



Cooperative Hydro Embrun Inc.  
821 Notre-dame Street  
Embrun, ON  
K0A 1W1

January 24, 2012

Ms. Kirstin Walli  
Board Secretary  
Ontario Energy Board  
P.O. Box 2319  
2300 Yonge Street, 27th Floor  
Toronto, ON M4P 1E4

**Re: Reply Submission EB-2011-0164**

Dear Ms. Walli:

Please find enclosed the Cooperative Hydro Embrun Inc.'s reply submission to VECC's submission with respect to Cooperative Hydro Embrun Inc.'s application for new rates under Third Generation Incentive Regulation Mechanism, effective May 1, 2012.

This document is being filed pursuant to the Board's e-Filing Services.

Yours Truly,

A handwritten signature in black ink, appearing to be "Benoit Lamarche", written in a cursive style.

Benoit Lamarche  
General Manager

# Reply to VECC Submission

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## Introduction

Cooperative Hydro Embrun Inc. ("CHEI") is a licensed electricity distributor (ED-2002-0493) that owns and operates electricity distribution systems that provide service to most inhabitants of The Police Village of Embrun as at September 21, 2000, and Part of Lot 8, Concession 8, Township of Russell described as Lots 1 to 48 on Plan 50M-252. CHEI charges its customers distribution rates and other charges as authorized by the Ontario Energy Board (the "OEB" or "the Board"). On October 14, 2011, CHEI filed its application (the "Application") for rates and other charges pursuant to section 78 of the Ontario Energy Board Act, 1998 (the "OEB Act").

On January 18, 2012, VECC filed late their submission to CHEI (submissions from intervenors were due January 9, 2012). VECC made submissions on CHEI Lost Revenue Adjustment Mechanism ("LRAM") application. VECC addressed three points in respect to CHEI's LRAM application:

- Load Forecast;
- 2006 to 2010 CDM Programs – Recovery of Lost Revenue in 2010 to April 30, 2012; and
- 2006 to 2009 CDM Programs – Recovery of Lost Revenue in 2006, 2007, 2008 & 2009.

VECC's submission on CHEI's LRAM claim addressed the same two concerns as submitted by Board staff: whether the 2010 approved cost of service load forecast had already included load reductions to account for subsequent CDM initiatives and lost revenues related to prior to 2010. CHEI concurs with VECC's submission with respect to lost revenues prior to 2010. However CHEI does not concur with VECC two concerns

1 expressed above and would note that this was addressed in CHEI's Reply to  
2 Submissions filed with the Board January 23, 2012.

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4 ~ All of which is respectively submitted ~  
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