



RP-2005-0020
EB-2006-0041

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 Westario 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 Westario 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

In January 2006, Westario Power Inc. (“Westario Power” 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. Westario Power 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 \$7,091,750, of which \$2,012,212 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”) and the School Energy Coalition (“SEC”).

Pursuant to Procedural Order #2, parties conducted a settlement conference on April 20, 2006. Westario Power met with the intervenors of record, with the exception of SEC who did not participate. 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 May 8, 2006. The settlement agreement proposed a reduction in Westario Power's transition cost claim of \$271, 212, resulting in a revised claim of \$1,750,000 plus carrying charges. All other non-transition cost accounts were accepted as filed. The total revised regulatory assets claim is \$6,754,995 including carrying charges. The settlement indicated that SEC was sent a copy of the proposal and that SEC had not taken a position on it.

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 Westario Power that will result from the Decision on Westario Power'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. However, the Board does not anticipate that SEC will file a cost claim for a significant amount. 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, June 15, 2006

Original signed by

Paul Vlahos
Presiding Member

Original signed by

Cynthia Chaplin
Member