



***PUBLIC INTEREST ADVOCACY CENTRE***  
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May 25, 2011

**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)**  
**Notice of Intervention: EB-2010-0141**  
**St. Thomas Energy Inc. – 2011 Distribution Rate Application**

Please find enclosed the technical conference questions of VECC in the above-noted proceeding. We have also directed a copy of the same to the Applicant.

Thank you.

Yours truly,

Michael Buonaguro  
Counsel for VECC  
Encl.

**ST. THOMAS ENERGY INC. (STEI)**  
**2011 RATE APPLICATION (EB-2010-0141)**

**VECC TECHNICAL CONFERENCE QUESTIONS**

**QUESTION TC #1**

**Reference:** i) Board Staff #14 and #15  
ii) Energy Probe #9  
iii) Exhibit 3/Tab 1/Schedule 2, Attachment 1

- a) Please update Table #4 in Reference (iii) to include the years 2004-2010.
- b) Please provide a revised version of Table #5 in Reference (iii) to reflect the updated NAC values from part (a).

**QUESTION TC #2**

**Reference:** i) Board Staff #17  
ii) Exhibit 3/Tab 1/Schedule 1, Attachment 1  
iii) Exhibit 3/Tab 1/Schedule 2, Attachment 1

- a) Please confirm whether Attachment 1 to Reference (i) is based on the 2011 forecast per the original Application or per the revised forecast provided in response to Board Staff #15. Note: The total 2011 kWh shown in Reference (i) (i.e., 292,857,710 kWh – per Reference (ii)) matches that in the original Application. However, the 2011 Residential sales – prior to the CDM adjustment (i.e., 123,211,245 kWh) – appear to match that of the revised forecast.
- b) Please provide two versions of Reference (i), Attachment 3: One which reconciles to the original forecast (per the Application) and a second which reconciles to the revised forecast per Board Staff #15.

- c) With respect to Reference (i), Attachment 3, please explain why it is appropriate to adjust the annual billing kW for GS>50 by the GS.50 contribution to the CDM MW target (i.e., 286 MW).

### **QUESTION TC #3**

**Reference:** i) VECC #2 c)

- a) Please indicate which of the two interpretations provided in the original question matches STEI's interpretation as provided in the response.

### **QUESTION TC #4**

**Reference:** i) VECC #6 a)

ii) Exhibit 3/Tab 3/Schedule 1, Attachment 1, page 3

- a) Please explain the basis for the negative value (i.e., -\$5,115) under USOA #408 – Other.

### **QUESTION TC #5**

**Reference:** i) Board Staff #36 and #37

ii) Energy Probe #23

iii) OEB Decision EB-2010-0125 (Brant County Power Inc.). p. 5

- a) In light of the Board's recent Decision regarding Brant County Power's 2011 Rates, does STEI wish to change its proposed 2011 revenue to cost ratios for the GS<50 and GS>50 classes? If yes, what is the revised proposal? If not, why not?

### **QUESTION TC #6**

**Reference:** i) Board Staff #41

- a) Please justify the factors (i.e., 1.5, 2.0 and 2.5) used to estimate the bad debt expense for 2011-2014.
- b) Why would it not be appropriate to address any material increase in bad debt costs as a Z-factor adjustment?

### **QUESTION TC #7**

**Reference:** i) Board Staff #43, Attachment D  
ii) VECC #17, page 2

- a) Confirm that the amended LRAM/SSM claim and rate riders are as set out in these responses

### **QUESTION TC #8**

**Reference:** I) Board Staff #4  
ii) VECC #36 and #37

- a) Provide a Copy of the Compliance Plan referenced in the Letter of July 2006 in Attachment 4 to VECC #37
- b) Provide an update of the status of STEI's ARC compliance
- c) Provide the Service schedules and costs for the historic and test years as requested in part b) of VECC #36.

### **QUESTION TC #9**

**Reference:** I) Board Staff #7 a)

- a) Does this response indicate that (i) STESI does not charge PST or get any

input tax credits with respect to services and capital it provides to affiliates, and  
(ii) all of the fees charged by STESI are invariant with respect to any applicable  
*ad valorem* taxes?

**QUESTION TC #10**

Reference: I) VECC #18 a)

a) Does STEI agree that savings attributed to fees that do not increase with inflation would be overstated if the fixed fee agreed upon initially was overly generous?

**QUESTION TC #11**

Reference: I) VECC #20 c)

a) The reference provided in response to the original interrogatory, i.e., Exhibit 11, Tab 4, Schedule 4, appears to be in error. Please provide a corrected reference (if applicable) along with a table or list showing all unaffiliated third parties to whom STESI provides services.