

Main Identity

From: <d.mckendrick@HydroOne.com>
To: <pwicks@cogeco.ca>
Sent: July 15, 2011 1:38 PM
Attach: SCHEDULE B Commercial Rates - 2007.doc
Subject: FW: Niagara West Transformation Corporation : Operating Services Agreement - Operation of Niagara West MTS - 2008 Costs

Hi Peter

This was our response to Brian regarding the rate increase.

Dave McKendrick
Networks Management Officer
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Hydro One
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From: MCKENDRICK D
Sent: Sunday, July 15, 2007 1:22 PM
To: Brian Weber; karen@penwest.on.ca
Cc: HARRIS Neil; DAVIDSON Robert
Subject: RE: Niagara West Transformation Corporation : Operating Services Agreement - Operation of Niagara West MTS - 2008 Costs

Brian

The 2008 contract price of \$ 27, 732 is calculated at .5 person hours per day for 365 days per year (15 hours per month), priced at our 2008 commercial labour rate for a Hydro One Controller of \$141/hour.

The increase in the contract amount is solely attributable to the increase in the labour rate. The 2008 rate is consistent with other published Hydro One commercial rates which we have found to be comparable with the service sector. I have attached a copy of these rates for your information. The original rate of \$66 did not result in the recovery of our fully allocated costs

I apologize for any inconvenience this increase may cause. However, we feel your corporation continues to receive excellent value for the operating services being provided by our Network Operating Division located in Barrie. These include a 24 x7 station monitoring and control service provided by Hydro One NERC certified Controllers utilizing a state of the art Network Management System.

Please feel to contact me if you have any further questions.

Dave McKendrick
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