



CANADIAN NIAGARA POWER INC.

A **FORTIS** ONTARIO
Company

BY COURIER

December 11, 2007

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street
Suite 2700
P.O. Box 2319
Toronto, ON M4P 1E4

Dear Ms. Walli:

**RE: CANADIAN NIAGARA POWER INC. – PORT COLBORNE 2008 IRM – EB-2007-0842
RESPONSE TO BOARD STAFF INTERROGATORIES**

Please find attached two paper copies of Canadian Niagara Power Inc. – Port Colborne's responses to Board Staff interrogatories related to the above noted proceeding.

Yours truly,

Douglas R. Bradbury
Director, Regulatory Affairs

Enclosures

**Canadian Niagara Power Inc. – Port Colborne – EB-2007-0842
2008 Incentive Rate Mechanism Application**

**Response to
Ontario Energy Board Staff Interrogatories**

Ref.: Manager's Summary, page 8

1. CNPI-Port Colborne reports that the total bill impact for the Street Lighting class may exceed 10% for certain consumption profiles, but that CNPI-Port Colborne is not proposing to mitigate rates at this time. Please provide the rationale for not proposing any rate mitigation for the Street Lighting class at this time. Please indicate what would be the total bill impact for this rate class, including the consumption profiles referenced above, resulting from CNPI- Port Colborne's RTS proposal.

Response

In the 2007 Board approved Rates and Charges, the Street Lighting class had a distribution volumetric rate of \$3.8764/kW and a regulatory asset rate rider of (\$4.1211); this yielded a net payable to the customer for the volumetric delivery charge. The rate increase anticipated in the 2008 IRM is primarily a function of the removal of the regulatory asset rate rider. Neglecting the impact of the regulatory asset rate rider the rate change would be in the order of 0.04%.

In the Cost Allocation filing completed by CNPI – Port Colborne, the Street Lighting class is shown as having a revenue to cost ratio of approximately 30%; possibly indicating that current rates are insufficient.

1 In the 2008 IRM, a CNPI – Port Colborne typical Street Lighting customer would
2 have experienced an approximate \$1,900 or 16.2% increase on an average
3 monthly bill of \$12,000. With the anticipated revisions to the retail transmission
4 rates this amount has now decreased to \$1,600 or 13.7% on the same average
5 monthly bill. For the customer usage profiles detailed in the Bill Impacts by
6 Consumption sheet for the retail transmission rate changes the bill impacts range
7 from 9.4% to 14.3%.

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9 While this increase in the total bill does exceed the recognized 10% threshold, it
10 does restore billing to reflect the pre-regulatory asset billing profiles. CNPI – Port
11 Colborne acknowledges the magnitude of the bill impact and amenable to
12 working with the Board to mitigate rates for the Street Lighting class.

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15 **Ref.: 2008 IRM Model, Sheet 3**

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17 **2. Monthly Rates and Charges for Unmetered Scattered Load**

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19 A review of CNPI-Port Colborne's current 2007 Board approved Tariff of Rates
20 and Charges indicates that the service charge for the Unmetered Scattered Load
21 class is applied on a "per customer" basis, however CNPI-Port Colborne's 2008
22 model does not reflect this.

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25 **Response**

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27 CNPI – Port Colborne acknowledges that the 2007 Board approved Tariff of
28 Rates and Charges indicates that the service charge for the Unmetered
29 Scattered Load class is applied on a "per customer" basis. There is no intent in

1 the 2008 IRM to change this; the omission of the “per customer” descriptor was
2 an oversight. This will be corrected to conform with the current 2007 Board
3 approved Tariff of Rates and Charges when CNPI – Port Colborne files a draft
4 rate order in accordance with Board instructions.

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6 3. Monthly Rates and Charges for Standby Power
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8 A review of CNPI-Port Colborne’s current 2007 Board approved Tariff of Rates
9 and Charges indicates that the volumetric rate for Standby Power is referred to
10 as a “Standby Charge”, and includes the descriptor “for a month where standby
11 power is not provided. The charge is applied to the contracted amount (e.g.
12 nameplate rating of generation facility)”. CNPI-Port Colborne’s 2008 model does
13 not reflect this.
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15 **Response**
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17 CNPI – Port Colborne acknowledges that the 2007 Board approved Tariff of
18 Rates and Charges indicates that the volumetric rate for Standby Power is
19 referred to as a “Standby Charge”, and includes the descriptor “for a month
20 where standby power is not provided The charge is applied to the contracted
21 amount (e.g. nameplate rating of generation facility)”. There is no intent in the
22 2008 IRM to change this; the omission of the descriptor was an oversight. This
23 will be corrected to conform with the current 2007 Board approved Tariff of Rates
24 and Charges when CNPI – Port Colborne files a draft rate order in accordance
25 with Board instructions.
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1 4. Monthly Rates and Charges for Street Lighting

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3 A review of CNPI-Port Colborne's current 2007 Board approved Tariff of Rates
4 and Charges indicates that the service charge for the Street Lighting class is
5 applied on a "per connection" basis, however CNPI-Port Colborne's 2008 model
6 does not reflect this.

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8 **Response**

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10 CNPI – Port Colborne acknowledges that the 2007 Board approved Tariff of
11 Rates and Charges indicates that the service charge for the Street Lighting class
12 is applied on a "per connection" basis. There is no intent in the 2008 IRM to
13 change this; the omission of the "per connection" descriptor was an oversight.
14 This will be corrected to conform with the current 2007 Board approved Tariff of
15 Rates and Charges when CNPI – Port Colborne files a draft rate order in
16 accordance with Board instructions.