



February 10, 2012

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
P.O. Box 2319  
27th Floor  
2300 Yonge Street Toronto, Ontario M4P 1E4

Via RESS and Courier

Dear Ms. Walli,

**RE: BRANTFORD POWER INC. REPLY SUBMISSION TO BOARD STAFF  
INTERROGATORIES 2012 IRM DISTRIBUTION RATE APPLICATION  
EB-2011-0147**

Please find attached Brantford Power Inc.'s reply submission to Board Staff's 2012 IRM Distribution Rate Application interrogatories filed on January 27, 2012.

We would be pleased to provide any further information or details that you may require.

Yours truly,

*Original signed by*

George Mychailenko, CEO  
Brantford Power Inc.

cc.

Heather Wyatt, Manager, Regulatory Compliance and Governance,  
Board Secretary

**IN THE MATTER OF** the *Ontario Energy Board Act, 1998*,  
S.O. 1998, c.15, (Schedule B), as amended;

**AND IN THE MATTER OF** an Application by Brantford  
Power Inc. for an order or orders approving or fixing just and  
reasonable distribution rates to be effective May 1, 2012

**REPLY SUBMISSIONS OF BRANTFORD POWER INC.**

**DELIVERED FEBRUARY 10, 2012**

Brantford Power Inc.  
84 Market Street  
Brantford ON N3T 5N8

**George Mychailenko**

CEO

Tel: (519) 751-3522 Ext. 3226

Fax: (519) 753-6130

[gmychailenko@brantford.ca](mailto:gmychailenko@brantford.ca)

**Heather Wyatt**

Manager of Regulatory Compliance  
and Governance, Board Secretary

Tel: (519) 751-3522 Ext. 3269

Fax: (519) 753-6130

[hwyatt@brantford.ca](mailto:hwyatt@brantford.ca)

**TO:**

**THE ONTARIO ENERGY BOARD**

Kirsten Walli  
Board Secretary  
Ontario Energy Board  
27<sup>th</sup> Floor, P.O. Box 2319  
2300 Yonge Street  
Toronto, ON M4P 1E4  
Tel: (416) 481-1967  
Fax: (416) 440-7656  
Email: [boardsec@oeb.gov.on.ca](mailto:boardsec@oeb.gov.on.ca)

**AND TO:**

**VULNERABLE ENERGY CONSUMERS COALITION (VECC)**

Michael Buonaguro  
Counsel for VECC  
One Nicholas Street, Suite 1204  
Ottawa, ON K1N 7B7  
Tel: (416) 767-1666

**SCHOOL ENERGY COALITION**

Mr. Bob Williams  
Co-ordinator  
18<sup>th</sup> Floor  
439 University Avenue  
Toronto, ON M5G 1Y8  
Tel: (416) 340-2540  
Fax: (416) 340-7571  
Email: [bwilliams@opsba.org](mailto:bwilliams@opsba.org)

Mr. John De Vellis  
Shibley Righton LLP  
Barristers and Solicitors  
Suite 700  
250 University Avenue  
Toronto, ON M5H 3E5  
Tel: (416) 214-5232  
Fax: (416) 214-5432  
Email: [john.devellis@shibleyrighton.com](mailto:john.devellis@shibleyrighton.com)

Ms. Rachel Chen  
Institutional Energy Analysis Inc.  
Suite 700  
250 University Avenue  
Toronto, ON M5H 3E5  
Tel: (416) 214-5218  
Fax: (416) 214-5218  
Email: [rachel.chen@ieai.ca](mailto:rachel.chen@ieai.ca)

**1. Ref: A portion of the Tax Savings Workform, Tab 3**

Board staff is unable to verify the “Re-Based Billed kW” for the General Service 50 to 4,999 kW rate class to Brantford’s previous CoS Application (EB-2007-0698). Board staff also cannot verify the “Re-based billed Customers or Connections” and the “Re-based Billed kW” for the Embedded Distributor rate class.

- a) Please provide evidence from Brantford’s previous CoS Application supporting these figures.

**RESPONSE**

In its previous Cost of Service (“CoS”) Application (EB-2007-0698) Brantford Power Inc. (“BPI”) had not established an embedded distributor class and the “Re-based Billed kW” for this class, which has three connections, was included to the total “Re-based Billed kW” of the General Service 50 to 4999kW rate class. The result that followed the Ontario Energy Board’s (“Board”) decision in the proceeding with its embedded distributor, Brant County Power Inc., [EB-2009-0063; Decision dated August 10, 2010 and September 8, 2010], led to BPI establishing an embedded distributor class in 2010 .

Table 1 below sets out the number of customers and the kWh attributable to the general service greater than 50 class prior to the establishment of the embedded distributor class.

Table 1

<b>Rate Class</b>	<b>Re-based Billed Customers or Connections</b>	<b>Re-based Billed kW</b>
General Service 50 to 4,999 kW	413	1,635,606

Table 2 sets out the number of customers and the kW’s attributable to the embedded distributor class that was established in 2010 and the reduction to the number of customers and kW’s attributable to the general service > 50 kW class.

Table 2

<b>Rate Class</b>	<b>Re-based Billed Customers or Connections</b>	<b>Re-based Billed kW</b>
General Service 50 to 4,999 kW	410	1,465,200
Embedded Distributor	3	170,406
<b>Total</b>	<b>413</b>	<b>1,635,606</b>

Other changes to BPI's rate structures and revenue to cost ratio adjustments that have occurred since BPI's CoS rate application are discussed in more detail below in the response to interrogatory #6

Attachment 1.a.1 shows the number of customers and the billed kW's in BPI's 2010 IRM Rate Application before the embedded distributor class was established.

Attachment 1.a.2 shows the number of customers and billed kW's after the embedded distributor class was established.

- b) If changes are necessary, please confirm the figures which reconcile with Brantford's previous cost of service application, and Board staff will make the necessary adjustments to the model.

### **RESPONSE**

BPI is of the opinion that no changes are necessary.

### **2. Ref: Tax Savings Workform, Tab 5**

Board staff has been unable to verify the data entered on tab 5 of the Tax Savings Workform.

- a) Please provide evidence from Brantford's previous CoS Draft Rate Order or Decision supporting these figures.

### **RESPONSE**

Changes to BPI's rate structures and revenue to cost ratio adjustments that have occurred since BPI's CoS rate application are discussed in more detail below in the response to interrogatory #6.

- b) If changes are necessary, please confirm the figures which reconcile with Brantford's previous cost of service application, and Board staff will make the necessary adjustments to the model.

### **RESPONSE**

Attachment 2.b.1 [BPI Submission Response to Board Decision; EB-2009-0698; dated July 31, 2008] is a confirmation of the values entered on tab 5 of the Tax Savings Workform.

Below are the only values that BPI has confirmed need to be changed:

- Taxable Capital (2008) to be changed from \$69,601,932 to **\$69,601,959** for a difference of \$27.00;
- Regulatory Taxable Income to be changed from \$2,455,877 to **\$2,455,876**. The difference is \$1.00 and was the result of rounding.

The Board in its rate order [EB-2009-0698; Decision dated August 29, 2008], accepted the information that was provided by BPI in its Submission Response to Board Decision [EB-2009-0698; dated July 31, 2008].

**3. Ref: RTSR Workform, Tab 4**

Board staff is unable to reconcile the figures reported in the column “Non-Loss Adjusted Metered kW” for the classes Sentinel Lighting and Embedded Distributor to Brantford’s RRR 2.1.5 filings.

- a) Please provide evidence for the above noted figures.

**RESPONSE**

Accompanying this response as Attachment 3.a.1 is a confirmation that the figures reported in the column “Non-Loss Adjusted Metered kW” for the classes Sentinel Lighting and Embedded Distributor for BPI’s RRR 2.1.5 filings are correct.

- b) If changes are required, please confirm the figures which reconcile with Brantford’s RRR 2.1.5 filings, and Board staff will make the necessary adjustments.

**RESPONSE**

BPI is of the opinion that no changes have to be made to the column “Non-Loss Adjusted Metered kW” for the classes Sentinel Lighting and Embedded Distributor.

**4. Ref: A portion of the Rate Generator Model, Tab 4**

Board staff notes that an “Effective Until Date” for the Smart Meter Funding Adder for the General Service 50 to 4, 999 kW appears to have been entered incorrectly, as it should read April 30, 2012.

- a) If Brantford agrees with Board staff, please confirm, and Board staff will make the necessary correction to the model.

**RESPONSE**

BPI agrees with Board staff, that this is a typographical error and the correct date entry should be April 30, 2012.

**5. Ref: Rate Generator, Tab 6**

**Ref: Current Tariff of Rates and Charges, Effective May 1, 2011**

Board staff notes that the line item “Rate Rider for Global Adjustment Sub-Account Disposition (2010) – Effective until April 30, 2012 – Applicable only for Non-RPP customers”, as found on Brantford’s current tariff schedule, has not been entered on tab 6 of the Rate Generator.

- a) If this is an error, please confirm, and Board staff will make the necessary corrections to the model.

**RESPONSE**

The “Rate Rider for Global Adjustment Sub-Account (2010) – Effective until April 30, 2012 – Applicable only for Non – RPP customers” was not inputted in the model. Board staff may make the necessary changes to the model on Tab 6.

BPI notes that this particular rate rider was recovered in the electricity component of the customer’s bill.

- b) If the answer to (A) is no, please confirm, and provide an explanation for the exclusion of this rider.

**RESPONSE**

N/A

**6. Ref: A portion of the Rate Generator, Tab 10**

Board staff is unable to confirm the figures entered for the column “Distribution Revenue” to Brantford’s previous CoS proceeding (EB-2007-0698), specifically to the Operating Revenue section.

- a) Please provide evidence supporting these figures.

**RESPONSE**

The figures used in the “Distribution Revenue” column were reported from BPI’s most updated Distribution Revenues approved in 2010, not from BPI’s 2008 Cost of Service proceeding.

Between 2008 and 2010 BPI made a series of changes necessitating adjustments to its Distribution Revenue:

The Board’s 2008 Cost of Service Decision [EB-2007-0698] resulted in a 3-year movement of revenue to cost ratios to the lower limit of the board’s prescribed ranges in the Street Lighting and Sentinel Lighting rate classes. The ratios were moved 50% of the difference in the 2008 rates, and the remaining difference in 2 equal increments in 2009

and 2010. The revenue offsets from these changes were applied to the General Service 50 to 4999 kW rate class each year.

In its 2009 IRM rate application [EB-2008-0162], BPI departed from the methodology used in the Supplementary Module to adjust its base rate for changes to revenue to cost ratios. The changes proposed are detailed in Attachment 6.a.1, an excerpt of Section 3.0 of the Manager's Summary for [EB-2008-0162]. These changes were endorsed by the Board in its decision for [EB-2008-0162], and confirmed to be reasonable and reflective of the intention of the Board's 2008 Decision.

With its decision in BPI's 2010 IRM rate application [EB-2009-0214], the Board approved BPI's request to increase the revenue to cost ratios incrementally in the Residential and General Service less than 50kW classes, with the revenue offsets to be applied to the General Service Greater than 50 kW class.

Additionally, in its 2010 rate application, BPI received approval for rates reflecting a reallocation of costs and benefits related to transformer allowance in accordance with the Board's Methodology, as exhibited Attachment 6.a.2, the [EB-2009-0214] Supplemental Model tab "C1.3 Transformer Allowance". The overall effect of all of the 2010 changes was captured in Attachment 6.a.3, tab "C1.6 Proposed Revenue", which shows the new starting point for distribution revenues in the "Revenue Requirement from Rates" column. These are the figures which were used for the distribution revenue portion in tab 10 of the current filing.

BPI established its Embedded Distributor class as per the Board Decision in [EB-2009-0063] of August 10, 2010. The class, as presented in the current application, appears with no figure in the distribution revenue column. BPI notes that its distribution revenues were last approved in Board Decision for [EB-2009-0214] dated April 12, 2010, before the Embedded Distributor class was created. As there was no Embedded Distributor class at that time, there was no revenue, which is reported in Tab 10 of the current application. BPI notes that at the time of the 2010 rate application, BPI was aware of the volumetric consumption for Brant County Power (the embedded distributor in question) but would not know the rates and therefore revenues until the Board's amended decision in [EB-2009-0063], dated September 8, 2010.

During the completion of the filing for the current application, BPI consulted Board Staff whether to use the 2008 Cost of Service decision revenues or the updated 2010 figures. As documented in Attachment 6.a.4, Board Staff confirmed that the most current information is the most appropriate.

b) If changes are necessary, please confirm the figures, and Board staff will update the model.

BPI confirms that no changes are necessary.

**7. Account 1521 - Special Purpose Charge (“SPC”)**

- a) Please confirm what amount Brantford paid in regards to the SPC Assessment and provide a copy of the original invoice.

**RESPONSE**

Brantford paid \$376,534 in regards to the SPC Assessment and attachment 7.a.1 is a confirmation copy of the original invoice.

- b) Please confirm Brantford’s beginning and ending billing dates to customers for the SPC Assessment.

**RESPONSE**

Billings started May, 2011 and ended June 2011. Rates were effective May 1, 2010 to April 30, 2011.

- c) Please complete the following table related to the SPC.

**RESPONSE**

SPC Assessment (Principal balance)	Amount recovered from customers in 2010	Carrying Charges for 2010	December 31, 2010 Year End Principal Balance	December 31, 2010 Year End Carrying Charges Balance	Amount recovered from customers in 2011	Carrying Charges for 2011	Forecasted December 31, 2011 Year End Principal Balance	Forecasted December 31, 2011 Year End Carrying Charges Balance	Carrying Charges for 2012 (Jan 1 to April 30)	Total for Disposition (Principal & Interest)
\$376, 534.00	\$(240, 798.46)	\$1,100	\$135, 735.54	\$1,100	\$(117, 952.00)	\$594.62	\$17,783.54	\$1, 694.63	\$87.00	\$19, 565.17

**8. Ref: Manager’s Summary / pg. 10  
Ref: Appendix C / LRAM Support**

Brantford has requested an LRAM recovery associated with 2005 to 2010 CDM programs for a total amount of \$642, 821.54.

- a) Please confirm that Brantford has used final 2010 program evaluation results from the OPA to calculate its LRAM amount.

**RESPONSE**

The LRAM claim has been updated to include the finalized 2010 OPA CDM Details results. The chart illustrates the impact on the LRAM claim:

	<b>ORIGINAL SUBMISSION LRAM \$</b>	<b>UPDATED LRAM \$</b>	<b>VARIANCE</b>
<b><u>OPA Programs</u></b>	-		
<b>RESIDENTIAL</b>	\$422,612.47	\$422,859.19	\$246.72
<b>GENERAL SERVICE &lt;50KW</b>	\$61,693.22	\$61,697.35	\$4.13
<b>GENERAL SERVICE &gt;50KW</b>	\$104,906.55	\$105,185.58	\$279.04
	<b>\$589,212.24</b>	<b>\$589,742.13</b>	\$529.89
<b><u>Third Tranche</u></b>			
<b>RESIDENTIAL</b>	\$35,419.56	\$35,419.56	\$0.00
<b>UNMETERED SCATTERED LOAD</b>	\$18,189.74	\$18,189.74	\$0.00
	<b>\$53,609.30</b>	<b>\$53,609.30</b>	\$0.00
	<b>\$642,821.54</b>	<b>\$643,351.43</b>	<b>\$529.89</b>

- b) If Brantford did not use final 2010 program evaluation results from the OPA, please explain why and update the LRAM amount accordingly.

**RESPONSE**

Please see above.

- c) Please provide a table that shows the LRAM amounts Brantford has collected historically.

**RESPONSE**

BPI advises that it has not made an LRAM claim prior to this application and has not collected LRAM amounts historically.

- d) Please confirm that Brantford has not received any of the lost revenues requested in this application in the past. If Brantford has collected lost revenues related to programs applied for in its application, please discuss the appropriateness of this request.

**RESPONSE**

BPI confirms that we have not received any of the lost revenues requested in this application in the past.

- e) Please identify the CDM savings that were proposed to be included in Brantford's last Board approved load forecast for CDM programs deployed from 2005-2008 inclusive.

**RESPONSE**

BPI's load forecast was last approved by the Board in July 18, 2008 in its cost of service proceeding EB-2007-0698. The following is an extract from the Board's decision in that proceeding:

**LOAD FORECAST**

The Company's load forecast was developed using a normalized average consumption ("NAC") estimate for a given rate class multiplied by a customer count forecast for that rate class. The NAC value is based on 2004 consumption data that was generated by Hydro One using Hydro One's weather normalization model for the cost allocation initiative previously undertaken by the Board. The Company's 2008 load forecast is based on a forecast of customer growth using historical data from 2002 to 2006 and projected data for 2007 and 2008.

Board staff observed that the Company's methodology utilized only a single year of weather-normalized historical load to determine the future load. Board staff noted that this assumed that no CDM improvements had occurred over the past few years and that none were expected in the immediate future, and might therefore result in an overestimation of load. SEC shared Board staff's concerns. In its reply submission, the Company stated that it is premature to comment on a multiyear normalization approach at this time pending the completion of its review of alternative methods to the single-year normalization used in the application.

**Board Findings**

The Board accepts the Company's customer forecast. The Board also accepts the Company's use of 2004 weather normalized data. The Board has noted Board staff's

concerns, but the process to obtain this data was an intensive effort for all parties involved and the proposal is leveraging the value of this work. The Company has not expressed concern that its load may be overestimated.

[Ontario Energy Board Decision EB-2007-0698 dated July 18, 2008, page 13.]

As noted in the Board's decision, BPI's last approved load forecast assumed no CDM improvements had occurred over the past few years and that none were expected in the immediate future. BPI asserts that no CDM savings were accounted for in its approved load forecast. This is consistent with the decision in Horizon's rate application with respect to its approved 2008 load forecast. [EB-2011-0172 dated December 21, 2011]

f) Please provide a table that shows the LRAM amounts requested in this application by the year they are associated with and the year the lost revenues took place, divided by rate class within each year. Use the table below as an example and continue for all the years LRAM is requested.

**RESPONSE**

Years that lost revenues took place						
2006	2007	2008	2009	2010	2011	

**RESIDENTIAL  
THIRD TRANCHE**

2005	\$ 741.13	\$ 726.15	\$ 693.61	\$ 686.76	\$ 698.75	\$ 703.88
2006	\$ 5,435.08	\$ 5,325.18	\$ 5,086.56	\$ 5,036.32	\$ 5,124.23	\$ 5,161.91

**OPA PROGRAMS**

2006	\$ 38,458.57	\$ 37,680.95	\$ 35,992.42	\$ 35,636.94	\$ 6,297.39	\$ 6,343.69
2007		\$ 19,397.51	\$ 18,371.38	\$ 18,189.93	\$ 18,507.46	\$ 18,630.78
2008			\$ 32,212.17	\$ 23,695.04	\$ 24,108.67	\$ 24,285.94
2009				\$ 13,132.94	\$ 13,155.43	\$ 13,252.16
2010					\$ 12,820.71	\$ 12,689.12
2011						

\$ 44,634.78    \$ 63,129.80    \$ 92,356.13    \$ 96,377.92    \$ 80,712.64    \$ 81,067.49

**GENERAL SERVICE  
<50KW**

**OPA PROGRAMS**

2006						
2007						
2008			\$ 16.07	\$ 15.99	\$ 16.24	\$ 16.33
2009				\$ 17,691.37	\$ 17,973.68	\$ 18,067.78

2010					\$ 3,939.63	\$ 3,960.26		
2011								
	\$	-	\$	-	\$ 16.07	\$ 17,707.36	\$ 21,929.55	\$ 22,044.37

**GENERAL SERVICE  
 >50KW**

**OPA PROGRAMS**

2006	\$ 5,978.80						
2007		\$ 7,818.17	\$ 165.74	\$ 170.44	\$ 165.64	\$ 163.33	
2008			\$ 15,126.68	\$ 1,958.60	\$ 1,903.41	\$ 1,876.90	
2009				\$ 22,956.24	\$ 11,367.50	\$ 11,209.22	
2010					\$ 16,364.74	\$ 7,960.18	
2011							
	\$	5,978.80	\$ 7,818.17	\$ 15,292.41	\$ 25,085.28	\$ 29,801.29	\$ 21,209.63

**UNMETERED  
 SCATTERED LOAD**

**THIRD TRANCHE**

2005		\$ 846.78	\$ 827.63	\$ 823.79	\$ 819.96	\$ 816.13	
2006		\$ 2,878.83	\$ 2,813.69	\$ 2,800.67	\$ 2,787.64	\$ 2,774.61	
	\$	-	\$ 3,725.61	\$ 3,641.32	\$ 3,624.46	\$ 3,607.60	\$ 3,590.75

<b>TOTAL</b>	<b>\$ 50,613.58</b>	<b>\$ 74,673.58</b>	<b>\$ 111,305.93</b>	<b>\$ 142,795.02</b>	<b>\$ 136,051.08</b>	<b>\$ 127,912.24</b>	<b>\$ 643,351.43</b>
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- g) Please discuss if Brantford is applying for carrying charges on the LRAM amounts requested in this application.

**RESPONSE**

BPI is not applying for carrying charges on the LRAM amounts requested in this application.

- h) If Brantford is requesting carrying charges, please provide a table that shows the monthly LRAM balances, the Board-approved carrying charge rate and the total carrying charges by month for the duration of this LRAM request to support your request for carrying charges. Use the table below as an example:

Year	Month	Monthly Lost Revenue	Closing Balance	Interest Rate	Interest \$

**RESPONSE**

N/A

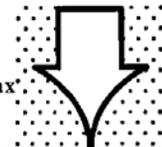




- Removal of the interest expense addition and deduction in finalizing the allowance for PILs [Pages 10 to 11];
- Removal of the various amounts related to regulatory assets including the Global Adjustment from the computation of the test year PILs tax allowance [Pages 11 to 13]; and
- Incorporation of the new combined income tax rate for 2008 of 33.5%, the Ontario capital tax exemption amount of \$15 million and the new rate of 0.225%, and the new applicable CCA class rates. [Page 13]

As set out in Table 7, the application of the Ontario capital tax exemption amount of \$15 million and the new rate of 0.225% results in a reduction to Capital Tax. There is no change in applicable CCA class rates.

**Table 7**  
**Changes to Capital Tax**



	2008 Revised based on OEB Decision	2008 EDR Application
Rate Base	\$ 69,601,959	\$ 70,179,031
Less: Exemption	\$ (15,000,000)	\$ 14,550,000
<b>Deemed Taxable Capital</b>	<b>\$ 54,601,959</b>	<b>\$ 55,629,031</b>
Capital Tax Rate	0.225%	0.285%
<b>Capital Tax</b>	<b>\$ 122,854</b>	<b>\$ 158,543</b>

Reduction of the depreciation and amortization additions to net income for purposes of calculating PILs and reduction of the Capital Cost Allowance deduction from net income resulting from the removal of capital expenditures relating to conventional meters have also been included in the recalculation of PILs.

BPI's recalculation of PILs expense to reflect all of the changes identified above is set out in Table 8.

**Table 8**  
**Changes to PILs**

	2008 Revised based on OEB Decision	2008 EDR Application
<b>Regulatory Net Income</b>	\$ 2,782,639	\$ 2,843,537
<b>Additions to Net Income</b>		
Depreciation and amortization <sup>1</sup>	\$ 3,268,334	\$ 3,274,649
Employee benefit plans & AFDA	\$ 849,005	\$ 849,005
Meals and entertainment	\$ 5,000	\$ 5,000
Income on joint venture or partnership	\$ 3,500	\$ 3,500
Interest Expense - actual <sup>2</sup>	\$ -	\$ 2,384,429
Regulatory Assets - opening <sup>3</sup>	\$ -	\$ (822,597)
Global Adjustment <sup>3</sup>	\$ -	\$ 265,936
<b>Total Additions</b>	\$ 4,125,839	\$ 5,959,922
<b>Deductions from Net Income</b>		
Capital Cost Allowance <sup>1</sup>	\$ 3,541,115	\$ 3,547,430
Employee Benefit Plans & Other Reserves	\$ 853,038	\$ 853,038
Cummulative Eligible Capital	\$ 58,449	\$ 58,449
Interest Expense - deemed <sup>2</sup>	\$ -	\$ 2,222,304
Regulatory Assets - ending <sup>3</sup>	\$ -	\$ (2,026,651)
<b>Total Deductions</b>	\$ 4,452,602	\$ 4,654,570
<b>Taxable Income</b>	\$ 2,455,876	\$ 4,148,889
Corporate Income Tax Rate <sup>4</sup>	33.5%	34.5%
<b>Grossed-up Taxes</b>	\$ 1,237,171	\$ 2,185,293
<b>Capital Taxes</b>	\$ 122,854	\$ 158,543
<b>PILs (with Gross-up)</b>	\$ 1,360,025	\$ 2,343,836

**ATTACHMENT3.a.1**

Seagate Crystal Smart Viewer for ActiveX

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 4/29/2011

**E2.1.5 Performance Based Regulation**

**Summary**

Filing Due Year: 2011	Filing From Name: 2.1.5	RRR Filing Number: 163
Reporting Period and Company Name: April 2011: Brantford Power Inc.	Licence Type: Distributor	Status: Revised
Report Version: 1	Extension Granted:	Extension Deadline:
Filing Due Date: 5/2/2011	Reporting From January 1, 2010	Reporting From December 31, 2010
Submitted On: 4/29/2011	Submitter Name: Heather Wyatt	Expiry Date 5/3/2011

**Line Crew Wage Rates (\$/hr)**

New Average Line Crew Wage Rate (\$/hr) 35.16	New Line Crew Wage Rate (\$/hr) 33.01	New Line Crew Wage Rate effective date 5/29/2011
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**Labour**

Full time equivalent number of employees 65	Estimated average number of employees for the year whose earnings are charged to current operating expenses (Administrative, operating, and maintenance) 55.00	
Salaries and Wages charged to current operating expenses, in dollars 4,285,256.00	Estimated average number of employees charged to new construction 9.00	Employee Salaries Wages charged to new Construction, in 797,582.00

**Capital (in dollars)**

**Gross Capital Additions**

a) Employee labor including benefits 797,582.00	b) Equipment and materials 1,543,004.00	c) Capital works/Other 2,473,734.00
d) Overhead 1,399,558.00	e) Carrying charges 63,583.00	
Total Gross Capital Additions (sum of a, b, c, d, & e) 6,277,461.00		

**Other Capital Related Information**

Retirements for year (net loss amount should be positive and net gain amount should be negative) -233,189.00	Contributed capital for the year (Incremental) -196,588.00
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**Supply and Delivery Information**

**A) Supply**

i. Total kWhs of electricity that has flowed into the distributor's distribution system from the IESO-controlled grid or the distribution system of a host 941,795,945.00	ii. Total kWhs of electricity that has flowed into the distributor's distribution system from all embedded generation facilities 8,963,168.00	iii. Number of wholesale meters pertaining to the utility located on primary side of the supply transformers 2
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**B) Delivery**

i. Total kWhs of electricity delivered to all customers in the distributor's licensed service area and to any embedded distributors 920,628,448.00	ii. Total kWh delivered to customers in the Large Use class 0.00	iii. Total kWhs delivered to embedded distributors 0.00
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**C) Distribution Losses**

Distribution losses in kWhs, calculated as the difference between the supply as reported in A(i) and A(ii) above, less delivery as reported in B(i) above.  
30,130,656.00

**D) Amount Charged (\$)**

Amount charged by any host distributor for transmission or low voltage services in the year  
0.00

**Customers, Demand and Revenues**

Rate Class	Number	Billed kW	Billed kWh	Revenues Account (4080)
Residential Customers	34,495	0	289,840,430	8,635,912.85
General Service < 50 kW Customers	2,735	0	99,142,979	1,419,084.26
General Service >= 50 kW Customers	424	1,326,294	522,228,963	4,962,439.47
Large User (>5,000 kW) Customers	0	0	0	0.00
Street Lighting Connections	9,954	22,480	7,354,350	130,349.65
Sentinel Lighting Connections	702	0	490,659	26,613.24
Sub Transmission Customers	0	0	0	0.00
Intermediate Service	0	0	0	0.00
Scattered Unmetered Load Connections	446	0	1,571,067	81,632.13
Embedded Distributor(s)	3	158,115	0	367,547.44
Total (Auto-Calculated)	48,759	1,506,889	920,628,448	15,623,579.04

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**Miscellaneous Utility Characteristics**

Total Service Area (Sq.Km) 74	Rural Service Area (Sq.Km) 0	Urban Service Area (Sq.Km) 74
Service Area Population  94,493	Municipal Population  94,493	Number of Seasonal Occupancy Customers 0
Utility Winter Max Monthly Peak Load (kW) 152,255	Utility Summer Max Monthly Peak Load (kW) 189,600	Utility Average Peak Load (kW)  152,836
Utility Average Load Factor 70		
Circuit Kilometers of Line 508	Overhead Circuit Kilometers of Line 266	Underground Circuit Kilometers of Line 242
<b>Circuit Kilometers of Line by Type</b>		
3 Phase 230	2 Phase 0	Single Phase 278
Total of all phases 508		
<b>Number of Transformers by Type</b>		
Transmission 1	Sub-transmission 0	Distribution 3,340
<b>Number of Distribution and Transmission Stations by kV</b>		
Number of Distribution and Transmission Stations in Total 3,340	Number of Distribution and Transmission Stations Greater Than or Equal to 50kV 2,817	Number of Distribution and Transmission Stations Less Than 50 kV 523

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**Incentive Rate Mechanism**

Regulatory Return Earned Report Mailed to the Board  
4/29/2011

Comments

## ATTACHMENT 6.a.1

EB-2008-0162  
 Brantford Power Inc.  
 Application for 2009 Electricity Distribution Rates  
 November 7, 2008  
 Page 2 of 33

The Rate Generator (the "Model") with Supplementary Module (the "Supplementary Module") for 3rd Generation IR Rate Applications Version 2.0 released by the OEB on October 23, 2008 are included with this submission. As discussed in greater detail in Section 3.0 of this Manager's Summary, BPI notes that it has departed from the method used in the Supplementary Module to adjust base rates for additional changes to revenue to cost ratios.

This application is submitted in the forms set out by the OEB in its correspondence dated October 3, 2008 and includes the Manager's Summary, the 2009 IR Model and Supplementary Module.

### 2.0 Revenue Requirement recovered by the rebased distribution rates approved in the 2008 cost of service review

As set out in Sheet B3.1 (Re-Basing Revenue Requirement) of the Supplementary Module, the difference between the Revenue Requirement from distribution rates approved in the 2008 cost of service of \$15,996,064 and the Rate Classes Revenue – Total of \$15,980,596 is \$15,468 or 0.10 per cent, less than the materiality threshold of 1 per cent.

### 3.0 Revenue to cost ratios

BPI submits the following proposal to change the 2009 rates in regards to moving the revenue to cost ratios as directed by the OEB in its Decision on 2008 rates dated July 18, 2008 (the "Decision").

In its Decision on Revenue to Cost Ratios, the OEB directed BPI to re-balance rates to yield ratios of: Streetlights to 53% and Sentinel to 40%, with the remainder in 2 equal increments in 2009 and 2010 to reach the bottom of the target range of the respective classes. BPI applied the increased revenue from these classes to reduce the revenue to cost ratio for the GS>50kW class as outlined in Table 1.

**Table 1**  
 2008 Revenue to cost ratios

Revenue to Cost Ratios		
Rate Class	Application Proposed (%)	Resulting (%) From Decision
Residential	91	91
GS < 50 kW	83	83
GS > 50 kW	140	139
Street Lights	37	53
Sentinel Lights	10	40
Unmetered Scattered Load	110	110
Back Up/Standby	116	116

The proposed revenue to cost ratios outlined in Table 1 are consistent with the revenue and cost data resulting from the cost allocation study that supported the 2008 rate application. Table 2 outlines information that supports the proposed revenue to cost ratios.

**Table 2**  
**Proposed Revenue to cost ratios**

Rate Class	Revenue	Cost	Revenue/ Cost Ratio (%)
	A	B	A/B
Residential	\$9,378,303	\$8,763,515	91
GS < 50 kW	\$1,636,594	\$1,678,507	83
GS > 50 kW	\$5,055,697	\$2,980,102	140
Street Lighting	\$68,427	\$152,970	37
Sentinel Lighting	\$10,042	\$85,238	10
USL	\$114,004	\$89,833	110
Back Up/Standby	\$58,986	\$41,612	116

In the 2008 rate application, Table 3 outlines the split of revenue by rate class assuming revenue at existing rates (i.e. 2007 rates applied to 2008 forecasted customers and volumes).

**Table 3**  
**Split of revenue at existing rates for the 2008 rate application**

Rate Class	Revenue Split (%)
Residential	54.39
GS < 50 kW	9.39
GS > 50 kW	34.97
Street Lighting	0.66
Sentinel Lighting	0.14
USL	0.51
Back Up/Standby	0.24
Total	100

When the above revenue splits were applied to the approved revenue requirement of \$15,457,545 the revenue by class, assuming revenue was split consistent with the existing rates at the time, is outlined in Table 4.

**Table 4**  
**Revenue Split assuming revenue at existing rates**

Rate Class	Revenue
Residential	\$8,408,128
GS < 50 kW	\$1,450,724
GS > 50 kW	\$5,406,125
Street Lighting	\$71,035
Sentinel Lighting	\$5,354
USL	\$78,499
Back Up/Standby	\$37,679
Total	\$15,457,545

For the purposes of evaluating and moving the revenue to cost ratios in accordance with the OEB's Decision, BPI assumed the above split of revenues would have the same level of subsidization or over-recovery as the cost allocation study indicated, as there had not been any steps taken since the completion of the cost allocation study to adjust revenues for the results of the study. For example, it was assumed that the Residential class revenue of \$8,408,128 was under-recovering by 9% since there had not been any adjustments to revenue for the results of the cost allocation study.

In order to adjust the revenue in accordance with the Board Decision for the Street Lighting, and Sentinel Lighting rate classes, the revenue in Table 4 was divided by revenue to cost ratio in Table 2 and multiplied by the resulting percentage from the Decision as outlined in the Table 1. The additional revenue from these classes was then assigned to the GS>50kW Class. The resulting revenue by rate class is shown in Table 5.

**Table 5**  
**Revenue Split with change to Revenue to Cost Ratios as per Decision**

Rate Class	Revenue
Residential	\$8,408,128
GS < 50 kW	\$1,450,724
GS > 50 kW	\$5,359,345
Street Lighting	\$101,753
Sentinel Lighting	\$21,416
USL	\$78,499
Back Up/Standby	\$37,679
Total	\$15,457,545

For the GS>50kW class, revenue in Table 5 is \$5,359,345 and it is assumed this class had a revenue to cost ratio of 139% as per Table 1. As a result of the shifting of the Street and Sentinel Lighting rate classes, the additional revenue was moved to the GS>50 kW rate class. The change to base revenue in the Street and Sentinel Lighting rate classes as a result of the shift is equal to (\$24,350) (\$16,319 + \$8,031). This decrease in revenue caused the revenue to cost ratio for the GS>50kW class to decrease from 139% to 138%.

Tables 7 and 8 provide the change to the base rate monthly service charge and volumetric charge to be included in Sheet D1.2 of BPT's Model

**Table 7**  
**Change to Base Rate Monthly Service Charge.**

Rate Class	Base Rate Monthly Service Charge	%Change to Base Rate	\$Change
	A	B	A * B
Residential	\$11.03	0.00%	\$0.00
GS < 50 kW	\$23.74	0.00%	\$0.00
GS > 50 kW	\$302.93	(0.45%)	(\$1.36)
Street Lighting	\$0.41	16%	\$0.066
Sentinel Lighting	\$1.19	37.5%	\$0.446
USL	\$11.86	0.00%	\$0.00
Back Up/Standby	\$0.00	0.00%	\$0.00

**Table 8**  
**Change to Base Rate Volumetric Charge.**

Rate Class	Base Rate Monthly Service Charge	Unit of Measure	%Change to Base Rate	\$Change
	A		B	A * B
Residential	\$0.0133	kWh	0.00%	\$0.00
GS < 50 kW	\$0.0062	kWh	0.00%	\$0.0000
GS > 50 kW	\$2.6861	kW	(0.45%)	(\$0.0121)
Street Lighting	\$2.0711	kW	16%	\$0.3314
Sentinel Lighting	\$5.6862	kW	37.5%	\$2.1323
USL	\$0.0071	kWh	0.00%	\$0.00
Back Up/Standby	\$1.645	kW	0.00%	\$0.00

Street Lighting revenue in Table 4 is \$71,035 and it is assumed this class had a revenue to cost ratio of 37% as per Table 2. The OEB directed BPI to move the revenue to cost ratio to 53% as per Table 1. This means the new revenue for streetlights is \$71,035 divided by 37% times 53% or \$101,753.

Sentinel Lighting revenue in Table 4 is \$5,354 and it is assumed this class had a revenue to cost ratio of 10% as per Table 2. The OEB directed BPI to move the revenue to cost ratio to 40% as per Table 1. This means the new revenue for streetlights is \$5,354 divided by 10% times 40% or \$21,416.

In order to adjust the 2009 rates in accordance with the OEB's Decision on revenue to cost ratios using the same method as explained above, Table 6 outlines the proposed percentage changes to base rates.

**Table 6**  
**Proposed Percentage Change to Base Rate for 2009 Rates**

Rate Class	Approved 2008 Base Revenue	Approved 2008 Revenue to Cost Ratio (%)	Proposed 2009 Revenue to Cost Ratio (%)	Proposed Change to Base Revenue	%Change to Base Rates
	A	B	C	D = (A/B * C) - A	D/A
Residential	\$8,408,128	91	91	0	0.00%
GS < 50 kW	\$1,450,724	83	83	0	0.00%
GS > 50 kW	\$5,359,345	139	138	(\$24,350)	(0.45%)
Street Lighting	\$101,753	53	61.5	\$16,319	16%
Sentinel Lighting	\$21,416	40	55	\$8,031	37.5%
USL	\$78,499	110	110	0	0.00%
Back Up/Standby	\$37,679	116	116	0	0.00%
Total	\$15,457,545			0	

## **Conclusion**

BPI understands that the above method is not consistent with the method used in the Supplementary Module to adjust base rates for additional changes to revenue to cost ratios. However, BPI submits the method outlined in this submission is another valid method to change revenue to cost ratios. This method essentially assumes the 2007 rates, not the revenue, were either over- or under-contributing to the cost of providing service to the class to the same degree as the rates used to determine revenue in the cost allocation model. The method outlined in the submission takes into consideration changes to number of customers and volumes since the cost allocation study was completed, but assumes the over- or under-contribution of 2007 rates to costs was at the same level as the rates used in the cost allocation study.

ATTACHMENT 6.a.2

Supplemental Model EB-2009-0214

Tab C1.3 Transformer Allowance

Rate Class	Transformer Allowance In Rate	Transformer Allowance	Transformer Allowance kW's	Transformer Allowance Rate	Volumetric Distribution Rate	Billed kW's	Adjusted Volumetric Distribution Rate $I = (F * (G - C) + (F - E) * C) / G$
		A	C	E	F	G	
Residential	No						
General Service Less Than 50 kW	No						
General Service 50 to 4,999 kW	Yes	537,657	896,095	0.6000	2.6861	1,635,606	2.3574
Unmetered Scattered Load	No						
Sentinel Lighting	No						
Street Lighting	No						
Standby Power – INTERIM APPROVAL	No						
		537,657	896,095			1,635,606	
		B	D			H	

**ATTACHMENT 6.a.3**

Supplemental Model EB-2009-0214

**Tab C1.6 Proposed Revenue from Revenue / Cost Ratio Adjustment**

Rate Class	Adjusted Revenue By Revenue Cost Ratio	Allocated Re-Based Revenue Offsets	Revenue Requirement from Rates Before Transformer Allowance	Re-based Transformer Allowance	Revenue Requirement from Rates
	A	B	C = A - B	D	E = C + D
Residential	\$ 9,537,551	\$ 955,194	\$ 8,582,357	\$ -	\$ 8,582,357
General Service Less Than 50 kW	\$ 1,657,004	\$ 170,900	\$ 1,486,103	\$ -	\$ 1,486,103
General Service 50 to 4,999 kW	\$ 5,351,164	\$ 267,783	\$ 5,083,381	\$ 537,657	\$ 5,621,038
Unmetered Scattered Load	\$ 89,373	\$ 10,883	\$ 78,490	\$ -	\$ 78,490
Sentinel Lighting	\$ 46,044	\$ 4,897	\$ 41,147	\$ -	\$ 41,147
Street Lighting	\$ 153,255	\$ 9,821	\$ 143,434	\$ -	\$ 143,434
Standby Power – INTERIM APPROVAL	\$ 40,530	\$ 2,852	\$ 37,679	\$ -	\$ 37,679
	<b>\$ 16,874,920</b>	<b>\$ 1,422,329</b>	<b>\$ 15,452,591</b>	<b>\$ 537,657</b>	<b>\$ 15,990,248</b>

Correspondence with Board Staff

To: "ntahir@brantford.ca" <ntahir@brantford.ca>  
From: Duncan Skinner <Duncan.Skinner@ontarioenergyboard.ca>  
Date: 11/07/2011 12:48PM  
Subject: RE: Decision and Order for 2012 IRM [OEB Ref# MPE-2011-0628]

Nadia,

I would use the most current information since that is how you will be billing your customers in 2012. You might want to explain briefly what you have done by choosing more recent data than your 2008 CoS application. Are the changes material to residential, GS<50 and GS>50?

Duncan Skinner  
CA, CPA, BComm, BA  
Special Advisor, Reporting  
Ontario Energy Board  
P.O. Box 2319, 2300 Yonge Street, 27th Floor  
Toronto, ON M4P 1E4  
Telephone: 416-440-8127  
[Duncan.Skinner@ontarioenergyboard.ca](mailto:Duncan.Skinner@ontarioenergyboard.ca)

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**From:** ntahir@brantford.ca [<mailto:ntahir@brantford.ca>]  
**Sent:** November 7, 2011 12:03 PM  
**To:** Duncan Skinner  
**Subject:** RE: Decision and Order for 2012 IRM [OEB Ref# MPE-2011-0628]

Hello Duncan,

I have a question for you. In tab 10, the requirement under Distribution Revenue (cell K26) is to enter distribution revenue by rate class from our last Cost-of-Service rate application. We have this information, however in subsequent years - 2009 and 2010, we made revenue to cost ratio adjustments - such as phasing in street and sentinel lights to the bottom of the Board approved range. Is 2008 still the appropriate year to use or should we be using the most recent year in which the last revenue to cost ratio adjustments were made?

Thanks you,

Nadia Tahir, Regulatory Analyst  
Brantford Power  
84 Market Street  
Brantford ON  
N3T 5N8  
Phone: (519) 751-3522 Ext. 3232; Fax: (519) 753-6130

ATTACHMENT 7.a.1

BPI  
 Cheque

**Revised Invoice**  
 Ministry of Energy and Infrastructure  
 Conservation and Renewable Energy Program Costs

**To:** Brantford Power Inc.  
 84 Market Street, P O Box 308  
 Brantford, ON N3T 5N8  
 Attn: G. Mychailenko, CEO

Vendor # <b>73760</b> P.O. #
Acct #
BU Code
APR 21 2010
<b>904324.8580</b>
<i>[Signature]</i>

Customer No./No du client <b>CU# 472569</b>
Customer Site No./ N° d'emplacement du client 1060816
Invoice Date/Date de la facture <b>April 16, 2010</b> ✓
Invoice No./N° de la facture <b>INV# 50006</b> ✓
Due Date/ Date d'échéance <b>July 30, 2010</b>
Payment Amount/ Montant remis <b>CAD \$ 376,534</b> ✓

**Item Description:**

Assessment for Ministry of Energy and Infrastructure Conservation and Renewable Energy Program Costs.  
 Quote-part pour les coûts des programme de conservation et d'énergie renouvelable du ministère de l'Énergie et de l'Infrastructure.

*Questions related to the remittance should be directed to the Non-Tax Revenue Management Branch Contact Centre at 1-877-535-0554 or Fax (416) 326-5177. Les questions concernant la remise doivent être posées à l'InfoCentre de la Direction de la gestion des revenus non fiscaux au 1 877 535-0554 ou par télécopieur au 416 326-5177.*

*This assessment was calculated by the Ontario Energy Board, 2300 Yonge St. 27<sup>th</sup> Floor, P.O. Box 2319, Toronto, ON M4P 1E4. Questions related to the invoice should be directed to the Market Operations Hotline 416-440-7604. La présente quote-part a été fixée par la Commission de l'énergie de l'Ontario, 2300, rue Yonge, 27<sup>e</sup> étage, case postale 2319, Toronto (Ontario) M4P 1E4. Les questions relatives à la facture doivent être posées au service de téléassistance du service Activités du marché : 416 440-7604.*

*Payments are to be made to the Minister of Finance not the Ontario Energy Board. Les paiements doivent être faits au ministre des Finances et non à la Commission de l'énergie de l'Ontario.*

ENTERED  
 B#150815

B# 150537 Releaded  
 Entered 7/20/10 KB.  
 Reentered 7/23/10 KB.

Yours truly,

Original signed by

Kirsten Walli  
 Board Secretary

Attachments: Revised Invoice - Assessment for Ministry of Energy and Infrastructure