



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

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

Tel: (613) 562-4002. Fax: (613) 562-0007. e-mail: piac@piac.ca. <http://www.piac.ca>

Michael Buonaguro
Counsel for VECC
(416) 767-1666

January 09, 2012

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)
Niagara Peninsula Energy Inc. EB-2011-0185
Final Submissions of VECC**

Please find enclosed the submissions of VECC in the above-noted proceeding. We have also directed a copy of the same to the Applicant.

Thank you.

Yours truly,

Michael Buonaguro
Counsel for VECC
Encl.

cc: Niagara Peninsula Energy Inc.
Ms. Suzanne Wilson

ONTARIO ENERGY BOARD

IN THE MATTER OF the *Ontario Energy Board Act*, 1998, S.O. 1998, c. 15 (Schedule B), as amended;

AND IN THE MATTER OF an Application by Niagara Peninsula Energy Inc. for an order or orders approving or fixing just and reasonable distribution rates to be effective May 1, 2012.

FINAL SUBMISSIONS

On Behalf of The

Vulnerable Energy Consumers Coalition (VECC)

January 9, 2012

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

Tel: 416-767-1666
Email: mbuonaguro@piac.ca

Vulnerable Energy Consumers Coalition (VECC)

Final Argument

1 The Application

- 1.1 Niagara Peninsula Energy Inc. (“NPEI”, “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, 2012. The Application was filed in accordance with the OEB’s guidelines for 3rd Generation Incentive Regulation which provides for a mechanistic and formulaic adjustment to distribution rates between cost of service applications.
- 1.2 As part of its application, NPEI included an adjustment to the revenue to cost ratios to move the sentinel and street lighting rate classes. The following section sets out VECC’s final submissions regarding this aspect of the application.

2 Revenue to Cost Ratio Adjustments

- 2.1 The Board directed NPEI, in its 2011 cost of service application (EB-2010-0138) to move the Sentinel and Street Lighting rate classes halfway to the bottom of the Board’s target range of 70% as per the Board’s Decision on Partial Settlement and Procedural Order No. 3 dated May 16, 2011 (page 78 of the Proposed Settlement Agreement, updated in Draft Rate Order Appendix E)¹. Specifically, NPEI is to move the revenue-to-cost ratio for the Sentinel Lighting class from 38.7% to 54.1% and the Street Lighting class from 48.1% to 58.9%. In 2013, these two classes will move to the bottom of the Board’s target range of 70%. The change in revenue arising from this adjustment in both 2012 and 2013 is being offset from the GS 50 to 4,999 kW rate class.²
- 2.2 VECC has reviewed the revenue to cost ratio adjustments proposed by NPEI and submits that:
 - the revenue to cost ratio adjustments are in accordance with the EB-2010-0138 Decision; and
 - the Revenue to Cost Ratio Workform has been completed appropriately.

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 order of costs in the amount of

¹ Response to Board Staff Interrogatory # 2

² EB-2011-0185 Pages 17 to 18, Revenue to Cost Ratio Adjustment

100% of its reasonably-incurred fees and disbursements.

All of which is respectfully submitted this 9th day of January 2012.