

Hydro One Brampton Networks Inc.  
175 Sandalwood Pkwy West  
Brampton, Ontario L7A 1E8  
Tel: (905) 840 6300  
www.HydroOneBrampton.com



April 21, 2011

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
PO Box 2319  
2300 Yonge Street, 27<sup>th</sup> Floor  
Toronto ON M4P 1E4

**Hydro One Brampton Networks Inc. - Response to Board Staff Letter, April 18<sup>th</sup> 2011**  
**Board File No. EB-2010-0132**

Dear Ms. Walli,

Please find attached Hydro One Brampton Networks Inc.'s submission in response to the Board Staff letter dated April 18, 2011.

Two paper copies of the Draft Rate Order for 2011 are provided. In addition an electronic text-searchable copy of the Draft Rate Order has been filed using the Board's Regulatory Electronic Submission System (RESS).

Yours truly,

A handwritten signature in black ink that reads "Scott Miller". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Scott Miller  
Manager of Regulatory Affairs  
Hydro One Brampton Networks Inc.  
(905) 452-5504  
smiller@hydroonebrampton.com

**ONTARIO ENERGY BOARD**

IN THE MATTER OF the *Ontario Energy Board Act, 1998*;

AND IN THE MATTER OF an application by Hydro One Brampton Networks Inc.  
for an order approving just and reasonable rates and other charges for electricity  
distribution to be effective January 1, 2011

**DRAFT RATE ORDER  
OF THE APPLICANT, HYDRO ONE BRAMPTON NETWORKS INC.  
DELIVERED ON APRIL 20, 2011**

On April 18, 2011 Board Staff submitted that Hydro One Brampton Networks Inc. (“HOBNI”) has appropriately reflected the Ontario Energy Board’s (“Board”) findings in all areas except for in the two areas, i) Tariff of Rates and Charges and II) pertaining to the Green Energy Act (“GEA”) Plan. HOBNI submits the following information as requested by Board Staff.

**TARIFF OF RATES AND CHARGES**

On April 13, 2010 the Board issued its Decision And Order with respect to HOBNI’s 2010 IRM rate application EB-2009-0199 which included the Board approved Tariff of Rates and Charges. The rate riders for the Global Adjustment Sub-Account Disposition and the Deferral/Variance Account Disposition (2010) were omitted from this Tariff of Rates and Charges for the Unmetered Scattered Load (“USL”) customer class. HOBNI subsequently received an updated Tariff of Rates and Charges from Board Staff on April 16, 2010, which included these two rate riders for the USL class, see Appendix A. HOBNI has used this attached Tariff of Rates and Charges since May 1, 2010, for the USL customer class. HOBNI has included these two Rate

Riders for the USL class on the proposed 2011 Tariff as a continuation of these Rate Riders from the 2010 Tariff.

## **GREEN ENERGY ACT PLAN**

HOBNI submits a revenue requirement calculation for the GEA Plan expenditures for the provincial ratepayer's share in Appendix B. Table 1 below shows the total revenue requirement for the GEA Plan for the 2011 test year to be \$160,889, HOBNI's customer share of this revenue requirement is \$34,326 and the balance of \$126,563 of the revenue requirement will be the Provincial Customer's share. HOBNI submits that the revenue requirement recoverable from the IESO for HOBNI's GEA Plan is \$179,199 to the end of the 2011 test year (2010 revenue requirement of \$52,636 + 2011 revenue requirement of \$126,563).

**Table 1: GEA Revenue Requirement**

2011 GEA Provincial Ratepayers Share of Revenue Requirement			
<b>GEA Revenue Requirement</b>	<b>Total Revenue Requirement - GEA Programs</b>	<b>Revenue Requirement HOBNI Customers</b>	<b>Revenue Requirement Provincial Customers</b>
2010 Revenue Requirement	57,135	4,499	\$ 52,636
2011 Revenue Requirement	160,889	34,326	\$ 126,563
2012 Revenue Requirement	228,369	60,714	\$ 167,655
2013 Revenue Requirement	225,215	59,492	\$ 165,723
2013 Revenue Requirement	221,604	58,181	\$ 163,423
Total Revenue Requirement	\$ 893,212	\$ 217,212	\$ 676,000

# APPENDIX A

# Hydro One Brampton Networks Inc.

## TARIFF OF RATES AND CHARGES

**Effective and Implementation Date May 1, 2010**  
**except for the microFIT Generator Class effective date of September 21, 2009**

**This schedule supersedes and replaces all previously  
approved schedules of Rates, Charges and Loss Factors**

EB-2010-0132

### UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification applies to an account whose average monthly maximum demand is less than, or is forecast to be less than, 50 kW and the consumption is unmetered. Such connections include cable TV power packs, bus shelters, telephone booths, traffic lights, railway crossings, etc. The level of the consumption will be agreed to by the distributor and the customer, based on detailed manufacturer information/documentation with regard to electrical consumption of the unmetered load or periodic monitoring of actual consumption. Further servicing details are available in the distributor's Conditions of Service.

### APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy and Infrastructure Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

### MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per customer)	\$	20.15
Distribution Volumetric Rate	\$/kWh	0.0178
Rate Rider for Global Adjustment Sub-Account Disposition – effective until April 30, 2012		
Applicable only for Non-RPP Customers	\$/kWh	0.0013
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2012	\$/kWh	(0.0020)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0055
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0044

### MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

# APPENDIX B

## 2011 GEA Provincial Ratepayers Share of Revenue Requirement

<b>GEA Revenue Requirement</b>	<b>Total Revenue</b>		
	<b>Requirement - GEA Programs</b>	<b>Revenue Requirement HOBNI Customers</b>	<b>Revenue Requirement Provincial Customers</b>
2010 Revenue Requirement	57,135	4,499	\$ 52,636
2011 Revenue Requirement	160,889	34,326	\$ 126,563
2012 Revenue Requirement	228,369	60,714	\$ 167,655
2013 Revenue Requirement	225,215	59,492	\$ 165,723
2013 Revenue Requirement	221,604	58,181	\$ 163,423
Total Revenue Requirement	<u>\$ 893,212</u>	<u>\$ 217,212</u>	<u>\$ 676,000</u>

2011 GEA Rate Rider Application  
Revenue Requirement Calculations

Transmission Station Equipment - 1815  
Supervisory Control Equipment - 1980  
Poles, Towers & Fixtures -1830  
Distribution Meters-1860

Operation Expense  
15% Working Capital

Deemed Debt - Long Term  
Deemed Debt - Short Term  
Deemed Equity

Equity Rate

## Incremental Operating Expenses

## Revenue Requirement before PILs

## Interest Expense

## Grossed up PILs

Grossed up PILs

## Total Metered Customers

Number of months in year

GEA Rate Adder

## Net Income

## Amortization

CCA

## Revis

Tax Rate

Income T

0.1, 0.2, 1, 4

### GEA Related Fixed Assets

Less: Exemption

Deemed Taxable Capital  
Outstanding Capital Tax Debt

Ontario Capital Tax Rate  
**NET OCT Amount**

**NET OCT Amount**

Change in Income Taxes Payable

Change in OCT

## PILs

[illegible]

Forecast 2011					
\$	87,673				
\$	99,883				
\$	894,539				
\$	114,236	\$	1,196,331		
	-				
\$	-	\$	-		
		\$	1,196,331		
	56.0%	\$	669,945		
	4.0%	\$	47,853		
	40.0%	\$	478,532		
		\$	1,196,331		
	6.62%	\$	44,350		
	2.43%	\$	1,163		
	9.66%	\$	46,226		
		\$	91,739	\$	91,739
				\$	-
				\$	38,987
				\$	130,726
				\$	-
				\$	(38,987)
				\$	(45,513)
				\$	46,226
					(4,163)
					130,726
					(4,163)
					126,563
					126,563
					133,888
					0.95
					12
					0.08
	46,226				
	38,987				
-	95,788				
-	10,574				
	28.25%				
-	2,987				
	1,487,123				
	-				
	1,487,123				
	0.000%				
	-				
PILs Payable	2,987	Gross Up	28.25%	Grossed Up PILs	4,163
-	-	-	-	-	-
-	2,987	-	-	-	4,163



	133,888
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	133,888
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	133,888
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## GEA Fixed Asset Continuity

### For Accounting

		Forecast 2010	Forecast		
	Opening Balance	Additions	Amortization For	2010 Net Book Value	2010 Average NBV
			2010		
Transmission Station Equipment - 1815	40	-	-	-	-
Supervisory Control Equipment - 1980	15	-	-	-	-
Poles, Towers & Fixtures -1830	25	924,020	18,480	905,540	452,770
Distribution Meters-1860	15	-	-	-	-
		924,020	18,480	905,540	452,770

		Forecast 2011	Forecast		
	Opening Balance	Additions	Amortization For	2011 Net Book Value	2011 Average NBV
			2011		
Transmission Station Equipment - 1815	40	-	2,220	175,346	87,673
Supervisory Control Equipment - 1980	15	-	6,888	199,766	99,883
Poles, Towers & Fixtures -1830	42	905,540	22,000	883,539	894,539
Distribution Meters-1860	15	-	7,878	228,472	114,236
		620,570	38,987	1,487,123	1,196,331

		Forecast 2012	Forecast		
	Opening Balance	Additions	Amortization For	2012 Net Book Value	2012 Average NBV
			2012		
Transmission Station Equipment - 1815	40	175,346	4,439	170,907	173,126
Supervisory Control Equipment - 1980	15	199,766	13,777	185,989	192,878
Poles, Towers & Fixtures -1830	42	883,539	22,000	861,539	872,539
Distribution Meters-1860	15	228,472	15,757	212,715	220,593
		1,487,123	55,973	1,431,149	1,459,136

		Forecast 2013	Forecast		
	Opening Balance	Additions	Amortization For	2013 Net Book Value	2013 Average NBV
			2013		
Transmission Station Equipment - 1815	40	170,907	4,439	166,468	168,687
Supervisory Control Equipment - 1980	15	185,989	13,777	172,212	179,101
Poles, Towers & Fixtures -1830	42	861,539	22,000	839,538	850,538
Distribution Meters-1860	15	212,715	15,757	196,958	204,837
		1,431,149	55,973	1,375,176	1,403,163

		Forecast 2014	Forecast		
	Opening Balance	Additions	Amortization For	2014 Net Book Value	2014 Average NBV
			2014		
Transmission Station Equipment - 1815	40	166,468	4,439	162,028	164,248
Supervisory Control Equipment - 1980	15	172,212	13,777	158,435	165,324
Poles, Towers & Fixtures -1830	42	839,538	22,000	817,538	828,538
Distribution Meters-1860	15	196,958	15,757	181,202	189,080
		1,375,176	55,973	1,319,203	1,347,190

Smart Meter Fixed Asset Continuity

For Tax Purposes

	CCA Class	CCA Rate	Opening UCC Balance	2010 Forecast Additions	CCA For Opening UCC	CCA For 2010 Additions	Total CCA - 2010	Closing UCC Balance
Transmission Station Equipment - 1815	Class 47	8%	-	-	-	-	-	-
Supervisory Control Equipment - 1980	Class 47	8%	-	-	-	-	-	-
Poles, Towers & Fixtures -1830	Class 47	8%	-	924,020	-	36,961	36,961	887,059
Distribution Meters-1860	Class 47	8%	-	-	-	-	-	-
			-	924,020	-	36,961	36,961	887,059

	CCA Class	CCA Rate	Opening UCC Balance	2011 Forecast Additions	CCA For Opening UCC	CCA For 2011 Additions	Total CCA - 2011	Closing UCC Balance
Transmission Station Equipment - 1815	Class 47	8%	-	177,565	-	7,103	7,103	170,463
Supervisory Control Equipment - 1980	Class 47	8%	-	206,655	-	8,266	8,266	198,388
Poles, Towers & Fixtures -1830	Class 47	8%	887,059	-	70,965	-	70,965	816,094
Distribution Meters-1860	Class 47	8%	-	236,350	-	9,454	9,454	226,896
			887,059	620,570	70,965	24,823	95,788	1,411,842

	CCA Class	CCA Rate	Opening UCC Balance	2012 Forecast Additions	CCA For Opening UCC	CCA For 2012 Additions	Total CCA - 2012	Closing UCC Balance
Transmission Station Equipment - 1815	Class 47	8%	170,463	-	13,637	-	13,637	156,826
Supervisory Control Equipment - 1980	Class 47	8%	198,388	-	15,871	-	15,871	182,517
Poles, Towers & Fixtures -1830	Class 47	8%	816,094	-	65,288	-	65,288	750,807
Distribution Meters-1860	Class 47	8%	226,896	-	18,152	-	18,152	208,744
			1,411,842	-	112,947	-	112,947	1,298,894

	CCA Class	CCA Rate	Opening UCC Balance	2013 Forecast Additions	CCA For Opening UCC	CCA For 2013 Additions	Total CCA - 2013	Closing UCC Balance
Transmission Station Equipment - 1815	Class 47	8%	156,826	-	12,546	-	12,546	144,280
Supervisory Control Equipment - 1980	Class 47	8%	182,517	-	14,601	-	14,601	167,916
Poles, Towers & Fixtures -1830	Class 47	8%	750,807	-	60,065	-	60,065	690,742
Distribution Meters-1860	Class 47	8%	208,744	-	16,700	-	16,700	192,045
			1,298,894	-	103,912	-	103,912	1,194,983

	CCA Class	CCA Rate	Opening UCC Balance	2014 Forecast Additions	CCA For Opening UCC	CCA For 2014 Additions	Total CCA - 2014	Closing UCC Balance
Transmission Station Equipment - 1815	Class 47	8%	144,280	-	11,542	-	11,542	132,737
Supervisory Control Equipment - 1980	Class 47	8%	167,916	-	13,433	-	13,433	154,483
Poles, Towers & Fixtures -1830	Class 47	8%	690,742	-	55,259	-	55,259	635,483
Distribution Meters-1860	Class 47	8%	192,045	-	15,364	-	15,364	176,681
			1,194,983	-	95,599	-	95,599	1,099,384