



September 24, 2015

Delivered by RESS, Email and Courier

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

Dear Ms. Walli:

**Re: Guelph Hydro Electric Systems Inc. ("Guelph Hydro")
Board File No. EB-2015-0073 – Settlement Proposal**

Pursuant to Procedural Order No. 1, please find attached the settlement proposal and related supporting documentation in relation to the above noted matter.

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read "Cristina Birceanu", is written over a horizontal line.

Cristina Birceanu

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Randy Aiken, David MacIntosh, Energy Probe
Wayne McNally, Jay Shepherd, Mark Rubenstein, Shelley Grice, SEC
Michael Janigan, Mark Garner, Bill Harper, VECC

EB-2015-0073

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

AND IN THE MATTER OF an Application by Guelph
Hydro Electric Systems Inc. for an Order or Orders
approving just and reasonable rates and other charges
for electricity distribution to be effective January 1,
2016.

GUELPH HYDRO ELECTRIC SYSTEMS INC.

SETTLEMENT PROPOSAL

September 24, 2015

Guelph Hydro Electric Systems Inc.

EB-2015-0073

Settlement Proposal

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LIVE EXCEL MODELS

In addition to the Appendices listed above, the following live excel models have been filed together with and form an integral part of this Settlement Proposal:

Guelph_Settlement_COP Forecast - Test Year_20150924.xls
Guelph_Settlement_Detailed_CA_Model_RUN1_20150924.xls
Guelph_Settlement_EDDVAR_Continuity_Schedule_CoS_20150924.xls
Guelph_Settlement_Filing_Requirements_Chapter2_Appendices_20150924.xls
Guelph_Settlement_LRAMVA Model_20150924.xls
Guelph_Settlement_Rev_Reqt_Work_Form_20150924.xls
Guelph_Settlement_RTSR MODEL_20150924.xls
Guelph_Settlement_Test_year_Income_Tax_PILs_Workform_20150924.xls
Guelph_Settlement_Weather Normalization Regression Model_20150924.xls

Guelph Hydro Electric Systems Inc.

EB-2015-0073

Settlement Proposal

Filed with the Ontario Energy Board: September 24, 2015

Guelph Hydro Electric Systems Inc. (the “Applicant” or “Guelph Hydro” or “GHESI”) filed a cost of service application with the Ontario Energy Board (the “Board”) on April 24, 2015 under section 78 of the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, (Schedule B) (the “Act”), seeking approval for changes to the rates that Guelph Hydro charges for electricity distribution, to be effective January 1, 2016 (Board Docket Number EB-2015-0073) (the “Application”).

The Board issued a Notice of Application and Hearing dated May 21, 2015. In Procedural Order No. 1, dated June 12, 2015, the Board sought the provision of written interrogatories and outlined the timetable of the various elements in the proceeding.

Following the receipt of interrogatories, Guelph Hydro filed its interrogatory responses with the Board on July 31, 2015, filed responses to VECC’s technical conference questions on August 7, 2015, attended a technical conference on August 10, 2015, filed responses to various undertakings on August 21, 2015 and filed a supplemental interrogatory response on August 27, 2015.

On August 14, 2015, following interrogatories and the technical conference, OEB staff submitted a proposed issues list as agreed to by the parties. On August 20, 2015 the Board issued its decision on the proposed issues list, approving the list submitted by OEB staff as the final issues list (the “Issues List”), and confirmed that a settlement conference would occur in accordance with Procedural Order No. 1.

This Settlement Proposal is filed with the Board in connection with the Application.

Further to the Board’s Procedural Order No. 1 and its Issues List Decision, a settlement conference was convened on August 31, 2015 and continued to September 1, 2015 in accordance with the Board’s *Rules of Practice and Procedure* (the “Rules”) and the Board’s *Settlement Conference Guidelines* (the “Guidelines”). Mr. Andrew Diamond acted as facilitator for the settlement conference which was held for two days.

Guelph Hydro and the following intervenors (the “Intervenors”), participated in the settlement conference:

Energy Probe Research Foundation (“EP”);
School Energy Coalition (“SEC”); and
Vulnerable Energy Consumers Coalition (“VECC”).

Guelph Hydro and the Intervenors are collectively referred to below as the “Parties”.

Ontario Energy Board staff (“OEB staff”) also participated in the settlement conference. The role adopted by OEB staff is set out in page 5 of the Guidelines. Although OEB staff is not a party to this Settlement Proposal, as noted in the Guidelines, OEB staff who did participate in the settlement conference are bound by the same confidentiality and privilege rules that apply to the Parties to the proceeding.

On June 3, 2015, the Board issued a letter to all licensed electricity distributors and other interested parties regarding the allowance for working capital in electricity distribution rate applications. In this letter, the Board identified a new default working capital value of 7.5%. The letter states that distributors not wishing to use the default value are given the option to request approval for a distributor-specific working capital allowance supported by the appropriate evidence from a lead-lag study or equivalent analysis. Guelph Hydro did not perform a lead-lag study, and this settlement reflects the new default working capital allowance of 7.5%.

This document is called a “Settlement Proposal” because it is a proposal by the Parties to the Board to settle the issues in this proceeding. It is termed a proposal as between the Parties and the Board. However, as between the Parties, and subject only to the Board’s approval of this Settlement Proposal, this document is intended to be a legal agreement, creating mutual obligations, and binding and enforceable in accordance with its terms. As set forth later in this Preamble, this agreement is subject to a condition subsequent, that if it is not accepted by the Board in its entirety, then unless amended by the Parties it is null and void and of no further effect. In entering into this agreement, the Parties understand and agree that, pursuant to the Act, the Board has exclusive jurisdiction with respect to the interpretation and enforcement of the terms hereof.

These settlement proceedings are subject to the rules relating to privilege contained in the Guidelines. The Parties understand this to mean that the documents and other information provided, the discussion of each issue, the offers and counter-offers, and the negotiations leading to the settlement – or not – of each issue during the settlement conference are strictly privileged and without prejudice. None of the foregoing is admissible as evidence in this proceeding, or otherwise, with one exception, the need to resolve a subsequent dispute over the interpretation of any provision of this Settlement Proposal.

This Settlement Proposal provides a brief description of each of the settled and partially settled issues, as applicable, together with references to the evidence. The Parties agree that references to the “evidence” in this Settlement Proposal shall, unless the context otherwise requires, include (a) additional information included by the Parties in this Settlement Proposal, and (b) the Appendices to this document. The supporting Parties for each settled and partially settled issue, as applicable, agree that the evidence in respect of that settled or partially settled issue, as applicable, is sufficient in the context of the overall settlement to support the proposed settlement, and the sum of the evidence in this proceeding provides an appropriate evidentiary record to support acceptance by the Board of this Settlement Proposal. The Parties agree that references to the evidence in this Settlement Proposal shall, unless the context otherwise requires,

include, in addition to the Application, the responses to interrogatories, technical conference questions and undertakings, and all other components of the record up to and including the date hereof, including additional information included by the Parties in this Settlement Proposal and the Appendices to this document.

There are Appendices to this Settlement Proposal which provide further support for the proposed settlement. The Parties acknowledge that the Appendices were prepared by Guelph Hydro. While the Intervenors have reviewed the Appendices, the Intervenors are relying on the accuracy of the underlying evidence in entering into this Settlement Proposal.

For ease of reference, this Settlement Proposal follows the format of the final approved Issues List.

The Parties are pleased to advise the Board that the Parties have reached a complete agreement with respect to all of the issues in this proceeding. Specifically:

“Complete Settlement” means an issue for which complete settlement was reached by all Parties, and if this Settlement Proposal is accepted by the Board, the Parties will not adduce any evidence or argument during the oral hearing in respect of these issues.	# issues settled: All
“Partial Settlement” means an issue for which there is partial settlement, as GHESI and the Intervenors who take any position on the issue were able to agree on some, but not all, aspects of the particular issue. If this Settlement Proposal is accepted by the Board, the Parties who take any position on the issue will only adduce evidence and argument during the hearing on those portions of the issues not addressed in this Settlement Proposal.	# issues partially settled: None
“No Settlement” means an issue for which no settlement was reached. GHESI and the Intervenors who take a position on the issue will adduce evidence and/or argument at the hearing on the issue.	# issues not settled: None

If applicable, a Party who is noted as taking no position on an issue may or may not have participated in the discussion on that particular issue, but in either case such Party takes no position a) on the settlement reached, and b) on the sufficiency of the evidence filed to date.

According to the Guidelines (p. 3), the Parties must consider whether a Settlement Proposal should include an appropriate adjustment mechanism for any settled issue that may be affected by external factors. These adjustments are specifically set out in the text of the

Settlement Proposal (see, for instance, the settlement on cost of capital within issue 2.1 below).

The Parties have settled the issues as a package, and none of the parts of this Settlement Proposal are severable. If the Board does not accept this Settlement Proposal in its entirety, then there is no settlement (unless the Parties agree in writing that any part(s) of this Settlement Proposal that the Board does accept may continue as a valid settlement without inclusion of any part(s) that the Board does not accept).

In the event that the Board directs the Parties to make reasonable efforts to revise the Settlement Proposal, the Parties agree to use reasonable efforts to discuss any potential revisions, but no Party will be obligated to accept any proposed revision. The Parties agree that all of the Parties who took on a position on a particular issue must agree with any revised Settlement Proposal as it relates to that issue prior to its resubmission to the Board.

Unless stated otherwise, the settlement of any particular issue in this proceeding and the positions of the Parties in this Settlement Proposal are without prejudice to the rights of Parties to raise the same issue and/or to take any position thereon in any other proceeding, whether or not Guelph Hydro is a party to such proceeding, provided that no Party shall take a position that would result in this Agreement not applying in accordance with the terms contained herein.

Where in this Agreement, the Parties or any of them “accept” the evidence of Guelph Hydro, or “agree” to a revised term or condition, including a revised budget or forecast, then unless the Agreement expressly states to the contrary, the words “for the purpose of settlement of the issues herein” shall be deemed to qualify that acceptance or agreement.

SUMMARY

In reaching this settlement, the Parties have been guided by the Filing Requirements for 2016 rates and the approved Issues List.

This Settlement Proposal reflects a settlement of the all of the issues in this proceeding.

Guelph Hydro has made changes to the Revenue Requirement as reproduced below in Table 1:

Table 1: Revenue Requirement

Description		Application (A)	Interrogatories (B)	Variance (C) = (B) - (A)	Settlement (D)	Variance (E) = (D) - (B)
Cost of Capital	Regulated Return on Capital	\$10,926,494	\$10,161,687	-\$764,807	\$10,020,819	-\$140,868
	Regulated Rate of Return	6.71%	6.71%	0.00%	6.62%	-0.09%
Rate Base and Capital Expenditures	Rate Base	\$162,960,102	\$151,553,603	-\$11,406,499	\$151,391,730	-\$161,873
	Working Capital	\$223,870,940	\$236,303,668	\$12,432,728	\$236,828,275	\$524,607
	Working Capital Allowance (\$)	\$29,103,222	\$17,722,775	-\$11,380,447	\$17,762,121	\$39,346
Operating Expenses	Amortization / Depreciation	\$5,751,746	\$5,751,746	\$0	\$5,745,184	-\$6,562
	Taxes / PILs	\$901,253	\$768,558	-\$132,695	\$716,594	-\$51,964
	OM&A	\$16,404,861	\$16,404,861	\$0	\$15,230,861	-\$1,174,000
Revenue Requirement	Service Revenue Requirement	\$34,319,428	\$33,421,926	-\$897,502	\$32,048,532	-\$1,373,394
	Other Revenues	\$2,207,201	\$2,307,201	\$100,000	\$2,307,201	\$0
	Base Revenue Requirement	\$32,112,227	\$31,114,725	-\$997,502	\$29,741,331	-\$1,373,394
	Grossed Up Revenue Deficiency / Sufficiency	\$4,084,908	\$3,087,405	-\$997,502	\$1,580,542	-\$1,506,863

Based on the foregoing, and the evidence and rationale provided below, the Parties agree that this Settlement Proposal is appropriate and recommend its acceptance by the Board.

Please refer to Appendix A for the draft tariffs resulting if this settlement is accepted by the Board, pending a final order of the Board to be issued only after all updates to the cost of capital calculations as contemplated in the settlement on issue 2.1 have been made.

1 Planning

1.1 Capital

Is the level of planned capital expenditures appropriate and is the rationale for planning and pacing choices appropriate and adequately explained, giving due consideration to:

- *customer feedback and preferences;*
- *productivity;*
- *benchmarking of costs;*
- *reliability and service quality;*
- *impact on distribution rates;*
- *trade-offs with OM&A spending;*
- *government-mandated obligations; and*
- *the objectives of the Applicant and its customers*

Complete Settlement: For the purposes of the settlement of all of the issues in this proceeding, Guelph Hydro agrees to adjust its 2016 rate base and capital plan to reflect the following:

- Guelph Hydro agrees to adjust the 2016 fixed assets continuity schedule depreciation additions for account 1860 – Meters to reflect the recovery of Zigbee Chip (see also the settlement of issue 5.4 below);
- Recognizing the Board intends to address the method for accounting of OPEBs in rates as part of a generic policy process, Guelph Hydro agrees to adjust its test year capital expenditures to reflect the recovery of OPEBs on a cash, rather than an accrual, basis,¹ and the proper allocation of OPEBs between capital and OM&A amounts (since the entire amount of the OPEB costs were captured in OM&A in GHESI's 2016 Rate Filing, this results in an increase in capital additions of \$81,000 in the test year) subject to the approval of a new variance account as described further in the settlement of issue 4.2 below to record the difference in rates between these two methodologies pending the Board's final determination on the generic policy issue;
- While no change is required, Guelph Hydro identified a typo in its response to undertaking JT1.37 related to the balance proposed for disposition for the account 1555- Smart Meter Capital – Sub-account Zigbee Chip initiative - the correct balance is \$355,635 (Net Book Value) which is the amount to be included in the 2016 rate base;

¹ All of the Parties recognize that the Board intends to hold a generic policy discussion on this matter, and that nothing in this settlement is intended to limit the positions any of the Parties may take in that more general policy discussion.

- Guelph Hydro agrees to adjust its rate base calculation in the fixed assets continuity schedule (account 1808- Buildings and Fixtures) to reflect the movement of the capital expense of \$500,000 and the corresponding depreciation of \$5,000 from 2015 to the 2016 test year to reflect the actual in-service date of the building addition in 2016.

With the above modifications, and for the for the purposes of settlement of the issues in this proceeding, the Parties accept the evidence of Guelph Hydro that the level of planned capital expenditures and the rationale for planning and pacing choices are appropriate and adequately explained, giving due consideration to:

- The customer feedback and preferences (as more fully detailed in Exhibit 1 at Tab 3, Schedule 2; at Tab 4, Schedules 1 through 4; at Appendix 1-B through Appendix 1-I and Exhibit 2, Appendix 2-A);
- The past and planned productivity initiatives of Guelph Hydro (as more fully detailed in Exhibit 1 at Tab 3, Schedule 3 and at Appendix 1-A);
- Guelph Hydro's benchmarking performance (as more fully detailed in Exhibit 1, Tab 3, Schedule 1, Schedule 4 and Schedule 6);
- Guelph Hydro's past reliability and service quality performance as well as Guelph Hydro's targets for performance in the test year (as more fully detailed in Exhibit 1, Tab 3, Schedule 6 and Tab 4, Schedule 3);
- The total impact on distribution rates (as more fully detailed in Appendix D of this Settlement Proposal);
- The agreed to changes to in OM&A spending (as described under issue 1.2 of this Settlement Proposal);
- Guelph Hydro's past and planned performance meeting government mandated obligations (as more fully detailed in Exhibit 1, Tab 3, Schedule 4); and
- Guelph Hydro's targets and objectives (as more fully detailed in Exhibit 1, Tab 1, Schedule 1 at pp 5-7 and Exhibit 2 at Appendix 2-A).

The Parties further agree that the Distribution System Plan filed in this proceeding, combined with the resources made available to Guelph Hydro in the Test Year under the terms of this Settlement Proposal, provide a foundation to Guelph Hydro in the Test Year to continue to: (a) pursue continuous improvement in productivity; (b) maintain system reliability and service quality objectives; and (c) maintain reliable and safe operation of its distribution system.

Appendix B of this Settlement Proposal provides updated Appendix 2-AB to reflect this settlement.

Evidence:

Application:

- Exhibit 1, Tab 2, Schedule 4 (Rate Base and Capital Plan);
- Exhibit 1, Tab 3, Schedule 3 (Operational Effectiveness);
- Exhibit 1, Tab 3, Schedule 4, Table 1-38: Government Obligations
- Exhibit 1, Tab 3, Schedule 6, pages 1-15 (Scorecard Performance Analysis);
- Appendix 1-D: 2014 Online Customer Survey and Results;
- Appendix 1-H: Large Use Breakfast – Presentations and Feedback;
- Appendix 1-I: Innovative Research Group Customer Engagement;
- Exhibit 2: Rate Base in its entirety including Appendix 2-A: Distribution System Plan, and Appendix 2-B: Capitalization and Overhead Policy

Interrogatory Responses:

- 1-Energy Probe-1, 1-Energy Probe-2, 1-Energy Probe-5, 2-Energy Probe-7 to 2-Energy Probe-15, 2-Energy Probe-18, 2-Energy Probe-19, 4-Energy Probe-46, 4-Energy Probe-49 to 4-Energy Probe-52, Appendix 4-Energy Probe-52-b
- 1-Staff-1, 1-Staff-3, 1-Staff-4, 2-Staff-6 to 2-Staff-8, 2-Staff-11 to 2-Staff-42, Appendix 1-Staff-1
- 1-VECC-3 to 1-VECC-5, 2-VECC-7 to 2-VECC-9, 2-VECC-11, 2-VECC-13 to 2-VECC-19, 4-VECC-35, 4-VECC-39
- 1-SEC-1, 1-SEC-5, 1-SEC-13, 2-SEC-20 to 2-SEC-57

Technical Conference Transcript of August 10, 2015:

- Pages 13-15, 22-29, 52-60, 64-65, 69-83, 89-90, 92-93, 95, 109-110, 118-124, 150-151

Undertaking Responses:

- JT1.2, JT1.4, JT1.5, JT1.10, JT1.11, JT1.13, JT1.14, JT1.15, JT1.16, JT1.17, JT1.18, JT1.19, JT1.20, JT1.21, JT1.27, Appendix JT1.17

Appendices to this Settlement Proposal:

- Appendix B – OEB Appendix 2-AB
- Appendix C – OEB Appendix 2-BA
- Appendix F – OEB Appendix 2-EB

Supporting Parties: All

1.2 OM&A

Is the level of planned OM&A expenditures appropriate and is the rationale for planning choices appropriate and adequately explained, giving due consideration to:

- *customer feedback and preferences;*
- *productivity;*
- *benchmarking of costs;*
- *reliability and service quality;*
- *impact on distribution rates;*
- *trade-offs with capital spending;*
- *government-mandated obligations; and*
- *the objectives of the Applicant and its customers.*

Complete Settlement: For the purposes of the settlement of all of the issues in this proceeding, Guelph Hydro agrees to reduce its proposed OM&A budget in the test year by \$650,000. This reduction is in addition to a reduction of \$524,000 in the test year OM&A budget (see calculation and explanation of re-allocation to capital below) to reflect the recovery of OPEBs on a cash, rather than an accrual, basis,² subject to the approval of a new variance account as described further in the settlement of issue 4.2 below to record the difference in rates between these two methodologies pending the Board's final determination on the generic policy issue.

In this Settlement Agreement, Guelph Hydro has agreed to the recovery of Other Post-Employment Benefits (OPEBs) on a cash basis vs. the accrual basis of accounting. The impact of this change is to reduce OM&A expenditures by \$443,000 since the entire amount of the OPEB costs were captured in OM&A in GHESI's 2016 Rate Filing. This amount is derived as follows:

OPEBs (accrual basis)	\$ 675,000
OPEBs (cash basis)	232,000
Excess	<u>\$ 443,000</u>

The Parties also agree that Guelph Hydro should allocate the OPEBs proportionally between capital and OM&A in the test year, in keeping with Guelph Hydro's (and other LDC's) accounting practice to appropriately allocate the fully burdened costs between capital and OM&A.

As a result, of the \$232,000 OPEB costs, \$81,000 has been reclassified out of OM&A and reallocated to the 2016 Capital Additions in order to properly reflect the allocation of these costs between capital and OM&A.

² See footnote 1 above.

Putting this all together: Guelph Hydro has reduced its OM&A budget for the test year by: (i) \$443,000 to reflect the change from accrual to cash accounting for OPEBs; plus (ii) \$81,000 to reflect the reallocation of that amount to 2016 capital additions. This accounts for the total reduction of \$524,000 described above.

The Parties accept Guelph Hydro's overall objectives, and have agreed that the revised OM&A budget will allow Guelph Hydro to achieve those objectives in the Test Year. For the purposes of settlement of the issues in this proceeding, the Parties accept the evidence of Guelph Hydro that the level of planned OM&A expenditures and the rationale for planning choices are appropriate and adequately explained, giving due consideration to:

- The customer feedback and preferences (as more fully detailed in Exhibit 1 at Tab 3, Schedule 2; at Tab 4, Schedules 1 through 4; at Appendix 1-B through Appendix 1-I and Exhibit 2, Appendix 2-A);
- The past and planned productivity initiatives of Guelph Hydro (as more fully detailed in Exhibit 1 at Tab 3, Schedule 3 and at Appendix 1-A);
- Guelph Hydro's benchmarking performance (as more fully detailed in Exhibit 1, Tab 3, Schedule 1, Schedule 4 and Schedule 6);
- Guelph Hydro's past reliability and service quality performance as well as Guelph Hydro's targets for performance in the test year (as more fully detailed in Exhibit 1, Tab 3, Schedule 6 and Tab 4, Schedule 3);
- The total impact on distribution rates (as more fully detailed in Appendix D of this Settlement Proposal);
- The agreed to changes to capital spending (as described under issue 1.1 of this Settlement Proposal);
- Guelph Hydro's past and planned performance meeting government mandated obligations (as more fully detailed in Exhibit 1, Tab 3, Schedule 4); and
- Guelph Hydro's targets and objectives (as more fully detailed in Exhibit 1, Tab 1, Schedule 1 at pp 5-7 and Exhibit 2 at Appendix 2-A).

For the purpose of presentation, Guelph Hydro has identified in the table below the revised OM&A budget for the test year, which it believes appropriately balances the prospect for productivity improvements with Guelph Hydro's cost drivers (Appendix 2-JB, Table 4-5 of Exhibit 4, Tab 2, Schedule 1, p.3).

- Changes to OM&A are reproduced below as Table 2:

Table 2 – OM&A Adjustments

OM&A Category	Rate Application (A)	OPEB Adjustment to OM&A disallowed portion of \$443K (B)	OPEB Adjustment to OM&A reallocation to capital of \$81K (C)	Settlement Changes (D)	Settlement Proposal (E)= (A)-(B)-(C)-(D)
Operations	\$ 5,439,342	\$ (146,885.00)	\$ (26,857.00)	\$ (171,970)	\$5,093,630
Maintenance	\$ 1,891,630	\$ (51,082.00)	\$ (9,340.00)	\$ (173,500)	\$1,657,708
Billing and Collecting	\$ 2,094,042	\$ -	\$ -	\$ 2,472	\$2,096,514
Community Relations	\$ 94,998	\$ -	\$ -	\$ -	\$94,998
Administrative and General	\$ 6,884,849	\$ (245,033.00)	\$ (44,803.00)	\$ (307,002)	\$6,288,011
Total OM&A	\$ 16,404,861	\$ (443,000.00)	\$ (81,000.00)	\$ (650,000.00)	\$15,230,861

Evidence:

Application:

- Exhibit 1, Tab 2, Schedule 5: Operations, Maintenance & Administration Expense;
- Exhibit 1, Tab 3, Schedule 3, pages 4-25 (Operational Effectiveness);
- Exhibit 1, Tab 3, Schedule 4, Table 1-38: Government Obligations;
- Appendix 1-J: Control Room Shared Services Business Case and Agreement;
- Exhibit 4: Operating Expenses in its entirety including Appendix 4-B: Actuarial Report, Appendix 4-C: Service Agreements, Appendix 4-D: Income Tax/PILs Workform, and Appendix 4-E: 2013 Federal and Ontario Tax Returns

Interrogatory Responses:

- 1-Energy Probe-3 to 1-Energy Probe-6, 3-Energy Probe-24 to 3-Energy Probe-26, 4-Energy Probe-28 to 4-Energy Probe-39, 4-Energy Probe-41 to 4-Energy Probe-45, 4-Energy Probe-47, 4-Energy Probe-48
- 1-Staff-1 to 1-Staff-5, 2-Staff-6, 2-Staff-16, 2-Staff-41, 4-Staff-44 to 4-Staff-46, 4-Staff-48 to 4-Staff-51, Appendix 1-Staff-1, Appendix 4-Staff-44-a, Supplemental IRR
- 1-VECC-1 to 1-VECC-3, 4-VECC-34 to 4-VECC-47
- 1-SEC-1 to 1-SEC-3, 1-SEC-5, 1-SEC-8, 1-SEC-11, 1-SEC-13, 1-SEC-16, 2-SEC-39, 2-SEC-49, 2-SEC-57, 4-SEC-58 to 4-SEC-60, Appendix 1-SEC-3, Appendix 1-SEC-4

Technical Conference Topics:

- 3-VECC-67

Technical Conference Transcript of August 10, 2015:

- Exhibit KT1.1 referenced on pages 4-5

- Pages 13-15, 22-27, 64-65, 75, 134-136, 138-139, 142, 151-158, 168-170, 175-176

Undertaking Responses:

- JT1.2, JT1.9, JT1.10, JT1.11, JT1.22, JT1.23, JT1.24, JT1.28, JT1.29, JT1.30, JT1.31, JT1.32, JT1.33

Appendices to this Settlement Proposal:

- Appendix A – 2016 Tariff of Rates and Charges
- Appendix D – Bill Impacts

Supporting Parties: All

2 Revenue Requirement

2.1 *Are all elements of the Base Revenue Requirement reasonable, and have they been appropriately determined in accordance with OEB policies and practices?*

Complete Settlement:

The Parties accept the evidence of Guelph Hydro that all elements of the Base Revenue Requirement have been correctly determined in accordance with Board policies and practices. Specifically:

- a) *Rate Base:* Guelph Hydro has agreed to make the adjustments to rate base as described in the settlement of issue 1.1 above. For clarity, a summary of the rate base calculation and adjustments has been provided below as Table 3. Subject to the adjustments to rate base described above and as illustrated in Table 3-a below, the Parties accept the evidence of Guelph Hydro that the test year rate base is correct and based on Board policies and practices.

Table 3-a: Rate Base Calculation

Description	Application A	Interrogatories B	Variance C=B-A	Settlement D	Variance E=D-B
Average Gross Fixed Assets	\$169,552,260	\$169,516,735	-\$35,525	\$169,307,235	-\$209,500
Average Accumulated Depreciation	-\$35,695,380	-\$35,685,907	\$9,473	-\$35,677,626	\$8,281
Average Net Book Value	\$133,856,880	\$133,830,828	-\$26,052	\$133,629,609	-\$201,219
Working Capital	\$223,870,940	\$236,303,668	\$12,432,728	\$236,828,275	\$524,607
Working Capital Allowance (%)	13.00%	7.50%	-5.50%	7.50%	0.00%
Working Capital Allowance (\$)	\$29,103,222	\$17,722,775	-\$11,380,447	\$17,762,121	\$39,346
Rate Base	\$162,960,102	\$151,553,603	-\$11,406,499	\$151,391,730	-\$161,873

- b) *Working Capital*: The parties accept the evidence of Guelph Hydro that the working capital calculations including the adjustments detailed in JT1.11 and JT1.12 are reasonable and have been appropriately determined in accordance with OEB policies and practices.
- c) *Cost of Capital*: For the purposes of settlement of the issues in this proceeding, Guelph Hydro has agreed to adjust its cost of capital calculation to reflect:
- a weighted debt rate of 5.02% for the 2016 year; which reflects the expected debt rate of 4.50% on the forecast \$30MM long-term debt expected to be issued to fund distribution capital³ (the “**Forecast Debt**”) and Guelph Hydro’s existing long term debt issue of \$65 million at a rate of 5.264%;
 - if the Forecast Debt is issued on or prior to the date the Board issues its updated cost of capital parameters for rate applications effective January 1, 2016, the Parties agree to revise the expected debt rate of 4.50% on the Forecast Debt to reflect the actual debt rate (including flotation costs amortized over the term of the note) payable on the Forecast Debt and to revise the cost of capital calculations accordingly;
 - if the Forecast Debt is not issued or is issued after the date the Board issues its updated cost of capital parameters for rate applications effective January 1, 2016, the Parties agree that for the purposes of settlement, no adjustments to the Forecast Debt rate will be made;

³ Guelph Hydro also updated its weighted debt rate to reflect the date of issuance of the new debt of 30MM as of January 1, 2016 versus the original application which assumed an issuance date of June 1, 2016.

- d. The calculation of the new long term debt and the weighted long term debt calculation is shown in Table 4 below:

Table 3-b: Long Term Debt Interest and Interest Rate calculation

Total Issuance Costs	\$300,000	A
Issuance Cost Annual Amortization over 30-year debt term	\$10,000	B=A/30
Principal amount of debt	\$30,000,000	C
Less Issuance costs	\$29,700,000	D=C-A
Assumed Interest Rate	4.4667%	E
Interest Expense	\$1,340,000	F=CXE
Amortization of Issuance Cost	\$10,000	G=B
Total Cost	\$1,350,000	H=F+G
Effective Debt Rate	4.5000%	I=H/C

Table 3-c: Weighted Debt Cost Calculation

Description	Debt Holder	Affiliated with LDC?	Date of Issuance	Principal	Term (Years)	Rate%	Year Applied to	Interest Cost
Senior Unsecured Debentures, Series A		N	December 6, 2010	\$65,000,000		5.264%	2016	\$3,421,600
Senior Unsecured Debentures, Series A		N	January 1, 2016	\$30,000,000		4.50%	2016	\$1,350,000
				\$30,000,000		4.42%	\$10,000	\$1,336,500
2015 Total Long Term Debt				65,000,000	Total Interest Cost for 2015			3,421,600
					Weighted Debt Cost Rate for 2015			5.264%
2016 Total Long Term Debt				95,000,000	Total Interest Cost for 2016			\$4,771,600
					Weighted Debt Cost Rate for 2016			5.0227%

and

- e. the updated cost of capital parameters for rate applications effective January 1, 2016 currently anticipated to be announced in November, 2015.

Subject to these adjustments, the Parties accept the evidence of Guelph Hydro that the proposed capital structure, rate of return on equity and short and long-term debt costs have been correctly determined in accordance with Board policies and practices.

- d) *Other Revenue*: Subject to the e-billing credit adjustment described in issue 5.2 below, the Parties accept the evidence of Guelph Hydro that a forecast of other revenues of \$2,307,201 is appropriate and correctly determined in accordance with Board policies and practices.

- e) *Depreciation:* For the purposes of settlement of the issues in this proceeding, and subject to the adjustments to rate base as noted herein, the Parties accept the evidence of Guelph Hydro that its forecast depreciation/amortization expenses are appropriate and reflect the useful lives of the assets and have been correctly determined in accordance with Board accounting policies and practices.
- f) *Taxes:* For the purposes of settlement of the issues in this proceeding, and subject to the other adjustments arising in this Settlement Proposal, Guelph Hydro has agreed to adjust the apprentice tax credits from \$31,000 by \$34,000 to \$65,000 to reflect the correct tax credit adjustments and the additional tax credits for 2 additional apprentices in the test year. Subject to this adjustment, the Parties accept the evidence of Guelph Hydro that the proposed level of taxes is accurate. A working Microsoft Excel format of the PILs workform reflecting this Settlement Proposal is provided as part of the supporting material in file named "Guelph_Settlement_Test_year_Income_Tax_PILs_Workform".

A revised Appendix 2-W (Bill Impacts) in working Microsoft Excel format reflecting this Settlement Proposal is provided as part of the supporting material in file named "Guelph_Settlement_Filing Requirements_Chapter 2_Appendices".

Evidence:

Application:

- Exhibit 1, Tab 2, Schedule 1: Revenue Requirement;
- Exhibit 2, Rate Base in its entirety;
- Exhibit 3, Tab 3, Schedule 1: Other Revenue;
- Appendix 3-B: Chapter 2 Appendix 2-H Other Operating Revenue;
- Exhibit 6: Calculation of Revenue Deficiency in its entirety including Appendix 6-A: Revenue Requirement Work Form

Interrogatory Responses:

- 1-Energy Probe-4, 2-Energy Probe-16, 2-Energy Probe-17, 3-Energy Probe-27, 6-Energy Probe-56
- 2-Staff-9, 6-Staff-55
- 2-VECC-10
- 1-SEC-3, 1-SEC-9, 1-SEC-10, 1-SEC-12, 1-SEC-15, Appendix 1-SEC-3, Appendix 1-SEC-9

Technical Conference Transcript of August 10, 2015:

- Pages 68-69, 189-190

Undertaking Responses:

- JT1.12, JT1.34

Appendices to this Settlement Proposal:

- Appendix A – 2016 Tariff of Rates and Charges
- Appendix C – OEB Appendix 2-BA
- Appendix D – Bill Impacts

Supporting Parties: All

2.2 *Has the Base Revenue Requirement been accurately determined based on these elements?*

Complete Settlement: For the purposes of settlement of the issues in this proceeding, and subject to the adjustments expressly noted in this Settlement Proposal, the Parties accept the evidence of Guelph Hydro that the proposed Base Revenue Requirement has been accurately determined.

A revised Revenue Requirement Workform in working Microsoft Excel format reflecting this Settlement Proposal is provided as part of the supporting material in file named “Guelph_Settlement_Rev_Reqt_Work_Form”.

Evidence:

Application:

- Exhibit 1, Tab 2, Schedule 1: Revenue Requirement;
- Exhibit 2: Rate Base in its entirety;
- Exhibit 3, Tab 3, Schedule 1: Other Revenue;
- Appendix 3-B: Chapter 2 Appendix 2-H Other Operating Revenue;
- Exhibit 4: Operating Expenses in its entirety;
- Exhibit 5, Tab 2, Schedule 1: Cost of Capital (Return on Equity and Cost of Debt);
- Appendix 5-A: Chapter 2 Appendix 2-OA Capital Structure and Cost of Capital;
- Appendix 5-B: Chapter 2 Appendix 2-OB Debt Instruments;
- Appendix 5-C: Debentures Pricing

Interrogatory Responses:

- 1-Energy Probe-4, 2-Energy Probe-16, 2-Energy Probe-17, 4-Energy Probe-42, 5-Energy Probe-54, 5-Energy Probe-55, Appendix 5-Energy Probe-54-I, Appendix 5-Energy Probe-56-b
- 2-Staff-9, 5-Staff-53, 5-Staff-54
- 2-VECC-10, 3-VECC-32, 5-VECC-50 to 5-VECC-52
- 1-SEC-3, 1-SEC-9, 1-SEC-10, 1-SEC-12, 1-SEC-15, Appendix 1-SEC-3, Appendix 1-SEC-9

Technical Conference Transcript of August 10, 2015:

- Pages 10-13, 43

Undertaking Responses:

- JT1.1, JT1.7

Appendices to this Settlement Proposal:

- Appendix A – 2016 Tariff of Rates and Charges
- Appendix C – OEB Appendix 2-BA
- Appendix D – Bill Impacts
- Appendix I – Revenue Requirement Work Form

Supporting Parties: All

3 Load Forecast, Cost Allocation and Rate Design

3.1 *Are the proposed load and customer forecast, loss factors, CDM adjustments and resulting billing determinants appropriate, and, to the extent applicable, are they an appropriate reflection of the energy and demand requirements of the applicant's customers?*

Complete Settlement: The Parties accept the evidence of Guelph Hydro that the customer forecast, loss factors, CDM adjustments and, subject to the adjustment discussed below on load forecast, the resulting billing determinants are appropriate and are an appropriate reflection of the energy and demand requirements of the Applicant's customers.

For the purposes of settlement of the issues in this proceeding, with respect to load forecast, Guelph Hydro has agreed to increase the load forecast in the test year by 14 GWh on the wholesale number to reflect the Ontario budget forecast and other relevant economic considerations. The adjusted 2016 load forecast is presented below as Table 4:

Table 4 – 2016 Load Forecast

2016 Predicted purchases	2016 Predicted sales
1,823	1,794

The 2016 Load Forecast CDM adjustments and the 2016 LRAMVA threshold are presented in Appendix E of this Settlement.

A revised load forecast model in working Microsoft Excel format reflecting this Settlement Proposal is included together with this Settlement Proposal under file named "Guelph_Settlement_Weather Normalization Regression Model".

Evidence:

Application:

- Exhibit 3, Tab 1, Schedule 1: Load and Revenue Forecasts;
- Exhibit 3, Tab 1, Schedule 3: CDM Adjustment for the Load Forecast for Distributors;
- Appendix 3-A: Explanation of Results Returned by the Regression tool and the Monthly Data Used for Regression Analysis;
- Exhibit 8, Tab 9, Schedule 1: Loss Adjustment Factors;
- Appendix 8-B: Chapter 2 Appendix 2-R – Loss Factors

Interrogatory Responses:

- 3-Energy Probe-22, 3-Energy Probe-23
- 3-Staff-43
- 3-VECC-20 to 3-VECC-31

Technical Conference Topics:

- 3-VECC-66

Technical Conference Transcript of August 10, 2015:

- Pages 128-133

Appendices to this Settlement Proposal:

- Appendix E – Settled Load Forecast

Supporting Parties: All

3.2 Are the proposed cost allocation methodology, allocations, and revenue-to-cost ratios appropriate?

Complete Settlement: Subject to adjustments described in issue 5.3 below, the Parties accept the evidence of Guelph Hydro that the cost allocation methodology, allocations and revenue-to-cost ratios are appropriate. These revenue-to-cost ratios are reproduced below in Table 5.

Table 5: Revenue-to-cost Ratios

Rate Class	2016 Cost Allocation Results	2016 Settlement Proposed Ratios
Residential	89.87%	93.33%
General Service < 50 kW	115.97%	115.97%
General Service 50 to 999 kW	108.50%	108.50%
General Service 1,000 to 4,999 kW	143.39%	120.00%
Large Use	85.88%	93.33%
Unmetered Scattered Load	153.21%	120.00%
Sentinel Lighting	109.30%	109.30%
Street Lighting	99.14%	99.14%

A revised working Microsoft Excel format of the cost allocation model from this Settlement Proposal is provided as part of the supporting material in file named “Guelph_Settlement_Detailed_CA_Model_RUN1”.

Evidence:

Application:

- Exhibit 7: Cost Allocation in its entirety including Appendix 7-A: Cost Allocation – Appendix 2-P, and Appendix 7-B: 2016 Cost Allocation Information Filing

Interrogatory Responses:

- 7-Energy Probe-57, 7-Energy Probe-58, 8 Energy Probe-59

- 7-Staff-56, 7-Staff-57
- 7-VECC-53, 7-VECC-54

Technical Conference Topics:

- 7-VECC-69, 7-VECC-70

Technical Conference Transcript of August 10, 2015:

- Page 190

Undertaking Responses:

- JT1.35

Supporting Parties: All

3.3 *Are the applicant's proposals, including the proposed fixed/variable splits, for rate design appropriate?*

Complete Settlement: Subject to adjustments described in issue 5.3 below, the Parties accept the Applicant's proposals for rate design, including the proposed fixed/variable splits and the transformer allowance of \$64,558 (please see Guelph Hydro's proposal in its response to 8-Staff-58-b-iii) are appropriate. The rate design for residential class reflects the Board's *New Distribution Rate Design for Residential Electricity Customers (EB-2014-0210)*.

The distribution charges resulting from settlement are produced below as Table 6:

Table 6: Distribution Charges

Rate Class	Proposed Monthly Service Charge	Unit of Measure	Proposed Distribution Volumetric Charge
Residential	\$19.06	kWh	\$0.0145
General Service < 50 kW	\$16.44	kWh	\$0.0138
General Service 50 to 999 kW	\$178.31	kW	\$2.7161
General Service 1,000 to 4,999 kW	\$565.13	kW	\$3.0216
Large Use	\$1,086.63	kW	\$2.7153
Unmetered Scattered Load	\$4.81	kWh	\$0.0219
Sentinel Lighting	\$7.45	kW	\$8.2419
Street Lighting	\$0.42	kW	\$10.1048
Transformer Allowance			(\$0.72)

A working Microsoft Excel format of the reconciliation of revenue reflecting the rate design from this Settlement Proposal is provided as part of the supporting material in file named “Guelph_Settlement_Filing_RequirementsChapter2_Appendices”, Tab”2-V_Rev_Reconciliation”.

Evidence:

Application:

- Exhibit 8, Tab 1, Schedule 1: Fixed/Variable Proportion;
- Exhibit 8, Tab 2, Schedule 1: Rate Design Policy Consultation;
- Exhibit 8, Tab 10, Schedule 1: Tariff of Rates and Charges;
- Exhibit 8, Tab 11, Schedule 1: Revenue Reconciliation;
- Exhibit 8, Tab 12, Schedule 1: Bill Impact Information;
- Exhibit 8, Tab 13, Schedule 1: Rate Mitigation;
- Appendix 8-C: Chapter 2 Appendix 2-W – Bill Impacts;

Interrogatory Responses:

- 8-Energy Probe-59, 8-Energy Probe-60
- 8-Staff-58, 8-Staff-61
- 8-VECC-61

Technical Conference Topics:

- 8-VECC-73, 8-VECC-74

Technical Conference Transcript of August 10, 2015:

- Pages 198-199

Undertaking Responses:

- JT1.36, Appendix JT1.36

Supporting Parties: All

3.4 *Are the proposed Retail Transmission Service Rates and Low Voltage service rates appropriate?*

Complete Settlement: For the purposes of the settlement of the issues in this proceeding, the Parties accept the evidence of Guelph Hydro that the proposed forecast of other regulated rates and charges including the proposed Retail Transmission Service Rates and Low Voltage service rates is appropriate.

The Retail Transmission Service Rates are produced below as Table 7:

Table 7: Retail Transmission Service Rates

Rate Class	Unit of Measure	Proposed RTSR - Network	Proposed RTSR - Connection
Residential	kWh	\$0.0074	\$0.0058
General Service < 50 kW	kWh	\$0.0068	\$0.0051
General Service 50 to 999 kW	kW	\$2.8441	\$2.1485
General Service 50 to 999 kW - Interval Metered	kW	\$2.9501	\$2.2291
General Service 1,000 to 4,999 kW - Interval Metered	kW	\$2.9501	\$2.2291
Large Use	kW	\$3.5626	\$2.6917
Unmetered Scattered Load	kWh	\$0.0068	\$0.0051
Sentinel Lighting	kW	\$2.1776	\$1.6451
Street Lighting	kW	\$2.6201	\$1.9794

The Low Voltage Service Rates are produced below as Table 8:

Table 8: Low Voltage Service Rates

Rate Class	Unit of Measure	Proposed LV Charges
Residential	kWh	\$0.0000
General Service < 50 kW	kWh	\$0.0000
General Service 50 to 999 kW	kW	\$0.0121
General Service 1,000 to 4,999 kW	kW	\$0.0000
Large Use	kW	\$0.0000
Unmetered Scattered Load	kWh	\$0.0000
Sentinel Lighting	kW	\$0.0089
Street Lighting	kW	\$0.0107

Evidence:

Application:

- Exhibit 8, Tab 3, Schedule 1: Retail Transmission Service Rates (“RTSRs”);
- Exhibit 8, Tab 8, Schedule 1: Low Voltage Service Rates;
- Appendix 8-A: 2016 RTSR Adjustment Work Form

Interrogatory Responses:

- 8-Staff-59, 8-Staff-60
- 8-VECC-56, 8-VECC-57, 8-VECC-60

Supporting Parties: All

4 Accounting

4.1 *Have all impacts of any changes in accounting standards, policies, estimates and adjustments been properly identified and recorded, and is the rate-making treatment of each of these impacts appropriate?*

Complete Settlement: For the purposes of the settlement of the issues in this proceeding, the Parties agree that Guelph Hydro should add a credit of \$806,396 (subject to change as a result of a new ROE which is yet to be determined by the OEB) to the opening balance of Account 1576 - Accounting Changes Under CGAAP. The balance in account 1576 reflects the difference in net PP&E at the end of 2015 resulting from a decrease in depreciation expense for 2014 and 2015

due to changes in estimates for PP&E useful lives (Guelph Hydro is required under IFRS to review and update useful lives annually).

The Parties agree that for all classes, except Residential, kWh or KW, as applicable, is an appropriate allocator for account 1576 and the allocation of balances to these classes based on the proposed 2016 load forecast. For the Residential class, the Parties agree that the 2016 number of customers is the appropriate allocator, in consideration of the requirement to consider a fixed rate rider as per the *Board Policy: A New Distribution Rate design for Residential Electricity Customers* (EB-2014-0210). The amount in Account 1576 will be disposed of over a one (1) year period.

Table 9 below reflects the calculation of 1576 account balance.

Table 10 below reflects the allocation of Account 1576 balance by Customer Class. If the Board does not approve the use of Account 1576 for this purpose, the Parties propose the creation and disposition of a new variance account to implement the settlement described as above.

Under IFRS, Guelph Hydro has an ongoing responsibility to review and update annually its PP&E useful lives, which could result in accounting changes and depreciation expenses. Guelph Hydro has also indicated that it may be reviewing its capitalization of overhead costs during the IRM term. This is because Guelph Hydro was the first LDC to convert to IFRS in 2010-2011, at which time many of the accounting rules related to rate-regulated entities had not been fully developed. Therefore, the Parties agree to capture rate base impacts of capitalization and depreciation changes until the next rebasing application (references: 1-SEC-1 part (f); Exhibit 2/Tab2/Schedule 3/Section 2.5.2.3 Capitalization Policy, page 3; Transcript pages 28-31 and 67-68).

Table 11 below summarizes the proposed rate adder by class that results from the clearance of Account 1576 (or the new variance account, as applicable). The Parties agree on a one (1) year disposition period.

If the Board does not approve the use of Account 1576 for the purpose described in the settlement of issue 4.1, the Parties propose the creation and disposition of a new variance account to implement the settlement described in issue 4.1; this new account will apply to capitalization and/or depreciation rate changes during the next IRM term.

Table 9 – Account 1576 – Accounting Changes for Depreciation

Account 1576		
Accounting Changes for Depreciation Expense		
	2014	2015
	Actual	Forecast
PP&E Values using original Useful Lives (UL)		
Opening Net PP&E, note 1	\$ 120,582,538	\$ 125,377,375
Net Additions, note 2	10,895,415	12,278,431
Net Depreciation, note 2	6,100,577	6,374,912
Closing Net PP&E	\$ 125,377,375	\$ 131,280,893
PP&E Values using 2014 updated Useful Lives (UL)		
Opening Net PP&E, note 1	\$ 120,582,538	\$ 125,740,621
Net Additions, note 2	10,895,415	12,278,431
Net Depreciation, note 2	5,737,331	5,981,825
Closing Net PP&E	\$ 125,740,621	\$ 132,037,227
Difference in Closing PP&E, Original UL v. Updated UL	(\$ 363,246)	(\$ 756,333)
Effect on Deferral and Variance Account Rate Riders		
Closing balance in Account 1576		(\$ 756,333)
Return on Rate Base Associated with Account 1576 balance at WACC, note 3		(\$ 50,063)
Amount included in Deferral and Variance Account Rate Rider Calculation		(\$ 806,396)
Notes:		
1. Useful lives were reviewed and updated effective fiscal 2014, therefore Opening PP&E January 1, 2014 would be the same at this date		
2. Net additions are additions net of disposals. Net depreciation is additions to depreciation net of disposals		
3. WACC = 6.62%, Disposition Period = 1 year		

Table 10 - Allocation of 1576 Balance by Customer Class

Account	Amount	Allocator	Residential	General Service less than 50 kW	General Service 50 to 999 kW	General Service 1000 to 4999 kW	Large Use	Unmetered Scattered Load	Sentinel Lighting	Street Lighting	Total
1576	-\$806,396	kWh	-\$173,765	-\$68,383	-\$180,327	-\$253,587	-\$125,234	-\$764	-\$10	-\$4,327	-\$806,396
Total Metered kWh (1)			386,643,528	152,157,763	401,243,062	564,253,257	278,656,832	1,700,939	21,457	9,628,070	1,794,304,908
Allocated %			21.55%	8.48%	22.36%	31.45%	15.53%	0.09%	0.00%	0.54%	100.00%

Table 11 - Rate Rider Calculation for Account 1576

1576 Rate Rider Recovery Period

1

year

Rate Class	Units	kW/kWh/No of Customers	Balance of Account 1576	Rate Rider for Account 1576
Residential	# Customers	50,242	-\$173,765	-\$0.29
General Service less than 50 kW	kWh	152,157,763	-\$68,383	-\$0.0004
General Service 50 to 999 kW	kW	1,046,605	-\$180,327	-\$0.1723
General Service 1000 to 4999 kW	kW	1,196,727	-\$253,587	-\$0.2119
Large Use	kW	499,880	-\$125,234	-\$0.2505
Unmetered Scattered Load	kWh	1,700,939	-\$764	-\$0.0004
Sentinel Lighting	kW	60	-\$10	-\$0.1602
Street Lighting	kW	26,693	-\$4,327	-\$0.1621
Total			-\$806,396	

An updated EDDVAR Continuity Schedule in working Microsoft Excel format reflecting this Settlement Proposal is provided under file named “Guelph_Settlement_EDDVAR_Continuity_Schedule_CoS”. This file also includes the calculation of the various riders discussed at 4.2 issue below.

Evidence:

Application:

- Exhibit 1, Tab 5, Schedule 1: Non-Consolidated Audited Financial Statements;
- Exhibit 1, Tab 5, Schedule 2: Reconciliation Between Financial Statements and Regulatory Financial Results;
- Exhibit 1, Tab 5, Schedule 3: Annual Report and Management’s Discussion and Analysis;
- Exhibit 1, Tab 5, Schedule 7: Accounting Orders;
- Exhibit 1, Tab 5, Schedule 8: Accounting Standards;
- Appendix 1-K: Guelph Hydro 2013 Audited Financial Statements;
- Appendix 1-L: Guelph Hydro 2014 Audited Financial Statements;
- Appendix 1-M: Management Discussion and Analysis

Interrogatory Responses:

- 4-Energy Probe-49 to 4-Energy Probe-52, Appendix 4-Energy Probe-52-b

Supporting Parties: All

4.2 *Are the applicant's proposals for deferral and variance accounts, including the balances in the existing accounts and their disposition, and the continuation of existing accounts, appropriate?*

Complete Settlement: For the purposes of the settlement of the issues in this proceeding, the Parties agree as follows:

- i) ***OPEB Forecast Cash versus Forecast Accrual Differential Deferral Account*** - Guelph Hydro is to establish a new deferral account for the purpose of recording the difference in revenue requirement each year, starting in the test year, between both the capitalized and OM&A components of OPEBs accounted for using a forecasted cash basis (as to be reflected in rates if this settlement is accepted by the Board) and both capitalized and OM&A components of OPEBs accounted for using a forecasted accrual basis. Carrying charges will not apply to this deferral account. If the Board determines that LDCs must only include in rates OPEBs accounted for using a forecasted cash basis, Guelph Hydro will seek to discontinue this account without seeking disposition of the amounts recorded in this account. If the Board determines that LDCs may recover OPEBs in rates using a forecasted accrual accounting methodology, the Parties agree that Guelph Hydro will be permitted to seek disposition of this account to recover the amounts so recorded in its next cost of service rate application. Guelph Hydro will propose a disposition period over which the account should be recovered depending on the quantum in the account and the potential rate impacts at the time. A draft accounting order for this account is attached as Appendix G to this Settlement Proposal.
- ii) ***Wireless Attachments Variance Account*** – Guelph Hydro is to establish a new variance account for the purpose of recording any net incremental revenues received from new wireless attachments to Guelph Hydro's distribution system at any time during the term of the current 4GIRM plan. The revenues recorded in this account will be net of all costs associated with administering and facilitating the installation of such wireless attachments. If the amounts in this account exceed Guelph Hydro's materiality threshold, Guelph Hydro will seek disposition of this account at the time of its next rebasing

application. If the amounts in this account do not exceed Guelph Hydro's materiality threshold, Guelph Hydro will seek to discontinue this account without seeking disposition of the amounts recorded in this account. A draft accounting order for this account is found in Appendix H to this Settlement Proposal.

- iii) Guelph Hydro further agrees to dispose of the balances of the LRAMVA up to 2013 based on the 2013 final results that are currently available. Guelph Hydro notes that it is its intention to seek the future disposal of the any remaining balance for 2014 and forward upon receipt of verified actual results.

The resulting amount requested for disposition and the proposed LRAMVA rate riders are presented below as Table 12:

Table 12
Rate Rider Calculation for Accounts 1568

Please indicate the Rate Rider Recovery Period (in years)

Rate Class (Enter Rate Classes in cells below)	Units	kW / kWh / # of Customers	Balance of Account 1568	Rate Rider for Account 1568
RESIDENTIAL	kWh	386,643,528	\$ 3,000	0.0000
GENERAL SERVICE LESS THAN 50 KW	kWh	152,157,763	\$ 24,349	0.0002
GENERAL SERVICE 50 TO 999 KW	kW	1,046,605	\$ 43,572	0.0416
GENERAL SERVICE 1,000 TO 4,999 KW	kW	1,196,727	\$ 28,363	0.0237
LARGE USE	kW	499,880	\$ 204,485	0.4091
UNMETERED SCATTERED LOAD	kWh	1,700,939	-\$ 1,149	0.0007
SENTINEL LIGHTING	kW	60	\$ -	-
STREET LIGHTING	kW	26,693	\$ -	-
Total			\$ 302,621	

For the purposes of the settlement of the issues in this proceeding, and subject to the above, the Parties agree that all of the Applicant's other proposals for deferral and variance accounts, including the balances in the existing accounts and their disposition and the continuation of existing accounts, are appropriate. The entire proposal for the treatment and disposition of all deferral and variance accounts are detailed in the file named "Guelph_Settlement_EDDVAR_Continuity_Schedule_CoS".

Evidence:

Application:

- Exhibit 4, Tab 6, Schedule 1: Lost Revenue Adjustment Mechanism;
- Exhibit 4, Tab 6, Schedule 2: LRAM for Pre-2011 CDM Activities;
- Exhibit 4, Tab 6, Schedule 3: LRAM Variance Account (LRAMVA);
- Appendix 4-F: 2011 to 2013 Verified OPA Final and 2014 Preliminary CDM Results;

- Exhibit 9: Deferral and Variance Accounts in its entirety including Appendix 9-A: DVA Continuity Schedule

Interrogatory Responses:

- 4-Energy Probe-53, 9-Energy Probe-61
- 4-Staff-52
- 3-VECC-27, 4-VECC-48, 4-VECC-49, 4-VECC-62, 9-VECC-64, Appendix 9-VECC-64

Technical Conference Topics:

- 4-VECC-68

Technical Conference Transcript of August 10, 2015

- Pages 209-210

Appendices to this Settlement Proposal:

- Appendix G – OPEB Draft Accounting Order Appendix 2-AB
- Appendix H – Wireless Attachment Draft Accounting Order
- Appendix I – Revenue Requirement Work Form

Supporting Parties: All

5 Other

5.1 *Are the proposed new Specific Service Charges appropriate (i.e. Bond Connection – Underground, Bond Connection – Overhead)?*

Complete Settlement: For the purposes of the settlement of the issues in this proceeding, the Parties accept the evidence of Guelph Hydro that the new Specific Service Charges are appropriate because the new specific charges are based on Guelph Hydro's actual cost reflected in its work orders to complete the overhead and underground Bond Connections, and the new Specific Service Charges were calculated in accordance with the Board's 2006 Electricity Distribution Rate Handbook.

Evidence:

Application:

- Exhibit 1, Tab 7, Schedule 3, page 2;
- Exhibit 8, Tab 6, Schedule 1: Specific Service Charges

Interrogatory Responses:

- 8-Staff-63, Appendix 8-Staff-63
- 8-VECC-58

Technical Conference Topics:

- 8-VECC-76

Supporting parties: All

5.2 *Is the proposed level and application of the e-billing credit appropriate?*

Complete Settlement: For the purposes of settlement of the issues in this proceeding, the Parties agree that Guelph Hydro's proposed one-time \$10 e-billing credit and associated \$60,000 OM&A cost is appropriate. The Parties further agree that this credit should also be offered to customers who signed-up prior to the test year, and that Guelph Hydro should be permitted to recover the \$40,000 associated with these credits as a one-time expense in 2016, amortized over the full 5 years of the IRM plan. These amounts are encompassed within, and are not in addition to, the settlement on issue 1.2 above.

Evidence:

Application:

- Exhibit 1, Tab 7, Schedule 3, page 2;
- Exhibit 8, Tab 6, Schedule 1, page 3

Interrogatory Responses:

- 8-Energy Probe-60
- 8-Staff-64
- 8-VECC-59

Supporting Parties: All

5.3 *Are the proposed new standby rates for the General Service > 50kw rate classes appropriate?*

Complete Settlement: For the purposes of the settlement of the issues in this proceeding, the Parties accept the proposal of Guelph Hydro for the interim Standby Rates for its General Service > 50 kW customer classes.

The revised description is as follows:

“STANDBY POWER SERVICE CLASSIFICATION:

This classification refers to an account that has Load Displacement Generation and requires the distributor to provide back-up service. Further servicing details are available in the distributor’s Conditions of Service.”

“MONTHLY RATES AND CHARGES - Delivery Component:

Standby Charge - the charge is based on the applicable General Service 50 to 999 kW, or General Service 1,000 to 4,999 kW or Large Use Distribution Volumetric Rate applied to the generator's peak demand. A Standby Service Charge will be applied for a month where standby power is provided partially or is not provided. The applicable rate is the approved Distribution Volumetric Rate of the applicable service class and is applied as follows:

1. Distribution volumetric charges and all other charges such as RTSRs are applied to the highest demand amount on the load meter in the billing period
2. The demand amount on both meters, load and generation, are added together and highest demand amount is determined in the billing period.
3. Standby charges are applied to difference between the demand amounts in 2 minus 1.

Subject to this adjustment, the Parties accept the evidence of Guelph Hydro that the proposed new interim standby rates for the General Service > 50kw rate classes are appropriate. The standby rates are appropriate because they recovered the cost for keeping Guelph Hydro's assets available for the required power when load displacement generation is not available.

Evidence:

Application:

- Exhibit 1, Tab 7, Schedule 3, page 2;
- Exhibit 8, Tab 1, Schedule 1, page 12 to 14

Interrogatory Responses:

- 8-Staff-62
- 8-VECC-55

Technical Conference Topics:

- 7-VECC-72, 8-VECC-75

Appendices to this Settlement Proposal:

- Appendix A – 2016 Tariff of Rates and Charges

Supporting Parties: All

5.4 *Is the proposal for recovery of Zigbee Chip costs appropriate?*

Complete Settlement: For the purposes of the settlement of the issues in this proceeding and subject to the change described in issue 1.1 above, the Parties agree that proposal for recovery of Zigbee Chip costs is appropriate. Guelph Hydro filed a business plan sufficient to support the cost recovery, and Guelph Hydro has demonstrated that the Zigbee Chips are now used and useful.

Evidence:

Application:

- Exhibit 1, Tab 2, Schedule 8, page 3;
- Exhibit 9, Tab 7, Schedule 1, page 4 to 9

Interrogatory Responses:

- 9-Energy Probe-62, Appendix 9-Energy Probe-62-a
- 2-Staff-12, 9-Staff-65
- 9-VECC-63
- 2-SEC-19

Technical Conference Transcript of August 10, 2015:

- Pages 206-209

Undertaking Responses:

- JT1.37, Appendix JT1.37

Appendices to this Settlement Proposal:

- Appendix C – OEB Appendix 2-BA

Supporting Parties: All

Appendix A – 2016 Tariff of Rates and Charges

See attached, as revised to reflect this Settlement Proposal.

Guelph Hydro Electric Systems Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2016

**This schedule supersedes and replaces all previously
approved schedules of Rates, Charges and Loss Factors**

EB-2015-0073

RESIDENTIAL SERVICE CLASSIFICATION

This classification includes accounts taking electricity at 750 volts or less where the electricity is used exclusively in a separately metered living accommodation. Customers shall be residing in single-dwelling units that consist of a detached house or one unit of a semi-detached, duplex, triplex or quadraplex house, with a residential zoning. Separately metered dwellings within a town house complex or apartment building also qualify as residential customers. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	19.06
Rate Rider for Recovery of Stranded Meter Assets - effective until March 31, 2016	\$	0.73
Rate Rider for Disposition of Post Retirement Actuarial Gain - effective until March 31, 2025	\$	(0.18)
Rate Rider for Smart Metering Entity Charge - effective until October 31, 2018	\$	0.79
Distribution Volumetric Rate	\$/kWh	0.0145
Rate Rider for Recovery of Lost Revenue Adjustment Mechanism (LRAM)/Shared Savings Mechanism (SSM) - effective until March 31, 2016	\$/kWh	0.0003
Rate Rider for Disposition of Deferred PILs Variance Account 1562 - effective until March 31, 2016	\$/kWh	0.0007
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0074
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0058
Rate Rider for Disposition of Deferral/Variance Accounts (2016) - effective until December 31, 2016	\$/kWh	0.0000
Rate Rider for Disposition of Global Adjustment Account (2016) - effective until December 31, 2016	\$/kWh	0.0034
Applicable only for Non-RPP Customers		
Rate Rider for Disposition of LRAMVA (2016) - effective until December 31, 2016	\$/kWh	0.0000
Rate Rider for Disposition of 1576 Account - Accounting Changes - effective until December 31, 2016	\$	(0.2882)

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Guelph Hydro Electric Systems Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2016

**This schedule supersedes and replaces all previously
approved schedules of Rates, Charges and Loss Factors**

EB-2015-0073

GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION

This classification includes non-residential accounts taking electricity at 750 volts or less where monthly average peak demand is less than, or is forecast to be less than, 50 kW. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	16.44
Rate Rider for Recovery of Stranded Meter Assets - effective until March 31, 2016	\$	0.73
Rate Rider for Disposition of Post Retirement Actuarial Gain - effective until March 31, 2025	\$	(0.50)
Rate Rider for Smart Metering Entity Charge - effective until October 31, 2018	\$	0.79
Distribution Volumetric Rate	\$/kWh	0.0138
Rate Rider for Recovery of Lost Revenue Adjustment Mechanism (LRAM)/Shared Savings Mechanism (SSM) - effective until March 31, 2016	\$/kWh	0.0001
Rate Rider for Disposition of Deferred PILs Variance Account 1562 - effective until March 31, 2016	\$/kWh	0.0004
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0068
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0051
Rate Rider for Disposition of Deferral/Variance Accounts (2016) - effective until December 31, 2016	\$/kWh	(0.0002)
Rate Rider for Disposition of Global Adjustment Account (2016) - effective until December 31, 2016	\$/kWh	0.0034
Applicable only for Non-RPP Customers		
Rate Rider for Disposition of LRAM/A (2016) - effective until December 31, 2016	\$/kWh	0.0002
Rate Rider for Disposition of 1576 Account - Accounting Changes - effective until December 31, 2016	\$/kWh	(0.0004)

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Guelph Hydro Electric Systems Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2016

**This schedule supersedes and replaces all previously
approved schedules of Rates, Charges and Loss Factors**

EB-2015-0073

GENERAL SERVICE 50 TO 999 KW SERVICE CLASSIFICATION

This classification includes non-residential accounts where monthly average peak demand is equal to or greater than, or is forecast to be equal to or greater than, 50 kW but less than 1,000 kW. Note that for the application of the Retail Transmission Rate - Network Service Rate and the Retail Transmission Rate - Line and Transformation Connection Service Rate the following sub-classifications apply: General Service 50 to 999 non-interval metered, General Service 50 to 999 kW interval metered. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	178.31
Rate Rider for Disposition of Post Retirement Actuarial Gain - effective until March 31, 2025	\$	(3.80)
Distribution Volumetric Rate	\$/kW	2.7161
Low Voltage Service Rate	\$/kW	0.0121
Rate Rider for Recovery of Lost Revenue Adjustment Mechanism (LRAM)/Shared Savings Mechanism (SSM) - effective until March 31, 2016	\$/kW	0.0065
Rate Rider for Disposition of Deferred PILs Variance Account 1562 - effective until March 31, 2016	\$/kW	0.0614
Retail Transmission Rate - Network Service Rate	\$/kW	2.8441
Retail Transmission Rate - Network Service Rate - Interval Metered	\$/kW	2.9501
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	2.1485
Retail Transmission Rate - Line and Transformation Connection Service Rate - Interval Metered	\$/kW	2.2291
Rate Rider for Disposition of Deferral/Variance Accounts (2016) - effective until December 31, 2016	\$/kW	(0.1229)
Rate Rider for Disposition of Deferral/Variance Accounts (2016) - effective until December 31, 2016	\$/kW	0.0050
Applicable only for Wholesale Market Participants		
Rate Rider for Disposition of Global Adjustment Account (2016) - effective until December 31, 2016	\$/kW	1.2841
Applicable only for Non-RPP and Non-Wholesale Market Participants Customers		
Rate Rider for Disposition of LRAMVA (2016) - effective until December 31, 2016	\$/kW	0.0416
Rate Rider for Disposition of 1576 Account - Accounting Changes - effective until December 31, 2016	\$/kW	(0.1723)

Guelph Hydro Electric Systems Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date January 1, 2016

**This schedule supersedes and replaces all previously
approved schedules of Rates, Charges and Loss Factors**

EB-2015-0073

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Guelph Hydro Electric Systems Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2016

**This schedule supersedes and replaces all previously
approved schedules of Rates, Charges and Loss Factors**

EB-2015-0073

GENERAL SERVICE 1,000 TO 4,999 KW SERVICE CLASSIFICATION

This classification includes non-residential accounts where monthly average peak demand is equal to or greater than, or is forecast to be equal or greater than 1,000 kW but less than 5,000 kW. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	565.13
Rate Rider for Disposition of Post Retirement Actuarial Gain - effective until March 31, 2025	\$	(46.33)
Distribution Volumetric Rate	\$/kW	3.0216
Rate Rider for Disposition of Deferred PILs Variance Account 1562 - effective until March 31, 2016	\$/kW	0.0567
Rate Rider for Recovery of Lost Revenue Adjustment Mechanism (LRAM)/Shared Savings Mechanism (SSM) - effective until March 31, 2016	\$/kW	0.0061
Retail Transmission Rate - Network Service Rate - Interval Metered	\$/kW	2.9501
Retail Transmission Rate - Line and Transformation Connection Service Rate - Interval Metered	\$/kW	2.2291
Rate Rider for Disposition of Deferral/Variance Accounts (2016) - effective until December 31, 2016	\$/kW	(0.1363)
Rate Rider for Disposition of Global Adjustment Account (2016) - effective until December 31, 2016	\$/kW	1.5880
Applicable only for Class B Customers		
Rate Rider for Disposition of LRAMVA (2016) - effective until December 31, 2016	\$/kW	0.0237
Rate Rider for Disposition of 1576 Account - Accounting Changes - effective until December 31, 2016	\$/kW	(0.2119)

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Guelph Hydro Electric Systems Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2016

**This schedule supersedes and replaces all previously
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EB-2015-0073

LARGE USE SERVICE CLASSIFICATION

This classification refers to an account where monthly average peak demand is equal to or greater than, or is forecast to be equal to or greater than, 5,000 kW. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	1,086.63
Rate Rider for Disposition of Post Retirement Actuarial Gain - effective until March 31, 2025	\$	(151.18)
Distribution Volumetric Rate	\$/kW	2.7153
Rate Rider for Recovery of Lost Revenue Adjustment Mechanism (LRAM)/Shared Savings Mechanism (SSM) - effective until March 31, 2016	\$/kW	0.0099
Rate Rider for Disposition of Deferred PILs Variance Account 1562 - effective until March 31, 2016	\$/kW	0.0373
Retail Transmission Rate - Network Service Rate - Interval Metered	\$/kW	3.5626
Retail Transmission Rate - Line and Transformation Connection Service Rate - Interval Metered	\$/kW	2.6917
Rate Rider for Disposition of Deferral/Variance Accounts (2016) - effective until December 31, 2016	\$/kW	(0.1660)
Rate Rider for Disposition of LRAMVA (2016) - effective until December 31, 2016	\$/kW	0.4091
Rate Rider for Disposition of 1576 Account - Accounting Changes - effective until December 31, 2016	\$/kW	(0.2505)

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Guelph Hydro Electric Systems Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2016

**This schedule supersedes and replaces all previously
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EB-2015-0073

UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification includes accounts taking electricity at 750 volts or less where monthly average peak demand is less than, or is forecast to be less than, 50 kW and the consumption is unmetered. These connections include cable TV power packs, bus shelters, telephone booths, traffic lights, railway crossings, etc. The customer provides detailed manufacturer information/documentation with regard to electrical demand/consumption of the proposed load. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	\$	4.81
Rate Rider for Disposition of Post Retirement Actuarial Gain - effective until March 31, 2025	\$	(0.05)
Distribution Volumetric Rate	\$/kWh	0.0219
Rate Rider for Recovery of Lost Revenue Adjustment Mechanism (LRAM)/Shared Savings Mechanism (SSM) - effective until March 31, 2016	\$/kWh	0.0048
Rate Rider for Disposition of Deferred PILs Variance Account 1562 - effective until March 31, 2016	\$/kWh	0.0004
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0068
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0051
Rate Rider for Disposition of Deferral/Variance Accounts (2016) - effective until December 31, 2016	\$/kWh	(0.0004)
Rate Rider for Disposition of Global Adjustment Account (2016) - effective until December 31, 2016	\$/kWh	0.0034
Applicable only for Non-RPP Customers		
Rate Rider for Disposition of LRAMVA (2016) - effective until December 31, 2016	\$/kWh	(0.0007)
Rate Rider for Disposition of 1576 Account - Accounting Changes - effective until December 31, 2016	\$/kWh	(0.0004)

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Guelph Hydro Electric Systems Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2016

**This schedule supersedes and replaces all previously
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EB-2015-0073

SENTINEL LIGHTING SERVICE CLASSIFICATION

This classification refers to accounts that are an unmetered lighting load supplied to a sentinel light. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	\$	7.45
Rate Rider for Disposition of Post Retirement Actuarial Gain - effective until March 31, 2025	\$	(0.11)
Distribution Volumetric Rate	\$/kW	8.2419
Low Voltage Service Rate	\$/kW	0.0089
Rate Rider for Disposition of Deferred PILs Variance Account 1562 - effective until March 31, 2016	\$/kW	0.3253
Retail Transmission Rate - Network Service Rate	\$/kW	2.1776
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.6451
Rate Rider for Disposition of Deferral/Variance Accounts (2016) - effective until December 31, 2016	\$/kW	(0.6580)
Rate Rider for Disposition of Global Adjustment Account (2016) - effective until December 31, 2016	\$/kW	1.2005
Applicable only for Non-RPP Customers		
Rate Rider for Disposition of LRAMVA (2016) - effective until December 31, 2016	\$/kW	0.0000
Rate Rider for Disposition of 1576 Account - Accounting Changes - effective until December 31, 2016	\$/kW	(0.1602)

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Guelph Hydro Electric Systems Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2016

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EB-2015-0073

STREET LIGHTING SERVICE CLASSIFICATION

This classification is for roadway lighting with the Municipality. The consumption for this customer is based on the calculated connection load times the required lighting times established in the approved OEB street lighting load shape template. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

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MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	\$	0.42
Rate Rider for Disposition of Post Retirement Actuarial Gain - effective until March 31, 2025	\$	(0.01)
Distribution Volumetric Rate	\$/kW	10.1048
Low Voltage Service Rate	\$/kW	0.0107
Rate Rider for Disposition of Deferred PILs Variance Account 1562 - effective until March 31, 2016	\$/kW	0.0738
Retail Transmission Rate - Network Service Rate	\$/kW	2.6201
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.9794
Rate Rider for Disposition of Deferral/Variance Accounts (2016) - effective until December 31, 2016	\$/kW	(0.1255)
Rate Rider for Disposition of Global Adjustment Account (2016) - effective until December 31, 2016	\$/kW	1.2148
Applicable only for Non-RPP Customers		
Rate Rider for Disposition of LRAMVA (2016) - effective until December 31, 2016	\$/kW	\$0.0000
Rate Rider for Disposition of 1576 Account - Accounting Changes - effective until December 31, 2016	\$/kW	(0.1621)

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Guelph Hydro Electric Systems Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2016

**This schedule supersedes and replaces all previously
approved schedules of Rates, Charges and Loss Factors**

EB-2015-0073

microFIT SERVICE CLASSIFICATION

This classification applies to an electricity generation facility contracted under the Ontario Power Authority's microFIT program and connected to the distributor's distribution system. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	5.40
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Guelph Hydro Electric Systems Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2016

**This schedule supersedes and replaces all previously
approved schedules of Rates, Charges and Loss Factors**

EB-2015-0073

STANDBY POWER SERVICE CLASSIFICATION

This classification refers to an account that has Load Displacement Generation and requires the distributor to provide back-up service. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component for this schedule do not apply to a customer that is an embedded wholesale market participant.

This classification refers to an account with Load Displacement Generation. The distributor will charge the highest generated peak demand registered for a month. Further servicing details are available in the distributor's Conditions of Service.

MONTHLY RATES AND CHARGES - Delivery Component

Standby Charge - the charge is based on the applicable General Service 50 to 999 kW, or General Service 1,000 to 4,999 kW or Large Use Distribution Volumetric Rate applied to the generator's peak demand. A Standby Service Charge will be applied for a month where standby power is provided partially or is not provided.

Guelph Hydro Electric Systems Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2016

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approved schedules of Rates, Charges and Loss Factors

EB-2015-0073

ALLOWANCES

Transformer Allowance for Ownership - per kW of billing demand/month	\$/kW	(0.72)
Primary Metering Allowance for transformer losses – applied to measured demand and energy	%	(1.00)

SPECIFIC SERVICE CHARGES

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

Customer Administration

Arrears certificate	\$	15.00
Returned cheque (plus bank charges)	\$	8.55
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	8.75
Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$	10.00
Credit Service Charge for paper less bill	\$	(10.00)

Non-Payment of Account

Late Payment – per month	%	1.50
Late Payment – per annum	%	19.56
Collection of account charge – no disconnection	\$	9.00
Disconnect/Reconnect at meter – during regular hours	\$	20.00
Disconnect/Reconnect at meter – after regular hours	\$	50.00
Disconnect/Reconnect at pole – during regular hours	\$	50.00
Disconnect/Reconnect at pole – after regular hours	\$	95.00
Service call – customer owned equipment	\$	17.50
Service call – after regular hours	\$	95.00
Specific Charge for Access to the Power Poles - \$/pole/year	\$	22.35
Overhead Bond Connection - per connection	\$	105.00
Underground Bond Connection - per connection	\$	100.00

Guelph Hydro Electric Systems Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2016

**This schedule supersedes and replaces all previously
approved schedules of Rates, Charges and Loss Factors**

EB-2015-0073

RETAIL SERVICE CHARGES (if applicable)

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

Retail Service Charges refer to services provided by a distributor to retailers or customers related to the supply of competitive electricity.

One-time charge, per retailer, to establish the service agreement between the distributor and the retailer	\$	100.00
Monthly Fixed Charge, per retailer	\$	20.00
Monthly Variable Charge, per customer, per retailer	\$/cust.	0.50
Distributor-consolidated billing monthly charge, per customer, per retailer	\$/cust.	0.30
Retailer-consolidated billing monthly credit, per customer, per retailer	\$/cust.	(0.30)
Service Transaction Requests (STR)		
Request fee, per request, applied to the requesting party	\$	0.25
Processing fee, per request, applied to the requesting party	\$	0.50
Request for customer information as outlined in Section 10.6.3 and Chapter 11 of the Retail Settlement Code directly to retailers and customers, if not delivered electronically through the Electronic Business Transaction (EBT) system, applied to the requesting party		
Up to twice a year	\$	no charge
More than twice a year, per request (plus incremental delivery costs)	\$	2.00

LOSS FACTORS

If the distributor is not capable of prorating changed loss factors jointly with distribution rates, the revised loss factors will be implemented upon the first subsequent billing for each billing cycle.

Total Loss Factor – Secondary Metered Customer < 5,000 kW	1.0260
Total Loss Factor – Secondary Metered Customer > 5,000 kW	1.0137
Distribution Loss Factor - Primary Metered Customer < 5,000 kW	1.0157
Distribution Loss Factor - Primary Metered Customer > 5,000 kW	1.0036

Appendix B – OEB Appendix 2-AB

See attached for an updated Appendix 2-AB revised to reflect this Settlement Proposal

Appendix 2-AB
Table 2 - Capital Expenditure Summary from Chapter 5 Consolidated
Distribution System Plan Filing Requirements

First year of Forecast Period: 2016

CATEGORY	Historical Period (previous plan ¹ & actual)															Forecast Period (planned)				
	2011			2012			2013			2014			2015			2016	2017	2018	2019	2020
	Plan	Actual	Var	Plan	Actual	Var	Plan	Actual	Var	Plan	Actual	Var	Plan	Actual ²	Var					
			%			%			%			%			%					
System Access	N/A	6,574,742	--	N/A	5,018,365	--	N/A	4,229,054	--	N/A	4,886,595	--	N/A	5,846,937	--	5,397,045	5,496,506	5,670,452	5,829,015	5,982,336
System Renewal	N/A	1,648,262	--	N/A	2,536,522	--	N/A	2,830,493	--	N/A	3,726,430	--	N/A	3,960,130	--	4,478,934	4,613,302	4,751,701	4,894,252	5,041,080
System Service	N/A	16,898,611	--	N/A	3,139,974	--	N/A	3,185,982	--	N/A	2,250,748	--	N/A	3,842,621	--	1,858,400	1,914,152	1,971,576	2,030,724	2,091,645
General Plant	N/A	1,052,721	--	N/A	984,738	--	N/A	1,220,577	--	N/A	2,359,438	--	N/A	2,212,704	--	2,195,685	1,431,505	1,474,450	1,518,684	1,564,244
TOTAL EXPENDITURE	-	26,174,335	--	-	11,679,598	--	-	11,466,106	--	-	13,223,211	--	-	15,862,392	--	13,930,063	13,455,465	13,868,179	14,272,674	14,679,305
System O&M	-	5,379,426	--	-	5,619,519	--	-	6,425,264	--	-	6,784,094	--	-	7,186,934	--	7,856,913	7,966,910	8,078,446	8,191,545	8,306,226

Notes to the Table:

1. Historical "previous plan" data is not required unless a plan has previously been filed
2. Indicate the number of months of 'actual' data included in the last year of the Historical Period (normally a 'bridge' year):

2014 are full year actual results
2015 Bridge Year is a forecast, no "actual results are included."

Appendix C – OEB Appendix 2-BA

See attached for an updated Appendix 2-BA revised to reflect this Settlement Proposal.

Appendix 2-BA
Fixed Asset Continuity Schedule

Accounting Standard MIFRS
Year 2015

CCA Class	OEB	Description	Cost				Accumulated Depreciation				
			Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	Net Book Value
12	1611	Computer Software (Formally known as Account 1925)	\$ 613,818	\$ 522,302	\$ -	\$ 1,136,120	-\$ 226,055	-\$ 174,994	\$ -	-\$ 401,049	\$ 735,071
CEC	1612	Land Rights (Formally known as Account 1906)				\$ -				\$ -	\$ -
N/A	1805	Land	\$ 4,379,383	\$ -	\$ -	\$ 4,379,383	\$ -	\$ -	\$ -	\$ -	\$ 4,379,383
47	1808	Buildings	\$ 16,577,608	\$ 255,000	\$ -	\$ 16,832,608	-\$ 2,684,716	-\$ 712,345	\$ -	-\$ 3,397,062	\$ 13,435,547
13	1810	Leasehold Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
47	1815	Transformer Station Equipment >50 kV	\$ 15,820,672	\$ 982,000	\$ -	\$ 16,802,672	-\$ 1,540,701	-\$ 415,905	\$ -	-\$ 1,956,606	\$ 14,846,066
47	1820	Distribution Station Equipment <50 kV	\$ 1,668,064	\$ 1,250,000	\$ -	\$ 2,918,064	-\$ 231,208	-\$ 62,955	\$ -	-\$ 294,163	\$ 2,623,901
47	1825	Storage Battery Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
47	1830	Poles, Towers & Fixtures	\$ 20,020,330	\$ 2,850,291	\$ -	\$ 22,870,621	-\$ 2,311,319	-\$ 524,048	\$ -	-\$ 2,835,367	\$ 20,035,254
47	1835	Overhead Conductors & Devices	\$ 14,655,669	\$ 1,385,877	\$ -	\$ 16,041,546	-\$ 1,534,516	-\$ 320,748	\$ -	-\$ 1,855,264	\$ 14,186,282
47	1840	Underground Conduit	\$ 36,955,660	\$ 4,641,626	\$ -	\$ 41,597,286	-\$ 4,758,178	-\$ 845,596	\$ -	-\$ 5,603,773	\$ 35,993,512
47	1845	Underground Conductors & Devices	\$ 32,562,340	\$ 1,748,902	\$ -	\$ 34,311,242	-\$ 5,091,798	-\$ 1,161,789	\$ -	-\$ 6,253,587	\$ 28,057,655
47	1850	Line Transformers	\$ 15,130,851	\$ 1,526,293	\$ -	\$ 16,657,144	-\$ 2,319,643	-\$ 525,413	\$ -	-\$ 2,845,057	\$ 13,812,087
47	1855	Services (Overhead & Underground)	\$ 6,642,807	\$ 1,387,904	\$ -	\$ 8,030,711	-\$ 1,319,926	-\$ 297,439	\$ -	-\$ 1,617,365	\$ 6,413,345
47	1860	Meters	\$ 15,117,169	\$ 1,010,000	\$ -	\$ 16,127,169	-\$ 4,150,056	-\$ 903,549	\$ -	-\$ 5,053,605	\$ 11,073,564
47	1860	Meters (Smart Meters)				\$ -				\$ -	\$ -
N/A	1905	Land	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
47	1908	Buildings & Fixtures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13	1910	Leasehold Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8	1915	Office Furniture & Equipment (10 years)	\$ 786,244	\$ 58,000	\$ -	\$ 844,244	-\$ 418,342	-\$ 151,756	\$ -	-\$ 570,098	\$ 274,145
8	1915	Office Furniture & Equipment (5 years)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10	1920	Computer Equipment - Hardware	\$ 2,426,538	\$ 680,000	\$ -	\$ 3,106,538	-\$ 1,582,775	-\$ 336,411	\$ -	-\$ 1,919,187	\$ 1,187,351
45	1920	Computer Equip.-Hardware(Post Mar. 22/04)				\$ -				\$ -	\$ -
45.1	1920	Computer Equip.-Hardware(Post Mar. 19/07)				\$ -				\$ -	\$ -
10	1930	Transportation Equipment	\$ 3,175,359	\$ 739,332	\$ -	\$ 3,914,691	-\$ 1,290,900	-\$ 424,706	\$ -	-\$ 1,715,606	\$ 2,199,086
8	1935	Stores Equipment	\$ 54	\$ -	\$ -	\$ 54	-\$ 54	\$ -	\$ -	-\$ 54	\$ 0
8	1940	Tools, Shop & Garage Equipment	\$ 762,938	\$ 64,000	\$ -	\$ 826,938	-\$ 391,400	-\$ 82,903	\$ -	-\$ 474,303	\$ 352,635
8	1945	Measurement & Testing Equipment	\$ 2,974	\$ -	\$ -	\$ 2,974	-\$ 2,974	\$ -	\$ -	-\$ 2,974	\$ 0
8	1950	Power Operated Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8	1955	Communications Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8	1955	Communication Equipment (Smart Meters)				\$ -				\$ -	\$ -
8	1960	Miscellaneous Equipment	\$ 214,353	\$ -	\$ -	\$ 214,353	-\$ 214,352	\$ -	\$ -	-\$ 214,352	\$ 1
47	1970	Load Management Controls Customer Premises	\$ 136,371	\$ -	\$ -	\$ 136,371	-\$ 54,734	-\$ 10,437	\$ -	-\$ 65,171	\$ 71,200
47	1975	Load Management Controls Utility Premises	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
47	1980	System Supervisor Equipment	\$ 1,514,061	\$ 218,000	\$ -	\$ 1,732,061	-\$ 796,685	-\$ 196,722	\$ -	-\$ 993,407	\$ 738,655
47	1985	Miscellaneous Fixed Assets	\$ 6,157	\$ -	\$ -	\$ 6,157	-\$ 6,157	\$ -	\$ -	-\$ 6,157	\$ 0
47	1990	Other Tangible Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
47	1995	Contributions & Grants	-\$ 42,371,738	-\$ 3,057,000	\$ -	-\$ 45,428,738	\$ 4,588,130	\$ 1,165,942	\$ -	\$ 5,754,072	-\$ 39,674,666
	2070	Other Utility Plant	\$ 398	\$ -	\$ -	\$ 398	-\$ 154	-\$ 51	\$ -	-\$ 205	\$ 193
						\$ -				\$ -	\$ -
		Sub-Total before Work in Process	\$ 146,798,080	\$ 16,262,527	\$ -	\$ 163,060,606	-\$ 26,338,513	-\$ 5,981,825	\$ -	-\$ 32,320,338	\$ 130,740,268
	2055	Work in Process - Non-Distribution assets	\$ 605,634	\$ 500,000	-\$ 605,634	\$ 500,000	\$ -	\$ -	\$ -	\$ -	\$ 500,000
	2055	Work in Process - Distribution system	\$ 4,551,893	\$ 1,200,000	-\$ 4,551,893	\$ 1,200,000	\$ -	\$ -	\$ -	\$ -	\$ 1,200,000
	2055	Work in Process - AFUDC	\$ 123,528	\$ 96,959	-\$ 123,528	\$ 96,959	\$ -	\$ -	\$ -	\$ -	\$ 96,959
		Less Socialized Renewable Energy Generation Investments (input as negative)				\$ -				\$ -	\$ -
		Less Other Non Rate-Regulated Utility Assets (input as negative)				\$ -				\$ -	\$ -
		Total PP&E	\$ 152,079,134	\$ 18,059,486	-\$ 5,281,055	\$ 164,857,565	-\$ 26,338,513	-\$ 5,981,825	\$ -	-\$ 32,320,338	\$ 132,537,227
		Depreciation Expense adj. from gain or loss on the retirement of assets (pool of like assets), if applicable⁶									
		Total					-\$ 5,981,825				

10	Transportation
8	Stores Equipment

Less: Fully Allocated Depreciation
Transportation **-\$ 424,706**
Stores Equipment **-\$ 82,903**
Net Depreciation **-\$ 5,474,217**

Appendix 2-BA
Fixed Asset Continuity Schedule

Accounting Standard MIFRS
Year 2016

CCA Class	OEB	Description	Cost				Accumulated Depreciation					Net Book Value
			Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance		
12	1611	Computer Software (Formally known as Account 1925)	\$ 1,136,120	\$ 93,000	\$ -	\$ 1,229,120	-\$ 401,049	-\$ 218,459	\$ -	-\$ 619,508	\$ 609,612	
CEC	1612	Land Rights (Formally known as Account 1906)				\$ -				\$ -	\$ -	
N/A	1805	Land	\$ 4,379,383	\$ -	\$ -	\$ 4,379,383	\$ -	\$ -	\$ -	\$ -	\$ 4,379,383	
47	1808	Buildings	\$ 16,832,608	\$ 1,304,000	\$ -	\$ 18,136,608	-\$ 3,397,062	-\$ 734,102	\$ -	-\$ 4,131,164	\$ 14,005,445	
13	1810	Leasehold Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
47	1815	Transformer Station Equipment >50 kV	\$ 16,802,672	\$ 599,000	\$ -	\$ 17,401,672	-\$ 1,956,606	-\$ 435,667	\$ -	-\$ 2,392,274	\$ 15,009,399	
47	1820	Distribution Station Equipment <50 kV	\$ 2,918,064	\$ -	\$ -	\$ 2,918,064	-\$ 294,163	-\$ 78,580	\$ -	-\$ 372,743	\$ 2,545,320	
47	1825	Storage Battery Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
47	1830	Poles, Towers & Fixtures	\$ 22,870,621	\$ 2,209,145	\$ -	\$ 25,079,766	-\$ 2,835,367	-\$ 574,117	\$ -	-\$ 3,409,484	\$ 21,670,282	
47	1835	Overhead Conductors & Devices	\$ 16,041,546	\$ 1,074,137	\$ -	\$ 17,115,683	-\$ 1,855,264	-\$ 343,375	\$ -	-\$ 2,198,639	\$ 14,917,044	
47	1840	Underground Conduit	\$ 41,597,286	\$ 3,678,537	\$ -	\$ 45,275,823	-\$ 5,603,773	-\$ 928,198	\$ -	-\$ 6,531,971	\$ 38,743,852	
47	1845	Underground Conductors & Devices	\$ 34,311,242	\$ 1,355,503	\$ -	\$ 35,666,745	-\$ 6,253,587	-\$ 1,199,753	\$ -	-\$ 7,453,340	\$ 28,213,405	
47	1850	Line Transformers	\$ 16,657,144	\$ 1,182,968	\$ -	\$ 17,840,112	-\$ 2,845,057	-\$ 554,612	\$ -	-\$ 3,399,669	\$ 14,440,443	
47	1855	Services (Overhead & Underground)	\$ 8,030,711	\$ 1,075,710	\$ -	\$ 9,106,421	-\$ 1,617,365	-\$ 337,371	\$ -	-\$ 1,954,737	\$ 7,151,684	
47	1860	Meters (1)	\$ 16,727,823	\$ 415,000	\$ -	\$ 17,142,823	-\$ 5,272,554	-\$ 967,941	\$ -	-\$ 6,240,495	\$ 10,902,328	
47	1860	Meters (Smart Meters)				\$ -				\$ -	\$ -	
N/A	1905	Land	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
47	1908	Buildings & Fixtures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
13	1910	Leasehold Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
8	1915	Office Furniture & Equipment (10 years)	\$ 844,244	\$ 163,000	\$ -	\$ 1,007,244	-\$ 570,098	-\$ 57,747	\$ -	-\$ 627,845	\$ 379,399	
8	1915	Office Furniture & Equipment (5 years)	\$ -			\$ -	\$ -			\$ -	\$ -	
10	1920	Computer Equipment - Hardware	\$ 3,106,538	\$ 497,000	\$ -	\$ 3,603,538	-\$ 1,919,187	-\$ 398,404	\$ -	-\$ 2,317,591	\$ 1,285,947	
45	1920	Computer Equip.-Hardware(Post Mar. 22/04)				\$ -				\$ -	\$ -	
45.1	1920	Computer Equip.-Hardware(Post Mar. 19/07)				\$ -				\$ -	\$ -	
10	1930	Transportation Equipment	\$ 3,914,691	\$ 573,000	\$ -	\$ 4,487,691	-\$ 1,715,606	-\$ 464,989	\$ -	-\$ 2,180,594	\$ 2,307,097	
8	1935	Stores Equipment	\$ 54	\$ -	\$ -	\$ 54	-\$ 54	\$ -	\$ -	\$ 54	\$ 0	
8	1940	Tools, Shop & Garage Equipment	\$ 826,938	\$ 66,000	\$ -	\$ 892,938	-\$ 474,303	-\$ 85,452	\$ -	-\$ 559,755	\$ 333,183	
8	1945	Measurement & Testing Equipment	\$ 2,974	\$ -	\$ -	\$ 2,974	-\$ 2,974	\$ -	\$ -	-\$ 2,974	\$ 0	
8	1950	Power Operated Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
8	1955	Communications Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
8	1955	Communication Equipment (Smart Meters)				\$ -				\$ -	\$ -	
8	1960	Miscellaneous Equipment	\$ 214,353	\$ -	\$ -	\$ 214,353	-\$ 214,352	\$ -	\$ -	-\$ 214,352	\$ 1	
47	1970	Load Management Controls Customer Premises	\$ 136,371	\$ -	\$ -	\$ 136,371	-\$ 65,171	-\$ 10,336	\$ -	-\$ 75,507	\$ 60,864	
47	1975	Load Management Controls Utility Premises	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
47	1980	System Supervisor Equipment	\$ 1,732,061	\$ 225,000	\$ -	\$ 1,957,061	-\$ 993,407	-\$ 153,405	\$ -	-\$ 1,146,812	\$ 810,250	
47	1985	Miscellaneous Fixed Assets	\$ 6,157	\$ -	\$ -	\$ 6,157	-\$ 6,157	\$ -	\$ -	-\$ 6,157	\$ 0	
47	1990	Other Tangible Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
47	1995	Contributions & Grants	-\$ 45,428,738	-\$ 3,148,000	\$ -	-\$ 48,576,738	\$ 5,754,072	\$ 1,246,935	\$ -	\$ 7,001,008	-\$ 41,575,731	
	2070	Other Utility Plant	\$ 398	\$ -	\$ -	\$ 398	-\$ 205	-\$ 51	\$ -	-\$ 256	\$ 142	
						\$ -				\$ -	\$ -	
		Sub-Total before Work in Process	\$ 163,661,260	\$ 11,363,000	\$ -	\$ 175,024,260	-\$ 32,539,287	-\$ 6,295,624	\$ -	-\$ 38,834,911	\$ 136,189,350	
	2055	Work in Process - Non-Distribution assets	\$ 0	\$ -	\$ -	\$ 0	\$ -			\$ -	\$ 0	
	2055	Work in Process - Distribution system	\$ 1,200,000	\$ 1,200,000	-\$ 1,200,000	\$ 1,200,000	\$ -			\$ -	\$ 1,200,000	
	2055	Work in Process - AFUDC	\$ 96,959	\$ 39,577	-\$ 96,959	\$ 39,577	\$ -			\$ -	\$ 39,577	
		Less Socialized Renewable Energy Generation Investments (input as negative)				\$ -				\$ -	\$ -	
		Less Other Non Rate-Regulated Utility Assets (input as negative)				\$ -				\$ -	\$ -	
		Total PP&E	\$ 164,958,219	\$ 12,602,577	-\$ 1,296,959	\$ 176,263,837	-\$ 32,539,287	-\$ 6,295,624	\$ -	-\$ 38,834,911	\$ 137,428,926	
		Depreciation Expense adj. from gain or loss on the retirement of assets (pool of like assets), if applicable ⁶										
		Total					-\$ 6,295,624					

Note (1) The opening balance is the 2015 closing balance adjusted for Zigbee chip costs of \$600,654

Note (1) The opening balance is the 2015 closing balance adjusted for Zigbee chip depreciation of \$218,949

Less: Fully Allocated Depreciation

Transportation	-\$ 464,989
Stores Equipment	-\$ 85,452
Net Depreciation	-\$ 5,745,184

Appendix D – Bill Impacts

2016 Total Bill Impact Summary

Residential	kWh	100	250	420	500	800	1,000	1,500	2,000
	Bill Impact \$	\$3.69	\$2.94	\$2.10	\$1.70	\$0.19	(\$0.81)	(\$3.32)	(\$5.83)
	Bill Impact %	11.83%	5.54%	2.69%	1.89%	0.14%	-0.50%	-1.40%	-1.88%

Loss Factor 1.0260

General Service Less than 50 kW	kWh	1,000	2,000	5,000	10,000	15,000
	Bill Impact \$	(\$0.12)	(\$0.96)	(\$3.50)	(\$7.73)	(\$11.98)
	Bill Impact %	-0.07%	-0.32%	-0.49%	-0.55%	-0.57%

Loss Factor 1.0260

General Service 50 to 999 kW	kWh	22,776	37,960	189,800	379,600
	kW	60	100	500	1,000
	Bill Impact \$	(\$74.12)	(\$130.57)	(\$697.18)	(\$1,404.91)
	Bill Impact %	-2.00%	-2.15%	-2.40%	-2.43%

Loss Factor 1.0260 Load Factor 52%

General Service 1000 to 4999 kW	kWh	48,910	244,550	489,100
	kW	100	500	1,000
	Bill Impact \$	(\$286.12)	(\$1,074.36)	(\$2,059.65)
	Bill Impact %	-3.62%	-2.91%	-2.82%

Loss Factor 1.0260 Load Factor 67%

Large Use	kWh	3,035,340	4,215,750	5,621,000	8,431,500
	kW	5,400	7,500	10,000	15,000
	Bill Impact \$	(\$2,240.73)	(\$3,175.46)	(\$4,288.24)	(\$6,513.80)
	Bill Impact %	-0.53%	-0.54%	-0.55%	-0.56%

Loss Factor 1.0036 Load Factor 77%

Unmetered Scattered Load	kWh	325
	Bill Impact \$	(\$5.19)
	Bill Impact %	-8.00%

Loss Factor 1.0260

Sentinel Lighting	kWh	365
	kW	1
	Bill Impact \$	(\$2.10)
	Bill Impact %	-3.03%

Loss Factor 1.0260 Load Factor 50%

Street Lighting	kWh	946,080	63
	kW	2,400	0.16
	Bill Impact \$	(\$1,608.02)	(\$0.26)
	Bill Impact %	-1.01%	-2.25%

Loss Factor 1.0260 Load Factor 54%

Appendix E – Settled Load Forecast

Appendix D - Settled Load Forecast

Guelph Hydro Electric Systems Inc. - Cost of Service Application - EB-2015-0073

	Application (A)	Interrogatories (B)	Variance (C) = (B) - (A)	Settlement (D)	Variance (E) = (D) - (B)
Residential					
Customers	50,242	50,242	-	50,242	-
kWh	381,586,775	381,586,775	-	386,643,528	5,056,753
General Service < 50 kW					
Customers	4,101	4,101	-	4,101	-
kWh	150,174,015	150,174,015	-	152,157,763	1,983,748
General Service 50 to 999 kW					
Customers	567	567	-	567	-
kWh	397,678,750	397,678,750	-	401,243,062	3,564,312
kW	1,037,307	1,037,307	-	1,046,605	9,297
General Service 1,000 to 4,999 kW					
Customers	42	42	-	42	-
kWh	563,100,354	563,100,354	-	564,253,257	1,152,903
kW	1,194,282	1,194,282	-	1,196,727	2,445
Large Use					
Customers	5	5	-	5	-
kWh	276,633,108	276,633,108	-	278,656,832	2,023,724
kW	496,250	496,250	-	499,880	3,630
Unmetered Scattered Load					
Connections	545	545	-	545	-
kWh	1,700,939	1,700,939	-	1,700,939	-
Sentinel Lighting					
Connections	6	6	-	6	-
kWh	21,457	21,457	-	21,457	-
kW	60	60	-	60	-
Street Lighting					
Customers	14,172	14,172	-	14,172	-
kWh	9,628,070	9,628,070	-	9,628,070	-
kW	26,693	26,693	-	26,693	-
Total					
Customers/Connections	69,680	69,680	-	69,680	-
kWh	1,780,523,469	1,780,523,469	-	1,794,304,908	13,781,439
kW from applicable classes	2,754,592	2,754,592	-	2,769,965	15,373

Note: CDM Adjustments are included in all figures presented.

	Settlement Before CDM (A)	Settlement After CDM (B)	CDM Adjustment (C) = (A) - (B)
Residential			
Customers	50,242	50,242	-
kWh	390,253,631	386,643,528	3,610,103
General Service < 50 kW			
Customers	4,101	4,101	-
kWh	153,095,225	152,157,763	937,462
General Service 50 to 999 kW			
Customers	567	567	-
kWh	404,055,449	401,243,062	2,812,387
kW	1,053,940	1,046,605	7,336
General Service 1,000 to 4,999 kW			
Customers	42	42	-
kWh	564,855,911	564,253,257	602,654
kW	1,198,005	1,196,727	1,278
Large Use			
Customers	5	5	-
kWh	297,294,274	278,656,832	18,637,441
kW	533,314	499,880	33,434
Unmetered Scattered Load			
Connections	545	545	-
kWh	1,700,939	1,700,939	-
Sentinel Lighting			
Connections	6	6	-
kWh	21,457	21,457	-
kW	60	60	-
Street Lighting			
Customers	14,172	14,172	-
kWh	10,327,137	9,628,070	699,067
kW	28,631	26,693	1,938
Total			
Customers/Connections	69,680	69,680	-
kWh	1,821,604,024	1,794,304,908	27,299,116
kW from applicable classes	2,813,951	2,769,965	43,986

2016 CDM Manual Adjustment	2016 (kWh)- Full Year	Factor	2016 CDM Adjustment
Class		Percentage of CDM programs Participation	
Residential	4,365,766	13.22%	3,610,103
GS< 50 kW	1,133,691	3.43%	937,462
GS 50 to 999 kW	3,401,072	10.30%	2,812,387
GS 1000 to 4999 kW	728,801	2.21%	602,654
Large Use	22,538,608	68.27%	18,637,441
Unmetered Scattered Load	0	0.00%	-
Sentinel Lighting	0	0.00%	-
Street Ligting	845,395	2.56%	699,067
Total	33,013,333	100.00%	27,299,116

2016 LRAMVA Threshold	kWh	kW
Residential	4,365,766	
GS< 50 kW	1,133,691	
GS 50 to 999 kW	3,401,072	8,871
GS 1000 to 4999 kW	728,801	1,546
Large Use	22,538,608	40,432
Unmetered Scattered Load	0	
Sentinel Lighting	0	0
Street Ligting	845,395	2,344
Total	33,013,333	53,193

Appendix F – OEB Appendix 2-EB

File Number: EB-2015-0073
Exhibit:
Tab:
Schedule:
Page:
Date: 18-Sep-15

Appendix 2-EB
Account 1576 - Accounting Changes under MIFRS
2014 Changes in Accounting Policies under MIFRS

Reporting Basis	2012 Rebasing Year	2012	2013	2014	2015	2016 Rebasing Year
	MIFRS	IRM	IRM	IRM	IRM	MIFRS
	Forecast	Actual	Actual	Actual	Forecast	Forecast
			\$	\$	\$	\$
PP&E Values uusing original Useful Lives (UL)						
Opening net PP&E - Note 1				120,582,538	125,377,376	
Net Additions - Note 2				10,895,415	12,278,431	
Net Depreciation (amounts should be negative) - Note 2				-6,100,577	-6,374,912	
Closing net PP&E (1)			0	125,377,376	131,280,895	
PP&E Values using 2014 updated Useful Lives (UL)						
Opening net PP&E - Note 1				120,582,538	125,740,622	
Net Additions - Note 2				10,895,415	12,278,431	
Net Depreciation (amounts should be negative) - Note 2				-5,737,331	-5,981,825	
Closing net PP&E (2)			0	125,740,622	132,037,228	
Difference in Closing net PP&E, Original UL v. Updated UL			0	-363,246	-756,333	

Effect on Deferral and Variance Account Rate Riders

Closing balance in Account 1576	-	756,333
Return on Rate Base Associated with Account 1576 balance at WACC	-	50,063
Amount included in Deferral and Variance Account Rate Rider Calculation	-	806,396

WACC	6.62%
# of years of rate rider disposition period	1

Notes:

- Useful lives were reviewed and updated effective fiscal 2014, therefore Opening PP&E January 1, 2014 would be the same at this date
- Net additions are additions net of disposals. Net depreciation is additions to depreciation net of disposals

Instructions:

- For an applicant that made the capitalization and depreciation expense accounting policy changes on January 1, 2012, the PP&E values as of January 1, 2012 under both former CGAAP and revised CGAAP should be the same.
- Return on rate base associated with Account 1576 balance is calculated as:
the variance account opening balance as of 2015 rebasing year x WACC X # of years of rate rider disposition period
* Please note that the calculation should be adjusted once WACC is updated and finalized in the rate application.
- Account 1576 is cleared by including the total balance in the deferral and variance account rate rider calculation.
- Net additions are additions net of disposals; Net depreciation is additions to depreciation net of disposals.

Appendix G – OPEB Draft Accounting Order

Draft Accounting Order – OPEB Forecast Cash versus Forecast Accrual Differential Deferral Account

Guelph Hydro shall establish the following deferral account effective January 1, 2016.

- Account 1508 Other Regulatory Assets, Subaccount – OPEB Forecast Cash versus Forecast Accrual Differential Deferral Account

Guelph Hydro shall establish the OPEB Forecast Cash versus Forecast Accrual Differential Deferral Account for the purpose of recording the difference in revenue requirement each year between both the capitalized and OM&A components of OPEBs accounted for using a forecasted cash basis (as to be reflected in rates if this settlement is accepted by the Board) and the capitalized and OM&A components of OPEBs accounted for using a forecasted accrual basis.

If the Board determines that LDCs must only include in rates OPEBs accounted for using a forecasted cash basis, Guelph Hydro will seek to discontinue this account without seeking disposition of the amounts recorded in this account. If the Board determines that LDCs may recover OPEBs in rates using a forecasted accrual accounting methodology, Guelph Hydro will seek disposition of this account to recover the amounts so recorded in its next cost of service rate application.

Guelph Hydro will propose a disposition period over which the account should be recovered depending on the quantum in the account and the potential rate impacts at the time.

Carrying charges will not apply to this account.

Sample Journal Entry

Assumptions:

OPEB costs (accrual basis) = \$ 600,000

OPEB costs (cash basis) = \$ 200,000

OBEB costs split between operating and capital on a 70/30 ratio.

Assume capital items depreciated over 40 years and half year rule applies in year of acquisition.

Assume OPEB costs incurred evenly throughout the fiscal period.

Carrying charges do not apply to this deferral account.

The sample accounting entries for the Deferral Account is provided below:

- A: To record the excess of OPEBs accounted for using a forecasted accrual basis over OPEBs accounted for using a forecasted cash basis.

DR	1508	Other Regulatory Assets, Subaccount – OPEB Forecast Cash versus Forecast Accrual Differential Deferral Account	\$ 400,000
----	------	---	------------

CR	Capital costs (various accounts)	\$ 120,000
----	----------------------------------	------------

CR	OM&A expenses (various accounts)	\$ 280,000
----	----------------------------------	------------

B: To reverse depreciation recorded on capital portion of OPEB costs:

DR	Accumulated Depreciation	\$ 1,500
----	--------------------------	----------

CR	Depreciation	\$ 1,500
----	--------------	----------

Appendix H – Wireless Attachment Draft Accounting Order

Draft Accounting Order – Wireless Attachment Deferral Accounts

Pursuant to the Settlement Agreement approved by the Ontario Energy Board in EB-2015-0073, Guelph Hydro shall establish the following Deferral Accounts to record the costs and revenues associated with Wireless Pole Attachments.

- Account 1508, Other Regulatory Assets, Subaccount Guelph Hydro wireless attachment costs
- Account 1508, Other Regulatory Assets, Subaccount Guelph Hydro wireless attachment revenues
- Account 1508, Other Regulatory Assets, Subaccount Guelph Hydro wireless attachment cost carrying charges
- Account 1508, Other Regulatory Assets, Subaccount Guelph Hydro wireless attachment revenue carrying charges

In assessing the costs of attaching the wireless equipment, Guelph Hydro will rely on the methodology as detailed in THESL's response to CCC IR 16 in THESL proceeding EB-2013-0234 (Tab J, Schedule 2-16, attached as Appendix A to the Accounting Order), which was developed in accordance with the methodology approved in the Board's CCTA decision (RO-2003-0249). This methodology estimates direct costs (admin and loss in productivity) and indirect costs (capital costs of the poles with attachments).

Since the indirect costs related to poles are included and inseparable from Guelph Hydro's regulated revenue requirement (and recovered through distribution rates), they will not be recorded in the deferral account as treating them as such would effectively double-count the costs. The direct costs, to the extent that they are incremental to any OM&A costs included in Guelph Hydro's regulated revenue requirement, will be recorded in the deferral account. Additionally, the one-time costs (such as the make-ready costs) will be recorded as they occur.

Revenues to be recorded in the Deferral Account are the actual revenues received through the negotiated contracts with wireless carriers, as well as the one-time revenues collected directly to cover the one-time costs.

Carrying charges will be determined by applying the Board-approved rate to the opening monthly balances recorded in the subaccounts (exclusive of accumulated interest).

The net of the costs and revenues inclusive of carrying charges, as recorded in the subaccounts, shall be brought forward for disposition in Guelph Hydro's next Cost of Service rates application. As part of the evidence to support the disposition of the net amounts recorded in the approved Deferral Accounts, Guelph Hydro shall include information showing the full actual costs to demonstrate that revenues received were equal to or in excess of the costs of wireless attachments.

The sample accounting entries for the Deferral Accounts are provided below:

A: To record the incremental costs associated with wireless attachments:

DR	1508	Other Regulatory Assets, Subaccount Guelph Hydro wireless attachment costs
CR	5005	Operation Supervision and Engineering

B: To record the incremental revenues associated with the wireless attachments:

CR	1508	Other Regulatory Assets, Subaccount Guelph Hydro wireless attachment revenues
DR	4210	Rent from Electric Property

C: To record the monthly carrying charges in subaccounts wireless attachments costs and revenues:

DR	1508	Other Regulatory Assets, Subaccount Guelph Hydro wireless attachment cost carrying charges
CR	1508	Other Regulatory Assets, Subaccount Guelph Hydro wireless attachment revenue carrying charges
DR	6035	Other Interest Expense
CR	4405	Interest and Dividend Income

Appendix I – Revenue Requirement Work Form



Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2015 Filers



Version 5.00

Utility Name	Guelph Hydro Electric Systems Inc.
Service Territory	
Assigned EB Number	EB-2015-0073
Name and Title	Cristina Birceanu, Director of Regulatory Affairs
Phone Number	519-837-4735
Email Address	cbirceanu@guelphhydro.com

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While this model has been provided in Excel format and is required to be filed with the applications, the onus remains on the applicant to ensure the accuracy of the data and the results.



Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2015 Filers

[1. Info](#)

[2. Table of Contents](#)

[3. Data Input Sheet](#)

[4. Rate Base](#)

[5. Utility Income](#)

[6. Taxes PILs](#)

[7. Cost of Capital](#)

[8. Rev Def Suff](#)

[9. Rev Req](#)

[10. Tracking Sheet](#)

Notes:

- (1) Pale green cells represent inputs
- (2) Pale green boxes at the bottom of each page are for additional notes
- (3) Pale yellow cells represent drop-down lists
- (4) ***Please note that this model uses MACROS. Before starting, please ensure that macros have been enabled.***
- (5) ***Completed versions of the Revenue Requirement Work Form are required to be filed in working Microsoft Excel***



Revenue Requirement Workform (RRWF) for 2015 Filers

Data Input ⁽¹⁾

	Initial Application	(2)	Adjustments	Application Update	(6)	Adjustments	Per Board Decision
1 Rate Base							
Gross Fixed Assets (average)	\$169,552,260		(\$245,025)	\$ 169,307,235			\$169,307,235
Accumulated Depreciation (average)	(\$35,695,380)	(5)	\$17,754	(\$35,677,626)			(\$35,677,626)
Allowance for Working Capital:							
Controllable Expenses	\$16,189,495		(\$829,908)	\$ 15,359,587			\$15,359,587
Cost of Power	\$207,681,446		#####	\$ 221,468,688			\$221,468,688
Working Capital Rate (%)	13.00%	(9)		7.50%	(9)		7.50% (9)
2 Utility Income							
Operating Revenues:							
Distribution Revenue at Current Rates	\$28,027,320		\$133,469	\$28,160,789		\$0	\$28,160,789
Distribution Revenue at Proposed Rates	\$32,112,227		(\$2,370,896)	\$29,741,331		\$0	\$29,741,331
Other Revenue:							
Specific Service Charges	\$426,370		\$0	\$426,370		\$0	\$426,370
Late Payment Charges	\$120,000		\$0	\$120,000		\$0	\$120,000
Other Distribution Revenue	\$610,833		\$100,000	\$710,833		\$0	\$710,833
Other Income and Deductions	\$1,049,998		\$0	\$1,049,998		\$0	\$1,049,998
Total Revenue Offsets	\$2,207,201	(7)	\$100,000	\$2,307,201		\$0	\$2,307,201
Operating Expenses:							
OM+A Expenses	\$16,404,861		(\$1,174,000)	\$ 15,230,861			\$15,230,861
Depreciation/Amortization	\$5,751,746		(\$6,562)	\$ 5,745,184			\$5,745,184
Property taxes	\$335,074		\$ -	\$ 335,074			\$335,074
Other expenses							
3 Taxes/PILs							
Taxable Income:							
Adjustments required to arrive at taxable income	(\$2,652,036)	(3)		(\$2,893,294)			(\$2,893,294)
Utility Income Taxes and Rates:							
Income taxes (not grossed up)	\$671,671			\$526,697			\$526,697
Income taxes (grossed up)	\$901,253			\$716,594			\$716,594
Federal tax (%)	15.00%			15.00%			15.00%
Provincial tax (%)	10.47%			11.50%			11.50%
Income Tax Credits	(\$197,000)			(\$199,000)			(\$199,000)
4 Capitalization/Cost of Capital							
Capital Structure:							
Long-term debt Capitalization Ratio (%)	56.0%			56.0%			56.0%
Short-term debt Capitalization Ratio (%)	4.0%	(8)		4.0%	(8)		4.0% (8)
Common Equity Capitalization Ratio (%)	40.0%			40.0%			40.0%
Preferred Shares Capitalization Ratio (%)							
	100.0%			100.0%			100.0%
Cost of Capital							
Long-term debt Cost Rate (%)	5.18%			5.02%			5.02%
Short-term debt Cost Rate (%)	2.16%			2.16%			2.16%
Common Equity Cost Rate (%)	9.30%			9.30%			9.30%
Preferred Shares Cost Rate (%)							

Notes:

General

Data inputs are required on Sheets 3. Data from Sheet 3 will automatically complete calculations on sheets 4 through 9 (Rate Base through Revenue Requirement). Sheets 4 through 9 do not require any inputs except for notes that the Applicant may wish to enter to support the results. Pale green cells are available on sheets 4 through 9 to enter both footnotes beside key cells and the related text for the notes at the bottom of each sheet.

- (1) All inputs are in dollars (\$) except where inputs are individually identified as percentages (%)
- Data in column E is for Application as originally filed. For updated revenue requirement as a result of interrogatory responses, technical or settlement conferences, etc., use column M and Adjustments in column I
- (3) Net of addbacks and deductions to arrive at taxable income.
- (4) Average of Gross Fixed Assets at beginning and end of the Test Year
- (5) Average of Accumulated Depreciation at the beginning and end of the Test Year. Enter as a negative amount.
- (6) Select option from drop-down list by clicking on cell M10. This column allows for the application update reflecting the end of discovery or Argument-in-Chief. Also, the outcome of any Settlement Process can be reflected.
- (7) Input total revenue offsets for deriving the base revenue requirement from the service revenue requirement
- (8) 4.0% unless an Applicant has proposed or been approved for another amount.
- (9) Starting with 2013, default Working Capital Allowance factor is 13% (of Cost of Power plus controllable expenses). Alternatively, WCA factor based on lead-lag study or approved WCA factor for another distributor, with supporting rationale.



Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2015 Filers

Rate Base and Working Capital

Line No.	Particulars		Initial Application	Adjustments	Application Update	Adjustments	Per Board Decision
1	Gross Fixed Assets (average)	(3)	\$169,552,260	(\$245,025)	\$169,307,235	\$ -	\$169,307,235
2	Accumulated Depreciation (average)	(3)	(\$35,695,380)	\$17,754	(\$35,677,626)	\$ -	(\$35,677,626)
3	Net Fixed Assets (average)	(3)	\$133,856,880	(\$227,271)	\$133,629,609	\$ -	\$133,629,609
4	Allowance for Working Capital	(1)	\$29,103,222	(\$11,341,102)	\$17,762,121	\$ -	\$17,762,121
5	Total Rate Base		\$162,960,102	(\$11,568,372)	\$151,391,730	\$ -	\$151,391,730

(1) Allowance for Working Capital - Derivation

6	Controllable Expenses		\$16,189,495	(\$829,908)	\$15,359,587	\$ -	\$15,359,587
7	Cost of Power		\$207,681,446	\$13,787,243	\$221,468,688	\$ -	\$221,468,688
8	Working Capital Base		\$223,870,940	\$12,957,335	\$236,828,275	\$ -	\$236,828,275
9	Working Capital Rate %	(2)	13.00%	-5.50%	7.50%	0.00%	7.50%
10	Working Capital Allowance		\$29,103,222	(\$11,341,102)	\$17,762,121	\$ -	\$17,762,121

Notes

- (2) Some Applicants may have a unique rate as a result of a lead-lag study. The default rate for 2014 cost of service applications is 13%.
- (3) Average of opening and closing balances for the year.



Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2015 Filers

Utility Income

Line No.	Particulars	Initial Application	Adjustments	Application Update	Adjustments	Per Board Decision
	Operating Revenues:					
1	Distribution Revenue (at Proposed Rates)	\$32,112,227	(\$2,370,896)	\$29,741,331	\$ -	\$29,741,331
2	Other Revenue (1)	\$2,207,201	\$100,000	\$2,307,201	\$ -	\$2,307,201
3	Total Operating Revenues	\$34,319,428	(\$2,270,896)	\$32,048,532	\$ -	\$32,048,532
	Operating Expenses:					
4	OM+A Expenses	\$16,404,861	(\$1,174,000)	\$15,230,861	\$ -	\$15,230,861
5	Depreciation/Amortization	\$5,751,746	(\$6,562)	\$5,745,184	\$ -	\$5,745,184
6	Property taxes	\$335,074	\$ -	\$335,074	\$ -	\$335,074
7	Capital taxes	\$ -	\$ -	\$ -	\$ -	\$ -
8	Other expense	\$ -	\$ -	\$ -	\$ -	\$ -
9	Subtotal (lines 4 to 8)	\$22,491,681	(\$1,180,562)	\$21,311,118	\$ -	\$21,311,118
10	Deemed Interest Expense	\$4,864,378	(\$475,331)	\$4,389,047	\$ -	\$4,389,047
11	Total Expenses (lines 9 to 10)	\$27,356,059	(\$1,655,894)	\$25,700,165	\$ -	\$25,700,165
12	Utility income before income taxes	\$6,963,369	(\$615,002)	\$6,348,367	\$ -	\$6,348,367
13	Income taxes (grossed-up)	\$901,253	(\$184,659)	\$716,594	\$ -	\$716,594
14	Utility net income	\$6,062,116	(\$430,343)	\$5,631,772	\$ -	\$5,631,772

Notes

Other Revenues / Revenue Offsets

(1)	Specific Service Charges	\$426,370	\$ -	\$426,370	\$ -	\$426,370
	Late Payment Charges	\$120,000	\$ -	\$120,000	\$ -	\$120,000
	Other Distribution Revenue	\$610,833	\$100,000	\$710,833	\$ -	\$710,833
	Other Income and Deductions	\$1,049,998	\$ -	\$1,049,998	\$ -	\$1,049,998
	Total Revenue Offsets	\$2,207,201	\$100,000	\$2,307,201	\$ -	\$2,307,201



Revenue Requirement Workform (RRWF) for 2015 Filers

Taxes/PILs

Line No.	Particulars	Application	Application Update	Per Board Decision
<u>Determination of Taxable Income</u>				
1	Utility net income before taxes	\$6,062,116	\$5,631,772	\$5,631,772
2	Adjustments required to arrive at taxable utility income	(\$2,652,036)	(\$2,893,294)	(\$2,893,294)
3	Taxable income	<u>\$3,410,080</u>	<u>\$2,738,478</u>	<u>\$2,738,478</u>
<u>Calculation of Utility income Taxes</u>				
4	Income taxes	<u>\$671,671</u>	<u>\$526,697</u>	<u>\$526,697</u>
6	Total taxes	<u>\$671,671</u>	<u>\$526,697</u>	<u>\$526,697</u>
7	Gross-up of Income Taxes	<u>\$229,582</u>	<u>\$189,897</u>	<u>\$189,897</u>
8	Grossed-up Income Taxes	<u>\$901,253</u>	<u>\$716,594</u>	<u>\$716,594</u>
9	PILs / tax Allowance (Grossed-up Income taxes + Capital taxes)	<u>\$901,253</u>	<u>\$716,594</u>	<u>\$716,594</u>
10	Other tax Credits	(\$197,000)	(\$199,000)	(\$199,000)
<u>Tax Rates</u>				
11	Federal tax (%)	15.00%	15.00%	15.00%
12	Provincial tax (%)	10.47%	11.50%	11.50%
13	Total tax rate (%)	<u>25.47%</u>	<u>26.50%</u>	<u>26.50%</u>

Notes



Revenue Requirement Workform (RRWF) for 2015 Filers

Capitalization/Cost of Capital

Line No.	Particulars	Capitalization Ratio		Cost Rate		Return
		Initial Application				
		(%)	(\$)	(%)		(\$)
	Debt					
1	Long-term Debt	56.00%	\$91,257,657	5.18%		\$4,723,581
2	Short-term Debt	4.00%	\$6,518,404	2.16%		\$140,798
3	Total Debt	60.00%	\$97,776,061	4.98%		\$4,864,378
	Equity					
4	Common Equity	40.00%	\$65,184,041	9.30%		\$6,062,116
5	Preferred Shares	0.00%	\$ -	0.00%		\$ -
6	Total Equity	40.00%	\$65,184,041	9.30%		\$6,062,116
7	Total	100.00%	\$162,960,102	6.71%		\$10,926,494
		Application Update				
		(%)	(\$)	(%)		(\$)
	Debt					
1	Long-term Debt	56.00%	\$84,779,369	5.02%		\$4,258,245
2	Short-term Debt	4.00%	\$6,055,669	2.16%		\$130,802
3	Total Debt	60.00%	\$90,835,038	4.83%		\$4,389,047
	Equity					
4	Common Equity	40.00%	\$60,556,692	9.30%		\$5,631,772
5	Preferred Shares	0.00%	\$ -	0.00%		\$ -
6	Total Equity	40.00%	\$60,556,692	9.30%		\$5,631,772
7	Total	100.00%	\$151,391,730	6.62%		\$10,020,819
		Per Board Decision				
		(%)	(\$)	(%)		(\$)
	Debt					
8	Long-term Debt	56.00%	\$84,779,369	5.02%		\$4,258,245
9	Short-term Debt	4.00%	\$6,055,669	2.16%		\$130,802
10	Total Debt	60.00%	\$90,835,038	4.83%		\$4,389,047
	Equity					
11	Common Equity	40.00%	\$60,556,692	9.30%		\$5,631,772
12	Preferred Shares	0.00%	\$ -	0.00%		\$ -
13	Total Equity	40.00%	\$60,556,692	9.30%		\$5,631,772
14	Total	100.00%	\$151,391,730	6.62%		\$10,020,819

Notes

(1)

Data in column E is for Application as originally filed. For updated revenue requirement as a result of interrogatory responses, technical or settlement conferences, etc., use column M and Adjustments in column I



Revenue Requirement Workform (RRWF) for 2015 Filers

Revenue Deficiency/Sufficiency

Line No.	Particulars	Initial Application		Application Update		Per Board Decision	
		At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates
1	Revenue Deficiency from Below		\$4,084,908		\$1,580,542		\$1,580,542
2	Distribution Revenue	\$28,027,320	\$28,027,320	\$28,160,789	\$28,160,789	\$28,160,789	\$28,160,789
3	Other Operating Revenue	\$2,207,201	\$2,207,201	\$2,307,201	\$2,307,201	\$2,307,201	\$2,307,201
	Offsets - net						
4	Total Revenue	\$30,234,520	\$34,319,428	\$30,467,990	\$32,048,532	\$30,467,990	\$32,048,532
5	Operating Expenses	\$22,491,681	\$22,491,681	\$21,311,118	\$21,311,118	\$21,311,118	\$21,311,118
6	Deemed Interest Expense	\$4,864,378	\$4,864,378	\$4,389,047	\$4,389,047	\$4,389,047	\$4,389,047
8	Total Cost and Expenses	\$27,356,059	\$27,356,059	\$25,700,165	\$25,700,165	\$25,700,165	\$25,700,165
9	Utility Income Before Income Taxes	\$2,878,461	\$6,963,369	\$4,767,824	\$6,348,367	\$4,767,824	\$6,348,367
10	Tax Adjustments to Accounting Income per 2013 PILs model	(\$2,652,036)	(\$2,652,036)	(\$2,893,294)	(\$2,893,294)	(\$2,893,294)	(\$2,893,294)
11	Taxable Income	\$226,426	\$4,311,333	\$1,874,530	\$3,455,072	\$1,874,530	\$3,455,072
12	Income Tax Rate	25.47%	25.47%	26.50%	26.50%	26.50%	26.50%
13	Income Tax on Taxable Income	\$57,679	\$1,098,253	\$496,751	\$915,594	\$496,751	\$915,594
14	Income Tax Credits	(\$197,000)	(\$197,000)	(\$199,000)	(\$199,000)	(\$199,000)	(\$199,000)
15	Utility Net Income	\$3,017,783	\$6,062,116	\$4,470,074	\$5,631,772	\$4,470,074	\$5,631,772
16	Utility Rate Base	\$162,960,102	\$162,960,102	\$151,391,730	\$151,391,730	\$151,391,730	\$151,391,730
17	Deemed Equity Portion of Rate Base	\$65,184,041	\$65,184,041	\$60,556,692	\$60,556,692	\$60,556,692	\$60,556,692
18	Income/(Equity Portion of Rate Base)	4.63%	9.30%	7.38%	9.30%	7.38%	9.30%
19	Target Return - Equity on Rate Base	9.30%	9.30%	9.30%	9.30%	9.30%	9.30%
20	Deficiency/Sufficiency in Return on Equity	-4.67%	0.00%	-1.92%	0.00%	-1.92%	0.00%
21	Indicated Rate of Return	4.84%	6.71%	5.85%	6.62%	5.85%	6.62%
22	Requested Rate of Return on Rate Base	6.71%	6.71%	6.62%	6.62%	6.62%	6.62%
23	Deficiency/Sufficiency in Rate of Return	-1.87%	0.00%	-0.77%	0.00%	-0.77%	0.00%
24	Target Return on Equity	\$6,062,116	\$6,062,116	\$5,631,772	\$5,631,772	\$5,631,772	\$5,631,772
25	Revenue Deficiency/(Sufficiency)	\$3,044,333	\$ -	\$1,161,699	\$ -	\$1,161,699	\$ -
26	Gross Revenue Deficiency/(Sufficiency)	\$4,084,908 (1)		\$1,580,542 (1)		\$1,580,542 (1)	

Notes:

(1) Revenue Deficiency/Sufficiency divided by (1 - Tax Rate)



Revenue Requirement Workform (RRWF) for 2015 Filers

Revenue Requirement

Line No.	Particulars	Application	Application Update	Per Board Decision
1	OM&A Expenses	\$16,404,861	\$15,230,861	\$15,230,861
2	Amortization/Depreciation	\$5,751,746	\$5,745,184	\$5,745,184
3	Property Taxes	\$335,074	\$335,074	\$335,074
5	Income Taxes (Grossed up)	\$901,253	\$716,594	\$716,594
6	Other Expenses	\$ -		
7	Return			
	Deemed Interest Expense	\$4,864,378	\$4,389,047	\$4,389,047
	Return on Deemed Equity	\$6,062,116	\$5,631,772	\$5,631,772
8	Service Revenue Requirement (before Revenues)	<u>\$34,319,428</u>	<u>\$32,048,532</u>	<u>\$32,048,532</u>
9	Revenue Offsets	\$2,207,201	\$2,307,201	\$2,307,201
10	Base Revenue Requirement (excluding Tranformer Owership Allowance credit adjustment)	<u>\$32,112,227</u>	<u>\$29,741,331</u>	<u>\$29,741,331</u>
11	Distribution revenue	\$32,112,227	\$29,741,331	\$29,741,331
12	Other revenue	\$2,207,201	\$2,307,201	\$2,307,201
13	Total revenue	<u>\$34,319,428</u>	<u>\$32,048,532</u>	<u>\$32,048,532</u>
14	Difference (Total Revenue Less Distribution Revenue Requirement before Revenues)	<u>\$ - (1)</u>	<u>\$ - (1)</u>	<u>\$ - (1)</u>

Notes

(1) Line 11 - Line 8



Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2015 Filers

Tracking Form

The last row shown is the most current estimate of the cost of service data reflecting the original application and any updates provided by the applicant distributor (for updated evidence, responses to interrogatories, undertakings, etc.)

Please ensure a Reference (Column B) and/or Item Description (Column C) is entered. Please note that unused rows will automatically be hidden and the PRINT AREA set when the PRINT BUTTON on Sheet 1 is activated.

⁽¹⁾ Short reference to evidence material (interrogatory response, undertaking, exhibit number, Board Decision, Code, Guideline, Report of the Board, etc.)

⁽²⁾ Short description of change, issue, etc.

60 Tracking Rows have been provided below. If you require more, please contact Industry Relations @ IndustryRelations@ontarioenergyboard.ca.

Summary of Proposed Changes

Reference ⁽¹⁾	Item / Description ⁽²⁾	Cost of Capital		Rate Base and Capital Expenditures			Operating Expenses			Revenue Requirement			
		Regulated Return on Capital	Regulated Rate of Return	Rate Base	Working Capital	Working Capital Allowance (\$)	Amortization / Depreciation	Taxes/PILs	OM&A	Service Revenue Requirement	Other Revenues	Base Revenue Requirement	Grossed up Revenue Deficiency / Sufficiency
	Original Application	\$ 10,926,494	6.71%	\$ 162,960,102	\$ 223,870,940	\$ 29,103,222	\$ 5,751,746	\$ 901,253	\$ 16,404,861	\$ 34,319,428	\$ 2,207,201	\$ 32,112,227	\$ 4,084,908
1	IR: 2-Energy Probe-16	WCA change from 13% to 7.5% - Lead-Lag Study	6.71%	\$ 150,647,201	\$ 223,870,940	\$ 16,790,321	\$ 5,751,746	\$ 736,809	\$ 16,404,861	\$ 33,329,403	\$ 2,207,201	\$ 31,122,202	\$ 3,094,882
	Change	\$ -	0.00%	\$ -12,312,902	\$ -	\$ -12,312,902	\$ -	\$ -164,444	\$ -	\$ -990,025	\$ -	\$ -990,025	\$ -990,025
2	IR: 2-Energy Probe-17	RPP and HOEP update to reflect the RPP Report dated April 20,2015, the HO Sub-transmission and Low Voltage rates (EB-2013-0416)	6.71%	\$ 150,867,729	\$ 226,811,319	\$ 17,010,849	\$ 5,751,746	\$ 739,753	\$ 16,404,861	\$ 33,347,132	\$ 2,207,201	\$ 31,139,932	\$ 3,112,612
	Change	\$ -810,795	0.00%	\$ 220,528	\$ 2,940,379	\$ 220,528	\$ -	\$ 2,943	\$ -	\$ 17,730	\$ -	\$ 17,730	\$ 17,730
3	IR: 4-Energy Probe-52-a)	CCA 2015 opening balance updated to reflect 2014 year actual	6.71%	\$ 150,867,729	\$ 226,811,319	\$ 17,010,849	\$ 5,751,746	\$ 726,204	\$ 16,404,861	\$ 33,333,583	\$ 2,207,201	\$ 31,126,383	\$ 3,099,063
	Change	\$ -	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -13,549	\$ -	\$ -13,549	\$ -	\$ -13,549	\$ -13,549
4	IR: 4-Energy Probe-50-a and b), 4-Energy Probe-49,	Correction of 2015 CCA additions	6.71%	\$ 150,867,729	\$ 226,811,319	\$ 17,010,849	\$ 5,751,746	\$ 633,726	\$ 16,404,861	\$ 33,241,106	\$ 2,207,201	\$ 31,033,905	\$ 3,006,586
	Change	\$ -	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -92,477	\$ -	\$ -92,477	\$ -	\$ -92,477	\$ -92,477
5	IR: 2-Energy Probe-10-a),b),c) and 4-Energy Probe-	Correction of 2015 CCA class from class 45 to class 50	6.71%	\$ 150,867,729	\$ 226,811,319	\$ 17,010,849	\$ 5,751,746	\$ 621,542	\$ 16,404,861	\$ 33,228,922	\$ 2,207,201	\$ 31,021,721	\$ 2,994,401
	Change	\$ -	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -12,184	\$ -	\$ -12,184	\$ -	\$ -12,184	\$ -12,184
6	IR: 4-Energy Probe-50-d)	Correction of 2015 CCA class from class 50 to class 47	6.71%	\$ 150,867,729	\$ 226,811,319	\$ 17,010,849	\$ 5,751,746	\$ 646,696	\$ 16,404,861	\$ 33,254,076	\$ 2,207,201	\$ 31,046,875	\$ 3,019,555
	Change	\$ -	0.00%	\$ -	\$ -	\$ -	\$ -	\$ 25,154	\$ -	\$ 25,154	\$ -	\$ 25,154	\$ 25,154
7	IR: 4-Energy Probe-47	Removal of Small Business tax credit	6.71%	\$ 150,867,729	\$ 226,811,319	\$ 17,010,849	\$ 5,751,746	\$ 705,717	\$ 16,404,861	\$ 33,313,097	\$ 2,207,201	\$ 31,105,896	\$ 3,078,577
	Change	\$ -	0.00%	\$ -	\$ -	\$ -	\$ -	\$ 59,021	\$ -	\$ 59,021	\$ -	\$ 59,021	\$ 59,021
8	IR: 4-Energy Probe-48-b) and c)	Revised Apprentice Tax calculation	6.71%	\$ 150,867,729	\$ 226,811,319	\$ 17,010,849	\$ 5,751,746	\$ 749,255	\$ 16,404,861	\$ 33,356,634	\$ 2,207,201	\$ 31,149,434	\$ 3,122,114
	Change	\$ -	0.00%	\$ -	\$ -	\$ -	\$ -	\$ 43,537	\$ -	\$ 43,537	\$ -	\$ 43,537	\$ 43,537
9	IR: 4-Energy Probe-51-a)	Correction of 2016 CCA class from class 45 to class 50	6.71%	\$ 150,867,729	\$ 226,811,319	\$ 17,010,849	\$ 5,751,746	\$ 740,295	\$ 16,404,861	\$ 33,347,675	\$ 2,207,201	\$ 31,140,474	\$ 3,113,154
	Change	\$ -	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -8,960	\$ -	\$ -8,960	\$ -	\$ -8,960	\$ -8,960
10	IR: 4-Energy Probe-51-b)	Correction of 2016 CCA class from class 50 to class 47	6.71%	\$ 150,867,729	\$ 226,811,319	\$ 17,010,849	\$ 5,751,746	\$ 759,359	\$ 16,404,861	\$ 33,366,739	\$ 2,207,201	\$ 31,159,538	\$ 3,132,218
	Change	\$ -	0.00%	\$ -	\$ -	\$ -	\$ -	\$ 19,064	\$ -	\$ 19,064	\$ -	\$ 19,064	\$ 19,064
11	IR: 1-Energy Probe-3-e)	Control Room Shared Services Revenue of \$100,000 booked in 4215 - Other utility Operating Income for 2016 Test Year	6.71%	\$ 150,867,729	\$ 226,811,319	\$ 17,010,849	\$ 5,751,746	\$ 759,359	\$ 16,404,861	\$ 33,366,739	\$ 2,307,201	\$ 31,059,538	\$ 3,032,218



Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2015 Filers

Tracking Form

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⁽²⁾ Short description of change, issue, etc.

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Summary of Proposed Changes

		Cost of Capital		Rate Base and Capital Expenditures			Operating Expenses			Revenue Requirement				
Reference ⁽¹⁾	Item / Description ⁽²⁾	Regulated Return on Capital	Regulated Rate of Return	Rate Base	Working Capital	Working Capital Allowance (\$)	Amortization / Depreciation	Taxes/PILs	OM&A	Service Revenue Requirement	Other Revenues	Base Revenue Requirement	Grossed up Revenue Deficiency / Sufficiency	
	Change	\$ -	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,000	-\$ 100,000	-\$ 100,000	
12	JT1.12	Correction of Global Adjustment to reflect the RPP Report dated April 20,2015, the HO Sub-transmission and Low Voltage rates (EB-2013-0416)	\$ 10,161,704	6.71%	\$ 151,553,848	\$ 235,959,576	\$ 17,696,968	\$ 5,751,746	\$ 768,561	\$ 16,404,861	\$ 33,421,945	\$ 2,307,201	\$ 31,114,745	\$ 3,087,425
	Change	\$ 46,004	0.00%	\$ 686,119	\$ 9,148,257	\$ 686,119	\$ 0	\$ 9,202	\$ -	\$ 55,207	\$ -	\$ 55,207	\$ 55,207	
13	JT1.11	Correction of the allocated depreciation in OM&A	\$ 10,163,434	6.71%	\$ 151,579,655	\$ 236,303,668	\$ 17,722,775	\$ 5,751,746	\$ 768,907	\$ 16,404,861	\$ 33,424,022	\$ 2,307,201	\$ 31,116,821	\$ 3,089,501
	Change	\$ 1,730	0.00%	\$ 25,807	\$ 344,092	\$ 25,807	\$ -	\$ 346	\$ -	\$ 2,076	\$ -	\$ 2,076	\$ 2,076	
14	2-SEC-19	Removal of Zigbee chip cost of (gross asset \$35,525 and depreciation \$9,473) recovered from the OPA	\$ 10,161,687	6.71%	\$ 151,553,603	\$ 236,303,668	\$ 17,722,775	\$ 5,751,746	\$ 768,558	\$ 16,404,861	\$ 33,421,926	\$ 2,307,201	\$ 31,114,725	\$ 3,087,405
	Change	-\$ 1,747	0.00%	-\$ 26,052	\$ -	\$ -	\$ -	-\$ 349	\$ -	-\$ 2,096	\$ -	-\$ 2,096	-\$ 2,096	
15	Settlement	Load Forecast changed by +14 GWh; Transformer Allowance changed to \$64,558 (8-Staff-58-b-iii)	\$ 10,170,229	6.71%	\$ 151,680,999	\$ 238,002,275	\$ 17,850,171	\$ 5,751,746	\$ 770,267	\$ 16,404,861	\$ 33,432,176	\$ 2,307,201	\$ 31,124,975	\$ 2,964,187
	Change	\$ 8,542	0.00%	\$ 127,396	\$ 1,698,607	\$ 127,396	\$ -	\$ 1,709	\$ -	\$ 10,251	\$ -	\$ 10,251	-\$ 123,219	
16	Settlement	\$500K gross asset (acc. 1808) and corresponding depreciation of \$5K for the new expansion of the building moved from 2015 FA Continuity Schedule to 2016 FA Cont. Schedule	\$ 10,153,969	6.71%	\$ 151,438,499	\$ 238,002,275	\$ 17,850,171	\$ 5,746,746	\$ 765,211	\$ 16,404,861	\$ 33,405,861	\$ 2,307,201	\$ 31,098,661	\$ 2,937,872
	Change	-\$ 16,260	0.00%	-\$ 242,500	\$ -	\$ -	-\$ 5,000	-\$ 5,055	\$ -	-\$ 26,315	\$ -	-\$ 26,315	-\$ 26,315	
17	Settlement	Adjustment of \$2,368.32 to 1860 depreciation for Zigbee Chip recovery	\$ 10,154,049	6.71%	\$ 151,439,683	\$ 238,002,275	\$ 17,850,171	\$ 5,744,378	\$ 764,373	\$ 16,404,861	\$ 33,402,734	\$ 2,307,201	\$ 31,095,534	\$ 2,934,745
	Change	\$ 79	0.00%	\$ 1,184	\$ -	\$ -	-\$ 2,368	-\$ 838	\$ -	-\$ 3,127	\$ -	-\$ 3,127	-\$ 3,127	
18	Settlement	Adjustment to apprentices tax credits following the settlement	\$ 10,154,049	6.71%	\$ 151,439,683	\$ 238,002,275	\$ 17,850,171	\$ 5,744,378	\$ 718,115	\$ 16,404,861	\$ 33,356,476	\$ 2,307,201	\$ 31,049,275	\$ 2,888,486
	Change	\$ -	0.00%	\$ -	\$ -	\$ -	\$ -	-\$ 46,259	\$ -	-\$ 46,259	\$ -	-\$ 46,259	-\$ 46,259	

Tracking Form

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