

**E.L.K. ENERGY INC. RESPONSES TO
VULNERABLE ENERGY CONSUMERS COALITION
(VECC) TECHNICAL CONFERENCE QUESTIONS**

FEBRUARY 13, 2013

E.L.K ENERGY INC. (E.L.K.)
2012 RATE APPLICATION (EB-2011-0099)
VECC TECHNICAL CONFERENCE QUESTIONS

NB: Numbering continues from last VECC interrogatory number

1.0 GENERAL (Exhibit 1)

1.0 – VECC TCQ -42

Reference: Energy Probe Interrogatory # 3

Is E.L.K. seeking retroactive rates to recover any of the 2012 deficiency?

Response: The Board's July 18, 2011 Notice of Proceeding and Order Respecting Interim Rates stated, in part:

“The Board is declaring E.L.K.'s current rates to be interim from the date of this order. This will allow (though not require) the Board to set the effective date of any new rates ultimately arising from this proceeding at the date of this order; in other words to retrospectively apply the new rates. The ultimate decision on the effective date of new rates will not be made until the end of the proceeding, and all parties will be entitled to make submissions on the appropriate date.”

E.L.K.'s application is based on a 2012 test year with an effective date of October 1, 2012. E.L.K. anticipates that the new rates will be implemented at the beginning of the month following the Board's issuance of its Final Rate Order in this proceeding. E.L.K. anticipates making submissions on the effective date of the new rates at an appropriate time in this proceeding, in accordance with the Board's Notice.

3.0 LOAD FORECAST (Exhibit 3)

3.0 -VECC TCQ- 43

Reference: Board Staff Interrogatory #11

- a) What aspects of ELK's load forecast methodology does it consider to be comparable to the methodologies employed by Midland, Atikokan and Guelph?

Response: For Midland, Atikokan and Guelph a regression analysis was completed in each case to prepare the load forecast which was the load forecast methodology use in ELK's load forecast.

- b) With respect to revised Table 3-12, please confirm that the basis for the 1.6 GWh CDM adjustment.

Response: The referenced 1.6 GWh CDM adjustment is shown in revised Table 3-19. This adjustment is the 2012 CDM savings shown in revised Table 3-18 of 1,024,393 kWh times the net to gross factor proposed in the application of 1.566 and then converted to GWh.

3.0 -VECC TCQ-44

Reference: Board Staff Interrogatory #12 b)

- a) Please confirm that the headings in the second and third columns of revised Table 3-17 should be “OPA 2006-2011 Final CDM Results”

Response: Yes, the headings in the 2nd and third columns should read OPA 2006-2011 Final CDM results.

3.0 OTHER REVENUE (Exhibit 3)

3.0 -VECC TCQ-45

**Reference: VECC #16 f)
Filing Requirement Appendix 2-C**

- a) Please confirm that Account 4080 is not one of the accounts used in Appendix 2-C to establish the Other Distribution Revenue offset.

Response: Yes, it is confirmed that Account 4080 is not one of the accounts used in Appendix 2-C to establish the Other Distribution Revenue offset

- b) What are the 2012 revenues from MicroFIT service charges?

Response: The 2012 revenues from MicroFIT service charges are \$4722.94

4.0 OM&A (Exhibit 4)

4.0 – VECC TCQ -46

Reference: VECC Interrogatory #18

Please clarify the correct bad debt expense in account 5335 for 2010 to 2012.

Response: 2010 - \$193,279.27; 2011- \$312,515.17;

2012 data has not yet been completed

4.0 – VECC TCQ – 47

Reference: VECC Interrogatory #21

- a) How many residential meters required manually reads in 2012? How many GS < 50 meters required manual reads in 2012?

Response: Approximately 754 meters (residential and GS<50) required manual reads.

- b) What was the 2011 and 2012 third party contracted meter reading costs.

Response: In VECC 21 the referenced \$30,000 for the last year before smart meters were installed represents the cost paid to the third party meter reading provider. Comparable numbers are \$1,300 for 2011 and zero for 2012.

- c) In what year (month) did E.L.K. complete installation of all residential smart meters?

Response: E.L.K. undertakes to provide this response by February 20, 2013.

7.0 COST ALLOCATION (Exhibit 7)

7.0 -VECC TCQ-48

Reference: Board Staff Interrogatory #11 Exhibit 7, Tab 1, Schedule 2, page 3 (Table 7-7)-

- a) Based on the revised load forecast set out in Board Staff #11, please update the inputs to the cost allocation model (e.g., I6.1, I6.2 and I8) and provide a revised cost allocation.

Response: E.L.K. undertakes to provide this response by February 20, 2013.

- b) Based on this revised cost allocation (i.e. starting point), please revise/update Table 7-7 as required.

Response: E.L.K. undertakes to provide this response by February 20, 2013.

8.0 RATE DESIGN (Exhibit 8)

8.0 -VECC TCQ-49

Reference: Board Staff Interrogatory #11 Exhibit 8, Tab 1, Schedule 1, pages 2-5 (Tables 8-3 to 8-6 and 8-8)

- a) Based on the revised load forecast set out in Board Staff #11, please update Tables 8-3 to 8-6 and Table 8-8.

Response: E.L.K. undertakes to provide this response by February 20, 2013.

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