

LDC COALITION INTERROGATORY #2

INTERROGATORY

Reference: Evidence of Wirebury Connections Inc., August 7, 2003, Paragraph 5

- (a) Please describe Wirebury's "proposed operating model".
- (b) How does Wirebury's "proposed operating model" allow new entrants or existing LDCs to "enhance customer growth and improve overall market efficiency?"
- (c) Please describe in detail the "service bundle" and "cost structure" offered by Wirebury.
- (d) Please describe in detail the "competitive advantage" that will be provided by the "service bundle, operating model and cost structure offered by Wirebury" during Wirebury's market entry.

RESPONSE

- (a) Wirebury's proposed operating model is based on offering customers superior services at competitive rates through an Embedded Electrical Distribution Utility that will employ 'best-in-class' service providers to design, maintain and operate its electrical infrastructure and to provide related customer care functions. This model is neither new or unique as many of the service providers that are partnered with Wirebury provide similar services to the incumbent LDC's. These 'best-in-class' providers are experts in their fields and some such as Enbridge have been in the energy distribution business for many years.
- (b) Wirebury's proposed operating model will promote competition for new customers, introduce customer choice, and create a cost-effective, competitive organization that will improve overall market efficiency. As stated in Wirebury's response to the LDC Coalition at Ex. J12, T15, S4, section (b), competition for new customers will lead to reduced costs and added benefits for all customers.
- (c) Wirebury's service bundle and cost structure utilize innovative designs and construction techniques, optimize business processes and standards, and interval metering technology to provide an enhanced level of services and optimum value for customers.



Wirebury's cost structure is one that leverages the efficiencies and best practices of its service providers, without burdening Wirebury with large overhead costs. This allows the company to add resources as needed, providing low cost customer care and distribution services.

- (d) Wirebury will effectively manage its distribution assets and maintain a high level of service quality by using the items identified above to optimize or reduce costs, keeping distribution rates low.

