



***PUBLIC INTEREST ADVOCACY CENTRE
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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)
EB-2010-0295
Recovery of Costs and Damages Incurred by Electricity Distributors as a
Result of the April 21, 2010 Minutes of Settlement in the Late Payment
Penalty Class Action.**

Please find enclosed the interrogatories of VECC for THESL and the EDA in the above-noted proceeding. Please note that the paper copies of the filing may not be filed until early January.

Thank you.

Yours truly,

Michael Buonaguro
Counsel for VECC
Encl.

**RECOVERY OF COSTS AND DAMAGES FOR
LATE PAYMENT PENALTY CLASS ACTION (EB-2010-0295)**

VECC's INTERROGATORIES TO THESL

QUESTION #1

Reference: THESL Supplementary Evidence, pages 2-3
EDA Evidence, paragraphs #3 and #64

- a) Please clarify whether the percentages shown in Table #1 represent:
 - The proportion of late payment revenue paid by each customer class, or
 - The proportion of late revenues that were allocated to each customer class as an offset in the determination of distribution rates.
- b) Does THESL agree with the EDA Evidence statement that “the (LPP) revenues were used to mitigate the rates of all customers? If not, who benefited from LPPs?
- c) If the response to part (b) is affirmative, please explain how the revenues from late payment charges were used to “benefit” THESL’s customers. In doing so, please explain how the revenues were assigned to THESL’s various customer classes during the “exposure period (as described in the EDA Evidence, paragraphs #46-#48).

QUESTION #2

Reference: THESL Supplementary Evidence, page 4

Preamble: THESL states that the rate rider would be \$0.88/per customer/per 30 days if a per-customer method of allocation and recovery was adopted.

- a) Please confirm whether the allocation and recovery is per customer or per metered customer.
- b) Please provide a schedule setting out the derivation of the \$0.88 value and indicate the sources for the customer data used.

**RECOVERY OF COSTS AND DAMAGES FOR
LATE PAYMENT PENALTY CLASS ACTION (EB-2010-0295)**

VECC's INTERROGATORIES TO EDA

QUESTION #1

Reference: EDA Evidence, pages 1-2, paragraphs 3 and 4
EDA Evidence, page 12, paragraph 64

- d) Please explain how the revenues from late payment charges were used to "benefit" all customers. In doing so, please explain how the revenues were assigned to the various customer classes of the distributors.

QUESTION #2

Reference: EDA Evidence, page 6, paragraphs 30 to 32

- a) What was the period of recovery approved by the Board for Enbridge?
b) What was the period of recovery approved by the Board for Union?

QUESTION #3

Reference: EDA Evidence, page 8, paragraphs 44 and 62

- a) Does the \$700,000 in defendant's legal costs include any interest costs incurred by the EDA in financing (per footnote #17) legal fees for all LDCs other than Toronto Hydro? If yes, how much is included and how were the interest costs calculated?
- b) Please break the \$700,000 down as between the legal costs related to the late payment legal action/settlement process versus those associated with the current Application.
- c) Does the \$700,000 include the full legal costs paid for by Toronto Hydro? If yes, precisely how much has been paid for by Toronto Hydro already and when were the payments made?
- d) Please explain what the "applicable taxes" include. If the applicable taxes include "HST" – how much does this represent? Also, if HST is included, will the LDCs be able to claim an input tax credit for their share of this "cost"? If not, why not?

- e) Has the EDA received any payments from LDCs other than Toronto Hydro related to the legal expenses incurred? If yes, please provide a schedule setting out the names of the LDCs, the amounts paid and the dates the payments were made.
- f) In the determination of the fees charged to members has the EDA included any allowance for the legal fees related to either the class action/settlement or the current Application? If yes, please indicate the years and the amounts involved.

QUESTION #4

Reference: EDA Evidence, page 13, paragraphs 68 – 70

- a) Please confirm that in Enbridge's case the decision to allocate the recovery on a per customer basis was because that was the way the revenues received from late payment charges were allocated to customer classes (per the Enbridge CASDA Application, Exhibit B/Tab 2/Schedule 6, page 1). If this is not confirmed, please provide the EDA's understanding as to rationale for using customers as the "allocator" and provide relevant references to the Enbridge proceeding.
- b) If the revenue from late payment charges was used to benefit all customers (per paragraphs #3 and #64) why is the EDA proposing to only allocate it to metered customers?