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1 November 2017

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

**VIA EMAIL**

Dear Ms. Walli,

**Re: EB-2016-0085 – InnPower Application for electricity distribution rates and other charges beginning July 1, 2017  
VECC Submission regarding Pole Attachment and MicroFIT Rates**

In accordance with Procedural Order No. 6, VECC submits the following comments with respect to the issues of pole attachment and microFIT rates in InnPower Corporation Inc.'s ("InnPower") above-mentioned application.

In its original application, InnPower sought to increase its microFIT rate from \$5.40/month to \$10/month, and sought to increase its pole attachment rate from \$22.35/month to \$47.50/month. In a letter dated 23 August 2017, InnPower withdrew its requests to increase both of these rates.

The School Energy Coalition (SEC) responded to InnPower's request on 25 August 2017, submitting that the pole attachment rate remains a relevant issue in the proceeding. SEC also noted that the evidence InnPower filed shows that its pole attachment rate should rise, and that proper cost allocation would result in all other customers' rates correspondingly decreasing.

On 28 August 2017, the final submission before Procedural Order no. 6, InnPower replied to SEC and made further arguments regarding its withdrawal of the request to increase its pole attachment rate. (SEC did not take issue with the withdrawal of the request to increase InnPower's microFIT rate.) InnPower argued that it should be permitted to withdraw its request regarding pole attachment rate for the following reasons: only an LDC such as InnPower has standing to make a request to modify such charges that form part of its distribution license; InnPower lacks confidence in the calculations or methodology underlying its originally proposed pole attachment rate increase request and could not reproduce them due to the person responsible having since left; and if InnPower were to redo the calculations, the resulting amount would come in below InnPower's materiality threshold in this proceeding.

## MicroFIT Charge

InnPower noted in its 23 August 2017 letter that it was withdrawing its microFIT charge increase because the activities driving the original request were “all one-time costs that occur before a microFIT customer is connected, and are consequently not appropriate to include in the determination of a monthly microFIT service charge”. Of the three activities identified in 8.0-Staff-75(a), feeder capacity verification and managing the IESO portal do seem to take place at the time of the connection, while maintenance of feeder capacity thresholds does not necessarily, occurring on a quarterly and annual basis. If this is the case, then there may be an argument to look at InnPower’s microFIT charge as part of this proceeding; however, VECC takes no position on this point.

## Pole Attachment Charge

VECC supports the submissions of SEC in this matter. There are two points in particular that we wish to underline.

First, it seems unlikely that the evidence InnPower provides in its 28 August 2017 letter<sup>1</sup> can be read to conclude that its own standing supersedes that of the Board to make any change to the LDC’s license terms, that the Board deems “(a) necessary to implement a directive issued under this Act; or (b) in the public interest...”<sup>2</sup> Given the evidence that has appeared on the record, pole attachment rates may be too low and thus distribution ratepayers may be asked to pay more than their fair share as a result of the current application. In light of that and the Board’s rate regulation principles generally, it would seem to be in the public interest to ensure that costs are allocated appropriately to the extent possible and based on the best evidence available. As SEC noted, the *Act* provides that any person may ask the Board to amend a license, and nothing in RP-2003-0249 suggests its terms are meant to operate to the exclusion of the *Act* itself.

Second, the OEB is now aware that there is evidence that InnPower’s current pole attachment rates are too low. InnPower submitted that this evidence is incorrect and updated evidence would make the new increase immaterial, but this has not been tested due to InnPower not having responded to the relevant interrogatories. The utility cannot rely on untested evidence as a reason that such evidence should not be put forward for testing.

In light of the reasons above, in addition to those submitted by SEC, the OEB should examine InnPower’s pole attachment charges as a part of the current proceeding.

Best regards,

*[original signed]*

Cynthia Khoo  
Counsel to VECC

cc: Interested Parties (by email)

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1 Appendix A in InnPower Letter (28 August 2017)

2 *Ontario Energy Board Act*, S0 1998, c 15, s 74.