

**Burlington Hydro Inc.**

**EB-2013-0186**

**STAFF SUBMISSION**

**Draft Accounting Order**

**May 8, 2013**

## **BACKGROUND**

In the Decision on Motion and Order that was issued on April 25, 2013, the Board ordered Burlington Hydro to file a draft Accounting Order reflecting its findings and also provided Board staff the opportunity to comment. Burlington Hydro filed its draft Accounting Order on May 1, 2013. The following are Board staff's comments on the draft Accounting Order.

## **BOARD STAFF SUBMISSION**

In accordance with the Decision on Motion and Order, Burlington Hydro filed a draft Accounting Order to establish Sub-Accounts to Deferral Account 2425, Other Deferred Credits as follows:

- Deferral Sub-Account 2425 – Other Deferred Credits – “Residential SME Revenue”;
- Deferral Sub-Account 2425 – Other Deferred Credits – “Residential SME Revenue Carrying Charges”;
- Deferral Sub-Account 2425 – Other Deferred Credits – “GS <50 kW SME Revenue”;
- Deferral Sub-Account 2425 – Other Deferred Credits – “GS <50 kW SME Revenue Carrying Charges”;
- Deferral Sub-Account 2425 – Other Deferred Credits – “GS >50 kW SME Revenue”; and,
- Deferral Sub-Account 2425 – Other Deferred Credits – “GS >50 kW SME Revenue Carrying Charges”.

Burlington Hydro's draft Accounting Order describes the purpose of each of the above noted sub-accounts, the proposed determination of carrying charges on the balances in the sub-accounts, as well as a proposal to dispose of the balances in the sub-accounts in Burlington Hydro's next cost of service application, scheduled to be for 2014.

Board staff submits that certain additions should be made to the draft Accounting Order to improve the clarity of the operation of the sub-Accounts.

Board staff submits that the following general statement should be inserted after the first sentence:

*For added clarity, this Accounting Order is intended to reflect the Board's Decision on Motion and Order in EB-2013-0186 dated April 25, 2013.*

In addition, for each of the six sub-accounts established in the Accounting Order, Board staff submits that Burlington Hydro should provide the accounting entry for each account in the appendix. For example, in relation to the “Residential SME Revenues” accounts listed in numbers 1 and 2, the accounting entry for each of the approved accounts should be set out as follows:

1. Deferral Sub-account 2425, Other Deferred Credits – “Residential SME Revenue”

*Accounting entry:*

<i>Debit</i>	<i>Account 4080, Distribution Services Revenue</i>
<i>Credit</i>	<i>Deferral Sub-account 2425, Other Deferred Credits, “Residential SME Revenue”</i>

Purpose: To record the actual amount of SME revenue collected from Residential class customers

2. Deferral Sub-account 2425, Other Deferred Credits – “Residential SME Revenue Carrying Charges”

*Accounting entry:*

<i>Debit</i>	<i>Account 6035, Other Interest Expense</i>
<i>Credit</i>	<i>Deferral Sub-account 2425, Other Deferred Credits, “Residential SME Revenue Carrying Charges”</i>

Purpose: To record, using OEB-approved rates, the carrying charges associated with the actual amount of SME revenue collected from Residential class customers

*- All of which is respectfully submitted -*