**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.-Port Colborne, for approval of electricity distribution rates to be implemented on May 1, 2007

**CANADIAN NIAGARA POWER _ PORT COLBORNE**
**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 12 publicly-funded elementary and secondary schools in the Port Colborne service territory of Canadian Niagara Power. This represents 6 accounts in the General Service Less than 50 kW category, 7 accounts in the General Service Greater than 50 kW category and 1 General Service Less than 50 kW un metered 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 $112.65 per month for electricity distribution under the current proposed 2007 rates (including the proposed Z-factor adder), an increase of 8.7% over 2006;

      **Response**

      CNPI Port Colborne confirms that this statement is correct.

   b) that a school with monthly demand of 200KW in the General Service > 50 KW would pay approximately $1091.44 per month for electricity distribution under the current proposed 2007 rates (including the proposed Z-factor adder), an increase of 0.68% over 2006;

      **Response**

      CNPI Port Colborne 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 Port Colborne does not own or operate electricity transmission facilities within its service territory,

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

   **Response**

   N/A

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

   **Response**

   N/A

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 | 8 | 30 |
| October 13 | 9 | 40.9 |
| October 14 | 19 | 157.85 |
| October 15 | 13 | 114.5 |
| October 16 | 16 | 87.5 |
| October 17 | 16 | 78.9 |
| October 18 | 16 | 80.9 |
| October 19 | 14 | 75.3 |
| October 20 | 13 | 59.1 |
| October 21 | 10 | 77 |
| October 22 | 3 | 15 |
| October 23 | 3 | 6 |
| October 25 | 3 | 6 |
| October 27 | 3 | 6 |

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 $83.86 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) if cost of storm damage is to be recovered over a one-year period, why should interest cost in the amount of $4655 ($931 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 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 Port Colborne'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.

7. 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 Port Colborne does not have any such reports in its possession at this time. CNPI Port Colborne has made a request to have the insurance adjuster provide a copy of the report, if available.