



October 18, 2011
Sent by courier, email, and RESS

Kirsten Walli
Board Secretary
Ontario Energy Board,
2300 Yonge St.
Suite 2700, P.O. Box 2319
Toronto, Ontario
M4P 1E4
Canada

Dear Ms. Walli:

Re: OEB File No. EB-2011-0123
Guelph Hydro Electric Systems Inc. (Guelph Hydro)
2012 Electricity Distribution Rate Application

Guelph hydro has noticed that four tables included in its responses to Energy Probe and VECC interrogatories are not legible. In order to provide clarity of its responses, and expedite the proceedings on the above matter, Guelph Hydro attached to this letter its responses accompanied by the corresponding tables in a larger format. No changes were done to the original responses.

The interrogatories updated with corresponding table in a larger format are:

Energy Probe Interrogatories:
16 (a)
VECC Interrogatories:
5 (a), 16 (a), 31 (b)

Should there be any questions, please do not hesitate to contact me.

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read "C. Birceanu", is written over the typed name.

Cristina Birceanu

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PROCEDURAL ORDER NO.1

GUELPH HYDRO ELECTRIC SYSTEMS INC. ("Guelph Hydro")

LEGIBLE VERSIONS OF RESPONSES TO THE ENERGY PROBE AND VECC

INTERROGATORIES ON

2012 ELECTRICITY DISTRIBUTION COST OF SERVICE RATES

FILE NUMBER EB-2011-0123

ENERGY PROBE

Issue 3.3 Is the impact of CDM appropriately reflected in the load forecast?

Interrogatory # 16

Ref: Exhibit 3, Tab 2, Sch. 1, page 8

- a) How does the kW reduction shown in the table at the bottom of page 8 and the resulting overall kW forecast impact on the revenue forecast, the cost of power or any other component of the revenue requirement?**

Guelph Hydro's response:

Guelph Hydro has calculated and estimated impact on 2012 COP as a decrease of 1.04% (0.16% decrease on the working capital allowance) and the impact on total base revenue requirement as a decrease of 1% (see a detailed calculation below). Please note that the reduction in the 2012 COP was already taken into consideration in the application; the forecast kWh and kW used to calculate the COP were adjusted by the CDM targets (kWh and kW).

<u>Electricity - Commodity</u>			Test year				%		RPP and Non-RPP Cost of Power		
	2012 Forecasted Metered kWhs	2012 Proposed Loss Factor	Kwhs adjusted by DLF	RPP Prices	HOEP	Global Adjustm ent	RPP	Non-RPP	RPP \$	Non-RPP \$	Total Cost Of Power
Residential	14,315,400	1.0209	14,614,306	0.07298	0.03594	\$0.02822	86.96%	13.04%	\$927,486	\$122,259	\$1,049,745
GS<50kW	795,300	1.0209	811,906	0.07298	0.03594	\$0.02822	85.03%	14.97%	\$50,383	\$7,798	\$58,181
GS 50kW to 999kW	795,300	1.0209	811,906	0.07298	0.03594	\$0.02822	0.00%	100.00%	\$0	\$52,092	\$52,092
GS 1000kW to 4999kW		1.0209	0	0.07298	0.03594	\$0.02822	0.00%	100.00%	\$0	\$0	\$0
Large Use		1.0209	0	0.07298	0.03594	\$0.02822	0.00%	100.00%	\$0	\$0	\$0
Unmetered Scattered Load		1.0209	0	0.07298	0.03594	\$0.02822	0.00%	100.00%	\$0	\$0	\$0
Sentinel Lighting		1.0209	0	0.07298	0.03594	\$0.02822	99.62%	0.38%	\$0	\$0	\$0
Street Lighting		1.0209	0	0.07298	0.03594	\$0.02822	2.80%	97.20%	\$0	\$0	\$0
TOTAL	15,906,000		16,238,118						\$977,870	\$182,149	\$1,160,018

<u>Transmission - Network</u>		Volume	Test Year		
<u>Class per Load Forecast</u>		Metric			
Residential		kWh	14,614,306	\$0.0067	\$97,655
GS<50kW		kWh	811,906	\$0.0062	\$5,001
GS 50kW to 999kW		kW	167	\$2.6452	\$442
GS 1000kW to 4999kW		kW		\$2.6452	\$0
Large Use		kW		\$3.1944	\$0
Unmetered Scattered Load		kWh		\$0.0062	\$0
Sentinel Lighting		kW		\$1.9524	\$0
Street Lighting		kW		\$2.3492	\$0
TOTAL					\$103,098

CDM Targets	2011	2012	2013	2014	Final CDM targets
kW	1,671	3,342	5,013	6,684	16710
kWh	7,953,000	15,906,000	23,859,000	31,812,000	79,530,000

Assumptions:	
CDM targets are addressed to:	
Residential	90%
GS<50 kW	5%
GS>50 kW	5%

VECC Load Forecast and Operating Revenue

Issue 3.1 Is the load forecast methodology including weather normalization appropriate?

IR 5) Reference: Exhibit 3, Tab 2, Schedule 1, pages 4-5 /OEB Staff #15

- a) Please provide the multifactor regression outputs (per page 5, lines 3-4) for two additional model specifications: one excluding Ontario Real GDP and a second excluding Manufacturing GDP.

Guelph Hydro's Response:

VECC_Q5_Ontario Real GDP Excluded								
SUMMARY OUTPUT								
Regression Statistics								
Multiple R	0.92							
R Square	0.84							
Adjusted R Square	0.84							
Standard Error	3,674,323.15							
Observations	156.00							
ANOVA								
	df	SS	MS	F	Significance F			
Regression	7	1.08373E+16	1.54818E+15	114.6743746	1.65668E-56			
Residual	148	1.9981E+15	1.35007E+13					
Total	155	1.28353E+16						
	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 95.0%	Upper 95.0%
Intercept	-120,323,153.23	13,486,121.48	-8.92	0.00	-146,973,380.80	-93,672,925.65	-146,973,380.80	-93,672,925.65
Heating Degree Days	29,194.94	2,036.07	14.34	0.00	25,171.41	33,218.46	25,171.41	33,218.46
Cooling Degree Days	80,694.80	7,288.66	11.07	0.00	66,291.52	95,098.08	66,291.52	95,098.08
Number of Days in Month	2,012,149.02	384,865.47	5.23	0.00	1,251,607.73	2,772,690.32	1,251,607.73	2,772,690.32
Population	763.34	36.78	20.75	0.00	690.66	836.03	690.66	836.03
Number of Peak Hours	78,954.86	19,105.20	4.13	0.00	41,200.64	116,709.08	41,200.64	116,709.08
Blackout Flag	-13,782,868.67	3,757,176.50	-3.67	0.00	-21,207,509.54	-6,358,227.79	-21,207,509.54	-6,358,227.79
Manufacturing GDP	687,572.03	47,315.89	14.53	0.00	594,070.04	781,074.01	594,070.04	781,074.01

VECC_Q 5_Manufaturing GDP excluded								
Version 1 - Seven variables								
SUMMARY OUTPUT								
<i>Regression Statistics</i>								
Multiple R	0.90							
R Square	0.81							
Adjusted R Square	0.80							
Standard Error	4,031,251.67							
Observations	156.00							
ANOVA								
	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>			
Regression	7	1.04302E+16	1.49003E+15	91.68848379	1.37152E-50			
Residual	148	2.40515E+15	1.6251E+13					
Total	155	1.28353E+16						
	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>	<i>Lower 95%</i>	<i>Upper 95%</i>	<i>Lower 95.0%</i>	<i>Upper 95.0%</i>
Intercept	-34,826,723.89	13,428,319.70	-2.59	0.01	-61,362,728.07	-8,290,719.71	-61,362,728.07	-8,290,719.71
Heating Degree Days	29,515.91	2,232.95	13.22	0.00	25,103.33	33,928.49	25,103.33	33,928.49
Cooling Degree Days	82,345.13	7,991.76	10.30	0.00	66,552.44	98,137.81	66,552.44	98,137.81
Ontario Real GDP Monthly %	669,548.20	54,599.33	12.26	0.00	561,653.24	777,443.17	561,653.24	777,443.17
Number of Days in Month	1,975,803.41	422,257.22	4.68	0.00	1,141,371.42	2,810,235.39	1,141,371.42	2,810,235.39
Population	-190.58	71.78	-2.65	0.01	-332.43	-48.73	-332.43	-48.73
Number of Peak Hours	98,997.21	20,896.98	4.74	0.00	57,702.21	140,292.21	57,702.21	140,292.21
Blackout Flag	-15,510,647.24	4,125,125.66	-3.76	0.00	-23,662,400.72	-7,358,893.76	-23,662,400.72	-7,358,893.76

Issue 3.5 Is the test year forecast of other revenues appropriate?

IR 16) Reference: Exhibit 3, Tab 3, Schedule 1, page 3 /Exhibit 3, Tab 3, Schedule 2, pages 4-5

- a) Please provide a schedule that groups the accounts and values by year shown on page 5 into the three specific categories used in the Table on page 3.

Guelph Hydro's Response:

Guelph Hydro has corrected the Summary of Other Distribution Revenue to include the Interest and Dividend Income. Please see the table on the following page.

Rate Design

Issue 8.1 Are the fixed to variable splits for each class appropriate?

IR 31) Reference: Exhibit 8, Tab 1, Schedule 2, pages 7-8 Exhibit 7, Tab 1, Schedule 2, page 1.

- b) Please provide two revised versions of the summary on page 8 (Exhibit 8, Tab 1, Schedule 2) based on the 2012 Cost Allocation updated per the Board's August 5th Letter where one includes and a second excludes miscellaneous revenues.

Guelph Hydro's Response:

Summary

Version 1 - includes miscellaneous revenues

Customer Unit Cost per month - Avoided Cost

Customer Unit Cost per month - Directly Related

Customer Unit Cost per month - Minimum System with PLCC Adjustment

Fixed Charge per approved 2011 IRM

Proposed Monthly 2012 Fixed Charges

1	2	3	4	5	6	7	8
Residential	General Service Less than 50 kW	General Service 50 to 999 kW	General Service Greater 1,000 to 4,999 kW	Large Use	Street Lighting	Sentinel Lighting	Unmetered Scattered Load
\$8.43	\$19.69	\$104.28	\$144.43	\$415.79	\$0.00	\$0.52	\$1.83
\$11.53	\$26.33	\$146.34	\$211.05	\$606.01	\$0.00	\$0.88	\$3.10
\$20.95	\$33.20	\$163.57	\$229.86	\$639.53	\$8.58	\$9.31	\$9.69
\$13.41	\$12.26	\$230.69	\$620.07	\$907.62	\$0.23	\$6.53	\$5.48
\$13.41	\$12.26	\$171.14	\$1,288.73	\$2,065.23	\$0.32	\$7.00	\$5.61

Summary

Version 2 - excludes miscellaneous revenues

Customer Unit Cost per month - Avoided Cost

Customer Unit Cost per month - Directly Related

Customer Unit Cost per month - Minimum System with PLCC Adjustment

Fixed Charge per approved 2011 IRM

Proposed Monthly 2012 Fixed Charges

1	2	3	4	5	6	7	8
Residential	General Service Less than 50 kW	General Service 50 to 999 kW	General Service Greater 1,000 to 4,999 kW	Large Use	Street Lighting	Sentinel Lighting	Unmetered Scattered Load
\$8.60	\$20.40	\$105.26	\$148.26	\$422.98	\$0.01	\$0.52	\$1.84
\$11.71	\$27.03	\$147.32	\$214.88	\$613.20	\$0.01	\$0.88	\$3.11
\$21.12	\$33.91	\$164.55	\$233.70	\$646.72	\$8.59	\$9.32	\$9.70
\$13.41	\$12.26	\$230.69	\$620.07	\$907.62	\$0.23	\$6.53	\$5.48
\$13.41	\$12.26	\$171.14	\$1,288.73	\$2,065.23	\$0.32	\$7.00	\$5.61