



PUBLIC INTEREST ADVOCACY CENTRE
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October 15, 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: Letter of October 1, 2012 regarding the Review of Cost Allocation Policy for Unmetered Loads (EB-2012-0383)
Vulnerable Energy Consumers Coalition (VECC) – Participation and Nomination of Working Group Participant**

As Counsel to the Vulnerable Energy Consumer's Coalition (VECC), I am writing, per the Board letter of October 1, 2012 to indicate VECC's intention to participate in the above referenced proceeding and to nominate Mr. William Harper to the Unmetered Loads Working Group the Board is establishing. VECC will be requesting a cost award for its participation and that of Mr. Harper. The following sections address the interests of the constituency represented by VECC, Mr. Harper's relevant experience and qualifications as a Work Group participant and VECC's eligibility for cost awards.

Interests Represented

VECC is a coalition of groups that represents the interests of those energy consumers who, because of their household income, or other distinguishing characteristic such as age, literacy, etc, have a set of concerns that may differ in kind, and, in magnitude, from those of more affluent residential consumers as well as commercial and industrial consumers.

VECC consists of the following organizations:

- The Federation of Metro Tenants Association (FTMA)
- The Ontario Coalition of Senior Citizens' Organizations (OCSCO)

The Federation of the Metro Tenants Association (the “FTMA”) is a non-profit corporation composed of hundreds of affiliated tenants associations, individual tenants, housing organizations, and members of non-profit housing co-ops. In addition to encouraging the organization of tenants and the promotion of decent and affordable housing, the Federation provides general information, education, and assistance to tenants. The address is:

500-27 Carlton Street
Toronto, ON
M5B 1L2

The Ontario Coalition of Senior Citizens’ Organizations (“OCSCO”) is a coalition of over 120 senior groups as well as individual members across Ontario. OCSCO represents the concerns of over 500,000 senior citizens through its group and individual members. OCSCO’s mission is to improve the quality of life for Ontario’s seniors. OCSCO’s address is:

333 Wilson Avenue, Suite 406
Toronto, ON
M3H 1T2

The coalition of the FMTA and OCSCO under the name VECC has the specific mandate of intervening in proceedings to advocate on behalf of the interests of Ontario’s vulnerable consumers with respect to energy issues, primarily through intervention in regulatory proceedings at the Ontario Energy Board.

Although the organization is not itself a member of VECC, the Public Interest Advocacy Centre (PIAC) in Ottawa assists in the representation of the interests of vulnerable consumers by ensuring the availability of competent representation and consultant support to the VECC participation.

Importance of Electricity Cost Allocation to VECC

VECC’s constituents’ general concerns are that distribution rates should be kept as low as necessary to maintain the reliability and quality of distribution service. In this regard issues related to the apportionment of amongst customer classes and how individual customers are to be billed for electricity are as important as the determination of overall revenue requirement itself. As result, the cost allocation methodology that underpins it is critical issue to VECC constituents.

Unmetered Loads Working Group Participation

As directed by the Board's letter of October 1, 2012, I am nominating William Harper of Econalysis Consulting Services to participate on the OEB's Unmeterd Loads Working Group. Should he be accepted on that Group, VECC also intends to seek cost recovery for his participation. Details regarding Mr. Harper's relevant experience and expertise are provided in Attachment A.

Cost Awards

VECC will be requesting an award of costs for its participation in this proceeding and believes that, as a coalition representing the direct interests of consumers, it meets the eligibility criteria set out in the Ontario Energy Board's Rules of Practice and Procedure (Section 41) and its' Practice Direction on Cost Awards (Section 3.03).

VECC's members do not have access to the direct funding required to retain appropriate legal and consulting support for its intervention in OEB proceedings. Accordingly VECC relies on PIAC to provide legal support and retain qualified consultants on the basis that PIAC can recover the related fees and disbursements from the Board based on the Board's Practice Direction on Cost Awards at the prevailing Cost Award Tariff.

I look forward to a favorable response to this request.

Thank you.

Yours truly,



Michael Janigan
Counsel for VECC

Attachment A

Summary of Mr. William Harper's Experience Relevant to the OEB's Unmetered Loads (Cost Allocation) Working Group

Mr. Harper has worked in the Ontario energy sector for over 35 years, first with the Ontario Ministry of Energy undertaking research directly related to electricity issues and subsequently, with Ontario Hydro dealing with rates, regulatory matters, including the regulation of municipal utilities' electricity rates, and restructuring issues. Since joining ECS, Mr. Harper has been involved in cost allocation issues in Ontario as well as in Manitoba, Quebec, Saskatchewan and British Columbia. Mr. Harper's relevant work experience is summarized below.

Familiarity with the OEB Cost Allocation Model and Utility Terminology and History with Respect to Unmetered Loads: During the period 1989-1995, Mr. Harper was responsible for the execution of Ontario Hydro's role as regulator of the province's municipal electric utilities. This involved setting the policy framework and guidelines for the regulatory function as well as the review of all utility applications for approval of rates, capital expenditures and other financial transactions. Through this role, Mr. Harper gained a firm understanding of both the financial and physical operation of Ontario's electric distribution utilities.

Since joining ECS in 2000, Mr. Harper has assisted VECC with its participation in both:

- The review of virtually all individual utility cost allocation filings made as part of the utility's cost service-based rate proceedings before the OEB over the past several years, and
- OEB initiated cost allocation policy reviews. As part of these processes, Mr. Harper has participated on the OEB's 2002 Cost Allocation Working Group, the OEB's 2005 Cost Allocation Technical Advisory Team and the OEB's 2011 Cost Allocation Work Group.

Through these activities Mr. Harper has not only gained a working understanding of the Board's Cost Allocation Model and the utility terminology and practices as they apply to unmetered loads but also the recent cost allocation issues that have arisen with regard to street lighting and other unmetered loads.

Broader Expertise/Experience with Cost Allocation: Since joining ECS, Mr. Harper's work related to cost allocation has also included:

- Preparation of expert evidence and testimony before the Québec Régie de l'énergie in various proceedings dealing with Hydro Quebec Distribution's cost allocation methodology.
- Preparation of expert evidence and testimony before the Manitoba Public Utilities Board in various proceedings regarding Manitoba Hydro's cost allocation methodology.
- Preparation of commentary on Saskatchewan Power's proposed cost allocation methodology for submission to the Saskatchewan Rate Review Panel.
- Assisting British Columbia clients participating in a BCUC proceeding dealing with BC Hydro's and FortisBC's cost allocation methodologies.

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