



## **2007 EDR Application**

**IRM CASE NUMBER: EB-2007-0534**

### **Table of Contents**

- 1. Manager's Summary**
- 2. 2007 IRModel – file name: Guelph\_2007IRModel\_20070126**

The 2007 EDR application is based on 2006 EDR approved file number RP-2005-0020/EB-2005-0372, and the Board-Approved 2006 tariff of Rates and Charges.

Guelph Hydro Electric Systems (short name GHESI) has eight Service Classifications and Rate Classifications approved in the 2006 EDR process:

1. Residential
2. General Service Less than 50 kW
3. General Service 50 kW to 999 kW
4. General Service 1,000 to 4,999 kW
5. Large Use
6. Unmetered Scattered Load
7. Sentinel Lighting
8. Street lighting

All classes are well defined and conform to the descriptions included in 2007 IRModel - Sheet 3.

There are no deviations from the December 20, 2006 "Report of the Board on the Cost of Capital and 2<sup>nd</sup> Generation Incentive regulation of Ontario's Electricity Distributors".

GHESI has complied with the last OEB instructions received by email (January 15, 2006) regarding the Clarification of 2006 Base Revenue Requirement for LCT adjustment.

With the exception of a letter from the OEB Compliance Office (Board file CO20060060) requesting information on several business activities under section 71(1) of the *Ontario Energy Board Act*, GHESI is in compliance with its licence. There are no special conditions in GHESI's licence, nor is it exempt from any conditions in its licence that would affect the review of this application.

The Smart Meter Rate Adder is \$0.27 per interval metered customer (excluding Unmetered Scattered Load, Sentinel Lighting and Street Lighting customers).

GHESI did not apply for incremental CDM spending (over and above the 3<sup>rd</sup> tranche) in 2006, therefore no CDM adjustment has been considered in this application.

GHESI's Board approval included an amount for the Large Corporation Tax in 2006 (\$25,489). Therefore, in this application a rate reduction ratio (0.11%) has been applied to the Monthly Service Charge and 2006 Volumetric Rate (without smart meter rate adder).

There are no deviations from the Price Escalator Ratio (1.92%) and the Average Annual Expected Productivity Gain (1.00%) stated by the December 20, 2006 Board Report.

The total average bill impact (after taxes) is minimal (between -0.31% and -0.06%).

On an average residential bill of 750 kWh monthly, the distribution portion has an impact of 0.68% increase. This represents the average residential consumer in Guelph.

Guelph Hydro Electric Systems (GHESI) and Wellington Electric Distribution Company (WEDCO) merged on March 31, 2006. A rate harmonization process is expected in 2008 based on the Cost Allocation review (joint submission).

This 2007 EDR submission is applicable to GHESI approved 2006 EDR schedule.

The 2007 EDR application for WEDCO is a separate file based on WEDCO's distinct Board-Approved 2006 tariff of Rates and Charges.

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