



a division of **Ascent**

St. Thomas Energy Inc.
135 Edward St.
St. Thomas, ON
N5P 4A8

December 5, 2014

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
PO Box 2319
2300 Yonge Street, 27th Floor
Toronto ON M4P 1E4

Dear Ms. Walli,

**RE: St. Thomas Energy Inc.'s
2015 Cost of Service Electricity Distribution Rate Application;
Draft Rate Order; EB-2014-0113**

St. Thomas Energy Inc. ("STEI") filed a draft Rate Order with the Ontario Energy Board (the "Board") on December 2, 2014. Within the draft Rate Order STEI provided a Tariff of Rates and Charges. The Tariff of Rates and Charges included the microFIT customer class that had a service charge of \$10.00.

STEI's current microFIT service charge is \$5.40 per Board file number EB-2010-0219 issued September 20, 2012. As provided for in the last paragraph of that file number:

"The Board reminds distributors that they may request a distributor-specific microFIT charge as part of their cost of service applications. Any distributor that applies for a distributor-specific charge will be required to demonstrate that the experience it has gained provides sufficient and adequate evidence for it."

It has come to STEI's attention that this change was not specifically noted in the Settlement Proposal, though it was agreed to by the parties to the settlement.

STEI is providing the following additional background information in support of the increased microFIT service charge. The increased microFIT service charge impacts 40 customers within the microFIT service classification.

Settlement Conference

A complete settlement agreement was reached on October 7, 2014 and the parties filed the Settlement Proposal with the Board on November 7, 2014. The complete agreement included items specifically

agreed to during the Technical Conference that were not included in the Settlement Proposal.

The Settlement Proposal and the draft Tariff of Rates and Charges provided in the draft Rate Order filed on December 2, 2014 included the increased microFIT service charge of \$10.00. The increased microFIT recovery is embedded in the settlement agreement calculations, cost allocation and rate design.

Technical Conference

A Technical Conference was held on September 23, 2014. Within the Technical Conference and as noted in the Technical Conference transcript, page 12 lines 14 – 15:

“Mr. Bounaguro: Right, and so that means that the application now seeks an increased microFIT charge relative to what was in the application.”

The parties agreed to the increased microFIT service charge fee based upon interrogatory 3-VECC-20 in which STEI stated that:

“Related to the MicroFIT charges, the bill calculation is a very manual process and STEI has been in discussion with one of our service providers to automate the process. Cost for this service is \$10 per account per month which exceeds the recoverable amounts.”

In response to this updated evidence, Energy Probe asked STEI if STEI would agree to increase the microFit charge to recover the \$10.00, in which STEI agreed to do.

Sincerely,

A handwritten signature in black ink, appearing to be 'RK' followed by a horizontal line.

Robert Kent, CPA, CGA
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