



**PUBLIC INTEREST ADVOCACY CENTRE**  
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Michael Janigan  
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(613) 562-4002 ext. 26

January 13, 2014

**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)**  
**PUC Distribution Inc. EB-2013-0167**  
**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: PUC Distribution Inc.

**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 PUC Distribution Inc. for an order or orders approving or fixing just and reasonable distribution rates to be effective May 1, 2014.

**FINAL SUBMISSIONS**

**On Behalf of The**

**Vulnerable Energy Consumers Coalition (VECC)**

**January 13, 2014**

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

## **Final Argument**

### **1 The Application**

- 1.1 PUC Distribution Inc. (“PUC”, “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*, as amended, for electricity distribution rates effective May 1, 2014. The Application was filed based on an Incentive Regulation Mechanism.
- 1.2 As part of its application, PUC is seeking a Lost Revenue Adjustment Mechanism (LRAM) related to conservation and demand management programs. The following section sets out VECC’s final submissions regarding this aspect of the application.

### **2 LRAM Adjustment**

- 2.1 PUC’s application includes approval of LRAM and LRAMVA rate riders with a one-year recovery for both.

#### **LRAM**

- 2.2 PUC seeks recovery of an LRAM amount of \$109,737 (including \$856 in carrying charges) related to persisting CDM savings in 2012 from 2005 to 2010 CDM programs.
- 2.3 PUC rebased in 2013 and included a CDM component embedded in its 2013 load forecast. PUC confirmed the LRAM request for persistent savings in 2012 related to pre-2011 programs is the final LRAM claim PUC is eligible to make.<sup>1</sup>
- 2.4 VECC agrees PUC is eligible for this final LRAM recovery related to pre-2011 programs as these savings occurred prior to the updated load forecast established in PUC’s 2013 Cost of Service (COS) application. VECC supports PUC’s calculation of the LRAM rate riders.

#### **LRAMVA**

- 2.5 For CDM programs delivered within the 2011-2014 period, the Board established an LRAMVA (Account 1568) to capture the variance between the Board Approved CDM forecast and actual results.

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<sup>1</sup> Board Staff interrogatory 4(a)

- 2.6 PUC requests disposition of its LRAMVA Account 1568 for an amount of \$81,484 including carrying charges consisting of persisting losses from 2011 programs in 2012 (\$38,232 including \$1,268 in carrying charges) and new losses from 2012 programs in 2012 (\$43,252 including \$1,160 in carrying charges). PUC indicates its request is based on the OPA's final verified CDM results for 2011 and 2012.<sup>2</sup>
- 2.7 PUC indicates prior to its 2013 COS rate application a CDM reduction was not built into its approved load forecast.<sup>3</sup> As none of the CDM savings are included in PUC's load forecast, VECC submits the lost revenues (LRAMVA amounts) are eligible for recovery. VECC supports PUC's calculation of the LRAMVA rate riders.

### **3 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 13<sup>th</sup> day of January 2013.

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<sup>2</sup> Application, 6. LRAM and LRAM Variance Account

<sup>3</sup> Application, 6. LRAM and LRAM Variance Account