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Michael Janigan
Counsel for VECC

October 30, 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)
Brantford Power Inc. EB-2014-0187
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 read 'Michael Janigan', is written over a light grey horizontal line.

Michael Janigan
Counsel for VECC
Encl.

cc: Brantford Power Inc.

ONTARIO ENERGY BOARD**IN THE MATTER OF**

the Ontario Energy Board Act, 1998, being
Schedule B to the Energy Competition Act, 1998, S.O. 1998, c.15;

AND IN THE MATTER OF

an Application by Brantford Power Inc. (Brantford Power)
to the Ontario Energy Board for an Order or Orders approving
just and reasonable rates for electricity distribution
to be effective January 1, 2015.

Submissions of Vulnerable Energy Consumers Coalition (VECC)**Lost Revenue Adjustment Mechanism (LRAM) Variance Account**Persisting Lost Revenue in 2012 for 2006-2010 OPA CDM Programs

- Brantford Power is seeking the disposition of an LRAM claim through an LRAM Rate Rider for persistent lost revenues in 2012 associated with 2006 to 2010 OPA CDM Programs in the amount of \$116,047.82. A third party, Burman Energy Consultants Group Inc. (Burman Energy), provided the detailed calculations supporting this LRAM claim.¹
- The Board determined that LRAM for pre-2011 CDM activities was to be completed with the 2012 rate applications, outside of persisting historical CDM impacts realized after 2010 for those distributors whose load forecast has not been updated as part of a cost of service application.
- Brantford Power's most recent load forecast was approved in 2013 as part of its 2013 cost of service application in proceeding EB-2012-0109. Brantford Power's 2013 load forecast includes an adjustment for CDM by customer class.
- Prior to 2013, Brantford Power's load forecast was approved in 2008 in proceeding EB-2007-0698. Brantford Power confirms that no impacts of CDM were incorporated into its 2008 load forecast; i.e. the 2004 NAC based data underpinning the 2008 load forecast does not include the impact of CDM programs.² Thus the 2008 load forecast that underpins 2012 rates does not incorporate the impacts of CDM.
- In Brantford Power's 2013 cost of service application, EB-2012-0109, the Board approved recovery of persistent lost revenue in 2011 for 2006 to 2010 OPA CDM Programs in the

¹ Attachment H

² Page 18

amount of \$118,445.70.³

- Brantford Power confirms it has not recovered any of the LRAM amounts proposed for recovery in this application in a previous application.⁴
- Consistent with the Board's LRAM Decisions in EB-2012-0109 and EB-2011-0147, VECC submits Brantford Power's request for the Board to approve \$116,047.82 associated with 2006 to 2010 lost revenues in 2012 is appropriate. VECC submits these savings are consistent with the Board's Guidelines, occurred prior to the updated load forecast in 2013; the revenues have not been claimed in previous applications; and the calculation is appropriately based on Brantford Power's 2012 OPA CDM Final results.
- Brantford Power confirms it is not requesting the recovery of persistent lost revenues in 2013 for 2006 to 2012 OPA CDM Program as the 2013 Final OPA CDM Report had not been released as of the date of interrogatory responses filed on October 16, 2014.
- VECC submits that in the absence of the OPA's 2013 Final CDM Report, the recovery of lost revenues in 2013 for 2006 to 2012 OPA CDM Programs is premature and should be deferred for consideration in a future application.

Lost Revenues in 2011 and 2012 for CDM Programs in 2011 and 2012

- Brantford Hydro is requesting the disposition of the balance in the LRAMVA (Account 1568) representing lost revenues in 2011 and 2012 associated with 2011 and 2012 OPA CDM Programs in the amount of \$107,734 including carrying charges. A third party, Burman Energy, calculated the lost revenues in 2011 and 2012 from Brantford Power's participation in the OPA's Province Wide CDM Programs in 2011 and 2012.
- The Board established an LRAM variance account ("LRAMVA") to capture at the customer rate-class level, the difference between the following:
 - The results of actual, verified impacts of authorized CDM activities undertaken by electricity distributors between 2011-2014 for both Board-Approved CDM programs and OPA-Contracted Province-Wide CDM programs in relation to activities undertaken by the distributor and/or delivered for the distributor by a third party under contract (in the distributor's franchise area); and
 - The level of CDM program activities included in the distributor's load forecast (i.e. the level embedded into rates).⁵

³ Board Staff IR#4

⁴ VECC IR#1

⁵ Guidelines for Electricity Distributor Conservation and Demand Management
EB-2012-0003 Page 12

- The difference between the approved CDM amount (kWh and kW) in the distributors load forecast and the actual verified final program results will be the LRAM amount eligible for recovery.⁶
- As noted above, Brantford Power updated its load forecast in 2013. The 2008 load forecast that underpins the rates used to calculate the 2012 LRAMVA balance does not include CDM activities thus 100% of the savings are eligible for recovery.
- VECC submits Brantford Power is eligible to recover its 2012 LRAMVA balance requested (\$107,734), subject to the following comments regarding Brantford Power's Demand Response 3 Program.

Demand Response 3 Programs

- Brantford Power proposes to recover lost revenue related to its Demand Response 3 Programs for its GS<50 kW and GS 50 to 4,999 kW customers.
- Brantford Power indicates that the kW savings values used for the calculation of lost revenues from Demand Response 3 are net contracted values in each year that come from the final verified savings reports prepared by the OPA.⁷ VECC submits this may not reflect actual demand reductions in each year.
- Brantford Power further confirms it does not have any record as to how much actual demand was achieved in each year due to the Demand Response 3 Programs.⁸
- VECC submits that there are three fundamental problems with Brantford Power's inclusion of Demand Response 3 Programs in its LRAMVA. First, there is no evidence that the program was actually activated for even one month. As a result, there is no evidence that the program had any effect on Brantford Power's actual 2011 and 2012 load.
- Second, if it was activated, it is not known from the evidence in this proceeding whether any Demand Response 3 activations in 2011 and 2012 would have occurred at the same time as the customer's billing demand (kW) for the month was established, as the customer's monthly peak may not correspond to the system's peak.
- Finally, even if they were coincident, if a demand response event was called, and the customer's monthly peak was shaved, it is likely that the customer's second highest peak in the month is only slightly less than their highest peak. Thus, the impact on distribution revenues is likely to be minimal with virtually zero impact on billing demand.

⁶ Guidelines for Electricity Distributor Conservation and Demand Management
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⁷ VECC IR#2 (c)

⁸ VECC IR#2 (d)

- On this basis, VECC submits that in Brantford Power's application, no lost revenues from GS<50 kW and GS>50 to 4,999 kW customers' participation in Demand Response 3 Programs should be included for recovery.

Recovery of Reasonably Incurred Costs

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 30th of October 2014.