

Our File: 191654

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VIA FACSIMILE AND  
REGULAR MAIL

Mr. Keith Ritchie  
Ontario Energy Board  
P.O. Box 2319  
26<sup>th</sup> Floor  
2300 Yonge Street  
Toronto, ON M4P 1E4

Dear Mr. Ritchie:

**Re: Process for Establishing 2006 Electricity Distribution Rates**

I represent Rogers Cable Communications Inc. (“Rogers”) in respect of the above proceedings. I am writing further to the letter to licensed electricity distribution companies and other stakeholders dated June 16, 2004, and Rogers’ presentation at the informal consultation on the process for establishing 2006 electricity distribution rates that took place on July 6 and 7, 2004 at the Ontario Science Centre.

On behalf of Rogers and the Canadian Cable Television Association (“CCTA”), I wish to make representations with respect to issues 29 and 30 of the issues for generic methodology review that were considered at the July 6 and 7 consultation meeting.

**Background**

By way of background, Rogers wishes to remind Board staff that the representations made in this letter relate to issues that Rogers has raised with the Board since July 2000. In particular, Rogers sought intervenor status in the distribution rate handbook proceeding (RP-2000-0069) which status was denied at the time on the basis that the issues raised by Rogers with respect to unmetered scattered load would be addressed in second generation PBR proceedings.

As a result of the fact that the issues raised in these representations remain unresolved, Rogers has encountered significant difficulties in dealing with various local distribution companies (“LDCs”). The disputes relate to issues of volumetric consumption, the calculation of which has been determined on an inconsistent basis by different LDCs throughout the province, as well as

other issues of generic application such as charges applied for services that are not required and not used by Rogers (e.g. metering services).

In August of 2002, both Rogers and the CCTA made a further request to the Board to amend or clarify the regulatory regime under which distribution utilities levy volumetric and monthly service charges against cable television network operators for their network power supplies.

As well, Rogers has made various requests of the Board for assistance and intervention in resolving long standing and serious volumetric over billing errors with regard to consumption for unmetered scattered load. All the while, Rogers has been ready, willing and able to provide the necessary industry, engineering and supplier information, as well as empirical data with regard to volumetric billing issues.

### **Generic Issues Appropriate for 2006 EDR**

As presented on July 6, 2004 at the stakeholders consultation meeting, it is the position of Rogers' and the CCTA that 2006 EDR should include the following issues:

1. the definition and rate treatment of unmetered scattered loads; and
2. the impact of specific service charges as they relate to consumption by cable television network operators.

Rogers and CCTA submit that a new rate structure should include a separate and distinct rate category for unmetered scattered loads. This issue can and should be dealt with in a generic fashion in these proceedings. A distinct rate category would help to ensure that the methodology for determining volumetric consumption is an accurate estimate and is applied equally across the province.

Currently, power supplies are treated differently by different LDCs throughout the province. Further, the methodology of assessing volumetric consumption is often not known or is not based on a realistic estimate of consumption. The current and unacceptable methodology used by LDCs to determine volumetric consumption has lead to significant volumetric over billing for cable television network operators. In addition, Board staff should recognize that volumetric over billing also results in considerable over payment for variable distribution charges. Taken together, the financial impact is significant, costing Rogers alone in the order of \$500,000 per year.

In considering the issue of unmetered scattered load, Board staff should consider the uniqueness of the load profile which results from the fact that cable television power supplies operate on a consistent, flat-load basis, 24 hours per day, 7 days per week, regardless of the number of cable customers using a cable television network operator's services. Rogers and CCTA propose that the volumetric charges for unmetered scattered loads should be based on a formula that is a fair and reasonable estimate of actual consumption. Industry, engineering and supplier information, as well as empirical data, is available to deal with this issue.

As well, the appropriateness of treating each power supply as a distinct “customer” as opposed to summary (bulk) billing of each CCTA member as a single customer (rather than 20,000 separate customers) can and should be dealt with in a generic fashion in the context of this proceeding. If an LDC were to provide one bulk invoice per CCTA member per LDC operating territory, cost savings would flow to both the LDC and the CCTA member simply through ease of account administration.

With respect to the issue of service charges, Rogers and CCTA submit that such charges should be unbundled so that cable television network operators in the unmetered scattered load rate class do not pay for services (such as metering) which are neither required nor received. Again, in the case of Rogers alone, it is estimated that Rogers pays as much as \$1.3 million annually for services like metering that it does not receive.

### **Conclusion**

It is the position of Rogers and CCTA that the generic issues raised in these written representations (which have been presented to the Board since at least July 2000) should be dealt with as part of 2006 EDR.

Should you have any questions, or should you require any clarification with respect to these representations, both I and John T. Armstrong of Rogers (on behalf of Rogers and the CCTA) would be pleased to speak or meet with you.

Yours truly,

**MACLEOD DIXON LLP**

Robert Frank

RF/ss

c: John T. Armstrong, Director, Municipal and Industry Relations  
Rogers Cable Communications Inc.