



**EB-2013-0186**

**IN THE MATTER OF** the *Ontario Energy Board Act, 1998*,  
S.O. 1998, c.15;

**AND IN THE MATTER OF** a proceeding to set rates  
pursuant to section 78 of the *Ontario Energy Board Act,*  
*1998*;

**AND IN THE MATTER OF** a proceeding commenced by the  
Board on its own motion pursuant to section 19(4) of the  
*Ontario Energy Board Act, 1998*; and

**AND IN THE MATTER OF** section 21(4) of the *Ontario*  
*Energy Board Act, 1998*.

**BEFORE:** Marika Hare  
Presiding Member

**DECISION ON ACCOUNTING ORDER**

May 30, 2013

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## INTRODUCTION

In its Decision and Order regarding Burlington Hydro's 2013 rate application (EB-2012-0110), the Board issued a draft Tariff of Rates and Charges effective May 1, 2013, which included a Smart Metering Entity ("SME") charge for the Residential and General Service < 50kW customer rate classes.

On April 8, 2013, Burlington Hydro Inc. ("Burlington Hydro") filed a letter stating that in its Decision and Order (EB-2012-0081) dated June 21, 2012, the Board approved the disposition and recovery of its smart meter deployment costs effective July 1, 2012 which included a projection of costs to be paid to the SME from appropriate customer rate classes.

Burlington Hydro requested direction from the Board regarding the accounting procedure it should follow in order to avoid an over recovery of SME costs.

The Board initiated a review on its own motion of the Decision and Order in EB-2012-0081.

In its Decision on Motion and Order, dated April 25, 2013, the Board nullified the SMIRRs approved in EB-2012-0081 and recalculated the SMIRRs to be effective May 1, 2013 by removing costs to be paid to the SME from the smart meter deployment costs approved in the application.

Burlington Hydro was ordered to calculate the amount of SME revenue received for the period May 1, 2012 to April 30, 2013 and include these recoveries on a rate class specific basis in separate sub-accounts of Account 2425, Other Deferred Credits. The Board ordered Burlington Hydro to file a draft Accounting Order and provided Board staff with the opportunity to comment. Burlington Hydro filed its proposed draft Accounting Order on May 1, 2013. Board staff provided its comments on May 8, 2013.

### **Submissions on the Draft Accounting Order**

Board staff recommended two additions to the draft Accounting Order as submitted by Burlington Hydro:

1. That a clarification be added to show that the draft Accounting Order was intended to reflect the Board's April 25, 2013 Decision on Motion and Order; and
2. The addition of debit and credit accounting entries to each of the six deferral sub-accounts contained in Burlington Hydro's May 1, 2013 draft Accounting Order.

Burlington Hydro submitted that it considered these changes to be helpful and fully accepted them. Burlington Hydro provided a revised draft Accounting Order incorporating these changes.

### **BOARD FINDINGS**

The Board has reviewed Burlington Hydro's revised draft Accounting Order and accepts it as filed.

### **THE BOARD ORDERS THAT:**

1. Burlington Hydro shall comply with the Accounting Order that is attached as Appendix A to this Decision.

**DATED** at Toronto, May 30, 2013

**ONTARIO ENERGY BOARD**

*Original Signed By*

Kirsten Walli  
Board Secretary

**APPENDIX A**

**To Decision on Accounting Order**

**Burlington Hydro Inc.**

**Board File No. EB-2013-0186**

**ACCOUNTING ORDER**

**Dated: May 30, 2013**

**Burlington Hydro Inc.  
Draft Accounting Order**

Burlington Hydro Inc. shall establish the following deferral accounts to record the amount of SME revenue collected from Burlington Hydro Inc.'s customers in each of the affected rate classes from July 1, 2012 to April 30, 2013. For added clarity, this Accounting Order is intended to reflect the Board's Decision and Order in EB-2013-0186 dated April 25, 2013. Carrying charges will be determined by applying the Board approved rate to the opening monthly balances record in the sub-accounts (exclusive of accumulated interest) from July 1, 2012 to the month prior to the disposition of the balances in rates. The amounts recorded shall be brought forward for disposition in Burlington Hydro Inc.'s next Cost of Service rates application.

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

*Accounting entry:*

*Debit Account 4080, Distribution Services Revenue*

*Credit Deferral Sub-account 2425, Other Deferred Credits, “Residential SME Revenue”*

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:*

*Debit Account 6035, Other Interest Expense*

*Credit Deferral Sub-account 2425, Other Deferred Credits, “Residential SME Revenue Carrying Charges”*

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

3. Deferral Sub-account 2425, Other Deferred Credits – “GS <50 kW SME Revenue”

*Accounting entry:*

*Debit Account 4080, Distribution Services Revenue  
Credit Deferral Sub-account 2425, Other Deferred Credits,  
“GS <50 SME Revenue”*

Purpose: To record the actual amount of SME revenue collected from GS <50 class customers

4. Deferral Sub-account 2425, Other Deferred Credits – “GS <50 SME Revenue Carrying Charges”

*Accounting entry:*

*Debit Account 6035, Other Interest Expense  
Credit Deferral Sub-account 2425, Other Deferred Credits,  
“GS <50 SME Revenue Carrying Charges”*

Purpose: To record, using OEB-approved rates, the carrying charges associated with the actual amount of SME revenue collected from GS <50 class customers

5. Deferral Sub-account 2425, Other Deferred Credits – “GS >50 kW SME Revenue”

*Accounting entry:*

*Debit Account 4080, Distribution Services Revenue  
Credit Deferral Sub-account 2425, Other Deferred Credits,  
“GS >50 SME Revenue”*

Purpose: To record the actual amount of SME revenue collected from GS >50 class customers

6. Deferral Sub-account 2425, Other Deferred Credits – “GS >50 SME Revenue Carrying Charges”

*Accounting entry:*

*Debit Account 6035, Other Interest Expense  
Credit Deferral Sub-account 2425, Other Deferred Credits,  
“GS >50 SME Revenue Carrying Charges”*

Purpose: To record, using OEB-approved rates, the carrying charges associated with the actual amount of SME revenue collected from GS >50 class customers