

BY COURIER

November 7, 2013

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

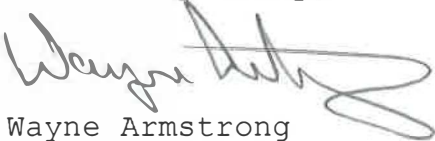
Dear Ms Walli:

**Re: Welland Hydro-Electric System Corp.
2014 4TH Generation Incentive Rate-Setting Application
EB-2013-0177**

Please find accompanying this letter, two copies of responses to Board Staff interrogatories in relation to Welland Hydro's 2014 IRM Rate Application EB-2013-0177.

Electronic copies of the Application have been submitted via the Board's Regulatory Electronic Submission System.

Yours very truly,



Wayne Armstrong
Director of Finance
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Enclosures

**Welland Hydro-Electric System Corp. (“Welland Hydro”)
 2014 IRM Rate Application
 EB-2013-0177
 Response - Board Staff Interrogatories**

2014 RTSR Adjustment Work Form

1. 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	159,179,968		1.0532		167,648,342	
General Service Less Than 50 kW	kWh	50,022,065		1.0532		52,683,239	
General Service 50 to 4,999 kW	kW	47,702,770	146,598		44.60%	47,702,770	146,598
General Service 50 to 4,999 kW- Interval Metered	kW	92,096,420	241,171		52.34%	92,096,420	241,171
Large Use	kW	48,424,320	152,573		43.50%	48,424,320	152,573
Unmetered Scattered Load	kWh	1,085,389		1.0532		1,143,132	
Sentinel Lighting	kW	849,278	2,331		49.94%	849,278	2,331
Street Lighting	kW	4,514,406	12,525		49.40%	4,514,406	12,525

- a) 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 Welland Hydro’s Board-approved loss factor.

Response:

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

- b) Staff is unable to reconcile the non-loss adjusted metered kWh and the non-loss adjusted metered kW for all the rate classes with Welland Hydro’s 2.1.5 RRR Report for 2012. Please provide evidence supporting these amounts. If necessary, Board staff will make the corrections.

Response:

On Page 7 in the rate application, Welland Hydro noted that the volumes submitted in the original RRR 2.1.5 filing for 2012 were incorrect. During 2012, Welland Hydro decoupled Sentinel Light charges from existing accounts into their own billing accounts. The change provided the customer a clearer understanding of their sentinel lighting costs. However, Welland Hydro failed to adjust the billing statistics for the original 2012 RRR 2.1.5 to reflect this change. Welland Hydro has since filed a revised RRR 2.1.5 (attached) for 2012 as follows:

Rate Class	Unit	Original Non-Loss Adjusted		Revised Non-Loss Adjusted		Original Non-Loss Adjusted Metered kW	Adjustment	Revised Non-Loss Adjusted Metered kW		Applicable Loss Factor	Load Factor	Loss Adjusted Billed kWh	Billed kW
		Metered kWh	Adjustment	Metered kWh	Metered kW			Metered kW					
Residential	kWh	159,188,167	-8,199	159,179,968						1.0532		167,648,342	
General Service Less Than 50 kW	kWh	50,259,739	-237,674	50,022,065						1.0532		52,683,239	
General Service 50 to 4,999 kW	kW	47,739,613	-36,843	47,702,770	146,598			146,598			44.60%	47,702,770	146,598
General Service 50 to 4,999 kW- Interval Metered	kW	92,146,017	-49,597	92,096,420	241,171			241,171			52.34%	92,096,420	241,171
Large Use	kW	48,424,320		48,424,320	152,573			152,573			43.50%	48,424,320	152,573
Unmetered Scattered Load	kWh	1,093,880	-8,491	1,085,389						1.0532		1,143,132	
Sentinel Lighting	kW	508,474	340,804	849,278	89,289		-86,958	2,331			49.94%	849,278	2,331
Street Lighting	kW	4,514,406		4,514,406	12,525			12,525			49.40%	4,514,406	12,525
Total		403,874,616	0	403,874,616	642,156		-86,958	555,198					

Welland submits that the revised RRR 2.1.5 volumes used in the original application should be used in the setting of 2014 RTSR rates and no adjustments to volumes should be made by Board Staff.

Performance Based Regulation Summary and Submit
 Labor
 Capital
 Supply and Delivery Information
 Customers, Demand and Revenue
 Utility Characteristics
 Incentive Rate Mechanism

Clicking Save or Apply will not automatically submit this filing. To SUBMIT this filing, scroll to the end of the page, select Yes in the Submit drop down then click the SAVE button.

Customers, Demand and Revenues

Rate Class	Customers/Connections	Billed kW	Billed kWh	Revenues Account (4080)
Residential	20,196		159,179,968.00	7,256,790.00
General Service < 50 kW	1,681		50,022,065.00	1,090,231.00
General Service >= 50 kW	175	387,769	139,799,190.00	1,129,646.00
Large User	1	152,573	48,424,320.00	182,073.00
Sub Transmission Customers				
Embedded Distributor(s)				
Street Lighting Connections	6,764	12,525	4,514,406.00	335,022.00
Sentinel Lighting Connections	619	2,331	849,278.00	32,443.00
Unmetered Scattered Load Connections	217		1,085,389.00	45,575.00
Total (Auto-Calculated)	29,653	555,198	403,874,616.00	10,071,780.00