



EB-2010-0291

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 Great
Lakes Power Transmission Inc. on behalf of Great
Lakes Power Transmission LP seeking changes to the
uniform provincial transmission rates for 2011 and
2012;

PROCEDURAL ORDER NO. 3

AND REVISED 2012 GLPT'S TRANSMISSION REVENUE REQUIREMENT

Great Lakes Power Transmission Inc. on behalf of Great Lakes Power Transmission LP ("GLPT" or the "Applicant") has filed an Application with the Ontario Energy Board (the "Board") on September 29, 2010 under section 78 of the *Ontario Energy Board Act*, 1998, 1998 S.O. c.15, (Schedule B). GLPT is seeking Board approval for updated Uniform Transmission Rates ("UTR") to permit GLPT recovery of its forecasted revenue requirement for 2011 and for 2012. The Board has assigned the application Board file number EB-2010-0291.

In accordance with the Board's direction in Procedural Order No.1, GLPT and three intervenors, Schools Energy Coalition ("SEC"), Vulnerable Energy Consumers Coalition ("VECC") and Energy Probe Research Foundation ("Energy Probe") participated in a Settlement Conference on January 13, 2011 with the assistance of a facilitator. As a result of the Settlement Conference, the parties prepared a Settlement Proposal and filed it with the Board on January 21, 2011.

On February 2, 2011, the Board issued its Decision and Order and Accounting Order, accepting the Settlement Agreement, and in regard to the 2012 revenue requirement, the Board stated in part that:

“the 2012 Transmission Revenue Requirement is subject to change based on an adjustment that will be implemented with respect to the Cost of Capital as set out in Section 2.2 and Section 2.3 of the Approved Settlement, for the Cost of Debt and Cost of Equity, respectively”.

On November 10, 2011, the Board issued Cost of Capital Parameter Updates for 2012 Cost of Service Applications for Rates Effective January 1, 2012 (the “January 1, 2012 Cost of Capital Update”).

2012 Cost of Capital Update and GLPT’s Revised 2012 Revenue Requirement

On November 17, 2011, GLPT filed with the Board a revised 2012 Revenue Requirement Work Form to reflect the January 1, 2012 Cost of Capital Update. The revised 2012 Transmission Revenue Requirement for GLPT is calculated to be \$36,060,024 to replace the previous amount of \$36, 372,546.

For the purpose to seeking intervenor submissions, the Board requires that GLPT circulate to all intervenors of record the noted November 17, 2011 filing, covering the revised 2012 Revenue Requirement Work Form.

Update of the Uniform Transmission Rates (“UTR”) – Effective, January 1, 2012

Periodically the Board approves revision of the effective UTR transmission rates to commence on a certain date. To that end the approved revenue requirement and charge determinants that are effective on that certain date are used for the four licensed transmitters - Hydro One Networks Inc. (“Hydro One”), GLPT, Canadian Niagara Power Inc. (“CNPI”), and Five Nations Energy Inc. (“FNEI”).

Both Hydro One and GLPT are now in the process of revising their Board approved 2012 revenue requirements, which were both conditioned to be revised to reflect the noted 2012 Cost of Capital Update.

Consequently Hydro and GLPT are expected to request that the UTR effective January 1, 2012, be adjusted to allow them recovery of their respective 2012 revenue requirement, each of which would be subject to further adjustments attributable to various deferral account dispositions.

For that purpose, Board staff requested and GLPT included in its November 17, 2011 filing, the 2011 account balances and appropriate dispositions for certain deferral accounts as prescribed in the Board approved January 21, 2011 Settlement Agreement. The requested 2011 deferral account balances and dispositions are:

- The Deferral Account 1574 and its subaccounts, to capture the estimated sufficiency amount collected in 2011 of \$387,940 that resulted from use of GLPT's 2010 revenue requirement in 2011 UTR.
- Deferral Account 1505;
- Two New Subaccounts of 1508:
 - Rev.Req.Impact re IFRS changes in standards/interpretations
 - IFRS Gains/Losses re premature asset retirements

The Board invites comments from intervenors in regard to the adjusted GLPT revenue requirement intended to be used in the revised UTR effective January 1, 2012. The adjusted 2012 revenue requirement is calculated to be \$ 35,247,808 after allowing for pertinent dispositions of certain deferral accounts, as shown in Appendix B of the noted November 17, 2011 filing.

THE BOARD ORDERS THAT:

1. The Applicant shall deliver the November 17, 2011 filing containing revisions to its 2012 revenue requirements and the proposed adjusted 2012 revenue requirement for the January 1, 2012 uniform transmission rates to the intervenors and do so no later than **Wednesday, December 7, 2011**.
2. Intervenors, or Board staff who may wish to make submissions in regard to the revised 2012 revenue requirement or the adjusted 2012 revenue requirement for use in the January 1, 2012 uniform transmission rates, do so no later than **Friday, December 16, 2011**.
3. If you already have a user ID, please submit all filings to the Board noted in this Procedural Order through the Board's web portal at

www.errr.ontarioenergyboard.ca. Additionally, two paper copies are required. If you do not have a user ID, please visit the Board's website under e-filings and fill out a user ID password request. For instructions on how to submit and naming conventions please refer to the RESS Document Guidelines found at www.ontarioenergyboard.ca, e-Filing Services. The Board also accepts interventions by e-mail, at the address below, and again, two additional paper copies are required. Those who do not have internet access are required to submit their intervention request on a CD in PDF format, along with two paper copies.

DATED at Toronto on December 2, 2011

ONTARIO ENERGY BOARD

Original Signed By

Kirsten Walli
Board Secretary