in writing to the IMO to apply for authorization as a market participant; and
- (c) the transfer of the exemption will not materially and adversely impact the timely implementation of the plan to become compliant with the exempted obligation.

### **Reasons of the Panel**

In rendering our decision, we have considered CNDHI's Exemption Application, the IMO Staff Recommendation, the applicable sections of the Market Rules and the Hardware Standard, and the Exemption Application and Assessment procedure.

CNDHI seeks an exemption from Section 7.4.1(k) of the Hardware Standard. Specifically, CNDHI is requesting an exemption from the requirement that new metering installations have visually traceable secondary cabling from the instrument transformers to the metering enclosure at their MTS #1 site. CNDHI is seeking an exemption for the lifetime of the station.

### Applicant's Position

At the above site, approximately one-quarter of the secondary cabling is not visually traceable because it has been installed underground. CNDHI seeks the exemption on the basis that an unobstructed route between the instrument transformer and the meter enclosure is impossible due to the existence of a service road, and the buried cabling was required to pass beneath the roadway. Moreover, CNDHI submits that the IMO was consulted regarding the cabling during the design and construction of the facilities.

### IMO Staff Recommendation

IMO Staff recommends granting this exemption with the conditions described above. In reaching this conclusion, IMO Staff recognised that there are circumstances in which visibly traceable cabling is impracticable, and indicated that buried cabling due to a roadway obstruction represented such a circumstance.

### Conclusion

We agree with the IMO Staff Recommendation and have decided to grant the exemption requested by CNDHI on the conditions and for the term described herein. Although it is recognized that the exemption will limit, to some degree, the IMO's ability to detect tampering at the exempted site, we conclude that the conditions imposed herein will minimize this problem.

We have also accepted IMO Staff's contention that the burial of secondary cabling is common industry practice in certain situations. In reaching our decision, we have relied on an assurance by IMO Staff that the Hardware Standard will be updated to reflect this reality. It is our understanding that section 7.4.1(k) of the Hardware Standard will be revised in the near future to exclude situations such as the one at hand. Accordingly, we have concluded that granting the exemption is the correct decision.

Glenna Carr      Mar 28/03  
Glenna Carr      Date

Carl Anderson      Mar 28/03  
Carl Anderson      Date

John Grant      Mar 28/03  
John Grant      Date