



Ms. Kirsten Walli, Board Secretary

REVISED -December 2, 2015

Ontario Energy Board
P.O. Box 2319, 27th Floor
2300 Yonge St.
Toronto, ON
M4P1E4

Submitted via RESS and Courier

Dear Ms. Walli,

REVISED – Please note the highlighted sections added December 2, 2015.

**RE: Draft Decision and Rate Order (EB-2015-0055)
Brantford Power Inc. Application for Approval of Distribution Rates Effective January 1, 2016.**

With respect to the Draft Decision and Rate Order in EB-2015-0055, released by the Ontario Energy Board (“OEB”) on November 17, 2015, Brantford Power Inc. (“Brantford Power”) provides the following comments.

Brantford Power has reviewed the Draft Decision and Rate Order. Additionally, Brantford Power has reviewed the accompanying Rate Generator model for completeness and accuracy.

1.0 Introduction and Summary:

The introduction indicates Brantford Power applied for a rate increase of 1.8%. At the time of its application in August of 2015, the OEB had not yet released an updated inflation factor for incentive rate setting for rate changes effective in 2016 (updated to 2.1% on September 17, 2015). Brantford Power’s application originally relied on the inflation factor for 2015 rate changes of 1.6%, resulting in an original application for a 1.3% rate increase, with the understanding that the OEB would update the inflation factor and price cap adjustment when the 2016 inflation factor was released. Brantford Power agrees that the correct updated rate increase is 1.8%.

4.0 Price Cap Incentive Rate-setting

Brantford Power has reviewed this section in the Draft Decision and Rate Order, as well as the associated changes to Tab 15- Rev2Cost_GDPIPI, and agrees with the changes made.

5.0 Regulatory Charges



In “Section 5.0- Regulatory Charges”, the Draft Decision makes reference to an expected update to Regulatory Charges. Since the release of the Draft Decision and Rate Order, the OEB has released this update in the form of the Decision and Rate Order in Case Number EB-2015-0294, released November 19, 2015. This Decision and Order included determinations on the 2016 rates to be used for:

- the Wholesale Market Service rate (WMSR, \$0.0036/kWh);
- the Rural or Remote Electricity Rate Protection charge (RRRP \$0.0013/kWh); and
- the Ontario Electricity Support Charge (OESP, \$0.0011/kWh).

Brantford Power anticipates that the final Decision and Rate Order in this Application will include these updated charges, as well as a section outlining the credits for the OESP, consistent with the Schedule A included with the Decision and Order in EB-2015-0294.

7.0 Retail Transmission Service Rates

Brantford Power has reviewed this section of the Draft Decision, and notes that Brantford Power is not partially embedded to Hydro One Networks Inc., as indicated in the Draft Decision (accordingly, Brantford Power is not billed for sub-transmission rates by HONI, which has been reflected in tab 11- Historical Wholesale of the model). Brantford Power is billed for Uniform Transmission Rates on its IESO billing and is partially embedded to Brant County Power at one connection point, which has been represented in Tabs 8-14 of the Rate Generator model.

8.0 Review and Disposition of Group 1 Deferral and Variance Account Balances

Group 1 Deferral and Variance Account Balances

Brantford Power is applying to dispose of the total debit balance for Group 1 accounts of \$585,441, not \$540,791 as indicated in the Draft Decision and Rate Order, page 6 and page 10. This has been noted in the original Application document (filed August 19, 2015) on page 14 of 25. The resultant threshold test, as calculated on page 14 of 25 is \$0.0007 of total claim/kWh. Brantford Power has not made any adjustments to the total Group 1 Deferral and Variance Account Balances being claimed throughout this Application process.

The reason for this difference related to the allocation of a total of \$44,650.66 to the Embedded Distribution class, as set out in Table 1.8-D (page 17 of 25) in the original Application. These amounts, related to Accounts 1584- RSVA Transmission Network Charge and 1586- RSVA Transmission Connection Charge, were removed from Tab 3- Continuity Schedule in Attachment B of the original Application. The amounts were still sought for disposition, through the Deferral and Variance Account Rate Rider. Attachment E of the application represented a continuity schedule which showed the full claim.



Table “ Group 1 Deferral and Variance Account Balances” should read as follows (columns not listed do not require changes) :

Account Name	Account Number	Principal Balance (\$)- A	Interest Balance (\$)- B	Total Claim (\$) C=A+B
			
RSVA- Retail Transmission Network Charge	1584	\$624,225	\$11,257	\$635,482
RSVA- Retail Transmission Connection Charge	1586	\$126,558	\$1,826	\$128,384
			
Total Group 1 Excluding Global Adjustment- Account 1589		(761,534)	(233,140)	(994,674)
Total Group 1		\$799,550	(214,108)	\$585,441

Despite the changes above, the Deferral and Variance Account rate rider for Embedded Distributor appears correctly on the Tariff of Rates included with the Draft Decision and Order.

Class A customers

Customer Specific Rate Riders

The Draft Decision and Rate Order notes:

“[...] there are only two customers involved. I therefore find that Brantford Power is required to make the necessary adjustments to bills to implement rate-riders specific to these two customers.”

Brantford Power has the following comments regarding this approach.

Fixed Rate Riders vs. Volumetric Rate Riders

During Interrogatories in this Application, Board Staff asked Brantford Power whether the balance for the former Class B customers could be settled in a one-time settlement (IR 2, section d)). In response, Brantford Power confirmed its ability to perform such a settlement, but indicated a preference for the originally proposed treatment in its Application. In line with the interrogatory from Board Staff, Brantford Power requests that the Board consider implementing a one-time settlement or a fixed monthly collection for these amounts.



Brantford Power's rationale for this suggestion is that there will almost certainly be an over- or under-collection of the amount allocated to each customer if the amounts are to be collected through volumetric rate riders. Brantford Power has provided calculations for volumetric rate riders (submitted confidentially as they contain customer information).

Also consistent with Interrogatories from Board Staff, Brantford Power has contacted the impacted customers and has discussed their preference as to billing for the Global Adjustment Variance Account balances allocated to them. One customer has responded, indicating a preference for a one-time, lump-sum charge.

Should the OEB determine that a volumetric rate rider is required, Brantford Power requests that the final Decision include a description regarding the treatment of the variance between the amount allocated to each customer and the amount actually collected during 2016. Should there be a true-up with each customer? If not, these variances would typically be captured in account 1595 for disposal over the general customer base at the next disposition of Group 1 DVAs.

Inclusion of Customer-Specific Rate Riders on Tariff of Rates

For the customer-specific rate riders, Brantford Power seeks guidance from the OEB in its Decision regarding whether these rate riders will appear on the Tariff of Rates. If they appear on the Tariff, what will they be named and how will the eligibility for this rate rider be described, without releasing any customer-specific information? If they do not appear on the Tariff, Brantford Power requests confirmation from the OEB providing authority to bill these rate riders with detailed implementation instructions.

Brantford Power notes that based on the customer specific treatment set out in the Draft Decision, the customers in question (including customer 1- who was Class A during 2014) should not receive the non-RPP rate rider for Global Adjustment during 2016, even if they leave Class A with the new adjustment period which begins July 1, 2016.

Similarly, if new customers who have never been Class A before become eligible and opt-in beginning July 1, 2016, these customers should continue to be billed the Global Adjustment Rate Rider for Non-RPP customers.

Brantford Power requests that the OEB confirm these billing treatments and reflect them in the Rate Rider descriptions included in the final Tariff of Rates.



Rate Implementation

Brantford Power notes that the Draft Decision and Rate Order contains the following: “Brantford Power has indicated that it is unable to implement customer-specific rate riders to recover this account balance.”

Brantford Power would like to correct the record regarding this matter, as Brantford Power has never indicated it is unable to do this billing. Brantford Power is able to implement customer specific rate riders (though this may involve a complex billing process).

Calculation of Global Adjustment Rate Riders for Non-RPP Non-Class A Customers

The total Global Adjustment Variance Account balance to be disposed of is \$1,580,116. Brantford Power has provided confidential calculations outlining the proposed amounts to be collected from Customer 2 and Customer 4 and showing the allocation of the remaining 1589 balance to the Class B, Non-RPP, non WMP customers (and calculation of the rate riders). Together, the customer specific and generic rate riders are designed to collect the full balance of \$1,580,116.

To calculate those rate riders, Brantford Power has removed from the billing units any units associated with the full 2014 consumption for customers 1, 2 and 4. This reflects that customers 1, 2 and 4 are being allocated their share of the 2014 1589 balance through the customer-specific charges for the portion of the year which they were Class B and no share for the portion they were Class A customers (and did not contribute) .

Brantford Power also notes that a correction has been made to the calculations provided to Board Staff regarding the amount to be collected from the customers through customer-specific rate riders. The correction relates to the billing determinants for Class A customers in 2014, and slightly reduces the amount to be collected from customers 2 and 4. The corrected aggregate 2014 Class A consumption is 47,636,094 kWh.

Draft Tariff of Rates and Charges

Based on Brantford Power’s calculations, the following Rate Riders for Disposition of Global Adjustment Account (2016) should be included where there are placeholders in the Tariff of Rates included with the Draft Decision and Rate Order:



Rate Riders for Disposition of Global Adjustment Account

	Global Adjustment Rate Rider
Rate Class	
RESIDENTIAL SERVICE CLASSIFICATION	0.0035
GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION	0.0035
GENERAL SERVICE 50 TO 4,999 KW SERVICE CLASSIFICATION	1.2933
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION	N/A
STANDBY POWER SERVICE CLASSIFICATION	N/A
SENTINEL LIGHTING SERVICE CLASSIFICATION	1.1594
STREET LIGHTING SERVICE CLASSIFICATION	1.1587
EMBEDDED DISTRIBUTOR SERVICE CLASSIFICATION	N/A

Attached: Confidential Brantford GA Rate Rider Calculations (submitted in Excel format)

Should you have any questions or comments, please do not hesitate to contact me,

Sincerely

Brian D'Amboise, CPA, CA
CFO and VP of Corporate Services

Brantford Power Inc.
Box 308
84 Market Street
Brantford ON N3T 5N8
T: 519-751-3522 x 5133
BDAmboise@brantford.ca