1. We have reviewed the updated LRAMVA balance. Please confirm the following:
2. The updated LRAMVA balance does not include the initially requested 2011-2013 persisting demand savings amounts that were omitted from Guelph’s 2016 COS LRAMVA balance.

**Guelph Response:**

Guelph Hydro confirms that the updated LRAMVA balance presented in LRAMVA Summary file, Tab. Guelph Adjs, and now also presented in the update LRAMVA Summary file, tab IRR 3 a (new tab), cell A27 does not include the initially requested 2011-2013 persisting demand savings that were omitted from Guelph Hydro’s 2016 COS LRAMVA balance.

1. The updated LRAMVA balance excluding historical 2011-2013 persisting demand savings is $1,075,328, as stated in the “Updated\_Guelph LRAM Summary\_20160930.xls” file (Guelph Adjs. Tab, Cell A26).

**Guelph Response:**

Guelph Hydro corrected the carrying charges in LRAMVA Summary, Tab. Guelph Adjs, cells F21 and F22, which were inadvertently left unchanged after removing the 2011-2013 demand persistence savings (please also see Tab. Guelph Summary, cells G11 and G12).

The updated LRAMVA balance excluding historical 2011-2013 persisting demand savings is $1,191,745.11 (including carrying charges) as presented in the corrected LRAMVA Summary file, Tab Guelph Adjs., and in Tab IRR 3 a.

1. If Guelph confirms 1(b) above, please update the OEB LRAMVA work form as a final balance of $1,300,955 in Tab 1 (dated September 30) remains, rather than $1,075,328 as indicated in Guelph’s LRAM Summary file. Please update the work form by way of the following:
2. Please correct entries in the work form in order to reflect the update to remove historical 2011-2013 lost revenues from persisting demand savings so that the updated LRAMVA balance is $1,075,328.

**Guelph Response:**

Guelph Hydro removed the 2011-2013 lost revenues from persisting demand savings by making the following changes:

Tab. 6. Persistence Rates: deleted persistence factors from cells Q25, R25, and R26 (marked in red). Guelph Hydro also made the changes requested in IR 3 a), and excluded all previous approved 2011-2013 LRAMVA amounts of $288,940.89 ($302,621.08 minus carrying charges of $13,680.19) in Tab 1. LRAM Summary (rows 24, 27 and 30); the LRAMVA balance, including the 2016 carrying charges, dropped to $1,191,745.11.

The difference of $129,957.38 between the balance presented in LRAMVA Summary file, Tab Guelph Adj $1,061,787.72 and the LRAMVA work form $1,191,745.11 is the result of a different Rate Allocations for LRAMVA in Tab 4. 2011-14 LRAM (the previous years’ adjustments are allocated to the year they belong instead considering them in the year IESO reported them), including the $899.64 due to formula corrections for 2012 distribution rates.

The reconciliation is presented below and in the LRAMVA Summary file, Tab. Guelph Adj:



1. Please state what changes were made to the LRAMVA work form, in response to 2(a) above, to remove the 2011-2013 demand savings persistence in the current LRAMVA application.

**Guelph Response:**

Please see the response to IR 2 a).

1. Please also make the following changes to the updated LRAMVA work form:
2. As part of “Tab 1: LRAMVA Summary” of the work form, please exclude all previously approved 2011-2013 LRAMVA amounts ($302,621.08) found in rows 22 to 29 and row 36.

Note: The LRAM work form should only include outstanding amounts relevant to the current application.

**Guelph Response:**

Guelph Hydro removed all cleared amounts from rows 22 to 29 and row 36 (marked in red). The LRAMVA balance including 2016 carrying charges dropped to $1,191,745.11 (please see LRAMVA work form, Tab. 1 LRAMVA Summary, cell K40, and the updated LRAMVA Summary file, Tab IRR 3 a, cell A27). The difference of $899.64 between the LRAMVA Summary file Tab IRR 3 a, cell A27 and LRAMVA work form, cell K40 is due to a previous formulas correction in Tab. 8 Guelph\_Approved CDM Adjs (May 1 to Dec. 31, 2012 rates).

The difference of $129,057.74 is the result of different Rate Allocations for LRAMVA previous adjustments in Tab 4. 2011-14 LRAM.

The reconciliation is presented below and in the updated LRAMVA Summary file, Tab. IRR 3 a:



1. Guelph has updated Tab 3: Distribution Rates of the LRAMVA work form to show the demand savings (kW) from 2011 to 2013 programs that were not included in the 2016 COS LRAMVA request.  However, it appears the basis of the omitted 2011 to 2013 persisting demand savings (kW) are sourced from an internal Guelph spreadsheet.  Please provide the following:
   1. Please provide the final IESO savings documentation that was used to calculate the 93,847 kW of demand savings from 2011 to 2013 programs that were not included in the 2016 COS LRAMVA request.

**Guelph Response:**

The source for the 2011 to 2013 persisting demand savings (kW) presented in September 30 version Tab 3: Distribution Rates was Tab 10. Guelph\_CDM Prgs (cells AF20 to AG22). However, Guelph Hydro updated its kW calculation as per its response to IR 4 b) – please see below.

* 1. Based on Tab 3 of OEB LRAMVA work form, it appears that the persisting demand savings amounts of  93,847 kW that were omitted from Guelph’s previous LRAMVA claim produces $469,314.75 in lost revenues (i.e., sum of rows 45 to 47). Please confirm that Guelph has used the corrected distribution rates for May 1 to Dec. 31, 2012 when calculating the LRAMVA balance related to the demand savings (kW) from 2011 to 2013 programs that were not included in the 2016 COS LRAMVA request.

**Guelph Response:**

The amount of $469,314.75 was calculated as the difference between 2014 LRAMVA lost revenue including the 2011-2013 demand persistence savings and the 2014 LRAMVA lost revenue without 2011-2013 demand persistence savings (i.e. Tab. Guelph Summary cells F4 to F6 minus Tab. Guelph Adjs. cells E14 to E16).

Guelph Hydro has used the corrected distribution rates for May 1 to Dec. 31, 2012 when calculating the LRAMVA balance related to the demand savings from 2011 to 2013 programs that were not included in the 2016 COS LRAMVA request.

Guelph Hydro updated its 2011-2013 persisting demand savings kW amount to reflect the demand persistence from Tab 4. 2011-14 LRAM instead the 2011-2013 demand persistence presented in Tab. 10 Guelph\_CDM Prgs (please see Tab. 3 Distribution Rates, cells F57 to H59).

Please note that Guelph Hydro used the September 21 LRAMVA work form version (Tab 4.2011-14 LRAM, sum of cells J74 to O74, J75 to O75, J154 to O154) to input the persisting demand kW which was deleted in October 18th version to simulate the removal of 2011-2013 persistence demand from LRAMVA balance calculation.

The updated kW and dollars persisting demand is presented below (see LRAMVA Summary file, Tab. IRR 3 a):



Guelph Hydro reconciled the amount of $456,626.59 in Tab. 3 Distribution Rates, cells D51 to M52. The total 2011-2013 unclaimed LRAMVA balance including the carrying charges of $8,197.91 is $464,824.50.

1. Please confirm whether Guelph’s manual adjustments to Tab 1 of the LRAMVA work form (row 41) appropriately reflects the additional IESO verified savings adjustments from prior program years that are known in 2015?
   1. If yes, please correct the 2011-2014 LRAMVA work forms by applying any relevant adjustments that were verified by IESO in 2015 back to the year of program implementation.

**Guelph Response:**

Tab 1. LRAMVA Summary, row 41 is the summary of Guelph Hydro’s in-house model results presented in Tabs 8 to 11, and it reflects the additional IESO verified savings adjustments from prior years that were known in 2014.

Guelph Hydro allocated the historical adjustments to the years they belong as following (please see LRAMVA Summary file, Tab. IRR 5 a):



Please note that the above amounts do not include the DR response savings, the year-over year persisting demand, and carrying charges.

**Observation related to LRAMVA work form Tab. 7 Carrying Charges:**

As per the OEB’s staff request in IR 3 a), Guelph Hydro removed all previously approved 2011-2013 LRAMVA amounts in Tab. 1 LRAMVA Summary, rows 24, 27, and 30 (Amounts Cleared). However, in Guelph Hydro’s opinion, the carrying charges calculated in Tab. 7 Carrying Charges do not reflect correctly the actual 2011-2013 disposition occurred in 2016; how the formulas work in Tab. 7, it assumes that the 2011 balance was disposed in 2011, 2012 remaining balance was disposed in 2012, and 2013 remaining balance was disposed in 2013. In reality, the 2011-2013 balance is being disposed in 2016. Therefore, the carrying charges reflected in Tab. 1 LRAMVA Summary, cell K37 are understated.