

October 16, 2013

Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

Dear Ms. Walli:

**Re: Brant County Power Inc. ("BCP")
2014 IRM Distribution Rate Application
Responses to Board Staff Interrogatories
Board File No. EB-2013-0113**

Brant County Power is providing responses to all Board Staff IR's relating to the 2014 IRM rate process.

If you have any questions, please contact me directly.

This reply will be posted on RESS today and 2 paper copies will follow in the mail.

Yours truly,

originally signed by

Ian McKenzie
CFO & Director of Regulatory Affairs

**Brant County Power Inc. (“BCP”)
2014 Electricity Distribution Rates
EB-2013-0113
Responses to Board Staff Interrogatories**

1. Rate Year and Rate-Setting Method

Ref: Rate Generator Model

A portion of Sheet “1. Information Sheet” from the Rate Generator Model is reproduced below.

Version 2.3

Utility Name	Brant County Power Inc.
Service Territory	
Assigned EB Number	EB-2013-0113
Name of Contact and Title	Ian McKenzie, CFO
Phone Number	519-442-2215
Email Address	imckenzie@brantcountypower.com
We are applying for rates effective	May 1, 2014
Rate-Setting Method	Annual IR Index
Please indicate in which Rate Year the Group 1 accounts were last cleared ¹	2011

Board staff notes that the Board’s Decision (EB-2012-0108)¹ dated April 4, 2013 and related to BCP’s 2013 IRM rate application directed the disposition of Group 1 balances. Board staff further notes that the box in Sheet 1 of the Rate Generator Model pertaining to “Please indicate in which Rate Year the Group 1 accounts were last cleared¹” indicates 2011.

¹http://www.rds.ontarioenergyboard.ca/webdrawer/webdrawer.dll/webdrawer/rec/389285/view/Dec_Order_BrantIRM_20130404.PDF

- a. If the rate year (2011) provided in Sheet 1 is an error, Board staff will make the relevant correction to 2013.

Brant County Power Inc (BCP) confirms that the 2013 IRM (EB-2012-0108) process did indeed clear out the Group 1 variance accounts. BCP apologies for the error on Sheet 1 identified.

Board staff also notes that the box in Sheet 1 of the Rate Generator Model pertaining to “Rate-Setting Method” indicates “Annual IR Index”, whereas the Manager’s summary is silent on this subject.

- b. Board staff requests BCP to confirm that BCP has elected Annual IR Index as the basis for its IRM rate application.

BCP confirms that we intended to file an Annual IR Index application for it 2014 IRM process.

2. Projected Interest

Ref: Rate Generator Model

A portion of Sheet “5. 2014 Continuity Schedule” from the Rate Generator Model is reproduced below.

Account Descriptions	Account Number	2013			Projected Interest on Dec-31-12 Balances		
		Interest Disposition during 2013 - instructed by Board	Closing Principal Balances as of Dec 31-12 Adjusted for Dispositions during 2013	Closing Interest Balances as of Dec 31-12 Adjusted for Dispositions during 2013	Projected interest from Jan 1, 2013 to December 31, 2013 on Dec 31 -12 balance adjusted for disposition during 2013 ²	Projected interest from January 1, 2013 to April 30, 2013 on Dec 31 -12 balance adjusted for disposition during 2013 ³	Total Claim
Group 1 Accounts							
LV Variance Account	1550	(5,542)	(408,161)	(1,448)	(6,000)		(415,609)
RSVA - Wholesale Market Service Charge	1580	(9,203)	(485,247)	(1,722)	(7,133)		(494,103)
RSVA - Retail Transmission Network Charge	1584	(4,267)	(3,157)	352	(46)		(2,851)
RSVA - Retail Transmission Connection Charge	1586	(5,105)	(252,202)	(1,034)	(3,707)		(256,943)
RSVA - Power (excluding Global Adjustment)	1588	25,956	166,752	(1,491)	2,451		167,712
RSVA - Global Adjustment	1589	(25,590)	417,435	4,556	6,136		428,127
Recovery of Regulatory Asset Balances	1590		0	0	0		0
Disposition and Recovery/Refund of Regulatory Balances (2008) ⁵	1595		0	0	0		0
Disposition and Recovery/Refund of Regulatory Balances (2009) ⁵	1595		0	0	0		0
Disposition and Recovery/Refund of Regulatory Balances (2010) ⁵	1595		(215,050)	(16,046)	(1,581)		(232,677)
Disposition and Recovery/Refund of Regulatory Balances (2011) ⁵	1595		0	0	0		0
Group 1 Sub-Total (including Account 1589 - Global Adjustment)		(23,751)	(779,630)	(16,835)	(9,880)	0	(806,344)
Group 1 Sub-Total (excluding Account 1589 - Global Adjustment)		1,839	(1,197,065)	(21,390)	(16,016)	0	(1,234,471)
RSVA - Global Adjustment	1589	(25,590)	417,435	4,556	6,136	0	428,127
Deferred Payments in Lieu of Taxes	1562		(0)	0	(0)	0	0
Total of Group 1 and Account 1562		(23,751)	(779,630)	(16,834)	(9,880)	0	(806,344)
Special Purpose Charge Assessment Variance Account⁴	1521						
LRAM Variance Account⁵	1568		0	0			0
Total including Accounts 1562 and 1568		(23,751)	(779,630)	(16,834)	(9,880)	0	(806,344)

Board staff notes that the column pertaining to the Projected Interest from January 1, 2014 to April 30, 2014 is unpopulated.

- a. If the omission of this interest is an error, Board staff will make the relevant correction.

BCP confirms that this was an omission on our part and requests the Board Staff make the correction as indicated.

3. General Service 50 to 4,999 kW

Ref: Rate Generator Model

A portion of Sheet “4. Current Tariff Schedule” from the Rate Generator Model is reproduced below.

GENERAL SERVICE 50 TO 4,999 KW Service Classification

MONTHLY RATES AND CHARGES - Delivery Component <u>(If applicable, Effective Date MUST be included in rate description)</u>		
Service Charge	\$	95.92
Distribution Volumetric Rate	\$/kW	3.8869
Low Voltage Service Rate	\$/kW	1.1222
Rate Rider for Deferral/Variance Account Disposition (2013) - effective until April 30, 2014	\$/kW	(2.2751)
Rate Rider for Disposition of Global Adjustment Sub-Account (2013) - effective until April 30, 2014 Applicable only for Non-RPP Customers	\$/kW	1.6295
Rate Rider for Disposition of Deferred PILs Variance Account 1562 - effective until April 30, 2014	\$/kW	(0.1407)
Retail Transmission Rate - Network Service Rate	\$/kW	2.1890
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.3815
Retail Transmission Rate - Network Service Rate - (less than 1,000 kW)	\$/kW	2.3221
Retail Transmission Rate - Line and Transformation Connection Service Rate - Interval Metered < 1,000 kW	\$/kW	1.5267
Retail Transmission Rate - Network Service Rate - Interval Metered > 1,000 kW	\$/kW	2.3248
Retail Transmission Rate - Line and Transformation Connection Service Rate - Interval Metered > 1,000 kW	\$/kW	1.5144

A portion of Sheet “11. Proposed Rates” from the Rate Generator Model is reproduced below.

GENERAL SERVICE 50 TO 4,999 KW SERVICE CLASSIFICATION

MONTHLY RATES AND CHARGES - Delivery Component		
Service Charge	\$	96.38
Distribution Volumetric Rate	\$/kW	3.90560
Low Voltage Service Rate	\$/kW	1.12220
Rate Rider for Deferral/Variance Account Disposition (2014) - effective until April 30, 2015	\$/kW	(2.12040)
Rate Rider for Global Adjustment Sub-Account Disposition (2014) - effective until April 30, 2015 Applicable only for Non-RPP Customers	\$/kW	1.51960
Retail Transmission Rate - Network Service Rate	\$/kW	1.76860
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	0.53830
Retail Transmission Rate - Network Service Rate - (less than 1,000 kW)	\$/kW	1.87610
Retail Transmission Rate - Line and Transformation Connection Service Rate - Interval Metered < 1,000 kW	\$/kW	0.59490
Retail Transmission Rate - Network Service Rate - Interval Metered > 1,000 kW	\$/kW	1.87830
Retail Transmission Rate - Line and Transformation Connection Service Rate - Interval Metered > 1,000 kW	\$/kW	0.59010

Board staff notes that in both Sheet 4 and Sheet 9, the description “Retail Transmission Rate – Network Service Rate – (less than 1,000 kW)” does not indicate “Interval Metered”.

- a. If the omission of “Interval Metered” in Sheet 4 and Sheet 9 is an error, Board staff will make the relevant correction.

BCP did select the incorrect description and as suggested both excerpts should have the “interval meter” description as identified above. BCP appreciates the Boards Staff’s correction on this issue.

4. Non-Loss Adjusted Metered Billed kWh and kW

Ref: RTSR Model

A portion of Sheet “4. RRR Data” from the RTSR Model is reproduced below.

Rate Class	Unit	Non-Loss Adjusted Metered kWh	Non-Loss Adjusted Metered kW	Applicable Loss Factor	Load Factor	Loss Adjusted Billed kWh	Billed kW
Residential	kWh	80,545,193				80,545,193	-
General Service Less Than 50 kW	kWh	35,864,944				35,864,944	-
General Service 50 to 4,999 kW	kW		152,191		0.00%	-	152,191
General Service 50 to 999 kW - Interval Metered	kW		102,564		0.00%	-	102,564
General Service 1,000 to 4,999 kW - Interval Meters	kW		76,096		0.00%	-	76,096
Unmetered Scattered Load	kWh	442,068				442,068	-
Sentinel Lighting	kW		31		0.00%	-	31
Street Lighting	kW		460		0.00%	-	460

Board staff notes that BCP’s current loss factor is missing in the “Applicable Loss Factor” column.

- a. If the omission of the current loss factor is an error, Board staff will make the relevant correction.

BCP omitted the loss factors and confirms that this should be corrected as indicated by Board Staff.

- b. Please confirm that the amounts entered into the columns “Non-Loss Adjusted Metered kWh” and “Non-Loss Adjusted Metered kW” have not been adjusted by BCP’s Board-approved loss factor.

BCP confirms that the noted kWh’s and kW’s have not been uplifted by our approved loss factor.

Transformer Allowance Credit

Ref: RTSR Model

A portion of Sheet “5. UTRs and Sub-Transmission” from the RTSR Model is reproduced below.

Transformer Allowance Credit (if applicable, enter as a negative value)	Historical 2012	Current 2013	Forecast 2014
\$	-\$ 92,368	-\$ 96,098	-\$ 96,000

Board staff notes that the value provided above by BCP likely corresponds to the transformer ownership allowance related to BCP’s General Service 50 to 4,999 kW customer class. Board staff further notes that the RTSR Model was updated to reflect that this line should be used only for distributors that receive a credit from Hydro One for owning low voltage switchgears. Board staff is of the view that these values should be zero.

- a. If BCP is in agreement, Board staff will make the relevant correction.

BCP agrees with the correction path noted above. Board staff is correct in the assumption that we used the transformer ownership allowance for the noted input cell, incorrectly.

5. Network and Connection Rates

Ref: RTSR Model

A portion of Sheet “6. Historical Wholesale” from the RTSR Model is reproduced below.

Brantford Power (if needed)	Network			Line Connection			Transformation Connection		
	Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate
January	12,395	\$2.32	\$ 28,740	12,395	\$0.48	\$ 5,948	12,395	\$1.12	\$ 13,878
February	12,488	\$2.17	\$ 27,149	12,488	\$0.45	\$ 5,619	12,488	\$1.05	\$ 13,110
March	11,766	\$2.17	\$ 25,578	11,766	\$0.45	\$ 5,293	11,766	\$1.05	\$ 12,351
April	11,132	\$2.17	\$ 24,201	11,132	\$0.45	\$ 5,008	11,132	\$1.05	\$ 11,686
May	12,395	\$2.46	\$ 30,492	12,395	\$0.49	\$ 6,097	12,395	\$1.15	\$ 14,227
June	14,189	\$2.46	\$ 34,905	14,189	\$0.49	\$ 6,980	14,189	\$1.15	\$ 16,287
July	14,624	\$2.46	\$ 35,976	14,624	\$0.49	\$ 7,194	14,624	\$1.15	\$ 16,786
August	13,316	\$2.46	\$ 32,760	13,316	\$0.49	\$ 6,551	13,316	\$1.15	\$ 15,285
September	12,687	\$2.46	\$ 31,212	12,687	\$0.49	\$ 6,241	12,687	\$1.15	\$ 14,563
October	12,394	\$2.46	\$ 30,490	12,394	\$0.49	\$ 6,097	12,394	\$1.15	\$ 14,227
November	12,518	\$2.46	\$ 30,795	12,518	\$0.49	\$ 6,158	12,518	\$1.15	\$ 14,369
December	13,219	\$2.46	\$ 32,520	13,219	\$0.49	\$ 6,503	13,219	\$1.15	\$ 15,174

A portion of Sheet “5. UTRs and Sub-Transmission” from the RTSR Model is reproduced below.

If needed , add extra host here (l)	Unit	Effective January 1, 2012	Effective January 1, 2013	Effective January 1, 2014
Rate Description		Rate	Rate	Rate
Network Service Rate	kW	\$ 2.17	\$ 2.46	\$ 2.46
Line Connection Service Rate	kW	\$ 0.45	\$ 0.49	\$ 0.49
Transformation Connection Service Rate	kW	\$ 1.05	\$ 1.15	\$ 1.15
Both Line and Transformation Connection Service Rate	kW	\$ 1.50	\$ 1.64	\$ 1.64

Board staff notes that the rates provided in Sheet 6 by BCP for Network, Line Connection and Transformation Connection for January are different from the rates provided for February, March and April. Board staff further notes that in accordance with the corresponding rates provided in Sheet 5 (effective January 1, 2012) and Brantford Power’s Tariff of Rates and Charges² effective May 1,

²http://www.ontarioenergyboard.ca/OEB/ Documents/2011EDR/Dec_Order_Brantford%20Power_20100328.pdf

2011, the rates provided in Sheet 6 for January should be identical to the rates provided for February, March and April.

- a. If BCP is in agreement, Board staff will correct the rates for January to be identical to the rates provided for February, March and April.

BCP agrees with the above noted treatment.