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January 25, 2010

**VIA E-MAIL/RESS**

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
P.O. Box 2319  
27<sup>th</sup> Floor; 2300 Yonge Street  
Toronto, ON M4P 1E4

Dear Ms. Walli

**Re: Vulnerable Energy Consumers Coalition (VECC)**  
**Final Submissions: EB-2010-0107**  
**Oshawa PUC Networks Inc .2011 IRM Adjustment**

Please find enclosed VECC's submissions regarding the above Application.

Yours truly,

*Original signed*

Michael Buonaguro  
Counsel for VECC  
Encl.

cc. Philip Martin  
VP, Finance and Regulatory Compliance  
[pmartin@opuc.on.ca](mailto:pmartin@opuc.on.ca)

**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 Oshawa PUC Networks 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 25, 2011**

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

### **The Application**

**Oshawa PUC Networks Inc.** (“Oshawa”, “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.

As part of its Application Oshawa 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.

### **Lost Revenue Adjustment Mechanism (LRAM) Recovery**

#### **LRAM Claim**

The “as filed” Residential LRAM Amount requested for recovery is related to distribution volumes (net of free rider volumes) lost during the period January 1 to December 31, 2009 resulting from the following:

- CDM Programs funded by the OPA and implemented in 2006, 2007, 2008 and 2009:
- CDM Programs funded under Third Tranche and implemented in 2006 (7 programs-see below)

Oshawa indicated that the claim was a continuation/carryforward of the 2009 claim (For CDM up to 2008)<sup>1</sup> The as filed claim is summarized in Table 1 of the evidence.

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<sup>1</sup> LRAM Worksheet Notes on LRAM prep

**Table 1: LRAM Total Amounts and Rate Rider by Class**

Customer Class	Lost Revenue	Volume	Metric	Proposed Rate Rider
Residential	\$ 25,191.11	490,807,351	kWh	\$0.0001
Commercial	\$ 37,709.68	134,251,798	kWh	\$0.0003
GS >50KW-1000	\$ 1,051.11	861,504	kW	\$0.0012
Unmetered Scattered Load	\$ 17,129.83	2,963,094	kWh	\$0.0058
<b>TOTALS</b>	<b>\$ 81,081.73</b>			

The details of the claim are shown in Table 4<sup>2</sup>. This corresponds to the same residential claim as shown in Table 1 -1,983,552 kwh and \$ 25,191.11.

### Input Assumptions

VECC has reviewed the details of the residential sector programs in Table 4 and submits that the input assumptions in that Table are consistent with the use of Best Available input assumptions which are the OPA 2010 Prescriptive Measures and Assumptions Lists for third tranche Programs and are OPA audited results for Oshawa PUC for OPA-funded programs.

### Revised LRAM claim December 17, 2010

Oshawa has revised its LRAM claim materially:<sup>3</sup>

“As a result of this review Oshawa PUC has discovered that the original submission was incomplete. The revised LRAM claim is \$272,066.18, summarized below, and is detailed in the responses to questions (d) and (e).”

Lost Revenues and Load by Class and Program Summary

Lost Revenues and Load by Class and Program Summary			2010 Claim		OPA Results				Difference	
Rate	Funding	Year	Total Net	Total	Results	Total Net	Total	Lost	Total Net	Lost
Class Program	Mechanism	(start of program)	KWh Saved (After FR)	LRAM	Status	KWh Saved	Net KWh Saved	Revenue	KWh Saved	Revenue
OPA PROGRAMS:										
OPA EKC Pgm Coupons (Summer/ Fall 2006) Tot	OPA A 2006	2006	557,998	7,089	Final	4,137,572		52,547	3,579,574	45,459
Secondary Refrigerator Retirement Pilot	OPA A 2006	2006			Final	64,595		820	64,595	820
Cool & Hot Savings Rebate	OPA A 2006	2006			Final	159,459		2,025	159,459	2,025
Great Refrigerator Roundup	OPA A 2007	2007			Final	144,809		1,839	144,809	1,839
Cool & Hot Savings Rebate	OPA A 2007	2007			Final	262,935		3,339	262,935	3,339
EveryKilowatt Counts	OPA A 2007	2007			Final	1,556,871		19,772	1,556,871	19,772
Social Housing Pilot	OPA A 2007	2007			Final	143,252		1,819	143,252	1,819
OPA Peaksaver Total	OPA A2008	2008	29,049	369	Final	2,476	(1)	31	(26,574)	(337)
OPA Refrigerator Roundup Total	OPA A2008	2008	795,902	10,108	Final	320,170		4,066	(475,733)	(6,042)
Cool Savings Rebate	OPA A2008	2008			Final	283,867		3,605	283,867	3,605
EveryKilowatt Counts Power Savings Event	OPA A2008	2008			Final	1,434,711		18,221	1,434,711	18,221
Summer Sweepstakes	OPA A2008	2008			Final	377,298		4,792	377,298	4,792
OPA Peaksaver Total	OPA A 2009	2009	30,146	383	Final	752	(1)	10	(29,393)	(373)
OPA Refrigerator Roundup Total	OPA A 2009	2009	511,439	6,495	Final	266,038		3,379	(245,401)	(3,117)
Cool Savings Rebate	OPA A 2009	2009			Final	357,507		4,540	357,507	4,540
EveryKilowatt Counts Power Savings Event	OPA A 2009	2009			Final	621,650		7,895	621,650	7,895
Residential Total			1,924,534	24,444		10,133,962		128,701	8,209,428	104,258

<sup>2</sup> J:\Managers\2011 Rate Application (EB-2010-0107)\Working files\Worksheet re LRAM & SSM 2009 data for 2011 IRM\_Oct 13.xls (LRAM Detail)

<sup>3</sup> VECC IRR 1d)

### Revised LRAM Total Amounts and Rate Rider by Class

Customer Class	Lost Revenue including Carrying Charges	Volume	Metric	Proposed Rate Rider
Residential	\$ 130,923.35	490,807,351	kWh	\$0.0003
Commercial	\$ 108,913.83	134,251,798	kWh	\$0.0008
GS >50kW-1000	\$ 14,904.32	861,504	kW	\$0.0173
Unmetered Scattered Load	\$ 17,324.68	2,963,094	kWh	\$0.0058
<b>TOTALS</b>	\$ 272,066.18			

Inspection of the response to VECC IRR#1 part d) shows that the savings and LRAM claim third tranche programs are the same as filed BUT the savings and LRAM for Residential OPA programs are materially changed.

### OPA-funded Programs

Oshawa has not provided a detailed explanation for the material changes to its LRAM claim for residential OPA programs, (except that these relate to the OPA final audited results.<sup>4</sup>)

Inspection of the information provided in VECC IRR 1 d) shows that the residential savings and LRAM claim are increased by 8,209,428 kwh and \$104,258. The *major* change to the residential savings and LRAM claim is

- OPA EKC Program Coupons (Summer/ Fall 2006) 3,579,574 kwh; LRAM contribution +\$45,459

VECC does not accept the change to the claim for the 2006 EKC program.

VECC is puzzled why Oshawa did not include the OPA EKC 2006 results as an OPA-funded program in its original claim. The results for this Program have been reported several times in OPA Reports. However, Table 4 as filed uses input assumptions applicable to third tranche programs for the 2006 EKC program.

It appears to VECC that the 2006 EKC program was treated as third tranche-funded in the original “as filed” claim as far as input assumptions, savings and LRAM are concerned, and is being treated as OPA-funded in the revised claim

Whether or not this was third-tranche funded or not *must be clarified by Oshawa*, since the LRAM treatment is different and Best Available Input Assumptions at the time of the Enerspectrum Report must be used to calculate this component of the residential LRAM

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<sup>4</sup> OPA report entitled “2006-2009 Final OPA CDM Results Oshawa PUC Networks Inc

claim. Table 4 in the Worksheet shows the correct input assumptions if the 2006 EKC program was third tranche- funded by Oshawa.

In any event, Oshawa should provide more explanation and support for the material change to 2006 EKC program savings and LRAM claim (e.g. comparison to the 2009 claim and to the Enerspectrum Report.)

- If this shows that the original claim is correct for the 2006 EKC program then the Savings and LRAM should be adjusted down by 3,579,574 kwh; and residential LRAM contribution by \$45,459

VECC accepts the other adjustments to residential OPA-funded programs.

### **Recovery of Reasonably Incurred Costs**

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 25<sup>th</sup> day of January 2011.