



***PUBLIC INTEREST ADVOCACY CENTRE***  
***LE CENTRE POUR LA DEFENSE DE L'INTERET PUBLIC***

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**VIA MAIL and E-MAIL**

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
P.O. Box 2319  
2300 Yonge St.  
Toronto, ON  
M4P 1E4

Dear Ms. Walli:

**Re: Toronto Hydro-Electric System Limited – 2011 Electricity Distribution Rate Application (EB-2010-0142) Draft Rate Order - VECC's Comments**

The Vulnerable Energy Consumers Coalition has reviewed the Draft Rate Order (DRO) distributed by Toronto Hydro on July 14, 2011. VECC's only concern is with respect to the Revenue to Cost Ratio adjustments.

As noted in the DRO (page 3) reducing the Large User revenue/cost ratio to 115% leads to a revenue shortfall of roughly \$300,000. Toronto Hydro has chosen to recover this shortfall from the Residential class. In VECC's view this is inappropriate. The starting revenue/cost ratio for the Residential class is 88.7%, which is greater than that for either the Streetlighting (71.3%) or USL (82.5%) classes. VECC submits that, if and when all classes are within the Board's approved ranges, the revenue shortfall should be addressed by increasing the ratios for those classes whose starting points are the furthest below 100%.

VECC estimates that the \$300,000 shortfall could be recovered by increasing the Streetlighting class ratio to 73.1%, which is still significantly below the ratios for the Residential and USL classes. VECC also notes that since both the distribution bill and the total bill impacts for the Streetlighting class are currently estimated to be negative

(-1.9% and -1.3% respectively, per Appendix D, page 6) this nominal increase in the class' revenue/cost ratio should not create undue bill impacts for Streetlighting.

Thank you.

Yours truly,

Michael Buonaguro  
Counsel for VECC

cc: Toronto Hydro-Electric System Limited  
Attention: Mr. Glen A. Winn