



PUBLIC INTEREST ADVOCACY CENTRE
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Michael Janigan
Counsel for VECC

October 24, 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)
Guelph Hydro Electric Systems Inc. EB-2014-0077
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: Guelph Hydro Electric Systems 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 Guelph Hydro Electric System Inc. for an order or orders approving or fixing just and reasonable distribution rates to be effective January 1, 2015.

FINAL SUBMISSIONS

On Behalf of The

Vulnerable Energy Consumers Coalition (VECC)

October 24, 2014

Public Interest Advocacy Centre

ONE Nicholas Street
Suite 1204
Ottawa, Ontario
K1N 7B7

Michael Janigan
Counsel for VECC

Vulnerable Energy Consumers Coalition (VECC)

Final Argument

1 The Application

- 1.1 Guelph Hydro Electric Systems Inc. (“Guelph Hydro”, “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 January 1, 2015. The Application was filed based on a 4th Generation Incentive Rate-setting (“4GIR”) application.
- 1.2 As part of its application, Guelph is seeking a true-up with respect to its Renewable Generation Funding Adder.
- 1.3 VECC submissions are focused on Guelph Hydro’s request related to its Renewable Generation Funding Adder.

2 Renewable Generation Funding Adder

- 2.1 In Guelph Hydro’s 2012 cost of service application (EB-2011-0123) Guelph Hydro filed an updated Green Energy Act (GEA) Plan with updated capital and operating expenses and requested approval of two different GEA Funding Adders separating renewable generation and smart grid funding. The Board approved the GEA Plan Funding Adder for four years: 2012 to 2015.
- 2.2 Guelph Hydro’s Renewable Connection Rate Adders (Direct Benefit) are as follows:¹

	2012 \$	2013 \$	2014 \$ April 1, 2013 to March 31, 2014	2015 \$ April 1, 2014 to March 31, 2015
Renewable Connection Rate Adder	0.10	0.14	0.14	0.15

- 2.3 Guelph Hydro recently discovered that its approved GEA model had some formula error that results in an over collection.² Guelph Hydro made the corrections and the resulting Funding Adder for 2015 is now \$0.14 compared to

¹ EB-2011-0123 Rate Order

² EB-2014-0077 Page 8

the Board approved Funding Adder of \$0.15. The over collected amount from April 1, 2014 to December 31, 2014 is \$4,702.75 and when subtracted from the total 2015 GEA recovery, the Funding Adder for January 1, 2015 to March 31, 2015 is \$0.14. The GEA Plan Funding Adder will cease on April 1, 2015.

- 2.4 The Board's Filing Guidelines states "The costs recovered through the funding adder will be subject to a prudence review in the first cost of service application following the implementation of the funding adder."³
- 2.5 In response to Board Staff interrogatory #5, Guelph Hydro agreed that the amount of the funding adder true-up is immaterial (\$4,702.75) and any variance will be captured in the appropriate variance account.
- 2.6 Guelph Hydro also clarified that the impact of deferring the true-up of the GEA funding adder is immaterial and will be subject to a prudence review in Guelph Hydro's 2016 cost of service application.
- 2.7 Given the Board's Filing Requirements and the immateriality of the amount to be true-up, VECC submits it is reasonable to wait until Guelph Hydro's next cost of service rate application for 2016 rates when the true-up of the GEA funding adder will be subject to a prudence review.

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 24th day of October 2014.

³ Filing Requirements For Electricity Distribution Rate Applications- 2014 Edition for 2015 Rate Applications, July 18, 2014, Section 3.3.2 Treatment of Costs for eligible investments Page 18