



PUBLIC INTEREST ADVOCACY CENTRE  
LE CENTRE POUR LA DÉFENSE DE L'INTÉRÊT PUBLIC

July 6, 2015

VIA E-MAIL

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

Dear Ms. Walli:

**Re: EB-2015-0073 – Guelph Hydro Electric Systems Limited 2016-2020 Distribution Rates  
Interrogatories of Vulnerable Energy Consumers Coalition (VECC)**

Please find enclosed the interrogatories of VECC in the above-noted proceeding.

Yours truly,

Michael Janigan  
Counsel for VECC

Ms. Cristina Birceanu, Director of Regulatory Affairs  
[cbirceanu@guelphhydro.com](mailto:cbirceanu@guelphhydro.com)

<b>REQUESTOR NAME</b>	<b>VECC</b>
<b>INFORMATION REQUEST ROUND NO:</b>	<b># 1</b>
<b>TO:</b>	<b>Guelph Hydro Electric Systems Inc. (Guelph Hydro)</b>
<b>DATE:</b>	<b>July 6, 2015</b>
<b>CASE NO:</b>	<b>EB-2015-0073</b>
<b>APPLICATION NAME</b>	<b>2016 Electricity Distribution Rate Application</b>

---

## **1.0 ADMINISTRATION (EXHIBIT 1)**

### **1.0-VECC-1**

Reference: E1/T3/S2/pg.4

- a) Please provide the cost of the 2013 UtilityPULSE survey.
- b) Please provide the costs of the Innovative Research Group Survey.
- c) What was the reason(s) for doing two surveys? Please explain what additional insight/information was garnered from the 2<sup>nd</sup> (Innovative) survey.

### **1.0-VECC-2**

Reference: E1/T4/S3/pg.2

- a) Please clarify if Chart 1-14 shows a comparison of Guelph Hydro to the referenced 14 utilities or to all Ontario Utilities. If the latter please explain how the customer satisfaction measure for all Ontario is calculated.
- b) Please provide the names of the 14 utilities which are ranked below Guelph Hydro.

### **1.0-VECC-3**

Reference: E1/T4/S4/Pg.58

- a) With respect to the Innovative survey's information package explaining the application's residential bill impact (pg.4), please explain what "other costs are forecasted to come down next year".

- b) What is the proportion of the current distribution rate increase (residential 800 kWh) which is driven by adjustment/increase to rate base/capital in comparison that that driven by all other costs (OM&A etc.)?
- c) Was it explained to participants of the survey what portion of the residential rate impact is driven by the capital program?
- d) What reliability and efficiency metrics did Guelph Hydro provide to participants to show them the effectiveness of its capital program?
- e) Were the rates and reliability metrics of other utilities used to show participants the relative quality of Guelph Hydro's service? If so how?

#### **1.0-VECC-4**

Reference: E1/T3/S3/pgs. 7-10

- a) What was the internal cost of developing the ONS system described at the above reference?
- b) Guelph Hydro states it estimates a 50% improvement in customer restoration response times after implementation of the ONS. How will this target be measured and reported on?
- c) What compensation measures are linked to this target?

#### **1.0-VECC-5**

Reference: E1/T9/S4/pgs. 3-4

- a) Please provide the notes to the 2015 Objectives Table shown at the above reference.
- b) Please provide the measurement metric for the interruption hours/time objective.
- c) Do any other managers or staff have target objectives as part of their compensation plan?

#### **1.0-VECC-6**

Reference: E1/Appendix 1-A

- a) When was the 2015-2019 Business Plan completed and approved by the Board of Guelph Hydro?
- b) Please provide the footnotes to the 2015 Objectives Table.
- c) Please provide the metric for the interruption hours/time objective.
- d) Do any other managers or staff have target objectives as part of their compensation plan?

## 2.0 RATE BASE (EXHIBIT 2)

### 2.0 – VECC - 7

Reference: E1/T2/S4/pg.8 & E2/T1/pg.3

- a) With respect to the over budget expenditures of \$4.8 million for the Arlen TS please explain what is meant by, and the incremental costs of, “*commissioning philosophy changes.*”
- b) Is Guelph Hydro seeking to recover the rate base impact of the \$4.8m in 2016, or (as is normally the case) the 2016 depreciated value of the Arlen TS? If the former please explain the rationale and methodology for recovering the past amounts.
- c) Please explain why \$321k in additions to this station in 2013 was deemed inappropriate. Has this amount been moved to the 2014 year?

### 2.0-VECC-8

Reference: E1/T2/S4/pg.9/Table 1-7(b)

The following is an excerpt from Guelph Hydro’s last cost of service application EB-2011-0123: “*Investment in this category is related to the construction of the first Guelph Hydro owned transformer station Arlen MTS #1 and 2 municipal transformer stations in the Village of Rockwood in previous years. Guelph Hydro does not have any capital investments planned for this category in 2012.*” (E2/T4/S5/pg.34). That application stated that the total cost of the project was estimated at \$11,002,406 and that the station was projected to be in service in 2011 (ibid E2/T4/S2/pg.54).

- a) Please reconcile the \$11,002,406 stated as the cost of the Arlen TS in 2011 with the costs shown in Table 1-7(b).
- b) The Settlement Agreement in EB-2011-0123 states that “[T]he agreed Rate Base includes the New MTS (Arlen MTS) expenditures as reflected in the evidence submitted during the Application proceedings.” Please provide the amount, if different from the \$11 million noted above, that was agreed to be included in the 2012 Rate Base for the Arlen MTS.
- c) The evidence states that Arlen TS was connected to the transmission system on December 29, 2011. The reasons Guelph Hydro has stated that the costs were in excess of budget are related to Hydro One connection requirements. Please explain when these requirements were known and when this work was completed.

## 2.0-VECC-9

Reference: E2/T2/S2 & EB-2011-0123, Exhibit 2, Tab 4, Schedule 5, pg.2.  
June 20, 2011.

### 2012 Test Year and 2013 & 2014 Preliminary Capital Expenditures Budget

	<i>\$ Thousands</i>			
	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
	<b>IFRS</b>	<b>IFRS</b>	<b>IFRS</b>	<b>IFRS</b>
	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>
Land	-	-	-	-
Substations	-	-	-	-
Feeders / Infrastructure	3,950	4,069	4,191	4,316
Rehabilitation	2,800	2,884	2,971	3,060
Subdivisions	2,000	2,060	2,122	2,185
Commercial / Industrial	575	592	610	628
Other				
Metering	625	644	663	683
SCADA	200	206	212	219
IT Capital	500	500	525	525
Building / Fixtures	83	87	91	92
Office Equipment / Graphics	53	55	58	60
Rolling Stock	485	425	500	525
Major Tools	<u>65</u>	<u>58</u>	<u>61</u>	<u>65</u>
	2,010	1,975	2,110	2,168
<hr/>				
Gross Capital	<u>11,335</u>	<u>11,579</u>	<u>12,003</u>	<u>12,358</u>
Contributed Capital	2,425	2,498	2,573	2,650 Net
Capital	<u>8,910</u>	<u>9,082</u>	<u>9,430</u>	<u>9,708</u>

- a) Please revise this table to show actual expenditures. Please include a new row (or rows by category) to show any additional expenditure for these years.

## 2.0 – VECC -10

Reference: E1/T2/S4/pg.4 & E2/T1/S3/

- a) Does Guelph Hydro intend to amend its application in order to implement the Board's revised default value for working capital allowance of 7.5%?

- b) If yes, please update Tables 2-17 (1-4) to provide the new working capital amount
- c) If no, please explain why not.

## **2.0-VECC-11**

Reference: E2/T2/S2

- a) Please revise Table 2-21 (Appendix 2-AB) to show capital contributions for each category (row).

## **2.0-VECC-12**

Reference: E2/T2/S6 / Report of the Board EB-2014-0219, Sept18/2014

The letter referred to at Section 2.5.2.6 is a letter from Board Staff (not the Board) seeking input on a number of policy options. In the subsequent event, the Report of the Board issued September 18, 2014 states: "*The Board does not intend to proceed with the elimination of the effect of the half year rule on test year capital additions for the IRM years at this time.*"(pg.4). The Board further clarifies the position at section 7.1.1 of the Report

- a) Based on the Board's Report, why does Guelph Hydro believe its proposal for a D<sub>1</sub>-Factor adjustment is in keeping with current Board policy?

## **2-VECC-13**

Reference: E2/ Appendix 2-A/DSP/pgs. 75

- a) Guelph Hydro has provided a number of system reliability metrics under the ambit of DSP operational effectiveness (e.g. SAIDI 0.21-1.70). Please explain if the SAIDI/SAIFI targets are with or without loss of supply and normalized for MEDs (i.e. which of the SAIDI measures shown at pg. 87 of the DSP are used by Guelph Hydro to measure Plan success and how).
- b) Please provide a table showing each metric and the target objective. Please provide a column which shows how many times that target has not been met within the last 10 years.
- c) Please explain why Guelph Hydro is not using any outage metrics that use cause codes (for example defective equipment).
- d) Please explain why Guelph Hydro is not using total cost per km of line (relative) as a metric of the cost effectiveness of its operations.
- e) Please explain, what if any if any, impact there is on

management/employee compensation for exceeding or falling below any metric objectives (as identified in the table requested).

## **2-VECC-14**

Reference: E2/T2/S8/pg.14

- a) Please provide the 2012-2014 SAIDI/SAIFI/CAIDI for all outages and outages without loss of supply excluding major event days ("MEDs")
- b) For the years 2011 through 2014 please provide a table showing the outage number and (separately) length of outage by cause code (as shown in the pie charts on pgs. 90).

## **2-VECC-15**

Reference: E2/T2/S2/pg.23 & E2/Appendix 2-A/DSP???

- a) When was the AMI system originally purchased and implemented?
- b) When was the current AMI software last updated?
- c) Please explain why the current system requires replacement and explain what replacement involves.

## **2-VECC-16**

Reference: E2/Appendix 2-A/DSP/S 5.4.4.6/pg. 215

- a) At page 213 of the DSP Guelph discusses capital additions for buildings. Please provide the business plan/building assessment report used to support the renovations for the Guelph buildings.
- b) Please provide the current status of this project including the capital expenditures to-date.
- c) The General Plant variance explanation on pages 215 (variance for 2014-2015) shows two items building roof (473k) and building addition (500k). However, we are unable to find an explanation for the continued higher spending in this category for 2016 of \$804k. Please provide a table showing Building /Fixture costs for 2012-through 2019 and the major projects that are being undertaken, their expected completion dates, and why the costs in this category were 0 in 2012 and the additional costs beyond 2016.

## **2.0-VECC-17**

Reference: E2/Appendix 2-A/DSP/S 5.4.4.6/pg. 215

- a) At page 213 of the DSP discusses capital additions for buildings. Please provide the business plan/building assessment used to support the renovations for the Guelph buildings.
- b) Please provide the current status of this project including the capital expenditures to-date.

#### **2.0-VECC-18**

Reference: E2/Appendix M IT Assessment

- a) Please revise the two tables at pages 653 and 655 (IT hardware and software expenditures) to include 2012 through 2014 spending.

#### **2.0-VECC-19**

Reference: E2/T2/S1

- a) Using table 2-21 (capital expenditures by category); please segregate the capital expenditures which are driven by requirements of the Regional Plan in 2014 through 2017.



### **3.0 OPERATING REVENUE (EXHIBIT 3)**

#### **3.0 –VECC -20**

Reference: E3/T1/S1, pg. 3

- a) Please confirm whether the predicted values presented in Table 3-1 are based on the regression model used to forecast the 2012 Board-Approved Purchases or the regression model developed for the current Application?
- b) Are the values set out in the “Predicted Weather Normalized” column based on the weather normal HDD and CDD values for each year or the actual HDD and CDD values for each year?
- c) If, in part (b) the predicted kWh are based on the weather normal CDD and HDD values, please recalculate the Table using the actual HDD and CDD values for each year.

#### **3.0 –VECC -21**

Reference: E3/T1/S1, pg. 6

- a) Has Guelph Hydro performed any statistical or other analysis to confirm that 10 degrees C is the appropriate baseline for HDD and 18 degrees C is the appropriate baseline for CDD? If so, please provide.
- b) If not, is Guelph Hydro aware of any other Ontario electricity distributor that have done such analyses and, if so, what the results were?

#### **3.0 –VECC -22**

Reference: E3/T1/S1, pg. 12

- a) Please provide a schedule that compares the coefficients derived for the purchase power model as proposed in this proceeding with the coefficients for the purchase power model used for Guelph Hydro’s 2012 approved rates.

#### **3.0 –VECC -23**

Reference: E3/T1/S1, pg. 13

2015 Ontario Budget

<http://www.fin.gov.on.ca/en/budget/ontariobudgets/2015/>

- a) Please indicate whether the Canadian Manufacturing GDP values used in the regression analysis are expressed in real or nominal terms.
- b) Please confirm that the 2015 and 2016 forecast values for Canadian

Manufacturing GDP for each month are based on the average historical value for the same month. If not, how were the forecast values established?

- c) Please recalculate the purchase power projections for 2015 and 2016 using the real Ontario GDP growth rates set out in the 2015 Ontario Budget (i.e., 2015 – 2.7% and 2016 – 2.4%) and provide the supporting excel worksheet.

### **3.0 –VECC -24**

Reference: E3/T1/S1, pg. 9 and pg. 30

- a) At pg. 9, the Application suggests there is a strong correlation between Ontario and Canadian GDP such that using the former as opposed to the latter would not have a material impact on the forecast. However, at page 30, the Application notes that Ontario GDP is not statistically significant when used in place of Canadian GDP (which is statistically significant). Please explain the seeming inconsistency between these two observations.

### **3.0 –VECC -25**

Reference: E3/T1/S1, pg. 27

- a) Rather than Population, did Guelph Hydro test “Number of Customers” as a possible explanatory variable? If so, what were the results?

### **3.0 –VECC -26**

Reference: E3/T1/S3, pg. 1

- a) By whom and how was the incremental annual target of 16.51 GWh established?
- b) Please provide copies of any plans Guelph Hydro has submitted to the OPA/IESO regarding how it intends to achieved its 2015-2020 CDM target.
- c) Please provide copies of any reports/reviews prepared by the OPA/IESO regarding Guelph Hydro’s 2015-2020 CDM plans.

### **3.0 –VECC -27**

Reference: E3/T1/S3, pg. 2

- a) How was the 5,078,231 kWh value for the “annual” impact of 2014 CDM programs in 2014 established?

### **3.0 –VECC -28**

Reference: E3/T1/S3, pg. 4

- a) Please confirm that the second table on the page sets out the weightings used to determine the manual CDM adjustment to be included in the 2016 (and not the 2014) Load Forecast and that the wording used under the rationale for each year should be altered accordingly.

### **3.0 –VECC -29**

Reference: E3/T1/S3, pg. 8

- a) What is the source of the inputs used for Table 3-12? If there is a relevant report please provide.

### **3.0 –VECC -30**

Reference: E3/T2/S1, pg. 9

- a) The loss factors for 2012-2014 are materially higher than those during the 2003-2011 period. Please explain why.

### **3.0 –VECC -31**

Reference: E3/T2/S1, pg. 11  
E8/T2/S1, pg. 1

- a) Given the increased emphasis that the Board plans to place on customer counts in setting future rates (see second reference above), has Guelph Hydro investigated any alternative approaches to forecasting customer count, particularly for the Residential class?
- b) If yes, what approaches have been considered?

### **3.0 –VECC -32**

Reference: E3/Appendix 3-B, pg. 4

- a) With respect to Account 4235, how did Guelph Hydro derive the forecast 2015 and 2016 revenues for each specific charge (e.g. was there a standard approach used and, if so, what was it)?

## **4.0 OPERATING COSTS (EXHIBIT 4)**

### **4.0 -VECC -33**

Reference: E-4/T1/S1/pg. 3, 14

- a) Please explain what the Utility Work Protection Codes is, and the provisions being referred to in the evidence.
- b) Who enforces the code it and what are the penalties for failure to adhere to it?

### **4.0-VECC-34**

Reference: E4/T1/S1/Table 4-10 & 4-11

- a) Please provide the control room/SCADA costs for 2012 through 2015 showing separately, labour and non-labour costs and revenue offsets from the sharing of services.

### **4.0-VECC-35**

Reference: E4/T3/S1/pg.18

- a) Please provide Guelph Hydro's evidence that the control room/SCADA & Control Centre investments have led to, or will lead to lower outage duration, or other reliability improvements.
- b) Please provide the metrics that Guelph Hydro proposes to use to measure the success (or failure) of these investments in improving service reliability.

### **4.0-VECC-36**

Reference: E1/T2/pg.2 & E4/T2/S1

- a) Please confirm the annual IBEW wage increase for 2014 was 2.25% (1.75% +  $\frac{1}{2}$ (1.0%)), or provide the actual average.

### **4.0-VECC-37**

Reference: E4/T2/S1/pg.4

- a) In order to have an "apples-to-apples" OM&A yearly comparison, please restate Table 4-4 so as to report on the same basis (1) reclassification of water billing, (2) intercompany shared services; (3) reallocation of OPA; and (4) change in management fees vis-a-vis dividends funded salaries for years 2012 through 2016

#### **4.0-VECC-38**

Reference: E4/T2/S1/Table 4-6

- a) Please explain why with the requirement for GS > 50 and MIST meters Guelph Hydro proposes to continue to share services with the city for manual meter reading.
- b) How many manual reads will be done by Guelph Hydro for electricity service after all new metering requirements are implemented?
- c) How many manual reads are currently done for other customers?
- d) Please show the cost of manual meter reading for each of the years 2012 through 2016. Please show what portion of these costs are borne by the City of Guelph.

#### **4.0-VECC-39**

Reference: E4/T3/S1

- a) Please provide Guelph Hydro's tree trimming actuals/budget for the year 2012 through 2016.

#### **4.0-VECC-40**

Reference E4/S3/T3

- a) Please provide the annual EDA fees paid in each of 2012 through 2016 (forecast).
- b) Please provide all other corporate membership fees for 2012-2016.
- c) Does Guelph Hydro purchase insurance through the MEARIE Group?
- d) If yes please provide the premiums for the 2012 through 2016 period.

#### **4.0-VECC-41**

Reference: E1/T2/S2/pg.6/Table1-1 & E4/T3/S1

- a) Please provide a table similar to Table 1-1 but also showing (1) incremental positions for 2012 through 2015; (2) in a separate column the salary band for the new position(s).

#### **4.0-VECC-42**

Reference: E4/T3/S1/Table 4-52

- a) Please revise table 4-52 to so as to show the potential and actual retirements for the period 2012 through 2015. For each year please also show the percentage of employees over the age of 50.
- b) For each of the years 2012 through 2014 please provide the number of (annualized) vacancies (unfilled positions).

#### **4.0-VECC-43**

Reference: E4/T3

- a) Please provide an update of the hiring of the projected 2015 incremental employees (i.e. hired, hiring in progress, position not posted yet).

#### **4.0-VECC-44**

Reference: E4/T3/S1/pg.26

- a) When does Guelph Hydro expect to implement monthly billing for all its customers?
- b) What is the current estimate for the incremental cost (savings) of moving all customers to monthly billing?
- c) What steps is Guelph Hydro taking to reduce postage costs through alternative means of payment?

#### **4.0 – VECC-45**

Reference: E4/T3/S2

- a) Please provide a table showing the charges to Guelph Hydro for water billing services.
- b) These charges appear to be increasing at less than the rate of (CPI) inflation, please explain why.
- c) Please provide the number of customers water billed in each of 2012 through 2015 (forecast).

#### **4.0 – VECC-46**

Reference: E4/T3/S2

- a) Please provide a table showing the corporate allocations for Board Allocation for each of 2012 through 2016. Please add a column (row) to

show for each, the percentage of the total Board cost this allocation represents in each given year.

- b) Please provide a similar table for the Staff Resources.
- c) Please identify each staff resource and provide a list of the responsibilities for each year 2012 through 2016.

#### **4.0 – VECC-47**

Reference: E4/T3/S5

- a) Please provide the legal and consulting costs incurred to date for this application.

#### **4.0 – VECC-48**

Reference: E4/T6/S3, pg. 3 (lines 18-20); pg. 4 (lines 14-15) and  
Tables 4-93 & 4-97  
E4/Appendix 4-F, page 7

- a) Please indicate where in Appendix 4-F the “estimated 2014 OPA CDM results” used in Tables 4-93 and 4-97 are set out. Otherwise, please provide the relevant OPA/IESO report.
- b) With respect to pg. 4, please confirm that the kW values reported by the OPA represent the impact on the annual peak as opposed to the impact on monthly peak demand.

#### **4.0 – VECC -49**

Reference: E4/T6/S3, pg. 12 & 13  
E4/Appendix 4-F  
EB-2014-0099, Exhibit 4, Appendix 4-N, pg. 3

- a) Did Guelph have a 3<sup>rd</sup> party review its LRAM calculations? If so, please provide the 3<sup>rd</sup> party report.
- b) Does Guelph Hydro agree that the kW values reported for Demand Response programs represent kW under contract and that the contracted kW may not have been exercised in each month of the actual years in question, if at all? If not, why not?
- c) Like many other electricity distributors, North Bay Hydro Distribution Limited contracted with a 3<sup>rd</sup> party (in their case IndEco Strategic Consulting Inc.) to perform the LRAMVA calculations for its recent COS Application. In its Report (referenced above), IndEco offered the following explanation for excluding the kW impact of Demand Response Programs

from the LRAMVA calculations:

*For customer classes where the LDC charges for distribution based on the customer's peak monthly demand (kW in the month), the system peak reductions are only partially relevant. For initiatives like lighting upgrades in businesses operating during normal business hours, the peak demand reductions are likely to be maintained throughout the year, including during the customer's monthly peaks, and so may be used to estimate lost revenue. For other programs, in particular demand response programs, the customer's monthly peak may not correspond to the system's peak. Further, even if they are coincident, if a demand response event is called, and the customer's monthly peak is shaved, it is likely that the customer's second highest peak in the month is only slightly less than their highest peak. Thus, the impact on distribution revenues of the demand response program is likely to be minimal, and is assumed to have zero impact on lost load.*

*Thus, no distribution revenues are estimated to be lost from large general service customers' participation in demand response programs.*

Does Guelph Hydro concur with this rationale and agree that the impact of demand response programs should be excluded? If not, why not?

- d) Please re-do Tables 4-94 through 4-97, but exclude the impact of Demand Response Programs. Furthermore, when calculating the persistence factors, exclude DR programs from the GW values used in the denominator for each year's calculation.

## **5.0 COST OF CAPITAL AND RATE OF RETURN (EXHIBIT 5)**

### **5.0-VECC-50**

Reference: E5/T1/S1/pg.3

- a) With respect to the 2015 forecast \$30 million long-term debt please provide the current coupon rate which Guelph Hydro is forecasting.
- b) Please explain how the 2.0% corporate spread was determined.
- c) Please explain how this spread relates (or not) to the 1.55% shown in Table 5-7 and the 1.65% spread used by CIBC pricing sheet (Appendix 5-C).

### **5.0-VECC-51**

Reference: E1/T2/S6/pg. 1/Table 1-16

- a) Please provide Guelph Hydro's most recent estimate of comparable long-



term interest rates and the source of that estimate.

#### **5.0-VECC-52**

Reference: E5/Appendix 5-A

- a) Please confirm that Guelph Hydro is forecasting to be overleveraged in 2016 (i.e. regulatory L-T Debt of \$91,257,657 (Appendix 2-OA) and actual/forecast debt floats of \$95 million.
- b) If so, what impact (if any) does this have on the cost of capital cost calculation.

### **6.0 CALCULATION OF REVENUE DEFICIENCY/SURPLUS (EXHIBIT 6)**

No interrogatories.

### **7.0 COST ALLOCATION (EXHIBIT 7)**

#### **7.0 – VECC –53**

Reference: E7/T1/S1, pg.3 & 4

- a) With respect to GS>50 customers, does Guelph Hydro perform any work related to the provision of Services assets (e.g. repairs/replacements) or the maintenance of such assets once installed?
- b) If yes, please confirm whether the costs are all billed back to the customers and how the costs (and revenues if any) are treated in the Application.
- c) With respect to Street Lighting, in what accounts are the costs of connecting street lights captured? Please identify the 2016 forecast costs in these accounts.
- d) With respect to Unmetered Scattered Load, does Guelph Hydro perform any work related to the provision of Services assets (e.g., repairs/replacements) or the maintenance of such assets once installed?
- e) If yes, please confirm whether the costs are all billed back to the customers and how the costs (and revenues if any) are treated in the Application.

## **7.0 – VECC – 54**

Reference: E7/T1/S1, pg. 7

Filing Requirements for Transmission and

Distribution Applications, July 2014 – Section 2.7.3.6

- a) Please identify any the Board policy/decision issued after July 2014 that would change the Board's July 2014 direction that
- “The LEAP amount must be calculated based on total distribution revenues, and is to be recovered from all rate classes based on the respective distribution revenue of each of those rate classes.”
- and that Guelph Hydro is relying on for its proposed direct allocation of LEAP funding cost to the Residential class.

## **8.0 RATE DESIGN (EXHIBIT 8)**

### **8.0 –VECC -55**

Reference: E8/T1/S1, pg. 12 - 14

- a) Does the existing Large Use customer have a meter on its DG that is acceptable for billing purposes?
- i. If yes, who currently owns and maintains the meter? If it is Guelph Hydro, is this meter included in the Large Use meter count used to allocate meter capital costs to the Large Use class?
- ii. If no, who will install, own and maintain the meter?
- b) Please provide an example of how the standby rate will work in conjunction with the Large Use rates by indicating what kW values would be used in conjunction with the Large Use/GS Distribution Volumetric rates, the Large Use Rate Riders, the RTSR rates and the Standby rates under the following circumstances:
- The peak hourly delivered load in the month is 5 MW
  - The peak hourly generator metered output is 3 MW
  - The peak coincident combined amount of the two is 7 MW – at which point in time the hourly delivered load is 4.5 MW and the generator metered output is 2.5 MW,
- c) Please confirm that the one Large Use customer with DG is currently being billed based on “delivered” energy and demand and therefore the demand billings reflect the customer's total load net of any self-generation at the time of the maximum demand for the billing period.
- d) What would have been the additional revenues in 2014 if this customer had also been billed for Standby power as Guelph Hydro is proposing for

2016?

**8.0 –VECC –56**

Reference: E8/T3/S1, pg. 1

- a) Please confirm that the impact of the “timing difference” between when Guelph Hydro pays its UTR bill and revenues for the same are received from its customers is accounted for through the working capital allowance.

**8.0 –VECC –57**

Reference: E8/T3/S1, pg. 2 & 3

- b) Please update the RTSR Work Form and the proposed 2016 RTSRs for the recently approved HO ST rates.

**8.0 –VECC –58**

Reference: E8/T6/S1, pg. 1

- a) How does Guelph Hydro currently charge for/recover the cost Bond Connection costs?
- b) Given the limited number of requests anticipated (eight) why is Guelph Hydro proposing to move to a specific charge for this service?

**8.0 –VECC –59**

Reference: E8/T6/S1, pg. 4

- a) Do customers using e-billing reduce the revenue lag for Guelph Hydro and, if so, by how much?

**8.0 –VECC –60**

Reference: E8/T8/S1, pg. 2 & 4

- a) Please update Tables 8-17 and 8-19 to reflect HO’s approved 2015 ST rates.

**8.0 –VECC –61**

Reference: E8/Appendix 8-C

- a) Based on the most recent 12 months of billing data please indicate how many Residential customers fall into each of the following average monthly

use categories:

- 0-100 kWh
- >100-250 kWh
- >250-500 kWh
- >500-800 kWh
- >800-1,000 kWh
- >1,000-1,500 kWh
- >1,500-2,000 kWh
- >2,000 kWh

## **9.0 DEFERRAL AND VARIANCE ACCOUNTS (EXHIBIT 9)**

### **9.0 –VECC -62**

Reference: E4/T1/S1/pg.8

- a) Is Guelph seeking a deferral account for MIST meter costs in this application?
- b) Does the capital budget for 2014, 2015 or 2016 include any expenditure on MIST meters? If yes please provide the amount of investment in each year.
- c) What is the projected MIST meter investment in each of 2017 through 2020?

### **9.0 –VECC -63**

Reference: E9/T7/S1

- a) Has Guelph provided any new information in this application which describes the benefit of the Zigbee chips as anticipated in the Board Decision (pg.9)
- b) The Board's Decision also anticipates future costs required to fully put the chips in the use in the context of Smart Grid or CDM. Have any such incremental costs been incurred to do this? If so please describe.

### **9.0 –VECC -64**

Reference: E9/T7/S1/pg.10

- a) Please provide the Board's decision which approved the deferral account 1532 for the one technician.

End of document