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Michael Janigan  
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(613) 562-4002 ext. 26

May 17, 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)**  
**Enersource Hydro Mississauga Inc. EB-2013-0024**  
**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: Enersource Hydro Mississauga Inc.  
Gia DeJulio

**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 Enersource Hydro Mississauga Inc. for an order to change its delivery charges beginning May 1, 2013 to reflect the costs associated with lost revenues in 2011 and 2012 from the persistence of conservation and demand management (CDM) programs implemented prior to 2011.

**FINAL SUBMISSIONS**

**On Behalf of The**

**Vulnerable Energy Consumers Coalition (VECC)**

**May 17, 2013**

**Public Interest Advocacy Centre**

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## **FINAL SUBMISSIONS**

### **Vulnerable Energy Consumers Coalition (VECC)**

#### **Final Argument**

#### **1 The Application**

- 1.1 Enersource Hydro Mississauga Inc. (“Enersource”, “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 permission to change its delivery charges beginning May 1, 2013 to reflect the costs associated with lost revenues in 2011 and 2012 from the persistence of conservation and demand management (CDM) programs implemented prior to 2011.
- 1.2 The following section sets out VECC’s final submissions regarding Enersource’s LRAM request in this application.

#### **2 Lost Revenue Adjustment Mechanism (LRAM Recovery)**

- 2.1 Enersource is applying to the Board in this application for the recovery of total lost revenue of \$1,753,174 (\$1,718,321 plus \$34,853 in carrying charges) through twenty month rate riders effective May 1, 2013 to December 31, 2014, as a result of the implementation of CDM programs delivered in 2010 or earlier.
- 2.2 Enersource’s LRAM claim consists of two parts:
  - an LRAM claim of \$867,440 (excluding carrying charges) associated with the persisting effects of 2005 to 2010 CDM programs in 2011; and
  - an LRAM claim of \$850,881 (excluding carrying charges) associated with the persisting effects of 2005 to 2010 CDM programs in 2012.
- 2.3 The LRAM claim in this application covers lost revenue for the period January 1, 2011 to December 31, 2012 resulting from the persistence of the following:
  - OPA-funded CDM programs implemented in 2006, 2007, 2008, 2009 & 2010;
  - Third Tranche funded programs implemented in 2005, 2006 & 2007; and
  - CDM programs implemented in 2006, 2007 & 2008 through incremental funding approved in rates.<sup>1</sup>

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<sup>1</sup> Tab 2, Page 3

- 2.4 Enersource confirms that it has not received any of the lost revenue requested in this application in the past and that prior LRAM applications received approval for recovery of lost revenues for the years 2005 to 2010.<sup>2</sup> Enersource also confirms that this application completes its LRAM recovery related to 2005 to 2010 CDM programs.<sup>3</sup>
- 2.5 Enersource indicates it calculated the volume lost from CDM programs using the latest input assumption at the time of the third party assessment. For 2006 to 2010 OPA Funded programs, Enersource used the OPA's 2006-2010 Final OPA Conservation Program – Enersource Hydro Mississauga Inc.<sup>4</sup> For other CDM program measures, Enersource used the latest OPA measures and assumptions list to calculate lost volumes where the information was available. For custom programs where published measures were not available, Enersource used the latest information based on customer-provided engineering calculations.
- 2.6 Enersource confirms it is not applying for any lost revenues associated with CDM programs where useful measure lives no longer exist.<sup>5</sup>
- 2.7 VECC takes no issue with Enersource's approach to calculate lost revenues related to 2005 to 2010 CDM programs.

#### Load Forecast

- 2.8 In response to VECC IR#1(a), Enersource indicates it rebased for the 2008 rate year and in that proceeding no CDM was included in the load forecast approved by the Board.
- 2.9 The Board's Guideline states "The LRAM is determined by calculating the energy savings by customer class and valuing those energy savings using the distributor's Board-approved variable distribution charge appropriate to the class. The calculation does not include any Regulatory Asset Recovery rate riders, as these funds are subject to their own independent true-up process. Lost revenues are only accruable until new rates (based on a new revenue requirement and load forecast) are set by the Board, as the savings would be assumed to be incorporated in the load forecast at that time."<sup>6</sup>
- 2.10 VECC notes that based on the Board's Decision in its last LRAM claim (EB-2011-0100) energy savings have not been incorporated in the 2008 load forecast and thus the load forecast underpinning 2011 and 2012 rates does not include an adjustment for CDM. Lost revenues from 2005 to 2010 CDM programs are

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<sup>2</sup> Board Staff IR#1(b)

<sup>3</sup> Board Staff IR#1(d)

<sup>4</sup> Tab 3, Schedule 4

<sup>5</sup> Board Staff IR#1(a)

<sup>6</sup> Guidelines for Electricity Distributor Conservation and Demand Management (EB-3008-0037), Page 18

accruable in 2011 and 2012, the IRM years prior to Enersource's rebasing year in 2013.

- 2.11 Enersource rebased for the 2013 rate year and the 2013 load forecast approved by the Board includes a CDM adjustment. Thus on a go-forward basis, VECC submits all load impacts related to the 2005 to 2010 CDM programs are reflected in Enersource's 2013 load forecast underpinning current rates and are not eligible for future recovery.
- 2.12 VECC agrees with Board Staff in its submission that Enersource has not yet had an opportunity to recover the persisting lost revenues from 2005 to 2010 CDM programs in 2011 and 2012.
- 2.13 Consistent with the Board's decision in Enersource's 2012 IRM application EB-2011-0100, VECC submits Enersource is eligible to recover its total LRAM amount of \$1,753,174.

### **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 17<sup>th</sup> day of May 2013.