



PUBLIC INTEREST ADVOCACY CENTRE
LE CENTRE POUR LA DEFENSE DE L'INTERET PUBLIC

ONE Nicholas Street, Suite 1204, Ottawa, Ontario, Canada K1N 7B7

Tel: (613) 562-4002. Fax: (613) 562-0007. e-mail: piac@piac.ca. <http://www.piac.ca>

Michael Janigan
Counsel for VECC
(613) 562-4002 ext. 26

VIA MAIL and E-MAIL

December 5, 2013

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)
Chapleau Public Utilities Corporation EB-2013-0119
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,

A handwritten signature in black ink, appearing to be 'Michael Janigan', written in a cursive style.

Michael Janigan
Counsel for VECC
Encl.

cc: Chapleau Public Utilities Corporation

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 Chapleau Public Utilities Corporation for an order approving just and reasonable rates and other charges for electricity rates to be effective May 1, 2014.

FINAL SUBMISSIONS

On Behalf of The

Vulnerable Energy Consumers Coalition (VECC)

December 5, 2013

Public Interest Advocacy Centre

ONE Nicholas Street
Suite 1204
Ottawa, Ontario
K1N 7B7

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FINAL SUBMISSIONS

Vulnerable Energy Consumers Coalition (VECC)

Final Argument

1 The Application

- 1.1 Chapleau Public Utilities Corporation (“Chapleau”, “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 approval to change its rates beginning May 1, 2014. As part of the application, Chapleau requests approval to enter an additional cost for the low voltage charge from Hydro One Networks Inc. (Hydro One) into the continuity schedule (Account 1550) as well as an increase in low voltage service rates per kW/Kwh effective May 1, 2014.
- 1.2 The following section sets out VECC’s final submissions in relation to Chapleau’s proposals with regard to Low Voltage Service Rates.

2 Low Voltage Service Rates

- 2.1 Due to an under-billing error in the amount of \$103,624.98 (\$93,387.02 plus \$10,237.96 in HST) by Hydro One Networks Inc.¹ for the period January 28, 2009 to April 3, 2013, Chapleau is requesting approval to record Hydro One’s billing error adjustment in 2013 by entering this debit amount into the continuity schedule for Low Voltage account 1550 in column CL (Closing Principal Balances as of Dec 31-12 Adjusted for Dispositions during 2013). Chapleau is also requesting an increase in its Low Voltage Service Rate per kW/kWh to alleviate the need for a large deferral variance account balance in the future.²
- 2.2 In response to Board Staff interrogatory #4(f), Chapleau explained its internal control process to check the amounts payable for invoices received from suppliers including Hydro One and stated that this process identified the under-billing error. On two occasions from early 2009 to 2011 Chapleau raised the issue with Hydro One but was assured that the invoices were correct. On the third occasion in February 2013 the error was confirmed when Hydro One changed its billing system. Due to an oversight that started in 2009, the HVDS charge for Chapleau was calculated each month based on a kW quantity that was too low resulting in the under-billing.³

¹ Attachment E, Hydro One Letter dated September 9, 2013

² Manager’s Summary Page 3

³ Attachment E, Hydro One Letter dated September 9, 2013

- 2.3 Chapleau has made two partial payments for the adjustment invoice received from Hydro One. Chapleau indicates it has taken advantage of Hydro One's offer to extend the payment of the invoice over 24 months⁴ to 2015. Hydro One indicates no (0%) interest will accumulate over this period.⁵
- 2.4 Chapleau's total Group 1 Account balances reflect a refund to customers (credit) in the net amount \$108,948 as of December 31, 2012.⁶ Chapleau indicates that if it is permitted to adjust account 1550 to account for the error it will reduce the net amount owed to customers (credit) to \$13,730, which does not meet the threshold test of \$0.001/kWh.⁷
- 2.5 In response to Board Staff interrogatory #4, Chapleau confirms that the total adjustment amount of \$93,387.02 can be broken down into the following two components:⁸
- \$34,295.97 related to transactions post Dec 31, 2011;
 - \$59,091.05 related to transactions prior to Dec 31, 2011.
- 2.6 VECC notes that the balance for Account 1550 as at December 31, 2011 was disposed of on a final basis per Board Decision EB-2012-0014, dated April 4, 2013.
- 2.7 VECC supports the submissions of Board Staff that Chapleau's proposal to recover the adjustments in the amount of \$59,091.05 related to transactions prior to December 31, 2011 raises the issue of retroactive ratemaking. VECC agrees that based on past Board Decisions as noted by Board Staff, it is inappropriate for Chapleau to include an out of period adjustment and therefore the Board should not approve Chapleau's request.
- 2.8 With respect to Chapleau's proposal to adjust its Low Voltage Service Rates to reflect Hydro One's revised billing quantity, VECC submits that in accordance with the Board's Filing Requirements⁹, the IRM process is not the appropriate place to do so given that this issue is beyond a mechanistic update and unique to Chapleau. VECC notes the Guidelines provide examples of specific exclusions from the IRM rate application process and submits that proposing to change Low Voltage Service Rates in akin to the examples provided. Accordingly, VECC submits the adjustment of Low Voltage Service Rates should be considered as part of Chapleau's next cost of service rate application.

⁴ Board Staff IR#4(f)

⁵ Attachment E, Hydro One Letter dated September 9, 2013

⁶ Manager's Summary Page 5

⁷ Manager's Summary, Page 5

⁸ E_2_CPUC_2013_Low Voltage_Charge

⁹ Filing Requirements Chapter 3, Section 3.4 Specific Exclusions from 4th Generation or Annual IR Index Applications, Page 19, 20130717

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 5th day of December 2013.