



PUBLIC INTEREST ADVOCACY CENTRE
LE CENTRE POUR LA DÉFENSE DE L'INTÉRÊT PUBLIC

July 19, 2023

VIA E-MAIL

Ms. Nancy Marconi
Registrar (registrar@oeb.ca)
Ontario Energy Board
Toronto, ON

Dear Ms. Marconi:

**Re: EB-2023-0033 InnPower Corporation (InnPower)
May 1, 2024 Cost of Service Rates
Interrogatories of the Vulnerable Energy Consumers Coalition (VECC)**

Please find attached the revised interrogatories of VECC in the above-noted proceeding. We have also directed a copy of the same to the Applicant.

Yours truly,

A handwritten signature in black ink, appearing to read 'M. Garner', is written in a cursive style.

Mark Garner
Consultants for VECC/PIAC

Email copy:

Laura Hampton, Manager, Regulatory Affairs, InnPower Corporation
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John A.D. Vellone, BLG Counsel to InnPower
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For interrogatory clarifications please contact Mark Garner at 647-408-4501 or markgarner@rogers.com

REQUESTOR NAME	VECC
TO:	InnPower Corporation (InnPower)
DATE:	July 19, 2023
CASE NO:	EB-2023-0033
APPLICATION NAME	2024 Cost of Service Rate Application

1.0 ADMINISTRATION (EXHIBIT 1)

1.0-VECC-1

Reference: Exhibit 1, Tab 1, Schedule 4/ Exhibit 4, Tab 1, Schedule 3

“...an AVC was issued on April 26, 2019 (EB-2019-0090) with a penalty of \$25,000, as a result of violations to the Affiliate Relationship Code. InnPower assures that it has taken measures to remedy the contravention of the ARC and prevent contravention of those provisions.”

- a) Please explain the nature of the contravention of the ARC and the measures that were subsequently taken to remedy this violation.

1.0-VECC-2

Reference: Exhibit 1, Appendix 1-1-5

- a) Please update the distribution scorecard to include 2022 results.
- b) InnPower over earned its approved regulatory return in every year between 2018-2021. In 2017 it significantly underearned. Please explain the reasons for the underearning in 2017.
- c) Appendix 2-AB shows that InnPower significantly underspend its total capital expenditure (Plan vs Actual) in every year 2018-2021 in which it reported earnings above the regulated set amount. During the upcoming rate plan period the Utility proposes to spend on a total basis significantly more than it has in the past. Please explain why it would not be correct to extrapolate from these facts that the Utility did not meet its regulatory compact of the prior DSP and is now seeking to recover its underspending on capital over the new rate plan period. by accelerated investment plans

1.0-VECC-3

Reference: Exhibit 1, Appendix 1-2-1

- a) Please provide a sample of the InnPower the old bill format that is being replaced by the Bill design shown at Appendix 1-2-1.

2.0 RATE BASE (EXHIBIT 2)

2.0-VECC -4

Reference: Exhibit 2, Tab 5, Schedule 1

- a) For the road authority works forecast in 2023 and 2024 please provide the number and name description of the agreements that are currently agreed to with the municipal authority.

2.0-VECC -5

Reference: Exhibit 2,

- a) Please explain why there were no vehicle acquisitions in 2019 and why the amounts spent on vehicles in 2017 and 2020 was significantly less than that spend in other year including 2023 and 2024?

2.0-VECC -6

Reference: Exhibit 2, Tab 5, Schedule 7

Table 2-48: ACM Funding Shortfall Analysis

(\$ millions)	2025	2026	2027	Total
BATU Installment Payment	\$4.12	\$4.12	\$4.12	\$12.36
Maximum Eligible Incremental Capital	\$1.15	\$0.92	\$0.67	\$2.74 (22%)
ACM Shortfall	\$2.97	\$3.2	\$3.45	\$9.62 (78%)

- a) Is InnPower's concern that if it uses an ACM to recover the capital contributions to Hydro One (BATU) it will significantly under recover its costs?
- b) If this is the concern, what adjustments to the ACM methodology would it propose (in lieu of its preferred method of establishing a series of deferral accounts).

2.0-VECC -7

Reference: Exhibit 2, Appendix 2-5-3 DSP page 149

- a) For the following subdivision developments:

- Sleeping Lion, a subdivision development with an anticipated build-out of 5,000 homes on the 6th Line in Innisfil.

- Friday Harbour, a resort community within the area of Big Bay Point is a 600-acre site with a total build-out of 3,000 units over a ten-year period.
- Hewitt Creek, a subdivision development with an anticipated build-out of 900 homes on Mapleview Drive.
- Barrie Lockhart Rd Gp, Sorbara, a subdivision development with an anticipated build-out of 485 homes on Lockhart east of Huronia.
- Bistro 6, a subdivision development with an anticipated build-out of 788 homes on Mapleview drive east of Yonge.
- Blue Sky/Honey Field Lands, a subdivision development with an anticipated build-out of 890 homes on Big Bay Point Road and Mapleview drive East.

Please provide an update indicating the current status of the project (e.g., in what state of planning/build); whether an agreement has been signed with the developer for utility distribution work; and the status of that work.

3.0 OPERATING REVENUE (EXHIBIT 3)

3.0-VECC -8

Reference: Exhibit 3, page 19
 Exhibit 2, Appendix 2-5-3, pages 2 & 6
 Load Forecast Model, Rate Class Customer Model Tab

Preamble: The Application states:

“InnPower is among the fastest growing utilities in Ontario, presently serving over 20,000 customers within a service area of 292 square kilometres (the same size as Mississauga).” (Appendix 2-5-3, page 2)

“Load growth is primarily driven by new residential, commercial, and industrial development. There is significant future growth projected within InnPower’s service area.” (Appendix 2-5-3, page 6)

“The growth factor resulting from the geometric mean analysis from 2013 to 2022 is applied to the 2022 customer numbers to determine the forecast of customer/connections for 2023. The factor is then applied again to the 2023 forecast to determine the 2024 forecast.” (Exhibit 3, page 19)

- a) In what year did InnPower current high rate of growth first commence?
- b) It is noted that the total customer growth in 2020 was materially less than that in the immediately preceding or subsequent years. To what does InnPower attribute this lower growth and, in particular, is it COVID-19 related?
- c) Based on the responses to the previous two questions, is it reasonable to use the average annual growth rate from 2013 to 2022 as the basis for forecasting the 2024 customer counts by rates class.

3.0-VECC -9

Reference: Exhibit 3, pages 10-11
Load Forecast Model, Inputs, Rate Class Energy Model,
Rate Class Customer Model and Rate Class Load Model
Tabs

- a) Do the 2013 to 2022 monthly customer count, kWh and kW set out in the Inputs Tab for the GS>50 class include the values associated with the Embedded Distributor?
- b) Do the values for the GS>50 class in Tables 3-3 and 3-4 (and the Rate Class Energy Model, Rate Class Customer Model and Rate Class Load Model Tabs) exclude the historical customer, kWh and kW values for the Embedded Distributor. In examining the Load Forecast Model, adjustments appear to have been made to remove the Embedded Distributor from the GS>50 annual energy use but no similar adjustments appear to have been made to remove the Embedded from the GS>50 customer counts or billed kW.

3.0-VECC -10

Reference: Exhibit 3, page 7

Preamble: The Application states:
"The regression analysis has been updated to include actual data to the end of 2022 and uses the same variables as those in InnPower's 2017 COS application."

- a) Did InnPower undertake any analysis to determine whether COVID-19 has had an impact on power purchases in 2020 through 2022?
- b) If yes, please indicate what analysis was undertaken and provide the results.
- c) If not, why not?
- d) If not, what are InnPower's views as to whether or not COVID-19 has an impact on its historical power purchases?

3.0-VECC -11

Reference: Exhibit 3, page
Exhibit 8, page 27
Load Forecast Model, Power Purchased Model Tab

Preamble: The. Application states:
"InnPower has data regarding the amount of electricity (in kWh) purchased from the IESO for use by its customers."

- a) Do the Purchased Power values used in the Power Purchased Model Tab (Column B) include purchases from microFit and other embedded generators as well as load transfers (per Exhibit 8, Table 8-16)?

- b) If not, please re-do the Load Forecast Model including purchases from embedded generators and load transfers in the Purchased Power values used.

3.0-VECC -12

**Reference: Exhibit 3, page 18
Load Forecast Model, Inputs Tab**

- a) For each customer class please provide the 2023 monthly customer count for all months where actual values are available.

3.0-VECC -13

Reference: Exhibit 3, pages 20-21

- a) Please provide a schedule that sets out the actual CDD and HDD values for 2022 versus the weather normal values used in the Load Forecast.
- b) Based on these values, please comment on whether one should expect the weather adjustment described on page 21 to be positive or negative.

4.0 OPERATING COSTS (EXHIBIT 4)

4.0 -VECC -14

Reference: Exhibit 4, Tab 1, page 18

- a) Please recast Figure 4-1 to show the total operating costs (i.e., before capitalization).

4.0 -VECC -15

Reference: Exhibit 4, Tab 1, Schedule 3, page 43-

- a) As compared to the last cost of service filing what are the incremental annual cyber security OM&A costs?

4.0 -VECC -16

Reference: Exhibit 4, Tab 1, Schedule 4

- a) Please provide the job description for the Customer Engagement Representative.

4.0 -VECC -17

Reference: Exhibit 4, Tab 1, Schedule 3 & 4

- a) Please show the calculation of the \$120k in bad debt forecast for 2023 and 2024.
- b) What is the most recent bad debt incurred in 2023 by InnPower.

4.0 -VECC -18

Reference: Exhibit 4, Tab 1, Schedule 4, pages 72-73

- a) Two separate and different amounts are shown for the variance as between 2024 and 2017 Actuals. Please clarify.

4.0 -VECC -19

Reference: Exhibit 4, Tab 1, Schedule 4

Table 4-34: InnPower FTE Levels from 2017 to 2024

	2017	2018	2019	2020	2021	2022	2023	2024
FTE's	43.83	46.31	48.60	51.00	55.24	56.79	66.92	73.33
Year over Year Change		2.48	2.29	2.40	4.24	1.55	10.13	6.41
2024 vs. 2017								29.50

- a) How many of the 10.13 FTEs that are forecast to be added in 2023 have been hired to date?

4.0 -VECC -20

Reference: Exhibit 4, Tab 1, Schedule 4,

- a) InnPower is proposing an increase in FTEs of over 40% as between 2020 and 2024. Please provide the HR plan supporting that plan that was approved by InnPower's Board of Directors.

4.0 -VECC -21

Reference: Exhibit 4, Tab 1, Schedule 4,

- a) Please provide the MEARIE Salary Survey and the InnPower comparison from which the Utility makes the assessment that its “salaries are competitive.”

4.0 -VECC -22

Reference: Exhibit 4, Tab 1, Schedule 4,

- a) Using Appendix 2-K please show in each year 2017-2025 the number of FTEs directly employed by InnPower Corporation (distribution utility) and the number employed by an affiliate.
- b) How many employees (and FTEs) employed by an affiliate provide 100% of their time to InnPower Corporation?

5.0 COST OF CAPITAL AND RATE OF RETURN (EXHIBIT 5)

5.0-VECC-23

Reference: Exhibit 5, Appendix 2-OB

- a) IPC_2024_Filing Requirements_Chapter2_20230622_rev2.xlms does not include complete Excel Tables for 2023 and 2024. Please provide an update with these tables completed.

5.0-VECC-24

Reference: Exhibit 5

- a) InnPower appears to borrow mid-long-term debt almost exclusively from one issuer (TD Trust). Please explain how InnPower ensures that it is negotiating the most advantageous rate available.

5.0-VECC-25

Reference: Exhibit 5

- a) Please confirm that the 2022 CAPEX loan with a start date of 1-APR-23 (line 15) has been finalized at the rate of 5.00%.
- b) With respect to the 2023 CAPEC Loan (1-APR-24) please clarify whether the rate and term of this loan have been agreed to or whether they are subject to negotiation. If the latter please provide an estimate of when this loan is expected to be finalized.

6.0 CALCULATION OF REVENUE DEFICIENCY/SURPLUS (EXHIBIT 6)

6.0-VECC-26

Reference: Exhibit 6, page 20

- a) For each of the USOAs set out in Table 6-10, please explain how InnPower forecasted the 2023 and 2024 amounts.
- b) Please provide a schedule that sets out, for each of the USOAs set out in Table 6-10, the 2023 year-to-date values and the values for 2022 for the same months.
- c) In which account are the revenues from the microFIT service charge recorded?

7.0 COST ALLOCATION (EXHIBIT 7)

7.0-VECC-27

Reference: Exhibit 7, page 7

Preamble: The Application states:

“InnPower updated the allocation of the accounts in the worksheet “14 Break-out of Assets” with 19 the 2024 forecasted data.”

- a) Please provide a schedule that compares the asset breakout for USOA 1830, `835, 1840 and 1845 as used in the 2017 Application with that used in the current Application. Please explain any changes of more than five percentage points.

7.0-VECC-28

Reference: Exhibit 7, pages 8-9

Preamble: The Application states:

“In determining the Services Weighting Factors, InnPower has utilized the 2017 Cost of Service numbers filed (EB-2016-0085) to determine costs, rate class and primary/secondary connections charged to Account 1855. These amounts were approved by the Board and there have been no significant changes in InnPower’s policies or practices that would impact the weightings.”

- a) Please confirm that the service weighting used in the 2017 COS were based on the analysis of 2 years (2014 & 2015) of layouts with charges to Account 1855 to determine costs, rate class and primary/secondary connections and that a 2-year timeframe was utilized as this was the timeframe in which InnPower had electronic versions of layouts (per EB-2016-0085, Exhibit 7, page 5).
- b) Please explain why, for purposes of the current Application, InnPower did not analyze any additional years of data.
- c) If time permits prior to the response date for interrogatories (or the start date of the Settlement Conference), please undertake a similar analysis using 2021 and 2022 data.

7.0-VECC-29

Reference: Exhibit 7, pages 9-10

Preamble: The Application states:

“The above table shows:

- *The annual costs to produce an electricity bill including, but not limited to, vendor maintenance fees for Customer Information Systems, bill print solutions for document management and e-billing, collecting meter readings and interval data, bill validation and labour time to calculate, print and validate bills. Costs are allocated based on the number of accounts and whether the expense is unique to a certain rate class.*
- *Collection costs mainly relate to InnPower labour, as the utility performs the majority of its own collections. Final billed customers overdue in excess of 3 to 6 months are referred to a third-party collection agency.”*

- a) Please provide a schedule that sets out how each of the cost elements described in the Preamble were allocated to customer classes and the derivation of the resulting cost per bill as set out in Table 7-5.

7.0-VECC-30

Reference: Exhibit 7, pages 13-14
Cost Allocation Model, Tab I6.2, Customer Data

Preamble: The Cost Allocation Model shows the following customer breakdown:

	ID	Total	Residential	GS <50	GS>50-Regular	Street Light	Sentinel	Unmetered Scattered Load	Embedded Distributor
Billing Data									
Bad Debt 3 Year Historical Average	BDHA	\$113,064	\$105,435	\$6,999	\$630	\$0	\$0	\$0	\$0
Late Payment 3 Year Historical Average	LPHA	\$101,333	\$77,112	\$10,655	\$13,083	\$283	\$0	\$200	\$0
Number of Bills	CNB	259,055	239,480	15,886.31	960.00	96.00	1,764.77	855.79	12
Number of Devices	CDEV					4,334			
Number of Connections (Unmetered)	CCON	25,914	19,957	1,324	80	4,334	147	71	1
Total Number of Customers	CCA	21,588	19,957	1,324	80	8	147	71	1
Bulk Customer Base	CCB	-							
Primary Customer Base	CCP	21,680	19,957	1,324	80	100	147	71	1
Line Transformer Customer Base	CCLT	21,674	19,957	1,324	75	100	147	71	
Secondary Customer Base	CCS	19,554	18,959	331	38	8	147	71	

The Cost Allocation model shows the following

- a) With respect to the Residential class Tab I6.2 shows values for CCP and CCLT of 19,957 but a value for CCS of 18,959. However, in Table 7-9 the values for PNCP4, LTNCP4 and SNCP4 are all the same – please reconcile.
- b) With respect to the G<50 class Tab I6.2 shows values for CCP and CCLT of 1,324 but a value for CCS of 331. However, in Table 7-9 the values for PNCP4, LTNCP4 and SNCP4 are all the same – please reconcile.
- c) With respect to the GS>50 class Tab I6.2 shows a value for CCP of 80, a value for CCLT of 75 and a value for CCS of 38. However, in Table 7-9 the values for LTNCP4 and SNCP4 are the same – please reconcile.
- d) With respect to the Embedded Distributor class Tab I6.2 shows a value for CCP of 1, a value for CCLT of 0 and a value for CCS of 0. However, in Table 7-9 the values for PNCP4, LTNCP4 and SNCP4 are all the same (1,209) – please reconcile

7.0-VECC-31

Reference: Exhibit 7, pages 17-18

Preamble: The Application states:
“InnPower is requesting a new customer class in this application for an embedded distributor.”

- a) Please describe the InnPower facilities used to serve the Embedded Distributor.

8.0 RATE DESIGN (EXHIBIT 8)

8.0-VECC-32

Reference: Exhibit 8, pages 8-9

Preamble: The Application states:

“InnPower proposes to maintain the fixed/variable proportions assumed in the current rates to design the proposed monthly service charges for each class with the exception of the Embedded Distributor, Sentinel Lighting, Street Lighting and Unmetered Scattered Load classes.” (page 8)

“Changes to the proportions for Sentinel Lighting, Street Lighting and Unmetered Scattered Load classes are shown below. The changes are a result of InnPower proposing to maintain the current fixed rates instead of the proposed fixed rate for these rate classes. As such, the fixed rate is higher in the 2024 proposed fixed/variable split, than in the current breakdown.” (page 9)

- a) Please explain why InnPower is proposing to maintain the current fixed rates for the Sentinel Lighting, Street Lighting and Unmetered Scattered Load classes.
- b) How did InnPower establish the proposed fixed rate for the Embedded Distributor class?
- c) Please explain why InnPower is proposing to increase the fixed charges for the GS<50 and GS>50 class when the current charges already exceed the Customer Unit Cost per Month-Minimum System with PLCC Adjustment value.

8.0-VECC-33

Reference: Exhibit 8, page 12

Preamble: The Application states:

“InnPower Corporation completed its 2024 proposed RTSR in accordance with the Guideline G-2008-0001: Electricity Distribution Retail Transmission Service Rates, October 22, 2008 (and any subsequent updates). The RTSR model provided by the Board is being filed in conjunction with this application as Appendix 8-2-1 (A). InnPower Corporation understands that RTSR rates for the years 2024 – 2028 will be updated via the annual update.”

- a) What year’s UTR rates and Hydro One ST rates has InnPower used in the RTSR Model to determine the proposed 2024 RTSRs.
- b) Please outline InnPower’s understanding as to the update for process for 2024.

8.0-VECC-34

Reference: Exhibit 8, page 13
RTSR Model, Tabs 3 and 5

Preamble: The Application states:
“Please note, the transmission and network charges in Table 8-8 above were used to calculate the Cost of Power for InnPower’s Working Capital Allowance. The loss adjusted billed kWh in Table 8-8 reflects the 2022 actual consumption, whereas the Cost of Power calculation uses 2024 loss adjusted forecasted consumption (as shown in Exhibit 3).”

- a) Please confirm that both the customer class usage data in Tab 3 and the billed data in Tab 5 are based on 2022 actuals. If not confirmed, please provide as revised RTSR Model where the same year’s data is used in both Tabs.

8.0-VECC-35

Reference: Exhibit 8, page 14

Preamble: The Application states:
“InnPower Corporation proposes to maintain the generic Retail Service Charges approved in the 2023 IRM application (EB-2022-0043).”

- a) Will InnPower update its proposed 2024 Retail Service Charges to reflect any revisions approved by the OEB for 2024?

8.0-VECC-36

Reference: Exhibit 1, Tab 1, Schedule 4, page 30/Exhibit 8, Tab 5,
Schedule 1 pages 20-

“For residential and small commercial customers, InnPower Corporation offers one free disconnect/reconnect per calendar year for residential and small commercial customers during operations hours.”

- a) Under the new tariff being sought will the annual free disconnect/reconnect service be eliminated?
- b) If yes, will the annual free disconnect/reconnect service remain available to residential customers or only those who qualify as Low-income?
- c) In each of the past 3 calendar years how many customer initiated (annual) disconnects/reconnects did InnPower provide?
- d) How many annual disconnects/reconnects are to the same properties in each of those years?
- e) Are the annual disconnect/reconnects primarily a service to recreational or lake front properties?

8.0-VECC-37

Reference: Exhibit 8, page 18

- a) Please confirm that current Reconnection Charges are for reconnection of services from non-payment of account were calculated solely on the cost of reconnection and did not include any costs associated with the initial disconnect for reasons of non-payment.

8.0-VECC-38

Reference: Exhibit 8, pages 18-21

- a) Why are the proposed new customer-initiated reconnection and disconnection charges only applicable to Residential and GS<50 customers? Are there no circumstances under which customers in the other classes would initiate either a disconnection or reconnection?

8.0-VECC-39

Reference: Exhibit 8, pages 22-24

- a) Given the Board's comment in its EB-2016-0085 Decision and Order, why hasn't InnPower requested an update to its LV rates in any of the years following the 2017 COS application?
- b) Please provide a schedule that for each of the years 2017 to 2022 sets out:
 - i) InnPower's Total Metered kWh Customer Consumption, ii) InnPower's total kWh billed consumption for LV, and iii) the ratio of (ii) over (i).

8.0-VECC-40

Reference: Exhibit 8, page 26

Preamble: The Application states:

"As the distribution system loss is greater than 5%, InnPower is undergoing a line loss study to gain further insights into the results. As the utility needed to complete the CYME model prior to the line loss study, the results were not obtained before filing the current application. InnPower anticipates these will be available in the interrogatory process of the application. The utility is committed to continuing its effort to maintain its losses at a minimum."

- a) If available please provide the referenced line loss study.

8.0-VECC-41

Reference: Exhibit 8, page 30
2024 Tariff Schedule and Bill Impact Model, Tab 6

Preamble: The Application states:
“The impacts shown use InnPower’s current OEB-approved rates effective January 1, 2023 compared to the proposed January 1, 2024 rates, including rate riders for the recovery of deferral and variance accounts (as discussed in Exhibit 9). Please note, total bill impacts include Distribution Rate Protection, as InnPower is one of eight distributors in the province eligible for funding through provincial rates.”

- a) What is the basis for the 2024 DRP Adjustment (\$11.10) used in the Bill Impact Model for Residential customers?
- b) Is this the actual adjustment for 2024 or will/could it be updated? If it is subject to update, please explain the likely timing and basis for any update.

8.0-VECC-42

Reference: 2024 Tariff Schedule and Bill Impact Model, Tab 6

- a) Please explain why, in the bill impact calculations, the year over year impact of the change in deferral/variance account rate riders is positive (i.e., an increase) in the case of the Residential, Sentinel and Street Light classes but negative for the other customer classes.

DEFERRAL AND VARIANCE ACCOUNTS (EXHIBIT 9)

9.0 –VECC -43

Reference: Exhibit 9, pages 28-30
DVA Continuity Schedule, Tab 5

Preamble: The Application states:
“Please note, there is a principal adjustment of \$7,131.15 in Appendix 9-1-1 (A) tab “2b. Continuity Schedule” in the DVA Continuity Schedule that reduces the balance refunded to customers. As such, the amount requested for disposition does not match the 2.1.7 RRR filing. In 2022, InnPower attempted to collect vegetation management fees from other telecommunication companies. The utility was only able to recover funds from Rogers Communications (to which InnPower has an agreement). As such, InnPower is requesting a reduced balance for disposition. The unrecovered balance will be reversed from the 1508 sub-account in 2023.”

- a) What recourse does InnPower have in those instances where the telecom companies have not paid? For example, can it disconnect the telecom facilities?
- b) It is noted (Tab 5) that the balance in the Vegetation Management account is allocated to customer classes using kWh. In InnPower’s view is this the most appropriate allocator for these costs?
 - a. If yes, why? As part of the response please explain why it is more appropriate than using distribution revenue by customer class.
 - b. If not, what would be the appropriate allocator?

9.0 –VECC -44

Reference: Exhibit 9, page 35
DVA Continuity Schedule, Tab 5

Preamble: With respect to the Stranded Meter variance account, the Application states:
“The balance requested for disposition, including carrying charges (projected to December 31, 2023) is a credit of (\$51,509.64). The sub-account will be discontinued following the current application, as Smart Meter Initiative has ended.”

- a) It is noted (Tab 5) that the balance in the Stranded Meter variance account is allocated to customer classes using kWh, including those with not meters. In InnPower’s view is this the most appropriate allocator for these costs?

- i. If yes, why? As part of the response please explain why it is more appropriate than using number of customers by and why it is appropriate to allocate to customers that do not have meters.
- ii. If not, what would be the appropriate allocator?

9.0 –VECC -45

Reference: Exhibit 9, page
DVA Continuity Schedule, Tab 5

Preamble: With respect to the PILS and Tax variance account, the Application states:
“The balance requested for disposal is a credit of (\$1,008,488).”

- a) It is noted (Tab 5) that the balance in the PILs and Tax variance account is allocated to customer classes using kWh. In InnPower’s view is this the appropriate allocator for these costs?
 - i. If yes, why? As part of the response please explain why it is more appropriate than using distribution revenue by customer class.
 - ii. If not, what would be the appropriate allocator?

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