

3.0 –VECC -67

Reference: 3-Energy Probe-24 b)

3-Energy Probe 25 a)

Chapter 2 Filing Requirements, Appendix 2-H

- a) Would adding the revenue and expenses shown in Energy Probe 24 b) to the amounts shown in Appendix 2-H for Accounts #4375 and #4380 respectively make the values comparable with those shown in Appendix 2-H for 2014-2016 for these two accounts? If not, please provide a schedule that sets out the 2012 and 2013 values for Accounts #4375 and #4380 on the same reporting basis as used for these accounts for 2014-2016 and explain the derivation of the reported 2012 and 2013 values .

Response:

With one exception which will be explained below, Guelph Hydro confirms that adding the revenue and expenses shown in Energy Probe 24 b) to the amounts shown in Appendix 2-H for Accounts #4375 and #4380 respectively makes the values comparable with those shown in Appendix 2-H for 2014-2016 for these two accounts.

The one exception is that the Intercompany shared services shown as expenses in Energy Probe 24 b) incorrectly presented the expenses incurred by GHESI in purchasing Intercompany Shared Services from its Affiliates. These expenses are recorded in Guelph Hydro's OM&A and are not part of Account #4380. The correct amounts to be included in the original table should have been the expenses incurred by GHESI in providing shared services to its Affiliates

We have provided a schedule below that sets out the 2012 and 2013 values for Accounts #4375 and #4380 on the same reporting basis as used for these accounts for 2014-2016 in Appendix 2-H.

Guelph Hydro Electric Systems Inc.
Restatement of Accounts #4375 and #4380
2012-2013

	2012	2013
Revenues from Non-Utility Operations (Account #4375) per Appendix 2-H	\$ (1,085,224)	\$ (1,175,719)
Add:		
Revenues incurred by GHESI in providing shared services to its Affiliates	\$ (802,654)	\$ (848,298)
Restated Account #4375	\$ (1,887,878)	\$ (2,024,017)
Expenses from Non-Utility Operations (Account #4380) per Appendix 2-H	\$ 28,235	\$ (7,467)
Add:		
Water billing services expenses	442,728	431,066
Utility solutions expenses	5,669	5,148
Expenses incurred by GHESI in providing shared services to its Affiliates	742,195	787,133
Restated Account #4380	\$ 1,218,827	\$ 1,215,879

b) The response to Energy Probe 25 a) suggests that the expenses shown in Energy Probe 24 b) for Intercompany Shared Services include: i) expenses incurred by GHESI in providing shared services to its Affiliates (the revenue for which are also shown in Energy Probe 24 b) and ii) the expenses incurred by GHESI in purchasing Intercompany Shared Services from its Affiliates.

- Please confirm if this is the case and, if so, breakout the Intercompany Shared Services expenses paid to Affiliates for the years 2012-2016.
- If not, please reconcile the responses to Energy Probe 24 b) and 25 a).

Response:

As noted in part a) to this question the Intercompany Shared Services presented in Energy Probe 24 b) incorrectly presented the expenses incurred by GHESI in purchasing Intercompany Shared Services from its Affiliates. These expenses are recorded in Guelph Hydro's OM&A

and are not part of Account #4380. The correct amounts to be included in the original table should have been the expenses incurred by GHESI in providing shared services to its Affiliates.

In its response to 3-Energy Probe-25, Guelph Hydro confirmed that the costs of the services purchased by Guelph Hydro from its affiliate are included in account #4380 in 2014 through 2016 and were included in OM&A prior to 2014.

This is incorrect. The correct response should have been to confirm that the costs of services purchased by Guelph Hydro from its affiliate are included in OM&A from 2012 to 2016. A table of these purchases is presented below.

Guelph Hydro Electric Systems Inc.
Intercompany Shared Services expenses paid to Affiliates
2012-2016

2012	2013	2014	2015	2016
322,917	657,762	693,092	656,349	656,349