

BOARD STAFF INTERROGATORIES – GENERIC ISSUES HEARING
RP-2005-0020 / EB-2005-0529

2. DEFERRAL ACCOUNTS

2.1 REGULATORY COSTS

Brantford Power Inc. EB-2005-0342

Ref. Paragraph 1.4 in Exhibit B / Tab 1 /Page 1 and Paragraphs 8.7 through 8.10 in Exhibit B / Tab 8 / Page 2 of August 12, 2005 Manager’s Summary

1. **Brantford Power Inc. (“Brantford Power”) requests that the Board modify the scope of Account 1508 – Other Regulatory Assets sub-account OEB Cost Assessment (“Account 1508”) or establish a new variance account to allow the recording for reconciliation at a later date, of differences, if any, between the amounts recoverable in Brantford Power’s revenue requirement on account of Electrical Safety Authority fees and regulatory costs associated with regulatory proceedings (including without limitation, intervenor, consultant, and legal costs) and the actual costs incurred by Brantford Power in this regard.**

In sheet “ADJ 3 (Distribution Exp – Tier 1)” of the 2006 EDR Model, Brantford Power entered the amounts of \$34,083 and \$92,270 for “OEB Annual Dues and Other Regulatory Agency Costs” for 2004 and 2005 respectively, showing an increase of \$58,187 for Tier 1 adjustment with respect to Account 5655 – Regulatory Expenses. Please indicate what the estimated total amount for the Tier 1 adjustment would have been, if it were the case that the Board allowed the additional categories of expenses requested by Brantford Power, and provide a breakdown by category.

Brantford Power Inc. Response:

The following table summarizes by category of cost, actual expenses for 2004 and 2005 that have been incurred and booked to USoA account 905655 for 2004 and 2005. Noting that 2005 actual expenses are as of December 1, 2005, total 2005 expenses are forecast at \$120,000.

CATEGORY	2004	2005 [to Dec. 1, 2005]
Maintenance Supplies	\$15,757.54	\$3,832.02
Consultant Costs	\$38,421.90	\$48,633.83
Legal Costs	\$44,250.17	\$51,728.45
Total	\$98,429.61	\$104,194.30

If the Ontario Energy Board were to allow the additional categories of expenses requested by Brantford Power, the estimated total amount for the Tier 1 adjustment would be \$78,187.00.

2. **At the end of Paragraph 8.10, “The Applicant requests that the aforementioned modification, or the establishment of the new variance account be effective May 1, 2006.” Please confirm if Brantford Power proposes that the actual regulatory costs be recorded from May 1, 2006 onwards or January 1, 2006?**

Brantford Power Inc. Response:

Question 1 contemplates the possibility that a Tier 1 Adjustment would be permitted in order to allow Brantford Power to recover the additional categories of expenses it has requested. If such a Tier 1 Adjustment were permitted, Brantford Power proposes that the actual regulatory costs beyond the levels of those costs included in Brantford Power’s 2004 expenses (that form part of its Revenue Requirement) be recorded from January 1, 2006. If such a Tier 1 Adjustment were not established by the OEB, Brantford Power proposes that the actual regulatory costs beyond the levels of those costs included in Brantford Power’s 2004 expenses (that form part of its Revenue Requirement) be recorded from January 1, 2005.