



EB-2010-0140

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 Parry Sound
Power Corporation for an order approving just and
reasonable rates and other charges for electricity
distribution to be effective May 1, 2011.

BEFORE: Paul Sommerville
Presiding Member

SUPPLEMENTARY DECISION

(Supplementary to the Decision and Order issued on June 17, 2011)

Background

Parry Sound Power Corporation ("Parry Sound") filed its 2011 distribution rate rebasing application with the Ontario Energy Board (the "Board") on October 15, 2010. Parry Sound is the licensed electricity distributor for the Town of Parry Sound, serving approximately 3,400 customers.

On June 17, 2011, the Board issued its Decision and Order in relation to this application. Issuance of the associated Rate Order is pending.

This Supplementary Decision addresses one issue that was not disposed of in the June 17, 2011 Decision and Order; namely, Parry Sound's request that its rate year be aligned with the calendar year beginning in 2012.

Request to Align the Rate Year with the Fiscal (Calendar) Year

Parry Sound's cost of service rate application that is the subject of the Board's June 17, 2011 Decision and Order pertains to its 2011 rate year. Its request to align the rate year with the fiscal (calendar) year relates more specifically to 2012. If Parry Sound's request is granted, commencing January 1, 2012 its rate year would be from January 1 to December 31 rather than the current May 1 to April 30 rate year.

In support of its request, Parry Sound provided evidence in relation to the issues outlined in Appendix B of the Board's April 15, 2010 letter concluding the consultation on the issue of the alignment of the rate year with the fiscal year (EB-2009-0423).

In its evidence, Parry Sound presented the benefits of aligning the rate year with the fiscal (calendar) year, citing increased transparency for ratepayers and shareholders, more appropriate alignment between the Board's rate decision and Parry Sound's spending, and reduced complexities in the calculation of the PILs allowance.

Parry Sound acknowledged the issue of potential consumer concern over the frequency of rate changes, but submitted that having distribution rate changes effective on a date that differs from the date on which commodity rate changes take effect will result in greater clarity and transparency for customers regarding distribution-related rate adjustments versus other changes, including commodity rate changes that are determined by the Board.

Parry Sound indicated that the existing filing requirements pertaining to bridge year information, audited financial statements, reporting requirements under the Board's Electricity Reporting and Record Keeping Requirements, tax returns, and the review and disposition of deferral and variance account balances, would be better matched with a calendar year rate year. Parry Sound noted that, by April 30 of each year, audited financial statements, the trial balance in the Uniform System of Accounts and performance-based regulation reporting will all have been filed with the Board for the prior year. Variance and deferral account balances are determined as part of the audited financial statements and therefore are also available by April 30. Reporting on service quality indicators is filed by March 31. The tax return is available by no later than June 30, but again the specific information related to the return is available for internal use earlier.

Neither the Vulnerable Energy Consumers Coalition, the sole intervenor in this proceeding, nor Board staff made submissions on this issue.

Board Findings

The Board finds that Parry Sound has adequately addressed the issues that were identified in the Board's April 15, 2010 letter referred to above. The Board grants Parry Sound's request to align its rate year with the calendar year, starting on January 1, 2012.

DATED at Toronto, June 30, 2011

ONTARIO ENERGY BOARD

Original Signed By

Kirsten Walli
Board Secretary