

September 6, 2012

*9/7/12*  
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-2012-0128  
Guelph Hydro Electric Systems Inc. (Guelph Hydro) 2013 IRM  
Electricity Distribution Rate Application**

Please find accompanying this letter, Guelph Hydro's response to Ms. M. Bolton's letter of comment dated August 28 and filed with the Board Secretary on September 4, 2012. The response was sent by mail to Ms Bolton's residence on September 5, 2012.

Please be advised that Guelph Hydro will continue to assist Ms. Bolton, as we assist all our customers with limited financial resources, to enroll to our CDM programs and take advantage of a wide range of opportunities that will help her to reduce the energy consumption. In addition, Guelph Hydro will offer payment options and other forms of support that are available for low income customers.

Should there be any questions, please contact me at the number below.

Respectfully Submitted,



Cristina Birceanu

Director of Regulatory Affairs  
Guelph Hydro Electric Systems Inc.

395 Southgate Drive,  
Guelph, ON N1G 4Y1  
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Mobile- 226-218-2150  
Email-[cbirceanu@guelphhydro.com](mailto:cbirceanu@guelphhydro.com)



September 5, 2012

Madeline M. Bolton  
[REDACTED]

**Dear Ms. Bolton:**

Thank you for your letter dated August 28, 2012. Your comments on the Notice of Application and Hearing for an Electricity Distribution Rate Change will be considered in the proceedings of Ontario Energy Board file number EB-2012-0123.

Guelph Hydro has sent your letter to the Ontario Energy Board on September 4<sup>th</sup>. The Ontario Energy Board ("OEB") will place your letter on their website [www.ontarioenergyboard.ca](http://www.ontarioenergyboard.ca). Before placing the letter on the public record, the OEB will remove any personal contact information. However, your name and the content of the letter will become part of the public record.

Guelph Hydro would like to take this opportunity to briefly explain the regulatory process that exists in Ontario for changing electricity distribution rates.

The OEB establishes the rates of electricity distributors using a combination of annual incentive regulation mechanism ("IRM") adjustments and periodic cost of service reviews. For the 2013 rates, Guelph Hydro applied for an IRM adjustment. The adjustment is calculated based on the inflation rate which is running at around two percent. Guelph Hydro's requested inflationary increase is the equivalent of less than one per cent while still investing in growth and upgrades that keep the lights on to all our customers. The reason why Guelph Hydro is not keeping up with inflation is the OEB requires that we build in productivity improvements into our organization.



Guelph Hydro's team works very hard to promote energy conservation and teach customers how they can save money on their electricity bills.

Today, with smart meters and time-of-use rates, it is even easier for customers to see exactly what hours in the day they use electricity and how much it costs them. Detailed charts are available to customers online. For those customers who do not use the Internet, Customer Service representatives are also available during normal business hours to assist customers in analyzing their electricity usage and identifying ways in which to save money. Please do not hesitate to call our Customer Service Department at 519-822-3010 if they can be of any assistance to you.

While we understand that rate increases of any amount can be hard on customers, particularly those on fixed incomes, we hope this letter serves to reassure you that Guelph Hydro recognizes this fact and works very hard to keep costs under control and help customers best manage their electricity bills.

If you have any questions about our rate application process, please contact me at the number below.

Sincerely yours,

A handwritten signature in blue ink, appearing to read "Cristina Birceanu", with a stylized flourish at the end.

Cristina Birceanu

Director of Regulatory Affairs  
Guelph Hydro Electric Systems Inc.

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