



December 2, 2016

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

Dear Ms. Walli:

**Re: OEB File No. EB-2016-0075
Guelph Hydro Electric Systems Inc. (Guelph Hydro) 2017 IRM
Electricity Distribution Rate Application**

Guelph Hydro has reviewed the Board's Draft Decision and Order issued on November 25, 2016 in respect of the above-noted file. Guelph Hydro has the following comment for the proposed Draft Rate Order:

1. General Service 1,000 to 4,999 kW Service Classification (Schedule A, page 6 of 14)

The Industrial Conservation Initiative (ICI) program will expand its eligibility threshold to 1MW or above when amendments to O.Reg. 429/04 become effective in 2017. All customers in Guelph Hydro's General Service 1,000-4,999 kW customer class will be eligible to participate in the ICI program and change their status to Class A effective July 1, 2017. These customers contributed to the 2015 Class B CBR balance disposed in Guelph Hydro's 2017 IRM application (EB-2016-0075). In Guelph Hydro's opinion, newly eligible customers that move to Class A effective July 1, 2017, but were Class B customers in 2015, should not be exempt from the CBR rate rider after July 1, 2017.

Guelph Hydro proposes the description "*Rate Rider for Disposition of Capacity Based Recovery Account (2017) - effective until December 31, 2017 - Applicable for Class B and former 2015 Class B Customers*".

Guelph Hydro agrees to all other tariff of rates outlined in the draft Tariff of Rates and Charges shown in Schedule A of the Draft Decision and Order.



Should there be any questions, please contact me at the number below.

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read "Cristina Birceanu", with a long, sweeping underline.

Cristina Birceanu

Vice President of Regulatory Affairs, Customer Service and Billing
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