


July 23, 2009

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Board Secretary
Ontario Energy Board
PO Box 2319
2300 Yonge St.
Toronto ON
M4P 1E4

ONTARIO ENERGY

Attention: Board Secretary

Re: Delay in Brant County Power – Cost of Service Rate Application (EB-2009-0258)

Brant County Power (BCP) has been assigned a May 2010 Cost of Service (CoS) date to be filed in August 2009. BCP is requesting a delay allowing for a CoS filing in August 2010 for rates effective May 1, 2011.

CoS applications are based on year ahead revenue requirements that require accurate customer load, expense and capital requirement projections. BCP is currently able to provide the customer load and capital values, however, are not able to accurately identify expense levels.

BCP has raised a Motion to Rehear the Brantford Power 2008 CoS application (EB-2007-0698) to ensure that the Embedded Distributor charges levied to BCP from BP are accurate and reasonable. This motion to rehear the EB-2007-0698 decision has been granted and is currently before a Board panel.

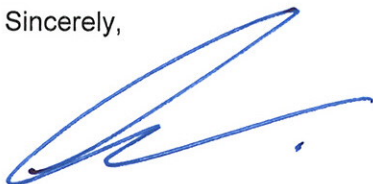
The current BP Embedded Distributor charges to BCP are material and are not yet finalized. As a result, BCP can not accurately identify the final embedded charges that would be included in the BCP projected expenses. Any over recovery of BP embedded charges would be to the detriment of rate payers, as any under recovery of BP embedded charges would be a detriment to the BCP shareholder. Either detriment would be ingrained in distribution rates for four years, until the next rebasing period.

The motion to rehear EB-2007-0698 also has identified some issues with respect to RSVA balances for BCP. Specifically, BP has not invoiced for some historical transmission charges and the end result will have significant impact on BCP's RSVA balances. It would be inappropriate to disposition BCP's RSVAs while the final expense levels are not known.

Considering the factors above, BCP believes that it is reasonable to delay our CoS application until the motion to rehear has been finalized and BCP RSVA balances are adjusted for missing expenses.

If you require any further information, please contact me directly.

Sincerely,



Bruce Noble, CEO
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