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

Michael Buonaguro
Counsel for VECC
(416) 767-1666

January 25, 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-2010-0110
PowerStream 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: Ms. Christine Dade
PowerStream 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 PowerStream 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

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

Vulnerable Energy Consumers Coalition (VECC)
Final Argument

1 The Application

- 1.1 PowerStream Inc. (“PowerStream”) 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 PowerStream included an adjustment to the customer class revenue to cost ratios for its Barrie service area and a request to recover the impact of lost revenues associated with various conservation and demand management (CDM) activities (i.e., an LRAM recovery). PowerStream also requested a Shared Savings Mechanism (SSM) recovery.
- 1.3 The following sections set out VECC’s final submissions regarding these two aspects of the Application.

2 Revenue to Cost Ratios

- 2.1 VECC has reviewed the revenue to cost ratio adjustments proposed by PowerStream and submits that:
 - The adjustments are in accordance with the Board’s EB-2008-0160 Decision, and
 - The Revenue-Cost Ratio Adjustment Work Form has been completed appropriately.

3 Lost Revenue Recovery Mechanism and Shared Savings Mechanism

Table 1 Combined LRAM/SSM claim

	LRAM	SSM	Total
PowerStream South	\$516,799	\$6,133	\$522,931
PowerStream - Barrie	\$209,821	\$6,995	\$216,816
Total	\$726,620	\$13,127	\$739,747

3.1 PowerStream seeks recovery of lost revenues related to the following CDM activities:

- PowerStream South
 - January 1, 2008 – December 31, 2008 - Carry over of lost revenues from 3rd tranche CDM programs implemented during January 1, 2005 – December 31, 2007
 - January 1, 2008 – December 31, 2008 – 3rd tranche CDM programs implemented in 2008
 - January 1, 2007 – December 31, 2008 –OPA funded programs in PowerStream's service territory
- PowerStream - Barrie:
 - January 1, 2006 – December 31, 2008 – 3rd tranche CDM programs
 - January 1, 2007 – December 31, 2008 – OPA funded programs (Barrie Hydro).

3.2 PowerStream is seeking SSM amounts related to the following CDM activities:

- PowerStream South – pre-merger PowerStream Service Area:
 - January 1, 2008 – December 31, 2008 – 3rd tranche CDM programs implemented in 2008
- PowerStream - Barrie - Previous Barrie Hydro Distribution Inc ("Barrie Hydro"):
 - January 1, 2006 – December 31, 2008 – 3rd tranche CDM programs

3.3 The LRAM/SSM claim breakdown is shown at Tab1, Schedule 2.

**PowerStream South
LRAM/SSM Totals by Rate Class and Rate Riders**

Source of funding	OPA - 2007	OPA - 2008	2008 3rd tranche		LRAM carrying charges	Total			Billing Type	Billing Units (Fcost 2010)	Rate Rider
Rate Class	LRAM	LRAM	LRAM	SSM		LRAM	SSM	Combined			
Residential	\$ 108,998	\$ 234,062	\$ 84,322	\$ 6,133	\$ 25,243	\$ 452,625	\$ 6,133	\$ 458,757	KWh	2,118,912.704	\$0.0002
GS <50 kw	\$ 2,235	\$ 53,857	\$ 3,904	\$ -	\$ 2,926	\$ 62,922	\$ -	\$ 62,922	KWh	826,660.821	\$0.0001
GS >50 kw			\$ 1,196	\$ -	\$ 56	\$ 1,252	\$ -	\$ 1,252	KW	10,144.715	\$0.0001
TOTALS	\$ 111,234	\$ 287,919	\$ 89,422	\$ 6,133	\$ 28,224	\$ 516,799	\$ 6,133	\$ 522,931			

**PowerStream -Barrie (former Barrie Hydro)
LRAM/SSM Totals by Rate Class and Rate Riders**

Source of funding	OPA - 2007	OPA - 2008	3rd tranche		LRAM carrying charges	Total			Billing Type	Billing Units (Fcost 2010)	Rate Rider
Rate Class	LRAM	LRAM	LRAM	SSM		LRAM	SSM	Combined			
Residential	\$ 46,060	\$ 97,242	\$ 27,568	\$ 6,995	\$ 11,342	\$ 182,213	\$ 6,995	\$ 189,208	KWh	530,349.629	\$0.0004
GS <50 kw	\$ -	\$ 26,369	\$ -	\$ -	\$ 1,239	\$ 27,609	\$ -	\$ 27,609	KWh	197,936.630	\$0.0001
GS >50 kw	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	KW	1,933.359	\$0.0000
TOTALS	\$ 46,060	\$ 123,611	\$ 27,568	\$ 6,995	\$ 12,581	\$ 209,821	\$ 6,995	\$ 216,816			

Input Assumptions

- 3.4 For the 3rd tranche LRAM claim the latest available information on input assumptions was used. At the time of the SeeLine third party review, the latest available information on input assumptions were the OPA “2010 Prescriptive Measures and Assumptions List” values.
- 3.5 VECC has reviewed the responses to interrogatories that, inter alia, confirm that the correct input assumptions were applied to the residential sector 3rd tranche LRAM claims.
- 3.6 For OPA sponsored programs, PowerStream South and Barrie applied the OPA’s 2006-2008 Conservation Programs Results (Appendices 3 and 4). The reconciliation of these to the claim has been provided in VECC IRR#3.
- 3.7 With regard to SSM, PowerStream’s evidence (Pages 12 and 15 of Manager’s Summary) states that the calculation of the SSM claims for PowerStream- South and PowerStream - Barrie used the most current OPA input assumptions.
- 3.8 However, the details of the TRC net benefits calculation are presented in IRR responses- VECC 1.1 and VECC 1.2; that correspond to the net TRC benefits in

tables 4 and 5 of the SeeLine report. This IRR confirms that in fact the OEB Input assumptions were used as is allowed by the CDM Guidelines.

Summary

- 3.9 VECC has verified that the Residential LRAM and SSM claims were prepared using appropriate input assumptions and should be accepted.

4 Recovery of Reasonably Incurred Costs

- 4.1 VECC submits that its participation in this proceeding has been focused and responsible and has provided ratepayer input to the review of the LRAM Claim. 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 25th day of January 2011