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Ontario Energy Board  
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**RE: Brant County Power Inc. – 2012 3<sup>rd</sup> Generation IRM Application (EB-2011-0154)  
Response to Board Staff Submissions**

Board Staff raised issues with three specific topics in Submission regarding Brant County Power's (BCP) IRM application:

1. Account 1521 – Special Purpose Charge (SPC)
2. Lost Revenue Adjustment Mechanism (LRAM) Claim
3. Smart Meter Funding Adder

BCP is providing further submission on these three topics.

**Account 1521 – Special Purpose Charge**

As requested, BCP is providing the completed table as Appendix A (reference Board Staff IR # 9c). Board Staff also requested rate riders for the revised variance balance (see Appendix A), BCP has attempted to use the rate generator model to perform this task, however, has run in to difficulty with locked cells in populating the proper sections of the model. Along with this difficulty, Board Staff has made some adjustments (as discussed in IR's and Submissions) to the originally filed rate generator model. As BCP does not currently possess a copy of this model, we request that Board Staff use the values in Appendix A (\$6,217.82) to generate proper rate riders using a recovery period of 1 year.

**Lost Revenue Adjustment Mechanism (LRAM) Claim**

The Board staff and VECC's submissions on Brant County Power (BCP)'s LRAM claim offer their view that LRAM claims pertaining to a test year and beyond would be unnecessary once a distributor rebases and accordingly updates its load forecast.

Board staff and VECC quote the following from the CDM Guidelines:

***Lost revenues are only accruable until new rates (based on a new revenue requirement and load forecast) are set by the Board, as the savings would be assumed to be incorporated in the load forecast at that time.***

BCP understands that lost revenues associated with historic programs are to be incorporated into the load forecast and not to be claimed again. However, it is inappropriate that energy savings for programs that were not available at the time, did not enter the load forecast and thus did not impact these new rates should be denied an LRAM.

The objective of LRAM is to keep the LDC revenue neutral and to ensure that there is not a disincentive to the LDC in delivering energy savings to customers through CDM programs. BCP agrees that once savings are incorporated into the load forecast, there will not be lost revenues associated with those savings. However, savings from 2010 programs were not included into BCP's load forecast since 2010 final results were not available at the time. It is not reasonable to suggest that lost revenues from these programs should not be recoverable when final results from these programs were not available at the time of the load forecast and were not fully incorporated into the forecast.

While decisions from Hydro One Brampton (EB-2011-0174), Horizon (EB-2011-0172), and Whitby Hydro (EB-2011-0206) side on denying true-up LRAM claims for unforecasted savings, BCP remains firm that these decisions are decidedly unfair to LDCs since they deny them the ability to remain revenue neutral with respect to CDM, and prevent the LRAM mechanism from having its intended effect.

Both Board staff and VECC support BCP's LRAM claim for the time period that it was under IRM. Board staff had requested that BCP submit as part of its reply-submission lost revenue amounts for 2010 programs for 2010 as BCP was under IRM during that time. BCP respectfully notes that it was also under IRM for the first four months of 2011. **Error! Reference source not found.** provides the breakdown of the requested lost revenue from which the lost revenue during the IRM period can be obtained. Lost revenue during the IRM period was \$19,971, including carrying charges of \$440. However, BCP still requests that the Board approve the LRAM claim for \$34,658 as supported by BCP evidence.

**LRAM claim during and after the IRM period**

Rate class	IRM period		Post-COS period	
	2010	Jan 1 to Apr 30 2011	May 1 to Dec 31 2011	Jan 1 to Apr 30 2012
Residential	\$4,743	\$1,735	\$3,469	\$1,735
GS < 50 kW	\$8,032	\$2,709	\$5,418	\$2,709
GS 50 -4,999 kW	\$1,914	\$399	\$798	\$399
<i>LRAM subtotal</i>	<i>\$14,688</i>	<i>\$4,843</i>	<i>\$9,685</i>	<i>\$4,843</i>
<i>Carrying charges</i>	<i>\$372</i>	<i>\$68</i>	<i>\$136</i>	<i>\$24</i>
<i>Total</i>	<i>\$15,060</i>	<i>\$4,911</i>	<i>\$9,821</i>	<i>\$4,866</i>
<b>Cumulative total</b>	<b>\$15,060</b>	<b>\$19,971</b>	<b>\$29,792</b>	<b>\$34,658</b>

**Smart Meter Funding Adder**

Brant County Power has reviewed the Board Staff submissions regarding the Smart Meter funding adder and agrees with the proposed treatment. Board Staff have recommended a continuation of the Smart Meter Funding adder of \$1 per metered customer be continued until October 31, 2012 while BCP file a Smart Meter disposition application no later than May 31, 2012. Brant County Power will file the request stand-alone disposition application incorporating final Smart Meter costs.

If there are any questions with these submissions, please contact me directly.

Sincerely

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