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 06, 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)
St. Thomas Energy Inc. EB-2012-0166
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: St. Thomas Energy Inc.
Robert Kent

EB-2012-0166

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

FINAL SUBMISSIONS

On Behalf of The

Vulnerable Energy Consumers Coalition (VECC)

December 6, 2013

Public Interest Advocacy Centre

ONE Nicholas Street
Suite 1204
Ottawa, Ontario
K1N 7B7

Michael Janigan
Counsel for VECC
mjanigan@piac.ca
(613) 562-4002 ext. 26

Vulnerable Energy Consumers Coalition (VECC)

Final Argument

1 The Application

1.1 St. Thomas Energy Inc. ("STEI", "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 May 1, 2013. The Application was filed in accordance with the OEB's guidelines for 3rd 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, STEI 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 STEI's last cost of service application (EB-2010-0141) addressed revenue- to-cost ratios that were outside of the Board's identified ranges through a phased in approach. In its Decision the Board accepted STEI's proposal to adjust its 2012 and 2013 rates using the IRM's revenue to cost ratio adjustment process to achieve the minimum value of the OEB's target range for the Street Lighting and Sentinel Lighting rate classes by 2013. As noted above regarding 2011 adjustments, any resulting benefit from these actions will be applied solely to the residential rate class in 2012 and 2013.

2.2 In this application, the adjustment moves the revenue-to-cost ratios for the Street Lighting class from 0.55 to 0.70 and Sentinel Lighting class from 0.60 to 0.70. The 2013 balancing impact on the residential class reduces the ratio from 1.06 to 1.05.[1]

2.3 VECC has reviewed the revenue to cost ratio adjustments proposed by STEI and submits that:

- the revenue to cost ratio adjustments are in accordance with the EB-2010-0141 Decision and;

- the Revenue to Cost Ratio Workform, with the adjustment to the re-based billed

[1] Revenue to Coast Ratio Adjustment Workform, Sheet 10

kW for the Street Lighting class, has been completed appropriately.[2]

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 6th day of December 2012.

[2] VECC IR#1, Board Staff IR#3(a)