

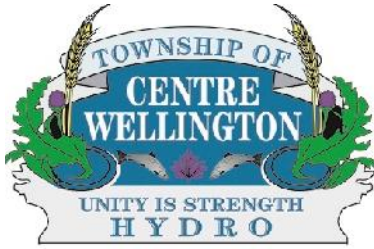
Center Wellington Hydro Ltd.

2016 IRM APPLICATION

EB-2015-0059

Submitted on: December 7, 2015

730 Gartshore St, PO Box 217
Fergus, ON
N1M 2W8



December 7, 2015

Ontario Energy Board P.O.
Box 2319 27th Floor
2300 Yonge Street Toronto,
Ontario M4P 1E4

Attention: Ms. Kirsten Walli, Board Secretary

Regarding: EB-2015-0059 2016 IRM Rate Application

Dear Ms. Walli,

Please find herein Centre Wellington Hydro response to interrogatories. Accompanying this document are the following models:

- OEB's revised IRM model;
- LRAMVA model and the utility's 2014 verified OPA (IESO) conservation results.
- Excel file used to calculate the 10th percentile
- 2014 Verified OPA/IESO results

We would be pleased to provide any further information or details that you may require relative to this application.

Yours truly,

Original Signed by:

Florence Thiessen, CPA CGA
Vice President / Treasurer
Centre Wellington Hydro Ltd.
Phone: 519 843-2900 Ext 225

**Centre Wellington Hydro Ltd.
EB-2015-0059
Board Staff Interrogatories**

Interrogatory #1

Ref: Managers Summary Page 14 – Shared Tax Savings

Ref: Rate Generator Model Tab 8 – Shared Tax Rate Rider

**Ref: Chapter 3 Filing Requirements for Electricity Distribution Rate Applications
3.2.7 Tax Changes**

Rate Class		Total kWh (most recent RRR filing)	Total kW (most recent RRR filing)	Allocation of Tax Savings by Rate Class	Distribution Rate Rider	
RESIDENTIAL SERVICE CLASSIFICATION	kWh	46,179,255		1,357	0.02	\$/customer
GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION	kWh	20,579,747		415	0.0000	kWh
GENERAL SERVICE 50 TO 2,999 KW SERVICE CLASSIFICATION	kW	58,374,224	154,260	531	0.0034	kW
GENERAL SERVICE 3,000 TO 4,999 KW SERVICE CLASSIFICATION	kW	18,461,823	43,263	38	0.0020	kW
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION	kWh	563,356		6	0.0000	kWh
SENTINEL LIGHTING SERVICE CLASSIFICATION	kW	39,274	109	1	0.0128	kW
STREET LIGHTING SERVICE CLASSIFICATION	kW	1,141,797	3,151	22	0.0070	kW
Total		145,339,016	200,783	\$2,420		

OEB staff notes there are insignificant rate riders in several rate classes for the Centre Wellington service territory. Please confirm if Centre Wellington wishes to transfer the tax sharing amount to Account 1595 for disposition at a future date due to insignificant rate riders.

Response:

Centre Wellington Hydro (CWH) agrees with Board Staff that several of the Shared Tax Rate Riders are insignificant and as such, should postpone the disposition to a future rate application.

Interrogatory #2

Ref: Tab 15 – Rev2Cost_GDPIPI

Ref: COS Decision EB-2012-0113

A) Table 1: A portion of Sheet 15 “Rev2Cost_GDPIPI” is reproduced below:

Price Escalator	2.10%	Productivity Factor	0.00%	# of Residential Customers	5,653	(last CoS Approved Billing Determinants)	
Choose Stretch Factor Group	III	Price Cap Index	1.80%	Billed kWh	146,259,161		
Associated Stretch Factor Value	0.30%			Rate Design Transition Years Left	8		
Rate Class	Current MFC	MFC Adjustment from R/C Model	Current Volumetric Charge	DVR Adjustment from R/C Model	Price Cap Index to be Applied to MFC and DVR	Proposed MFC	Proposed Volumetric Charge
RESIDENTIAL SERVICE CLASSIFICATION	15.63		0.0144		1.80%	15.75	0.0128
GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION	17.83		0.0186		1.80%	18.15	0.0189
GENERAL SERVICE 50 TO 2,599 KW SERVICE CLASSIFICATION	164.55		2.5883		1.80%	167.51	3.5529
GENERAL SERVICE 3,000 TO 4,999 KW SERVICE CLASSIFICATION	663.12		2.8306		1.80%	673.06	2.8816
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION	6.89		0.0105		1.80%	6.81	0.0107
SENTINEL LIGHTING SERVICE CLASSIFICATION	4.58		12.1056		1.80%	4.56	12.3235
STREET LIGHTING SERVICE CLASSIFICATION	1.87		5.0023		1.80%	1.90	5.1643
microFIT SERVICE CLASSIFICATION	5.40					5.40	
Rate Design Transition							
	Revenue from Rates	Current F/V Split	Decoupling MFC Split	Incremental Fixed Charge (\$/month/year)	New F/V Split	Adjusted Rates ¹	Revenue at New F/V Split
Current Residential Fixed Rate (inclusive of R/C Adj.)	15.63	1,798,796	84.5%		42.5%	19.38	1,352,336
Current Residential Variable Rate (inclusive of R/C Adj.)	0.0144	2,106,132	65.7%	3.75	57.5%	0.0126	1,342,865
		3,204,858					3,205,202

1) OEB staff notes that Centre Wellington Hydro entered an amount of \$146,259,161 in cell F13.

- Please confirm that this amount match with the last CoS Approved Billing Determinants for Residential Customers.
- If the answer to a) is no, please provide the number and update the model accordingly.

Response:

The Billed kWh entered at Tab 15 was the total kWh (for all classes) approved in the 2013 Cost of Service. The utility should have instead used the consumption for the Residential class which was approved for 45,809,827 kWh. The model has been updated accordingly.

2) The table below from Centre Wellington's CoS Decision (EB-2012-0113) which identifies the fixed percentage of class revenues and volumetric percentages per class does not reconcile with the "Rev2Cost_GDPIPI" amounts.

Note: The fixed and volumetric percentages per class in worksheet "Rev2Cost_GDPIPI" are calculated by the model as such that the utility has no control over these calculations.

Customer Class	Fixed % of class revenues	Volumetric %	Volumetric Billing Determinant
Residential	62.88%	37.32%	kWh
GS < 50 kW	29.52%	70.48%	kWh
GS 50-2,999 kW	19.12%	80.88%	kW
GS 3,000-4,999 kW	8.77%	91.23%	kW
Streetlighting	57.76%	42.24%	kW
Sentinel Lighting	57.54%	42.46%	kW
USL	11.17%	88.83%	kWh

a) Please provide the historical data for Fixed and Volumetric percentage of residential class revenues since 2013.

Response:

The tables below show the historical data for 2013-2015

2015 IRM - taken from the Incentive Regulation Model for 2015 Filers - EB-2014-0062

Model generated figures for 2015.

Customer Class	Fixed % of class revenues	Volumetric %	Total	Volumetric Billing Determinant
Residential	62.52%	37.48%	100.00%	kWh
GS<50 kW	29.39%	70.61%	100.00%	kWh
GS 50-2,999 kW	17.79%	82.21%	100.00%	kW
GS 3,000-4,999 kW	6.99%	93.01%	100.00%	kW
Streetlighting	57.80%	42.24%	100.04%	kW
Sentinel Lighting	57.51%	42.49%	100.00%	kW
USL	11.15%	88.85%	100.00%	kWh

2014 IRM - No required in Incentive Regulation Model for 2014 Filers EB-2013-0118

Customer Class	Fixed % of class revenues	Volumetric %	Total	Volumetric Billing Determinant
Residential			0.00%	kWh
GS<50 kW			0.00%	kWh
GS 50-2,999 kW			0.00%	kW
GS 3,000-4,999 kW			0.00%	kW
Streetlighting			0.00%	kW
Sentinel Lighting			0.00%	kW
USL			0.00%	kWh

2013 Cost of Service - per CWH application - EB-2012-0013				
Customer Class	Fixed % of class revenues	Volumetric %	Total	Volumetric Billing Determinant
Residential	62.68%	37.32%	100.00%	kWh
GS<50 kW	29.52%	70.48%	100.00%	kWh
GS 50-2,999 kW	19.12%	80.88%	100.00%	kW
GS 3,000-4,999 kW	8.77%	91.23%	100.00%	kW
Streetlighting	57.76%	42.24%	100.00%	kW
Sentinel Lighting	57.54%	42.46%	100.00%	kW
USL	11.17%	88.83%	100.00%	kWh

2013 Cost of Service - Decision and Order May 23, 2013 EB-2012-0013				
Customer Class	Fixed % of class revenues	Volumetric %	Total	Volumetric Billing Determinant
Residential	62.88%	37.32%	100.20%	kWh
GS<50 kW	29.52%	70.48%	100.00%	kWh
GS 50-2,999 kW	19.12%	80.88%	100.00%	kW
GS 3,000-4,999 kW	8.77%	91.23%	100.00%	kW
Streetlighting	57.76%	42.24%	100.00%	kW
Sentinel Lighting	57.54%	42.46%	100.00%	kW
USL	11.17%	88.83%	100.00%	kWh

(Note: As shown in the tables above, the OEB's decision differed slightly from the approve draft rate order)

- b) Please compare and explain the difference between the two tables and update the model accordingly.

Response:

As explained above, the model has an embedded formula which calculates the Revenue to Cost ratios and the utility cannot update this value.

That said, the utility notes that with the updates to the model explained in response to the previous IR, the difference in the ratios from the Decision and the model are now marginal.

- c) Please provide the revised new Incremental Fixed Charge based on the new information.

Response:

The utility notes that with the updates to the model explained in response to the previous IR, the difference in the the approved R/C ratio and calculated R/C ratio is marginal.

Interrogatory #3

Ref: Section 10 of IRM Application, Table 4

Ref: LRAMVA Excel File (Tab 7, Table 7; and Tab 10, Table 11)

Ref: IRM RateGen Model Excel File (Tab 3, Continuity Schedule)

Ref: 2011-2014 Final Results Report Excel File (Tab: "LDC Results (net)")

- a. Please discuss the differences in the carrying charges requested for approval of \$530.60 (shown in Section 10 of IRM Application, Table 4) and \$736 (shown in Tab 3, "Continuity Schedule" of the IRM RateGen Model).

Response:

The CHEC group, which CWH is a part of, recently built an LRAMVA model which is more accurate and robust than excel tools used in the past. Now that the utility has started using the LRAMVA CHEC model, it found that LRAMVA calculations made prior to 2014 were incomplete and somewhat incorrect. Rather than change historical values in the IRM model (which would create discrepancies in the balances and its RRR filing), the utility opted to make the necessary adjustment in the current year (2014). Journal entries supporting balances from 2011 to 2014 (including the adjustments), are shown at Appendix A for these responses.

- b. Please explain why the demand response savings, both kW and kWh, for 2011 (shown in LRAMVA Excel File, Tab 7: "2011LostRev") are not included in the LRAMVA amount. There appears to be demand response savings in the 2011-2014 Final CDM Results Report (e.g., 16 kW and 622 kWh in 2011) that are shown in the 2011-2014 Final Results Report Excel File.

Response:

CWH has updated its model to reflect the OEB's methodology (as per decision EB-2013-0148 Lakefront Utilities Inc) of applying simple 5 months of peak demand to the DR3 program to the kW's awarded in the appropriate year's Final Verified CDM Results to determine the annual savings. The impact of \$80 was deemed immaterial.

- c. Please update the total LRAMVA request in Tab 10, Table 11 of the LRAMVA Excel File to include lost revenues in 2014 from all eligible programs (i.e. 2011-2014) and the associated carrying charges. Please rely on the 2011-2014 Final CDM Results provided by the IESO when making this update.

Response:

A revised LRAMVA model including lost revenues in 2014 from all eligible programs is being filed in conjunction with these responses. The utility is also filing a copy of its IESO/OPA 2014 verified results as supporting evidence.

The utility notes that it has not included these balances in the IRM model as they have not been audited by CWH's auditors.

Interrogatory #4

Ref: LRAMVA Excel File (tab: "3.0 LRAMVA Register")

Please reconcile the LRAM balances by rate class shown in the LRAM Excel File (shown in Tab 3, "3.0 LRAMVA Register") and the IRM RateGen Model (shown in Tab 4, "Billing Det. for Def-Var").

Response:
(see response to #3 a)

Interrogatory #5

Ref: Section 10 of IRM Application

Ref: LRAMVA Excel File (Tab 4.0 "Approved Load Forecast")

Ref: 2013 Cost of Service Decision (EB-2012-0113)

It appears from both the LRAMVA Excel File (Tab: 4.0 "Approved Load Forecast") and Centre Wellington's 2013 Cost of Service Decision (EB-2012-0113, Page 8) that CDM

savings were deducted from the approved load forecast in the 2013 year and have been accounted for in the current request for disposition. Please elaborate on the following statement in Section 10 of IRM Application: “None of the estimated CDM load reductions were factored into the load forecast underpinning Centre Wellington Hydro’s 2013 rates”.

Response:

In its 2013 Cost of Service application, the utility disposed of its “pre 2011” balances. The above statement means that the CDM savings from programs implemented in 2011 to 2014 were not factored in CWH’s 2013 Cost of Service application.

Interrogatory #6

Ref: LRAMVA Excel File (tab: “3.0 LRAMVA Register”)

Ref: 2015 IRM Decision (EB-2014-0062)

In Centre Wellington Hydro’s 2015 IRM Decision (EB-2014-0062), it was noted that the Township of Centre Wellington will be converting street lights to LED in the latter part of 2015. Please discuss if and when Centre Wellington Hydro expects any actual verified results related to the street light conversion program, particularly related to the rate classes that have forecasted savings: Unmetered Scattered Load, Sentinel Lighting and Street Lighting.

Response:

The Streetlights conversion project is currently underway. The utility expects that it will be completed by year end 2015. The utility does not expect to have IESO verified results until the fall of 2016 when the verified 2015 results are published.

Interrogatory #7

Ref: Section 10, (Excel File – Tab 6.0, Rates - Table 6)

Ref: 2012 Rate Order, EB-2011-0160

Centre Wellington Hydro has applied 2011 distribution rates to its lost revenues from May 1, 2011 to July 31, 2012 and 2012 distribution rates to its lost revenues from August 1, 2012 to June 30, 2013. Please provide the rationale for applying these time periods as opposed to the effective and implementation dates outlined in the rate order for 2012 (e.g., May 1st to April 30th) in EB-2011-0160.

Response:

As highlighted in the “print screen” below, the model calculates the loss revenue using the number of months for which the rates were in effect rather than applying a set of rates for the entire year.

Table 6 - Distribution Rates 

Rate Class	Billing Unit	2011	2012	2013	2014	May 1, 2010 to Apr 30, 2011	May 1, 2011 to July 31, 2012	Aug 1, 2012 to June 30, 2013	July 1, 2013 to Apr 30, 2014	May 1, 2014 to Apr 30, 2015
For "Calendar" rate year							2011	2012	2013	2014
Pro-ratio of Rates (months) - Period 1							4	7	6	4
Pro-ratio of Rates (months) - Period 2							8	5	6	8
Residential	kWh	0.0128	0.0127	0.0134	0.0141	0.0129	0.0127	0.0128	0.0140	0.0142
General Service < 50 kW	kWh	0.0160	0.0159	0.0171	0.0183	0.0161	0.0159	0.0160	0.0181	0.0184
General Service 50 to 2999 kW	kW	2.9517	2.9029	3.2039	3.5260	3.0657	2.8947	2.9144	3.4934	3.5423
General Service 3000 to 4999 kW	kW	2.4589	2.4657	2.6156	2.7814	2.4592	2.4587	2.4754	2.7557	2.7943
Unmetered Scattered Load	kWh	0.0241	0.0241	0.0173	0.0104	0.0244	0.0240	0.0242	0.0103	0.0104
Sentinel Lighting	kW	10.9614	11.7298	11.7807	11.8952	9.4907	11.6967	11.7762	11.7852	11.9502
Street Lighting	kW	19.5836	21.2994	15.0739	8.8459	16.2724	21.2392	21.3836	8.7641	8.8868
other	0									
other	0									
other	0									

References:
Decision & Orders relating to rates:

EB-2009-0218	EB-2010-0072	EB-2011-0160	EB-2013-0113	EB-2013-0118
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Updated to EB-2012-0052 (PILs)

Interrogatory # 8

Ref: Tab 3 – Continuity Schedule

Ref: IRM Decision EB-2010-0072

Ref: IRM Decision EB-2011-0160

Ref: COS Decision EB-2012-0113

Ref: IRM Decision EB-2014-0062

A) Table 1: A portion of Sheet 3 “Continuity Schedule” is reproduced below:

		2011							
Account Descriptions	Account Number	Opening Principal Amounts as of Jan-1-11	Transactions Debit / (Credit) during 2011 excluding interest and adjustments ²	Board Approved Disposition during 2011	Adjustments during 2011 other ³	Closing Principal Balance as of Dec-31-11	Opening Interest Amounts as of Jan-1-11	Interest Jan-1 to Dec-31-11	Board Approved Disposition during 2011
Group 1 Accounts									
LV Variance Account	1550	77,121	108,690	0,851		286,662	(637)	1,976	(730)
Small Metering Utility Charge Variance	1551								
RSVA - Wholesale Market Service Charge	1580	(214,237)	(103,288)	(10,306)		(327,831)	(3,601)	(3,881)	(2,745)
RSVA - Retail Transmission Network Charge	1584	(170,707)	(11,800)	(80,783)		(263,290)	(1,675)	(2,574)	(681)
RSVA - Retail Transmission Connection Charge	1586	(316,692)	(39,272)	(214,365)		(650,329)	(8,120)	(2,909)	(8,711)
RSVA - Power (Excluding Global Adjustment)	1588	231,184	(107,309)	136,717		159,592	17	2,910	2,930
RSVA - Global Adjustment	1588	(15,736)	(63,806)	(168,574)		(147,116)	(113)	2,911	(1,145)
Disposition and Recovery/Refund of Regulatory Balances (2008) ⁴	1595_(2008)	0				0			
Disposition and Recovery/Refund of Regulatory Balances (2009) ⁴	1595_(2009)	(638,577)	311,422			(327,155)	(11,030)	(9,030)	
Disposition and Recovery/Refund of Regulatory Balances (2010) ⁴	1595_(2010)	(312,293)	253,536			(58,757)	(2,341)	(3,361)	
Disposition and Recovery/Refund of Regulatory Balances (2011) ⁴	1595_(2011)		289,837	387,667		(104,730)		(2,371)	
Disposition and Recovery/Refund of Regulatory Balances (2012) ⁴	1595_(2012)					0			
Disposition and Recovery/Refund of Regulatory Balances (2013) ⁴	1595_(2013)					0			
Disposition and Recovery/Refund of Regulatory Balances (2014) ⁴	1595_(2014)					0			
No future disposition of future rate relief has occurred and no future disposition has been anticipated.									

OEB staff notes that Centre Wellington Hydro entered an amount of \$ 387,667 in cell G34 and no amount in cell L34, indicating the disposition of the balance in account 1595 (2011) during the 2011 rate year.

The table below from Centre Wellington's IRM Decision (EB-2010-0072) which identifies the principal and interest amounts approved for disposition does not reconcile with the "Continuity Schedule" amounts. Please explain the difference between the two tables and update the model accordingly.

Table 3 – Deferral and Variance account Balances

Account Description	Account Number	Principal Amounts A	Interest Amounts B	Total Claim C = A + B
LV Variance Account	1550	6,851	(730)	6,121
RSVA - Wholesale Market Service Charge	1580	(45,356)	(2,745)	(48,101)
RSVA - Retail Transmission Network Charge	1584	(60,763)	(681)	(61,444)
RSVA - Retail Transmission Connection Charge	1586	(245,365)	(8,471)	(253,836)
RSVA - Power (Excluding Global Adjustment)	1588	136,717	2,930	139,647
RSVA - Power (Global Adjustment Sub-account)	1588	(168,574)	(1,345)	(169,919)
Recovery of Regulatory Asset Balances	1590	0	(113)	(113)
		<u>(376,490)</u>	<u>(11,155)</u>	<u>(387,644)</u>

Response:

The disposal of the principal and interest were both shown in cell G34 for a combined amount of \$387,667. (The difference between \$387,667 and \$387,644 was due to rounding.)

The model filed with these responses show the principle and interest recorded separately. The \$376,490, in cell G34, represents the principal amount being disposed of. The \$11,155 in cell L34, represents the interest being disposed of.

B) Table 2: A portion of Sheet 3 “Continuity Schedule” is reproduced below:

		2012		
Account Descriptions	Account Number	Board Approved Disposition during 2012	Adjustments during 2012 - other ¹	Closing Principal Balance as of Dec-31-12 Ar
Group 1 Accounts				
LV Variance Account	1550			393,368
Smart Metering Entry Charge Variance	1551			
RSVA - Wholesale Market Service Charge	1580			(545,491)
RSVA - Retail Transmission Network Charge	1584			(144,042)
RSVA - Retail Transmission Connection Charge	1586			(109,775)
RSVA - Power (excluding Global Adjustment)	1588			32,923
RSVA - Global Adjustment	1589			170,132
Disposition and Recovery/Refund of Regulatory Balances (2008) ⁴	1595_(2008)			0
Disposition and Recovery/Refund of Regulatory Balances (2009) ⁴	1595_(2009)			(51,141)
Disposition and Recovery/Refund of Regulatory Balances (2010) ⁴	1595_(2010)			17,986
Disposition and Recovery/Refund of Regulatory Balances (2011) ⁴	1595_(2011)			14,249
Disposition and Recovery/Refund of Regulatory Balances (2012) ⁴	1595_(2012)	265,292		(203,075)
Disposition and Recovery/Refund of Regulatory Balances (2013) ⁴	1595_(2013)			0
Disposition and Recovery/Refund of Regulatory Balances (2014) ⁴				

OEB staff notes that Centre Wellington Hydro entered an amount of \$265,292 in cell Q35 indicating the disposition of these balances in account 1595 (2012) during the 2012 rate year. In the IRM decision EB-2011-0160 the OEB found that no disposition of Group DVA 1 account balances was required at that time.

- Please confirm if Centre Wellington concurs with OEB staff. If yes, please update the model accordingly.
- If the answer to a) is no, please provide an explanation.

Response:

CWH does not concur with the OEB finding. CWH notes that the amounts were incorrectly recorded in that they were not split between principal and interest. The intent of the entry was to record the disposition of account 1562-Deferred Payment in Lieu of Taxes (“Deferred PILs”) as set out in Decision and Final Rate Order dated July 26, 2012 EB-2012-0052 and the transfer of the balance in account 1521 to account 1595 as directed.

The amounts for 2012 should be as reflected in the below table:

Disposal of PILS (1562) and SPC (1521) to account 1595					
For the year 2012					
	Principal	Interest	Carrying Charges	Rate Rider	31 Dec 2012 Year End Balance
EB-2012-0052 (PILs 1562)	- 226,603.27	- 41,048.73	- 993.80	62,217.17	- 206,428.63
EB-2011-0160 (SPC 1521)	1,987.20	372.36	17.12		2,376.68
Totals	- 224,616.07	- 40,676.37	- 976.68	62,217.17	- 204,051.95

C) Table 3: A portion of Sheet 3 “Continuity Schedule” is reproduced below:

		2013				
Account Descriptions	Account Number	Board Approved Disposition during 2013	Adjustments during 2013 other ¹	Closing Principal Balance as of Dec 31 13	Opening Interest Amounts as of Jan 1 13	Interest Jan 1 to Dec 31 13
Group 1 Accounts						
LV Variance Account	1550	236,886		328,244	8,821	6,200
Smart Metering Entry Charge Variance	1551			9,009	0	77
RSWA - Wholesale Market Service Charge	1590	(337,169)		(323,636)	(11,105)	(6,177)
RSWA - Retail Transmission Network Charge	1594	(150,245)		59,463	(5,196)	9
RSWA - Retail Transmission Connection Charge	1596	(110,549)		5,204	(5,256)	(373)
RSWA - Power (excluding Global Adjustment)	1588	(12,843)		(136,231)	(1,531)	(817)
RSWA - Global Adjustment	1589	230,490		219,157	5,005	3,917
Disposition and Recovery/Refund of Regulatory Balances (2009) ⁴	159C_(2009)			0	0	
Disposition and Recovery/Refund of Regulatory Balances (2009) ⁴	159C_(2009)			42,960	(21,587)	(1,121)
Disposition and Recovery/Refund of Regulatory Balances (2010) ⁴	159C_(2010)	(3,930)		21,910	(5,962)	590
Disposition and Recovery/Refund of Regulatory Balances (2011) ⁴	159C_(2011)			11,350	(2,131)	161
Disposition and Recovery/Refund of Regulatory Balances (2012) ⁴	159C_(2012)			(50,426)	(977)	(1,318)
Disposition and Recovery/Refund of Regulatory Balances (2013) ⁴	159C_(2013)	110,410		(16,532)	0	(601)
Disposition and Recovery/Refund of Regulatory Balances (2014) ⁴						51

OEB staff notes that Centre Wellington Hydro entered an amount of \$ 110,410 in cell AA36 and \$51 in cell AF36, indicating the disposition of these balances in account 1595 (2013) during the 2013 rate year.

The table below from Centre Wellington’s IRM Decision (EB-2012-0113) which identifies the principal and interest amounts approved for disposition does not reconcile with these amounts. Please explain the difference between the two tables and update the model accordingly.

Account Description	Account Number	Total Claim (\$)
LV Variance Account	1550	243,561
RSVA – Wholesale Market Service Charge	1580	(348,494)
RSVA – Retail Transmission Network Charge	1584	(156,146)
RSVA – Retail Transmission Connection Charge	1586	(116,294)
RSVA – Power (Excluding Global Adjustment)	1588	(13,987)
RSVA – Power (Global Adjustment sub-account)	1588	244,428
Recovery of Regulatory Asset Balances – Shared Taxes	1595	(4,054)
Total Group 1		(150,987)
Other Regulatory Assets	1508	81,797
Retail Cost Variance Account – Retail	1518	26,232
Retail Cost Variance Account – STR	1548	812
RSVA – One Time	1582	21,460
PILs and Tax Variance – Sub-Account HST/OVAT ITCs	1592	(20,017)
Total Group 2		110,283
Total (Group 1 and Group 2)		(40,703)

Response:

Cell AA36 should read \$103,695.42 not \$110,409.80 and cell AF36 should read \$6,714.38 not \$51.00. CWH confirms that the original amount in cell AA36 included both the principal and interest being disposed of as directed in the Decision and Rate order. The model filed in conjunction with these responses shows the revised values.

Total Group 1 & 2 variance account disposed of was \$116,406.90 instead of \$40,703. The difference is the result of 1508 Deferral account for IFRS Transition Costs in the amount of \$75,704.02 (principal \$73,468.20, interest \$2,235.82) were not disposed of because OEB direction on page 16 of the Decision and Order dated May 28, 2013 stated that “Board staff and VECC agreed with CWH’s proposal except for Account 1508, sub-account Deferred IFRS Transition Costs”. The amount in the Group 2 Deferral and Variance table above of \$81,797 included IFRS principal of \$73,468.20 and Interest forecasted to April 30, 2013 of \$2,235.82 for a total amount of \$75,704.02.

The model filed in conjunction with these responses also shows these revised values.

D) Table 3: A portion of Sheet 3 “Continuity Schedule” is reproduced below:

		2014					
Account Descriptions	Account Number	Opening Principal Amounts as of Jan-1-14	Transactions Debit / (Credit) during 2014 excluding Interest and adjustments ²	Revised Approved Disposition during 2014	Adjustments during 2014 - other ¹	Closing Principal Balance as of Dec-31-14	Opening Interest Amounts as of Jan-1-14
Group 1 Accounts							
LV Variance Account	1550	328,244	85,242			413,485	5,125
Smart Metering Entity Charge Variance	1551	9,009	(1,001)			7,988	77
RSVA - Wholesale Market Service Charge	1580	(323,039)	(177,005)			(500,043)	(6,036)
RSVA - Retail Transmission Network Charge	1584	58,463	(95,476)			(4,014)	711
RSVA - Retail Transmission Connection Charge	1586	6,204	(54,191)			(47,987)	114
RSVA - Power (excluding Global Adjustment)	1588	(136,231)	88,081			(48,150)	(1,203)
RSVA - Global Adjustment	1589	219,157	189,407			408,564	2,458
Disposition and Recovery/Refund of Regulatory Balances (2009) ³	1595_(2009)	0				0	0
Disposition and Recovery/Refund of Regulatory Balances (2009) ³	1595_(2009)	42,950				42,950	(25,408)
Disposition and Recovery/Refund of Regulatory Balances (2010) ³	1595_(2010)	21,916				21,916	332
Disposition and Recovery/Refund of Regulatory Balances (2011) ³	1595_(2011)	14,336				14,336	(2,002)
Disposition and Recovery/Refund of Regulatory Balances (2012) ³	1595_(2012)	2,360	53,651			56,011	93
Disposition and Recovery/Refund of Regulatory Balances (2013) ³	1595_(2013)	(46,532)	47,339			787	(712)
Disposition and Recovery/Refund of Regulatory Balances (2014) ³							

The table below from Centre Wellington's IRM Decision (EB-2014-0062) which identifies the principal and interest amounts approved for disposition does not reconcile with the "Continuity Schedule".

Group 1 Deferral and Variance Account Balances

Account Name	Account Number	Principal Balance (\$) A	Interest Balance (\$) B	Total Claim (\$) C = A + B
LV Variance Account	1550	328,244	11,559	339,803
Smart Meter Entity Variance Charge	1551	9,009	253	9,262
RSVA - Wholesale Market Service Charge	1580	(323,839)	(12,383)	(336,222)
RSVA - Retail Transmission Network Charge	1584	58,463	1,857	60,321
RSVA - Retail Transmission Connection Charge	1586	6,204	235	6,440
RSVA - Power	1588	(136,231)	(3,873)	(140,104)
RSVA - Global Adjustment	1589	219,157	6,753	225,911
Disposition and Recovery of Regulatory Balances (2009)	1595	42,950	(24,866)	18,084
Disposition and Recovery of Regulatory Balances (2010)	1595	21,916	(4,813)	17,103
Disposition and Recovery of Regulatory Balances (2011)	1595	14,336	(2,002)	12,334
Disposition and Recovery of Regulatory Balances (2012)	1595	2,360	93	2,452
Total Group 1 Excluding Global Adjustment – Account 1589		23,412	(33,940)	(10,527)
Total Group 1		242,570	(27,186)	215,383

a) Please explain the difference between the two tables

- b) Please confirm that Centre Wellington agrees that the above amounts should be recorded in columns AK and AP as Principal and Interest respectively and update the model accordingly.
- c) If the answer to a) is no, please provide an explanation.

Response:

The deferral and variance accounts disposals shown in the IRM EB-2014-0062 Decision and Rate Order Dated March 19, 2015 applies to 2015 and, therefore, was not included in the schedule provided above for 2014 year.

The IRM EB-2013-0118 Decision and Rate order dated March 13, 2014 for 2014 rates did not have any disposal of Group 1 deferral and variance accounts did not meet the pre-set disposition threshold of \$.0001 per kWh.

Interrogatory # 9

Following publication of the Notice of Application, the OEB received a letter of comment from Mrs. Mary Dunlop. Distributors are expected to file with the OEB their response to the matters raised within any letters of comment sent to the OEB related to the distributor's application. If the applicant has not received a copy of the letter, they may be accessed from the public record for this proceeding.

Please file a response to the matters raised in the letter of comment referenced above. Going forward, please ensure that responses are filed to any subsequent letters that may be submitted in this proceeding. All responses must be filed before the argument (submission) phase of this proceeding.

Response: The response letter to Mrs Dunlop is presented at Appendix B

EB-2015-0059

Centre Wellington Hydro Ltd. (Centre Wellington)

**Application for electricity distribution rates and other charges
effective May 1, 2016.**

Interrogatories of the Vulnerable Energy Consumers Coalition

Shift to Fixed Rates

Interrogatory #1

Ref: Section 6. Rate Design for Residential Electricity Page 9

Preamble: Centre Wellington plans to implement the first of eight yearly adjustments to its Monthly Fixed Charge.

a) Please provide the resulting Monthly Fixed Charge for a transition plan of four years.

Response: The Billed kWh entered at Tab 15, represented the total kWh approved in the 2013 Cost of Service rather than the Residential class only. The Billed kWh for the Residential Class was approved at 45,809,827 kWh. The model has been updated accordingly. In making the adjustment, the impact of the rate design was lessened and as such, the utility will implement the transition over 4 years.

b) Please provide the transition plan (# of years) for a Monthly Fixed Charge of \$4.00.

Response (see response above)

Interrogatory #2

Ref: Section 15. Bill Impacts Page 15

Please confirm the lowest 10th percentile of electricity consumption for Centre Wellington is 319 kWh.

Response: confirmed

Please provide the calculations used to derive the bill impacts in Table 7.

Response: As explained at section 15 of the application, the 10% percentile was calculated in the following manner;

1. The utility produced a report which included Residential Customer Number and
2. their Monthly Consumptions.
3. The report was then sorted by lowest to highest consumption.
4. The utility then calculated the 10th percentile by taking 10% of the customer
5. count (or number of records in the report), (e.g. 5267 customer = 526)
6. The utility then found the record at line 526 and this customer's consumption
7. became the "ceiling" for the lowest 10th percentile.
8. The report filtered out customers that had less than 12 months of consumption
9. and those that used less than 50 kWh per month.
10. Insert response.

The file used to calculate the 10th percentile is being filed along with these responses.

Interrogatory #3

Ref: Excel Model 2016_IRM_RateGen_ModelIV2_20150928, Sheet 18

- a) The Total Bill Impact for the Residential Class at 319 kWh consumption is 14.24%, which is greater than 10%. Please explain why Centre Wellington has not proposed a mitigation plan.

Response: With the changes explained in the response to IR #1, the bill impacts are all below 10%. As per instructed by Board Staff, the bill impacts presented at Table 7

below are calculated based on the dollar change in Sub-Total C – Delivery divided by total bill before tax and before OCEB at current rates. (see table below).

- b) Please reconcile the instructions provided by Board Staff regarding the calculation of bill impacts compared to the 14.24% total bill impact on Sheet 18 for Residential customers (319 kWh).

Response: the table below shows the revised bill impacts for all classes

RATE CLASSES / CATEGORIES (eg: Residential TOU, Residential Retailer)	Units	Bill Impacts
		%
RESIDENTIAL SERVICE - RPP	kWh	3.17%
GENERAL SERVICE LESS THAN 50 KW SERVICE - Non-RPP (Other)	kWh	-0.77%
GENERAL SERVICE 50 TO 2,999 KW SERVICE - Non-RPP (Other)	kW	-0.91%
GENERAL SERVICE 3,000 TO 4,999 KW SERVICE - Non-RPP (Other)	kW	-1.07%
UNMETERED SCATTERED LOAD SERVICE - Non-RPP (Other)	kWh	-0.57%
SENTINEL LIGHTING SERVICE- Non-RPP (Other)	kW	-0.61%
STREET LIGHTING SERVICE - Non-RPP (Other)	kW	-0.80%
RESIDENTIAL SERVICE - RPP	kWh	0.76%
RESIDENTIAL SERVICE - Non-RPP (Retailer)	kWh	0.02%
RESIDENTIAL SERVICE - Non-RPP (Retailer)	kWh	-0.96%

Insert response.

- c) Please discuss the circumstances that would give rise to a mitigation plan for the lowest 10th percentile of electricity consumption due to implementation of the fully fixed charge.

Response: With the changes to the model, a rate mitigation plan is no longer required

- d) Please update the live excel model to incorporate the following changes for the Residential Class (319 kWh):

- The planned elimination of the Debt Retirement Charge for 2016 at \$0.007/kWh
- The inclusion of the OCEB for 2015 along with its planned elimination in 2016 at 10% on total bill

The planned OESP charge to be implemented in 2016 – assume a charge of
\$0.00145/kWh

Response: The OEB's IRM model is locked therefore Board Staff will have to make the
necessary changes to the bill impact section of the model.

Appendix A

1568 Journal Entries

2012 Journal Entries

GL456 TRIAL BALANCE Period 01 to 13 January 01, 2012 Through December 31, 2012 Actual Expenditure Detail
Fund Sub Fund Rept.Code
Department Sub Dept. Dept.Func.

Dist. Code	Opening Balance	Transactions	Closing Balance
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Per	Date	Description	Reference #	Batch Sheet Seq.		
2	1568.200.242.100	LRAM DVA-Residential			0.00	
10	103112	LRAM-2011 AnnRpt Jul-Sept12	10JR04	8859 1 17		2,227.96
10	103112	LRAM-2011 Presisted Jul-Sept12	10JR04	8859 1 21		1,856.12
12	123112	Setup Revised LRAM-2011 CDM	12YE17	9225 1 8		2,227.96
12	123112	Rev Setup LRAM-2011 CDM	12YE17	9225 1 1		2,227.96-

						4,084.08
						4,084.08

Per	Date	Description	Reference #	Batch Sheet Seq.		
2	1568.200.242.101	OthRegAss-LRAM Res CChg			0.00	
10	103112	LRAM-2011 Cchg Jul-Sept12	10JR04	8859 1 25		5.10
11	113012	LRAM-2011 Cchg Nov12	11JR04	8861 1 17		4.93
12	123112	LRAM-2011 Cchg Dec12	12JR04	8860 1 17		5.10
12	123112	Setup Revised LRAM-2011 CChg	12YE17	9225 1 16		8.20
12	123112	Rev Setup LRAM-2011 CChg Oct12	12YE17	9225 1 5		5.10-

						18.23
						18.23

Per	Date	Description	Reference #	Batch Sheet Seq.		
2	1568.240.242.100	LRAM DVA-GS<50			0.00	
10	103112	LRAM-2011 AnnRpt Jul-Sept12	10JR04	8859 1 18		12,774.34
10	103112	LRAM-2011 Presisted Jul-Sept12	10JR04	8859 1 22		4,090.01
12	123112	Setup Revised LRAM-2011 CDM	12YE17	9225 1 9		2,196.97
12	123112	Rev Setup LRAM-2011 CDM	12YE17	9225 1 2		12,774.34-

						6,286.98
						6,286.98

Per	Date	Description	Reference #	Batch Sheet Seq.		
2	1568.240.242.101	OthRegAss-LRAM GS<50 CChg			0.00	
10	103112	LRAM-2011 Cchg Jul-Sept12	10JR04	8859 1 26		21.06
11	113012	LRAM-2011 Cchg Nov12	11JR04	8861 1 18		20.38
12	123112	LRAM-2011 Cchg Dec12	12JR04	8860 1 18		21.06

GL456 TRIAL BALANCE Period 01 to 13 January 01, 2012 Through December 31, 2012 Actual Expenditure Detail
Fund Sub Fund Rept.Code
Department Sub Dept. Dept.Func.

Dist. Code		Opening Balance	Transactions	Closing Balance
12 123112 Setup Revised LRAM-2011 CChg 12YE17	9225 1 17	8.07		
12 123112 Rev Setup LRAM-2011 CChg Oct12 12YE17	9225 1 6	21.06-		

			49.51	49.51

Per	Date	Description	Reference #	Batch Sheet Seq.		
2	1568.268.242.100	LRAM DVA-GS<1000			0.00	
12	123112 Setup Revised LRAM-2011 CDM	12YE17	9225 1 10	330.59		

				330.59		330.59

Per	Date	Description	Reference #	Batch Sheet Seq.		
2	1568.268.242.101	OthRegAss-LRAM GS<1000 CChg			0.00	
12	123112 Setup Revised LRAM-2011 CChg	12YE17	9225 1 18	1.20		

				1.20		1.20

Per	Date	Description	Reference #	Batch Sheet Seq.		
2	1568.280.242.100	LRAM DVA-GS<3000			0.00	
12	123112 Setup Revised LRAM-2011 CDM	12YE17	9225 1 11	7.38		

				7.38		7.38

Per	Date	Description	Reference #	Batch Sheet Seq.		
2	1568.280.242.101	OthRegAss-LRAM GS<3000 CChg			0.00	
12	123112 Setup Revised LRAM-2011 CChg	12YE17	9225 1 19	0.03		

				0.03		0.03

Grand Total:			0.00	10,778.00	10,778.00
			=====		

2013 Journal Entries

GL456 TRIAL BALANCE Period 01 to 13 January 01, 2013 Through December 31, 2013 Actual Expenditure Detail
Fund Sub Fund Rept.Code
Department Sub Dept. Dept.Func.

Dist. Code	Opening Balance	Transactions	Closing Balance
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Per	Date	Description	Reference #	Batch Sheet Seq.		
2	1568.200.242.100	LRAM DVA-Residential			4,084.08	
05	050113	LRAM Disposition 2013 CoS -201	05JR30	10709 1 5	1,856.12-	
12	123113	LRAM-2012 CDMAnnRpt	12YE06	12196 1 1	3,650.00	

					1,793.88	5,877.96

Per	Date	Description	Reference #	Batch Sheet Seq.		
2	1568.200.242.101	LRAM DVA-Res CChg			18.23	
01	013113	LRAM-2011 Cchg Jan13	01JR04	9650 1 17	5.10	
02	022813	LRAM-2011 Cchg Feb13	02JR04	9651 1 17	4.61	
03	033113	LRAM-2011 Cchg Mar13	03JR04	9652 1 17	5.10	
04	043013	LRAM-2011 Cchg Apr13	04JR04	10242 1 17	4.93	
04	043013	CorrLRAM-2011 CChg Oct-Dec12 p	04JR04	10242 1 24	3.10-	
05	053113	Setup LRAM-2011 CChgs May13	05JR04	10369 1 13	5.10	
05	050113	LRAM Disposition 2013 CoS -201	05JR30	10709 1 6	15.90-	
06	063013	Setup LRAM-2011 CChgs June13	06JR04	10370 1 11	4.93	
07	073113	Setup LRAM-2011 CChgs July13	07JR04	10593 1 11	5.10	
07	073113	Setup LRAM-2011 CChgs June13	07JR47	11100 1 4	2.69	
07	073113	Setup LRAM-2011 CChgs July13	07JR47	11100 1 10	2.78	
07	073113	Rev 06JR04 LRAM2011 CChg Jun13	07JR47	11100 1 1	4.93-	
07	073113	Rev 07JR04 LRAM2011 CChg Jul13	07JR47	11100 1 7	5.10-	
08	083113	Setup LRAM-2011 CChgs Aug13	08JR04	11113 1 11	2.78	
09	093013	Setup LRAM-2011 CChgs Sep13	09JR04	11114 1 11	2.69	
10	103113	Setup LRAM-2011 CChgs Oct13	10JR04	11431 1 11	2.78	
11	113013	Setup LRAM-2011 CChgs Nov13	11JR04	11569 1 11	2.69	
12	123113	Setup LRAM-2011 CChgs Dec13	12JR04	11788 1 11	2.78	
12	123113	LRAM-2012 CChgs2013	12YE06	12196 1 7	13.53	

					38.56	56.79

Per	Date	Description	Reference #	Batch Sheet Seq.		
2	1568.240.242.100	LRAM DVA-GS<50			6,286.98	
05	050113	LRAM Disposition 2013 CoS -201	05JR30	10709 1 7	4,090.01-	
12	123113	LRAM-2012 CDMAnnRpt	12YE06	12196 1 2	14,089.09	

					9,999.08	16,286.06

GL456 TRIAL BALANCE Period 01 to 13 January 01, 2013 Through December 31, 2013 Actual Expenditure Detail
Fund Sub Fund Rept.Code
Department Sub Dept. Dept.Func.

Dist. Code	Opening Balance	Transactions	Closing Balance
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Per	Date	Description	Reference #	Batch Sheet Seq.		
2	1568.240.242.101	LRAM DVA-GS<50 CChg			49.51	
01	013113	LRAM-2011 Cchg Jan13	01JR04	9650 1 18	7.85	
02	022813	LRAM-2011 Cchg Feb13	02JR04	9651 1 18	7.09	
03	033113	LRAM-2011 Cchg Mar13	03JR04	9652 1 18	7.85	
04	043013	LRAM-2011 Cchg Apr13	04JR04	10242 1 18	7.60	
04	043013	CorrLRAM-2011 CChg Oct-Dec12 p	04JR04	10242 1 25	26.21-	
05	053113	Setup LRAM-2011 CChgs May13	05JR04	10369 1 14	7.85	
05	050113	LRAM Disposition 2013 CoS -201	05JR30	10709 1 8	35.07-	
06	063013	Setup LRAM-2011 CChgs June13	06JR04	10370 1 12	7.60	
07	073113	Setup LRAM-2011 CChgs July13	07JR04	10593 1 12	7.85	
07	073113	Setup LRAM-2011 CChgs June13	07JR47	11100 1 5	2.65	
07	073113	Setup LRAM-2011 CChgs July13	07JR47	11100 1 11	2.74	
07	073113	Rev 06JR04 LRAM2011 CChg Jun13	07JR47	11100 1 2	7.60-	
07	073113	Rev 07JR04 LRAM2011 CChg Jul13	07JR47	11100 1 8	7.85-	
08	083113	Setup LRAM-2011 CChgs Aug13	08JR04	11113 1 12	2.74	
09	093013	Setup LRAM-2011 CChgs Sep13	09JR04	11114 1 12	2.65	
10	103113	Setup LRAM-2011 CChgs Oct13	10JR04	11431 1 12	2.74	
11	113013	Setup LRAM-2011 CChgs Nov13	11JR04	11569 1 12	2.65	
12	123113	Setup LRAM-2011 CChgs Dec13	12JR04	11788 1 12	2.74	
12	123113	LRAM-2012 CChgs2013	12YE06	12196 1 8	52.21	

					48.08	97.59

Per	Date	Description	Reference #	Batch Sheet Seq.		
2	1568.260.242.100	LRAM DVA-GS>50			0.00	
12	123113	LRAM-2012 CDMAnnRpt	12YE06	12196 1 3	1,701.38	

					1,701.38	1,701.38

Per	Date	Description	Reference #	Batch Sheet Seq.		
2	1568.260.242.101	LRAM DVA-GS>50 CChg			0.00	
12	123113	LRAM-2012 CChgs2013	12YE06	12196 1 9	6.30	

					6.30	6.30

GL456 TRIAL BALANCE Period 01 to 13 January 01, 2013 Through December 31, 2013 Actual Expenditure Detail
Fund Sub Fund Rept.Code
Department Sub Dept. Dept.Func.

Dist. Code	Opening Balance	Transactions	Closing Balance
2 1568.268.242.100 LRAM DVA-GS>1000	330.59	0.00	330.59

Per	Date	Description	Reference #	Batch	Sheet	Seq.		
2		1568.268.242.101 LRAM DVA-GS>1000 CChg				1.20		
01	013113	LRAM-2011 Cchg Jan13	01JR04	9650	1	19	0.41	
02	022813	LRAM-2011 Cchg Feb13	02JR04	9651	1	19	0.37	
03	033113	LRAM-2011 Cchg Mar13	03JR04	9652	1	19	0.41	
04	043013	LRAM-2011 Cchg Apr13	04JR04	10242	1	19	0.40	
04	043013	CorrLRAM-2011 CChg Oct-Dec12 p	04JR04	10242	1	26	0.02	
05	053113	Setup LRAM-2011 CChgs May13	05JR04	10369	1	15	0.41	
06	063013	Setup LRAM-2011 CChgs June13	06JR04	10370	1	13	0.40	
07	073113	Setup LRAM-2011 CChgs July13	07JR04	10593	1	13	0.41	
08	083113	Setup LRAM-2011 CChgs Aug13	08JR04	11113	1	13	0.41	
09	093013	Setup LRAM-2011 CChgs Sep13	09JR04	11114	1	13	0.40	
10	103113	Setup LRAM-2011 CChgs Oct13	10JR04	11431	1	13	0.41	
11	113013	Setup LRAM-2011 CChgs Nov13	11JR04	11569	1	13	0.40	
12	123113	Setup LRAM-2011 CChgs Dec13	12JR04	11788	1	13	0.41	
							4.86	6.06

2		1568.280.242.100 LRAM DVA-GS>3000				7.38	0.00	7.38
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Per	Date	Description	Reference #	Batch	Sheet	Seq.		
2		1568.280.242.101 LRAM DVA-GS>3000 CChg				0.03		
01	013113	LRAM-2011 Cchg Jan13	01JR04	9650	1	20	0.01	
02	022813	LRAM-2011 Cchg Feb13	02JR04	9651	1	20	0.01	
03	033113	LRAM-2011 Cchg Mar13	03JR04	9652	1	20	0.01	
04	043013	LRAM-2011 Cchg Apr13	04JR04	10242	1	20	0.01	
05	053113	Setup LRAM-2011 CChgs May13	05JR04	10369	1	16	0.01	
06	063013	Setup LRAM-2011 CChgs June13	06JR04	10370	1	14	0.01	
07	073113	Setup LRAM-2011 CChgs July13	07JR04	10593	1	14	0.01	
08	083113	Setup LRAM-2011 CChgs Aug13	08JR04	11113	1	14	0.01	
09	093013	Setup LRAM-2011 CChgs Sep13	09JR04	11114	1	14	0.01	
10	103113	Setup LRAM-2011 CChgs Oct13	10JR04	11431	1	14	0.01	
11	113013	Setup LRAM-2011 CChgs Nov13	11JR04	11569	1	14	0.01	
12	123113	Setup LRAM-2011 CChgs Dec13	12JR04	11788	1	14	0.01	
							0.12	0.15

Grand Total:	10,778.00	13,592.26	24,370.26
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2014 Journal Entries

GL456 TRIAL BALANCE Period 01 to 13 January 01, 2014 Through December 31, 2014 Actual Expenditure Detail
Fund Sub Fund Rept.Code
Department Sub Dept. Dept.Func.

Dist. Code	Opening Balance	Transactions	Closing Balance
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Per	Date	Description	Reference #	Batch Sheet Seq.		
2	1568.200.242.100	LRAM DVA-Residential			5,877.96	
12	123114	LRAM-2013 CDMAnnRpt	12JR46	14463 1 1	1,221.31	

					1,221.31	7,099.27

Per	Date	Description	Reference #	Batch Sheet Seq.		
2	1568.200.242.101	LRAM DVA-Res CChg			56.79	
01	013114	Setup LRAM-2011 CChgs Jan14	01JR04	12529 1 11	7.34	
02	022814	Setup LRAM-2011 CChgs Feb14	02JR04	12530 1 11	6.63	
03	033114	Setup LRAM-2011 CChgs Mar14	03JR04	12532 2 11	7.34	
04	043014	Setup LRAM-2011 CChgs Apr14	04JR04	12826 1 11	7.10	
05	053014	Setup LRAM-2011 CChgs May14	05JR26	13039 1 11	7.34	
06	063014	Setup LRAM-2011 CChgs June14	06JR23	13041 1 11	7.10	
07	073014	Setup LRAM-2011 CChgs July 14	07JR04	13443 1 11	7.34	
08	083114	Setup LRAM-2011 CChgs Aug14	08JR04	13447 1 11	7.34	
09	093014	Setup LRAM-2011 CChgs Sep14	09JR04	13775 1 11	7.10	
10	103114	Setup LRAM-2011 CChgs Oct14	10JR04	14228 1 11	7.34	
11	113014	Setup LRAM-2011 CChgs Nov14	11JR04	14229 1 11	7.10	
12	123114	Setup LRAM-2011 CChgs Dec14	12JR04	14406 1 11	7.34	
12	123114	LRAM-2013 CChgs2014	12JR46	14463 1 17	4.52	

					90.93	147.72

Per	Date	Description	Reference #	Batch Sheet Seq.		
2	1568.220.242.100	LRAM DVA-Street Light			0.00	
12	123114	LRAM-2013 CDMAnnRpt	12JR46	14463 1 8	321.39-	

					321.39-	321.39-

Per	Date	Description	Reference #	Batch Sheet Seq.		
2	1568.220.242.101	LRAM DVA-Street Light Carry Ch			0.00	
12	123114	LRAM-2013 CChgs2014	12JR46	14463 1 24	1.19-	

GL456 TRIAL BALANCE Period 01 to 13 January 01, 2014 Through December 31, 2014 Actual Expenditure Detail
Fund Sub Fund Rept.Code
Department Sub Dept. Dept.Func.

Dist. Code	Opening Balance	Transactions	Closing Balance

		1.19-	1.19-

Per	Date	Description	Reference #	Batch Sheet Seq.		
2	1568.230.242.100	LRAM DVA-SentLgt			0.00	
12	123114	LRAM-2013 CDMAnnRpt	12JR46	14463 1 7	8.27-	

					8.27-	8.27-

Per	Date	Description	Reference #	Batch Sheet Seq.		
2	1568.230.242.101	LRAM DVA-SentLgt Carry Chrgs			0.00	
12	123114	LRAM-2013 CChgs2014	12JR46	14463 1 23	0.03-	

					0.03-	0.03-

Per	Date	Description	Reference #	Batch Sheet Seq.		
2	1568.240.242.100	LRAM DVA-GS<50			16,286.06	
12	123114	LRAM-2013 CDMAnnRpt	12JR46	14463 1 2	16,834.89	

					16,834.89	33,120.95

Per	Date	Description	Reference #	Batch Sheet Seq.		
2	1568.240.242.101	LRAM DVA-GS<50 CChg			97.59	
01	013114	Setup LRAM-2011 CChgs Jan14	01JR04	12529 1 12	20.33	
02	022814	Setup LRAM-2011 CChgs Feb14	02JR04	12530 1 12	18.37	
03	033114	Setup LRAM-2011 CChgs Mar14	03JR04	12532 2 12	20.33	
04	043014	Setup LRAM-2011 CChgs Apr14	04JR04	12826 1 12	19.68	
05	053014	Setup LRAM-2011 CChgs May14	05JR26	13039 1 12	20.33	
06	063014	Setup LRAM-2011 CChgs June14	06JR23	13041 1 12	19.68	
07	073014	Setup LRAM-2011 CChgs July 14	07JR04	13443 1 12	20.33	
08	083114	Setup LRAM-2011 CChgs Aug14	08JR04	13447 1 12	20.33	
09	093014	Setup LRAM-2011 CChgs Sep14	09JR04	13775 1 12	19.68	
10	103114	Setup LRAM-2011 CChgs Oct14	10JR04	14228 1 12	20.33	

GL456 TRIAL BALANCE Period 01 to 13 January 01, 2014 Through December 31, 2014 Actual Expenditure Detail
Fund Sub Fund Rept.Code
Department Sub Dept. Dept.Func.

Dist. Code				Opening Balance		Transactions	Closing Balance
11 113014	Setup LRAM-2011 CChgs Nov14	11JR04	14229	1	12	19.68	
12 123114	Setup LRAM-2011 CChgs Dec14	12JR04	14406	1	12	20.33	
12 123114	LRAM-2013 CChgs2014	12JR46	14463	1	18	62.38	

						301.78	399.37

Per	Date	Description	Reference #	Batch	Sheet	Seq.		
2	1568.250.242.100	LRAM DVA-USL					0.00	
12	123114	LRAM-2013 CDMAnnRpt	12JR46	14463	1	6	70.29-	

							70.29-	70.29-

Per	Date	Description	Reference #	Batch	Sheet	Seq.		
2	1568.250.242.101	LRAM DVA-USLCarry Chg					0.00	
12	123114	LRAM-2013 CChgs2014	12JR46	14463	1	22	0.27-	

							0.27-	0.27-

Per	Date	Description	Reference #	Batch	Sheet	Seq.		
2	1568.260.242.100	LRAM DVA-GS>50					1,701.38	
12	123114	LRAM-2013 CDMAnnRpt	12JR46	14463	1	3	9,986.43	

							9,986.43	11,687.81

Per	Date	Description	Reference #	Batch	Sheet	Seq.		
2	1568.260.242.101	LRAM DVA-GS>50 CChg					6.30	
01	013114	Setup LRAM-2011 CChgs Jan14	01JR04	12529	1	13	2.12	
02	022814	Setup LRAM-2011 CChg Feb14	02JR04	12530	1	20	1.92	
03	033114	Setup LRAM-2011 CChgs Mar14	03JR04	12532	2	13	2.12	
04	043014	Setup LRAM-2011 CChgs Apr14	04JR04	12826	1	13	2.06	
05	053014	Setup LRAM-2011 CChgs May14	05JR26	13039	1	13	2.12	
06	063014	Setup LRAM-2011 CChgs June14	06JR23	13041	1	13	2.06	
07	073014	Setup LRAM-2011 CChgs July 14	07JR04	13443	1	13	2.12	

GL456	TRIAL BALANCE	Period	01 to 13	January 01, 2014 Through	December 31, 2014	Actual Expenditure Detail
Fund		Sub Fund			Rept.Code	
Department		Sub Dept.			Dept.Func.	

Dist. Code					Opening Balance		Transactions		Closing Balance
08 083114	Setup LRAM-2011	CChgs Aug14	08JR04	13447	1	13	2.12		
09 093014	Setup LRAM-2011	CChgs Sep14	09JR04	13775	1	13	2.06		
10 103114	Setup LRAM-2011	CChgs Oct14	10JR04	14228	1	13	2.12		
11 113014	Setup LRAM-2011	CChgs Nov14	11JR04	14229	1	13	2.06		
12 123114	Setup LRAM-2011	CChgs Dec14	12JR04	14406	1	13	2.12		
12 123114	LRAM-2013	CChgs2014	12JR46	14463	1	19	37.00		

							62.00		68.30

Per	Date	Description	Reference #	Batch Sheet Seq.					
2	1568.268.242.100	LRAM DVA-GS>1000			330.59				
12	123114	LRAM-2013 CDMAnnRpt	12JR46	14463	1	4	30,441.88		

							30,441.88		30,772.47

Per	Date	Description	Reference #	Batch Sheet Seq.					
2	1568.268.242.101	LRAM DVA-GS>1000 CChg			6.06				
01	013114	Setup LRAM-2011	01JR04	12529	1	14	0.41		
02	022814	Setup LRAM-2011	02JR04	12530	1	13	0.37		
03	033114	Setup LRAM-2011	03JR04	12532	2	14	0.41		
04	043014	Setup LRAM-2011	04JR04	12826	1	14	0.40		
05	053014	Setup LRAM-2011	05JR26	13039	1	14	0.41		
06	063014	Setup LRAM-2011	06JR23	13041	1	14	0.40		
07	073014	Setup LRAM-2011	07JR04	13443	1	14	0.41		
08	083114	Setup LRAM-2011	08JR04	13447	1	14	0.41		
09	093014	Setup LRAM-2011	09JR04	13775	1	14	0.40		
10	103114	Setup LRAM-2011	10JR04	14228	1	14	0.41		
11	113014	Setup LRAM-2011	11JR04	14229	1	14	0.40		
12	123114	Setup LRAM-2011	12JR04	14406	1	14	0.41		
12	123114	LRAM-2013 CChgs2014	12JR46	14463	1	20	112.80		

							117.64		123.70

Per	Date	Description	Reference #	Batch Sheet Seq.					
2	1568.280.242.100	LRAM DVA-GS>3000			7.38				
12	123114	LRAM-2013 CDMAnnRpt	12JR46	14463	1	5	408.43-		

GL456 TRIAL BALANCE Period 01 to 13 January 01, 2014 Through December 31, 2014 Actual Expenditure Detail
Fund Sub Fund Rept.Code
Department Sub Dept. Dept.Func.

Dist. Code	Opening Balance	Transactions	Closing Balance

		408.43-	401.05-

Per	Date	Description	Reference #	Batch Sheet Seq.		
2	1568.280.242.101	LRAM DVA-GS>3000 CChg		0.15		
01	013114	Setup LRAM-2011 CChgs Jan14	01JR04	12529 1 15	0.01	
02	022814	Setup LRAM-2011 CChgs Feb14	02JR04	12530 1 14	0.01	
03	033114	Setup LRAM-2011 CChgs Mar14	03JR04	12532 2 15	0.01	
04	043014	Setup LRAM-2011 CChgs Apr14	04JR04	12826 1 15	0.01	
05	053014	Setup LRAM-2011 CChgs May14	05JR26	13039 1 15	0.01	
06	063014	Setup LRAM-2011 CChgs June14	06JR23	13041 1 15	0.01	
07	073014	Setup LRAM-2011 CChgs July 14	07JR04	13443 1 15	0.01	
08	083114	Setup LRAM-2011 CChgs Aug14	08JR04	13447 1 15	0.01	
09	093014	Setup LRAM-2011 CChgs Sep14	09JR04	13775 1 15	0.01	
10	103114	Setup LRAM-2011 CChgs Oct14	10JR04	14228 1 15	0.01	
11	113014	Setup LRAM-2011 CChgs Nov14	11JR04	14229 1 15	0.01	
12	123114	Setup LRAM-2011 CChgs Dec14	12JR04	14406 1 15	0.01	
12	123114	LRAM-2013 CChgs2014	12JR46	14463 1 21	1.51-	

					1.39-	1.24-
Grand Total:				24,370.26	58,245.60	82,615.86
=====						

Appendix B



December 7, 2015

Attention: Ms. Dunlop

Regarding: Comments regarding EB-2015-0059 2016 IRM Rate Application

Dear Mrs Dunlop,

Thank you for sharing with us your comments on Centre Wellington Hydro's 2016 rate application. We understand your concerns regarding the impact of the new rate design policy on your electricity rates and would like to share some background information on electricity rate setting as well as background the new Board Policy EB-2012-0410 - A New Distribution Rate Design for Residential Electricity Customers which came into effect April 2 2015.

Background on Rate Setting

Each year, distributors apply to the OEB to change their rates. Every five years, the Ontario Energy Board ("OEB") requires each distributors to go through an extensive review of their costs of providing service to their customers. This is referred to as a "Cost of Service" application. The OEB reviews each rate application through a public process. Consumer groups and other affected groups may also take part in the process and provide comments. The OEB decides whether or not to approve any or all of the application and then sets the rates for the distributor to charge.

Rate applications between Cost of Service are called IRM application and involve simple formulaic rate increases - typically less than inflation. This encourages the utilities to manage their costs efficiently.

The 2016 rate application filed on September 28 2015 is an IRM application as the utility filed for a Cost of Service application in 2013 and is not due to refile for another Cost of Service until 2018. Technically, this application involves an increase for inflation and disposition of balances related to variance accounts.

In any other year, the OEB would apply a simple rate of inflation to the current rates to determine the new rates however, at the beginning of the summer, the Ontario Energy Board also adopted a new policy on distribution rate design for residential electricity customers. In this new policy, the OEB announced that distribution delivery costs will be

recovered from residential customers through a fixed monthly service charge. The new rate design is being phased-in over a four-year period.

The four-year transition for the residential class requires four equal increases in the fixed charge over four years and a corresponding four year phase out of the variable distribution charge. Centre Wellington Hydro is regulated by the Ontario Energy Board and as such must comply with its regulator's policies.

The excerpt below published by the Ontario Energy Board was intended to help utility and customers understand the rationale for this new rate design policies.

(excerpt from OEB backgrounder)

Fairness

The introduction of fully fixed distribution charges will lead to greater fairness for residential customers who share a distribution system.

Currently, the Delivery line on the bill includes, among other things, fixed and variable charges for distribution services paid to your local electric utility.

Depending on where a customer lives, distribution costs make up 20-30% of the total bill and the money is used to pay for the cost of poles, wires, transformer stations, trucks and customer services systems. These are assets with a fixed cost to purchase, install and maintain. Therefore, the cost of the distribution system is largely not affected by the amount of power flowing through it. All the customers on a given street regardless of the quantity of electricity they consume need that equipment equally to receive electricity service.

Up until now, customers who use more power have been paying a much larger share of the costs to maintain the system and conversely, customers who use less have been paying too little. A fixed monthly service charge ensures that all customers pay an equal share of fixed equipment costs.

Conservation First Remains a Priority

Conservation First continues to be a cornerstone of the government's energy policy and that message is strongly and accurately delivered through the price signals on the Electricity line item on the bill.

It is the Electricity line that makes up approximately 50% of the residential customer bill and signals customers on the cost of power production. This is the line that collects charges for the electricity commodity which varies

with market forces like supply and demand. Here customers are more appropriately charged a variable rate.

Customers can focus their conservation efforts on this portion of their bill. Shifting use with the time-of-use structure to cheaper time periods will give customers greater and more meaningful control over their costs.

Conversely, distributors must maintain their systems. With or without conservation, customers still use and depend on a reliable grid and must ultimately pay for the service.

Since conservation targets are set and mandated, distributors will continue to promote and deliver conservation programs to help their customers manage electricity costs. And, through revenue stability they will be freed up to ready their grids for new and renewable technologies to be added into their territories.

Removing Obstacles to Innovation

With this policy, the OEB is enabling innovations like small scale renewables, customer self-generation and energy storage. Currently, in some communities these installations are held up because they put distribution revenues, and therefore the local grid, at-risk.

As the price of small scale renewable generation drops, more customers will be able to generate all the power they need and sell some back onto the grid. In this scenario, variable bill charges will erode distributor revenues leaving them underfunded and unable to properly service their equipment.

A fixed rate gives financial stability to local utilities for the proper design, build and management of their equipment and ensures that the customer who is self-generating and depends equally on a reliable local electricity system, is sharing the cost of the service.

Benefits Summary

Benefits to Consumers:

- The rate change will focus conservation on the most appropriate portion of the bill, the Electricity line and customers will continue to receive strong conservation signals.*
- Residential customers will be able to leverage new technologies emerging in the market.*
- Most customers will not see a significant change in their bill. A phased-in implementation schedule over 4 years will smooth rate impacts.*

- *Customers who have cost-intensive electric heat, many of whom are low-income, stand to gain from this change.*
- *For now, the bill will look the same but will more accurately reflect the true cost of power delivery and production.*
- *This will not change how much money a distributor collects, only how they collect it.*

Benefits to Utilities:

- *Distributors will be able to ready their grids for smart grid and green energy initiatives in a way that sustains their financial stability.*
- *They will have the financial stability to plan their short- and longer-term budgets and manage a reliable distribution system.*
- *This change is revenue neutral for local distributors and leads to simpler rates.*

We hope you found this information helpful and please do not hesitate to contact us if you have further comments or questions.

Yours truly,

Florence Thiessen, CPA CGA
Vice President / Treasurer
Centre Wellington Hydro Ltd.
Phone: 519 843-2900 Ext 225