

Aiken & Associates

578 McNaughton Ave. West
Chatham, Ontario, N7L 4J6

Phone: (519) 351-8624
Fax: (519) 351-4331
Cell: (519) 365-1078
E-mail: raiken@xcelco.on.ca

August 26, 2004

Mr. John Zych
Board Secretary
Ontario Energy Board
2300 Yonge Street
26th Floor
Toronto, Ontario, M4P 1E4

Dear Mr. Zych:

Re: Request for Participant Funding – RP-2004-0188 - 2006 Electricity Distribution Rates (2006 EDR)

This letter is the formal request for participant funding for the London Property Management Association (LPMA) to enable the LPMA to participate in the 2006 Electricity Distribution Rates (2006 EDR) process. The LPMA will be represented by Aiken & Associates in this process.

As requested by the Board, 5 hard copies have been provided, along with a PDF version of this funding request.

As requested in the August 12, 2004 letter from the Board, the following information is provided:

i) A statement of the interest the participant represents and a description of how the participant receives instruction to represent that interest.

The participant represents the interest of small to medium sized commercial customers that take service from a number of electric utilities in and around the London area. These customers are served under residential, general service <50 kW and general service > 50 kW rates. The issues to be dealt with through the 2006 EDR have the potential to have far reaching implications in the delivery and pricing of existing regulated services to these customers for many years to come.

LPMA is non-profit organization whose overall goal is to help property managers and those who own/operate residential income property in the City of London and surrounding communities. The LPMA offers information and assistance to its members to help them deal with the legislation, rules and regulations that affect their business. LPMA is made up of approximately 325 members ranging from single unit owners to managers and owners of in excess of 2,000 units. The membership consists of a

representative cross section of the rental property owners in the London area. In total, LPMA members own or manage more than 35,000 rental units in the London area. The majority of LPMA members are small businesses with consumption profiles very different from those of large or institutional commercial customers. As such, their concerns and issues are significantly different from large commercial customers.

The participants' representative receives instructions directly from the LPMA. The LPMA relies on its representative to represent the interests of its members. The representative communicates issues to the LPMA through an assigned member of the LPMA, who in turn communicates the issues to the LPMA executive members. The representative also speaks to members at LPMA general meetings, keeping them up-to-date on issues in the energy sector.

ii) The issues they intend to pursue in the 2006 EDR process and the general position they expect to take.

The participant intends to pursue all issues that may have an impact on the type, quality and/or cost of service that they require. The broad issue in this process is the methodology that will be used by the utilities to file their cost of service applications. The issues will range from the calculation of rate base, including the use of lead-lag studies, to depreciation, taxation, energy and demand forecasts and the cost of capital. LPMA intends to pursue all of these issues.

LPMA's general position, which is subject to modification, is that the cost of service filings required from the electric utilities should be similar in nature to those used by the gas utilities. However, there are many areas where the level of detail can be reduced and simplified (such as rate base) without compromising the calculation of the revenue requirement. With respect to capital and income taxes, LPMA strongly supports the stand-alone taxation regulatory concept.

Aiken & Associates has a long history of creating and using cost of service models for a number of utility clients, both gas and electric distribution and electric transmission. As a result, Aiken & Associates can bring significant practical knowledge to the process that the utilities will be expected to go through in the filing of cost of service information.

iii) A budget of the costs of their participation, including the costs of any experts

As indicated above, LPMA will be utilizing the expertise of its energy consultant, Aiken & Associates in this matter. No legal representations will be used.

The following table provides the budgeted hours and costs for the participation of the LPMA in the 2006 EDR process. Also included is a forecast of expenses.

No contingency time or costs have been included in the budget estimate that is provided in the following table.

Activity		Hours	Rate/hr (\$'s)	Budget (\$'s)
Issues Conference	Two days – 9:30 am to 4:30 pm, working lunch assumed.	14.00	210.00	2,940.00
	Review of evidence of other parties, preparation of interrogatories, and review of interrogatory responses from all parties – 5 days @ 7.50 hours/day	37.50	210.00	7,875.00
Working Groups	Participation on working group – 10 days @ 7.50 hours/day	75.00	210.00	15,750.00
	Review of initial draft rate Handbook, including proposed October meeting – 4 days total @ 7.50 hours/day	30.00	210.00	6,300.00
ADR	Review of second draft of the rate Handbook in preparation for ADR – 3 days @ 7.50 hours/day	22.50	210.00	4,725.00
	Preparation/attendance at ADR – 5 days at 7.50 hours/day	37.50	210.00	7,875.00
Hearing	Preparation of cross-examination/briefing notes – 3 days @7.50 hours/day	22.50	210.00	4,725.00
	Preparation/attendance at Hearing – 5 days at 7.50 hours/day	37.50	210.00	7,875.00
	Preparation of argument	10.00	210.00	2,100.00
Sub-Total		286.50		60,165.00
Expenses	Meals, accommodation and parking for attendance at issues conference, working group, ADR and Hearing (23 days x \$180/day)			4,140.00
	Mileage – 10 return trips from Chatham to Toronto (600 kms each) at \$0.3375/km			2,025.00
Sub-Total	Including Expenses			66,330.00
GST				4,643.10
Total				\$70,973.10

iv) The amount of funding being requested

The LPMA does not have funds available for participating in the 2006 EDR process. As a result the total amount of funding requested is equal to the budget of costs (including expenses) shown above, plus GST. The LPMA is unregistered for the goods and service tax.

The total amount of funding requested, is therefore, \$70,973.10, including GST.

v) An explanation of any other sources of funding that the participant will be accessing.

As indicated above, LPMA does not have any other sources of funding to access.

vi) The extent to which the participation will be coordinated with and joined with other parties of like interest.

As has been the past practice in regulatory processes, the LPMA will continue to work with other parties throughout the process where the other party has a similar interest and view on a particular issue. LPMA views this to be especially important given the nature of the proposed working groups. Parties not in a particular working group should attempt where possible to provide input through like-minded parties that are represented on a particular working group. This should also provide efficiencies in reviewing the draft rate Handbooks and in preparation for the ADR.

I trust the above information is sufficient. If the Board requires any further information or any clarification of the above, please contact me at (519) 351-8624.

Sincerely,

Randy Aiken
Aiken & Associates