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Board Secretary
Ontario Energy Board
27th Floor
2300 Yonge Street
Toronto, ON
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March 22, 2011

Dear Ms. Walli,

**RE: Burlington Hydro Inc.
Response to Decision and Order, EB-2010-0067, March 17, 2011**

This is in response to the subject Decision and Order where the Board ordered Burlington Hydro Inc. ("Burlington Hydro") to file with the Board within seven calendar days of the date of the Decision and Order, a written confirmation assessing the completeness and accuracy of the draft Tariff of Rates and Charges or to provide a detailed explanation of any inaccuracies or missing information.

Burlington Hydro has reviewed the draft Tariff of Rates and Charges and has identified two *apparent* inaccuracies:

1. The Rate Rider for Tax Change for the Street Lighting customer class is approximately double the amount expected.
2. The Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) / Shared Savings Mechanism (SSM) Recovery for the General Service 50 to 4,999 kW customer class is higher than expected.

These two items are examined below in detail.



Item 1 – Rate Rider for Tax Change for the Street Lighting customer class

In the Decision and Order, the Board approved the 50/50 sharing of anticipated tax changes. The Rate Rider for Tax Changes for all classes (except the Street Lighting class) as shown in the draft Tariff of Rates and Charges are identical to those applied for in the application. However, the Street Lighting class rate rider applied for in the application was (\$0.0268) per kW while the value in the draft Tariff of Rates and Charges is (\$0.0447) per kW.

Burlington Hydro notes that in the Excel spreadsheet tax model issued by the Board with the Decision and Order ("Final Burlington Tax.xls", sheet "B1.1 Re-Based Bill Det & Rates", columns D, E and F), modified monthly service rates and volumetric kWh/kW rates have been inputted. It is further noted that the inputted values, with the exception of the kW volumetric rate for the Street Lighting class, are generally of the same magnitude as those contained in the application. However, in the case of the kW volumetric rate for the Street Lighting class, the inputted rate at \$4.3624 per kW is substantially greater than the \$2.6146 per kW value used in the application. While the source of the \$4.3624 value is not evident, there is the appearance that this new value has caused the significantly higher-than-expected tax rebate for the Street Lighting class.

Item 2 – Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) / Shared Savings Mechanism (SSM) Recovery for the General Service 50 to 4,999 kW customer class

In the Decision and Order, the Board approved an updated LRAM recovery of \$413,451; Burlington Hydro originally requested \$407,790. Of the three classes eligible for the LRAM recovery, the recoveries shown in the draft Tariff of Rates and Charges for two classes (i.e. Residential and General Service Less Than 50 kW) are identical to those applied for in the application; for the third class (General Service 50 to 4,999 kW), the LRAM recovery is larger than applied for.

It would appear that the additional \$5,661 has been attributed solely to the General Service 50 to 4,999 kW class; in fact, the increase in the LRAM rate rider for this class as shown in the draft Tariff of Rates and Charges would appear to be calculated based on the regular-metered customers in this class. Specifically; to recover the \$5,661 additional LRAM based on the 718,463 kW forecast would require a rate rider to be increased by \$0.00079 per kW or, expressing this to the four decimal places used in the tariff sheet, \$0.0008 per kW. This is the increase in the LRAM rate rider included in the tariff sheet.

(3)

I can be reached at 905-332-1851 x234 should you require anything further.

Yours truly,

A handwritten signature in blue ink, appearing to read 'SS', is positioned above the printed name and title.

Stephen Shields
Manager, Regulatory Affairs