



RP-2002-0092
EB-2002-0101

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. for an order or orders approving
or fixing just and reasonable rates.

BEFORE: Paul Vlahos
Vice Chair and Presiding Member

George Dominy
Vice Chair and Member

DECISION AND ORDER

On December 21, 2001 the Ontario Energy Board ("the Board") issued filing guidelines to all electricity distribution utilities for the March 1, 2002 distribution rate adjustments. Supplemental instructions were issued on January 18, 2002.

Brantford Power Inc. ("the Applicant") filed an Application ("the Application"), dated January 25, 2002, for an order or orders under section 78 of the *Ontario Energy Board Act, 1998* approving or fixing just and reasonable rates for the distribution of electricity, effective March 1, 2002.

The Applicant filed a revised application ("the Revised Application") dated February 18, 2002.

The Board published a generic Notice in newspapers across Ontario informing ratepayers of the distribution rate adjustments to be effective March 1, 2002 and providing the opportunity for ratepayers to participate in the proceeding or comment on the utility's application. In response to the Board's generic Notice, the Board received a total of 148 submissions in the form of a letter, facsimile, or e-mail. The total may be apportioned to the following four categories:

- 100 were copies of a template submission seeking an oral hearing, wanting to make oral submissions, claiming that rates are not just and reasonable. Another 9 were of the same template but indicated they did not wish to make an oral submission.
- 10 indicated that there should be an oral hearing and wanted to make a submission.
- 11 indicated that there should be an oral hearing but did not wish to make an oral submission.
- 18 made substantive submissions.

In some cases the submission named a specific electricity distributor, in other cases it did not. The Applicant was not named in any of the submissions.

By letter dated February 11, 2002 the Board directed electricity distributors to serve the Notice to the municipal corporation in the distributors' service area. No submissions were received.

The Applicant applied to adjust its distribution rates for the following:

- Input Price Inflation (IPI) and Productivity Factor as provided for in the Performance Based Regulation (PBR) Plan.
- the second of three installments of the utility's incremental Market Adjusted Revenue Requirement (MARR), \$1,341,300.
- the 2001 deferred Payments in Lieu of Taxes (PILs), \$430,961.
- the 2002 Payments in Lieu of Taxes (PILs), \$1,534,812.
- an interim transition cost recovery, \$219,468.
- a change in the Applicant's late payment penalty and a provision for the revenue losses incurred by this change, \$143,900, and a Z-factor recovery of also \$143,900 for lost revenue.

Copies of the Application and supporting material are available for review at the Board's offices.

While the Board has considered all of the evidence filed in this proceeding, the Board has only referenced the evidence to the extent necessary to provide background to its findings.

Board Findings

As noted above, a number of persons have written to the Board requesting that the Board hold an oral hearing in the matter of the applications by electricity distributors.

Under subsection 5.1(2) of the *Statutory Powers Procedure Act*, the Board shall not hold a written hearing where a party satisfies it that there is good reason not to hold a written hearing, in which case the Board will proceed by way of an oral or electronic hearing. Good reasons for proceeding by way of an oral hearing may include the existence of questions of credibility in which the Board will be assisted by the ability to observe the demeanor of witnesses or the complexity of evidence which parties should have the ability to test through cross-examination. Another good reason may be where an oral hearing would allow the Board to more expeditiously deal with an application.

The persons who have requested an oral hearing have not cited any such reasons but have in most cases merely stated that "the rates are not just and reasonable" and that they "would like the opportunity to present to the Board on this matter".

The current proceeding is an extension of the process undertaken by the Board to restructure Ontario's electricity distribution industry. To facilitate this work, the Board developed a regulatory framework that was the result of extensive consultation and public hearings. The current applications are the result of this framework, which is largely formulaic and includes for the first time the provision for the legislative requirement of PILs.

Persons have received an opportunity to make their concerns known to the Board through the published Notice which invited written submissions on the applications. The Board notes that a written hearing is a public process in which all documents received by the Board are available to the public. The Board further notes that most of the issues raised by the submissions of the persons requesting an oral hearing are outside of the scope of the Board's jurisdiction in this proceeding. For example, some persons raised issues of privatization of electricity services and limitations in international trade agreements on the ability

of the government to make changes to Ontario's electricity system in the future. These are not relevant to the Board's duty in this proceeding to approve just and reasonable rates for an individual distributor regulated by the Board.

Therefore, the Board has decided not to hold an oral hearing in this matter.

The Board adjusts the Applicant's proposals as follows.

While the Board accepts the recovery of \$143,900 in rates on a prospective basis related to the Applicant's late payment policy change, the Board does not approve the claimed Z factor amount of the same \$143,900 amount which in effect would cover the period March 1, 2001 to February 28, 2002. In the Board's view, the requested amount is not a Z factor; rather it is a request for the Board to vary its previous decision and approve a retroactive rate adjustment. The Board will address this issue in this light.

The Applicant had not applied for such revenue adjustment in its initial filing for unbundled rates, which became effective March 12, 2001. The Board relies on the applicants to bring their best case forward for prospective rate adjustments, not on a piecemeal and selective basis. The Board cannot be expected to vary its previous decisions because an applicant might have thought that, after the fact (in this case, a long time after the fact), it could have included in its application certain other matters. Fairness and regulatory efficiency require that there be finality to the rate setting process. The Board therefore denies the Applicant's request to recover the claimed lost revenue for any period prior to March 1, 2002.

With respect to transition costs claimed, the Board adjust the amortization of billing activities from 30% to 20% to conform with Article 480 of the Accounting Procedures Handbook, and Appendix E of the Rate Handbook. Therefore transition costs claimed have been reduced from \$219,468 to \$197,352.

Subject to these and associated adjustments, the Board finds that the Applicant's proposals in the Revised Application, conform with the Board's earlier decisions, directives and guidelines and the resulting rates are just and reasonable.

THE BOARD ORDERS THAT:

- 1) The rates set out in Appendix "A" of this Order are approved effective March 1, 2002.
- 2) The Applicant shall notify its customers of the rate changes coincident with the first bill reflecting the new rates.

DATED at Toronto, February 28, 2002.

ONTARIO ENERGY BOARD




Peter H. O'Dell
Assistant Board Secretary

Appendix "A"

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February 28, 2002

ONTARIO ENERGY BOARD



Peter H. O'Dell
Assistant Board Secretary

Brantford Power Inc.
Schedule of Rates and Charges
Effective March 1, 2002

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Time Periods for Time of Use (Eastern Standard Time)

Winter: All Hours, October 1 through March 31

Summer: All Hours, April 1 through September 30

Peak: 0700 to 2300 hours (local time) Monday to Friday inclusive, except for public holidays including New Year's Day, Good Friday, Victoria Day, Canada Day, Civic Holiday (Toronto) Labour Day, Thanksgiving Day, Christmas Day and Boxing Day.

Off Peak: All Other Hours.

Cost of Power rates valid only until subsection 26(1) of the Electricity Act, 1998 comes into effect.

RESIDENTIAL

Monthly Service Charge	(per month)	\$11.44
Distribution Volumetric Rate	(per kWh)	\$0.0102
Cost of Power Rate	(per kWh)	\$0.0748

GENERAL SERVICE < 50 KW

Monthly Service Charge	(per month)	\$24.92
Distribution Volumetric Rate	(per kWh)	\$0.0047
Cost of Power Rate	(per kWh)	\$0.0738

GENERAL SERVICE > 50 KW (Non Time of Use)

Monthly Service Charge	(per month)	\$315.24
Distribution Volumetric Rate	(per kW)	\$2.0193
Cost of Power Demand Rate	(per kW)	\$6.2656
Cost of Power Energy Rate	(per kWh)	\$0.0521

GENERAL SERVICE > 50 KW (Time of Use)

Monthly Service Charge	(per month)	\$315.24
Distribution Volumetric Rate	(per kW)	\$2.0193
Cost of Power - Winter Peak	(per kW)	\$10.4510
Cost of Power - Summer Peak	(per kW)	\$7.7861
Cost of Power - Winter Peak	(per kWh)	\$0.0702
Cost of Power - Winter Off Peak	(per kWh)	\$0.0419
Cost of Power - Summer Peak	(per kWh)	\$0.0593
Cost of Power - Summer Off Peak	(per kWh)	\$0.0311

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SENTINEL LIGHTS (Non Time of Use)

Monthly Service Charge	(per connection)	\$0.31
Distribution Volumetric Rate	(per kW)	\$1.0041
Cost of Power Demand Rate	(per kW)	\$22.9641

STREET LIGHTING (Time of Use)

Monthly Service Charge	(per connection)	\$0.30
Distribution Volumetric Rate	(per kW)	\$1.1891
Cost of Power - Winter	(per kW)	\$33.0668
Cost of Power - Summer	(per kW)	\$12.4172

UN-METERED SCATTERED LOADS

Un-metered scattered loads such as telephone booths, cable amplifiers and radio antennae will be billed at General Service < 50 kW rates on estimated kWh usage which is based on an agreed upon usage between Brantford Power Inc. and each customer.

SPECIFIC SERVICE CHARGES

Transformation Allowance	\$0.60 per KW
Primary Metering	1% of KW and Kwh billed
New Account Set Up fee	\$15.75
Returned Cheque	\$20.00
Collection Visit	\$10.50
Reconnect After hours (actual cost min. of)	\$90.00
Reconnect During Hours	\$21.00
Secondary Service Install	\$265
Cogen Stand By	\$1.70 per KW contracted
Temporary Service actual cost incurred minimum	\$150.00
Pole Relocation	50% of charge incurred minimum \$250
Late Payment Penalty (per month)	1.50%
(per annum)	19.56%
Hydro Arrears Certificate Fee	\$20.00
Credit Check Fee	\$20.00