



**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 12, 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)**  
**Grimsby Power Incorporated EB-2012-0127**  
**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: Grimsby Power Inc.  
David Kelly

**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 Grimsby Power Incorporated for an order or orders approving or fixing just and reasonable distribution rates to be effective January 1, 2013.

**FINAL SUBMISSIONS**

**On Behalf of The**

**Vulnerable Energy Consumers Coalition (VECC)**

**October 11, 2012**

**Public Interest Advocacy Centre**

ONE Nicholas Street  
Suite 1204  
Ottawa, Ontario  
K1N 7B7

**Michael Janigan**  
Counsel for VECC  
(613) 562-4002 ext. 26

# Vulnerable Energy Consumers Coalition (VECC)

## Final Argument

### 1 The Application

- 1.1 Grimsby Power Incorporated (“GPI”, “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, GPI 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 In GPI’s last cost of service application (EB-2011-0273) in 2012, parties agreed to make changes to the revenue to cost ratios as follows<sup>1</sup>:

| Customer Class  | R/C COS<br>Application<br>EB-2011-0273<br>(%) | R/C Revised<br>Draft Rate<br>Order<br>(%) | 2013<br>Projected<br>(%) | 2014<br>Projected<br>(%) |
|-----------------|---|---|--------------------------|--------------------------|
| Residential     | 106.6   | 106.1                                     | 105.9                    |                          |
| GS<50 kW        | 101.9   | 101.9                                     | 101.9                    |                          |
| GS>50 kW        | 79.6  | 80.0                                      | 80.0                     |                          |
| Street Lighting | 52.3  | 61.1                                      | 65.6                     | 70                       |
| USL             | 103.6   | 103.6                                     | 103.6                    |                          |

- 2.2 In this application, the revenue-to-cost ratio adjustments include moving the Street Lighting class to 65.6% resulting in a rebalancing of the residential class from 106.1% to 105.9%.
- 2.3 In response to VECC IR#1, GPI provided its final allocations of revenue offsets from EB-2011-0273 and adjusted the Revenue-to-Cost Ratio Adjustment Workform.
- 2.4 VECC has reviewed the revenue to cost ratio adjustments proposed by GPI and submits that:
- the revenue to cost ratio adjustments are in accordance with EB-2011-0273

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<sup>1</sup> VECC IR#1(a)

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 100% of its reasonably-incurred fees and disbursements.

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