



***PUBLIC INTEREST ADVOCACY CENTRE
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January 17, 2011

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: Vulnerable Energy Consumers Coalition (VECC)
Final Submissions: EB-2010-0067
Burlington Hydro Inc. – 2011 Electricity Distribution Rate Application**

Please find enclosed the submissions of the Vulnerable Energy Consumers Coalition (VECC) in the above noted proceeding.

Thank you.

Yours truly,

Michael Buonaguro
Counsel for VECC
Encl.

cc: Joe Saunders
Director Regulatory Compliance and Asset Management
Burlington Hydro Inc.

ONTARIO ENERGY BOARD

IN THE MATTER OF the *Ontario Energy Board Act*, 1998, S.O. 1998, c. 15, Sch.B, as amended;

AND IN THE MATTER OF an Application by Burlington Hydro Inc. pursuant to section 78 of the *Ontario Energy Board Act* for an Order or Orders approving just and reasonable rates for electricity distribution to be effective May 1, 2011.

FINAL SUBMISSIONS

On Behalf of The

VULNERABLE ENERGY CONSUMERS COALITION (VECC)

January 17, 2011

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Vulnerable Energy Consumers Coalition (VECC)
Final Argument

1 The Application

- 1.1 Burlington Hydro Inc. (“BHI”, “the Applicant,” or “the Utility”) filed an application (“the Application”) with the Ontario Energy Board (“the Board” or “the OEB”), under section 78 of the Ontario Energy Board Act, 1998 for electricity distribution rates effective May 1, 2011. The Application was filed in accordance with the OEB’s guidelines for 3rd Generation Incentive Regulation, which provide for a formulaic adjustment to distribution rates and related charges.
- 1.2 As part of its Application Burlington Hydro Inc. included an adjustment to the customer class revenue to cost ratios and a request to recover the impact of lost revenues associated with various conservation and demand management (CDM) activities (i.e., an LRAM recovery). The following sections sets out VECC’s final submissions regarding these two aspects of the Application.

2 Revenue to Cost Ratio Adjustments

- 2.1 VECC has reviewed Burlington’s proposed revenue to cost ratio adjustments and submits that:
- The adjustments are in accordance with the Board’s EB-2009-0259 Decision, and
 - The Revenue-Cost Ratio Adjustment Work Form has been completed appropriately.

3 Lost Revenue Adjustment Mechanism (LRAM) Recovery

Rate class	LRAM claim as originally filed	LRAM claim with final 2009 OPA program results
Residential	\$240,011	\$247,026
GS < 50kW	\$145,155	\$137,681
GS 50-4,999kW	\$22,624	\$28,744
Total	\$407,790	\$413,451

- 3.1 The revised claim showing both as filed and final results for the OPA component is taken from Board Staff IRR 2 c).
- 3.2 The “as filed” Residential class claim is comprised of the following components as shown in VECC IRR 3a).

	LRAM claim as filed	LRAM claim using only the 2010 M&A list for third tranche/post-third tranche programs
OPA programs	\$114,217	\$114,217
Third tranche programs	\$7,087	\$7,087
Post-third tranche programs	\$118,707	\$101,394
Total residential LRAM claim	\$240,011	\$222,699

OPA-funded Programs

- 3.3 VECC accepts for LRAM purposes, the OPA Verification of OPA-funded CDM programs. The issue remaining is whether to accept the updated claim to reflect the final OPA program data. VECC submits that this update should be adopted in accordance with Board recommendations that “The Board would consider an evaluation by the OPA or a third party designated by the OPA to be sufficient.” Burlington notes (VECCIRR 3d) that OPA advises that these estimates are prepared in a manner consistent with OPA current practice, and are the same values used to report progress against provincial conservation targets.

LRAM Claim-third tranche and post third tranche CDM

- 3.4 VECC does not support the LRAM claim for third tranche/post-third tranche programs.
- 3.5 This includes 4 Burlington funded programs involving Mass Market measures including CFL hand-outs:
- 2005 Public Education and Outreach
 - 2007 Public Education and Outreach
 - 2007 Staff Development

- 2007 Municipal Building Retrofit.

- 3.6 Burlington indicates (VECC IRR 3a) that the LRAM claim for these programs (\$7,807) is based on the OPA 2010 Mass Market Measures Assumptions Lists and therefore is consistent with the Board's Horizon Decision and in VECC's submission should be accepted.
- 3.7 The other component of the post third tranche Residential claim relates to the 2006 and 2007 Every Kilowatt Counts Campaigns. VECC is puzzled as to why these programs are not classed as OPA-funded Programs and included in the OPA results and also in the OPA component of the residential LRAM claim rather than classified as post third tranche programs.
- 3.8 Nonetheless, if as Burlington and Indeco suggest, these are Burlington-funded programs, then the Board's Decision in the Horizon case regarding best available input assumptions should apply and therefore the OPA 2010 Mass Market Measures Assumptions Lists should be used for this component of the claim. In accordance with VECC IRR #3a) the Residential claim for non-OPA post third tranche programs should be reduced from \$118,707 to \$101,394. (-\$17,313)
- 3.9 This post third tranche LRAM amount should not be affected by the OPA final Results and should result in a final residential claim of \$247,026-
\$17,313=**\$229,713.**
- 3.10 The rate rider should be adjusted when the Rate Order is filed.

4 Recovery of Reasonably Incurred Costs

- 4.1 VECC submits that its participation in this proceeding has been focused and responsible. Accordingly, VECC requests an award of costs in the amount of 100% of its reasonably-incurred fees and disbursements.

All of which is respectfully submitted this 17th day of January 2011