



***PUBLIC INTEREST ADVOCACY CENTRE
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January 20, 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-2010-0098
Middlesex Power Distribution Corporation - Middlesex – 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: Mr. Dave Kenney
Middlesex Power Distribution Corporation - Middlesex

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 Middlesex Power Distribution Corporation - Middlesex 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 20, 2011

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Vulnerable Energy Consumers Coalition (VECC)
Final Argument

1 The Application

1.1 Middlesex Power Distribution Corporation - Middlesex ("Middlesex") filed an application ("the Application") with the Ontario Energy Board ("the Board"), 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. As part of its Application, Lakeland included 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 section sets out VECC's final submissions regarding this aspect of the Application.

2 Lost Revenue Adjustment Mechanism (LRAM)

- 2.1 The Middlesex LRAM claim is for lost revenues that resulted: from
- 2006-2008 OPA programs between January 1, 2006 and December 31, 2010.
 - 2009 OPA programs between January 1, 2009 and December 31, 2010. The results of these programs were provided on a preliminary basis by the OPA.
- 2.2 The tables below (from Board Staff IRR #1c) show the original LRAM claim and the revised LRAM claim calculated using the final 2009 OPA program data, and the rate riders based on the revised LRAM claim.

Rate class	LRAM claim as originally filed	LRAM claim with final 2009 OPA program results
Residential	\$70,888	\$71,914
GS < 50kW	\$6,205	\$3,787
GS 50-4,999kW	\$13	\$13
Total	\$77,105	\$75,714

Rate class	Claim	kWh	kW	Rate/kWh	Rate/kW
Residential	\$71,914	56,192,789	-	\$0.00128	
GS < 50kW	\$3,787	18,279,724	-	\$0.00021	
GS 50-4,999kW	\$13	84,572,093	231,274		\$0.0001
	\$75,714				

LRAM for OPA-funded CDM Programs

- 2.3 VECC has reviewed responses to IRs and the spreadsheet with the OPA results filed on December 10 2010 and accepts for LRAM purposes, the OPA Verification of OPA-funded CDM programs. VECC notes that the input assumptions for the 2006 EKC mass market measures differ materially from the 2010 OPA Measures and Assumptions lists and therefore result in significantly higher savings and LRAM contribution. However, the Board CDM Guidelines state:

“The Board would consider an evaluation by the OPA or a third party designated by the OPA to be sufficient.”

- 2.4 The issue remaining is to whether accept the updated claim to reflect the final OPA program data. VECC submits that this update should be adopted in accordance with Board acceptance of OPA-verified results.
- 2.5 OPA Final Results result in a final claim of \$75,714. The rate riders should be adjusted when the Draft Rate Order is filed.

3 Recovery of Reasonably Incurred Costs

- 3.1 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 20th day of January 2011.