

October 5, 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  
Supplementary Questions**

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

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

- Updated 2019IRM Rate Generator model
- Updated LRAMVA work-form

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 Hydro Electric Systems Inc.  
EB-2018-0036**

**Staff Follow up Question - 1**

**Ref: Guelph Hydro's Response dated September 21 2018 to OEB Staff Question #2; 2019 IRM Rate Generator Model Tab 6.1a**

Guelph explained that the variance of 179,479,893 kWh pertains to the period in 2017 when the 44 Class A customers were Class B. Guelph stated that the discrepancy does not exist.

Based on Guelph's reconciliation, the total non-RPP kWhs is 556,233,587 which agrees to Staff's reconciliation. However, the total non-RPP kWhs of 556,233,587 is not in the cell D20 of Guelph Hydro's 2019 IRM rate generator model Tab 6.1a GA allocation.

Question:

- a. Please confirm that the cell D20 of 2019 IRM rate generator model Tab 6.1a should be the value for the total non-RPP kWhs 556,233,587. Please update the model accordingly.

**Guelph Hydro's Response:**

Guelph Hydro confirms that the cell D20 of 2019 IRM rate generator Tab 6.1a shall be the value for the total non-RPP 556,233,587 kWh.

Guelph Hydro updated the IRM model to reflect the total of 556,233,587 kWh in Tab 6.1a, cell 20.

## Staff Follow-up Question – 2

### Ref: Guelph Hydro's Response dated September 21 2018 to OEB Staff Question #6

Guelph Hydro provided the following reconciliation between the GA costs reported in USoA 4707 and the expected GA costs as per the GA analysis workform:

The reported balance in USoA 4707 (RRR 2.1.7)	\$44,780,581
Misallocation of RPP GA to USoA 4705 vs. USoA 4707 <sup>1</sup>	\$50,387,541
Adjusted USoA 4707 balance	\$95,168,122
Less: IESO 147 Class A	\$39,979,145
USoA 4707 Class B GA	\$55,188,977
Billed GA to customers lower than IESO invoice charges - COP Adjustment <sup>2</sup>	\$2,918,422
IESO Charged Class B GA	\$58,107,399
The expected GA costs per the GA analysis workform (Non-RPP class B consumption adjusted for unbilled X Actual GA rate)	\$56,931,768
Difference	\$1,175,631

Guelph Hydro further explained that the difference of \$1,175,631 in the table above is related the reconciling items referenced in the GA analysis workform.

### Question:

- Please provide a reconciliation of the total of RPP GA cost, Class A GA costs and non-RPP class B GA costs to the IESO total GA costs of 2017 based on the monthly IESO invoices CT 148.

### Guelph Hydro's Response:

Please see Guelph Hydro's reconciliation between the total of RPP GA cost, Class A GA costs and non-RPP class B GA costs to the IESO total GA costs of 2017 based on the monthly IESO invoices CT 148.

Table 1: Reconciliation 2017 Total RPP GA, Class A GA and non-RPP Class B GA costs

		Class A GA Costs
		2017
Total IESO GA for Class A per invoices CT 147*		\$39,979,145
GA for Class A per G/L		\$39,979,145
Difference		\$0

		<b>RPP &amp; Non-RPP Class B GA Costs</b>
		<b>2017</b>
Total IESO GA for Class B per invoices CT 148		\$108,494,940
GA for Class B – Non RPP	\$58,107,399	
GA for RPP	<u>\$50,387,541</u>	<u>\$108,494,940</u>
<b>Difference</b>		<b>\$0</b>

*\*Note: Class A GA can only be reconciled to CT147 and does not relate to CT148*

### **Staff Follow-up Question - 3**

#### **Ref: Guelph Hydro's Response dated September 21 2018 to OEB Staff Question #7**

Guelph Hydro confirmed that it has allocated 100% of the IESO invoice adjustment of (\$543,557.63) to CT148 to Non-RPP class B customers. Guelph Hydro further provided two examples showing the IESO detailed adjustments on the IESO preliminary statements for April 2017 and January 2018.

Questions:

- a. Please confirm whether or not Guelph agrees that the IESO invoice adjustment to CT 148 should have been allocated into RPP and Non-RPP portions, regardless of the details of the IESO adjustments.
  - i. If so, please propose the adjustment(s) to allocate the IESO invoice adjustment amount of (\$543,557.63) for CT 148 into RPP portion and non-RPP portions and reflect them into Accounts 1588 and 1589 respectively.

#### **Guelph Hydro's Response:**

Guelph Hydro does not agree that the IESO invoice adjustments to CT 148 should be allocated into RPP and Non-RPP portions for the reasons presented as response to Staff -Question 3 (ii) below.

- ii. If not, please provide detailed rationale of why not.

#### **Guelph Hydro's Response:**

Guelph Hydro calculates the RPP settlement based on second estimate GA rate, accrues monthly to the month load and true-ups monthly to the actual GA rate (please see the GA Reconciling Items file, Tab 2. RPP True-up).

Guelph Hydro presents below IESO's definition for first, second estimate and actual GA rate.

#### **1st Estimate**

- The 1st Estimate for the upcoming month is published on the last business day of the preceding month. For example, the 1st Estimate for April is published at the end of March.
- It is calculated based on Ontario demand forecasts, estimated contract and program costs and a true-up to account for the difference between the last month's 1st Estimate and Actual.

## 2nd Estimate

- The 2nd Estimate for a given month is published on the last business day of that month. For example, the 2nd Estimate for April is published at the end of April.
- It is a separate calculation based on actual GA costs and consumption information available at the time it is published, an estimate for GA and consumption for the remaining days of the month, and a true-up accounting for the difference between the previous month's 2nd Estimate and the Actual rate.

## Actual

- The Actual rate, based on actual electricity demand and GA costs, is published on the tenth business day of each month for the preceding month. For example, the Actual rate for April is published on the tenth business day of May.

(Source: [www.ieso.ca/en/Learn/Electricity-Pricing/Global-Adjustment-for-Mid-sized-and-Large-Businesses](http://www.ieso.ca/en/Learn/Electricity-Pricing/Global-Adjustment-for-Mid-sized-and-Large-Businesses))

The IESO invoices are available once a month, published ten business days after the end of the calendar month. The invoice is based on final settlement statement data for the first half of the month and on preliminary settlement statement data for the last half of the month. Preliminary settlement statement issues will typically be corrected on the final settlements statement on the following months invoice.

In accordance with the above definitions, Guelph Hydro believes that the IESO actual GA rate captures all the historical adjustments. This is demonstrated in the 2017 Class B GA Rate Comparison table within Tab 3. IESO Invoice Analysis of Guelph Hydro's GA-Reconciling Items file (presented as Table 2 below). The Difference 2 column represents the difference between the GA rate calculated by Guelph Hydro (CT 148 on invoice which includes adjustments divided by the sum of Guelph Hydro's Class B and Embedded Generation kWh) and the Actual GA rate posted on the IESO website. In most of the months, except the months when IESO overbilled in error CT 148 and corrected the following month, Difference 2 is minimal and therefore demonstrates that adjustments to the GA are included in the Actual GA rate posted on the IESO website.

Table 2: Table from Tab 3. IESO Invoice Analysis of Guelph Hydro's GA-Reconciling Items

<b>2017 Class B GA Rate Comparison</b>					
<b>Month</b>	<b>IESO Invoice 148 Class B GA Rate (less embedded gen) <b>A</b></b>	<b>IESO Invoice 148 Class B GA Rate (incl. embedded gen) <b>B</b></b>	<b>IESO Actual GA Rate on website <b>C</b></b>	<b>Difference 1 <b>D = A - C</b></b>	<b>Difference 2 <b>E = B - C</b></b>
Jan-17	0.08238	0.08228	0.08227	0.00011	0.00001
Feb-17	0.08658	0.08639	0.08639	0.00019	0.00000
Mar-17	0.07187	0.07135	0.07135	0.00052	0.00000
Apr-17	0.10918	0.10779	0.10778	0.00140	0.00001
May-17	0.12492	0.12305	0.12307	0.00185	-0.00002
6/1/2017 - Note 1	0.11818	0.11818	0.11848	-0.00030	-0.00030
7/1/2017 - Note 2	0.07001	0.06828	0.11280	-0.04279	-0.04452
Aug-17	0.10362	0.10116	0.10109	0.00253	0.00007
Sep-17	0.09127	0.08918	0.08864	0.00263	0.00054
Oct-17	0.12888	0.12604	0.12563	0.00325	0.00041
Nov-17	0.09874	0.09747	0.09704	0.00170	0.00043
Dec-17	0.09273	0.09216	0.09207	0.00066	0.00009
Note 1: On June, 2017 IESO overbilled CT 148. IESO applied total of Class A + B MWh as Class B MWh. IESO forgot embedded generation MWh. Adjustments appear in July 2017 invoice.					
Note 2: On July 2017, \$2.904MM credit adjustment to reverse CT 148 errors from June 2017. Check June 30, 2017 STPF file.					

Therefore, by truing-up the monthly RPP load to actual GA rate, the historical adjustments to CT 148 were already included in the RPP true-up to actual GA rate.

Non-RPP customers are billed based on the first estimate GA rate; Guelph Hydro does not true-up the billed non-RPP consumption to actual GA rate; therefore, no historical adjustments to CT 148 are captured for non-RPP so the (\$534,557.63) reconciling item should be allocated to non-RPP Class B customers.

Guelph Hydro also inquired the IESO on the historical adjustments inclusion on actual GA rate, and the response is presented below:



**From:** [Abdi Mohamed](#)  
**To:** [Cristina Birceanu](#); [Laura van Eykesen](#)  
**Cc:** [Emily Somerville](#); [IESO Customer Relations](#)  
**Subject:** RE: Adjustments to CT 148 - Global Adjustment for Class B customers  
**Date:** Friday, October 5, 2018 1:28:37 PM  
**Attachments:** [image001.png](#)

Hi Cristina and Laura,

Adjustments included on an ST-P-P (preliminary settlement statement) are factored into that settlement month's actual rate, the next settlement month's 2nd estimate rate, and the subsequent month's (i.e. the month following the next month) 1st estimate rate. For example, adjustments on the September 30, 2018 Preliminary Settlement Statement will impact the September 2018 actual rate, the October 2018 2nd estimate rate and the November 2018 1st estimate rate.

New adjustments included on an ST-P-F (final settlement statement) are factored into the next settlement month's actual rate, the next settlement month's 2nd estimate rate, and the subsequent month's 1st estimate rate. For example, new adjustments on the September 30, 2018 Final Settlement Statement will impact the October 2018 actual rate, the October 2018 2nd estimate rate and the November 2018 1st estimate rate.

Let me know if you need any further clarifications.

Regards,  
Abdi  
Business Advisor, LDCs  
Office: (416) 969.6589 | C: (416) 464.4516

**From:** Cristina Birceanu [mailto:[cbirceanu@guelphhydro.com](mailto:cbirceanu@guelphhydro.com)]  
**Sent:** October 05, 2018 9:20 AM  
**To:** Abdi Mohamed  
**Cc:** Emily Somerville; IESO Customer Relations  
**Subject:** RE: Adjustments to CT 148 - Global Adjustment for Class B customers  
**Importance:** High

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Good morning Abdi,

The question is: are the CT 148 GA historical adjustments included in **Actual GA Rate** for the month ST-P-P and IESO invoice are issued?  
There is no need to disclose any details related to adjustments. PLEASE respond a.s.a.p; I must file our responses to the OEB's interrogatories this morning.

Thank you,

Cristina Birceanu  
Vice President of Regulatory Affairs, Customer Care and Billing

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**From:** Abdi Mohamed <[Abdirizak.Mohamed@ieso.ca](mailto:Abdirizak.Mohamed@ieso.ca)>  
**Sent:** Thursday, October 4, 2018 3:07 PM  
**To:** Cristina Birceanu <[cbirceanu@guelphhydro.com](mailto:cbirceanu@guelphhydro.com)>  
**Subject:** RE: Adjustments to CT 148 - Global Adjustment for Class B customers

Good afternoon Cristina,

These adjustments are results of requests from other Market Participants to revised data previously submitted or submit missed data. For privacy reason we cannot disclose details of these requests, but at a high level majority of the revision/addition requests we see are associated with incorrect submission of embedded generation or Class A/B loads. If the IESO was to make adjustments to the GA charges there is usually communication send to all Market Participants with associated issue number that will appear in the subsequent market statement.

Feel free to give call if you need any further clarifications.

Regards,  
Abdi  
Business Advisor, LDCs  
Office: (416) 969.6589 | C: (416) 464.4516

**From:** Cristina Birceanu [mailto:[cbirceanu@guelphhydro.com](mailto:cbirceanu@guelphhydro.com)]  
**Sent:** October 01, 2018 12:51 PM  
**To:** IESO Customer Relations  
**Subject:** Adjustments to CT 148 - Global Adjustment for Class B customers

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Good morning,

Guelph Hydro noticed that many adjustments pertaining to historical dates and years are included in the IESO monthly preliminary statements. Could you please clarify if these adjustments are included in the first, second or actual Class B Global Adjustment rate calculation and when?  
For example: the April 2017 ST-P-P contains two adjustments pertaining to December 2011 of (\$1,730.88) and (\$104,188.96). Is the amount of \$105,919.84 included in the Actual GA rate calculation for April 2017? Or the GA rates calculation disregards the historical adjustments?

IESO Charge Type	Value	Statement	Description
148	\$ 232.21	Jan 2017 ST-P-F	Slight change in total distribution in kWh compared to STPP
148	\$ (78.50)	Feb 2017 ST-P-F	Slight change in total distribution in kWh compared to STPP
148	\$ 807.12	Mar 2017 ST-P-P	Adjustment of Global Adjustment, Total Adjusted Amount - \$69241.43, Total Distribution (MWh) - 9560280.079
148	\$ (32.74)	Mar 2017 ST-P-F	Slight change in total distribution in kWh compared to STPP
148	\$ (5,746.82)	April 2017 ST-P-P	Adjustment of Global Adjustment, Total Adjusted Amount - \$-482131.07, Total Distribution (MWh) - 8023376.929
148	\$ (1,730.88)	April 2017 ST-P-P	Adjustment of Global Adjustment for 12/2011, Total Adjusted Amount - \$-8832076.95, Total Distribution (MWh) - 10334585.022 (Guelph Hydro - Rockwood Div.)
148	\$ (104,188.96)	April 2017 ST-P-P	Adjustment of Global Adjustment for 12/2011, Total Adjusted Amount - \$-8832076.95, Total Distribution (MWh) - 10334585.022

148	\$ (17,805.81)	April 2017 ST-P-F	Slight change in total distribution in kWh and \$ compared to STPP
148	\$ (0.19)	April 2017 ST-P-F	Slight change in total distribution in kWh compared to STPP
148	\$ (86,854.33)	May 2017 ST-P-P	Adjustment of Global Adjustment for 12/2012, Total Adjusted Amount - \$-7334208.73, Total Distribution (MWh) - 10218357.793
148	\$ 514.31	May 2017 ST-P-F	Slight change in total distribution in \$ and kWh compared to STPP
147	\$ (216,612.67)	June 2017 ST-P-P	Issue 760 - Manual GA Distribution
148	\$ (129,699.65)	June 2017 ST-P-P	Adjustment of Global Adjustment for 12/2013, Total Adjusted Amount - \$-11383093.09, Total Distribution (MWh) - 10758742.063
148	\$ (1,218,240.90)	June 2017 ST-P-P	Issue 760 - Manual GA Distribution - reversed
148	\$ 1,686,064.31	June 2017 ST-P-F	Correction for overbilling GA for June. Originally charged for Class A + Class B consumption, should be Class B + Embedded gen only.
148	\$ 1,218,240.90	June 2017 ST-P-F	Issue 760 - Manual GA Distribution - reversed
148	\$ (237,671.16)	July 2017 ST-P-P	Adjustment of Global Adjustment for 12/2014, Total Adjusted Amount - \$-20173610.77, Total Distribution (MWh) - 10245626.051
148	\$ 21,358.94	July 2017 ST-P-P	Adjustment of Global Adjustment, Total Adjusted Amount - \$2451989.88, Total Distribution (MWh) - 8858156.678
148	\$ (44.48)	July 2017 ST-P-F	Slight change in total distribution in kWh compared to STPP
148	(267,124.64)	August 2017 ST-P-P	Adjustment of Global Adjustment for 06/2015, Total Adjusted Amount - \$-20473742.03, Total Distribution (MWh) - 8942239.061
148	293,375.37	August 2017 ST-P-P	Adjustment of Global Adjustment for 06/2017, Total Adjusted Amount - \$24075372.01, Total Distribution (MWh) - 8560368.498
148	(822.56)	August 2017 ST-P-F	Slight change in total distribution in kWh compared to STPP
148	-267124.64	August 2017 ST-P-F	Adjustment of Global Adjustment for 06/2015, Total Adjusted Amount - \$-20473742.03, Total Distribution (MWh) - 8942239.061
148	293375.37	August 2017 ST-P-F	Adjustment of Global Adjustment for 06/2017, Total Adjusted Amount - \$24075372.01, Total Distribution (MWh) - 8560368.498
148	104705.223	September 2017 ST-P-P	Adjustment of Global Adjustment for 12/2015, Total Adjusted Amount - \$-17914228.49, Total Distribution (MWh) - 9283597.344
148	74267.007	September 2017 ST-P-P	Adjustment of Global Adjustment, Total Adjusted Amount - \$-625131.81, Total Distribution (MWh) - 7916993.723
148	252.24	September 2017 ST-P-F	Slight change in total distribution in kWh compared to STPP
148	(202,045.95)	September 2017 ST-P-F	Adjustment of Global Adjustment for 12/2015, Total Adjusted Amount - \$-17914228.49, Total Distribution (MWh) - 9283597.344
148	(5,864.18)	September 2017 ST-P-F	Adjustment of Global Adjustment, Total Adjusted Amount - \$-625131.81, Total Distribution (MWh) - 7916993.723
148	0.23	September 2017 ST-P-F	Adjustment of Global Adjustment, Total Adjusted Amount - \$-625131.81, Total Distribution (MWh) - 7917305.076
148	-6.96	Oct 2017 STPP	Adjustment of Global Adjustment, Total Adjusted Amount - \$-704.63, Total Distribution (MWh) - 7420356.445
148	-197252.29	Oct 2017 STPP	Adjustment of Global Adjustment for 04/2016, Total Adjusted Amount - \$-16912969, Total Distribution (MWh) - 8601557.64
148	-1886.44	Oct 2017 STPP	Slight change in total distribution in kWh compared to STPP
148	-0.01	Oct 2017 STPP	Adjustment of Global Adjustment, Total Adjusted Amount - \$-704.63, Total Distribution (MWh) - 7418809.367
148	-209049.85	Nov 2017 STPP	Adjustment of Global Adjustment for 08/2016, Total Adjusted Amount - \$-18765556.98, Total Distribution (MWh) - 10956699.077

Thank you,

Cristina Birceanu  
Vice President of Regulatory Affairs, Customer Care and Billing

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#### **Staff Follow-up Question - 4**

##### **Ref: Guelph Hydro's Response dated September 21 2018 to OEB Staff Question 10 c) and LRAMVA workform Tab 5**

It does not appear that the energy savings from the streetlighting project were reduced from the 2017 IESO retrofit program. The IESO results indicate that 2017 incremental savings for retrofit program was 18,742,234 kWh. The entire amount of these savings are entered in Table 5-c (cell D493 of tab 5). As Guelph noted in its response, 114,558 kWh relate to the streetlight project.

For example, the energy savings from Veridian's 2014 streetlighting project were reduced from the 2014 retrofit program to avoid double counting of savings.

Veridian's case (EB-2016-0107) - Attachment D (Veridian's LRAMVA workform, tab 4, cell G 263)

<http://www.rds.oeb.ca/HPECMWebDrawer/Record?q=CaseNumber=EB-2016-0107&sortBy=recRegisteredOn-&pageSize=400>

Questions:

- a. Please confirm whether 114,558 kWh relating to the streetlight project was verified by IESO for the Jan-Dec 2017 period.

##### **Guelph Hydro's Response:**

Guelph Hydro confirms that the 114,558 kWh relating to the streetlight project was verified by the IESO for the Jan-Dec 2017 period.

- b. Please confirm whether Guelph agrees that the net of the above amounts or 18,627,676 kWh (i.e., 2017 retrofit kWh – streetlighting kWh) should be claimed.
  - o If so, please update the model.
  - o If not, please provide detailed rationale of why not.

##### **Guelph Hydro's Response:**

Guelph Hydro agrees that the energy portion of the streetlight project should be netted from the 2017 Retrofit Program energy savings, and has updated the LRAMVA model to remove 114,558 kWh savings related to the streetlight project in Tab 5 cell D493; the net amount claimed is 18,627,676 kWh (i.e. 2017 retrofit kWh minus 114,558 street lighting kWh).

## **Staff Follow-up Question - 5**

### **Ref: Guelph Hydro's Response dated September 21 2018 to OEB Staff Question #11**

Guelph confirms that the conversion project was completed in Nov 2017, with savings commencing Dec 2017. Based on the monthly pre- and post-billing data provided by Guelph, it appears that savings from Dec 2017 to July 31, 2018 have been included with the LRAMVA claim. Since the LRAMVA claim relates to verified savings from the Jan-Dec 2017 period, Staff sees two options to proceed with claiming the streetlighting savings:

Option 1: Guelph can claim future period savings in the 2017 LRAMVA disposition, as filed, on the condition that:

- the corresponding energy savings from this streetlighting project from Jan-July 2018 will be appropriately deducted from the 2018 energy savings from the corresponding retrofit project
- for future disposition, demand savings from this streetlight project will be claimed starting in August 2018

Option 2: Guelph can defer claiming the half a year of 2018 streetlighting savings (Jan to July 31, 2018) in a future LRAMVA claim which includes 2018 verified savings for the retrofit program.

- At that point in time, Guelph will be claiming a full year of demand savings in 2018 from the streetlighting project, and the corresponding 2018 energy savings would be taken out of the 2018 retrofit program.

Question:

Please indicate the option that Guelph proposes to choose and provide rationale for its proposal.

### **Guelph Hydro's Response:**

As discussed during our OEB Staff-Guelph Hydro conference call on October 1, 2018, Question 5 is not relevant to the LRAMVA streetlighting savings claim.

In Guelph Hydro's response to OEB Staff Question #11 filed on September 21, 2018, Guelph Hydro provided screenshots of billing data to demonstrate that the streetlight project's demand reduction was realized in 2017. Guelph Hydro has not claimed

demand savings from January 1 to July 31, 2018 related to the streetlight project in its LRAMVA claim.

Guelph Hydro confirms that the annualized streetlight project demand savings claimed correlates to the IESO's annualized energy savings for the period of Jan-Dec 2017 only. This project's annualized energy savings were reported as 114,558 kWh of net first year energy savings in Guelph Hydro's 2017 Final Verified Results Report. The corresponding total annualized demand savings are calculated as 24.0 kW x 12 months, and is included in Tab 5 cell O493 of the LRAMVA model.