

INTERROGATORIES FOR NEWMARKET-TAY POWER

EB-2009-0269

FROM THE CONSUMERS COUNCIL OF CANADA

GENERAL

1. Newmarket-Tay (N-T) is applying for 2010 rates in the middle of the 2010 rate year. Are the forecasts all based on forecast amounts or is there some element of actual data included in the forecast? To what extent is N-T prepared to update its filing to include actual data where available?

Response

2009 data as presented is actual and all of the 2010 test year is forecasted.

The Applicant is presenting actual OMA data to July 31, 2010 and the same period in 2009 in response to Energy Probe IR No. 26 c). Actual capital expenditures are presented to July 31, 2010 in Consumers Council of Canada IR No. 3.

2. Please explain what N-T's intention is with respect to 2011 rates. Will there be another cost of service application for 2011 rates or is N-T moving in 2011 to 3rd Generation IRM? Please explain.

Response

At this time the Applicant is not expecting to file another cost of service application until 2014. The Applicant intends on participating in the IRMs for 2011, 2012 and 2013.

RATE BASE

3. (Ex. 2/T4/S3/p. 9) Please provide an updated version of the 2010 capital plan which includes actual to date and current projected in-service dates.

Response

Newmarket-Tay Capital Expenditures

	2010	2010	2010	2010	Projected
Government Requirements	Budget	July 31 Actual	Projected	I/S Date	I/S Date
1 Overhead Line Additions, Rebuilds(CP122 - Holland Junction TS)	\$ 868,039	\$ 482,071	\$ 868,039	Dec	
2 Metering (CP 276 & TP 276 - Smart Meter Deployment and Application of TOU Pricing)	\$ 1,980,681	\$ 5,304	\$ 10,000		2011
3 Overhead Line Additions, Rebuilds (CP 193 - Bayview Pole Line Rebuild)		\$ 12,045	\$ 12,045	July	
4 Overhead Line Additions, Rebuilds (CP 287 - Yonge St. Pole Line Rebuild)	\$ 141,440	\$ 29,871	\$ 141,440	Dec	
5 Overhead Line Additions, Rebuilds (CP 198 - Infrastructure Project - Davis Drive and Yonge Street)	\$ 1,902,309	\$ 38,841	\$ 120,000		2011
Government Requirements Totals	\$ 4,892,469	\$ 568,132	\$ 1,151,524		
System Reliability					
6 Distribution Stations (CP 214 - Leadbeater MUS Refurb)	\$ 709,637	\$ 474,777	\$ 709,637	Sept	
7 Overhead Line Additions, Rebuilds(TP 007 - Line Rebuild)					
8 Overhead Line Additions, Rebuilds (CP 230 - Rebuild Residential Overhead Pole Line)	\$ 131,415	\$ 45,275	\$ 131,415	Dec	
9 Overhead Line Additions, Rebuilds (CP 227 - Lundy's Lane Feeder Tie & Open Bus)	\$ 234,444		\$ -		2011
10 Overhead Line Additions, Rebuilds (CP228 - Gorham Street - Replace Pole Line)	\$ 120,902		\$ -		2011
11 Blankets and Other Replacements	\$ 244,116	\$ 359,380	\$ 550,000	Dec	
12 Overhead Line Additions, Rebuilds (TP 013 - Replace Pole Line - 4th Avenue to Alberta, Port McNicol)	\$ 125,215	\$ 2,172	\$ 2,172		2011
13 Underground Line Additions, Rebuilds (CP 199 & CP 231 - Eagle Hills - Replace Underground System)	\$ 1,095,267	\$ 678,449	\$ 1,095,267	July	
14 Transformers (CP 218 & TP 218 - Replace End of Life Transformers)	\$ 139,282	\$ 97,773	\$ 239,282	Dec	
15 Pole Replacement (CP 220 & TP 220 - Pole Replacement Program)	\$ 113,259	\$ 42,194	\$ 113,259	Dec	
System Reliability Totals	\$ 2,913,537	\$1,700,020	\$ 2,838,860		
Growth in Demand					
16 Distribution Stations (CP 224 - Boggartown Station)	\$ 746,438	\$ 87,293	\$ 100,000	Sept	
17 Customer Additions (CP 216,217, TP 216,217 - Addition of Res, Com, and Indus Customers)	\$ 841,007	\$ 391,913	\$ 841,007	Dec	
18 Overhead Line Additions, Rebuilds (CP 226 - Leslie Street Line Addition)	\$ 152,441	\$ 20,723	\$ 152,441	Dec	
Growth in Demand Totals	\$ 1,739,886	\$ 499,929	\$ 1,093,448		
Third Party Driven					
19 Overhead Line Additions, Rebuilds (CP 284 - Doug Duncan Drive, Pole Line Rebuild)	\$ 129,238	\$ 6,852	\$ 129,238	Dec	
20 Overhead Line Additions, Rebuilds (TP 016 - Line Addition/Rebuild - Triple Bay Road Hwy 12)	\$ 101,137		\$ -		2011
21 Overhead Line Additions, Replace Pole Line(TP 013)	\$ -	\$ 82,229	\$ 145,000	Dec	

		Third Party Driven Totals	\$ 230,375	\$ 89,081	\$ 274,238	
	Internally Driven					
22	Fleet		\$ 115,000	\$ 84,331	\$ 115,000	July
23	Leasehold and Building Improvements		\$ 95,000	\$ 510,177	\$ 585,000	July
24	Misc Tools and Equipment		\$ 137,140	\$ 140,335	\$ 150,000	July
25	Computer Software		\$ 260,200	\$ 12,181	\$ 300,000	July
		Internally Driven Totals	\$ 607,340	\$ 747,024	\$ 1,150,000	July
	ALL CAPITAL EXPENDITURES TOTAL		\$10,383,607	\$3,604,186	\$ 6,510,242	

4. (Ex. 2/T4/S4/Leadbeater Municipal Station) The evidence indicates that the refurbishment of the Leadbeater MS was deferred to 2010 because of delays in procuring equipment. Please provide an updated status on the project.

Response

The project was in-service in September of 2010.

5. (Ex. 2/T4/S3/Customer Additions) Please provide an updated customer addition forecast for 2010.

Response

Newmarket-Tay		
Class	Jan-Jul 31/09	Jan-Jul 31/10
Residential	390	222
GS <50	11	-17
GS >50	4	6

6. (Ex. 2/T4) Please provide a schedule setting out total annual capital expenditures for the years 2002-2010.

Response

	Capital Additions				
	2002	2003	2004	2005	2006
Newmarket					
Additions	1,729,444	3,015,233	5,020,832	3,670,348	4,853,237
Tay					
Additions	46,600	82,347	146,158	105,352	359,200
Newmarket-Tay					
Total Additions	1,776,044	3,097,580	5,166,990	3,775,700	5,212,437

Less Government Jobs	0	0	0	0	(294,833)
Total	1,776,044	3,097,580	5,166,990	3,775,700	4,917,604

	Capital Additions				Revised CP 276/TP 276 MDMR Capital CP 198 Removed 2010
	2007	2008	2009	Application 2010	
Newmarket					
Additions	7,503,418	6,567,111	5,531,202	9,858,194	6,158,713
Tay					
Additions	772,637	450,335	389,577	525,413	351,529
Newmarket-Tay					
Total Additions	8,276,055	7,017,446	5,920,779	10,383,607	6,510,242
Less Government Jobs	(3,727,070)	(1,629,041)	(2,433,191)	(4,892,468)	(1,009,478)
Total	4,548,985	5,388,405	3,487,588	5,491,139	5,500,764

7. (Ex. 2/T4/S3/Project C198) Please provide an update on the Infrastructure Project. What has been spent to date and what is the most recent projected in-service date.

Response

The 2010 work (phase one) to facilitate VIVA's original time frame was postponed by VIVA from the spring of 2010 to November 2010. This caused a delay of the 2nd phase from late fall 2010 to spring 2011. The projected in service dates and the associated amounts are as follows:

VIVA Project			
		Phase	Estimated Amount
2010		1	\$ 65,000
2011		1	\$ 2,650,000
2012		2	\$ 1,500,000
2013		2	\$ 1,500,000

The VIVA project as described in the Cost of Service Application is mandated by the Provincial Government under the "Places to Grow" legislation. However, due to the re engineering of plans and delays with expropriation of land, this project has been delayed until 2011.

The Applicant is projecting that the VIVA costs of 5.7 million dollars will be spread over the IRM period. These costs will not meet the criteria for relief under the 3rd generation IRM capital adjustment module. Therefore the Applicant will be requesting that the Board allow the Applicant to establish a deferral account similar to accounts established for "smart meter and TOU" costs. The VIVA project is mandated by the government (similar to "smart meters and TOU"), to facilitate growth in ridership in rapid transit and growth within the Greater Toronto Area.

8. (Ex. 2/T4/S3/ Pole replacement) Please provide a schedule setting out annual pole replacement costs for the years 2002-2010.

Response

From 2002 to 2007, the Applicant did not specifically track the costs of this program in its Newmarket service area. The associated material, labour and burden costs were allocated directly to general ledger accounts. Data is available for 2008 and onwards. In 2006, a tracking program was set up to track poles replaced, but abandoned due to the significant effort it required to update. As such, pole replacement numbers are available for this year. The cost was estimated by multiplying the number of poles replaced by the average cost per pole.

In the Tay service area, all pole costs were tracked. However, pole replacement costs were bundled with those of line rebuilds and expansions. Here again, the Applicant simply cannot unbundle the costs in 2002 through 2005 to provide a proper response. The amounts stated for 2006 and 2007 were estimated by multiplying the number of poles replaced by the average cost per pole.

With these caveats, the table below summarizes the data the Applicant has available and used to establish the 2010 budget amount.

<i>Year</i>	<i>Newmarket</i>	<i>Tay</i>	<i>Total</i>
<i>2001</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>
<i>2003</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>
<i>2004</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>
<i>2005</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>
<i>2006</i>	<i>\$55,000</i>	<i>\$16,000</i>	<i>\$71,000</i>
<i>2007</i>	<i>N/A</i>	<i>\$48,000</i>	<i>N/A</i>
<i>2008</i>	<i>\$41,665</i>	<i>\$32,000</i>	<i>\$73,665</i>
<i>2009</i>	<i>\$24,999</i>	<i>\$5,833</i>	<i>\$30,832</i>
<i>2010 (Budget)</i>	<i>\$62,000</i>		

9. (Ex. 1/T1/S3/p. 8) The evidence indicates that in 2006 the Applicant embarked on an accelerated implementation of the government's smart meter program. Please provide a table providing the following: all smart meter costs, capital and OM&A, that have been spent, to date on N-T's smart meter program. Please break out by year. In addition, please provide a detailed table, by year setting out the revenues recovered from N-T's customers since 2006 related to its smart meter program. What specific relief is N-T seeking from the Board with respect to its smart meter costs?

Response

<i>Smart Meter and TOU Costs (per Application)</i>						
	<i>2006</i>	<i>2007</i>	<i>2008</i>	<i>2009</i>	<i>Projected 2010</i>	<i>Total</i>
Capital	294,833	3,727,070	849,116	473,285	2,027,550	7,371,854
Operational Costs	0	0	0	211,430	373,000	584,430
Total	\$294,833	\$ 3,727,070	\$ 849,116	\$ 684,715	\$ 2,400,550	\$7,956,284

<i>Smart Meter and TOU Costs (CP 276/TP 276 and MDMR Capital Removed)</i>						
	<i>2006</i>	<i>2007</i>	<i>2008</i>	<i>2009</i>	<i>Projected 2010</i>	<i>Total</i>

Capital	294,833	3,727,070	849,116	473,285	-	5,344,304
Operational Costs	0	0	0	211,430	373,000	584,430
Total	\$294,833	\$ 3,727,070	\$ 849,116	\$ 684,715	\$ 373,000	\$5,928,734

<i>Smart Meter and TOU Revenues</i>						
	2006	2007	2008	2009	Projected 2010	Total
Tay Adder	7,267.00	67,015.00	125,211.00	125,715.00	41,667.00	366,875.00
Newmarket adder	-	-	-	109,030.00	90,970.00	200,000.00
Total	7,267.00	67,015.00	125,211.00	234,745.00	132,637.00	566,875.00

The Applicant is seeking to include all of its smart meter and TOU costs for the residential class in its Revenue Requirement.

The Applicant is also requesting disposition of the balances in its smart meter deferral accounts as of March 31, 2010.

10. (Ex. 1/T1/S3/p.8) What is N-T's estimate of what has been spent to date on its smart meter program on a per customer basis? Please explain how N-T's recovery of smart meter costs differ from the Board's Guideline G-2008-0002 issued on October 22, 2008.

Response

Estimate of Cash out flow by meter to date

Cash Outflow per Customer (per Application)					
Class	Type	\$	Ave # of Projected customers 2010		Price point per unit
Residential	Capital	\$ 5,400,000	29,370	\$	183.86
	OMA	\$ 584,430	29,370	\$	19.90
Total		\$ 5,984,430		\$	203.76
GS<50	Capital	\$ 1,971,854	2,901	\$	679.72

Cash Outflow per Customer (P 276/TP 276 and MDMR Capital Removed)				
Class	Type	\$	Ave # of Projected customers 2010	Price point per unit
Residential	Capital	\$ 5,400,000	29,370	\$ 183.86
	OMA	\$ 584,430	29,370	\$ 19.90
Total		\$ 5,984,430		\$ 203.76
GS<50	Capital	\$ 242,916	400	\$ 607.29

Recovery of Smart Meter/ TOU costs

The Applicant in its settlement agreement from EB 2007- 0776 had its' smart meter costs incurred in the Newmarket Service area to December 31, 2008 included as part of its revenue requirement. As of December 31, 2009, the Applicant had all of its residential customers on a smart meter and the Applicant had 100 percent of its eligible customers receiving bills based upon TOU rates. The Applicant has completed 100 percent of residential phase of this government mandated project, thus the Applicant is requesting that the Board continue to allow the costs associated with Residential TOU rates be recognized in its Revenue Requirement. The only outstanding costs associated with residential TOU rates are the software development and the annual operating costs associated with the Provincial Smart Meter Entity.

11. (Ex.1/T1/S3/p. 8) Has N-T benchmarked its smart metering costs against those of other LDCs? If not, why not? In the absence of such analysis, on what basis should the Board assess the prudence of N-T's costs?

Response:

The Applicant's initial costs in procuring and installing its smart meters and AMI system was benchmarked in the Ontario Energy Board's (the "Board") Decision in proceeding EB-2007-0063, Appendix A. The average cost per installed unit for Smart Meter capital and OM&A was \$184.82 for nine of the thirteen distributors involved who provided this data, including the Applicant. The Applicant's costs were \$123.59 per unit and approved as prudent.

Since the EB-2007-0063 proceeding, the Applicant has optimized the performance of its AMI system to meet the requirements of O.Reg. 425/06, put in place the necessary changes in its business process to manage meter data verification and TOU billing. The Applicant believes its costs should be approved on the basis that:

- *It incurred prudent costs in the procurement and installation of its smart meter/AMI system*
- *It has properly optimized AMI performance and modified its business processes to enable accurate TOU billing*
- *The project was undertaken and financed in the same manner as any other capital project undertaken by the Applicant and should undergo no more nor less scrutiny*
- *It incurred no extraordinary CIS modification or other expenses*
- *It met all government expectations placed on it through regulation*
- *It made a material contribution to the provincial smart meter initiative to the benefit of all other LDCs, the SME, and their customers.*
- *The Applicant's smart meters are being used for their intended purpose*
- *The project is substantially complete*

12. (Ex. 2/T4/S5) Has N-T undertaken a forecast of capital expenditures for 2011? If so, please provide that forecast.

Response:

The Applicant is presently in the process of forecasting its 2011 capital expenditures. The 2011 forecast has not been completed at this time.

13. (Ex. 2/T5/S1) Has N-T undertaken any analysis to determine whether the methodology set out in the 2006 EDR Handbook for determining Working Capital Allowance (15% of the sum of the costs of power and controllable distribution expenses) remains appropriate for N-T. If so, please provide.

Response

The Applicant has not undertaken such analysis. The Applicant has relied on the Board's methodology for determining working capital allowance.

LOADS, CUSTOMERS AND THROUGHPUT REVENUE

14. (Ex. 3/T3/S2/p. 2) Please explain in detail how N-T developed its projected late payment charge forecast for 2010 of \$194,504.

Response

The amount of \$194,504 was derived from the 2008 actual amount earned of \$181,345, with an increase for customer growth of 3.8% for 2009 and 2010 and an additional increase of approximately 3.5% to accommodate the increasing arrears due to the recession.

OPERATING COSTS

15. (Ex. 4/T1/S1) OM&A Trend Table - Please provide Board approved numbers where applicable.

Response

The Applicant has Board approved numbers for Newmarket operations for 2008, and Tay operations for 2006. The numbers that have been included in the OM&A Trend Table in this application are presented on a consolidated basis. Individual Board-approved numbers used in the consolidation were:

	<i>Newmarket</i>	<i>Tay</i>
	<i>Board Approved</i>	<i>Board Approved</i>
	<i>2008</i>	<i>2006</i>
<i>Operation & Maintenance</i>	<i>\$ 1,862,557</i>	<i>\$ 196,425</i>
<i>Billing & Collecting</i>	<i>\$ 1,403,982</i>	<i>\$ 208,449</i>
<i>Administration Labour & Exp</i>	<i>\$ 2,052,638</i>	<i>\$ 436,545</i>
<i>Community Relations & Advertising</i>	<i>\$ 55,252</i>	<i>\$ 13,273</i>
<i>Total OMA</i>	<i>\$ 5,374,429</i>	<i>\$ 854,692</i>
<i>Interest</i>	<i>\$ 1,258,846</i>	<i>\$ 120,294</i>
<i>Amortization</i>	<i>\$ 3,551,381</i>	<i>\$ 252,230</i>
<i>Capital and Property Taxes</i>	<i>\$ 239,949</i>	<i>\$ -</i>
<i>Income Taxes (PILS)</i>	<i>\$ 1,258,846</i>	<i>\$ 30,621</i>
<i>Grand Total</i>	<i>\$ 11,683,451</i>	<i>\$ 1,257,837</i>

16. (Ex. 4/T1/S1/p. 5) Please provide a detailed breakdown of the 2010 Billing and Collecting budget for each year 2008 to 2010.

Response

Please see Exhibit 4, Tab 3, Schedule 1, pages 1-2 of 9

17. (Ex 4/T1/S2/p. 3) Please indicate whether the new engineering position has been filled.

Response

The position was filled on October 12, 2010.

18. (Ex. 4/T1/S2/p. 22) Please provide a detailed breakdown of each component of N-T's forecast regulatory costs.

Response

Please see Exhibit 4, Tab 1, schedule 2, pages 22-24 out of 26

19. (Ex. 4/T1/S2/p. 23) Why did N-T engage Navigant to do the TOU study? What are the implications of the study for N-T? Why didn't N-T collaborate with other LDCs when engaging Navigant?

Response

Please see the response to Board Staff interrogatory Issue 4h), question 23 (d).

20. (Ex. 4/T1/S2/p. 25) The evidence assumes a wage increase of 3%. What is the increase embedded in any collective bargaining agreements? What has been the actual wage increase in each of the last 5 years?

Response

Increases embedded in agreements:

2010 – 2013:

3% per year

Actual increases in the past five years were:

<i>Year</i>	<i>Newmarket</i>	<i>Tay</i>
<i>2005</i>	<i>3%</i>	<i>1.9%</i>
<i>2006</i>	<i>3%</i>	<i>3.2%</i>
<i>2007</i>	<i>3.25%</i>	<i>3.25%</i>
<i>2008</i>	<i>3%</i>	<i>3%</i>
<i>2009</i>	<i>3%</i>	<i>3%</i>

21. (Ex. 4/T2/S5) The evidence indicates that N-T has not included any amount for CDM as those programs are being funded by the OPA. Is the Applicant planning any changes to its filing in response to the new CDM Code recently issued by the Board. Will there be employees whose costs are included in the revenue requirement involved in the design and/or delivery of OPA-funded CDM?

Response:

The Applicant is not planning to make changes to this application due to the new CDM Code. As the four-year CDM program evolves as contemplated by the CDM Code, the Applicant may, in the future, seek to include employee and other costs associated with the design and delivery of CDM in its revenue requirement.

22. (Ex 4/T3/S1) With respect to Billing and Collecting please include Board approved numbers where applicable and provide the relevant variance analysis.

Response

The Applicant has Board approved numbers for Newmarket operations for 2008, and Tay operations for 2006. The numbers that have been included in the OM&A Trend Table in this application are presented on a consolidated basis. The consolidated amounts are presented in Exhibit 4, Tab 3, Schedule 1, pages 1-2 of 9. Individual Board-approved numbers used in the consolidation were:

		NHL	Tay
		Board Approved	Board Approved
		2008	2006
<i>Bill & Collect - Supervision</i>	<i>5305</i>	<i>\$ 118,804.56</i>	<i>\$ 6,342.00</i>
<i>Reading-Contract Services</i>	<i>5310</i>	<i>\$ 156,953.05</i>	<i>\$ 59,673.00</i>
<i>Billing-Labour & Expenses</i>	<i>5315</i>	<i>\$ 512,021.74</i>	<i>\$ 82,470.00</i>
<i>Collecting-Lab, Vehicles \$ Exp</i>	<i>5320</i>	<i>\$ 501,314.52</i>	<i>\$ 35,672.00</i>
<i>Cash Short & Over</i>	<i>5325</i>		<i>\$ 80.00</i>
<i>Collection Charges</i>	<i>5330</i>		<i>\$ (6,627.00)</i>
<i>Billing-Bad Debts</i>	<i>5335</i>	<i>\$ 114,887.94</i>	<i>\$ 6,976.00</i>
<i>Miscellaneous Customer Accounts Expenses</i>	<i>5340</i>		<i>\$ 23,863.00</i>
<i>Billing & Collecting</i>		<i>\$ 1,403,981.81</i>	<i>\$ 208,449.00</i>

23. (Ex. 4/T4/S1/p. 2) Please provide Board approved staffing levels for 2008.

Response

The Applicant has Board approved numbers for Newmarket for 2008, and Tay for 2006. In 2006, Board-approved Tay staffing level was 8 FTEE's in 2008, Newmarket's staffing levels included in the Cost of Service Application were 44 FTEE's

24. (Ex. 4/T6/S1/p. 1) N-T has provided a forecast of goods and services to be purchased from third parties in 2010. Please explain how those amounts were developed. Please provide an updated forecast of these amounts to reflect actual experience to date.

Response

How the Applicant develops its budgets is detailed on Exhibit 4, Tab 2, Schedule 2, page 2 of 2.

July 31 expenses incurred are as follows.

	<i>Jul-10</i>	<i>2010</i>
		<i>Projected</i>
<i>Acumen Engineered Solutions</i>	<i>\$ 15,329</i>	<i>\$ 35,000</i>
<i>AGO Industries</i>	<i>\$ 19,644</i>	<i>\$ 36,000</i>
<i>Automated Solutions Intl</i>	<i>\$ 19,589</i>	<i>\$ 40,000</i>
<i>Black & McDonald</i>	<i>\$ 15,400</i>	<i>\$ 54,000</i>
<i>Bray's Fuels</i>	<i>\$ 28,972</i>	<i>\$ 40,000</i>
<i>Cable Master Inc.</i>	<i>\$ 17,015</i>	<i>\$ 40,000</i>
<i>Canada Post Corp</i>	<i>\$140,426</i>	<i>\$ 235,000</i>
<i>Carlos Silva Parts/Services</i>	<i>\$ 26,194</i>	<i>\$ 40,000</i>
<i>Cayenta Corp.</i>	<i>\$ 48,916</i>	<i>\$ 47,000</i>
<i>Collins Barrow</i>	<i>\$ -</i>	<i>\$ 71,000</i>
<i>Electricity Distributors Association</i>	<i>\$ 53,900</i>	<i>\$ 55,000</i>
<i>Elenchus Research Assoc.</i>	<i>\$120,343</i>	<i>\$ 60,185</i>
<i>Galloway Motors Ltd.</i>	<i>\$ 10,203</i>	<i>\$ 31,000</i>
<i>Harris</i>	<i>\$ 33,525</i>	<i>\$ 34,000</i>
<i>Hill-San Auto Service</i>	<i>\$ 23,094</i>	<i>\$ 30,000</i>
<i>Ideal Supply</i>	<i>\$ 25,240</i>	<i>\$ 50,000</i>
<i>Jerry Kunsch Excavating</i>	<i>\$ 63,858</i>	<i>\$ 103,000</i>
<i>Kabar</i>	<i>\$ 27,416</i>	<i>\$ 30,000</i>
<i>McCarthy Tetrault LLP</i>	<i>\$ 31,901</i>	<i>\$ 61,000</i>
<i>MEARIE Management</i>	<i>\$207,257</i>	<i>\$ 352,000</i>
<i>MEARIE Management</i>	<i>\$197,703</i>	<i>\$ 200,140</i>
<i>Navigant Consulting</i>	<i>\$ 33,915</i>	<i>\$ 35,686</i>
<i>Ogilvy Renault</i>	<i>\$ 22,735</i>	<i>\$ 22,735</i>
<i>Andrew Taylor</i>	<i>\$ 21,375</i>	<i>\$ 60,000</i>
<i>Olameter</i>	<i>\$380,432</i>	<i>\$ 690,000</i>
<i>KTI</i>	<i>\$ 62,143</i>	<i>\$ 114,000</i>
<i>The Richardson Team</i>	<i>\$ 12,697</i>	<i>\$ 20,000</i>
<i>Savage Data Systems</i>	<i>\$ 68,964</i>	<i>\$ 115,000</i>
<i>Suncor Energy</i>	<i>\$ 8,999</i>	<i>\$ 42,000</i>
<i>Petro Canada</i>	<i>\$ 12,876</i>	
<i>Utility Line Clearing</i>	<i>\$ 38,700</i>	<i>\$ 160,000</i>
<i>Westburne Ruddy</i>	<i>\$ 30,644</i>	<i>\$ 65,000</i>

COST OF CAPITAL AND RATE OF RETURN

25. (Ex. 5/T1/S1) Did N-T's senior management seek explicit approval from its Board of Directors to ask for the OEB's new ROE? If so, please provide all materials provided to the Board of Directors in support of that approval.

Response:

In approving the approach for the application, the Board of Directors approved the request to seek the OEB's new ROE. An excerpt from a PowerPoint presentation used for this purpose is attached. [Attachment 1]