



Barristers & Solicitors / Patent & Trade-mark Agents

Norton Rose Canada LLP
TD Waterhouse Tower, Suite 2300
Toronto-Dominion Centre
79 Wellington Street West, P.O. Box 128
Toronto, Ontario M5K 1H1 CANADA

F: +1 416.360.8277
nortonrose.com

On January 1, 2012, Macleod Dixon joined
Norton Rose OR to create Norton Rose Canada.

Direct line
+1 416.202.6741

October 15, 2012

Via Courier and RESS

Ms. Kirsten Walli, Board Secretary
ONTARIO ENERGY BOARD
27th Floor
2300 Yonge Street
Toronto ON M4P 1E4

Dear Ms. Walli:

Our reference
285960

Email
robert.frank@nortonrose.com

EB-2012-0383: Review of Cost Allocation Policy for Unmetered Loads

We are counsel to Rogers Cable Communications Inc. ("Rogers") in respect of the above proceeding. Please accept this letter as Rogers' expression of interest for participation in the Unmetered Loads Working Group (ULWG) to be established in connection with this proceeding, and its interest in nominating Paula Zarnett (Vice President, BDR North America Inc.) for participation in the UMWG on its behalf.

Description of the Rogers and Paula Zarnett

Rogers is an integrated cable and communications company that receives electricity for its cable signal amplification power supplies from distributors throughout Ontario. Rogers has participated in numerous proceedings before the Board relating to Unmetered Load, including:

1. RP-2004-0188 (2006 Electricity Distribution Rates);
2. RP-2005-0317 (Review of Electricity Distributor Cost Allocation Methodologies);
3. EB-2007-0667 (Review of Electricity Distributors' Cost Allocation Filings);
4. EB-2007-0031 (Rate Design for Recovery of Electricity Distribution Costs);
5. EB-2007-0681 (Hydro One Networks Inc. 2008 Distribution Rates Application); and
6. EB-2010-0219 (Review of Electricity Distribution Cost Allocation).

As an intervenor and stakeholder involved in the above proceedings, Rogers has filed comments on Board staff discussion papers and reports to the Board staff by consultants, and has participated on technical advisory teams and working groups in respect of issues relating to Unmetered Load, such as cost allocation, rate design, weighting factors and customer classification.

Paula Zarnett has more than 30 years broadly based experience specializing in regulatory compliance, regulated tariffs and pricing issues for electricity and gas utilities. She has been responsible for design and implementation of a wide variety of innovative rates including time of use, both for large industrial and for residential customers, curtailment incentives, and special rates for retention of water heating loads. She has performed cost allocation studies for utilities serving customers with electricity, natural gas and steam. Following a series of rate specialist positions in both the electricity and natural gas sectors, she was promoted to the position of Manager of Marketing and Energy Management at Toronto Hydro. There, her responsibilities included all rate and regulatory issues, customer research including load research and forecasting, and customer program design with a focus on conservation and demand management.

Kirsten Walli
October 15, 2012



Ms Zarnett has acted as consultant for Rogers in respect of the proceedings relating to Unmetered Load outlined above and, in that capacity, has participated in working groups and prepared comment papers and informational material filed with the Board in respect of such proceedings. Ms. Zarnett's CV as well as a summary of her previous participation in Board proceedings relating Unmetered Loads are attached, and demonstrate that Ms. Zarnett has the relevant experience and qualifications for participation in the ULWG, including technical expertise in respect of:

- (a) historical perspectives with respect to street lighting and other unmetered loads;
- (b) utility cost allocation principles;
- (c) utility terminology and language as it applies to unmetered loads;
- (d) demand and consumption forecasting and estimation for unmetered loads;
- (e) weighting factors for services and billing costs for unmetered loads; and
- (f) the Board's Cost Allocation Model for Electric Distribution Utilities.

Costs

Rogers does not intend to seek costs in this proceeding.

Communications

Rogers requests that all communications and materials in this proceeding be directed to the following contacts on its behalf:

Norton Rose LLP

TD Centre, TD Waterhouse Tower
79 Wellington Street West, P.O. Box 128
Toronto ON M5K 1H1
Attention: Robert Frank
416-202-6741
Robert.Frank@nortonrose.com

Rogers Cable Communications Inc.

234 Newkirk Road
Richmond Hill ON L4C 3S5
Attention: John Armstrong, Manager, Municipal & Utility
Relations
905-780-7077
jarmstr1@rci.rogers.com

BDR NorthAmerica Inc.

34 King Street East
Suite 1000, 10th floor
Toronto ON M5C 2X8
Attention: Ms. Paula Zarnett, Vice President
416- 214-4848 x26
pzarnett@bdrenergy.com

Yours truly,



Robert Frank
RF/ss

Copy to: John L. Armstrong
Paula Zarnett

PAULA ZARNETT

Paula Zarnett has more than 30 years broadly based experience specializing in regulatory compliance, regulated tariffs and pricing issues for electricity and gas utilities. She has been responsible for design and implementation of a wide variety of innovative rates including time of use, both for large industrial and for residential customers, curtailment incentives, and special rates for retention of water heating loads. She has performed cost allocation studies for utilities serving customers with electricity, natural gas and steam, including leading a one-year, cross-functional team project to develop cost allocation methodology and analysis tools for a major electric distribution utility.

Following a series of rate specialist positions in both the electricity and natural gas sectors, she was promoted to the position of Manager of Marketing and Energy Management at Toronto Hydro. There, her responsibilities included all rate and regulatory issues, customer research including load research and forecasting, and customer program design with a focus on conservation and demand management.

In her consulting practice, Paula provides a variety of advisory and analytical services to clients facing the challenges of a changing technological, policy and business environment, with a focus on issues impacted by regulatory policy and process. Her work includes business case and project feasibility analysis, cost allocations and pricing designs, energy sector mergers and acquisitions, and expert testimony before regulators. She is a skilled hands-on analyst and facilitator of cross-functional project teams.

Paula was a member of the Ontario Energy Board's cost allocation working groups in 2003 and 2005-2006. She was an instructor in Cost Allocation and Rate Design at CAMPUT's Energy Regulation Course, 2006, 2007 and 2008, and has been accepted as an expert witness in cost allocation by the regulators in Ontario and New Brunswick.

She has performed assignments for clients in North America, China, Ghana, and Barbados.

SELECTED EXPERIENCE BY SUBJECT AREA
(INCLUDES PROJECTS UNDERTAKEN AS A CONSULTANT, AND IN THE
COURSE OF RESPONSIBILITIES WITHIN ORGANIZATIONS)

*Preparation of Customer Cost
Allocation Studies*

Toronto Hydro-Electric System – Study to allocate the cost of service to customers that are individually metered suites in multi-unit residential buildings.

Perth-Andover Electric Light Commission – study to allocate the bundled costs of electricity service to customer classes and assess the impacts on cost allocation of changes to the wholesale rate structure.

Saint John Energy – two studies to allocate the bundled costs of electricity service to customer classes; one of these studies included analysis of metered system load profiles and publicly available typical customer profiles to develop demand allocation factors

Enwave District Energy Limited – study to allocate costs of service for

a district steam system as a basis for pricing redesign; study included analysis of detailed time-related customer consumption data as a basis for allocation of costs, as well as operating and financial data.

Toronto Hydro – planning and execution of customer load research projects, including deployment of research metering, load data analysis and related customer research and surveys for use in cost allocation study

Toronto Hydro – coordination of first comprehensive cost of service study, a one-year cross-functional project, including in-depth data collection, selection of allocation methodologies and development of computer-based analytical tools. Led subsequent updates and refinements to the study.

ICG Utilities Ltd. – fully allocated cost of service studies for natural gas distribution systems in Manitoba and Alberta, including data analysis and development of computer-based analytical framework.

IGPC Ethanol Inc. – supported the intervention of this industrial consumer in the rate application of its gas supplier, Natural Resource Gas including issues of cost allocation methodology

Summerside Electric/City of Summerside – advisory and analysis service with regard to proposals of Maritime Electric for an Open Access Transmission Tariff, including use of cost allocation methodology to establish transmission revenue requirement

Nova Scotia Department of Energy – advisory and analysis services to support intervention in Nova Scotia Power's request to the regulator for approval of a fuel adjustment mechanism, including customer cost allocation impacts

Rogers Cable and Communications Inc. – represented a consumer stakeholder in a regulator-sponsored stakeholder process to determine a cost allocation methodology and analysis approach for information filings by all electric distribution utilities in Ontario.

Saint John Energy – Review of cost allocation methodology and results in the Cost Allocation and Rate Design application of New Brunswick Power Distribution and Customer Service Corp, including expert testimony recommending certain changes to the methodology, which were adopted

Member – Ontario Energy Board Cost Allocation Working Group (2003 and 2005-6)

Member – Municipal Electric Association Cost of Service Sub-Committee (1986-1988)

FortisOntario – methodology review of allocation of shared costs to regulated and non-regulated business units and preparation of evidence for application to Ontario Energy Board for approval of 2006 electricity distribution rates

*Review of Customer Cost
Allocation Studies,
Methodology Consultations*

*Cost Allocation for Affiliate
Transfer Pricing*

FortisOntario – Three update studies to allocate corporate and shared costs among regulated and non-regulated affiliates

Kingston Hydro – study to review transfer pricing methodologies and allocation of shared costs for services provided by non-regulated affiliates.

EnWin Utilities – study to allocate corporate and shared costs among corporate affiliates

4 studies now in progress, not yet filed.

Rate Designs and Pricing Studies

Rogers Cable and Communications Inc. – representation at Ontario Energy Board staff consultation process with regard to rate designs for Ontario's electric distribution utilities; development of policy and position documents, attendance at stakeholder meetings, analysis in support of positions on rate design for General Service classification and unmetered scattered loads

Oklahoma Gas and Electric – review of results of residential time of use rate pilot including estimation of impact of the rate design on total customer consumption and peak hour consumption (load shifting).

BC Hydro – assisted a staff team in development of a Phase I report on long-term rate strategy; research on rate designs in several North American jurisdictions.

Energy East (RGE and NYSEG) – analysis as to the potential value of load shifting which might take place as result of rate-driven (time of use or critical peak pricing) programs supported by universal interval metering in the State of New York; regulatory precedents as to cost recovery for advanced metering and meter reading technology

East China Grid Company – advice in developing and simulating an unbundled electricity distribution tariff for Shanghai Municipal and four provincial electric power companies

British Columbia Ministry of Energy and Mines – advisory and due diligence services with regard to recommendations by the British Columbia Utilities Commission for implementation of proposed Heritage Contract and stepped rates to wholesale and industrial customers.

Perth-Andover Electric Light Commission – long-term rate strategy and detailed bundled retail rate designs for all electricity consumer classifications.

Volta River Authority (Ghana) – development of tariff structure and preliminary rates for open access use of the national electric transmission system in Ghana.

Enwave District Energy Limited – determination of appropriate customer classification and pricing design alternatives for a district steam system in a context of competitive electricity and gas markets and wider service choices for existing and potential customers.

Toronto Hydro – development and initial implementation of time of use rates for residential and large industrial customers; development of pricing strategies and policies for all customer classes.

Toronto Hydro – development of all customer rate designs, implementation strategy, and preparation of annual submissions for approval of the rates. Managed a team of specialists in the preparation of associated detailed studies, load forecasts and load research.

Testimony before Regulators

ORAL:

Toronto Hydro-Electric System – Testified before the Ontario Energy Board in support of the allocated costs of service to customers that are individually metered suites in multi-unit residential buildings.

Saint John Energy – Testified before the New Brunswick Public Utilities Board in support of intervention in the Cost Allocation and Rate Design application of New Brunswick Power Distribution and Customer Service Corp.

Rogers Cable and Communication Inc. – Testified before Ontario Energy Board in support of consensus for treatment of certain unmetered electricity loads in the development of guidelines for electricity distribution rates.

Toronto Hydro – Testified before Ontario Energy Board on bulk power rate issues

ICG Utilities -- testified in three hearings before British Columbia regulator on the subject of lead-lag studies.

WRITTEN ONLY:

Kingston Hydro – study to review transfer pricing methodologies and allocation of shared costs for services provided by non-regulated affiliates.

FortisOntario – Three studies to allocate corporate and shared costs among regulated and non-regulated affiliates

EnWin Utilities – study to allocate corporate and shared costs among corporate affiliates

Ontario Power Authority – model development and analysis in support of evaluation of a potential generation, transmission and demand response alternatives in York Region; report in support of generation alternative to the Ontario Energy Board.

City of Summerside – expert testimony in support of intervention in the application of Maritime Electric to the Island Regulatory and Appeals Commission for approval of an Open Access Transmission Tariff (public oral hearing to follow).

City of Summerside – preparation of evidence in support of application for leave to construct transmission line, to the Island Regulatory and Appeals Commission (oral hearing scheduled for November, 2012)

*Other Assignments Showing
Knowledge of the Ontario
Electricity Sector*

City of Sault Ste. Marie – review of municipally-owned electricity distribution company with regard to ownership options, capital structure and financing.

Brantford Power – facilitation of strategic planning session for Board of Directors.

Orillia Power – facilitation of strategic planning session for Board of Directors and key staff

Oakville Hydro – facilitation of regulatory strategic plan

Burlington Hydro Inc. – advisory services and analysis in connection with bid to acquire a local distribution utility.

Markham Hydro Distribution Inc. and Town of Markham – Due diligence services in support of proposed amalgamation with Hydro Vaughan Distribution Inc.

City of Guelph – independent advisor to the City with regard to fairness of ownership proportion in proposed merger; analysis of ownership options

Oshawa PUC Networks Inc. – policy recommendations for customer connections and capital contributions.

Township of King - advice to municipality staff with regard to potential construction of a peaking generator in response to a contract award from Ontario Power Authority

Hydro Ottawa Holdings Inc. – as part of a larger project to provide strategic advice on four business units, provided financial modeling for valuation of Energy Ottawa Generation.

Town of Markham, City of Vaughan and City of Barrie – analysis, due diligence and advisory services in evaluation of potential investment in the solar business of PowerStream Inc.

PUC Distribution Inc. – advisory services and analysis in connection with certain issues of new assets and affiliate relationships

Ontario Energy Board – cross-jurisdictional review and assessment of regulatory approaches to the issue of farm stray voltage across North-America

Ontario Energy Board – comparison of heritage contracts and similar arrangements in leading jurisdictions

Ontario Energy Board – identification of appropriate roles and responsibilities for the OEB under alternative industry and market structure scenarios, including default supply arrangements

Barbados Public Utilities Board – study to recommend procedures, rules and systems for oversight of the natural gas sector by a new regulatory agency.

Electricity Distributors Association -- analysis of cash flow patterns of electricity distribution utilities in Ontario reflecting customer payment patterns and market settlement requirements

Electricity Distributors Association – study to determine the financial benefit to municipalities of ownership of local distribution companies (LDCs).

National Grid Co. -- Assessment and overview report on regulatory framework and issues in Ontario.

Bruce Power – Assessment and overview on industry structure, generation and transmission capacity, pricing and issues in New Brunswick

CMS Energy – report on Ontario electricity industry structure, market, and regulatory environment, in support of decision to respond to RFP for new generation in the province

New Brunswick Municipal Electric Utilities Association – cross jurisdictional survey with respect to policy as to regulation of municipal utilities and rural cooperatives.

Ontario Energy Board – assistance to Board Staff on application of a wireless telecommunication service provider for access to distribution poles

CAREER HISTORY

2001 – Present

BDR – consultant specializing in rate designs, cost and financial analysis, business planning and energy market restructuring issues.

1998 – 2001

In association with Acres Management Consulting – consultant specializing in rate designs, cost and financial analysis, business planning and energy market restructuring issues.

1995 – 1998

Toronto Hydro – Manager, Marketing and Energy Management

1993 – 1995	Toronto Hydro – Special Assistant to the General Manager (responsible for organizational performance improvement initiatives)
1986 – 1992	Toronto Hydro – Supervisor of Rates and Cost Analysis
1984 – 1986	Toronto Hydro – Senior Rate Analyst
1981 – 1984	ICG Utilities Ltd. – Coordinator, Rate Administration
1979 – 1981	H. Zinder & Associates Canada Ltd. , Senior Analyst

EDUCATIONAL AND PROFESSIONAL QUALIFICATIONS

<i>Degrees and Designations</i>	Society of Management Accountants of Manitoba, CMA University of Calgary, Masters of Business Administration (Finance) University of Toronto, Bachelor of Arts (Hon), Anthropology
<i>Professional Association</i>	Society of Management Accountants of Manitoba
<i>Continuing Professional Development</i>	Queens University School of Business, Marketing Program Queens University School of Business, Sales Management Program Society of Management Accountants of Canada—Customer Profitability Analysis Society of Management Accountants of Canada—Strategic Cost Management Society of Management Accountants – Auditing I

PROFESSIONAL INVOLVEMENT

<i>Teaching and Training, Industry Committees</i>	Instructor in Cost Allocation and Rate Design for Annual Energy Regulation Course, CAMPUT (Canadian Association of Members of Public Utility Tribunals) 2006, 2007, 2008. Member and Vice-Chair, Electricity Distributors Association Commercial Members Steering Committee (member 2007 to present) Member – Ontario Energy Board Cost Allocation Working Group (2003 and 2005-6) Member – Municipal Electric Association Cost of Service Sub-Committee (1986-1988)
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Paula Zarnett (Vice-President, BDR)
Summary of Experience Relating to Unmetered Load Proceedings

1. **RP-2004-0188 (2006 Electricity Distribution Rates):** Ms. Zarnett acted as a consultant to Rogers Cable Inc. to provide advice and analysis with respect to the treatment of unmetered scattered loads (“USL”) in the 2006 EDR. Ms. Zarnett worked with the Rate Design group which was involved in the development of a consensus interim solution, and testified to the OEB on behalf of the consensus interim solution.
2. **EB-2005-0317 (Cost Allocation Review):** Ms. Zarnett participated on behalf of CCTA, and then Rogers, in Phase 2 of the working group process, and Phase 3 (USL issue only).
3. **EB-2007-0667 (Staff Discussion Paper on the Implications Arising from a Review of the Electricity Distributors’ Cost Allocation Filings):** Ms Zarnett analyzed the results of LDC cost allocation information filings, and prepared a report filed with the Board regarding the application of the GS<50 rate to USL, in modified or unmodified form, regarding the significant variability in revenue/cost ratios across LDCs, levels of over contribution, and advisability of a separate rate class for USL.
4. **EB-2007-0031 (Rate Design for Recovery of Electricity Distribution Costs):** Ms. Zarnett acted as a consultant to Rogers, attended sessions, met with the Board’s facilitator, and prepared a comment paper (May 15, 2007); following release of Staff Discussion paper re Rate Classification for Electricity Distribution (January 29, 2009), Ms. Zarnett prepared written comments filed with the Board.
5. **EB-2007-0681 (Hydro One Networks Inc. 2008 Distribution Rates Application):** Ms. Zarnett acted as a consultant to Rogers, an intervenor, which participated with regard to rates for USL.
6. **EB-2010-0219 (Review of Electricity Distribution Cost Allocation Policy):** Ms. Zarnett acted as a consultant to Rogers, participated in stakeholder sessions in November 2010, prepared written questions filed with the Board, and assisted in the preparation of Rogers’ written comments (December 2, 2010) filed with the Board.