



***PUBLIC INTEREST ADVOCACY CENTRE
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January 26, 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-2010-0106
Orillia Power Distribution Corporation – 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. John Mattinson
Orillia Power Distribution Corporation

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 Orillia Power Distribution Corporation 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 26, 2011

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Vulnerable Energy Consumers Coalition (VECC)
Final Argument

1 The Application

- 1.1 Orillia Power Distribution Corporation (“Orillia”) 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 Orillia 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).
- 1.3 The following sections set out VECC’s final submissions regarding these aspects of the Application.

2 Revenue To cost Ratios

- 2.1 VECC has reviewed the revenue to cost ratio adjustments proposed by Orillia and submits that:
 - The adjustments are in accordance with the Board’s EB-2009-0273 Decision, and
 - The Revenue-Cost Ratio Adjustment Work Form has been completed appropriately.

3 Lost Revenue Adjustment Mechanism (LRAM)

- 3.1 Orillia is claiming an LRAM **only** for OPA-sponsored CDM Programs.
- 3.2 Orillia states (Manager's Summary) that it participated in 18 OPA provincial programs from 2006 to 2008. CDM activities related to these OPA-sponsored programs have resulted in an "as filed" lost revenue of \$87,772 plus interest to April 2011 of \$4,922 for Orillia. The as filed claim was based on 2006-2008 Final OPA results and did not include any 2009 results (Board staff IRR#2). The Residential claim as filed was \$88,517.
- 3.3 The Manager's Summary shows the allocation to the rate classes and the rate riders.

LRAM Rate Rider	LRAM	Interest	Total LRAM Claim	2010 Approved Billing Determinant	UOM	LRAM Rider	
Residential	\$83,816	\$4,700	\$88,517	109,779,129	kWh	0.0008	(\$/kWh)
General Service Less Than 50 kW	\$2,513	\$141	\$2,654	48,719,948	kWh	0.0001	(\$/kWh)
General Service 50 to 4,999 kW	\$1,442	\$81	\$1,523	404,655	kW	0.0038	(\$/kW)
Total	\$87,772	\$4,922	\$92,694				

- 3.4 Orillia has now received the OPA 2009 final results and has updated the kWh savings and LRAM claim¹. (Also shown as an attachment to Board Staff IRR#3) The updated Residential claim is \$93,546.

¹ Orillia_IRR_2011_IRM3_LRAM_v2_20110106

OPDC LRAM Calculation for 2006 to 2009 based on 2006 to 2009 final results of OPA Programs							
Rate Class Allocation							
Residential (Market - Consumer) (kWh)			1,014,018	1,752,675	2,347,833	2,599,020	7,713,546
General Service Less Than 50 kW (Market - Business) (kWh)			0	0	91,730	756,096	847,826
General Service 50 to 4,999 kW (Market - Business, Industrial) (kWh)			0	43,230	69,063	343,228	455,521
Total			1,014,018	1,795,905	2,508,626	3,698,343	9,016,892
General Service 50 to 4,999 kW (kWh/kVh factor from 2010 Rate Appl)			0.0026	0.0026	0.0025	0.0025	
General Service 50 to 4,999 kW (kVh)			0	112	176	872	
Rate Class Distribution Volumetric Rates							
		Eff. Apr 1, 2005	Eff. May 1, 2006	Eff. May 1, 2007	Eff. May 1, 2008	Eff. May 1, 2009	
Residential (\$/kWh)		0.0131	0.012	0.0121	0.0121	0.0121	
General Service Less Than 50 kW (\$/kWh)		0.0149	0.0136	0.0137	0.0137	0.0137	
General Service 50 to 4,999 kW (\$/kVh)		4.5546	3.091	3.1188	3.1157	3.1219	
Rate Class Distribution Volumetric Rates (Annualized)							
		2006	2007	2008	2009		
Residential (\$/kWh)		0.0124	0.0121	0.0121	0.0121		
General Service Less Than 50 kW (\$/kWh)		0.0140	0.0137	0.0137	0.0137		
General Service 50 to 4,999 kW (\$/kVh)		3.5789	3.1095	3.1167	3.1198		
LRAM (\$)							
		2006	2007	2008	2009	Total	
Residential		\$12,540	\$21,149	\$28,409	\$31,448	\$93,546	
General Service Less Than 50 kW		\$0	\$0	\$1,257	\$10,359	\$11,615	
General Service 50 to 4,999 kW		\$0	\$347	\$547	\$2,721	\$3,615	
Interest from Jan 2006 to Apr 2011						\$5,740	
Total		\$12,540	\$21,496	\$30,212	\$44,528	\$114,517	

3.5 VECC accepts for LRAM purposes the OPA-verified results for Orillia's OPA programs, including the update for 2009 OPA final Results. This results in a Residential sector LRAM of **\$93,546**.

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 26th day of January 2011