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February 2, 2016

VIA RESS and E-mail

Ontario Energy Board
P.O. Box 2319
27th Floor
2300 Yonge Street
Toronto, Ontario M4P 1E4

Attention: Ms. Kirsten Walli, Board Secretary

Dear Ms. Walli,

**RE: London Hydro Inc.
Comments on Draft Rate Order
2016 Electricity Distribution Rate Application (EB-2015-0087)**

London Hydro has received and reviewed the draft Decision and the accompanying draft Rate Order for accuracy and completeness, and has the following comments:

- a) Update references to the disposition of RSVA Global Adjustment balances for clarity as presented in Appendix A.
- b) London Hydro recommends specifying that the Rate Rider for Disposition of Global Adjustment Account (2016) is applicable only to the Class B customers, and including "Class B" in its title to better reflect the customer group to whom it applies to. The proposed title:

Rate Rider for Disposition of Global Adjustment Account (2016) – effective until April 30, 2017
Applicable only for Class B Non-RPP Customers

London Hydro has no further comments and wishes to thank the Board for its attention to this application.

Yours truly,

Original signed by

Judith Nagy, CPA, CGA
Senior Regulatory Affairs Advisor
London Hydro Inc.

cc by email: Martin Benum, London Hydro Inc.
 David Arnold, London Hydro Inc.

Appendix A

Proposed update of references to the disposition of RSVA balances (highlighted):

1. Third Paragraph on Page 7 under title “Class A Customers”:

“London Hydro disposed of its December 31, 2011 Group 1 deferral and variance account balances in its 2013 cost of service proceeding. The balances proposed for disposition in this case were incurred during the period from January 1, 2012 to December 31, 2014. During this period, London Hydro experienced some movement of customers into and out of the Class A category. These customers contributed to the accumulation of the 2012 to 2014 GA Variance Account for the period that they were Class B customers. At issue in this proceeding is whether these former Class B customers ought to contribute to the disposition of the balance they contributed to in 2012 to 2014.”

Replace with:

“London Hydro disposed of its Group 1 deferral and variance account balances in its 2013 cost of service proceeding. The commodity (power and global adjustment) Retail Sales Variance Account (“RSVA”) balances were the accumulated amounts as of December 31, 2012. All other Group 1 balances were as at December 31, 2011. The balances in this case were incurred for all RSVA non-commodity Group 1 accounts during the period from January 1, 2012 to December 31, 2014. The balances in this case were incurred for the commodity Group 1 accounts (power and global adjustment) during the period from January 1, 2013 to December 31, 2014. During this period, London Hydro experienced some movement of customers into and out of the Class A category. These customers contributed to the accumulation of the 2013 to 2014 GA Variance Account for the period that they were Class B customers. At issue in this proceeding is whether these former Class B customers ought to contribute to the disposition of the balance they contributed to in 2013 to 2014.”

2. Fourth Paragraph on Page 9:

“The current situation is analogous. The Class A customers who were in Class B in 2014 are easily identifiable. These customers were responsible for a portion of the GA Variance Account balances that were accumulated from 2012 to 2014. In other words, in 2012 – 2014 they paid less than the actual cost of the global adjustment. It is therefore reasonable, and fair to all remaining Class B customer, for these new Class A customers to pay for their portion of the GA Variance Account balance.”

Replace with:

“The current situation is analogous. The Class A customers who were in Class B in 2014 are easily identifiable. These customers were responsible for a portion of the GA Variance Account balances that were accumulated from 2013 to 2014. In other words, in 2013 – 2014 they paid less than the actual cost of the global adjustment. It is therefore reasonable, and fair to all remaining Class B customer, for these new Class A customers to pay for their portion of the GA Variance Account balance.”

3. Last sentence of the Fifth Paragraph on Page 9:

“The OEB therefore finds that London Hydro is required to make the necessary adjustments to bills to charge these six customers their portion of the GA Variance Account balance accumulated *in 2014.*”

Replace with:

“The OEB therefore finds that London Hydro is required to make the necessary adjustments to bills to charge these six customers their portion of the GA Variance Account balance accumulated in 2013 to 2014.”

4. First Paragraph on Page 10:

“The balances proposed for disposition are the same as the amounts reported as part of the OEB’s *Reporting and Record-Keeping Requirements*. The OEB approves the disposition of a debit balance of \$5,405,794 as of December 31, 2014, including interest projected to April 30, 2016 for Group 1 accounts. *These balances are to be disposed through rate riders* over a one-year period from May 1, 2016 to April 30, 2017.”

Replace with:

“The balances proposed for disposition are the same as the amounts reported as part of the OEB’s *Reporting and Record-Keeping Requirements*. The OEB approves the disposition of a debit balance of \$5,405,794 as of December 31, 2014, including interest projected to April 30, 2016 for Group 1 accounts. Of these balances \$4,913,432 is to be disposed through rate riders over a one-year period from May 1, 2016 to April 30, 2017. RSVA GA balance of \$492,362 is to be disposed/recovered via 12 equal adjustments or a one-time settlement according to the preference of each new Class A customers.”