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December 17, 2009

Via Email and Courier

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
27th Floor
2300 Yonge Street
Toronto, ON M5P 1E4

Dear Ms. Walli:

**Re: Responses to Information Requests of Brant County Power Inc.
Board File Number EB-2009-0063**

Please find enclosed Brant County Power Inc. Responses to the Information Requests of Ontario Energy Board Staff, Schools Energy Coalition and Brantford Power Inc. A copy of this will be filed on the Board's RESS System. Brant County Power Inc. will provide additional information to respond to Board Staff I.R. 3.1 within a few days. The information has been requested but has not yet been received. Brant County Power Inc. apologizes for any inconvenience that this causes.

If there are any questions, please feel free to contact the undersigned at your earliest convenience.

Yours very truly,

AIRD & BERLIS LLP



Scott Stoll

SS/br
Encl.

cc: James Sidlofsky
All Intervenors
Christie Clark
Bruce Noble

6119152.1

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

AND IN THE MATTER OF an Application by Brantford Power Inc. to the Ontario Energy Board for an Order or Orders approving or fixing just and reasonable rates and other service charges for the distribution of electricity as of May 1, 2008 (EB-2007-0698);

AND IN THE MATTER OF a Motion by Brant County Power Inc. to review and vary the implementation of the Board's Interim Order dated April 21, 2008 in the rates proceeding;

AND IN THE MATTER OF a Motion by Brant County Power Inc. to review and vary the implementation of the Board's Decision dated July 18, 2008 and the Board's Order dated August 29, 2008 in the rates proceeding

RESPONSES OF BRANT COUNTY POWER INC.

To the Interrogatories of

1. **Schools Energy Coalition**
2. **Brantford Power Inc.**
3. **Ontario Energy Board Staff.**

PART I: SEC INTERROGATORIES

4. With respect to the Affidavit of Grant Gordon Brooker:
- (a) Please provide greater detail regarding the discussions with Brantford Power Inc. in the summer of 2007. What in particular was Mr. Brooker and/or Brant County Power told about the application?
 - (b) During the discussions with Brantford Power was an approximate amount for the wheeling rate discussed?
 - (c) What did Brant County expect would be the amount of the wheeling rate?
 - (d) It appears from Brant County's evidence that it expected *some* impact to it from Brantford Power's application. Please explain then why Brant County Power did not review Brantford's application to determine the impact on Brant County?
 - (e) The email exchange at Exhibit "A" to the application ends with the message from Ms Wyatt stating "I'm sending your question back to George." Please explain whether any further reply was received and if so produce a copy.
 - (f) Please explain why the April 2008 invoice has been omitted from the exhibits and provide a copy if available.

RESPONSE:

(a) Mr. Brooker and Ms. Sleeth whose emails were included in the affidavit of Mr. Brooker are no longer with BCP. BCP had provided the emails in its records. Brantford Power, in its submissions, Tab 6, Affidavit of H. Wyatt, Exhibit C attaches a further string of emails with D. Sleeth. The copies of the emails provided are the extent of the emails of which BCP is aware. Current management was not employed by BCP at that time; therefore not a party to the conversations and is unable to provide further information.

From the emails, it is unclear what precisely was discussed. However, it was clear that Mr. Brooker and Ms. Sleeth expected an embedded distributor rate specific to Brant County Power and not to be included in the GS>50kW rate. Brantford acknowledged that it was going to develop either a "wheeling rate" or an "embedded distributor rate" but changed course during the preparation of the rates application through the comments of its representatives provided in the email

As noted in the email correspondence between Ms Wyatt and Ms. Sleeth, Ms. Wyatt confirmed in her July 4, 2008 response to Ms. Sleeth that BPI had changed its plans regarding the rate to be charged to Brant County Power.

"Deb

The wheeling charge is now been equated with the distribution charge and as we have indicated, we are starting to invoice for the charges as of May 1, 2008 per our rates process. For the details of what is in our rates application regarding the distribution, charge to another distributor please send Heather the information you require and she should be able to provide it to you."

(b) To the knowledge of the current management of Brant County Power a specific rate was not discussed but a "wheeling rate" or "embedded distributor rate" was discussed.

(c) BCP has found no specific reference to a stated expectation of an amount for a specific wheeling rate. However, BCP has indicated that it expected a wheeling rate and that, to its understanding, a wheeling rate had been ordered by the Board in proceedings EB-2007-0883, EB-2007-0900 and EB-2007-0928 which are included in the BCP Amended Motion Record at Tabs 8, 9 and 10 respectively. In general, BCP expects rates to reflect rate-making principles such as cost causality and rate stability.

(d) BCP would expect that anytime a company is going to be charged a cost that there will be an impact – even if just related to cashflow. As indicated in the Affidavit of Mr. G. Brooker, there is no record of Brant County Power actually having received the notice of application (see email of Ms. Sleeth). Given the statement attributed to Mr. Brooker, it is reasonable to conclude that he expected a "wheeling rate" that would be tracked in a variance account, in the same way transmission charges are tracked, would be recovered from ratepayers and would not alter the profit or loss of BCP as opposed to a distribution charge would be more akin to an expense that would not have an associated variance account.

(e) Brantford Power, in its submissions, Tab 6, Affidavit of H. Wyatt, Exhibit C attaches a further string of emails with D. Sleeth. The copies of the emails provided are the extent of the emails of which BCP is aware. Mr. Brooker indicated in his affidavit that he had reviewed the BCP records and had provided the emails in BCP's possession.

(f) The April 2008 invoice was referred to because it contradicted the evidence of Brantford that it was not billing BCP prior to May 1, 2008. BCP is not disputing the April 2008 invoice. A copy is attached.

5. For the most recent year for which actuals are available, please provide Brant County's total revenue requirement (including OM&A, return on rate base, PILS and depreciation).

Response:

BCP's revenue requirement F2006 is \$5,027,313.

6. Please explain the statement at para. 6 of the Amended Notice of Motion wherein it states that Brantford had "estimated costs (which went unchallenged) of only \$300,000 versus the \$462,755 per year that has actually been charged. Specifically:
- (a) Please file a copy of the interrogatory response to Board Staff (Board Staff IR#10.3) in which the \$300,000 estimate is set out.
 - (b) When did Brant County Power first become aware of the \$300,000 estimate?
 - (c) Does believe \$300,000 is the correct amount that it should be charged for the service provided by Brantford Power? If not, what does BCP state is the correct amount?

Answer

- (a) Brantford's response to 10.3 is attached.
- (b) Brant County Power does not have specific date when it became aware of this figure. The response to the IR was filed by BPI on May 5, 2008. The May 2008 invoice had a statement date of June 16, 2008 and so BCP was not aware of the new charges until just after June 16, 2008. The knowledge of the information contained in I.R. 10.3 BCP would only have become known to BCP during its review of the BPI rate application during the summer or fall 2008 sometime after receiving the May invoice and commencing discussions with BPI.
- (c) No. Based upon the evidence that was provide by Brantford it has been difficult to discern what an appropriate result would be based upon regulatory principles such as cost causality and rate stability (the avoidance of rate shock). The highlights of BCP's concerns with the proposed rate that Brantford is applying is:
 - The reference in the IR is from a cost allocation informational filing by Brantford of which Brant County had no knowledge of until it saw the response to the IR 10.3. The response indicated an amount of approximately \$300,000. The table, when all figures are totaled, sums to approximately \$243,000 and the rationale for the allocation is not plainly evident to BCP. To date annualized billings exceed \$400,000 not including RTR-Network and Connection charges.
 - It is BCP's understanding that the loss adjustment factors for large customers, >5,000kW, is usually in the 1% range because the losses are generally lower as the such customers are connected at higher voltages. The current loss factor is 4.2% which is a difference of 3.2%. This fact would also impact the other >5,000kW customer served by BPI.
 - Based upon the evidence, BCP does not have confidence that the BPI forecasted numbers for the GS>50kW class actually includes BCP's volumes. The historical values for the GS>50 class show no pronounced increase during any of the last 5

years despite the fact that the BCP load has been added during that time and BCP's load is almost 15% of such class.

BCP believes a correct amount is based upon regulatory principles. In the absence of concrete evidence, BCP has suggested a proper cost allocation study to determine the appropriate rate or the use of a proxy during an interim period while such rate is determined.

PART II: BRANTFORD POWER INC. INTERROGATORIES

1. For each of the following periods:

- January 1, 2006 to December 31, 2006;
- January 1, 2007 to December 31, 2007;
- January 1, 2008 to December 31, 2008; and
- January 1, 2009 to the most recent month available;

Brant County Power Inc. ("BCPI") is requested to provide the following information:

- (a) What was BCPI's net income?
- (b) Please provide BCPI's total liabilities.
- (c) Please provide BCPI's equity component of those liabilities provided in response to (b).
- (d) Please provide BCPI's rate of return on equity, which should be the net income in (a) divided by (c).
- (e) Please provide BCPI's debt/equity ratio. The equity component of the ratio should be (c) divided by (b).
- (f) What was BCPI's cash position?
- (g) How much interest income did BCPI earn on its cash position?

Response

The table on the following page provides the information requested.

In F2007, the Company incurred an unusual gain of \$1.7 million as a result an actuarial valuation done on its non-pension post-retirement medical benefits to employees.

Period	Net Income	Total Liabilities& Equity	Equity	ROE	Debt/Equity	Cash	Interest Income***
FY 2006	(55,816)	25,533,772	12,679,626	-0.44%	49.66%	405,749	36,241
FY 2007	2,554,330	26,473,075	14,812,361	17.24%	55.95%	1,305,121	75,583
FY 2008	791,431	26,740,544	15,178,792	5.21%	56.76%	1,816,242	49,023
FY 2009 (10 months) (unaudited)	753,909	27,516,576	16,829,379	4.48%	61.16%	1,757,797	16,200

***Includes all interest earned, including variance accounts and cash deposits.

2. For each month during the period of January 1, 2005 to the most recent month available, please provide the following information:
- (a) What were BCPI's approved Retail Transmission Rates – Network Service Rate, and Retail Transmission Rates – Line and Transformation Connection Service Rate?
 - (b) What amounts did BCPI recover from customers for Retail Transmission – Network Services and Retail Transmission – Line and Transformation Connection Services?
 - (c) What amounts did BCPI pay to various parties for transmission network and connection service (i.e. wholesale and retail)? Please list the amounts by party and connection point.
 - (d) What amounts including interest did BCPI record in Account 1584 – RSVA – Network and Account 1586 – RSVA – Connection?

Response

2 (a) See Table next page.

	Effective							
	01-May-05	01-May-06	01-May-07	01-Nov-08	01-May-09			
Residential								
RTR - Network Service Rate	\$	0.0057	\$	0.0057	\$	0.0035	\$	0.0039
RTR - Line and Transformation								
Connection Service Rate	\$	0.0050	\$	0.0050	\$	0.0030	\$	0.0032
General Service Less Than 50 KW								
RTR - Network Service Rate	\$	0.0052	\$	0.0052	\$	0.0032	\$	0.0036
RTR - Line and Transformation								
Connection Service Rate	\$	0.0045	\$	0.0045	\$	0.0027	\$	0.0028
General Service Greater Than 50 KW								
RTR - Network Service Rate	\$	2.1218	\$	2.1218	\$	1.2895	\$	1.4346
RTR - Line and Transformation								
Connection Service Rate	\$	1.7882	\$	1.7882	\$	1.0885	\$	1.1479
Unmetered Scattered Load								
RTR - Network Service Rate	\$	0.0052	\$	0.0052	\$	0.0032	\$	0.0036
RTR - Line and Transformation								
Connection Service Rate	\$	0.0045	\$	0.0045	\$	0.0027	\$	0.0028
Sentinel Lighting								
RTR - Network Service Rate	\$	1.6083	\$	1.6083	\$	0.9774	\$	1.0874
RTR - Line and Transformation								
Connection Service Rate	\$	1.4113	\$	1.4113	\$	0.8591	\$	0.9060
Street Lighting								
RTR - Network Service Rate	\$	1.6002	\$	1.6002	\$	0.9783	\$	1.0820
RTR - Line and Transformation								
Connection Service Rate	\$	1.3824	\$	1.3824	\$	0.8415	\$	0.8874

2 (b) & (c)

BCP is providing annualized balance figures. BCP has several connection points and receives service invoices from the IESO, Hydro One and BPI.

See also attachment – “Appendix A – filed May 8, 2008”

Account	2005	2006	2007	2008	2009
4066	-1746253	-1519029	-1062252	-679954	-613053
4068	-1589883	-1161170	-824774	-530011	-472661
4714	1,994,350	1,901,568	1,489,914	1,449,535	788,474
4716	1,598,743	1,692,246	1,311,005	1,272,770	666,586

2 (d)

BCP is providing annualized figures.

	2005	2006	2007	2008	2009
1584	-248,097	-382,539	-427,662	-769,581	-175,421
1586	-244,580	-531,076	-486,231	-742,759	-193,925

3. Is BCPI seeking to dispose of the amounts referred to in Question 2(d) above in its 2010 rate application?

RESPONSE

BCP is seeking to disposition the current 2008 Y/E variance accounts relating to USoA 1584 & 1586. This is done as part of a normal variance account disposition application. Any decisions regarding BPI network and connection charges between Jan. 1, 2005 and Dec. 31, 2009 relating to Colborne St. East & West will require adjustments to previous RSVA balances (and approved rate riders) or permission to record these in the 2009 forward balances from the OEB.

Specifically, BCP has requested to disposition a credit (money owing to customers) of \$1.8 million relating to Network (1584) variances and a credit of (money owing to customers) of \$1.8 million relating to Connection (1586) variances. These balances may need to be adjusted depending on the outcome of this proceeding relating to the historical Colborne St. East & West transmission charges.

QUESTION:

4. Please confirm the service classification used by BCPI for the billing of BPI for distribution and transmission services at the Jennings Road connection point.

RESPONSE:

BCP currently provides service to Brantford at the Jennings Road Connection Point pursuant to the GS>50kW classification. BCP has not completed a cost of service application and the GS>50kW is the appropriate rate classification. A review of the last 12 months of demand shows the demand fluctuates from approximately 12kW to 185kW with an average of approximately 82kW. BCP will consider the appropriateness of an embedded distributor rate in its cost of service application for 2011.

PART III: BOARD STAFF INTERROGATORIES

1. GENERAL

Issue 1.1 – Embedded Distributor

**1 Ref: Exhibit(s) Distribution System Code
Motion Record of Brantford Power Inc.**

The Distribution System Code defines embedded distributors as “a distributor who is not a wholesale market participant and that is providing electricity by a host distributor”. Does BCPI settle for the cost of power with anyone other than the IESO?

Response:

Brant County Power Inc. is a wholesale market participant and purchases power only from the IESO. It does not purchase power from BPI nor does it have any generators with whom it settles the cost of power.

2. VOLUMES

Issue 2.1 – Brant County Forecast Volumes for 2008

2 Ref: Exhibit(s) Motion Record of Brant County Power Inc.

BCPI state that the BPI forecast for 2008 is understated.

- (a) On what basis was this statement made?
- (b) What was BCPI's forecast for 2008?
- (c) On what basis was BCPI's forecast developed?

Response:

- (a) This statement was made based upon the implications of various statements and in the evidence of Brantford Power.

Excerpt Tab. 3.2.2-4

		Historical Actual	Historical Board Approved	Historical Actual normalized	Bridge Year Estimated	Bridge Year Forecast Normalized	Test Year Normalized
		2006	2004	2006	2007	2007	2008
GS>50kW	#	407	391	407	408	408	413
	kWh	590,877,017	576,070,695	587,687,806	595,176,890	593,273,557	588,310,448
	kW	1,447,706	1,442,700	1,463,650	1,461,947	1,477,561	1,635,606

BPI - Table 10.1.(b) BCP annual energy usage (2004, 2005, 2006)

Year	2004	2005	2006	2007	2008	2009 YTD
kWh	76,359,678	74,284,928	73,543,262	--	--	--
kW	167,071	163,253	160,356	166,832	167,266	118,030(1)

(1) Through Sept. 2009.

(b) BCPI was not requested to nor did it not perform a forecast for 2008 for the Brantford Power Inc. rate application.

(c) See response to (b).

3. VOLUMES AND LOSS FACTORS

Issue 3.1 – Volumes

3 Ref: Exhibit(s) Motion Record of Brant County Power Inc.

The Motion Record states that BCP has no rate classification for BCPI, given the General Service 50 kW to 4,999 kW ("GS>50kW") Tariff definition. Please provide BCPI's average annual kW for 2004 to 2008.

Response:

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>Average</u>
Colborne St. W				32,713 ⁽²⁾	37,543	38,845	37,358 ⁽⁵⁾
Colborne St. E				91,110 ⁽²⁾	101,528	104,307	101,743 ⁽⁵⁾
Powerline Rd.	N/A ⁽¹⁾	2687.94 ¹	--	26,904	27,761	24,114	26,259 ⁽³⁾
Total from BPI	167,071 ⁽⁴⁾	163,253 ⁽⁴⁾		150,727 ⁽²⁾	166,832	167,266	

Notes:

Shaded cells were supplied by BPI.

(1) The Powerline Road station came into operation in the late part of 2005. Billing of Network and Connection Charges commenced December 2005.

(2) Brantford commenced Billing in February 2006 and January would have been billed by IESO.

(3) Average of 2006, 2007, 2008.

(4) BPI Response to Board Staff Interrogatories – Table 10.1(b), page 112 of 132

(5) 2006 value was annualized by multiplying by 12 and dividing 11. Then a 3 year average was calculated.

4. **DEFERRAL AND VARIANCE ACCOUNTS**

Issue 4.1 – Appropriateness of any DVA charges to BCPI from BCI

4 Ref: Exhibit(s) EB2007-0698, Approved Rate Schedules

Board staff is aware that the clearing of the deferral accounts resulting in the credits on the rate schedule was over an 8-month period and are no longer in place. However, conceptually staff is interested in whether any deferral and variance accounts should be collected from another utility receiving only delivery service from an electricity distributor. Please state the cost causality and if there is no cost causality, state the reasons for making a levy.

Response:

4.1

BCP is of the opinion that LDCs should be responsible for any variances to which they contribute any recoverable / payable. Specifically, BCP believes that we are responsible for current network & connection variances to BPI. This would include network / connection charges for Powerline Rd. From 2005 onward and as of Sept. 1, 2008 for Colborne St. East & West. Any prior charges relating to 2008 and earlier Colborne St. East & West charges will need to be properly reflected in both BCP & BPI RSVA variances.

5. **RATE IMPACTS**

Issue 5.1 – Rebalanced Rates

5 Ref: Exhibit(s) Motion Record of Brant County Power Inc.

BCPI is claiming that the GS>50 is an appropriate rate under which they are served. Board staff is interested in how BCPI will implement new cost levels into their rates if the Board finds a change from the current situation for BCPI is warranted.

- (a) In what account would the new charges be collected?
- (b) When will BCPI adjust their rates to reflect the new costs?

Response:

5.1 (a) and (b)

The accounts that cost will be charged to will be dependent on the charge type approved by the OEB.

If the costs are deemed to be LV wheeling type charges, then expenses will track through USoA 4750 – LV Charges and eventually to the 1550 – LV variance account. Cost would be recorded, back to Sept. 2008) in the 1550 variance account (along with any Hydro One LV charges) and will be dispositioned along with other variances. Upon BCP's rebasing application (May 2011), retail rates will account for BPI LV charges and only the difference between revenues & expenses will continue to be accumulated in the 1550 account. This treatment will require an adjustment to 2005 – 2008 variances recovery approvals requested in BCP's 2010 IRM application.

If the costs are deemed to be distribution charges, USoA 5085 – Miscellaneous Distribution Expenses is the proposed expense account (BCP has asked for accounting direction as part of this proceeding). A special application will be brought before the OEB requesting recovery of historical ordered expenses recovered, via a rate rider, current and on-going charges will be requested to be recovered via an increase to distribution rates (similar to that of IRM process) until the rebasing COS application can be submitted and approved (May 2011).

6. IMPLEMENTATION

Issue 6.1 – Implementing any new rates

It is possible that new rates could result from this Motion. Board staff is interested in finding an appropriate means of implementing the Board's findings if rates change. The current rates for both utilities are final. BPI has been charging BCPI for service under GS>50 to BCPI since 2008.

Currently, BCPI has ceased making payments and state that they will make the required payments, if any, as directed by the Board.

If the Board were to find that the changes to the existing rates are appropriate, does BCPI have a view as to whether these changes should be applied prospectively only or retroactively as well? Please state specifically how BCPI would propose to effect these changes were they to be required.

Issue 6.2 – Implementing the RTS finding

Upon resolution of the issues around the RTS billing error, does BCPI have a view on the methodology for setting the amount?

RESPONSE:

6.1

The method of implementation will depend upon the circumstances - the potential to impact additional ratepayers and the value of monies to be paid. For example, if the Board were to determine that BCP's volumes had not been properly incorporated into the GS>50kW classification and its volumes are additive to those include in Brantford's rates and that a new rate classification was appropriate, then BCP would expect that Brantford would commence charging BCP for such amount commencing upon the date established by the Board. Any amounts owing from prior to the issuance of the Decision would be paid over a period of months as set out by the Board.

Depending upon the Board's decision, BCP may be required to update its IRM filing to account for the Decision on this Motion such that it could be incorporated into rates commencing May 1, 2010.

6.2

The amount for the RTR should be as provided in the Motion Record. The amount that would be recovered up to October 31, 2009 would be for such period. Given the amount BCP would propose that such amount be paid in 12 equal instalments.

ATTACHMENTS

SEC 4(f)

SEC 6(a)

BPI 2(c)

6052685.4

Service Address	Account Type	Account Number	Billing Period	Statement Date
POWERLINE RD MS2	BCP TRANSMISSION	82681-003	04/01/08 to 05/01/08	May 15, 2008

IMPORTANT MESSAGES REGARDING YOUR ACCOUNT

COMMUNITY MESSAGES

"KID'S STREET FESTIVAL"***KIDS ACTIVITIES
SIDEWALK VENDORS***ALL DAY ENTERTAINMENT
407 ELGIN STREET (MOHAWK COLLEGE CAMPUS)
WHEN: JUNE 14 TIME: 10AM-4PM
VISIT US ON-LINE @www.csbrant.ca

"FREE EVENT" PARKS & RECREATION
OPEN HOUSE & COMMUNITY FORUM
SUNDAY, MAY 25/08 TIME 11:00AM - 3:00PM
1 SHERWOOD DR.-----BACK GATE ENTRANCE
WWW.BRANTFORD.CA

CONSERVATION MESSAGES

EVERY KILOWATT COUNTS SUMMER SWEEPSTAKES
SIGN UP BY JUNE 30TH TO QUALIFY FOR OUR
EARLY BIRD DRAW AT
EVERYKILOWATTCOUNTS.COM/SWEEPSTAKES

Prior Charges \$8,926.84
Payment \$8,926.84CR
Balance Forward \$0.00

Current Charges

Your Electricity Charges
Delivery \$7,186.75
Total Electricity Charges \$7,186.75
GST #86585 8773 RT0001 \$359.34
Summary of Current Charges \$7,546.09
Balance Owning \$7,546.09

Date: May 23/08
Approved By: [Signature]
Auth. To Pay By: [Signature]
Payment Approved By: [Signature]
Received By: [Signature]
G/L# 4714 (54%) 3880.85
4716 (46%) 3305.90
2090.. 63 359.34
\$ 7546.09

Meter Number	Present Reading 05/01/08	Previous Reading 04/01/08	No. of Days	Mult.	Usage kWh/m3	Adjustment Factor	Adjusted Usage kWh	kva	Kw	Demand Billed	Meter Size
Electricity 2			30	1.0	0	1.037	0	2008.22	1842.00	1842.00	



www.brantfordpower.com

P.O. Box 515, 220 Colborne Street
Brantford, Ontario N3T 6L6
TEL-(519) 756-1360 FAX-(519) 753-9884
e-mail address - customerservices@brantford.ca



www.brantford.ca

ENERGY MANAGEMENT INFORMATION

BILL DATE	CONSUMPTION KWH	AVERAGE KWH/DAY
May2008	0	0.00
May2007	0	0.00

0	
0	
0	
0	
0	
0	

kWh

Electric M J J A S O N D J F M A M

Months

See back for Glossary of Terms

10.3 Ref: Exhibit – Informational Filing EB-2007-0001/Sheet O1
Revenue to Cost Summary worksheet

- a. Please describe the nature of the costs that are allocated to the Embedded Distributor customer category by BPI in its Informational filing, which add up to a class revenue requirement of approximately \$300,000 in the Informational Filing.

RESPONSE:

The nature of the costs that are allocated to the Embedded Distributor customer category in the Cost Allocation Informational Filing are listed below.

USoA Account	Accounts	Expense Type	Embedded Distributor
5405	Supervision	General & Administration	\$494
5410	Community Relations - Sundry	General & Administration	\$1,145
5420	Community Safety Program	General & Administration	\$362
5515	Advertising Expense	General & Administration	(\$3)
5605	Executive Salaries and Expenses	General & Administration	\$4,060
5610	Management Salaries and Expenses	General & Administration	\$3,226
5615	General Administrative Salaries and Expenses	General & Administration	\$9,181
5620	Office Supplies and Expenses	General & Administration	\$3,928
5630	Outside Services Employed	General & Administration	\$694
5635	Property Insurance	General & Administration	\$387
5645	Employee Pensions and Benefits	General & Administration	\$2,174
5650	Franchise Requirements	General & Administration	\$1,125
5655	Regulatory Expenses	General & Administration	\$2,179
5660	General Advertising Expenses	General & Administration	\$353
5665	Miscellaneous General Expenses	General & Administration	\$12,972
5670	Rent	General & Administration	\$4,676
5675	Maintenance of General Plant	General & Administration	\$539
5680	Electrical Safety Authority Fees	General & Administration	\$78
6105	Taxes Other Than Income Taxes	General & Administration	\$3,782
6205	Donations	General & Administration	\$81
5315	Customer Billing	Customer Related Cost	\$1
5705	Amortization Expense - Property, Plant, and Equipment	Depreciation & Amortization	\$55,005
5710	Amortization of Limited Term Electric Plant	Depreciation & Amortization	\$2,395
5005	Operation Supervision and Engineering	Distribution Cost	\$3,551
5010	Load Dispatching	Distribution Cost	\$205
5012	Station Buildings and Fixtures Expense	Distribution Cost	\$2,757
5014	Transformer Station Equipment - Operation Labour	Distribution Cost	\$200
5015	Transformer Station Equipment - Operation Supplies & Expenses	Distribution Cost	\$59
5020	Overhead Distribution Lines and Feeders - Operation Labour	Distribution Cost	\$24
5025	Overhead Distribution Lines & Feeders - Operation Supplies & Expenses	Distribution Cost	\$531
5040	Underground Distribution Lines and Feeders - Operation Labour	Distribution Cost	\$31
5045	Underground Distribution Lines & Feeders - Operation Supplies & Expenses	Distribution Cost	\$150
5085	Miscellaneous Distribution Expense	Distribution Cost	\$3,464
5105	Maintenance Supervision and Engineering	Distribution Cost	\$9,075
5110	Maintenance of Buildings and Fixtures - Distribution Stations	Distribution Cost	\$75
5114	Maintenance of Distribution Station Equipment	Distribution Cost	\$1,042
5120	Maintenance of Poles, Towers and Fixtures	Distribution Cost	\$7,225
5125	Maintenance of Overhead Conductors and Devices	Distribution Cost	\$11,833
5135	Overhead Distribution Lines and Feeders - Right of Way	Distribution Cost	\$12,595
5145	Maintenance of Underground Conduit	Distribution Cost	\$889
5150	Maintenance of Underground Conductors and Devices	Distribution Cost	\$2,579
6110	Income Taxes	PILS Input	\$38,956
6005	Interest on Long Term Debt	Interest	\$39,815

- b. Considering that the revenue to cost ratio for the Embedded distributor class is 5.84% in the informational filing, virtually all of the apparent revenue in 2004 was an allocation of Miscellaneous Revenue which may in actuality have been collected from all the other customer groups assumed in the model. Please describe any studies or other steps that BPI has taken since to ensure that is distribution customers are treated fairly relative to the embedded distributor. In particular, has BPI sought approval of rates to be paid by the Embedded Distributor class for the wheeling service provided through its facilities?

RESPONSE:

After the 2008 Rate Order, BPI intends to charge the Embedded Distributor the GS>50 kW distribution rate to ensure that BPI's customers are treated fairly. This was also stated in Exhibit 3, Tab 2, Schedule 6, page 2 of the Application. Please note that the correct period is the 2008 Test Year and not the 2007 Test Year as indicated at that page of the Application.

Appendix A

MONTH	IESO Network Service Charge 4714	Hydro One Retail Transmission Network Service Charge 4714	Brantford Power Retail Transmission Network Service Charge 4714	Total 4714	IESO Line Connection Service Charge 4716	IESO Transformation Connection Service Charge 4716	Hydro One Retail Transmission Connection Service Charge 4716	Brantford Power Retail Transmission Connection Service Charge 4716	Total 4716	Retail Transmission Network Revenue 4068	Retail Transmission Connection Revenue 4068
Mar-05	\$25,859	\$210,985		\$236,824	\$11,997	\$21,946	\$181,080		\$215,023	\$146,189	\$137,442
Apr-05	\$59,999			\$59,999	\$20,452	\$37,413			\$57,665	\$147,909	\$135,047
May-05	\$54,438	\$133,085		\$187,503	\$16,899	\$30,914	\$114,031		\$161,844	\$138,819	\$121,733
Jun-05	\$64,093			\$64,093	\$19,728	\$38,065			\$55,811	\$129,769	\$117,888
Jul-05	\$55,225	\$2,414		\$57,639	\$18,826	\$34,437	\$2,090		\$55,353	\$141,873	\$126,738
Aug-05	\$62,308	\$178,136		\$238,444	\$19,668	\$35,979	\$152,478		\$208,123	\$151,416	\$135,067
Sep-05	\$59,334	\$88,112		\$147,446	\$19,812	\$38,243	\$75,058		\$131,113	\$157,367	\$142,397
Oct-05	\$80,768			\$80,768	\$19,230	\$35,178			\$94,408	\$148,711	\$135,103
Nov-05	\$62,881	\$78,634		\$129,495	\$19,741	\$36,111	\$85,278		\$121,130	\$140,212	\$128,204
Dec-05	\$57,827	\$251,129		\$308,756	\$19,739	\$34,608	\$215,283		\$269,528	\$145,690	\$131,150
Jan-06	\$56,401			\$56,401	\$19,091	\$33,420			\$62,511	\$151,253	\$135,714
Feb-06	\$56,923			\$56,923	\$19,280	\$33,734			\$63,014	\$145,979	\$126,813
Mar-06	\$55,055	\$120,217		\$175,272	\$18,621	\$32,638	\$104,088		\$155,227	\$149,080	\$128,333
Apr-06	\$52,318			\$52,318	\$17,754	\$31,136			\$48,690	\$150,051	\$125,021
May-06	\$55,889	\$87,660		\$143,639	\$18,823	\$32,789	\$78,030		\$127,642	\$145,325	\$119,021
Jun-06	\$40,124			\$40,124	\$12,992	\$22,257			\$36,249	\$143,867	\$116,795
Jul-06	\$54,630			\$54,630	\$19,532	\$21,398			\$40,930	\$127,333	\$104,294
Aug-06	\$62,396	\$112,669		\$175,395	\$19,707	\$21,615	\$97,670		\$138,692	\$130,077	\$110,869
Sep-06	\$44,590	\$63,008		\$97,598	\$14,444	\$18,959	\$45,887		\$77,290	\$134,271	\$113,942
Oct-06	\$43,112	\$69,343		\$112,455	\$14,698	\$17,213	\$60,028		\$91,037	\$118,032	\$100,179
Nov-06	\$46,278	\$27,295		\$73,671	\$14,697	\$16,882	\$23,629		\$55,308	\$113,779	\$98,321
Dec-06	\$49,688	\$29,477		\$79,165	\$15,608	\$17,609	\$25,617		\$58,694	\$128,018	\$109,856
Jan-07	\$46,712	\$32,855		\$79,567	\$15,700	\$18,083	\$28,441		\$62,224	\$121,485	\$104,389
Feb-07	\$48,169	\$32,180	\$67,780	\$138,129	\$16,163	\$18,059	\$27,868	\$50,018	\$112,728	\$127,688	\$110,477
Mar-07	\$52,613	\$30,784	\$5,272	\$88,669	\$16,988	\$18,036	\$28,650	\$4,683	\$86,235	\$130,849	\$113,411
Apr-07	\$47,295	\$31,372	\$4,789	\$83,436	\$16,123	\$17,217	\$27,158	\$4,129	\$84,627	\$120,389	\$104,666
May-07	\$41,389	\$26,871	\$3,986	\$72,245	\$12,781	\$18,200	\$23,262	\$3,450	\$77,693	\$115,550	\$100,872
Jun-07	\$60,228	\$27,158	\$3,568	\$90,954	\$18,635	\$20,325	\$23,510	\$3,089	\$85,560	\$112,811	\$98,418
Jul-07	\$55,601	\$38,803	\$4,266	\$98,670	\$18,024	\$21,017	\$33,417	\$3,683	\$76,151	\$123,635	\$107,899
Aug-07	\$58,290	\$38,894	\$4,378	\$101,362	\$18,259	\$20,018	\$33,495	\$3,790	\$75,552	\$123,370	\$107,513
Sep-07	\$53,617	\$40,502	\$4,616	\$98,734	\$17,515	\$19,877	\$35,062	\$3,995	\$76,449	\$131,692	\$115,042
Oct-07	\$47,117	\$40,059	\$4,124	\$91,300	\$14,997	\$17,672	\$34,678	\$3,670	\$70,916	\$121,003	\$105,434
Nov-07	\$37,293	\$28,182	\$3,760	\$69,235	\$10,349	\$17,818	\$24,389	\$3,254	\$55,817	\$113,205	\$98,462
Dec-07	\$37,140	\$60,310	\$9,627	\$107,077	\$10,697	\$17,880	\$62,208	\$8,334	\$89,220	\$162,836	\$135,559
Jan-08	\$39,282			\$39,282	\$11,126	\$18,780			\$29,898		
Feb-08	\$37,829	\$22,251	\$5,185	\$65,265	\$11,036	\$18,473	\$19,286	\$4,418	\$53,213		
Total from June 06 to Feb 08	\$1,013,190	\$741,943	\$111,329	\$1,866,462	\$320,029	\$396,088	\$842,152	\$96,303	\$1,464,881	\$2,634,882	\$2,173,398
Old Rate	2.83	2.52	2.1137		0.82	1.50	2.09	1.7879			
New Rate	2.31	2.01	1.7819		0.59	1.61	1.88	1.5448			
Est Revised IESO Cost	\$854,866	\$591,788	\$93,853	\$1,540,507	\$242,384	\$419,789	\$577,630	\$83,209	\$1,323,012		