

	Type of cost	OC Marcus	ROEE Chernick	FCEI Baudino	Gaz Metro Overcast
<b><u>Residential Long-Run Marginal Operating Expenses</u></b>					
<b><u>Line Description</u></b>					
1 Mailing of subscription confirmation letter	One-time	\$0.83	agree	agree	agree
2 Cost of mailing bill	Ongoing	\$8.36	agree	agree	agree
3 Cost of opening a billing file	One-time	\$9.66	agree	agree	agree
3A Cost of Opening a billing file	Ongoing	\$0.97	agree in concept, not included specifically but include all costs of customer turnover in Phase 3B as they will occur in the future residential may be less than CII or major industries and overall meter reading costs may be underestimated because no transportation cost is included, but full average cost needs to be included.	not included	not included
4 Cost of reading a meter	Ongoing	\$6.71		agree	not included
5 Input of a new contract	One-time	\$36.29	agree	agree	agree
6 Cost of a credit check conducted internally	One-time	not for residential	not for residential	not for residential	not for residential
6A Cost of a credit check conducted internally	Ongoing	not for residential	not for residential	not for residential	not for residential
7 Annual cost for cashing a payment	Ongoing	\$0.74	agree	agree	agree
8 Cost of processing a standard customer call	Ongoing	\$12.84 not included (not marginal cost) but could be included in profitability (Regie IR 1.1)	residential may be less than CII or Major industries	agree	use range \$0-\$12.84
9 Cost of Bad Debts	Ongoing		include as percentage of revenue	\$0.57	not included
10 Collection and recovery costs	Ongoing	\$2.43	include as percentage of revenue	agree	not included
11 Customer retention costs - Major accounts	Ongoing	not for residential	agree	agree	agree
12 Customer retention costs - Major industries	Ongoing	not for residential	agree	agree	agree
13 Preventive maintenance - Service line	Ongoing	\$12.88	service connections may be longer and require more maintenance for CII and MI	agree	use range \$0-\$12.88
14 Corrective maintenance - Service line	Ongoing	\$17.99	service connections may be longer and require more maintenance for CII and MI	agree	use range \$0-\$17.99
15 Processing of CRP application	One-time	\$0-\$23.83 *	agree	agree	agree

Régie de l'énergie  
 DOSSIER: R-3867-  
 2013 PHASE 3  
 DÉPOSÉE EN AUDIENCE  
 Date: 19 AVRIL 2017  
 Pièces n°: C-OC-  
 0032

	Type of cost	OC Marcus	ROEE Chernick	FCEI Baudino	Gaz Metro Overcast unsure - blank in column representing Dr. Overcast's position in his report
16 Preventive maintenance - main	Ongoing	\$0.22/m	agree	agree	unsure - blank in column representing Dr. Overcast's position in his report
17 Corrective maintenance - main	Ongoing	\$0.37/m	agree	agree	unsure - blank in column representing Dr. Overcast's position in his report
18 Gas supply	Ongoing	not included	\$0.70/10 <sup>3</sup> m <sup>3</sup>	not included	not included
19 Line extension administration (pre-commitment)	One-time	not included but should be part of profitability analysis (Regie IR 1.3)	figure not developed yet but should be included	not included	not included

\* since customers filing CRP are known, range is appropriate, can be used in profitability for specific customers

**Meters inspection and maintenance costs (all classes)**

20 Turbine	Ongoing	\$0-\$31.68	did not specifically address	agree	agree
21 Spin test for turbine (less than 12 in)	Ongoing	\$0-\$79.20*	did not specifically address	agree	agree
22 Telemetry	Ongoing	\$0-118.50 **	did not specifically address	agree	agree
23 Corrective instruments	Ongoing	\$0-\$87.11**	did not specifically address	agree	agree
24 Spin test for turbine (12 in and more)	Ongoing	not for residential or CII ***	did not specifically address	agree	agree
25 Cost of a cellular line - telemetry	Ongoing	not for residential or CII ***	did not specifically address	agree	agree

\* OC notes that these costs are almost never required for residential customers

\*\* Costs required for all major industry customers, almost never required for residential customers

\*\*\* Required only for some Major industry customers

**CII Differences from residential**

Line Description

5 Input of a new contract	One-time	\$52.62	agree	agree	agree
6 Cost of a credit check conducted internally	One-time	\$17.19	agree	agree	agree
6A Cost of a credit check conducted internally	Ongoing	not included not included (not marginal cost) but could be included in profitability (Regie IR 1.1)	Include one-time cost multiplied by percentage of CII customers who move	not included	not included
9 Cost of Bad Debts	Ongoing		include as percentage of revenue	\$7.77	not included

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10 Collection and recovery costs	Ongoing	\$33.31	include as percentage of revenue	agree	not included
11 Customer retention costs - Major accounts	Ongoing	\$0-\$39.05	vary by revenue within market	not included	not included
15 Processing of CRP application	One-time	\$0-\$32.90	agree	agree	agree
<b><u>Major Industries Differences from Residential</u></b>					
4 Cost of reading a meter	Ongoing	\$0-6.71 *	non-telemetered more complex than residential, would have higher cost.	\$6.71	not included
5 Input of a new contract	One-time	\$52.62 **	not specifically addressed as to amount	\$36.29	\$36.29
6 Cost of a credit check conducted internally	One-time	\$17.19	agree	agree	agree
			Include one-time cost multiplied by percentage of VLI customers who		
6A Cost of a credit check conducted internally	Ongoing	not included	move	not included	not included
8 Cost of processing a standard customer call	Ongoing	call center not used by MI	agree	agree	agree
9 Cost of Bad Debts	Ongoing	no bad debt for MI	agree	agree	agree
		no collections and recovery cost for MI	agree	agree	agree
10 Collection and recovery costs	Ongoing	MI	agree	agree	agree
12 Customer retention costs - Major Industries	Ongoing	\$1,197.16	vary by revenue within market	not included	not included
15 Processing of CRP application	One-time	not applicable to MI	agree	agree	agree
24 Spin test for turbine (12 in and more)	Ongoing	\$0-\$237.59	did not specifically address	agree	agree
25 Cost of a cellular line - telemetry	Ongoing	\$0-\$186.12	did not specifically address	agree	agree

\* Telemetered customers do not have standard meter reading

\*\* Why should cost for Major Industries be less than CII?

\*\*\* but may be part of Customer Retention costs?