

THESL INTERROGATORY #10

INTERROGATORY

Ref: Attachment: Case 1A – Attachment: Case 4B

- (a) Please re-run all eight cases, removing the “Incremental Operating Expenses”, and in the case of conversions, using the proposed GS 50-999 kW rates and assuming 1420 kVA displaced load in Cases 2A and 2B, and 3014 KVA displaced load in Cases 4A and 4B.

Please include a calculation of Revenue to Cost ratio for each case.

RESPONSE

- (a) In THESL’s response to SSMWG Interrogatory #5, it states that its 2010 OM&A forecast that relates to individual suite metering is \$0.3 million. Therefore it would be inappropriate to remove this line item. Mr. Hanser, however, did reevaluate his analysis using 1,419 and 3,010 displaced load (1 kVA per bulk-converted meter). As the following tables demonstrate, the conclusions remain the same:

2010 Revenue Deficiencies By Case (1419 kVA Displaced Load)			
	Residential Revenue Derived From	Suite Meter Unit Cost	
		High	Low
		[A]	[B]
[1]	New	(190,287)	(95,608)
[2]	Bulk	(218,933)	(157,333)

Cumulative 2007-2010 Revenue Deficiencies By Case (3010 kVA Displaced Load)			
	Residential Revenue Derived From	Suite Meter Unit Cost	
		High	Low
		[A]	[B]
[3]	New	(435,707)	(214,544)
[4]	Bulk	(446,656)	(323,258)

It was not clear from the question what revenues and costs should be used for the purpose of developing a revenue to cost ratio. It was also not clear whether the question is asking for a ratio in respect of residential or commercial customers.