



EB-2005-0241

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

AND IN THE MATTER OF the Accounting Procedures
Handbook for Electricity Distributors as amended for the
purposes of this Order;

AND IN THE MATTER OF a request by Great Lakes Power
Limited, for an Accounting Order to establish a deferral
account in its books of account to capture the revenues that
would have been collected had their current rate application
been effective April 1, 2005.

O R D E R

In a partial decision and order dated March 22, 2005, the Ontario Energy Board ordered that Great Lakes Power Limited (the "Company") establish a deferral account in which to record the revenue deficiency incurred by the Company, plus carrying charges, under currently approved transmission rates beginning January 1, 2005. The Board assigned file number EB-2005-0241 to the partial decision and order. The Board stated that the Company must prepare and submit a draft accounting order reflecting this order. Subsequently, the Board approved the Company's revenue requirement and revenue deficiency on September 15, 2005 through its acceptance of a settlement agreement reached between the parties to the proceeding. In addition, the proposal in the settlement agreement that the commencement date for recording the revenue deficiency be changed to April 1, 2005, was accepted by the Board.

The Board has reviewed all the evidence and Board staff's recommendation to approve the Accounting Order.

THE BOARD ORDERS THAT:

1. The Company is hereby authorized to establish a deferral account, Deferred Rate Impact Amounts account ("DRIAA"), to capture the associated revenue deficiency arising had the amounts collected in rates, effective April 1, 2005,

been implemented as approved under EB-2005-0241. This is with respect to the revenue requirement and deficiency and effective date approved by the Board on September 15, 2005. Also, the natural volume variability will be reflected in the Company's revenues received during the period. The recording of this revenue deficiency will cease when a new transmission rate approved by the Board is implemented.

The actual provincial charge determinants will differ from the approved determinants. Accordingly there will be a natural variance. Under normal circumstances, the Company would accept the risk/reward of this variance; therefore, the Board will allow the Company to earn revenues on this basis while ensuring that the approved revenue deficiency is accrued.

For each month commencing April 1, 2005, the Company will record the revenue deficiency based upon the difference between the approved monthly revenue requirement and the monthly revenue forecast at current rates. The forecasted revenue requirement will be calculated based on the charge determinants and IESO 18-month forecast included in the settlement agreement accepted by the Board on September 15, 2005 and use current approved rates. The approved monthly revenue requirement will be calculated using the approved revenue requirement as accepted by the Board on September 15, 2005.

2. Details of the accounting entries hereby authorized shall be in accordance with Appendix "A" attached hereto.
3. The Company shall dispose of the DR1AA balance over the authorized collection period in accordance with the recovery methodology to be approved by the Board in Phase II of the proceeding. Any over recovery of the deferral account balance will be tracked, such that any such balance will be credited to the deferral account and will be included in the rate recovery in the Company's next rate proceeding so that the benefits will be accrued to the benefit of the rate payers.

DATED at Toronto, November 14, 2005

ONTARIO ENERGY BOARD

Original signed by

John Zych
Board Secretary

APPENDIX "A" TO

ORDER

BOARD FILE NO. EB-2005-0241

DATED: NOVEMBER 14, 2005

GREAT LAKES POWER LIMITED

Accounting Entries to Recognize Revenues That Would have Been Collected Had the
Rates Been Effective April 1, 2005
(Deferred Rate Impact Amounts Account - "DRIAA")

1. To record the difference between the approved monthly revenue requirement and the actual monthly revenue requirement in rates.

Debit Account 1574, DRIAA

Credit Account 4110, Transmission Services Revenue

For the purposes of this entry, the DRIAA shall be calculated as follows:

DRIAA = approved monthly revenue requirement (network revenues + line connection revenues + transformation connection revenues) – monthly revenue forecast at currently approved rates

2. To record simple interest on the opening monthly balance of the DRIAA account at a rate of interest of prime minus 50 basis points¹.

Debit Account 1574, DRIAA, Sub-account Carrying Charges

Credit Account 4405, Interest and Dividend Income

3. To drawn down the account balance for recoveries in rates over the collection period authorized by the Board.

Debit Account 4110, Transmission Services Revenue

Credit Account 1574, DRIAA

¹ Posted by CIBC on April 1, 2005 and adjusted annually, per EB-2005-0241 Receipt of Settlement Proposal dated September 15, 2005, as approved by the Board.

The accounts in this order are prescribed by the Board for use under the Accounting Procedures Handbook ("APH") for Distribution Utilities.

For the purposes of this order, the 1574 account definition has been amended to include the following:

The Company shall record the revenue deficiency based upon the difference between the approved monthly revenue requirement and the monthly revenue forecast as calculated using currently approved rates as directed by the Ontario Energy Board in its partial decision (EB-2005-0241) dated March 22, 2005 and approved accounting order.