

BY EMAIL AND RESS

November 29, 2018

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

Dear Ms. Walli,

Re: EB-2018-0295 - OEB's 2019 Payments Decision for Provincial Rate Protection

Request to Discontinue Provincial Funding for Eligible Investments Under Ontario Regulation 330/09 and return the IESO provincial rate protection payments

Guelph Hydro Electric Systems Inc. ("Guelph Hydro") is requesting that the Ontario Energy Board ("OEB") discontinue the collection of provincial funding for eligible renewable energy generation ("REG") enabling and expansion investments under O. Reg. 330/09 in Guelph Hydro's service area. Guelph Hydro is also requesting to return \$208,512 provincial rate protection payments to the IESO.

Background

In Guelph Hydro's cost of service rate application for 2012 rates (EB-2011-0123), the OEB approved recovery of eligible forecast REG investments under O. Reg. 330/09. Since the OEB's decision in that proceeding, the OEB has been approving amounts to be collected by the IESO and remitted to Guelph Hydro for the provincial portion of the costs for those eligible assets.

In its 2016 cost of service rate application (EB-2015-0073), Guelph Hydro disposed the credit balance of \$385K in Account 1533 - Renewable Generation Connection Funding Adder Deferral; Guelph Hydro did not incur any capital cost since all REG costs were offset by the customers' capital contributions. The Account 1533 credit balance included the revenue collected via Green Energy Act ("GEA") funding adder up to March 31, 2015, provincial rate protection payments for 2013 and 2014 and carrying charges.

During 2015, provincial rate protection payments continued to be allocated to Account 1533 and upon disposal of Account 1533 on January 1, 2016, a \$83K credit residual balance was transferred to Account 4080 Distribution Services Revenue to close the 1533 account. The \$83K credit balance consisted of (i) \$70K related to provincial rate protection

payments from 2015 and (ii) \$13K GEA rate rider residual above the estimate in 2016 COS EDVAR balance and (iii) some carrying charges. Due to this transfer to Account 4080, the 2015 provincial rate protection payment was not disposed of in Guelph Hydro's 2017 IRM proceedings (EB-2016-0075). For 2016, the provincial rate protection payments were included within Account 1580 – RSVA – Wholesale Market Service Charge Deferral in the amount of \$70K and Guelph Hydro received approval for disposition in its 2018 IRM (EB-2017-0044). The 2017 rate protection payment of \$70K was included in Account 1580 in the 2019 IRM application (EB-2018-0036). Guelph has proposed to remove the 2017 payment amount from Account 1580 and return the amount to the IESO.

In summary, Guelph Hydro has received a total of \$350,844 for the provincial rate protection payments regarding the REG investments. Guelph Hydro has returned a total of \$142,332 to its own customers through the disposition of Account 1533 in its 2016 cost of service application (\$72,828) and the disposition of Account 1580 in the 2018 IRM application (\$69,504).

Guelph Hydro's Request

Guelph Hydro requests that the OEB discontinue the collection of provincial funding for the eligible investments under O. Reg. 330/09 in the Guelph Hydro service area. Guelph Hydro also acknowledges that the provincial protection payment received for 2015 and 2017 to 2018 from the IESO via Charge Type 1413 – Renewable Generation Connection – Monthly Compensation Amount Settlement Credit shall be returned to the IESO. Guelph Hydro calculated the credits received from January 2015 to December 2015 and January 2017 to December 2018 (November and December 2018 credits are included) in the amount of \$208,512 and is seeking approval to return this amount to the IESO via IESO invoice Charge Type 1463-Renewable Generation Connection – Monthly Compensation Amount Settlement Debit.

Guelph Hydro has filed a live Excel version of the calculation of the provincial rate protection payments.

Respectfully submitted,



Cristina Birceanu

Vice-President of Regulatory Affairs, Customer Care and Billing
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