



**Ontario Energy Board
Commission de l'énergie de l'Ontario**

DECISION AND RATE ORDER

EB-2015-0073

GUELPH HYDRO ELECTRIC SYSTEMS INC.

**Application for electricity distribution rates and other charges
beginning January 1, 2016**

BEFORE: Ken Quesnelle
Presiding Member

November 26, 2015

TABLE OF CONTENTS

1	INTRODUCTION AND SUMMARY.....	1
2	THE PROCESS	2
3	DECISION ON THE ISSUES	3
4	IMPLEMENTATION.....	4
5	ORDER	5

SCHEDULE A: TARIFF OF RATES AND CHARGES

SCHEDULE B: ACCOUNTING ORDERS

1 INTRODUCTION AND SUMMARY

Guelph Hydro Electric Systems Inc. (Guelph Hydro) is the electricity distributor that serves approximately 53,000 customers in the City of Guelph and the Village of Rockwood. Guelph Hydro filed an application with the Ontario Energy Board (OEB) to change the rates it charges to its customers for electricity distribution, to be effective January 1, 2016 (the application). Under the OEB Act, distributors must apply to the OEB to change the rates that they charge customers.

In late October, Guelph Hydro filed a settlement proposal which represents a full settlement on all issues and incorporates the cost of capital parameters for rate applications effective January 1, 2016 issued on October 15, 2015.

Following the filing of the settlement proposal, the OEB issued Procedural Order No. 2 which requested submissions from the parties on the settlement proposal's use of the word "privilege" instead of "confidentiality". The Procedural Order observed that the *Practice Direction on Settlement Conferences* refers to confidentiality, and sought submissions on the appropriateness of using "privilege" instead.

In early November, the OEB issued a Decision and Procedural Order No. 3 noting that it was prepared to accept the settlement proposal filed in late October except for one issue related to use of the word privilege instead of confidentiality. The issue is outlined in the next section.

In mid-November, Guelph Hydro filed an updated settlement proposal in accordance with the OEB's Decision and Procedural Order No. 3 revising wording relating to privilege and confidentiality. The OEB accepts the revised settlement proposal.

2 THE PROCESS

The OEB's Decision and Procedural Order No. 3 noted that the wording used in a settlement proposal filed by another distributor (i.e. Kingston Hydro) is clearer with respect to wording regarding privilege and confidentiality, though still not ideal. That settlement proposal was clear in indicating that settlement discussions are confidential, and cannot be disclosed except under three circumstances: a) any persons or entities that the Parties engage to assist them with the settlement conference, b) any persons or entities from whom they seek instructions with respect to the negotiations, and c) any persons or entities to whom they are expected to report the results of the negotiations, and/or the reasons for the positions they have taken; in each case provided that any such persons or entities have agreed to be bound by the same confidentiality provisions.

The OEB, in its Decision and Procedural Order No. 3, indicated that it could accept the first two exceptions with the proposed blanket proviso that any such persons or entities have agreed to be bound by the same confidentiality provisions. However, the OEB was not satisfied that the third exception (c) – persons to whom parties are expected to report the results of the negotiations and the reasons for positions taken – is appropriate. The OEB found this exception to be overly broad.

The OEB encouraged the parties in the Guelph Hydro case to consider whether they can agree to wording similar to that used in the Kingston Hydro proposal, subject to the OEB's comments on the exemptions above. The OEB had no other concerns with the filed settlement proposal.

In mid-November, Guelph Hydro filed a revised settlement proposal agreed to by parties which removed the reference to part (c) pursuant to the OEB's Decision and Procedural Order No. 3.

In reaching its findings, the OEB was aided by the participation of three parties, known as intervenors, who each represented different groups of customers affected by the Application; Energy Probe Research Foundation (Energy Probe), the Vulnerable Energy Consumers Coalition (VECC), and the School Energy Coalition (SEC).

3 DECISION ON THE ISSUES

This Decision and Rate Order determines Guelph Hydro's rates for 2016.

3.1 Revised Settlement Proposal

The parties in the proceeding met on August 31 and September 1, 2015 to determine whether they could agree on the revenue requirement and the rates for Guelph Hydro for 2016. The parties to the settlement proposal were able to settle all issues.

In mid-November, Guelph Hydro filed a revised settlement proposal agreed to by parties pursuant to the OEB's Decision and Procedural Order No. 3.

Findings

In its Decision and Procedural Order No. 3, the OEB accepted the cost consequences of the settlement agreement and OEB staff's analysis in support of its submission that the settlement proposal reflects the public interest. The OEB has now also reviewed the information provided in support of the draft Rate Order and proposed Tariff of Rates and Charges, and is satisfied that the Tariff of Rates and Charges filed by Guelph Hydro accurately reflect the settlement proposal. As also indicated in its Decision and Procedural Order No. 3, the OEB's acceptance of this proposal does not encompass any matters that were not explicitly considered in this process. Any matters raised in OEB staff's submission that are subsequently dealt with by the OEB in separate processes are subject to the findings of the OEB at that time.

4 IMPLEMENTATION

Pursuant to the approval by the OEB of the terms and cost consequences of the Settlement Agreement, the new rates are to be effective January 1, 2016.

The OEB issued its Decision and Rate Order for the Rural or Remote Electricity Rate Protection (RRRP), Wholesale market service (WMS) and the Ontario Electricity Support Program (OESP) charges on November 19, 2015.

These regulatory charges are established annually by the OEB through a separate order.

The RRRP program is designed to provide financial assistance to eligible customers located in rural or remote areas where the costs of providing electricity service to these customers greatly exceeds the costs of providing electricity to customers located elsewhere in the province of Ontario. The RRRP program cost is recovered from all other electricity customers in the province through a charge that is reviewed annually and approved by the OEB.

WMS charges recover the cost of the services provided by the Independent Electricity System Operator (IESO) to operate the electricity system and administer the wholesale market. These charges may include costs associated with: operating reserve, system congestion and imports, and losses on the IESO-controlled grid. Individual electricity distributors recover the WMS charges from their customers through the WMS rate.

The OESP is a new rate assistance program for low-income electricity customers. Starting January 1, 2016, eligible low-income customers will receive a monthly credit on their bills. At the same time, all electricity customers in the province will begin paying a charge to fund the program, which will be referred to as the OESP charge.

The Tariff of Rates and Charges flowing from this Decision and Rate Order reflects these new charges, as well as the OESP credits to be provided to enrolled low income customers.

5 ORDER

THE ONTARIO ENERGY BOARD ORDERS THAT:

1. The Tariff of Rates and Charges set out in Schedule A of this Order will become final effective January 1, 2016, and will apply to electricity consumed or estimated to have been consumed on and after January 1, 2016. All rates will become final, except for standby rates which remain interim. Guelph Hydro Electric Systems Inc. shall notify its customers of the rate changes no later than the delivery of the first bill reflecting the new rates.
2. Guelph Hydro Electric Systems Inc. shall establish the deferral accounts set out in Schedule B, effective January 1, 2016.
3. Energy Probe, SEC and VECC shall submit their cost claims no later than 7 days from the date of issuance of this Decision and Rate Order.
4. Guelph Hydro Electric Systems Inc. shall file with the OEB and forward to Energy Probe, SEC and VECC any objections to the claimed costs within 17 days from the date of issuance of this Decision and Rate Order.
5. Energy Probe, SEC and VECC shall file with the OEB and forward to Guelph Hydro Electric Systems Inc. any responses to any objections for cost claims within 24 days from the date of issuance of this Decision and Rate Order.
6. Guelph Hydro Electric Systems Inc. shall pay the OEB's costs incidental to this proceeding upon receipt of the OEB's invoice.

All filings to the Board must quote the file number, EB-2015-0073, be made through the Board's web portal at <https://www.pes.ontarioenergyboard.ca/eservice/>, and consist of two paper copies and one electronic copy in searchable / unrestricted PDF format. Filings must clearly state the sender's name, postal address and telephone number, fax number and e-mail address. Parties must use the document naming conventions and document submission standards outlined in the RESS Document Guideline found at <http://www.ontarioenergyboard.ca/OEB/Industry>. If the web portal is not available parties may email their documents to the address below. Those who do not have internet access are required to submit all filings on a CD in PDF format, along with two paper copies. Those who do not have computer access are required to file 7 paper copies.

All communications should be directed to the attention of the Board Secretary at the address below, and be received no later than 4:45 p.m. on the required date.

With respect to distribution lists for all electronic correspondence and materials related to this proceeding, parties must include the Case Manager, Georgette Vlahos at georgette.vlahos@ontarioenergyboard.ca and Board Counsel, Ljuba Djurdjevic at ljuba.djurdjevic@ontarioenergyboard.ca.

DATED at Toronto November 26, 2015

ONTARIO ENERGY BOARD

Original Signed By

Kirsten Walli
Board Secretary

SCHEDULE A
DECISION AND RATE ORDER
GUELPH HYDRO ELECTRIC SYSTEMS INC.
EB-2015-0073
TARIFF OF RATES AND CHARGES
NOVEMBER 26, 2015

Guelph Hydro Electric Systems Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2016

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2015-0073

RESIDENTIAL SERVICE CLASSIFICATION

This classification includes accounts taking electricity at 750 volts or less where the electricity is used exclusively in a separately metered living accommodation. Customers shall be residing in single-dwelling units that consist of a detached house or one unit of a semi-detached, duplex, triplex or quadruplex house, with a residential zoning. Separately metered dwellings within a town house complex or apartment building also qualify as residential customers. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES – Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	18.93
Rate Rider for Recovery of Stranded Meter Assets – effective until March 31, 2016	\$	0.73
Rate Rider for Disposition of Post Retirement Actuarial Gain – effective until March 31, 2025	\$	(0.18)
Rate Rider for Smart Metering Entity Charge – effective until October 31, 2018	\$	0.79
Rate Rider for Disposition of Account 1576 – Accounting Changes – effective until December 31, 2016	\$	(0.29)
Distribution Volumetric Rate	\$/kWh	0.0144
Rate Rider for Disposition of Global Adjustment Account (2016) – effective until December 31, 2016		
Applicable only for Non-RPP Customers	\$/kWh	0.0034
Rate Rider for Disposition of Deferred PILs Variance Account 1562 – effective until March 31, 2016	\$/kWh	0.0007
Rate Rider for Recovery of Lost Revenue Adjustment Mechanism (LRAM)/Shared Savings Mechanism (SSM)		
- effective until March 31, 2016	\$/kWh	0.0003
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0074
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0058

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0036
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0013
Ontario Electricity Support Program Charge (OESP)	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Guelph Hydro Electric Systems Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2016

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2015-0073

ONTARIO ELECTRICITY SUPPORT PROGRAM RECIPIENTS

In addition to the charges specified on page 1 of this tariff of rates and charges, the following credits are to be applied to eligible residential customers.

APPLICATION

The application of the credits is in accordance with the Distribution System Code (Section 9) and subsection 79.2 of the Ontario Energy Board Act, 1998.

The application of these credits shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

In this class:

- “Aboriginal person” includes a person who is a First Nations person, a Métis person or an Inuit person;
- “account-holder” means a consumer who has an account with a distributor that falls within a residential-rate classification as specified in a rate order made by the Ontario Energy Board under section 78 of the Act, and who lives at the service address to which the account relates for at least six months in a year;
- “electricity-intensive medical device” means an oxygen concentrator, a mechanical ventilator, or such other device as may be specified by the Ontario Energy Board;
- “household” means the account-holder and any other people living at the accountholder’s service address for at least six months in a year, including people other than the account-holder’s spouse, children or other relatives;
- “household income” means the combined annual after-tax income of all members of a household aged 16 or over;

MONTHLY RATES AND CHARGES

Class A

- (a) account-holders with a household income of \$28,000 or less living in a household of one or two persons;
 - (b) account-holders with a household income of between \$28,001 and \$39,000 living in a household of three persons;
 - (c) account-holders with a household income of between \$39,001 and \$48,000 living in a household of five persons;
 - (d) account-holders with a household income of between \$48,001 and \$52,000 living in a household of seven or more persons;
- but does not include account-holders in Class E.

OESP Credit \$ (30.00)

Class B

- (a) account-holders with a household income of \$28,000 or less living in a household of three persons;
 - (b) account-holders with a household income of between \$28,001 and \$39,000 living in a household of four persons;
 - (c) account-holders with a household income of between \$39,001 and \$48,000 living in a household of six persons;
- but does not include account-holders in Class F.

OESP Credit \$ (34.00)

Class C

- (a) account-holders with a household income of \$28,000 or less living in a household of four persons;
 - (b) account-holders with a household income of between \$28,001 and \$39,000 living in a household of five persons;
 - (c) account-holders with a household income of between \$39,001 and \$48,000 living in a household of seven or more persons;
- but does not include account-holders in Class G.

OESP Credit \$ (38.00)

Guelph Hydro Electric Systems Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2016

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2015-0073

ONTARIO ELECTRICITY SUPPORT PROGRAM RECIPIENTS

Class D

(a) account-holders with a household income of \$28,000 or less living in a household of five persons;
 (b) account-holders with a household income of between \$28,001 and \$39,000 living in a household of six persons;
 but does not include account-holders in Class H.

OESP Credit \$ (42.00)

Class E

Class E comprises account-holders with a household income and household size described under Class A who also meet any of the following conditions:

(a) the dwelling to which the account relates is heated primarily by electricity;
 (b) the account-holder or any member of the account-holder's household is an Aboriginal person; or
 (c) the account-holder or any member of the account-holder's household regularly uses, for medical purposes, an electricity-intensive medical device at the dwelling to which the account relates.

OESP Credit \$ (45.00)

Class F

(a) account-holders with a household income of \$28,000 or less living in a household of six or more persons;
 (b) account-holders with a household income of between \$28,001 and \$39,000 living in a household of seven or more persons; or
 (c) account-holders with a household income and household size described under Class B who also meet any of the following conditions:

- i. the dwelling to which the account relates is heated primarily by electricity;
- ii. the account-holder or any member of the account-holder's household is an Aboriginal person; or
- iii. the account-holder or any member of the account-holder's household regularly uses, for medical purposes, an electricity-intensive medical device at the dwelling to which the account relates.

OESP Credit \$ (50.00)

Class G

Class G comprises account-holders with a household income and household size described under Class C who also meet any of the following conditions:

(a) the dwelling to which the account relates is heated primarily by electricity;
 (b) the account-holder or any member of the account-holder's household is an Aboriginal person; or
 (c) the account-holder or any member of the account-holder's household regularly uses, for medical purposes, an electricity-intensive medical device at the dwelling to which the account relates.

OESP Credit \$ (55.00)

Class H

Class H comprises account-holders with a household income and household size described under Class D who also meet any of the following conditions:

(a) the dwelling to which the account relates is heated primarily by electricity;
 (b) the account-holder or any member of the account-holder's household is an Aboriginal person; or
 (c) the account-holder or any member of the account-holder's household regularly uses, for medical purposes, an electricity-intensive medical device at the dwelling to which the account relates.

OESP Credit \$ (60.00)

Class I

Class I comprises account-holders with a household income and household size described under paragraphs (a) or (b) of Class F who also meet any of the following conditions:

(a) the dwelling to which the account relates is heated primarily by electricity;
 (b) the account-holder or any member of the account-holder's household is an Aboriginal person; or
 (c) the account-holder or any member of the account-holder's household regularly uses, for medical purposes, an electricity-intensive medical device at the dwelling to which the account relates.

OESP Credit \$ (75.00)

Guelph Hydro Electric Systems Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2016

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2015-0073

GENERAL SERVICE LESS THAN 50 kW SERVICE CLASSIFICATION

This classification includes non-residential accounts taking electricity at 750 volts or less where monthly average peak demand is less than, or is forecast to be less than, 50 kW. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES – Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	16.33
Rate Rider for Recovery of Stranded Meter Assets – effective until March 31, 2016	\$	0.73
Rate Rider for Disposition of Post Retirement Actuarial Gain – effective until March 31, 2025	\$	(0.50)
Rate Rider for Smart Metering Entity Charge – effective until October 31, 2018	\$	0.79
Distribution Volumetric Rate	\$/kWh	0.0137
Rate Rider for Disposition of Global Adjustment Account (2016) – effective until December 31, 2016		
Applicable only for Non-RPP Customers	\$/kWh	0.0034
Rate Rider for Disposition of Deferral/Variance Accounts (2016) – effective until December 31, 2016	\$/kWh	(0.0002)
Rate Rider for Disposition of Deferred PILs Variance Account 1562 – effective until March 31, 2016	\$/kWh	0.0004
Rate Rider for Disposition of Account 1576 – Accounting Changes – effective until December 31, 2016	\$/kWh	(0.0004)
Rate Rider for Recovery of Lost Revenue Adjustment Mechanism (LRAM)/Shared Savings Mechanism (SSM)		
– effective until March 31, 2016	\$/kWh	0.0001
Rate Rider for Disposition of LRAM Variance Account (2016) – effective until December 31, 2016	\$/kWh	0.0002
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0068
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0051

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0036
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0013
Ontario Electricity Support Program Charge (OESP)	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Guelph Hydro Electric Systems Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2016

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2015-0073

GENERAL SERVICE 50 to 999 kW SERVICE CLASSIFICATION

This classification includes non-residential accounts where monthly average peak demand is equal to or greater than, or is forecast to be equal to or greater than, 50 kW but less than 1,000 kW. Note that for the application of the Retail Transmission Rate – Network Service Rate and the Retail Transmission Rate – Line and Transformation Connection Service Rate the following sub-classifications apply: General Service 50 to 999 kW non-interval metered, and General Service 50 to 999 kW interval metered. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES – Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	177.03
Rate Rider for Disposition of Post Retirement Actuarial Gain – effective until March 31, 2025	\$	(3.80)
Distribution Volumetric Rate	\$/kW	2.6971
Low Voltage Service Rate	\$/kW	0.0121
Rate Rider for Disposition of Global Adjustment Account (2016) – effective until December 31, 2016		
Applicable only for Non-RPP and Non-Wholesale Market Participant Customers	\$/kW	1.2841
Rate Rider for Disposition of Deferral/Variance Accounts (2016) – effective until December 31, 2016	\$/kW	(0.1229)
Rate Rider for Disposition of Deferral/Variance Accounts (2016) – effective until December 31, 2016		
Applicable only for Wholesale Market Participant Customers	\$/kW	0.0050
Rate Rider for Disposition of Deferred PILs Variance Account 1562 – effective until March 31, 2016	\$/kW	0.0614
Rate Rider for Disposition of Account 1576 – Accounting Changes – effective until December 31, 2016	\$/kW	(0.1721)
Rate Rider for Recovery of Lost Revenue Adjustment Mechanism (LRAM)/Shared Savings Mechanism (SSM)		
– effective until March 31, 2016	\$/kW	0.0065
Rate Rider for Disposition of LRAM Variance Account (2016) – effective until December 31, 2016	\$/kW	0.0416
Retail Transmission Rate – Network Service Rate	\$/kW	2.8441
Retail Transmission Rate – Network Service Rate – Interval Metered	\$/kW	2.9501
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	2.1485
Retail Transmission Rate – Line and Transformation Connection Service Rate – Interval Metered	\$/kW	2.2291

Guelph Hydro Electric Systems Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date January 1, 2016

**This schedule supersedes and replaces all previously
 approved schedules of Rates, Charges and Loss Factors**

EB-2015-0073

GENERAL SERVICE 50 to 999 kW SERVICE CLASSIFICATION

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0036
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0013
Ontario Electricity Support Program Charge (OESP)	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Guelph Hydro Electric Systems Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2016

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2015-0073

GENERAL SERVICE 1,000 to 4,999 kW SERVICE CLASSIFICATION

This classification includes non-residential accounts where monthly average peak demand is equal to or greater than, or is forecast to be equal to or greater than 1,000 kW but less than 5,000 kW. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES – Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	560.00
Rate Rider for Disposition of Post Retirement Actuarial Gain – effective until March 31, 2025	\$	(46.33)
Distribution Volumetric Rate	\$/kW	2.9942
Rate Rider for Disposition of Global Adjustment Account (2016) – effective until December 31, 2016 Applicable only for Class B Customers	\$/kW	1.5880
Rate Rider for Disposition of Deferral/Variance Accounts (2016) – effective until December 31, 2016	\$/kW	(0.1363)
Rate Rider for Disposition of Deferred PILs Variance Account 1562 – effective until March 31, 2016	\$/kW	0.0567
Rate Rider for Disposition of Account 1576 – Accounting Changes – effective until December 31, 2016	\$/kW	(0.2117)
Rate Rider for Recovery of Lost Revenue Adjustment Mechanism (LRAM)/Shared Savings Mechanism (SSM) – effective until March 31, 2016	\$/kW	0.0061
Rate Rider for Disposition of LRAM Variance Account (2016) – effective until December 31, 2016	\$/kW	0.0237
Retail Transmission Rate – Network Service Rate – Interval Metered	\$/kW	2.9501
Retail Transmission Rate – Line and Transformation Connection Service Rate – Interval Metered	\$/kW	2.2291

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0036
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0013
Ontario Electricity Support Program Charge (OESP)	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Guelph Hydro Electric Systems Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2016

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2015-0073

LARGE USE SERVICE CLASSIFICATION

This classification refers to an account where monthly average peak demand is equal to or greater than, or is forecast to be equal to or greater than, 5,000 kW. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES – Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	1,076.53
Rate Rider for Disposition of Post Retirement Actuarial Gain – effective until March 31, 2025	\$	(151.18)
Distribution Volumetric Rate	\$/kW	2.6901
Rate Rider for Disposition of Deferral/Variance Accounts (2016) – effective until December 31, 2016	\$/kW	(0.1660)
Rate Rider for Disposition of Deferred PILs Variance Account 1562 – effective until March 31, 2016	\$/kW	0.0373
Rate Rider for Disposition of Account 1576 – Accounting Changes – effective until December 31, 2016	\$/kW	(0.2502)
Rate Rider for Recovery of Lost Revenue Adjustment Mechanism (LRAM)/Shared Savings Mechanism (SSM) – effective until March 31, 2016	\$/kW	0.0099
Rate Rider for Disposition of LRAM Variance Account (2016) – effective until December 31, 2016	\$/kW	0.4091
Retail Transmission Rate – Network Service Rate – Interval Metered	\$/kW	3.5626
Retail Transmission Rate – Line and Transformation Connection Service Rate – Interval Metered	\$/kW	2.6917

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0036
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0013
Ontario Electricity Support Program Charge (OESP)	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Guelph Hydro Electric Systems Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2016

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2015-0073

UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification includes accounts taking electricity at 750 volts or less where monthly average peak demand is less than, or is forecast to be less than, 50 kW and the consumption is unmetered. These connections include cable TV power packs, bus shelters, telephone booths, traffic lights, railway crossings, etc. The customer provides detailed manufacturer information/documentation with regard to electrical demand/consumption of the proposed load. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

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MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	\$	4.78
Rate Rider for Disposition of Post Retirement Actuarial Gain – effective until March 31, 2025	\$	(0.05)
Distribution Volumetric Rate	\$/kWh	0.0218
Rate Rider for Disposition of Global Adjustment Account (2016) – effective until December 31, 2016		
Applicable only for Non-RPP Customers	\$/kWh	0.0034
Rate Rider for Disposition of Deferral/Variance Accounts (2016) – effective until December 31, 2016	\$/kWh	(0.0004)
Rate Rider for Disposition of Deferred PILs Variance Account 1562 – effective until March 31, 2016	\$/kWh	0.0004
Rate Rider for Disposition of Account 1576 – Accounting Changes – effective until December 31, 2016	\$/kWh	(0.0004)
Rate Rider for Recovery of Lost Revenue Adjustment Mechanism (LRAM)/Shared Savings Mechanism (SSM)		
– effective until March 31, 2016	\$/kWh	0.0048
Rate Rider for Disposition of LRAM Variance Account (2016) – effective until December 31, 2016	\$/kWh	(0.0007)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0068
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0051

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0036
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0013
Ontario Electricity Support Program Charge (OESP)	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Guelph Hydro Electric Systems Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date January 1, 2016

**This schedule supersedes and replaces all previously
approved schedules of Rates, Charges and Loss Factors**

EB-2015-0073

STANDBY POWER SERVICE CLASSIFICATION

This classification refers to an account that has Load Displacement Generation and requires the distributor to provide back-up service. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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MONTHLY RATES AND CHARGES – APPROVED ON AN INTERIM BASIS

Standby Charge - the charge is based on the applicable General Service 50 to 999 kW, or General Service 1,000 to 4,999 kW or Large Use Distribution Volumetric Rate applied to the generator's peak demand. A Standby Service Charge will be applied for a month where standby power is provided partially or is not provided.

Guelph Hydro Electric Systems Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2016

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2015-0073

SENTINEL LIGHTING SERVICE CLASSIFICATION

This classification refers to accounts that are an unmetered lighting load supplied to a sentinel light. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

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MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	\$	7.39
Rate Rider for Disposition of Post Retirement Actuarial Gain – effective until March 31, 2025	\$	(0.11)
Distribution Volumetric Rate	\$/kW	8.1829
Low Voltage Service Rate	\$/kW	0.0089
Rate Rider for Disposition of Global Adjustment Account (2016) – effective until December 31, 2016		
Applicable only for Non-RPP Customers	\$/kW	1.2005
Rate Rider for Disposition of Deferral/Variance Accounts (2016) – effective until December 31, 2016	\$/kW	(0.6580)
Rate Rider for Disposition of Deferred PILs Variance Account 1562 – effective until March 31, 2016	\$/kW	0.3253
Rate Rider for Disposition of Account 1576 – Accounting Changes – effective until December 31, 2016	\$/kW	(0.1600)
Retail Transmission Rate – Network Service Rate	\$/kW	2.1776
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.6451

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0036
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0013
Ontario Electricity Support Program Charge (OESP)	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Guelph Hydro Electric Systems Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2016

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EB-2015-0073

STREET LIGHTING SERVICE CLASSIFICATION

This classification is for roadway lighting with the Municipality. The consumption for this customer is based on the calculated connected load times the required lighting times established in the approved Ontario Energy Board street lighting load shape template. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	\$	0.42
Rate Rider for Disposition of Post Retirement Actuarial Gain – effective until March 31, 2025	\$	(0.01)
Distribution Volumetric Rate	\$/kW	10.0324
Low Voltage Service Rate	\$/kW	0.0107
Rate Rider for Disposition of Global Adjustment Account (2016) – effective until December 31, 2016		
Applicable only for Non-RPP Customers	\$/kW	1.2148
Rate Rider for Disposition of Deferral/Variance Accounts (2016) – effective until December 31, 2016	\$/kW	(0.1255)
Rate Rider for Disposition of Deferred PILs Variance Account 1562 – effective until March 31, 2016	\$/kW	0.0738
Rate Rider for Disposition of Account 1576 – Accounting Changes – effective until December 31, 2016	\$/kW	(0.1619)
Retail Transmission Rate – Network Service Rate	\$/kW	2.6201
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.9794

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0036
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0013
Ontario Electricity Support Program Charge (OESP)	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Guelph Hydro Electric Systems Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date January 1, 2016

**This schedule supersedes and replaces all previously
 approved schedules of Rates, Charges and Loss Factors**

EB-2015-0073

microFIT SERVICE CLASSIFICATION

This classification applies to an electricity generation facility contracted under the Independent Electricity System Operator's microFIT program and connected to the distributor's distribution system. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

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MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	5.40
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Guelph Hydro Electric Systems Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2016

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2015-0073

ALLOWANCES

Transformer Allowance for Ownership by General Service 50 to 999 kW customers - per kW of billing demand/month	\$/kW	(0.72)
Primary Metering Allowance for transformer losses – applied to measured demand and energy	%	(1.00)

SPECIFIC SERVICE CHARGES

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

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Customer Administration

Arrears Certificate	\$	15.00
Returned Cheque (plus bank charges)	\$	8.55
Account setup charge/change of occupancy charge (plus credit agency costs if applicable)	\$	8.75
Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$	10.00
Credit Service Charge for paperless bill	\$	(10.00)

Non-Payment of Account

Late Payment - per month	%	1.50
Late Payment - per annum	%	19.56
Collection of account charge – no disconnection	\$	9.00
Disconnect/Reconnect at Meter – during regular hours	\$	20.00
Disconnect/Reconnect at Meter - after regular hours	\$	50.00
Disconnect/Reconnect at Pole – during regular hours	\$	50.00
Disconnect/Reconnect at Pole – after regular hours	\$	95.00

Other

Service Call – customer-owned equipment	\$	17.50
Service Call – after regular hours	\$	95.00
Specific Charge for Access to the Power Poles – per pole/year	\$	22.35
Overhead Bond Connection – per connection	\$	105.00
Underground Bond Connection – per connection	\$	100.00

Guelph Hydro Electric Systems Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2016

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EB-2015-0073

RETAIL SERVICE CHARGES (if applicable)

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

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Retail Service Charges refer to services provided by a distributor to retailers or customers related to the supply of competitive electricity

One-time charge, per retailer, to establish the service agreement between the distributor and the retailer	\$	100.00
Monthly Fixed Charge, per retailer	\$	20.00
Monthly Variable Charge, per customer, per retailer	\$/cust.	0.50
Distributor-consolidated billing monthly charge, per customer, per retailer	\$/cust.	0.30
Retailer-consolidated billing monthly credit, per customer, per retailer	\$/cust.	(0.30)
Service Transaction Requests (STR)		
Request fee, per request, applied to the requesting party	\$	0.25
Processing fee, per request, applied to the requesting party	\$	0.50
Request for customer information as outlined in Section 10.6.3 and Chapter 11 of the Retail Settlement Code directly to retailers and customers, if not delivered electronically through the Electronic Business Transaction (EBT) system, applied to the requesting party		
Up to twice a year		no charge
More than twice a year, per request (plus incremental delivery costs)	\$	2.00

LOSS FACTORS

If the distributor is not capable of prorating changed loss factors jointly with distribution rates, the revised loss factors will be implemented upon the first subsequent billing for each billing cycle.

Total Loss Factor – Secondary Metered Customer < 5,000 kW	1.0260
Total Loss Factor – Secondary Metered Customer > 5,000 kW	1.0137
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0157
Total Loss Factor – Primary Metered Customer > 5,000 kW	1.0036

SCHEDULE B
DECISION AND RATE ORDER
GUELPH HYDRO ELECTRIC SYSTEMS INC.
EB-2015-0073
ACCOUNTING ORDERS
NOVEMBER 26, 2015

Accounting Order – OPEB Forecast Cash versus Forecast Accrual Differential Deferral Account

Guelph Hydro shall establish the following deferral account effective January 1, 2016.

- Account 1508 Other Regulatory Assets, Subaccount – OPEB Forecast Cash versus Forecast Accrual Differential Deferral Account

Guelph Hydro shall establish the OPEB Forecast Cash versus Forecast Accrual Differential Deferral Account for the purpose of recording the difference in revenue requirement each year between both the capitalized and OM&A components of OPEBs accounted for using a forecasted cash basis (as to be reflected in rates if this settlement is accepted by the Board) and the capitalized and OM&A components of OPEBs accounted for using a forecasted accrual basis.

If the Board determines that LDCs must only include in rates OPEBs accounted for using a forecasted cash basis, Guelph Hydro will seek to discontinue this account without seeking disposition of the amounts recorded in this account. If the Board determines that LDCs may recover OPEBs in rates using a forecasted accrual accounting methodology, Guelph Hydro will seek disposition of this account to recover the amounts so recorded in its next cost of service rate application.

Guelph Hydro will propose a disposition period over which the account should be recovered depending on the quantum in the account and the potential rate impacts at the time.

Carrying charges will not apply to this account.

Sample Journal Entry

Assumptions:

OPEB costs (accrual basis) = \$ 600,000

OPEB costs (cash basis) = \$ 200,000

OBEB costs split between operating and capital on a 70/30 ratio.

Assume capital items depreciated over 40 years and half year rule applies in year of acquisition.

Assume OPEB costs incurred evenly throughout the fiscal period.

Carrying charges do not apply to this deferral account.

The sample accounting entries for the Deferral Account is provided below:

A: To record the excess of OPEBs accounted for using a forecasted accrual basis over OPEBs accounted for using a forecasted cash basis.

DR	1508	Other Regulatory Assets, Subaccount – OPEB Forecast Cash versus Forecast Accrual Differential Deferral Account	\$ 400,000
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CR		Capital costs (various accounts)	\$ 120,000
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CR		OM&A expenses (various accounts)	\$ 280,000
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B: To reverse depreciation recorded on capital portion of OPEB costs:

DR	Accumulated Depreciation	\$
	1,500	
CR	Depreciation	\$
	1,500	

Accounting Order – Wireless Attachment Deferral Accounts

Pursuant to the Settlement Agreement approved by the Ontario Energy Board in EB-2015-0073, Guelph Hydro shall establish the following Deferral Accounts to record the costs and revenues associated with Wireless Pole Attachments.

- Account 1508, Other Regulatory Assets, Subaccount Guelph Hydro wireless attachment costs
- Account 1508, Other Regulatory Assets, Subaccount Guelph Hydro wireless attachment revenues
- Account 1508, Other Regulatory Assets, Subaccount Guelph Hydro wireless attachment cost carrying charges
- Account 1508, Other Regulatory Assets, Subaccount Guelph Hydro wireless attachment revenue carrying charges

In assessing the costs of attaching the wireless equipment, Guelph Hydro will rely on the methodology as detailed in THESL's response to CCC IR 16 in THESL proceeding EB-2013-0234 (Tab J, Schedule 2-16, attached as Appendix A to the Accounting Order), which was developed in accordance with the methodology approved in the Board's CCTA decision (RP-2003-0249). This methodology estimates direct costs (admin and loss in productivity) and indirect costs (capital costs of the poles with attachments).

Since the indirect costs related to poles are included and inseparable from Guelph Hydro's regulated revenue requirement (and recovered through distribution rates), they will not be recorded in the deferral account as treating them as such would effectively double-count the costs. The direct costs, to the extent that they are incremental to any OM&A costs included in Guelph Hydro's regulated revenue requirement, will be recorded in the deferral account. Additionally, the one-time costs (such as the make-ready costs) will be recorded as they occur.

Revenues to be recorded in the Deferral Account are the actual revenues received through the negotiated contracts with wireless carriers, as well as the one-time revenues collected directly to cover the one-time costs.

Carrying charges will be determined by applying the Board-approved rate to the opening monthly balances recorded in the subaccounts (exclusive of accumulated interest).

The net of the costs and revenues inclusive of carrying charges, as recorded in the subaccounts, shall be brought forward for disposition in Guelph Hydro's next Cost of Service rates application. As part of the evidence to support the disposition of the net amounts recorded in the approved Deferral Accounts, Guelph Hydro shall include information showing the full actual costs to demonstrate that revenues received were equal to or in excess of the costs of wireless attachments.

The sample accounting entries for the Deferral Accounts are provided below:

A: To record the incremental costs associated with wireless attachments:

DR 1508 Other Regulatory Assets, Subaccount Guelph Hydro
wireless attachment costs

CR 5005 Operation Supervision and Engineering

B: To record the incremental revenues associated with the wireless attachments:

CR 1508 Other Regulatory Assets, Subaccount Guelph Hydro
wireless attachment revenues

DR 4210 Rent from Electric Property

C: To record the monthly carrying charges in subaccounts wireless attachments costs and revenues:

DR 1508 Other Regulatory Assets, Subaccount Guelph Hydro
wireless attachment cost carrying charges

CR 1508 Other Regulatory Assets, Subaccount Guelph Hydro
wireless attachment revenue carrying charges

DR 6035 Other Interest Expense

CR 4405 Interest and Dividend Income