



EB 2009-0191

IN THE MATTER OF the *Ontario Energy Board Act*, 1998, being Schedule B to the *Energy Competition Act*, 1998 S.O. 1998, c.15;

AND IN THE MATTER OF an application by Enersource Hydro Mississauga Inc. for an order to draw-down its December 31, 2008 balances of Accounts 1555 and 1556.

BEFORE: Paul Vlahos
Presiding Member

DECISION

October 1, 2009

Enersource Hydro Mississauga Inc. ("Enersource") filed an application under section 78 of the *Ontario Energy Board Act*, 1998, received on August 19, 2009, seeking a Board order to draw-down the balances in its smart meter variance accounts 1555 and 1556 as at December 31, 2008. A Letter of Acknowledgement for the application was issued on August 20, 2009.

Under section 21(4) of the OEB Act, the Board may dispose of a proceeding without a hearing if the Board determines that no person, other than the applicant, will be adversely affected in a material way by the outcome of the proceeding and the applicant has consented to disposing of the proceeding without a hearing. The applicant has in fact requested that the matter be disposed of without a hearing. As noted below, there are no rate impacts arising from the accounting treatment proposed by the applicant – and therefore I have disposed of this matter without a hearing.

The Board is mindful of the necessity to strike an appropriate balance between ensuring that a utility complies with the Board's regulatory requirements, and not interfering with the utility's day-to-day management of its business in the ordinary course.

To assist utilities in complying with the Board's regulatory requirements, the Board issues policies, codes and guidelines from time to time. With regards to the subject matter of Enersource's application, the Board has recently issued three important documents:

- The Board's Guideline: Smart Meter Funding and Cost Recovery, G-2008-0002, October 22, 2008;
- The Report of the Board: Transition to International Financial Reporting Standards, EB-2008-0408, July 28, 2009; and
- The Report of the Board on Electricity Distributors' Deferral and Variance Account Review Initiative (EDDVAR), EB-2008-0046, July 31, 2009.

While these and other policies, codes and guidelines from the Board provide essential guidance for utilities, the Board leaves each utility – subject to guidance provided by the Accounting Procedures Handbook – to deal with its external auditors with respect to CGAAP reporting.

I note that Enersource requests that the 1555 and 1556 variance accounts are only to be drawn down; the applicant does not request disposition of the account balances and establishment of the associated smart meter disposition rider. I consider the relief requested solely a matter of financial accounting treatment – and therefore a matter for Enersource to determine in accordance with proper accounting practices. I do not consider the relief requested to be a matter for determination by the regulator as Enersource is not seeking disposition of the account balances, and rates will not be affected by the proposed accounting treatment. I therefore find it unnecessary for the Board to provide the order requested by Enersource. When Enersource files for the disposition of its smart meter variance accounts, the Board will give consideration to that request consistent with its policies and practices including, but not limited to, the Guideline on Smart Meter Funding and Cost Recovery.

I also find that Enersource did not need to file an application for a Board order to affect the accounting treatment it proposes.

While I am not making any determination that may affect the subsequent disposition of the balances in Enersource's smart meter variance accounts, I find that the current application is on its face consistent with the principles and requirements outlined in the current guideline on Smart Meter Funding and Cost Recovery.

DATED at Toronto, October 1, 2009

Original signed by

Paul Vlahos
Presiding Member