

**PROCEDURAL ORDER NO.1**  
**GUELPH HYDRO ELECTRIC SYSTEMS INC. (“Guelph Hydro”)**  
**Part 2\_ RESPONSES TO THE SEC’S INTERROGATORIES ON**  
**2012 ELECTRICITY DISTRIBUTION COST OF SERVICE RATES**  
**FILE NUMBER EB-2011-0123**

*October 11, 2011*

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## **GENERAL**

### **Issue 1.2 Are the Applicant's overall economic and business planning assumptions for the Test Year appropriate?**

- 4. Ex. 1/3/1, App. E, p. 33] Please provide the basis for the statement "In the absence of rate regulation, earnings before provision for payments in lieu of taxes would have been higher by \$4,288", and the calculation supporting it.**

#### **Guelph Hydro's Response:**

In the absence of rate regulation, all regulatory charges and billings currently being recognized as regulatory liabilities would be recognized as revenue and expenses in Guelph Hydro's Statement of Earnings.

<b>Guelph Hydro Electric Systems Inc.</b>								
<b>Impact of rate regulation</b>								
<b>Supplement to Note #5 "Regulatory assets/liabilities" of the 2010 Financial Statements</b>								
<b>Regulatory liabilities</b>		Ending balance				14,780.00		
		Opening balance				(10,794.00)		
		Difference				3,986.00		
		Remove portion of difference with balance sheet impact only				302.00	Note (1)	
						4,288.00		
<b>Notes (1)</b>	Revenue requirement forgone in future due to existence of future tax assets which provide a reduction in future PILs payments.							

## **OPERATING COSTS**

### **Issue 4.2 Are the methodologies used to allocate shared services and other costs appropriate?**

- 19. [Ex. 4/2/3, p. 1] Please provide a table showing all allocations from one department to another, including amounts and basis of allocation. Please advise any changes to those allocations during the period 2008 through 2012.**

#### **Guelph Hydro's Response:**

Guelph Hydro does not allocate shared services from one department to another.

**25. [Ex. 4/2/8, App. 2-L] Please provide a full breakdown of how much of the “actual cost for the service” listed on each line is allocated to the utility and each affiliate.**

**Guelph Hydro’s Response:**

The allocation % shows how much of the actual cost is allocated. This is derived from the methodology described in Ex. 4/2/8. The Appendix Guelph\_IRR\_SEC\_#25 is a schedule that details how the 2011 and 2012 allocations were determined.

In accordance with the OEB’s *Practice Direction on Confidential Filings* (the “Practice Direction”), Guelph Hydro has filed its response to SEC Interrogatory No. 25 Appendix Guelph\_IRR\_SEC\_#25 in confidence with the Board. Public disclosure of the particulars of that matter would constitute an unjustified invasion of personal privacy under the *Freedom of Information and Protection of Privacy Act*.

**26. [Ex. 4/2/8, App. A, Services Agreement] With respect to the Services Agreement:**

- b. P.7. Please provide the most recent “detailed breakdown of its fully-allocated cost” received by the Applicant by each affiliate from which it receives services, and the most recent such documents provided by the Applicant to each affiliate to which it provides services.**

**Guelph Hydro’s Response (corrected):**

The schedule provided in response to question 25 (Appendix Guelph\_SEC\_IRR\_#25 filed in confidence with the Board) represents the most recent detailed breakdown. This schedule was used to establish the 2011 and 2012 budgets for inter-company allocations and was most recently reviewed in July of this year to determine if any adjustments were required. At this time all parties agreed that no adjustments were required from what was originally budgeted.

- c. P. 20. Please provide a chart showing all of the most recent agreed monthly payments, what each is for, from and to whom it is payable, the date agreed and basis of the agreement, and the document in which the amount was agreed to.**

**Guelph Hydro’s Response:**

Please see Guelph Hydro’s response to SEC Interrogatory #25 (Appendix Guelph\_SEC\_IRR\_#25 filed in confidence with the Board)

**27. [Ex. 4/2/8, App. A, Water agreement] With respect to the Water Agreement:**

f) P. 11. Please provide the monthly Financial Statements described in section 13.6, as delivered in each month from September 2010 to August 2011 inclusive.

**Guelph Hydro's Response:**

CITY OF GUELPH - WATERWORKS DEPARTMENT		
BALANCE SHEET		
As At September 30, 2010		
ASSETS		
CURRENT ASSETS		
CASH IN BANK		\$1,888,682.47
ACCOUNTS RECEIVABLE		\$2,083,067.44
DUE FROM GUELPH HYDRO ELECTRIC SYSTEMS INC.		\$8,434.88
TOTAL ASSETS		<u>\$3,980,184.79</u>
LIABILITIES		
CURRENT LIABILITIES		
ACCOUNTS PAYABLE - METER READING CHARGES		90,256.38
DUE TO CITY OF GUELPH		\$ 3,889,928.40
TOTAL LIABILITIES		<u>3,980,184.78</u>
		0.00
<b>CITY OF GUELPH - WATERWORKS DEPT .</b>		
September 30, 2010		
Due To City of Guelph		
Fund Continuity		
Balance at January 31, 2010	\$	3,450,460.38
Current year net income		26,883,503.15
Disbursed to City of Guelph 2010		-26,444,035.12
Balance at Sept 30, 2010	<u>\$</u>	<u>3,889,928.40</u>



CITY OF GUELPH - WATERWORKS DEPT.					
INCOME STATEMENT					
For the 9 months ending September 30, 2010					
		SEPTEMBER	YTD	SEPTEMBER	YTD
		2010	2010	2009	2009
SERVICE REVENUE					
I/C/I	SEWER	\$ 707,956.33	\$ 5,778,575.41	\$ 605,319.90	\$ 5,055,261.80
	SEWER - METER	48,171.45	422,987.21	42,602.77	383,600.00
	WATER	654,116.99	5,362,149.01	563,457.16	4,757,014.87
	WATER - METER	30,123.21	262,634.21	25,948.39	234,897.62
		<u>1,440,367.98</u>	<u>11,826,345.84</u>	<u>1,237,328.22</u>	<u>10,430,774.29</u>
RESIDENTIAL	SEWER	607,910.22	5,973,737.18	606,811.07	5,464,069.65
	SEWER - METER	291,499.79	2,531,531.59	265,691.48	2,323,026.17
	WATER	541,027.84	5,534,353.77	561,847.25	5,073,973.08
	WATER - METER	205,307.11	1,763,108.76	180,797.20	1,559,577.21
		<u>1,645,744.96</u>	<u>15,802,731.30</u>	<u>1,615,147.00</u>	<u>14,420,646.11</u>
TOTAL SERVICE REVENUE		3,086,112.94	27,629,077.14	2,852,475.22	24,851,420.40
ENVIRONMENTAL CHARGE		-	3.69	-	-
LATE CHARGES		3,399.48	31,073.91	4,086.66	27,661.86
BANK INTEREST		303.64	4,067.67	380.29	(1,830.98)
TOTAL REVENUE		3,089,816.06	27,664,222.41	2,856,942.17	24,877,251.28
EXPENSES					
METER READING CHARGES		100,869.31	785,006.15	87,749.48	747,394.72
WRITE-OFFS		(1,414.82)	(4,286.89)	(51.76)	(954.70)
BANK CHARGES			-		-
TOTAL EXPENSES		99,454.49	780,719.26	87,697.72	746,440.02
NET INCOME		<u>2,990,361.57</u>	<u>\$ 26,883,503.15</u>	<u>\$ 2,769,244.45</u>	<u>\$ 24,130,811.26</u>

CITY OF GUELPH - WATERWORKS DEPARTMENT		
BALANCE SHEET		
As At October 31, 2010		
ASSETS		
CURRENT ASSETS		
CASH IN BANK		\$1,359,535.85
ACCOUNTS RECEIVABLE		3,133,691.21
DUE FROM GUELPH HYDRO ELECTRIC SYSTEMS INC.		8,861.71
TOTAL ASSETS		<u>\$4,502,088.77</u>
LIABILITIES		
CURRENT LIABILITIES		
ACCOUNTS PAYABLE - METER READING CHARGES		84,522.51
DUE TO CITY OF GUELPH		\$ 4,417,566.26
TOTAL LIABILITIES		<u>4,502,088.77</u>
		0.00

CITY OF GUELPH - WATERWORKS DEPT .	
October 31, 2010	
Due To City of Guelph	
Fund Continuity	
Balance at January 31, 2010	\$ 3,450,460.38
Current year net income	\$ 30,610,184.13
Disbursed to City of Guelph 2010	<u>-29,643,078.25</u>
Balance at Oct 31, 2010	<u>\$ 4,417,566.26</u>

CITY OF GUELPH - WATERWORKS DEPT.					
INCOME STATEMENT					
For the Ten months ending October 31, 2010					
		OCTOBER	YTD	OCTOBER	YTD
		2010	2010	2009	2009
SERVICE REVENUE					
I/C/I	SEWER	\$ 730,306.19	\$ 6,508,881.60	\$ 544,587.83	\$ 5,599,849.63
	SEWER - METER	50,732.14	473,719.35	43,961.47	427,561.47
	WATER	682,442.69	6,044,591.70	506,473.66	5,263,488.53
	WATER - METER	31,600.68	294,234.89	27,130.59	262,028.21
		1,495,081.70	13,321,427.54	1,122,153.55	11,552,927.84
RESIDENTIAL	SEWER	902,318.18	6,876,055.36	827,834.14	6,291,903.79
	SEWER - METER	339,185.48	2,870,717.07	305,597.58	2,628,623.75
	WATER	843,342.78	6,377,696.55	767,640.50	5,841,613.58
	WATER - METER	239,380.54	2,002,489.30	208,751.48	1,768,328.69
		2,324,226.98	18,126,958.28	2,109,823.70	16,530,469.81
TOTAL SERVICE REVENUE		3,819,308.68	31,448,385.82	3,231,977.25	28,083,397.65
ENVIRONMENTAL CHARGE		-	3.69	-	-
LATE CHARGES		3,021.34	34,095.25	3,450.67	31,112.53
BANK INTEREST		426.83	4,494.50	392.47	(1,438.51)
TOTAL REVENUE		3,822,756.85	31,486,979.26	3,235,820.39	28,113,071.67
EXPENSES					
METER READING CHARGES		96,255.84	881,261.99	90,102.34	837,497.06
WRITE-OFFS		(179.97)	(4,466.86)	(308.26)	(1,262.96)
BANK CHARGES			-		-
TOTAL EXPENSES		96,075.87	876,795.13	89,794.08	836,234.10
NET INCOME		3,726,680.98	\$ 30,610,184.13	\$ 3,146,026.31	\$ 27,276,837.57

CITY OF GUELPH - WATERWORKS DEPARTMENT		
BALANCE SHEET		
As At November 30, 2010		
ASSETS		
CURRENT ASSETS		
CASH IN BANK		\$2,048,238.54
ACCOUNTS RECEIVABLE		2,242,462.03
DUE FROM GUELPH HYDRO ELECTRIC SYSTEMS INC.		9,318.00
TOTAL ASSETS		<u>\$4,300,018.57</u>
LIABILITIES		
CURRENT LIABILITIES		
ACCOUNTS PAYABLE - METER READING CHARGES		85,956.96
DUE TO CITY OF GUELPH		\$ 4,214,061.61
TOTAL LIABILITIES		<u>4,300,018.57</u>
<b>CITY OF GUELPH - WATERWORKS DEPT .</b>		
November 30, 2010		
Due To City of Guelph		
Fund Continuity		
Balance at January 31, 2010	\$	3,450,460.38
Current year net income	\$	33,404,728.59
Disbursed to City of Guelph 2010		-32,641,127.36
Balance at Nov 30, 2010	\$	<u>4,214,061.61</u>

CITY OF GUELPH - WATERWORKS DEPT.					
INCOME STATEMENT					
For the Eleven months ending November 30, 2010					
		NOVEMBER	YTD	NOVEMBER	YTD
		2010	2010	2009	2009
SERVICE REVENUE					
I/C/I	SEWER	\$ 673,128.10	\$ 7,182,009.70	\$ 700,784.64	\$ 6,300,634.27
	SEWER - METER	47,636.03	521,355.38	45,483.54	473,045.01
	WATER	623,876.57	6,668,468.27	650,176.31	5,913,664.84
	WATER - METER	30,038.44	324,273.33	27,969.27	289,997.48
		1,374,679.14	14,696,106.68	1,424,413.76	12,977,341.60
RESIDENTIAL	SEWER	548,530.13	7,424,585.49	488,841.60	6,780,745.39
	SEWER - METER	265,490.01	3,136,207.08	230,411.26	2,859,035.01
	WATER	510,835.55	6,888,532.10	452,028.76	6,293,642.34
	WATER - METER	187,419.03	2,189,908.33	156,480.15	1,924,808.84
		1,512,274.72	19,639,233.00	1,327,761.77	17,858,231.58
TOTAL SERVICE REVENUE		2,886,953.86	34,335,339.68	2,752,175.53	30,835,573.18
ENVIRONMENTAL CHARGE		3.69	7.38	-	-
LATE CHARGES		3,961.68	38,056.93	3,742.53	34,855.06
BANK INTEREST		456.29	4,950.79	385.64	(1,052.87)
TOTAL REVENUE		2,891,375.52	34,378,354.78	2,756,303.70	30,869,375.37
EXPENSES					
METER READING CHARGES		96,944.89	978,206.88	71,143.68	908,640.74
WRITE-OFFS		(113.83)	(4,580.69)	11,722.37	10,459.41
BANK CHARGES			-	-	-
TOTAL EXPENSES		96,831.06	973,626.19	82,866.05	919,100.15
NET INCOME		\$ 2,794,544.46	\$ 33,404,728.59	\$ 2,673,437.65	\$ 29,950,275.22

CITY OF GUELPH - WATERWORKS DEPARTMENT		
BALANCE SHEET		
As At December 31, 2010		
ASSETS		
CURRENT ASSETS		
CASH IN BANK		\$965,854.12
ACCOUNTS RECEIVABLE		2,705,503.31
DUE FROM GUELPH HYDRO ELECTRIC SYSTEMS INC.		9,587.14
TOTAL ASSETS		<u>\$3,680,944.57</u>
LIABILITIES		
CURRENT LIABILITIES		
ACCOUNTS PAYABLE - METER READING CHARGES		77,609.64
ACCOUNTS PAYABLE - HST INPUT TAX CREDIT		(54,253.50)
DUE TO CITY OF GUELPH		3,657,588.43
TOTAL LIABILITIES		<u>\$ 3,680,944.57</u>
		0.00

CITY OF GUELPH - WATERWORKS DEPT .	
December 31, 2010	
Due To City of Guelph	
Fund Continuity	
Balance at January 31, 2010	\$ 3,450,460.38
Current year net income	\$ 36,682,951.43
Disbursed to City of Guelph 2010	<u>-36,475,823.38</u>
Balance at Dec 31, 2010	<u>\$ 3,657,588.43</u>

CITY OF GUELPH - WATERWORKS DEPT.					
INCOME STATEMENT					
For the Year ended December 31, 2010					
		DECEMBER	YTD	DECEMBER	YTD
		2010	2010	2009	2009
SERVICE REVENUE					
I/C/I	SEWER	\$ 736,753.84	\$ 7,918,763.54	\$ 592,987.56	\$ 6,893,621.83
	SEWER - METER	48,767.89	\$ 570,123.27	43,000.62	\$ 516,045.63
	WATER	678,475.85	\$ 7,346,944.12	551,419.94	\$ 6,465,084.78
	WATER - METER	30,177.70	\$ 354,451.03	26,446.08	\$ 316,443.56
		1,494,175.28	16,190,281.96	1,213,854.20	14,191,195.80
RESIDENTIAL	SEWER	697,794.67	8,122,380.16	761,565.87	7,542,311.26
	SEWER - METER	272,429.17	3,408,636.25	297,419.92	3,156,454.93
	WATER	652,302.47	7,540,834.57	706,120.11	6,999,762.45
	WATER - METER	192,038.17	2,381,946.50	202,890.26	2,127,699.10
		1,814,564.48	21,453,797.48	1,967,996.16	19,826,227.74
TOTAL SERVICE REVENUE		3,308,739.76	37,644,079.44	3,181,850.36	34,017,423.54
ENVIRONMENTAL CHARGE		-	7.38	-	-
LATE CHARGES		3,744.48	41,801.41	3,475.89	38,330.95
BANK INTEREST		269.14	5,219.93	410.25	(642.62)
TOTAL REVENUE		3,312,753.38	37,691,108.16	3,185,736.50	34,055,111.87
EXPENSES					
METER READING CHARGES		34,530.54	1,012,737.42	76,010.10	984,651.84
COLLECTION FEES		-	-	1.00	1.00
WRITE-OFFS		-	-	(375.63)	10,083.78
TOTAL EXPENSES		34,530.54	1,008,156.73	75,635.47	994,735.62
NET INCOME		\$ 3,278,222.84	\$ 36,682,951.43	\$ 3,110,101.03	\$ 33,060,376.25

CITY OF GUELPH - WATERWORKS DEPARTMENT		
BALANCE SHEET		
As At January 31, 2011		
ASSETS		
CURRENT ASSETS		
CASH IN BANK		\$2,118,942.33
ACCOUNTS RECEIVABLE		2,428,937.30
DUE FROM GUELPH HYDRO ELECTRIC SYSTEMS INC.		10,003.58
TOTAL ASSETS		<u>\$4,557,883.21</u>
LIABILITIES		
CURRENT LIABILITIES		
ACCOUNTS PAYABLE - METER READING CHARGES		89,872.12
ACCOUNTS PAYABLE - HST INPUT TAX CREDIT		(10,089.25)
DUE TO CITY OF GUELPH		\$ 4,478,100.34
TOTAL LIABILITIES		<u>4,557,883.21</u>
		0.00

**CITY OF GUELPH - WATERWORKS DEPT .**

January 31, 2011	
Due To City of Guelph	
Fund Continuity	
Balance at December 31, 2010	\$ 3,603,334.93
Current year net income	\$ 3,020,129.30
Disbursed to City of Guelph 2010	<u>-2,145,363.89</u>
Balance at January 31, 2011	<u>\$ 4,478,100.34</u>



CITY OF GUELPH - WATERWORKS DEPT.					
INCOME STATEMENT					
For the One month ended January 31, 2011					
		JANUARY	YTD	JANUARY	YTD
		2011	2011	2010	2010
SERVICE REVENUE					
I/C/I	SEWER	661,532.81	\$ 661,532.81	673,454.46	\$ 673,454.46
	SEWER - METER	51,558.27	\$ 51,558.27	47,772.70	\$ 47,772.70
	WATER	621,800.19	\$ 621,800.19	621,015.91	\$ 621,015.91
	WATER - METER	32,132.98	\$ 32,132.98	29,366.48	\$ 29,366.48
		1,367,024.25	1,367,024.25	1,371,609.55	1,371,609.55
RESIDENTIAL	SEWER	644,419.82	644,419.82	532,402.01	532,402.01
	SEWER - METER	316,503.35	316,503.35	249,312.38	249,312.38
	WATER	600,173.79	600,173.79	492,390.39	492,390.39
	WATER - METER	221,830.08	221,830.08	169,363.21	169,363.21
		1,782,927.04	1,782,927.04	1,443,467.99	1,443,467.99
TOTAL SERVICE REVENUE		3,149,951.29	3,149,951.29	2,815,077.54	2,815,077.54
ENVIRONMENTAL CHARGE		(3.69)	(3.69)	-	-
LATE CHARGES		3,814.14	3,814.14	3,668.18	3,668.18
BANK INTEREST		416.44	416.44	457.05	457.05
TOTAL REVENUE		3,154,178.18	3,154,178.18	2,819,202.77	2,819,202.77
EXPENSES					
METER READING CHARGES		89,872.12	89,872.12	84,302.43	84,302.43
COLLECTION FEES		-	-	-	-
WRITE-OFFS		44,176.76	44,176.76	(101.31)	(101.31)
TOTAL EXPENSES		134,048.88	134,048.88	84,201.12	84,201.12
NET INCOME		3,020,129.30	\$ 3,020,129.30	2,735,001.65	\$ 2,735,001.65

CITY OF GUELPH - WATERWORKS DEPARTMENT		
BALANCE SHEET		
As At February 28, 2011		
ASSETS		
CURRENT ASSETS		
CASH IN BANK		\$1,642,103.36
ACCOUNTS RECEIVABLE		2,118,677.71
DUE FROM GUELPH HYDRO ELECTRIC SYSTEMS INC.		10,405.34
TOTAL ASSETS		<u>\$3,771,186.41</u>
LIABILITIES		
CURRENT LIABILITIES		
ACCOUNTS PAYABLE - METER READING CHARGES		90,000.00
ACCOUNTS PAYABLE - HST INPUT TAX CREDIT		(10,089.25)
DUE TO CITY OF GUELPH		\$ 3,691,275.66
TOTAL LIABILITIES		<u>3,771,186.41</u>
		0.00

**CITY OF GUELPH - WATERWORKS DEPT .**

February 28, 2011	
Due To City of Guelph	
Fund Continuity	
Balance at December 31, 2010	\$ 3,603,334.93
Current year net income	\$ 5,846,262.41
Disbursed to City of Guelph 2010	-5,758,321.68
Balance at February 28, 2011	<u>\$ 3,691,275.66</u>

CITY OF GUELPH - WATERWORKS DEPT.					
INCOME STATEMENT					
For the Two months ending Feb 28, 2011					
		FEBRUARY	YTD	FEBRUARY	YTD
		2011	2011	2010	2010
SERVICE REVENUE					
I/C/I	SEWER	617,625.97	\$ 1,279,158.78	515,997.18	\$ 1,189,451.64
	SEWER - METER	46,703.15	\$ 98,261.42	43,769.06	\$ 91,541.76
	WATER	573,581.27	\$ 1,195,381.46	475,259.60	\$ 1,096,275.51
	WATER - METER	29,333.75	\$ 61,466.73	26,987.28	\$ 56,353.76
		1,267,244.14	2,634,268.39	1,062,013.12	2,433,622.67
RESIDENTIAL					
	SEWER	597,998.22	1,242,418.04	703,121.55	1,235,523.56
	SEWER - METER	234,367.02	550,870.37	286,566.08	535,878.46
	WATER	558,165.11	1,158,338.90	651,982.29	1,144,372.68
	WATER - METER	165,244.83	387,074.91	195,253.31	364,616.52
		1,555,775.18	3,338,702.22	1,836,923.23	3,280,391.22
TOTAL SERVICE REVENUE		2,823,019.32	5,972,970.61	2,898,936.35	5,714,013.89
ENVIRONMENTAL CHARGE		-	(3.69)	-	-
LATE CHARGES		2,679.03	6,493.17	2,180.84	5,849.02
BANK INTEREST		401.76	818.20	397.94	854.99
TOTAL REVENUE		2,826,100.11	5,980,278.29	2,901,515.13	5,720,717.90
EXPENSES					
METER READING CHARGES		127.88	90,000.00	86,004.12	170,306.55
WRITE-OFFS		(160.88)	44,015.88	-	(101.31)
TOTAL EXPENSES		(33.00)	134,015.88	86,004.12	170,205.24
NET INCOME		2,826,133.11	\$ 5,846,262.41	2,815,511.01	\$ 5,550,512.66

CITY OF GUELPH - WATERWORKS DEPARTMENT		
BALANCE SHEET		
As At March 31, 2011		
ASSETS		
CURRENT ASSETS		
CASH IN BANK		\$1,778,868.16
ACCOUNTS RECEIVABLE		2,141,197.46
DUE FROM GUELPH HYDRO ELECTRIC SYSTEMS INC.		10,894.33
TOTAL ASSETS		<u>\$3,930,959.95</u>
LIABILITIES		
CURRENT LIABILITIES		
ACCOUNTS PAYABLE - METER READING CHARGES		107,917.12
ACCOUNTS PAYABLE - HST INPUT TAX CREDIT		(64,342.75)
DUE TO CITY OF GUELPH		3,887,385.58
TOTAL LIABILITIES		<u>\$3,930,959.95</u>
		0.00

**CITY OF GUELPH - WATERWORKS DEPT .**

March 31, 2011	
Due To City of Guelph	
Fund Continuity	
Balance at December 31, 2010	\$ 3,657,588.43
Current year net income	\$ 9,405,208.26
Disbursed to City of Guelph 2010	-9,175,411.11
Balance at March 31, 2011	<u>\$ 3,887,385.58</u>

CITY OF GUELPH - WATERWORKS DEPT.					
INCOME STATEMENT					
For the Three months ending March 31, 2011					
		MARCH	YTD	MARCH	YTD
		2011	2011	2010	2010
SERVICE REVENUE					
I/C/I	SEWER	\$ 686,053.73	\$ 1,965,212.51	\$ 581,140.19	\$ 1,770,591.83
	SEWER - METER	52,442.36	\$ 150,703.78	41,689.52	\$ 133,231.28
	WATER	630,299.38	\$ 1,825,680.84	535,011.75	\$ 1,631,287.26
	WATER - METER	32,898.08	\$ 94,364.81	26,005.10	\$ 82,358.86
		1,401,693.55	4,035,961.94	1,183,846.56	3,617,469.23
RESIDENTIAL	SEWER	787,318.88	2,029,736.92	508,682.96	1,744,206.52
	SEWER - METER	381,061.39	931,931.76	241,722.59	777,601.05
	WATER	734,361.58	1,892,700.48	470,662.44	1,615,035.12
	WATER - METER	268,371.49	655,446.40	164,720.55	529,337.07
		2,171,113.34	5,509,815.56	1,385,788.54	4,666,179.76
TOTAL SERVICE REVENUE		3,572,806.89	9,545,777.50	2,569,635.10	8,283,648.99
ENVIRONMENTAL CHARGE		-	(3.69)	-	-
LATE CHARGES		3,436.42	9,929.59	4,425.44	10,274.46
BANK INTEREST		488.99	1,307.19	359.56	1,214.55
TOTAL REVENUE		3,576,732.30	9,557,010.59	2,574,420.10	8,295,138.00
EXPENSES					
METER READING CHARGES		17,917.12	107,917.12	85,025.55	255,332.10
WRITE-OFFS		(130.67)	43,885.21	(605.38)	(706.69)
TOTAL EXPENSES		17,786.45	151,802.33	84,420.17	254,625.41
NET INCOME		\$ 3,558,945.85	\$ 9,405,208.26	\$ 2,489,999.93	\$ 8,040,512.59

CITY OF GUELPH - WATERWORKS DEPARTMENT		
BALANCE SHEET		
As At April 30, 2011		
ASSETS		
CURRENT ASSETS		
CASH IN BANK		\$1,707,502.40
ACCOUNTS RECEIVABLE		2,360,839.07
DUE FROM GUELPH HYDRO ELECTRIC SYSTEMS INC.		11,225.99
TOTAL ASSETS		<u>\$4,079,567.46</u>
LIABILITIES		
CURRENT LIABILITIES		
ACCOUNTS PAYABLE - METER READING CHARGES		339,510.66
ACCOUNTS PAYABLE - HST INPUT TAX CREDIT		(64,342.75)
DUE TO CITY OF GUELPH		3,804,399.55
TOTAL LIABILITIES		<u>\$4,079,567.46</u>
		0.00

CITY OF GUELPH - WATERWORKS DEPT .	
April 30, 2011	
Due To City of Guelph	
Fund Continuity	
Balance at December 31, 2010	\$ 3,657,588.43
Current year net income	\$ 12,246,151.31
Disbursed to City of Guelph 2010	-12,099,340.19
Balance at April 30, 2011	<u>\$ 3,804,399.55</u>

CITY OF GUELPH - WATERWORKS DEPT.					
INCOME STATEMENT					
For the Four months ending April 30, 2011					
		APRIL	YTD	APRIL	YTD
		2011	2011	2010	2010
SERVICE REVENUE					
I/C/I	SEWER	\$ 643,895.32	\$ 2,609,107.83	689,514.54	\$ 1,770,591.83
	SEWER - METER	42,739.99	\$ 193,443.77	47,140.96	\$ 133,231.28
	WATER	602,805.70	\$ 2,428,486.54	643,468.43	\$ 1,631,287.26
	WATER - METER	27,045.30	\$ 121,410.11	29,026.51	\$ 82,358.86
		1,316,486.31	5,352,448.25	1,409,150.44	3,617,469.23
RESIDENTIAL	SEWER	662,912.24	2,692,649.16	791,099.39	1,744,206.52
	SEWER - METER	277,089.53	1,209,021.29	320,460.39	777,601.05
	WATER	618,027.20	2,510,727.68	736,649.74	1,615,035.12
	WATER - METER	194,744.90	850,191.30	223,616.58	529,337.07
		1,752,773.87	7,262,589.43	2,071,826.10	4,666,179.76
TOTAL SERVICE REVENUE		3,069,260.18	12,615,037.68	3,480,976.54	8,283,648.99
ENVIRONMENTAL CHARGE		-	(3.69)	3.69	-
LATE CHARGES		2,779.96	12,709.55	-50,790.09	10,274.46
BANK INTEREST		331.66	1,638.85	-6,481.56	1,214.55
TOTAL REVENUE		3,072,371.80	12,629,382.39	3,423,708.58	8,295,138.00
EXPENSES					
METER READING CHARGES		231,593.54	339,510.66	92,744.07	255,332.10
WRITE-OFFS		(164.79)	43,720.42	(39,590.32)	(706.69)
TOTAL EXPENSES		231,428.75	383,231.08	53,153.75	254,625.41
NET INCOME		2,840,943.05	\$ 12,246,151.31	3,370,554.83	\$ 8,040,512.59

CITY OF GUELPH - WATERWORKS DEPARTMENT		
BALANCE SHEET		
As At May 31, 2011		
ASSETS		
CURRENT ASSETS		
CASH IN BANK		\$2,054,853.94
ACCOUNTS RECEIVABLE		2,542,213.01
DUE FROM GUELPH HYDRO ELECTRIC SYSTEMS INC.		11,625.87
TOTAL ASSETS		<u>\$4,608,692.82</u>
LIABILITIES		
CURRENT LIABILITIES		
ACCOUNTS PAYABLE - METER READING CHARGES		93,813.95
ACCOUNTS PAYABLE - HST INPUT TAX CREDIT		(108,479.14)
DUE TO CITY OF GUELPH		4,623,358.01
TOTAL LIABILITIES		<u>\$4,608,692.82</u>
		0.00

CITY OF GUELPH - WATERWORKS DEPT .	
May 31, 2011	
Due To City of Guelph	
Fund Continuity	
Balance at December 31, 2010	\$ 3,657,588.43
Current year net income	\$ 15,798,513.50
Disbursed to City of Guelph 2010	<u>-14,832,743.92</u>
Balance at May 31, 2011	<u>\$ 4,623,358.01</u>



CITY OF GUELPH - WATERWORKS DEPT.					
INCOME STATEMENT					
For the Five months ending May 31, 2011					
		MAY	YTD	MAY	YTD
		2011	2011	2010	2010
SERVICE REVENUE					
IC/I	SEWER	776,628.67	\$ 3,385,736.50	672,475.71	\$ 3,132,582.08
	SEWER - METER	59,648.93	\$ 253,092.70	51,562.27	\$ 231,934.51
	WATER	732,988.32	\$ 3,161,474.86	628,644.20	\$ 2,903,399.89
	WATER - METER	38,076.80	\$ 159,486.91	32,228.04	\$ 143,613.41
		1,607,342.72	6,959,790.97	1,384,910.22	3,617,469.23
RESIDENTIAL	SEWER	733,133.69	3,425,782.85	524,180.26	3,059,486.17
	SEWER - METER	364,208.42	1,573,229.71	253,382.61	1,351,444.05
	WATER	682,921.38	3,193,649.06	488,046.36	2,839,731.22
	WATER - METER	254,936.28	1,105,127.58	178,196.04	931,149.69
		2,035,199.77	9,297,789.20	1,443,805.27	4,666,179.76
TOTAL SERVICE REVENUE		3,642,542.49	16,257,580.17	2,828,715.49	14,593,341.02
ENVIRONMENTAL CHARGE		-	(3.69)	-	-
LATE CHARGES		3,032.44	15,741.99	61,145.17	17,597.10
BANK INTEREST		399.88	2,038.73	7,655.12	1,988.23
TOTAL REVENUE		3,645,974.81	16,275,357.20	2,897,515.78	8,295,138.00
EXPENSES					
METER READING CHARGES		93,813.95	433,324.61	69,596.37	417,672.54
COLLECTION FEES			-	-	(1,442.37)
WRITE-OFFS		(201.33)	43,519.09	38,653.31	(1,442.37)
TOTAL EXPENSES		93,612.62	476,843.70	108,249.68	254,625.41
NET INCOME		3,552,362.19	\$ 15,798,513.50	2,789,266.10	\$ 14,196,699.87

CITY OF GUELPH - WATERWORKS DEPARTMENT		
BALANCE SHEET		
As At June 30, 2011		
ASSETS		
CURRENT ASSETS		
CASH IN BANK		\$1,583,474.25
ACCOUNTS RECEIVABLE		3,114,363.70
DUE FROM GUELPH HYDRO ELECTRIC SYSTEMS INC.		11,962.95
TOTAL ASSETS		<u>\$4,709,800.90</u>
LIABILITIES		
CURRENT LIABILITIES		
ACCOUNTS PAYABLE - METER READING CHARGES		99,692.61
ACCOUNTS PAYABLE - HST INPUT TAX CREDIT		(120,674.95)
DUE TO CITY OF GUELPH		4,730,783.24
TOTAL LIABILITIES		<u>\$4,709,800.90</u>
		0.00

**CITY OF GUELPH - WATERWORKS DEPT .**

June 30, 2011	
Due To City of Guelph	
Fund Continuity	
Balance at December 31, 2010	\$ 3,657,588.43
Current year net income	\$ 19,596,382.17
Disbursed to City of Guelph 2010	-18,523,187.36
Balance at June 30, 2011	<u>\$ 4,730,783.24</u>

CITY OF GUELPH - WATERWORKS DEPT.					
INCOME STATEMENT					
For the Six months ending June 30, 2011					
		JUNE	YTD	JUNE	YTD
		2011	2011	2010	2010
SERVICE REVENUE					
I/C/I	SEWER	\$ 725,597.45	\$ 4,111,333.95	\$ 609,029.58	\$ 3,741,611.66
	SEWER - METER	54,932.38	\$ 308,025.08	46,998.75	278,933.26
	WATER	675,239.69	\$ 3,836,714.55	570,599.34	3,473,999.23
	WATER - METER	30,925.57	\$ 190,412.48	29,657.16	173,270.57
		1,486,695.09	8,446,486.06	1,256,284.83	7,667,814.72
RESIDENTIAL	SEWER	909,302.00	4,335,084.85	918,475.18	3,977,961.35
	SEWER - METER	382,891.76	1,956,121.47	342,428.76	1,693,872.81
	WATER	846,933.81	4,040,582.87	858,230.20	3,697,961.42
	WATER - METER	268,546.99	1,373,674.57	242,352.63	1,173,502.32
		2,407,674.56	11,705,463.76	2,361,486.77	10,543,297.90
TOTAL SERVICE REVENUE		3,894,369.65	20,151,949.82	3,617,771.60	18,211,112.62
ENVIRONMENTAL CHARGE		-	(3.69)	7.38	11.07
LATE CHARGES		2,854.55	18,596.54	-57,174.74	(39,577.64)
BANK INTEREST		337.08	2,375.81	-7,241.82	(5,253.59)
TOTAL REVENUE		3,897,561.28	20,172,918.48	3,553,362.42	18,166,292.46
EXPENSES					
METER READING CHARGES		99,692.61	533,017.22	100,120.68	517,793.22
COLLECTION FEES			-		-
WRITE-OFFS		-	43,519.09	(44.60)	(1,486.97)
TOTAL EXPENSES		99,692.61	576,536.31	100,076.08	516,306.25
NET INCOME		3,797,868.67	\$ 19,596,382.17	\$ 3,453,286.34	\$ 17,649,986.21

CITY OF GUELPH - WATERWORKS DEPARTMENT		
BALANCE SHEET		
As At July 31, 2011		
ASSETS		
CURRENT ASSETS		
CASH IN BANK		\$1,757,736.45
ACCOUNTS RECEIVABLE		2,557,366.58
DUE FROM GUELPH HYDRO ELECTRIC SYSTEMS INC.		12,758.25
TOTAL ASSETS		<u>\$4,327,861.28</u>
LIABILITIES		
CURRENT LIABILITIES		
ACCOUNTS PAYABLE - METER READING CHARGES		74,124.85
ACCOUNTS PAYABLE - HST INPUT TAX CREDIT		(133,634.99)
DUE TO CITY OF GUELPH		4,387,371.42
TOTAL LIABILITIES		<u>\$4,327,861.28</u>
		0.00

**CITY OF GUELPH - WATERWORKS DEPT .**

July 31, 2011	
Due To City of Guelph	
Fund Continuity	
Balance at December 31, 2010	\$ 3,657,588.43
Current year net income	\$ 22,735,658.81
Disbursed to City of Guelph 2010	-22,005,875.82
Balance at July 31, 2011	<u>\$ 4,387,371.42</u>

CITY OF GUELPH - WATERWORKS DEPT.					
INCOME STATEMENT					
For the Seven months ending July 31, 2011					
		JULY	YTD	JULY	YTD
		2011	2011	2010	2010
SERVICE REVENUE					
I/C/I	SEWER	\$ 794,836.42	\$ 4,906,170.37	\$ 565,666.78	\$ 4,307,278.44
	SEWER - METER	56,036.55	364,061.63	44,710.10	\$ 323,643.36
	WATER	742,563.76	4,579,278.31	526,237.91	\$ 4,000,237.14
	WATER - METER	35,591.72	226,004.20	27,882.37	\$ 201,152.94
		1,629,028.45	10,075,514.51	1,164,497.16	8,832,311.88
RESIDENTIAL	SEWER	570,351.60	4,905,436.45	605,144.29	\$ 4,583,105.64
	SEWER - METER	280,535.25	2,236,656.72	264,073.42	\$ 1,957,946.23
	WATER	530,790.12	4,571,372.99	563,588.44	\$ 4,261,549.86
	WATER - METER	195,460.85	1,569,135.42	185,114.73	\$ 1,358,617.05
		1,577,137.82	13,282,601.58	1,617,920.88	12,161,218.78
TOTAL SERVICE REVENUE		3,206,166.27	23,358,116.09	2,782,418.04	20,993,530.66
ENVIRONMENTAL CHARGE		-	(3.69)	(7.38)	3.69
LATE CHARGES		5,246.29	23,842.83	3,906.07	24,726.38
BANK INTEREST		795.30	3,171.11	783.41	3,125.56
TOTAL REVENUE		3,212,207.86	23,385,126.34	2,787,100.14	21,021,386.29
EXPENSES					
METER READING CHARGES		74,124.85	607,142.07	74,960.82	592,754.04
COLLECTION FEES			-		-
WRITE-OFFS		(1,193.63)	42,325.46	(1,064.45)	(2,551.42)
TOTAL EXPENSES		72,931.22	649,467.53	73,896.37	590,202.62
NET INCOME		\$ 3,139,276.64	\$ 22,735,658.81	\$ 2,713,203.77	\$ 20,431,183.67

CITY OF GUELPH - WATERWORKS DEPARTMENT		
BALANCE SHEET		
As At Aug 31, 2011		
ASSETS		
CURRENT ASSETS		
CASH IN BANK		\$1,621,916.67
ACCOUNTS RECEIVABLE		3,299,541.22
DUE FROM GUELPH HYDRO ELECTRIC SYSTEMS INC.		13,333.68
TOTAL ASSETS		<u>\$4,934,791.57</u>
LIABILITIES		
CURRENT LIABILITIES		
ACCOUNTS PAYABLE - METER READING CHARGES		179,383.34
ACCOUNTS PAYABLE - HST INPUT TAX CREDIT		(133,634.99)
DUE TO CITY OF GUELPH		4,889,043.22
TOTAL LIABILITIES		<u>\$4,934,791.57</u>
		0.00

**CITY OF GUELPH - WATERWORKS DEPT .**

August 31, 2011	
Due To City of Guelph	
Fund Continuity	
Balance at December 31, 2010	\$ 3,657,588.43
Current year net income	\$ 27,026,417.86
Disbursed to City of Guelph 2011	-25,794,963.07
Balance at Aug 31, 2011	<u>\$ 4,889,043.22</u>

CITY OF GUELPH - WATERWORKS DEPT.					
INCOME STATEMENT					
For the Eight months ending August 31, 2011					
		AUGUST	YTD	AUGUST	YTD
		2011	2011	2010	2010
SERVICE REVENUE					
I/C/I	SEWER	\$ 771,965.96	\$ 5,678,136.33	\$ 763,340.64	\$ 5,070,619.08
	SEWER - METER	53,612.95	\$ 417,674.58	51,172.40	\$ 374,815.76
	WATER	726,160.20	\$ 5,305,438.51	707,794.88	\$ 4,708,032.02
	WATER - METER	34,016.78	\$ 260,020.98	31,358.06	\$ 232,511.00
		1,585,755.89	\$ 11,661,270.40	1,553,665.98	10,385,977.86
RESIDENTIAL	SEWER	1,103,928.47	6,009,364.92	782,721.32	\$ 5,365,826.96
	SEWER - METER	396,286.96	2,632,943.68	282,085.57	\$ 2,240,031.80
	WATER	1,028,863.95	5,600,236.94	731,776.07	\$ 4,993,325.93
	WATER - METER	277,367.38	1,846,502.80	199,184.60	\$ 1,557,801.65
		2,806,446.76	16,089,048.34	1,995,767.56	14,156,986.34
TOTAL SERVICE REVENUE		4,392,202.65	27,750,318.74	3,549,433.54	24,542,964.20
ENVIRONMENTAL CHARGE		-	(3.69)	-	3.69
LATE CHARGES		2,926.91	26,769.74	2,948.05	27,674.43
BANK INTEREST		575.43	3,746.54	638.47	3,764.03
TOTAL REVENUE		4,395,704.99	27,780,831.33	3,553,020.06	24,574,406.35
EXPENSES					
METER READING CHARGES		105,258.49	712,400.56	81,637.89	674,391.93
COLLECTION FEES			-		-
WRITE-OFFS		(312.55)	42,012.91	(320.65)	(2,872.07)
TOTAL EXPENSES		104,945.94	754,413.47	81,317.24	671,519.86
NET INCOME		4,290,759.05	\$ 27,026,417.86	\$ 3,471,702.82	\$ 23,902,886.49

### Issue 4.3 Is the proposed level of depreciation/amortization expense for the test year appropriate?

**28. [Ex. 4/2/10, App. 2-M] Please restate Appendix 2-M on the basis that the half-year rule commences in 2012, and is not applied to 2011.**

#### Guelph Hydro's Response:

Guelph Hydro has provided you with Appendix 2-M where years 2008 – 2011 do not use the half year rule and then 2012 applies the half year rule on all current additions

Appendix 2-M - Depreciation and Amortization Expense									
Account	Description	Opening Balance	2008 Actual - CGAAP				Revised Using NO half year rule		
			Less Fully Depreciated (1)	Net for Depreciation	Additions	Total for Depreciation	Years	Depreciation Rate	Depreciation Expense
		(a)	(b)	(c) = (a) - (b)	(d)	(e)=(c) + 1.0 x (d) (2)	(f)	(g) = 1 / (f)	(h) = (e) / (f)
1805	Land	\$779,783		\$779,783	-\$11,660	\$768,123	Non-depreciable		
1808	Buildings	\$19,007,195		\$19,007,195	-\$836,563	\$18,170,632	50	0.02	\$363,413
1810	Leasehold Improvements	\$0		\$0	\$0	\$0	Over term of lease		
1815	Transformer Station Equipment >50 kV	\$0		\$0	\$0	\$0	25	0.04	\$0
1820	Substation Equipment	\$0		\$0	\$0	\$0	25	0.04	\$0
1825	Storage Battery Equipment	\$0		\$0	\$0	\$0			
1830	Poles, Towers & Fixtures	\$17,578,821		\$17,578,821	\$1,450,627	\$19,029,447	25	0.04	\$761,178
1835	OH Conductors & Devices	\$14,886,525		\$14,886,525	\$1,221,136	\$16,107,660	25	0.04	\$644,306
1840	UG Conduit	\$28,516,657		\$28,516,657	\$4,050,879	\$32,567,536	25	0.04	\$1,302,701
1845	UG Conductors & Devices	\$25,939,103		\$25,939,103	\$3,495,955	\$29,435,057	25	0.04	\$1,177,402
1850	Line Transformers	\$15,432,406		\$15,432,406	\$1,076,923	\$16,509,330	25	0.04	\$660,373
1855	Services (OH & UG)	\$5,810,039		\$5,810,039	\$553,425	\$6,363,465	25	0.04	\$254,539
1860	Meters	\$8,418,253		\$8,418,253	\$924,360	\$9,342,613	25	0.04	\$373,705
1861	Smart Meters					\$0	15		
1861	Smart Meters/Communication Systems					\$0			
1905	Land	\$0		\$0	\$0	\$0	Non-depreciable		
1906	Land Rights	\$0		\$0	\$0	\$0	40	0.03	\$0
1908	Buildings & Fixtures	\$0		\$0	\$0	\$0	50	0.02	\$0
1910	Leasehold Improvements	\$0		\$0	\$0	\$0	Over term of lease		
1915	Office Furniture & Equipment 10yr	\$1,089,514		\$1,089,514	\$11,712	\$1,101,227	10	0.10	\$110,123
1915	Office Furniture & Equipment 5yr					\$0	5	0.20	\$0
1920	Computer - Hardware	\$1,350,877		\$1,350,877	\$300,821	\$1,651,698	5	0.20	\$330,340
1921	Computer - Hardware post Mar 22/04					\$0			
1921	Computer - Hardware post Mar 19/07					\$0			
1925	Computer Software	\$0		\$0	\$0	\$0	15	0.07	\$0
1930	Transportation Equipment	\$2,427,226		\$2,427,226	\$227,911	\$2,655,137	4	0.25	\$663,784
1935	Stores Equipment	\$96,338		\$96,338	\$0	\$96,338	10	0.10	\$9,634
1940	Tools, Shop & Garage Equipment	\$819,137		\$819,137	\$71,520	\$890,658	10	0.10	\$89,066
1945	Measurement & Testing Equipment	\$14,872		\$14,872	\$0	\$14,872	10	0.10	\$1,487
1950	Power operated Equipment	\$0		\$0	\$0	\$0	8	0.13	\$0
1955	Communications Equipment	\$0		\$0	\$0	\$0			
1960	Graphics Equipment	\$2,292,871		\$2,292,871	\$0	\$2,292,871	5	0.20	\$458,574
1965	Water Heater Rental Units			\$0		\$0	10	0.10	\$0
1970	Load Management Controls	\$314,982		\$314,982	\$0	\$314,982	10	0.10	\$31,498
1975	Load Management Controls Utility Premise	\$0		\$0	\$0	\$0	10	0.10	\$0
1980	System Supervisor Equipment	\$0		\$0	\$47,676	\$47,676	15	0.07	\$3,178
1985	Miscellaneous Fixed Assets	\$6,158		\$6,158	\$0	\$6,158	10	0.10	\$616
1995	Contributions & Grants	-\$21,923,351		-\$21,923,351	-\$5,534,999	-\$27,458,350	25	0.04	-\$1,098,334
2070	Other Utility Plant	\$771		\$771	\$0	\$771	15	0.07	\$51
	<b>Total</b>	\$122,858,175		\$122,858,175	\$7,049,725	\$129,907,900			\$6,137,634



Appendix 2-M - Depreciation and Amortization Expense									
Account	Description	2009 Actual - CGAAP					Revised Using NO half year rule		
		Opening Balance	Less Fully Depreciated <sup>(1)</sup>	Net for Depreciation	Additions	Total for Depreciation	Years	Depreciation Rate	Depreciation Expense
		(a)	(b)	(c) = (a) - (b)	(d)	(e)=(c) + 1.0. x (d) <sup>(2)</sup>	(f)	(g) = 1 / (f)	(h) = (e) / (f)
1805	Land	\$768,123		\$768,123	\$0	\$768,122.87	Non-depreciable		
1808	Buildings	\$18,170,632		\$18,170,632	\$21,000	\$18,191,631.64	50	0.02	\$363,833
1810	Leasehold Improvements	\$0		\$0	\$0	\$0.00	Over term of lease		
1815	Transformer Station Equipment >50 kV	\$0		\$0	\$0	\$0.00	25	0.04	\$0
1820	Substation Equipment	\$0		\$0	\$1,697,266	\$1,697,266.17	25	0.04	\$67,891
1825	Storage Battery Equipment	\$0		\$0	\$0	\$0.00			
1830	Poles, Towers & Fixtures	\$19,029,447		\$19,029,447	\$1,550,134	\$20,579,581.30	25	0.04	\$823,183
1835	OH Conductors & Devices	\$16,107,660		\$16,107,660	\$927,730	\$17,035,389.89	25	0.04	\$681,416
1840	UG Conduit	\$32,567,536		\$32,567,536	\$2,346,931	\$34,914,466.61	25	0.04	\$1,396,579
1845	UG Conductors & Devices	\$29,435,057		\$29,435,057	\$4,025,761	\$33,460,818.51	25	0.04	\$1,338,433
1850	Line Transformers	\$16,509,330		\$16,509,330	\$602,167	\$17,111,497.05	25	0.04	\$684,460
1855	Services (OH & UG)	\$6,363,465		\$6,363,465	\$406,196	\$6,769,660.57	25	0.04	\$270,786
1860	Meters	\$9,342,613		\$9,342,613	\$1,995,812	\$11,338,425.09	25	0.04	\$453,537
1861	Smart Meters			\$0		\$0.00	15	0.07	\$0
1861	Smart Meters/Communication Systems			\$0		\$0.00			
1905	Land	\$0		\$0	\$0	\$0.00	Non-depreciable		
1906	Land Rights	\$0		\$0	\$0	\$0.00	40	0.03	\$0
1908	Buildings & Fixtures	\$0		\$0	\$0	\$0.00	50	0.02	\$0
1910	Leasehold Improvements	\$0		\$0	\$0	\$0.00	Over term of lease		
1915	Office Furniture & Equipment 10yr	\$1,101,227		\$1,101,227	\$64,069	\$1,165,295.85	10	0.10	\$116,530
1915	Office Furniture & Equipment 5yr			\$0		\$0.00	5	0.20	\$0
1920	Computer - Hardware	\$1,651,698		\$1,651,698	\$541,982	\$2,193,680.24	5	0.20	\$438,736
1921	Computer - Hardware post Mar 22/04			\$0		\$0.00			
1921	Computer - Hardware post Mar 19/07			\$0		\$0.00			
1925	Computer Software	\$0		\$0	\$0	\$0.00	15	0.07	\$0
1930	Transportation Equipment	\$2,655,137		\$2,655,137	\$32,038	\$2,687,174.37	4	0.25	\$671,794
1935	Stores Equipment	\$96,338		\$96,338	\$0	\$96,338.31	10	0.10	\$9,634
1940	Tools, Shop & Garage Equipment	\$890,658		\$890,658	\$49,351	\$940,008.47	10	0.10	\$94,001
1945	Measurement & Testing Equipment	\$14,872		\$14,872	\$0	\$14,871.97	10	0.10	\$1,487
1950	Power operated Equipment	\$0		\$0	\$0	\$0.00	8	0.13	\$0
1955	Communications Equipment	\$0		\$0	\$0	\$0.00			
1960	Graphics Equipment	\$2,292,871		\$2,292,871	\$34,829	\$2,327,699.77	5	0.20	\$465,540
1965	Water Heater Rental Units			\$0		\$0.00	10	0.10	\$0
1970	Load Management Controls	\$314,982		\$314,982	\$0	\$314,981.98	10	0.10	\$31,498
1975	Load Management Controls Utility Pre	\$0		\$0	\$0	\$0.00	10	0.10	\$0
1980	System Supervisor Equipment	\$47,676		\$47,676	\$256,605	\$304,281.49	15	0.07	\$20,285
1985	Miscellaneous Fixed Assets	\$6,158		\$6,158	\$0	\$6,157.62	10	0.10	\$616
1995	Contributions & Grants	-\$27,458,350		-\$27,458,350	-\$4,336,296	-\$31,794,646.33	25	0.04	-\$1,271,786
2070	Other Utility Plant	\$771		\$771	\$0	\$771.21	15	0.07	\$51
	<b>Total</b>	\$129,907,900		\$129,907,900	\$10,215,575	\$140,123,475			\$6,658,503

Appendix 2-M - Depreciation and Amortization Expense									
		2010 Actual - CGAAP				Revised Using NO half year rule			
Account	Description	Opening Balance	Less Fully Depreciated <sup>(1)</sup>	Net for Depreciation	Additions	Total for Depreciation (e)=(c) + 1.0 x (d) <sup>(2)</sup>	Years	Depreciation Rate	Depreciation Expense
		(a)	(b)	(c) = (a) - (b)	(d)		(f)	(g) = 1 / (f)	(h) = (e) / (f)
1805	Land	\$768,123		\$768,123	\$1,873,864	\$2,641,987	Non-depreciable		
1808	Buildings	\$18,191,632		\$18,191,632	\$68,870	\$18,260,502	50	0.02	\$365,210
1810	Leasehold Improvements	\$0		\$0	\$0	\$0	Over term of lease		
1815	Transformer Station Equipment >50 kV	\$0		\$0	\$758,177	\$758,177	25	0.04	\$30,327
1820	Substation Equipment	\$1,697,266		\$1,697,266	\$11,621	\$1,708,887	25	0.04	\$68,355
1825	Storage Battery Equipment	\$0		\$0	\$0	\$0			
1830	Poles, Towers & Fixtures	\$20,579,581		\$20,579,581	\$1,696,920	\$22,276,501	25	0.04	\$891,060
1835	OH Conductors & Devices	\$17,035,390		\$17,035,390	\$844,820	\$17,880,210	25	0.04	\$715,208
1840	UG Conduit	\$34,914,467		\$34,914,467	\$2,746,085	\$37,660,552	25	0.04	\$1,506,422
1845	UG Conductors & Devices	\$33,460,819		\$33,460,819	\$2,362,380	\$35,823,198	25	0.04	\$1,432,928
1850	Line Transformers	\$17,111,497		\$17,111,497	\$1,076,256	\$18,187,753	25	0.04	\$727,510
1855	Services (OH & UG)	\$6,769,661		\$6,769,661	\$413,832	\$7,183,493	25	0.04	\$287,340
1860	Meters	\$11,338,425		\$11,338,425	-\$4,703,762	\$6,634,663	25	0.04	\$265,387
1861	Smart Meters			\$0		\$0	15	0.07	\$0
1861	Smart Meters/Communication Systems			\$0		\$0			
1905	Land	\$0		\$0	\$0	\$0	Non-depreciable		
1906	Land Rights	\$0		\$0	\$0	\$0	40	0.03	\$0
1908	Buildings & Fixtures	\$0		\$0	\$0	\$0	50	0.02	\$0
1910	Leasehold Improvements	\$0		\$0	\$0	\$0	Over term of lease		
1915	Office Furniture & Equipment 10yr	\$1,165,296		\$1,165,296	\$56,547	\$1,221,843	10	0.10	\$122,184
1915	Office Furniture & Equipment 5yr			\$0		\$0	5	0.20	\$0
1920	Computer - Hardware	\$2,193,680		\$2,193,680	\$308,896	\$2,502,577	5	0.20	\$500,515
1921	Computer - Hardware post Mar 22/04			\$0		\$0			
1921	Computer - Hardware post Mar 19/07			\$0		\$0			
1925	Computer Software	\$0		\$0	\$0	\$0	15	0.07	\$0
1930	Transportation Equipment	\$2,687,174		\$2,687,174	\$193,897	\$2,881,072	4	0.25	\$720,268
1935	Stores Equipment	\$96,338		\$96,338	\$0	\$96,338	10	0.10	\$9,634
1940	Tools, Shop & Garage Equipment	\$940,008		\$940,008	\$52,094	\$992,103	10	0.10	\$99,210
1945	Measurement & Testing Equipment	\$14,872		\$14,872	\$0	\$14,872	10	0.10	\$1,487
1950	Power operated Equipment	\$0		\$0	\$0	\$0	8	0.13	\$0
1955	Communications Equipment	\$0		\$0	\$0	\$0			
1960	Graphics Equipment	\$2,327,700		\$2,327,700	\$5,249	\$2,332,949	5	0.20	\$466,590
1965	Water Heater Rental Units			\$0		\$0	10	0.10	\$0
1970	Load Management Controls	\$314,982		\$314,982	\$0	\$314,982	10	0.10	\$31,498
1975	Load Management Controls Utility Premises	\$0		\$0	\$0	\$0	10	0.10	\$0
1980	System Supervisor Equipment	\$304,281		\$304,281	\$222,647	\$526,929	15	0.07	\$35,129
1985	Miscellaneous Fixed Assets	\$6,158		\$6,158	\$0	\$6,158	10	0.10	\$616
1995	Contributions & Grants	-\$31,794,646		-\$31,794,646	\$0	-\$31,794,646	25	0.04	-\$1,271,786
2070	Other Utility Plant	\$771		\$771	\$0	\$771	15	0.07	\$51
	<b>Total</b>	\$140,123,475		\$140,123,475	\$7,988,393	\$148,111,868			\$7,005,144

EB-2011-0123  
Guelph Hydro Electric Systems Inc.  
Part 2\_Responses to SEC Interrogatories  
Delivered October 11, 2011

Appendix 2-M - Depreciation and Amortization Expense									
Account	Description	Opening Balance	Less Fully Depreciated <sup>(1)</sup>	2010 Actual IFRS		Revised Using NO half year rule			
				Net for Depreciation	Additions	Total for Depreciation	Years	Depreciation Rate	Depreciation Expense
		(a)	(b)	(c) = (a) - (b)	(d)	(e)=(c)+ 1.0 x (d) <sup>(2)</sup>	(f)	(g) = 1 / (f)	(h) = (e) / (f)
1805	Land	\$768,123		\$768,123	\$1,873,864	\$2,641,987	Non-depreciable		
1808	Buildings	\$18,191,632		\$18,191,632	\$68,870	\$18,260,502	50	0.02	\$365,210
1810	Leasehold Improvements	\$0		\$0	\$0	\$0			
1815	Transformer Station Equipment >50 kV	\$0		\$0	\$758,177	\$758,177	30	0.03	\$25,273
1820	Substation Equipment	\$1,697,266		\$1,697,266	\$11,621	\$1,708,887	30	0.03	\$56,963
1825	Storage Battery Equipment	\$0		\$0	\$0	\$0			
1830	Poles, Towers & Fixtures	\$20,579,581		\$20,579,581	\$1,696,920	\$22,276,501	40	0.03	\$556,913
1835	OH Conductors & Devices	\$17,035,390		\$17,035,390	\$844,820	\$17,880,210	40	0.03	\$447,005
1840	UG Conduit	\$34,914,467		\$34,914,467	\$2,746,085	\$37,660,552	40	0.03	\$941,514
1845	UG Conductors & Devices	\$33,460,819		\$33,460,819	\$2,362,380	\$35,823,198	40	0.03	\$895,580
1850	Line Transformers	\$17,111,497		\$17,111,497	\$1,076,256	\$18,187,753	25	0.04	\$727,510
1855	Services (OH & UG)	\$6,769,661		\$6,769,661	\$413,832	\$7,183,493	40	0.03	\$179,587
1860	Meters	\$11,338,425		\$11,338,425	-\$4,703,762	\$6,634,663	25	0.04	\$265,387
1861	Smart Meters			\$0		\$0	15	0.07	\$0
1861	Smart Meters/Communication Systems			\$0		\$0			
1905	Land	\$0		\$0	\$0	\$0	Non-depreciable		
1906	Land Rights	\$0		\$0	\$0	\$0			
1908	Buildings & Fixtures	\$0		\$0	\$0	\$0	50	0.02	\$0
1910	Leasehold Improvements	\$0		\$0	\$0	\$0			
1915	Office Furniture & Equipment 10yr	\$1,165,296		\$1,165,296	\$56,547	\$1,221,843	10	0.10	\$122,184
1915	Office Furniture & Equipment 5yr			\$0		\$0	10	0.10	\$0
1920	Computer - Hardware	\$2,193,680		\$2,193,680	\$308,896	\$2,502,577	5	0.20	\$500,515
1921	Computer - Hardware post Mar 22/04			\$0		\$0			
1921	Computer - Hardware post Mar 19/07			\$0		\$0			
1925	Computer Software	\$0		\$0	\$0	\$0	15	0.07	\$0
1930	Transportation Equipment	\$2,687,174		\$2,687,174	\$193,897	\$2,881,072	10	0.10	\$288,107
1935	Stores Equipment	\$96,338		\$96,338	\$0	\$96,338	10	0.10	\$9,634
1940	Tools, Shop & Garage Equipment	\$940,008		\$940,008	\$52,094	\$992,103	10	0.10	\$99,210
1945	Measurement & Testing Equipment	\$14,872		\$14,872	\$0	\$14,872	10	0.10	\$1,487
1950	Power operated Equipment	\$0		\$0	\$0	\$0			
1955	Communications Equipment	\$0		\$0	\$0	\$0			
1960	Graphics Equipment	\$2,327,700		\$2,327,700	\$5,249	\$2,332,949	5	0.20	\$466,590
1965	Water Heater Rental Units			\$0		\$0	25	0.04	\$0
1970	Load Management Controls	\$314,982		\$314,982	\$0	\$314,982	10	0.10	\$31,498
1975	Load Management Controls Utility Premises	\$0		\$0	\$0	\$0			
1980	System Supervisor Equipment	\$304,281		\$304,281	\$222,647	\$526,929	15	0.07	\$35,129
1985	Miscellaneous Fixed Assets	\$6,158		\$6,158	\$0	\$6,158	10	0.10	\$616
1995	Contributions & Grants	-\$31,794,646		-\$31,794,646	\$0	-\$31,794,646	25	0.04	-\$1,271,786
2070	Other Utility Plant	\$771		\$771	\$0	\$771	15	0.07	\$51
	<b>Total</b>	\$140,123,475		\$140,123,475	\$7,988,393	\$148,111,868			\$4,744,177

Appendix 2-M - Depreciation and Amortization Expense									
		2011 Bridge Year - IFRS				Revised Using NO half year rule			
Account	Description	Opening Balance	Less Fully Depreciated (1)	Net for Depreciation	Additions	Total for Depreciation	Years	Depreciation Rate	Depreciation Expense
		(a)	(b)	(c) = (a) - (b)	(d)	(e)=(c)+ 1.0 x (d) (2)	(f)	(g) = 1 / (f)	(h) = (e) / (f)
1805	Land	\$2,641,987		\$2,641,987	\$0	\$2,641,987	Non-depreciable		
1808	Buildings	\$18,260,502		\$18,260,502	\$1,735,000	\$19,995,502	50	0.02	\$399,910
1810	Leasehold Improvements	\$0		\$0	\$0	\$0			
1815	Transformer Station Equipment >50 kV	\$758,177		\$758,177	\$9,225,000	\$9,983,177	30	0.03	\$332,773
1820	Substation Equipment	\$1,708,887		\$1,708,887	\$0	\$1,708,887	30	0.03	\$56,963
1825	Storage Battery Equipment	\$0		\$0	\$0	\$0			
1830	Poles, Towers & Fixtures	\$22,276,501		\$22,276,501	\$1,322,234	\$23,598,735	40	0.03	\$589,968
1835	OH Conductors & Devices	\$17,880,210		\$17,880,210	\$1,224,591	\$19,104,801	40	0.03	\$477,620
1840	UG Conduit	\$37,660,552		\$37,660,552	\$2,885,590	\$40,546,142	40	0.03	\$1,013,654
1845	UG Conductors & Devices	\$35,823,198		\$35,823,198	\$2,595,379	\$38,418,577	40	0.03	\$960,464
1850	Line Transformers	\$18,187,753		\$18,187,753	\$1,033,848	\$19,221,601	25	0.04	\$768,864
1855	Services (OH & UG)	\$7,183,493		\$7,183,493	\$269,265	\$7,452,758	40	0.03	\$186,319
1860	Meters	\$6,634,663		\$6,634,663	\$609,000	\$7,243,663	25	0.04	\$289,747
1861	Smart Meters			\$0		\$0	15	0.07	\$0
1861	Smart Meters/Communication Systems			\$0		\$0			
1905	Land	\$0		\$0	\$0	\$0	Non-depreciable		
1906	Land Rights	\$0		\$0	\$0	\$0			
1908	Buildings & Fixtures	\$0		\$0	\$0	\$0	50	0.02	\$0
1910	Leasehold Improvements	\$0		\$0	\$0	\$0			
1915	Office Furniture & Equipment 10yr	\$1,221,843		\$1,221,843	\$0	\$1,221,843	10	0.10	\$122,184
1915	Office Furniture & Equipment 5yr			\$0		\$0	10	0.10	\$0
1920	Computer - Hardware	\$2,502,577		\$2,502,577	\$420,000	\$2,922,577	5	0.20	\$584,515
1921	Computer - Hardware post Mar 22/04			\$0		\$0			
1921	Computer - Hardware post Mar 19/07			\$0		\$0			
1925	Computer Software	\$0		\$0	\$0	\$0	15	0.07	\$0
1930	Transportation Equipment	\$2,881,072		\$2,881,072	\$450,000	\$3,331,072	10	0.10	\$333,107
1935	Stores Equipment	\$96,338		\$96,338	\$0	\$96,338	10	0.10	\$9,634
1940	Tools, Shop & Garage Equipment	\$992,103		\$992,103	\$60,000	\$1,052,103	10	0.10	\$105,210
1945	Measurement & Testing Equipment	\$14,872		\$14,872	\$0	\$14,872	10	0.10	\$1,487
1950	Power operated Equipment	\$0		\$0	\$0	\$0			
1955	Communications Equipment	\$0		\$0	\$0	\$0			
1960	Graphics Equipment	\$2,332,949		\$2,332,949	\$50,000	\$2,382,949	5	0.20	\$476,590
1965	Water Heater Rental Units			\$0		\$0	25	0.04	\$0
1970	Load Management Controls	\$314,982		\$314,982	\$0	\$314,982	10	0.10	\$31,498
1975	Load Management Controls Utility Premises	\$0		\$0	\$0	\$0			
1980	System Supervisor Equipment	\$526,929		\$526,929	\$361,093	\$888,022	15	0.07	\$59,201
1985	Miscellaneous Fixed Assets	\$6,158		\$6,158	\$0	\$6,158	10	0.10	\$616
1995	Contributions & Grants	-\$35,235,111		-\$35,235,111	-\$2,679,000	-\$37,914,111	25	0.04	-\$1,516,564
2070	Other Utility Plant	\$771		\$771	\$0	\$771	15	0.07	\$51
	<b>Total</b>	<b>\$144,671,404</b>		<b>\$144,671,404</b>	<b>\$19,562,000</b>	<b>\$164,233,404</b>			<b>\$5,283,812</b>

The schedule calculates depreciation taking into consideration the half year rule on all current additions.

Appendix 2-M - Depreciation and Amortization Expense									
2012 Test Year IFRS									
Account	Description	Opening Balance	Less Fully Depreciated <sup>(1)</sup>	Net for Depreciation	Additions	Total for Depreciation	Years	Depreciation Rate	Depreciation Expense
		(a)	(b)	(c) = (a) - (b)	(d)	(e)=(c) + 0.5 x (d) <sup>(2)</sup>	(f)	(g) = 1 / (f)	(h) = (e) / (f)
1805	Land	\$2,641,987		\$2,641,987	\$0	\$2,641,987	Non-depreciable		
1808	Buildings	\$19,995,502		\$19,995,502	\$83,000	\$20,037,002	50	0.02	\$400,740
1810	Leasehold Improvements	\$0		\$0	\$0	\$0			
1815	Transformer Station Equipment >50 kV	\$9,983,177		\$9,983,177	\$0	\$9,983,177	30	0.03	\$332,773
1820	Substation Equipment	\$1,708,887		\$1,708,887	\$0	\$1,708,887	30	0.03	\$56,963
1825	Storage Battery Equipment	\$0		\$0	\$0	\$0			
1830	Poles, Towers & Fixtures	\$23,598,735		\$23,598,735	\$1,458,598	\$24,328,034	40	0.03	\$608,201
1835	OH Conductors & Devices	\$19,104,801		\$19,104,801	\$1,364,027	\$19,786,814	40	0.03	\$494,670
1840	UG Conduit	\$40,546,142		\$40,546,142	\$2,666,116	\$41,879,200	40	0.03	\$1,046,980
1845	UG Conductors & Devices	\$38,418,577		\$38,418,577	\$2,373,457	\$39,605,306	40	0.03	\$990,133
1850	Line Transformers	\$19,221,601		\$19,221,601	\$1,076,643	\$19,759,923	25	0.04	\$790,397
1855	Services (OH & UG)	\$7,452,758		\$7,452,758	\$278,723	\$7,592,119	40	0.03	\$189,803
1860	Meters	\$14,725,108		\$14,725,108	\$625,000	\$15,037,608	25	0.04	\$601,504
1861	Smart Meters			\$0		\$0	15	0.07	\$0
1861	Smart Meters/Communication Systems			\$0		\$0			
1905	Land	\$0		\$0	\$0	\$0	Non-depreciable		
1906	Land Rights	\$0		\$0	\$0	\$0			
1908	Buildings & Fixtures	\$0		\$0	\$0	\$0	50	0.02	\$0
1910	Leasehold Improvements	\$0		\$0	\$0	\$0			
1915	Office Furniture & Equipment 10yr	\$1,221,843		\$1,221,843	\$0	\$1,221,843	10	0.10	\$122,184
1915	Office Furniture & Equipment 5yr			\$0		\$0	10	0.10	\$0
1920	Computer - Hardware	\$3,549,349		\$3,549,349	\$500,000	\$3,799,349	5	0.20	\$759,870
1921	Computer - Hardware post Mar 22/04			\$0		\$0			
1921	Computer - Hardware post Mar 19/07			\$0		\$0			
1925	Computer Software	\$1,114,457		\$1,114,457	\$0	\$1,114,457	15	0.07	\$74,297
1930	Transportation Equipment	\$3,331,072		\$3,331,072	\$485,000	\$3,573,572	10	0.10	\$357,357
1935	Stores Equipment	\$96,338		\$96,338	\$0	\$96,338	10	0.10	\$9,634
1940	Tools, Shop & Garage Equipment	\$1,103,006		\$1,103,006	\$65,000	\$1,135,506	10	0.10	\$113,551
1945	Measurement & Testing Equipment	\$14,872		\$14,872	\$0	\$14,872	10	0.10	\$1,487
1950	Power operated Equipment	\$0		\$0	\$0	\$0			
1955	Communications Equipment	\$0		\$0	\$0	\$0			
1960	Graphics Equipment	\$2,439,448		\$2,439,448	\$159,436	\$2,519,166	5	0.20	\$503,833
1965	Water Heater Rental Units			\$0		\$0	25	0.04	\$0
1970	Load Management Controls	\$314,982		\$314,982	\$0	\$314,982	10	0.10	\$31,498
1975	Load Management Controls Utility Premises	\$0		\$0	\$0	\$0			
1980	System Supervisor Equipment	\$888,022		\$888,022	\$200,000	\$988,022	15	0.07	\$65,868
1985	Miscellaneous Fixed Assets	\$6,158		\$6,158	\$0	\$6,158	10	0.10	\$616
1995	Contributions & Grants	-\$37,914,111		-\$37,914,111	-\$2,425,000	-\$39,126,611	25	0.04	-\$1,565,064
2070	Other Utility Plant	\$771		\$771	\$0	\$771	15	0.07	\$51
	<b>Total</b>	\$173,563,480		\$173,563,480	\$8,910,000	\$178,017,709			\$5,987,346
<b>Notes:</b>									
(1)	This adjusts for assets still on the books but which have been fully amortized or depreciated.								
(2)	Applicable for the standard Board policy of the "half-year" rule, that additions in the year attract a half-year depreciation expense in the first year. Deviations from this standard practice must be supported in the application.								

- 29. [Ex. 4/2/10, p. 3-6] Please add columns to these tables showing the depreciation rates used by the Applicant for each asset category or component, as the case may be, for each of 2008 through 2012 inclusive.**

**Guelph Hydro's Response:**

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GHESI USEFUL LIFE OF ASSETS			ASSET			FACTORS <sup>1</sup>		MAINTENANCE <sup>2</sup>							
PARENT*	#	Category	Component	Type	Useful Life (Years)	OP	MP	Type	Schedule (years)	Useful Life used in Depreciating Guelph Hydro's Assets (Years)					
A2 Sub-Account:										2008 - CGAAP	2009 - CGAAP	2010 - CGAAP	2010 - MIFRS	2011 - MIFRS	2012 - MIFRS
OH	1	Fully Dressed Poles		Wood	40										
				Composite	40										
				Concrete	40	-	✓	RI	3-6	25	25	25	40	40	40
				Steel	40										
				Framing	40										
	2	Insulators		Porcelain	40										
				Glass	40	-	✓	RI	3-6	25	25	25	40	40	40
				Composite	40										
	3	Fused Cutouts			40	-	-	RI	3-6	25	25	25	40	40	40
	4	Manual Overhead Switches		Solid Blade Disconnects	40	✓	✓	RTM	2	25	25	25	40	40	40
				Gang-Operated LIS	40										
	5	Local Motorized Overhead Switches	Switch		40										
		- could be existing manual switch retrofitted with motor	Motor		20	✓	✓	RTM	2	25	25	25	40	40	40
	6	Remote Automated Switches	Switch		40										
DT		- could be existing manual switch retrofitted with motor and RTU	Motor		20	✓	✓	RTM	2	25	25	25	40	40	40
			RTU		15										
	7	Integral Switch	Switch	SCADAMate	30	✓	✓	RTM	2	25	25	25	40	40	40
			RTU		15										
	8	Conductors	Primary - see below	ACSR	40										
				AAC	40										
				Copper	40										
				Weather Protected	40										
				Insulated Wire	40										
			Primary	Single-Phase	40	-	-	RI	3-6	25	25	25	40	40	40
			Primary	Three-Phase	40										
			Neutral		40										
			Secondary	Insulated Wire	40										
			Services	Insulated Wire	40										
UG	9	Capacitor Banks		Frame and Tanks	25	-	-	RI	3-6	25	25	25	40	40	40
				Switch	25										
				RTU	15										
	10	Voltage Regulators			40	✓	-	RI	3-6	25	25	25	40	40	40
	11	Reclosers			40	✓	✓	RTM	3-6	25	25	25	40	40	40
	12	Pole Top Transformer		Single-Phase	40	-	✓	RI	3-6	25	25	25	40	40	40
				Three-Phase	40										
	13	Pole-Tran			30	✓	✓	RTM	2	25	25	25	40	40	40
	14	Pad-Mounted Transformer	Transformer	Single-Phase	40										
				Three-Phase	40	✓	-	RI	3-6	25	25	25	40	40	40
			Foundation	Single-Phase	40										
				Three-Phase	40										
	15	Network Transformer	Transformer		40										
UG			Vault		40										
			Roof		40	✓	✓	RI	2	25	25	25	40	40	40
			High Voltage Switch		40										
			Secondary Network Protector		40										
	16	Submersible Transformer	Transformer		35	✓	✓	RI	2	25	25	25	40	40	40
			Vault		40										
			Roof		25										
	17	Indoor Vault Transformer	Transformer	Single-Phase	35										
				Three-Phase	35	✓	✓	RI	2	25	25	25	40	40	40
			Vault		40										
			Roof		25										
	18	UG Switchgear	Riser Switch	Gang-Operated LIS	30										
				Solid-Blade	30										
				Fused	30										
			Air Insulated	Live-Front	30										
				Dead-Front	30	✓	✓	RI	3	25	25	25	40	40	40
			Gas Insulated		30										
UG			Solid Dielectric		30										
			Switch Base		40										
			Motor		20										
			RTU		15										
	19	Primary Cables	PILC	Three-Phase Feeder	40										
				Single-Phase Lateral	40										
				Three-Phase Lateral	40	-	-	RI	3-6	25	25	25	40	40	40
				Three-Phase Feeder	40										
				Single-Phase Lateral	25										
				Three-Phase Lateral	25										
	20	Secondary Cables	Solid Dielectric in Duct		40										
				Solid Dielectric Direct Buried	40	-	-	RI	3-6	25	25	25	40	40	40
				Solid Dielectric in Duct / DB Services	30										
	21	Ducts	Concrete Encased		40										
			PVC (Direct Buried)		40	-	-	-	-	25	25	25	40	40	40
			HDPE (Direct Buried)		40										
			FRE (Direct Buried)		40										
UG	22	Cable Chambers	Large - Manhole		40	-	✓	RTM	3	25	25	25	40	40	40
			Sidewalk / Field Vault		40										
			Sidewalk / Field Vault Roof		40										
UG	23	Junction Cubicle / Service Box	Pads/bases		30	-	✓	RTM	3	25	25	25	40	40	40
			Junction/switching cabinets		30										

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GHESI USEFUL LIFE OF ASSETS				ASSET		FACTORS <sup>1</sup>		MAINTENANCE <sup>2</sup>							
PARENT*	#	Category	Component	Type	Useful Life (Years)	OP	MP	Type	Schedule (years)	Useful Life used in Depreciating Guelph Hydro's Assets (Years)					
A2 Sub-Account:										2008 - CGAAP	2009 - CGAAP	2010 - CGAAP	2010 - MIFRS	2011 - MIFRS	2012 - MIFRS
TS & MS		Land			40										
	24	Station Grounding Transformer		TS	40	-	✓	RTM	3	25	25	25	30	30	30
	25	Station Service Transformer		TS	40	-	✓	RTM	3	25	25	25	30	30	30
				MS	40										
	26	TS Power Transformer	Overall		35										
			Bushing		35	✓	✓	RTM	2	25	25	25	30	30	30
			Tap Changer		35										
	27	MS Power Transformer	Overall		30										
			Bushing		30	✓	✓	RTM	2	25	25	25	30	30	30
			Tap Changer		30										
	28	MV Switchgear - TS	Assembly	Air Insulated	40										
				Gas (SF6) Insulated	40										
			Removable Breaker	Air Magnetic	40										
				Vacuum	40										
				SF6	40	✓	✓	RTM	6	25	25	25	30	30	30
		MV Switchgear - MS	Assembly	Air Insulated	40										
				Gas (SF6) Insulated	40										
			Removable Breaker	Air Magnetic	40										
				Vacuum	40										
				SF6	40										
	29	Independent Breakers - TS		Oil	40										
				Gas (SF6)	40	✓	✓	RTM	3	25	25	25	30	30	30
				Air Magnetic	40										
				Air Blast	40										
				Vacuum	40										
	30	Protection & Control Devices - TS	Panels		40										
			Control Cable		40										
			Relays	Electromechanical	30										
				Solid State	15										
				Digital	15	✓	-	RI	3-6	25	25	25	30	30	30
		Protection & Control Devices - MS	Panels		40										
			Control Cable		40										
			Relays	Electromechanical	30										
				Solid State	15										
				Digital	15										
	31	Station Disconnect Switch - TS	Manual Switch		40	✓	✓	RTM	6	25	25	25	30	30	30
			Remote Operated Switch		40										
			Switch Motor		40										
		Station Disconnect Switch - MS			40										
	32	DC System - TS	Batteries		20										
			Chargers		20										
			DC Distribution Equipment		20	✓	✓	RTM	1	25	25	25	30	30	30
		DC System - MS	Batteries		20										
			Chargers		20										
			DC Distribution Equipment		20										
	33	Station Grounding System - TS		Ground Grid	40										
				Neutral Reactors	40										
				Arresters	20										
				Sky Wire	40	-	-	-	-	25	25	25	30	30	30
		Station Grounding System - MS		Ground Grid	40										
				Neutral Reactors	40										
				Arresters	20										
				Sky Wire	40										
	34	Bus Work & Steel Structures		TS	40	-	-	-	-						
				MS	40										
	35	Station Building	Structure		40	-	✓	RI	1	50	50	50	50	50	50
			Roof		20										
			Fence		30										
S	36	Metering	Meter	Smart	15					15	15	15	15	15	15
				Industrial/Commercial	25					25	25	25	25	25	25
				Wholesale	25					25	25	25	25	25	25
			Transformers (CTs, PT's)		40										
	37	SCADA	Master			✓	-	-	-	5	5	5	5	5	5
			RTU	15	20										
			Battery	5	10										
	38	Remote Fault Indicators	Indicator	15	15	✓	-	-	-	5	5	5	5	5	5
			RTU	10	15										
	39	Communications		Towers	40	-	-	RI	3-6						
				Circuits	15					5	5	5	5	5	5
					15										



**30. [Ex. 4/2/10, App. A, p. 17] Please describe the differences between the assets lists provided by the utilities and the asset list used by the consultant in the end. Please provide all written “feedback” incorporated by the consultant in the Final Report.**

**Guelph Hydro’s Response:**

The asset list used in the Final Report was developed in a collaborative manner with Guelph Hydro, Cambridge and North Dumfries Hydro, Kitchener-Wilmot Hydro, and Kinectrics. The initial list was considered a draft to begin the process. This list was prepared by Kitchener-Wilmot Hydro. At a joint meeting with all the utilities participating in the study, additional asset categories were added to the list to ensure that all appropriate categories were represented.

Attached for additional information is a copy of the initial draft list as well as the final list that was used by Kinectrics to prepare the report. There was no specific written feedback provided to the consultant in this matter other than the revised draft of asset categories.

Initial Draft Asset List		
HIGH LEVEL CATEGORY	ASSET CATEGORY	ASSET TYPE
TS	Transformers	Power
		Station Grounding
	Switchgear	Gas Insulated
		Air Insulated
		Vacuum
	Breakers (Indoor & Outdoor)	Oil
		Gas (SF6)
		Air Magnetic
		Air Blast
	Relays	Vacuum
		Electromechanical
		Solid State
	Disconnect Switch	Digital
		Indoor
MS	Transformers	Outdoor
		Batteries
	Switchgear	Station Grounding System
		Bus Work and Steel Structures
		Transformers
	Switchgear	Power
		Station Grounding
		Gas Insulated
	Breakers (Indoor & Outdoor)	Air Insulated
		Vacuum
		Oil
		Gas (SF6)
	Relays	Air Magnetic
		Air Blast
		Vacuum
OH	Disconnect Switch	Electromechanical
		Solid State
	Switches	Digital
		Indoor
		Outdoor
	Batteries	Indoor
		Outdoor
	Station Grounding System	Various Types and Sizes
		Controlled switches
	Conductors	load break switches
		3 phase fused disconnect
		3 phase disconnect
		1 phase fused disconnect
		1 phase disconnect
	Voltage Regulators	Primary - Various types and sizes
		Secondary - Various types and sizes
	Capacitor Banks	
	Reclosers	

HIGH LEVEL CATEGORY	ASSET CATEGORY	ASSET TYPE
UG	Switches	Controlled switches
		load break switches
		3 ph fused disconnect
		1 ph fused disconnect
		1 ph disconnect
	Cables	Primary - Varios types and sizes
		Secondary - Various types and sizes
	Ducts	Duct Bank
		Clay
		Direct Buried Pipe (PVC)
		High Density Polyethylene (HDPE)
	Structures	Trench
		Conduit, direct
		Conduit, concrete
		Manholes
		Vaults
		Pads/bases
		Junction/switching cabinets
		Service boxes
		Junction boxes
Transformers	Various Types and Sizes	
Metering	Meters	Smart
		Residential
		Commercial
		Industrial
		Wholesale
	Remote SCADA	"Classic"
		IED Based
	CT's	
	PT's	
	Fault Indicators	
SCADA	Controllers	
	Radios	
	RTU's	

Final Asset List		
HIGH LEVEL CATEGORY	ASSET CATEGORY	ASSET TYPE
TS	Transformers	Power
		Station Grounding
		Station Service
	Switchgear	Gas Insulated
		Air Insulated
		Vacuum
	Breakers (Indoor & Outdoor)	Oil
		Gas (SF6)
		Air Magnetic
		Air Blast
	Relays	Vacuum
		Electromechanical
		Solid State
	Disconnect Switch	Digital
		Indoor
	Batteries	Outdoor
	Station Grounding System	
	Bus Work and Steel Structures	
MS	Transformers	Power
		Station Grounding
		Station Service
	Switchgear	Gas Insulated
		Air Insulated
		Vacuum
	Breakers (Indoor & Outdoor)	Oil
		Gas (SF6)
		Air Magnetic
		Air Blast
	Relays	Vacuum
		Electromechanical
		Solid State
	Disconnect Switch	Digital
		Indoor
	Batteries	Outdoor
	Station Grounding System	
	Bus Work and Steel Structures	
OH	Poles	Wood
		Concrete
		Steel
		Composite
	Switches	Remote Controlled Switches
		Load Interrupter Switches
		3 phase Disconnect Switches
		3 phase Fused Disconnects
		1 phase Fused Disconnects
	Conductors	Primary - Various types and sizes
		Secondary - Various types and sizes
	<del>Voltage Regulators</del>	<i>see transformers</i>
	<del>Capacitor Banks</del>	<i>see transformers</i>
	Reclosers	

HIGH LEVEL CATEGORY	ASSET CATEGORY	ASSET TYPE
UG	Switches	3 ph Remote Controlled Pad Switches (ie PMH)
		3 ph Pad Mounted Switches (ie PMH)
		Pad Mounted Switches (ie Kabar elbow connected)
		3 phase Fused Disconnects (risers)
		1 phase Fused Disconnects (risers)
		3 phase Solid Blade Disconnects (risers)
		Other Indoor Switches
	Cables	Primary - Various types and sizes
		Secondary - Various types and sizes
	Structures	Trench
		Conduit, Direct Buried PVC
		Conduit, Concrete Encased PVC
		Conduit, FRE
		Conduit, Other
		Manholes
		Vaults
		Pads/bases
		Junction/switching cabinets
		Service boxes
		Junction boxes
Transformers	Pole-mounted	Various types and sizes
	Pad-mounted	Various types and sizes
	Indoor vault	Various types and sizes
	Submersible	Various types and sizes
	Other	Various types and sizes
	Voltage Regulators	Various types and sizes
	Capacitor Banks	Various types and sizes
Metering	Meters	Smart
		Residential
		Commercial
		Industrial
		Wholesale
	Remote SCADA	"Classic"
		IED Based
	CT's	
	PT's	
	Fault Indicators	
SCADA	Controllers	
	Radios	
	RTU's	

**Issue 4.4 Are the 2012 compensation costs and employee levels appropriate?**

**31. [Ex. 1/1/13] With respect to the organization chart of the utility:**

- m. For each person on this chart that provides services to more than just the utility, please provide a table showing the total amount of costs associated with their function (compensation, overheads, other direct costs, etc.), the entity initially bearing the costs, the amount allocated to the utility and to each affiliate of the utility, and the basis of allocation.

**Guelph Hydro's Response:**

The following positions/people on the chart provide services to more than just the utility. Each year is assessed to determine the % to be allocated to the utility, versus affiliated companies.

<b>Guelph Hydro (LDC) Position/ Employees</b>	<b>Entity initially bearing the cost</b>	<b>Basis of Allocation 2011</b>		<b>Basis of Allocation 2012</b>	
		<b>% FTE allocated to Guelph Hydro (LDC) FTE</b>	<b>% FTE allocated to Guelph Hydro Inc.</b>	<b>% FTE allocated to Guelph Hydro (LDC) FTE</b>	<b>% FTE allocated to Guelph Hydro Inc.</b>
COO	Guelph Hydro (LDC)	85% FTE	15% FTE	85% FTE	15% FTE
VP, HR	Guelph Hydro (LDC)	70% FTE	30% FTE	70% FTE	30% FTE
Director, Communications	Guelph Hydro (LDC)	50% FTE	50% FTE	50% FTE	50% FTE
Payroll Officer	Guelph Hydro (LDC)	85% FTE	15% FTE	85% FTE	15% FTE
HR/Payroll Advisor	Guelph Hydro (LDC)	85% FTE	15% FTE	85% FTE	15% FTE
Executive Assistant	Guelph Hydro (LDC)	0% FTE	100% FTE	0% FTE	100% FTE
Administrative Assistant	Guelph Hydro (LDC)	50% FTE	50% FTE	50% FTE	50% FTE
Communications Specialist (2012 only)	Guelph Hydro (LDC)	NA	NA	50% FTE	50% FTE
<b>TOTAL COMPENSATION ALLOCATED TO EACH COMPANY</b>		\$583,514	\$308,768	\$680,082	\$394,876

<b>10% mark- up for any allocation flowing out Guelph Hydro (LDC) *Note 0% mark- up for any allocation flowing out of affiliates to Guelph Hydro LDC</b>		0	\$30,876	0	\$39,488
<b>TOTAL ALLOCATED TO EACH COMPANY FLOWING OUT OF GUELPH HYDRO (LDC)</b>		\$583,514	\$339,645	\$680,082	\$434,364
<b>Guelph Hydro Inc. Positions/ Employees</b>					
CFO	Guelph Hydro Inc.	75% FTE	25% FTE	75% FTE	25% FTE
Corporate Secretary	Guelph Hydro Inc.	40% FTE	40% FTE	40% FTE	40% FTE
Manager of Corporate Development	Guelph Hydro Inc.	25% FTE	75% FTE	25% FTE	75% FTE
Project Manager (2011 only)	Guelph Hydro Inc.	50% FTE	50% FTE	NA	NA
Document Management Specialist	Guelph Hydro Inc.	50% FTE	50% FTE	50% FTE	50% FTE
Confidential Office/Project Administrator	Guelph Hydro Inc.	25% FTE	75% FTE	25% FTE	75% FTE
<b>TOTAL COMPENSATIO N ALLOCATED TO EACH COMPANY</b>		\$351,735	\$358,145	\$309,772	\$316,519

<b>FLOWING OUT OF GUELPH HYDRO INC.</b>					
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The public disclosure of particulars relating to the salary detail of specific employees, constitute an unjustified invasion of personal privacy under the *Freedom of Information and Protection of Privacy Act*. Guelph Hydro will file additional information in this regard (please see Guelph Hydro's response to SEC Interrogatory # 25 and Appendix Guelph\_IRR\_SEC\_#25 filed with the Board in confidence).



**36. [Ex. 4/2/6, p. 6] Please advise the amounts included for annual performance amounts for each of 2011 and 2012, and where they are included in the OM&A table.**

**Guelph Hydro's Response:**

The amounts included for annual performance amounts are as follows:

2011 – \$ 279,000  
2012 \$ 292,000

These amounts are included in account #5610 in the OM&A table.

## **MODIFIED INTERNATIONAL FINANCIAL REPORTING STANDARDS**

### **Issue 11.1 Is the proposed revenue requirement determined using modified IFRS appropriate?**

**51. [Ex. 1/2/4, p. 3] Please provide a detailed breakdown (explanatory and numeric) of all impacts of IFRS (as compared to CGAAP) on the Historical Year and Bridge Year costs, revenues, and rate base, and the Test Year revenue requirement, including but not limited to differences in depreciation rates or methods, inclusion of asset retirement obligations, differences in pension and OPEB accounting, and changes in amounts capitalized. Please provide details of all changes in capitalization policy resulting from the change to IFRS on January 1, 2011.**

#### **Guelph Hydro's Response:**

Please refer to the following schedules which provide a detailed breakdown (explanatory and numeric) of all impacts of IFRS as compared to IFRS:

- Ex. 2/1/3      Appendix A: IFRS Impact
- Ex. 4/2/6      Variance Analysis on OM&A Costs
- Appendix Guelph\_BoardStaff\_IRR\_#3 – Transition to MIFRS Analysis