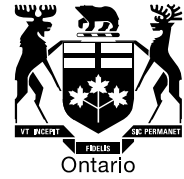


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BY E-MAIL ONLY

November 14, 2011

Ed Glasbergen
Chief Financial Officer
Brant County Power Inc.
65 Dundas Street East
Paris ON N3L 3H1

Dear Mr. Glasbergen:

**Re: Brant County Power Inc. (“Brant County Power”)
2012 Incentive Regulation Mechanism Rate Application
Board File Number EB-2011-0154
Disposition of Account 1562**

In its Decision in the EB-2008-0381 Combined PILs (Payments in Lieu of Taxes) proceeding (“Combined PILS Decision”), the Board indicated that distributors will be expected to apply for final disposition of Account 1562 (Deferred PILS) with their next general rates application, either IRM or cost of service. The Board also indicated in the Combined PILS Decision that if the distributor files evidence in accordance with the various decisions made in the course of the Combined PILS proceeding, including the use of the updated SIMPIL model, the determination of the final account balance will be handled expeditiously and in a largely administrative manner. However, if a distributor files on a basis which differs from what is contemplated by the Combined PILS Decision, the application can take some time to process, and therefore should not be included in an IRM application. Deviations from the Combined PILS Decision could include taking a different position on issues considered by the Board in the Combined PILs proceeding, addressing issues not arising in the Combined PILs proceeding or filing older SIMPIL models rather than the updated models containing the Excel worksheet ‘TAXREC 3’ as used by Halton Hills Hydro Inc.

Board staff reviewed the evidence filed by Brant County Power supporting the disposition of Account 1562 and the Board has determined that Brant County Power’s application is not consistent with the various decisions made in the course of the Combined PILS proceeding. The inconsistencies identified relate to the SIMPIL models filed by Brant County Power which do not support the debit balance of \$500,075 requested for disposition in their consultant’s report. In addition, the consultant’s report outlines reasons that support formula changes in the SIMPIL models (which have not

yet been filed as part of this IRM proceeding) which are also inconsistent with the Combined PILS proceeding.

Therefore, the Board will not hear the application for disposition of Account 1562 as part of Brant County Power's 2012 IRM application. The Board expects Brant County Power to address the disposition of Account 1562 in a stand-alone application to be filed no later than April 1, 2012.

Yours truly,

Original Signed By

Kirsten Walli
Board Secretary