



January 12, 2009

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
27th Floor
2300 Yonge Street
Toronto, Ontario
M4P 1E4

Dear Ms. Walli,

**RE: BRANTFORD POWER INC.
2009 3RD GENERATION IRM DISTRIBUTION RATE APPLICATION
EB-2008-0162**

Brantford Power Inc. is pleased to submit to the Ontario Energy Board its responses to OEB staff interrogatories received on December 31, 2008 in its 3RD Generation IRM Distribution Rate Application.

We would be pleased to provide any further information or details that you may require relative to this application.

Yours truly,

George Mychailenko, P Eng, MBA
CEO

Brantford Power Inc.

cc. Heather Wyatt, Manager of Regulatory Compliance & Governance, Board Secretary
Nadia Butt, Regulatory Analyst

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

AND IN THE MATTER OF an application by Brantford Power Inc. for an order approving or fixing just and reasonable rates and other charges for the distribution of electricity for the 2009 rate year.

**BRANTFORD POWER INC. RESPONSES TO OEB STAFF INTERROGATORIES
SUBMITTED JANUARY 12, 2009
EB-2008-0162**

Disposition of Deferral and Variance Accounts

Ref: Manager's Summary, page 10 and 11

1. Brantford Power Inc. ("BPI") indicates that, while it got approval to dispose of the balances in Accounts 1508, 1525 and 1550 in its cost of service application (re: EB-2007-0698), "the amounts in those accounts approved for disposition were based on BPI's estimates to April 30, 2008 with the assumption that rates would be effective May 1, 2008. BPI did not receive approval for the disposition until September 1, 2008. As a result, additional carrying charges based on the OEB's prescribed interest accumulated in Accounts 1508, 1525 and 1550."

BPI is now seeking to dispose of the interest accrued between May 1 and September 1, 2008, in Accounts 1508 (debit of \$946), 1525 (debit of \$82) and 1550 (credit of \$3,082). BPI is also applying to dispose "of four additional months of low voltage charges that were billed to customers" resulting in an additional credit of \$30,553. BPI proposes to dispose of the combine amount (a credit of \$32,607) in its 2009 IRM application over a one-year period from May 1, 2009 to April 30, 2010.

- a) Please explain why BPI did not seek, at the time of filing its draft 2008 rate order, to dispose of the interest accrued between May 1 and September 1, 2008 in Accounts 1508, 1525 and 1550.

RESPONSE:

At the time of filing its draft 2008 rate order at July 31, 2008, BPI would not have known the final balance in Account 1550. The low voltage rate rider was in effect until August 31, 2008. The new rates effective on September 1, 2008 did not include the low voltage rate rider.

With respect to accounts 1508 and 1525, BPI utilized the balances that had been filed in its 2008 rate application that predicted the balances as at April 30, 2008.

- b) Please explain why BPI is seeking to dispose of the accrued interest referred to above at this time given its size (i.e., a combined credit of \$2,054).

RESPONSE:

BPI is not expecting any further activity in Accounts 1508, 1525 and 1550 to April 2009 and would prefer to clear the balances and return the funds to its customers.

c) The Board Decision in EB-2007-0746 indicates on page 18 that the credit of \$217,343 in Account 1550 approved for disposition was “as of December 31, 2006 plus interest to April 30, 2008.”

i. Please explain why BPI is applying to dispose of “four additional months of low voltage charges,” from May 1, 2008 to September 1, 2008, at this time instead of waiting until after the final 2008 balances are known.

RESPONSE:

Because BPI no longer has a low voltage rate rider included in their rates as of September 1, 2008, the final 2008 balances are known. The balance that BPI is applying to dispose of is the final 2008 balance plus estimated interest to April 30, 2009.

ii. Please confirm that the credit of \$217,343 in Account 1550 approved for disposition in EB-2007-0746 did not include changes in principal that occurred between January 1, 2007 and April 30, 2008.

RESPONSE:

The credit of \$217,343 in Account 1550 approved for disposition in EB-2007-0698 included estimated principal to April 30, 2008. For clarity, principal and interest for the period of December 31, 2006 to April 30, 2009, is set out in Table 1.C.ii, below

TABLE 1.C.ii
Account 1550. Principal and Interest

	Principal	Interest	Total
December 31, 2006	\$ (67,158)	\$ (911)	\$ (68,069)
Estimated activity to April 30, 2008	(140,639)	(8,635)	(149,274)
Approved on 2008 EDR	<u>\$ (207,797)</u>	<u>\$ (9,546)</u>	<u>\$ (217,343)</u>
Actual April 30, 2008 balances	(202,778)	(9,296)	(212,074)
Difference	<u>\$ 5,019</u>	<u>\$ 250</u>	<u>\$ 5,269</u>
May 1 to September 1, 2008 activity	(35,572)	(2,653)	(38,225)
September 1, 2008 to April 30, 2009		(679)	(679)
Applied to dispose of on 2009 IRM	<u>\$ (30,553)</u>	<u>\$ (3,082)</u>	<u>\$ (33,635)</u>

- iii. Please explain what would be the benefits of disposing of the “four additional months of low voltage charges,” from May 1, 2008 to September 1, 2008, and not considering the balances that have accrued in Account 1550 from January 1, 2007 to April 30, 2008.

RESPONSE:

BPI has already disposed of the estimated principle balances to April 30, 2008. BPI is applying to dispose of the additional principal billed to customers from May 1 to September 1, 2008 and the difference between what the estimated and actual balances for April 30, 2008.

- iv. On page 48 of the *Report of the Board on 3rd Generation Incentive Regulation for Ontario's Electricity Distributors*, the Board stated that it “expects distributors to deal with deferral and variance account disposition outside of the IRM rate adjustment.” Please explain how BPI’s application to dispose of “four additional months of low voltage charges” is consistent with this statement or why the Board should deviate from it in this case.

RESPONSE:

As BPI does not anticipate any further activity in Account 1550, BPI would prefer to clear the balances in this account and return the funds back to its customers.

Revenue to Cost Ratios

Ref: Manager's Summary, page 7

2. BPI indicates in Table 7 and 8 what the proposed changes to the monthly service charges and the volumetric rates are in order to achieve the proposed revenue to cost ratios set out in column C of Table 6. The adjustments for Street Lighting and Sentinel Lighting shown in Table 7 and 8 do not correspond to the entries made on Sheet D1.2 of the 3rd Generation IRM Rate Generator Model.

Please confirm whether the entries on Sheet D1.2 for the Street Lighting and Sentinel Lighting are errors, confirming what the correct entries should have been, or provide a complete explanation for the discrepancy.

RESPONSE:

BPI confirms that the entries on Sheet D1.2 for the Street Lighting and Sentinel Lighting rate classes are errors. Please see a revised Sheet D1.2 in Appendix A. The dollar changes in Tables 7 and 8 are correct. As a result of the errors in Sheet D1.2, the Proposed Rates and Bill Impacts for the Street and Sentinel Lighting rate classes will change. Please see Appendix B and C for these changes.

APPENDIX A



Ontario Energy Board
 Commission de l'énergie de l'Ontario
3rd Generation Incentive Regulation Mechanism

Purpose of this Worksheet :

This worksheet allows the applicant to add the Revenue Cost Ratio Adjustments as calculated in the 2009 OEB 3GIRM Supplementary Filing Module for general rate classes (if applicable).

Instructions:

Transfer the resultant adjustments found in Columns J, K & L from sheet "C3.1 CA RevCst -PropPos- Gen"

Rate Rebalancing Adjustment Revenue Cost Ratio Adjustment - General Rate Class

Metric Applied To All Customers

Method of Application Both Distinct\$

Monthly Service Charge

Class	Metric	Base Rate	To This Class	\$ Adjustment	Adj To Base
Residential	Customer - 12 per year	11.030000	Yes	0.000000	0.000000
General Service Less Than 50 kW	Customer - 12 per year	23.740000	Yes	0.000000	0.000000
General Service 50 to 4,999 kW	Customer - 12 per year	302.930000	Yes	- 1.363190	1.363190
Unmetered Scattered Load	Connection - 12 per year	11.860000	Yes	0.000000	0.000000
Sentinel Lighting	Connection - 12 per year	1.190000	Yes	0.446000	0.446000
Street Lighting	Connection - 12 per year	0.410000	Yes	0.086000	0.086000

Volumetric Distribution Charge

Class	Metric	Base Rate	To This Class	\$ Adjustment	Adj To Base
Residential	kWh	0.013300	Yes	0.000000	0.000000
General Service Less Than 50 kW	kWh	0.006200	Yes	0.000000	0.000000
General Service 50 to 4,999 kW	kWh	2.686100	Yes	- 0.012090	0.012090
Unmetered Scattered Load	kWh	0.007100	Yes	0.000000	0.000000
Sentinel Lighting	kWh	5.686200	Yes	2.132300	2.132300
Street Lighting	kWh	2.071100	Yes	0.331400	0.331400

D1.2 Reven Cost Ratio Adj - Gen

APPENDIX B

MONTHLY RATES AND CHARGES - General

Rate Class

Residential

Rate Description	Metric	Rate
Service Charge	\$	12.10
Service Charge Rate Rider for Tax Change Rate Rider – effective until Friday, April 30, 2010	\$	-0.01
Distribution Volumetric Rate	\$/kWh	0.0134
Distribution Volumetric Rate Rider for Deferral Account Rate Rider – effective until Friday, April 30, 2010	\$/kWh	0.0000
Distribution Volumetric Rate Rider for Tax Change Rate Rider – effective until Friday, April 30, 2010	\$/kWh	0.0000
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0065
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0054
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Rate Class

General Service Less Than 50 kW

Rate Description	Metric	Rate
Service Charge	\$	24.88
Service Charge Rate Rider for Tax Change Rate Rider – effective until Friday, April 30, 2010	\$	-0.02
Distribution Volumetric Rate	\$/kWh	0.0062
Distribution Volumetric Rate Rider for Deferral Account Rate Rider – effective until Friday, April 30, 2010	\$/kWh	0.0000
Distribution Volumetric Rate Rider for Tax Change Rate Rider – effective until Friday, April 30, 2010	\$/kWh	0.0000
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0058
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0048
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Rate Class

General Service 50 to 4,999 kW

Rate Description	Metric	Rate
Service Charge	\$	304.39
Service Charge Rate Rider for Tax Change Rate Rider – effective until Friday, April 30, 2010	\$	-0.26
Distribution Volumetric Rate	\$/kW	2.6902
Distribution Volumetric Rate Rider for Deferral Account Rate Rider – effective until Friday, April 30, 2010	\$/kW	-0.0116
Distribution Volumetric Rate Rider for Tax Change Rate Rider – effective until Friday, April 30, 2010	\$/kW	-0.0023
Retail Transmission Rate – Network Service Rate	\$/kW	1.9843
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.8402
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Rate Class

Unmetered Scattered Load

Rate Description	Metric	Rate
Service Charge	\$	11.93
Service Charge Rate Rider for Tax Change Rate Rider – effective until Friday, April 30, 2010	\$	-0.01
Distribution Volumetric Rate	\$/kWh	0.0071
Distribution Volumetric Rate Rider for Deferral Account Rate Rider – effective until Friday, April 30, 2010	\$/kWh	0.0000
Distribution Volumetric Rate Rider for Tax Change Rate Rider – effective until Friday, April 30, 2010	\$/kWh	0.0000
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0058
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0048
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Rate Class

Sentinel Lighting

Rate Description	Metric	Rate
Service Charge	\$	1.65
Service Charge Rate Rider for Tax Change Rate Rider – effective until Friday, April 30, 2010	\$	0.00
Distribution Volumetric Rate	\$/kW	7.8739
Distribution Volumetric Rate Rider for Deferral Account Rate Rider – effective until Friday, April 30, 2010	\$/kW	-0.0095
Distribution Volumetric Rate Rider for Tax Change Rate Rider – effective until Friday, April 30, 2010	\$/kW	-0.0049
Retail Transmission Rate – Network Service Rate	\$/kW	1.8530
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.5319
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Rate Class

Street Lighting

Rate Description	Metric	Rate
Service Charge	\$	0.48
Service Charge Rate Rider for Tax Change Rate Rider – effective until Friday, April 30, 2010	\$	0.00
Distribution Volumetric Rate	\$/kW	2.4183
Distribution Volumetric Rate Rider for Deferral Account Rate Rider – effective until Friday, April 30, 2010	\$/kW	-0.0093
Distribution Volumetric Rate Rider for Tax Change Rate Rider – effective until Friday, April 30, 2010	\$/kW	-0.0018
Retail Transmission Rate – Network Service Rate	\$/kW	1.8317
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.5142
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

MONTHLY RATES AND CHARGES - Unique

Rate Class

Standby Power - APPROVED ON AN INTERIM BASIS

Rate Description	Metric	Rate
Distribution Volumetric Rate	\$/kW	1.6550

Specific Service Charges

Customer Administration

Metric	Current
Arrears certificate	\$ 15.00
Easement letter	\$ 15.00
Credit reference/credit check (plus credit agency costs)	\$ 15.00
Returned cheque charge (plus bank charges)	\$ 15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$ 30.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$ 30.00

Non-Payment of Account

Metric	Current
Late Payment - per month	% 1.5%
Late Payment - per annum	% 19.56%

Other

Allowances

Metric	Current
Transformer Allowance for Ownership - per kW of billing demand/month	\$/kW 0.60
Primary Metering Allowance for transformer losses - applied to measured demand and energy	% 1.0

Retail Service Charges (if applicable)

Retail Service Charges (if applicable)

Retail Service Charges refer to services provided by a distributor to retailers or customers related to the supply of competitive electricity

Metric	Current
One-time charge, per retailer, to establish the service agreement between the distributor and the retailer	\$ 100.00
Monthly Fixed Charge, per retailer	\$ 20.00
Monthly Variable Charge, per customer, per retailer	\$/cust. 0.50
Distributor-consolidated billing charge, per customer, per retailer	\$/cust. 0.30
Retailer-consolidated billing credit, per customer, per retailer	\$/cust. (0.30)

Service Transaction Requests (STR)

Metric	Current
Request fee, per request, applied to the requesting party	\$ 0.25
Processing fee, per request, applied to the requesting party	\$ 0.50
Request for customer information as outlined in Section 10.6.3 and Chapter 11 of the Retail Settlement Code directly to retailers and customers, if not delivered electronically through the Electronic Business Transaction (EBT) system, applied to the requesting party	
Up to twice a year	no charge
More than twice a year, per request (plus incremental delivery costs)	\$ 2.00

LOSS FACTORS

	Current
Total Loss Factor - Secondary Metered Customer < 5,000 kW	1.0420
Total Loss Factor - Secondary Metered Customer > 5,000 kW	0.0000
Total Loss Factor - Primary Metered Customer < 5,000 kW	1.0316
Total Loss Factor - Primary Metered Customer > 5,000 kW	0.0000

APPENDIX C



Purpose of this worksheet:
 This worksheet calculates the Bill Impact for the General rate classes.

Instructions:
 1. From the drop down box in C20 select a rate class you wish to view.
 2. To view all general rate classes click the Bill Impact Generator button and bill impacts for all rate classes will be set up in a separate workbook.

Sentinel Lighting

Monthly Rates and Charges	Metric	Current Rate	Applied For Rate
Service Charge	\$	1.19	1.65
Service Charge Rate Rider(s)	\$	-	0.00
Distribution Volumetric Rate	\$/kW	5.6962	7.8739
Retail Transmission Rate - Network Service Rate	\$/kW	0.2530	0.0144
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.6649	1.5319
Wholesale Market Service Rate	\$/kWh	0.0052	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010	0.0010
Standard Supply Service - Administration Charge (if applicable)	\$	0.25	0.25

Consumption	180 kWh	0.60 kW
RPP Tier One	760 kWh	Load Factor 49.3%

Loss Factor 1.0420

	Volume	RATE	CHARGE	Volume	RATE	CHARGE	\$	%	% of Total Bill
Energy First Tier (kWh)	188	0.0560	10.53	188	0.0560	10.53	0.00	0.0%	38.42%
Energy Second Tier (kWh)	0	0.0650	0.00	0	0.0650	0.00	0.00	0.0%	0.00%
Sub-Total: Energy			10.53			10.53	0.00	0.0%	38.42%
Service Charge	1	1.19	1.19	1	1.65	1.65	0.46	38.7%	6.02%
Service Charge Rate Rider(s)	1	0.00	0.00	1	0.00	0.00	0.00	0.0%	0.00%
Distribution Volumetric Rate	1	5.6962	5.69	1	7.8739	7.87	2.18	38.3%	28.71%
Distribution Volumetric Rate Rider(s)	1	-0.2530	-0.25	1	-0.0144	-0.01	0.24	(96.0)%	-0.04%
Total: Distribution			6.63			9.61	2.88	43.4%	34.70%
Retail Transmission Rate - Network Service Rate	1	1.6649	1.66	1	1.8530	1.85	0.19	11.4%	6.75%
Retail Transmission Rate - Line and Transformation Connection Service Rate	1	1.4423	1.44	1	1.5319	1.53	0.09	6.3%	5.58%
Total: Retail Transmission			3.10			3.38	0.28	9.0%	12.33%
Sub-Total: Delivery (Distribution and Retail Transmission)			9.73			12.89	3.16	32.6%	47.03%
Wholesale Market Service Rate	188	0.0052	0.98	188	0.0052	0.98	0.00	0.0%	3.58%
Rural Rate Protection Charge	188	0.0010	0.19	188	0.0010	0.19	0.00	0.0%	0.69%
Standard Supply Service - Administration Charge (if applicable)	1	0.25	0.25	1	0.25	0.25	0.00	0.0%	0.91%
Sub-Total: Regulatory			1.42			1.42	0.00	0.0%	4.18%
Debt Retirement Charge (DRC)	180	0.00700	1.26	180	0.00700	1.26	0.00	0.0%	4.60%
Total Bill before Taxes			22.94			26.10	3.16	13.8%	95.22%
GST	22.94	5%	1.15	26.10	5%	1.31	0.16	13.9%	4.78%
			24.09			27.41	3.32	13.9%	100.00%

Rate Class Threshold Test
Sentinel Lighting



Purpose of this worksheet:

This worksheet calculates the Bill Impact for the General rate classes.

Instructions:

1. From the drop down box in C20 select a rate class you wish to view.
2. To view all general rate classes click the Bill Impact Generator button and bill impacts for all rate classes will be set up in a separate workbook.

Street Lighting

Monthly Rates and Charges	Metric	Current Rate	Applied For Rate
Service Charge	\$	0.41	0.48
Service Charge Rate Rider(s)	\$	-	0.00
Distribution Volumetric Rate	\$/kW	2.0711	2.4183
Distribution Volumetric Rate Rider(s)	\$/kW	-0.2362	0.0111
Retail Transmission Rate – Network Service Rate	\$/kW	1.6457	1.8317
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.4257	1.5142
Wholesale Market Service Rate	\$/kWh	0.0052	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010	0.0010
Standard Supply Service – Administration Charge (if applicable)	\$	0.25	0.25

Consumption	180 kWh	0.50 kW
RPP Tier One	750 kWh	Load Factor 49.3%

Loss Factor 1.0420

	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%	% of Total Bill
Energy First Tier (kWh)	188	0.0560	10.53	188	0.0560	10.53	0.00	0.0%	51.59%
Energy Second Tier (kWh)	0	0.0650	0.00	0	0.0650	0.00	0.00	0.0%	0.00%
Sub-Total: Energy			10.53			10.53	0.00	0.0%	51.59%
Service Charge	1	0.41	0.41	1	0.48	0.48	0.07	17.1%	2.35%
Service Charge Rate Rider(s)	1	0.00	0.00	1	0.00	0.00	0.00	0.0%	0.00%
Distribution Volumetric Rate	1	2.0711	2.07	1	2.4183	2.42	0.35	16.9%	11.86%
Distribution Volumetric Rate Rider(s)	1	-0.2362	-0.24	1	-0.0111	-0.01	0.23	(95.8)%	-0.05%
Total: Distribution			2.24			2.89	0.66	29.0%	14.16%
Retail Transmission Rate – Network Service Rate	1	1.6457	1.65	1	1.8317	1.83	0.18	10.9%	8.97%
Retail Transmission Rate – Line and Transformation Connection Service Rate	1	1.4257	1.43	1	1.5142	1.51	0.08	5.6%	7.40%
Total: Retail Transmission			3.08			3.34	0.26	8.4%	16.36%
Sub-Total: Delivery (Distribution and Retail Transmission)			6.32			6.23	0.91	17.1%	30.62%
Wholesale Market Service Rate	188	0.0052	0.98	188	0.0052	0.98	0.00	0.0%	4.80%
Rural Rate Protection Charge	188	0.0010	0.19	188	0.0010	0.19	0.00	0.0%	0.93%
Standard Supply Service – Administration Charge (if applicable)	1	0.25	0.25	1	0.25	0.25	0.00	0.0%	1.22%
Sub-Total: Regulatory			1.42			1.42	0.00	0.0%	6.98%
Debt Retirement Charge (DRC)	180	0.00700	1.26	180	0.00700	1.26	0.00	0.0%	6.17%
Total Bill before Taxes			18.63			19.44	0.91	4.9%	95.26%
GST	16.53	5%	0.93	19.44	5%	0.97	0.04	4.3%	4.76%
			19.46			20.41	0.95	4.9%	100.00%

Rate Class Threshold Test
Street Lighting