

November 8, 2011
Sent by email, courier, 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 – Responses to Undertakings

In accordance with the Board's Procedural Order No. 2, please find enclosed Guelph Hydro's responses to the undertakings (JTCs) following the Technical Conference commenced on October 27, 2011.

Please note that Guelph Hydro has filed four (4) models in electronic version via RESS:

1. Cost Allocation model (Guelph_JTC1.3_updatedCostAllocationModel_20111108)
2. GEA Rate Rider model
(Guelph_JTC1.12_updated_GEA_Rate_Rider_Model_20111108)
3. Smart Meter Model (Guelph_JTC1.4_updated_SM_Rev_Req_Model_20111108)
4. Revenue Requirement Work Form
(Guelph_JTC1.1_updated_Rev_Req_Work_Form_20111108)

Guelph Hydro has sent hard copies and CDs containing electronic versions (PDF and Excel) of the filing to all participants to the proceedings.

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

Respectfully Submitted,



Cristina Birceanu

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PROCEDURAL ORDER NO. 2

GUELPH HYDRO ELECTRIC SYSTEMS INC. (“Guelph Hydro”)

RESPONSES TO THE BOARD STAFF’S UNDERTAKINGS ON

2012 ELECTRICITY DISTRIBUTION COST OF SERVICE RATES

FILE NUMBER EB-2011-0123

November 8, 2011

UNDERTAKINGS

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Guelph Hydro Electric Systems Inc.
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1. UNDERTAKING NO. JTC1.1: To restate the relief sought in the case in terms of all updates made.

Guelph Hydro's Response:

Guelph Hydro has updated the Revenue Requirement Work Form to reflect all the updates (please see the file Guelph_JTC1.1_updated_Rev_Req_Work_Form_20111108), and listed the changes in the table below.

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Summary of Proposed Changes														
No	Reference	Item	Rate Adders/Riders not included in the Rate Base	Regulated Return on Capital	Regulated Rate of Return	Rate Base	Working Capital	Working Capital Allowance	Amortization	PILs	OM&A	Service Revenue Requirement	Base Revenue Requirement	Gross Revenue Deficiency
	Original submitted on June 30, 2011	Original Submission June 2011		\$ 9,529,390	6.88%	\$ 138,544,011	\$ 158,923,599	\$ 23,838,540	\$ 6,831,714	\$ 730,761	\$ 15,611,241	\$ 32,703,106	\$ 30,652,117	\$ 5,944,117
1	OEB TCQ 18 - Smart Meter Model - collected revenue	Applied simple interest on funding adder revenues - used OEB SM Model v21_2												
	Original		\$ (2,340,623)											
	Final		\$ (2,123,236)											
	Change		\$ 217,387											
2	Energy Probe TCQ 4 - Load Forecast - 2012 Leap Year (+2 GWh - purchases)	Corrected Load Forecast for 2012 Leap Year												
	Energy Probe TCQ 1 - COP update to October 2011 RPP Price Report and to HOEP forecast- Navigant)	Updated 2012 COP												
	Original COP						\$ 143,312,358							
	Final COP						\$ 154,362,464							
	Change			\$ 114,008	6.88%	\$ 1,657,516	\$ 11,050,106	\$ 1,657,516	\$ 22,607	\$ 136,615	\$ 136,615	\$ 136,615	\$ 136,615	\$ 136,615
3	OEB TCQ 20 c Stranded Meter Cost Recovery	Updated Stranded Meter Cost recovery to reflect the adjustment of unamortized capital contributions related to stranded meters of \$151,278 and the 2011 depreciation expense recovered in base rates of \$184,379												
	Original Cost to Recover	\$2,061,500	Yes											
	Original Rate Rider [\$ /month/Smart Metered Customer]	\$0.88												
	Final Cost to Recover	\$1,725,843												
	Final Rate Rider [\$ /month/Smart Metered customer]	\$0.73												

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No	Reference	Item	Rate Adders/Riders not included in the Rate Base	Regulated Return on Capital	Regulated Rate of Return	Rate Base	Working Capital	Working Capital Allowance	Amortization	PILs	OM&A	Service Revenue Requirement	Base Revenue Requirement	Gross Revenue Deficiency
4	Removal of 2010 and 2011 smart meter OM&A expenses from 2012 test year OM&A expenses			\$ (7,236)		\$ (105,195)	\$ (701,301)	\$ (105,195)	\$ -	\$ (1,435)	\$ (701,301)	\$ (709,971)	\$ (709,971)	\$ (709,971)
5	Removal of 2010 and 2011 smart meter depreciation expenses from 2012 test year depreciation expenses								\$ (1,310,138)	\$ -		\$ (1,310,138)	\$ (1,310,138)	\$ (1,310,138)
6	JTC1.12 - Corrected the GEA Funding Rate Adder calculation	Updated Rate Adders												
	Original amount to be recovered in 2012 Test Year					\$1,200,079	Yes							
	Final amount to be recovered in 2012 test Year					\$1,198,108	Yes							
7	JTC1.12 - Removal of 2 Smart Grid Technicians			\$ (1,935)		\$ (28,137)	\$ (187,577)	\$ (28,137)	\$ -	\$ (384)	\$ (187,577)	\$ (189,896)	\$ (189,896)	\$ (189,896)
8	JTC1.21 - Energy Probe TCQ 21 b, c - SH&ED credit of \$89,067	Smart Meter Disposition Rate Riders	Yes											
	Original Operating Expenses with Smart Meter Implementation Plan			\$701,311										
	Final Operating Expenses with Smart Meter Implementation Plan			\$612,244										
	Change			\$89,067										
	JTC1.10- Actuarial Gain			-\$2,292,251	Yes									
9	2011 depreciation adjustments resulting from: (1) update of depreciation schedules to reflect 2010 year end actuals and (2) update of depreciation schedules to reflect correction in the classification of certain 2011 additions.			\$ 2,749		\$ 39,961	\$ -	\$ -	\$ -	\$ 545	\$ -	\$ 3,294	\$ 3,294	\$ 3,294
10	Adjustment to 2011 NBV of SM Investment to Align with new SM Model			\$ 13,761		\$ 200,068	\$ -	\$ -	\$ -	\$ 2,729	\$ -	\$ 16,490	\$ 16,490	\$ 16,490
11	2012 depreciation adjustments: (1) Calculation of depreciation based on 1/2 year rule \$241,993, (2) Removal of depreciation related to stranded meters \$170,013, (3) update of depreciation schedules to reflect 2010 year end actuals and update of depreciation schedules to reflect correction in the classification of certain 2011 additions \$39,191			\$ 15,517		\$ 225,598	\$ -	\$ -	\$ (451,197)	\$ (157,518)	\$ -	\$ (593,198)	\$ (593,198)	\$ (593,198)
12	Adjust CCA on Smart Meter related software to agree with calculations determined by new Smart Meter Model								\$ 98,484		\$ 98,484	\$ 98,484	\$ 98,484	\$ 98,484
12	Resulted after the IRs and TCQs			\$ 9,666,254	6.88%	\$ 140,533,822	\$ 169,084,827	\$ 25,362,724	\$ 5,070,379	\$ 695,790	\$ 14,722,363	\$ 30,154,786	\$ 28,103,797	\$ 3,395,797

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2. UNDERTAKING NO. JTC1.2: To provide date in response to Board Staff Technical Conference Question (TCQ) No. 15

Guelph Hydro's Response:

Guelph Hydro submitted its response to JTC1.2 on November 2, 2011.

Upon the Board's decision on the Account 1562 –Deferred PIL of Taxes disposition, Guelph Hydro is proposing disposing the account 1562 balance through a fixed monthly charge over four year period. The allocator proposed to be used is the 2010 distribution revenue (reported on RRR).

		2010 RRR number of					
Rate Class	Fixed Metric	Year end Customers or Connections	Allocator = Distribution Revenue Account (4080)	Revenues	Years of Disposition	1562 PILs balance	1562 PILs Recovery Rate Riders
				%	4	\$1,780,157.43	Metric \$/month
		A	B	C		D= CxB	F=(D/A)x1/12/Y
Residential	Customer	46,001	\$13,197,037.00	55.50%		\$988,060.92	\$0.45
General Service Less Than 50 kW	Customer	3,647	\$2,947,049.00	12.39%		\$220,645.28	\$1.26
General Service 50 to 999 kW	Customer	557	\$3,420,598.19	14.39%		\$256,099.86	\$9.58
General Service 1,000 to 4,999 kW	Customer	41	\$3,073,360.81	12.93%		\$230,102.23	\$116.92
Large Use	Customer	4	\$978,521.01	4.12%		\$73,261.78	\$381.57
Unmetered Scattered Load	Connection	578	\$47,549.54	0.20%		\$3,560.03	\$0.13
Sentinel Lighting	Connection	25	\$4,356.87	0.02%		\$326.20	\$0.27
Street Lighting	Connection	13,035	\$108,202.75	0.46%		\$8,101.13	\$0.01
Total		63,888	\$23,776,675.17	100.00%		\$1,780,157.43	

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3. UNDERTAKING NO. JTC1.3: To provide update based on the changing the ratio for street lighting, and an updated cost allocation model in relation to Board Staff TCQ No. 21.

Guelph Hydro's Response:

Guelph Hydro has updated its Cost Allocation to reflect the Street Lighting connection factor of 4:1, and the weighting factors for Service, and Billing & Collection to 0.4. In addition, the updated Cost Allocation Model has captured the changes in revenue requirement according to the list of changes presented in the response to JTC1.1.

An electronic version of the Cost Allocation Model has been provided via RESS (Guelph_JTC1.3_updated Cost Allocation Model_20111108).

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4. UNDERTAKING NO. JTC1.4: To provide response to Board Staff
TCQ No.18 (a) and (b).

Guelph Hydro's Response:

Guelph Hydro has filed an updated OEB Smart Meter Revenue Requirement Model - version 2.12G, in Excel format (please see the file Guelph_JTC1.4_updated_SM_Rev_Req_Model_20111108 submitted via RESS). The updated version of the OEB Smart Meter Model calculates the interest on revenues, OM&A, and amortization by applying the interest rate on the opening monthly balance.

Guelph Hydro has amended the OEB Smart Meter model to capture an additional CCA class (i.e. Class 12- Application Software – please see the highlighted cells). Guelph Hydro has reduced the 2010 OM&A costs by the amount of \$89,067 SR&ED Tax Credit.

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5. UNDERTAKING NO. JTC1.5: To provide response to Board Staff
TCQ No.19 (a), (b), (c), (d), (e) and (f).

Guelph Hydro's response:

Guelph Hydro has calculated the Smart Meter Disposition Rate Rider following the Board Staff methodology/approach presented in TCQ 19 (a to f).

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GUELPH HYDRO - 2012 COS - EB-2011-0123
Board Staff TCQ #19 a to f

	2009	2010	2011	Total 2009 to 2011	Explanation Allocator	ID and Factors	Total	Residential	General Service Less than 50 kW	General Service 50 to 999 kW	General Service Greater 1,000 to 4,999 kW	Large User
Revenue Requirement for the Historical Years	\$42,973.43	\$575,293.13	\$1,701,089.76	\$2,319,356.33								
Total Return on Capital _Board Staff TCQ 19 a	\$45,636.20	\$295,708.60	\$490,188.58	\$831,533.38	Weighted Meter - Capital	CWMC	100.00%	74.03%	15.38%	9.50%	0.86%	0.23%
				Allocated per Class			\$831,533.38	\$615,571.14	\$127,924.51	\$78,990.78	\$7,160.56	\$1,886.39
Amortization Expense _Board Staff _TCQ 19 a	\$70,683.67	\$372,772.52	\$668,153.03	\$1,111,609.22	Weighted Meter - Capital	CWMC	100.00%	74.03%	15.38%	9.50%	0.86%	0.23%
				Allocated per Class			\$1,111,609.22	\$822,906.90	\$171,011.85	\$105,596.34	\$9,572.38	\$2,521.75
Operating Expenses _Board Staff TCQ 19 a (Note 1)	\$0.00	\$84,834.00	\$527,410.00	\$612,244.00	Number of Smart Meters Installed for each Class		49,033	46,027	3,006	0	0	0
				Allocated per Class			\$612,244.00	\$574,709.98	\$37,534.02	\$0.00	\$0.00	\$0.00
Grossed-up Taxes/PILs _Board Staff TCQ 19 a	-\$73,346.43	-\$178,021.98	\$15,338.15	-\$236,030.27	Revenue Requirement allocated to each Class before PILs		\$2,555,386.59	\$2,013,188.02	\$336,470.38	\$184,587.11	\$16,732.94	\$4,408.14
				Allocated per Class			-\$236,030.27	-\$185,949.68	-\$31,078.35	-\$17,049.53	-\$1,545.55	-\$407.16
							Total	Residential	General Service Less than 50 kW	General Service 50 to 999 kW	General Service Greater 1,000 to 4,999 kW	Large User
TOTAL REVENUE REQUIREMENT _Board Staff TCQ 19 b				\$2,319,356.33			\$2,319,356.33	\$1,827,238.34	\$305,392.03	\$167,537.58	\$15,187.39	\$4,000.98
					Percentage of costs allocated to customer classes _Board Staff TCQ 19 b		100.00%	78.78%	13.17%	7.22%	0.65%	0.17%
					Revenue Generated from Smart Meter Funding Adder							
					Net Deferred Revenue Requirement _Board Staff TCQ 19 c							
					Allocated per Class _Board Staff TCQ 19 d			\$99,532.78	\$16,635.22	\$9,126.06	\$827.28	\$217.94
					Number of Metered Customers			47,848	3,788	569	44	4
					Smart Meter Disposition Rate Rider _Board Staff TCQ 19 e			\$0.17	\$0.37	\$1.34	\$1.58	\$4.54

Note (1): The Operating Expenses were reduced by \$89,067 to reflect the SH&ED Tax Credit - Energy Probe TCQ # 21 c

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6. UNDERTAKING NO. JTC1.6: To update the cost allocation and correct table.

Guelph Hydro's response:

Guelph Hydro has updated the Table of Proposed 2012 Distribution Rates (excluding proposed rate riders and rate adders) considering all changes stated in its response to JTC1.1 and the correction to fixed/variable split for GS 50-999 kW (ref: VECC IR #31a).

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Proposed 2012 Electricity Distribution rates (excluding proposed rate riders and rate adders)

Customer Class	Proposed Fixed Distribution		Proposed Volumetric	
	Customer	Connection	kWh	kW
Residential	\$14.67		\$0.0179	
GS < 50 kW	\$9.39		\$0.0120	
GS 50 to 999 kW	\$152.71			\$1.8313
GS > 1000 kW	\$1,286.74			\$4.1115
Large Use	\$2,098.27			\$5.0315
Sentinel Lights		\$7.17		\$7.9235
Street Lighting		\$0.33		\$7.9967
USL		\$5.77	\$0.0263	
microFIT Charge	\$4.45			
Transformer Allowance				-\$0.72

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7. UNDERTAKING NO. JTC1.7: To provide response Board Staff TCQ No.25.

Guelph Hydro's response:

Guelph Hydro Electric Systems Inc.								
EB-2011-0123								
Response to JTC 1.7 - Ontario Energy Board TCQ #25								
							dr	cr
Cost of Power 4705							1,108,262	
AP-IESO 2205								1,108,262
Record Global Adjustment charged to Guelph Hydro related to RPP customers								
Cost of Power 4705							4,448,380	
AP-IESO 2205								4,448,380
Record monthly power charges								
AR 1100							4,701,666	
Energy Sales 4006-4055								4,701,666
Record monthly power billings								
1588, RSVA power							854,976	
Cost of Power 4705								854,976
Reduce higher of Cost of Power 4705 and Energy Sales 4006-4005								

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8. UNDERTAKING NO. JTC1.8: To provide response to Board Staff
TCQ No. 24 (a) through (e).

Guelph Hydro's response:

Guelph Hydro's response to TCQ BS #24a:

Guelph Hydro has calculated of Account 1592 sub-account HST/OVAT ITCs in accordance with APH FAQs December 2010. The \$729,166 amount forms part of the calculation.

Guelph Hydro used the transactional method by accumulating all transactions relating to the vendors that historically charged PST for the period commencing July 1st, 2010 through to August 31, 2011. From the gross invoice total, Guelph Hydro first removed the HST charged by the respective vendors, if applicable, and then calculated the proposed PST if the old tax system would have still been in place, otherwise known as the Incremental ITC. For all evaluated transactions during this 14 month period Guelph Hydro estimated the total PST value to equal \$729,166.

Guelph Hydro then separated all transactions between capital and operations as well as by fiscal period in order to calculate the estimated cost savings to be included in Account #1592.

Guelph Hydro's response to TCQ BS #24b:

Calculations outlined below. Note that the \$729,166 has been identified as the starting point of the Incremental ITC's.

Please see the supporting document for the calculation

Guelph_JTC1.8_20111108.xls submitted electronically only.

Guelph Hydro's response to TCQ BS #24c:

The Calculated balance in account # 1592 as at Dec 31, 2010 is \$29,711 and the projected balance as at Dec 31, 2011 is an accumulated total of \$80,509 following the formulae provided in the FAQ's December 2010.

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Guelph Hydro's response to TCQ BS #24d:

Guelph Hydro is seeking disposition of the \$80,509 projected balance in Account 1592 sub-account HST/OVAT ITCs as at Dec 31, 2011.

Guelph Hydro's response to TCQ BS #24e:

See the tables below (an updated Appendix 2-T will be submitted by November 15).

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					Jan - Aug 31	Sept 1 - Dec 31						
				2010	2011	2011						
Modified Incremental ITC on Capital Expenditures				74,803	175,870	138,756						
Estimated useful life				40	40	40						
Annual charge				1,870	4,397	3,469						
Projection of Expenditures and Incremental ITC's Sept 2011 - Dec 31, 2011												
<u>OM&A Expenditures</u>												
Total up to Aug 31, 2011					27,375							
# of months incurring the costs					8							
Estimated per month					3,422							
# of months to the end of the year					4							
Estimated incremental ITC's for the period Sept 1 - Dec 31, 2011					13,687							
Modified Capital Expenditures												
Actual (Y-T-D)	As at Aug 31, 2011				8,679,000							
Less: Smart meter purchases in 2011					(2,195,858)							
					6,483,142							
Total Incremental ITC 2011 capital as at Aug 31, 2011					175,870							
Incremental ITC percentage v. total additions (Mat'l, Labour, OH etc)					3%							
Total 2011 Additions as outline in the company's 2011 capital budget					22,241,000	(Prior to Contributal Capital)						
Less Capital expenses to date					8,679,000							
Less: Transformer Station Project (Exempt as project wasn't in previous Rate Base) Projected between Sept - December 2011					8,447,000							
Modified Capital Additions eligible for Incremental ITC's					5,115,000							
Incremental ITC percentage v. total additions (Mat'l, Labour, OH etc)					3%							
Projected Capital Incremental ITC's (Sept 1 - Dec 31, 2011)					138,756							
					.							

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Accounts Payable Transactional Data									
For the Period July 1, 2010 - August 31, 2011									
Vendor Number		Gross		Net of Tax	Projected PST	Operating		Capital	
		Transaction Amount	HST	Transaction Amount	Under "old" system	Jul 1 - Dec 31/2010	Jan 1 - Aug 31, 2011	Jul 1 - Dec 31/2010	Jan 1 - Aug 31, 2011
672 Total	Savage Data Systems Ltd.	18,226.59	2,096.86	16,129.73	1,290.38	300.28	990.09		
598 Total	Wayne Pitman Ford Lincoln Inc.	180,303.75	20,742.91	159,560.84	12,764.87		2,098.86		10,666.01
2265 Total	Silverspring Networks	5,290,970.85		5,290,970.85	423,277.67			246,351.16	176,926.50
315 Total	HD Supply Utilities	846,751.56	97,413.90	749,337.66	59,947.01			16,239.85	43,707.16
1495 Total	Westburne Ruddy Electric	477,840.95	54,972.85	422,868.10	33,829.45			7,499.15	26,330.30
676 Total	S & C Electric Canada Ltd	285,264.76	32,818.07	252,446.69	20,195.74				20,195.74
1339 Total	SKYCAST INC.	196,377.28	22,592.08	173,785.20	13,902.82				13,902.82
342 Total	Guelph Utility Pole Co Ltd	174,813.26	20,111.26	154,702.00	12,376.16			3,846.48	8,529.68
346 Total	Guillevin International Inc.	151,238.34	17,399.10	133,839.24	10,707.14			1,403.63	9,303.51
836 Total	ABLE-ONE Systems Inc.	145,152.30	16,698.94	128,453.36	10,276.27			3,686.55	6,589.72
895 Total	LAPRAIRIE INC.	143,566.53	16,516.50	127,050.03	10,164.00			8,026.36	2,137.64
55 Total	ACTON PRECAST CONCRETE LTD.	136,297.21	15,680.21	120,617.00	9,649.36			8,150.80	1,498.56
154 Total	NEXANS CANADA INC.	131,571.84	15,136.58	116,435.26	9,314.82			8,736.40	578.42
1914 Total	CDW CANADA INC.	115,066.31	13,237.72	101,828.59	8,146.29				8,146.29
1118 Total	KING LUMINAIRE COMPANY INC.	98,356.33	11,315.33	87,041.00	6,963.28				6,963.28
679 Total	ITRON CANADA INC.	98,282.97	11,306.89	86,976.08	6,958.09			6,187.04	771.05
114 Total	BEL VOLT SALES LIMITED	96,266.87	11,074.95	85,191.92	6,815.35			4,116.19	2,699.16
1049 Total	MOLONEY ELECTRIC INC.	67,201.10	7,731.10	59,470.00	4,757.60				4,757.60
2103 Total	GRAND & TOY	62,076.91	7,141.59	54,935.32	4,394.83		591.82	25.04	3,777.97
595 Total	GENERAL CABLE COMPANY CANADA (BICC)	58,287.98	6,705.70	51,582.28	4,126.58			4,126.58	
2243 Total	PRINTER'S PLUS	53,835.16	6,193.43	47,641.73	3,811.34	1,457.17	2,354.17		
1599 Total	ESRI CANADA	39,550.00	4,550.00	35,000.00	2,800.00		2,800.00		
685 Total	SHEPHERDS UTILITY EQUIPMENT	32,580.71	3,748.22	28,832.49	2,306.60	2,210.91	95.69		
397 Total	SUPREMEX INC.(INNOVA ENVELOPE)	32,092.96	3,692.11	28,400.85	2,272.07		2,272.07		
919 Total	JESSTEC INDUSTRIES INC.	28,018.71	3,223.39	24,795.32	1,983.63	1,983.63			
269 Total	ELECTRIC POWER ACCESSORIES CO LTD	27,023.13	3,108.86	23,914.27	1,913.14			917.11	996.03
1618 Total	CANADIAN ELECTRICAL SERVICES	26,206.96	3,014.96	23,192.00	1,855.36				1,855.36
585 Total	PEFCO ONTARIO	26,081.73	3,000.55	23,081.18	1,846.49	561.36	1,285.13		
105 Total	CORPORATE EXPRESS CANADA INC.	25,793.92	2,967.44	22,826.48	1,826.12	776.84	1,049.27		
1433 Total	MILLWORKS MFG. LTD.	25,336.11	2,914.77	22,421.34	1,793.71	1,074.19	719.52		
806 Total	HARDINGE BROS. LIMITED	25,287.58	2,909.19	22,378.39	1,790.27	747.13	1,043.15		
419 Total	KABAR INDUSTRIES LIMITED	24,624.40	2,832.90	21,791.50	1,743.32			535.20	1,208.12
512 Total	MOFFITT PRINT CRAFT LIMITED	23,756.80	2,733.08	21,023.72	1,681.90	694.34	987.55		
2181 Total	SIEMENS CANADA LTD.	22,469.91	2,585.03	19,884.88	1,590.79	1,590.79			
1871 Total	ATRIA NETWORKS LP	21,261.30	2,445.99	18,815.31	1,505.22	663.73	841.49		
488 Total	MAYHEW & ASSOCIATES	19,854.60	2,284.16	17,570.44	1,405.64	694.25	711.38		
1825 Total	D & R ELECTRONICS CO. LTD.	19,440.86	2,236.56	17,204.30	1,376.34	1,376.34			
1464 Total	BORDEN METAL PRODUCTS (CANADA)	19,046.15	2,191.15	16,855.00	1,348.40			1,306.25	42.15
1092 Total	MVA POWER INC	17,139.69	1,971.82	15,167.87	1,213.43				1,213.43
337 Total	GUELPH PAPER COMPANY	17,027.33	1,958.90	15,068.43	1,205.47	828.57	376.91		
1490 Total	POSI-PLUS ONTARIO INC.	15,738.57	1,810.63	13,927.94	1,114.24	1,114.24			
671 Total	ACKLANDS - GRAINGER INC.	15,222.18	1,751.22	13,470.96	1,077.68	501.06	576.61		
2274 Total	CANADA GLASS & MIRROR CO.	15,206.41	1,749.41	13,457.00	1,076.56		1,076.56		
1803 Total	ACCESS 2 NETWORKS INC.	14,064.23	1,618.01	12,446.22	995.70		995.70		
759 Total	BRITTON AUTO PARTS	13,528.07	1,556.33	11,971.74	957.74	534.43	423.31		
738 Total	TIMBERLAND EQUIPMENT LIMITED	13,475.30	1,550.26	11,925.04	954.00		954.00		
1456 Total	LAKEPORT POWER	13,184.51	1,516.80	11,667.71	933.42	929.93	3.48		
						18,039.20	22,246.78	321,153.80	352,796.48

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Vendor Number		Gross		Net of Tax	Projected PST	Operating		Capital	
		Transaction Amount	HST	Transaction Amount	Under "old" system	Jul 1 - Dec 31/2010	Jan 1 - Aug 31, 2011	Jul 1 - Dec 31/2010	Jan 1 - Aug 31, 2011
2248 Total	GSS GROUP INC.	12,430.00	1,430.00	11,000.00	880.00	880.00			
1722 Total	COYLE & GREER AWARDS CANADA	12,246.40	1,408.88	10,837.52	867.00	867.00			
1348 Total	XEROX CANADA LTD.	12,145.59	1,397.28	10,748.31	859.86	859.86			
1774 Total	KNAPP FASTENERS	11,782.00	1,355.45	10,426.55	834.12	834.12			
1937 Total	STATION EARTH	10,289.70	1,183.77	9,105.93	728.47		728.47		
693 Total	SOFTCHOICE	9,447.14	1,086.84	8,360.30	668.82	528.87	139.95		
633 Total	WAYCON INTERNATIONAL TRUCK SALES	9,206.18	1,059.12	8,147.06	651.76	248.05	403.71		
380 Total	HOLIDAY INN	8,489.69	976.69	7,513.00	601.04	601.04			
594 Total	MCARTHUR TIRE SERVICES INC.,J.D.	8,147.64	937.34	7,210.30	576.82	576.82			
971 Total	ELECTROMART	7,288.05	838.45	6,449.60	515.97	515.06	0.91		
373 Total	PROLINER UTILITY PRODUCTS	7,270.97	836.48	6,434.49	514.76	302.44	212.32		
319 Total	ARTCAL GRAPHIC IMAGING	6,124.83	704.63	5,420.20	433.62	18.42	415.20		
1227 Total	OCE CANADA INC	6,056.76	696.80	5,359.96	428.80	428.80			
2289 Total	AML COMMUNICATIONS INC	5,734.69	659.74	5,074.95	406.00	169.84	236.16		
320 Total	GRAYBAR ELECTRIC (ONTARIO)	4,764.06	548.08	4,215.98	337.28	16.89	320.39		
379 Total	TRANSIT LUBRICANTS LTD.	4,658.38	535.92	4,122.46	329.80	329.80			
713 Total	STINSON EQUIPMENT LIMITED	4,168.80	479.60	3,689.20	295.14	203.09	92.05		
1116 Total	DELL CANADA INC	3,796.53	436.77	3,359.76	268.78	268.78			
1122 Total	TEAM TRUCK CENTRES	3,685.74	424.02	3,261.72	260.94	260.94			
539 Total	NEUTRON ELECTRONICS LIMITED	3,199.71	368.11	2,831.60	226.53		226.53		
1574 Total	MESURINA LTD.	3,065.13	352.63	2,712.50	217.00		217.00		
301 Total	ALLAN FYFE EQUIPMENT LIMITED	2,888.40	332.29	2,556.11	204.49		204.49		
1835 Total	BRIAN'S FOOTWEAR	2,850.90	327.98	2,522.92	201.83	63.29	138.54		
1352 Total	PRIDE BODIES	2,713.39	312.16	2,401.23	192.10		192.10		
813 Total	YOUNG UTILITY EQUIPMENT INC	2,670.73	307.25	2,363.48	189.08	55.32	133.76		
1868 Total	BILBOARD SPORTSWEAR /PRO-TECT WEAR	2,518.79	289.77	2,229.02	178.32		178.32		
1955 Total	WATSON'S ENGRAVING & PROMOTIONS	2,489.51	286.40	2,203.11	176.25	77.12	99.12		
1773 Total	STAR MECHANICAL	2,408.39	277.07	2,131.32	170.51	16.16	154.35		
724 Total	CENTURY VALLEN	2,338.57	269.04	2,069.53	165.56	165.56			
1805 Total	CANDURA INSTRUMENTS	2,248.70	258.70	1,990.00	159.20		159.20		
77 Total	AMAC EQUIPMENT LIMITED	2,147.04	247.00	1,900.04	152.00		152.00		
1642 Total	AMERICAN CASTING & MFG. CORPORATION	2,056.60	236.60	1,820.00	145.60	145.60			
161 Total	CANADIAN TIRE - WOODLAWN (260)	1,950.19	224.36	1,725.83	138.07	48.69	89.38		
480 Total	MARKS SUPPLY INC.	1,944.92	223.75	1,721.17	137.69	137.69			
1771 Total	CEDAR SIGNS	1,648.65	189.67	1,458.98	116.72	45.35	71.36		
1654 Total	MEADOWVILLE GARDEN CENTRE	1,582.00	182.00	1,400.00	112.00	112.00			
73 Total	ALPINE GRAPHIC PRODUCTIONS	1,568.18	180.41	1,387.77	111.02	105.24	5.78		
1587 Total	HEERS DECORATING & DESIGN CENTRES	1,567.11	180.29	1,386.82	110.95	29.72	81.22		
1753 Total	BELL EXPRESSVU	1,547.12	177.99	1,369.13	109.53	65.02	44.51		
302 Total	G & A LOCK SERVICE LTD.	1,423.97	163.82	1,260.15	100.81	84.65	16.16		
2186 Total	WILLIAM KNELL AND COMPANY LIMITED	1,045.33	120.26	925.07	74.01		74.01		
1408 Total	KITCHENER SCALE LTD	1,005.70	115.70	890.00	71.20	71.20			
1476 Total	TENAQUIP LTD.	988.76	113.75	875.01	70.00	47.01	22.99		
1824 Total	BEST PRACTICE AND SAFETY	847.50	97.50	750.00	60.00	60.00			
168 Total	LINDE CANADA LIMITED, T4086	819.36	94.26	725.10	58.01	58.01			
						9,297.46	4,809.99	0.00	0.00

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Vendor Number		Gross		Net of Tax		Projected PST		Operating		Capital	
		Transaction Amount	HST	Transaction Amount		Under "old" system		Jul 1 - Dec 31/2010	Jan 1 - Aug 31, 2011	Jul 1 - Dec 31/2010	Jan 1 - Aug 31, 2011
1188 Total	LIGHTNING EQUIPMENT SALES INC	796.85	91.67	705.18		56.41		56.41			
109 Total	BELCO SAFETY PRODUCTS LIMITED	782.54	90.03	692.51		55.40		55.40			
707 Total	STAN'S PLUMBING & HEATING	719.42	82.77	636.65		50.93		34.23	16.70		
521 Total	MYRON MANUFACTURING CORP	709.08	81.58	627.50		50.20		50.20			
1720 Total	CERTIFIED LABORATORIES	663.70	76.35	587.35		46.99		46.99			
160 Total	CSA GROUP - P O BOX 1926	587.60	67.60	520.00		41.60		30.63	10.97		
1244 Total	WURTH CANADA LTD	570.26	65.61	504.65		40.37			40.37		
691 Total	SNAP-ON TOOLS CANADA LTD	558.93	64.30	494.63		39.57			39.57		
1945 Total	CIT FINANCIAL LTD.	518.50	59.65	458.85		36.71			36.71		
297 Total	GEORGE M. FRASER LTD.	477.89	54.98	422.91		33.83			33.83		
1748 Total	LINE-X COATINGS	457.09	52.59	404.50		32.36			32.36		
1346 Total	CONCORD HYDRAULICS LTD.	446.35	51.35	395.00		31.60		31.60			
983 Total	M & M PLASTIC (MFG) COMPANY INC	440.51	50.68	389.83		31.19		31.19			
1647 Total	ACTIONWEAR SASKATOON INC.	425.65	48.97	376.68		30.13			30.13		
108 Total	BEDROSIAN RUBBER STAMPS	379.23	43.63	335.60		26.85		26.85			
852 Total	EDCOM MULTIMEDIA PRODUCTS	369.79	42.54	327.25		26.18			26.18		
1852 Total	BOLTS PLUS INCORPORATED	365.30	42.03	323.27		25.86			25.86		
142 Total	BURNS MARKETING	331.21	38.10	293.11		23.45		23.45			
399 Total	PRAXAIR DISTRIBUTION	275.62	31.71	243.91		19.51		19.51			
1630 Total	CUMMINS HYDRAULICS	270.07	31.07	239.00		19.12			19.12		
107 Total	J L'S HOME BUILDING CENTRE	241.07	27.73	213.34		17.07		17.07			
1530 Total	ONTARIO GLOVE AND SAFETY	221.91	25.53	196.38		15.71		15.71			
668 Total	RUBBERLINE PRODUCTS LIMITED	214.68	24.70	189.98		15.20		15.20			
1241 Total	AMC(AFTER MARKET CONNECTION)	209.18	24.06	185.12		14.81		14.81			
755 Total	TSC STORES LTD	187.96	21.62	166.34		13.31		1.24	12.07		
718 Total	STRESS CRETE LIMITED	169.50	19.50	150.00		12.00			12.00		
425 Total	KENNEDY SPECIALTY SEWING LIMITED	169.48	19.50	149.98		12.00			12.00		
1284 Total	LIND EQUIPMENT LTD	149.16	17.16	132.00		10.56		10.56			
60 Total	AGO INDUSTRIES INC.	144.57	16.63	127.94		10.24		10.24			
198 Total	COLT REPRODUCTIONS LIMITED	101.70	11.70	90.00		7.20		7.20			
796 Total	WEDGE PAPER PRODUCTS LTD.	61.25	7.05	54.20		4.34		4.34			
310 Total	GERRIE ELECTRIC	41.97	4.83	37.14		2.97		2.97			
316 Total	GRAND RIVER SALES LIMITED	30.23	3.48	26.75		2.14		2.14			
2213 Total	ROYAL CITY TIRE SERVICE LTD.	28.25	3.25	25.00		2.00		2.00			
2134 Total	HUNTER STEEL SALES	21.40	2.46	18.94		1.52		1.52			
597 Total	PRYSMIAN CABLES & SYSTEMS	0.00	0.00	0.00		0.00		0.00			
241 Total	RAYDAN MANUFACTURING ONTARIO INC.	(257.48)	(29.62)	(227.86)		(18.23)		(18.23)			
83 Total	ANIXTER CANADA INC	(264.93)	(30.48)	(234.45)		(18.76)		(18.76)			
Grand Total		9,797,081.24	497,068.62	9,114,575.64		729,166.05		504.59	317.75	0.00	0.00
								27,841.25	27,374.51	321,153.80	352,796.48
											729,166.05

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9. UNDERTAKING NO. JTC1.9: To provide response to Board Staff
TCQ No.27.

Guelph Hydro's response:

Table 1 on page 11 delivered on Oct 11, 2011 does not replace Table 2 on page 14 filed on Sept 30, 2011. Table 1 of the Oct 11, 2011 delivery was in response to question #77 regarding changes to Guelph Hydro's capitalization policy and its impact on Revenue Requirement. Table 2 in the Sept 30, 2011 filing takes into consideration all adjustments relating to the transition to MIFRS, not just the adjustments directly related to the company's new capitalization policy.

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10. UNDERTAKING NO. JTC1.10: To elaborate on scenarios **provided by Board Staff TCQ No. 13 (b) and 14 - *unrealized actual gain***. To clarify why Guelph wants to recover non-cash OPEB expenses from its ratepayers many years in advance of having to pay the actual benefits to employees who have not yet retired, while at the same time keep the actual gains of \$1.9 million.

To clarify what Guelph would do with the money that it will collect from its ratepayers but will not pay out to its retirees until many years in the future.

To include in your analysis, given there is a new standard, IS 19, with the effective date of January 1st, 2013, with elimination of the corridor method, the impacts of changes in the standard IS 19, please include in your analysis the impacts of the changes in the standard.

Guelph Hydro's response:

Guelph Hydro has studied the matter of how unrealized actuarial gains (and losses) should be treated from a regulatory perspective in light of the upcoming accounting changes prescribed by IAS 19 under IFRS.

We have considered the following options in respect of the actuarial gain:

1. No proposed adjustment to revenue requirement – continue to use annual OPEB expenses as estimated by actuarial studies as an element of the OM&A expenses in the test year.
2. For rate setting purposes, continue to use the corridor method of accounting for OPEB expenses currently allowed under IFRS up until January 1, 2013. Under this option, the gain would be amortized as an annual offset to OPEB expenses and adjusted every three years with a new actuarial study.
3. Dispose of the entire gain in the first year of a rate re-basing.
4. Dispose of the gain through a rate rider evenly over the four year rate re-basing cycle.

Guelph Hydro is recommending using option number 4. We believe that this method is a fair compromise to both rate payers and the company as it disposes (or recovers) a gain (loss) over a reasonable time period.

Under options 1 and 2 the recovery or disposition period could potentially be in excess of 10 years. Option 3 could potentially introduce rate volatility in the event that tri-annual

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actuarial valuations result in swings from gains to losses due to numerous external factors affecting the valuation.

Guelph Hydro is proposing to dispose the amount of post retirement actuarial gain (PRG) over four year period through a fixed monthly charge. The allocator used for calculating the rate PRG rider is the 2010 Distribution Revenue as reported in RRR submission (please see the table below).

		2010 RRR number of customers and revenues					
Rate Class	Fixed Metric	Year end Customers or Connections	Allocator = Distribution Revenue Account (4080)	Revenues	Years of Disposition	Post Retirement Actuarial Gain (PRAG) Amount	PRG Rate Riders
				%	4	-\$2,292,251.00	Metric \$/month
		A	B	C	Y	D= CxB	F=(D/A)x1/12/Y
Residential	Customer	46,001	\$13,197,037.00	55.50%		-\$1,272,294.00	-\$0.58
General Service Less Than 50 kW	Customer	3,647	\$2,947,049.00	12.39%		-\$284,117.77	-\$1.62
General Service 50 to 999 kW	Customer	557	\$3,420,598.19	14.39%		-\$329,771.49	-\$12.33
General Service 1,000 to 4,999 kW	Customer	41	\$3,073,360.81	12.93%		-\$296,295.19	-\$150.56
Large Use	Customer	4	\$978,521.01	4.12%		-\$94,336.81	-\$491.34
Unmetered Scattered Load	Connection	578	\$47,549.54	0.20%		-\$4,584.13	-\$0.17
Sentinel Lighting	Connection	25	\$4,356.87	0.02%		-\$420.04	-\$0.35
Street Lighting	Connection	13,035	\$108,202.75	0.46%		-\$10,431.56	-\$0.02
Total		63,888	\$23,776,675.17	100.00%		-\$2,292,251.00	

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11. UNDERTAKING NO. JTC1.11: To reconcile closing December 2010 balance with opening 2011 balance from Board Staff TCQ No. 28 - Table.

Guelph Hydro's response:

The December 31, 2010 closing balance of Table 7 will not reconcile with the opening 2011 balance since it was prepared under an MIFRS basis in response to another Interrogatory. For the purposes of Guelph Hydro's 2012 Rate Submission, fixed assets for 2010 were prepared on a CGAAP basis. In 2011 and 2012, Guelph Hydro commenced accounting for fixed assets on an MIFRS basis. In response to these undertakings Guelph Hydro has submitted a new set of continuity schedules for the years 2010 to 2012. We have include the continuity schedules for 2010 (CGAAP basis), and 2011 (MIFRS basis) below which show the closing balances as at December 31, 2010 rolling forward into the opening balances for 2011.

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Guelph Hydro Electric Systems License Number ED-2002-0565, File Number											
Table 7 Appendix 2-B Fixed Asset Continuity Schedule As of December 31, 2010						CGAAP					
Cost						Accumulated Depreciation					
CCA Class	OEB	Description	Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	Net Book Value
N/A	1805	Land	768,123	1,873,864		2,641,987	0			0	2,641,987
CEC	1806	Land Rights	0			0	0			0	0
1	1808	Buildings and Fixtures	18,191,632	68,870		18,260,502	2,296,732	408,765		2,705,497	15,555,005
N/A	1810	Leasehold Improvements	0			0	0			0	0
	1815	Transformer Station Equipment - Normally Primary above 50	0	758,177		758,177	0	25,273		25,273	732,904
47	1820	Distribution Station Equipment - Normally Primary below 50	1,697,266	11,621		1,708,887	73,007	56,963		129,970	1,578,917
	1825	Storage Battery Equipment	0			0	0			0	0
47	1830	Poles, Towers and Fixtures	20,579,581	1,696,920		22,276,501	6,976,469	1,025,286		8,001,755	14,274,746
47	1835	Overhead Conductors and Devices	17,035,390	844,820		17,880,210	5,886,145	822,917		6,709,061	11,171,148
47	1840	Underground Conduit	34,914,467	2,746,085		37,660,552	11,549,527	1,759,765		13,309,293	24,351,260
47	1845	Underground Conductors and Devices	33,460,819	2,362,380		35,823,198	10,528,968	1,670,495		12,199,463	23,623,736
47	1850	Line Transformers	17,111,497	1,076,256		18,187,753	6,328,035	866,079		7,194,113	10,993,640
47	1855	Services	6,769,661	413,832		7,183,493	2,257,695	335,449		2,593,145	4,590,348
47	1860	Meters	11,338,425	(4,703,762)		6,634,663	3,304,589	504,292	2,270,935	1,537,947	5,096,717
	1865	Other Installations on Customer's Premises	0			0	0			0	0
N/A	1905	Land	0			0	0			0	0
CEC	1906	Land Rights	0			0	0			0	0
1	1908	Buildings and Fixtures	0			0	0			0	0
	1910	Leasehold Improvements	0			0	0			0	0
8	1915	Office Furniture and Equipment	1,165,296	56,547		1,221,843	658,628	92,169		750,797	471,046
45	1920	Computer Equipment - Hardware	2,193,680	308,896		2,502,577	1,410,016	327,550		1,737,566	765,011
45.1	1925	Computer Software	0			0	0			0	0
10	1930	Transportation Equipment	2,687,174	633,782	439,885	2,881,072	1,403,166	379,980	433,988	1,349,158	1,531,913
	1935	Stores Equipment	96,338			96,338	96,284	54		96,338	0
8	1940	Tools, Shop and Garage Equipment	940,008	52,094		992,103	535,192	73,776		608,968	383,135
	1945	Measurement and Testing Equipment	14,872			14,872	11,898	2,974		14,872	0
	1950	Power Operated Equipment	0			0	0			0	0
	1955	Communication Equipment	0			0	0			0	0
	1960	Miscellaneous Equipment	2,327,700	5,249		2,332,949	2,118,596	130,827		2,249,423	83,526
	1970	Load Management Controls - Customer Premises	314,982			314,982	178,610	136,372		314,982	(0)
	1975	Load Management Controls - Utility Premises	0			0	0			0	0
47	1980	System Supervisory Equipment	304,281	222,647		526,929	70,392	105,386		175,777	351,152
	1985	Sentinel Lighting Rentals	6,158			6,158	0			0	6,158
	1990	Other Tangible Property	0			0	0			0	0
47	1995	Contributions and Grants	(31,794,646)	(3,440,464)		(35,235,111)	(6,031,118)	(1,413,532)		(7,444,651)	(27,790,460)
	2005	Property Under Capital Leases	0			0	0			0	0
	2070	Other Utility Plant	771			771	373	51		424	347
Total before Work in Process / Re-allocation of amortization			140,123,475	4,987,814	439,885	144,671,404	49,653,203	7,310,890	2,704,923	54,259,170	90,412,234
95	2055	Work in Process	150,530	(110,413)		40,117	0			0	40,117
		Re-allocation of amortization						(453,810)			
Total after Work in Process			140,274,005	4,877,401	439,885	144,711,521	49,653,203	6,857,080	2,704,923	54,259,170	90,452,350

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Fixed Asset Continuity Schedule (Distribution & Operations) As at December 31, 2011			Table 8 Appendix 2-B Fixed Asset Continuity Schedule As of December 31, 2011				MIFRS			REVISED				
			Cost				Accumulated Depreciation							
CCA Class	OEB	Description	Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	Net Book Value			
N/A	1805	Land	2,641,987			2,641,987	0			0	2,641,987			
CEC	1806	Land Rights	0			0	0			0	0			
1	1808	Buildings and Fixtures	18,260,502	1,735,000		19,995,502	2,705,497	426,613		3,132,110	16,863,391			
N/A	1810	Leasehold Improvements	0			0	0			0	0			
	1815	Transformer Station Equipment - Normally Primary	758,177	9,225,000		9,983,177	25,273	332,773		358,045	9,625,132			
47	1820	Distribution Station Equipment - Normally Primary	1,708,887			1,708,887	129,970	73,394		203,364	1,505,522			
	1825	Storage Battery Equipment	0			0	0			0	0			
47	1830	Poles, Towers and Fixtures	22,276,501	1,322,234		23,598,735	8,001,755	512,411		8,514,167	15,084,568			
47	1835	Overhead Conductors and Devices	17,880,210	1,224,591		19,104,801	6,709,061	411,330		7,120,391	11,984,409			
47	1840	Underground Conduit	37,660,552	2,885,590		40,546,142	13,309,293	907,544		14,216,837	26,329,306			
47	1845	Underground Conductors and Devices	35,823,198	2,595,379		38,418,577	12,199,463	861,506		13,060,968	25,357,609			
47	1850	Line Transformers	18,187,753	1,033,848		19,221,601	7,194,113	402,358		7,596,471	11,625,130			
47	1855	Services	7,183,493	269,265		7,452,758	2,593,145	171,443		2,764,588	4,688,170			
47	1860	Meters	6,634,663	609,000		14,725,108	1,537,947	474,126		3,322,210	11,402,898			
	1865	Other Installations on Customer's Premises	0			0	0			0	0			
N/A	1905	Land	0			0	0			0	0			
CEC	1906	Land Rights	0			0	0			0	0			
1	1908	Buildings and Fixtures	0			0	0			0	0			
	1910	Leasehold Improvements	0			0	0			0	0			
	1915	Office Furniture and Equipment	1,221,843			1,221,843	750,797	45,425		796,221	425,622			
45	1920	Computer Equipment - Hardware	2,502,577	420,000		3,549,349	1,737,566	362,335		2,099,900	1,449,448			
	1925	Computer Software	0			1,114,457	0			0	1,114,457			
10	1930	Transportation Equipment	2,881,072	450,000		3,331,072	1,349,158	338,917		1,688,075	1,642,997			
	1935	Stores Equipment	96,338			96,338	96,338			96,338	0			
8	1940	Tools, Shop and Garage Equipment	992,103	60,000		1,103,006	608,968	72,980		681,947	421,058			
	1945	Measurement and Testing Equipment	14,872			14,872	14,872			14,872	0			
	1950	Power Operated Equipment	0			0	0			0	0			
	1955	Communication Equipment	0			0	0			0	0			
50	1960	Miscellaneous Equipment	2,332,949	50,000		2,439,448	2,249,423	79,094		2,328,517	110,931			
	1970	Load Management Controls - Customer Premises	314,982			314,982	314,982			314,982	(0)			
	1975	Load Management Controls - Utility Premises	0			0	0			0	0			
50	1980	System Supervisory Equipment	526,929	361,093		888,022	175,777	177,604		353,382	534,640			
	1985	Sentinel Lighting Rentals	6,158			6,158	0			0	6,158			
	1990	Other Tangible Property	0			0	0			0	0			
47	1995	Contributions and Grants	(35,235,111)	(2,679,000)		(37,914,111)	(7,444,651)	(914,706)		(8,359,357)	(29,554,754)			
	2005	Property Under Capital Leases	0			0	0			0	0			
	2070	Other Utility Plant	771			771	424	51		476	295			
Total before Work in Process / Re-allocation of amortization			144,671,404	19,562,000	0	173,563,480	54,259,170	4,735,197	0	60,304,505	113,258,975			
95	2055	Work in Process	40,117			40,117	0				40,117			
		Re-allocation of amortization						(332,817)						
Total after Work in Process			144,711,521	19,562,000	0	173,603,597	54,259,170	4,402,380	0	60,304,505	113,299,092			

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12. UNDERTAKING NO. JTC1.12: To provide break down of combined revenue into renewable generation and smart grid **from Board Staff TCQ No. 3 (a) separating smart grid to GEA revenues – proposal.**

Guelph Hydro's response:

Guelph Hydro has corrected the GEA Rate Rider Calculation model to capture the correct Amortization line and the correct Working Capital Allowance of 15% (please see the Excel version of the model Guelph_JTC1.12_updated GEA_Rate_Rider_Model_20111108 filed electronically only).

Guelph Hydro is proposing the following fixed monthly GEA funding rate adders:

	2012 (Note 1)	2013	2014	2015
Proposed GEA Funding Rate Adder- Combined Renewable Generation Capital and OM&A Smart Grid	\$ 1.9108	\$ 0.6259	\$ 0.5502	\$ 0.4954

Guelph Hydro has presented below the corrected Incremental Revenue Requirement calculation:

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Incremental Revenue Requirement Calculation

	2011	2012	2013	2014	2015
Net Fixed Assets	\$ -	\$ -	\$ 245,000	\$ 504,500	\$ 532,500
OM&A	\$ 477,000	\$ 721,000	\$ 391,000	\$ 341,000	\$ 306,000
WCA	15.0% \$ 71,550	15.0% \$ 108,150	15.0% \$ 58,650	15.0% \$ 51,150	15.0% \$ 45,900
Rate Base	\$ 71,550	\$ 108,150	\$ 303,650	\$ 555,650	\$ 578,400
Deemed ST Debt	4% \$ 2,862	4% \$ 4,326	4% \$ 12,146	4% \$ 22,226	4% \$ 23,136
Deemed LT Debt	56% \$ 40,068	56% \$ 60,564	56% \$ 170,044	56% \$ 311,164	56% \$ 323,904
Deemed Equity	40% \$ 28,620	40% \$ 43,260	40% \$ 121,460	40% \$ 222,260	40% \$ 231,360
ST Interest	2.46% \$ 70	2.46% \$ 106	2.46% \$ 299	2.46% \$ 547	2.46% \$ 569
LT Interest	5.26% \$ 2,109	5.26% \$ 3,188	5.26% \$ 8,951	5.26% \$ 16,380	5.26% \$ 17,050
ROE	9.58% \$ 2,742	9.58% \$ 4,144	9.58% \$ 11,636	9.58% \$ 21,293	9.58% \$ 22,164
	\$ 4,921	\$ 7,439	\$ 20,886	\$ 38,219	\$ 39,784
OM&A	\$ 477,000	\$ 721,000	\$ 391,000	\$ 341,000	\$ 306,000
Amortization	\$ -	\$ -	\$ 10,000	\$ 21,000	\$ 23,000
Grossed-up PILs	\$ 1,080	-\$ 5,644	-\$ 6,423	\$ 7,098	\$ 14,388
Revenue Requirement	\$ 483,001	\$ 722,795	\$ 415,463	\$ 407,316	\$ 383,172

	2011	2012	2013	2014	2015
Direct Benefit					
OM&A	\$ 477,000	\$ 721,000	2011 + 2012	\$ 341,000	\$ 306,000
Capital	\$ 6,001	\$ 1,795		\$ 66,316	\$ 77,172
Direct Benefit % on capital	0.00%	6.00%		6.00%	6.00%
Direct Benefit on capital	\$ -	\$ 108		\$ 3,979	\$ 4,630
Total Direct Benefit	\$ 477,000	\$ 721,108	\$ 1,198,108	\$ 344,979	\$ 310,630
Total # of Customers (excl connections)	52,253	52,253	52,253	52,253	52,253
GEA Rate Adder	\$ 0.7607	\$ 1.1500	\$ 1.9108	\$ 0.5502	\$ 0.4954
Provincial Rate Protection	\$ 6,001	\$ 1,688	\$ 7,688	\$ 62,337	\$ 72,542
Monthly Adder Amount Paid by IESO	\$ 500	\$ 141	\$ 640.70	\$ 5,195	\$ 6,045

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Guelph Hydro has calculated separate Renewable Generation Connection and Smart Grid rate portions/percentages in order to enable the correct regulatory accounting treatment of the collected combined revenue, and to establish the amount of revenue that should be allocated to Account 1533-Renewable Generation Connection Funding Adder Deferral Account, and to Account 1536-Smart Grid Funding Adder Deferral Account.

	2012 (Note 1)	2013	2014	2015
Proposed GEA Funding Rate Adder- Combined Renewable Generation Capital and OM&A Smart Grid	\$ 1.9108	\$ 0.6259	\$ 0.5502	\$ 0.4954

	2012 (Note 1)	2013	2014	2015
Portion of GEA Funding Rate Adder attributable to Smart Grid OM&A Smart Grid (Note 2)	\$1.9108	\$0.6240	\$0.5462	\$0.4912
% of the Proposed GEA Rate Adder	100.00%	99.69%	99.28%	99.15%

	2012 (Note 1)	2013	2014	2015
Portion of GEA Funding Rate Adder attributable to Renewable Generation Connection RGC Capital (Note 3)	\$0.0000	\$0.0019	\$0.0040	\$0.0042
% of the Proposed GEA Rate Adder	0.00%	0.31%	0.72%	0.85%

Note (1): 2021 GEA Rate Adder includes 2011 and 2012 recovery.

Note (2): Revenue collected to be recorded in Account 1536 Smart Grid Funding Adder Deferral

Note (3): Revenue collected to be recorded in Account 1533 Renewable Generation Connection Funding Adder Deferral - sub-account Revenue Collected from Ratepayers

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13. UNDERTAKING NO. JTC1.13

[UNASSIGNED]

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14. UNDERTAKING NO. JTC1.14: To provide answers to Board Staff
TCQ No. 45 (a) and (b).

Board Staff TCQ 45) Ref. Board staff IRR #90, Board staff IRR #91, Exh. 2/Tab 4/Sch. 6 (Appendix D)/pp.22 – 24, and Filing Requirements: Distribution System Plans – Filing Under Deemed Conditions of Licence, March 25, 2010, p. 19

In the fourth reference, on page 19 the Filing Requirements lists a series of six information requirements for a Smart Grid demonstration project., for example,

- *a discussion of the technology to be anticipated benefits from a successful application of the technology.*

The Filing Requirements do not mention “pilot projects” as expenses eligible for inclusion in the Smart Grid deferral accounts. While the evidence in reference 3 describes the electric vehicle project as a “Pilot” project, in reference 1 the IRR indicates that Guelph considers the project to be a demonstration project.

While the evidence and the IR provide much interesting information (e.g. a review of other demonstration projects), there is no systematic discussion of how the project meets the six requirements. For example it is not clear what “technology” is the subject of the demonstration. The evidence (reference 3) lists a number of items: electric vehicles, charging stations, home charging units, “business models”, and Zigbee chip functionality. In addition IRR 91 (reference 2) indicates that:

“the purpose in conducting the EV pilot project is to educate residents...”

- a) Please provide a direct response to each of six information requirements listed in the Filing Requirements.

Guelph Hydro’s response:

First off, Guelph Hydro would like to clarify that in preparing the submitted GEA Plan, Guelph Hydro did not differentiate between the terms "pilot project" and "demonstration project."

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The following is our direct response to each of the six information requirements listed in the Filing Requirements.

1. A discussion of the technology to be demonstrated and the anticipated benefits from a successful application of the technology:

The EV Demonstration Project will demonstrate electric vehicle charging technologies. Currently, there are a number of manufacturers of various different charging systems (GE Wattstation, Coulomb Technologies/Siemens, Better Life, etc.). The project will evaluate the features and benefits of the charging stations for use in a variety of environments (public space, public/private space, private space).

Subject to approval of the OEB, the project would enable the testing of various different rate plans for EVs.

In addition, it may be possible to evaluate software and technologies used for settlement purposes. These may include key fobs, fleet cards, credit card payments, pre-loaded cash cards, payment via hydro bills, etc.

2. A discussion of any risks or barriers to the widespread implementation of the technology if the demonstration phase proves successful:

Risks and barriers would be minimal since the companies we would be partnering with for the charging stations and back office systems would all be reputable companies with an established track record in implementing EV technology in other countries or jurisdictions.

3. Confirmation that the distributor has undertaken a review of other demonstration projects as reported on the Board's website or elsewhere, to determine what has already been learnt about the technology:

This item was answered in detail in the GEA Plan Filing and initial IR responses.

4. Information on any other demonstration projects that have been conducted using the technology and a discussion of why additional demonstration is necessary:

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This point was answered in detail in the IR. New demonstration projects are being initiated in the US, Europe and other jurisdictions on a frequent basis. Guelph Hydro's reason for proposing a demonstration project to take place in Guelph is to:

- test EV charging station technology in the Canadian environment;
- test EV charging station technology in public, public/private and private spaces;
- include the use of a "cube van" EV, in addition to passenger EVs, and, thereby, serve as a model for fleets considering EVs;
- educate residents on EVs and charging systems / stations;
- educate residents on the impact of TOU rates and other rate plans on EV charging;
- leverage the fact that Guelph is a "green" community well suited to the adoption of EVs and use Guelph as a model of what communities need to be doing to encourage the adoption of EVs.

5. A discussion of any joint participation agreements, information sharing arrangements and other efforts that the distributor has made to avoid undertaking projects that unnecessarily duplicate other ongoing or planned demonstration projects so as to avoid redundant demonstration projects:

- Guelph Hydro is a member of GridSmartCity and, as such, has been able to tap into the network of utilities that are exploring EV demonstration projects;
- Guelph Hydro has initiated discussions with electric vehicle charging systems vendors. During these discussions, Guelph Hydro explored whether these companies are pursuing any other projects in the Ontario market.

6. A description of the formal evaluation that will be performed to assess the value of the projects. The evaluation should be suitable for sharing with other distributors:

Formal evaluation of the EV Demonstration Project will be conducted using data collected from the charging stations. This data will provide information on a variety of points including:

- frequency of use
- most used locations
- when residents are likely to charge
- average duration of a charge
- maintenance stats

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- popularity of payment methods
- impact of various rate plans on charging practices

In addition, individuals who view the charging station during information sessions will be asked to fill in a survey in order to collect data, collect questions and concerns as well as determine what they learned, and what other information people will need to understand the functioning and implications of EV charging stations.

- b) Please explain how Guelph interprets the Filing Requirements as identifying the education of residents as an eligible Smart Grid expense.

Guelph Hydro's response:

EVs are a new technology that has the potential to have a significant impact on the grid - either positively or negatively. Guelph Hydro believes that the community of Guelph is an ideal municipality to serve as a model for other communities on how the incorporation of EVs can reduce peak load and reduce greenhouse gases. The reasons why Guelph is considered an ideal community for this type of project were outlined in the initial IR responses.

As a first step, Guelph Hydro believes that by installing EV charging stations in key locations, and including an EV cube van in Guelph Hydro's fleet, we will be serving as a catalyst in our community to encourage residents to explore the use of EVs.

An EV Demonstration Project provides a focal point for information sessions, workshops, seminars, conferences, etc. around the topic of EVs and a smart grid. For the average consumer, a discussion about EVs is a lot more palatable and understandable than a discussion about a smart grid. However, using the opportunity to educate consumers about EVs and charging schemes, it is easy to make the connection to other aspects of a smart grid. In particular, Guelph Hydro believes the discussion about how a ZigBee chip enabled smart meter can assist in automating the charging of an EV, will naturally lead to a discussion on other benefits of smart home technologies. Once residents have some foundational knowledge about the potential functions of a smart grid, it will be a lot easier to educate them on more advanced technologies.

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15. UNDERTAKING NO. JTC1.15: To provide general update to revenue requirement work form as a result of any changes or updates, in relation to Board Staff TCQ No. 1.

Guelph Hydro's response:

Please see the response to JTC1.1.

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16. UNDERTAKING NO. JTC1.16: To provide further and better answers to Board Staff TCQ No. 46.

Board Staff TCQ 46) Ref. Board staff IRR 93, Exh. 2/Tab 4/Sch. 6 (Appendix D)/pp.28 – 31, and Filing Requirements: Distribution System Plans – Filing Under Deemed Conditions of Licence, March 25, 2010

In the first reference Board staff IRR 93a), Guelph indicates that the lessons to be learned from the Smart Home Demonstration Project are all related to the responses of the community and consumers to various smart grid technologies, including EVs. In that same first reference Board staff IRR 93f), Guelph Hydro equates public education on electrical safety with public education on in-home smart grid technology and goes on to indicate that the project will assist in building a “culture of conservation”.

In the third reference, the Filing Requirements state in part that the following information is required:

- *a description of the formal evaluation that will be performed to assess the value of the projects.*
- a) Please provide a description of the formal evaluation that Guelph will perform in relation to the lessons to be drawn from the project.

Guelph Hydro’s response:

Guelph Hydro plans to formally evaluate the project by surveying visitors to the Smart Home to determine:

- what they learned;
- how what they learned will change their behaviour (ie. conserving electricity in their homes);
- level of interest in in-home display units, smart appliances, electric vehicles, home automation systems;
- specifics re: in-home display units (similar questions to those included on a recently conducted survey of Guelph Hydro employees and family members re: in-home display units) - SEE APPENDIX “Guelph Hydro Inc. In-Home Display Web Survey”.

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In addition, Guelph Hydro intends to refer visitors interested in making changes in their homes to conserve electricity to appropriate locations to obtain coupons, OPA program information and advice/consultation. Guelph Hydro's plan would be to measure "click-throughs" resulting from the Smart Home through to a purchase or other action that will result in a saving of energy.

High level statistical information would also be measured in the Smart Home (i.e. # of visitors, demographics, # of tour groups, # of visits from people from outside of Canada). The Smart Home would also be featured on the Guelph Hydro and City of Guelph websites. Website traffic would also be monitored and reported on to determine the level of interest in the project.

- b) Please indicate how the lessons from this project are expected to differ from those of the EV pilot with respect to assessing "how much interest there is in electric vehicle charging systems".

Guelph Hydro's response:

Although the EV Demonstration Project will measure how much interest there is from passers-by and visitors in EVs and charging stations, the real focus of the project will be on the data collected from the charging stations and will include a specific focus on fleet vehicles, settlement methods and rate schemes. With regard to the Smart Home Demonstration Project, EVs are sure to elicit interest from visitors but the teachings will be around the fact that EVs will be treated as just another electrical device in the home that can be managed efficiently by aligning charging with off-peak times. In other words, we will be attempting to have visitors make a paradigm shift and start thinking of their EV more like a cellphone that is charged at night and used (discharged) during the day (as opposed to a vehicle that is refuelled in the course of doing other tasks - i.e. going somewhere).

- c) Please indicate how this project relates to Guelph's CDM activities with respect to the "culture of conservation" and especially with regard to potential duplication of effort.

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Guelph Hydro's response:

This project supports the further development of a culture of conservation by demonstrating for people the possibilities that will be offered by smart home technologies that make use of in-home display units for enhanced communication and awareness of electricity consumption, smart appliances, advanced lighting and heating controls, home automation, etc. Guelph Hydro does not see any potential for a duplication of effort with CDM activities.

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17. UNDERTAKING NO. JTC1.17: To provide revenue-to-cost ratio required for street lighting and GS <1,000 in order to eliminate the \$392,000 shortfall.
VECC TCQ No. 15 (b).

Guelph Hydro's response:

The revenue-to-cost ratios required for Street Lighting and GS 1000 to 4999 kW in order to eliminate the revenue shortfall of \$392, 746 are:

- Street Lighting: 100%
- GS> 100 kW: 84.94%

Rate Classification	Revenue to Cost Ratios Per the New C.A. (v2) updated as per BS TCQ#21, and #22	Rev Requirement by Rate Class @ 100% Rev Cost Ratio	Revenue to Cost Ratios as per EP_IR_44 b and VECC_TQC_15 b	Board Target Low	Board Target High	Proposed Rev Requirement by Rate Class @ proposed revenue to cost ratios
Residential	96.35%	\$19,286,771	96.35%	85%	115%	\$18,583,102
GS < 50 kW	129.01%	\$2,905,591	120.00%	80%	120%	\$3,486,709
GS 50 to 999 kW	152.87%	\$3,540,976	120.00%	80%	120%	\$4,249,171
GS > 1000 kW	60.22%	\$5,218,923	84.94%	80%	120%	\$4,432,953
Large Use	118.51%	\$1,194,423	115.00%	85%	115%	\$1,373,587
Sentinel Lights	113.57%	\$4,477	113.57%	80%	120%	\$5,085
Street Lighting	60.06%	\$449,532	100.00%	70%	120%	\$449,532
USL	122.12%	\$102,412	120.00%	80%	120%	\$122,895
TOTAL		\$32,703,106				\$32,703,034
		\$0		Revenue Shortfall		\$72

Please note that the above table responds to VECC's TCQ no. 15, but it was not updated to reflect the results of the updated Cos Allocation model filed today November 08, 2011.

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18. UNDERTAKING NO. JTC1.18: To provide response to VECC TCQ No. 9.1

Response provided in transcript on page 96.

Guelph Hydro's response:

VECC reviewed Guelph Hydro's oral response to CTQ no.9, and stated that the response provided is sufficient.

From: [Mark Garner](#)
Reply To: [Mark Garner](#)
To: [Birgit Armstrong](#); cbirceanu@guelphhydro.com
Cc: [MichaelBuonaguro](#); [BillHarper](#); [JayShepherd](#); DavidMacIntosh@nextcity.com
Subject: Guelph Hydro Undertaking JTC1.18
Date: 10/28/2011 09:25 AM
For Follow Up: Normal Priority.

RE: UNDERTAKING NO. JTC1.18: TO PROVIDE RESPONSE TO VECC
TECHNICAL CONFERENCE QUESTION NO. 9.

We have reviewed the oral response to VECC question no. 9 provided at the
Technical Conference.

The response provided is sufficient. Therefore this undertaking may be removed from
your list.

Thank you

Mark C. Garner
markgarner@rogers.com
647-408-4501

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19. UNDERTAKING NO. JTC1.19: To provide response to Energy Probe
TCQ No. 13

Guelph Hydro's response:

In the new Smart Meter Model, Guelph Hydro reallocated \$186, 427 of applications software out of computer hardware and systems software and into a separate Class 12. Guelph Hydro also adjusted the recording of computer hardware and systems software to be allocated to Class 52 if acquired in 2009 or 2010 and to Class 50 for 2011 acquisitions.

Please see the revised Smart Meter Model
(Guelph_JTC1.4_updated_SM_Rev_Req_Model_20111108) for the impact
on the calculation of smart meter balances.

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20. UNDERTAKING NO. JTC1.20: To provide response to Energy Probe
TCQ No. 19 (a).

Guelph Hydro's response:

Guelph Hydro Electric Systems Inc.								
Summary of OPA payments and OPA costs								
2008-2012								
				2008	2009	2010	2011	2012
	OPA Payments	Note (1)		30,840.21	342,989.61	308,157.07		
	OPA Costs	Note(2)		183,631.51	41,332.39	77,650.56		
				(152,791.30)	301,657.22	230,506.51	126,000.00	42,000.00
							Note (3)	Note (3)
	Notes:							
	(1) Consists of management fees and performance payments recorded on a cash basis.							
	(2) Consists of OPA program costs net of program delivery payments all recorded on a cash basis.							
	(3) Budgeted activity represents OPA management fees/performance payments.							

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21. UNDERTAKING NO. JTC1.21: To provide response to Energy Probe
TCQ No. 21 (b) and 21 (e).

Guelph Hydro's response:

The correct 2010 SR&ED tax credit amount associated with smart meter implementation is \$89,067 (not \$148,652 how it was stated in the response to Energy Probe's TCQ #21).

	Total Expenditures	778,283
Less:		
ORDTC		(35,023)
Less:		
OITC		-
Less: other assistance		-
Less: IRAP assistance		-
		743,261
		20%
Federal		
ITC		148,652
		35,023
ORDTC		
OITC		-
Total		
benefit		183,675

The total benefit received is \$183,675. There were two projects claimed, The Smart Metering project accounted for \$377,401 of expenditures claimed out of the \$778,283.

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The credit that was obtained by the Smart Metering project was \$89,067.

The amount has been credited against the Smart Metering Operating Expense; that reduces the Smart Meter Disposition amount, and subsequently, the Smart Meter Disposition Rate Riders (please see the response to JTC1.5 – Table- Note (1)).

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22. UNDERTAKING NO. JTC1.22: To provide response to Energy Probe
TCQ No. 22.

Guelph Hydro's response:

See the reconciliation below. Please note that the balance as of August 31, 2011 was a credit of \$35,028.50 (not \$3,028.50 as noted above)

<u>Reconciliation of OEB Account 1521 between April 30, 2011 and Aug 31, 2011</u>						
Balance as of April 30, 2011						
				Balance of Special Purpose Charge	23,829.10	
				Interest at OEB prescribed Rates	2,474.87	
						26,303.97
Special Purpose charges billed to customers (net of adjustments)						
			May-11	(52,404.27)		
			Jun-11	(8,734.63)		
			Jul-11	(101.07)		
			Aug-11	4.85		
						(61,235.12)
Interest Charged at OEB prescribed Rates						
			May-11	29.19		
			Jun-11	(35.00)		
			Jul-11	(45.70)		
			Aug-11	(45.84)		
						(97.35)
Balance as of August 31, 2011						
						(35,028.50)
Breakdown of August 31, 2011						
				Balance of Special Purpose Charge	(37,406.02)	
				Interest at OEB prescribed Rates	2,377.52	
					(35,028.50)	

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23. UNDERTAKING NO. JTC1.23: To explain how the total OM&A year-to-date actuals for eight months in 2010 (to August of 2010) to 12.9 million shown in part (a) of response is more than the full-year 2010 figure of 12.4million shown in part(b) of the response to Energy Probe TCQ No. 15.

Guelph Hydro's response:

The original table provided was prepared on an IFRS basis vs. a MIFRS basis. Under the rules of IFRS depreciation gets allocated by function, vs. being separately presented on the Statement of Income. The following schedules show the original table presented, as well as the depreciation allocated to each functional area by year. A restated table has also been included which removes the depreciation allocated to each function.

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Summary of OM&A Expenses OM&A Year over Year Comparison August 31, 2011 vs August 31, 2010

MIFRS Original Filing

	Current Y-T-D Actuals For the 8 months ending August 31, 2011	Prior Y-T-D Actuals For the 8 months ending August 31, 2010	Variance = 2011 vs. 2010
Operation	\$6,306	\$5,718	\$588
Maintenance	\$1,519	\$1,289	\$230
Billing and Collecting	\$1,771	\$1,614	\$157
Administrative and General	\$3,255	\$3,610	-\$355
Information Systems	\$783	\$711	\$72
Total OM&A Expenses	\$13,634	\$12,942	
Variance from previous year			\$692
Percent change (year over year)			5.35%

Allocated Depreciation by Function

	Current Y-T-D Actuals For the 8 months ending August 31, 2011	Prior Y-T-D Actuals For the 8 months ending August 31, 2010	Variance = 2011 vs. 2010
Operation	\$3,889	\$3,372	
Maintenance	\$0	\$0	
Billing and Collecting	\$100	\$87	
Administrative and General	\$59	\$51	
Information Systems	\$32	\$28	
Total OM&A Expenses	\$4,080	\$3,538	
Variance from previous year			
Percent change (year over year)			

OM&A Year over Year Comparison August 31, 2011 vs August 31, 2010 MIFRS Revised (No allocated Depreciation)

	Current Y-T-D Actuals For the 8 months ending August 31, 2011	Prior Y-T-D Actuals For the 8 months ending August 31, 2010	Variance = 2011 vs. 2010
--	---------------------------------------------------------------------	-------------------------------------------------------------------	-----------------------------

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24. UNDERTAKING NO. JTC1.24: To update table at Energy Probe TCQ
No. 15 (b) to reflect the removal of \$701,000.

Guelph Hydro's response:

Please find revised table.

Appendix 2-G OM&A Cost Driver Table

OM&A	Actual 2008 CGAAP	Actual 2009 CGAAP	Actual 2010 MIFRS	Bridge 2011	Test 2012
Opening Balance		\$ 9,833,172	\$ 9,815,349	\$ 12,431,673	\$ 14,517,247
Payroll costs		\$ -		\$ 1,115,930	\$ 365,812
Smart meter expenses		\$ -		\$ 149,130	\$ 225,286
Energy Conservation Costs		\$ -		\$ 190,476	\$ 100,976
Transformer Station operations		\$ -		\$ 102,518	\$ 21,086
IFRS			\$ 2,795,000	\$ (26,569)	\$ 109,664
Other OM&A costs		\$ (17,823)	\$ (178,676)	\$ 554,089	\$ (429,830)
	\$ 9,833,172				
Closing Balance	\$ 9,833,172	\$ 9,815,349	\$ 12,431,673	\$ 14,517,247	\$ 14,910,241

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25. UNDERTAKING NO. JTC1.25: To provide a list of changes in a tracking sheet format similar to that used by Waterloo North.

Guelph Hydro's response:

Please see the response to JTC1.1

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26. UNDERTAKING NO. JTC1.26: To provide further detail in response to Energy Probe TCQ No. 2.

Guelph Hydro's response:

Guelph Hydro's contributions to capital construction over the last several years have been significantly influenced by two large data centre customers who required dedicated feeders to supply power to their sites.

Contributions received from these two customers alone was as follows:

2008	\$3.2M
2009	\$2.1M
2010	\$0.4M
2011	\$1.7M
2012	\$0.0M

The decreased level of contributions in 2012 represents a return to a level that is more in line with historical averages over the past 10 years in the absence of unusual amounts caused by large customers.

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27. UNDERTAKING NO. JTC1.27: To reconcile figures in Schools Energy Coalition (SEC) TCQ No. 11, and provide an answer as to how difference, if any, accounted for.

Guelph Hydro's response:

The figure of \$2,190,000 represents the difference (rounded) between the December 31, 2010 valuations of the Accrued Benefit Obligation (ABO) under CGAAP vs. IFRS. See attached schedule. This number was referenced in error in Staff IR #3, Appendix p. 9. The correct amount that should have been referenced in the Appendix is \$2,292,251 which represents the January 1, 2010 change in the ABO under CGAAP vs. IFRS.

The figure of \$1,853,903 on Ex. 4/2/7, p. 44 represents the difference between the 2010 CGAAP ABO valuation totaling \$8,977,355 and the 2011 IFRS ABO valuation totaling \$7,123,453.

The \$1,900,000 figure in Staff IR#29d represents the Unrecognized Actuarial Gain (rounded) as at December 31, 2010 as per Actuarial Valuation Report prepared by Dion Durrell dated January 7, 2011. This amount was referenced in error. The correct amount that should have been referenced is \$2,051,638 representing the Unrecognized Actuarial Gain (rounded) as at January 1, 2010 as shown on the attached schedule.

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Guelph Hydro Electric System Inc							
Post Retirement Non-Pension Benefits							
31-Dec-10							
				CGAAP	IFRS	Difference	Notes
				*	**		
Accrued Benefit Obligation(ABO) at Jan 1				8,771,276	6,479,025	(2,292,251)	1
Expense for the year ended Dec 31, 2010							
	Current service cost			147,613	185,589	37,976	2
	Interest cost			387,679	376,028	(11,651)	3
	Actuarial (Gain)/Loss			(106,129)	-	106,129	
	Benefit Expense			429,163	561,617	132,454	
Benefits paid in the year				(253,084)	(253,084)	-	
Other				30,000	-	(30,000.00)	4
Accrued Benefit Obligation(ABO) at Dec 31				8,977,355	6,787,558	(2,189,797)	
*	As per Actuarial Valuation Report prepared by Dion Durrell dated January 7, 2011						
**	As per Actuarial Valuation Report prepared by Dion Durrell dated Oct 8, 2010						
Note 1	Decrease in liability result of :						
	Recognition of cumulative actuarial gain into equity					(2,051,638)	
	Reduction in ABO valued under IAS 19 vs. CGAAP 3461					(240,613)	
						(2,292,251)	
Note 2	Due to change in attribution period. Discussed in JTC1.28						
Note 3	Reduction due to decrease in ABO						
Note 4	Original calculation used 2010 CGAAP expense of \$459,163 vs. \$429,163						
	Actual CGAAP ABO at Dec 31 should be:				8,947,355		
	Difference in CGAAP vs. IFRS ABO at Dec 31 should be:				2,159,797		

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28. UNDERTAKING NO. JTC1.28: To provide further response to SEC
TCQ No. 13.

Guelph Hydro's response:

As per the preceding schedule the 2010 benefit expense reduced in 2010 due to the removal of the amortization of the actuarial gain in the benefit expense calculation. The decrease in the benefit expense is also caused by a reduction in interest costs due to the reduction in the Accrued Benefit Obligation.

Offsetting the decrease in benefit expense is an increase in the current service costs. This is due to a change in the attribution period methodology under CICA 3461 vs. IAS 19. Under CICA 3461, the attribution period commences at the employee's hire date and ends at the earliest age at which the employee could retire and qualify for post-retirement non-pension benefits (for Guelph Hydro this is the later of age 55 or 20 year service date). The projected post-retirement benefits are earned on a pro-rata basis over the number of years of service in the attribution period. Under IAS 19, the attribution period commences on the date when service first leads to benefits under the plan (i.e. not necessarily at date of hire) and end at the date when further service by the employee will lead to no material amount of further benefits under the plan, other than from further salary increases. As such, for Guelph Hydro's health and dental benefit plans which require a minimum of 20 years of service, the attribution period would commence at the later of the date of hire and age 35 and would cease at age the later age 55 or the date at which 20 years of service is reached.

The attribution period for post-retirement health and dental benefits under IAS 19 is equal to 20 years in all circumstances, whereas the attribution period under CICA 3461 is greater than or equal to 20 years (i.e. it would be greater than 20 years for employees hired prior to age 35). The current service cost is equal to the present value of the expected future benefits multiplied by the ratio of the year (or part) of service in the fiscal year to total years of service in the attribution period (the "Ratio"). The present value of the expected future post-retirement health and dental benefits is the same under CICA 3461 and IAS 19, however since post-retirement health and dental benefits are being attributed over a shorter period under IAS 19, the Ratio under IAS

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19 is always greater than or equal to the Ratio under CICA 3461. Therefore, the current service cost is higher under IAS 19 than CICA 3461.

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29. UNDERTAKING NO. JTC1.29: To provide further response to SEC
TCQ No. 17.

Guelph Hydro's response:

2010 depreciation was been prepared on a CGAAP basis. The lower useful lives were not used in the calculation. For 2011, the impact of using lower useful lives is to decrease depreciation by \$3,578 i.e. Using rates under CGAAP 2011 depreciation would be calculated at \$8,313. Under MIFRS 2011 depreciation is \$4,735. The impact of using lower useful lives in 2011 is to increase the opening January 1, 2012 rate base by \$3,578.

For the purposes of this Rate Submission, 2010 depreciation was based on historical useful lives as determined under CGAAP. In 2011 and 2012, Guelph Hydro commenced utilizing new useful lives for depreciation purposes as part of its transition to MIFRS. The utilization of new rates in 2011 is consistent with the understanding that the differences arising as a result of accounting policy changes caused by the transition from CGAAP to MIFRS will be captured in a Property, Plant and Equipment Deferral account and either recovered from or refunded to Ratepayers as discussed in *EB-2008-0408 Staff Discussion Paper – Transition to IFRS – Implementation in an IRM Environment* and the related *Addendum to Report of the Board: Implementing International Financial Reporting Standards in an Incentive Rate Mechanism Environment*.

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30. UNDERTAKING NO. JTC1.30: To provide further Response to SEC
TCQ Nos. 18 and 19.

Guelph Hydro's response:

Guelph Hydro's Response to SEC TCQ #18a:

Guelph Hydro confirms that the addition of \$25.764 million to 2010 PPE has no impact on the rate base, amortization, other revenues, interest, return or PILs for the Test Year.

Guelph Hydro's Response to SEC TCQ #18b:

Guelph Hydro confirms that the addition of \$25.764 million to 2010 PPE will impact Gross and Net PP&E, amortization, and other revenues in future RRR filings by the Applicant.

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Guelph Hydro's Response to SEC TCQ #19:

Please see reconciliation of figures of \$25,764 and \$27,790 in 2010, and the \$28,948 figure in 2011.

Guelph Hydro Electric Systems Inc.			
Contributions and Grants			
2010 & 2011			
Contributions and Grants		2010	2011
Opening unamortized value		\$ 25,764	\$ 27,790
Current year additions		3,440	2,679
Current year amortization		(1,414)	(1,521)
Ending unamortized value		\$ 27,790	\$ 28,948

Guelph Hydro has submitted Appendix A in Excel format (please see the file Guelph_JTC1.30_App A_20111108.xls).

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31. UNDERTAKING NO. JTC1.31: To provide further response to SEC
TCQ No. 21.

Guelph Hydro's response:

Please see response to Board Staff Interrogatory#79.

Guelph Hydro confirms that it has the level of detail for keeping CGAAP PP&E records to support the entries in the PP&E deferral account.

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32. UNDERTAKING NO. JTC1.32: To provide response to Board Staff
Technical Conference Question No. 17.

Guelph Hydro's response:

Please see response to JTC1.19.

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Appendices

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Guelph_JTC1.1_updated_Rev_Req_Work_Form_20111108

Submitted electronically

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Guelph_JTC1.3_updatedCostAllocationModel_20111108

Submitted electronically

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Guelph_JTC1.4_updated_SM_Rev_Req_Model_20111108

Submitted electronically

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Guelph_JTC1.12_updated_GEA_Rate_Rider_Model_20111108

Submitted electronically

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Guelph Hydro Electric Systems Inc.
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Guelph Hydro In-Home Display Web Survey

Guelph Hydro Inc. In-Home Display Web Survey

**Prepared for Guelph Hydro by
Decision Partners**

October 31, 2011

Survey Purpose

- In September 2011, Decision Partners was asked by Guelph Hydro to support in the development and implementation of a pilot survey on in-home display features and designs.
- The web survey was designed to assess user preferences related to in-home display systems, specifically:
 - Information content related to electricity use (e.g. current electricity consumption, electricity use patterns, etc.).
 - Other information content (e.g., weather, traffic, etc.).
 - System design (e.g., size and location of the display, control options, etc.).
- **Results will:**
 - Support Guelph Hydro's purchase decision.
 - Inform the design and implementation of a more comprehensive study of Guelph Hydro customers.

Executive Summary

- **Respondents were most interested in using the in-home displays as a tool to learn how to reduce their electricity bill:**
 - They wanted to be able to break down their electricity consumption by appliance.
 - They were particularly interested in being able to see actual monetary savings resulting from their actions.
- **Respondents were also interested in receiving additional (non-electricity use related) information through the in-home displays:**
 - Weather information was rated most important.

Executive Summary *continued*

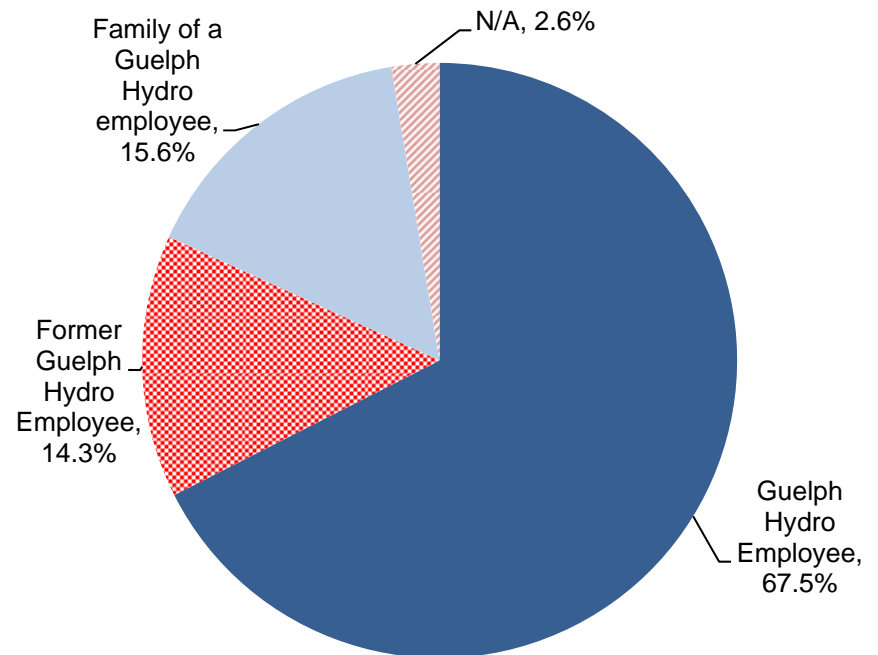
- Most respondents said they would use the in-home displays at least once a day.
- The main motivation for checking the units was gaining a better understanding of electricity consumption and learning how to use that information for saving money.
- Respondents preferred larger display sizes -- the size of a 4" by 6" photo was the most popular choice.
- For more advanced systems that could be installed in the future (such as programmable thermostats), respondents said they would have more confidence in the information content, than in having the device perform programmed tasks such as automatically turning appliances off or on.

Web Survey Implementation

- The web survey was designed and hosted by Decision Partners.
- Guelph Hydro employees and their spouses/ partners, as well as former employees, were invited to participate. Invitations were sent to approximately 75 employees and 55 retirees.
- The survey was online October 11 – October 23.
 - Invitation and weekly reminders were sent by Guelph Hydro.
- A total of 77 people completed or nearly completed the survey and their responses are included in this Report.
 - An additional 4 people began the survey but discontinued after the first few questions.

Survey Respondents

- About 70% of the respondents are currently employed at Guelph Hydro. (See graph on the right)
- 60% of respondents were male, compared to 49% in the Guelph community. (N=74) (*Source: 2006 Census*)
- 50% of respondents have children living at home. (N=77)

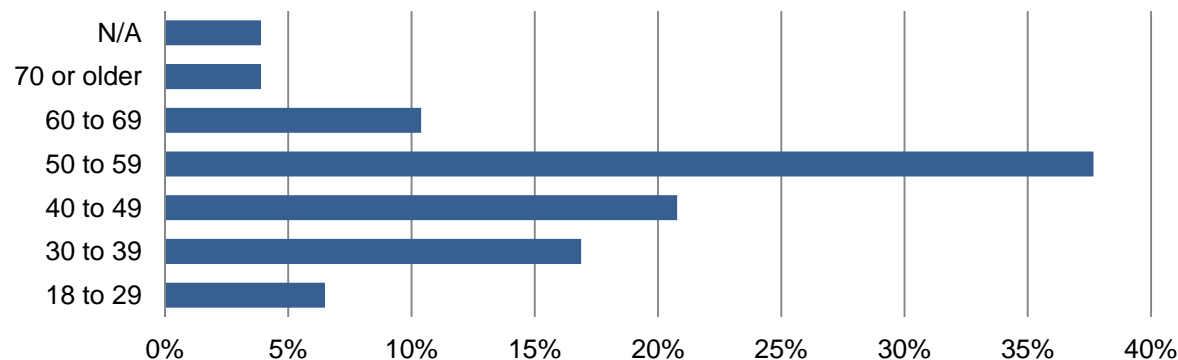


N= 77

Survey Respondents *continued*

- **Over 90% reported having at least a high school diploma, and 37% had college or university degree. (N=77)**
 - The Guelph community has lower rate of people with at least a high school diploma (about 80% of the population 15 or older), as well as people with a Bachelor's degree or higher (about 25% of the population 15 or older). (*Source: 2006 Census*)
- **50% of respondents reported being 50 years or older. (N=77)**
 - In the Guelph community, only 29% of the population are 50 years and older. (*Source: 2006 Census*)

Age Distribution



Survey Outline

- **The web survey consisted of four sections:**
 - **Section I – Usefulness of Potential Information Content:**
 - Respondents were asked how valuable different types of information were to them and how often they would check them on the in-home display.
 - They also had the chance to list other types of information content they found valuable and discuss why.
 - **Section II – Benefits of Use:**
 - Respondents were asked how frequently they would likely check the in-home displays and what would trigger them to do so.
 - They were also asked to rate how important various outcomes of using the in-home display would be to them.

Survey Outline *continued*

– Section III – **System Features and Design:**

- Respondents were asked about their preferences over display size and other design elements (such as touch-screen capabilities).
- They reported the likely location they would chose for the in-home display units.

– Section IV – **Usefulness of Future Functionalities:**

- Respondents reported their views on potential future functionalities of more advanced systems (such as programmable thermostats), which may eventually replace the in-home display units.

Survey Results

Technological Proficiency

- Respondents were first asked a set of questions assessing their technological proficiency.
 - Most were comfortable performing tasks similar to those that would be required when using an in-home display unit.
 - Overall, respondents younger than 50 years old were more comfortable performing the tasks, but respondents 50 years or older reported sufficient comfort to indicate that they would not struggle using in-home displays.
- *Please see Slide 20 for details.*

Survey Results

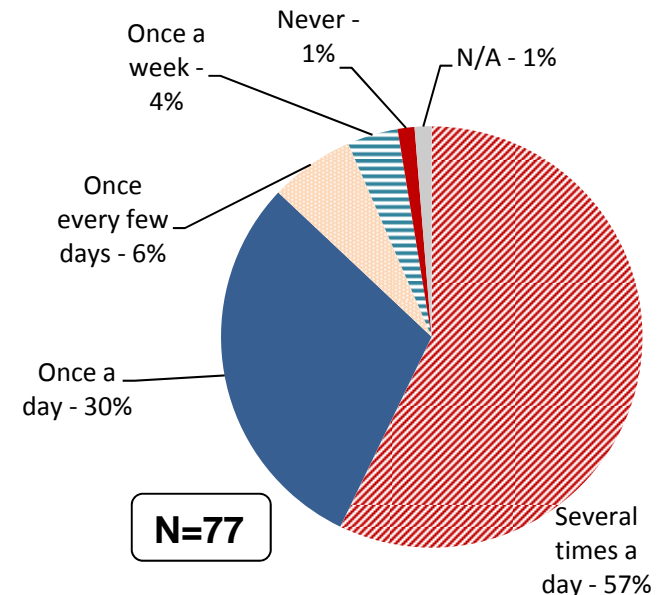
Information Content

- **Respondents were asked about potential types of information content for the in-home display system. They wanted to:**
 - Be able to convert reduced electricity consumption into dollars saved:
 - Potential financial benefits from reducing electricity use and/or taking advantage of off-peak pricing are a strong motivating factor.
 - Be able to monitor electricity need on an appliance basis.
 - Compare their consumption over time, as well as to average consumers in the community.
 - See weather information. This was the most important non-electricity information.
- *Please Slides 21 through 23 as well as open-ended response summaries on Slides 24 & 25 for details.*

Survey Results

Benefits of Use

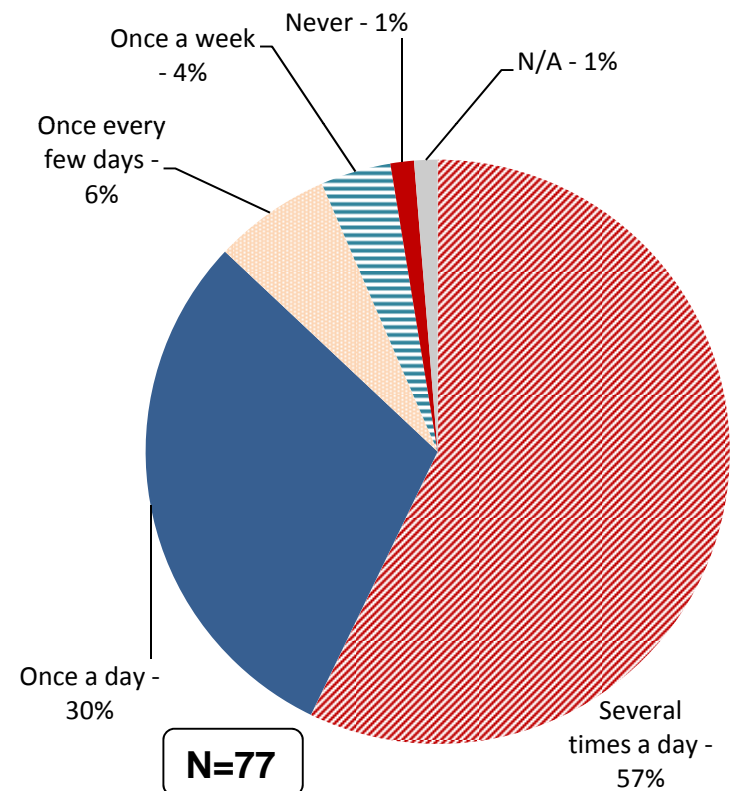
- **About 90% of respondents said they would look at an in-home display at least once a day:**
 - Likely events to trigger checking the systems included turning appliances on or off, as well as changes in weather conditions.
 - Some said they might check the display less once the novelty wears off.
- **As mentioned, the main motivation to use the in-home display system is reducing expenses:**
 - Shared benefits from reducing environmental impacts and improving the reliability of the grid were rated less important.
- *Please Slides 26 and 27 for details.*



Survey Results

Frequency of Use

- **Almost 90% of respondents said they would look at an in-home display at least once a day.**
 - This was often based on anticipating a multi-purpose tool for weather and traffic information as well as news, which would take the place of other media such as TV.
 - Another important factor mentioned was location, and that it would be used if positioned in a spot that was passed by regularly during the day by everybody in the household.



Survey Results

System Features and Design

- Respondents were then asked about the design and location of in-home displays as well as the usefulness of potential features and functionalities:
 - Touch screen displays were rated as very useful.
 - Graphic notifications were preferred over audible notifications.
- **Respondents generally preferred larger displays:**
 - A display about the size of a 4” by 6” photo was the preferred size.
 - Respondents younger than 50 years had a preference for larger displays.
 - Preferred locations for the in-home displays generally were areas regularly frequented by different members of the household and often next to the thermostat.
- *Please see Slides 28 through 30 for details.*

Survey Results

Usefulness of Future Functionalities

- The final questions solicited respondents' thoughts about potential future functionalities of programmable thermostats or other more advanced systems that could replace the initial in-home displays. They discussed functions including:
 - Automatically turning off appliances or adjusting the thermostat settings during periods of higher electricity prices were rated as the most useful functionalities.
 - Alerts about price changes were rated as not very useful.
- **Confidence was higher in information content than in having the display perform programmed tasks such as automatically turning appliances off or on.**
- *Please see Slides 31 and 32 for details.*

Survey Results

Implication for Future Research

- **The opportunity to conduct future research – mental models interviews followed by a web survey – with members of the Guelph community based on this pilot would:**
 - **Confirm findings from employee study and its applicability to the Guelph community.**
 - **Determine whether Guelph community demographics make a difference in how in-home displays are viewed.**
 - **Determine desired options for future upgrades of the displays to programmable thermostats such as:**
 - Which functionalities are most important to customers?
 - How would these systems change customer behaviour in terms of electricity use?

Survey Results

Implications for Future Research *continued*

- **Gain in-depth insight into customers' perceptions and understanding of the in-home display Guelph Hydro decides to purchase:**
 - **Aid in aligning existing information content of the chosen in-home display type with customers' desired uses (e.g. teach customers how to use the systems to track individual appliances or how to convert reduced electricity consumption into Dollars saved) by:**
 - Implementing training for the technician installing the in-home displays.
 - Designing communications materials that can be handed out to consumers when the display units are being installed.

Survey Results

Implications for Future Research *continued*

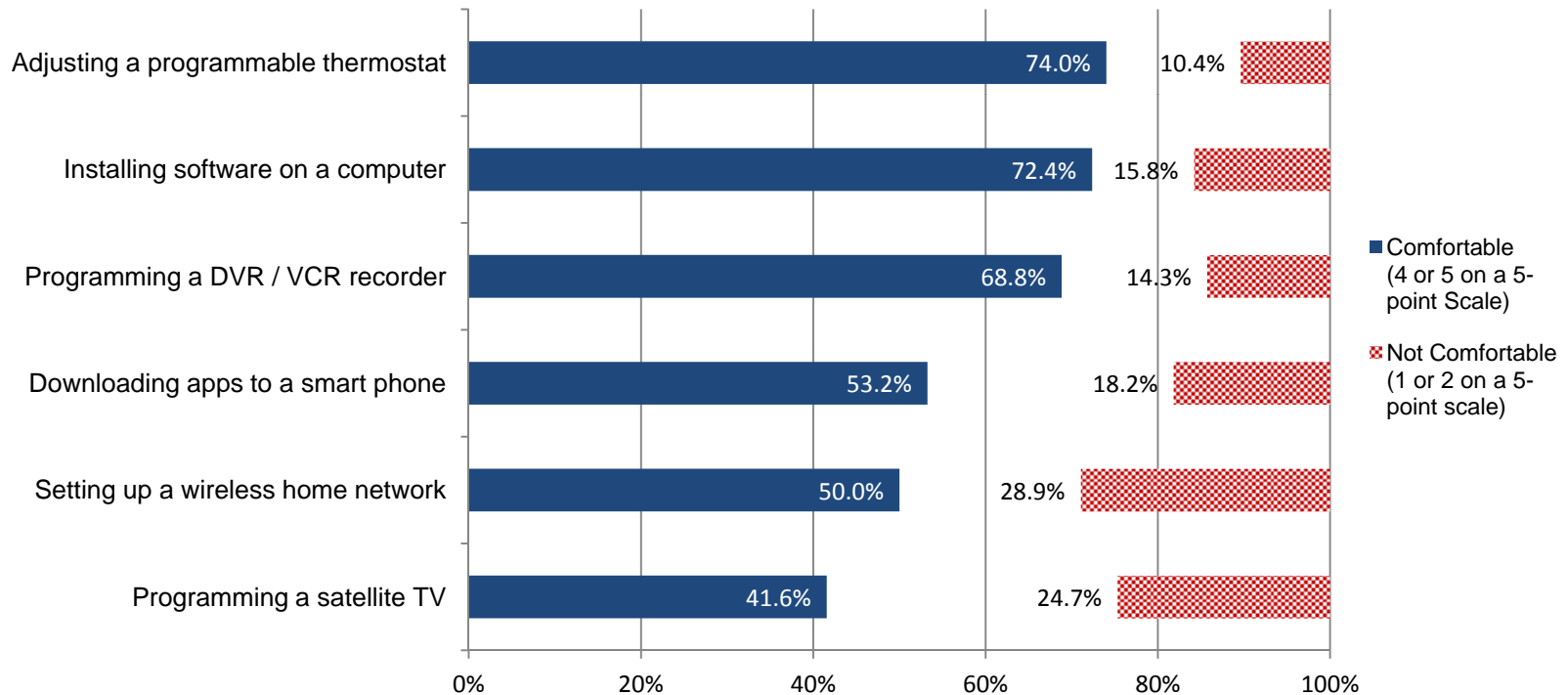
- **Gain in-depth insight into customers' behaviour related to the in-home display, specifically, how they actually use the display and how it influences their decision making.**
 - Performing two surveys with a sample of all customers receiving in-home display units, one prior to the installation of the displays and a second one two weeks after the installation, would allow a comparison of anticipated and actual use of the displays.
 - The results would demonstrate the behavioural change resulting from the use of the home display, and aids and barriers to this change.

Detailed Results

Survey Results

Technological Proficiency

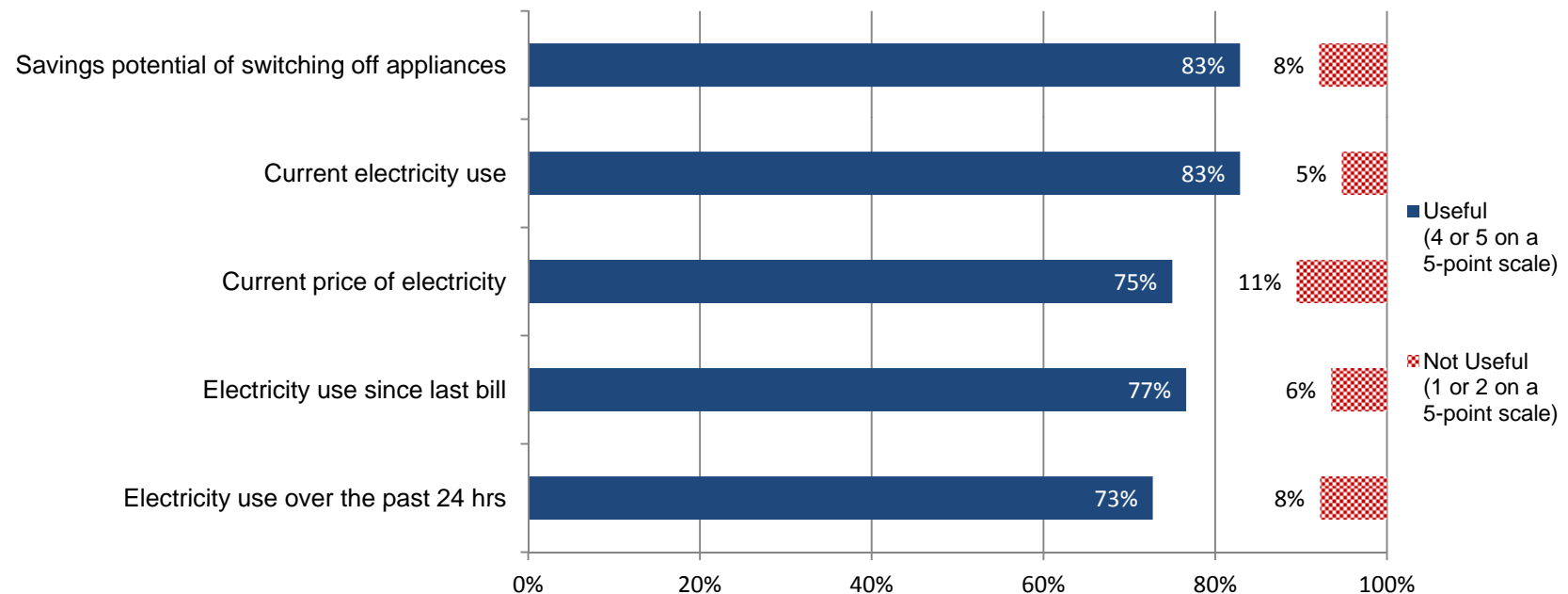
Q: Please rank how comfortable you are performing each of the following tasks, on a scale from 1 to 5, where 1 is "Not comfortable" and 5 is "Very comfortable".



Survey Results

Usefulness of Information Content

Q: The following is the types of information that in-home displays could provide customers. Please rate how useful this information would be to you on a scale of 1 to 5, where 1 is "Not useful" and 5 is "Very useful".

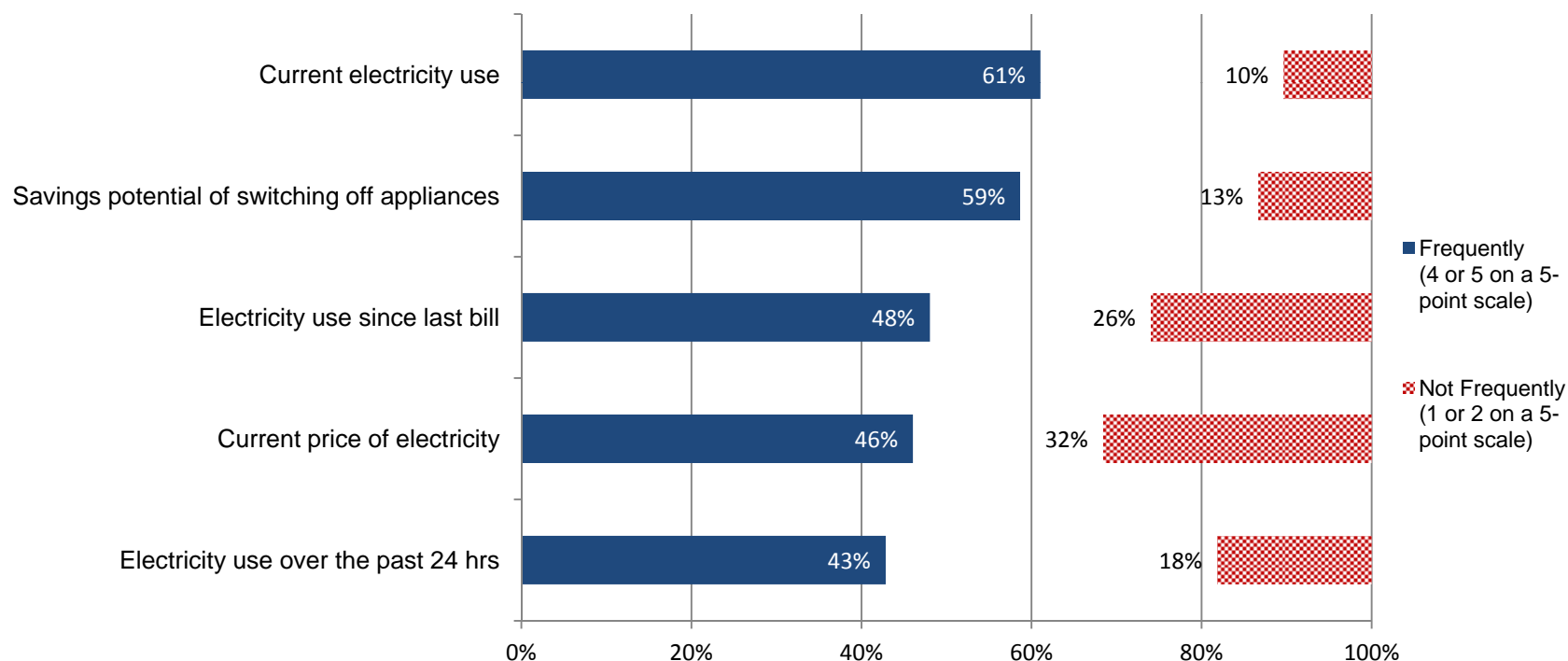


Current electricity use (33.8% of respondents) and Savings potential of switching off appliances (32.5% of respondents) were rated as most important among the set of choices.

Survey Results

Frequency of Use

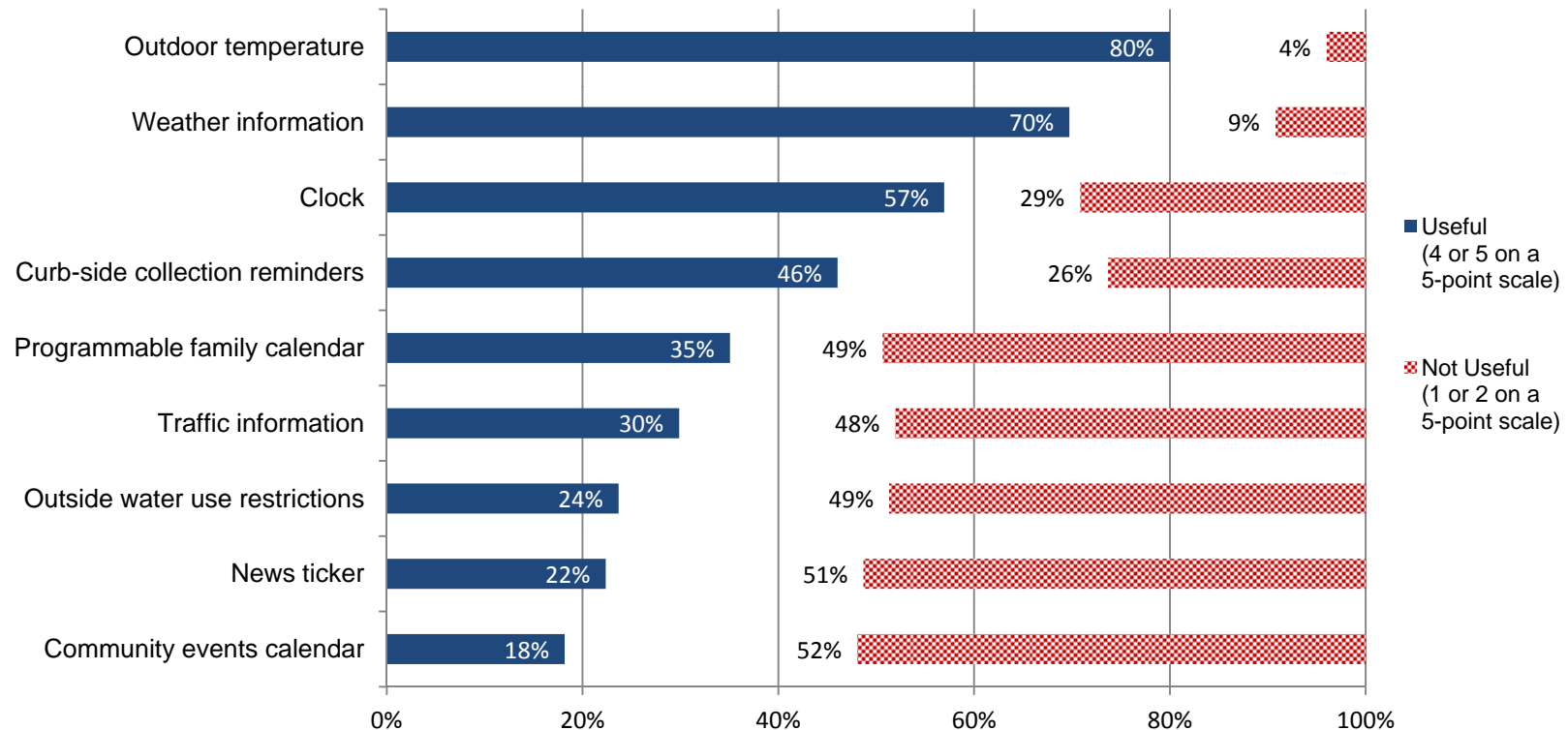
Q: How frequently would you check an in-home display for each of these pieces of information on a scale of 1 (Never) to 5 (Very Frequently).



Survey Results

Usefulness of Additional Information

Q: The following are some examples of pieces of information that could be provided to you on an in-home display unit. Please rate how useful this information would be to you on a scale of 1 to 5, where 1 is "Not useful" and 5 is "Very useful".



Survey Results

Other Information

- Respondents were asked a set of open-ended questions to identify other information (both related to electricity consumption and not) that they would find the most useful. They suggested:
 - **Ability to convert kWh use into dollar-value (N=6)**
 - “Bill up to date since last payment.”
 - “Calculator converting kWh to dollar-value.”
 - **Historical data / tracking over time (N=6)**
 - “Consumption per day for previous billing period.”
 - “A year-over-year comparison, or some way to track consumption trends.”

Survey Results

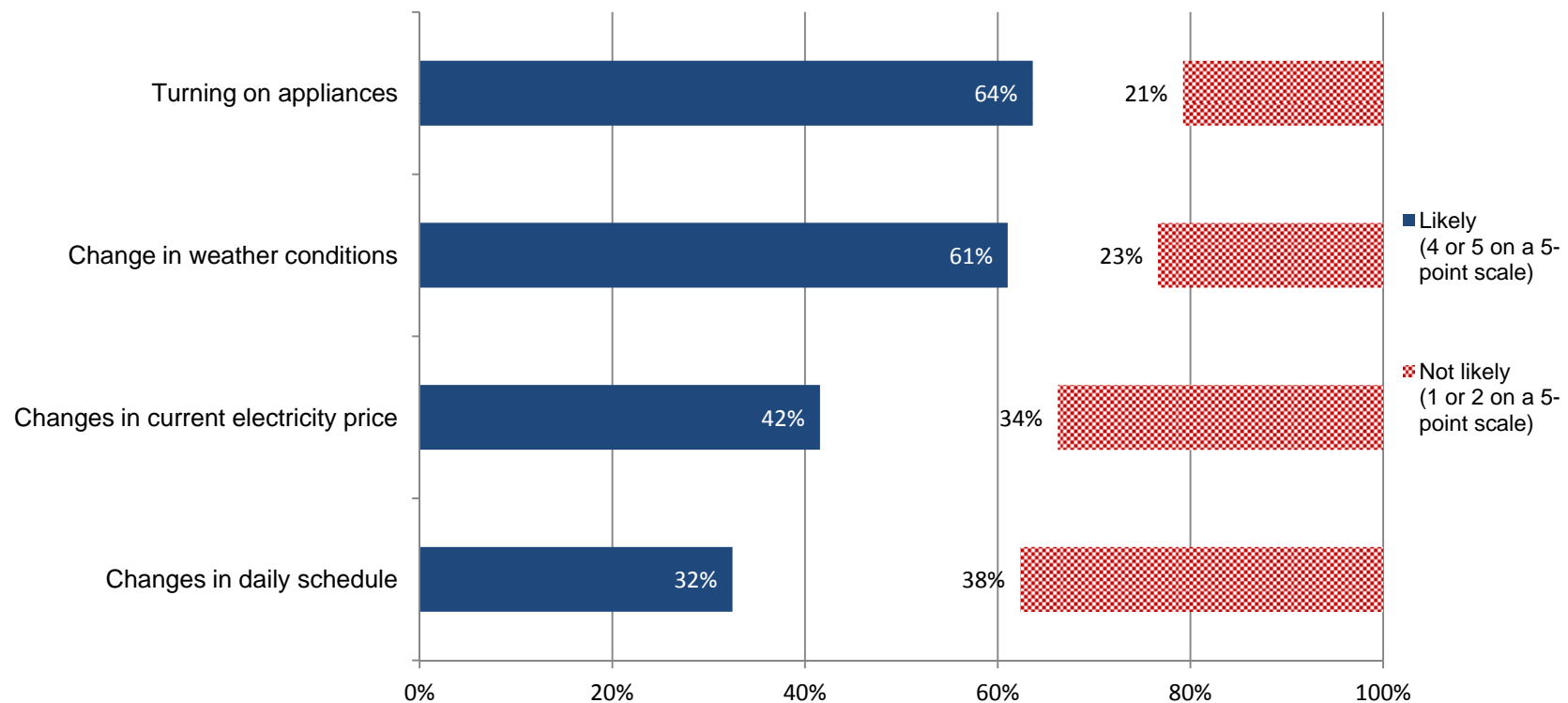
Other Information *continued*

- **Breaking down electricity use by item (N=4)**
 - “Consumption of individual appliances.”
 - “What particular appliances/electronics or locations in the home that are using more than the others.”
- **Benchmark data (N=3)**
 - “What is the average household consumption per day.”
 - “What is average consumption for comparable dwelling in the community.”
- **Integrated data about water and natural gas consumption (N=2)**
 - “Integration with water and gas meters would be useful.”

Survey Results

Reasons for Checking Displays

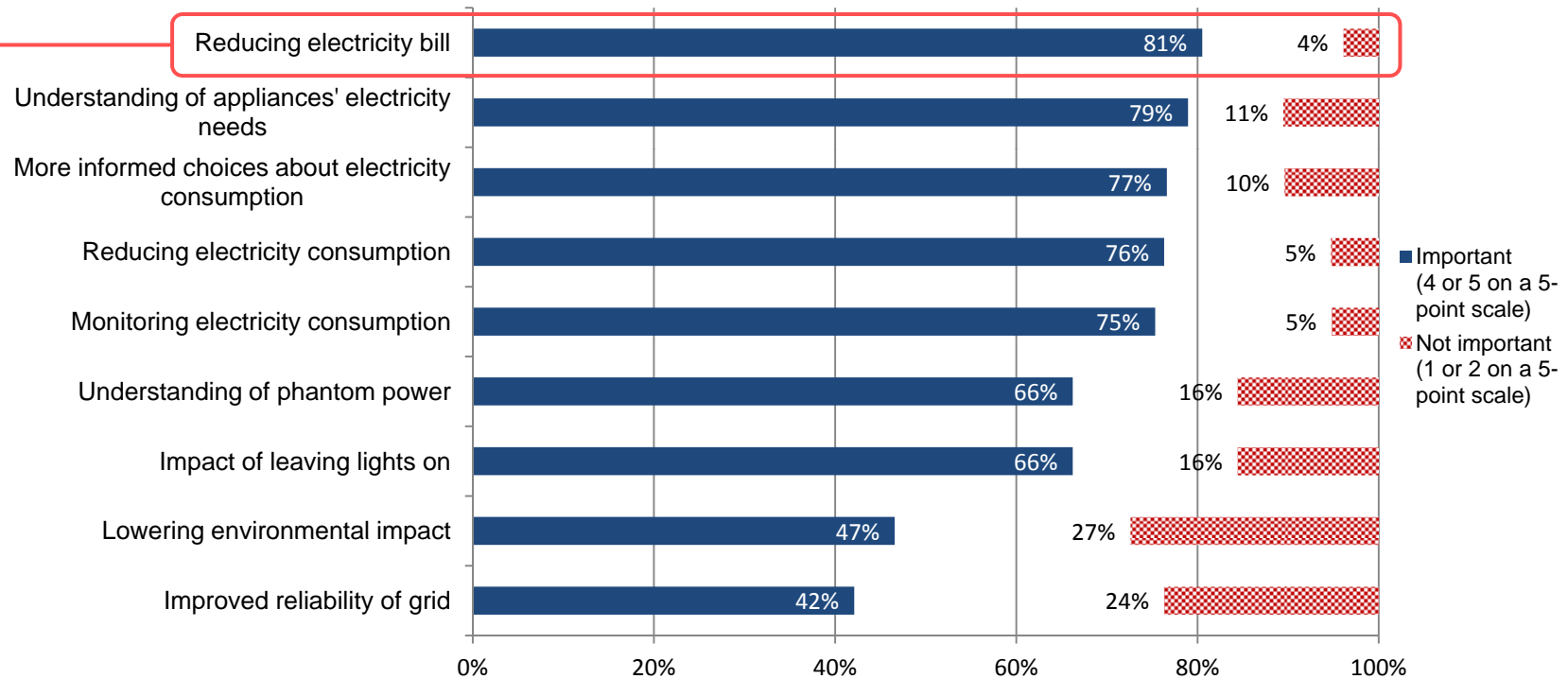
Q: Please rate how likely each of the following events would trigger you to check information on your in-home display, where 1 is "Not likely" and 5 is "Very likely".



Survey Results

Perceived Benefits

Q: Please rate how important each of the following benefits of using an in-home display is to you, where 1 is "Not important" and 5 is "Very important".

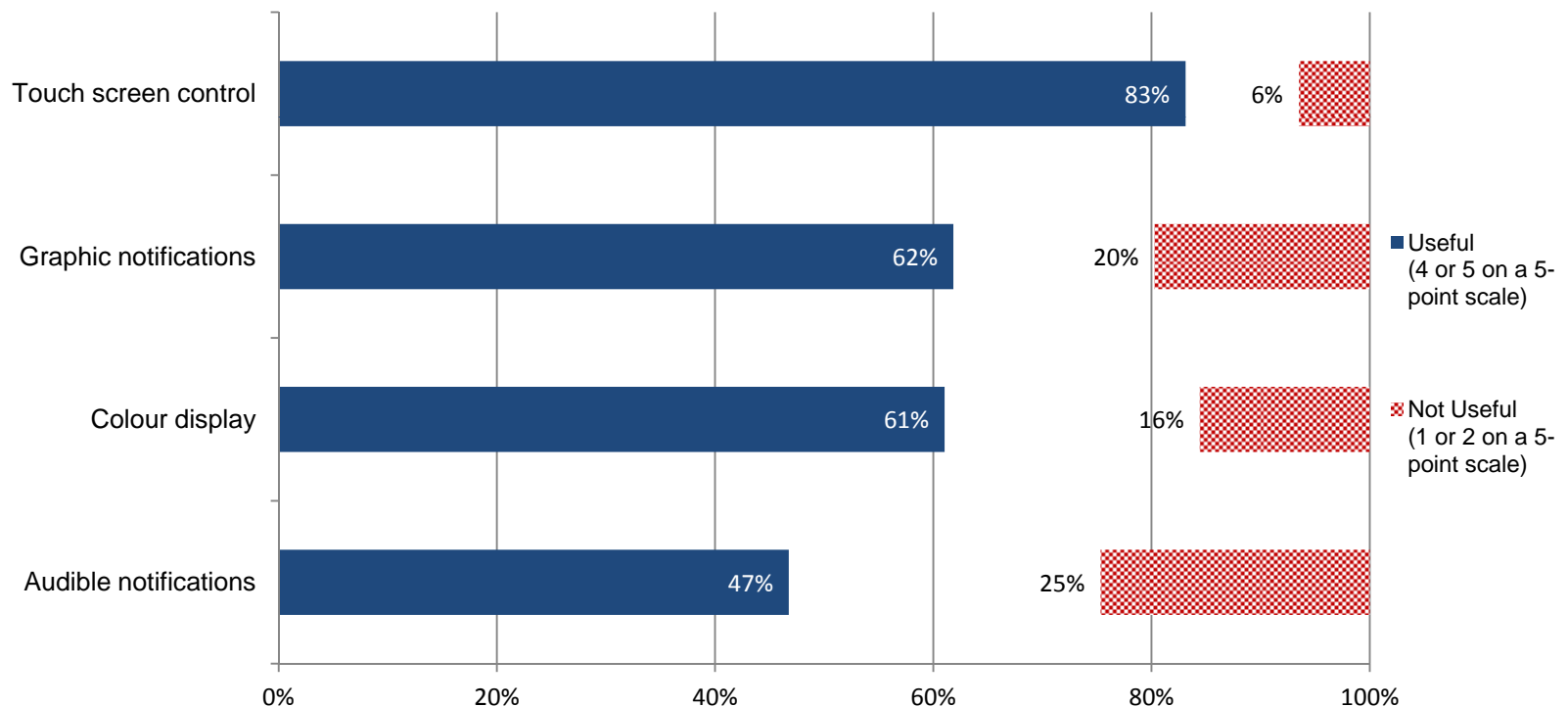


Over 60% of respondents gave "Reducing electricity bill" a rating of Very Important (i.e. a 5 on a 5-point scale)

Survey Results

System Features

Q: Please rate how useful these features would be to you on a scale of 1 to 5, where 1 is "Not useful" and 5 is "Very useful".



Survey Results

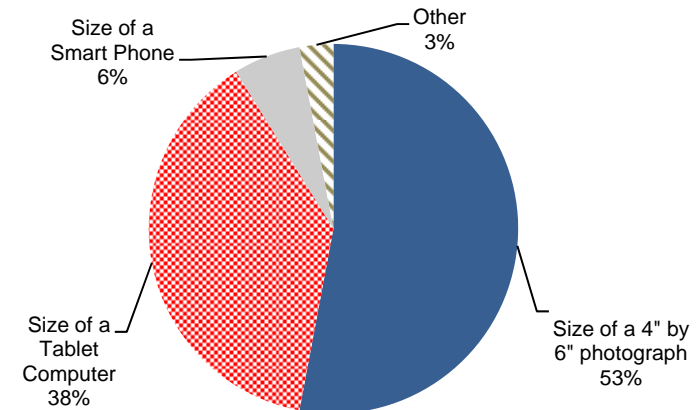
Preferred Screen Size by Age

Preferred Size (Total Sample, N=77)

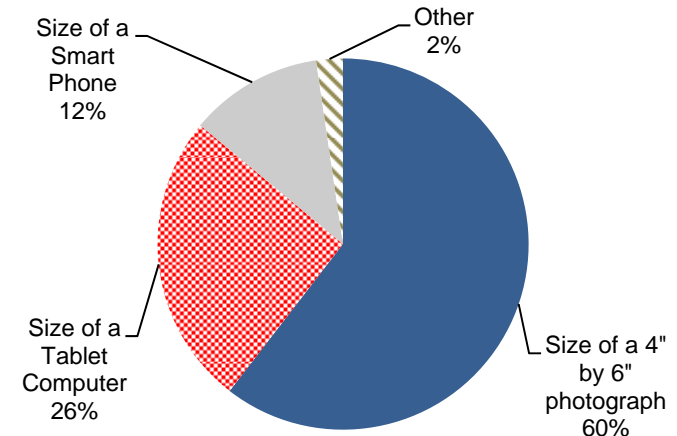
Size of a 4" by 6" photograph	44 (57%)
Size of a tablet computer	24 (31%)
Size of a smart phone	7 (9%)
Other	2 (3%)

- Respondents generally preferred a larger display size.
- Interestingly, respondents younger than 50 have a stronger preference for larger displays.

Preferred Size Under 50 years (N=34)



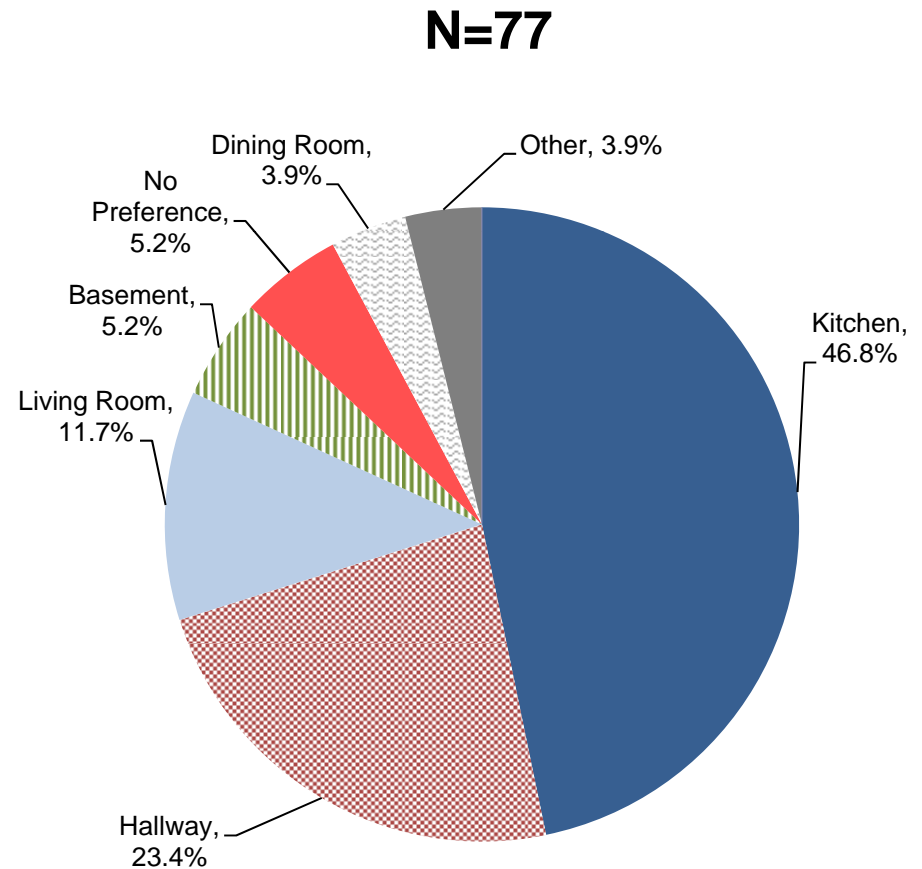
Preferred Size 50 years & older (N=43)



Survey Results

Preferred System Location

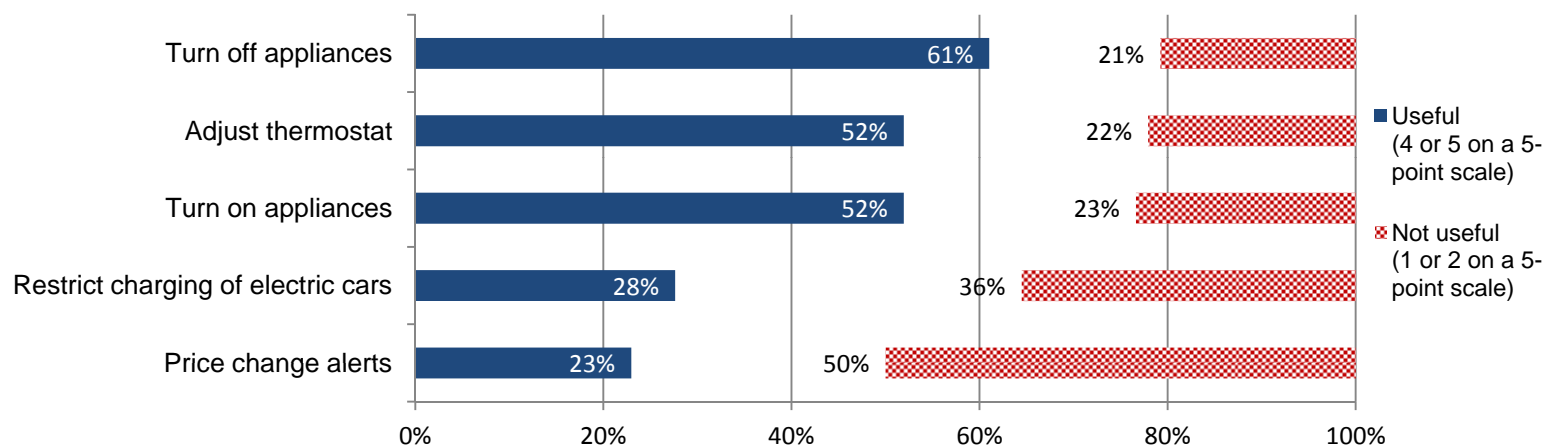
- Respondents generally picked a location that was used a lot by all members of the household to increase exposure to the information displayed on the system.
- A location in proximity to the thermostat was also frequently mentioned as advantageous.



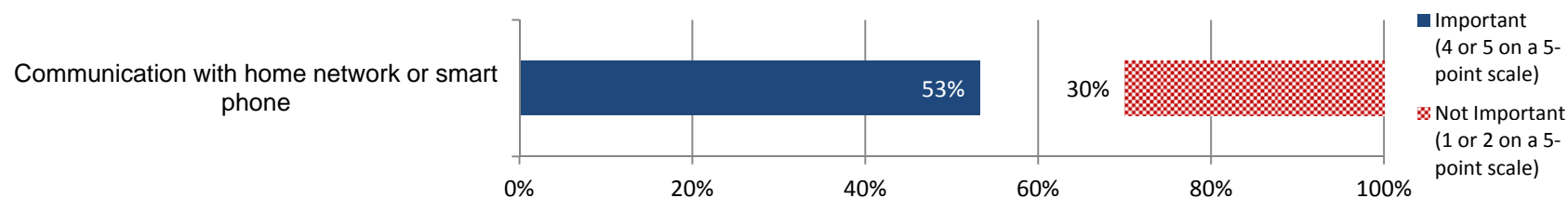
Survey Results

Usefulness of Potential Future Functions

Q: Please rate how useful the following features would be to you on a scale of 1 to 5, where 1 is "Not useful" and 5 is "Very useful".



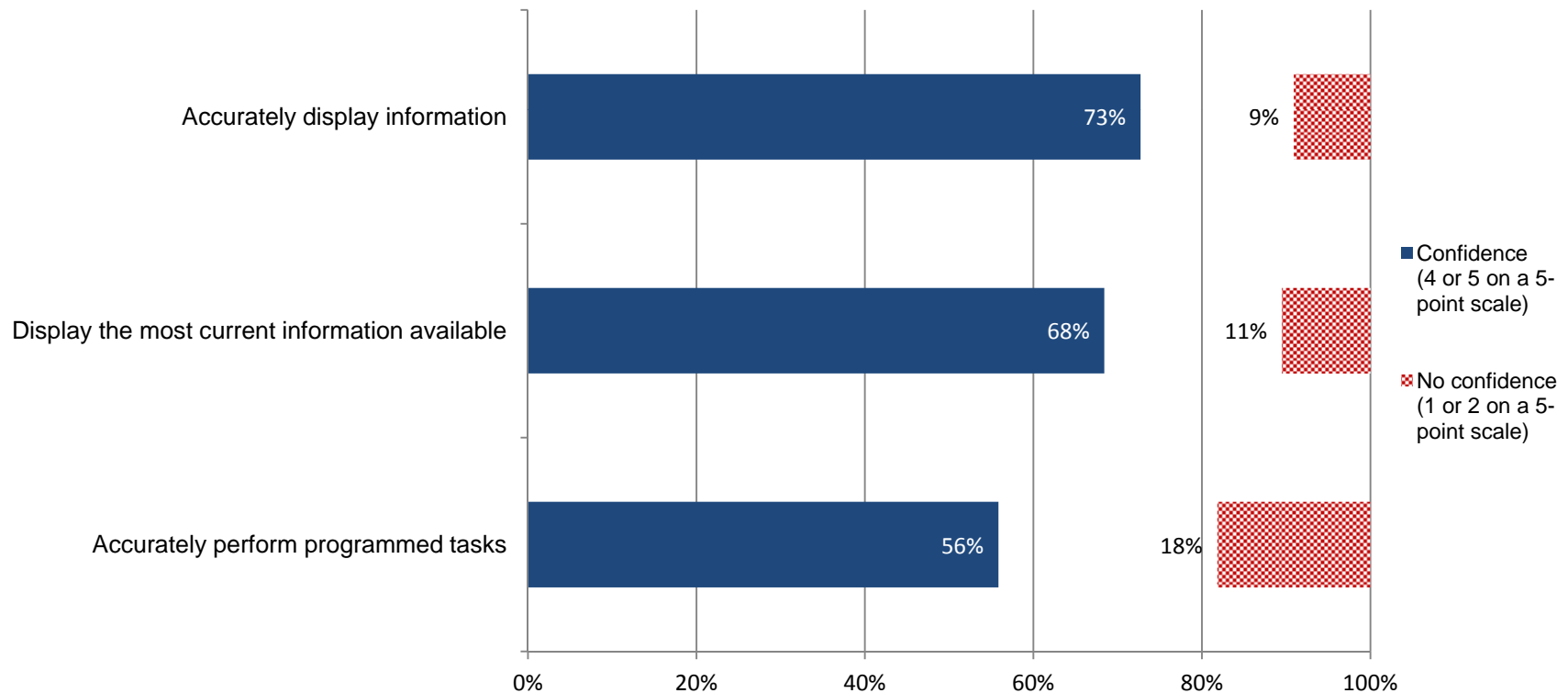
Q: How important would it be for the in-home display to be able to communicate with your home network and/or smart phone so you would be able to remotely monitor your electricity consumption? Please rate on a scale 1 (Not important) to 5 (Very important).



Survey Results

Confidence in System Performance

Q: What level of confidence would you have in the system to perform each of the following tasks, where 1 is "No confidence", and 5 is a "High level of confidence"



Realizing the Value Potential

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