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1 **APPLICATION**

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

5 **AND IN THE MATTER OF** an Application by Guelph
6 Hydro Electric Systems Inc. to the Ontario Energy Board
7 for an Order or Orders approving or fixing just and
8 reasonable rates and other service charges for the
9 distribution of electricity as of January 1, 2017.

10 **Title of Proceeding:** An application by Guelph
11 Hydro Electric Systems Inc. for an Order or Orders
12 approving or fixing just and reasonable distribution rates
13 and other charges, effective January 1, 2017.

14 **APPLICANT'S NAME:** Guelph Hydro Electric Systems Inc.

15 **CONTACT INFORMATION:**

16 Applicant's Address for Service: 395 Southgate Drive
17 Guelph, Ontario
18 N1G 4Y1

19 Primary Contact for Electricity Distribution Licence:

20 Kazi Marouf Direct Line: 519-837-4702
21 Chief Operating Officer Direct Fax: 519-836-1055
22 Email: KMarouf@GuelphHydro.com

23 Primary Contact for the Application:

24 Cristina Birceanu Direct Line: 519-837-4735
25 Director of Regulatory Affairs, Direct Fax: 519-836-6115
26 Customer Service and Billing Email: CBirceanu@GuelphHydro.com

Applicant's Counsel & Consultant:

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1. Introduction

Guelph Hydro Electric Systems Inc. (Guelph Hydro) hereby applies to the Ontario Energy Board (the Board) for approval of 2017 Distribution Rate Adjustments, based on Chapter 3 of the *Filing Requirements for Electricity Distribution Rate Applications (EDR)* last revised on July 14, 2016.

Guelph Hydro is applying for annual rate adjustments under the parameters set out in the Board's 4th Generation IRM.

Guelph Hydro has utilized the Board's 2017 IRM Rate Generator model, and the generic LRAMVA work form completed with Guelph Hydro's approved LRAMVA model in the preparation of this filing, and it confirms the accuracy of the 2015 billing determinants and Trial Balance for the prepopulated models. Guelph Hydro has filed its 2016 approved Revenue Requirement Work Form (Excel version) as Appendix 8 of this application.

Relief Sought

- Guelph Hydro applies for an Order or Orders approving the proposed distribution rates and other charges set out in Section 3.1 to this Application as just and reasonable rates and charges pursuant to Section 78 of the Board Act, to be effective January 1, 2017; and
- In the event that the Board is unable to provide a Decision and Order in this Application for implementation by the Applicant as of January 1, 2017, Guelph Hydro requests that the Board issue an Interim Rate Order declaring the current Distribution Rates and Specific Service Charges as interim until the implementation date of the approved 2017 distribution rates.
- In the event that the effective date does not coincide with the Board's implementation date for 2017 distribution rates and charges, Guelph

Hydro requests permission to recover the incremental revenue from the effective date to the implementation date.

- Guelph Hydro confirms that it transitioned to International Financial Reporting Standards (IFRS) on January 1, 2011, and it filed a 2016 Cost of Service (COS) application on the basis of Modified International Financial Reporting Standards (MIFRS) on April 24, 2016, file number EB-2015-0073. The actual 2016 distribution rates reflect the Board's Decision and Order issued on November 26, 2015 respecting Guelph Hydro's 2016 Cost of Service application (please see Appendix 2 Current Tariff of Rates and Changes EB-2015-0073 Rate Order).

Form of Hearing Requested

- The Applicant requests that this Application be disposed of by way of a written hearing.

DATED at Guelph, Ontario, this 15th day of August, 2016.

All of which is respectfully submitted,

GUELPH HYDRO ELECTRIC SYSTEMS INC.

Pankaj Sardana



Chief Executive Officer

Kazi Marouf



Chief Operating Officer

1.1 Certification of Evidence

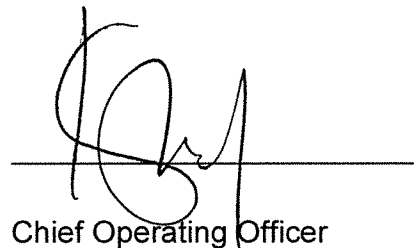
As Chief Executive Officer and Chief Operating Officer of Guelph Hydro Electric Systems Inc., we certify that the evidence filed in Guelph Hydro's 2017 IRM application is accurate, consistent and complete to the best of our knowledge or belief. The filing is consistent with the requirements from Chapter 3 of the *Filing Requirements for Transmission and Distribution Rate Applications* revised on July 14, 2016.

Pankaj Sardana



Chief Executive Officer

Kazi Marouf


Chief Operating Officer

1.2 Requested Rate Adjustments

The 2017 rate adjustments include:

- A Price Cap Adjustment in accordance with the parameters of the 4th Generation Incentive Regulation for Ontario's Electricity Distributors. As part of the supplemental report on the Renewed Regulatory Framework for Electricity Distributors (RRFE), the Board will establish the final inflation factor, productivity factor and stretch factor to apply to distributors for the 2017 rate year. The Rate Generator model includes rate-setting parameters from the 2016 rate year as a placeholder; Guelph Hydro acknowledges that Board staff will update the Rate Generator model once the supplemental report on RRFE is issued. Guelph Hydro received approval to shift the rate design for residential customers towards fully-fixed rates in 2016 (EB-2015-0073), and is applying for the second year of transition to fully-fixed distribution rates for the residential class (please see Tab 16 of the 2017 Rate Generator model presented in Excel version as Appendix 1 of this Application).
- An adjustment of Retail Transmission Service Rates in accordance with Board Guidelines G-2008-001: *Electricity Distribution Retail Transmission Service Rates*, last revised June 28, 2012 and subsequent updates to the Uniform Transmission Rates ("UTRS"). Guelph Hydro is a partial embedded distributor in relation to Hydro One for distribution services in the Village of Rockwood; therefore, Guelph Hydro is charged by Hydro One for Transmission Connection and Transmission Network services.
- A Rate Rider for Disposition of Deferral and Variance Accounts (excluding 1568 LRAMVA) effective until December 31, 2017. Guelph Hydro is seeking the Board's approval a for one-year disposition period.

- A Rate Rider for Global Adjustment Disposition applicable only for Non-RPP customers effective until December 31, 2017 (one-year disposition). In addition, Guelph Hydro is seeking approval of 12 equal monthly payments for the contribution of seven former Class B customers to the Global Adjustment balance.
- A Rate Rider for Recovery of Lost Revenue Adjustment Mechanism (LRAMVA) Variance Account effective until December 31, 2017. In its 2016 COS application, file number EB-2015-0073, Guelph Hydro received approval for and disposed the 2013 LRAMVA balances. In this 2017 IRM Application, Guelph Hydro is seeking approval to dispose the 2015 LRAMVA remaining balances as presented in section 3.7 of this Application.

1.3 Statement of publication of applicant's notice

The persons affected by this Application are the ratepayers of Guelph Hydro's distribution business. Guelph Hydro is proposing that notices related to this Application appear in the Guelph Tribune publication. Guelph Tribune is an unpaid publication distributed each Tuesday and Thursday with an average circulation of approximately 41,000 to 42,000 each day.

(source: <http://www.newspaperscanada.ca/about-newspapers/circulation>)

The Internet address for application viewing purposes is Guelph Hydro's website www.guelphhydro.com Newsroom section and the primary contact is

Cristina Birceanu	Direct Line: 519-837-4735
Director of Regulatory Affairs,	Direct Fax: 519-836-6115
Customer Service and Billing	Email: CBirceanu@GuelphHydro.com

2. Distributor Profile Summary

Guelph Hydro is a licensed distributor with approximately 54,400 customers servicing the City of Guelph and the Village of Rockwood.

Guelph Hydro owns, maintains and operates approximately 430 km of overhead primary distribution feeders and 703 km of underground primary distribution circuits in the City of Guelph and in the Village of Rockwood as well as 59-13.8 kV feeders and 4-8.32 kV feeders within its service territory.

Wholesale supply is provided by three (3) Hydro One Networks Inc. ("HONI")-owned Transformer Stations (Hanlon, Cedar, and Campbell) and one (1) Guelph Hydro-owned Transformer Station (Arlen MTS) in the City of Guelph. Cedar TS, Hanlon TS and Arlen MTS step down 115 kV Transmission supply to 13.8 kV while Campbell TS steps down 230 kV Transmission supply to 13.8 kV for primary distribution feeders. In the Village of Rockwood, supply is provided by two (2) Guelph Hydro-owned Municipal Substations (Rockwood MS1, Rockwood MS2) and one (1) Hydro One Networks Inc.-owned Distribution Station (Rockwood DS). All three stations are supplied from 44 kV feeders originating from Fergus TS and primary distribution is operated at 8.3 kV.

Guelph Hydro's customers are served by a total of 63 distribution feeders. The feeders are supplied upstream by Hydro One sub-transmission and transmission stations. The City of Guelph has 59 feeder circuits supplied by 4 transformer stations.

Guelph Hydro is a partial embedded distributor in relation to Hydro One for distribution services for the Village of Rockwood; therefore, Guelph Hydro is charged by Hydro One for low voltage distribution services.

3. Details of Guelph Hydro's Electricity Distribution Rate Application

3.1 Schedule of Current and Proposed Rates and Charges – Bill Impact

Guelph Hydro has completed the 2017 Rate Generator model in accordance with Board Staff's instructions and it has input into the Board's Rate Generator Model the 2016 Board Approved Tariff of Rates and Charges in its entirety. This was done for all rate classes. However, Guelph Hydro has a unique rate class, Standby Power Service for Load Displacement Generation; the Standby Charge is based exclusively on the applicable General Service above 50 kW distribution volumetric rates, and therefore the LRAMVA, RTSR, Deferral and Variance, and Global Adjustment rate riders will not apply to the generator's peak demand.

Guelph Hydro confirms that it has not diverged from the Board's rate generator model concept.

Current Tariff of Rates and Charges

Guelph Hydro's current Tariff of Rates and Charges are presented in Appendix 2 Current Tariff of Rates and Charges - EB-2015-0073 – RATE ORDER.

Proposed Rates and Charges

Guelph Hydro proposes the following Rates and Charges:

Guelph Hydro Electric Systems Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2017

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

EB-2016-0075

1

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 quadruplex 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	22.41
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	0.0098
Rate Rider for Disposition of Global Adjustment Account (2017) - effective until December 31, 2017 Applicable only for Non-RPP Customers	\$/kWh	(0.0004)
Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2017) - effective until December 31, 2017	\$/kWh	0.0003
Rate Rider for Disposition of Deferral/Variance Accounts (2017) - effective until December 31, 2017	\$/kWh	(0.0030)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0057
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0046

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0036
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0013
Ontario Electricity Support Program Charge (OESP)	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

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Guelph Hydro Electric Systems Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2017

This schedule supersedes and replaces all previously
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EB-2016-0075

1

ONTARIO ELECTRICITY SUPPORT PROGRAM RECIPIENTS

In addition to the charges specified on page 1 of this tariff of rates and charges, the following credits are to be applied to eligible residential customers.

APPLICATION

The application of the credits is in accordance with the Distribution System Code (Section 9) and subsection 79.2 of the Ontario Energy Board Act, 1998.

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

In this class:

“Aboriginal person” includes a person who is a First Nations person, a Métis person or an Inuit person;

“account-holder” means a consumer who has an account with a distributor that falls within a residential-rate classification as specified in a rate order made by the Ontario Energy Board under section 78 of the Act, and who lives at the service address to which the account relates for at least six months in a year;

“electricity-intensive medical device” means an oxygen concentrator, a mechanical ventilator, or such other device as may be specified by the Ontario Energy Board;

“household” means the account-holder and any other people living at the accountholder’s service address for at least six months in a year, including people other than the account-holder’s spouse, children or other relatives;

“household income” means the combined annual after-tax income of all members of a household aged 16 or over;

MONTHLY RATES AND CHARGES

Class A

- (a) account-holders with a household income of \$28,000 or less living in a household of one or two persons;
- (b) account-holders with a household income of between \$28,001 and \$39,000 living in a household of three persons;
- (c) account-holders with a household income of between \$39,001 and \$48,000 living in a household of five persons; and
- (d) account-holders with a household income of between \$48,001 and \$52,000 living in a household of seven or more persons; but does not include account-holders in Class E.

OESP Credit \$ (30.00)

Class B

- (a) account-holders with a household income of \$28,000 or less living in a household of three persons;
- (b) account-holders with a household income of between \$28,001 and \$39,000 living in a household of four persons;
- (c) account-holders with a household income of between \$39,001 and \$48,000 living in a household of six persons; but does not include account-holders in Class F.

OESP Credit \$ (34.00)

Class C

- (a) account-holders with a household income of \$28,000 or less living in a household of four persons;
- (b) account-holders with a household income of between \$28,001 and \$39,000 living in a household of five persons;
- (c) account-holders with a household income of between \$39,001 and \$48,000 living in a household of seven or more persons; but does not include account-holders in Class G.

OESP Credit \$ (38.00)

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Guelph Hydro Electric Systems Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2017

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EB-2016-0075

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Class D

- (a) account-holders with a household income of \$28,000 or less living in a household of five persons; and
- (b) account-holders with a household income of between \$28,001 and \$39,000 living in a household of six persons; but does not include account-holders in Class H.

OESP Credit \$ (42.00)

Class E

Class E comprises account-holders with a household income and household size described under Class A who also meet any of the following conditions:

- (a) the dwelling to which the account relates is heated primarily by electricity;
- (b) the account-holder or any member of the account-holder's household is an Aboriginal person; or
- (c) the account-holder or any member of the account-holder's household regularly uses, for medical purposes, an electricity-intensive medical device at the dwelling to which the account relates.

OESP Credit \$ (45.00)

Class F

- (a) account-holders with a household income of \$28,000 or less living in a household of six or more persons;
- (b) account-holders with a household income of between \$28,001 and \$39,000 living in a household of seven or more persons; or
- (c) account-holders with a household income and household size described under Class B who also meet any of the following conditions:

- i. the dwelling to which the account relates is heated primarily by electricity;
- ii. the account-holder or any member of the account-holder's household is an Aboriginal person; or
- iii. the account-holder or any member of the account-holder's household regularly uses, for medical purposes, an electricity-intensive medical device at the dwelling to which the account relates

OESP Credit \$ (50.00)

Class G

Class G comprises account-holders with a household income and household size described under Class C who also meet any of the following conditions:

- (a) the dwelling to which the account relates is heated primarily by electricity;
- (b) the account-holder or any member of the account-holder's household is an Aboriginal person; or
- (c) the account-holder or any member of the account-holder's household regularly uses, for medical purposes, an electricity-intensive medical device at the dwelling to which the account relates.

OESP Credit \$ (55.00)

Class H

Class H comprises account-holders with a household income and household size described under Class D who also meet any of the following conditions:

- (a) the dwelling to which the account relates is heated primarily by electricity;
- (b) the account-holder or any member of the account-holder's household is an Aboriginal person ; or
- (c) the account-holder or any member of the account-holder's household regularly uses, for medical purposes, an electricity-intensive medical device at the dwelling to which the account relates.

OESP Credit \$ (60.00)

Class I

Class I comprises account-holders with a household income and household size described under paragraphs (a) or (b) of Class F who also meet any of the following conditions:

- (a) the dwelling to which the account relates is heated primarily by electricity;
- (b) the account-holder or any member of the account-holder's household is an Aboriginal person; or
- (c) the account-holder or any member of the account-holder's household regularly uses, for medical purposes, an electricity-intensive medical device at the dwelling to which the account relates.

OESP Credit \$ (75.00)

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Guelph Hydro Electric Systems Inc.

TARIFF OF RATES AND CHARGES

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EB-2016-0075

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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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	16.62
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	0.0139
Rate Rider for Disposition of Global Adjustment Account (2017) - effective until December 31, 2017		
Applicable only for Non-RPP Customers	\$/kWh	(0.0004)
Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2017)		
- effective until December 31, 2017	\$/kWh	0.0005
Rate Rider for Disposition of Deferral/Variance Accounts (2017) - effective until December 31, 2017	\$/kWh	(0.0031)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0052
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0040

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0036
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0013
Ontario Electricity Support Program Charge (OESP)	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

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Guelph Hydro Electric Systems Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2017

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1

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 kW non-interval metered, and 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	180.22
Rate Rider for Disposition of Post Retirement Actuarial Gain – effective until March 31, 2025	\$	(3.80)
Distribution Volumetric Rate	\$/kW	2.7456
Rate Rider for Disposition of Global Adjustment Account (2017) - effective until December 31, 2017 Applicable only for Non-RPP Customers and Non-Wholesale Market Participants	\$/kWh	(0.0004)
Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2017) - effective until December 31, 2017	\$/kW	0.1742
Rate Rider for Disposition of Deferral/Variance Accounts (2017) - effective until December 31, 2017 Applicable only for Non-Wholesale Market Participants	\$/kW	(1.0687)
Rate Rider for Disposition of Deferral/Variance Accounts (2017) - effective until December 31, 2017 Applicable only for Wholesale Market Participants	\$/kW	(0.0881)
Low Voltage Service Rate	\$/kW	0.0121
Retail Transmission Rate – Network Service Rate	\$/kW	2.1758
Retail Transmission Rate – Network Service Rate – Interval Metered	\$/kW	2.2568
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.7001
Retail Transmission Rate – Line and Transformation Connection Service Rate – Interval Metered	\$/kW	1.7639

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Guelph Hydro Electric Systems Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2017

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

EB-2016-0075

GENERAL SERVICE 50 TO 999 KW SERVICE CLASSIFICATION

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0036
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0013
Ontario Electricity Support Program Charge (OESP)	\$/kWh	0.0011
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, 2017

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

EB-2016-0075

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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 to 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	570.08
Rate Rider for Disposition of Post Retirement Actuarial Gain – effective until March 31, 2025	\$	(46.33)
Distribution Volumetric Rate	\$/kW	3.0481
Rate Rider for Disposition of Global Adjustment Account (2017) - effective until December 31, 2017		
Applicable only for Non-Class A Customers	\$/kWh	(0.0004)
Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2017)		
- effective until December 31, 2017	\$/kW	0.2513
Rate Rider for Disposition of Deferral/Variance Accounts (2017) - effective until December 31, 2017	\$/kW	(1.7699)
Retail Transmission Rate – Network Service Rate – Interval Metered	\$/kW	2.2568
Retail Transmission Rate – Line and Transformation Connection Service Rate – Interval Metered	\$/kW	1.7639

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0036
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0013
Ontario Electricity Support Program Charge (OESP)	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

2

Guelph Hydro Electric Systems Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2017

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

EB-2016-0075

1

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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	1,095.91
Rate Rider for Disposition of Post Retirement Actuarial Gain – effective until March 31, 2025	\$	(151.18)
Distribution Volumetric Rate	\$/kW	2.7385
Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2017) - effective until December 31, 2017	\$/kW	1.2763
Rate Rider for Disposition of Deferral/Variance Accounts (2017) - effective until December 31, 2017	\$/kW	(1.8638)
Retail Transmission Rate – Network Service Rate – Interval Metered	\$/kW	2.7254
Retail Transmission Rate – Line and Transformation Connection Service Rate – Interval Metered	\$/kW	2.1299

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0036
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0013
Ontario Electricity Support Program Charge (OESP)	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

2

Guelph Hydro Electric Systems Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2017

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

EB-2016-0075

1

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

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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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

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MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	\$	4.87
Rate Rider for Disposition of Post Retirement Actuarial Gain – effective until March 31, 2025	\$	(0.05)
Distribution Volumetric Rate	\$/kWh	0.0222
Rate Rider for Disposition of Global Adjustment Account (2017) - effective until December 31, 2017		
Applicable only for Non-RPP Customers	\$/kWh	(0.0004)
Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2017)		
- effective until December 31, 2017	\$/kWh	(0.0007)
Rate Rider for Disposition of Deferral/Variance Accounts (2017) - effective until December 31, 2017	\$/kWh	(0.0028)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0052
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0040

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0036
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0013
Ontario Electricity Support Program Charge (OESP)	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

2

Guelph Hydro Electric Systems Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2017

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EB-2016-0075

1

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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

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MONTHLY RATES AND CHARGES – APPROVED ON AN INTERIM BASIS

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.

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Guelph Hydro Electric Systems Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2017

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EB-2016-0075

1

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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

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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 Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	\$	7.52
Rate Rider for Disposition of Post Retirement Actuarial Gain – effective until March 31, 2025	\$	(0.11)
Distribution Volumetric Rate	\$/kW	8.3302
Rate Rider for Disposition of Global Adjustment Account (2017) - effective until December 31, 2017		
Applicable only for Non-RPP Customers	\$/kWh	(0.0004)
Rate Rider for Disposition of Deferral/Variance Accounts (2017) - effective until December 31, 2017	\$/kW	0.8754
Low Voltage Service Rate	\$/kW	0.0089
Retail Transmission Rate – Network Service Rate	\$/kW	1.6659
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.3017

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0036
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0013
Ontario Electricity Support Program Charge (OESP)	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

2

Guelph Hydro Electric Systems Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2017

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EB-2016-0075

1

STREET LIGHTING SERVICE CLASSIFICATION

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

APPLICATION

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MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	\$	0.43
Rate Rider for Disposition of Post Retirement Actuarial Gain – effective until March 31, 2025	\$	(0.01)
Distribution Volumetric Rate	\$/kW	10.2130
Rate Rider for Disposition of Global Adjustment Account (2017) - effective until December 31, 2017		
Applicable only for Non-RPP Customers	\$/kWh	(0.0004)
Rate Rider for Disposition of Deferral/Variance Accounts (2017) - effective until December 31, 2017	\$/kW	(1.1907)
Low Voltage Service Rate	\$/kW	0.0107
Retail Transmission Rate – Network Service Rate	\$/kW	2.0044
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.5663

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0036
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0013
Ontario Electricity Support Program Charge (OESP)	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

2

Guelph Hydro Electric Systems Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2017

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EB-2016-0075

1

microFIT SERVICE CLASSIFICATION

This classification applies to an electricity generation facility contracted under the Independent Electricity System Operator'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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

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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, 2017

This schedule supersedes and replaces all previously
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EB-2016-0075

1

ALLOWANCES

Transformer Allowance for Ownership by General Service 50 to 999 kW customers - per kW of billing demand/month	\$/kW	(0.7200)
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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

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Customer Administration

Arrears certificate	\$	15.00
Returned cheque (plus bank charges)	\$	8.55
Account setup 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 paperless 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

Other

Service call – customer-owned equipment	\$	17.50
Service call – after regular hours	\$	95.00
Specific charge for access to the power poles – per pole/year	\$	22.35
Overhead bond connection – per connection	\$	105.00
Underground bond connection – per connection	\$	100.00

2

Guelph Hydro Electric Systems Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2017

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EB-2016-0075

1

RETAIL SERVICE CHARGES (if applicable)

APPLICATION

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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
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0157
Total Loss Factor – Primary Metered Customer > 5,000 kW	1.0036

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1 Guelph Hydro has calculated and presented below the bill impact per customer class,
2 including a typical residential customer consuming 750 kWh as per the *Report of the*
3 *Board – Defining Ontario’s Typical Residential Customer.*

4 **Table 1 – 2017 Bill Impacts**
2017 Total Bill Impact Summary

Residential RPP	kWh	365	750
	Bill Impact \$	\$ 0.02	-\$ 4.45
	Bill Impact %	0.03%	-3.01%

Loss Factor: 2.60%

Residential Non-RPP Retailer	kWh	750
	Bill Impact \$	-\$ 7.67
	Bill Impact %	-5.05%

Loss Factor: 2.60%

General Service Less than 50 kW RPP	kWh	2,000
	Bill Impact \$	-\$ 10.45
	Bill Impact %	-2.87%

Loss Factor: 2.60%

General Service Less than 50 kW Non-RPP Retailer	kWh	2,000
	Bill Impact \$	-\$ 19.04
	Bill Impact %	-5.07%

Loss Factor: 2.60%

General Service 50-999 kW	kWh	189,800
	kW	500
	Bill Impact \$	-\$ 1,945.27
	Bill Impact %	-5.93%

Loss Factor: 2.60%

General Service 1,000-4,999 kW	kWh	489,100
	kW	1,000
	Bill Impact \$	-\$ 3,556.40
	Bill Impact %	-4.63%

Loss Factor: 2.60%

Large User	kWh	4,215,750
	kW	7,500
	Bill Impact \$	-\$ 13,550.81
	Bill Impact %	-2.16%

Loss Factor: 0.36%

Unmetered Scattered Load RPP	kWh	750
	Connections	15
	Bill Impact \$	-\$ 2.09
	Bill Impact %	-0.97%

Loss Factor: 2.60%

Sentinel Lighting RPP	kWh	140
	kW	2
	Connections	2
	Bill Impact \$	\$ 2.52
	Bill Impact %	4.05%

Loss Factor: 2.60%

Street Lighting	kWh	800,000
	kW	2,200
	Connections	13,400
	Bill Impact \$	-\$ 7,584.40
	Bill Impact %	-4.69%

Loss Factor: 2.60%

3.2 Price Cap Adjustment

Annual Adjustment Mechanism

In calculating 2017 rates, Guelph Hydro has applied a Price Cap Adjustment of 1.80% to its Base Distribution Rates, which is based on the rate-setting parameters provided by the Board's 2017 IRM Rate Generator model (Stretch Factor Group III). Guelph Hydro acknowledges that Board staff will update the Rate Generator with the final parameters which will be established by the Board in the supplemental report on the RRFE. The following default values were used in the determination of the Price Cap Adjustment:

Price Cap Index

Price Escalator	2.10%
Lees Productivity Factor	0.00%
Less Stretch Factor (Group III)	0.30%
Price Cap Index	1.80%

The calculation of the price cap adjustment is presented in Appendix 1 (Excel version) - 2017 IRM Rate Generator, Tab 16.

Application of the Annual Adjustment Mechanism

The price cap index adjustment has not been applied to the following components of distribution rates:

- Rate Adders;
- Rate Riders;
- Low Voltage Service Charges;
- Retail Transmission Service Rates;

- Wholesale Market Service Rate;
- Rural Rate Protection Charge;
- Standard Supply Service – Administrative Charge;
- MicroFIT Service Charge;
- Specific Service Charges;
- Transformation and Primary Metering Allowances; and
- Smart Metering Entity Charge

3.3 Revenue to Cost Ratio Adjustment

The Board's Decision (EB-2015-0073) for Guelph Hydro's 2016 Cost of Service Rate Application did not prescribe any phase-in period to adjust its revenue-to-cost ratios.

3.4 Rate Design for Residential Electricity Customers

On April 2, 2015, the OEB released its *Board Policy: A New Distribution Rate Design for Residential Electricity Customers (EB-2014-0210)*, which stated that electricity distributors will transition to a fully-fixed monthly distribution service charge for residential customers. This will be implemented over a period of four years, beginning in 2016.

Guelph Hydro's transition to a fully-fixed monthly service charge for the residential class started on January 1, 2016 (please see the Decision and Rate Order issued on November 26, 2015, file number EB-2015-0073 presented as Appendix 2 of this Application).

In this Application, Guelph Hydro is seeking approval for the second year of transition to continue implementing this policy effective January 1, 2017. In

1 proposing a transition to a fully-fixed monthly service charge, Guelph Hydro has
2 followed the approach set out in Tab 16. Rev2Cost_GDPIP of the Rate
3 Generator Model.

4 The OEB issued decisions effecting 2016 rates for Price Cap IR and Annual
5 Index IR applicants consistent with this policy. In this second year of transition,
6 Guelph Hydro has followed the approach set out in sheet 16 of the Rate
7 Generator Model.

8 In order to support the initial transition to fully fixed distribution rates, the OEB
9 designed two tests to determine when mitigation should be proposed – a
10 threshold test for the change in the fixed charge, and an overall bill impact test.

11 1. **Threshold test for change:** when assessing the combined effects of the shift
12 to fixed rates and other bill impacts associated with changes in the cost of
13 distribution service, a utility shall evaluate the total bill impact for a residential
14 customer at the distributor's 10th consumption percentile. In Guelph Hydro's
15 case, the 10th consumption percentile residential customer consumes 365
16 kWh of electricity per month (30 days). Ten percent of Guelph Hydro's
17 residential customers consume 365 kWh or less in an average month, and
18 90% consume more than 365 kWh in an average month. Guelph Hydro came
19 to this result by querying monthly consumption records for all residential bills
20 issued each month in the 2015 calendar year, segmented by consumption
21 threshold. On a cumulative basis, the quantity of accounts in each
22 consumption threshold reaches the 10th percentile at 365 kWh per month, as
23 shown in Table 2 below. The source data included all residential customers.

1

Table 2 – 2015 Residential Accounts by Consumption Threshold

Average Residential Monthly Consumption Threshold	Quantity of Accounts	Percent	Cumulative Number of Accounts	Cumulative %
0-100 kWh	646	1%	646	1.3%
>101-250 kWh	1759	4%	2405	4.9%
>251-300 kWh	947	2%	3352	6.9%
>301-350 kWh	1,103	2%	4455	9.1%
>351-355 kWh	119	0%	4574	9.4%
>356-360 kWh	119	0%	4693	9.6%
>361-365 kWh	119	0%	4812	9.9%
>366-370 kWh	124	0%	4936	10.1%
>371-375 kWh	127	0%	5063	10.4%
>376-380 kWh	121	0%	5184	10.6%
>381-385 kWh	130	0%	5313	10.9%
>386-390 kWh	124	0%	5437	11.1%
>391-395 kWh	128	0%	5565	11.4%
>396-400 kWh	128	0%	5693	11.7%
>401-450 kWh	1,340	3%	7033	14.4%
>451-500 kWh	1,426	3%	8459	17.3%
>501-800 kWh	9,744	20%	18203	37.3%
>801-1,000 kWh	6494	13%	24697	50.6%
>1,001-1,500 kWh	12272	25%	36969	75.8%
>1,501-2,000 kWh	6188	13%	43157	88.5%
>2,001 kWh	5612	12%	48769	100.0%
Total	48769	100%		

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4 Overall Bill Impact: the bill impact for 10th consumption percentile residential
5 customer with 365 kWh monthly consumption is 0.03% or \$0.02 . As the bill
6 impact is below 10%, no mitigation plan is required.

7 Guelph Hydro presented in Table 3 below the Bill Impact for a residential
8 customer with 365 kWh monthly consumption.

1

Table 3 – Bill Impact – Residential 10th consumption percentile

Customer Class:	RESIDENTIAL SERVICE CLASSIFICATION	
RPP / Non-RPP:	RPP	
Consumption	365	kWh
Demand	-	kW
Current Loss Factor	1.0260	
Proposed/Approved Loss Factor	1.0260	

	Current OEB-Approved			Proposed			Impact	
	Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	\$ 18.93	1	\$ 18.93	\$ 22.41	1	\$ 22.41	\$ 3.48	18.38%
Distribution Volumetric Rate	\$ 0.0144	365	\$ 5.26	\$ 0.0098	365	\$ 3.58	\$ (1.68)	-31.94%
Fixed Rate Riders	\$ (0.47)	1	\$ (0.47)	\$ (0.18)	1	\$ (0.18)	\$ 0.29	-61.70%
Volumetric Rate Riders	\$ -	365	\$ -	\$ 0.0003	365	\$ 0.11	\$ 0.11	
Sub-Total A (excluding pass through)			\$ 23.72			\$ 25.92	\$ 2.20	9.28%
Line Losses on Cost of Power	\$ 0.1114	9	\$ 1.06	\$ 0.1114	9	\$ 1.06	\$ -	0.00%
Total Deferral/Variance Account Rate Riders	\$ -	365	\$ -	\$ 0.0030	365	\$ (1.10)	\$ (1.10)	
GA Rate Riders				\$ -	365	\$ -	\$ -	
Low Voltage Service Charge	\$ -	365	\$ -		365	\$ -	\$ -	
Smart Meter Entity Charge (if applicable)	\$ 0.7900	1	\$ 0.79	\$ 0.7900	1	\$ 0.79	\$ -	0.00%
Sub-Total B - Distribution (includes Sub-Total A)			\$ 25.56			\$ 26.67	\$ 1.11	4.32%
RTSR - Network	\$ 0.0074	374	\$ 2.77	\$ 0.0057	374	\$ 2.13	\$ (0.64)	-22.97%
RTSR - Connection and/or Line and Transformation Connection	\$ 0.0058	374	\$ 2.17	\$ 0.0046	374	\$ 1.72	\$ (0.45)	-20.69%
Sub-Total C - Delivery (including Sub-Total B)			\$ 30.51			\$ 30.53	\$ 0.02	0.06%
Wholesale Market Service Charge (WMSC)	\$ 0.0036	374	\$ 1.35	\$ 0.0036	374	\$ 1.35	\$ -	0.00%
Rural and Remote Rate Protection (RRRP)	\$ 0.0013	374	\$ 0.49	\$ 0.0013	374	\$ 0.49	\$ -	0.00%
Standard Supply Service Charge	\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	0.00%
Debt Retirement Charge (DRC)								
Ontario Electricity Support Program (OESP)	\$ 0.0011	374	\$ 0.41	\$ 0.0011	374	\$ 0.41	\$ -	0.00%
TOU - Off Peak	\$ 0.0870	237	\$ 20.64	\$ 0.0870	237	\$ 20.64	\$ -	0.00%
TOU - Mid Peak	\$ 0.1320	62	\$ 8.19	\$ 0.1320	62	\$ 8.19	\$ -	0.00%
TOU - On Peak	\$ 0.1800	66	\$ 11.83	\$ 0.1800	66	\$ 11.83	\$ -	0.00%
Total Bill on TOU (before Taxes)			\$ 73.66			\$ 73.68	\$ 0.02	0.03%
HST	13%		\$ 9.58	13%		\$ 9.58	\$ 0.00	0.03%
Total Bill on TOU			\$ 83.24			\$ 83.26	\$ 0.02	0.03%

2
3

3.5 Shared Tax Savings Adjustment

In its Supplemental report of the Board on *3rd Generation Incentive Regulation* issued on July 17, 2008, and in *Chapter 3 of the Board's Filing Requirements* (EDR) last revised July 14, 2016, the Board determined that a 50/50 sharing of the impact of currently known legislated tax changes, other than that related to the implementation of the Harmonized Sales Tax, as applied to the tax level reflected in the Board-approved base rates for a distributor, was appropriate.

Guelph Hydro has completed the Board's 2017 IRM Rate Generator Model (Tab 8. STS-Tax Change and Tab 9. Shared Tax-Rate Rider), and calculated annual tax changes allocated to customer rate classes on the basis of the 2016 Board-approved billing determinants and distribution rates (2016 COS file number EB-2015-0073). As there is no tax change from the 2016 year of cost of service, no rate rider has been generated (please see Table 4 below).

1 Table 4 – Summary of Tax Change Forecast Amounts (2017 Rate Generator, Tab 8)



Ontario Energy Board

Incentive Regulation Model for 2017 Filers

Summary - Sharing of Tax Change Forecast Amounts

For the 2016 year, enter any Tax Credits from the Cost of Service Tax Calculation (Positive #)

199,000

1. Tax Related Amounts Forecast from Capital Tax Rate Changes

Taxable Capital (if you are not claiming capital tax, please enter your OEB-Approved Rate Base)

2016

2017

\$ 151,391,730

\$ 151,391,730

Deduction from taxable capital up to \$15,000,000

\$ -

Net Taxable Capital

\$ 151,391,730

\$ 151,391,730

Rate

0.00%

0.00%

Ontario Capital Tax (Deductible, not grossed-up)

\$ -

\$ -

2. Tax Related Amounts Forecast from Income Tax Rate Changes

Regulatory Taxable Income

\$ 2,671,866

\$ 2,671,866

Corporate Tax Rate

26.50%

26.500%

Tax Impact

\$ 509,044

\$ 509,044

Grossed-up Tax Amount

\$ 692,577

\$ 692,578

Tax Related Amounts Forecast from Capital Tax Rate Changes

\$ -

\$ -

Tax Related Amounts Forecast from Income Tax Rate Changes

\$ 692,577

\$ 692,578

Total Tax Related Amounts

\$ 692,577

\$ 692,578

Incremental Tax Savings

\$ 0

2 **Sharing of Tax Amount (50%)** **\$ 0**

3

3.6 Adjustment of Retail Transmission Service Rates (RTSR)

Guelph Hydro is applying for an adjustment of its Retail Transmission Service Rates based on a comparison of historical transmission costs adjusted for new UTRs levels and revenues generated from existing RTSRs. This approach is expected to minimize variances in USoA Accounts 1584 and 1586.

The proposed adjustments of the Retail Transmission Service Rates and a detailed calculation are exhibited in Appendix 1 – 2017 IRM Rate Generator Model (Tabs 10 to 15).

Guelph Hydro presents below its preliminary RTSR for 2017:

Table 5 – 2017 Proposed RTSRs

Rate Class	Unit	Actual RTSR Network	Proposed RTSR Network	Change %	Actual RTSR Connection	Proposed RTSR Connection	
Residential	kWh	\$ 0.0074	\$ 0.0057	-30.72%	\$ 0.0053	\$ 0.0046	-15.48%
General Service Less Than 50 kW	kWh	\$ 0.0068	\$ 0.0052	-30.72%	\$ 0.0051	\$ 0.0040	-26.37%
General Service 50 to 999 kW	kW	\$ 2.8441	\$ 2.1758	-30.72%	\$ 2.1485	\$ 1.7001	-26.37%
General Service 50 to 999 kW - Interval Metered	kW	\$ 2.9501	\$ 2.2568	-30.72%	\$ 2.2291	\$ 1.7639	-26.37%
General Service 1,000 to 4,999 kW	kW	\$ 2.9501	\$ 2.2568	-30.72%	\$ 2.2291	\$ 1.7639	-26.37%
Large Use	kW	\$ 3.5626	\$ 2.7254	-30.72%	\$ 2.6917	\$ 2.1299	-26.37%
Unmetered Scattered Load	kWh	\$ 0.0068	\$ 0.0052	-30.72%	\$ 0.0051	\$ 0.0040	-26.37%
Sentinel Lighting	kW	\$ 2.1776	\$ 1.6659	-30.72%	\$ 1.6451	\$ 1.3017	-26.38%
Street Lighting	kW	\$ 2.6201	\$ 2.0044	-30.72%	\$ 1.9794	\$ 1.5663	-26.37%

The billing determinants used for determination of the RTSR rates are the most recent billing determinants reported for the 2015 year end (2.1.5 – Performance Based Regulation, section 2.1.5.4 – Demand & Revenue). The Loss Factor applied to the metered kWh is the actual Board- approved 2016 Loss Factor.

Guelph Hydro acknowledges that once any January 1, 2017 UTR adjustments are determined, Board staff will adjust the 2017 IRM Rate Generator model to reflect any changes in Hydro One's Sub-Transmission class RTSRs.

3.7 Deferral and Variance Accounts

Guelph Hydro has completed Board Staff's 2017 IRM Rate Generator – Tab 3. Continuity Schedule, and the Threshold Test shows a total claim per kWh of (\$0.0032), which is above the approved threshold of \$0.001; therefore, Guelph Hydro is seeking to dispose its deferral and variance account balances in this application. The total amount requested for disposition is \$(5,644,119.80), excluding 1580- Wholesale Market Service Charge- Subaccount CBR Class A, and 1568- LRAM Variance Account balances.

Guelph Hydro is proposing a rate rider recovery period of one-year.

Actual interest has been calculated based on the Board's prescribed rates. Forecasted interest for the period January 1, 2016 to December 31, 2016 is based upon the Board-prescribed rate for of 1.10%.

Guelph Hydro confirms the accuracy of the billing determinants used in Tab 4 of the Rate Generator Model.

Deferral and Variance account balances match the Audited Financial Statements and the 2.1.7 RRR Trial Balances with two exceptions explained below:

1. **1580 RSVA – Wholesale Market Service Charge:** Account 1580 RSVA – Wholesale Market Service Charge continuity on Tab 3 of the Rate Generator Model was input excluding the balances in the 1580 sub accounts for CBR Classes A and B, which now have their own segregated line items. As a result, the \$(3,555,676) total balance of Account 1580 as reported on the 2015 2.1.7 Trial Balance is different from the continuity balance by \$445,342 due to the segregation of this latter amount into the 1580 sub accounts for CBR Class A and B as of December 31, 2015.
2. **1568 – LRAMVA:** Guelph Hydro has updated its 2015 CDM results with the OPA's 2015 actual results received in July 2015, and took the demand

persistence in consideration; the difference of \$(1,020,985) is due to this update.

A snapshot of the 2.1.7 Trial Balance for 2015 submitted on June 1, 2016 is presented below:

Table 6 –Snapshot of 2.1.7 - 2015 Trial Balance

E 2.1.7 - Trial Balance: 2.1.7; 1; Revised: 6/1/2016; April

Page 1 of 1

Assets Liabilities and Equity Income Statement Sub-Accounts Group 1 Accounts Trial Balance Summary and Submit

Group 1 Accounts

The principal and interest as of December 31 for Group 1 DVAs will be used to populate the continuity schedule in the IRM Rate Generator Model. The total balance of each account must equal the main control account in the RRR 2.1.7 Trial Balance.

Account Description	Account Number	Principal (A)	Interest (B)	Total Balance (A+B)
LV Variance Account	1550	183,322.90	1,897.87	185,220.77
Smart Metering Entity Charge Variance Account	1551	-57,421.56	-281.46	-57,703.02
RSVA - Wholesale Market Service Charge	1580	-3,550,109.85	-5,565.84	-3,555,675.69
RSVA - Retail Transmission Network Charge	1584	-781,109.86	3,403.06	-777,706.80
RSVA - Retail Transmission Connection Charge	1586	-143,080.84	5,514.32	-137,566.52
RSVA - Power (excluding Global Adjustment)	1588	-1,750,961.58	-3,915.06	-1,754,876.64
RSVA - Global Adjustment	1589	2,936,093.66	38,120.03	2,974,213.69
Disposition and Recovery/Refund of Regulatory Balances (2008)	1595	0.00	-2,136.04	-2,136.04
Disposition and Recovery/Refund of Regulatory Balances (2009)	1595			0.00
Disposition and Recovery/Refund of Regulatory Balances (2010)	1595	89.41	-55.95	33.46
Disposition and Recovery/Refund of Regulatory Balances (2011)	1595			0.00
Disposition and Recovery/Refund of Regulatory Balances (2012)	1595	-0.10	-0.63	-0.73
Disposition and Recovery/Refund of Regulatory Balances (2013)	1595			0.00
Disposition and Recovery/Refund of Regulatory Balances (2014)	1595	370,554.54	-386,542.39	-15,987.85
Disposition and Recovery/Refund of Regulatory Balances (2015)	1595	30,525.87	654,704.19	685,230.06

Guelph Hydro has presented a summary of the disposition decisions and the sunset dates below:

Table 7 – Summary of Guelph Hydro Disposition Decisions

Deferral and Variance Accounts approved for Disposition [decisions & sunset dates]

	2012 COS	2012 COS	2014 IRM	2015 IRM	2016 COS
Sunset Date	March 31, 2013	March 31, 2016	December 31, 2014	December 31, 2015	December 31, 2016
Board's Decision	EB-2011-0123	EB-2011-0123	EB-2013-0133	EB-2014-0077	EB-2015-0073
Group 1					
WMS	1580		1580	1580	1580
RTNC	1584		1584	1584	1584
RTCC	1586		1586	1586	1586
Power	1588		1588	1588	1588
Power-GA	1588-GA		1589	1589	1589
Low Voltage	1550		1550	1550	1550
Smart Metering Charge Variance				1551	1551
Disposition of Account Balances Approved in 2008 COS	1595-(2008 COS)		1595-(2008 COS remaining)	1595-(2008 COS remaining)	
Disposition of Account Balances Approved in 2010 IRM	1595 - (2010 IRM)		1595- (2010 IRM)	1595-(2010 IRM remaining)	1595-(2010 IRM remaining)
Disposition of Account Balances Approved in 2012 COS	1595 - (2012 COS)			1595 - (2012 COS)	
					1595-(2014 IRM)
Group 2					
Other Reg. Assets	1508-IFRS				1508
RCVA-Retail	1518				1518
					1532
					1533
RCVA-STR	1548				1548
Smart Meter Capital	1555-included in the rate base				1555
Smart Meter OMA	1556-included in the rate base				1556
Deferred PILs Account		1562			
PILs & Tax Variance	1592				1592
Special Purpose Charge Assessment Variance Account	1521				
1568- LRAMVA					1568
1576- Accounting Changes					1576

Note: Guelph Hydro did not ask for any disposition of deferral and variance account balances in its 2013 IRM application (EB-2012-0128) because the Threshold Test showed a total claim per kWh below the approved threshold of \$0.001.

Table 8 – Approved Deferral and Variance Account Dollar Balances Disposed

Deferral and Variance Accounts approved for Disposition [\$]

	2012 COS		2014 IRM		2015 IRM		2016 COS	
	EB-2011-0123		EB-2013-0133		EB-2014-0077		EB-2015-0073	
Board's Decision	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
Group 1	RSVA							
1580-WMS	(\$1,922,324)	(\$38,863)	(\$3,989,563)	(\$127,785)	(\$961,981)	\$6,615	(\$112,601)	\$6,586
1584-RTNC	\$667,902	\$14,641	\$1,345,249	\$27,626	\$517,305	(\$11,516)	\$197,800	\$5,657
1586-RTCC	(\$373,043)	(\$9,060)	\$515,947	\$4,930	(\$112,262)	(\$8,634)	\$290,300	\$6,210
1588-Power	(\$739,604)	(\$17,838)	\$1,579,299	(\$159,858)	\$861,186	(\$1,463)	(\$659,091)	(\$6,258)
1589-Power-GA	(\$1,146,068)	(\$24,464)	(\$2,285,823)	\$33,672	\$4,829,630	\$87,698	\$3,283,591	\$31,085
1550-Low Voltage	(\$115,802)	(\$2,925)	(\$9,894)	(\$1,217)	\$17,489	\$168	\$74,826	\$1,396
1551 - Smart Metering Charge Variance					\$62,203	\$1,616	(\$18,216)	(\$254)
1595-Disposition of Account Balances Approved in 2008 COS	\$14,174	\$10,549	(\$3,004)	(\$2,443)	\$13	(\$1,177)		
1595-Disposition of Account Balances Approved in 2010 IRM	(\$2,416,490)	(\$53,338)	\$25,686	(\$126,025)	(\$1,175)	\$254	\$89	(\$56)
1595-Disposition of Account Balances Approved in 2012 COS					\$1,135,286	\$544,624		
1595-Disposition of Account Balances Approved in 2014 IRM							\$313,895	(\$387,360)
Group 2								
1508-IFRS-Other Reg. Assets	\$436,933	\$18,882					\$54,050	(\$5,710)
1518-RCVA-Retail	(\$83,312)	(\$3,789)					\$23,714	(\$1,016)
1532-Renewable Generation Connection OM&A Deferral Account							\$85,771	\$2,736
1533-Renewable Generation Connection Funding Adder Deferral Account							(\$343,832)	(\$9,620)
1548-RCVA-STR	(\$211,458)	(\$13,488)					(\$21,168)	(\$3,507)
1555-Smart Meter Capital	1555-included in the rate base						\$423,206	\$35,807
1556-Smart Meter OMA	1556-included in the rate base						\$171,801	\$7,702
1562-Deferred PILs Account	\$1,151,767	\$628,391						
1592-PILs & Tax Variance	(\$564,143)	(\$22,383)					(\$50,797)	(\$3,187)
1521-.Special Purpose Charge Assesment Variance Account	(\$37,397)	\$2,194						
1568- LRAMVA							\$288,941	\$13,680
1576- Accounting Changes							(\$805,452)	
TOTAL	(\$5,338,866)	\$488,509	(\$2,822,103)	(\$351,100)	\$6,347,694	\$618,186	\$3,196,827	(\$306,107)

Account Balances included in the Rate Generator model:

Account Balances included in Total Claim:

- 1550 — Low Voltage Variance Account
- 1551 — Smart Metering Entity Charge Variance
- 1580 — RSVA - Wholesale Market Service Charges
- 1584 — RSVA - Retail Transmission Network Charge
- 1586 — RSVA - Retail Transmission Connection Charge

- 1 • 1588 — RSVA - Power (excluding Sub-Account Global Adjustment)
- 2 • 1589 — RSVA - Global Adjustment
- 3 • 1595 — Disposition and Recovery/Refund of Regulatory Balances (2010
- 4 remaining balance)
- 5 • 1595 — Disposition and Recovery/Refund of Regulatory Balances (2014)
- 6 • 1595 — Disposition and Recovery/Refund of Regulatory Balances (2015)

7 Guelph Hydro has included 1568 – LRAM Variance Account in the Continuity
8 Schedule because the total claim of the 2015 balance is considered significant.

9 In its 2016 COS application (EB-2015-0073), Guelph Hydro agreed to dispose of
10 the balances of the LRAMVA up to 2013 based on the 2013 final results that
11 were currently available. At that time, Guelph Hydro noted its intention to seek
12 the future disposal of any remaining balance for 2014 and forward upon receipt
13 of 2014 verified actual results. (Reference: issue 4.2 (iii), pg. 31 of Settlement
14 Proposal, filed on November 10, 2015 and presented as Appendix 6 in this
15 Application).

16 In early July the IESO provided Guelph Hydro its Final 2015 Annual Verified
17 Results Report, which have been incorporated into this filing.

- 18 • Guelph Hydro has allocated the balances requested for disposition to the
- 19 rate classes based on the default cost allocation methodology as set out in
- 20 the *Report of the Board on Electricity Distributors' Deferral and Variance*
- 21 *Account Review Initiative*, July 31, 2009.
- 22 • For account 1595 (2010), 1595 (2014), and 1595 (2015), Guelph Hydro
- 23 has used the same share proportion that it used in its 2016 COS
- 24 application (EB-2015-0073).

**Wholesale Market Participants (WMP) Rate Rider for Disposition of
Deferral/Variance Accounts**

In accordance with the Chapter 3 Filing requirements updated on July 14, 2016, a wholesale market participant refers to any entity that participates directly in any of the IESO-administered markets. These participants settle commodity and market-related charges with the IESO even if they are embedded in a distributor's distribution system. As a consequence, Guelph Hydro has not allocated any account balances in Account 1588 RSVA - Power, Account 1580 RSVA - Wholesale Market Services Charge and Account 1589 RSVA - Global Adjustment to its WMP customers.

The WMPs settle directly with the IESO the Global Adjustment charge. Therefore, Guelph Hydro is proposing not to charge a Rate Rider for the Disposition of Global Adjustment Account to the WMPs customers.

Guelph Hydro ensured that rate riders are appropriately calculated for the following remaining charges that are still settled with the Applicant. These include Account 1584 RSVA – Retail Transmission Network Charge, Account 1586 RSVA – Retail Transmission Connection Charge and Account 1595 – Disposition/Refund of Regulatory Balances.

Guelph Hydro has presently two WMP customers which belong to General Service 50 kW to 999 kW class.

In accordance with Chapter 3 Filing Requirements updated on July 14, 2016, all global adjustment (GA) rate riders for applicable classes are calculated on an energy basis (kWh).

Guelph Hydro used the WMPs 2015 metered consumption as reported in 2.1.5.4 filings.

**Class A customers Rate Rider for Disposition of the Global Adjustment
Account Balance**

Guelph Hydro's settlement process with the IESO offsets to zero the Class A contribution to the 1589 Global Adjustment balance (described in detail under Global Adjustment, Class A Customers on page 45). Therefore, Guelph Hydro is proposing not to charge a Rate Rider for disposition of Global Adjustment Account to the six Class A customers that existed prior to the July 1, 2015 amendment to O. Reg. 429/04. For details, please see the 2017 IRM Rate Generator model, Tab. 6 GA calculation.

In accordance with the Chapter 3 Filing Requirements last updated July 14, 2016, distributors who serve Class A customers per O. Reg. 429/04 (i.e. customers with a monthly average demand greater than 3 MW) must allocate the recovery of the global adjustment variance balance based on their settlement process with the IESO for any residual global adjustment variance balances that accrued prior to those customers being classified as Class A customers. Guelph Hydro's newly eligible Class A customers belong to General Service 1000 to 4999 kW and Large Use classes. Beginning July 1, 2015, seven customers obtained Class A status, but contributed to the global adjustment variance balance prior to this date. The GA contribution of the seven newly-eligible Class A customers is -\$34,966 for the period of January 1, 2015 to June 30, 2015, including carrying charges using the OEB prescribed interest rates. Guelph Hydro completed the Rate Generator Model, Tab 6.a. GA allocation_Class A, to determine monthly equal payments for the former Class B customers. For additional information regarding the method used by Guelph Hydro to bill the Global Adjustment charge to Class B customers, please see Global Adjustment, Class B Customers on page 45.

Guelph Hydro proposes to recover the -\$34,966 balance from each customer through customer-specific equal monthly adjustments over a 12-month disposition period. Guelph Hydro's proposal is consistent with the OEB's Decision and Rate

1 Order in the London Hydro 2016 Price-Cap IR case (*EB-2015-0087*), for recovery of
2 residual global adjustment variance balances that accrued prior to newly eligible
3 customers being classified as Class A customers. Guelph Hydro's proposed
4 customer-specific equal monthly adjustments for its seven newly eligible Class A
5 customers is summarized in the table below.

1

Table 9 – Former Class B Customer Monthly Payments

Allocation of GA Balances to Former Class B Customers

# of Former Class B customer(s)		7				
Customer		Total Metered kWh Consumption for each new Class A customer for the period prior to	Metered kWh Consumption for each new Class A customer for the period prior to becoming Class A	% of kWh	specific GA allocation for the period prior to becoming	Monthly Equal Payments
Customer 1		18,392,377	18,392,377	21.61%	-\$ 7,555	-\$ 630
Customer 2		12,186,006	12,186,006	14.32%	-\$ 5,006	-\$ 417
Customer 3		9,634,061	9,634,061	11.32%	-\$ 3,958	-\$ 330
Customer 4		15,545,826	15,545,826	18.26%	-\$ 6,386	-\$ 532
Customer 5		10,893,384	10,893,384	12.80%	-\$ 4,475	-\$ 373
Customer 6		7,060,706	7,060,706	8.30%	-\$ 2,901	-\$ 242
Customer 7		11,406,199	11,406,199	13.40%	-\$ 4,686	-\$ 390
Total		85,118,559	85,118,559	100.00%	-\$ 34,966	

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1 Settlement Process

2 The Board's filing requirements for 2017 Rate Applications require each distributor to
3 provide a description of its settlement process with the IESO or host distributor.

4 Distributors must specify the Global Adjustment rate used for billing each rate class,
5 itemize the process for providing consumption estimates to the IESO, and describe
6 the true-up process to reconcile estimates of RPP and non-RPP consumption once
7 actuals are known.

8 Guelph Hydro does not have a host distributor, and settles directly with the IESO.

9 Guelph Hydro determines RPP eligibility for small business (General Service less
10 than 50 kW) customers by performing annual customer reclassification based on
11 annual consumption (i.e. if annual consumption is less than 150,000 kWh, the
12 customer meets the RPP eligibility).

13 On a monthly basis, Guelph Hydro calculates an amount payable/receivable to/from
14 the IESO to settle for the previous month. The settlement figures are communicated
15 to the IESO via online portal on or before the fourth business day of the month, and
16 appear under certain charge types on the IESO invoice, which arrives mid-month.
17 This process ensures that the IESO and Guelph Hydro are appropriately
18 compensated for various government-mandated rates/plans/programs:

- 19 1. The Regulated Price Plan (RPP) – charge type 142
- 20 2. Global Adjustment (GA) – charge type 147 and 148
- 21 3. Renewable Energy Standard Offer (RESOP) Program – charge type 1410
- 22 4. Feed-In-Tariff (FIT) Program – charge type 1412
- 23 5. Ontario Electricity Support Program (OESP) – charge type 1420 & 1470

1 A further explanation of each component of this settlement process is provided
2 below.

3 **Regulated Price Plan Settlement Amount**

4 Guelph Hydro claims the difference between Regulated Price Plan (RPP) rates
5 applied to RPP customers, and the sum of the corresponding consumption multiplied
6 by the Weighted Average Hourly Spot Price (WAHSP) and Global Adjustment (GA)
7 in IESO Form (formerly 1598) each month. The process is completed using General
8 Ledger activity and meter data available from Guelph Hydro's Customer Information
9 System (CIS).

10 For the current IESO settlement month, Guelph Hydro extracts billed customer RPP
11 commodity charges (TOU and tier pricing) from the General Ledger activity and
12 extracts billed consumption for RPP customers from the CIS system. For IESO
13 settlement purposes, Guelph Hydro has setup a calculation in its CIS system to
14 determine WAHSP charges based on billed consumption for RPP customers. This
15 calculation is tracked in General Ledger activity. Guelph Hydro then adds the
16 estimated GA charges based on the IESO 2nd estimate and RPP billed consumption
17 to the calculated WAHSP charges. The amount settled with the IESO is the
18 difference between the sum of the WAHSP and GA calculation minus the billed RPP
19 commodity (TOU and tier pricing). Guelph Hydro maintains separate General Ledger
20 accounts to track the RPP settlement and GA settlement portions, which are both
21 tracked in USoA 4705 account. To determine the Final Variance Settlement Amount
22 (FVSA), Guelph Hydro extracts from General Ledger activity the billed FVSA for
23 customers who have left RPP in the current IESO settlement month.

24 The first month following quarter end, Guelph Hydro submits a GA true-up to the
25 IESO for the previous quarter. Guelph Hydro calculates the Actual GA charges by
26 applying the corresponding Actual GA rate to the kWh consumption submitted to the
27 IESO for each month in the quarter. The monthly true-up is the difference between

1 the Actual GA calculation minus the estimated GA submitted to the IESO based on
2 the 2nd estimate and sums this difference for each month in the quarter. This is
3 captured within USoA 4705 as well.

4 The RPP portion of the Global Adjustment is reflected in Account 1588 RSVA
5 Power.

6 The non-RPP portion of the Global Adjustment is reflected in Account 1589 Global
7 Adjustment.

8 **Global Adjustment**

9 Class B Customers

10 Guelph Hydro relies on accrual accounting. All non-RPP Class B customers are
11 billed using the IESO's Global Adjustment 1st estimate. The billed amounts are
12 tracked in USoAs 4006-4055, depending on customer classifications.

13 The actual GA amount Guelph Hydro is billed by the IESO to service non-RPP Class
14 B customers is tracked in USoA 4707.

15 The GA variance account 1589 captures the difference between the amounts billed
16 to non-RPP customers on 1st estimate and the actual amount paid by Guelph Hydro
17 to the IESO for non-RPP customers (i.e. the IESO charge 148 – Class B GA charge
18 minus the GA attributed to RPP settlement included in the IESO charge 142 – RPP
19 settlement amount).

20 Class A Customers

21 As of July 1, 2015, per O. Reg. 429/04, an eligible customer with a maximum hourly
22 demand over three megawatts, but less than five megawatts, can elect to become a
23 Class A customer for an applicable adjustment period of one year. Table 10 details
24 the number of Class A customers Guelph Hydro historically serves.

1 Annually, Guelph Hydro reviews its large customer Class A eligibility by calculating
2 the customer's average demand during the twelve-month base period of May 1 to
3 April 30. If the customer has average demand of 3 MW to 5 MW and the load facility
4 is identified by NAICS code 493120 or a NAICS code commencing with the digits
5 "21", "31", "32", "33", "518" or "1114", the customer meets the eligibility of Class A
6 (the customer must opt-in to be classified as Class A customer). If the customer has
7 average demand above 5 MW, the customer is automatically classified as a Class A
8 customer.

9 Guelph Hydro calculates its own peak demand factor (PDF) by collecting the sum of
10 participating Class A customer demand during the top 5 Ontario peaks divided by
11 the sum of Ontario's top 5 peaks (communicated by the IESO). Guelph Hydro
12 confirms its PDF calculation once it receives its PDF from the IESO at the end of
13 May.

14 Guelph Hydro first calculates the total Ontario GA cost by taking the 147 - IESO
15 charge and dividing it by Guelph Hydro's PDF (the sum of Guelph Hydro's Class A
16 customer PDFs). Once total GA costs are determined, this is then multiplied by a
17 specific Class A customer's PDF to determine that customer's Class A GA charge
18 for the month. The second step is repeated for all Class A customers to determine
19 their Class A GA charge for the month. The PDF for each individual Class A
20 customer is calculated as the sum of the five customer demand peaks registered
21 during the base period divided by the sum of the Ontario demand peaks determined
22 by the IESO.

Table 10 - Number of Class A Customers

Adjustment Period	Number of Class A Customers	Combined Peak Demand Factor
July 1, 2014 to June 30, 2015	6	0.00198622
July 1, 2015 to June 30, 2016	13	0.00292400
July 1, 2016 to June 30, 2017	11	0.00234666

Prior to the amendments to O. Reg. 429/04 in 2015, Guelph Hydro served four Class A customers above 5,000 kW and two Class A customers below 5,000 kW that regained Class A status under section 6.2 of O. Reg. 429/04 due to participation in eligible IESO (formerly OPA) conservation programs.

As a result of amendments to the Industrial Conservation Initiative (ICI) program and O. Reg. 429/04 in 2015, Guelph Hydro added six new Class A eligible customers in the General Service 1,000-4,999 kW rate class, and added one customer due to reclassification to the Large Use rate class.

Effective on the date a customer becomes Class A, they are billed on actual global adjustment charges and do not contribute to the GA variance.

Renewable Energy Standard Offer Program (RESOP) Settlement Amount

Guelph Hydro has two customers under the RESOP program. Each month the General Ledger activity is used to determine the actual credit amounts remitted during the month to RESOP customers. The RESOP credit minus WASHP is settled with the IESO.

Feed-In-Tariff Program Settlement Amount

Guelph Hydro maintains a pair of General Ledger accounts for each contract price that exists to date under the FIT and microFIT program. One account tracks the amount credited to FIT or microFIT customers at the applicable contract price during the month, the second account tracks the value of the electricity commodity which has flowed into Guelph Hydro's distribution system from FIT and microFIT generators (found by multiplying the kWh generated by the weighted average hourly spot price for the applicable billing period).

Guelph Hydro settles with the IESO the difference between the credits issued to customers and the value of the electricity commodity which has been generated and sold within Guelph Hydro's distribution system.

Ontario Electricity Support Program

Guelph Hydro obtains the value of OESP credits applied to qualified low-income customer accounts from the General Ledger activity during the month. Separate GL accounts are maintained for each OESP Class or tariff code, as well as adjustments. The IESO compensates Guelph Hydro for its OESP credits issued under IESO charge type 1420.

As the OESP is funded by all ratepayers, Guelph Hydro charges all customer classes, exclusive of customers which are market participants, at the OESP rate prescribed by the OEB. The IESO charges Guelph Hydro for the OESP program by the number of kWh withdrawn from the grid in a given month multiplied by the same rate, in charge type 1470. Guelph Hydro tracks the variance between OESP Revenue billed to customers (USoA 4062 Billed Wholesale Market Service) and OESP Expense billed by IESO (USoA 4708 Charges Wholesale Market Service) in Account 1580 (Wholesale Market Service).

Capacity Based Response (CBR)

Guelph Hydro follows the OEB's Accounting Guidance on CBR issued on July 25, 2016.

Guelph Hydro bills Class A customers their share of the actual CBR charge, equal to Charge Type 1350 on the IESO invoice, based on their respective Peak Demand Factor. Wholesale Market Participants are billed by the IESO for CBR. Costs recorded under Charge Type 1350 for CBR for Class A consumption are recorded in Account 4708 Charges – WMS, Sub-account CBR Class A.

Guelph Hydro records WMS revenues for CBR on all consumption effective January 1, 2016 and onwards for Class B customers, excluding Wholesale Market Participants. Costs recorded under Charge Type 1351 for CBR for Class B consumption is recorded in Account 4708 Charges – WMS, Sub-account CBR Class B. Guelph Hydro tracks the variance between the revenue billed to customers for Class B CBR and the costs recorded under Charge Type 1351 for CBR in Account 1580 WMS Sub-account CBR Class B. Carry charges are applied to monthly opening balances at the Board's prescribed rate.

Account 1568 LRAM Variance Account ("LRAMVA") – reference Appendix 7
LRAMVA Model (filed in Excel version)

For CDM programs delivered within the 2011 to 2014 term and going forward within the 2015 to 2020 term, the Board established Account 1568 as the LRAMVA to capture the variance between the Board-approved CDM forecast and the actual results at the customer rate class level. In its 2016 COS application, file number EB-2015-0073, Guelph Hydro received approval for and disposed the 2011 to 2013 LRAMVA balances. In this 2017 IRM Application, Guelph Hydro is seeking approval to dispose the 2014 to 2015 LRAMVA remaining balance of \$1,301,973.85 as it is deemed to be significant.

1 The LRAM variance account ("LRAMVA") captures at the customer rate-class level,
2 the difference between the following:

- 3 a) The results of actual, verified impacts of authorized CDM activities
4 undertaken by Guelph Hydro between 2011-2014, and 2015 CDM final
5 verified results for the IESO-Contracted Province-Wide CDM programs in
6 relation to activities undertaken by Guelph Hydro and/or delivered for
7 Guelph Hydro by a third party under contract (in its franchise area); and
8 b) The level of CDM program activities included in Guelph Hydro's Board-
9 approved load forecast (i.e., the level embedded into rates).

10 Currently, Guelph Hydro does not have Board-approved CDM programs; therefore
11 a separate third party review is not required.

12 According to the July 31, 2009 Report of the Board: *Electricity Distributors' Deferral*
13 *and the April 26, 2012 Guidelines for Electricity Distributor CDM*, Guelph Hydro has
14 not included the 1568 LRAMVA in the pre-set disposition threshold calculation in
15 determining materiality for disposition for Group 1 accounts.

16 In accordance with the Board's *Guidelines for Electricity Distributor CDM*, at a
17 minimum, distributors must apply for disposition of the balance in the LRAMVA at
18 the time of their Cost of Service rate applications. Distributors may apply for the
19 disposition of the balance in the LRAMVA in Incentive Regulation Mechanism rate
20 applications, if the balance is deemed significant by the applicant.

21 All requests for disposition of the LRAMVA must be made together with carrying
22 charges.

23 **LRAMVA model**

24 Guelph Hydro created its own LRAMVA model that was approved in 2016 Cost of
25 Service proceedings and added it to the OEB's generic LRAMVA model (Tab 8 to

12). Guelph Hydro's model does not reconcile with the OEB's model for the following reasons (please see Tab. 1. LRAMVA Summary):

Guelph Hydro had previously filed for LRAM recovery for calendar years 2011, 2012 and 2013. This filing was approved by the OEB, and revenue recovery subsequently implemented by Guelph Hydro via a rate rider.

The LRAMVA model was developed in-house by Guelph Hydro using the following parameters:

- Using OPA Annual CDM Final Verified Results Reports, but excluding "adjustments to previous years", as there was a significant time lag in receiving "adjustments to previous years", and in early-days detailed data identifying adjustment parameter customer specifics was not available from the OPA. Customer specifics related to adjustments have become more apparent through the current IESO CFF LDC reports;
- Including demand response results for calendar years 2011, 2012 and 2013, as OEB EB-2016-0182 "Updated Policy for the Lost Revenue Adjustment Mechanism Calculation: Lost Revenues and Peak Demand Savings from Conservation and Demand Management Programs" did not exist until May 2016;
- Excluding demand persistence, based on OPA feedback and OPA/OEB CDM reporting treatment of demand. The OPA indicated that CDM demand savings would only be recognized as a one-time incremental contribution against an LDC's demand target. This was unlike how energy savings were recognized annually with persistence against CDM targets. The rationale provided by the OPA was that "demand reductions should be considered the same as building new generation, and new generation assets are only recorded once in the year they are commissioned."

1 When preparing the LRAM filing for 2014 and 2015, Guelph Hydro became
2 aware that the OEB was developing a new LRAM filing template, covering the
3 timeframe 2011-2015 period. Guelph Hydro has attempted to adopt this model
4 for this timeframe, but has encountered several issues. The following is an
5 explanation of Guelph Hydro's hybrid filing approach, and highlights some of the
6 issues encountered:

- 7 • Guelph Hydro's approved in-house LRAMVA model had previously been
8 used for 2011-2013, and was also used to complete the final year of the
9 2011-2014 framework in an attempt to avoid allocation methodology
10 inconsistencies with previous submissions;
- 11 • The most significant impact is related to the inclusion of demand
12 persistence for 2011-2015, as provided by the OEB model. Demand
13 persistence had previously been excluded for the reason described above;
- 14 • The most recent 2011-2014 Final Verified Results Report was used to
15 update the OEB model with "true-up adjustments", but the 2011-2013 true-
16 ups were excluded from the internal modelling as the 2011-2013 results
17 had previously been approved by the OEB and implemented by Guelph
18 Hydro;
- 19 • For 2014 and 2015 Guelph Hydro followed the OEB EB-2016-0182
20 "Updated Policy for the Lost Revenue Adjustment Mechanism Calculation:
21 Lost Revenues and Peak Demand Savings from Conservation and
22 Demand Management Programs", but left the inclusion of 2011, 2012 and
23 2013 demand response results unchanged, as this had been previously
24 approved by the OEB and implemented by Guelph Hydro;
- 25 • Guelph Hydro has followed both the new OEB filing model and OEB EB-
26 2016-0182 guidelines for 2015.

1 Through this filing Guelph Hydro is seeking some guidance on Guelph Hydro's
2 hybrid approach to the 2011-2015 LRAM modelling and filing submission,
3 particularly in light of the previously approved 2011-2013 modelling and claim
4 submission.

5 If the Board requires, Guelph Hydro is willing to update the LRAMVA model and
6 claim to take into consideration the OPA's historical adjustments, and exclude the
7 2011 to 2013 demand response results.

8 Guelph Hydro adapted the OEB's generic LRAMVA model to reflect accurate rate
9 changes, average monthly rates, and to add Large Use class under "Other"
10 classification.

11 All changes are highlighted in yellow and presented below:

12 1. Tab. 2 CDM Allocation:

- 13 a. column J – added Large Use class
14 b. Rows: 56, 69, 82, and 95 (Weather Normal Billed kWh) to reflect
15 correctly the billed kW

16 2. Tab 3. Distribution Rates:

- 17 a. Cells F33 to I40 to reflect correctly the average monthly rates

18 3. Tab 4. 2011-14 LRAM:

- 19 a. Added Large Use in column O

20 4. Tab 5. 2015 LRAM:

- 21 a. Added Large Use class in column O

22 5. Tab 7. Carrying Charges:

- 23 a. Added Large Use in column P

Disposition of the LRAMVA

Guelph Hydro is seeking the disposition of the remaining 2014 to 2015 balance in the LRAMVA as part of its 2017 IRM application as the balance of \$1,301,973.85 (\$1,268,598.05 principal and \$33,375.80 interest) is considered significant.

The 1568 LRAMVA balance includes 2014 IESO "Final Verified Results", and 2015 IESO "Final Verified Results", and excludes 2011 to 2013 balance approved for disposition in 2016 COS (EB-2015-0073).

As part of the 2012 COS proceedings (EB-2011-0123), Guelph Hydro included a load forecast that accounted for the expected impact of CDM activities, which impact assumed that Guelph Hydro would achieve 20% of the target energy and demand savings (15.906 GWh and 3.342 MW) in 2012. This is the level of the expected CDM load reduction embedded into 2012 to 2015 approved rates.

With respect to the entries in the LRAMVA, the CDM Guidelines specify that distributors must calculate the full year impact of CDM programs on a monthly basis, based on the volumetric impact of the load reductions arising from the CDM measures implemented in that month, multiplied by the distributor's Board-approved variable distribution charge to the customer rate class in which the volumetric variance occurred.

Guelph Hydro received from the IESO the impact of CDM programs in kWh calculated on an annual basis, and therefore the total savings in kWh were divided by 12 to reflect the monthly savings; the demand savings in kW are monthly savings and exclude demand response. In accordance with the Guidelines for Electricity Distributor CDM – EE-2012-003, Guelph Hydro has used the Board-approved volumetric rates including volumetric rate riders for tax sharing. Carrying charges were applied on a monthly basis and are being requested on the lost revenue amount.

1 In accordance with the OEB's Report on *Updated Policy for the Lost Revenue*
2 *Adjustment Mechanism calculation: Lost Revenues and Peak Demand Savings*
3 *from Conservation and Demand Management Programs* (the "Report") issued on
4 May 19, 2016, Guelph Hydro excluded the Demand Response results from the
5 LRAMVA balance calculation (please see 2017 generic LRAMVA model file
6 submitted in Excel version, Tab 10 "Guelph_CDM prgs") for 2014 and 2015. Guelph
7 Hydro did not have any Building Commissioning programs participants for which the
8 Report indicated that only summer months to be taken in consideration for the
9 demand savings calculation.

10 In its 2012 Cost of Service application (file number EB-2011-0123), the Board-
11 approved Load Forecast was adjusted at the purchased kWhs level (wholesale),
12 and no breakdown per customer class was detailed (retail sales).

13 Therefore, in this Application, Guelph Hydro has allocated the CDM adjustment for
14 the impact of CDM programs to the 2012 Test Year load forecast to each rate class
15 proportionately based on the class kWh and kW compared to the total of all classes.
16 Guelph Hydro has used the same methodology approved by the Board in Guelph
17 Hydro's 2016 COS (file number EB-2015-0073) for the calculation of the approved
18 CDM adjustment at the customer class level.

19 The *Guidelines for Electricity Distributor Conservation and Demand Management*
20 *EB-2012-0003*, dated April 26, 2012, provided a discussion on the above matter.

21 The following are two excerpts from the CDM Guidelines:

- 22 • "Distributors will generally be expected to include a CDM component in their
23 load forecast in cost of service proceedings to ensure that its customers are
24 realizing the true effects of conservation at the earliest date possible and to
25 mitigate the variance between forecasted revenue losses and actual revenue
26 losses. **If the distributor has included a CDM load reduction forecast in**
27 **its distribution rates, the amount of the forecast that was adjusted for**

1 **CDM at the rate class level would be compared to the actual CDM**
2 **results”** [page 12].

- 3 • “If during the term of the four-year CDM program (2011-2014) a distributor’s
4 rates are rebased, the distributors will be expected to be explicit on the
5 magnitude of the CDM reduction component (kWh and MW) in its load
6 forecast. **The revised load volumes approved in that rebasing**
7 **application will form the basis of the comparison to the actual verified**
8 **annual results to determine the variances to be recorded in the**
9 **LRAMVA.** The difference between the approved CDM amount (kWh and
10 MW) in the distributors load forecast and the actual verified final program
11 results, either from the IESO or a third party in accordance with the IESO’s
12 EM&V protocols, will be the LRAM amount available for recovery.” [pages 12
13 and 13].

14 The direction in the CDM Guidelines specifies that the revised load volumes
15 approved in a rebasing application will form the basis of the comparison to the
16 actual verified annual results to determine the variances to be recorded in the
17 LRAMVA. However, these requirements were not available at the time of Guelph
18 Hydro’s 2012 COS application filing and settlement agreement.

19 **Calculation of the 2012 Board Approved CDM adjustment forecast**

20 In its 2012 Cost of Service application (file number EB-2011-0123), the Board-
21 approved Load Forecast was adjusted at the purchased kWhs level (wholesale).
22 The adjustment of 15,906,000 (retail sales) was uplifted by the loss factor and
23 subtracted from the 2012 forecast wholesale kWh (please see the Appendix 4,
24 Excel version of the 2012 Board-Approved Load Forecast with CDM Adjustments,
25 Tab “Purchased Power Model”, cells J306 and J307).

26 For the 2012 CDM adjustment by rate class, Guelph Hydro calculated the difference
27 between the Board-approved load forecast with CDM adjustment and without CDM

adjustment (please see the Excel files “Guelph_App 4_2012 Board Approved Load Forecast with CDM Adj” and “Guelph_App 5_2012 Board Approved Load Forecast without CDM Adj”). The 2012 CDM savings by rate class are presented below:

Table 11 – 2012 Approved Load Forecast CDM Adjustment

CDM Adjusted Forecast			
Board Approved CDM adjustment			
2012 CDM Adjustments kWh	15,906,000		
2012 CDM Adjustments kW	17,533		

Customer Classes	Board Approved Load Forecast (EB-2011-0123)	% of Total	CDM Load Forecast Adjustment
	kWh		kWh
Residential	378,871,008	22.61%	3,595,618
General Service < 50 kW	148,787,703	8.88%	1,412,047
General Service 50 to 999 kW	399,661,950	23.85%	3,792,931
General Service 1000 to 4999 kW	465,120,498	27.75%	4,414,156
Large Users	271,481,475	16.20%	2,576,454
Unmetered Scattered Loads	2,229,301	0.13%	21,157
Sentinel Lighting	88,740	0.01%	842
Street Lighting	9,777,748	0.58%	92,794
Total Retail Sales Forecast	1,676,018,424	100.00%	15,906,000

Customer Classes	CDM Load Forecast Adjustment
	kW
Residential	
General Service < 50 kW	
General Service 50 to 999 kW	11,073
General Service 1000 to 4999 kW	2,457
Large Users	4,003
Unmetered Scattered Loads	
Sentinel Lighting	0
Street Lighting	0
Total Retail Sales Forecast	17,533

In order to calculate the dollar amount of the CDM adjustment, Guelph Hydro multiplied the approved CDM adjustment (kWh and, respectively, kW) by the approved historical distribution rates, including the Rate Riders for Tax Change [in accordance with the Guideline for Electricity Distributor Conservation and Demand Management (EB-2012-0003) issued on April 26, 2012]. In Table 12 below Guelph Hydro presented the 2014 Board-approved distribution rates.

Table 12 – 2014 & 2015 Distribution Volumetric Rates

Distribution Volumetric Rates including the Rate Riders for Tax Change					
January 1 to December 31, 2014 Rates			January 1 to December 31, 2015 Rates		
Distribution Volumetric Rate	Rate Rider for Tax Change	Total Volumetric Rate	Distribution Volumetric Rate	Rate Rider for Tax Change	Total Volumetric Rate
\$0.0174		\$0.0174	\$0.0176		\$0.0176
\$0.0129		\$0.0129	\$0.0131		\$0.0131
\$2.5420	(\$0.0031)	\$2.5389	\$2.5750	(\$0.0031)	\$2.5719
\$3.3980	(\$0.0032)	\$3.3948	\$3.4422	(\$0.0032)	\$3.4390
\$2.3246	(\$0.0021)	\$2.3225	\$2.3548	(\$0.0021)	\$2.3527
\$0.0267		\$0.0267	\$0.0270		\$0.0270
\$7.7038	(\$0.0141)	\$7.6897	\$7.8039	(\$0.0141)	\$7.7898
\$9.4450	(\$0.0102)	\$9.4348	\$9.5678	(\$0.0102)	\$9.5576

The 2014 and 2015 annual CDM adjustment in dollars was further calculated per month as presented in the following Table 13:

1

Table 13 – 2014 & 2015 CDM Adjustment in Dollars

2014		
Customer Classes	2014 -1568 - Approved CDM Adjustments in dollars	Monthly CDM Adjustments for 1568 LRAMVA calculation
Residential	\$62,563.76	\$5,213.65
GS<50 kW	\$18,215.41	\$1,517.95
GS 50 to 999 kW	\$28,112.76	\$2,342.73
GS 1000 to 4999 kW	\$8,340.05	\$695.00
Large Users	\$9,297.47	\$774.79
Unmetered Scattered Loads	\$564.89	\$47.07
Sentinel Lighting	\$0.00	\$0.00
Street Lighting	\$0.00	\$0.00
Total	\$127,094.33	\$10,591.19

2

2015		
Customer Classes	2015 -1568 - Approved CDM Adjustments in	Monthly CDM Adjustments for 1568 LRAMVA
Residential	\$63,282.88	\$5,273.57
GS<50 kW	\$18,497.82	\$1,541.48
GS 50 to 999 kW	\$28,478.16	\$2,373.18
GS 1000 to 4999 kW	\$8,448.64	\$704.05
Large Users	\$9,418.37	\$784.86
Unmetered Scattered Loads	\$571.23	\$47.60
Sentinel Lighting	\$0.00	\$0.00
Street Lighting	\$0.00	\$0.00
Total	\$128,697.10	\$10,724.76

3

Statement

Guelph Hydro has used the most recent input assumptions available at the time of the program evaluation when calculating the lost revenue.

Guelph Hydro has relied on the most recent CDM evaluation reports from the IESO in support of its lost revenue calculation. The 2014 and 2015 IESO Final Verified Results Report used to prepare the actual and forecast amounts are presented in Appendix 3 – 2011 to 2015 IESO's CDM results.

Guelph Hydro has applied interest carrying charges at the Board's prescribed rate.

Lost Revenue and LRAMVA calculation

Guelph Hydro has considered the IESO's 2014 to 2015 results, and year-over-year persistence as presented in Appendix 3 – 2011 to 2015 IESO's CDM results. The prescribed interest rate of 1.47% was applied on LRAMVA monthly balances from January 1, 2014 to March 31, 2015; the prescribed interest rate of 1.10% was applied on LRAMVA balances from April 1, 2015 to December 31, 2015; an estimated interest rate of 1.10% was applied from January 1 to December 31, 2016 (this estimated interest rate reflects the Q1 to Q3 actual prescribed interest rate).

The Lost Revenue and LRAMVA calculation is presented below. In accordance with the Guidelines for Electricity Distributor CDM – EE-2012-003, Guelph Hydro has used the Board-approved volumetric rates including volumetric rate riders for tax sharing. The source of the information presented in Tables 14 and 15 is the IESO's CDM results presented in this Application, Appendix 3 - 2011 to 2015 IESO's CDM Results.

Table 14 – Guelph Hydro 2014 and 2015 Final Verified CDM Results by kWh

GHESI Rate Class Allocation Estimation - 2014 FINAL VERIFIED Results by kWh											
Residential Program Total	Commercial & Institutional Program Total	Industrial Program Total	Home Assistance Program Total	Other Total	Adjustments to Previous Year's Verified Results	2014 Incremental Total Estimated by Rate Class	Estimated % Allocation	2011 OPA programs persistence in 2014 towards 2014 Target	2012 OPA programs persistence in 2014 towards 2014 Target	2013 OPA programs persistence in 2014 towards 2014 Target	Total
2,137,653			20,414	0	-61,605	2,096,462	11.2%	1,593,567	861,525	825,000	5,376,554
	1,579,133				557,689	2,136,822	11.4%	769,424	885,890	337,313	4,129,449
	1,894,960				881,169	2,776,129	14.8%	2,223,365	4,407,910	1,944,924	11,352,328
	2,684,526				817,651	3,502,177	18.6%	5,922,941	147,487	1,015,960	10,588,565
	1,737,046				6,541,906	8,278,952	44.1%	3,719,864	2,495,828	3,877,628	18,372,272
						0	0.0%	0	0	0	0
						0	0.0%	0	0	0	0
						0	0.0%	0	0	0	0
2,137,653	7,895,666	0	20,414			18,790,542	100.0%	14,229,161	8,798,641	8,000,825	49,819,170
								persistence:	0.9877	0.9832	0.9875

GHESI Rate Class Allocation Estimation by % - 2015 FINAL VERIFIED Results 2016-Jun-30 by kWh												
RESIDENTIAL Total (includes Low Income)	BUSINESS Total (includes C&I and Industrial)	LOCAL & REGIONAL Programs Total	PILOT Program Total	OTHER Total (includes Adjustments to Previous Years Final)		2015 Incremental Total Estimated by Rate Class	Estimated % Allocation	2011 OPA programs persistence in 2015 towards 2020 Target	2012 OPA programs persistence in 2015 towards 2020 Target	2013 OPA programs persistence in 2015 towards 2020 Target	2014 IESO programs persistence in 2015 towards 2020 Target	Total
2,615,165						2,615,165	4.6%	1,579,086	801,111	822,412	2,074,756	7,892,529
	100,000					100,000	0.2%	762,432	823,767	336,255	2,114,698	4,137,152
	2,000,000					2,000,000	3.5%	2,203,161	4,098,805	1,938,822	2,747,386	12,988,174
	7,000,000					7,000,000	12.3%	5,869,117	137,145	1,012,773	3,465,917	17,484,952
	45,000,000					45,000,000	79.3%	3,686,061	2,320,808	3,865,463	8,193,235	63,065,567
						0	0.0%	0	0	0	0	0
						0	0.0%	0	0	0	0	0
						0	0.0%	0	0	0	0	0
2,615,165	54,100,000	0	0	0	0	56,715,165	100.0%	14,099,856	8,181,634	7,975,725	18,595,993	105,568,373
								persistence:	0.9787	0.9143	0.9844	0.9896

Table 15 – Guelph Hydro 2014 and 2015 Final Verified CDM Results by kW

GHESI Rate Class Allocation Estimation - 2014 FINAL VERIFIED Results by kW											
Residential Program Total	Commercial & Institutional Program Total	Industrial Program Total	Home Assistance Program Total	Other Total	Adjustments to Previous Year's Verified Results	2014 Incremental Total Estimated by Rate Class	Estimated % Allocation	2011 OPA programs persistence in 2014 towards 2014 Target	2012 OPA programs persistence in 2014 towards 2014 Target	2013 OPA programs persistence in 2014 towards 2014 Target	Total
722			1	688	-46	1,366	20.1%	552	230	78	2,226
	191				104	295	4.3%	268	231	50	845
	357				238	595	8.8%	610	1,189	219	2,613
	522				180	702	10.3%	831	46	105	1,685
	204				3,630	3,834	56.4%	666	2,261	996	7,757
						0	0.0%	0	0	0	0
						0	0.0%	0	0	0	0
						0	0.0%	0	0	0	0
722	1,273	0	1	688	4,108	6,793	100.0%	2,928	3,957	1,449	15,126
								persistence:	0.8564	0.7809	0.2379

Ghesi Rate Class Allocation Estimation by % - 2015 FINAL VERIFIED Results 2016-Jun-30 by kW

<i>RESIDENTIAL Total (includes Low Income)</i>	<i>BUSINESS Total (includes C&I and Industrial)</i>	<i>LOCAL & REGIONAL Programs Total</i>	<i>PILOT Program Total</i>	<i>OTHER Total (includes Adjustments to Previous Years Final)</i>		<i>2015 Incremental Total Estimated by Rate Class</i>	<i>Estimated % Allocation</i>	<i>2011 OPA programs persistence in 2015 towards 2020 Target</i>	<i>2012 OPA programs persistence in 2015 towards 2020 Target</i>	<i>2013 OPA programs persistence in 2015 towards 2020 Target</i>	<i>2014 IESO programs persistence in 2015 towards 2020 Target</i>	<i>Total</i>
532						532	4.4%	622	98	78	682	2,012
	500					500	4.2%	302	99	50	147	1,099
	1,000					1,000	8.3%	688	509	218	297	2,712
	2,000					2,000	16.6%	936	20	105	350	3,412
	8,000					8,000	66.5%	751	968	993	1,914	12,626
						0	0.0%	0	0	0	0	0
						0	0.0%	0	0	0	0	0
						0	0.0%	0	0	0	0	0
532	11,500	0	0	0	0	12,032	100.0%	3,299	1,694	1,444	3,390	21,861
								persistence:	0.9650	0.3344	0.2371	0.4991

1
2

3

1 Further, Guelph Hydro calculated the lost revenue amount in dollars by multiplying the
2 IESO's CDM savings results with 2014 and 2015 Board-Approved distribution rates
3 (please see the following Tables 16 to 18).

4 Table 16 – 2014 & 2015 Distribution Volumetric Rates including the Rate Riders for Tax
5 Change

January 1 to December 31, 2014 Rates EB-2013-0133			January 1 to December 31, 2015 Rates EB-2014-007		
Distribution Volumetric Rate	Rate Rider for Tax Change	Total Volumetric Rate	Distribution Volumetric Rate	Rate Rider for Tax Change	Total Volumetric Rate
\$0.0174		\$0.0174	\$0.0176		\$0.0176
\$0.0129		\$0.0129	\$0.0131		\$0.0131
\$2.5420	(\$0.0031)	\$2.5389	\$2.5750	(\$0.0031)	\$2.5719
\$3.3980	(\$0.0032)	\$3.3948	\$3.4422	(\$0.0032)	\$3.4390
\$2.3246	(\$0.0021)	\$2.3225	\$2.3548	(\$0.0021)	\$2.3527
\$0.0267		\$0.0267	\$0.0270		\$0.0270
\$7.7038	(\$0.0141)	\$7.6897	\$7.8039	(\$0.0141)	\$7.7898
\$9.4450	(\$0.0102)	\$9.4348	\$9.5678	(\$0.0102)	\$9.5576

6

Table 17 – 2014– Final CDM Savings

2014 Final CDM Results	kWh	kW	2014 LRAMVA Lost Revenue in dollars	2014 LRAMVA in \$ Monthly
Residential	5,376,554	26,715	\$93,552.04	\$7,796.00
GS< 50 kW	4,129,449	10,144	\$53,269.90	\$4,439.16
GS 50 to 999 kW	11,352,328	31,354	\$79,605.62	\$6,633.80
GS 1000 to 4999 kW	10,588,565	20,215	\$68,625.42	\$5,718.78
Large Use	18,372,272	93,086	\$216,191.44	\$18,015.95
Unmetered Scattered Load	0	0	\$0.00	\$0.00
Sentinel Lighting	0	0	\$0.00	\$0.00
Street Lighting	0	0	\$0.00	\$0.00
Total	49,819,170	181,514	\$511,244.41	\$42,603.70

Table 18 – 2015 Preliminary CDM savings

2015 Actual CDM Results	kWh	kW	2015 LRAMVA Lost Revenue in dollars	2015 LRAMVA in \$ Monthly
Residential	7,892,529	24,149	\$138,908.51	\$11,575.71
GS< 50 kW	4,137,152	13,186	\$54,196.69	\$4,516.39
GS 50 to 999 kW	12,988,174	32,543	\$83,696.71	\$6,974.73
GS 1000 to 4999 kW	17,484,952	40,940	\$140,793.03	\$11,732.75
Large Use	63,065,567	151,508	\$356,452.83	\$29,704.40
Unmetered Scattered Load	0	0	\$0.00	\$0.00
Sentinel Lighting	0	0	\$0.00	\$0.00
Street Lighting	0	0	\$0.00	\$0.00
Total	105,568,373	262,326	\$774,047.77	\$64,503.98

In order to produce monthly variances (CDM approved versus CDM Lost Revenue), similar to the approved monthly CDM adjustment calculation, Guelph Hydro calculated the lost revenue per month (as shown in Tables 17 and 18 above).

Guelph Hydro applied monthly carrying charges as explain at the beginning of this section (please see page 58).

The following table presents the LRAMVA balances requested for disposition:

Table 19 – LRAMVA Claim

1568 LRAMVA 2015 Balances Requested for Disposition				
Customer Classes	Principal	Interest Jan. 1 to Dec. 31, 2015	Interest Jan. 1 to Dec. 31, 2016	Total LRAMVA Claim for Disposition in 2017 IRM
Residential	\$106,134.51	\$2,180.88	\$1,167.48	\$109,482.86
GS<50 kW	\$70,659.22	\$895.04	\$777.25	\$72,331.51
GS 50 to 999 kW	\$180,155.17	\$2,743.16	\$1,981.71	\$184,880.04
GS 1000 to 4999 kW	\$259,247.12	\$4,802.98	\$2,851.72	\$266,901.82
Large Users	\$653,542.38	\$8,794.78	\$7,188.97	\$669,526.12
Unmetered Scattered Loads	(\$1,140.35)	\$4.39	(\$12.54)	(\$1,148.51)
Sentinel Lighting	\$0.00	\$0.00	\$0.00	\$0.00
Street Lighting	\$0.00	\$0.00	\$0.00	\$0.00
Total	\$1,268,598.05	\$19,421.22	\$13,954.58	\$1,301,973.85

Note: LRAMVA calculation: Monthly approved CDM adjustment (\$) included in the load forecast minus Monthly IESO's CDM results (\$); carrying charges were applied to the monthly opening balances in the 1568 LRAMVA account.

For a better illustration, Guelph Hydro has reconciled the 2011 to 2015 LRAMVA balances with the 2011 to 2013 LRAMVA balances approved in 2016 COS (EB-2015-0073):

1 Table 20

1568 LRAMVA 2011 to 2015 balances per customer class			
Customer Classes	Principal	Interest	Total 2015 Ending Balance
Residential	\$108,998.61	\$2,316.48	\$111,315.09
GS<50 kW	\$93,907.65	\$1,995.76	\$95,903.41
GS 50 to 999 kW	\$221,757.94	\$4,712.88	\$226,470.83
GS 1000 to 4999 kW	\$286,328.12	\$6,085.15	\$292,413.27
Large Users	\$848,783.95	\$18,038.68	\$866,822.63
Unmetered Scattered Loads	(\$2,237.34)	(\$47.55)	(\$2,284.89)
Sentinel Lighting	\$0.00	\$0.00	\$0.00
Street Lighting	\$0.00	\$0.00	\$0.00
Total	\$1,557,538.94	\$33,101.41	\$1,590,640.34

Table 21

1568 LRAMVA 2011 to 2013 balances Approved for Disposition in 2016 COS (EB-2015-0073)					
Customer Classes	Principal	Interest	Total 2013 Ending Balance	Interest Jan. 1 to Dec. 31, 2015	Total LRAMVA Approved for Disposition
Residential	\$2,864.11	\$101.45	\$2,965.56	\$34.15	\$2,999.71
GS<50 kW	\$23,248.43	\$823.48	\$24,071.91	\$277.24	\$24,349.15
GS 50 to 999 kW	\$41,602.77	\$1,473.61	\$43,076.38	\$496.11	\$43,572.50
GS 1000 to 4999 kW	\$27,080.99	\$959.24	\$28,040.23	\$322.94	\$28,363.17
Large Users	\$195,241.57	\$6,915.65	\$202,157.22	\$2,328.26	\$204,485.47
Unmetered Scattered Loads	(\$1,096.98)	(\$38.86)	(\$1,135.84)	(\$13.08)	(\$1,148.92)
Sentinel Lighting	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Street Lighting	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total	\$288,940.89	\$10,234.57	\$299,175.46	\$3,445.62	\$302,621.08

2

3 Table 22 (Table 20 minus Table 21)

1568 LRAMVA 2015 minus 2013 approved for disposition balances plus Jan. 1 to Dec. 31, 2016 interest to be disposed in 2017 IRM				
1568 LRAMVA 2015 Balances Requested for Disposition				
Customer Classes	Principal	Interest Jan. 1 to Dec. 31, 2015	Interest Jan. 1 to Dec. 31, 2016	Total LRAMVA Claim for Disposition in 2017 IRM
Residential	\$106,134.51	\$2,180.88	\$1,167.48	\$109,482.86
GS<50 kW	\$70,659.22	\$895.04	\$777.25	\$72,331.51
GS 50 to 999 kW	\$180,155.17	\$2,743.16	\$1,981.71	\$184,880.04
GS 1000 to 4999 kW	\$259,247.12	\$4,802.98	\$2,851.72	\$266,901.82
Large Users	\$653,542.38	\$8,794.78	\$7,188.97	\$669,526.12
Unmetered Scattered Loads	(\$1,140.35)	\$4.39	(\$12.54)	(\$1,148.51)
Sentinel Lighting	\$0.00	\$0.00	\$0.00	\$0.00
Street Lighting	\$0.00	\$0.00	\$0.00	\$0.00
Total	\$1,268,598.05	\$19,421.22	\$13,954.58	\$1,301,973.85

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Guelph Hydro included the 1568 LRAMVA continuity schedule in the OEB's LRAMVA model (please see Tab 11. Guelph_Continuity Schedule). The model calculates the LRAMVA rate riders for all classes using kWh and kW as billing determinants (Table 23).

The proposed rate rider recovery period is one year.

Table 23 – Proposed LRAMVA Rate Riders

LRAMVA 1568- Rate Riders - Recovery Period 1 Year

Customer Classes	LRAMVA Claim	Billing Determinants			
		kWh	kW	Unit	Rate Riders
RESIDENTIAL SERVICE CLASSIFICATION	\$109,482.86	388,506,232.89	0.00	\$/kWh	\$0.0003
GENERAL SERVICE LESS THAN 50 kW SERVICE CLASSIFICATION	\$72,331.51	144,569,860.57	0.00	\$/kWh	\$0.0005
GENERAL SERVICE 50 to 999 kW SERVICE CLASSIFICATION	\$184,880.04	390,148,189.39	1,035,647.48	\$/kW	\$0.1785
GENERAL SERVICE 1,000 to 4,999 kW SERVICE CLASSIFICATION	\$266,901.82	544,730,297.18	1,047,529.38	\$/kW	\$0.2548
LARGE USE SERVICE CLASSIFICATION	\$669,526.12	292,417,465.12	524,779.82	\$/kW	\$1.2758
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION	-\$1,148.51	1,896,821.00	0.00	\$/kWh	-\$0.0006
STANDBY POWER SERVICE CLASSIFICATION	\$0.00	0.00	0.00		
SENTINEL LIGHTING SERVICE CLASSIFICATION	\$0.00	20,199.57	55.95	\$/kW	\$0.0000
STREET LIGHTING SERVICE CLASSIFICATION	\$0.00	10,039,578.89	28,028.57	\$/kW	\$0.0000
TOTAL	\$1,301,973.85	1,772,328,644.61	2,636,041.20		

In accordance with the Filing Requirements to provide a supporting statement indicating what adjustments were made to deferral and variance account balances that were previously approved by the Board on a final basis, Guelph Hydro states that it made adjustments as presented below:

1

Table 24 – Deferral and Variance Accounts Approved for Disposition

Deferral and Variance Accounts approved for Disposition [\$]

	2012 COS		2014 IRM		2015 IRM		2016 COS	
	EB-2011-0123		EB-2013-0133		EB-2014-0077		EB-2015-0073	
Board's Decision	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
Group 1	RSVA							
1580-WMS	(\$1,922,324)	(\$38,863)	(\$3,989,563)	(\$127,785)	(\$961,981)	\$6,615	(\$112,601)	\$6,586
1584-RTNC	\$667,902	\$14,641	\$1,345,249	\$27,626	\$517,305	(\$11,516)	\$197,800	\$5,657
1586-RTCC	(\$373,043)	(\$9,060)	\$515,947	\$4,930	(\$112,262)	(\$8,634)	\$290,300	\$6,210
1588-Power	(\$739,604)	(\$17,838)	\$1,579,299	(\$159,858)	\$861,186	(\$1,463)	(\$659,091)	(\$6,258)
1589-Power-GA	(\$1,146,068)	(\$24,464)	(\$2,285,823)	\$33,672	\$4,829,630	\$87,698	\$3,283,591	\$31,085
1550-Low Voltage	(\$115,802)	(\$2,925)	(\$9,894)	(\$1,217)	\$17,489	\$168	\$74,826	\$1,396
1551 - Smart Metering Charge Variance					\$62,203	\$1,616	(\$18,216)	(\$254)
1595-Disposition of Account Balances Approved in 2008 COS	\$14,174	\$10,549	(\$3,004)	(\$2,443)	\$13	(\$1,177)		
1595-Disposition of Account Balances Approved in 2010 IRM	(\$2,416,490)	(\$53,338)	\$25,686	(\$126,025)	(\$1,175)	\$254	\$89	(\$56)
1595-Disposition of Account Balances Approved in 2012 COS					\$1,135,286	\$544,624		
1595-Disposition of Account Balances Approved in 2014 IRM							\$313,895	(\$387,360)
Group 2								
1508-IFRS-Other Reg. Assets	\$436,933	\$18,882					\$54,050	(\$5,710)
1518-RCVA-Retail	(\$83,312)	(\$3,789)					\$23,714	(\$1,016)
1532-Renewable Generation Connection OM&A Deferral Account							\$85,771	\$2,736
1533-Renewable Generation Connection Funding Adder Deferral Account							(\$343,832)	(\$9,620)
1548-RCVA-STR	(\$211,458)	(\$13,488)					(\$21,168)	(\$3,507)
1555-Smart Meter Capital	1555-included in the rate base						\$423,206	\$35,807
1556-Smart Meter OMA	1556-included in the rate base						\$171,801	\$7,702
1562-Deferred PILs Account	\$1,151,767	\$628,391						
1592-PILs & Tax Variance	(\$564,143)	(\$22,383)					(\$50,797)	(\$3,187)
1521-.Special Purpose Charge Assesment Variance Account	(\$37,397)	\$2,194						
1568- LRAMVA							\$288,941	\$13,680
1576- Accounting Changes							(\$805,452)	
TOTAL	(\$5,338,866)	\$488,509	(\$2,822,103)	(\$351,100)	\$6,347,694	\$618,186	\$3,196,827	(\$306,107)

2

Guelph Hydro has presented below the total deferral and variance account balances requested for disposition and used to test the threshold:

Table 25 – Total Group 1 Balances

Total Deferral and Variance Account Balances used to test the threshold

Account Descriptions	Account Number	2015			
		Closing Principal Balances as of Dec 31-15 Adjusted for Dispositions during 2016	Closing Interest Balances as of Dec 31-15 Adjusted for Dispositions during 2016	Projected Interest from Jan 1, 2016 to December 31, 2016 on Dec 31-15 Balance Adjusted for Disposition during 2016	Total
Group 1 Accounts					
LV Variance Account	1550	\$108,497	\$502	\$1,193	\$110,192
Smart Metering Entity Charge Variance	1551	(\$39,205)	(\$28)	(\$431)	(\$39,665)
RSVA - Wholesale Market Service Charge	1580	(\$3,881,395)	(\$13,607)	(\$42,695)	(\$3,937,698)
RSVA - WMSC- Subaccount CBR Class B	1580	\$350,955	\$1,169	\$3,861	\$355,984
RSVA - Retail Transmission Network Charge	1584	(\$978,909)	(\$2,254)	(\$10,768)	(\$991,932)
RSVA - Retail Transmission Connection Charge	1586	(\$433,382)	(\$695)	(\$4,767)	(\$438,844)
RSVA - Power (excluding Global Adjustment)	1588	(\$1,091,870)	\$2,343	(\$12,011)	(\$1,101,537)
RSVA - Global Adjustment	1589	(\$347,498)	\$7,036	(\$3,822)	(\$344,285)
Disposition and Recovery/Refund of Regulatory Balances (2010)	1595 (2010)	\$0	(\$1)	\$0	(\$1)
Disposition and Recovery/Refund of Regulatory Balances (2014)	1595(2014)	\$56,659	\$817	\$623	\$58,100
Disposition and Recovery/Refund of Regulatory Balances (2015)	1595 (2015)	\$30,526	\$654,704	\$336	\$685,566
Group 1 Sub-Total (including Account 1589 - Global Adjustment)		(\$6,225,624)	\$649,986	(\$68,482)	(\$5,644,120)
Group 1 Sub-Total (excluding Account 1589 - Global Adjustment)		(\$5,878,125)	\$642,950	(\$64,659)	(\$5,299,835)
RSVA - Global Adjustment	1589	(\$347,498)	\$7,036	(\$3,822)	(\$344,285)
Total of Group 1					(\$5,644,120)

The closing principal balances include the disposition adjustment approved in 2012 COS (EB-2011-0123), 2014 IRM (EB-2013-0133), 2015 IRM (EB-2014-0077), and 2016 COS (EB-2015-0073). The interest rate used for calculating the projected interest from January 1, 2016 to December 31, 2016 is 1.10% which is the Board-approved prescribed interest rate for the first, second and third quarter of 2016.

The proposed Deferral and Variance Rate Riders are presented next.

Table 27 – Proposed Deferral and Variance Account
and Global Adjustment Rate Riders

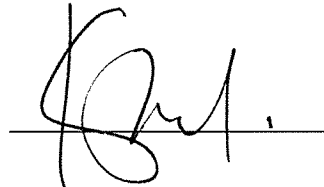
Rate Class	Unit	Deferral/Variance Account Rate Rider	Global Adjustment Rate Rider
RESIDENTIAL	\$/kWh	-\$0.0030	-\$0.0004
GENERAL SERVICE LESS THAN 50 KW	\$/kWh	-\$0.0031	-\$0.0004
GENERAL SERVICE 50 TO 999 KW - Non RPP and Non-Wholesale Market Participant	\$/kW	-\$1.0687	-\$0.0004
GENERAL SERVICE 50 TO 999 KW - RPP and Non-Wholesale Market Participant		-\$1.0687	
GENERAL SERVICE 50 TO 999 KW - Wholesale Market Participant	\$/kW	-\$0.0881	
GENERAL SERVICE 1,000 TO 4,999 KW - Non-Class A customers	\$/kW	-\$1.7699	-\$0.0004
GENERAL SERVICE 1,000 TO 4,999 KW - Class A customers	\$/kW	-\$1.7699	
LARGE USE - Class A	\$/kW	-\$1.8638	
UNMETERED SCATTERED LOAD	\$/kWh	-\$0.0028	-\$0.0004
SENTINEL LIGHTING	\$/kW	\$0.8754	-\$0.0004
STREET LIGHTING	\$/kW	-\$1.1907	-\$0.0004

Certification

As Chief Executive Officer and Chief Operating Officer of Guelph Hydro Electric Systems Inc., we certify to the best of our knowledge, that the information filed in the regulatory assets claim is consistent with the Board's accounting requirements and procedures in the *Accounting Procedures Handbook*. The filing is consistent with the requirements of the *Report of the Board on Electricity Distributors' Deferral and Variance Account Review Initiative* issued July 31, 2009 and Chapter 3 of the *Filing Requirements for Transmission and Distribution Rate Applications* last revised July 14, 2016.



Pankaj Sardana
Chief Executive Officer



Kazi Marouf
Chief Operating Officer

4. Appendices

Appendix 1
2017 IRM Rate Generator

Presented only in Excel version as a separate file

Appendix 2
Current Tariff of Rates and Charges
EB-2015-0073
Rate Order



Ontario Energy Board Commission de l'énergie de l'Ontario

DECISION AND RATE ORDER

EB-2015-0073

GUELPH HYDRO ELECTRIC SYSTEMS INC.

**Application for electricity distribution rates and other charges
beginning January 1, 2016**

BEFORE: Ken Quesnelle
Presiding Member

November 26, 2015

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SCHEDULE A: TARIFF OF RATES AND CHARGES

SCHEDULE B: ACCOUNTING ORDERS

1 INTRODUCTION AND SUMMARY

Guelph Hydro Electric Systems Inc. (Guelph Hydro) is the electricity distributor that serves approximately 53,000 customers in the City of Guelph and the Village of Rockwood. Guelph Hydro filed an application with the Ontario Energy Board (OEB) to change the rates it charges to its customers for electricity distribution, to be effective January 1, 2016 (the application). Under the OEB Act, distributors must apply to the OEB to change the rates that they charge customers.

In late October, Guelph Hydro filed a settlement proposal which represents a full settlement on all issues and incorporates the cost of capital parameters for rate applications effective January 1, 2016 issued on October 15, 2015.

Following the filing of the settlement proposal, the OEB issued Procedural Order No. 2 which requested submissions from the parties on the settlement proposal's use of the word "privilege" instead of "confidentiality". The Procedural Order observed that the *Practice Direction on Settlement Conferences* refers to confidentiality, and sought submissions on the appropriateness of using "privilege" instead.

In early November, the OEB issued a Decision and Procedural Order No. 3 noting that it was prepared to accept the settlement proposal filed in late October except for one issue related to use of the word privilege instead of confidentiality. The issue is outlined in the next section.

In mid-November, Guelph Hydro filed an updated settlement proposal in accordance with the OEB's Decision and Procedural Order No. 3 revising wording relating to privilege and confidentiality. The OEB accepts the revised settlement proposal.

2 THE PROCESS

The OEB's Decision and Procedural Order No. 3 noted that the wording used in a settlement proposal filed by another distributor (i.e. Kingston Hydro) is clearer with respect to wording regarding privilege and confidentiality, though still not ideal. That settlement proposal was clear in indicating that settlement discussions are confidential, and cannot be disclosed except under three circumstances: a) any persons or entities that the Parties engage to assist them with the settlement conference, b) any persons or entities from whom they seek instructions with respect to the negotiations, and c) any persons or entities to whom they are expected to report the results of the negotiations, and/or the reasons for the positions they have taken; in each case provided that any such persons or entities have agreed to be bound by the same confidentiality provisions.

The OEB, in its Decision and Procedural Order No. 3, indicated that it could accept the first two exceptions with the proposed blanket proviso that any such persons or entities have agreed to be bound by the same confidentiality provisions. However, the OEB was not satisfied that the third exception (c) – persons to whom parties are expected to report the results of the negotiations and the reasons for positions taken – is appropriate. The OEB found this exception to be overly broad.

The OEB encouraged the parties in the Guelph Hydro case to consider whether they can agree to wording similar to that used in the Kingston Hydro proposal, subject to the OEB's comments on the exemptions above. The OEB had no other concerns with the filed settlement proposal.

In mid-November, Guelph Hydro filed a revised settlement proposal agreed to by parties which removed the reference to part (c) pursuant to the OEB's Decision and Procedural Order No. 3.

In reaching its findings, the OEB was aided by the participation of three parties, known as intervenors, who each represented different groups of customers affected by the Application; Energy Probe Research Foundation (Energy Probe), the Vulnerable Energy Consumers Coalition (VECC), and the School Energy Coalition (SEC).

3 DECISION ON THE ISSUES

This Decision and Rate Order determines Guelph Hydro's rates for 2016.

3.1 Revised Settlement Proposal

The parties in the proceeding met on August 31 and September 1, 2015 to determine whether they could agree on the revenue requirement and the rates for Guelph Hydro for 2016. The parties to the settlement proposal were able to settle all issues.

In mid-November, Guelph Hydro filed a revised settlement proposal agreed to by parties pursuant to the OEB's Decision and Procedural Order No. 3.

Findings

In its Decision and Procedural Order No. 3, the OEB accepted the cost consequences of the settlement agreement and OEB staff's analysis in support of its submission that the settlement proposal reflects the public interest. The OEB has now also reviewed the information provided in support of the draft Rate Order and proposed Tariff of Rates and Charges, and is satisfied that the Tariff of Rates and Charges filed by Guelph Hydro accurately reflect the settlement proposal. As also indicated in its Decision and Procedural Order No. 3, the OEB's acceptance of this proposal does not encompass any matters that were not explicitly considered in this process. Any matters raised in OEB staff's submission that are subsequently dealt with by the OEB in separate processes are subject to the findings of the OEB at that time.

4 IMPLEMENTATION

Pursuant to the approval by the OEB of the terms and cost consequences of the Settlement Agreement, the new rates are to be effective January 1, 2016.

The OEB issued its Decision and Rate Order for the Rural or Remote Electricity Rate Protection (RRRP), Wholesale market service (WMS) and the Ontario Electricity Support Program (OESP) charges on November 19, 2015.

These regulatory charges are established annually by the OEB through a separate order.

The RRRP program is designed to provide financial assistance to eligible customers located in rural or remote areas where the costs of providing electricity service to these customers greatly exceeds the costs of providing electricity to customers located elsewhere in the province of Ontario. The RRRP program cost is recovered from all other electricity customers in the province through a charge that is reviewed annually and approved by the OEB.

WMS charges recover the cost of the services provided by the Independent Electricity System Operator (IESO) to operate the electricity system and administer the wholesale market. These charges may include costs associated with: operating reserve, system congestion and imports, and losses on the IESO-controlled grid. Individual electricity distributors recover the WMS charges from their customers through the WMS rate.

The OESP is a new rate assistance program for low-income electricity customers. Starting January 1, 2016, eligible low-income customers will receive a monthly credit on their bills. At the same time, all electricity customers in the province will begin paying a charge to fund the program, which will be referred to as the OESP charge.

The Tariff of Rates and Charges flowing from this Decision and Rate Order reflects these new charges, as well as the OESP credits to be provided to enrolled low income customers.

5 ORDER

THE ONTARIO ENERGY BOARD ORDERS THAT:

1. The Tariff of Rates and Charges set out in Schedule A of this Order will become final effective January 1, 2016, and will apply to electricity consumed or estimated to have been consumed on and after January 1, 2016. All rates will become final, except for standby rates which remain interim. Guelph Hydro Electric Systems Inc. shall notify its customers of the rate changes no later than the delivery of the first bill reflecting the new rates.
2. Guelph Hydro Electric Systems Inc. shall establish the deferral accounts set out in Schedule B, effective January 1, 2016.
3. Energy Probe, SEC and VECC shall submit their cost claims no later than 7 days from the date of issuance of this Decision and Rate Order.
4. Guelph Hydro Electric Systems Inc. shall file with the OEB and forward to Energy Probe, SEC and VECC any objections to the claimed costs within 17 days from the date of issuance of this Decision and Rate Order.
5. Energy Probe, SEC and VECC shall file with the OEB and forward to Guelph Hydro Electric Systems Inc. any responses to any objections for cost claims within 24 days from the date of issuance of this Decision and Rate Order.
6. Guelph Hydro Electric Systems Inc. shall pay the OEB's costs incidental to this proceeding upon receipt of the OEB's invoice.

All filings to the Board must quote the file number, EB-2015-0073, be made through the Board's web portal at <https://www.pes.ontarioenergyboard.ca/eservice/>, and consist of two paper copies and one electronic copy in searchable / unrestricted PDF format. Filings must clearly state the sender's name, postal address and telephone number, fax number and e-mail address. Parties must use the document naming conventions and document submission standards outlined in the RESS Document Guideline found at <http://www.ontarioenergyboard.ca/OEB/Industry>. If the web portal is not available parties may email their documents to the address below. Those who do not have internet access are required to submit all filings on a CD in PDF format, along with two paper copies. Those who do not have computer access are required to file 7 paper copies.

All communications should be directed to the attention of the Board Secretary at the address below, and be received no later than 4:45 p.m. on the required date.

With respect to distribution lists for all electronic correspondence and materials related to this proceeding, parties must include the Case Manager, Georgette Vlahos at georgette.vlahos@ontarioenergyboard.ca and Board Counsel, Ljuba Djurdjevic at ljuba.djurdjevic@ontarioenergyboard.ca.

DATED at Toronto November 26, 2015

ONTARIO ENERGY BOARD

Original Signed By

Kirsten Walli
Board Secretary

SCHEDULE A
DECISION AND RATE ORDER
GUELPH HYDRO ELECTRIC SYSTEMS INC.
EB-2015-0073
TARIFF OF RATES AND CHARGES
NOVEMBER 26, 2015

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 quadruplex 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	18.93
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
Rate Rider for Disposition of Account 1576 – Accounting Changes – effective until December 31, 2016	\$	(0.29)
Distribution Volumetric Rate	\$/kWh	0.0144
Rate Rider for Disposition of Global Adjustment Account (2016) – effective until December 31, 2016		
Applicable only for Non-RPP Customers	\$/kWh	0.0034
Rate Rider for Disposition of Deferred PILs Variance Account 1562 – effective until March 31, 2016	\$/kWh	0.0007
Rate Rider for Recovery of Lost Revenue Adjustment Mechanism (LRAM)/Shared Savings Mechanism (SSM)		
- effective until March 31, 2016	\$/kWh	0.0003
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0074
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0058

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0036
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0013
Ontario Electricity Support Program Charge (OESP)	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Issued November 26, 2015

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

ONTARIO ELECTRICITY SUPPORT PROGRAM RECIPIENTS

In addition to the charges specified on page 1 of this tariff of rates and charges, the following credits are to be applied to eligible residential customers.

APPLICATION

The application of the credits is in accordance with the Distribution System Code (Section 9) and subsection 79.2 of the Ontario Energy Board Act, 1998.

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

In this class:

“Aboriginal person” includes a person who is a First Nations person, a Métis person or an Inuit person;
“account-holder” means a consumer who has an account with a distributor that falls within a residential-rate classification as specified in a rate order made by the Ontario Energy Board under section 78 of the Act, and who lives at the service address to which the account relates for at least six months in a year;
“electricity-intensive medical device” means an oxygen concentrator, a mechanical ventilator, or such other device as may be specified by the Ontario Energy Board;
“household” means the account-holder and any other people living at the accountholder's service address for at least six months in a year, including people other than the account-holder's spouse, children or other relatives;
“household income” means the combined annual after-tax income of all members of a household aged 16 or over;

MONTHLY RATES AND CHARGES

Class A

(a) account-holders with a household income of \$28,000 or less living in a household of one or two persons;
(b) account-holders with a household income of between \$28,001 and \$39,000 living in a household of three persons;
(c) account-holders with a household income of between \$39,001 and \$48,000 living in a household of five persons;
(d) account-holders with a household income of between \$48,001 and \$52,000 living in a household of seven or more persons;
but does not include account-holders in Class E.

OESP Credit \$ (30.00)

Class B

(a) account-holders with a household income of \$28,000 or less living in a household of three persons;
(b) account-holders with a household income of between \$28,001 and \$39,000 living in a household of four persons;
(c) account-holders with a household income of between \$39,001 and \$48,000 living in a household of six persons;
but does not include account-holders in Class F.

OESP Credit \$ (34.00)

Class C

(a) account-holders with a household income of \$28,000 or less living in a household of four persons;
(b) account-holders with a household income of between \$28,001 and \$39,000 living in a household of five persons;
(c) account-holders with a household income of between \$39,001 and \$48,000 living in a household of seven or more persons;
but does not include account-holders in Class G.

OESP Credit \$ (38.00)

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

ONTARIO ELECTRICITY SUPPORT PROGRAM RECIPIENTS

Class D

(a) account-holders with a household income of \$28,000 or less living in a household of five persons;
(b) account-holders with a household income of between \$28,001 and \$39,000 living in a household of six persons;
but does not include account-holders in Class H.

OESP Credit \$ (42.00)

Class E

Class E comprises account-holders with a household income and household size described under Class A who also meet any of the following conditions:

(a) the dwelling to which the account relates is heated primarily by electricity;
(b) the account-holder or any member of the account-holder's household is an Aboriginal person; or
(c) the account-holder or any member of the account-holder's household regularly uses, for medical purposes, an electricity-intensive medical device at the dwelling to which the account relates.

OESP Credit \$ (45.00)

Class F

(a) account-holders with a household income of \$28,000 or less living in a household of six or more persons;
(b) account-holders with a household income of between \$28,001 and \$39,000 living in a household of seven or more persons; or
(c) account-holders with a household income and household size described under Class B who also meet any of the following conditions:

i. the dwelling to which the account relates is heated primarily by electricity;
ii. the account-holder or any member of the account-holder's household is an Aboriginal person; or
iii. the account-holder or any member of the account-holder's household regularly uses, for medical purposes, an electricity-intensive medical device at the dwelling to which the account relates.

OESP Credit \$ (50.00)

Class G

Class G comprises account-holders with a household income and household size described under Class C who also meet any of the following conditions:

(a) the dwelling to which the account relates is heated primarily by electricity;
(b) the account-holder or any member of the account-holder's household is an Aboriginal person; or
(c) the account-holder or any member of the account-holder's household regularly uses, for medical purposes, an electricity-intensive medical device at the dwelling to which the account relates.

OESP Credit \$ (55.00)

Class H

Class H comprises account-holders with a household income and household size described under Class D who also meet any of the following conditions:

(a) the dwelling to which the account relates is heated primarily by electricity;
(b) the account-holder or any member of the account-holder's household is an Aboriginal person; or
(c) the account-holder or any member of the account-holder's household regularly uses, for medical purposes, an electricity-intensive medical device at the dwelling to which the account relates.

OESP Credit \$ (60.00)

Class I

Class I comprises account-holders with a household income and household size described under paragraphs (a) or (b) of Class F who also meet any of the following conditions:

(a) the dwelling to which the account relates is heated primarily by electricity;
(b) the account-holder or any member of the account-holder's household is an Aboriginal person; or
(c) the account-holder or any member of the account-holder's household regularly uses, for medical purposes, an electricity-intensive medical device at the dwelling to which the account relates.

OESP Credit \$ (75.00)

Guelph Hydro Electric Systems Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2016

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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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	16.33
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	0.0137
Rate Rider for Disposition of Global Adjustment Account (2016) – effective until December 31, 2016		
Applicable only for Non-RPP Customers	\$/kWh	0.0034
Rate Rider for Disposition of Deferral/Variance Accounts (2016) – effective until December 31, 2016	\$/kWh	(0.0002)
Rate Rider for Disposition of Deferred PILs Variance Account 1562 – effective until March 31, 2016	\$/kWh	0.0004
Rate Rider for Disposition of Account 1576 – Accounting Changes – effective until December 31, 2016	\$/kWh	(0.0004)
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 LRAM Variance Account (2016) – effective until December 31, 2016	\$/kWh	0.0002
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0068
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0051

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0036
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0013
Ontario Electricity Support Program Charge (OESP)	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Issued November 26, 2015

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

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 kW non-interval metered, and 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	177.03
Rate Rider for Disposition of Post Retirement Actuarial Gain – effective until March 31, 2025	\$	(3.80)
Distribution Volumetric Rate	\$/kW	2.6971
Low Voltage Service Rate	\$/kW	0.0121
Rate Rider for Disposition of Global Adjustment Account (2016) – effective until December 31, 2016		
Applicable only for Non-RPP and Non-Wholesale Market Participant Customers	\$/kW	1.2841
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		
Applicable only for Wholesale Market Participant Customers	\$/kW	0.0050
Rate Rider for Disposition of Deferred PILs Variance Account 1562 – effective until March 31, 2016	\$/kW	0.0614
Rate Rider for Disposition of Account 1576 – Accounting Changes – effective until December 31, 2016	\$/kW	(0.1721)
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 LRAM Variance Account (2016) – effective until December 31, 2016	\$/kW	0.0416
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

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

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0036
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0013
Ontario Electricity Support Program Charge (OESP)	\$/kWh	0.0011
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

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 to 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	560.00
Rate Rider for Disposition of Post Retirement Actuarial Gain – effective until March 31, 2025	\$	(46.33)
Distribution Volumetric Rate	\$/kW	2.9942
Rate Rider for Disposition of Global Adjustment Account (2016) – effective until December 31, 2016		
Applicable only for Class B Customers	\$/kW	1.5880
Rate Rider for Disposition of Deferral/Variance Accounts (2016) – effective until December 31, 2016	\$/kW	(0.1363)
Rate Rider for Disposition of Deferred PILs Variance Account 1562 – effective until March 31, 2016	\$/kW	0.0567
Rate Rider for Disposition of Account 1576 – Accounting Changes – effective until December 31, 2016	\$/kW	(0.2117)
Rate Rider for Recovery of Lost Revenue Adjustment Mechanism (LRAM)/Shared Savings Mechanism (SSM)		
– effective until March 31, 2016	\$/kW	0.0061
Rate Rider for Disposition of LRAM Variance Account (2016) – effective until December 31, 2016	\$/kW	0.0237
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

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0036
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0013
Ontario Electricity Support Program Charge (OESP)	\$/kWh	0.0011
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

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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	1,076.53
Rate Rider for Disposition of Post Retirement Actuarial Gain – effective until March 31, 2025	\$	(151.18)
Distribution Volumetric Rate	\$/kW	2.6901
Rate Rider for Disposition of Deferral/Variance Accounts (2016) – effective until December 31, 2016	\$/kW	(0.1660)
Rate Rider for Disposition of Deferred PILs Variance Account 1562 – effective until March 31, 2016	\$/kW	0.0373
Rate Rider for Disposition of Account 1576 – Accounting Changes – effective until December 31, 2016	\$/kW	(0.2502)
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 LRAM Variance Account (2016) – effective until December 31, 2016	\$/kW	0.4091
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

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0036
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0013
Ontario Electricity Support Program Charge (OESP)	\$/kWh	0.0011
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

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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	\$	4.78
Rate Rider for Disposition of Post Retirement Actuarial Gain – effective until March 31, 2025	\$	(0.05)
Distribution Volumetric Rate	\$/kWh	0.0218
Rate Rider for Disposition of Global Adjustment Account (2016) – effective until December 31, 2016		
Applicable only for Non-RPP Customers	\$/kWh	0.0034
Rate Rider for Disposition of Deferral/Variance Accounts (2016) – effective until December 31, 2016	\$/kWh	(0.0004)
Rate Rider for Disposition of Deferred PILs Variance Account 1562 – effective until March 31, 2016	\$/kWh	0.0004
Rate Rider for Disposition of Account 1576 – Accounting Changes – effective until December 31, 2016	\$/kWh	(0.0004)
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 LRAM Variance Account (2016) – effective until December 31, 2016	\$/kWh	(0.0007)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0068
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0051

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0036
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0013
Ontario Electricity Support Program Charge (OESP)	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Issued November 26, 2015

Guelph Hydro Electric Systems Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2016

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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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES – APPROVED ON AN INTERIM BASIS

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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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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	\$	7.39
Rate Rider for Disposition of Post Retirement Actuarial Gain – effective until March 31, 2025	\$	(0.11)
Distribution Volumetric Rate	\$/kW	8.1829
Low Voltage Service Rate	\$/kW	0.0089
Rate Rider for Disposition of Global Adjustment Account (2016) – effective until December 31, 2016		
Applicable only for Non-RPP Customers	\$/kW	1.2005
Rate Rider for Disposition of Deferral/Variance Accounts (2016) – effective until December 31, 2016	\$/kW	(0.6580)
Rate Rider for Disposition of Deferred PILs Variance Account 1562 – effective until March 31, 2016	\$/kW	0.3253
Rate Rider for Disposition of Account 1576 – Accounting Changes – effective until December 31, 2016	\$/kW	(0.1600)
Retail Transmission Rate – Network Service Rate	\$/kW	2.1776
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.6451

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0036
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0013
Ontario Electricity Support Program Charge (OESP)	\$/kWh	0.0011
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

STREET LIGHTING SERVICE CLASSIFICATION

This classification is for roadway lighting with the Municipality. The consumption for this customer is based on the calculated connected load times the required lighting times established in the approved Ontario Energy Board 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment and the HST.

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	10.0324
Low Voltage Service Rate	\$/kW	0.0107
Rate Rider for Disposition of Global Adjustment Account (2016) – effective until December 31, 2016		
Applicable only for Non-RPP Customers	\$/kW	1.2148
Rate Rider for Disposition of Deferral/Variance Accounts (2016) – effective until December 31, 2016	\$/kW	(0.1255)
Rate Rider for Disposition of Deferred PILs Variance Account 1562 – effective until March 31, 2016	\$/kW	0.0738
Rate Rider for Disposition of Account 1576 – Accounting Changes – effective until December 31, 2016	\$/kW	(0.1619)
Retail Transmission Rate – Network Service Rate	\$/kW	2.6201
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.9794

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0036
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0013
Ontario Electricity Support Program Charge (OESP)	\$/kWh	0.0011
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 Independent Electricity System Operator'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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment 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

ALLOWANCES

Transformer Allowance for Ownership by General Service 50 to 999 kW customers - 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy 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 setup 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 paperless 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

Other

Service Call – customer-owned equipment	\$	17.50
Service Call – after regular hours	\$	95.00
Specific Charge for Access to the Power Poles – per 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)

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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy 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
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0157
Total Loss Factor – Primary Metered Customer > 5,000 kW	1.0036

SCHEDULE B
DECISION AND RATE ORDER
GUELPH HYDRO ELECTRIC SYSTEMS INC.
EB-2015-0073
ACCOUNTING ORDERS
NOVEMBER 26, 2015

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

OPEB 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
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CR		Capital costs (various accounts)	\$ 120,000
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CR		OM&A expenses (various accounts)	\$ 280,000
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B: To reverse depreciation recorded on capital portion of OPEB costs:

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

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 (RP-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 3
2011 to 2015 IESO's CDM Results

Table 1: Guelph Hydro Electric Systems Inc. Initiative and Program Level Net Savings by Year

Initiative	Unit	Incremental Activity (new program activity occurring within the specified reporting period)				Net Incremental Peak Demand Savings (kW) (new peak demand savings from activity within the specified reporting period)				Net Incremental Energy Savings (kWh) (new energy savings from activity within the specified reporting period)				Program-to-Date Verified Progress to Target (excludes DR)			
		2011*	2012*	2013*	2014	2011	2012	2013	2014	2011	2012	2013	2014	2014 Net Annual Peak Demand Savings (kW)	2011-2014 Net Cumulative Energy Savings (kWh) 2014		
Consumer Program																	
Appliance Retirement	Appliances	794	426	208	199	43	23	14	13	312,750	167,643	88,261	86,630	92	2,016,578		
Appliance Exchange	Appliances	24	21	54	67	3	3	11	14	3,328	5,639	19,950	24,752	29	93,653		
HVAC Incentives	Equipment	1,216	1,093	1,379	1,720	450	253	287	351	861,567	449,783	503,633	650,307	1,341	6,453,191		
Conservation Instant Coupon Booklet	Items	4,634	278	3,126	10,100	11	2	5	20	171,748	12,560	69,239	271,895	38	1,135,048		
Bi-Annual Retailer Event	Items	8,553	9,530	8,487	43,342	15	13	11	72	263,995	240,587	154,331	1,104,068	111	3,190,472		
Retailer Co-op	Items	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Residential Demand Response	Devices	222	0	0	717	124	0	0	251	0	0	0	0	251	0		
Residential Demand Response (IHD)	Devices	0	0	0	456	0	0	0	0	0	0	0	0	0	0		
Residential New Construction	Homes	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Consumer Program Total						645	294	328	722	1,613,390	876,212	835,414	2,137,653	1,863	12,888,942		
Business Program																	
Retrofit	Projects	26	107	116	103	110	1,055	939	1,107	549,202	5,028,199	6,406,519	7,229,048	3,173	37,181,423		
Direct Install Lighting	Projects	225	160	76	87	313	156	105	108	778,995	553,506	361,892	384,907	624	5,699,283		
Building Commissioning	Buildings	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
New Construction	Buildings	0	0	1	2	0	0	0	2	0	0	0	20,616	2	20,616		
Energy Audit	Audits	0	19	119	4	0	83	9	53	0	402,820	48,451	261,094	145	1,566,456		
Small Commercial Demand Response	Devices	3	0	0	6	2	0	0	3	0	0	0	0	3	0		
Small Commercial Demand Response (IHD)	Devices	0	0	0	2	0	0	0	0	0	0	0	0	0	0		
Demand Response 3	Facilities	5	6	6	7	307	1,069	1,064	1,204	11,993	15,535	14,560	0	1,204	42,089		
Business Program Total						732	2,363	2,117	2,477	1,340,190	6,000,060	6,831,422	7,895,666	5,151	44,509,867		
Industrial Program																	
Process & System Upgrades	Projects	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Monitoring & Targeting	Projects	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Energy Manager	Projects	0	0	1	0	0	0	0	0	0	0	0	0	0	0		
Retrofit	Projects	13	0	0	0	596	0	0	0	3,704,027	0	0	0	596	14,816,107		
Demand Response 3	Facilities	0	0	22	22	0	0	3,576	3,686	0	0	81,439	0	3,686	81,439		
Industrial Program Total						596	0	3,576	3,686	3,704,027	0	81,439	0	4,282	14,897,546		
Home Assistance Program																	
Home Assistance Program	Homes	0	0	0	52	0	0	0	1	0	0	0	20,414	1	20,414		
Home Assistance Program Total						0	0	0	1	0	0	0	20,414	1	20,414		
Aboriginal Program																	
Home Assistance Program	Homes	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Direct Install Lighting	Projects	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Aboriginal Program Total						0	0	0	0	0	0	0	0	0	0		
Pre-2011 Programs completed in 2011																	
Electricity Retrofit Incentive Program	Projects	52	0	0	0	1,385	0	0	0	7,431,466	0	0	0	1,385	29,725,863		
High Performance New Construction	Projects	4	0	0	0	62	1	0	0	317,091	983	0	0	63	1,271,313		
Toronto Comprehensive	Projects	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Multifamily Energy Efficiency Rebates	Projects	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
LDC Custom Programs	Projects	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Pre-2011 Programs completed in 2011 Total						1,447	1	0	0	7,748,556	983	0	0	1,448	30,997,176		
Other																	
Program Enabled Savings	Projects	0	6	1	0	0	2,304	16	0	0	1,188,362	96,000	0	2,320	3,757,086		
Time-of-Use Savings	Homes	0	0	0	n/a	0	0	0	688	0	0	0	0	688	0		
LDC Pilots	Projects	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Other Total						0	2,304	16	688	0	1,188,362	96,000	0	3,008	3,757,086		
Adjustments to 2011 Verified Results							104	0	119		883,018	0	449,226	221	5,321,576		
Adjustments to 2012 Verified Results								54	2,649			257,548	1,127,247	2,702	4,153,844		
Adjustments to 2013 Verified Results									1,339				7,160,336	1,339	14,324,462		
Energy Efficiency Total						2,986	3,894	1,396	2,430	14,394,170	8,050,082	7,748,276	10,053,733	10,609	106,947,504		
Demand Response Total (Scenario 1)						433	1,069	4,640	5,145	11,993	15,535	95,999	0	5,145	123,527		
Adjustments to Previous Years' Verified Results Total						0	104	54	4,108	0	883,018	257,548	8,736,809	4,263	23,799,882		
OPA-Contracted LDC Portfolio Total (inc. Adjustments)						3,419	5,067	6,091	11,683	14,406,163	8,948,635	8,101,823	18,790,542	20,017	130,870,914		
Activity and savings for Demand Response resources for each year represent the savings from all active facilities or devices contracted since January 1, 2011 (reported cumulatively).						*includes adjustments after Final Reports were issued								Full OEB Target:		16,710	79,530,000
						Results presented using scenario 1 which assumes that demand response resources have a persistence of 1 year								% of Full OEB Target Achieved to Date (Scenario 1):		119.8%	164.6%

Guelph Hydro Electric Systems Inc. Progress

	Programs	
2011-2014 + 2015 Extension Legacy Framework Programs		
Residential Program		
1	Coupon Initiative	
2	Bi-Annual Retailer Event Initiative	
3	Appliance Retirement Initiative	
4	HVAC Incentives Initiative	
5	Residential New Construction and Major Renovation Initiative	
Sub-total - Residential Program		
Commercial & Institutional Program		
6	Energy Audit Initiative	
7	Efficiency: Equipment Replacement Incentive Initiative	
8	Direct Install Lighting and Water Heating Initiative	
9	New Construction and Major Renovation Initiative	
10	Existing Building Commissioning Incentive Initiative	
Sub-total - Commercial & Institutional Program		
Industrial Program		
11	Process and Systems Upgrades Initiatives - Project Incentive Initiative	
12	Process and Systems Upgrades Initiatives - Monitoring and Targeting Initiative	
13	Process and Systems Upgrades Initiatives - Energy Manager Initiative	
Sub-total - Industrial Program		
Low Income Program		
14	Low Income Initiative	
Sub-total - Low-Income Program		
Pilot Program		
15	Loblaws Pilot	
16	Social Benchmarking Pilot	
17	Conservation Fund Pilot - SEG	
18	Conservation Fund Pilot - EnerNOC	
Sub-total - Pilot Program		
Other		
19	Aboriginal Conservation Program	
20	Program Enabled Savings	
21	Adjustments to 2015 Legacy Framework Verified Results	
Sub-total - Other		
Sub-total - 2011-2014+2015 Extension Legacy Framework		
2015-2020 Conservation First Framework Programs		
Residential Province-Wide Program		
22	Save on Energy Coupon Program	
23	Save on Energy Heating and Cooling Program	
24	Save on Energy New Construction Program	
25	Save on Energy Home Assistance Program	
Sub-total - Residential Province-Wide Program		
Business Province-Wide Program		
26	Save on Energy Audit Funding Program	
27	Save on Energy Retrofit Program	
28	Save on Energy Small Business Lighting Program	
29	Save on Energy High Performance New Construction Program	
30	Save on Energy Existing Building Commissioning Program	
31	Save on Energy Process & Systems Upgrades Program	
32	Save on Energy Monitoring & Targeting Program	
33	Save on Energy Energy Manager Program	
Sub-total - Business Province-Wide Program		
Local & Regional Program		
34	Business Refrigeration Local Program	
35	First Nation Conservation Local Program	
36	Social Benchmarking Local Program	
Sub-total - Local & Regional Program		
Pilot Program		
37	Enersource Hydro Mississauga Inc. - Performance-Based Conservation Pilot Program - Commercial	
38	EnWin Utilities Ltd. - Building Optimization Pilot	
39	EnWin Utilities Ltd. - Re-Invest Pilot	
40	Horizon Utilities Corporation - ECM Furnace Motor Pilot	
41	Horizon Utilities Corporation - Social Benchmarking Pilot	
42	Hydro Ottawa Limited - Conservation Voltage Regulation (CVR) Leveraging AMI Data Pilot	
43	Hydro Ottawa Limited - Residential Demand Response Wi-Fi Thermostat Pilot	
44	Kirchener-Wilmot Hydro Inc. - Pilot - DCKV	
45	Niagara-on-the-Lake Hydro Inc. - Direct Install Energy Efficiency Measures for the Agricultural Sector	
46	Oakville Hydro Electricity Distribution Inc. - Direct Install - Hydronic	
47	Oakville Hydro Electricity Distribution Inc. - Direct Install - RTU Controls	
48	Toronto Hydro-Electric System Limited - Direct Install - Hydronic (Pilot Savings)	
49	Toronto Hydro-Electric System Limited - Direct Install - RTU Controls (Pilot Savings)	
50	Toronto Hydro-Electric System Limited - PFP - Large (Pilot Savings)	
Sub-total - Pilot Program		
Other		
51	Adjustments to 2015 CFF Verified Results	
52	Adjustments to 2016 CFF Verified Results	
53	Adjustments to 2017 CFF Verified Results	
54	Adjustments to 2018 CFF Verified Results	
55	Adjustments to 2019 CFF Verified Results	
Sub-total - Other		
Sub-total - 2015-2020 Conservation First Framework		
Total		

Net Incremental First Year Energy Savings						
Actual Verified (kWh)						
2015	2016	2017	2018	2019	2020	Total
223,005						223,005
327,422						327,422
46,864						46,864
515,733						515,733
0						0
1,113,024						1,113,024
142,541						142,541
14,020,784						14,020,784
102,095						102,095
0						0
0						0
14,265,420						14,265,420
42,147,864						42,147,864
0						0
17,239						17,239
42,165,103						42,165,103
526,869						526,869
526,869						526,869
0						0
0						0
0						0
0						0
0						0
0						0
0						0
0						0
0						0
0						0
58,070,416						58,070,416
734,476						734,476
240,796						240,796
0						0
0						0
975,272						975,272
0						0
0						0
0						0
0						0
0						0
0						0
0						0
0						0
0						0
n/a						0
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n/a						0
0						0
975,272						975,272
59,045,688						59,045,688

Net Incremental First Year Peak Demand Savings							
Actual Verified (kW)							
2015	2016	2017	2018	2019	2020	Total	
14						14	
24						24	
7						7	
273						273	
0						0	
318						318	
30						30	
6,992						6,992	
23						23	
0						0	
0						0	
7,045						7,045	
4,811						4,811	
0						0	
5						5	
4,816						4,816	
43						43	
43						43	
0						0	
0						0	
0						0	
0						0	
0						0	
0						0	
0						0	
0						0	
0						0	
0						0	
12,222						12,222	
47						47	
124						124	
0						0	
0						0	
171						171	
0						0	
0						0	
0						0	
0						0	
0						0	
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0						0	
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n/a						0	
n/a						0	
n/a						0	
0						0	
171						171	
12,393						12,393	

LRAM Reporting Summary - Legacy + 2015 CFF Programs

Sub-total - Residential Province-Wide Program (includes Low Income)
Sub-total - Business Province-Wide Program (includes C&I and Industrial)
Sub-total - Local & Regional Program
Sub-total - Pilot Program
Sub-total - Other (includes adjustments to previous years final results)
Total

Net Incremental First Year Energy Savings						
Actual Verified (kWh)						
2015	2016	2017	2018	2019	2020	Total
2,615,165	0	0	0	0	0	2,615,165
56,430,523	0	0	0	0	0	56,430,523
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
59,045,688	0	0	0	0	0	59,045,688

Net Incremental First Year Peak Demand Savings						
Actual Verified (kW)						
2015	2016	2017	2018	2019	2020	Total
532	0	0	0	0	0	532
11,861	0	0	0	0	0	11,861
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
12,393	0	0	0	0	0	12,393

Final 2015 Annual Verified Results - Annual Persistence Report



For: Guelph Hydro Electric Systems Inc.

#	Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Legacy Framework																					
1	Coupon Initiative	223,005	220,890	220,890	220,890	220,890	220,890	220,890	220,841	220,841	220,841	200,852	199,813	199,813	199,290	199,290	199,207	80,605	80,605	80,605	80,605
2	Bi-Annual Retailer Event Initiative	327,422	316,563	316,563	316,563	316,563	316,563	316,563	316,552	316,552	316,552	280,141	243,611	243,611	243,548	243,548	243,540	155,519	155,519	155,519	155,519
3	Appliance Retirement Initiative	46,864	46,864	46,864	46,656	26,046	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4	HVAC Incentives Initiative	515,733	515,733	515,733	515,733	515,733	515,733	515,733	515,733	515,733	515,733	515,733	515,733	515,733	515,733	515,733	515,733	515,733	515,733	489,315	0
5	Residential New Construction and Major Renovation Initiative	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6	Energy Audit Initiative	142,541	142,541	142,541	142,541	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7	Efficiency: Equipment Replacement Incentive Initiative	14,020,784	14,020,784	13,976,235	13,976,235	13,976,235	13,976,235	13,571,889	13,571,889	13,180,751	11,739,120	7,354,273	6,492,122	5,132,329	5,086,429	5,086,429	3,540,659	174,509	174,509	174,509	174,509
8	Direct Install Lighting and Water Heating Initiative	102,095	97,357	57,881	57,881	57,881	57,881	57,881	57,881	57,881	57,881	56,142	23,701	0	0	0	0	0	0	0	0
9	New Construction and Major Renovation Initiative	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10	Existing Building Commissioning Incentive Initiative	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11	Process and Systems Upgrades Initiatives - Project Incentive Initiative	42,147,864	42,147,864	42,147,864	42,147,864	42,147,864	42,147,864	42,147,864	42,147,864	42,147,864	42,147,864	42,147,864	42,147,864	42,147,864	42,147,864	42,147,864	42,147,864	42,147,864	42,147,864	42,147,864	42,147,864
12	Process and Systems Upgrades Initiatives - Energy Manager Initiative	17,239	17,239	17,239	17,239	17,239	17,239	17,239	17,239	17,239	17,239	0	0	0	0	0	0	0	0	0	0
13	Process and Systems Upgrades Initiatives - Monitoring and Targeting Initiative	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14	Low Income Initiative	526,869	414,753	393,471	372,886	372,886	372,886	372,886	372,886	205,499	204,696	199,041	190,416	189,415	189,415	12,992	9,466	9,466	9,466	9,466	9,466
15	Loblaws Pilot	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16	Social Benchmarking Pilot	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17	Conservation Fund Pilot - SEG	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18	Conservation Fund Pilot - EnerNOC	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	Aboriginal Conservation Program	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20	Program Enabled Savings	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Conservation First Framework																					
21	Save on Energy Coupon Program	734,476	728,461	728,461	728,461	728,461	728,461	728,461	727,998	727,998	727,998	686,316	683,755	683,755	667,616	667,616	665,908	178,775	178,775	178,775	178,775
22	Save on Energy Heating and Cooling Program	240,796	240,796	240,796	240,796	240,796	240,796	240,796	240,796	240,796	240,796	240,796	240,796	240,796	240,796	240,796	240,796	240,796	240,796	234,665	0
23	Save on Energy Home Assistance Program	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24	Save on Energy Audit Funding Program	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25	Save on Energy Retrofit Program	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total		59,045,688	58,909,845	58,804,538	58,783,745	58,620,594	58,594,548	58,190,202	58,189,679	57,631,154	56,188,720	51,681,158	50,737,811	49,353,316	49,290,691	49,114,268	47,563,173	43,503,267	43,503,267	43,470,718	42,746,738

PERSISTENCE - ENERGY: 1.000 0.998 0.996 0.996 0.993 0.992 0.986 0.986 0.976 0.952 0.875 0.859 0.836 0.835 0.832 0.806 0.737 0.737 0.736 0.724

Final 2015 Annual Verified Results - Annual Persistence Report

For: Guelph Hydro Electric Systems Inc.

#	Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Legacy Framework																					
1	Coupon Initiative	14	14	14	14	14	14	14	14	14	14	13	13	13	13	13	13	5	5	5	5
2	Bi-Annual Retailer Event Initiative	24	24	24	24	24	24	24	24	24	24	18	15	15	15	15	15	10	10	10	10
3	Appliance Retirement Initiative	7	7	7	7	4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4	HVAC Incentives Initiative	273	273	273	273	273	273	273	273	273	273	273	273	273	273	273	273	273	273	243	0
5	Residential New Construction and Major Renovation Initiative	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6	Energy Audit Initiative	30	30	30	30	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7	Efficiency: Equipment Replacement Incentive Initiative	6,992	6,992	6,978	6,978	6,978	6,978	6,895	6,895	6,849	6,580	5,867	5,817	5,616	5,602	5,602	3,871	63	63	63	63
8	Direct Install Lighting and Water Heating Initiative	23	22	13	13	13	13	13	13	13	13	13	6	0	0	0	0	0	0	0	0
9	New Construction and Major Renovation Initiative	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10	Existing Building Commissioning Incentive Initiative	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11	Process and Systems Upgrades Initiatives - Project Incentive Initiative	4,811	4,811	4,811	4,811	4,811	4,811	4,811	4,811	4,811	4,811	4,811	4,811	4,811	4,811	4,811	4,811	4,811	4,811	4,811	4,811
12	Process and Systems Upgrades Initiatives - Energy Manager Initiative	5	5	5	5	5	5	5	5	5	5	0	0	0	0	0	0	0	0	0	0
13	Process and Systems Upgrades Initiatives - Monitoring and Targeting Initiative	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14	Low Income Initiative	43	37	36	35	35	35	35	35	26	25	25	25	24	24	2	1	1	1	1	1
15	Loblaws Pilot	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16	Social Benchmarking Pliot	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17	Conservation Fund Pilot - SEG	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18	Conservation Fund Pilot - EnerNOC	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	Aboriginal Conservation Program	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20	Program Enabled Savings	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Conservation First Framework																					
21	Save on Energy Coupon Program	47	46	46	46	46	46	46	46	46	46	42	42	42	42	42	42	11	11	11	11
22	Save on Energy Heating and Cooling Program	124	124	124	124	124	124	124	124	124	124	124	124	124	124	124	124	124	124	117	0
23	Save on Energy Home Assistance Program	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24	Save on Energy Audit Funding Program	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25	Save on Energy Retrofit Program	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total		12,393	12,385	12,361	12,360	12,327	12,323	12,240	12,240	12,185	11,915	11,186	11,126	10,918	10,904	10,882	9,150	5,298	5,298	5,261	4,901

PERSISTENCE - DEMAND: 1.000 0.999 0.997 0.997 0.995 0.994 0.988 0.988 0.983 0.961 0.903 0.898 0.881 0.880 0.878 0.738 0.427 0.427 0.425 0.395

Appendix 4
2012 Board – approved Load Forecast with CDM Adjustment
Presented only in Excel version as a separate file

Appendix 5
2012 Board – approved Load Forecast without CDM Adjustment
Presented only in Excel version as a separate file

Appendix 6
2016 Board - approved – Settlement Agreement
File number EB-2015-0073

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

Original Filed: September 24, 2015

Amended: October 20, 2015

Amended to reflect the OEB's Decision and Procedural Order No.3:

November 11, 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_Updated_Detailed_CA_Model_RUN1_20151020.xls
Guelph_Settlement_Updated_EDDVAR_Continuity_Schedule_CoS_20151020.xls
Guelph_Settlement_Updated_Filing_Requirements_Chapter2_Appendices_20151020.xls
Guelph_Settlement_LRAMVA Model_20150924.xls
Guelph_Settlement_Updated_Rev_Reqt_Work_Form_20151020.xls
Guelph_Settlement_RTSMODEL_20150924.xls
Guelph_Settlement_Updated_Test_year_Income_Tax_PILs_Workform_20151020.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:

Original Filed: September 24, 2015

Amended: October 20, 2015

Amended: November 11, 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 *Practice Direction on Settlement Conferences* (the “Practice Direction”). 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 Intervenor 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 Practice Direction. Although OEB staff is not a party to this Settlement Proposal, as noted in the Practice Direction, 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 Practice Direction. The Parties acknowledge that this settlement proceeding is confidential in accordance with the Board's Practice Direction on Settlement Conferences. The Parties understand that confidentiality in that context does not have the same meaning as confidentiality in the Board's Practice Direction on Confidential Filings, and the rules of that latter document do not apply. Instead, in this settlement conference, and in this Agreement, the Parties have interpreted "confidential" to mean that the documents and other information provided during the course of the settlement proceeding, 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. Further, the Parties shall not disclose those documents or other information to persons who were not attendees at the settlement conference. However, the Parties

agree that “attendees” is deemed to include, in this context, persons who were not physically in attendance at the settlement conference but were a) any persons or entities that the Parties engage to assist them with the settlement conference, and b) any persons or entities from whom they seek instructions with respect to the negotiations; in each case provided that any such persons or entities have agreed to be bound by the same confidentiality provisions.

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	# issues partially

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.	settled: None
“No Settlement” means an issue for which no settlement was reached. GHESI and the Intervenor 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 Practice Direction (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	\$9,831,829	-\$329,858
	Regulated Rate of Return	6.71%	6.71%	0.00%	6.49%	-0.21%
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	\$692,577	-\$75,980
	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	\$31,835,525	-\$1,586,401
	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	\$29,528,324	-\$1,586,401
	Grossed Up Revenue Deficiency / Sufficiency	\$4,084,908	\$3,087,405	-\$997,502	\$1,367,535	-\$1,719,870

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 4.9148% for the 2016 year, which reflects the debt rate of 4.1583% on the \$30MM long-term debt issued in September, 2015 to fund distribution capital and Guelph Hydro's existing long term debt issue of \$65 million at a rate of 5.264% (references: this Settlement Agreement, Tables 3-b, 3-c, and Appendix J- LTD September 2015);
 - 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	\$335,281	A
Issuance Cost Annual Amortization over 30-year debt term	\$11,176	B=A/30
Principal amount of debt	\$30,000,000	C
Less Issuance costs	\$29,664,719	D=C-A
Assumed Interest Rate	4.1210%	E
Interest Expense	\$1,236,300	F=CXE
Amortization of Issuance Cost	\$11,176	G=B
Total Cost	\$1,247,476	H=F+G
Effective Debt Rate	4.1583%	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		5.26%	2016	\$3,421,600
Senior Unsecured Debentures, Series A		N	January 1, 2016	\$30,000,000		4.1583%	2016	\$1,247,476
				\$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		5.26%
2016 Total Long Term Debt				95,000,000		Total Interest Cost for 2016		\$4,669,076
						Weighted Debt Cost Rate for 2016		4.9148%

and

- c. the cost of capital parameters for rate applications effective January 1, 2016 announced on October 15, 2015.

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_Updated_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_Updated_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_Updated_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	89.82%	93.32%
General Service < 50 kW	116.00%	116.00%
General Service 50 to 999 kW	108.54%	108.54%
General Service 1,000 to 4,999 kW	143.65%	120.00%
Large Use	86.06%	93.32%
Unmetered Scattered Load	153.23%	120.00%
Sentinel Lighting	109.33%	109.33%
Street Lighting	99.20%	99.20%

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_Updated_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	\$18.93	kWh	\$0.0144
General Service < 50 kW	\$16.33	kWh	\$0.0137
General Service 50 to 999 kW	\$177.03	kW	\$2.6971
General Service 1,000 to 4,999 kW	\$560.00	kW	\$2.9942
Large Use	\$1,076.53	kW	\$2.6901
Unmetered Scattered Load	\$4.78	kWh	\$0.0218
Sentinel Lighting	\$7.39	kW	\$8.1829
Street Lighting	\$0.42	kW	\$10.0324
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_Updated_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		(\$ 49,119)
Amount included in Deferral and Variance Account Rate Rider Calculation		(\$ 805,452)
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 = 6.49%, 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	-\$805,452	kWh	-\$173,562	-\$68,303	-\$180,115	-\$253,290	-\$125,087	-\$764	-\$10	-\$4,322	-\$805,452
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	-\$173,562	-\$0.29	
General Service less than 50 kW	kWh	152,157,763	-\$68,303	-\$0.0004	
General Service 50 to 999 kW	kW	1,046,605	-\$180,115	-\$0.1721	
General Service 1000 to 4999 kW	kW	1,196,727	-\$253,290	-\$0.2117	
Large Use	kW	499,880	-\$125,087	-\$0.2502	
Unmetered Scattered Load	kWh	1,700,939	-\$764	-\$0.0004	
Sentinel Lighting	kW	60	-\$10	-\$0.1600	
Street Lighting	kW	26,693	-\$4,322	-\$0.1619	
Total			-\$805,452		

An updated EDDVAR Continuity Schedule in working Microsoft Excel format reflecting this Settlement Proposal is provided under file named "Guelph_Settlement_Updated_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_Updated_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 quadruplex 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	\$	18.93
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
Rate Rider for Disposition of Account 1576 – Accounting Changes – effective until December 31, 2016	\$	(0.29)
Distribution Volumetric Rate	\$/kWh	0.0144
Rate Rider for Disposition of Global Adjustment Account (2016) – effective until December 31, 2016		
Applicable only for Non-RPP Customers	\$/kWh	0.0034
Rate Rider for Disposition of Deferral/Variance Accounts (2016) – effective until December 31, 2016	\$/kWh	0.0000
Rate Rider for Disposition of Deferred PILs Variance Account 1562 – effective until March 31, 2016	\$/kWh	0.0007
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 LRAM Variance Account (2016) – effective until December 31, 2016	\$/kWh	0.0000
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0074
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0058

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/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	\$	16.33
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	0.0137
Rate Rider for Disposition of Global Adjustment Account (2016) – effective until December 31, 2016		
Applicable only for Non-RPP Customers	\$/kWh	0.0034
Rate Rider for Disposition of Deferral/Variance Accounts (2016) – effective until December 31, 2016	\$/kWh	(0.0002)
Rate Rider for Disposition of Deferred PILs Variance Account 1562 – effective until March 31, 2016	\$/kWh	0.0004
Rate Rider for Disposition of Account 1576 – Accounting Changes – effective until December 31, 2016	\$/kWh	(0.0004)
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 LRAM Variance Account (2016) – effective until December 31, 2016	\$/kWh	0.0002
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0068
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0051

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/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 kW non-interval metered, and 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	\$	177.03
Rate Rider for Disposition of Post Retirement Actuarial Gain – effective until March 31, 2025	\$	(3.80)
Distribution Volumetric Rate	\$/kW	2.6971
Low Voltage Service Rate	\$/kW	0.0121
Rate Rider for Disposition of Global Adjustment Account (2016) – effective until December 31, 2016		
Applicable only for Non-RPP and Non-Wholesale Market Participant Customers	\$/kW	1.2841
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		
Applicable only for Wholesale Market Participant Customers	\$/kW	0.0050
Rate Rider for Disposition of Deferred PILs Variance Account 1562 – effective until March 31, 2016	\$/kW	0.0614
Rate Rider for Disposition of Account 1576 – Accounting Changes – effective until December 31, 2016	\$/kW	(0.1721)
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 LRAM Variance Account (2016) – effective until December 31, 2016	\$/kW	0.0416
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

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

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/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

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 to 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	\$	560.00
Rate Rider for Disposition of Post Retirement Actuarial Gain – effective until March 31, 2025	\$	(46.33)
Distribution Volumetric Rate	\$/kW	2.9942
Rate Rider for Disposition of Global Adjustment Account (2016) – effective until December 31, 2016		
Applicable only for Class B Customers	\$/kW	1.5880
Rate Rider for Disposition of Deferral/Variance Accounts (2016) – effective until December 31, 2016	\$/kW	(0.1363)
Rate Rider for Disposition of Deferred PILs Variance Account 1562 – effective until March 31, 2016	\$/kW	0.0567
Rate Rider for Disposition of Account 1576 – Accounting Changes – effective until December 31, 2016	\$/kW	(0.2117)
Rate Rider for Recovery of Lost Revenue Adjustment Mechanism (LRAM)/Shared Savings Mechanism (SSM)		
– effective until March 31, 2016	\$/kW	0.0061
Rate Rider for Disposition of LRAM Variance Account (2016) – effective until December 31, 2016	\$/kW	0.0237
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

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/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

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	\$	1,076.53
Rate Rider for Disposition of Post Retirement Actuarial Gain – effective until March 31, 2025	\$	(151.18)
Distribution Volumetric Rate	\$/kW	2.6901
Rate Rider for Disposition of Deferral/Variance Accounts (2016) – effective until December 31, 2016	\$/kW	(0.1660)
Rate Rider for Disposition of Deferred PILs Variance Account 1562 – effective until March 31, 2016	\$/kW	0.0373
Rate Rider for Disposition of Account 1576 – Accounting Changes – effective until December 31, 2016	\$/kW	(0.2502)
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 LRAM Variance Account (2016) – effective until December 31, 2016	\$/kW	0.4091
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

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/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

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)	\$	4.78
Rate Rider for Disposition of Post Retirement Actuarial Gain – effective until March 31, 2025	\$	(0.05)
Distribution Volumetric Rate	\$/kWh	0.0218
Rate Rider for Disposition of Global Adjustment Account (2016) – effective until December 31, 2016		
Applicable only for Non-RPP Customers	\$/kWh	0.0034
Rate Rider for Disposition of Deferral/Variance Accounts (2016) – effective until December 31, 2016	\$/kWh	(0.0004)
Rate Rider for Disposition of Deferred PILs Variance Account 1562 – effective until March 31, 2016	\$/kWh	0.0004
Rate Rider for Disposition of Account 1576 – Accounting Changes – effective until December 31, 2016	\$/kWh	(0.0004)
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 LRAM Variance Account (2016) – effective until December 31, 2016	\$/kWh	(0.0007)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0068
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0051

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/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

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.

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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 – APPROVED ON AN INTERIM BASIS

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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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)	\$	7.39
Rate Rider for Disposition of Post Retirement Actuarial Gain – effective until March 31, 2025	\$	(0.11)
Distribution Volumetric Rate	\$/kW	8.1829
Low Voltage Service Rate	\$/kW	0.0089
Rate Rider for Disposition of Global Adjustment Account (2016) – effective until December 31, 2016		
Applicable only for Non-RPP Customers	\$/kW	1.2005
Rate Rider for Disposition of Deferral/Variance Accounts (2016) – effective until December 31, 2016	\$/kW	(0.6580)
Rate Rider for Disposition of Deferred PILs Variance Account 1562 – effective until March 31, 2016	\$/kW	0.3253
Rate Rider for Disposition of Account 1576 – Accounting Changes – effective until December 31, 2016	\$/kW	(0.1600)
Rate Rider for Disposition of LRAM Variance Account (2016) – effective until December 31, 2016	\$/kW	0.0000
Retail Transmission Rate – Network Service Rate	\$/kW	2.1776
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.6451

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/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 connected 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.

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)	\$	0.42
Rate Rider for Disposition of Post Retirement Actuarial Gain – effective until March 31, 2025	\$	(0.01)
Distribution Volumetric Rate	\$/kW	10.0324
Low Voltage Service Rate	\$/kW	0.0107
Rate Rider for Disposition of Global Adjustment Account (2016) – effective until December 31, 2016		
Applicable only for Non-RPP Customers	\$/kW	1.2148
Rate Rider for Disposition of Deferral/Variance Accounts (2016) – effective until December 31, 2016	\$/kW	(0.1255)
Rate Rider for Disposition of Deferred PILs Variance Account 1562 – effective until March 31, 2016	\$/kW	0.0738
Rate Rider for Disposition of Account 1576 – Accounting Changes – effective until December 31, 2016	\$/kW	(0.1619)
Rate Rider for Disposition of LRAM Variance Account (2016) – effective until December 31, 2016	\$/kW	0.0000
Retail Transmission Rate – Network Service Rate	\$/kW	2.6201
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.9794

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Guelph Hydro Electric Systems Inc.

TARIFF OF RATES AND CHARGES

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EB-2015-0073

microFIT SERVICE CLASSIFICATION

This classification applies to an electricity generation facility contracted under the Independent Electricity System Operator'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.

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MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	5.40
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Guelph Hydro Electric Systems Inc.

TARIFF OF RATES AND CHARGES

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EB-2015-0073

ALLOWANCES

Transformer Allowance for Ownership by General Service 50 to 999 kW customers - 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.

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Customer Administration

Arrears Certificate	\$	15.00
Returned Cheque (plus bank charges)	\$	8.55
Account setup 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 paperless 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

Other

Service Call – customer-owned equipment	\$	17.50
Service Call – after regular hours	\$	95.00
Specific Charge for Access to the Power Poles – per 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

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EB-2015-0073

RETAIL SERVICE CHARGES (if applicable)

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.

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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
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0157
Total 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				
			Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	Net Book Value
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
		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

10	Transportation
8	Stores Equipment

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 \$	\$3.55	\$2.79	\$1.91	\$1.52	(\$0.03)	(\$1.04)	(\$3.60)	(\$6.16)
	Bill Impact %	11.39%	5.24%	2.45%	1.69%	-0.02%	-0.64%	-1.52%	-1.99%

Loss Factor 1.0260

General Service Less than 50 kW	kWh	1,000	2,000	5,000	10,000	15,000
	Bill Impact \$	(\$0.32)	(\$1.28)	(\$4.12)	(\$8.87)	(\$13.61)
	Bill Impact %	-0.21%	-0.43%	-0.58%	-0.63%	-0.64%

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 \$	(\$76.84)	(\$134.14)	(\$709.25)	(\$1,427.60)
	Bill Impact %	-2.07%	-2.21%	-2.44%	-2.47%

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 \$	(\$295.00)	(\$1,095.52)	(\$2,096.18)
	Bill Impact %	-3.73%	-2.97%	-2.87%

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 \$	(\$2,404.08)	(\$3,397.90)	(\$4,581.02)	(\$6,947.26)
	Bill Impact %	-0.57%	-0.58%	-0.59%	-0.60%

Loss Factor 1.0036 Load Factor 77%

Unmetered Scattered Load	kWh	325
	Bill Impact \$	(\$5.27)
	Bill Impact %	-8.11%

Loss Factor 1.0260

Sentinel Lighting	kWh	365
	kW	1
	Bill Impact \$	(\$2.24)
	Bill Impact %	-3.22%

Loss Factor 1.0260 Load Factor 50%

Street Lighting	kWh	946,080	63
	kW	2,400	0.16
	Bill Impact \$	(\$1,803.83)	(\$0.27)
	Bill Impact %	-1.13%	-2.37%

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:
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Date:

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

Reporting Basis	2012 Rebasing Year					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	-	49,119
Amount included in Deferral and Variance Account Rate Rider Calculation	-	805,452

WACC 6.49%

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		(\$2,583,903)	\$29,528,324		\$0	\$29,528,324
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			\$509,044			\$509,044
Income taxes (grossed up)	\$901,253			\$692,577			\$692,577
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%			4.91%			4.91%
Short-term debt Cost Rate (%)	2.16%			1.65%			1.65%
Common Equity Cost Rate (%)	9.30%			9.19%			9.19%
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 (%)
- (2) 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

Rate Base										
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		<u>\$29,103,222</u>	<u>(\$11,341,102)</u>	<u>\$17,762,121</u>	<u>\$ -</u>	<u>\$17,762,121</u>

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	(\$2,583,903)	\$29,528,324	\$ -	\$29,528,324
2	Other Revenue (1)	\$2,207,201	\$100,000	\$2,307,201	\$ -	\$2,307,201
3	Total Operating Revenues	\$34,319,428	(\$2,483,903)	\$31,835,525	\$ -	\$31,835,525
	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	(\$597,709)	\$4,266,669	\$ -	\$4,266,669
11	Total Expenses (lines 9 to 10)	\$27,356,059	(\$1,778,272)	\$25,577,788	\$ -	\$25,577,788
12	Utility income before income taxes	\$6,963,369	(\$705,631)	\$6,257,737	\$ -	\$6,257,737
13	Income taxes (grossed-up)	\$901,253	(\$208,676)	\$692,577	\$ -	\$692,577
14	Utility net income	\$6,062,116	(\$496,956)	\$5,565,160	\$ -	\$5,565,160

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	\$5,565,160	\$5,565,160
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>\$2,671,866</u>	<u>\$2,671,866</u>
<u>Calculation of Utility income Taxes</u>				
4	Income taxes	\$671,671	\$509,044	\$509,044
6	Total taxes	<u>\$671,671</u>	<u>\$509,044</u>	<u>\$509,044</u>
7	Gross-up of Income Taxes	<u>\$229,582</u>	<u>\$183,533</u>	<u>\$183,533</u>
8	Grossed-up Income Taxes	<u>\$901,253</u>	<u>\$692,577</u>	<u>\$692,577</u>
9	PILs / tax Allowance (Grossed-up Income taxes + Capital taxes)	<u>\$901,253</u>	<u>\$692,577</u>	<u>\$692,577</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	4.91%	\$4,166,751
2	Short-term Debt	4.00%		\$6,055,669	1.65%	\$99,919
3	Total Debt	60.00%		\$90,835,038	4.70%	\$4,266,669
	Equity					
4	Common Equity	40.00%		\$60,556,692	9.19%	\$5,565,160
5	Preferred Shares	0.00%		\$ -	0.00%	\$ -
6	Total Equity	40.00%		\$60,556,692	9.19%	\$5,565,160
7	Total	100.00%		\$151,391,730	6.49%	\$9,831,829
		Per Board Decision				
		(%)		(\$)	(%)	(\$)
	Debt					
8	Long-term Debt	56.00%		\$84,779,369	4.91%	\$4,166,751
9	Short-term Debt	4.00%		\$6,055,669	1.65%	\$99,919
10	Total Debt	60.00%		\$90,835,038	4.70%	\$4,266,669
	Equity					
11	Common Equity	40.00%		\$60,556,692	9.19%	\$5,565,160
12	Preferred Shares	0.00%		\$ -	0.00%	\$ -
13	Total Equity	40.00%		\$60,556,692	9.19%	\$5,565,160
14	Total	100.00%		\$151,391,730	6.49%	\$9,831,829

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		\$1,367,535		\$1,367,535
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	\$31,835,525	\$30,467,990	\$31,835,525
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	\$4,266,669	\$4,266,669	\$4,266,669	\$4,266,669
8	Total Cost and Expenses	\$27,356,059	\$27,356,059	\$25,577,788	\$25,577,788	\$25,577,788	\$25,577,788
9	Utility Income Before Income Taxes	\$2,878,461	\$6,963,369	\$4,890,202	\$6,257,737	\$4,890,202	\$6,257,737
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	\$1,996,908	\$3,364,443	\$1,996,908	\$3,364,443
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	\$529,181	\$891,577	\$529,181	\$891,577
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	\$4,560,022	\$5,565,160	\$4,560,022	\$5,565,160
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%	7.53%	9.19%	7.53%	9.19%
19	Target Return - Equity on Rate Base	9.30%	9.30%	9.19%	9.19%	9.19%	9.19%
20	Deficiency/Sufficiency in Return on Equity	-4.67%	0.00%	-1.66%	0.00%	-1.66%	0.00%
21	Indicated Rate of Return	4.84%	6.71%	5.83%	6.49%	5.83%	6.49%
22	Requested Rate of Return on Rate Base	6.71%	6.71%	6.49%	6.49%	6.49%	6.49%
23	Deficiency/Sufficiency in Rate of Return	-1.87%	0.00%	-0.66%	0.00%	-0.66%	0.00%
24	Target Return on Equity	\$6,062,116	\$6,062,116	\$5,565,160	\$5,565,160	\$5,565,160	\$5,565,160
25	Revenue Deficiency/(Sufficiency)	\$3,044,333	\$ -	\$1,005,138	\$ -	\$1,005,138	\$ -
26	Gross Revenue Deficiency/(Sufficiency)	\$4,084,908 (1)		\$1,367,535 (1)		\$1,367,535 (1)	

Notes:

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



Ontario Energy Board

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	\$692,577	\$692,577
6	Other Expenses	\$ -		
7	Return			
	Deemed Interest Expense	\$4,864,378	\$4,266,669	\$4,266,669
	Return on Deemed Equity	\$6,062,116	\$5,565,160	\$5,565,160
8	Service Revenue Requirement (before Revenues)	<u>\$34,319,428</u>	<u>\$31,835,525</u>	<u>\$31,835,525</u>
9	Revenue Offsets	<u>\$2,207,201</u>	<u>\$2,307,201</u>	<u>\$2,307,201</u>
10	Base Revenue Requirement (excluding Tranformer Owership Allowance credit adjustment)	<u>\$32,112,227</u>	<u>\$29,528,324</u>	<u>\$29,528,324</u>
11	Distribution revenue	\$32,112,227	\$29,528,324	\$29,528,324
12	Other revenue	<u>\$2,207,201</u>	<u>\$2,307,201</u>	<u>\$2,307,201</u>
13	Total revenue	<u>\$34,319,428</u>	<u>\$31,835,525</u>	<u>\$31,835,525</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 Change	\$ 10,926,494	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
		\$ -	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) Change	\$ 10,115,699	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
		\$ 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 Change	\$ 10,115,699	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
		\$ -	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 Change	\$ 10,115,699	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
		\$ -	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 Change	\$ 10,115,699	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
		\$ -	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 Change	\$ 10,115,699	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
		\$ -	0.00%	\$ -	\$ -	\$ -	\$ -	\$ 25,154	\$ -	\$ 25,154	\$ -	\$ 25,154	\$ 25,154
7	IR: 4-Energy Probe-47 Removal of Small Business tax credit Change	\$ 10,115,699	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
		\$ -	0.00%	\$ -	\$ -	\$ -	\$ -	\$ 59,021	\$ -	\$ 59,021	\$ -	\$ 59,021	\$ 59,021
8	IR: 4-Energy Probe-48-b) and c) Revised Apprentice Tax calculation Change	\$ 10,115,699	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
		\$ -	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 Change	\$ 10,115,699	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
		\$ -	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 Change	\$ 10,115,699	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
		\$ -	0.00%	\$ -	\$ -	\$ -	\$ -	\$ 19,064	\$ -	\$ 19,064	\$ -	\$ 19,064	\$ 19,064



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.

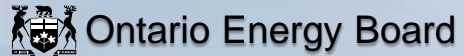
⁽¹⁾ Short reference to evidence material (interrogatory response, undertaking, exhibit number, Board Decision, Code, Guideline, Report of the Board, etc.)

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

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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
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	\$ 10,115,699	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
		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



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

[illegible]

Appendix J – LTD – September 2015

01101

GUELPH HYDRO ELECTRIC
SYSTEMS INC.
A/C NEW ISSUE
395 SOUTHGATE DRIVE
GUELPH ON N1G 4Y1
CANADA

Your Account Number:

Date of Last Statement:

YOUR ADVISORY TEAM

Your Investment Advisor(s):

INST BOND TOR
416-842-6300

FOR YOUR INFORMATION

For information regarding the
Firm's policy on multiple
marketplace trading within
Canada, please see
[https://cmaweb.rbccm.com/cm/
file/0,,93367,00.rtf](https://cmaweb.rbccm.com/cm/file/0,,93367,00.rtf)

INCOME SUMMARY

	THIS MONTH	YEAR-TO-DATE
Dividends	\$0.00	\$0.00
Interest	\$0.00	\$0.00
Total Income	\$0.00	\$0.00

CASH BALANCE

ACCOUNT TYPE	OPENING BALANCE AT SEPT 01	CLOSING BALANCE AT SEPT 30
Total	\$0.00	\$0.00

ACCOUNT ACTIVITY

DATE	ACTIVITY	DESCRIPTION	QUANTITY	PRICE RATE	DEBIT	CREDIT
		Opening Balance (SEPT 01, 2015)				\$0.00
SEPT 25	RECEIVED	GUELPH HYDRO ELECTRIC E SYSTEMS INC SER B SNR DEB DUE 09/25/2045 INT 4.121% 4.121 DUE 09/25/45	30,000,000		29,850,000.00	

0002031 -3510R

- CONTINUED ON NEXT PAGE -

JTA9781671-0004065-01101-0001-0001-00-

CANADIAN DOLLAR ACCOUNT STATEMENT

SEPT 30
2015

Your Account Number: [REDACTED]

2 of 2

ACCOUNT ACTIVITY

DATE	ACTIVITY	DESCRIPTION	QUANTITY	PRICE RATE	DEBIT	CREDIT
SEPT 25	SOLD	GUELPH HYDRO ELECTRIC E SYSTEMS INC SER B SNR DEB DUE 09/25/2045 04.121% MS 25 THESE ARE SECURITIES OF A CONNECTED ISSUER OF THE FIRM. IF, AS AND WHEN ISSUED, PROSPECTUS ENCLOSED.	30,000,000 -	99.50		29,850,000.00
Closing Balance (SEPT 30, 2015)						\$0.00

Head Office Address:
RBC Dominion Securities Inc.
P.O. BOX 50
Royal Bank Plaza
Toronto, Ontario
Canada M5J 2W7
GST/HST Registration # 889767471

If you have a service request or a question about your statement or a service charge, please phone your Investment Advisor at the phone number listed on the front of this statement. Unresolved problems or complaints should be forwarded in writing to:

Telephone: (416) 842-2000
Internet: www.rbccm.com
QST Registration # 889767471

RBC DOMINION SECURITIES
Internal Audit Department
P.O. BOX 50, Royal Bank Plaza
Toronto, Ontario
M5J 2W7

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 - Market price represents the currently available price. Some securities in your portfolio may not be priced because data was unavailable. Market prices shown are obtained from sources we believe are reliable but we do not guarantee their accuracy.
 - In cases where securities in your portfolio display a Market Price of 'UNPRICED', the current market value is not determinable.
 - Fully paid securities are segregated on the records of RBC Dominion Securities Inc. and cannot be used in the normal course of our business. Any free credit balance for non-registered accounts represents funds payable on demand which, although recorded in our books, are not segregated and may be used in the conduct of our business.
 - A copy of our most recent financial statements, a list of directors and senior officers and information about commissions, fees and administrative proceedings that may relate to RBC Dominion Securities or to its employees are available to you upon written request directed to our Head Office address listed above.
 - Customers accounts are protected by the Canadian Investor Protection Fund within specified limits. A brochure describing the nature and limits of the coverage is available upon request.
 - Please contact your local branch or the Head Office address listed above for a copy of the brochure.
 - Income derived from mutual funds will be included on a T5 or T3 that will be issued by each mutual fund management company. As such, this income is not reported in the "Income Summary" of your account statement.
 - We act as principal on foreign currency conversions and fixed income transactions and apply discretionary currency conversion rates. The foreign currency conversion rate shown on the confirmation statement includes our spread-based revenues for performing this function. Spread means the difference between the rate we obtain and the rate you receive.
 - Please note the following security description abbreviations may appear on your statement : NON VTG for non-voting shares; RES VTG for restricted voting shares; SUB VTG for subordinate voting shares; DSC for securities which may be subject to a deferred sales charge; LL, LL2, LL3 or LL4 for securities which may be subject to a low load deferred sales charge.
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- * - Indicates fully paid for securities registered in your name and held by us on your behalf
- # - Indicates "Originating Value" provided by you. RBC Dominion Securities Inc. shall not be responsible for their accuracy
- ¹ - Includes accrued interest
- ⁴ - This security may be subject to a deferred sales charge at the time that it is sold.
- ⁿ - There is no active market for this security so its market value has been estimated.

Appendix 7
2017 Guelph LRAMVA Model

Presented only in Excel version as a separate file

Appendix 8
Guelph 2016 Approved Revenue Requirement Work Form
Presented only in Excel version as a separate file