**EB-2012-0133**



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

AND IN THE MATTER OF an Application by Hydro 2000 Inc. pursuant to section 78 of the Ontario Energy Board Act for an order or orders approving just and reasonable rates for the delivery and distribution of electricity beginning May 1, 2013.

To the attention of: Ms. Kirsten Walli, Board Secretary & Michael Janigan, Council for VECC

Regarding: Objection to Intervention by the Vulnerable Energy Consumer Coalition

Dear Ms. Kirsten Walli,

On October 9, 2012, Hydro 2000 Inc. (“Hydro 2000”) applied to the Ontario Energy Board (the “Board”) for approval of its 2013 Distribution Rate Adjustments effective May 1, 2013. In preparing its application, Hydro 2000 followed Chapter 3 of the Board’s Filing Requirements for Transmission and Distribution Applications dated June 28, 2012 (“MFR”), The Report of the Board on Electricity Distributors’ Deferral and Variance Account Review Initiative (“the EDDVAR Report”) issued July 31, 2009 and the Electricity Distribution Retail Transmission Service Rates Guideline G-2008-0001, Revision 4.0, issued June 28, 2012 (“RTSR Guidelines”).

On October 21, 2012 Hydro 2000 received a notice of intervention from VECC affirming its intent to intervene in Hydro 2000’s application on behalf of the low-income and vulnerable users of electricity. VECC identified the area of interest as revenue to cost ratio adjustments.

Hydro 2000’s intent was, and still is, to file a 2013 IRM application that meets the absolute minimum level of complexity[[1]](#footnote-1) and that is in full compliance with the OEB’s MFR and the Board’s Decision relating to its 2012 Cost of Service (EB-2011-0326) which stated the following with respect to Revenue to Cost Ratios;

*“The Board will not require Hydro 2000 to re-do its cost allocation model with Services weighting factors different than what it has submitted in the pre-filed evidence. The Board notes that Account 1855 is approximately $70,000, less than 7% of Hydro 2000’sdistribution assets, so an adjustment to the weighting factors will not produce a large change in the respective class revenue requirements. Furthermore, the outcome of applying Services weighting factors based correctly on asset values would likely be to decrease slightly the revenue-to-cost ratios of the General Service classes, both the status quo ratios and the ratios based on proposed rates. The ratios for the General Service classes would remain substantially above 100% regardless of the Services weighting factors.”*

Since filing its application, Hydro 2000 has worked diligently with Board Staff to ensure that all OEB issued models have been populated correctly and refilled as amendments to the application filed on October 9, 2012. This includes the revenue to cost ratio model.

In its application, Hydro 2000 did not identify nor request any specific issues that would warrant intervention from parties other than Board Staff. Hydro 2000 believes that there is no legitimate ground for granting intervenor status to VECC, nor is there any legitimate ground for confirming their eligibility for costs.

Hydro 2000 submits that granting intervenor status to VECC in its current Application will do little more than prolong the process of approving Hydro 2000’s 2013 IRM application and add to Hydro 2000’s costs of what the OEB and staff have emphasizes is to be a streamlined and mechanized process. If VECC takes issue with the manner in which it was instructed by the Board to calculate its revenue to cost ratios adjustment, it should convey its issues directly with the Board and not burden Hydro 2000’s customer with unnecessary regulatory costs.

In light of the foregoing, Hydro 2000 requests that the OEB deny VECC requests for intervenor status and confirmation of cost eligibility.

We thank you in advance for your assistance in this matter. Should you have any questions or require further information, please do not hesitate to contact me.

Rene Beaulne,General Manager,

Hydro 2000 Inc.

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1. Application does not include any of the elements listed at section 1.2 of the Chapter 3 of the MFR. [↑](#footnote-ref-1)