



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

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Michael Janigan  
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(613) 562-4002 ext. 26

October 11, 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)**  
**Whitby Hydro Electric Corporation EB-2012-0177**  
**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 Janigan  
Counsel for VECC  
Encl.

cc: Whitby Hydro Electric Corporation  
Ramona Abi-Rashed

**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 Whitby Hydro Electric Corporation for an order or orders approving or fixing just and reasonable distribution rates to be effective January 1, 2012.

**FINAL SUBMISSIONS**

**On Behalf of The**

**Vulnerable Energy Consumers Coalition (VECC)**

**October 11, 2012**

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

## **Final Argument**

### **1 The Application**

- 1.1 Whitby Hydro Electric Corporation (“Whitby Hydro”, “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 January 1, 2013. The Application was filed in accordance with the OEB’s guidelines for 3<sup>rd</sup> 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, Whitby Hydro included an adjustment to the revenue to cost ratios. The following section sets out VECC’s final submissions regarding this aspect of the application.

### **2 Revenue to Cost Ratio Adjustments**

- 2.1 Whitby Hydro’s last cost of service application (EB-2009-0274) addressed revenue- to-cost ratios that were outside of the Board’s identified ranges through a phased in approach. The adjustments included moving the Street Lighting and Sentinel Lighting customer classes 50% towards the lower end of the target range in 2011 and the remaining 50% would be addressed evenly over a two year period (2012 and 2013). The residual balance would decrease the revenue-to-cost ratio in the residential class. The residential class revenue-to-cost ratios are within the target range but it is the customer class the farthest above 100% cost recovery.
- 2.2 In this application, the adjustment moves the revenue-to-cost ratios for the Street Lighting class from 63.7% to 70% and Sentinel Lighting class from 62.1% to 70%. The 2013 balancing impact on the residential class reduces the ratio from 103.93% to 103.65%
- 2.3 Whitby Hydro indicates it completed the Board’s revenue-to-cost ratio adjustment workform in a manner consistent with the Board’s approved Settlement Agreement.<sup>1</sup>
- 2.4 VECC has reviewed the revenue to cost ratio adjustments proposed by Whitby Hydro and submits that:
  - the revenue to cost ratio adjustments are in accordance with the EB-2009-0274 Decision and;

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<sup>1</sup> Application, Page 8

- 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 100% of its reasonably-incurred fees and disbursements.

All of which is respectfully submitted this 11<sup>th</sup> day of October 2012.