



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

ONE Nicholas Street, Suite 1204, Ottawa, Ontario, Canada K1N 7B7

Tel: (613) 562-4002. Fax: (613) 562-0007. e-mail: piac@piac.ca. <http://www.piac.ca>

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

December 03, 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)
Submission of VECC Interrogatories EB-2012-0123
Essex Powerlines Corporation

Please find enclosed the interrogatories 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: Essex Powerlines Corporation
Mr. Richard Dimmel

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
Essex Powerlines Inc. for an order or orders
approving or fixing just and reasonable
distribution rates to be effective May 1, 2013.

Information Requests of the Vulnerable Energy Consumers Coalition (VECC)

Revenue-to-Cost Ratio Adjustments

VECC Question # 1

Reference: Manager's Summary

Preamble: The evidence indicates that Essex, as part of the Settlement Agreement during the 2010 Cost of Service (EB-2009-0143), agreed to adjustments to the revenue-to-cost ratio's over the next three years in order to bring the rate up to the target range as endorsed by the Ontario Energy Board ("the Board"). Below is an excerpt from the Settlement Agreement, page 11:

"The revenue-to-cost ratios from this revised model, uniformly increased to achieve a 100% overall ratio, serve as the starting point ("existing ratios") in determining proposed ratios for each rate class. The following approach will apply in determining the proposed ratios:

- 1. Residential: the existing ratio, which is near unity, will be retained;*
- 2. General Service Less Than 50 kW: the existing ratio, which is well below the target floor value of 0.80, will transition to 0.80 over two years in equal increments;*
- 3. Unmetered Scattered Load: The existing ratio, which is above the 1.20 target ceiling value, will be set to 1.20;*
- 4. Sentinel Lighting and Street Lighting: The existing ratios, which are well below the 0.70 target floor value, will transition to 0.70 over four years in equal increments;*
- 5. General Service 50 to 2,999 kW and General Service 3,000 to 4,999 kW: The same ratio will apply to each of these classes, with a value that preserves an overall 100% ratio across all rate classes. The proposed ratio value for 2010 will be above unity, less than the 1.80 ceiling target and represent a decrease from the existing ratios. The ratio value will further decrease over the following three years to offset ratio increases in other rate classes, while remaining above unity."*

- a) Please explain why Essex's revenue-to-cost ratio proposal for 2013 does not apply the same ratio to the General Service 50 to 2,999 kW and General Service 3,000 to 4,999 kW customer classes.

VECC Question # 2

Reference: Essex_2013 IRM Revenue CostRatioAdj Workform V2_20121012

- a) Sheet 7: Please provide a reference for Column A to support the allocation of revenue offsets by customer class.