

November 13, 2018

Kirsten Walli
Board Secretary
Ontario Energy Board,
2300 Yonge St.
Suite 2700, P.O. Box 2319
Toronto, Ontario
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Dear Ms. Walli:

**Re: OEB File No. EB-2018-0036
Guelph Hydro Electric Systems Inc. (Guelph Hydro) Responses to Board Staff
November 9 Email**

Please find enclosed with this letter Guelph Hydro's responses to Board Staff directions received via email on November 9, 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 GA Analysis work-form
- Updated IESO Invoice Adjustment Analysis

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
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**Guelph Hydro Responses
Board Staff November 9 Email Directions
Guelph Hydro Electric Systems Inc.
EB-2018-0036**

Board Staff email: On second thought, we think that it may be more accurate to allocate the IESO invoice adjustment using the monthly data given the actual GA rates on monthly basis varies and the monthly consumption varies as well.

In addition, I think the monthly data are readily available as well.

So, can you please redo the allocation of the IESO invoice adjustment using the monthly data? The result can be compared to the one that you sent us using the annual %.

Guelph Hydro's Response:

Guelph Hydro has revised the allocation of the IESO invoice adjustments to charge type (CT) 148 using the 2017 RPP (Including Loss Factor) Billed Consumption adjusted for Unbilled kWhs, and calculated the monthly allocations as presented in Tables 1 and 2 below:

Table 1: Calculation of RPP and Non-RPP Allocations of the IESO invoice adjustments (CT 148 – Global Adjustment Class B)

Month	AQEW	EG	Class A	Loads pertaining to Class B (CT148)	IESO Actual GA Rate on website	Expected GA Charges Class B CT148 \$ (Calculated)	CT 148 \$ per IESO Invoice	Difference	RPP (Including Loss Factor) Billed Consumption adjusted for Unbilled	Estimated RPP Proportion	Adjustments pertaining to RPP	Adjustments pertaining to non-RPP Class B
	kWh	kWh	kWh	kWh	\$/kWh	\$	\$	\$	kWh	%	\$	\$
	A	B	C	D=A+B-C	E	F=D X E	G	H = G - F	I	J = I / D	K = H x J	L = H - K
Jan-17	147,072,093.00	127,868.00	33,326,272.00	113,873,689.00	0.08227	\$9,368,388.39	\$9,370,013.89	\$ 1,625.50	50,996,364	44.78%	\$ 727.95	\$ 897.55
Feb-17	131,319,519.00	224,571.00	31,019,353.00	100,524,737.00	0.08639	\$8,684,332.03	\$8,684,448.00	\$ 115.97	38,067,331	37.87%	\$ 43.92	\$ 72.05
Mar-17	145,344,352.00	807,988.00	34,712,180.00	111,440,160.00	0.07135	\$7,951,255.42	\$7,951,058.27	\$ (197.15)	47,543,962	42.66%	\$ (84.11)	\$ (113.04)
Apr-17	126,533,249.00	1,215,134.00	32,112,841.00	95,635,542.00	0.10778	\$10,307,598.72	\$10,308,435.14	\$ 836.42	40,239,739	42.08%	\$ 351.93	\$ 484.49
May-17	132,063,083.00	1,497,530.00	33,520,472.00	100,040,141.00	0.12307	\$12,311,940.15	\$12,310,432.41	\$ (1,507.74)	36,169,433	36.15%	\$ (545.12)	\$ (962.62)
Jun-17	136,095,830.00	1,783,937.00	33,565,646.00	104,314,121.00	0.11848	\$12,359,137.06	\$16,083,898.42	\$ 3,724,761.36	41,016,054	39.32%	\$ 1,464,566.93	\$ 2,260,194.43
Jul-17	137,811,368.00	1,915,176.00	62,564,367.00	77,162,177.00	0.11280	\$8,703,893.57	\$5,268,377.21	\$ (3,435,516.36)	43,651,910	56.57%	\$ (1,943,527.99)	\$ (1,491,988.37)
Aug-17	140,382,613.00	1,777,984.00	67,249,843.00	74,910,754.00	0.10109	\$7,572,728.12	\$7,578,221.04	\$ 5,492.92	41,435,552	55.31%	\$ 3,038.31	\$ 2,454.61
Sep-17	137,439,303.00	1,702,596.00	64,874,892.00	74,267,007.00	0.08864	\$6,583,027.50	\$6,622,914.10	\$ 39,886.60	46,105,604	62.08%	\$ 24,761.95	\$ 15,124.65
Oct-17	135,649,277.00	1,614,610.00	63,928,646.00	73,335,241.00	0.12563	\$9,213,106.33	\$9,243,204.75	\$ 30,098.42	39,200,419	53.45%	\$ 16,088.73	\$ 14,009.69
Nov-17	139,160,991.00	973,670.00	64,325,888.00	75,808,773.00	0.09704	\$7,356,483.33	\$7,388,919.99	\$ 32,436.66	37,623,449	49.63%	\$ 16,098.12	\$ 16,338.54
Dec-17	139,368,541.00	512,620.00	56,490,688.00	83,390,473.00	0.09207	\$7,677,760.85	\$7,685,017.01	\$ 7,256.16	46,582,778	55.86%	\$ 4,053.37	\$ 3,202.79
December true-up				1,298.00	0.09207			\$ (119.51)		55.86%	\$ (66.76)	\$ (52.75)
Total	1,648,240,219.00	14,153,684.00	577,691,088.00	1,084,701,517.00		\$108,089,651.46	\$108,494,940.23	\$405,169.26	508,632,593.69		(\$414,492.76)	\$819,662.03

Table 2: Summary of the IESO invoice adjustments allocations

adjustments between RPP and non-RPP	\$405,169.26
Estimated RPP Proportion	(\$414,492.76)
Estimated non-RPP Proportion	\$819,662.03

Explanation of the allocation method:

The total invoice adjustments of \$405,169.26 (column H) was calculated as the total monthly differences between the IESO charge type (CT) 148 – Class B Global Adjustment (column G) and the expected GA charges Class B for CT 148 IESO invoice (column F).

The RPP proportion (%) (column J) was calculated based on monthly RPP consumption including loss factor and trued-up for unbilled revenue (column I) divided by the monthly loads pertaining to Class B (column D).

The RPP allocation in dollars (column K) was calculated by multiplying the monthly IESO invoice adjustments (\$) (column H) by the monthly RPP proportion (%) (column J).

The loads pertaining to Class B (column D) were calculated based on the IESO final monthly statements (ST-P-F) as the sum of the monthly Allocated Quantity of Energy Withdrawn (AQEW) (column A) and embedded generation (EG) (column B), minus Class A consumption (column C).

The result is a credit of \$414,492.76 allocated to RPP class, and a debit of \$819,662.03 allocated to Non-RPP class, as shown on Tables 1 and 2 above.

Based on the allocations determined in Table 1 and summarized in Table 2, Guelph Hydro will file a payment to IESO in the amount of \$414,492.76 for the RPP portion.

The reasons of the negative allocation to RPP class:

The primary cause of a negative allocation to the RPP class is from the IESO CT 148 correction (credit) that occurred in July 2017 when more of Guelph Hydro's customers became Class A. The increased Class A participation in July 2017 caused the RPP portion to rise from approximately 39% in June 2017 to approximately 56% in July 2017, and subsequently caused the Non-RPP Class B portion to decrease from 61% in June 2017 to 44% in July 2017. Therefore, the credit received in July 2017 was allocated more heavily toward RPP customers due to increased Class A participation.

The change to the bill impact from the IESO invoice adjustments:

By comparing the previous proposed allocation using the annual percentage with the allocation using monthly percentages, Guelph Hydro has noticed that the Global Adjustment rate rider increased from \$0.0047 per kWh to \$0.0058 per kWh for all Class B Non-RPP classes (i.e. GS 50 kW to 999 kW, GS 1000 kW to 4999 kW, and Street Lighting).

The Bill impact increased by less than 1% for GS 50 kW to 999 kW (i.e. 0.78%), GS 1000 kW to 4999 kW (i.e. 0.81%), and Street Lighting (i.e.0.66%).

Table 3 summarizes the bill impacts between the November 8th (allocation based on annual percentage) and November 13th (allocation using monthly percentages) proposals.

Table 3: Non-RPP Class B Bill Impact Comparison

Non-RPP Class B Customers	November 8 Proposal - Using Annual %	November 13 Proposal- Using Monthly %	Change in Bill Impact
GA Rate Rider (\$/kWh)	\$ 0.0047	\$ 0.0058	\$ 0.0011
GS 50-999 kW Total Bill Impact	2.53%	3.31%	0.78%
GS 1,000-4,999 kW Total Bill Impact	4.57%	5.38%	0.81%
Street Lighting Total Bill Impact	2.42%	3.08%	0.66%

Guelph Hydro increased the 2017 balance in Account 1589 by the RPP portion of \$414,492.76 in Tab 3. Continuity Schedule, cell BF29, and it has filed an updated IRM Rate Generator model to incorporate the updated DVA balances for Account 1589.

Guelph Hydro has also filed an updated IESO Invoice Adjustment Analysis and an updated GA Analysis Work Form to incorporate the IESO invoice adjustments as reconciling items for the RPP and Non-RPP portions.