



NIAGARA FALLS HYDRO

March 19, 2007

Ontario Energy Board
P.O. Box 2319
27th Floor
2300 Yonge Street
Toronto, ON M4P 1E4

Attention: Board Secretary

**Re: EB-2007-0558: 2007 Distribution Rate Application
Niagara Falls Hydro Inc. Clarification requested**

Dear Sir or Madam:

In reply to the email received on March 15, 2007 from Mr. William Garvin regarding clarification on the following aspects of the application, please accept this response from Niagara Falls Hydro.

1. " On the approved 2006 tariff schedule for Niagara Falls Hydro Inc., in the Allowances Section of the Specific Service Charges, the quantity used for Primary Metering Allowance for transformer losses is listed as % whereas on Sheet 3 of your 2007 IRM model, this quantity is listed as \$/kW.

There is no reference in your application explaining this discrepancy. Please clarify whether this was a simple oversight in completing the 2007 IRM Model. If not, please provide a full and complete explanation for removing the rate from the approved schedule. "

This is an oversight. The Primary Metering Allowance for transformer losses - applied to measured demand and energy is (1.00)%

2. " On sheet 7 of your 2007 IRM Model you have indicated that you received Board Approval for LCT Allowance in 2006 whereas our records indicate that you did not receive such approval.

There is no reference in your application explaining this discrepancy. Please clarify whether this was a simple oversight in completing the 2007 IRM Model. If not, please provide a full and complete explanation for the disparity."

This is an over sight, we did not receive LCT Allowance in 2006.

If you should have any questions or require additional information, please contact our offices.



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At this time, we have not filed a revised model; please inform us if this is required as a result of this clarification.

Sincerely,

Ms. Margaret Battista
Director of Customer Service and Special Projects (Senior Compliance Officer)

MB/mb

. cc Mr. William Garvin, Case Manager