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Michael Janigan
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December 10, 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)
Hydro 2000 Inc. EB-2012-0133
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: Hydro 2000 Inc.
Rene Beaulne

EB-2012-0133

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 Hydro 2000 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 10, 2012

Public Interest Advocacy Centre

ONE Nicholas Street
Suite 1204
Ottawa, Ontario
K1N 7B7

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Vulnerable Energy Consumers Coalition (VECC)

Final Argument

1 The Application

1.1 Hydro 2000 Inc. ("Hydro 2000", "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, Hydro 2000 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 Hydro 2000's Decision and Order in its 2012 Cost of Service proceeding (EB-2011-0326), the Board approved Hydro 2000's proposal to move revenue to cost ratios during IRM years so as to achieve the target ranges for each class. Specifically, the Board Decision reflects the movement of the ratios for the GS<50 kW and the GS 50-4,999 kW customer classes to the applicable boundary over a period of three years to achieve the target range ceiling of 1.20 in 2014.

2.2 In 2013, Hydro 2000 proposes to move the revenue-to-cost ratio for the GS<50 kW customer class from 1.6 to 1.4 and the GS 50-4,999 kW customer class from 1.8 to 1.6.[1]

2.3 The revenue to cost ratios for Unmetered Scattered Load (USL) and Street Lighting are within the applicable prescribed range and therefore Hydro 2000 proposes to leave their ratios at their existing levels of 1.03 (USL) and 1.01 (Street Lights).

2.4 The proposed 2013 balancing impact on the residential class increases the ratio from 0.85 to 0.89.[2]

2.5 VECC has reviewed the revenue to cost ratio adjustments proposed by Hydro 2000 and takes no issue with Hydro 2000's proposal.

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[1] EB-2011-0326 Application dated October 10, 2011, Exhibit 7, Tab 2, Schedule 1, Page 2, Table 2
[2] Revenue to Cost Ratio Adjustment Workform, 20121018, Sheet 10

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 10th day of December 2012.