

**Ontario Energy  
Board**  
P.O. Box 2319  
27th. Floor  
2300 Yonge Street  
Toronto ON M4P 1E4  
Telephone: 416- 481-1967  
Facsimile: 416- 440-7656  
Toll free: 1-888-632-6273

**Commission de l'énergie  
de l'Ontario**  
C.P. 2319  
27e étage  
2300, rue Yonge  
Toronto ON M4P 1E4  
Téléphone; 416- 481-1967  
Télécopieur: 416- 440-7656  
Numéro sans frais: 1-888-632-6273



**BY E-MAIL**

September 12, 2012

Kirsten Walli  
Board Secretary  
Ontario Energy Board  
2300 Yonge Street, 27<sup>th</sup> Floor  
Toronto, ON M4P 1E4

Dear Ms. Walli:

**Re: Guelph Hydro Electric Systems Inc.  
2013 IRM Rate Application  
Board Staff Interrogatories  
Board File No. EB-2012-0128**

In accordance with the Notice of Application and Hearing, please find attached Board Staff Interrogatories in the above proceeding.

As a reminder, Guelph Hydro Electric Systems Inc.'s responses to interrogatories are due by September 26, 2012.

Yours truly,

*Original Signed By*

Daniel Kim  
Analyst – Applications & Regulatory Audit

Encl.

**Guelph Hydro Electric Systems Inc. (“Guelph Hydro”)  
2013 IRM Rate Application  
Board Staff Interrogatories**

**Tax Sharing Model**

1. Ref: A portion of Sheet 3 “Re-Based Bill Det & Rates” is reproduced below.

Last COS Re-based Year was in 2012						
Rate Group	Rate Class	Fixed Metric	Vol Metric	Re-based Billed	Re-based	Re-based
				Customers or Connections A	Billed kWh B	Billed kW C
RES	Residential	Customer	kWh	47,848	378,871,008	
GSLT50	General Service Less Than 50 kW	Customer	kWh	3,788	148,787,703	
GSGT50	General Service 50 to 999 kW	Customer	kW	569	399,661,950	1,041,992
GSGT50	General Service 1,000 to 4,999 kW	Customer	kW	44	465,120,498	1,015,196
LU	Large Use	Customer	kW	4	271,481,475	490,512
USL	Unmetered Scattered Load	Connection	kWh	583	2,229,301	
Sen	Sentinel Lighting	Connection	kW	26	88,740	251
SL	Street Lighting	Connection	kW	13,609	9,777,748	27,447

Board staff has been unable to reconcile the figures entered into the columns “A”, “B” and “C” with the Board-approved load forecast from Guelph Hydro’s last cost of service application (EB-2011-0123). Please provide evidence supporting these amounts. If there are any errors, Board staff will make the necessary changes to the model.

2. Ref: A portion of Sheet 5 “Z-Factor Tax Changes” is reproduced below.

Summary - Sharing of Tax Change Forecast Amounts		
For the 2012 year, enter any Tax Credits from the Cost of Service Tax Calculation (Positive #)	128750	
<b>1. Tax Related Amounts Forecast from Capital Tax Rate Changes</b>	<b>2012</b>	<b>2013</b>
Taxable Capital	\$ 139,676,719	\$ 139,676,719
Deduction from taxable capital up to \$15,000,000	\$ 15,000,000	\$ 15,000,000
Net Taxable Capital	\$ 124,676,719	\$ 124,676,719
Rate	0.000%	0.000%
Ontario Capital Tax (Deductible, not grossed-up)	\$ -	\$ -
<b>2. Tax Related Amounts Forecast from Income Tax Rate Changes</b>	<b>2012</b>	<b>2013</b>
Regulatory Taxable Income	\$ 651,546	\$ 651,546
Corporate Tax Rate	26.25%	21.13%
Tax Impact	\$ 42,281	\$ 8,910
<b>Grossed-up Tax Amount</b>	<b>\$ 57,330</b>	<b>\$ 11,296</b>
Tax Related Amounts Forecast from Capital Tax Rate Changes	\$ -	\$ -
Tax Related Amounts Forecast from Income Tax Rate Changes	\$ 57,330	\$ 11,296
Total Tax Related Amounts	\$ 57,330	\$ 11,296
Incremental Tax Savings		-\$ 46,034
Sharing of Tax Savings (50%)		-\$ 23,017

Board staff has been unable to reconcile the regulatory taxable income and grossed-up tax amount with the Board-approved Revenue Requirement Work Form from Guelph Hydro’s last cost of service application.

- a) Please provide evidence supporting these amounts. If there are any errors, Board staff will make the necessary changes to the model.

### RTSR Adjustment Work Form

3. Ref: A portion of Sheet 4 “RRR Data” is reproduced below.

Rate Class	Unit	Non-Loss Adjusted Metered kWh	Non-Loss Adjusted Metered kW	Applicable Loss Factor	Load Factor	Loss Adjusted Billed kWh	Billed kW
Residential	kWh	365,414,554		1.0209		373,051,718	-
General Service Less Than 50 kW	kWh	145,827,286		1.0209		148,875,076	-
General Service 50 to 999 kW	kW	257,718,653	676,739		52.20%	257,718,653	676,739
General Service 50 to 999 kW - Interval Metered	kW	154,631,192	406,043		52.20%	154,631,192	406,043
General Service 1,000 to 4,999 kW	kW	480,107,425	974,063		67.56%	480,107,425	974,063
Large Use	kW	261,256,345	466,012		76.84%	261,256,345	466,012
Unmetered Scattered Load	kWh	1,956,233		1.0209		1,997,118	-
Sentinel Lighting	kW	88,113	241		50.11%	88,113	241
Street Lighting	kW	9,960,465	26,191		52.12%	9,960,465	26,191

Please confirm that the amounts entered into the columns “Non-Loss Adjusted Metered kWh” and “Non-Loss Adjusted Metered kW” have not been adjusted by Guelph Hydro’s Board-approved loss factor.

## 2013 IRM Rate Generator

4. Ref: A portion of the Residential rate class on Sheet 4 “Current Tariff Schedule” is reproduced below.

MONTHLY RATES AND CHARGES - Delivery Component	(If applicable, Effective Date MUST be included in rate de	
Service Charge		\$ 13.95
Rate Rider for Recovery of Foregone Revenue – Effective until December 31, 2012		\$ 0.18
Smart Meter Funding Adder – Effective until March 31, 2012		\$ 1.17
Green Energy Act Plan Funding Adder – Effective until March 31, 2013		\$ 0.10
Rate Rider for Recovery of Residual Historical Smart Meter Costs – Effective until March 31, 2013		\$ (1.14)
Rate Rider for Recovery of Stranded Meter Assets – Effective until March 31, 2016		\$ 0.73
Rate Rider for Disposition of PILs Deferral/Variance Account – Effective until March 31, 2016		\$ (0.18)
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – Effective until April 30, 2012		\$ 0.22
Distribution Volumetric Rate		\$/kWh 0.0170
Rate Rider for Recovery of Foregone Revenue – Effective until December 31, 2012		\$/kWh (0.0001)
Rate Rider for Global Adjustment Sub-Account Disposition (2010) – Effective until April 30, 2012 Applicable only for Non-RPP Customers		\$/kWh 0.0006
Rate Rider for Global Adjustment Sub-Account Disposition (2012) – Effective until March 31, 2013 Applicable only for Non-RPP Customers		\$/kWh (0.0001)
Rate Rider for Deferral/Variance Account Disposition (2010) – Effective until April 30, 2012		\$/kWh (0.0015)
Rate Rider for Deferral/Variance Account Disposition (2012) – Effective until March 31, 2013		\$/kWh (0.0027)
Rate Rider for Disposition of PILs Deferral/Variance Account – Effective until March 31, 2016		\$/kWh 0.0007
Rate Rider for Tax Change – Effective until April 30, 2012		\$/kWh (0.0005)
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery/Shared Savings Mechanism (SSM) Recovery – Effective until March 31, 2016		\$/kWh 0.0003
Retail Transmission Rate - Network Service Rate		\$/kWh 0.0071
Retail Transmission Rate - Line and Transformation Connection Service Rate		\$/kWh 0.0055

Board staff has been unable to confirm the “Rate Rider for Disposition of PILs Deferral/Variance Account – Effective until March 31, 2016 \$(0.18)” with Guelph Hydro’s last Board-approved Tariff of Rates and Charges. Board staff believes the correct rate is “Rate Rider for Disposition of Post Retirement Actuarial Gain – effective until March 31, 2025 \$(0.18)”. Please confirm and, if necessary, Board staff will make the change to the model.

5. Ref: Sheet 5 “2013 Continuity Schedule”

- a) Board staff has been unable to reconcile the amounts recorded into columns “BT” and “BY” for Account 1588 – Power and sub-account Account 1588 – Global Adjustment with the amounts in Reporting and Record-keeping Requirements (RRR) report 2.1.7 Trial Balance. Please provide this reconciliation.
- b) Board staff has been unable to reconcile the \$14,174 and \$(755,606) recorded into column “BZ” for Account 1595 with the amount approved in

Guelph Hydro's last cost of service application. Please provide evidence supporting these amounts.

- c) Board staff has been unable to reconcile the amounts approved for disposition in Account 1521 – Special Purpose Charge Assessment Variance and Account 1562 – Deferred Payments in Lieu of Taxes. Please provide evidence supporting these amounts.