



**EB-2010-0279**

**IN THE MATTER OF** sections 25.20 and 25.21 of *the Electricity Act, 1998*;

**AND IN THE MATTER OF** a Submission by the Ontario Power Authority to the Ontario Energy Board for the review of its proposed expenditure and revenue requirement for the year 2011.

**BEFORE:** Paul Sommerville  
Presiding Member

Karen Taylor  
Member

## **DECISION AND ORDER**

### **Application**

On November 2, 2010, the Ontario Power Authority (the “OPA”) filed with the Ontario Energy Board (the “Board”) its proposed 2011 expenditure and revenue requirement and fees for review pursuant to subsection 25.21(1) of the *Electricity Act, 1998* (the “Electricity Act”). Pursuant to subsection 25.21(2) of the Act, the OPA is seeking the following approvals from the Board:

- approval of a net revenue requirement comprised of the proposed 2011 operating budget of \$64.1 million and a number of adjustments that result in a net amount of \$79.861 million;
- approval of a \$0.523/MWh usage fee, which is a decrease from the approved usage fee of \$0.551/MWh for 2010 and to recover its usage fees from export customers, in addition to Ontario customers;

- if necessary, interim approval of the usage fee described above, or such further or other interim orders as the Board may deem appropriate;
- approval of registration fees of up to \$10,000 per proposal for electricity supply and capacity procurements;
- approval of non-refundable application fees for the Feed-in-Tariff program of \$0.50/kW of proposed Contract Capacity, having a minimum of \$500 and to a maximum of \$5,000;
- approval of proposed 2011 capital expenditures of \$2.2 million;
- approval of its proposal to recover through fees the balances of the 2010 Forecast Variance Deferral Account;
- approval to continue to recover the balance of Retailer Settlement Deferral Accounts over three years;
- approval of establishment of the 2011 Retailer Contract Settlement Deferral Account, of the 2011 Retailer Discount Settlement Deferral Account, of the 2011 Government Procurement Costs Deferral Account and of the 2011 Forecast Variance Deferral Account, and approval or continuation of such further or other deferral accounts as the Board may deem appropriate; and
- all necessary orders and directions, pursuant to the *Ontario Energy Board Act, 1998* and the Board's Rules of Practice and Procedure, as may be necessary in relation to this submission, and execution of the approvals requested in the Business Plan.

On March 28, 2011, the OPA filed an update to its application which reflected audited 2010 actual results and an update to the IESO's 2011 forecast. The OPA reduced the usage fee to \$0.514/MWh and the revenue requirement amount to \$78.882 million.

The Board issued its Decision on the application on July 8, 2011. In the Decision, the Board approved the OPA's Net Revenue Requirement of \$78.882 million as updated on March 28, 2011, but did not approve the OPA's proposal to recover a portion of its fees from export customers. The Board allowed the OPA to choose from the following three alternatives:

- First, the OPA could apply to the Board for approval of the Usage Fee based on the approved Net Revenue Requirement and a Total IESO Energy Forecast that is exclusive of exports. The resulting Usage Fee is \$0.563/MWh.
- Second, the OPA could choose to re-apply to the Board to recover the 2011 Usage Fee from export customers in addition to Ontario customers, provided that application was accompanied by an appropriate evidentiary foundation as discussed above and evidence of stakeholder consultation.
- Third, the OPA could choose to continue with the current Usage Fee of \$0.551/MWh which was set for fiscal 2010 and declared interim by the Board on December 17, 2010. In this alternative, the Board would make the current interim rate final. The Board noted that this alternative would likely result in a larger than forecast balance in the 2011 Forecast Variance Deferral Account.

In a letter dated August 5, 2011, the OPA determined that it would continue with the current interim usage fee of \$0.551/MWh.

The Board has reviewed the letter and accepts the alternative chosen by the OPA. The current interim usage rate is therefore final.

**THE BOARD ORDERS THAT:**

1. The OPA shall continue with the current interim usage fee of \$0.551/MWh. The OPA shall track any revenue variances in the 2011 Forecast Variance Deferral Account for clearance in its next fees application.

**DATED** at Toronto, August 10, 2011

**ONTARIO ENERGY BOARD**

*Original Signed By*

Kirsten Walli  
Board Secretary