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Michael Janigan
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January 14, 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)
Niagara Peninsula Energy Inc. EB-2012-0150
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: Niagara Peninsula Energy Inc.
Suzanne Wilson

EB-2012-0150

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 Niagara Peninsula 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)

January 14, 2013

Public Interest Advocacy Centre

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Vulnerable Energy Consumers Coalition (VECC)

Final Argument

1 The Application

1.1 Niagara Peninsula Energy Inc. ("NPEI", "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, NPEI 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 NPEI's Decision and Order in its 2011 Cost of Service proceeding (EB-2010-0138), the Board prescribed a phase-in period in 2012 and 2013 to adjust revenue-to-cost ratios in the Street Lighting and Sentinel Lighting customer classes to the bottom of the Board's target range of 70% for each of these classes. The additional revenues from these adjustments would be used to reduce the revenue-to-cost ratio for the GS 50 to 4,999 kW customer class.

2.2 In this application for 2013 rates, NPEI adjusted the Street Lighting and Sentinel Lighting customer classes to the minimum values of their respective target ranges (i.e. 70%). Specifically, for the Street Lighting customer class, the revenue-to-cost ratio moved from 58.90% in 2012 to 70% in 2013 and for the Sentinel Lighting customer class, the revenue-to-cost ratio moved from 54.10% in 2012 to 70% in 2013.

2.3 The proposed 2013 balancing impact on the GS 50 to 4,999 kW customer class decreases the ratio from 147.01% to 146.02.%[1] There is no change to the revenue-to-cost ratios for the other customer classes (Residential, GS<50 kW & Unmetered Scattered Load).

2.4 VECC has reviewed the revenue to cost ratio adjustments proposed by NPEI and submits that the revenue to cost ratio adjustments are in accordance with the EB-2010-0138 Decision.

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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 14th day of January 2013.