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LE CENTRE POUR LA DEFENSE DE L'INTERET PUBLIC

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Michael Janigan
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January 09, 2013

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)
Essex Powerlines Corporation EB-2012-0123
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: Essex Powerlines Corporation
Mr. Richard Dimmel

EB-2012-0123

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 Corporation 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)

January 9, 2013

Public Interest Advocacy Centre

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Vulnerable Energy Consumers Coalition (VECC)

Final Argument

1 The Application

1.1 Essex Powerlines Corporation ("EPLC", "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, EPLC 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 EPLC's 2010 Cost of Service proceeding (EB-2009-0143), as part of the Settlement Agreement (page 11), ELPC agreed to adjustments to the revenue-to-cost ratios over the next three years in order to bring the rate up to the target range as endorsed by the Board. The specific adjustments as per the Settlement Agreement are as follows:

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.*

2.2 In response to VECC IR#1, EPLC adjusted its proposed revenue to cost ratio for the GS 3,000 to 4,999 kW customer class so that the same ratio of 1.03 applied to this class as well as the GS 50 to 2,999 kW customer class in accordance with the Settlement Agreement in EB-2009-0143 (section 5 above).

2.3 With this adjustment, VECC submits that the revenue to cost ratio adjustments are in accordance with the EB-2009-0143 Decision.

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 9th day of January 2013.