

## **INTERROGATORIES OF VULNERABLE ENERGY CONSUMERS COALITION**

### **INTERROGATORY 1:**

**Reference(s):**       **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).

### **RESPONSE:**

- a) The allocation percentages shown in Table 1 are based on a three-year historical average (2007-2009) of Late Payment Penalties collected from each rate class.
- b) Yes. Historical or forecast LPP revenues were used as revenue offsets to reduce the base distribution revenue requirement, recoverable from all customers.
- c) During the initial portion of the ‘exposure’ period, THESL and its predecessors operated as non-profit Hydro-Electric Commissions and all revenues received were used for the operation of the utilities. During the latter portion of the ‘exposure

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1       period', after the commencement of OEB regulation, either historical or forecast LPP  
2       revenues (depending on the regulatory regime) were considered as revenue offsets.

3

4       In THESL's case, LPP revenues are currently allocated as revenue offsets to the  
5       various classes in proportion to the three-year historical average of LPP revenues

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6       received by class.