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## WATERLOO NORTH HYDRO INC.

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May 9, 2011

Public Interest Advocacy Centre  
34 Kings St. E., Suite 1102  
Toronto, Ontario  
M5C 2X8

### **VIA E-MAIL AND RESS**

**Attention: Mr. Michael Buonaguro**

Dear Mr. Buonaguro:

**Re: Waterloo North Hydro Inc.  
2011 Electricity Distribution Cost of Service Rate Application  
EB-2010-0144  
Draft Rate Order – Response to Comments**

Waterloo North Hydro Inc. (WNH) has reviewed the comment of the Vulnerable Energy Consumers Coalition of May 6, 2011 and is filing its response below.

### **VECC's Comment**

***“VECC's only observation is that the annual kW used in Table 16 for the GS>50 class (1,652,807 kW) does not match the 2011 forecast value in the Settlement Agreement (1,581,207 kW per Appendix D).”***

WNH included in Table 16, the kW values of the GS > 50 kW and Embedded Distributor rate classes (1,581,207 kW for GS > 50 kW and 71,600 for Embedded Distributor for a total of 1,652,807 kW). Prior to the Board's Decision of April 27, 2011 that a new Embedded Distributor rate class will be established effective May 1, 2011, the Embedded Distributor was not in a separate rate class, it was included in the GS > 50 kW rate class.

The Deferral and Variance Balances, including Global Adjustment, that are being disposed of in this proceeding, are balances to December 31, 2009 (plus projected carrying charges), thus, the Embedded Distributor's contributions to these deferral and variance accounts are included in the GS > 50 kW rate class balances. WNH, thus, included the kW of the Embedded Distributor in the calculation of the GS > 50 kW Rate Riders for the Deferral and Variance Accounts in Table 16.

In Appendix A, Draft Tariff of Rates and Charges, WNH has reflected the same rates, in the Rate Rider for Global Adjustment Sub-Account Disposition (2011) – effective until April 30, 2014 Applicable for Non-RPP Customers and the Rate Rider for Deferral/Variance Account Disposition (2011) – effective April 30, 2014, for the GS > 50 kW and Embedded Distributor Rate Class.

WNH submits that this methodology calculates these rate riders in a manner which is reasonable and fair to the GS > 50 kW and Embedded Distributor customers.

WNH has filed an electronic copy of this document via the Board's web portal RESS.

If there are any questions, please contact myself, Albert Singh at 519-888-5542, [asingh@wnhydro.com](mailto:asingh@wnhydro.com) or Rene Gatien at 519-888-5544, [rgatien@wnhydro.com](mailto:rgatien@wnhydro.com).

Yours truly,

*Original Signed By*

Albert P. Singh, MBA, CGA  
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**cc – Mr. Bill Harper via e-mail**