IN THE MATTER OF the Ontario Energy Board Act, 1998,
S.O. 1998, c.15, Schedule B;

AND IN THE MATTER OF applications by Canadian Niagara Power Inc.-Fort Erie, for approval of electricity distribution rates to be implemented on May 1, 2007

CANADIAN NIAGARA POWER - FORT ERIE
RESPONSES TO THE
INTERROGATORIES OF THE
SCHOOL ENERGY COALITION

1. Please provide the number of publicly-funded (i.e. public board and Catholic Board, French and English) elementary and secondary schools in each rate class in your service territory.

   Response

   There are 15 publicly-funded elementary and secondary schools in the Fort Erie service territory of Canadian Niagara Power. This represents 13 accounts in the General Service Less than 50 kW category, 6 accounts in the General Service Greater than 50 kW and 1 General Service Less than 50 kW unmetered account. There are more accounts than actual schools because some schools have more than one electrical service.

2. Please confirm:

   a) that a school with monthly consumption of 8000 KWh in the General Service < 50 KW would pay approximately $206.27 per month for electricity distribution under the current proposed 2007 rates (including the proposed Z-factor adder), an increase of 6.2% over 2006;

      Response

      CNPI Fort Erie confirms that this statement is correct.

   b) that a school with monthly demand of 200KW in the General Service > 50 KW would pay approximately $1559.67 per month for electricity distribution under the current proposed 2007 rates (including the proposed Z-factor adder), an increase of 0.5% over 2006;

      Response

      CNPI Fort Erie confirms that this statement is correct.

3. Please advise:

   a) whether the company owns or operates electricity transmission facilities within its service territory;

   Response

   CNPI Fort Erie confirms that it owns and operates electricity transmission facilities in its service territory.

   b) whether there was any damage to the transmission system as a result of the October 12, 2006 snow storm;

   Response

   CNPI confirms that there was damage to its transmission facilities as a result of the natural disaster that occurred in October 2006.

   c) Please describe and justify the methodology used to allocate storm damage cost to the company's transmission division;

   Response

   The cost associated with the damage to the transmission facilities was directly allocated to CNPI Fort Erie's transmission division.

4. Ref: Appendix C/Exhibit C/Schedule A/Tab 5/Pg 1

   a) Please provide, for overtime charges, the number of staff (both management and non-management internal labor) directly engaged in the power restoration efforts and the number of overtime hours they worked each day;

   Response

Date	No. of Staff	Overtime Hours
October 12	35	266.75
October 13	44	391.9
October 14	43	515.4
October 15	46	572.75
October 16	43	268.25
October 17	45	264.1
October 18	45	234.1
October 19	37	213.2
October 20	36	193.9
October 21	23	194
October 22	12	72
October 23	4	10
October 24	3	10
October 25	4	14
October 26	3	17.5
October 27	3	7
October 28	10	106.5
October 29	13	128.5
October 30	7	33
October 31	5	14.5
November 1	5	12.5
November 2	15	30.5
November 3	12	30.5
November 4	4	16
November 6	15	31.5
November 7	14	28.5
November 8	14	29
November 9	12	18
November 10	10	18.5
November 11	1	2

Notes:

1. The number of staff identified includes only those staff with overtime charges.
2. Overtime hours include double time hours.

b) Please confirm that the overtime labor rate is $79.66 for non-management staff.

Response

The overtime labour rate ranges from $65 to $85 per hour depending on the employee's cost center. Please see the response to Interrogatory 4c for the calculation of internal labour rates.

c) Please provide base salary and other components included in the regular labor rate and their respective amount;

Response

The effective cost per hour has been calculated based on productive hours only.

The regular labour rates are calculated below.

Cost Center 2201 -Metering Services

		Costs	cost per hour	% of total rate
Total Salaries	$	313,337	35.13	61%
Benefits	$	110,003	12.33	22%
Other Gen & Admin	$	67,605	7.58	13%
Vehicles	$	20,254	2.27	4%
	$	511,200	57.31	100%
		Internal Rate	$ 57.00	

Cost Center 2202 -Technical Services

		Costs	cost per hour	% of total rate
Total Salaries	$	560,873	34.81	66%
Benefits	$	196,906	12.22	23%
Other Gen & Admin	$	72,235	4.48	9%
Vehicles	$	15,285	0.95	2%
	$	845,299	52.46	100%
		Internal Rate	$ 53.50	

Cost Center 2203 -Electrical

		Costs	cost per hour	% of total rate
Total Salaries	$	339,518	37.94	62%
Benefits	$	119,195	13.32	22%
Other Gen & Admin	$	73,535	8.22	13%
Vehicles	$	12,507	1.40	2%
	$	544,755	60.87	100%
		Internal Rate	$ 60.00	

Cost Center 2204 - Fort Erie Line

		Costs	cost per hour	% of total rate
Total Salaries	$	752,905	36.02	59%
Benefits	$	264,322	12.64	21%
Other Gen & Admin	$	118,585	5.67	9%
Vehicles	$	149,715	7.16	12%
	$	1,285,527	61.50	100%

Internal Rate $ 60.00

Cost Center 2205-operations

		Costs	cost per hour	% of total rate
Total Salaries	$	281,184	40.87	70%
Benefits	$	98,715	14.35	24%
Other Gen & Admin	$	24,485	3.56	6%
	$	404,385	58.78	100%

Internal Rate $ 60.00

2401 Finance

		Costs	cost per hour	% of total rate
Total Salaries	$	590,990	36.27	77%
Benefits	$	172,845	10.61	23%
	$	763,835	46.88	100%

Internal Rate 47.00

Cost Center 2402 - IT

		Costs	cost per hour	% of total rate
Total Salaries	$	191,688	35.24	77%
Benefits	$	57,815	10.63	23%
	$	249,503	45.87	100%

Internal Rate 46.00

Cost Center 2404 Purchasing

		Costs	cost per hour	% of total rate
Total Salaries	$	124,800	33.71	77%
Benefits	$	36,942	9.98	23%
	$	161,742	43.69	100%

Internal Rate 44.00

Cost Center 2415 FE Property Maintenance

		Costs	cost per hour	% of total rate
Total Salaries	$	131,690	35.10	64%
Benefits	$	40,255	10.73	19%
Other Gen & Admin	$	14,729	3.93	7%
Vehicles	$	20,647	5.50	10%
	$	207,321	55.26	100%

Internal Rate 56.00

Cost Center 2501-Fort Erie Customer Service

		Costs	cost per hour	% of total rate
Total Salaries	$	582,969	30.47	66%
Benefits	$	206,910	10.81	23%
Other Gen & Admin	$	94,735	4.95	11%
Vehicles	$	5,347	0.28	1%
	$	889,961	46.52	100%

Internal Rate $ 48.00

Cost Center 2615 PC Customer Service

		Costs	cost per hour	% of total rate
Total Salaries	$	74,196	26.77	64%
Benefits	$	41,393	14.93	36%
	$	115,588	41.70	100%

Internal Rate 45.00

5. Ref: Appendix C/Exhibit C/Schedule A/Tab 5/Pg 4

   Please advise:

   a) why interest cost is added to the cost of damage for recovery;

      Response

      In its Decision with Reasons related to RP-2004-0117, RP-2004-0118, RP-2004-0100, RP-2004-0069 and RP-2004-0064, the Board allowed recovery of carrying costs related to certain deferral accounts. Specifically, the Board in it Decision with Reasons related to RP-2005-0020/EB-2006-0011, allowed Canadian Niagara Power Inc. (Fort Erie) to recover the balance in account 1572 plus carrying charges.

      Upon approval of the 2006 EDR and effective May 1, 2006, the balance of the account 1572 was assigned to account 1590 where it will continue to attract carrying charges at the Board's approved rate until such time that the account is cleared.

   b) if cost of storm damage is to be recovered over a two-year period, why should interest cost in the amount of $30,810 ($6162 per month) covering the period of Dec 2006 to April 2007 be included;

      Response

      The interest is applied to the cost for damage recovery due to the fact it is an extra ordinary event cost and is recorded in account 1572. According to the OEB Uniform System of Accounts "simple interest shall be calculated based on monthly opening balances in the account exclusive of accumulated interest".

      The interest is calculated beginning in December 2006 due to the fact the internal costs were incurred and third party invoices were received and recorded by December 2006 in account 1572.

6. Ref: Appendix C/Exhibit C/Schedule A/Tab 5/Pg 2

   a) Please provide, by each LDC and outside contractors, a breakdown of the cost claimed into the following components: labor, material, equipment and other costs;

      Response

      The response is being filed under separate cover.

b) Please provide copy of invoices issued to the company by the following LDCs engaged in the restoration efforts: Hydro One, Horizon Utilities, Niagara Falls Hydro, Enersource Hydro Mississauga, Cornwall Electric, Burlington Hydro-K Line Contractors and Westario Power;

Response

The response is being filed under separate cover.

c) Please provide copy of invoices issued to the company by the following outside contractors engaged in the restoration efforts: Ground Aerial Maintenance, Pineridge Tree & Lawn, Lucas Tree Experts, Emburgh's Heavy Equipment Service, Davey Tree Experts.

Response

The response is being filed under separate cover.

7. Ref: Appendix C/Exhibit C/Schedule A/Tab 5/Pg 3

a) Please provide a copy of the company's property insurance policy on its transmission and distribution systems;

Response

The response is being filed under separate cover.

b) Please provide updates on the process of the company's insurance claim in connection with the October Disaster;

Response

CNPI's insurance claim was submitted to the underwriter, FM Global, in February 2007. The Company has not yet received the insurance proceeds. FM Global visited Fort Erie during the restoration period to observe the impact of the disaster. FM Global engaged an accounting firm to review the insurance claim.

8. Ref: Appendix C/Exhibit C/Schedule D/Tab 8/Pg 1

   a) Please provide reference of "Volumetric Billing Determinant" provided in the "Derivation of Z-factor Rate Riders" table.

   Response

   The basis of the "Volumetric Billing Determinant" provided in the "Derivation of Z-factor Rate Riders" table is the OEB approved version of CNPI Fort Erie's 2006 EDR Model. The determinants used to calculate the rate riders were taken from Column M of Tab 7-1 "Allocation of Base Revenue", the 2004 customer count times the three year average consumption per customer.

   To calculate a rate rider that would recover the claimed amount over a two year period the volumetric billing determinant was multiplied by a factor of two.

9. Please provide a copy of the property damage report.

   Response

   The School Energy Coalition has specifically asked for a report that is usually prepared by the insurance adjuster detailing the damage. CNPI Fort Erie does not have any such reports in its possession at this time. CNPI Fort Erie has made a request to have the insurance adjuster provide a copy of the report, if available.