



CENTRE WELLINGTON HYDRO LTD.
730 Gartshore St. P.O. Box 217, Fergus, Ontario, N1M 2W8
PHONE: (519) 843-2900 FAX: (519) 843-7601

June 24, 2013

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

Dear Ms. K. Walli:

**Re: Centre Wellington Hydro Ltd. Licence ED-2002-0498
2013 Cost of Service Application, EB-2012-0113, Draft Rate Order
Response to VECC Letter Dated June 18, 2013**

In response to VECC's letter dated June 18, 2013 Centre Wellington Hydro (CWH) submits the following response.

CWH has updated and included the following four models 1) the EDDVAR model, 2) the file to calculate the Deferral and Variance Account rate riders, 3) Bill Impacts included in the Chapter 2 Appendices file, and 4) the Draft Rate Order Tariff sheets which were affected by using the correct volumes from the Load Forecast file.

Centre Wellington has also corrected the tables on page 7 of the June 6, 2013 DRO to read "2013 Test Year Customers" and "2013 Volumes" and not 2012. Those tables have been updated and are provided below.

Determination of Fixed Rates

	Total Base Revenue Requirement \$	Fixed Revenue Proportion	2013 Test Year Customers	Proposed Fixed Charge \$
Residential	1,712,962	62.46%	5,858	15.22
GS < 50 kW	524,063	29.35%	738	17.36
GS 50 - 2,999 kW	622,192	19.11%	62	160.20
GS 3,000 - 4,999 kW	88,405	8.76%	1	645.57
Street Lighting	65,590	57.74%	1,738	1.82
Sentinel Lighting	2,887	57.52%	31	4.46
Unmetered Scattered Load	7,001	11.16%	10	6.51



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Determination of Variable Rates

	Total Base Revenue Requirement \$	Variable Revenue Proportion	Transformer Allowance \$	2013 Volumes	Unit	Proposed Volumetric Charge \$
Residential	1,712,962	37.54%		45,809,827	kWh	0.0140
GS < 50 kW	524,063	70.65%		20,408,044	kWh	0.0181
GS 50 - 2,999 kW	622,192	80.89%	47,415	157,640	kW	3.4934
GS 3,000 - 4,999 kW	88,405	91.24%	22,449	37,416	kW	2.7557
Street Lighting	65,590	42.26%		3,162	kW	8.7641
Sentinel Lighting	2,887	42.48%		104	kW	11.7852
Unmetered Scattered Load	7,001	88.84%		604,378	kWh	0.0103

In response to VECC's comment with respect to a non-specific reduction in OM&A which they state has also been agreed to by other utilities, CWH's concern is that this undermines the extensive budget and forecast work done by CWH in preparing a Cost of Service rate application. This envelope approach will be detrimental to CWH in the 2013 rate year and if the 4GIR as recommended by the recent PEG report is approved as it currently stands, CWH will likely experience a rate freeze and possible rate reductions over the three year IRM period.

Please find enclosed two (2) paper copies and a CD with the excel files listed at the bottom of the response. Please note that this information has been filed in searchable PDF format through the Board's Regulatory Electronic Submission System (RESS) along with the excel spreadsheets.

We trust that this is satisfactory, but if there is any further information required, please contact the undersigned.

Respectfully Submitted,

Original Signed By:

Florence Thiessen, CGA
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Centre Wellington Hydro Ltd.
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CC: Vulnerable Energy Consumers Coalition, Bill Harper and Michael Janigan via Email
Keith Ritchie, OEB Staff