

August 30, 2018

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-2018-0036
Guelph Hydro Electric Systems Inc. (Guelph Hydro) Responses to Board Staff
Preliminary Questions**

Please find enclosed with this letter Guelph Hydro's responses to Board Staff preliminary interrogatories received by email on August 28, 2018.

Guelph Hydro has filed an electronic version of its responses via RES; along with the following live Excel files:

- 2016 Board-approved EDDVAR model
- Updated 2019IRM Rate generator

Should there be any questions, please do not hesitate to contact the undersigned.

Respectfully submitted,



Cristina Birceanu

Vice-President of Regulatory Affairs, Customer Care and Billing
Guelph Hydro Electric Systems Inc.

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Guelph, ON N1G 4Y1



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**Guelph Hydro Responses
Staff Preliminary Questions
Guelph Hydro Electric Systems Inc.
EB-2018-0036**

Staff Question-1

Ref: DVA Continuity schedule- Account 1595 sub-account 2016

Guelph Hydro is requesting the disposition of \$744,342 in Account 1595-2016 in the 2019 IRM application. Guelph stated in the application that

Account 1595 Disposition and Recovery/Refund of Regulatory Balances – subaccount 2016 continuity on Tab 3 of the Rate Generator Model was updated with an amount of \$171,801 being included in the “Principal Adjustments during 2017” column and an amount of \$7,702 being included in the “Interest Adjustments during 2017” column both representing a correction of the misallocation of the OEB approved 2016 disposal of the account 1556 Smart Meter OM&A Variance account to rate base. A variance of the \$(179,503) vs. 2.1.7. RRR Trial Balance is the result.

- a) Please confirm that the adjustments are not to change the final disposed DVA balances approved in the 2016 CoS Decision and Order. Please provide the details otherwise.

Guelph Hydro’s Response:

Guelph Hydro confirms that the adjustments are not to change the final disposed DVA balances approved in the 2016 COS Decision and Order. Guelph Hydro had previously disposed of the 1556 balance to Retained earnings/ratebase for 2.1.7. purposes following the RRR guidance for account 1556. The costs included in account 1556 pertained to additional functionality costs and were included as part of the normal DVA account rate riders for the 2016 COS. As a result, the \$179,503 reallocation adjustment was necessary since the disposal journal entry should have been into account 1595.

Staff Question-2

Ref: Page 91 of the Application; Account 1595 Analysis Workform

Guelph stated in the application that

Guelph Hydro has completed the 1595 Analysis Workform for Account 1595 sub account 2016 and analyzed the variances accounting for the \$744,342 balance being requested for recovery. The analysis found that \$732,410 of the 2016 balance under recovery was **due to Global Adjustment rate rider under recoveries** because of Class A transition customers in GS 1000kW to 4999kW not being billed the GA rate rider applicable to Class B customers.

In its 2018 IRM application, Guelph provided the details of the Class A transition customers in 2016 in order for the allocation of the 2016 GA accumulation for these customers. The table below is copied from 2018 IRM final rate model:

Customer	Rate Class		2016	
			January to June	July to December
Customer 1	GENERAL SERVICE 1,000 TO 4,999 kW SERVICE CLASSIFICATION	kWh	13,050,764	14,126,146
		kW	28,838	30,037
		Class A/B	B	A
Customer 2	LARGE USE SERVICE CLASSIFICATION	kWh	11,532,775	11,128,521
		kW	40,084	43,146
		Class A/B	A	B
Customer 3	LARGE USE SERVICE CLASSIFICATION	kWh	18,214,366	5,799,216
		kW	28,962	15,137
		Class A/B	A	B
Customer 4	GENERAL SERVICE 1,000 TO 4,999 kW SERVICE CLASSIFICATION	kWh	6,667,846	6,764,635
		kW	16,663	17,069
		Class A/B	A	B

- a) Please confirm that the 2016 GA rate rider was not billed to the Class A transition customers once they became Class A customers. If so, please provide the reasons. If not, please provide the practice of billing 2016 GA rate riders.

Guelph Hydro's Response:

Guelph Hydro confirms that the 2016 GA rate rider was not billed to the two General Service 1,000-4,999 kW Class A transition customers once they became Class A customers. In addition, Guelph Hydro did not bill the 2016 GA rate rider to customers that were Class A for the full year of 2016.

In accordance with page 7 of Guelph Hydro's approved 2016 Tariff of Rates and Charges, the description for the GA rate rider under the General Service 1,000 to 4,999 kW Service Classification indicates "Applicable only to Class B Customers". As a result, Guelph Hydro did not bill Class A customers the 2016 GA rate rider throughout 2016.

To clarify, the under recovery of the 2016 GA rate rider for the General Service 1,000-4,999 kW class is not exclusively due to Class A transition customers. Customers within the General Service 1,000-4,999 kW rate class that were Class A for the entire year in 2016 also contributed to the under recovery.

- b) Please confirm the following for the two transition customers in GS 1,000 to 4,999KW rate class in 2016:
- For customer 1 who transited from Class B to A on July 1, 2016, the projected consumption for the 2016 GA rate rider would include this customer's forecast consumption and \$1.588/KW GA rate rider was billed to this customer from January 1, 2016 to June 30, 2016.
 - For customer 4 who transitioned from Class A to Class B on July 1, 2016, the projected consumption for the 2016 GA rate rider would not include this customer and \$1.588/KW would be billed to this customer from July 1, 2016 to December 31, 2016 (sunset date).

Guelph Hydro's Response:

Guelph Hydro confirms that the full year projected consumption for Customer 1 was included in the forecast consumption (i.e. denominator used in rate rider calculation as approved by OEB). Guelph Hydro also confirms that the customer was billed the 2016 GA rate rider during the period of January 1 to June 30, 2016, but not for the period the customer was Class A (July 1 to December 31, 2016).

Guelph Hydro included the full year projected consumption for Customer 4 in the forecast consumption (i.e. denominator used in rate rider calculation as approved by OEB). Guelph Hydro confirms the customer was billed the 2016 GA rate rider for the period of July 1 to December 31, 2016, but not for the period the customer was Class A (January 1 to June 30, 2016).

- c) Please explain how the consumption provided in the above table in the 2018 IRM final rate model for two Class A transitioning customers in GS 1,000 to 4,999 kW would explain the consumption variance of 474,519KW for GA rate rider for this rate class that was provided in 1595 Analysis workform.

Guelph Hydro's Response:

The following explain the General Service 1,000-4,999 kW consumption variance of 474,519 kW:

- The forecast of 1,196,727 kW (cell E98) includes full year kW demand for the two Class A transition customers from the table above, as well as full year kW demand for seven customers that were Class A for the entire year in 2016. As a result, the denominator used for calculating the 2016 GA rate rider was overstated by Class A kW demand. During Guelph Hydro's 2016 COS proceedings, Guelph Hydro's rate rider calculations for the General Service 1,000-4,999 kW GA rate rider were not challenged to remove projected consumption for Class A customers.
- Although Class A forecast consumption was included in the determination of the 2016 rate rider, Guelph Hydro did not bill Class A customers the GA rate rider during 2016. Tab 6. Class A Consumption Data from the 2018 IRM Rate Generator Model identifies that the 2016 Class A General Service 1,000-4,999 kW billed demand was 377,774 kW, which accounts for approximately 79.6% of the consumption variance of 474,519 kW.

Table 1: 2018IRM Rate Generator, Tab 6. Class A Consumption Data

Transition Customers - Non-loss Adjusted Billing Determinants by Customer

Customer	Rate Class		2016	
			January to June	July to December
Customer 1	GENERAL SERVICE 1,000 TO 4,999 kW SERVICE CLASSIFICATION	kWh	13,050,764	14,126,146
		kW	28,838	30,037
		Class A/B	B	A
Customer 2	LARGE USE SERVICE CLASSIFICATION	kWh	11,532,775	11,128,521
		kW	40,084	43,146
		Class A/B	A	B
Customer 3	LARGE USE SERVICE CLASSIFICATION	kWh	18,214,366	5,799,216
		kW	28,962	15,137
		Class A/B	A	B
Customer 4	GENERAL SERVICE 1,000 TO 4,999 kW SERVICE CLASSIFICATION	kWh	6,667,846	6,764,635
		kW	16,663	17,069
		Class A/B	A	B

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Clear All

Class A Customers - Billing Determinants by Customer

Customer	Rate Class		2016
Customer A1	LARGE USE SERVICE CLASSIFICATION	kWh	97,594,143
		kW	194,366
Customer A2	GENERAL SERVICE 1,000 TO 4,999 kW SERVICE CLASSIFICATION	kWh	28,381,068
		kW	56,533
Customer A3	GENERAL SERVICE 1,000 TO 4,999 kW SERVICE CLASSIFICATION	kWh	39,286,564
		kW	59,336
Customer A4	GENERAL SERVICE 1,000 TO 4,999 kW SERVICE CLASSIFICATION	kWh	22,280,279
		kW	48,440
Customer A5	GENERAL SERVICE 1,000 TO 4,999 kW SERVICE CLASSIFICATION	kWh	23,644,309
		kW	38,695
Customer A6	LARGE USE SERVICE CLASSIFICATION	kWh	41,410,832
		kW	70,994
Customer A7	LARGE USE SERVICE CLASSIFICATION	kWh	39,643,868
		kW	66,463
Customer A8	GENERAL SERVICE 1,000 TO 4,999 kW SERVICE CLASSIFICATION	kWh	24,916,421
		kW	40,663
Customer A9	GENERAL SERVICE 1,000 TO 4,999 kW SERVICE CLASSIFICATION	kWh	22,273,557
		kW	40,113
Customer A10	GENERAL SERVICE 1,000 TO 4,999 kW SERVICE CLASSIFICATION	kWh	29,212,116
		kW	47,293

- Other explanations for lower 2016 billed demand:
 - Load Forecast: for the purposes of settlement of the issues in 2016 COS proceeding (EB-2015-0073), Guelph Hydro agreed to increase the load forecast in the test year by 14 GWh on the wholesale predicted kWh (i.e. from 1,781 GWh to 1,794 GWh). This negotiated and not forecasted increase impacted the forecast billing determinants (for GS 1,000 to 4,999 kW the increase was of 2,445 kW); accordingly, the billing determinants for DVA disposition, including 1589-GA disposition, were artificially increased (please see Appendix 4 of this Application “2016 Board Approved –

Settlement Agreement”, Issue 3.1 and Appendix E – Load Forecast).

- **CDM Savings:** Guelph Hydro accomplished 69.88% in Net Cumulative Energy Savings in 2016 towards its five-year target of 99.04GWh (please see the Guelph Hydro’s 2017 Scorecard attached below). General Service 1,000 to 4,999 kW contributed substantially to 2016 CDM results.

Table 2: Guelph Hydro 2017 Scorecard

Scorecard - Guelph Hydro Electric Systems Inc.

8/27/2018

										Target	
Performance Outcomes	Performance Categories	Measures	2013	2014	2015	2016	2017	Trend	Industry	Distributor	
Customer Focus Services are provided in a manner that responds to identified customer preferences.	Service Quality	New Residential/Small Business Services Connected on Time	100.00%	99.00%	98.50%	99.50%	96.97%	👉	90.00%		
		Scheduled Appointments Met On Time	97.10%	83.90%	97.60%	99.70%	99.57%	👉	90.00%		
		Telephone Calls Answered On Time	83.70%	87.70%	87.70%	86.70%	87.47%	👉	65.00%		
	Customer Satisfaction	First Contact Resolution		100%	100%	99.98%	100%				
		Billing Accuracy		99.89%	99.82%	99.95%	99.94%	👉	98.00%		
Customer Satisfaction Survey Results		96%	96%	96%	89%	89%					
Operational Effectiveness Continuous improvement in productivity and cost performance is achieved; and distributors deliver on system reliability and quality objectives.	Safety	Level of Public Awareness			84.00%	84.00%	86.00%				
		Level of Compliance with Ontario Regulation 22/04 ¹		NI	NI	C	C	C	👉		C
		Serious Electrical Incident Index	Number of General Public Incidents	0	0	1	0	0	👉		0
	System Reliability	Rate per 10, 100, 1000 km of line		0.000	0.000	0.902	0.000	0.000	👉		0.000
		Average Number of Hours that Power to a Customer is Interrupted ²		0.11	0.52	0.46	0.71	0.37	👉		0.62
		Average Number of Times that Power to a Customer is Interrupted ²		1.82	1.05	1.24	1.34	1.04	👉		1.41
	Asset Management	Distribution System Plan Implementation Progress			In Progress	99.34%	102.20%	101.60%			
	Cost Control	Efficiency Assessment		3	3	3	3	3			
		Total Cost per Customer ³		\$608	\$601	\$632	\$624	\$624			
		Total Cost per Km of Line ³		\$28,952	\$28,683	\$29,993	\$30,014	\$30,163			
Public Policy Responsiveness Distributors deliver on obligations mandated by government (e.g., in legislation and in regulatory requirements imposed further to Ministerial directives to the Board).	Conservation & Demand Management	Net Cumulative Energy Savings ⁴			59.16%	69.88%	103.22%			99.04 GWh	
	Connection of Renewable Generation	Renewable Generation Connection Impact Assessments Completed On Time		100.00%	100.00%	100.00%	100.00%	100.00%			
		New Micro-embedded Generation Facilities Connected On Time		100.00%	100.00%	100.00%	100.00%	100.00%	👉	90.00%	
Financial Performance Financial viability is maintained; and savings from operational effectiveness are sustainable.	Financial Ratios	Liquidity: Current Ratio (Current Assets/Current Liabilities)		1.33	1.12	2.14	2.37	1.98			
		Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio		1.04	1.03	1.47	1.41	1.34			
Profitability: Regulatory Return on Equity		Deemed (included in rates)		9.42%	9.42%	9.42%	9.19%	9.19%			
		Achieved		7.29%	12.48%	8.66%	10.58%	9.70%			

1. Compliance with Ontario Regulation 22/04 assessed: Compliant (C); Needs Improvement (NI); or Non-Compliant (NC).
2. The trend's arrow direction is based on the comparison of the current 5-year rolling average to the distributor-specific target on the right. An upward arrow indicates decreasing reliability while downward indicates improving reliability.
3. A benchmarking analysis determines the total cost figures from the distributor's reported information.
4. The CDM measure is based on the new 2015-2020 Conservation First Framework.

Legend: 5-year trend
👉 up 👈 down ➡ flat
Current year
🟢 target met 🟡 target not met

Staff Question-3

Ref: Page 44 of the Application

Guelph stated in the application for the allocation of the Account 1595 that

For account 1595 (2016), Guelph Hydro has used the same share proportion that it used in its 2016 COS application (EB-2015-0073)

- a) Please confirm that the allocation % used in the 2016 CoS was only related to the GA rate rider. If not, please explain why the allocation % used in the 2016 CoS is proposed for Account 1595-2016 given that the residual balance is almost 100% related to the GA rate rider.

Guelph Hydro's Response:

In this Application, Guelph Hydro has used the same share proportion that it used in its 2016 COS application (EB-2015-0073) for 1595 (2014) account disposition.

In its 2016 COS application (EB-2015-0073), Guelph Hydro has used its own RSVA model which was approved by the OEB (please see Guelph_BStaff_IRR 3_Aproved_2016COS_EDVAR file, Tab. 8.Guelph RSVA Model). For GA rate rider, Guelph used a proration of the 1589 balance of \$3.3M based on non-RPP forecast consumption (excluding wholesale market participants and Class A consumption). Guelph Hydro has filed a live Excel version of the 2016 COS approved EDVAR model as support to the Board Staff interrogatory response.

For a better illustration, Guelph Hydro calculated the 2016 GA allocation to customer classes and added a table in Tab. Guelph RSVA model, as following:

Table 3: GA Allocation in 2016 COS (EB-2015-0073)

Rate Class	1589 GA for Non-RPP customers	1589 GA proportion
RESIDENTIAL	78,728	2.38%
GENERAL SERVICE LESS THAN 50 KW	84,810	2.56%
GENERAL SERVICE 50 TO 999 KW	1,218,296	36.75%
GENERAL SERVICE 50 TO 999 KW - Wholesale Market Participant	0	0.00%
GENERAL SERVICE 1,000 TO 4,999 KW	1,900,369	57.33%
LARGE USE - Class A	0	0.00%
UNMETERED SCATTERED LOAD	39	0.00%
SENTINEL LIGHTING	7	0.00%
STREET LIGHTING	32,427	0.98%
	0	
TOTAL	3,314,676	100.00%

Guelph Hydro acknowledges that the 1595 balance requested for disposition in this Application is almost 100% related to GA rate rider, and that the calculated forecast versus billed consumption variance is mainly attributed to General Service 1,000 to 4,999 kW class (i.e. \$753,524). At the time of the 2016 COS application preparation, Guelph Hydro had only 6 Class A customers. In 2017 Guelph Hydro had 55 Class A customers, therefore Guelph Hydro believes that to allocate the 1595 (2016) residual account balance to rate classes in proportion to the recovery share as established when GA rate riders were implemented is not appropriate.

Instead, Guelph Hydro is proposing to use a proration based on Calculated Variance (\$) in 1595 Workform, Tab 1595 2016, Cells J95 to J115. The table below presents the % calculation.

Table 4: Proposed % for 1595 (2016) disposition.

Customer Class	Calculated variance - 1595 Workform, Tab 1595 2016, Cells J95 to J115	Proposed proportions for 1595 (2016) disposition
Residential	\$22,189	3.08%
General Service Less than 50 kW	\$13,677	1.90%
General Service 50 to 999 kW	(\$66,672)	-9.25%
General Service 1,000 to 4,999 kW	\$753,524	104.54%
Large Use	\$0	0.00%
Unmetered Scattered Load	(\$2)	0.00%
Sentinel Lighting	(\$0)	0.00%
Street Lighting	(\$1,943)	-0.27%
Total	\$720,773	100.00%

Guelph Hydro updated the 2019 IRM Rate Generator to reflect the proposed proportions (please see Excel version of the file Guelph_IRR_BStaff_4_updated_App1_2019IRM-Rate-Generator-Model_20180830).

Staff Question - 4

Ref: Page 50-51 of the Application; Appendix 7_Guelph_Reconciling Item_GA Analysis.xls, Tab.1 GA Detailed Analysis

In explaining the reconciling item #4 Billed GA difference, Guelph stated that

The GA analysis model assumes that Distributor bills customers on a calendar month basis. Guelph Hydro does not bill most of its customers on a calendar month basis. For those customers with billing cycles bridging two calendar months, the CIS system bills a weighted average GA 1st Estimate rate. This analysis is presented in Tab 1. GA Detailed Analysis columns O to R with column S demonstrating the monthly average GA rate billed to customers in 2017. Based on this analysis, the GA Analysis model expectation (cell K26) is greater than the GA amount Guelph Hydro collected (cell O26) by \$896,689.38.

- a. Please use an example of a customer bill (redact the customer information) with billing bridging two months to illustrate the statement: "For those customers with billing cycles bridging two calendar months, the CIS system bills a weighted average GA 1st Estimate rate".

Guelph Hydro's Response:

A redacted copy of a customer bill with a billing period bridging two calendar months to demonstrate a weighted average GA 1st estimate rate is presented below.

Table 5: Example of customer bill with a billing period bridging two months



Guelph Hydro
 Electric Systems Inc.

395 Southgate Drive
 Guelph, Ontario
 N1G 4Y1

Tel: (519) 822-3010 Fax: (519) 822-0960
 Power Outage(after hours): (519) 822-3014
 Website: WWW.GUELPHHYDRO.COM

Office Hours 8:00 AM to 4:30 PM Monday to Friday

Account Number [REDACTED]	Customer Name [REDACTED]	Billing Date AUG 07, 2018
Service Address [REDACTED]		

Account Summary

Previous Charges	Amount of last bill	\$8,014.88
	Payments	\$8,014.88-
	Adjustments	\$.00
	Balance forward (If already paid please disregard)	\$.00
Current Charges	Distribution - GHES Inc. 822-3010	\$675.68
	Electricity Commodity	\$1,340.56
	Non-Competitive Electricity	\$6,119.26
	HST ([REDACTED])	\$1,057.62
	Water - City Water Dept. 837-5627	\$450.53
	Stormwater - City Engineering Dept. 837-5604	\$66.55
	Total current charges	\$9,710.20
	Invoice Total	\$9,710.20
	Total amount due	\$9,710.20

IMPORTANT: IS YOUR ACCOUNT INFORMATION UP TO DATE? Please call 519-822-3010 to update your information. Guelph Hydro has replaced past due reminder notices with friendly reminder phone messages.

* Please note that late payment charges are now based on 1.5 percent of your past due balance compounded monthly or 19.56 per annum.

E & O E.



Guelph Hydro
 Electric Systems Inc.

395 Southgate Drive, Guelph, Ontario N1G 4Y1

>> Statement Only <<

[REDACTED]

[REDACTED]

Account Number [REDACTED]
Message: The amount of: \$9,710.20 will be withdrawn from your bank account on: August 23, 2018 Thank you for being a pre-authorized customer.

Metering Information:

Service	Billing Period	Days	Meter #	Multiplier	Units	Current Reading	Previous Reading	Usage
Electric	6/14/18	7/19/18	35	160.0000	KWH	5682.00	5375.00	49120.00
Electric	6/14/18	7/19/18	35	160.0000	W	781.00		124.96
Electric	6/14/18	7/19/18	35	160.0000	VA	807.00		129.12
Water	6/14/18	7/19/18	35	1.0000	M3	9964.00	9846.00	118.00
Power Factor =						96.78%		

	Usage	Rate	Charge	Total
Distribution - GHES Inc. 822-3010				
Fixed Charge			\$207.30	
Variable kW Charge	124.96	1.9771	\$247.05	
Additional kW PF Chg			\$.00	
GA Rate Rider	49,120.00	.0045	\$221.04	
SSS Administration			\$.29	
<i>Total Distribution - GHES Inc. 822-3010</i>				<i>\$675.68</i>
Electricity Commodity				
Avg Market Price kWh	50,397.12	+	.0266	\$1,340.56
<i>Total Electricity Commodity</i>				<i>\$1,340.56</i>
Non-Competitive Electricity				
Trans.Netw.kW PF Chg			\$.00	
Trans.Conn.kW PF Chg			\$.00	
Wholesale Market kWh	50,397.12	+	.0039	\$196.55
Trans. Network kW	124.96		2.6095	\$326.08
Trans. Connect kW	124.96		2.1983	\$274.70
Global Adjustment	50,397.12	+	.1056	\$5,321.93
<i>Total Non-Competitive Electricity</i>				<i>\$6,119.26</i>
Water - City Water Dept. 837-5627				
Water Basic			\$12.25	
Water Consumption	118.00	1.7200	\$202.96	
Waste Water Basic			\$18.20	
Wastewater Treatment	118.00	1.8400	\$217.12	
<i>Total Water - City Water Dept. 837-5627</i>				<i>\$450.53</i>
Stormwater - City Engineering Dept. 837-5604				
12.4 units x 35 days@ \$4.60/mth			\$66.55	
<i>Total Stormwater - City Engineering Dept</i>				<i>\$66.55</i>
HST (Registration number 89120 8613 RT0001)				<i>\$1,057.62</i>
Current Charges				<i>\$9,710.20</i>

+ Includes Distribution Loss Factor of 2.60%

The debt retirement charge pays down the debt of the former Ontario Hydro

Below is a print screen from Guelph Hydro's billing system illustrating how the billing system calculates the weighted average GA rate from the billing period of June 14, 2018 to July 19, 2018, presented in the example above.

Table 6: Billing System Calculation of the Weighted Average GA rate

UT790U01

GUELPH HYDRO

8/30/18

Daily Consumption Maintenance

09:47:24

Service : N NON COMPETITIVE CHG

Rate group : / /

Select Date Range for Average Calculation

Type information, press Enter.

Date range from . . . : 6/14/18 To 7/19/18

Cumulative cost from 7/19/18 (A) : 450,245,581.0844

Cumulative cost from 6/14/18 (B) : 441,606,141.9244

Cumulative consumption from 7/19/18 (C) . . : 10,259,222,522.00

Cumulative consumption from 6/14/18 (D) . . : 10,177,442,876.00

Average ((A - B) / (C - D)) : .105600

F12=Cancel

In accordance with O. Reg. 429/04 – Adjustments under section 25.33 of the Electricity Act, 1998 Section 16 (4) 2 (emphasis added),

“2. For each Class B consumer whose electricity use is not measured by an interval meter and who is neither a regulated consumer nor a consumer who has a contract with a retailer who uses retailer-consolidated billing, the licensed distributor shall,

- i. determine a **weighted average rate** applicable to the consumer's billing period, based on the specified Class B rate for each month in the billing period and the hourly **net system load shape determined** in accordance with the Retail Settlement Code for each month in the billing period,*
- ii. multiply the weighted average rate determined under subparagraph i by the volume of electricity that was distributed to the Class B consumer during the billing period, and*
- iii. adjust the invoice that the licensed distributor issues to the Class B consumer for the billing period by giving a credit for the amount determined under subparagraph ii if the amount is negative or by adding the amount determined under subparagraph ii as an additional charge if the amount is positive.”* (emphasis added).

Therefore, the GA charge is not calculated based on customer consumption prorated based on the number of days pertaining to each month multiplied by the corresponding first estimate GA rate; the GA charge is calculated based on Net System Load Shape (NSLS). Guelph Hydro compared in the table below the GA average rate calculated based on prorating the customer's consumption versus using a GA weighted average rate calculated based on Guelph Hydro's NSLS.

Table 7: Comparison GA charge calculated based on prorating customer consumption versus NSLS

Consumption [kWh]	Billing dates	Days in the month	First Estimate GA rate	GA Charge prorated per number of days	GA average rate calculated based on customer consumption proration	GA weighted average rate calculated based on NSLS	GA billed to customer	Difference Billed versus Prorated charges
50,397.12	14-Jun-18	16	\$0.13336	\$3,072.44				
	19-Jul-18	19	\$0.08502	\$2,326.01				
		35		\$5,398.45	\$0.10712	\$0.10560	\$5,321.94	-\$76.52