

## **Board Staff Supplemental Interrogatories for Canadian Niagara Power Inc. regarding the Electricity Distribution Rates Applications for its CNPI – Eastern Ontario Power (EB-2008-0222), CNPI – Fort Erie (EB-2008-0223) and CNPI – Port Colborne (EB-2008-0224) Service Areas**

As identified in the Procedural Order No. 4, issued on January 26, 2009, the Board has determined that further discovery is required. The following Board Staff supplemental interrogatories are clarification questions that relate specifically to the interrogatory responses provided by the Applicant, including the material provided by CNPI on January 16, 2009. The numbering carries on from the original set of interrogatories.

### **Determination of Loss Adjustment Factors**

#### **CNPI – Port Colborne specific interrogatories**

##### **71. Determination of Loss Adjustment Factors**

References: Exhibit 4, Tab 2, Schedule 8, Page 1  
Response to Board Staff Interrogatory 59

The actual System Facility Loss Factor (SFLF), DLF and TLF for 2005 are shown as less than unity in the 1<sup>st</sup> reference, respectively as 0.9976, 0.9769 and 0.9745.

a). With respect to the SFLF, in the 2<sup>nd</sup> reference, part 'a' states that SFLF up until April 2006 was negative on the settlement reports. A similar statement is provided in part 'c' of the 2<sup>nd</sup> reference. Given that SFLF accounts for losses between the defined meter point on the primary or high voltage side of the transformer and the metering installation on the secondary or low voltage side of the transformer, a less than unity SFLF implies that the kWh delivered by the transformer at the low voltage side exceeds the kWh delivered to the transformer at the high voltage side. Please confirm whether the less than unity value is the result of an anomaly in the settlement report.

b) With respect to the DLF, a less than unity value implies that the retail kWh delivered by the distributor exceeds the wholesale kWh delivered to the distributor. Please confirm whether the less than unity value is the result of an anomaly.

## **Taxes**

### **72. Taxes**

Reference: Response to Board Staff Interrogatory 60

Please explain the basis of 2007 taxes payable allocations (per the 2007 tax returns Federal T2 and Provincial CT23) for regulatory purposes between transmission and distribution operations, and to CNPI's three service areas (Fort Erie, Port Colborne and Eastern Ontario Power). Did CNPI use the same basis of tax allocations in the 2009 test year? If not, please provide and explain the deviations.