

BY RESS & OVERNIGHT COURIER

May 27, 2013

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street
Suite 2700
Toronto, Ontario
M4P 1E4

Dear Ms. Walli:

**Re: Enersource Hydro Mississauga Inc.
Lost Revenue Adjustment Mechanism (LRAM) Application
Enersource Final Submission
Board File No. EB-2013-0024**

Please find attached Enersource's final submission in the above captioned proceeding.

Two sets of hard copies will be sent to the Board in addition to filing this via RESS.

If you have any questions or concerns with this Submission, please do not hesitate to contact me at (905) 283-4098.

Sincerely,

(Original signed by)

Gia M. DeJulio
Director, Regulatory Affairs

cc. Dan J. Pastoric, Executive Vice-President and Chief Operating Officer
All Intervenors EB-2013-0024 (Cover letter by email)

Ontario Energy Board

IN THE MATTER OF the *Ontario Energy Board Act, 1998*, S.O. 1998, c.15, Sched. B, as amended;

AND IN THE MATTER OF an Application by Enersource Hydro Mississauga Inc. for an Order or Orders approving just and reasonable rates and other service charges for the distribution of electricity, effective May 1, 2013.

Enersource Hydro Mississauga Inc.

Final Submissions

May 27, 2013

Introduction and Summary

1. Enersource originally applied for new rates for the period commencing May 1, 2013.
2. Enersource sought the Board's approval to recover the total lost revenues resulting from conservation and demand management ("CDM") activities ("the LRAM Amount") for the period January 1, 2011 to December 31, 2011 of \$867,440 and for the period January 1, 2012 to December 31, 2012 of \$850,881 for a total of \$1,718,321 and the related carrying charges (calculated at the applicable interest rate as prescribed by the Board) to the end of the first quarter of 2013 of \$34,853, for a total of \$1,753,174.
3. This LRAM application only includes persisting historical impacts realized after 2010 from CDM programs delivered before 2011. Enersource proposed to recover the total amount over a period of twenty months, May 1, 2013 to December 31, 2014. In preparing this request, Enersource relied on the Board's Guidelines for Electricity Distributor Conservation and Demand Management issued on March 28, 2008 (the "Board's CDM Guidelines") in EB-2008-0037 and Guidelines for Electricity Distributor Conservation and Demand Management issued on April 26, 2012 in EB-2012-0003.
4. This application has been supported by Board Staff, Vulnerable Energy Consumers Coalition ("VECC"), and Building Owners and Managers Association ("BOMA").
5. Given the schedule of this proceeding, Enersource agrees with Board Staff and now proposes that a July 1, 2013 implementation, with an 18-month recovery period, is more appropriate, and should be approved.

Revised Riders and Bill Impacts Due to Implementation Timing

6. As mentioned above, the LRAM Claim Amount was supported by Board Staff, Vulnerable Energy Consumers Coalition ("VECC"), and Building Owners and Managers Association ("BOMA"). As requested by Board Staff, and now proposed by Enersource, Enersource has re-calculated the associated rate riders assuming a July 1, 2013 implementation date, and an 18-month recovery period. The proposed rate rider for a typical customer in the residential class is now \$0.0005/kWh. The revised rate riders for all rate classes are presented in Table 1 below.

Table 1: Proposed LRAM Rate Riders Commencing July 1, 2013

Line No.	Rate Class	Billing Units	LRAM Amount for Recovery	Carrying Charges ⁽¹⁾	Total Amount for Recovery	2013 Load – Per EB-2012-0033 Decision	LRAM Rate Rider per Billing Unit
1	Residential	kWh	\$986,571	\$20,011	\$1,006,582	1,423,857,475	\$0.0005
2	General Service < 50 kW	kWh	\$284,047	\$5,761	\$289,808	612,188,011	\$0.0003
3	General Service 50 to 499 kW	kW	\$358,460	\$7,271	\$365,731	6,222,022	\$0.0392
4	General Service 500 to 4,999 kW	kW	\$76,564	\$1,553	\$78,117	5,154,338	\$0.0101
5	Large Users > 5,000kW	kW	\$12,678	\$257	\$12,935	1,737,267	\$0.0050
6	Total		\$1,718,320	\$34,853	\$1,753,174		
(1) The total amount of carrying charges is prorated based on the LRAM amount for recovery.							

7. A summary table of the riders originally proposed, and the revised riders is shown in Table 2 below

Table 2: Summary of Revised and Original LRAM Rate Riders (\$/billing unit)

Rate Class	Revised: 18-mth Recovery	Original: 20-mth Recovery
Residential	0.0005	0.0004
GS < 50	0.0003	0.0003
GS 50 - 499	0.0392	0.0353
GS 500 - 4999	0.0101	0.0091
LU	0.0050	0.0045

8. Table 3 below presents the monthly bill impacts by rate class expressed as dollar amounts and as percentages with a July 1, 2013 implementation and an 18-month recovery period. The proposed LRAM rate rider results in a 0.4% increase in the total monthly bill of a typical RPP residential customer with a monthly consumption of 800 kilowatt hours.

Table 3: Revised Monthly Bill Impacts of LRAM Amount Recovery

<u>Line No.</u>	<u>Rate Class</u>	July 1, 2013 Proposed	<u>Monthly Volume</u>		Total Monthly Bill Impact (See Notes 1 and 2)	
		LRAM Rate Rider			\$	%
1	Residential	\$0.0005	800	kWh	\$0.41	0.37%
2	General Service < 50 kW	\$0.0003	2,000	kWh	\$0.61	0.19%
3	General Service 50 to 499 kW	\$0.0392	230	kW	\$10.19	0.07%
4	General Service 500 to 4,999 kW	\$0.0101	2,250	kW	\$25.68	0.04%
5	Large Users > 5,000kW	\$0.0050	5,000	kW	\$28.25	0.01%
Notes:						
(1) The total bill impacts shown in lines 1 and 2 are for a typical RPP customer.						
(2) The total bill impacts shown in lines 3 through 5 are for typical Non-RPP customers in each rate class.						

9. A summary of the original bill impacts and the revised figures are shown in Table 4 below.

Table 4: Summary of Revised and Original Bill Impact Analysis

Rate Class	Revised: 18-mth Recovery		Original: 20-mth Recovery	
Residential RPP	0.37%	\$ 0.41	0.30%	\$ 0.32
GS<50 RPP	0.19%	\$ 0.61	0.19%	\$ 0.60
GS 50-499 Non RPP	0.07%	\$ 10.19	0.07%	\$ 9.17
GS 500-4999 Non RPP	0.04%	\$ 25.68	0.04%	\$ 23.14
Large User Non RPP	0.01%	\$ 28.25	0.01%	\$ 25.43

Customer Comments and Submissions

10. During this proceeding, Enersource received correspondence from two customers, Mr. Les Crisp and Ms. Lubov Volnyansky. Ms. Volnyansky is an intervenor in this proceeding. Enersource wishes to address the concerns and advise the Board of additional communications with each customer.
11. Mr. Crisp submitted an email on March 20, 2013 to the Board Secretary, expressing dissatisfaction with any increases to electricity costs. A second similar email was sent to the Board Secretary by Mr. Crisp on April 7, 2013. Mr. Crisp has communicated with Enersource many times in recent years expressing his concern with the rates and charges on his electricity bill. As a follow up to the most recent emails to the Board

Secretary, Enersource contacted Mr. Crisp and conducted a site visit to his home in April. Some of the recommendations provided to Mr. Crisp during the site visit included the following:

- Installation of a setback thermostat and In-Home Display unit through the Peaksaver Plus Residential Demand Response Program;
 - Assistance with the analysis of his meter data to better understand the contributing factor(s) to his high consumption during the winter months;
 - Meter logging on the baseboard heating to verify the accuracy of thermostat settings; and
 - Providing a list of vendors for advice on insulation of the walls.
12. Ms. Volnyansky submitted an email seeking intervenor status on April 4, 2013, which was accepted by the Board. On April 12, a second email was received from Ms. Volnyansky with two attachments, an Excel spreadsheet and a Word document, with some analysis of her electricity usage and charges. Enersource has provided a letter to Ms. Volnyansky providing further explanation of the electricity bill and information on various programs available for financial assistance to certain electricity customers.
13. Submissions were also received from Ms. Volnyansky on May 17, 2013, stating some concerns with this Application. These are addressed below.

a) Alleged consumer rights violation:

14. Ms. Volnyansky stated that this Application “violates the Consumer rights under s.1.6 of the Condition (sic) of Service which indicates that the Consumer is not liable “...under any circumstances for any loss of profits or revenue...”
15. The reference is to section 1.6 in Enersource’s Conditions of Service, entitled “Customer Rights”. This clause has been taken out of context and is intended, among other things, to protect Enersource and its customers from liability for any **damages** that arise directly out of the **wilful misconduct or negligence of Enersource in providing distribution services to the Customer [emphasis added]**. Enersource submits that this Application does not violate Enersource’s Conditions of Service; there has been absolutely no evidence of wilful misconduct or negligence of Enersource.
16. Further, Ms. Volnyansky states that “existing customers are not liable for the fallen electricity demand and for the lost revenue”. Enersource responds that it has followed all Board CDM Guidelines in preparing this Application and has the full support of Board Staff and all other intervenors in this proceeding.

b) Alleged violation of Section 78 of the OEB Act:

17. Section 78 of the OEB Act states:

Orders by Board, electricity rates

Order re: transmission of electricity

78. (1) No transmitter shall charge for the transmission of electricity except in accordance with an order of the Board, which is not bound by the terms of any contract. 2000, c. 26, Sched. D, s. 2 (7).

Order re: distribution of electricity

(2) No distributor shall charge for the distribution of electricity or for meeting its obligations under section 29 of the Electricity Act, 1998 except in accordance with an order of the Board, which is not bound by the terms of any contract. 2000, c. 26, Sched. D, s. 2 (7).

18. Ms. Volnyansky stated that Ministry of Energy approval is required for this Application. Enersource requires Ontario Energy Board approval for the rates charged to its distribution customers, as per section 78 of the OEB Act.

c) Alleged violation of the Electricity Act and the Ontario Human Rights Code:

19. Ms. Volnyansky makes a variety of statements that suggest Enersource's rates are unreasonable and discriminatory. Enersource disagrees. Enersource prides itself in taking utmost care to prepare all of its applications accurately and completely to the Ontario Energy Board, and to ensure that all rates and charges are in accordance with the requirements and expectations of the regulator. Further, the rate application process involves, and allows, many stakeholders to review the material. As stated above, this Application was supported by Board Staff and all other intervenors in this proceeding.
20. Enersource's rates consist of both fixed and variable charges. The fixed monthly charge for residential customers has been reviewed by the Board in Enersource's most recent cost of service rate application for 2013 rates. This fixed monthly charge is not an issue in this LRAM application.
21. As noted earlier, in an effort to assist Ms. Volnyansky, Enersource emailed a letter on May 21, 2013, to provide further explanation of the electricity bill and the rates and charges. This letter has been filed under this docket.

d) Summary comment on customer submissions:

22. Enersource appreciates the participation and submissions of all parties in this proceeding. It is helpful to the process and allows for greater transparency. However, the accusations made by Ms. Volnyansky should not be considered fact or evidence in this proceeding, and Enersource points out that the assertions of Ms. Volnyansky have not been tested in this proceeding. Enersource has applied to recover the lost revenues associated with conservation and demand management programs. It has followed the Board's CDM Guidelines and has the support of Board Staff and all other intervenors. Enersource believes it has adequately addressed the concerns of Ms. Volnyansky, and submits they should carry no weight in this proceeding.

Summary and Conclusion

23. In summary, Enersource submits that the proposed rates for the recovery of lost revenues in 2011 and 2012 are just and reasonable and that Enersource has demonstrated that it has followed the Board's CDM Guidelines to determine the LRAM Claim Amount and the associated rate riders.

All of which is Respectfully Submitted:

Gia M. DeJulio, Enersource Hydro Mississauga Inc.