



CENTRE WELLINGTON HYDRO LTD.
730 Gartshore St., P.O. Box 217, Fergus, Ontario N1M 2W8
PHONE: (519) 843-2900 FAX: (519) 843-7601

February 15, 2012

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

Dear Ms. Walli:

Centre Wellington Hydro Ltd.
2012 Rate Application – 3rd Generation Incentive Regulation Mechanism
Additional Information as requested regarding LRAM
OEB File No: EB-2011-0160

Centre Wellington Hydro Limited is submitting via the OEB RESS filing system additional information that wasn't supplied in the Reply Submission of January 27th, 2012 but was requested by the OEB Board Staff for the IRM filing EB-2011-0160.

Two hard copies of the additional information will be forwarded to the Board.

If you have any questions or concerns, please contact the undersigned at (519) 843-2900 Ext 225 or by email at thiessen@cwhydro.ca

Yours truly,

Original signed by

Florence Thiessen, CGA
Vice President / Treasurer
Centre Wellington Hydro Ltd.

cc: Michael Buonaguro, Counsel , VECC
Mark Rubenstein, Jay Shepherd Professional Corporation, SEC
Stephen Vetsis, OEB Analyst



REPLY SUBMISSION

Additional Information as requested by OEB staff on the LRAM and SSM Rate Rider

2012 ELECTRICITY DISTRIBUTION RATES

Centre Wellington Hydro Ltd.

EB-2011-0160

February 15, 2012

Updated LRAM information as requested by Board Staff

This is Centre Wellington's first time in applying for a LRAM and SSM. The 2009 Cost of Service rate application did not reflect the recovery of lost revenue from CDM programs. Therefore, Centre Wellington continues to request the recovery of the lost LRAM revenue of \$106,968.67 and the SSM revenue of \$1,509.52 for a total of \$108,478.20. This includes the effect of new 2009 programs as well as persistence for 2005-2008 programs in 2009 and 2010. Centre Wellington also requests approval for the persistence of 2005-2010 program savings from January 1, 2011 to December 31, 2011.

This is consistent with Horizon's Decision EB-2011-0172. Horizon's IRM application contained a request for revenues lost in 2008, 2009 and 2010 for CDM savings from third tranche programs implemented between 2005 and 2007, as well as OPA programs implemented from 2007 to 2010. Horizon's LRAM claim totalled \$1,608,274. Horizon's application was supported by an independent third party review of its third tranche savings, as well as the OPA 2010 Final CDM Program Results Report, issued September 14, 2011. In its responses to interrogatories, Horizon updated this amount to incorporate the OPA Final 2010 CDM Summary Results Report, received November 14, 2011. Horizon's updated LRAM claim, including carrying charges, is \$1,609,182.

Centre Wellington's last Board approved load forecast was for 2008-2009, and was based on monthly class specific data from May 2002 to December 2007. In the supporting regression analysis, no variables were identified specific to CDM. It is Centre Wellington's submission that there was insufficient historical actual data (2006-2007) to comply with the General Requirements under section 2.6.1.4 of the OEB's June 22, 2011 filing requirements.

Since the 2009 rate submission, there have been no changes to Centre Wellington's load forecast. Based on the above paragraph, Centre Wellington submits that there was no reliable predictive variable for CDM in the 2008-2009 load forecast. On this basis, Centre Wellington submits that persistence of 2006-2008 CDM Program results into 2009 and 2010 should be included in final LRAM amounts. 2009 program results and persistence into 2010 should also be included.

Claims for persistence of 2006 – 2010 program results into 2011 should also be included in the total calculated LRAM. Since the only results included for consideration for 2011 are persistent results from prior years, sufficient time has passed to enable an accurate LRAM calculation, consistent with OEB CDM guidelines.

The OEB Board Staff requested an updated LRAM calculation that only includes lost revenues from 2005-2008 in those years and 2010 CDM programs in 2010 and the associated rate riders.

The tables below provides an updated LRAM amount that only includes lost revenues from 2005 to 2008 in those years and 2010 CDM programs in 2010 and the associated rate riders as requested by Board Staff.

Adjusted LRAM

Program Year	Year LRAM Took Place						TOTAL
	2006	2007	2008	2009	2010	2011	
2005	\$747.31	\$732.42	\$737.25				\$2,216.99
2006	\$7,538.87	\$6,362.82	\$6,404.78				\$20,306.47
2007		\$7,125.71	\$5,054.08				\$12,179.79
2008			\$7,464.50				\$7,464.50
2009							\$0.00
2010					\$7,682.86		\$7,682.86
	\$8,286.18	\$14,220.95	\$19,660.61	\$0.00	\$7,682.86	\$0.00	\$49,850.61

LRAM Rate Rider excluding SSM as requested by Board Staff in the amount of \$49,850.61.

LRAM / SSM Rate Rider Calculation	LRAM	SSM	Total	kWh	kW	One Year Rate Rider
Residential	\$ 38,651.09	\$ -	\$ 38,651.09	45,046,630		0.00086 \$/kWh
General Service Less Than 50 kW	\$ 4,712.89		\$ 4,712.89	21,809,071		0.00022 \$/kWh
General Service 50 to 2,999 kW	\$ 6,486.17	\$ -	\$ 6,486.17	64,439,774	166,526	0.03895 \$/kW
Total	\$ 49,850.15	\$ -	\$ 49,850.15			

The tables below provides the total LRAM claim including persistence past the last rebasing plus the program results associated with the rebasing year and the associated rate rider including the SSM component.

Total LRAM requested for approval.

Program Year	Year LRAM Took Place						TOTAL
	2006	2007	2008	2009	2010	2011	
2005	\$747.31	\$732.42	\$737.25	\$680.91	\$632.62	\$616.52	\$4,147.04
2006	\$7,538.87	\$6,362.82	\$6,404.78	\$5,915.33	\$989.67	\$964.49	\$28,175.96
2007		\$7,125.25	\$5,054.08	\$4,545.22	\$4,231.79	\$4,124.53	\$25,080.87
2008			\$7,464.50	\$4,672.99	\$3,567.48	\$3,476.73	\$19,181.70
2009				\$6,423.46	\$5,250.40	\$5,133.65	\$16,807.51
2010					\$7,682.86	\$5,892.73	\$13,575.59
	\$8,286.18	\$14,220.49	\$19,660.61	\$22,237.91	\$22,354.81	\$20,208.66	\$106,968.67

LRAM and SSM Rate Rider including persistence submitted for approval.

LRAM / SSM Rate Rider Calculation	LRAM	SSM	Total	kWh	kW	One Year Rate Rider	
Residential	\$ 78,904.26	\$ 1,735.28	\$ 80,639.54	45,046,630		0.00179	\$/kWh
General Service Less Than 50 kW	\$ 19,175.55		\$ 19,175.55	21,809,071		0.00088	\$/kWh
General Service 50 to 2,999 kW	\$ 8,888.86	\$ (225.76)	\$ 8,663.10	64,439,774	166,526	0.05202	\$/kW
Total	\$ 106,968.67	\$ 1,509.52	\$ 108,478.20				

Submission

Centre Wellington again requests, based on the above clarification to the Board Staff request for additional information as originally requested in their IR's, The Board approves Centre Wellington's LRAM amount of \$106,968.67 and the SSM amount of \$1,509.52 for a total LRAM and SSM Rate Rider amount of \$108,478.20.

Centre Wellington's application has been supported by an independent third party review of the third tranche savings, as well as being updated to use "2006-2010 Final OPA CDM Results Centre Wellington Hydro Ltd", released by the OPA November 15, 2011.

All of which is respectfully submitted.