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Michael Janigan
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March 20, 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)
Ottawa River Power Corporation EB-2012-0158
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: Ottawa River Power Corporation
Jane Wilkinson-Donnelly

EB-2012-0158

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 Ottawa River Power 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)

March 20, 2013

Public Interest Advocacy Centre

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Vulnerable Energy Consumers Coalition (VECC)

Final Argument

1 The Application

1.1 Ottawa Rover Power Corporation ("ORPC", "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, ORPC included an adjustment to the revenue-to-cost ratios. The following section sets out VECC's final submissions regarding this aspect of the application, as well as bill impacts.

2 Revenue to Cost Ratio Adjustments

2.1 In its last Cost of Service application (EB-2009-0165), ORPC proposed to increase the revenue-to-cost ratio for the Street Lighting rate class from 50% to 70%, to the bottom of the Board's target range. The additional revenues from these adjustments would be used to reduce the revenue-to-cost ratio for the Residential rate class. ORPC proposed a four year phase-in period to increase the revenue-to-cost ratios for the Street Lighting rate class to the bottom of the range.

2.2 In order to minimize cross-subsidization between this rate class and the residential class the Board, in its Decision in EB-2009-0165, directed that a two year phase-in period to increase the revenue-to-cost ratios for the Street Lighting rate class to the bottom of the range should be utilized.

2.3 ORPC did not file an IRM application for 2011 rates. In its 2012 IRM, Board staff submitted that ORPC should adjust the street lighting revenue-to-cost ratio from 50% to 60% to complete the first year of the Board prescribed transition in order to maintain the spirit of the Board's cost of service decision regarding rate mitigation.

2.4 In this application, in order to complete the final phase of the two-year phase in ORPC proposes to adjust the street lighting revenue-to-cost ratio from 60% to 70%. The additional revenues from these adjustments will be used to reduce the revenue-to-cost ratio for the residential customer class. Specifically, the revenue-to-cost ratio for the Residential class moved from 1.08 in 2012 to 1.07 in 2013.[1] There is no change to the revenue-to-cost ratios for the other customer classes.

2.5 VECC has reviewed the revenue to cost ratio adjustments proposed by ORPC and submits that the revenue to cost ratio adjustments are in accordance with the EB-2010-0165 Decision.

3 Bill Impacts

3.1 The 2013 distribution rates proposed by ORPC's result in a total monthly bill impact for a typical residential customer of $17.35 or 18.78%. In response to Board Staff IR#1, ORPC explained that the primary cause for this increase is not the actual distribution rate but the result of a deferral account rate rider approved in its 2010 Cost of Service application that will cease on April 30, 2013.

3.2 As this is a substantial rate increase, ORPC advised the Board that it has a plan in place to communicate this increase to its customers and a spring newsletter has also been prepared. VECC notes ORPC's efforts to explain the increase to customers and acknowledges a communication plan is appropriate.

4 Recovery of Reasonably Incurred Costs

4.1 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 20th day of March 2013.

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