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Q: Reference: Table, Page 15.

Please provide the gross margin contributed by the industrial customers of each of the companies listed on the table on page 15.

In Dr. Cannon’s opinion are volumes or gross margin more representative of the reliance of the utility on industrial customers?

A: Dr. Cannon does not have, or have access to, the requested gross margin figures. He used the distribution volume figures because they were the only ones he could access on a reasonably consistent basis across all the firms listed on page 15.

Both volumes and gross margins are useful indicators of the mix of a distribution utility’s customer base and its “reliance” on sales to each class of customer. “Reliance” is an ambiguous term, however, so Dr. Cannon was unable to rank the two measures of customer mix in some over-arching way. For his evidence, examining the distinctions between the two measures was unnecessary to make the point that NP is relatively less susceptible to the vagaries of industrial demand than other Canadian electricity and gas distributors.