

Written questions from Rogers Cable Communications Inc. in respect of the Elenchus Research Associates, Inc. report entitled “Cost Allocation Policy Review: Options and Preferred Alternatives”

1. Weighting Factors

- (a) In view of the fact that some LDCs render a separate bill for each USL connection and some LDCs render an aggregated bill, should the “default” weighting factor for billing not be different for these two situations?
- (b) Do you have any recommendations as to what data and analysis an LDC might use to support its choice of a weighting factor other than the default factor?
- (c) If LDCs are encouraged to consider substituting their own weighting factor for the default factor, is it not appropriate to require the LDC which has used the default factor to provide support for the reasonableness of that choice when it files its cost allocation study?
- (d) Please confirm that the entry of data into sheets I7.1 and I7.2 should result in exclusion of a separate class of USL from any allocation of meter and meter reading costs, and that therefore there is no “weighting factor” for these costs. If this is not correct, please clarify the actual methodology to ensure that no meter-related costs are allocated to USL.
- (e) Please confirm that where USL is not presently a separate class, the computation of the USL credit is the methodology for exclusion of meter-related costs from the costs allocated to USL customers. If this is not correct, please clarify the actual methodology.

2. Customer Classification for USL

- (a) At the top of page 16, the Report states: “The main principle in determining what the allocated costs should be is that these customers should be responsible for the costs they impose on distributors and that distributors’ customers should not be subsidizing unmetered load customers.” Please confirm that it is also true that unmetered load customers should not be subsidizing metered customers.
- (b) At page 17, you state “The proposal in Option #3 to force distributors to add an additional customer class for USL when it currently does not exist, is also not necessary, as long as the treatment of USL is accompanied by a proper rate design that provides a credit to USL for the non-provision of metering services.” Please confirm that, as also outlined at page 17 of your report, the requirement will be that the USL credit results in USL customers having a revenue: cost ratio within the Board’s approved range for such customers.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 4th day of November, 2010.


Robert Frank
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