



RP-2005-0020
EB-2006-0011

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

AND IN THE MATTER OF an application by Brant County Power Inc. for an order or orders pursuant to section 78 of the *Ontario Energy Board Act, 1998* for 2006 distribution rates and related matters;

AND IN THE MATTER OF an application by Brant County Power Inc. for an order or orders pursuant to section 78 of the *Ontario Energy Board Act, 1998* pertaining to the Final Recovery of Regulatory Assets - Phase 2.

BEFORE: Paul Vlahos
Presiding Member

Cynthia Chaplin
Member

DECISION WITH REASONS

BACKGROUND

On October 21, 2005, Brant County Power Inc. (“BCPI” or the “Applicant”) submitted an application for final recovery of its regulatory asset balances, pursuant to Chapter 10 of the Board’s December 9, 2004 *Review and Recovery of Regulatory Assets - Phase 2 Decision with Reasons* and the July 12, 2005 regulatory asset filing guidelines. BCPI filed its application under the comprehensive review option, and the application was filed as part of the main 2006 distribution rates application. The regulatory assets claim totalled \$2,440,962, of which \$1,637,249 plus carrying charges represented the total transition cost claim.

The intervenors of record were the Vulnerable Energy Consumers Coalition (“VECC”), Energy Probe Research Foundation (“Energy Probe”), Rogers Cable Communications Inc. (“RCC”) and the School Energy Coalition (“SEC”).

Pursuant to Procedural Order #1, parties conducted a settlement conference on March 3, 2006. BCPI met with the intervenors of record, with the exception of SEC and RCC. SEC advised that it would not participate but would rely on the remaining intervenors to negotiate a settlement on behalf of ratepayers. RCC advised that it had no interest in the regulatory assets application. Board Staff were also in attendance but were not party to the settlement proposal. A complete agreement was reached and a settlement proposal was filed with the Board on March 10, 2006. The proposal indicated that SEC had reviewed the agreement and indicated its acceptance of the settlement.

The settlement agreement proposed a reduction in BCPI’s transition cost claim of \$537,249, resulting in a revised claim of \$1,100,000 plus carrying charges. The agreement also proposed to reduce the balance in account 1525 (Miscellaneous Deferred Debits) by \$41,820, to remove ineligible programming costs, and to change the allocator for account 1508 (Other Regulatory Assets) from customer numbers to distribution revenue, to be consistent with other distributors’ applications. All other non-transition cost accounts were accepted as filed. The Applicant also added the December 31, 2003 Hydro One charges that were erroneously omitted from the original application. The total revised regulatory asset claim is \$2,007,273.

The Board has reviewed the application, responses to interrogatories, and the settlement proposal. The Board is satisfied that the record is complete and will therefore dispense with an oral hearing.

BOARD FINDINGS

The Board accepts the application as amended by the settlement agreement. The Board finds that the cost of service consequences resulting from the agreement are acceptable. The Board notes that the consequences of its findings in this Decision will be incorporated into the rate order for BCPI that will result from the Decision on BCPI’s main 2006 distribution rates application.

The Board awards VECC, Energy Probe and SEC 100 percent of their reasonably incurred costs with respect to this comprehensive regulatory assets proceeding. The implementation of this decision on cost awards will be incorporated into the overall process for awarding intervenor costs for the 2006 electricity distribution rates review.

DATED at Toronto, April 26, 2006

Original signed by

Paul Vlahos
Presiding Member

Original signed by

Cynthia Chaplin
Member