



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

ONE Nicholas Street, Suite 1204, Ottawa, Ontario, Canada K1N 7B7

Michael Buonaguro  
Counsel for VECC  
(416) 767-1666

January 18, 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-2010-0072  
Centre Wellington Hydro Ltd. – 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: Ms. Florence Theissen  
Centre Wellington Hydro

**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 Centre Wellington Hydro Ltd. 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 18, 2011**

**Michael Buonaguro**  
**Public Interest Advocacy Centre**  
34 King Street East  
Suite 1102  
Toronto, Ontario  
M5C 2X8

Tel: 416-767-1666  
E-mail: [mbuonaguro@piac.ca](mailto:mbuonaguro@piac.ca)

**Vulnerable Energy Consumers Coalition (VECC)**  
**Final Argument**

**1 The Application**

- 1.1 Centre Wellington Hydro Ltd. ("Centre Wellington", "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 3<sup>rd</sup> Generation Incentive Regulation, which provide for a formulaic adjustment to distribution rates and related charges.
- 1.2 As part of its Application, Lakefront included an adjustment to the customer class revenue to cost ratios and a request an alignment of its rate year with its fiscal year effective January 1, 2012. The following sections set out VECC's final submissions regarding these two aspects of the Application.

**2 Revenue to Cost Ratio Adjustments**

- 2.1 VECC has reviewed Centre Wellington's Application and submits that:
- The adjustments are in accordance with the Board's EB-2008-0225 Decision, and
  - The Revenue-Cost Ratio Adjustment Work Form has been completed appropriately.

**3 Alignment of Rate Year and Fiscal Year**

- 3.1 On April 15, 2010 the Board issued a letter to all Electricity Distributors on this issue. Following a consultation and input from interested stakeholders the Board found that:

"All filings supported the idea that the Board allow each distributor the discretion to apply to align its rate year with the fiscal year as opposed to the Board prescribing a "generic" policy treatment. In addition, all filings suggested that any proposal for an alignment of the rate year with the fiscal year be made in a Cost of Service application. The Board concurs with these approaches.

The Board has concluded that it is appropriate to consider the merits of an alignment of the rate year with the fiscal year for a distributor on a case-by-case basis upon receipt of an application for that purpose. Such an application shall form part of a distributor's Cost of Service rate application. Any distributor applying for an alignment to be effective on January 1, 2011 is requested to file that application as soon as possible."

3.2 Based on this letter VECC submits that it is clear that a request for realignment of a distributor's rate year with its test year is to be made as part of a cost-of-service Application. As a result, since Centre Wellington has not filed a cost of service application for 2011<sup>1</sup>, the Board should not make finding on the matter as part of this Application.

3.3 Furthermore, VECC notes that Centre Wellington's rates were originally re-based for 2009 using a cost-of-service application. Based on the Board's four-year cycle, Centre Wellington would normally not have its rates rebased until 2013. Therefore unless there is a compelling reason an early rebasing application, VECC submits that, assuming the Applicant still wishes to pursue the matter, it should be dealt with as part of the cost of service application for 2013 rates.

#### **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 18<sup>th</sup> day of January 2011.

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<sup>1</sup> VECC #1 b)