Response to Vulnerable Energy Consumers Coalition (VECC) Interrogatories

Grimsby Power Inc.

2012 Distribution Rate Application

Board File No. EB-2011-0273

November 9, 2011

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General

1.0 Reference: Exhibit 1, page 27

a) The Conditions of Service posted on Grimsby Power's website appear not have any reference to recent provisions set by the OEB for low income consumers. If this is correct does Grimsby intend to amend it conditions of service to allow low-income consumers to understand provisions related to security deposits and other relevant services?

Grimsby Power Inc.'s Response:

Grimsby Power Inc.'s Conditions of Service make reference to Billing Information in Section 2.4.4 and Payments and Interest Charges in Section 2.4.5. Based on the new provisions for low income consumers as set out by the OEB, Grimsby Power Inc. will need to update its Conditions of Service so that customers are informed of the new provisions.

Rate Base

2.0 Reference: Exhibit 2, page 24

a) Please indicate if there has been any change in the (informal) capitalization policy of Grimsby Power since 2006. Specifically address whether the $500 capitalization threshold has changed since 2006.

Grimsby Power Inc.'s Response:

Please refer to Board Staff IR # 58(d).

Grimsby Power Inc. discusses its Capitalization Policy starting in Exhibit 2 – Page 9 of 65.

Grimsby Power Inc. has not changed its $500 capitalization threshold since 2006.

b) Has Grimsby Power reviewed any of the capitalization policies of other electrical distributors filed with the Ontario Energy Board? If so, are the informal policies of Grimsby inconsistent in any significant manner?

Grimsby Power Inc.'s Response:

Grimsby Power Inc.'s capitalization policies are discussed starting in Exhibit 2 – Page 9 of 65. Grimsby Power Inc. has not undertaken a study to determine how its policies/practices measure or compare against other LDC's.

3.0 Reference: Exhibit 2, page 25

a) Please file the KPMG study which supports the change in asset lives.

Grimsby Power Inc.'s Response:

The documentation provided by KPMG was included in the rate application filing in Exhibit 4 as Appendix 4.3.

4.0 Reference Appendix 2.1 DAMP, page 13

a) In its Asset Management Plan (DAMP), Grimsby notes that formal performance benchmarks for assessing the success of the plan have not been established, but that a "a number of initiatives have been undertaken to develop data systems from which performance measures can be developed." Please explain what performance measures are being considered and what type of data is being considered in support of these measures.

Grimsby Power Inc.'s Response:

As stated in Grimsby Power Inc.'s DAMP performance benchmarks have not been established. Further work is required to establish benchmarks and this would be considered a future project to be undertaken by Grimsby Power Inc.'s Engineering and Operations Department. However, some general comments are as follows.

Asset performance can only be measured if performance data is available in order to create performance information. The main systems currently available to Grimsby Power Inc. to track asset data and asset performance data are as follows:

- Databases to capture such items as asset attributes, inspection & maintenance records, failure information, etc.
- GIS – Geographical interface with asset data
- CIS – Consumption and loading data
- ODS – Data on system reliability

Performance measures possibly would include:

- Expected asset life vs. actual life
- Failure rates per asset category and per sub-type of asset – possibly by manufacturer, size, loading, etc.
- Financial performance such as accumulated maintenance costs vs. depreciation

5.0 Reference Appendix 2 DAMP, page 34, Exhibit 2, page 25

a) What change to the 2012 capital budget was made due to the change in asset depreciations in moving to (M)IFRS?

Grimsby Power Inc.'s Response:

There were no changes made to the capital budget as a result of restating the useful lives resulting from the transition from CGAAP to MIFRS.

Under CGAAP the general depreciation life of most distribution assets was set at 25 years. Grimsby Power Inc.'s long held strategy was to replace the distribution system within this time frame. However, experience has shown that the real asset lives of distribution equipment often exceed 25 years and as such a change in strategy may be warranted. It is anticipated that future spending patterns will need to be established based on the increased life of the assets.

6.0 Reference Appendix 2.1 DAMP, page 23. The purpose of this interrogatory is to better understand the meaning of the table shown at page 23.

a) In respect to section 3.1, "Asset Management Systems", please explain the meaning of the term "asset attributes" and the meaning of the term "% of asset attributes know."

Grimsby Power Inc.'s Response:

"Asset Attributes" are valuable information gathered about the electrical distribution system infrastructure.

Example:

A "Transformer Asset" would have some of the following data attributes collected and recorded:

- Location Number
- Serial Number
- Manufacture
- Installed Date
- Year of Manufacture
- Oil Capacity
- Mass
- Tap Setting
- Primary Voltage
- Secondary Voltage
- Style - Pad Mount or Pole Mount
- Etc.

"% of asset attribute known" is a percentage of the attribute fields that have known information collected, example, Transformer Serial Number, if known is recorded or field is left blank for non legible nameplates.

b) Please explain why for "Gang Operated Overhead Switches" the % of asset attributes known" is 100%, yet the % of condition data collected is only 5%.

Grimsby Power Inc.'s Response:

In years past, Grimsby Power Inc. did not have a maintenance program implemented for the gang operated switches and therefore, did not have condition data collected.

We have since implemented a maintenance program for our gang operated switches and at the time of submitting our Cost of Service documents only 5% of the switches have been visited. This percentage will increase moving forward as maintenance is being performed on the gang operated switches.

7.0 Reference Appendix 2.1 DAMP, page 34

a) Did any outside consultant or other third party assist Grimsby in the development of its asset management plan?

Grimsby Power Inc.'s Response:

Grimsby Power Inc. developed its Distribution Asset Management Plan with internal resources only. The asset management plan submitted with Haldimand County Hydro Inc.'s rate application EB-2009-0265 is recognized (by some LDC's) as being a good plan in industry circles. This plan was utilized as a standard for the creation of Grimsby Power Inc.'s plan.

b) In support of not hiring a third party to assess distribution assets, Grimsby makes the assertion that its records of asset age and condition was excellent and in GPI's opinion better than most LDCs. On what basis or evidence is this statement made.

Grimsby Power Inc.'s Response:

This statement is a judgement based on Grimsby Power Inc.'s Engineering Department's informal discussions with other utilities with respect to their distribution asset management activities and the condition of their assets. This statement is Grimsby Power Inc.'s opinion only and is not based on any formal evidence.

Load and Customer Forecast

8.0 Reference: Exhibit 3, pages 10-12

Grimsby's Weather Normalization Regression Model,

Purchased Power Model Tab

a) Please provide the multifactor regression outputs (per pages 11-12) for one additional model specification where Ontario Real GDP is used instead of Number of Customers.

Grimsby Power Inc.'s Response:

Under this scenario, Grimsby Power Inc's Monthly Predicted kWh Purchases

= Heating Degree Days * 2,826

+ Cooling Degree Days * 35,800

+Number of Days in Month * 451,869

+Spring Fall Flag * (901,613)

+ Ontario Real GDP Index * 116,333

+ Intercept of (15,896,778)

Statistical Results	
Statistic Value	
R Square	90.40%
Adjusted R Square	90.06%
F-Test	260.0
T-stats by Coefficient	
Intercept	-8.03
Heating Degree Days	8.86
Cooling Degree Days	14.55
Number of Days in Month	7.24
Spring Fall Flag	-6.69
Ontario Real GDP (Monthly)	22.29

b) If, from the results of part (a), the coefficient for GDP has a positive sign and is statistically significant and Adjusted R Squared Value exceeds 0.90, please provide projections for 2011 and 2012 purchases based on the model from part (a).

Grimsby Power Inc.'s Response:

The coefficient for GDP has a positive sign, is statistically significant (t-stat coefficient of 22.29), and has an Adjusted R Squared value of just over 0.90. The predicted purchases under the normalized model for 2011 and 2012 would be as follows:

	Predicted Purchases (kWh)
2011	183,865,924
2012	188,151,268

The following table shows the requested model (shaded) in comparison to the original model and two other models that incorporate the Real GDP Index.

	Predicted Purchases (kWh) - original model	Predicted Purchases (kWh) - GDP replacing Nbr Customers	Predicted Purchases (kWh) - Nbr Customers and GDP	Predicted Purchases (kWh) - with Peak Hours
2011	188,013,819	183,865,924	187,702,966	187,726,031
2012	190,071,518	188,151,268	190,000,324	190,002,041
Independent Variables	Heating Degree Days	Heating Degree Days	Heating Degree Days	Heating Degree Days
	Cooling Degree Days	Cooling Degree Days	Cooling Degree Days	Cooling Degree Days
	Number of Days in Month	Number of Days in Month	Number of Days in Month	Number of Days in Month
	Spring / Fall Flag	Spring / Fall Flag	Spring / Fall Flag	Spring / Fall Flag
	Number of Customers	Real GDP Index	Number of Customers	Number of Customers
			Real GDP Index	Real GDP Index
				Number of Peak Hours
Adjusted R-Squared	91.92%	90.06%	91.88%	91.83%
Standard Error	529,018	586,663	530,202	531,843
Number of Observations	144	144	144	144

The standard error of the requested model increased by 11% and the adjusted R-squared value decreased in comparison to the original model. The other models that incorporated GDP also included Number of Customers, and did not show significant change in standard error or adjusted R-squared values. Thus, users can have more confidence in the original model as a predictor of energy purchases than in the requested model.

9.0 Reference: Exhibit 3, page 13

a) The last paragraph first states that weather normalization is based on temperature data from January 1999 to December 2010 (12 years). The paragraph then goes on to mention a "10 year average value" and the use of January 2000 to December 2010 (11 years) data. Please reconcile and clarify the years used to define "weather normal".

Grimsby Power Inc.'s Response:

The years used in the weather normalization data are from January 1999 to December 2010 inclusive (12 years).

There are two errors in the second and third sentences of the paragraph in question. The sentences currently read:

> *The 2012 weather normalized 10 year average value represents the average heating degree days and cooling degree days that occurred from January 2000 to December 2010. The 2012 weather normalized 20 year trend value reflects the trend in monthly heating degree days and cooling degree days that occurred from January 1990 to December 2010.*

The year '2000' should be '2001'. The year '1990' should be '1991'. The two sentences should read as follows:

> *The 2012 weather normalized 10 year average value represents the average heating degree days and cooling degree days that occurred from January 2001 to December 2010. The 2012 weather normalized 20 year trend value reflects the trend in monthly heating degree days and cooling degree days that occurred from January 1991 to December 2010.*

10.0 Reference: Exhibit 3, pages 12-13

a) Please provide a table that sets out for 2009 and 2010 the following:

- The actual purchases for each year
- The actual HDD and CDD values for each year
- The "weather normal" HDD and CDD values for each year (as defined by Grimsby)
- The HDD and CDD coefficients per Grimsby's regression model
- The weather normal adjustment for each year based on the product of a) the HDD and CDD coefficients and b) the differences between the actual and "weather normal" values for HDD and CDD respectively.
- The estimated "weather normal purchases" calculated by adjusting actual purchases by the values calculated in the preceding bullet.

Grimsby Power Inc.'s Response:

	2009	2010
Actual Purchases	179,620,065	188,942,673
Actual HDD values	3,985	3,679
Actual CDD values	137	313
"Weather Normal" HDD values	3,843	3,843
"Weather Normal" CDD values	278	278
HDD coefficients for GPI regression model	2,920	2,920
CDD coefficients for GPI regression model	36,689	36,689
Weather Normal adjustment based on the product of HDD and CDD coefficients, and the differences between actual and weather normalized HDD and CDD values respectively	(4,758,509)	805,199
Estimated "weather normal purchases" calculated by adjusting actual purchases by the values derived in the row above	184,378,574	188,137,474

Reference: Exhibit 3, page 10

Grimsby's Weather Normalization Regression Model,

Purchased Power Model Tab

a) What are the sources for the 2011 and 2012 projected values for Ontario Real GDP?

Grimsby Power Inc.'s Response:

The Ontario Real GDP projected values were derived from percent growth in real GDP data reported on the Ontario Ministry of Finance website.

Specifically, they are from the 2010 Ontario Economic Outlook and Fiscal Review – 2010 Fall Update. A base month of December 1997 was used, and percent growth values were applied in each month to increment the index. The website provided both historical and projected growth rates for 2011 and 2012, and an Excel worksheet was used to facilitate the projection calculations.

11.0 Reference: Exhibit 3, page 15

a) Please provide the actual customer count, by class, as of June 30, 2011.

Grimsby Power Inc.'s Response:

Grimsby Power Inc.'s customer counts by class as of June 30, 2011 are as follows:

- Residential 9,431
- GS<50 665
- GS>50 111
- USL 81
- Street Lights 2,547

12.0 Reference: Exhibit 3, Tab 2, Schedule 1, pages 8-9

a) Please describe the current status of Grimsby's 2011 CDM program activity.

Grimsby Power Inc.'s Response:

Grimsby Power Inc. has subcontracted Burman Energy Consultants Group Inc. to deliver and manage the 2011 to 2014 OPA CDM programs. There has been steady activity to date as noted in the table below:

Grimsby Power Inc. CDM Program Activity

	Initiative	Activity Description
Consumer Program		
	Appliance Retirement	71 Appliances, by end of second Quarter
	HVAC Incentives	53 completed by end of second Quarter
	Residential Demand Response	72 completed by end of second Quarter
Business Program		
	Electricity Retrofit Incentive	3 pre-approved; 3 still under review
	Direct Installed Lighting	13 completed, all in third Quarter
Industrial Program		
	Demand Response 3	1 completed by end of second Quarter
Pre-2011 Programs		
	Completed in 2011	2 completed by end of second Quarter

(*Note that some reporting is only available to the end of the second* Quarter and numbers reflect 2011 activity only)

b) Please complete the following schedule setting out the annual and cumulative energy savings anticipated from Grimsby's CDM programs (Note: xx designates areas where there should be entries and Total Cumulative Savings as of 2014 should equate to Grimsby's 7.76 GWh target).

	YEAR			
Program Year	2011	2012	2013	2014
2011 Programs	xx	xx	xx	xx
2012 Programs		xx	xx	xx
2013 Programs			xx	xx
2014 Programs				xx
Total Annual Savings	xx	xx	xx	xx
Total Cumulative Savings	xx	xx	xx	xx

Grimsby Power Inc.'s Response:

Grimsby Power Inc. is providing the following energy savings chart which has been derived using the OPA resource planning tool in April of this year:

	Electricity (kWh)			
Program Year	2011	2012	2013	2014
2011 Programs	697,370	697,370	697,370	697,370
2012 Programs		896,080	896,080	896,080
2013 Programs			782,110	782,110
2014 Programs				791,260
Total Annual Savings	697,370	1,593,450	2,375,560	3,166,820
Total Cumulative Savings	697,370	2,290,820	4,666,380	7,833,200

13.0 Reference: Exhibit 3, pages 10, 14 and 25

a) Page 25 indicates that the 190.0 GWh value for 2012 purchases is prior to the CDM adjustment. Page 14 indicates that 190.0 GWh of purchases translates into 181.7 GWh of sales. Page 25 indicates that the total forecast sales for 2012 are 181.7 GWh. As result, it is not clear that the purchases and sales forecast for 2012 have been adjusted for CDM as discussed on page 10. Please reconcile.

Grimsby Power Inc.'s Response:

On page 25, Table 3.18 incorrectly indicates that purchases are before CDM adjustment. (the revised table is as shown below) The purchases indicated do incorporate an adjustment for CDM savings as follows:

- 2011: 776,000 kWh
- 2012: 1,552,000 kWh

The unadjusted amounts purchased in 2011 and 2012 would be as follows:

- 2011: 188,789,819 kWh
- 2012: 191,623,518 kWh

Thus, the 190.0 GWh of 2012 purchases discussed on page 14 already incorporates the CDM adjustment, and translates as mentioned on page 14 to 181.7 GWh in billed energy.

Table 3.18 Summary of Forecast Revised

Table 3.18 Summary of Forecast

Summary of Forecast								
	2006 Board Approved	2006 Actual	2007 Actual	2008 Acutal	2009 Actual	2010 Actual	2011 Weather Normalized Bridge	2012 Weather Normalized Test
ACTUAL AND PREDICTED KWH PURCHASES								
Actual kWh Purchases		177,010,661	182,668,136	181,594,867	179,620,065	188,942,673		
Predicted kWh Purchases before CDM adjustment		176,003,138	181,037,961	179,969,738	179,042,205	186,939,473	188,789,819	191,623,518
Predicted kWh Purchases with CDM adjustment		176,003,138	181,037,961	179,969,738	179,042,205	186,939,473	188,013,819	190,071,518
% Difference between predicted and actual purchases		-0.6%	-0.9%	-0.9%	-0.3%	-1.1%		
BILLING DETERMINANTS BY CLASS								
Residential								
Customers	8,535	8,715	8,825	9,007	9,147	9,290	9,495	9,703
kWh	87,224,776	85,590,832	86,770,665	86,978,306	86,819,996	91,844,703	91,699,965	92,606,843
GS<50								
Customers	706	639	657	656	662	669	676	683
KWh	18,430,695	17,886,710	18,502,908	18,161,547	18,343,495	18,780,136	18,440,477	18,314,894
GS>50								
Customers	115	114	102	105	100	102	101	100
kWh	53,991,726	63,517,727	65,799,685	64,972,194	63,520,024	67,026,092	67,681,139	68,877,755
kW	178,363	175,422	176,460	172,781	172,057	174,346	185,444	188,723
Streetlights								
Connections	2,477	2,493	2,493	2,529	2,486	2,512	2,530	2,548
kWh	1,576,635	1,602,773	1,584,019	1,611,475	1,560,091	1,572,970	1,575,556	1,578,145
kW	4,433	4,425	4,378	4,443	4,322	4,359	4,396	4,403
USL								
Customers	82	85	84	85	82	80	80	80
kWh	413,657	427,433	411,704	352,317	376,487	381,924	368,368	355,293
Total								
Customers/Connections	11,915	12,046	12,161	12,382	12,477	12,654	12,882	13,114
kWh	161,637,489	169,025,475	173,068,981	172,075,839	170,620,093	179,605,826	179,765,505	181,732,931
kW from applicable cases	182,796	179,846	180,838	177,225	176,379	178,705	189,840	193,126

14.0 Reference: Exhibit C1, Tab 1, Schedule 1, pages 5-6

a) Please complete the following table summarizing Grimsby's CDM results to-date.

	Year					
Program Year	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**
2005 Programs	xx	xx	xx	xx	xx	xx
2006 Programs		xx	xx	xx	xx	xx
2007 Programs			xx	xx	xx	xx
2008 Programs				xx	xx	xx
2009 Programs					xx	xx
2010 Programs						xx
Annual Savings	xx	xx	xx	xx	xx	xx

Grimsby Power Inc.'s Response:

The completed table of Grimsby Power Inc.'s CDM Activity (net kWh) is as noted below:

	Year					
Program Year	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**
2005 Programs	144,376					
2006 Programs		802,082	802,082	802,082	802,082	139,304
2007 Programs			737,866	448,082	411,998	411,998
2008 Programs				964,146	744,311	1,402,295
2009 Programs					1,264,200	1,167,446
2010 Programs						603,176
Annual Savings	144,376	802,082	1,539,948	2,214,310	3,222,592	3,724,220

b) Is it reasonable to assume that the regression model reflects the historic trend in CDM set out above?

- If not, why not?

- If yes, is it reasonable to assume that captured in the energy forecasts for 2011 and 2012 based on the regression model are CDM savings that reflect a continuation of this trend?

Grimsby Power Inc.'s Response:

Grimsby Power Inc. believes it is reasonable to assume that the regression model reflects the historic trend in CDM set out above, since the historic CDM program has been incorporated into the regression coefficients, and the results of the historical CDM program savings will continue into 2012.

However, adjustments were made to the forecasts in consideration of the CDM targets for 2011 and 2012 (776,000 kWh and 1,552,000 kWh respectively) to reflect the four year (i.e. 2011 to 2014) targets assigned to Grimsby Power Inc.. It is Grimsby Power Inc.'s understanding that these targets are to be achieved over and above the results achieved from the historical programs.

15.0 Reference: Exhibit 3, page 2

a) Please confirm whether or not the distribution revenues shown in Table 3.1 are net of (i.e. reduced for) the transformer ownership discount.

Grimsby Power Inc.'s Response:

In the Table 3.1 under Distribution Revenue the last row before Distribution Revenue Total is titled "Less: Transformer Credit". This row accounts for the transformer ownership discount and is a reduction in the Distribution Revenue.

b) If the distribution revenues are not "net" of the transformer discount please provide the revised values for 2011 and for 2012 (at both existing and proposed rates).

Grimsby Power Inc.'s Response:

See response to IR # 15(a) above.

Operating Costs

16.0 Reference: Exhibit 4, page 17, 26 Table 4.5

a) Why have meter reading expenses increasing significantly from 2008 actuals (100k vs. 166k) and given the implementation of smart meters?

Grimsby Power Inc.'s Response:

See Board Staff IR # 14(a).

17.0 Reference: Exhibit 4, page 22

a) Why are the HR consultant costs described at page 22 not included in the calculation of one-time costs?

Grimsby Power Inc.'s Response:

Please see Energy Probe Interrogatory # 20.

18.0 Reference: Exhibit 4, page 34

a) Why does Grimsby purchase fuel from the Town of Grimsby? Does Grimsby exclusively purchase its fuel from the Town?

Grimsby Power Inc.'s Response:

Grimsby Power Inc. purchases its fuel exclusively from the Town of Grimsby. This arrangement is a legacy arrangement which has been in place for many years.

b) What premium or discount is provided vis-à-vis commercially available fuel supplies in the Grimsby service territory?

Grimsby Power Inc.'s Response:

Using information available from the Statistics Canada website the average monthly fuel prices posted for the months of April to August 2011 for Toronto, a price comparison has been tabulated. The table below shows the price comparison:

		GPI Cost		Average Toronto Price - StatsCan			
Month of Consumption	Year	Diesel	Reg	SC - Diesel	SC - Gas	% Diff - Diesel	% Diff - Reg
April	2011	131.9	138.3	130.0	131.0	-1.4%	-5.6%
May	2011	124.8	140.8	128.2	133.5	2.7%	-5.5%
June	2011	129.0	135.0	124.9	129.5	-3.3%	-4.2%
July	2011	120.8	131.4	122.4	129.6	1.3%	-1.4%
August	2011	127.0	135.6	124.7	127.4	-1.9%	-6.4%
					Average	**-0.5%**	**-4.6%**

Notes:

- Statistics Canada figures attached as Appendix 1 to this Interrogatory
- The self service prices are utilized from the StatsCan figures
- Regular unleaded prices are utilized from the StatsCan figures
- Prices are in cents per litre
- Toronto is the nearest city in the available list from StatsCan to Grimsby

- A negative percentage means Grimsby Power Inc. paid less than the average Toronto price per litre

Over the period shown Grimsby Power Inc. paid on average 0.5% more for Diesel and 4.6% more for gasoline than typical commercially available supplies. In terms of cost the total cost paid for fuel over this period including taxes was $8,739.59. This represents an additional cost of $210.90 over a commercially available supply.

c) What benefit does Grimsby get from this arrangement?

Grimsby Power Inc.'s Response:

Grimsby Power Inc. benefits from this arrangement because there is no administration required to manage the purchase of fuel. If commercial pumps were used it is likely that a fuel card or charge card would be required to be issued to employees and this system would have to be administrated or managed by internal resources. The extra cost paid in the above analysis costs on average $42.18 per month. It is difficult to envision any internal administration for this amount or less thus, making this purchase arrangement an efficient way to purchase fuel.

19.0 Reference: Exhibit 4 page 34

a) Are the only fees paid to Niagara West Transformer Corporation the Board approved transformation service fees approved by the OEB?

Grimsby Power Inc.'s Response:

Yes

20.0 Reference Exhibit 4, page 35

a) Why does Grimsby outsource its customer information system to Canadian Niagara Power? Specifically, what cost benefit accrues to Grimsby under this arrangement?

Grimsby Power Inc.'s Response:

Please refer to Exhibit 4 – Page 26 of 66 under 5315 – Customer Billing for a detailed explanation of why a change in the customer information system was needed.

Canadian Niagara Power's Inc.'s (CNPI) CIS system was offered as a solution to replace the Advance Utility Systems CIS Software in conjunction with the partnership agreed to with FortisOntario in 2009. The benefits of this arrangement with respect to the CIS are as follows:

- The hosted environment of the software eliminates the need for Grimsby Power Inc. to invest directly in resources (and thus costs) associated with software, software enhancements or version upgrades, hardware, disaster recovery, backup, and redundancy of the system.
- CNPI staff offer industry specific competencies and excellence in CIS development.
- System operation and cost is maximized by utilizing economies of scale – CNPI spreading the costs of the system over more than one user.
- As a result of above, Grimsby Power Inc. staff can focus on maximizing the software itself.

b) Is the amount for this service that listed in the tables 4.18 through 4.21 under "IT Maintenance Fee"?

Grimsby Power Inc.'s Response:

Yes

c) How does Grimsby ensure that is customer information is secure under this outsourced arrangement?

Grimsby Power Inc.'s Response:

Grimsby Power Inc. maintains separate SAP licensing under the CNPI CIS solution.

Grimsby Power Inc.'s customer information and data resides within a secure CNPI network. This network is protected from external access by a firewall technology. This firewall is tested annually through a vulnerability assessment to ensure that it meets security standards.

Grimsby Power Inc.'s CIS data is located in a segregated area of the hosted environment, which provides user access unique to Grimsby Power Inc. employees. The CIS and related systems meet SAP security practices.

21.0 Reference Exhibit 4, page 38

a) In respect to street light services has Grimsby undertaken any study or analysis of its two tiered pricing structure as compared to that offered by commercial contractors for the same services?

Grimsby Power Inc.'s Response:

Grimsby Power Inc. has not undertaken any studies or analysis of pricing offered by commercial contractors for street light services.

b) Did Grimsby acquire the street light services through a competitive bidding process or was the work provided by the Town on an untendered basis?

Grimsby Power Inc.'s Response:

This arrangement is a legacy arrangement which has been in place for many years. To the best of Grimsby Power Inc.'s knowledge this work was not acquired through any type of bidding process.

22.0 Reference Exhibit 4, page 43

a) Please explain the role of the one Management position listed under Part-Time employees at Table 4.24.

Grimsby Power Inc.'s Response:

In keeping with the OEB's filing requirements, where there are three or fewer employees in any category, the applicant should aggregate this category with the category to which it is most closely related. This higher level of aggregation should be continued, if required, to ensure that no category contains three or fewer employees. This position was therefore, included with the "Management" group.

This position is a "Non – Union" position and is the "Cashier's" position noted in Exhibit 1 – Page 24 of 77 – Chart 1.1.

Rate Design

23.0 Reference: Exhibit 8, page 21

a) Based on the latest 12 months of actual billing data, how many of Grimsby's Residential customers fall into each of the following usage categories:

- Use 500 kWh/month or more
- Use 250 -> < 500 kWh per month
- Use 250 kWh per month or less

Grimsby Power Inc.'s Response:

Based on the latest 12 months of actual billing data, the following represents Grimsby's Residential customers that fall into each of the following usage categories:

- Use 500 kWh/month or more 7,093
- Use 250 -> < 500 kWh per month 1,821
- Use 250 kWh per month or less 634

24.0 Reference: Exhibit 3, page 35

a) How many micro-fit customers does Grimsby have as of June 30, 2011?

Grimsby Power Inc.'s Response:

Grimsby Power Inc. had 7 micro-fit customers connected to the distribution system as of June 30th, 2011.

b) How many micro-fit customers does Grimsby Hydro expect to have as of year-end 2011 and year-end 2012?

Grimsby Power Inc.'s Response:

Based on the number of applications submitted and the number of actual microFIT connections experienced by Grimsby Power predicting the number of connections in any given period is with a high degree of uncertainty.

Grimsby Power Inc.'s best estimate would predict to have approximately 14 at year end 2011 and approximately 22 at year end 2012.

c) Where are the revenues from the monthly service charges to micro-fit customers reflected in the forecast of Revenue Offsets?

Grimsby Power Inc.'s Response:

The revenues from the monthly service charges to micro-fit customers are reflected in the account 4235 Specific Service Charges.

25.0 Reference: Exhibit 3, pages 3941

a) Please explain the decrease in 2010 (versus 2009) for each of the following:

- Specific Service Charges (Account 4235)
- Revenues from Non-Utility Operations (Account 4375)

Grimsby Power Inc.'s Response:

The Specific Service Charges account is higher in 2009 compared with 2010 due to the revenue from the sale of transformers to two new subdivisions (Westbrook and Willowview).

The source of the Revenue from Non-Utility Operations is from OPA CDM programs which is dependent upon the number of projects in any given year.

b) Please explain the decrease in 2011 (versus 2010) for each of the following:

- Specific Service Charges (Account 4235)
- Revenues from Non-Utility Operations (Account 4375)
- Interest and Dividend Income (Account 4405)

Grimsby Power Inc.'s Response:

During 2011 Grimsby Power Inc. estimates fewer new developments. This leads to a reduction in Specific Service Charges as a result of decreased numbers of account set up charges to the developers and new customers.

The source of the decrease in 2011 Non-Utility Revenue Account 4375 for Grimsby Power is related to the OPA funding for CDM activities. The funding in 2011 is expected to be lower than 2010. This is a result of the new Conservation and Demand Management programs instituted by the OPA in 2011.

The 2011 Interest and Dividend Income were understated; the estimated amount should be close to the 2010 amount of $10,000.

26.0 Reference: Exhibit 7, Page 1

Exhibit 7, Tab 1, Schedule 2, pages 1-2

Board Report RP-2005-0317, Appendix 4.1

Staff Report to Board, EB-2010-0219, pages 4-5

a) Is the cost allocation model filed by Grimsby fully consistent with the revised OEB cost allocation model released on August 5, 2011? If not, please outline those areas that do not conform.

Grimsby Power Inc.'s Response:

Due to timing, Grimsby Power Inc. submitted its rate application with the older cost allocation model (version 1.2). The cost allocation evidence has since been updated to reflect use of the August 5th,2011 cost allocation model (version 2.0). There were no changes to the overall revenue requirement, rate base or revenue deficiency values. There were changes to the allocations of these values to the rate classes as depicted below:

Cost Allocation Model (Version 1.2) - original submission				Cost Allocation Model (Version 2.0) - update			
Class	Proposed Revenue	Miscellaneous Revenue	Proposed Base Revenue	Class	Proposed Revenue	Miscellaneous Revenue	Proposed Base Revenue
Residential	3,360,737	237,168	3,123,569	Residential	3,380,555	244,721	3,135,834
GS < 50 kW	524,505	38,873	485,632	GS < 50 kW	518,531	32,899	485,632
GS >50	585,828	51,155	534,672	GS >50	582,817	48,145	534,672
Street Lighting	87,315	8,207	79,108	Street Lighting	79,390	11,351	68,039
USL	25,059	4,338	20,721	USL	22,151	2,625	19,526
					-	-	-
TOTAL	4,583,444	339,741	4,243,703	TOTAL	4,583,444	339,741	4,243,703

b) If not, please file a revised cost allocation model consistent with the Board's August 5th directions. In doing so, please fully document and explain the basis for the allocators used for Miscellaneous Revenues.

Grimsby Power Inc.'s Response:

The Boards Cost Allocation Model released on August 5th, 2011 is being filed with this Interrogatory process.

The Miscellaneous Revenue allocation for the updated Cost Allocation Model by account is shown in the tables below:

Account	Description	Type	Misc. Revenue	Allocator Code	Basis of Allocation
4080-2	SSS Admin Charge	Other Distribution Revenue	mi	CCA	Total Number of Customers
4082	Retail Services Revenues	Other Distribution Revenue	mi	OM&A	Accounts 5005 - 6225 - Operating, Maintenance and Admin Expenses
4084	Service Transaction Requests (STR) Revenues	Other Distribution Revenue	mi	OM&A	Accounts 5005 - 6225 - Operating, Maintenance and Admin Expenses
4090	Electric Services Incidental to Energy Sales	Other Distribution Revenue	mi	OM&A	Accounts 5005 - 6225 - Operating, Maintenance and Admin Expenses
4205	Interdepartmental Rents	Other Distribution Revenue	mi	OM&A	Accounts 5005 - 6225 - Operating, Maintenance and Admin Expenses
4210	Rent from Electric Property	Other Distribution Revenue	mi	POLE	Access to Poles
4215	Other Utility Operating Income	Other Distribution Revenue	mi	OM&A	Accounts 5005 - 6225 - Operating, Maintenance and Admin Expenses
4220	Other Electric Revenues	Other Distribution Revenue	mi	OM&A	Accounts 5005 - 6225 - Operating, Maintenance and Admin Expenses
4225	Late Payment Charges	Late Payment Charges	mi	LPHA	Late Payment 3 Year Historical Average
4235	Miscellaneous Service Revenues	Specific Service Charges	mi		
4235-1	Account Set Up Charges	Specific Service Charges	mi	CWNB	Customer Weighted Number of Bills
4235-90	Miscellaneous Service Revenues - Residual	Specific Service Charges	mi	OM&A	Accounts 5005 - 6225 - Operating, Maintenance and Admin Expenses
4240	Provision for Rate Refunds	Other Distribution Revenue	mi	OM&A	Accounts 5005 - 6225 - Operating, Maintenance and Admin Expenses
4245	Government Assistance Directly Credited to Income	Other Distribution Revenue	mi	OM&A	Accounts 5005 - 6225 - Operating, Maintenance and Admin Expenses
4305	Regulatory Debits	Other Income & Deductions	mi	OM&A	Accounts 5005 - 6225 - Operating, Maintenance and Admin Expenses
4310	Regulatory Credits	Other Income & Deductions	mi	OM&A	Accounts 5005 - 6225 - Operating, Maintenance and Admin Expenses
4315	Revenues from Electric Plant Leased to Others	Other Income & Deductions	mi	OM&A	Accounts 5005 - 6225 - Operating, Maintenance and Admin Expenses

Account	Description	Type	Misc. Revenue	Allocator Code	Basis of Allocation
4320	Expenses of Electric Plant Leased to Others	Other Income & Deductions	mi	OM&A	Accounts 5005 - 6225 - Operating, Maintenance and Admin Expenses
4325	Revenues from Merchandise, Jobbing, Etc.	Other Income & Deductions	mi	OM&A	Accounts 5005 - 6225 - Operating, Maintenance and Admin Expenses
4330	Costs and Expenses of Merchandising, Jobbing, Etc.	Other Income & Deductions	mi	OM&A	Accounts 5005 - 6225 - Operating, Maintenance and Admin Expenses
4335	Profits and Losses from Financial Instrument Hedges	Other Income & Deductions	mi	OM&A	Accounts 5005 - 6225 - Operating, Maintenance and Admin Expenses
4340	Profits and Losses from Financial Instrument Investments	Other Income & Deductions	mi	OM&A	Accounts 5005 - 6225 - Operating, Maintenance and Admin Expenses
4345	Gains from Disposition of Future Use Utility Plant	Other Income & Deductions	mi	OM&A	Accounts 5005 - 6225 - Operating, Maintenance and Admin Expenses
4350	Losses from Disposition of Future Use Utility Plant	Other Income & Deductions	mi	OM&A	Accounts 5005 - 6225 - Operating, Maintenance and Admin Expenses
4355	Gain on Disposition of Utility and Other Property	Other Income & Deductions	mi	OM&A	Accounts 5005 - 6225 - Operating, Maintenance and Admin Expenses
4360	Loss on Disposition of Utility and Other Property	Other Income & Deductions	mi	OM&A	Accounts 5005 - 6225 - Operating, Maintenance and Admin Expenses
4365	Gains from Disposition of Allowances for Emission	Other Income & Deductions	mi	OM&A	Accounts 5005 - 6225 - Operating, Maintenance and Admin Expenses
4370	Losses from Disposition of Allowances for Emission	Other Income & Deductions	mi	OM&A	Accounts 5005 - 6225 - Operating, Maintenance and Admin Expenses
4375	Revenues from Non-Utility Operations	Other Income & Deductions	mi	OM&A	Accounts 5005 - 6225 - Operating, Maintenance and Admin Expenses
4380	Expenses of Non-Utility Operations	Other Income & Deductions	mi	OM&A	Accounts 5005 - 6225 - Operating, Maintenance and Admin Expenses
4390	Miscellaneous Non-Operating Income	Other Income & Deductions	mi	OM&A	Accounts 5005 - 6225 - Operating, Maintenance and Admin Expenses
4395	Rate-Payer Benefit Including Interest	Other Income & Deductions	mi	OM&A	Accounts 5005 - 6225 - Operating, Maintenance and Admin Expenses
4398	Foreign Exchange Gains and Losses, Including Amortization	Other Income & Deductions	mi	OM&A	Accounts 5005 - 6225 - Operating, Maintenance and Admin Expenses
4405	Interest and Dividend Income	Other Income & Deductions	mi	OM&A	Accounts 5005 - 6225 - Operating, Maintenance and Admin Expenses
4415	Equity in Earnings of Subsidiary Companies	Other Income & Deductions	mi	OM&A	Accounts 5005 - 6225 - Operating, Maintenance and Admin Expenses

c) In either case, please fully explain the basis for the weighting factors used for Services (Account 1855), Billing and Collection (Accounts 5315-5340, except 5335), Meter Reading and Meter Capital. In doing so, please specifically address how the relative capital cost of smart meters by rate class were established.

Grimsby Power Inc.'s Response:

Please refer to Board Staff IR # 31(b) for a discussion on weighting factors.

The weighting factors for Meter Reading and Meter Capital are as follows:

Cost Allocation Model - Version 2.0
Meter Reading Weighting Factors

Categories	Weighting Factor
GS - Vehicle with other services	2.00
Smart Meter	1.00
Interval	1.00

Cost Allocation Model - Version 2.0
Meter Capital Cost Factors

Meter Types	Cost per Meter Factor
Demand without IT (usually three-phase)	500
Demand with IT and Interval Capability - Secondary	2,300
Smart Meters	$130
LDC Specific 3: custom for GS<50	$206

The relative capital cost of smart meters was allocated on the basis of the number of customers in the rate class having the smart meter installed.

27.0 Reference: Exhibit 7, page 1

Grimsby 2012 Cost Allocation Study, Tab I-6

a) Please reconcile the Street Light connection number used in the Cost Allocation Study (1,957) with the value in Exhibit 3, page 15 (2,548).

Grimsby Power Inc.'s Response:

Historically the number of streetlights contained in Grimsby Power Inc.'s customer information system was used to represent the number of street light connections in the cost allocation model. The forecasted street light connections for 2012, in Table 3.7, is 2,548.

Today's cost allocation methodology utilizes the concept of street light connections which is different than in the past. For definition purposes the following describes how the number of connections has been defined on Grimsby Power Inc.'s distribution system:

- Secondary Bus – a secondary wire or cable supplying more than just streetlights – for example a residential or general service customer. A street light connected directly to a secondary bus is considered one connection in terms of the cost allocation study. All overhead streetlights are connected to a secondary bus and are therefore, classified as one connection each.

- Street Light Bus – a secondary wire feeding just streetlights – one or more streetlights. A street light bus is considered to be one connection in terms of the cost allocation study.

Grimsby Power Inc.'s billing system does not record the number of connections on the distribution system. A reconciliation of streetlights recorded in the billing system with asset records in terms of connections has not been completed.

However, utilizing Grimsby Power Inc.'s GIS system and asset records the number of street light connections was able to be estimated. The number of street light connections for cost allocation purposes was estimated by assuming that for every 3 underground street lights one connection was made. Grimsby Power Inc.'s GIS asset records show that there are 1151 underground streetlights or 1151/3 or 383 connections and 1574 single overhead connections/streetlights - 1574 plus 383 equals 1957 street light connections. Grimsby Power Inc. is aware that this total (1151 plus 1574

equals 2725) does not equal the total number of street lights of 2,548 in Table 3.7. A formal audit of the street light connections will have to be made to verify the number and type of street light connections.

28.0 Reference: Exhibit 8, pages 2 and 4

a) Please confirm that for each of the Residential, GS<50 and GS>50 classes the current (2011) monthly service charge exceeds the Board's Ceiling value for the monthly service charge calculated using 2012 costs.

Grimsby Power Inc.'s Response:

Grimsby Power Inc. confirms that for each of the Residential, GS<50 and GS>50 classes, the current (2011) monthly service charge exceeds the Board's ceiling value for the monthly service charge calculated using 2012 costs.

b) Given the commentary on page 2, please explain why Grimsby is proposing to further increase the monthly service charge for these classes when the current level already exceeds the Board's ceiling based on 2012 costs.

Grimsby Power Inc.'s Response:

The fixed MSC rates proposed; in conjunction with the variable component provide the required revenue recovery. A decision was made to maintain the existing split between fixed and variable components of cost recovery. This is consistent with OEB rulings on recent 2011 cost of service rate applications as noted below in the bulleted list. In order to accomplish the cost recovery while keeping the proportions the same, the MSC must be affected.

References on Maintaining Fixed/Variable rate split:

- Board Decision on April 4, 2011 for Hydro One Brampton (EB-2010-0132) p.38;
- Board Decision on May 25, 2011 for Kenora Hydro (EB-2010-0135) p.31;
- Board Decision on July 7, 2011 for Horizon Utilities, (EB-2010-0131), p.45

c) Please recalculate the Residential rates for 2012 assuming a customer charge of $17.10 (current MSC plus Smart Meter rate adder) and a variable rate set so as to recover the balance of the base distribution revenue requirement allocated to the class.

Grimsby Power Inc.'s Response:

The residential variable rate for 2012 would be $0.01223/kWh, rather than the existing proposed value of $0.0105. The calculation is shown below:

Calculation of Variable Rate		
Total Required Revenue	$	3,123,569.00
Applied Fixed Rate, multiplied by	$	17.10
# Customers, multiplied by	$	9,703.00
# Months / Year		12
Total Fixed Revenue	$	1,991,055.60
Required Revenue for Variable Rates	$	1,132,513.40
# kWh usage (projected)		92,606,843
Variable Rate Required	$	0.01223

d) Based on the rates from part c), please recalculate the bill impacts found on page 19-25 of Exhibit 7.

Grimsby Power Inc.'s Response:

The following tables provide the corresponding bill impacts when fixed costs are maintained at the $17.10 level, (shown as $15.11 for the MSC and $1.99 for the smart meter adder).

Appendix 8.3 Rate and Bill Impacts

Residential - 100kWh

Customer Class: Residential

Consumption 100 kWh

	Charge Unit	Current Board-Approved Rate ($)	Current Board-Approved Volume	Current Board-Approved Charge ($)	Proposed Rate ($)	Proposed Volume	Proposed Charge ($)	Impact $ Change	Impact % Change
Monthly Service Charge		$ 15.1100	1	$ 15.11	$ 15.1100	1	$ 15.11	$ -	0.00%
Smart Meter Rate Adder		$ 1.9900	1	$ 1.99	$ 1.9900	1	$ 1.99	$ -	0.00%
Service Charge Rate Adder(s)			1	$ -		1	$ -	$ -	
Service Charge Rate Rider(s)			1	$ -		1	$ -	$ -	
Distribution Volumetric Rate		$ 0.0086	100	$ 0.86	$ 0.0122	100	$ 1.22	$ 0.36	42.21%
Low Voltage Rate Adder		$ 0.0007	100	$ 0.07	$ 0.0007	100	$ 0.07	$ -	0.00%
Volumetric Rate Adder(s)			100	$ -		100	$ -	$ -	
Volumetric Rate Rider(s)			100	$ -		100	$ -	$ -	
Smart Meter Disposition Rider		$ -	100	$ -	$ -	100	$ -	$ -	
LRAM & SSM Rate Rider		$ -	100	$ -	$ 0.0003	100	$ 0.03	$ 0.03	
Deferral/Variance Account Disposition Rate Rider		$ -	100	$ -	-$ 0.0014	100	-$ 0.14	-$ 0.14	
Stranded Meter Rate Rider		$ -	1	$ -	$ 3.1833	1	$ 3.18	$ 3.18	
Smart Meter Disposition Rider		$ -	1	$ -	$ -	1	$ -	$ -	
				$ -			$ -	$ -	
				$ -			$ -	$ -	
Sub-Total A - Distribution				**$ 18.03**			**$ 21.47**	**$ 3.44**	**19.08%**
RTSR - Network		$ 0.0059	105.02	$ 0.62	$ 0.0066	105.26	$ 0.69	$ 0.08	12.12%
RTSR - Line and Transformation Connection		$ 0.0049	105.02	$ 0.51	$ 0.0054	105.26	$ 0.57	$ 0.05	10.45%
Sub-Total B - Delivery (including Sub-Total A)				**$ 19.16**			**$ 22.73**	**$ 3.57**	**18.62%**
Wholesale Market Service Charge (WMSC)		$ 0.0065	105.02	$ 0.68	$ 0.0065	105.26	$ 0.68	$ 0.00	0.22%
Rural and Remote Rate Protection (RRRP)			105.02	$ -		105.26	$ -	$ -	
Special Purpose Charge			105.02	$ -		105.26	$ -	$ -	
Standard Supply Service Charge			1	$ -		1	$ -	$ -	
Debt Retirement Charge (DRC)		$ 0.0070	105.02	$ 0.74	$ 0.0070	105.26	$ 0.74	$ 0.00	0.22%
Energy		$ 0.0680	105.02	$ 7.14	$ 0.0680	105.26	$ 7.16	$ 0.02	0.22%
				$ -			$ -	$ -	
				$ -			$ -	$ -	
Total Bill (before Taxes)				**$ 27.72**			**$ 31.31**	**$ 3.59**	**12.94%**
HST		13%		$ 3.60	13%		$ 4.07	$ 0.47	12.94%
Total Bill (including Sub-total B)				**$ 31.33**			**$ 35.38**	**$ 4.05**	**12.93%**
Ontario Clean Energy Benefit [1]				**-$ 3.13**			**-$ 3.54**	**-$ 0.41**	**13.10%**
Total Bill (including OCEB)				**$ 28.20**			**$ 31.84**	**$ 3.64**	**12.91%**
Loss Factor (%)		5.02%			5.26%				

Residential - 250kWh

Customer Class: Residential

Consumption 250 kWh

	Charge Unit	Current Board-Approved Rate ($)	Current Board-Approved Volume	Current Board-Approved Charge ($)	Proposed Rate ($)	Proposed Volume	Proposed Charge ($)	Impact $ Change	Impact % Change
Monthly Service Charge		$ 15.1100	1	$ 15.11	$ 15.1100	1	$ 15.11	$ -	0.00%
Smart Meter Rate Adder		$ 1.9900	1	$ 1.99	$ 1.9900	1	$ 1.99	$ -	0.00%
Service Charge Rate Adder(s)			1	$ -		1	$ -	$ -	
Service Charge Rate Rider(s)			1	$ -		1	$ -	$ -	
Distribution Volumetric Rate		$ 0.0086	250	$ 2.15	$ 0.0122	250	$ 3.06	$ 0.91	42.21%
Low Voltage Rate Adder		$ 0.0007	250	$ 0.18	$ 0.0007	250	$ 0.18	$ -	0.00%
Volumetric Rate Adder(s)			250	$ -		250	$ -	$ -	
Volumetric Rate Rider(s)			250	$ -		250	$ -	$ -	
Smart Meter Disposition Rider		$ -	250	$ -	$ -	250	$ -	$ -	
LRAM & SSM Rate Rider		$ -	250	$ -	$ 0.0003	250	$ 0.08	$ 0.08	
Deferral/Variance Account Disposition Rate Rider		$ -	250	$ -	-$ 0.0014	250	-$ 0.34	-$ 0.34	
Stranded Meter Rate Rider		$ -	1	$ -	$ 3.1833	1	$ 3.18	$ 3.18	
Smart Meter Disposition Rider		$ -	1	$ -	$ -	1	$ -	$ -	
				$ -			$ -	$ -	
				$ -			$ -	$ -	
Sub-Total A - Distribution				**$ 19.43**			**$ 23.25**	**$ 3.83**	**19.70%**
RTSR - Network		$ 0.0059	262.55	$ 1.55	$ 0.0066	263.14	$ 1.74	$ 0.19	12.12%
RTSR - Line and Transformation Connection		$ 0.0049	262.55	$ 1.29	$ 0.0054	263.14	$ 1.42	$ 0.13	10.45%
Sub-Total B - Delivery (including Sub-Total A)				**$ 22.26**			**$ 26.41**	**$ 4.15**	**18.63%**
Wholesale Market Service Charge (WMSC)		$ 0.0065	262.55	$ 1.71	$ 0.0065	263.14	$ 1.71	$ 0.00	0.22%
Rural and Remote Rate Protection (RRRP)			262.55	$ -		263.14	$ -	$ -	
Special Purpose Charge			262.55	$ -		263.14	$ -	$ -	
Standard Supply Service Charge			1	$ -		1	$ -	$ -	
Debt Retirement Charge (DRC)		$ 0.0070	262.55	$ 1.84	$ 0.0070	263.14	$ 1.84	$ 0.00	0.22%
Energy		$ 0.0680	262.55	$ 17.85	$ 0.0680	263.14	$ 17.89	$ 0.04	0.22%
				$ -			$ -	$ -	
				$ -			$ -	$ -	
Total Bill (before Taxes)				**$ 43.66**			**$ 47.85**	**$ 4.20**	**9.61%**
HST		13%		$ 5.68	13%		$ 6.22	$ 0.55	9.61%
Total Bill (including Sub-total B)				**$ 49.33**			**$ 54.08**	**$ 4.75**	**9.63%**
Ontario Clean Energy Benefit [1]				**-$ 4.93**			**-$ 5.41**	**-$ 0.48**	**9.74%**
Total Bill (including OCEB)				**$ 44.40**			**$ 48.67**	**$ 4.27**	**9.62%**
Loss Factor (%)		5.02%			5.26%				

Residential - 500kWh

Customer Class: **Residential**

Consumption 500 kWh

	Charge Unit	Current Board-Approved Rate ($)	Volume	Charge ($)	Proposed Rate ($)	Volume	Charge ($)	Impact $ Change	Impact % Change
Monthly Service Charge		$ 15.1100	1	$ 15.11	$ 15.1100	1	$ 15.11	$ -	0.00%
Smart Meter Rate Adder		$ 1.9900	1	$ 1.99	$ 1.9900	1	$ 1.99	$ -	0.00%
Service Charge Rate Adder(s)			1	$ -		1	$ -	$ -	
Service Charge Rate Rider(s)			1	$ -		1	$ -	$ -	
Distribution Volumetric Rate		$ 0.0086	500	$ 4.30	$ 0.0122	500	$ 6.12	$ 1.82	42.21%
Low Voltage Rate Adder		$ 0.0007	500	$ 0.35	$ 0.0007	500	$ 0.35	$ -	0.00%
Volumetric Rate Adder(s)			500	$ -		500	$ -	$ -	
Volumetric Rate Rider(s)			500	$ -		500	$ -	$ -	
Smart Meter Disposition Rider		$ -	500	$ -	$ -	500	$ -	$ -	
LRAM & SSM Rate Rider		$ -	500	$ -	$ 0.0003	500	$ 0.15	$ 0.15	
Deferral/Variance Account Disposition Rate Rider		$ -	500	$ -	-$ 0.0014	500	-$ 0.68	-$ 0.68	
Stranded Meter Rate Rider		$ -	1	$ -	$ 3.1833	1	$ 3.18	$ 3.18	
Smart Meter Disposition Rider		$ -	1	$ -	$ -	1	$ -	$ -	
				$ -			$ -	$ -	
				$ -			$ -	$ -	
Sub-Total A - Distribution				**$ 21.75**			**$ 26.22**	**$ 4.47**	**20.54%**
RTSR - Network		$ 0.0059	525.1	$ 3.10	$ 0.0066	526.28	$ 3.47	$ 0.38	12.12%
RTSR - Line and Transformation Connection		$ 0.0049	525.1	$ 2.57	$ 0.0054	526.28	$ 2.84	$ 0.27	10.45%
Sub-Total B - Delivery (including Sub-Total A)				**$ 27.42**			**$ 32.53**	**$ 5.11**	**18.64%**
Wholesale Market Service Charge (WMSC)		$ 0.0065	525.1	$ 3.41	$ 0.0065	526.28	$ 3.42	$ 0.01	0.22%
Rural and Remote Rate Protection (RRRP)			525.1	$ -		526.28	$ -	$ -	
Special Purpose Charge			525.1	$ -		526.28	$ -	$ -	
Standard Supply Service Charge			1	$ -		1	$ -	$ -	
Debt Retirement Charge (DRC)		$ 0.0070	525.1	$ 3.68	$ 0.0070	526.28	$ 3.68	$ 0.01	0.22%
Energy		$ 0.0680	525.1	$ 35.71	$ 0.0680	526.28	$ 35.79	$ 0.08	0.22%
				$ -			$ -	$ -	
				$ -			$ -	$ -	
Total Bill (before Taxes)				**$ 70.22**			**$ 75.43**	**$ 5.21**	**7.42%**
HST		13%		$ 9.13	13%		$ 9.81	$ 0.68	7.42%
Total Bill (including Sub-total B)				**$ 79.34**			**$ 85.23**	**$ 5.89**	**7.42%**
Ontario Clean Energy Benefit [1]				**-$ 7.93**			**-$ 8.52**	**-$ 0.59**	**7.44%**
Total Bill (including OCEB)				**$ 71.41**			**$ 76.71**	**$ 5.30**	**7.42%**
Loss Factor (%)		5.02%			5.26%				

Residential - 800kWh

Customer Class: **Residential**

Consumption 800 kWh

	Charge Unit	Current Board-Approved Rate ($)	Volume	Charge ($)	Proposed Rate ($)	Volume	Charge ($)	Impact $ Change	Impact % Change
Monthly Service Charge		$ 15.1100	1	$ 15.11	$ 15.1100	1	$ 15.11	$ -	0.00%
Smart Meter Rate Adder		$ 1.9900	1	$ 1.99	$ 1.9900	1	$ 1.99	$ -	0.00%
Service Charge Rate Adder(s)			1	$ -		1	$ -	$ -	
Service Charge Rate Rider(s)			1	$ -		1	$ -	$ -	
Distribution Volumetric Rate		$ 0.0086	800	$ 6.88	$ 0.0122	800	$ 9.78	$ 2.90	42.21%
Low Voltage Rate Adder		$ 0.0007	800	$ 0.56	$ 0.0007	800	$ 0.56	$ -	0.00%
Volumetric Rate Adder(s)			800	$ -		800	$ -	$ -	
Volumetric Rate Rider(s)			800	$ -		800	$ -	$ -	
Smart Meter Disposition Rider		$ -	800	$ -	$ -	800	$ -	$ -	
LRAM & SSM Rate Rider		$ -	800	$ -	$ 0.0003	800	$ 0.24	$ 0.24	
Deferral/Variance Account Disposition Rate Rider		$ -	800	$ -	-$ 0.0014	800	-$ 1.09	-$ 1.09	
Stranded Meter Rate Rider		$ -	1	$ -	$ 3.1833	1	$ 3.18	$ 3.18	
Smart Meter Disposition Rider		$ -	1	$ -	$ -	1	$ -	$ -	
				$ -			$ -	$ -	
				$ -			$ -	$ -	
Sub-Total A - Distribution				**$ 24.54**			**$ 29.78**	**$ 5.24**	**21.35%**
RTSR - Network		$ 0.0059	840.16	$ 4.96	$ 0.0066	842.04	$ 5.56	$ 0.60	12.12%
RTSR - Line and Transformation Connection		$ 0.0049	840.16	$ 4.12	$ 0.0054	842.04	$ 4.55	$ 0.43	10.45%
Sub-Total B - Delivery (including Sub-Total A)				**$ 33.61**			**$ 39.88**	**$ 6.27**	**18.65%**
Wholesale Market Service Charge (WMSC)		$ 0.0065	840.16	$ 5.46	$ 0.0065	842.04	$ 5.47	$ 0.01	0.22%
Rural and Remote Rate Protection (RRRP)			840.16	$ -		842.04	$ -	$ -	
Special Purpose Charge			840.16	$ -		842.04	$ -	$ -	
Standard Supply Service Charge			1	$ -		1	$ -	$ -	
Debt Retirement Charge (DRC)		$ 0.0070	840.16	$ 5.88	$ 0.0070	842.04	$ 5.89	$ 0.01	0.22%
Energy		$ 0.0680	600	$ 40.80	$ 0.0680	600.00	$ 40.80	$ -	0.00%
Energy		$ 0.0790	240.16	$ 18.97	$ 0.0790	242.04	$ 19.12	$ 0.15	0.78%
				$ -			$ -	$ -	
Total Bill (before Taxes)				**$ 104.73**			**$ 111.17**	**$ 6.44**	**6.15%**
HST		13%		$ 13.61	13%		$ 14.45	$ 0.84	6.15%
Total Bill (including Sub-total B)				**$ 118.34**			**$ 125.63**	**$ 7.29**	**6.16%**
Ontario Clean Energy Benefit [1]				**-$ 11.83**			**-$ 12.56**	**-$ 0.73**	**6.17%**
Total Bill (including OCEB)				**$ 106.51**			**$ 113.07**	**$ 6.56**	**6.16%**
Loss Factor (%)		5.02%			5.26%				

Residential - 1000kWh

Customer Class: **Residential**

Consumption **1000** **kWh**

	Charge Unit	Current Board-Approved Rate ($)	Volume	Charge ($)	Proposed Rate ($)	Volume	Charge ($)	Impact $ Change	Impact % Change
Monthly Service Charge		$ 15.1100	1	$ 15.11	$ 15.1100	1	$ 15.11	$ -	0.00%
Smart Meter Rate Adder		$ 1.9900	1	$ 1.99	$ 1.9900	1	$ 1.99	$ -	0.00%
Service Charge Rate Adder(s)			1	$ -		1	$ -	$ -	
Service Charge Rate Rider(s)			1	$ -		1	$ -	$ -	
Distribution Volumetric Rate		$ 0.0086	1000	$ 8.60	$ 0.0122	1000	$ 12.23	$ 3.63	42.21%
Low Voltage Rate Adder		$ 0.0007	1000	$ 0.70	$ 0.0007	1000	$ 0.70	$ -	0.00%
Volumetric Rate Adder(s)			1000	$ -		1000	$ -	$ -	
Volumetric Rate Rider(s)			1000	$ -		1000	$ -	$ -	
Smart Meter Disposition Rider		$ -	1000	$ -	$ -	1000	$ -	$ -	
LRAM & SSM Rate Rider		$ -	1000	$ -	$ 0.0003	1000	$ 0.30	$ 0.30	
Deferral/Variance Account Disposition Rate Rider		$ -	1000	$ -	-$ 0.0014	1000	-$ 1.37	-$ 1.37	
Stranded Meter Rate Rider		$ -	1	$ -	$ 3.1833	1	$ 3.18	$ 3.18	
Smart Meter Disposition Rider		$ -	1	$ -	$ -	1	$ -	$ -	
				$ -			$ -	$ -	
				$ -			$ -	$ -	
Sub-Total A - Distribution				**$ 26.40**			**$ 32.14**	**$ 5.74**	**21.75%**
RTSR - Network		$ 0.0059	1050.2	$ 6.20	$ 0.0066	1052.55	$ 6.95	$ 0.75	12.12%
RTSR - Line and Transformation Connection		$ 0.0049	1050.2	$ 5.15	$ 0.0054	1052.55	$ 5.68	$ 0.54	10.45%
Sub-Total B - Delivery (including Sub-Total A)				**$ 37.74**			**$ 44.77**	**$ 7.03**	**18.63%**
Wholesale Market Service Charge (WMSC)		$ 0.0065	1050.2	$ 6.83	$ 0.0065	1052.55	$ 6.84	$ 0.02	0.22%
Rural and Remote Rate Protection (RRRP)			1050.2	$ -		1052.55	$ -	$ -	
Special Purpose Charge			1050.2	$ -		1052.55	$ -	$ -	
Standard Supply Service Charge			1	$ -		1	$ -	$ -	
Debt Retirement Charge (DRC)		$ 0.0070	1050.2	$ 7.35	$ 0.0070	1052.55	$ 7.37	$ 0.02	0.22%
Energy		$ 0.0680	600	$ 40.80	$ 0.0680	600.00	$ 40.80	$ -	0.00%
Energy		$ 0.0790	450.2	$ 35.57	$ 0.0790	452.55	$ 35.75	$ 0.19	0.52%
				$ -			$ -	$ -	
Total Bill (before Taxes)				**$ 128.29**			**$ 135.54**	**$ 7.25**	**5.65%**
HST		13%		$ 16.68	13%		$ 17.62	$ 0.94	5.65%
Total Bill (including Sub-total B)				**$ 144.96**			**$ 153.15**	**$ 8.19**	**5.65%**
Ontario Clean Energy Benefit [1]				**-$ 14.50**			**-$ 15.32**	**-$ 0.82**	**5.66%**
Total Bill (including OCEB)				**$ 130.46**			**$ 137.83**	**$ 7.37**	**5.65%**
Loss Factor (%)		5.02%			5.26%				

Residential - 1500kWh

Customer Class: Residential

Consumption 1500 kWh

	Charge Unit	Current Board-Approved Rate ($)	Volume	Charge ($)	Proposed Rate ($)	Volume	Charge ($)	Impact $ Change	Impact % Change
Monthly Service Charge		$ 15.1100	1	$ 15.11	$ 15.1100	1	$ 15.11	$ -	0.00%
Smart Meter Rate Adder		$ 1.9900	1	$ 1.99	$ 1.9900	1	$ 1.99	$ -	0.00%
Service Charge Rate Adder(s)			1	$ -		1	$ -	$ -	
Service Charge Rate Rider(s)			1	$ -		1	$ -	$ -	
Distribution Volumetric Rate		$ 0.0086	1500	$ 12.90	$ 0.0122	1500	$ 18.35	$ 5.45	42.21%
Low Voltage Rate Adder		$ 0.0007	1500	$ 1.05	$ 0.0007	1500	$ 1.05	$ -	0.00%
Volumetric Rate Adder(s)			1500	$ -		1500	$ -	$ -	
Volumetric Rate Rider(s)			1500	$ -		1500	$ -	$ -	
Smart Meter Disposition Rider		$ -	1500	$ -	$ -	1500	$ -	$ -	
LRAM & SSM Rate Rider		$ -	1500	$ -	$ 0.0003	1500	$ 0.45	$ 0.45	
Deferral/Variance Account Disposition Rate Rider		$ -	1500	$ -	-$ 0.0014	1500	-$ 2.05	-$ 2.05	
Stranded Meter Rate Rider		$ -	1	$ -	$ 3.1833	1	$ 3.18	$ 3.18	
Smart Meter Disposition Rider		$ -	1	$ -	$ -	1	$ -	$ -	
				$ -			$ -	$ -	
				$ -			$ -	$ -	
Sub-Total A - Distribution				**$ 31.05**			**$ 38.08**	**$ 7.03**	**22.64%**
RTSR - Network		$ 0.0059	1575.3	$ 9.29	$ 0.0066	1578.83	$ 10.42	$ 1.13	12.12%
RTSR - Line and Transformation Connection		$ 0.0049	1575.3	$ 7.72	$ 0.0054	1578.83	$ 8.53	$ 0.81	10.45%
Sub-Total B - Delivery (including Sub-Total A)				**$ 48.06**			**$ 57.03**	**$ 8.96**	**18.65%**
Wholesale Market Service Charge (WMSC)		$ 0.0065	1575.3	$ 10.24	$ 0.0065	1578.83	$ 10.26	$ 0.02	0.22%
Rural and Remote Rate Protection (RRRP)			1575.3	$ -		1578.83	$ -	$ -	
Special Purpose Charge			1575.3	$ -		1578.83	$ -	$ -	
Standard Supply Service Charge			1	$ -		1	$ -	$ -	
Debt Retirement Charge (DRC)		$ 0.0070	1575.3	$ 11.03	$ 0.0070	1578.83	$ 11.05	$ 0.02	0.22%
Energy		$ 0.0680	600	$ 40.80	$ 0.0680	600.00	$ 40.80	$ -	0.00%
Energy		$ 0.0790	975.3	$ 77.05	$ 0.0790	978.83	$ 77.33	$ 0.28	0.36%
				$ -			$ -	$ -	
Total Bill (before Taxes)				**$ 187.18**			**$ 196.47**	**$ 9.29**	**4.96%**
HST		13%		$ 24.33	13%		$ 25.54	$ 1.21	4.96%
Total Bill (including Sub-total B)				**$ 211.51**			**$ 222.01**	**$ 10.50**	**4.96%**
Ontario Clean Energy Benefit [1]				**-$ 21.15**			**-$ 22.20**	**-$ 1.05**	**4.96%**
Total Bill (including OCEB)				**$ 190.36**			**$ 199.81**	**$ 9.45**	**4.96%**
Loss Factor (%)		5.02%			5.26%				

Residential - 2000kWh

Customer Class: **Residential**

Consumption **2000** **kWh**

	Charge Unit	Current Board-Approved Rate ($)	Volume	Charge ($)	Proposed Rate ($)	Volume	Charge ($)	Impact $ Change	Impact % Change
Monthly Service Charge		$ 15.1100	1	$ 15.11	$ 15.1100	1	$ 15.11	$ -	0.00%
Smart Meter Rate Adder		$ 1.9900	1	$ 1.99	$ 1.9900	1	$ 1.99	$ -	0.00%
Service Charge Rate Adder(s)			1	$ -		1	$ -	$ -	
Service Charge Rate Rider(s)			1	$ -		1	$ -	$ -	
Distribution Volumetric Rate		$ 0.0086	2000	$ 17.20	$ 0.0122	2000	$ 24.46	$ 7.26	42.21%
Low Voltage Rate Adder		$ 0.0007	2000	$ 1.40	$ 0.0007	2000	$ 1.40	$ -	0.00%
Volumetric Rate Adder(s)			2000	$ -		2000	$ -	$ -	
Volumetric Rate Rider(s)			2000	$ -		2000	$ -	$ -	
Smart Meter Disposition Rider		$ -	2000	$ -	$ -	2000	$ -	$ -	
LRAM & SSM Rate Rider		$ -	2000	$ -	$ 0.0003	2000	$ 0.60	$ 0.60	
Deferral/Variance Account Disposition Rate Rider		$ -	2000	$ -	-$ 0.0014	2000	-$ 2.73	-$ 2.73	
Stranded Meter Rate Rider		$ -	1	$ -	$ 3.1833	1	$ 3.18	$ 3.18	
Smart Meter Disposition Rider		$ -	1	$ -	$ -	1	$ -	$ -	
				$ -			$ -	$ -	
				$ -			$ -	$ -	
Sub-Total A - Distribution				**$ 35.70**			**$ 44.01**	**$ 8.31**	**23.29%**
RTSR - Network		$ 0.0059	2100.4	$ 12.39	$ 0.0066	2105.11	$ 13.89	$ 1.50	12.12%
RTSR - Line and Transformation Connection		$ 0.0049	2100.4	$ 10.29	$ 0.0054	2105.11	$ 11.37	$ 1.08	10.45%
Sub-Total B - Delivery (including Sub-Total A)				**$ 58.38**			**$ 69.27**	**$ 10.89**	**18.65%**
Wholesale Market Service Charge (WMSC)		$ 0.0065	2100.4	$ 13.65	$ 0.0065	2105.11	$ 13.68	$ 0.03	0.22%
Rural and Remote Rate Protection (RRRP)			2100.4	$ -		2105.11	$ -	$ -	
Special Purpose Charge			2100.4	$ -		2105.11	$ -	$ -	
Standard Supply Service Charge			1	$ -		1	$ -	$ -	
Debt Retirement Charge (DRC)		$ 0.0070	2100.4	$ 14.70	$ 0.0070	2105.11	$ 14.74	$ 0.03	0.22%
Energy		$ 0.0680	600	$ 40.80	$ 0.0680	600.00	$ 40.80	$ -	0.00%
Energy		$ 0.0790	1500.4	$ 118.53	$ 0.0790	1505.11	$ 118.90	$ 0.37	0.31%
				$ -			$ -	$ -	
Total Bill (before Taxes)				**$ 246.07**			**$ 257.40**	**$ 11.33**	**4.60%**
HST		13%		$ 31.99	13%		$ 33.46	$ 1.47	4.60%
Total Bill (including Sub-total B)				**$ 278.06**			**$ 290.86**	**$ 12.80**	**4.60%**
Ontario Clean Energy Benefit [1]				**-$ 27.81**			**-$ 29.09**	**-$ 1.28**	**4.60%**
Total Bill (including OCEB)				**$ 250.25**			**$ 261.77**	**$ 11.52**	**4.60%**
Loss Factor (%)		5.02%			5.26%				

29.0 Reference: Exhibit 8, Tab 1, Schedule 3, page 2

a) Please provide the results of a simple regression that relates the % TOA billed to a time trend variable and indicate the adjusted R-squared value along with the t-statistic for the trend variable coefficient.

Grimsby Power Inc.'s Response:

Grimsby Power Inc. requested clarification of question #29 by e-mail on October 25th, 2011, and received an e-mail response on the same day from Mr. Bill Harper (Consultant for VECC), Econalysis Consulting Services, who wrote (*in part*):

> "...the reference and question {*above*} were from the IRs we posed to Guelph
>
> For Grimsby – Could you please address the following in response to Question #29:
>
> **Reference:** Exhibit 8, page 5
>
> **Question:** How were the GS>50 forecast 2012 billing kW eligible for the transformer ownership allowance determined?"

The GS>50 forecast 2012 billing kW forecast was based on a 2010 evaluation of the kW provided to consumers who received the transformer allowance. The total was 55,007.82 kW for 2010. The total allowances paid for 2010 were $33,020.01, representing an allowance level $0.60/kW. This was not expected to change significantly in 2011 or 2012. As a result, an amount of 55,000 kW was assumed in 2012.

30.0 Reference: Exhibit 8, page 3

a) Is the fixed/variable split for the GS>50 class based on distribution revenues net of the transformer allowance? If not, please recalculate the split and the proposed rate for GS>50 on this basis.

Grimsby Power Inc.'s Response:

Grimsby Power Inc. confirms that the fixed/variable split for the GS>50 class is based on distribution revenues net of the transformer allowance.

31.0 Reference: Exhibit 8, page 7

a) Please recalculate the 2006-2010 values for the historical Loss Factor in the Distributor's System (Row G) and the resulting average to four significant digits (i.e., 1.0xxx).

Grimsby Power Inc.'s Response:

The table is reproduced below with Row G values shown to four significant digits:

Table 8.8 Loss Factor Calculations (Board Appendix 2-P) Revised

		Historical Years					5-Year
		2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Actual	Average
	Losses Within Distributor's System						
A(1)	"Wholesale" kWh delivered to distributor (higher value)	177,010,661	182,668,136	181,594,867	179,620,065	188,943,817	181,967,509
A(2)	"Wholesale" kWh delivered to distributor (lower value)	174,586,963	180,314,717	179,230,963	177,261,932	186,703,093	179,619,534
B	Portion of "Wholesale" kWh delivered to distributor for its Large Use Customer(s)						-
C	Net "Wholesale" kWh delivered to distributor = **A(2) - B**	174,586,963	180,314,717	179,230,963	177,261,932	186,703,093	179,619,534
D	"Retail" kWh delivered by distributor	169,025,475	173,068,981	172,075,839	170,620,093	179,605,826	172,879,243
E	Portion of "Retail" kWh delivered by distributor to its Large Use Customer(s)						-
F	Net "Retail" kWh delivered by distributor = **D - E**	169,025,475	173,068,981	172,075,839	170,620,093	179,605,826	172,879,243
G	Loss Factor in Distributor's system = **C / F**	1.0329	1.0419	1.0416	1.0389	1.0395	1.0390
	Losses Upstream of Distributor's System						
H	Supply Facilities Loss Factor	1.013882468	1.013051727	1.013189148	1.013303101	1.012001537	1.013085596
	Total Losses						
I	Total Loss Factor = **G x H**	1.047242497	1.055464331	1.055318796	1.052748607	1.051991586	1.052584218

List of Appendices

APPENDIX 1 – Statistics Canada – Gasoline & Fuel Oil Table

APPENDIX 1

Statistics Canada Statistique Canada

Canada

Related tables: Consumer price indexes.

Gasoline and fuel oil, average retail prices by urban centre (monthly) (Toronto)

	April 2011	May 2011	June 2011	July 2011	August 2011
	cents per litre				
Toronto					
Regular unleaded gasoline at full service filling stations	131.9	134.8	130.6	130.6	128.3
Regular unleaded gasoline at self service filling stations	131.0	133.5	129.5	129.6	127.4
Premium unleaded gasoline at full service filling stations	145.0	148.1	143.6	143.8	141.8
Premium unleaded gasoline at self service filling stations	144.9	147.7	143.8	143.8	140.5
Diesel fuel at full service filling stations	133.1	127.9	125.9	124.0	123.3
Diesel fuel at self service filling stations	130.0	128.2	124.9	122.4	124.7
Household heating fuel	128.1	123.1	123.1	123.1	123.1

Source: Statistics Canada, CANSIM, table (for fee) 326-0009 and Catalogue no. 62-001-X.
Last modified: 2011-09-21.

Find information related to this table (CANSIM table(s); Definitions, data sources and methods; *The Daily*; publications; and related Summary tables).

Date Modified: 2011-09-21