

AIRD & BERLIS LLP

Barristers and Solicitors

Scott Stoll
Direct: 416.865.4703
E-mail: sstoll@airdberlis.com

May 15, 2009

Via Email and Courier

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
27th Floor
2300 Yonge Street
Toronto, ON M5P 1E4

OEB BOARD SECRETARY	
File No:	63
SubFile:	19
Panel	Paul V, Kan B, Gaborik
Licensing	
Other	CC
	BR
00/04	

RECEIVED

MAY 15 2009

ONTARIO ENERGY BD

Dear Ms. Walli:

**Re: Board File Number EB-2009-0063
Response to Procedural Order No. 3
Retail Transmission Rate Issue – Update of Brant County Power Inc. ("BCP")**

This letter is in response to Procedural Order No. 3 issued by the Board requiring BCP to provide an update of its investigation of the retail transmission rate issue.

Since the Board issued Procedural Order No. 3, BCP has been in contact with the Independent Electricity System Operator (the "IESO") and Hydro One Networks Inc. ("Hydro One") in respect of the prior billings of the retail transmission related costs (Network and Connection) for the three transformer stations, Colborne Street East, Colborne Street West and Powerline Road. In addition, BCP has reviewed its own records regarding the payment of such transmission costs going back to Market Opening in May 2002.

Powerline Station

The Powerline Station is a jointly owned station of BCP and Brantford Power Inc. ("Brantford"). One feeder from this station (a Brantford feeder) provides a supply to Brantford customers and to BCP. Based on its investigation to date, BCP has been billed by Brantford for retail transmission services since this transformer station was installed in 2005. Distribution charges commenced May 1, 2008 which was raised during the Motion.

Colborne Street (East and West)

The billing of the retail transmission rates for Colborne Street East and the Colborne Street West has been less straightforward. At Market Opening, Brantford commenced to invoice BCP in respect of retail transmission rates for the Colborne Street East and Colborne Street West transformer stations. In late 2002, it was determined that Hydro One should be billing BCP in respect of such charges. During late 2002 and early 2003 this situation was corrected and Hydro One commenced to charge BCP the retail transmission rates.

May 15, 2009

Page 2

Hydro One continued to charge BCP in respect of the retail transmission rates through January 2006. At some point during 2005 or 2006 the ownership of the Colborne Street East and Colborne Street West transformer stations was transferred from Hydro One to Brantford. After January 2006, Hydro One stopped invoicing BCP for the retail transmission costs as a result of the transfer of the transformer stations to Brantford. However, it appears Brantford never commenced invoicing BCP for retail transmission rates for Colborne Street East and Colborne Street West until May 1, 2008.

Requested Path Forward

This new information has an impact upon the relief sought by BCP in the underlying Motion in this proceeding and creates a potential new issue between BCP and Brantford. As a result of the information discussed above, BCP requests permission of this Board to revise its Notice of Motion and file evidence to support the information discussed above and requests the Board, subject to the suggestion below, to establish a schedule for completing such steps.

BCP suggests it is appropriate to resolve all issues during a single process and that it may be appropriate to conduct a settlement conference to try and resolve, or at least narrow, the issues that require a hearing with the Board panel.

Yours very truly,

AIRD & BERLIS LLP



Scott Stoll

SS/jb

cc: All Interested Parties

5255799.1