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**VIA RESS AND OVERNIGHT COURIER**

November 13, 2014

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.  
Application for Distribution Rates Effective January 1, 2015  
Enersource Final Submission  
Board File No. EB-2014-0068**

Please find attached Enersource's final submissions 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, please do not hesitate to contact me at (905) 283-4098.

Sincerely,

*(Original signed by)*

Gia M. DeJulio  
Director, Regulatory Affairs

cc. Norm Wolff, Executive Vice-President and Chief Financial Officer  
All Intervenors EB-2014-0068



**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, to be effective January 1, 2015.

**Enersource Hydro Mississauga Inc.**

**Final Submissions**

**November 13, 2014**

## Introduction and Summary of Positions

1. Enersource Hydro Mississauga Inc. (“Enersource”) filed a complete application (the “Application”) with the Ontario Energy Board (the “Board”) on August 13, 2014 under section 78 of the *Ontario Energy Board Act*, 1998 (the “Act”), seeking approval for changes to the distribution rates that it charges for electricity distribution, to be effective January 1, 2015. The Application is based on the 2015 Price Cap IR mechanism.
2. Following an interrogatory phase in this proceeding, final submissions were received from Board Staff and the Vulnerable Energy Consumers Coalition (“VECC”) on October 30, 2014.
3. VECC supported Enersource’s Application, submitting that “Enersource’s 2015 forecast is reasonable. In considering the above, VECC submits Enersource’s request to collect 2015 renewable generation funding from all provincial ratepayers should be approved.”<sup>1</sup>
4. Board Staff supported “Enersource’s withdrawal of its request for recovery of GEA funding amounts from its own customers. Staff note[d] that the calculated direct benefit costs for new connections in 2015 are not expected to be material and would not result in a rate rider on the tariff sheet. Board staff also agree[d] that any true-up of direct benefit costs would be premature and should be deferred until Enersource’s next cost of service proceeding.”<sup>2</sup>
5. Board staff also submitted that “Enersource’s proposed adjustment to the provincial rate protection amount costs is reasonable insofar as it is the best available estimate of its future eligible costs. Staff submit[ted] that it is reasonable to update cost forecasts – despite the fact that these costs will still be subject to a prudence review – because any true-up to IESO amounts may prove to be complex and efforts to avoid or minimize this requirement may provide future benefits. Board staff note[d] that the 2015 forecast is still broadly consistent with the total number of renewable generation projects included in Enersource’s GEA Plan and should therefore be adjusted for 2015.”<sup>3</sup>

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<sup>1</sup> Final Submission on behalf of The Vulnerable Energy Consumers Coalition, dated October 30, 2014, page 4.

<sup>2</sup> Ontario Energy Board Staff Submission, dated October 30, 2014, page 5.

<sup>3</sup> *Ibid.*

6. Board staff is of the view that Account 1551 should be included in Enersource's Group 1 disposition threshold calculation and as a part of requests for recovery of Group 1 accounts in future applications.<sup>4</sup>
7. Board staff invited Enersource to reconcile the amounts for all of the Account 1595 sub-accounts in the RRR 2.1.7 column of Sheet 5 of the Rate Generator Model to a breakdown of Account 1595 by sub-accounts, totalling (\$7,336,906) as filed in the RRR 2.1.7 with the Board. This reconciliation is to specifically indicate the balance in Account 1595 (2012) for which disposition is not being sought.<sup>5</sup>

### **Responses to Board Staff re EDDVAR**

8. Enersource understands that Appendix C of the Board's decision on the smart metering entity charge classifies Account 1551 as a Group 1 account which must be included in the calculation of the disposition amount during an IRM term. Enersource will include the balance in Account 1551 as part of its request, as applicable, for recovery of Group 1 accounts in future applications.
9. Below is the breakdown of Account 1595 by sub-accounts which reconciles to the total filed of (\$7,336,906) in the RRR 2.1.7 with the Board. The attached reconciliation was taken from E2.1.1 filed with the Board as part of the December 2013 quarterly filings.

<b>Sub- Account</b>	<b>December 31, 2013 Closing Balance</b>
1595 Sub-account Disposition of Account Balances Approved in 2009	(2,999,823)
1595 Sub-account Disposition of Account Balances Approved in 2012	(4,334,099)
1595 Sub-account Disposition of Account Balances Approved in 2013	(2,984)
<b>Total</b>	<b>(7,336,906)</b>

### **GEA Funding**

10. Enersource agrees with Board staff that "a true-up of direct benefit costs would be premature and should be deferred until Enersource's next cost of service proceeding"<sup>6</sup>. Board Staff and VECC support Enersource's revised request for GEA funding from all provincial ratepayers, as well as

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<sup>4</sup> *Ibid*, page 2.

<sup>5</sup> *Ibid*, page 3.

<sup>6</sup> *Ibid*, page 5.

the updated forecast of the number of renewable generation projects, and therefore should be approved.

### **Next Steps**

11. As noted above, Enersource's Application is based on the 2015 Price Cap IR mechanism. On October 30, 2014, the OEB released the final formulaic factors that are to be used in the Price Cap IR mechanism to adjust rates for January 1, 2015. Enersource will recalculate rates and bill impacts for 2015 when the Board's rate generator model is updated with these final formulaic factors, and upon receipt of the Board's decision in this Application.
12. As Board Staff noted in its submission<sup>7</sup>, Board Staff has no concerns with the data supporting the updated Retail Transmission Service Rates proposed by Enersource, and the Board will also update the applicable data based on the Uniform Transmission Rates in place at the time of the decision in this proceeding.
13. Enersource will engage diligently with Board Staff to ensure that the Final Rate Order can be issued in a timely fashion to allow for the implementation of new rates effective January 1, 2015. Enersource would also be appreciative of a Final Rate Order issued prior to mid-December, 2014 to allow for an orderly implementation.

### **Conclusion**

14. In summary, Enersource submits that its Application for 2015 rates and GEA funding be approved. This Application has been supported by all parties in this proceeding - Board Staff and VECC.

All of which is Respectfully Submitted:

*Gia M. DeJulio*

*Director, Regulatory Affairs*

*Enersource Hydro Mississauga Inc.*

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<sup>7</sup> *Ibid*, page 1.