

October 3<sup>rd</sup>, 2014

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
P.O. Box 2319  
2300 Yonge Street, Suite 2700  
Toronto, ON M4P 1E4

Dear Ms. Walli,

**Re: 2015 IRM Rate Application EB-2014-0122**

Please find enclosed Goderich Hydro's Submission with respect to its 2014 IRM Application file EB-2014-0122 for a change to distribution rates based upon 4th Generation IRM framework.

Should you have any questions, or concerns, please contact Wally Curry at 226-234-4102, or via email at [wcurry@erthcorp.com](mailto:wcurry@erthcorp.com).

Yours truly,



Larry J. McCabe  
President

**IN THE MATTER OF** the *Ontario Energy Board Act, 1998*, being Schedule B to the *Energy Competition Act, 1998*, S.O. 1998, c.15;

**AND IN THE MATTER OF** an Application by West Coast Huron Energy Inc. for an Order or Orders approving or fixing a proposed schedule of adjusted distribution rates, retail transmission rates and other charges, effective May 1, 2015.

### **APPLICATION**

1. West Coast Huron Energy Inc. (the "**Applicant**") hereby applies to the Ontario Energy Board (the "**Board**") pursuant to section 78 of the *Ontario Energy Board Act, 1998* for approval of its proposed adjusted distribution rates, retail transmission rates and other charges for the period May 1, 2015 through April 30, 2016.
2. The Applicant has followed the Board's "Filing Requirements for Incentive Regulation Mechanisms Rate Applications", as revised on July 25, 2014.
3. The Board issued a Decision and Order in the Applicant's 2014 IRM Rate Proceeding (EB-2013-0179) on March 13<sup>th</sup>, 2014. The Board approved the corresponding Tariff of Rates and Charges through a Rate Order issued on March 27<sup>th</sup>, 2014. This application is the second in the applicant's IRM process following the approved COS.
4. This Application, pre-assigned Board file number EB-2014-0122, proposes the next year of annual adjustments to the Rates and Charges pursuant to the Board's 4<sup>th</sup> Generation Incentive Regulation Mechanism methodology.
5. The Applicant has utilized the Board's updated models as posted on its website. The Applicant acknowledges that further adjustments and updates will be made post-submission by Board Staff in accordance with the Filing Requirements. The Applicant understands that it will be made aware of these adjustments and updates and have an opportunity to respond, if necessary, prior to a Board Decision or Order.
6. This Application will be supported by written evidence, including:
  - Manager's Summary,
  - 2014 Tariff Sheet as provided in the 2014 Rate Order,
  - 2015 IRM Rate Generator Model,
  - 2015 Tariff Sheet from the Rate Generator, and
  - 2015 Bill Impacts from the Rate Generator.

7. The written evidence will be pre-filed and may be amended from time to time, prior to the Board's final Decision on this Application.
8. The Applicant requests that, pursuant to Section 34.01 of the Board's *Rules of Practice and Procedure*, this proceeding be conducted by way of written hearing.
9. The Applicant requests that a copy of all documents filed with the Board by each party be served on the Applicant, as follows:

West Coast Huron Energy Inc.  
64 West Street  
Goderich, On N7A 2K4

Telephone: (519)-524-8344  
Fax: (519)-524-7930  
Email: [wcurry@erthcorp.com](mailto:wcurry@erthcorp.com)

Dated at Goderich Ontario, this 3rd day of October 2014

**WEST COAST HURON ENERGY INC.**

## **MANAGER'S SUMMARY**

The Applicant, West Coast Huron Energy Inc., has followed the methodology set out in "Chapter 3 of the Filing Requirements for Transmission and Distribution Applications: Filing Requirements for Incentive Regulation Mechanisms for Annual Rate Adjustments", as revised up to and including July 25, 2014 ("Filing Requirements"). All rate adjustments sought are the product of the operation of the 2015 IRM Rate Generator Model, which was issued by the Board. The Applicant anticipates the Board will further adjust rates in accordance with the Filing Requirements, especially as pertains to the Price Cap Adjustment and Retail Transmission Service Rates.

### **2014 Tariff Sheet**

The Applicant has set out at Appendix A, a copy of the 2014 Tariff Sheet from EB-2013-0179, which was issued in its final form on March 27, 2014. The rates and charges set out in that tariff sheet form the starting point from which the 2014 rates and charges are calculated using the Board's 2014 IRM Models.

### **2015 IRM Rate Models**

The Applicant completed the 2015 IRM Models, as set out at:

- Appendix B (2015 IRM Rate Generator Model),

Any amendments to the functionality or operations of the 2015 IRM Models were performed by Board Staff and returned to the Applicant in locked format.

### **Price Cap Adjustment – GDP-IPI**

The Applicant acknowledges that the Price Cap will be adjusted by the Board. The Board will replace the inflation proxy with the actual GDP-IPI, in accordance with the Filing Requirements. The Applicant reserves the right to subsequently review this adjustment and respond accordingly.

### **Price Cap Adjustment – Stretch Factor**

In addition to the GDP-IPI adjustment, the Applicant notes that the Board intends to replace the Stretch Factor default value with a value based on the data and determinations from EB-2010-0379 (Empirical Research to Support Incentive Rate-setting for Ontario's Electricity Distributors).

### **Deferral and Variance Account Rate Riders**

WCHE has completed the Deferral Variance worksheets included in the 2015 Rate Generator model. The balance for the Group 1 accounts is \$66,266. The balance of the Group 1 accounts results in a threshold limit of \$0.0004 per kWh.

WCHE will not be requesting disposition of the deferral and variance account balance as the balance is below the pre-set threshold of \$0.001 (debit or credit).

### **Tax Change Rate Rider**

The Applicant has calculated the 2015 tax change within the IRM Rate Generator Model and the resulting calculation does not produce any additional volumetric rate riders. Consequently Goderich Hydro is not requesting tax change rider amount.

### **Retail Transmission Service Rates**

The Applicant seeks changes to its Retail Transmission Service Rates. The applicant has completed the RTSR Worksheets and followed the prescribed methodology to determine the updated rates as detailed in Appendix B.

### **Other Rates and Charges**

The Applicant seeks continuation of all of its specific rate riders as approved in EB-2012-0175, which are to be effective until various points in the future as detailed in Appendix A. The Applicant also seeks continuation of the other rates and charges approved in EB-2013-0126 especially the Allowances, Specific Service Charges, Retail Service Charges, and Loss Factors.

### **2015 Tariff Sheet**

The Applicant has set out at Appendix C, a copy of the 2015 Tariff Sheet from the 2015 IRM Rate Generator Model.

The Applicant seeks a Board Order for those rates and charges as set out on the 2015 Tariff Sheet detailed in Appendix C.

## 2015 Bill Impacts

The Applicant has set out at Appendix D a copy of the 2015 Bill Impacts from the 2015 IRM Rate Generator Model. Based on the current data, the rate changes calculated result in the following bill impacts.

Rate Class	kWh/kW	Distribution		Total Bill	
		\$ Impact	% Impact	\$ Impact	% Impact
Residential	800 kwh	(\$2.81)	-6.21%	(\$2.60)	-1.92%
Residential	1000kwh	(\$3.39)	-6.62%	(\$3.14)	-1.91%
GS<50 kW	2000 kwh	(\$9.10)	-11.87%	(\$8.83)	-2.95%
GS 50 to 499 kW	125 kW	(\$204.73)	-28.86%	(\$196.39)	-6.02%
GS 500 to 4,999 kW	1,700 kW	(\$3,562.41)	-43.90%	(\$3,450.07)	-4.04%
Large Use	15,000 kW	(\$49,549.90)	-55.52%	(\$48,683.69)	-5.65%
Streetlights	1 kW	(\$1.30)	-4.27%	(\$1.25)	-3.36%
Sentinel	1 kW	(\$2.98)	-7.24%	(\$3.03)	-6.44%
USL	100 kwh	\$1.11	1.28%	(\$0.07)	-0.07%

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