

# **Schedule 1-1-1**

## **Administration**

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**Schedule 1-1-2**

**Administration**

Application

## ONTARIO ENERGY BOARD

IN THE MATTER OF the *Ontario Energy Board Act, 1998*, S.O.1998, c.15 (Sched. B)

AND IN THE MATTER OF an application by Great Lakes Power Limited for an Order or Orders pursuant to section 78 of the *Ontario Energy Board Act, 1998* for 2007 distribution rates and related matters.

1. The Applicant, Great Lakes Power Limited ("GLPL"), is an Ontario corporation located in the City of Sault Ste. Marie. GLPL carries on the business of, among other things, owning and operating electricity distribution facilities in the vicinity of Sault Ste. Marie, Ontario.
2. GLPL hereby applies to the Ontario Energy Board (the "Board") for an Order or Orders made pursuant to Section 78 of the *Ontario Energy Board Act, 1998*, as amended, (the "OEB Act") approving just and reasonable rates for the distribution of electricity based on a 2007 forward test year.
3. The Applicant has followed the filing requirements set out in the Board's *Filing Requirements for Transmission and Distribution Applications*.
4. As indicated by GLPL's pre-filed evidence, GLPL's 2007 revenue requirement is forecasted to be \$17,576,700. Based on current distribution rates and forecasted load, GLPL forecasts a 2007 revenue deficiency of \$8,089,200.
5. GLPL is seeking Board approval for electricity distribution rates permitting the recovery of a forecasted revenue requirement of \$17,576,700.
6. GLPL requests that its current rates be made interim as of September 1, 2007.
7. GLPL requests that the proposed rates be made effective as of September 1, 2007. GLPL also requests an accounting order to establish a deferral account to record revenue requirement deficiencies incurred from September 1, 2007 until GLPL's 2007 proposed rates are implemented.

8. GLPL requests approval of the rates set out in Schedule "A" attached hereto. Rate impacts associated with these rates are set out at Schedule "B" attached hereto.
9. In addition, GLPL applies for an Order or Orders granting approval of specific distribution service charges.
10. Pursuant to Section 4(3.1) and Section 4(3.2) of the Rural and Remote Electricity Rate Protection Regulation (O. Reg 442/01) and for purposes of calculating Rural and Remote Rate Protection under such regulation, GLPL requests that the Board determine GLPL's forecasted consumer revenue for 2007 based upon the average of any adjustments to rates approved by the Board for other distributors in 2007 as determined by the Board. At the time of this Application, GLPL is not aware of a published distribution rate adjustment for 2007. As a result, for illustrative purposes GLPL has used 5%.
11. As a result of Regulation 445/07, which reclassifies all GLPL's customers, except for seasonal and street lighting, as residential customers, GLPL also seeks approval to redesign its residential rate to permit two residential rates R1 and R2. R1 will apply to all customers served at a demand level less than 50 kW per month, and R2 will apply to all customers served at a demand level greater than 50 kW per month, and metered with a demand meter.
12. There is a transitional issue that arises as a result of the reclassification and establishing R1 and R2 rates. The implementation of the reclassification and R1 and R2 rates results in the recovery of revenue less than what would have been recovered if GLPL were to implement its current customer classification and rates plus 5%. The potential shortfall on an annual basis is \$1,040,900. GLPL requests a deferral account to collect the amount of the revenue shortfall.
13. GLPL requests disbursal of a deferral account associated with the reclassification of Boniferro Mill Works, as contemplated by the Board in RP-2005-0031/EB-2005-0013. GLPL is seeking an order to disburse the deferral account by being permitted to establish a rate rider as part of the determination of final rates.

14. GLPL is applying to disburse its audited December 31, 2004 year-end balances in its Regulatory Asset accounts, with the exception of Account 1574 - Deferred Rate Impact Amounts, for which GLPL is applying to disburse its estimated balance at the time of the Board's order in this application.
15. In accordance with the Board's orders in RP-2004-0119/EB-2004-0191 and RP-2005-0013/EB-2005-0031, GLPL has been recovering amounts since April 1, 2004 to offset its Regulatory Asset balances. The amounts recovered have been appropriately recorded in Account 1590. The balance of GLPL's Account 1590 as of September 1, 2007 is estimated to be \$2,929,507.
16. The aggregated balance of GLPL's RSVA accounts as of December 31, 2004 is \$81,097. GLPL proposes to disburse its December 31, 2004 RSVA account balances by offsetting them against the recovered amounts in Account 1590. GLPL proposes that the remaining \$2,848,410 in Account 1590 be used to offset the December 31, 2004 balance of Account 1570. The balance of GLPL's Account 1570 as of December 31, 2004 is \$1,103,217. GLPL proposes that the remaining \$1,745,193 in Account 1590 be used to offset the outstanding balance of Account 1574. With respect to the recovery of the outstanding balance of Account 1574, GLPL requests the continuation of the existing regulatory asset rate riders.
17. This Application is supported by written evidence. The written evidence will be pre-filed and may be amended from time to time, prior to the Board's final decision on this Application.
18. The Applicant requests that, pursuant to Section 34.01 of the Board's *Rules of Practice and Procedure*, this proceeding be conducted by way of written hearing.
19. The Applicant requests that a copy of all documents filed with the Board in this proceeding be served on the Applicant and the Applicant's counsel, as follows:

## The Applicant:

Great Lakes Power Limited  
2 Sackville Road  
Sault Ste. Marie, Ontario  
P6B 6J6

Attention: Mr. Tim Lavoie  
General Manager  
Telephone: (705) 941-5697  
Fax: (705) 941-5600  
Email: tlavoie@glp.ca

- and -

Mr. Mark Faught  
Business Controller  
Telephone: (705) 941-5602  
Fax: (705) 941-5600  
Email: mfaught@glp.ca

## The Applicant's Counsel:

Ogilvy Renault LLP  
Suite 3800  
Royal Bank Plaza, South Tower  
200 Bay Street  
P.O. Box 84  
Toronto, Ontario M5J 2Z4

Attention: Mr. Charles Keizer  
Telephone: (416) 216-2342  
Fax: (416) 216-3930  
Email: ckeizer@ogilvyrenault.com

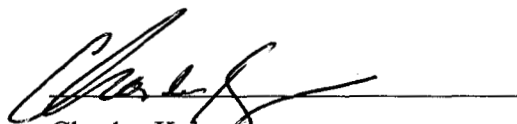
- and -

Ms. Jennifer Tuer  
Telephone: (416) 216-3993  
Fax: (416) 216-3930  
Email: jtuer@ogilvyrenault.com

DATED at Toronto, Ontario, this 31 day of August, 2007.

GREAT LAKES POWER LIMITED

By its counsel,



Charles Keizer



**Schedule A**  
**Proposed Rate Schedule**

**Proposed Rate Schedule - 2007 Future Test Year**

**RESIDENTIAL - ENERGY**

Monthly Service Charge	(per month)	\$20.97
Distribution Volumetric Rate	(per kWh)	\$0.0210
Deferral Account Rate Rider	(per kWh)	\$0.0012
Regulatory Asset Rate Rider	(per kWh)	\$0.0097

**RESIDENTIAL - DEMAND**

Monthly Service Charge	(per month)	\$612.45
Distribution Volumetric Rate	(per kW)	\$2.1000
Deferral Account Rate Rider	(per kW)	\$0.1068
Regulatory Asset Rate Rider	(per kW)	\$0.4763

**SEASONAL**

Monthly Service Charge	(per month)	\$24.00
Distribution Volumetric Rate	(per kWh)	\$0.0563
Regulatory Asset Rate Rider	(per kWh)	\$0.0097

**STREET LIGHTING**

Distribution Volumetric Rate	(per kWh)	\$0.0441
Regulatory Asset Rate Rider	(per kWh)	\$0.0039

**Schedule B**  
**Typical Rate Impacts \***

<b>Former Rate Class</b>	<b>kWh</b>	<b>kW</b>	<b>Current Total Bill</b>	<b>Total Bill - Proposed Rates</b>	<b>Total Impact (%)</b>
<b>Residential:</b>					
Low	500	-	\$73.64	\$75.74	2.9%
Typical	1,000	-	128.03	131.22	2.5%
High	1,500	-	186.55	190.85	2.3%
<b>Seasonal: **</b>					
Low	100	-	35.36	38.36	8.5%
Typical	250	-	54.46	59.91	10.0%
High	400	-	73.57	81.46	10.7%
<b>GS &lt; 50:</b>					
Low	3,000	-	404.56	369.74	-8.6%
Typical	5,000	-	662.87	608.25	-8.2%
High	10,000	-	1,308.65	1,204.53	-8.0%
<b>GS &gt; 50:</b>					
Low	10,000	50	1,576.29	1,615.80	2.5%
Typical i	20,000	100	2,569.30	2,619.14	1.9%
Typical ii	40,000	100	3,885.14	3,934.98	1.3%
High	150,000	500	13,802.93	13,935.50	1.0%
<b>Large Cust. B:</b>					
Typical	2,500,000	5,600	246,632.47	203,796.83	-17.4%
<b>Street Lights **</b>					
Typical	150	-	17.14	18.85	10.0%

\* Rate impacts demonstrated in this chart include impacts associated with distribution charges and rate riders

\*\* Seasonal and Street Light rates have been reduced by GLPL's mitigation strategy

# **Schedule 1-1-3**

## **Administration**

GLPL's Distribution Licence



# Electricity Distribution Licence

**ED-1999-0227**

**Great Lakes Power Limited**

Valid Until

December 31, 2008

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**Mark C. Garner**  
**Managing Director, Market Operations**  
**Ontario Energy Board**  
**Date of Issuance: February 28, 2003**  
**Date of Amendment: June 9, 2005**

Ontario Energy Board  
P.O. Box 2319  
2300 Yonge Street  
26th. Floor  
Toronto, ON M4P 1E4

Commission de l'Énergie de l'Ontario  
C.P. 2319  
2300, rue Yonge  
26e étage  
Toronto ON M4P 1E4

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Great Lakes Power Limited  
Electricity Distribution Licence ED-1999-0227

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## 1 Definitions

In this Licence:

**"Accounting Procedures Handbook"** means the handbook, approved by the Board which specifies the accounting records, accounting principles and accounting separation standards to be followed by the Licensee;

**"Act"** means the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, Schedule B;

**"Affiliate Relationships Code for Electricity Distributors and Transmitters"** means the code, approved by the Board which, among other things, establishes the standards and conditions for the interaction between electricity distributors or transmitters and their respective affiliated companies;

**"distribution services"** means services related to the distribution of electricity and the services the Board has required distributors to carry out, including the sales of electricity to consumers under section 29 of the Act, for which a charge or rate has been established in the Rate Order;

**"Distribution System Code"** means the code approved by the Board which, among other things, establishes the obligations of the distributor with respect to the services and terms of service to be offered to customers and retailers and provides minimum, technical operating standards of distribution systems;

**"Electricity Act"** means the *Electricity Act, 1998*, S.O. 1998, c. 15, Schedule A;

**"Licensee"** means Great Lakes Power Limited

**"Market Rules"** means the rules made under section 32 of the Electricity Act;

**"Performance Standards"** means the performance targets for the distribution and connection activities of the Licensee as established by the Board in accordance with section 83 of the Act;

**"Rate Order"** means an Order or Orders of the Board establishing rates the Licensee is permitted to charge;

**"regulation"** means a regulation made under the Act or the Electricity Act;

**"Retail Settlement Code"** means the code approved by the Board which, among other things, establishes a distributor's obligations and responsibilities associated with financial settlement among retailers and consumers and provides for tracking and facilitating consumer transfers among competitive retailers;

**“service area”** with respect to a distributor, means the area in which the distributor is authorized by its licence to distribute electricity;

**“Standard Supply Service Code”** means the code approved by the Board which, among other things, establishes the minimum conditions that a distributor must meet in carrying out its obligations to sell electricity under section 29 of the Electricity Act;

**“wholesaler”** means a person that purchases electricity or ancillary services in the IMO administered markets or directly from a generator or, a person who sells electricity or ancillary services through the IMO-administered markets or directly to another person other than a consumer.

## **2 Interpretation**

- 2.1 In this Licence, words and phrases shall have the meaning ascribed to them in the Act or the Electricity Act. Words or phrases importing the singular shall include the plural and vice versa. Headings are for convenience only and shall not affect the interpretation of the licence. Any reference to a document or a provision of a document includes an amendment or supplement to, or a replacement of, that document or that provision of that document. In the computation of time under this licence, where there is a reference to a number of days between two events, they shall be counted by excluding the day on which the first event happens and including the day on which the second event happens and where the time for doing an act expires on a holiday, the act may be done on the next business day.

## **3 Authorization**

- 3.1 The Licensee is authorized, under Part V of the Act and subject to the terms and conditions set out in this Licence:
- a) to own and operate a distribution system in the service area described in Schedule 1 of this Licence;
  - b) to retail electricity for the purposes of fulfilling its obligation under section 29 of the Electricity Act in the manner specified in Schedule 2 of this Licence; and
  - c) to act as a wholesaler for the purposes of fulfilling its obligations under the Retail Settlement Code or under section 29 of the Electricity Act.

## **4 Obligation to Comply with Legislation, Regulations and Market Rules**

- 4.1 The Licensee shall comply with all applicable provisions of the Act and the Electricity Act and regulations under these Acts, except where the Licensee has been exempted from such compliance by regulation.
- 4.2 The Licensee shall comply with all applicable Market Rules.



**5 Obligation to Comply with Codes**

5.1 The Licensee shall at all times comply with the following Codes (collectively the "Codes") approved by the Board, except where the Licensee has been specifically exempted from such compliance by the Board. Any exemptions granted to the licensee are set out in Schedule 3 of this Licence. The following Codes apply to this Licence:

- a) the Affiliate Relationships Code for Electricity Distributors and Transmitters;
- b) the Distribution System Code;
- c) the Retail Settlement Code; and
- d) the Standard Supply Service Code.

5.2 The Licensee shall:

- a) make a copy of the Codes available for inspection by members of the public at its head office and regional offices during normal business hours; and
- b) provide a copy of the Codes to any person who requests it. The Licensee may impose a fair and reasonable charge for the cost of providing copies.

**6 Obligation to Provide Non-discriminatory Access**

6.1 The Licensee shall, upon the request of a consumer, generator or retailer, provide such consumer, generator or retailer with access to the Licensee's distribution system and shall convey electricity on behalf of such consumer, generator or retailer in accordance with the terms of this Licence.

**7 Obligation to Connect**

7.1 The Licensee shall connect a building to its distribution system if:

- a) the building lies along any of the lines of the distributor's distribution system; and
- b) the owner, occupant or other person in charge of the building requests the connection in writing.

7.2 The Licensee shall make an offer to connect a building to its distribution system if:

- a) the building is within the Licensee's service area as described in Schedule 1; and
- b) the owner, occupant or other person in charge of the building requests the connection in writing.

7.3 The terms of such connection or offer to connect shall be fair and reasonable and made in accordance with the Distribution System Code, and the Licensee's Rate Order as approved by the Board.

7.4 The Licensee shall not refuse to connect or refuse to make an offer to connect unless it is permitted to do so by the *Act* or a regulation or any Codes to which the Licensee is obligated to comply with as a condition of this Licence.

## **8 Obligation to Sell Electricity**

8.1 The Licensee shall fulfill its obligation under section 29 of the Electricity Act to sell electricity in accordance with the requirements established in the Standard Supply Service Code, the Retail Settlement Code and the Licensee's Rate Order as approved by the Board.

## **9 Obligation to Maintain System Integrity**

9.1 The Licensee shall maintain its distribution system in accordance with the standards established in the Distribution System Code and Market Rules, and have regard to any other recognized industry operating or planning standards adopted by the Board.

## **10 Market Power Mitigation Rebates**

10.1 The Licensee shall comply with the pass through of Ontario Power Generation rebate conditions set out in Appendix A of this Licence.

## **11 Distribution Rates**

11.1 The Licensee shall not charge for connection to the distribution system, the distribution of electricity or the retailing of electricity to meet its obligation under section 29 of the Electricity Act except in accordance with a Rate Order of the Board.

## **12 Separation of Business Activities**

12.1 The Licensee shall keep financial records associated with distributing electricity separate from its financial records associated with transmitting electricity or other activities in accordance with the Accounting Procedures Handbook and as otherwise required by the Board.

## **13 Expansion of Distribution System**

13.1 The Licensee shall not construct, expand or reinforce an electricity distribution system or make an interconnection except in accordance with the Act and Regulations, the Distribution System Code and applicable provisions of the Market Rules.

- 13.2 In order to ensure and maintain system integrity or reliable and adequate capacity and supply of electricity, the Board may order the Licensee to expand or reinforce its distribution system in accordance with Market Rules and the Distribution System Code, or in such a manner as the Board may determine.

**14 Provision of Information to the Board**

- 14.1 The Licensee shall maintain records of and provide, in the manner and form determined by the Board, such information as the Board may require from time to time.
- 14.2 Without limiting the generality of paragraph 14.1 the Licensee shall notify the Board of any material change in circumstances that adversely affects or is likely to adversely affect the business, operations or assets of the Licensee as soon as practicable, but in any event no more than twenty (20) days past the date upon which such change occurs.:

**15 Restrictions on Provision of Information**

- 15.1 The Licensee shall not use information regarding a consumer, retailer, wholesaler or generator obtained for one purpose for any other purpose without the written consent of the consumer, retailer, wholesaler or generator.
- 15.2 The Licensee shall not disclose information regarding a consumer, retailer, wholesaler or generator to any other party without the written consent of the consumer, retailer, wholesaler or generator, except where such information is required to be disclosed:
- a) to comply with any legislative or regulatory requirements, including the conditions of this Licence;
  - b) for billing, settlement or market operations purposes;
  - c) for law enforcement purposes; or
  - d) to a debt collection agency for the processing of past due accounts of the consumer, retailer, wholesaler or generator.
- 15.3 The Licensee may disclose information regarding consumers, retailers, wholesalers or generators where the information has been sufficiently aggregated such that their particular information cannot reasonably be identified.
- 15.4 The Licensee shall inform consumers, retailers, wholesalers and generators of the conditions under which their information may be released to a third party without their consent.
- 15.5 If the Licensee discloses information under this section, the Licensee shall ensure that the information provided will not be used for any other purpose except the purpose for which it was disclosed.

**16 Customer Complaint and Dispute Resolution**

16.1 The Licensee shall:

- a) have a process for resolving disputes with customers that deals with disputes in a fair, reasonable and timely manner;
- b) publish information which will make its customers aware of and help them to use its dispute resolution process;
- c) make a copy of the dispute resolution process available for inspection by members of the public at each of the Licensee's premises during normal business hours;
- d) give or send free of charge a copy of the process to any person who reasonably requests it; and
- e) subscribe to and refer unresolved complaints to an independent third party complaints resolution service provider selected by the Board. This condition will become effective on a date to be determined by the Board. The Board will provide reasonable notice to the Licensee of the date this condition becomes effective.

**17 Term of Licence**

17.1 This Licence shall take effect on February 28, 2003 and expire on December 31, 2008. The term of this Licence may be extended by the Board.

**18 Fees and Assessments**

18.1 The Licensee shall pay all fees charged and amounts assessed by the Board.

**19 Communication**

19.1 The Licensee shall designate a person that will act as a primary contact with the Board on matters related to this Licence. The Licensee shall notify the Board promptly should the contact details change.

19.2 All official communication relating to this Licence shall be in writing.

19.3 All written communication is to be regarded as having been given by the sender and received by the addressee:

- a) when delivered in person to the addressee by hand, by registered mail or by courier;

- b) ten (10) business days after the date of posting if the communication is sent by regular mail; and
- c) when received by facsimile transmission by the addressee, according to the sender's transmission report.

**20 Copies of the Licence**

**20.1 The Licensee shall:**

- a) make a copy of this Licence available for inspection by members of the public at its head office and regional offices during normal business hours; and
- b) provide a copy of this Licence to any person who requests it. The Licensee may impose a fair and reasonable charge for the cost of providing copies.

**SCHEDULE 1            DEFINITION OF DISTRIBUTION SERVICE AREA**

This Schedule specifies the area in which the Licensee is authorized to distribute and sell electricity in accordance with condition 8.1 of this Licence.

1.     The Licensee is licensed in respect to the geographic area comprised of the following list of townships:

Memaskwosh	Wishart	Miskokomon
Alanen	Herrick	Dulhut
Charbonneau	Tilley	Nebon
Dahl	Marne	Laronde
Dumas	Havilland	Redsky
Finan	Shields	Allouez
Riggs	Kars	Stone
Rennie	Vankoughnet	Alaire
Keating	Hodgins	Barager
Knically		Bray
Leclaire	Aweres	Broome
Aguonie	Anderson	Goodwillie
Bruyere		Grootenboer
Legarde Add'l	Garden River Reserve IR14	Labonte
Levesque	Chesley Add'l	Peever
Menzies	Aberdeen	Raaflaub
Corbiere		Smilsky
Debassige	Tarbutt & Tarbutt Add'l	Tronsen
Echum	Plummer Add'l	Nicolet
Warpula	Rose	Olsen
Michipicoten	St. Joseph	Palmer
Fiddler	Jocelyn	Brule
Keesickquayash	Ashley	Fisher
Groseilliers	Chapais	Archibald
Bostwick	Dambrossio	Ley
Lastheels		Tupper
Michano	Jacobson	Gaudette
Nadjiwon	West	Fenwick
Rabazo	Stover	Deroche

Great Lakes Power Limited  
Electricity Distribution Licence ED-1999-0227

Nebonaionquet	Killins	Whitman
Peterson	Lalibert	Pennefather
Restoule	Abotossaway	Jarvis
Tiernan	Bird	Chesley
Stoney	Copenace	Noganosh
Asselin	Legarde	Pawlis
Barnes	Macaskill	Quill
Brimacombe	Musquash	Giles
Bullock	Cowie	Rix
Greenwood	Dolson	Duncan
Labelle	St. Germain	Kehoe
Larson	Andre	MacDonald, Meredith & Aberdeen Add'l
Home	Esquega	Galbraith
Slater	Isaac	Laird
Tolmonen	Laforme	Johnson
Kincaid	Franchere	
Norberg	Michipicoten	Hilton
Ryan	Maness	Morin

2. Concessions 3, 4 and 5 of the Township of Dennis;
3. Approximately forty (40) square kilometres at the western limit of the former Township of Thessalon;
4. 5 rural customers in Kirkwood Township supplied off two short line taps into the Township;
5. Plus the following locations within the City of Sault Ste. Marie:
  - (a) 45 Third Line West as at March 14, 2003, excluding those areas of land within 45 Third Line West that are serviced by PUC Distribution Inc. (PUC) as identified in PUC's distribution licence, those being:
    - the areas of land on which the facilities on the northeast corner of 45 Third Line West are located, namely the "gatehouse" and "office";
  - (b) 77 Third Line West as at July 9, 2004;

Great Lakes Power Limited  
Electricity Distribution Licence ED-1999-0227

- (c) 3 Sackville Road;
- (d) 150 Conmee Avenue;
- (e) 429 Hudson Street, excluding those areas within 429 Hudson Street that are serviced by PUC as identified in PUC's distribution licence, those being:
  - (i) the area of land on which the facility near the northwest corner of Hudson Street and Wellington Street West is located, namely the "yard office";
  - (ii) the area of land on which the facility near the junction of Hudson Street and St. George Avenue West is located, namely the "skimmer shack";  
and
  - (iii) the area of land on which the railroad crossing signals are located, near the junction of Hudson Street and St. Andrew Terrace; and
- (g) 2 Sackville Road.

The service area excludes the following locations west of Thessalon on the north side of Hwy.17 which are supplied by Hydro One Networks Inc.:

- (a) 12564 Highway 17 West
- (b) 12600 Highway 17 West



**SCHEDULE 2      PROVISION OF STANDARD SUPPLY SERVICE**

This Schedule specifies the manner in which the Licensee is authorized to retail electricity for the purposes of fulfilling its obligation under section 29 of the Electricity Act.

The Licensee is authorized to retail electricity directly to consumers within its service area in accordance with condition 8.1 of this Licence, any applicable exemptions to this Licence, and at the rates set out in the Rate Orders.

**SCHEDULE 3 LIST OF CODE EXEMPTIONS**

This Schedule specifies any specific Code requirements from which the licensee has been exempted.

The Licensee is exempt from the requirements of section 2.5.3 of the Standard Supply Service Code with respect to the price for small volume/residential consumers, subject to the Licensee offering an equal billing plan as described in its application for exemption from Fixed Reference Price, and meeting all other undertakings and material representations contained in the application and the materials filed in connection with it.

## APPENDIX A MARKET POWER MITIGATION REBATES

### 1. Definitions and Interpretations

In this Licence

“embedded distributor” means a distributor who is not a market participant and to whom a host distributor distributes electricity;

“embedded generator” means a generator who is not a market participant and whose generation facility is connected to a distribution system of a distributor, but does not include a generator who consumes more electricity than it generates;

“host distributor” means a distributor who is a market participant and who distributes electricity to another distributor who is not a market participant.

In this Licence, a reference to the payment of a rebate amount by the IMO includes interim payments made by the IMO.

### 2. Information Given to IMO

- a Prior to the payment of a rebate amount by the IMO to a distributor, the distributor shall provide the IMO, in the form specified by the IMO and before the expiry of the period specified by the IMO, with information in respect of the volumes of electricity withdrawn by the distributor from the IMO controlled grid during the rebate period and distributed by the distributor in the distributor's service area to:
  - i consumers served by a retailer where a service transaction request as defined in the Retail Settlement Code has been implemented; and
  - ii consumers other than consumers referred to in clause (i) who are not receiving the fixed price under sections 79.4 and 79.5 of the *Ontario Energy Board Act, 1998*.
- b Prior to the payment of a rebate amount by the IMO to a distributor which relates to electricity consumed in the service area of an embedded distributor, the embedded distributor shall provide the host distributor, in the form specified by the IMO and before the expiry of the period specified in the Retail Settlement Code, with the volumes of electricity distributed during the rebate period by the embedded distributor's host distributor to the embedded distributor net of any electricity distributed to the embedded distributor which is attributable to embedded generation and distributed by the embedded distributor in the embedded distributor's service area to:
  - i consumers served by a retailer where a service transaction request as defined in the Retail Settlement Code has been implemented; and

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- ii consumers other than consumers referred to in clause (i) who are not receiving the fixed price under sections 79.4 and 79.5 of the *Ontario Energy Board Act, 1998*.
  
- c Prior to the payment of a rebate amount by the IMO to a distributor which relates to electricity consumed in the service area of an embedded distributor, the host distributor shall provide the IMO, in the form specified by the IMO and before the expiry of the period specified by the IMO, with the information provided to the host distributor by the embedded distributor in accordance with section 2.

The IMO may issue instructions or directions providing for any information to be given under this section. The IMO shall rely on the information provided to it by distributors and there shall be no opportunity to correct any such information or provide any additional information and all amounts paid shall be final and binding and not subject to any adjustment.

For the purposes of attributing electricity distributed to an embedded distributor to embedded generation, the volume of electricity distributed by a host distributor to an embedded distributor shall be deemed to consist of electricity withdrawn from the IMO-controlled grid or supplied to the host distributor by an embedded generator in the same proportion as the total volume of electricity withdrawn from the IMO-controlled grid by the distributor in the rebate period bears to the total volume of electricity supplied to the distributor by embedded generators during the rebate period.

### 3. Pass Through of Rebate

A distributor shall promptly pass through, with the next regular bill or settlement statement after the rebate amount is received, any rebate received from the IMO, together with interest at the Prime Rate, calculated and accrued daily, on such amount from the date of receipt, to:

- a retailers who serve one or more consumers in the distributor's service area where a service transaction request as defined in the Retail Settlement Code has been implemented;
- b consumers who are not receiving the fixed price under sections 79.4 and 79.5 of the *Ontario Energy Board Act, 1998* and who are not served by a retailer where a service transaction request as defined in the Retail Settlement Code has been implemented; and
- c embedded distributors to whom the distributor distributes electricity.

The amounts paid out to the recipients listed above shall be based on energy consumed and calculated in accordance with the rules set out in the Retail Settlement Code. These payments may be made by way of set off at the option of the distributor.

If requested in writing by OPGI, the distributor shall ensure that all rebates are identified as coming from OPGI in the following form on or with each applicable bill or settlement statement:

"ONTARIO POWER GENERATION INC. rebate"

Any rebate amount which cannot be distributed as provided above or which is returned by a retailer to the distributor in accordance with its licence shall be promptly returned to the host distributor or

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IMO as applicable, together with interest at the Prime Rate, calculated and accrued daily, on such amount from the date of receipt.

Nothing shall preclude an agreement whereby a consumer assigns the benefit of a rebate payment to a retailer or another party.

Pending pass-through or return to the IMO of any rebate received, the distributor shall hold the funds received in trust for the beneficiaries thereof in a segregated account.

**Schedule 1-1-4**

**Administration**

Contact Information

**CONTACT INFORMATION**

The Applicant:

Great Lakes Power Limited  
2 Sackville Road  
Sault Ste. Marie, Ontario  
P6B 6J6

Attention:

Mr. Tim Lavoie  
General Manager  
Telephone: (705) 941-5697  
Fax: (705) 941-5600  
Email: tlavoie@glp.ca

Mr. Mark Faught  
Business Controller  
Telephone: (705) 941-5602  
Fax: (705) 941-5600  
Email: mfaught@glp.ca

The Applicant's Counsel:

Ogilvy Renault LLP  
Suite 3800  
Royal Bank Plaza, South Tower  
200 Bay Street  
P.O. Box 84  
Toronto, Ontario M5J 2Z4

Attention:

Mr. Charles Keizer  
Telephone: (416) 216-2342  
Fax: (416) 216-3930  
Email: ckeizer@ogilvyrenault.com

-and-

Ms. Jennifer Tuer  
Telephone: (416) 216-3993  
Fax: (416) 216-3930  
Email: jtuer@ogilvyrenault.com

# **Schedule 1-1-5**

## **Administration**

List of Specific Approvals Requested



**LIST OF SPECIFIC APPROVALS REQUESTED**

Specifically, GLPL applies for an Order or Orders granting approval of:

- a. proposed rates established based on a revenue requirement of \$17,576,700, effective September 1, 2007;
- b. current base rates to be made interim as of September 1, 2007;
- c. an accounting order to establish a deferral account to record deficiencies from September 1, 2007 until proposed rates are implemented;
- d. specific service charges;
- e. the Board to determine the average of any adjustments to rates approved by the Board for other distributors in 2007;
- f. approval to redesign the Residential class to permit two residential rates (demand and energy);
- g. an accounting order to establish a deferral account to record deferred rate impacts associated with any mitigation plan adopted by the Board for Seasonal customers;
- h. an accounting order to establish a deferral account to record deferred transitional revenue shortfalls;
- i. disbursal of the balance of a deferral account forecasted relating to Boniferro Mill Works, as contemplated by the Board in RP-2005-0031/EB-2005-0013;
- j. recovery of Regulatory Asset accounts as of December 31, 2004 (RSVA Accounts, Account 1570 and Account 1590) through the balance of Account 1590;

- 1 k. partial recovery of Account 1574 balance as of the date of the Board's order  
2 in this application from the remaining balance of Account 1590 and through  
3 continuation of existing rate riders; and
- 4 l. an order continuing the existing regulatory asset rate riders.
- 5

# **Schedule 1-1-6**

## **Administration**

### Proposed Issues List

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**PROPOSED ISSUES LIST**

1. Calculation of Distribution Rate Base for the Test Years
  - a. Capital Expenditures 2005
    - i. The ROW Expansion Project
    - ii. The High-Risk Conductor Replacement Program
  - b. Capital Expenditures 2006
  - c. Capital Expenditures 2007
  - d. Working Cash Allowance
2. Distribution Operating Cost For the Test Years
  - a. Operations, Maintenance & Administration
  - b. Depreciation and Amortization
  - c. Capital, Property and Income Taxes
3. Operating Revenue
  - a. Throughput Revenue
  - b. Other Revenue
4. Deferral and Variance Accounts
5. Distribution Cost of Capital For the Test Years
  - a. Capital Structure
  - b. Cost of Debt
  - c. Cost of Equity

1

2       6. Rate Recovery of Revenue Requirement

3             a. RRRP Payment

4             b. Residential Rates

5             c. Seasonal

6             d. Street Lighting

7       7. Regulatory Assets

# **Schedule 1-1-7**

## **Administration**

Procedural Orders/  
Correspondence/Notices

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3

**PROCEDURAL ORDERS/CORRESPONDENCE/NOTICES**

4

5 Please see the attached for all procedural orders, correspondence and notices related to this  
6 distribution rate application.

**Schedule 1-1-8**

**Administration**

Accounting Orders



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**ACCOUNTING ORDERS**

Please refer to Exhibit 5, Tab 1, Schedule 1 for further details regarding the deferral account order related to Boniferro Mill Works.

# **Schedule 1-1-9**

## **Administration**

List of Non-Compliance with USofA

1  
2  
3

**NON-COMPLIANCE WITH USofA**

GPL is not aware of any non-compliance with the USofA.

# **Schedule 1-1-10**

## **Administration**

Maps of GLPL's Distribution System

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**MAPS OF GLPL DISTRIBUTION SYSTEM**

3

4 Map "AB-10000, GLP Area Overview" contains a legend to provide context as to the location of  
5 the rest of the maps included with respect to the GLPL Distribution System. An index of these  
6 maps is set out below.

7 Please refer to the legend to determine the location of land areas depicted on the other maps of  
8 GLPL's Distribution System.

<b>Map No.</b>	<b>Description</b>
AB-10000	GLP Area Overview
DG-30106	Town of Wawa
DG-30110	Wawa Michipicoten
DG-30249	Hawk Junction, Goudreau, Lochalsh, Missinabie
DG-30305	Montreal River Area
DG-30444	Goulais Bay Area
DG-30445	Batchawana Bay Area
DG-35203	Garden River & Bar River Areas
DG-35204	Desbarats & Bruce Mines Areas
DG-35205	St. Joseph's Island

9

10

# **Schedule 1-1-11**

## **Administration**

List of Neighbouring Utilities

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2

**List of Neighbouring Utilities**

3

4

- PUC Distribution Inc. (ED-2002-0546)

5

- Hydro One Networks Inc. (ED-2003-0043)

6

7

# **Schedule 1-1-12**

## **Administration**

Explanation of Any Host or  
Embedded Utilities



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**Explanation of Any Host or Embedded Utilities**

Dubreuil Forest Products Ltd. is a licensed distributor (ED-2003-0092) that is served by GLPL's distribution business.

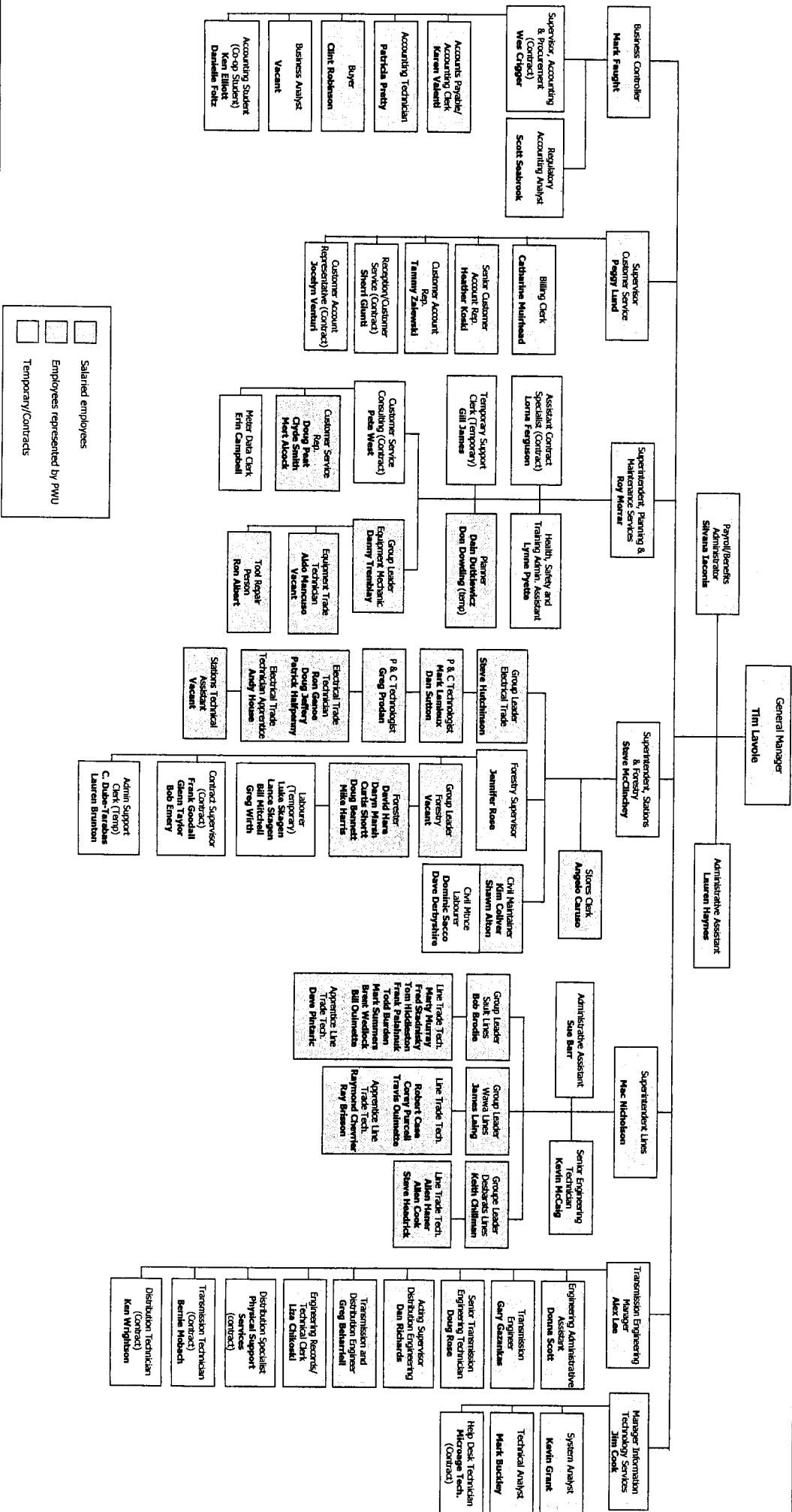
# **Schedule 1-1-13**

## **Administration**

### Utility Organizational Chart

# Great Lakes Power

July 2007



Salaried employees  
 Employees represented by PWU  
 Temporary/Contracts

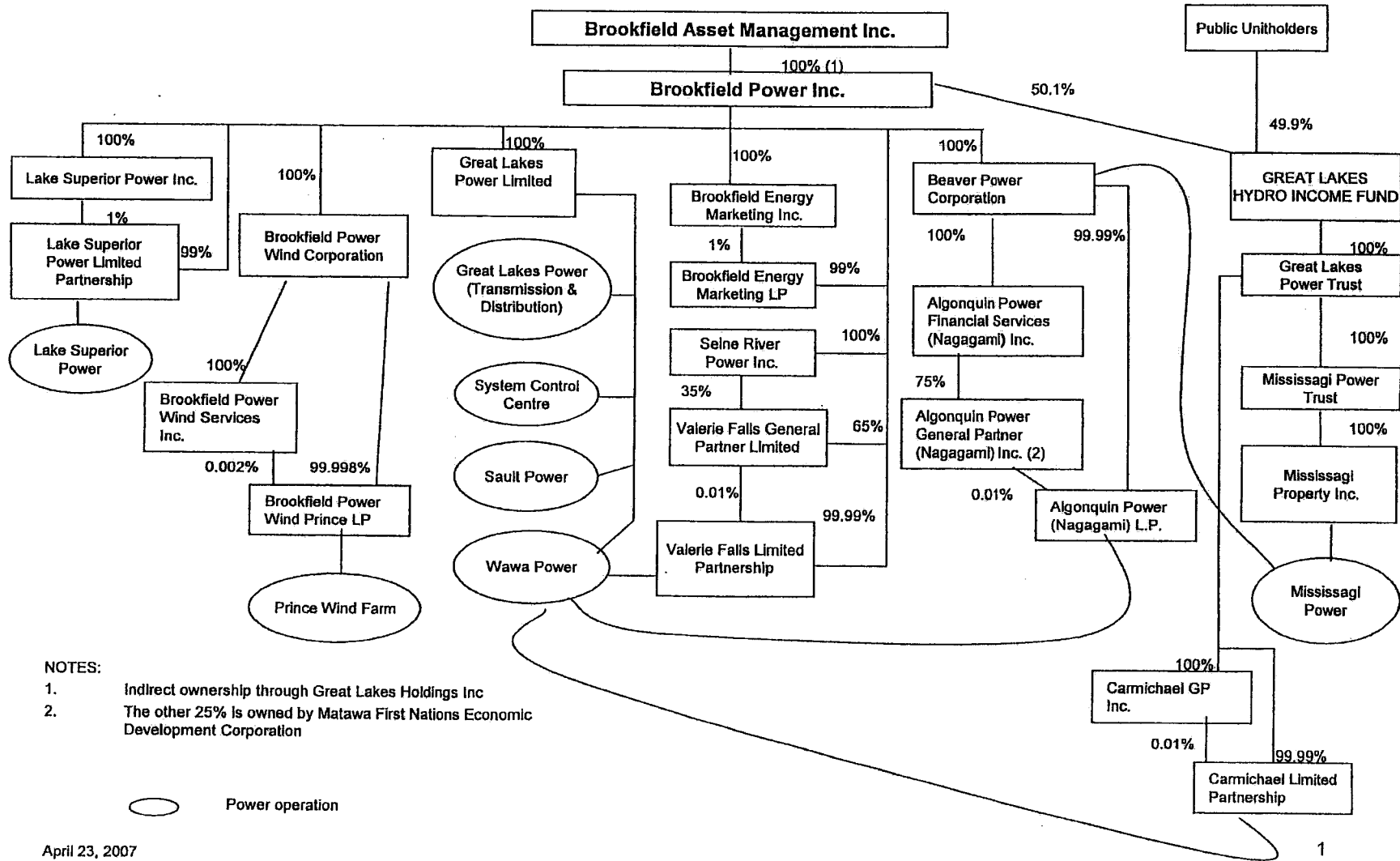
# **Schedule 1-1-14**

## **Administration**

### Corporate Entities Relationships Chart

# BROOKFIELD POWER GROUP

## ONTARIO OPERATIONS - CORPORATE STRUCTURE



**NOTES:**

1. Indirect ownership through Great Lakes Holdings Inc
2. The other 25% is owned by Matawa First Nations Economic Development Corporation

○ Power operation

1  
2 **DESCRIPTION OF GLPL'S ONTARIO ELECTRICITY SECTOR AFFILIATES**  
3  
4

5 Brookfield Asset Management Inc. ("BAM")

6 Brookfield Asset Management Inc. (NYSE/TSX:BAM), focused on property, power and  
7 infrastructure assets, has over \$70 billion of assets under management and is co-listed on  
8 the New York and Toronto Stock Exchanges under the symbol BAM.  
9

10 Address:

11 BCE Place, Suite 300  
12 181 Bay Street  
13 Toronto, Ontario  
14 M5J 2T3  
15 Phone: 416-363-9491  
16 Fax: 416-365-9642  
17

18 Brookfield Power Inc. ("Brookfield Power")

19 A subsidiary of Brookfield Asset Management Inc., Brookfield Power owns and operates  
20 through its subsidiaries 140 hydroelectric power generating stations and 1 pumped  
21 storage facility located on 50 river systems, 1 wind farm, 2 thermal plants and  
22 transmission and distribution assets, principally in the northeastern North America and  
23 South America with a total installed capacity of almost 3,800 MW. Some of its assets are  
24 owned through Great Lakes Hydro Income Fund, a publicly traded reporting issuer on the  
25 Toronto Stock Exchange (symbol: GLH.UN).  
26

27 Address:

28 480 de la Cité Boulevard  
29 Gatineau, Québec  
30 J8T 8R3  
31 Phone: 819-561-2722  
32 Fax: 819-561-7188  
33

1

2 Brookfield Energy Marketing Inc. ("BEMI")

3 BEMI, located in Gatineau, Quebec, is wholly owned by Brookfield Power and conducts  
4 Brookfield Power's wholesale energy marketing business in Canada and the United  
5 States. It manages the scheduling of Brookfield Power's generating assets, sells power  
6 into the applicable wholesale electricity markets and enters into short-term financial  
7 contracts and PPAs on behalf of the relevant entities. BEMI is a licensed energy  
8 wholesale marketer and retailer under OEB licenses EW-2005-0471 and ER-2005-0440.

9

10 Address:

11 480 de la Cité Boulevard

12 Gatineau, Québec

13 J8T 8R3

14 Phone: 819-561-2722

15 Fax: 819-561-7188

16

17

18 Brookfield Power Wind Prince LP ("BPWP LP")

19 BPWP LP owns the Prince Wind Energy Project, a wind farm west of Sault Ste. Marie  
20 located in the townships of Dennis, Pennefather, Korah, Aweres and Prince, in the  
21 District of Algoma in the Province of Ontario. It is a licensed electricity generator (EG-  
22 2006-0130).

23

24 Address:

25 Ontario Wind Operations

26 400 Allen Side Road

27 Sault Ste. Marie, Ontario

28 P6A 6K4

29 Phone: 705-941-5659

30 Fax: 705-946-5574

31

32

33 Brookfield Power Wind Corporation ("Brookfield Wind")

34 Brookfield Wind has been actively involved in the development of wind power projects  
35 in Ontario for many years. It currently holds a 99.998% limited partnership interest in  
36 Brookfield Power Wind Prince LP described above. Brookfield Wind is a licensed  
37 electricity generator (EG-2004-0426).

38

39 Address:

40 480 de la Cité Boulevard

41 Gatineau, Québec

42 J8T 8R3

43 Phone: 819-561-2722

44 Fax: 819-561-7188

1  
2 Valerie Falls General Partner Limited (“Valerie GP”)  
3 Valerie GP is the general partner of Valerie Falls Limited Partnership (“Valerie LP”), a  
4 limited partnership formed to develop a 10 MW hydroelectric station on the Seine River  
5 at Valerie Falls, three miles north of Atikokan in northwestern Ontario. Valerie GP is a  
6 licensed generator on behalf of Valerie LP pursuant to license EG-2003-0177.  
7 Brookfield Power holds a 65% controlling interest in Valerie GP. The other 35% interest  
8 in Valerie GP is held by Seine River Power Inc. (“Seine”), a wholly owned subsidiary of  
9 Brookfield Power. Valerie LP is held 99.99% by Brookfield Power and 0.01% by  
10 Valerie GP.

11  
12 Address:  
13 Wawa Hydro Operations  
14 105 Mills Drive, P.O. Box 320  
15 Wawa, Ontario  
16 P0S 1K0  
17 Phone: 705-856-2632  
18 Fax: 705-856-1338

19  
20 Mississagi Power Trust (“MPT”)  
21 MPT generates electricity through four hydroelectric facilities: the Aubrey Falls  
22 Generating Station, the George W. Rayner Generating Station, the Wells Generating  
23 Station and the Red Rock Falls Generating Station. It is owned by Brookfield Power’s  
24 publicly traded subsidiary, Great Lakes Hydro Income Fund. MPT is a licensed  
25 generator pursuant to OEB license EG-2002-0276.

26  
27 Address:  
28 Mississagi Operations  
29 R.R. #3, 4917 Highway 129  
30 Thessalon, Ontario  
31 P0R 1L0  
32 Phone: 705-842-3377  
33 Fax: 705-842-2086



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Lake Superior Power Inc. (“LSPI”)

LSPI’s cogeneration facility is located in Sault Ste. Marie, Ontario. Lake Superior Power Limited Partnership (“Lake Superior Power LP”) is a limited partnership formed to develop and operate a 110 MW natural gas-fired cogeneration plant in Sault Ste. Marie, Ontario. Brookfield Power is the sole limited partner in the Lake Superior Power LP. The general partner is LSPI, which holds a 1% interest in the project. Brookfield Power is the sole shareholder of LSPI. LSPI is a licensed generator on behalf of Lake Superior Power LP pursuant to OEB license EG-2003-0176.

Address:

Lake Superior Operations  
102 West Street, P.O. Box 1198  
Sault Ste. Marie, Ontario  
P6A 5N7  
Phone: 705-942-8804  
Fax: 705-942-8939

Beaver Power Corporation (“Beaver Power”)

The hydroelectric facilities of Beaver Power are located in northern Ontario. Beaver Power directly and indirectly owns three run-of-river hydro-electric generating facilities. It directly owns the Serpent River Project (7 MW) and the Aux Sables Project (4 MW). It also holds a 99.99% limited partnership interest in Algonquin Power (Nagagami) Limited Partnership (“Algonquin LP”) which owns the Nagagami Project (19 MW). The remaining 0.01% of Algonquin LP is held by Algonquin Power General Partner (Nagagami) Inc. (“Algonquin GP”), which is 75% held by Algonquin Power Financial Services (Nagagami) Inc., which is a wholly owned subsidiary of Beaver Power. The balance of Algonquin GP is held by the Matawa First Nations Economic Development Corporation.

Beaver Power and Algonquin LP are licensed generators pursuant respectively to licenses EG-2002-0408 and EG-2006-0072.

Address (Serpent River & Aux Sables Projects): Mississagi Operations R.R. #3, 4917 Highway 129 Thessalon, Ontario P0R 1L0 Phone: 705-842-3377 Fax: 705-842-2086	Address (Nagagami Project): Wawa Hydro Operations 105 Mills Drive, P.O. Box 320 Wawa, Ontario P0S 1K0 Phone: 705-856-2632 Fax: 705-856-1338
---	---

35

1

2 Carmichael Limited Partnership ("Carmichael LP")

3 The hydroelectric facility of Carmichael LP is located in northern Ontario. Carmichael  
4 LP directly owns Carmichael Falls, a 20 MW generating station on Groundhog River.  
5 Carmichael LP is held 99.99% by Great Lakes Power Trust ("GLPT"), a wholly-owned  
6 subsidiary of Great Lakes Hydro Income Fund, and 0.01% by its general partner,  
7 Carmichael GP Inc., which is also wholly-owned by GLPT. Carmichael LP is a licensed  
8 generator pursuant to license EG-2006-0070.

9 Address:

10 Wawa Hydro Operations  
11 105 Mills Drive, P.O. Box 320  
12 Wawa, Ontario  
13 P0S 1K0  
14 Phone: 705-856-2632  
15 Fax: 705-856-1338

16

17

18 Brookfield Energy Marketing LP ("BEMLP")

19 Brookfield Energy Marketing LP ("BEMLP"), located in Gatineau, Quebec, is a limited  
20 partnership which acts in the same capacity as BEMI. Brookfield Power is its sole limited  
21 partner holding a 99.999% interest and BEMI is its general partner with a 0.001%  
22 interest.

23

24 BEMLP is a licensed energy wholesale marketer under OEB license EW-2005-0300.

25

26 Address:

27 480 de la Cité Boulevard  
28 Gatineau, Québec  
29 J8T 8R3  
30 Phone: 819-561-2722  
31 Fax: 819-561-7188

32

# **Schedule 1-1-15**

## **Administration**

Planned Changes in Corporate or  
Operational Structure

1           **PLANNED CHANGES IN CORPORATE OR OPERATIONAL STRUCTURE**

2  
3  
4           On June 4, 2007 Great Lakes Power Limited (“GLPL”), Great Lakes Power Transmission  
5           LP (“GLPTLP”) and Great Lakes Power Transmission Inc. (“GLPT”) filed an application  
6           with the Ontario Energy Board related to the transfer of the transmission facilities of  
7           GLPL to GLPTLP.

8           This single transaction triggers a series of legislative provisions under the *Ontario Energy*  
9           *Board Act, 1998*, that are set out in the relief sought in the application. The various forms  
10          of the relief sought in the application are:

- 11           1.       For an Order granting GLPL leave to transfer to GLPTLP: (i) its transmission  
12                    system in its entirety; (ii) its current Transmission Rate Order dated December  
13                    8, 2005; and (iii) its Leave to Construct Order from RP-2003-0120/EB-2003-  
14                    0162;
- 15           2.       An Application by GLPT (general partner of GLPTLP) on behalf of GLPTLP  
16                    for a license to own and operate a transmission system; and
- 17           3.       An Application by GLPL to amend its transmission license to allow GLPL to  
18                    continue as an operator of a transmission system.

19          Also included within the application is a Notice of Proposal pursuant to Section 81.

20

# **Schedule 1-1-16**

## **Administration**

### Status of Board Directives

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**STATUS OF BOARD DIRECTIVES**

There are no outstanding Board directives issued to GLPL's distribution business.

# **Schedule 1-1-17**

## **Administration**

Company Policies and Regulations/  
Service Charges

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2

**COMPANY POLICIES AND REGULATIONS/SERVICE CHARGES**

3

Please find attached the following GLPL Conditions of Service that were filed with the Compliance Office on June 15, 2007.

4

5

The following Specific Service Charges as approved by Ontario Energy Board order dated May 13, 2002; and

6

7

○ Late Payment (per month) 1.50%

8

○ Late Payment (per annum) 19.56%

9

○ Returned Cheque \$20.00

10

○ Collection of Account Charge \$40.00

11

○ Reconnection During Regular Hours \$50.00

12

○ Reconnection After Regular Hours \$120.00

13

○ Meter Dispute Trip \$17.50

14

○ Meter Glass Replacement \$15.00

15

○ Special Read \$10.00

16

GLPL has requested approval of the service charges set out at Exhibit 3, Tab 3, Schedule 2.



# **Schedule 1-1-18**

## **Administration**

Changes in Policies and Regulations

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2

**CHANGES IN POLICIES AND REGULATIONS**

3

The following changes have been made to GLPL policies and regulations:

4

- The GLPL Conditions of Service have been revised to reflect recent amendments to Ontario Energy Board regulatory documents including the Distribution System Code; and

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6

- Please see Exhibit 3, Tab 3, Schedule 1 and Exhibit 3, Tab 3, Schedule 2 for the service charges GLPL is requesting approval for as part of this rate application.

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# **GREAT LAKES POWER**

## **Distribution Customers**

**Great Lakes** Power



**Conditions of Service**

**June 2007**



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## 1.0 INTRODUCTION

These Conditions of Service describe Great Lakes Power (GLP) operating practices and connection policies and set out the terms and conditions upon which GLP offers and the Customer accepts Distribution Services.

Your safety and the safety of others are of primary concern to Great Lakes Power. As such, these Conditions of Service do not authorize or encourage any person or entity including, but not limited to, a Customer, a Customer's officers, directors, agents and/or employees and successors and assigns to engage in any activity that may cause personal injury or damage to property including, but not limited to, property belonging to Great Lakes Power, a Customer or any other party. Great Lakes Power, its officers, directors, agents and/or employees and successors and assigns are not responsible for any damages, claims, liabilities, costs, demands, actions, expenses or compensation that may arise from these Conditions of Service. If you have any questions regarding these Conditions of Service, please contact GLP's Customer Service.

Terms contained in these Conditions of Service or in any contract for the supply of electricity by GLP shall not prejudice or affect any rights, privileges, or powers vested in GLP by law under any Act of Legislature of Ontario or the Parliament of Canada, or any Regulations there under. Public Works on a highway is a higher hierarchy.

The definitions of terms used in these Conditions of Service appear in section 4.0. GLOSSARY OF TERMS used in these Conditions of Service have the meaning ascribed in that section.

## 1.1 IDENTIFICATION OF DISTRIBUTOR AND SERVICE AREA

GLP is an electricity distributor licensed by the Board to distribute electricity pursuant to Part V of the *Ontario Energy Board Act, 1998*. In accordance with its electricity distribution license, GLP owns and operates its Distribution System in the service area described therein. Schedule 1 of GLP's Distribution License, ED-1999-0227, describes GLP's service area as consisting of 1701 km of lines with voltages ranging from 2.4 KV up to 44 KV. In addition, there are 15 distribution supply points from the GLP's transmission system and 14 sub-transmission distribution sub-stations. GLP's service territory is mainly rural outside the City of Sault Ste. Marie and extends 93 km east and approximately 255 km north. GLP's Distribution System covers an area of approximately 14,200 square kilometers in a remote area of northern Ontario.

## 1.2 RELATED CODES AND GOVERNING LAWS

The supply of electricity or related services by GLP to any Customer shall be subject to various laws, Regulations, and Codes, including the provisions of the latest editions of the following documents:

1. Electricity Act, 1998
2. Ontario Energy Board Act,
3. Distribution License
4. Affiliate Relationships Code
5. Transmission System Code
6. Distribution System Code;
7. Retail Settlement Code; and
8. Standard Service Supply Code.

In the event of a conflict between this document and the Distribution License or regulatory Codes issued by the Ontario Energy Board, the Electricity Act, 1998 (the "Act"), the provisions of the Act, the Distribution License and associated regulatory Codes shall prevail in the order of priority indicated above. If there is a conflict between a Connection Agreement with a Customer and this Conditions of Service, this Conditions of Service shall govern.

When planning and designing for electricity service, Customers and their agents must refer to all applicable provincial and Canadian Electrical Codes, and all other applicable federal, provincial, and municipal laws, Regulations, Codes and By-Laws to also ensure compliance with their requirements. Without limiting to the foregoing, the work shall be conducted in accordance with the latest edition of the Ontario Occupational Health and Safety Act (OHSA), the Regulations for Construction Projects and the harmonized Electric Utility Safety Association (EUSA) rulebook.



### 1.3 INTERPRETATIONS

**In these Conditions of Service:**

- (a) Headings are for reference only and shall not affect the interpretation of this document.
- (b) Works importing the singular include the plural and vice versa.
- (c) a reference to a person includes a reference to the persons, executors, administrators, successors, substitutes (including, but not limited to, persons taking by novation), and assigns;
- (d) an agreement, representation or warranty on the part of, or in favor of, two or more persons binds or is for the benefit of them jointly and severally;
- (e) specified periods of time refer to business day, and dates from a given day or the day of an act or event is to be calculated exclusive of that day;
- (f) a reference to a day to be interpreted as the period of time commencing at midnight and ending 24 hours later and does not include weekends and GLP recognized holidays.

Recognized holidays means the days designated by GLP from time to time. Until otherwise designated these holidays are:

- |                 |                       |
|-----------------|-----------------------|
| New Years Day   | Thanksgiving Day      |
| Good Friday     | Christmas Day         |
| Easter Monday   | Boxing Day            |
| Victoria Day    | August Civic Holiday  |
| Labour Day      | Canada (Dominion) Day |
| Remembrance Day |                       |

- (g) A reference to a document or a provision of a document includes any amendment or supplement to, or a replacement of, that document or that provision of that document.
- (h) A request for clarification shall be submitted in writing, and the final arbitrator between Customer and distributor shall be the Ontario Energy Board.

### 1.4 AMENDMENTS OF CHANGES

The provisions of these Conditions of Service and any amendments made from time to time form part of any contract between GLP and any Customer, retailer, and these Conditions of Service super cede all previous Conditions of Service oral or written.

This document may be amended only in accordance with the procedures set out by the Ontario Energy Board in the Code. In addition to the amendment procedures as set out in the Code, GLP’s senior management must give approval of any proposed amendments.

### 1.5 CONTACT INFORMATION

For general inquiries GLP can be reached as follows:  
 Great Lakes Power  
 2 Sackville Rd.  
 Sault Ste. Marie, ON P6B 6J6





## BUSINESS HOURS

8:00 am to 4:30 pm weekdays except recognized holidays described in 1.3 (f)

## TELEPHONE NUMBERS

Local	1-705-256-3850
Toll Free	1-877-457-7378

## EMERGENCIES – TELEPHONE NUMBERS

Local	1-705-253-0211
Toll Free	1-800-335-0284

**INTERNET** [www.glp.ca](http://www.glp.ca) (website)  
[customerservice@glp.ca](mailto:customerservice@glp.ca)

## 1.6 CUSTOMER RIGHTS

GLP shall only be liable to a Customer and a Customer shall only be liable to GLP for any damages that arise directly out of the willful misconduct or negligence:

- (a) of GLP in providing Distribution Services to the Customer
- (b) of the Customer in being connected to GLP's Distribution System; or
- (c) GLP or the Customer in meeting their respective obligations or exercising their respective rights under these Conditions of Service, their licenses and any other Applicable Laws.

Notwithstanding the above, neither GLP nor the Customer shall be liable under any circumstances, whatsoever, for any loss of profits or revenues, business interruption losses, loss of contract or loss of goodwill, or for any indirect, consequential, incidental or special damages, including but not limited to punitive or exemplary damages, whether any of the said liability, loss or damages arise in contract, tort or otherwise.

The Customer shall indemnify and hold harmless GLP, its directors, officers, employees and authorized agents from any claims made by any third parties related to the construction, installation, or connection of a Generation Facility by or on behalf of the Customer.

The Customer has the right to choose to purchase electricity from any licensed retailer.

GLP agrees to use diligence in providing a regular and uninterrupted supply of electricity, but does not guarantee a constant supply of electricity and will not be liable to the Customer for damages for failure to supply electricity to the said premises.

## 1.7 DISTRIBUTOR RIGHTS

### 1.7.1 SPACE AND ACCESS

The Customer shall provide GLP, free of charge or rent, with a convenient and safe place for GLP Facilities and Equipment on the Customer's premises or approaches thereto. GLP assumes no risk and under no circumstances will GLP be liable for any damages resulting from, arising out of, or related to the presence of GLP Facilities and Equipment.

The Customer shall not allow any one other than an employee, or authorized agent of GLP, or person lawfully entitled to do so, to repair, remove, replace, alter, inspect and tamper with GLP Facilities and Equipment on the Customer's premises.



The Customer hereby grants Great Lakes Power (GLP), its successors and assigns, the unrestricted right, privilege and easement, free of charge or rent, to use so much of the service location and to enter on, in, upon, along and over the service location at any time as GLP may, in its sole discretion, deem it necessary or desirable for purposes of performing the work and for its employees, servants, agents, contractors and subcontractors to pass and re-pass with or without vehicles, supplies, machinery and equipment, on, in upon, along and over the service location at any time to perform the work and for all purposes necessary or convenient to the exercise and enjoyment of the right, privilege and easement hereby granted.

### **1.7.2 LIABILITY FOR DAMAGE GLP EQUIPMENT**

GLP facilities and equipment located on the Customer's premises are in the care of and at the risk of the Customer. If any of GLP facilities and equipment are damaged or destroyed by willful misconduct or negligence of the Customer including fire or any other cause other than ordinary wear and tear, the Customer shall pay GLP the value of said GLP facilities and equipment or the cost of repairing or replacing same.

### **1.7.3 SAFETY OF EQUIPMENT**

The Customer shall not build, or cause to be built, plant or maintain any structure, tree, shrub or landscaping that would obstruct or endanger any GLP Facilities and Equipment, interfere with the proper and safe operation of the Distribution System or any part thereof or affect GLP compliance with any Applicable Laws.

The Customer shall comply with all Applicable Laws, including, but not limited to the Ontario Electrical Safety Code. The Customer shall ensure that the Customer equipment is properly identified and connected for metering and operation purposes and will take whatever steps necessary to correct any deficiencies in a timely fashion.

Where applicable, Customer equipment shall be subject to the reasonable acceptance of GLP and the approval of the Electrical Safety Authority. GLP approval of any Customer equipment is solely for the purposes of GLP protecting its Distribution System and the Customer is solely responsible for protecting its own property.

### **1.7.4 TESTING CUSTOMER'S LOAD**

The Customer shall allow GLP to install and use meters and other equipment to conduct tests to determine the electrical characteristics of the Customer's load.

### **1.7.5 GLP AUTOMATIC RE-CLOSING FACILITIES**

In order to safeguard and protect the Distribution System, GLP installs facilities for automatic re-closing of circuit breakers, re-closing facilities, and from time to time may change the re-closing time of any such re-closing facilities. The Customer shall be responsible for protecting at his own expense:

- (a) adequate protective equipment for any electrical apparatus which might be adversely affected by re-closing facilities; and
- (b) such equipment as may be required for the proper reconnection of any apparatus or equipment of the Customer, without adversely affecting the proper functioning of the re-closing facilities.

### **1.7.6 REGISTRATION AS A WHOLESALE MARKET PARTICIPANT**

In order for GLP to make the necessary changes to its billing systems, Customers who wish to register or de-register with the Independent Electricity System Operator (IESO) as Wholesale Market Participant shall notify GLP in writing at least 60 days in advance. The Customer must ensure that sufficient time is provided for IESO registration or de-registration.



**1.7.7 FORCE MAJEURE**

Other than for any amounts due and payable by the Customer to GLP or by GLP to the Customer, neither GLP nor the Customer shall be held to have committed an event of default in respect of any obligation under these Conditions of Service if prevented from performing that obligation, in whole or in part, because of a Force Majeure event.

If a Force Majeure event prevents either party from performing any of its obligations under these Conditions of Service, that party shall:

- (a) notify the other party, as soon as commercially reasonable, of the Force Majeure event and its assessment in good faith of the effect that the event will have on its ability to perform any of its obligations. If the immediate notice is not in writing, it shall be confirmed in writing as soon as reasonably practical;
- (b) Not be entitled to suspend performance of any of its obligations under these Conditions of Service to any greater extent or for any longer time than the Force Majeure event requires it to do;
- (c) use its best efforts to mitigate the effects of the Force Majeure event, remedy its inability to perform, and resume full performance of its obligations;
- (d) keep the other party continually informed of its efforts;
- (e) provide written notice to the other party, as soon as commercially reasonable, when it resumes performance of any obligations affected by the Force Majeure event; and
- (f) if the Force Majeure event is a strike or a lock out of GLP employees or authorized agents, GLP shall be entitled to discharge its obligations to notify its Customers in writing by means of placing an ad in the local newspaper.

**1.8 DISPUTES**

Customer complaints that cannot be resolved by calling GLP’s Customer Service Department will be escalated to GLP’s Customer Service Supervisor (the ‘CSS’), which will serve as the primary point of contact with GLP. The CSS will make contact with the Customer, coordinate internal complaint activities, research, investigate, and follow up (when necessary) on the complaint to ensure resolution and closure.

In the event that issues cannot be resolved between GLP and the Customer, complaints can be escalated to a third party complaints resolution agency, which has been approved by the Board. Until such time as the Board approves an independent third party dispute resolution agency, the Board will assume this role.

**2.0 DISTRIBUTION ACTIVITIES – GENERAL**

**2.0.1 STANDARD CUSTOMER SUPPLY**

GLP will provide the following standard Distribution Services to all new Standard Customers;

- (a) over-head transformation up to a maximum service size on distribution voltage lines only;
- (b) standard metering;
- (c) up to 30 metres of applicable overhead secondary conductor or an equivalent credit towards underground conductor or larger overhead conductor on new installations;
- (d) one layout or estimate for a service connection;
- (e) one trip to the site to connect a service; and
- (f) 24-hour emergency response service.

**2.0.2 CABLE LOCATES**

Upon request, GLP will locate, if able, all secondary and primary underground cables without charges one time per year. If GLP is unable to locate an underground cable, GLP will provide a service Disconnection and reconnection during normal working hours with charge. GLP will charge for underground cable locates outside normal business hours, other than in an emergency situation.



### **2.0.3 FAULT LOCATES AND REPAIRS**

GLP will normally locate and repair faults on all GLP owned underground cables without charge. In the event that the Customer or third party causes a fault and/or damage, the costs of repair will be charged to the party responsible.

In the event that structures, pavement, or landscaping make the cable inaccessible for repair, the Customer shall provide all civil work, supports, vegetation and landscaping associated with any repair/replacement of the cable that has failed.

## **2.1 CONNECTIONS**

Prior to GLP connecting a Customer (excluding Embedded Distributor) in an unorganized township, the Customer must provide evidence to GLP that it has obtained a municipal building approval from the Ministry of Municipal Affairs, Ministry of Natural Resources, the Planning Board, or private owners (i.e. ACR) that has jurisdiction over the unorganized township. A non-security deposit will be required and credited to the account if connection occurs within a year of the application date.

### **2.1.0.1 TYPES OF CONNECTIONS**

The standard service connections to the Distribution System include:

- (a) basic connection, and may include
- (b) a system expansion

### **2.1.0.2 OTHER TYPES OF CONNECTIONS**

#### **SERVICE UPGRADES**

The terms and conditions applicable to a Standard Customer supply connection (described in section 2.0.1 except Item C) and to an expansion (described in Section 2.1.2) also apply to a Customer with an existing connection requesting a service capacity increase.

#### **SUBDIVISIONS AND DEVELOPMENTS**

The terms and conditions applicable to a Customer connection (described in section 2.0.1) and to an expansion (described in section 2.1.2) also apply to subdivisions and developments.

#### **COMMON SERVICE TAPS**

Up to a maximum of two separately metered Standard Customer services will only be supplied by a privately owned single tap (Common Service Tap) when:

- (a) the Standard Customers and GLP agree on the location;
- (b) the Common Service Tap is located on property owned by one or both of the neighboring Standard Customers;
- (c) the common service line will be built in compliance with the Ontario Electrical Safety Code;
- (d) each Standard Customer will have signed a Pole Sharing Arrangement (see Appendix A);
- (e) ownership of the Common Service Tap shall remain with one or more of the Standard Customer(s).

If all the above conditions cannot be met, each Standard Customer will be required to supply, install, and own a separate line on its own property in accordance with the provisions of these Conditions of Service.



The Customers supplied by a given Common Service Tap shall be jointly and severally liable for the maintenance and repair of any common facilities.

## TEMPORARY CONNECTIONS

If a Customer requires temporary service, the two types and applicable charges are as follows:

- (a) for a service that at a later date will become a permanent service site: a standard service fee is charged;
- (b) for a service that has a finite connection and cancellation time period (for example, service to construction sites): the material cost of the transformation and metering will be provided by GLP without charge. All other labour and material costs to install and remove the service will be charged to the Customer based on actual costs.

## SUBTRANSMISSION SERVICE – EXCLUSIVE OF EMBEDDED DISTRIBUTOR

Requests for Subtransmission Service are treated as expansions; however, transformation conductor or a credit for conductor is not provided by GLP. A MIST Meter is required for all Subtransmission Customers with an average estimated load exceeding 500 kilowatt ('kW') annually, and the Subtransmission Customer will be required to contribute to the costs in accordance with the section titled Interval Metering.

## EMBEDDED DISTRIBUTOR

Facilities for an Embedded Distributor requiring Distribution Service or Subtransmission Service are normally treated as an expansion. Transformation and conductor are not provided. A MIST Meter is required for all connections and is either provided by the Embedded Distributor or by GLP in which case actual costs will be charged to the Embedded Distributor. Additional charges for additional metering points may be applicable.

### 2.1.0.3 METERED SERVICES

#### CENTRAL METERED SERVICES (CMS)

At the request of a Standard Customer, GLP may, at its discretion, supply a single-phase Standard Customer with a central metering service to two or more buildings. The Standard Customer shall:

- (a) Pay the difference between the cost of the standard meter GLP would have provided to the Standard Customer under the Standard Supply Code and the transformer rated meter required for CMS.
- (b) comply strictly with the Ontario Electrical Safety Code and GLP's distribution standards;
- (c) have an appropriately sized main disconnect and equipment for each service connected to the central metering service; and
- (d) supply and install, at its own expense, all conductor, poles, and underground conductor, as required on their Private Property.

At the discretion of GLP, the maximum number of services to be connected at the central metering point may be four. Additional services must be connected downstream of the central metering point.

#### PRIMARY METERED SERVICES

When a Customer requests a Primary Metered Service (connected at the primary voltage level), the Customer shall install own and maintain, at its own expense, the entire Distribution System required downstream from the metering point, which includes conductors, poles, and transformation. At Great Lakes Power's discretion, when secondary metering is not practical to meter the new Customer's load, GLP will provide the primary metering at the Customer's expense.



## EXISTING PARKS - NON PRIMARY METERED

For an existing park, where GLP owns as of October 1, 2003, the transformers on the Standard Customer's distribution line and the secondary metering within the park boundary, GLP will continue to own these facilities provided that no new services are added.

When the park owner requests additional services within the park or such additional services are required, the following conditions shall apply;

- (a) The park owner will, subject to Board approval, purchase the existing distribution facilities owned by GLP within the park boundary ("existing park facilities"). If the park owner does not purchase the existing park facilities, the park owner may choose to replace the existing park facilities at its' own expense and will own the new facilities.
- (b) The park owner shall supply and install new distribution facilities including transformers, etc. as required for the addition.
- (c) GLP shall remove existing secondary metering, install a primary metering unit at or near the Standard Customer's property limit without charge, and consolidate existing contracts into one General Service account.
- (d) Park owners, shall meet all the requirements of the Electric Safety Authority.

### 2.1.0.4 SERVICE AND SUPPLY LOCATIONS

GLP reserves the right to determine the service supply and connection locations. The Customer shall obtain GLP's approval prior to the construction of electrical facilities.

One service layout or estimate is normally provided without charge. The Customer shall pay GLP a fee if the Customer changes any of its connection requirements after the initial free layout or estimate is provided or the Customer requests further estimates or layouts for the same connection.

## SERVICE DEMARCATION POINTS

Connections to the Distribution System are either Secondary Service Connections, or Primary Service Connections. See Appendix A, Demarcation Point Examples.

## SECONDARY SERVICE CONNECTIONS

Secondary Service Connections can be supplied when the Standard Customers can be served directly from the Distribution System via a connection to the low-voltage side of the distribution transformation.

## FOR SECONDARY SERVICE OWNED AND MAINTAINED BY THE CUSTOMER, THE OPERATIONAL DEMARCATION POINT IS AT:

- (a) the top of the Customer's service entrance stack and the meter for overhead connections;
- (b) the line side of the Customer's meter base for underground connections; and
- (c) the source side metering point for a central metered service.

For Secondary Services wholly owned and maintained by the Customer, the Demarcation Point is the secondary connection at the transformer or the service bus.

## NUMBER OF SERVICE ENTRANCES

Normally GLP permits only one service entrance per property. Where it is not technically or financially feasible to have one service entrance, GLP will connect one additional service entrance, to a maximum of 2 on the same property.



GLP will provide Customers with the option of having a central metered service or a Primary Metered Service to combine the multiple service entrances.

**CUSTOMER SUPPLIED SECONDARY WIRE**

The Standard Customer shall install, own, and maintain the secondary conductor under any of the following conditions:

- (a) conductor termination are inside the Standard Customer’s building;
- (b) conductor is installed beyond the service entrance;
- (c) conductor is connected to a Primary Service; or
- (d) conductor is non-standard installation

**PRIMARY SERVICE CONNECTIONS**

For Primary Service, the Ownership Demarcation Point is the primary hot line clamp or line switch installed at GLP’s distribution line or pole near the Customer’s property line.

**MAXIMUM SERVICE CAPACITY**

The maximum capacity of Primary Service or Secondary Service will be determined by GLP based on system configuration.

**2.1.0.5 TRANSFORMATIONS**

The maximum overhead transformer sizes for standard secondary voltages installed by GLP without charge are:

- (a) For a Single Phase overhead Standard Customer connection: 167 k VA.
- (b) For a Three Phase Standard Customer connection: 500 k VA.

Customers requiring non-standard secondary voltages will be responsible for installing, owning, maintaining and operating their own transformer.

**PADMOUNTED TRANSFORMERS (UNDERGROUND TYPE)**

Maximum transformer sizes supplied by GLP are:

- (a) for a Single Phase Standard Customer connection: 150kVA
- (b) for a Three Phase Standard Customer connection: 500 kVA (Y-Y)

Standard Customers requesting underground pad-mounted type transformers will pay the difference in material costs between the overhead and the underground transformation, and supply and install at the Standard Customer’s expense an appropriate transformer pad, appropriate grounding, etc.

Standard Customers shall install their own pad-mounted transformer larger than 500 kVA and will be entitled to a transformation credit.

Customers requiring non-standard secondary voltages will be responsible for installing, owning, maintaining and operating their own transformer.



## STATION TRANSFORMERS

GLP does not supply station type transformers for new connections.

The high voltage protection of a Customer supplied and owned transformer(s) shall meet and co-ordinate with GLP's Distribution System protection. An appropriate transformation ownership allowance shall be applied.

The Customer shall supply the station site, pad, transformers, fencing, structure, and distribution line on private property in accordance with the Ontario Electrical Safety Code.

Existing GLP owned station type transformers serving a Customer would be maintained to the end of their useful life. At the sole discretion of Great Lakes Power, at the end of the useful life, the Customer will supply, install, own, and maintain the replacement unit.

### 2.1.0.6 SWITCHING – CUSTOMER STATIONS

Operations of Customer owned switches on the high-voltage side of a Customer's station shall be performed by a Customer's staff or its agent.

### 2.1.0.7 TREE AND VEGETATION MANAGEMENT

Customers are responsible for all initial and continuing tree trimming, tree and bush removal for all new and existing services on a Customer's property. Clearances will conform to the Ontario Electrical Safety Code.

For distribution or subtransmission lines built by the Customer, and where ownership is to be transferred to GLP upon connection, the clearances will conform to GLP's distribution standards.

### 2.1.0.8 STAKING AND ENGINEERING FEES

GLP will provide staking and design of the power line that will become owned and maintained by Great Lakes Power at the Customer's expense (expenses could include costs associated with property issues, necessary permits, surveying, etc.).

### 2.1.1 BUILDING THAT LIES ALONG

A basic connection is *the connection of a building that lies along GLP's Distribution System and requires no system expansion work* in order to connect. GLP provides basic connection without direct charges to all Standard Customers.

The basic connection consists of:

- (a) supply and installation of standard overhead transformation which includes secondary bus extensions or installation complete with conductor and anchoring;
- (b) supply and installation of standard metering;
- (c) an estimate and layout for the new service;
- (d) connection of the secondary or primary service at described demarcation points;
- (e) an equivalent credit of up to 30m (100') of 4/0 (maximum size) triplex overhead or underground secondary conductor.





**Note:** If the supply requires multiple runs of a smaller conductor overhead or underground, then the maximum credit allotment will be for a 30 meter (100') single run (on new installations only).

All Standard Customers will be responsible for any shortfall between the Net Present Value of the Revenue horizon and the total costs of connection. The discounted cash flow model uses average costs of connection by Standard Customer class.

**Where applicable, Standard Customers will also be responsible for:**

- (a) the supply of tree and vegetation management on customer's property;
- (b) any easements or property agreements as required by GLP;
- (c) a service upgrade charge, if incremental revenue from additional load is not sufficient to recover the cost within the revenue horizon of upgrading the service;
- (d) the costs of any fees, permits, or other permissions required to connect the service.

## 2.1.2 EXPANSION/OFFER TO CONNECT

Under the terms of the Code, GLP is required to make an "offer to connect" to any new Customer that is in GLP's service territory. When GLP is required to add new GLP Facilities and Equipment, alter existing GLP Facilities and Equipment, or increase the capacity of the Distribution System to connect a new Customer or to accommodate an existing Customer, GLP will perform an economic evaluation. An economic evaluation will determine the Customer's share, if any, of the equipment, labour, material and on-going maintenance costs of the expansion (the "expansion costs"). If the Present Value of the future revenue is not sufficient to recover the expansion costs, the Customer will be required to pay a capital contribution determined in accordance with the Code.

GLP performs the economic evaluation using a Discounted Cash Flow Model as specified in the Code.

### 2.1.2.1 OFFER TO CONNECT

GLP will respond to requests for connection within the following time frames:

- (a) From Standard Customers and Subtransmission Customers by no later than 15 calendar days from receipt of the request. At this time, GLP will specify any information that must be provided, and any obligations that must be met, by the Standard Customer and Subtransmission Customer in order for GLP to process the request. An offer to connect will be made by no later than 60 calendar days following GLP receipt of all necessary information and the Standard Customer and Subtransmission Customer meeting of all its obligations; and
- (b) From Embedded Generators and Embedded Distributors will follow the terms outlined in the related appendices of the Code. At this time, GLP will specify any information that must be provided and any obligations that must be met, by the Customer in order for GLP to process the request. An offer to connect will be made within the time frame specified in the Code.

Further to the requirements of the Code, at a minimum, the "offer to connect" will contain:

- (a) a statement as to whether the offer is a firm offer or an estimate;
- (b) a description of material and labour required to build the expansion to connect the Customer if a capital contribution is required from the Customer;
- (c) an estimated cost of expansion that would be revised based upon the actual costs incurred;
- (d) An estimate of the capital contribution to be charged to the Customer to construct the expansion. The estimate will delineate costs attributed to engineering design, materials, labour, equipment, and administrative activities;
- (e) An estimate of the amounts to be paid by the Customer to GLP if the Customer is being added to a Single- or Three-Phase line.
- (f) a description and estimate of the connection charges that would apply;
- (g) identifications of work for which the Customer may seek alternative bids;



- (h) terms and conditions for payments and deposits required;
- (i) any additional information pertinent to the offer; and
- (j) description of, and costs for the contestable work and the uncontestable work broken down into labour, materials, equipment, overhead.

**2.1.2.2 ALTERNATIVE BIDS**

Customers may seek alternative bids for the connection and expansion facilities from any of the Electrical Safety Authority list of qualified contractors if the offer meets the following conditions:

- (a) the project requires a capital contribution from the Customer; and
- (b) the construction work will not involve work on existing circuits.

The Customer shall be responsible for:

- (a) selecting, hiring, and paying the qualified contractor all the costs for the work eligible for the alternative bid;
- (b) assuming full responsibility for the construction of that aspect of the expansion project;
- (c) Administering the contract. Administering the contract includes acquisition of all required permissions, permits, and property rights as required;
- (d) constructing the System Expansion (line extension) to meet GLP’s design requirements;
- (e) paying an inspection fee to GLP for inspection of the construction;
- (f) paying the cost of any easements or property agreements as required by GLP;
- (g) paying costs for all design engineering;
- (h) paying all applicable Electrical Safety Authority inspection fees; and
- (i) the line to be constructed is located on private property.

GLP shall be responsible for:

- (a) providing the design specifications for the construction; and
- (b) inspecting and authorizing the line for connection.

**PRIVATE OWNERSHIP OF ALTERNATE BID CONSTRUCTION**

The Customer will construct and own the expansion if it is located on private property.

**2.1.2.3 REBATES FOR CAPITAL CONTRIBUTION CUSTOMERS**

In the event that a Customer is added to an expansion that was constructed and paid for by another Customer, and within 5 years of the original construction, GLP will use the economic evaluation to recalculate the capital contribution of both the original and the new Customer(s), based on the forecasted load and revenue of the new Customer.

Note: If the original economic evaluation had included additional Customers within the five-year connection horizon, no rebate will be given.

The new Customer(s) will contribute their fair share of the original expansion costs prior to the connection for the shared portion of the line, and the original contributor will be entitled to a rebate without interest based on the apportioned benefit for the remaining period. The apportioned benefit shall be determined by considering such factors as the relative load level and the relative line length (in proportion to the line length being shared by both parties). No rebates will occur after the 5 years connection horizon has expired.



### Rebates for Refund Administration Service

Rebates will normally be made to the original contributor. It is the original contributor's obligation to inform GLP of any change of address.

#### 2.1.2.5 EXPANSION DEPOSIT

For expansions that require a capital contribution, GLP may require the Customer to provide an expansion deposit. The amount shall be the lesser of 100% of the present value of the forecasted revenue and 100% of the net present value of capital contribution required from the Customer. Both amounts are to be determined by the economic evaluation.

For expansions that do not require a capital contribution, the Customer will provide, if required by GLP, an expansion deposit for up to 25% of the present value of the projected revenue.

The expansion deposit shall be in the form of cash, letter of credit from a bank as defined in the *Bank Act*, or surety bond. GLP shall allow the Customer to select the form of the expansion deposit.

If the expansion deposit is in the form of cash, GLP shall return the expansion deposit to the Customer together with interest in accordance with the following conditions:

- (a) interest shall accrue monthly on the expansion deposit commencing on receipt of the total deposit required by GLP; and
- (b) the interest rate shall be as set out in the Code.

Once facilities are energized, GLP shall annually return the percentage of the expansion deposit in proportion to the actual connections (for residential developments) or actual demand (for commercial and industrial developments) that materialized in that year. This annual calculation shall only be done for the duration of the customer connection horizon of five (5) years. If at the end of the customer connection horizon the forecasted connections (for residential developments) or forecasted demand (for commercial and industrial developments) have not materialized, GLP shall retain the remaining portion of the expansion deposit.

If the Customer chooses an alternate bid, GLP will collect an expansion deposit in the amount of 10% of present value of the projected revenue, and:

- (a) retain and use the expansion deposit to cover if it must complete, repair, or otherwise bring the facilities up to standard. Complete, repair, or bring up to standard includes GLP's cost to ensure that the expansion is completed to the proper design and technical standards and specifications; and
- (b) retain up to 10% of the expansion deposit for a warranty period of up to two (2) years. This portion of the expansion deposit may be applied to any work required to repair the expansion facilities within the two (2) year period. The two (2) year period begins:
  - (i) when the last forecasted connection in the expansion project materializes (for residential developments) or the last forecasted demand materializes (for commercial and industrial developments); or
  - (ii) at the end of the customer connection horizon of five (5) years:

which ever comes first. GLP shall return any remaining portion of this part of the expansion deposit at the end of the two (2) year warranty period.



### 2.1.3 CONNECTION DENIAL

GLP may deny connection to any Customer for any of the following reasons:

- (a) refusal by the Customer to sign any agreements required under these Conditions of Service;
- (b) the connection will represent a contravention of the laws of Canada or the Province of Ontario or of GLP's distribution licence;
- (c) the connection will have a material adverse effect on the reliability or the safety of the Distribution System;
- (d) the connection will cause a material decrease in the efficiency of the Distribution System;
- (e) the connections will have a material adverse effect on the quality of the distribution service received by an existing Customer. Such affect on quality could be among other things, voltage flicker, harmonics or power outages;
- (f) the connection will result in the discriminatory access to Distribution Services by other Customers;
- (g) the person requesting the connection is currently in arrears for Distribution Services, electricity supplies, or other invoices owed to GLP;
- (h) the connection is not in compliance with these Conditions of Service;
- (i) the connection does not meet GLP's design requirements;
- (j) the connection will impose unsafe conditions to workers or the public beyond the normal risks inherent in the operation of the Distribution System;
- (k) the connection will result in the inability of GLP to perform planned inspections or maintenance;
  - (l) by order of the Electrical Safety Authority;
- (m) the Customer does not have the requisite approval of the Electrical Safety Authority for the connection;
- (n) the premises being connected are the subject of a stop work order under the Building Code Act ("Ontario");  
or
- (o) the Customer is within another distributor's service area.

GLP shall notify the Customer of the connection denial with reasons in writing. Remedies will be suggested to the Customer, and where GLP is able after implementing such a remedy, GLP will make an offer to connect. If it is not possible for GLP to resolve the issue, it is the responsibility of the Customer to do so before a connection will be made.

### 2.1.4 INSPECTIONS BEFORE CONNECTIONS

GLP will not connect a Customer until the Customer has obtained and produces to GLP an approval of the Electrical Safety Authority for all Customer owned electrical facilities. All Customer owned facilities must also meet GLP design standards and requirements. Where these requirements for inspection are not complied with, the Customer is responsible for any and all damage to GLP's Distribution System and any associated costs incurred by GLP in order to address the Customer's non-compliance. The Customer's service shall be disconnected immediately until these inspection obligations are satisfied.

### 2.1.5 RELOCATION OF PLANT

To a mutually agreeable location where an easement already exists:

A Customer requesting plant relocation is required to pay GLP all associated costs incurred by GLP in relocating the plant.

To a mutually agreeable location where there is no easement:

In the absence of existing arrangements, GLP is not obligated to relocate the plant. However, GLP shall resolve the issue in a fair and reasonable manner. Resolution in a fair and reasonable manner shall include a response to the requesting party that explains the feasibility or infeasibility of the relocation and a fair and reasonable charge for relocation based on cost recovery principles.



## 2.1.6 EASEMENTS

### Registered Easements and Owner Agreement

For new or modified connections, the Customer shall, at no cost to GLP, grant where required an easement to permit installation and maintenance with respect to GLP Facilities and Equipment located on the property of the Customer or the property of a third party. The width and extent of this easement shall be determined by GLP. The easement must be granted prior to energization of the service.

GLP requires registered easements for facilities under any of the following conditions:

- (a) any single or multi-phase line, underground or sub-marine cables, poles, anchors, or aerial occupation where the line crosses private property, including any Common Service Taps;
- (b) anchors on private property supporting sub-transmission lines, Three-Phase feeders, and any (single or multi-phase) structures supporting re-closers, voltage regulators or capacitor banks where the poles are located on road allowance;
- (c) any new plant being added to GLP facilities and equipment, which is the subject of an existing, unregistered easement that does not include replacement/maintenance of the existing GLP facilities and equipment.

Owner agreements are required for GLP facilities and equipment where GLP does not require registered easements.

## 2.1.7 CONTRACTS

### Implied Contracts

In all cases, including in the absence of a written contract, GLP has an implied contract with any Customer that is connected to the GLP Distribution System and receives Distribution Services from GLP. The terms of the implied contract are embedded in these Conditions of Service (including the standard Connection Agreement), the Rate Handbook, GLP's Rates schedules, GLP's distribution license, the Standard Supply Service Code and the Retail Settlement Code, all as amended from time to time.

Any person or persons who take or use electricity delivered and/or supplied by GLP shall be liable for payment for such electricity. Any implied contract for the supply of electricity by GLP will be binding upon the heirs, administrators, executors, successors or legal assigns of the person or persons who took the electricity supplied by GLP.

The Customer hereby grants GLP, its successors and assigns, the unrestricted right, privilege and easement, free of charge or rent, to use so much of the service location and to enter on, in, upon, along and over the service location at any time as GLP may deem it necessary or desirable for purposes of performing any work and for its employees, servants, agents, contractors and subcontractors to pass and re-pass with or without vehicles, supplies, machinery and equipment, on, in, upon, along and over the service location at any time to perform any work and for all purposes necessary or convenient to the exercise and enjoyment of the right, privilege and easement hereby granted.

## 2.1.8 CONNECTION AND COST RECOVERY AGREEMENTS

Where GLP is entitled under the Code to recover all or a portion of a connection or expansion, and/or that the Customer provides a revenue guarantee, GLP requires that the Customer execute a connection and a capital cost recovery agreement (the "CCRA") prior to GLP commencing any construction activities in respect of the connections and/or expansion. The CCRA will describe the work to be performed by GLP in respect of the connection or expansion and any other conditions set forth in GLP's offer to connect together with the applicable payment terms (including revenue guarantees and/or capital contribution where applicable).



## 2.1.9 CONNECTION AGREEMENTS

GLP requires all Embedded Generators, Embedded Distributors, Subtransmission Customers, large load Standard Customers, and Customers wishing to connect a sub-division or development to execute a Connection Agreement.

The Connection Agreement with an Embedded Generator who is not a Market Participant will also contain the terms under which GLP purchases power from that Embedded Generator.

Where an Embedded Generator, Embedded Distributor, Subtransmission Customer or large load Standard Customer is connected to GLP's Distribution System but has not executed a Connection Agreement, provision of Distribution Services to such customer by GLP shall imply acceptance of all the terms contained in the Connection Agreement as appended to the Code until such time as GLP and the customer execute a new Connection Agreement.

## 2.1.10 STANDARD CONTRACT

### GENERAL AND RESIDENTIAL

The standard contract is attached hereto.

### SPECIAL CONTRACTS

Special contracts that are customized in accordance with the service requested by the Customer normally include, but are not necessarily limited to, the following examples:

- (a) construction sites
- (b) mobile facilities
- (c) non-permanent structures
- (d) special occasions, etc.
- (e) generation, and
- (f) house move

## 2.2 DISCONNECTION

GLP shall not be liable for any damages or claims as a result of disconnection of service.

GLP reserves the right to disconnect a Customer's service, for causes such as:

- (a) Adverse effect on the reliability and safety of the GLP Distribution System;
- (b) Imposition of an unsafe worker situation beyond normal risks inherent in the operation of the GLP Distribution System;
- (c) A material decrease in the efficiency of GLP's Distribution System;
- (d) A materially adverse effect on the quality of distribution services received by an existing connection;
- (e) Inability of GLP to perform planned inspections and maintenance;
- (f) Failure of the Customer to comply with a directive of GLP that GLP makes for purposes of meeting its licence obligations; and
- (g) The Customer owes GLP money for distribution services, or for a security deposit. GLP shall give the Customer a reasonable opportunity to provide the security deposit consistent with the Code.

GLP will, where possible, provide the Customer with at least 7 days prior written notice before disconnecting or limiting the distribution of electricity to a Customer. Disconnection does not relieve the Customer, from having to pay GLP amounts payable by the Customer, including , electricity arrears. The Customer will be responsible for the distribution service charge and if applicable, the Standard Supply Service administrative fee until such time as GLP removes the GLP Facilities and Equipment associated with the distribution of electricity to the Customer.



GLP may interrupt a Customer without notice in accordance with a court order, or for emergency, safety or system reliability reasons or in order to inspect, maintain, repair, alter, remove, replace or disconnect wires or other facilities used to distribute electricity or where there is energy diversion, fraud or abuse on the part of the Customer. Under no circumstances will GLP be liable for any damage resulting from, associated with or related to the disconnection or the limitation of consumption of electricity.

Should the Customer no longer require service at the property, or if the Facilities and Equipment require maintenance, GLP agrees to disconnect service on the date requested or within a reasonable amount of time, when authorized in writing by the Customer. GLP will determine at its sole discretion what is a reasonable amount of time, but will make efforts to disconnect on the date requested by the Customer.

The Customer hereby expressly authorizes and empowers GLP, at the Customer's option and expense, to remove the meters and other materials and appliances and cut off the supply of electricity, and terminate distribution service whenever bills for said service are in arrears (approximately one month past the due date for the billing for which charges were accrued), or upon violation by the Customer of any terms or conditions of these Conditions of Service or any contract, whether written or implied, between GLP and the Customer. The Customer acknowledges that a reconnection fee will be added to the Customer's outstanding bill for any reconnection due to nonpayment. GLP reserves the right to refuse to supply the Customer with electric service at any time and place until all monies owing by the Customer to GLP are paid in full.

### 2.2.1 RECONNECTION

Where a Customer wishes to be reconnected after a disconnection, GLP will reconnect as soon as possible according to crew availability and cannot guarantee same day. The Customer must first pay all arrears, a reconnection fee, linework total hours (actual costs) required for the disconnection and reconnection, and a security deposit. For safety reasons, the Customer must either be at the service site when GLP reconnects power or guarantee the main switch is open. If GLP attends the site to reconnect and finds the main switch is closed, a charge will be applied for additional trips. Where GLP reconnects a property in which a Customer is served by a retailer, GLP will promptly notify the retailer.

Under any of the following circumstances, GLP requires that the Customer obtain and provide to GLP an approval of the Electrical Safety Authority prior to GLP reconnecting the service:

- (a) where GLP has reason to believe that the wiring may have been damaged or altered;
- (b) where service was disconnected for modification of Customer wiring;
- (c) where service has been disconnected for a period of six months or longer;
- (d) where the service was disconnected as a result of an adverse effect on the reliability and safety of the Distribution System, or
- (e) where it is a requirement of the Ontario Electrical Safety Code.

A standard fee for reconnection is not charged for the following applications:

- (a) public safety
- (b) emergency
- (c) service interruption – reconnects
- (d) upgrades and relocates of services (service layout application is required)

Other Customer requests will be billed according to the averaged cost of a reconnection.

### 2.2.2 DISCONNECTION AND RECONNECTION RELATED CHARGES

A collection charge shall apply in cases where it is necessary for GLP to make a trip to the Customer's premises to collect payment for an overdue account, disconnect service, install a load limiter, or reconnect service.



### 2.2.3 UNAUTHORIZED ENERGY USE

GLP reserves the right to disconnect the distribution of electricity to a Customer, without notice, for causes not limited to energy diversion, fraud or abuse on the part of the Customer. Such service shall not be reconnected until the Customer rectifies the condition to the satisfaction of GLP, acting reasonably, and provides full payment to GLP of all uncollected charges and costs incurred by GLP arising from unauthorized energy use, including inspections and repair costs, and the cost of disconnection and reconnection.

## 2.3 CONVEYANCE OF ELECTRICITY

### 2.3.1 LIMITATIONS ON THE GUARANTEE OF SUPPLY

The conditions under which the supply may be unreliable, intermittent, or interrupted are (without limitation):

- severe weather
- flood
- fire
- acts of animals
- sabotage
- civil disturbance
- lightning
- other forces of nature

GLP will endeavour to use reasonable diligence in providing a regular and uninterrupted supply of electricity, but does not guarantee a constant supply or the maintenance of unvaried voltage and will not be liable for damages to the Customer by reason of any failure in respect thereof.

GLP may interrupt supply to a Customer in response to emergencies, a shortage of supply, to effect repairs or to perform necessary maintenance on the Distribution System, or while repairs are being made to Customer-owned equipment. When the interruption is planned, reasonable attempts to notify affected Customers will occur.

Customers requiring a higher degree of security than that of normal supply are responsible to provide their own backup or standby facilities and/or pay all associated incremental costs. Customers may require special protective equipment, which is subject to the approval of GLP and ESA at their premises to minimize the effect of momentary power interruptions.

## POWER OF ENTRY

In addition to GLP rights under Section 40 of the *Electricity Act, 1998*, GLP or its authorized agents may enter the Customer's property at any time for any of the following purposes:

- (a) to install, inspect, read, calibrate, maintain, repair, alter, remove, or replace a meter;
- (b) to inspect, maintain, repair, alter, remove, replace, or disconnect wires or other facilities used to transmit or distribute electricity;
- (c) to inspect, maintain, repair, alter, remove, and replace GLP Facilities and Equipment.

GLP will use reasonable efforts to exercise this power of entry during normal business hours. The GLP employee or authorized agent exercising this power of entry will identify themselves with proper identification upon request.

### 2.3.2 POWER QUALITY

GLP shall follow Good Utility Practices in terms of its guidelines and standards where applicable but will not guarantee an unvaried voltage or frequency.





## POWER QUALITY INQUIRIES

GLP maintains a 24-hour call-answer service for the purpose of receiving inquiries from Customers regarding power interruptions, power quality incidents, and incidents related to the integrity or safety of its Distribution System.

For Customer power quality inquiries other than interruptions, including substandard voltage conditions, or other power disturbances, the initial response time will vary depending on the nature of the complaint.

If, after an initial investigation, the power quality issue remains unresolved, and it is determined that further detailed engineering study is required, GLP shall advise the Customer of an intended course of action. If through an initial assessment, or subsequent detailed investigation, it is determined that the source of a power quality complaint is the Customer's own equipment, GLP may charge the Customer all of the cost of carrying out the investigation.

## PLANNED INTERRUPTION

Although it is GLP's policy to minimize inconvenience to Customers, it is necessary to occasionally interrupt a Customer's supply to allow work on the electrical system. Customers will be provided with reasonable notice of planned power interruptions and, whenever practical, arrangements will be made to minimize any inconvenience to the Customer. Notice may not be given where work is of an emergency nature involving the possibility of injury to persons or damage to equipment.

Where there is a possibility that unsafe conditions may be created by a planned power interruption, or there would be significant financial loss, GLP may cooperate with the Customer to resolve that condition.

### 2.3.3 ELECTRICAL DISTURBANCES

There are levels of voltage fluctuation and other disturbances which can cause flickering lights and more serious difficulties for Customers connected to the GLP Distribution System. A Customer shall connect no electrical equipment which produces an undesirable system disturbance.

Examples of equipment which may cause disturbances are large motors, welders and variable speed drives. In planning the installation of such equipment, the Customer is required to consult with GLP. If the Customer connects such equipment without consulting with GLP, the Customer will be responsible for any and all damages and repair work associated with, and arising from the use of, such equipment.

If it is determined that unacceptable conditions are being caused by any Customer's equipment, the Customer shall take appropriate remedial action to correct the condition. Depending on the severity of the power quality, GLP may require that such equipment be disconnected from the Distribution System until corrective measures are taken.

**GLP standards and guidelines for power quality are as described below:**

#### **Voltage and Current Harmonics**

Large rectifiers, inverters, arc furnaces, static VAR systems and other non-linear loads generate harmonic voltages and currents. These harmonics may interfere with the operation of the power system by conductive interference and/or may interfere with communication systems by inductive interference.

GLP will follow Good Utility Practice for establishing limits on harmonic current emissions and voltage distortions. The Customer shall ensure that Customer owned equipment does not generate harmonic currents that exceed acceptable industry practices.



## **VOLTAGE FLUCTUATIONS AND FLICKER**

Voltage fluctuations will normally be within the limits of the GLP voltage flicker curve as appended to these Conditions of Service, which is based on the General Electric borderline of irritability for incandescent lighting.

## **FREQUENCY FLUCTUATION**

In general, the frequency of AC power of the GLP Distribution System is dictated by the supply frequency of the transmission system to which the Distribution System is connected.

## **OVER-VOLTAGES**

In general, GLP will follow Good Utility Practice to minimize the magnitude and extent of short-term over-voltages.

## **VOLTAGE FLICKER LIMITS**

Maximum permissible voltage flicker from sources such as motor starting or load cycling, resistance welders, is defined by the General Electric borderline of irritation curve. General Electric flicker limits are set out in Appendix A, attached hereto.

## **VOLTAGE UNBALANCED LIMITS**

The Customer will be required to correct, at the Customer's expense, a phase unbalance in its load that causes an increase of more than 1% in the voltage unbalance of the system at the point of high voltage supply.

## **NEUTRAL-TO-EARTH VOLTAGE**

In a properly functioning electrical Distribution System, some voltage will always exist between the system neutral and the earth ("NEV"). The level of NEV may change on a daily basis, depending on changes in electrical loading on the system, climatic conditions or other factors. The Distribution System is designed and maintained to result in less than 10 volts of NEV voltage. Typically, readings are much lower. A Customer can also experience NEV that is caused by the Customer's own electrical facilities, such as poor or faulty wiring, improper grounding, defective equipment or ground currents from telephone lines or pipelines. GLP provides up to 4 hours of NEV testing at the Customer's premise on Customer owned facilities without charge. An hourly charge is applicable for additional testing after the first 4 hours.

### **2.3.4 STANDARD VOLTAGE OFFERINGS**

GLP will supply standard voltages only. These voltages will conform to Canadian Standards Association ("CSA") standards. The Customer will supply transformation for all other voltages required.

## **STANDARD SECONDARY VOLTAGES**

- (a) Single Phase - 120/240 volt 3 wire;
- (b) Three Phase - 120/208 volt 4 wire or 347/600 volt 4 wire.

## **PRIMARY VOLTAGES**

GLP has a variety of primary distribution and sub-transmission voltages across their service territory, but in general has only one primary voltage in each vicinity. GLP shall provide only the nominal primary voltage present in the vicinity to service a Connection or development, unless the development cannot be effectively fed from the existing supply. Customers requesting a primary or sub-transmission service should contact GLP to determine the primary voltage available at their location.



While GLP can provide the above voltages, they are not always available from the portion of the Distribution System that the building lies along. The Customer must check with GLP to find out whether or not a particular voltage is available at any particular site. It may be necessary to expand or enhance the Distribution System in order to provide the requested voltage.

### 2.3.5 VOLTAGE GUIDELINES

GLP maintains service voltage at the Customer's service entrance within the guidelines of CSA, Standard CAN3-C235 that allows variations from nominal voltage of:

- (a) 5% for normal operating conditions.
- (b) 8% for extreme operating conditions.

Definitions of these conditions are as follows:

- (a) **Normal Operating Conditions.** Where voltages lie within the indicated limits under this heading no improvement or corrective actions is required. It is recognized that special situations may call for closer voltage control, but such cases are considered to be outside the application scope of this standard.
- (b) **Extreme Operating Conditions.** Where voltages lie outside the indicated limits for normal operating conditions but within the indicated limits for extreme operating conditions, improvement or corrective action should be taken on a planned and programmed basis but not necessarily on an emergency basis. Where voltages lie outside the indicated limits for extreme operating conditions, improvement or corrective action should be taken on an emergency basis. The urgency for such action will depend on many factors such as location and nature of load or circuit involved and the extent to which limits are exceeded with respect to voltage levels and duration, etc.
- (c) **Abnormal Operating Conditions.** GLP does not guarantee on its Three Phase supply systems three phase protection; therefore, Customers are responsible to provide protection for all equipment against one phase.

GLP shall practice reasonable diligence in maintaining voltage levels, but is not responsible for variations in voltage from external forces such as operating contingencies, exceptionally high loads and low voltage supply from the transmitter or GLP. GLP shall not be liable for any delay or failure in the performance of any of its obligations under this Condition of Service due to any events or causes beyond the reasonable control of GLP, including, without limitation, severe weather, flood, fire, lightning, other forces of nature, acts of animals, epidemic, quarantine, restriction, war, sabotage, act of a public enemy, earthquake, insurrection, riot, civil disturbance, strike, restraint by court order or public authority, or action or non-action by or inability to obtain authorization or approval from any governmental authority, or any combination of these causes ("Force Majeure").

Acceptable variations in voltages are set out in Appendix A, attached hereto.

### 2.3.6 BACK-UP GENERATORS

Customers with portable or permanently connected emergency generation capability shall comply with all the applicable criteria of the Ontario Electrical Safety Code and in particular, shall ensure that the Customer emergency generation does not back feed on the Distribution System.

Customers with permanently connected emergency generation equipment shall notify GLP regarding the presence of such equipment. The Customer shall be responsible for any and all damages to or repair work on GLP's Distribution System that is associated with the Customer's emergency generation equipment.



### **2.3.7 METERING**

For Retail settlement and billing purposes, GLP shall provide, install, own and maintain a Meter Installation for all Customers except where the Customer or Embedded Distributor elects to be a Wholesale Market Participant or is an Embedded Generator connecting into the Distribution System. A Wholesale Market Participant Embedded Distributor or Embedded Generator shall obtain a written approval from GLP with respect to technical details of the meter installation.

The type of metering will be based on the Customer's rate class, energy consumption and peak load. The security and accuracy of metering will be maintained pursuant to all Regulations and standards established by Measurement Canada and GLP.

When a Customer's power factor is known to be less than 90%, a kVA meter, or other equivalent electronic meter shall be used for measuring and billing.

If deemed appropriate by GLP, the Customer shall permit GLP to connect a revenue meter through the Customer's telephone line for data transfer. GLP will make reasonable efforts to minimize the adverse impacts of the revenue meter connection on the Customer's use of the telephone line.

#### **SINGLE PHASE – SECONDARY METERED**

For a new secondary metered service, metering shall be based on estimated load. Standard Customers who are estimated to have an average monthly peak load under 50 kW shall be metered on kilowatt hours ("kWh") only. Standard Customers estimated to have an average monthly peak load over 50 kW shall be metered on monthly kW as well as kWh. For existing Standard Customers, metering shall be based on the actual average monthly peak load for the previous year. Standard Customers with an average monthly peak load, in the previous year of over 50 kW shall be metered and billed on monthly kW demand as well as kWh.

Demand is verified at a minimum of one time per annum.

#### **THREE PHASE – SECONDARY METERED**

For a new Three Phase-secondary metered service, metering shall be based on estimated load. Standard Customers who are estimated to have an average monthly peak load under 50 kW shall be metered on kilowatt hours ("kWh") only. Standard Customers estimated to have an average monthly peak load over 50 kW demand and/or monthly peak kVA depending on the peak load and power factor shall be metered on monthly kW/kVA as well as kWh.

For existing Three Phase Standard Customers, metering shall be based on the actual average monthly peak load for the previous year. Standard Customers with an average monthly peak load in the previous year of over 50 kW demand and/or monthly peak kVA depending on the peak load and power factor shall be metered on monthly kW/kVA as well as kWh.

Demand is verified at a minimum of one time per annum.

#### **PRIMARY METERED**

Where a Primary Metered Service is used, the Customer shall own and maintain the entire Distribution System beyond the metering point, which will include poles, conductors and transformers.



### **TOTALIZED METERING**

When a Customer requests totalizing in order to consolidate two or more services or points of delivery at separate locations on one property, the following conditions shall apply:

- (a) The Customer shall own the distribution facilities, including transformation beyond the effective metering point. The effective metering point is defined as the location where primary metering is installed;
- (b) Totalizing will be accomplished by either primary or secondary metering, through the use of remote interrogation metering or other similar units;
- (c) The Customer shall be required to pay the incremental costs of providing totalizing metering.

### **CENTRAL METERING (CM)**

GLP may, at its discretion, allow a Standard Customer with two or more buildings to be metered by means of a central metering service. The Standard Customer shall be required to pay GLP the following labour and material charges:

- (a) for new service – if the total labour and material is supplied and installed by GLP;
- (b) for new service – if the total labour and material is supplied and installed by a contractor;
- (c) for a service upgrade – if the total labour and material is supplied and installed by GLP;
- (d) for a service upgrade – if the total labour and material is supplied and installed by a contractor, and
- (e) should the work involve a relocation of existing CM equipment it will be treated as an individual work order on a cost recovery basis for all labour and material.

### **METERING PULSES**

When a Customer requests metering pulses or signals for load management purposes, two options exist:

- (a) The Customer can provide its own instrument transformers and signal control equipment in a separate cabinet on the load side of GLP's metering; or
- (b) GLP will supply the pulses or signals on these terms:

The Customer will pay for all costs to provide pulses and signals. The control for pulse or signal will be brought to GLP terminal block remote from the revenue metering. Consequently, the Customer will not have access to GLP's metering equipment.

### **MULTIPLE RESIDENTIAL PROPERTIES**

Where the owner of an existing bulk metered multiple Residential property chooses to convert to individual metered dwelling units, the costs of conversion will be the owner's responsibility. In such cases, the common facilities such as elevators, hall lights, exterior lighting, laundry equipment central electric water heating, etc., shall be combined on a separate service and billed at the General Service Rate with Demand Metering as appropriate.

As a requirement of the Ontario Electrical Safety Code, the Ontario Building Code, and GLP, the meter(s) will be located on the exterior of the building:

- (a) on the front side of the building facing the street or roadway on driveway side; or
- (b) on the side of the building, not more than 3 metres from the front facing the street within 3 metres of the driveway or roadway.

For metering installed on poles, the pole will be owned and installed by the Customer. Location must be within 3 metres of driveway.



### 2.3.7.1 GENERAL

GLP shall, at all reasonable hours, have the right to inspect, repair, replace and remove any part of the metering installation and have free access to the premises for that purpose.

For shopping centres, apartment and condominium buildings, or other large General Service class services, meters may be placed in dedicated metering rooms provided that keyed access is provided to GLP.

The location for GLP metering shall provide direct access for GLP staff and shall be subject to the Customer maintaining satisfactory environmental conditions, some of which include:

- safe and adequate working space in front of equipment, at the sole discretion of GLP
- unobstructed working space in front of the equipment, free from, or protected against, the adverse effects of moving machinery, vibration, dust, moisture or fumes.

### 2.3.7.2 METERING BOXES

Customers are responsible for supplying, owning, and maintaining meter bases, including Three Phase services with Complex Metering Installations where GLP requires a specific enclosure. For services requiring additional metering components such as instrument transformers, the Customer is required to supply and install the necessary enclosure which is to be approved by the Electrical Safety Authority and GLP.

**Note:** Metering boxes must be in accordance to GLP standards. It is important to discuss with a GLP representative, what is required, prior to purchasing.

### 2.3.7.3 INTERVAL METERING

#### CONDITIONS FOR SUPPLYING INTERVAL METERING

GLP shall provide and install a MIST meter for any existing Customer that has an average monthly peak demand greater than 1000 kW during a 12-month period.

GLP shall install a MIST meter on any new installation that is forecast by GLP to have an average monthly peak demand greater than 500 kW.

Customers who are below the average monthly peak demand of 1000 kW during a 12 month period threshold may request an interval meter by submitting a written request to GLP shall at its discretion determine whether a MIST meter or MOST meter will be installed. A Customer who does not qualify for an Interval Meter, as noted above, shall pay GLP for the difference between the cost of standard Meter Installation and the cost of the interval meter Installation, including but not limited to the cost of equipment, labour and telecommunications. Customers with interval meters will be billed monthly.

#### INTERVAL-METERING DATA

While the meter data belongs to the Customer, GLP requires the information to settle the Customer's electricity bill. GLP will maintain the usage profile of all Customers and shall make this information available to Customers provided that the Customer agrees to the access conditions contained at Appendix A attached hereto.

The Customer has the following two options to obtain interval meter data:

- (a) **Direct access by Customer** – The Customer may elect to access the MIST meter data directly using Customer purchased software. GLP will provide the information required to access and use the meter data;
- (b) **Information provided by GLP** – The Customer may request interval data to be forwarded by GLP or its authorized agent for a fee.



If a Customer requires real-time information from a MIST meter, the Customer shall be responsible for installing and maintaining a telecommunications line at its own expense, in accordance with GLP requirements.

#### **2.3.7.4 METER READING**

GLP shall, at all reasonable hours, have the right to read, inspect, repair, replace and remove any part of the metering installation and have free access to the Customer's premises for that purpose.

GLP will provide, install and maintain necessary revenue meter(s). The Customer must provide a meter location that is safe, convenient, accessible and approved by GLP. If said meter(s) are destroyed or damaged by any cause within the direct or indirect control of the Customer, other than ordinary wear and tear, the Customer shall pay to GLP the value of the meter(s) as determined by GLP or the cost of repair or replacement.

##### **Requirements:**

The Customer must adhere to the following requirements:

- (a) meters must be outside, within 3 metres of the driveway;
- (b) meters must be read by GLP at least one time per year;
- (c) if the meters are inside, or there is a locked gate on the driveway, locked box around the meter, or some other point locked between the meter and the GLP representative, the Customer shall provide a key to GLP. The key will be returned to the Customer when he/she moves;
- (d) dogs or other animals must be tied or confined where they cannot reach the meter or the path the GLP representative uses to reach the meter while a GLP representative is reading, repairing or replacing a meter;
- (e) driveways must be plowed in the winter;
- (f) the meter must not be blocked – including by ice or snow (i.e. meter must be accessible);
- (g) if an addition is built around an existing outside meter, the meter must be moved outside again;
- (h) if a building is raised, the meter must be lowered to the height required by Regulations.

In order to ensure accurate billing and proper operation, GLP needs to read and visually inspect the meter annually. In the event that GLP cannot access the meter for this purpose, GLP reserves the right to demand a relocation of the meter at the Customer's expense. If the situation is not rectified, GLP may ultimately disconnect the Customer.

#### **2.3.7.5 FINAL METER READING**

When a final meter reading is required for billing purposes, the Customer shall provide GLP with at least five business days notice of the date the billing is to be discontinued so that GLP can obtain a final meter reading as close as possible to the required date. GLP shall pay the cost of the final reading. The Customer shall provide access to GLP for this purpose. If access is not provided, and a final meter reading is not possible, the Customer shall pay a sum based on estimated electricity used since the last meter reading as determined by GLP in its sole discretion.

#### **2.3.7.6 FAULTY REGISTRATION OF METERS**

Metering electricity usage for the purpose of billing is governed by the federal Electricity and Gas Inspection Act and associated Regulations, under the jurisdiction of Measurement Canada, Industry Canada. GLP's revenue meters are required to comply with the accuracy specifications established by the Regulations under the above Act.

In the event of incorrect electricity usage registration, GLP will determine the correction factors based on the specific cause of the metering error and the Customer's electricity usage history. The Customer shall pay for all the energy supplied a reasonable sum based on the reading of any meter formerly or subsequently installed on the premises by GLP, due regard being given to any change in the characteristics of the installation and/or demand. If Measurement Canada, Industry Canada determines the Customer was overcharged, GLP will reimburse the Customer for the amount incorrectly billed.



If the incorrect measurement is due to reasons other than the accuracy of the meter, such as incorrect meter connection, incorrect connection of auxiliary metering equipment, or incorrect meter multiplier used in the bill calculation, the billing correction will apply for the duration of the error. GLP will correct the bills for the period in accordance with Regulations under the Electricity and Gas Inspection Act.

### **2.3.7.7 METER DISPUTE TESTING**

In a dispute between GLP and the Customer where the condition or registration of a meter or metering installation is in question and the issue can not be resolved between the Customer and GLP, assistance may be provided by Measurement Canada in dispute investigations. Either GLP or the Customer may request the help of Measurement Canada.

If the services of Measurement Canada are requested by the Customer or retailer to resolve the issue, GLP will charge the Customer for the costs of removing and transporting the meter to a testing location. If the dispute is substantiated by Measurement Canada and the resolution is in the favor of the Customer, the costs will not be recovered from the Customer.

Customers purchasing power in bulk (i.e. trailer parks) will be required to contact Measurement Canada themselves to arrange for testing.

## **2.4 TARIFFS AND CHARGES**

To assign a Customer to the appropriate Rate classification, GLP considers the nature and use of the Customer's electricity service. The distribution service Rate for each classification is based on the cost of delivering electricity to that class of Customers and meeting their electricity supply needs.

The main rate classifications are Residential, Seasonal, General, and Street Lights. The Ontario Energy Board approves all Rates charged for each rate classification by GLP distribution services, including, charges for services provided to specific Customers where the costs are not recovered through the distribution service rates ("Miscellaneous Distribution Charges") and pass-through charges. In addition, GLP is required to pass through the Ontario Energy Board, approved charges for wholesale market services, retail, and transmission services.

GLP distribution service Rates include a monthly service charge component and a volume-based component. For a demand billed Customer, the volume Rate is a per kW charge. For an energy only Customer, the volume rate is per kWh charge. The monthly service charge component is designed to recover common costs of Distribution Services that are independent of electricity use. All other distribution service costs are recovered through the volume Rate.

The Ontario Energy Board approved rates and charges for distribution services are as set out in a schedule of rates available from GLP upon request. Notice of rate changes shall be mailed to all affected Customers with the first bills issued using the revised rates.

### **2.4.1 SERVICE CONNECTION**

The rates established for providing the Customer with a connection to the Distribution System and all services provided by GLP are set out in a schedule of Rates available from GLP upon request. Notice of rate revisions may be published in major local newspapers. Information about changes will be mailed to all Customers.





## 2.4.2 ENERGY SUPPLY

### STANDARD SUPPLY SERVICE

All existing GLP Customers are Standard Supply Service (SSS) Customers until GLP is informed of their switch to a competitive electricity supplier. The Service Transfer Request (STR) must be submitted by the Customer's authorized retailer or must be requested, in writing, by the Customer. The STR shall contain the information set out in Section 10.3 of the Retail Settlement Code.

There are no physical service connection differences between Standard Supply Service (SSS) Customers and 'third party retailers' Customers. Both Customer energy supplies are delivered through GLP with the same distribution requirements. Therefore, all service connection requirements applicable to the SSS Customers are applicable to third party retailers' Customers.

GLP may, at its discretion, refuse to process a service transfer request for a Customer to switch to a retailer if that Customer owes money to GLP for distribution services and/or Standard Supply Service.

Where a service transfer request is made, a "switch bill" will be issued to the Customer. This bill will be based on an actual meter read unless the Customer, GLP and retailer agree in writing to an alternative. The effective date of the service transfer shall be the next scheduled meter reading date unless a request is made for a special meter reading and GLP can accommodate the request. The Ontario Energy Board approved special meter read charge will apply.

All service transfers, except a return to Standard Supply Service, must be supported by the Customer's written authorization, a copy of which must be retained by the respective competitive retailer.

#### *Price of Standard Supply Service*

Pricing of Standard Supply Service is dependent on Customer's electricity usage and meter type as follows:

- (a) an Interval Metered Customer shall be billed for hourly electrical energy consumed based on the respective hourly Ontario electricity price (HOEP);
- (b) all other Customers will be billed for electrical energy based on the weighted average hourly spot market price (WAHSP) for electricity for the period over which the Customer is being billed. The weighting will be according to the hourly consumption of the Customers as estimated by GLP's Net System Load Shape (NSLS), or GLP streetlight-specific load shape in the case of streetlight Customers. The load shapes will be calculated according to the methodology prescribed in the Ontario Energy Board's Retail Settlement Code; and
- (c) the RPP.

### COMPETITIVE RETAILER SUPPLIED ELECTRICITY

GLP does not provide Standard Supply Service to a Customer connected to the Distribution System that has contracted with a retailer for electricity supply and provided a copy of the STR to GLP. GLP remains obligated to provide distribution services to such Customer who will either be billed by GLP under distributor consolidated billing, or by their designated retailer under retailer consolidated billing as prescribed in the Ontario Energy Board's Retail Settlement Code.

### WHEELING OF ENERGY

Customers considering delivery of electricity through the GLP Distribution System shall contact GLP for technical requirements and applicable Rates.



## 2.4.3 DEPOSITS

### BACKGROUND

GLP is a licensed distributor and is regulated by the Ontario Energy Board (OEB). In addition to charging approved distribution rates, GLP must, in accordance with regulation, purchase and pass through charges from the Independent Electricity System Operator (IESO). In order to manage the non-payment risk costs, GLP, as permitted by law, assesses, charges, and manages deposits to new and existing Customers.

GLP will not discriminate against Customers with similar risk profiles when assessing security deposits, except where expressly permitted in the Code.

### TYPES AND FORMS

The form of payment of a security deposit for a GLP Customer shall be money order or cheque, or an automatically renewing, irrevocable letter of credit from a bank as defined in the *Bank Act, 1991, c.46* at the discretion of the Customer. GLP, at its discretion, may also accept other forms of security, such as surety bonds and third party guarantees. GLP shall permit the Customer to provide a security deposit in equal installments paid over at least four months. A Customer may, at its discretion, choose to pay the security deposit over a shorter time period.

If a security deposit is to be paid on behalf of the Customer by a third party, both the third party and the Customer must complete the Third Party Form attached hereto.

### REQUIREMENT TO PAY

GLP requires all deposits for new Customers to be paid in full prior to connection of the services, or at least twenty-five percent (25%) of the deposit when paid through installments. Should a deposit remain unpaid, the normal collection process outlined in GLP's Conditions of Service Manual will proceed. Unpaid amounts may result in service interruption and/or disconnection for non-payment. GLP's Service Interruption Policy fully describes timelines and processes following up to and including service interruption. The previously mentioned documents can be found at [www.glp.ca](http://www.glp.ca) or at GLP's office located at 2 Sackville Road, Sault Ste. Marie, Ontario.

### MAXIMUM DEPOSIT AND CALCULATION

The maximum amount of a security deposit, which GLP will require a Standard Customer to pay, shall be calculated in the following manner:

$$\text{Billing Cycle Factor} \times \text{Estimated Bill}$$



**ESTIMATED BILL CALCULATION**

The estimated bill will be based on the location’s average billing amount with the distributor, during the most recent 12 consecutive months, within the past two years. Where relevant usage information is not available for the location for 12 consecutive months, within the past two years, or where GLP does not have the past information for making the above calculation, the Standard Customer’s average billing amount shall be based on a reasonable estimate made by GLP. Where a Standard Customer has a payment history which discloses more than one disconnection notice in a relevant 12 month period, GLP will use that Standard Customer’s highest actual or estimated billing amount for the most recent 12 consecutive months, within the past two years, for the purposes of making the calculation of the maximum amount of security deposit.

Billing Cycle Factors	
Monthly Cycle Billing	2.5
Bi-Monthly Cycle Billing	1.75
Quarterly Cycle Billing	1.5
Annual Cycle Billing	1.125

Standard Customers may not deduct the amount of the deposit from their power bills; deposits are not prepayment for power billing.

**ALLOWABLE DEPOSIT REDUCTIONS**

Deposit requirements may be waived if the Standard Customer has a good payment history of one (1) year, in the case of a residential or seasonal customer, five (5) years in the case of a non-residential customer in a <50 kW demand rate class, or seven (7) years in the case GS>50 kW, Large User B rate classes. The time period that makes up the good payment history must be the most recent period of time and some of the time period must have occurred in the previous 24 months.

For greater certainty, the following Standard Customers shall be deemed to be residential customers for the purposes of these security deposit provisions:

- (a) seasonal customers;
- (b) farms with a dwelling that is occupied at least eight (8) months per year where the customer has a <50 kW demand; and
- (c) a multi-unit residential condominium that is comprised of units predominantly used for residential purposes, relates to more than one unit in the property and has filed with GLP a declaration in a form approved by the Board attesting to the customer’s status as a corporation within the meaning of the *Condominium Act, 1998*.

For newly connected customers, or customers with no established GLP payment history; GLP will accept a letter from another distributor or gas distributor confirming the period of time the customer has had a good payment history as described below.

A customer is deemed to have a good payment history unless, during the relevant time period set out in the first paragraph of this section, the customer has received more than one disconnection notice from the distributor, more than one cheque given to the distributor by the customer has been returned for insufficient funds, more than one pre-authorized payment to the distributor has been returned for insufficient funds, or a disconnect / collect trip has occurred. If any of the preceding events occur due to an error by GLP, the customer’s good payment history shall not be affected.

Where a GS >50 kW or Large User B customer rate class has a credit rating from a recognized credit rating agency (provided by the customer), the maximum amount of a security deposit which the distributor may require the non-residential customer to pay shall be reduced in accordance with the following table:



Credit Rating <i>(Using Standard and Poor's Rating Terminology)</i>	Allowable Reduction in Security Deposit
AAA- and above or equivalent	100%
AA-, AA, AA+ or equivalent	95%
A-, From A, A+ to below AA or equivalent	85%
BBB-, From BBB, BBB+ to below A or equivalent	75%
Below BBB- or equivalent	0%

GLP may at its own discretion reduce the amount of security deposit required for any reason.

**DEPOSIT INTEREST RATES, CALCULATION AND PAYMENT**

Interest shall accrue monthly on security deposits made by way of cheque commencing on receipt of the total deposit required by GLP. The interest rate shall be at the prime Business Rate as published on the Bank of Canada website less 2 percent, updated quarterly. The interest accrued shall be paid out at least once every 12 months or on return or application of the security deposit or closure of the account, whichever comes first, and will be paid by crediting the account of the customer or otherwise as instructed by the customer.

In the case of payment by a third party, interest will be paid by GLP directly to the third party.

**DEPOSIT REVIEW PROCESS**

GLP will review every customer's security deposit at least once in a calendar year. This will determine a) whether the entire amount of the security deposit is to be returned to the customer, if the customer has progressed to a position that it would be exempt from paying a security deposit, or b) whether the amount of the security deposit is to be adjusted based on a re-calculation of the maximum amount of the security deposit. Where GLP determines, during the process of conducting a deposit review, that the maximum amount of the security deposit is to be adjusted upward, GLP may require the customer to pay this additional amount at the same time as that customer's next regular bill comes due.

A customer may, no earlier than 12 months after the payment of a security deposit or the making of a prior demand for a review, demand in writing that GLP undertake a review to determine a) whether the entire amount of the security deposit is to be returned to the customer, as the customer is now in a position where he/she would be exempt from paying a security deposit, b) whether the amount of the security deposit is to be adjusted based on a re-calculation of the maximum amount of the security deposit.

**DEPOSIT REFUNDS**

Where GLP determines in conducting a deposit review that some or all of the security deposit is to be returned to the customer, GLP shall promptly return this amount to the customer by crediting the customer's account or otherwise. In the case of a customer in a >5000 kW demand rate class, where the customer is now in a position that it would be exempt from paying a security deposit had it not already paid a security deposit, GLP is only required to return 50% of the security deposit held by GLP. GLP shall promptly return any security deposit received from the customer upon closure of the customer's account, subject to GLP's right to use the security deposit to offset other amounts owing by the customer to the distributor. The security deposit shall be returned within six weeks of the closure of an account.

Customers who are signed up with a retailer that bills retailer consolidated, the deposit will be applied against the final bill with any additional amount returned to the customer.

Customers who are signed up with a retailer with the split-billing option; the deposit will be adjusted to the highest distribution charge and noncompetitive bill amount of the last year.

In the case of payment by a third party, the deposit will be returned directly to the third party. Jennifer, a paragraph should be included to indicate security deposit requirements (per code) for Embedded Generators.

**2.4.3.1 DEPOSITS FOR SERVICE AND WORK ORDERS**

**DEPOSITS REQUIRED**

Where work, other than connection and expansion work, is to be completed for a Customer on work orders for which they will be required to pay an amount exceeding \$200.00 for all or part of the cost of work, Customers must pay deposits in advance of the work being performed.

**AMOUNT**

The amount of deposit is the full estimate of the cost of the work as made by GLP'S Customer Service Department. The amount billable to the Customer for work performed may be adjusted to reflect actual costs, less the deposit paid, after the work is complete.

**2.4.4 BILLING**

In this section 2.4.4, references to monthly, bi-monthly, or annually, are notional and approximate time periods only. They are not to be construed as calendar-based time periods.

In preparing billing for Standard Supply Service, GLP includes in its billing a number of charges mandated by third parties, such as:

- Independent Electricity System Operator;
- Transmission connection and network charges;
- Provincial Government's debt retirement charge and wholesale market service charge; and
- Retailers under distributor consolidated billing.

GLP facilitates the operation of the electrical energy market by billing and collecting these amounts on behalf of these third parties. These charges may change from time to time.

**BILLING FREQUENCY**

Depending on rate classification and service size, Customers are billed on the following frequencies:

- |                       |           |
|-----------------------|-----------|
| ➤ Residential         | bimonthly |
| ➤ Seasonal            | annually  |
| ➤ General <50kW       | bimonthly |
| ➤ General >50kW       | monthly   |
| ➤ General – Large Use | monthly   |

**METER READ FREQUENCY**

GLP reads meters on a monthly, bimonthly, or annual frequency, as described above, depending on rate classification and service size. Where GLP is unable to obtain a meter reading, for any reason, the Customer may be requested to provide a meter reading.



## USE OF ESTIMATES

In months where a bill is issued, but no reading is obtained, GLP estimates usage in order to determine billing quantities. The estimate is based on historical usage for the premise, or a pre-determined quantity if there is no historical usage information available.

## 2.4.5 PAYMENTS AND OVERDUE ACCOUNT INTEREST CHARGES

### PAYMENT OPTIONS

Customers may pay their electricity bills using any of the following methods: cheque or money order in person, in a GLP drop box; mailed with the remittance stub portion of the bill to GLP address on the stub; through automated banking machines, telephone banking or internet bill payment services as offered through their financial institution. All payments should be in Canadian dollars cheque or money order. Payments of cash, cheque or money orders (Canadian dollars) may be paid in person at most Canadian financial institutions and at GLP authorized agents.

As a courtesy to our Customers, GLP will make best effort to refrain from processing post-dated cheques until the post-date. However, if a post-dated cheque is processed, GLP assumes no responsibility for any related charges or damages, including but not limited to non-sufficient fund charges to the Customer.

GLP offers pre-authorized payment option.

An equal billing plan is available to all Standard Supply Service Customers except general service customers. To reduce volatility in electricity costs over the year, the plan bills an equal portion of the previous year's charges per bill period, then reconciles the balance owing, in the anniversary month. Adjustments may be made to the regular equal bill amount due to Rate or usage changes.

### LATE PAYMENT CHARGES

Customers are given a minimum of 16 days from the billing date on their billing statement to make payment to GLP. A late payment charge may be charged on overdue accounts whether the bill is based on a meter reading or by GLP's estimate where meter reading has not occurred. The Ontario Energy Board approved late payment charge will be applied to overdue accounts. Where a partial payment has been made on or before the due date, the late payment charge will apply only to the amount of the bill outstanding at the due date.

## 2.5 CUSTOMER INFORMATION

GLP shall not disclose specific information about a Customer unless that particular Customer has authorized the release of information in writing or unless necessary for compliance with the Independent Electricity System Operator's Market Rules, any Ontario Energy Board approved Code or Standard, or any law or court order. GLP shall not disclose Customer information to a third party without the consent of the Customer in writing, except where the Customer information is required to be disclosed, as follows:

- (a) for billing or market operation purposes;
- (b) for law enforcement purposes;
- (c) for the purpose of complying with a legal requirement; or
- (d) for the processing of past due accounts.

Customers have the obligation to provide GLP with information that is true, complete, and correct. The information is used to provide customer service, deliver and/or supply energy, manage Customer accounts and assess credit history regarding the need for account security. GLP may verify the accuracy of all information provided and may obtain additional credit information from a credit-reporting agency as required.



### 2.5.1 PROVISION OF CURRENT USAGE DATA TO CUSTOMERS

Customers with cumulative volume and Demand Meters shall receive their current usage data on their electricity bill from GLP.

GLP will provide access to a Customer's meter or meter information under the following conditions:

- a) GLP will select the access windows it requires to read the meter;
- b) if GLP's access to the meter is hindered or a Customer's access to the meter corrupts usage information, GLP may suspend a Customer's right to access until any outstanding problems are resolved;
- c) a Customer shall pay the reasonable cost of any software, hardware or other services required for a Customer to obtain direct access to meter information - this may include installation of a secondary meter access system;
- d) a Customer shall bear any cost incurred by GLP to correct problems caused by a Customer's direct access to the meter;
- e) if a Customer assigns his or her right to direct meter access to a retailer or third party, the Customer shall be responsible for the actions of the assigned party.

GLP will provide a Customer with 24 billing periods, where available, of historical usage information, information about their meter configuration, and payment information ("historical information"). The historical information can be released to the Customer or any third party designated by the Customer provided that if the third party is:

- (a) a retailer, the Customer has provided written authorization to GLP for the release; or
- (b) someone other than a retailer and the Customer has provided GLP with written authorization for the release.

GLP will honour requests from retailers for historical data delivered electronically through the electronic business transaction ("EBT") system at no charge. GLP will honour requests from Customers and retailers for historical data not delivered through the EBT system twice a year for any one account at no charge. GLP, at its discretion, may charge a fee for any additional requests for the same account in one year.

### 3.0 CUSTOMER CLASS SPECIFIC

At GLP's discretion, Customers may be required to demonstrate that a reclassification of their account is warranted. This could require a period of up to one year and the reclassification would only be effective at the end of this period.

The Customer, regardless of class, will provide unimpeded and safe access to GLP at all times for the purpose of installing, removing, inspecting, reading, operating or changing metering equipment.

All Customer owned electrical equipment must be inspected and approved in accordance with ESA requirements as well as GLP design requirements.

### 3.1 RESIDENTIAL

All service supplied to single-family dwelling units for domestic or household purposes shall be classified as Residential Service. Residential services are for personal use.

Multi-unit residential establishments such as apartment buildings supplied through one service (bulk-metered) normally shall be classified as general service. Multi-unit residential units registered under the Condominium Act, 1998 shall be considered residential for the purposes of security deposit provisions in these Conditions of Service.



Where electricity service is provided to combined residential and business, (including agricultural usage), and the wiring does not provide for separate metering, the classification shall be at the discretion of GLP and should be based on such considerations as the estimated predominant consumption.

### **3.1.2 SEASONAL (Intermittently-Occupied)**

All services supplied to single-family dwelling units for domestic purposes and are seasonal/intermittently-occupied shall be classified as Seasonal Service. A Seasonal service could be anything from a service on a pole to a ski chalet, or a modern house being used as a cottage.

### **3.2 GENERAL SERVICE (Less Than 50 kW)**

All service supplied to premises other than those classified as residential, seasonal, street lighting, safety maintenance, intermediate or large use shall be classified as General Service. Generally, it is composed of commercial, industrial, educational, administrative, auxiliary and government type services. General service may also include combination type services where a variety of uses are made of the service by the owner of one property, and all multiple services.

### **3.3 GENERAL SERVICE (Greater Than 50 kW)**

Same as Section 3.2 – General Service.

### **3.4 GENERAL SERVICE – LARGE USE**

Same as Section 3.2 – General Service.

GLP has large use customers within its distribution service area. These users have specific Rates as specified in GLP's approved rate order.

### **3.5 EMBEDDED GENERATION CONNECTION**

See business with Embedded Generators as specifically laid out in Code Appendix E & F.

All Embedded Generators shall execute a Connection Agreement with GLP. Further to the provisions of these Conditions of Service, an Embedded Generator who has not signed a Connection Agreement with GLP shall be deemed to have an implied contract with GLP in the form of the Connection Agreement attached hereto.

GLP shall not allow Embedded Generator connections directly to the Distribution System in a manner that may adversely impact power quality, reliability, or the safety of personnel or Customers.

When the connection of the Embedded Generator will not materially adversely impact the safety of the GLP's Customers or personnel or the reliability of the Distribution System, GLP may at its sole discretion consider the connection of the Generator facility. The Embedded Generator shall be responsible for all costs associated with GLP performing studies and developing plans for risk mitigation that are to the satisfaction of GLP.

#### **3.5.1 CONNECTION OF MICRO-EMBEDDED GENERATION FACILITIES**

A person who wishes to connect a micro-embedded generation facility to the GLP Distribution System shall submit an application to GLP providing the following information:

- a. the name-plate rated capacity of each unit of the proposed generation facility and the total name-plate rated capacity of the proposed generation facility at the connection point;
- b. the fuel type of the proposed generation facility;





- c. the type of technology to be used; and
- d. the location of the proposed generation facility including address and account where available.

### 3.5.2 GENERAL TECHNICAL INFORMATION REQUIREMENTS

All Embedded Generators shall ensure that designs meet the technical requirements as specified in the DSC Appendix F.2. All Embedded Generators shall provide GLP with the following documentation to ensure that the Distribution System is adequately protected from potential damage or increased operation costs resulting from the connection of the Embedded Generation Facility:

- (a) electrical submissions signed and stamped by a licensed professional engineer, detailed single line and three line diagrams showing all electrical devices associated with the Embedded Generation Facility such as Generators, isolating devices, breakers, protection relays, inverter systems, instrument transformers, lightning arrestors, fuses and metering;
- (b) evidence of approval of the Electrical Safety Authority for all the Embedded Generator's owned electrical facilities;
- (c) a copy of the report of the most recent re-verification of protections signed and stamped by a licensed professional engineer, and
- (d) any other documentation reasonable related to GLP obligations.

### 3.5.3 INTERFACE PROTECTION AND ISOLATING DEVICES

The Embedded Generator shall provide an interface protection that minimizes the frequency and severity of disturbances on the Distribution System and the impact on other Customers. The embedded generation facilities must also meet the technical requirements as identified in the connection agreement. The interface protection shall be capable of automatically isolating the Generator(s) from the Distribution System in the following situations:

- (a) internal faults within the embedded generation facility;
- (b) external faults in the Distribution System; and
- (c) abnormal system conditions, including, but not limited to open phase and islanding, over/under voltage and over/under frequency, and motoring.

The Embedded Generator shall provide, install and maintain a disconnecting device at the connection point with the Distribution System for the purpose of isolating the embedded generation facility in case of emergency and for work protection. The disconnecting device shall:

- (a) be located at or near the demarcation point of connection of the embedded generation facility to the Distribution System, and
- (b) be readily accessible;
- (c) provide a visible indication of the open main current-carrying path that isolates the embedded generation facility from the Distribution System;
- (d) have a three-pole gang operated switch mechanism suitable for load break operations at rated load (subject to GLP's prior written approval);
- (e) single-phase Customers may use single pole switches or openers;
- (f) meet Ontario Electrical Safety Code requirements;
- (g) will prevent back-feed in the event of an outage on the Distribution System;
- (h) be rated for maximum fault current available at that location on the Distribution System;
- (i) be lockable in the open position;
- (j) be suitable for safe operation under the conditions of use; and
- (k) have an interlock.

These devices must be operated at least once a year, unless specified otherwise in the connection agreement, and the verification report of the operation of the devices shall be retained by the Embedded Generator and shall be provided to GLP upon request.



### 3.5.4 METERING FOR EMBEDDED GENERATION FACILITIES

#### METERING INSTALLATIONS

The metering shall be installed at the demarcation point of connection of the embedded generation facility to the Distribution System. The point of demarcation for an embedded generation facility is the primary live line clamp or lines switch that is installed on or at GLP's distribution line. If this is not practical, GLP shall apply loss factors to the generation output in accordance with the loss factors applied for retail settlements and billing.

The Embedded Generator shall install metering in accordance with the Code and GLP's standard metering requirements. The Embedded Generator shall provide GLP with the technical details of the Meter Installation.

An Embedded Generator shall be responsible for the cost of the meter, the installation, and maintenance of an approved meter (using a Registered Meter Service Provider) in accordance with the Code. GLP will procure and install the appropriate meter.

Embedded generation facilities that receive energy (e.g. for station use or back-up supply) shall be placed in the appropriate Rate class and billed for the energy consumed.

As a way to encourage conservation, GLP has established a net metering policy for eligible customers wishing to participate in the net metering program. Eligible customers with specific generation facilities may reduce their net energy costs by exporting surplus generated energy back onto the GLP distribution system for credit against the energy the Customer consumes from the distribution system.

Participation in the net metering program is available to all GLP Customers with a generator that meet all of the following conditions:

1. The electricity is generated primarily for the customer's own use;
2. The electricity generated is conveyed to the customer's own consumption point without reliance on the GLP Distribution System;
3. The maximum cumulative output capacity of the generator does not exceed 500 kW; and
4. The electricity is solely generated from a renewable energy source (such as wind, drop in water elevation, solar radiation, agricultural bio-mass, or any combination thereof).

In order to participate in the net metering program, the Customer will be required to meet all the parallel generation requirements for Connecting Micro-Generation Facilities (10 kW or less) or Other Generation Facilities (greater than 10 kW and less than 500 kW), as applicable to the generator size, as found in Section 3.5 of these Conditions of Service.

The customer must have a bi-directional revenue meter that records energy flow in both directions.

In accordance with the Net Metering Regulation, GLP has established a net metering program regarding the netting of surplus generated energy with energy consumed from the GLP supply. Information about this program, as it is amended from time to time, may be obtained from GLP customer service.

#### EMBEDDED GENERATION FACILITIES THAT DO NOT DELIVER POWER TO THE DISTRIBUTION SYSTEM

If the Embedded Generator does not require a generation license from the Ontario Energy Board, GLP shall meter the embedded generation facility in the same manner as it meters Standard Customers. Notwithstanding the foregoing, the Embedded Generator shall pay all incremental costs associated with such metering. The meters for such installations shall be one directional meters. If this requirement is revised based on future changes to Regulations, the customer shall pay to replace such meters.



### 3.5.5 TRANSFORMERS

Any step-up transformation equipment required to step-up the embedded generation facility's output voltage to the primary voltage of GLP's distribution line shall be supplied, installed, owned and maintained by the Embedded Generator.

For Customers connected to the Distribution System that wish to install an embedded generation facility with a total installed generation capacity of less than 10 kW, GLP may, at its sole discretion, permit the embedded generation facility to be connected through GLP's existing transformer. In such cases, the Embedded Generator shall be responsible for any and all damage to the GLP facilities and equipment caused by the operation of the embedded generation facility.

### 3.5.6 MAINTENANCE SCHEDULES

The Embedded Generator must implement and adhere to a regular scheduled maintenance plan to assure both GLP and the Embedded Generator that the connection devices, protection and control systems are maintained in good working order. The provisions of said maintenance plan are to be listed in the connection agreement. The Embedded Generator must conduct a re-verification at least every 48 months (or as specified in the connection agreement) and provide a written report to GLP signed by a professional licensed engineer.

GLP, in its sole discretion, may request to witness the re-verification of any protections that could adversely impact the Distribution System. The Embedded Generator shall pay for the re-verification and provide GLP a copy of the report giving the results of the re-verification of the protections.

### 3.5.7 REPORTING REQUIREMENTS

All Embedded Generators over 100 kVA shall report any "significant event" to GLP within 5 business days. The connection agreement may include a list of events deemed significant and provide a standard report format.

The Embedded Generator shall keep a written log of the operation of its protections that result in the tripping of its interrupting devices. On request, the Embedded Generator must provide a copy of the log to GLP. The log shall contain, at a minimum, the following information:

- (a) the date and time of event/operation of protections;
- (b) which relay or protection feature of the relay initiated trip; and
- (c) conditions and unit output at the time of the trip that may be related to the operation (e.g. lightning, outage of feeder, etc.).

### 3.5.8 CAPITAL CONTRIBUTION

When GLP is required to add new GLP facilities or equipment, alter existing GLP facilities or equipment, or increase the capacity of the Distribution System to connect a new embedded generation facility (an "expansion"), GLP will perform an economic evaluation to determine the Embedded Generator's capital contribution for the equipment, labour and ongoing maintenance costs of the expansion (the "Expansion costs"). GLP will use the discounted cash flow model and assume that future revenue will be zero.

### 3.5.9 COMPLIANCE

All equipment of Embedded Generators connected, operating or procured before July 14, 2000 is deemed to be in compliance with GLP performance requirements except for the requirements of the Electrical Safety Authority and the isolating device requirements identified in section 3.5.2 herein.



GLP may require that the equipment deemed compliant to be brought into actual compliance with GLP's performance requirements within a time-frame established by GLP but not to exceed 12 months; where, at GLP's sole opinion, there is:

- (a) a material deterioration of the Distribution System reliability resulting from the performance of the Embedded Generator's equipment; or
- (b) a material negative impact on the power quality of an existing or a new Customer resulting from the performance of the equipment at the embedded generation facility; or
- (c) a material increase in generating capacity at the site where the equipment deemed compliant is located.

**3.5.10 DISCONNECTION OF EMBEDDED GENERATOR FACILITY**

GLP has the right to disconnect an embedded generation facility from the Distribution System where, in the sole opinion of GLP, any of the following conditions, exist:

- (a) there is a material deterioration of Distribution System reliability resulting from the performance of the Embedded Generator's equipment;
- (b) there is a material negative impact on the quality of power of an existing or a new Customer resulting from the performance of the equipment at the embedded generation facility;
- (c) the Embedded Generator has failed to re-verify the protection and control systems report within 30 days; or
- (d) the Embedded Generator's report of the re-verification of the protection and control system shows unacceptable deficiencies.

**3.5.11 ONTARIO POWER AUTHORITY STANDARD OFFER PROGRAM FOR AN EMBEDDED GENERATION FACILITY**

In conjunction with the OPA Standard Offer Program (SOP), GLP has established its policy to promote greater use of renewable energy sources such as wind, solar, photovoltaic (PV), renewable biomass, biogas, bio-fuel, landfill gas, or drop in water elevation for generating electricity.

Renewable energy electricity generation projects with a capacity of 10 MW or less that meets the program's requirements may be connected to GLP Distribution System in order to export electricity.

In most circumstances, generating facilities participating in the Standard Offer Program will connect directly to the GLP Distribution System at a voltage of 25 kV or less. Output from the generating facility shall be metered as follows:

- (a) for generators of 10 kW or less and connected to the line side of the load meter, a bi-directional kWh meter must be installed to measure energy consumed and energy exported; and
- (b) for all other generators, an interval meter must be installed.

The Embedded Generator will be solely responsible for any costs associated with the connection to the GLP distribution system and any required metering installation.

GLP's policy for the OPA Standard Offer Program, as it is amended from time to time, can be obtained from GLP customer service.

**3.6 EMBEDDED MARKET PARTICIPANT**

An "embedded market participant" is a Customer who is registered as a market participant with the IESO and whose facility is not directly connected to the IESO controlled grid but is connected to the Distribution System. All embedded market participants within the service jurisdiction of GLP, once approved by the IESO are required to inform GLP of their approved status in writing 60 days prior to their participation in the IESO administered market.



A connection agreement will be required between an embedded market participant and GLP, which will also include an operating schedule.

An embedded market participant will be responsible for the ownership, installation and maintenance of the meter and contracting the services of a registered meter service provider. Responsibility for an existing Meter Installation will transfer from GLP to the embedded market participant on the meter seal expiry date.

### **3.7 EMBEDDED DISTRIBUTOR**

All Embedded Distributors shall have a Connection Agreement.

The amount of account security that an Embedded Distributor will be required to provide GLP will be an amount to cover GLP's exposure and will be based on billing frequency and payment cycle period.

The account security provided by the Embedded Distributor will be an irrevocable letter of credit, deposit, or a combination thereof. If the Embedded Distributor provides account security in the form of a deposit, GLP shall pay the Embedded Distributor interest calculated annually on the deposit. The annual rate of interest will be as prescribed by the OEB.

In the event the Embedded Distributor does not pay a bill when payment is due, GLP shall have the right to access the funds available through the relevant security arrangements, commencing five business days after the date the payment was due.

The Embedded Distributor shall replenish security that has been accessed by GLP no later than one business day following receipt of written notice from GLP.

GLP may update the amount of required security at least every three months or more frequently if loads warrant more frequent assessments.

The following terms and conditions apply to the connection of an embedded Distributor:

- GLP shall make every reasonable effort to respond to another distributor's request for connection.
- GLP shall provide an initial consultation with another distributor regarding the connection process within thirty (30) days of receiving a written request for connection.
- A final Offer to Connect the Embedded Distributor to GLP's distribution system shall be made within ninety (90) days of receiving the written request for connection, unless the necessary information outside of GLP's control is required before an Offer can be made.

#### **3.7.1 CONNECTION REQUEST**

An Embedded Distributor shall submit its request to GLP, summarizing in writing the required initial and ultimate load requirements, the required in service date and any other specific requirements.

GLP will carry out an initial consultation and determine the scope and estimated cost of preparing a System Impact Study. GLP will respond within thirty (30) days of receiving the embedded distributor's request.

#### **3.7.2 COSTS**

Once the request for connection has been approved, and upon receipt of a purchase order or equivalent from the Embedded Distributor, GLP shall prepare detailed engineering specifications for required system enhancements, obtain cost estimates for the specified work, and determine cost-sharing arrangements.

Within ninety (90) days of receiving the connection application and the accompanying material set out in section 3.7.1 above, GLP will provide the Customer, in writing, a project description and letter of intent that include:



1. a description of the work to be performed by GLP;
2. a summary of the work to be performed by the Customer;
3. GLP's capital investment in the project; and
4. the Customer's financial contribution to the project.

If, despite GLP's best efforts, the ninety (90) day target cannot be met, GLP will notify the Embedded Distributor in writing and provide a new target completion date.

### **3.7.3 ENERGY SUPPLY**

As the host distributor, GLP reserves the right to limit the amount of energy that it agrees to supply the Embedded Distributor at each embedded connection/delivery point, and this amount shall be agreed upon by both Parties. The Embedded Distributor shall notify and include GLP in any discussion, planning and interconnection design of any proposed embedded generation facility that the Embedded Distributor proposes to connect to its distribution system.

## **3.8 UNMETERED CONNECTIONS**

There are instances where connections can be provided without metering. These loads are generally small in size and consistent in magnitude of load. GLP reserves the right to review all cases and may request a meter installed at its sole discretion.

Services that can be connected un-metered include, but are not limited to street lights, cable TV amplifiers, telephone switching devices, phone booths, bus shelters, railway crossing signals, traffic signals, or other small fixed loads. The method of billing will be based on estimated usage, which the Standard Customer will supply to GLP.

All un-metered connections fall under the Street Lighting or Safety/Maintenance Classifications.

### **3.8.1 STREET LIGHTING**

The energy consumption for streetlights is estimated based on GLP's profile for street lighting load, which provides the amount of time each month that the streetlights are operating. The energy charge is based on installed work.

GLP must approve the location of new lighting installations on its line poles prior to any work being completed and the streetlight owner shall enter into an agreement to use such poles. GLP will make the electrical service connection of all streetlights to the Distribution System. A formal streetlight agreement must be executed between GLP and the street light tenant prior to installation.

From time to time GLP will request information of street light owners to confirm consumption accuracy.



## 4.0 GLOSSARY OF TERMS

**“Act”** means the *Ontario Energy Board Act*, S.O. 1998, C.15, Schedule B;

**“Affiliate Relationships Code”** means the Code, approved by the Ontario Energy Board and in effect at the relevant time, which among other things establishes the standards and conditions for the interaction between electricity distributors and transmitters and their respective affiliated companies;

**“Applicable Laws”** means any and all applicable laws, including environmental laws, statutes, codes, licensing requirements, treaties, directives, rules, regulations, protocols, policies, by-laws, orders, injunctions, rulings, awards, judgements, or decree or any requirements or decision or agreement with or by any governmental department, commission, board, court authority or agency;

**“Building that Lies Along”** means a Customer property or parcel of land that is directly adjacent to or abuts onto the public road allowance or easement where GLP has GLP facilities and equipment of the appropriate voltage and capacity;

**“Code”** means the Distribution System Code, approved by the Ontario Energy Board in effect at the relevant time;

**“Common Service Tap”** means that portion of a distribution line on private property that supply up to two Standard Customers;

**“Complex Metering Installation”** means a metering installation where instrument transformers, test blocks, recorders, pulse duplicators and multiple meters may be employed;

**“Conditions of Service”** means the document as developed by GLP in accordance with subsection 2.3 of the Distribution System Code that describes GLP’s operating practices and connection rules;

**“Connection”** means the process of installing and activating connection assets in order to distribute electricity to a Customer;

**“Connection Agreement”** means the agreement entered into between GLP and an Embedded Generator, Embedded Distributor, Subtransmission Customer, large load Standard Customer, or Customer wishing to connect a subdivision or development whose equipment is or will be connected to GLP’s Distribution System that outlines the conditions of the connection and delivery of electricity to that connection;

**“Connection Cost Recovery Agreement”** means the agreement entered into between GLP and a person connected to its Distribution System that describes the work to be performed by GLP in connecting the Customer, the cost of same, any required capital contribution and/or revenue guarantees;

**“Customer”** means a person who is connected to the Distribution System and includes Standard Customers, Subtransmission Customers, Embedded Generators, and Embedded Distributors. If an account is opened in more than one person’s name, all such persons are Customers and are jointly and severally responsible for compliance with these Conditions of Service and to pay the rates and charges in accordance with these Conditions of Service;

**“Customer Equipment”** means all electrical and mechanical equipment owned by the Customer;

**“Demand Billed Customer”** means a demand metered Customer with average monthly peak demand greater than 50 kW over 12-months that is read monthly and billed in kW demand as well as kWh.;

**“Demand Meter”** means a meter that measures a Customer’s peak usage during a specified period of time;

**“Demarcation Point”** means the physical location at which GLP responsibility for operational control and ownership of distribution equipment including connection assets ends at the Customer;



**“Disconnect”** or **“Disconnection”** means a de-activation of connection assets which results in cessation of distribution services to a Customer;

**“Distribution Losses”** means energy losses that result from the interaction of intrinsic characteristics of the distribution network such as electrical resistance with network voltages and current flows;

**“Distribution Loss Factor”** means the factor(s) by which metered loads must be multiplied such that when summed it equals the total measured load at the supply point(s) to the distribution system;

**“Distribution Services”** means services related to the distribution of electricity and the services the Ontario Energy Board has required distributors to carry out for which a charge or rate has been approved by the Ontario Energy Board under Section 78 of the Act;

**“Distribution System”** means GLP’s system for distributing electricity below 50 kV, and includes any structures, equipment or other things used for that purpose. The distribution system is composed of the main system capable of distributing electricity to many Customers and the connection assets used to connect a Customer to the main distribution system;

**“Distribution System Code”** means the code, approved by the Board, and in effect at the relevant time, which, among other things, establishes the obligations of a distributor with respect to the services and terms of service to be offered to Customers and retailers and provides minimum technical operating standards of the Distribution System.;

**“Electricity Act”** means the *Electricity Act, 1998*, C.15, Schedule A;

**“Electrical Safety Authority”** or **“ESA”**, means the person or body designated under the Electricity Act Regulations as the ‘Electrical Safety Authority’;

**“Embedded Distributor”** means a distributor who is connected to the Distribution System;

**“Embedded Generator”** or **“Embedded Generation Facility”** means a Generator whose generation facility is connected to the Distribution System;

**“Emergency”** means any abnormal system condition that requires remedial action to prevent or limit loss of the supply of electricity;

**“Energy Only Customer”** means any Customer with average monthly peak demand of 50 kW or less over 12 months that is billed for electricity service on kWh energy only;

**“Force Majeure Event”** shall be deemed to be a cause reasonably beyond the control of the party whose inability as aforesaid is involved such as, but without limitation to, strike of that party’s employees, damage or destruction by the elements, accident to the works of that party, fire, explosion, war on the queen’s enemies, legal act of the public authorities, insurrection, act of God or inability to obtain essential services or to transport materials, products or equipment because of the effect of similar causes on that party’s suppliers or carriers, severe weather, flood, fire, lightning, other forces of nature, acts of animals, epidemic, quarantine, restriction, sabotage, act of a public enemy, earthquake, riot, civil disturbance, strike, restraint by court order or public authority, or action or non-action by or inability to obtain authorization or approval from any governmental authority, or any combination of these causes;

**“GLP”** means Great Lakes Power;

**“General Service”** means all service supplied to premises other than those designated as residential, seasonal, street lighting, safety/ maintenance or interval metered classes. Generally, it includes commercial, industrial, educational, administrative, auxiliary and government-type services. It includes combination-type services where the owner of one property makes a variety of uses of the service, and all multiple services, except Residential;





**“Generate” or “Generating”**, with respect to electricity, means to produce electricity or provide ancillary services, other than ancillary services provided by a transmitter or distributor through the operation of a transmission or Distribution System;

**“Generation Facility”** means a facility for generating electricity or providing ancillary services, other than ancillary services provided by a transmitter or distributor through the operation of a transmission or Distribution System, and includes any structures, equipment or other things used for that purpose;

**“Generator”** means a person who owns or operates a generation facility;

**“Good Utility Practice”** means any of the practices, methods and acts engaged in or approved by a significant portion of the electricity utility industry in North America during the relevant time period, or any of the practices, methods and acts which in the exercise of reasonable judgement in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good practices, reliability, safety, and expedition. Good utility practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods or acts generally accepted in North America;

**“GLP Facilities and Equipment”** means GLP’s meters, wires, poles, cables, transformers, any other structures, equipment, all other appliances and equipment or other things used for distributing electricity;

**“IESO”** means the Independent Electricity System Operator established under the Electricity Act;

**“IESO Controlled Grid”** means the transmission systems with respect to which, pursuant to agreements, the IESO has authority to direct operation;

**“Interval Meter”** means a meter that measures and records electricity use on an hourly or sub-hourly basis;

**“Load Transfer”** means a network supply point of one distributor that it supplies through the distribution network of another distributor and where this supply point is not considered a wholesale supply or bulk sale point;

**“Load Transfer Customer”** means a Customer that is provided distribution services through a load transfer;

**“Market Participant”** means a person who is authorized by the market rules to participate in the IESO-administered markets or to cause or permit electricity to be conveyed into, through or out of the IESO controlled grid;

**“Market Rules”** means the rules made under Section 32 of the Electricity Act;

**“Measurement Canada”** means the special operating agency established in August 1996 by the Electricity and Gas Inspection Act, 1980-81-82-83, C.87 and Electricity and Gas Inspection Regulations (SOR/86-131);

**“Meter Installation”** means the meter and, if so equipped, the instrument transformers, wiring, test links, fuses, lamps, loss of potential alarms, data recorders, telecommunication equipment and spin-off data facilities installed to measure power past a meter point, provide remote access to the metered data and monitor the condition of the installed equipment;

**“MIST Meter”** means an interval meter from which data is obtained and validated within a designated settlement timeframe. MIST stands for “metering inside the settlement timeframe”;

**“MOST Meter”** means an interval meter from which data is only available outside of the designated settlement time frame. MOST stands for “metering outside the settlement timeframe”;

**“Multiple Residential Properties”** means a property, which provides separate living accommodation for two or more families. It does not include properties used for short-term occupancy such as hotels, motels, etc.;

**“Ontario Energy Board Act”** means the *Ontario Energy Board Act, 1998*, S.O. 1998, C.15, Schedule B;



**“Open Access”** means the date that GLP was required to provide non-discriminatory access to the Distribution System;

**“Operational Demarcation Point”** means the physical location at which GLP has operational control of distribution equipment including connection assets ending at the Customer;

**“Ownership Demarcation Point”** means the physical location between Customer owned equipment, service lines and GLP owned distribution facilities;

**“Point of Supply”**, with respect to an embedded generation facility, means the connection point where electricity produced by the embedded generation facility is injected into the Distribution System;

**“Present Value”** means the current value of a future amount of money;

**“Primary Metered Service”** means a connection whose meter point is located on the primary side of a distribution transformer;

**“Primary Service”** means a connection directly to GLP’s primary facilities.

**“Private Property”** means a property owned by a Customer or a third party, and does not include any public street or highway;

**“Qualified Contractor”** means a contractor qualified to deal with electrical hazards in accordance with the requirements of the *Occupational Health & Safety Act*, (Ontario), as amended and all applicable regulations thereto including, construction projects – O. Reg. 213/91;

**“Rate”** means any rate, charge or other consideration, and includes a penalty for late payment;

**“Rate Handbook”** means the document approved by the Ontario Energy Board that outlines the regulatory mechanisms that will be applied in the setting of distributor rates;

**“Registered Metered Service Provider”** means a person that provides, installs, commissions, registers, maintains, repairs, replaces, inspects and tests metering installations, and is approved and registered by Measurement Canada;

**“Regulations”** means the regulations made under the Act or the Electricity Act;

**“Residential Service”** means all services supplied to single-family dwelling units for domestic/household purposes.

**“Retail”**, with respect to electricity means,

- 1) sale or offer to sell electricity to a Customer
- 2) act as agent or broker for a retailer with respect to the sale or offering for sale of electricity, or
- 3) act or offer to act as an agent or broker for a Customer with respect to the sale or offering for sale of electricity;

**“Retail Settlement Code”** means the code approved by the Ontario Energy Board and in effect at the relevant time, which, among other things, establishes a distributor’s obligations and responsibilities associated with financial settlement among retailers and Customers and provides for tracking and facilitating Customer transfer among competitive retailers;

**“Seasonal Service”** means all services supplied to single-family dwelling units for domestic purposes and are seasonal/intermittently-occupied. A Seasonal service could be anything from a service on a pole to a ski chalet, or a modern house being used as a cottage.

**“Secondary Service”** means a connection to the low voltage side of a distribution transformer located on the Distribution System.;



**“Single Phase”** means a system that supplies a single alternating current/voltage supply;

**“Standard Customer”** means any Customer who is **not** a Subtransmission Customer, an Embedded Distributor, an Embedded Generator, or a service that requires power for less than 12 months;

**“Standard Supply Service”** means the service approved by the Ontario Energy Board and in effect at the relevant time, which, among other things, establishes the minimum conditions that a distributor must meet in carrying out its obligations to sell electricity under Section 29 of the Electricity Act;

**“Subtransmission Customer”** comprises that group of large users that are typically served from GLP sub-transmission system;

**“Subtransmission Service”** means a service that is connected to the GLP sub-transmission system;

**“System Enhancements”** or **“Enhancements”** means upgrades to the existing Distribution System that are triggered by a new connection and are required in order to maintain system operating characteristics and system capacity;

**“System Expansion”** or **“Expansion”** means an addition to the Distribution System in response to a request for additional Customer connections that otherwise could not be made;

**“Three Phase”** means a system having three distinct alternating current/voltage 120 degrees between each phase;

**“Un-metered Loads”** means electricity consumption that is not metered and is billed on estimated usage;

**“Wholesale Market Participant”** means a party that sells or purchases electricity or ancillary services through the IESO administered markets.



**5.0 FORMS**

**Appendix A**

**Table 1: Connection & Construction Agreements and Schedules  
Table of Contents**

1. Contact Information
2. Service Layout Application
3. Pole Sharing Arrangement (Owner and User)
4. Transfer of Privately Built Line Extension
5. Application and Contract for Electric Service
6. Right of Access
7. General Service Forms (General Service Application, General Service Information Package, & Commercial/Industrial disclaimer form)
8. Credit Reference Forms (General, Residential/Cottage)
9. Pre-Authorized Payment
10. Property Key Contract
11. Security Deposit – Payment by a Third Party Acknowledgement
12. Disconnection Authorization
13. Acceptable Voltage Variations & General Electric Flicker Limits
14. Demarcation Points & Primary Underground Diagrams Contact Information



## Great Lakes Power



### Great Lakes Power Contact Information

#### CUSTOMER INQUIRY AND SERVICE

To contact us for questions concerning your account:

**1-877-457-7378 or 705-256-3850**

**Monday to Friday 8 am to 4:30 pm (with exception of holidays)**

**Website: <http://www.glp.ca>**

**E-mail: [customerservice@glp.ca](mailto:customerservice@glp.ca)**

#### EMERGENCY SERVICE

For power outages, downed lines, or other emergencies:

**1-800-335-0284 or 705-253-0211**

#### QUESTIONS ABOUT THE ELECTRICITY MARKET?

If you have questions, or wish to learn more about the electricity market you can contact the following sources for information:

##### **ONTARIO ENERGY BOARD**

**Customer Service Centre: 1-877-632-2727**

**Website: [www.oeb.gov.on.ca](http://www.oeb.gov.on.ca)**

##### **INDEPENDENT ELECTRICITY SYSTEM OPERATOR (IESO)**

**Customer Service Centre: 1-888-448-7777**

**Website: [www.ieso.ca](http://www.ieso.ca)**

##### **ONTARIO POWER AUTHORITY**

**Customer Service Centre: 1-800-797-9604**

**Website: [www.powerauthority.on.ca](http://www.powerauthority.on.ca)**



CUSTOMER OR REPRESENTATIVE MUST BE PRESENT FOR SITE VISIT. Additional site visits due to absence at original site visit or for changes to original layout will have a service fee of \$200.00 due prior to additional site visit.

### CUSTOMER INFORMATION

Name: \_\_\_\_\_ Home Phone: \_\_\_\_\_ Bus Phone: \_\_\_\_\_

Mailing Address: \_\_\_\_\_ City/Town: \_\_\_\_\_ Prov: \_\_\_\_\_

Postal code: \_\_\_\_\_ Meter #(if applicable): \_\_\_\_\_ GLP Account #: \_\_\_\_\_

Property Address: 911#/Civic# \_\_\_\_\_ Lot \_\_\_\_\_ Conc \_\_\_\_\_ Township \_\_\_\_\_

Street Name: \_\_\_\_\_ Municipality: \_\_\_\_\_

**The contractor named below is authorized to receive account information and act on my behalf for completion of this application and subsequent work requests:**

Customer Name: \_\_\_\_\_ Signature: \_\_\_\_\_

Contractor: \_\_\_\_\_ Phone \_\_\_\_\_ Cell: \_\_\_\_\_ Fax: \_\_\_\_\_

***NOTE: If service size is greater than 200A or other than 1 phase, an Application for General Service is to be completed & proposed metering requirements reviewed by GLP Meter Dept.***

***Indicate whether New Service or Service Upgrade by checking one of the following:***

**NEW SERVICE** (new building OR service that has been disconnected for over six months) \_\_\_\_\_

**SERVICE UPGRADE** (Change to an existing service) \_\_\_\_\_

***Complete all of the following (new service/service upgrade):***

**Service Type:** Underground \_\_\_\_\_ Overhead \_\_\_\_\_ **Type:** Residential \_\_\_\_\_ Seasonal \_\_\_\_\_ General \_\_\_\_\_

**Service Size** \_\_\_\_\_ Amp **Is central meter required?** No \_\_\_\_\_ Yes \_\_\_\_\_ (additional charges may apply)

**Heating Source** Electric \_\_\_\_\_ Gas \_\_\_\_\_ Oil \_\_\_\_\_ Wood \_\_\_\_\_ Propane \_\_\_\_\_ Other (specify) \_\_\_\_\_

**For existing services:** Is meter base location changing? Yes \_\_\_\_\_ No \_\_\_\_\_ (to where) \_\_\_\_\_

Is there a power line along the roadway servicing the property now? Yes \_\_\_\_\_ No \_\_\_\_\_

Is the power line on the same side of roadway as the property? Yes \_\_\_\_\_ No \_\_\_\_\_

Distance to building from nearest pole: \_\_\_\_\_ **Name or address of closest site with power:** \_\_\_\_\_

Will any part of the service be located on or across private property owned by others? Yes \_\_\_\_\_ No \_\_\_\_\_

If Yes, does the customer have a registered easement permitting such location? Yes \_\_\_\_\_ No \_\_\_\_\_ If yes, attach copy. If

no, what written authority does customer have for such location (*attach copy and additional page, if necessary*) \_\_\_\_\_

**It is the customer's responsibility to ensure that all equipment, including poles and service wire, is located within the boundaries of the customer property or to ensure that legal authorization to cross other land is obtained.**

**PLEASE NOTE: GLP WILL HAVE FINAL APPROVAL ON METER BASE LOCATION**  
Service Layout is to be checked by GLP and completed **PRIOR** to any disconnect/reconnect being scheduled.

**IF A CHANGE TO THE APPROVED SERVICE LAYOUT AND/OR POWER LINE ROUTE MODIFICATIONS ARE REQUESTED, A SERVICE CHARGE OF \$200.00 WILL APPLY.**

***Note: If GLP is required to construct a line on public property to service your property, an engineering fee, in addition to construction costs, will apply.***

***For disconnect/reconnect of services only, a field service charge of \$100.00 will apply.***



**REQUIREMENTS FOR SERVICE CONNECTION:**

- If new metered service, an Application and Contract for Electric Service is to be signed. To inquire about payment options, deposits, etc., contact Customer Service at 1-705-256-3850 or toll free at 1-877-457-7378.
- GLP approval of the location of meter socket, service entrance is required **PRIOR TO INSTALLATION OF THE METER BASE, MAST AND/OR CONDUIT.**
- Connection authorization issued by **Electrical Safety Authority**. The customer is responsible for ensuring proper permits are obtained & inspections scheduled (E.S.A.: 1-877-372-7233 – www.esasafe.com)
- **Requirement for location of the meter is that it be within 10 feet (3 metres) of the driveway.** Refer to Electrical Safety Code for other requirements.

**Great Lakes Power Tree Trimming Standards on private property:**

**(brushing is the customer's responsibility)**

Secondary lines (triplex), between poles	5 ft	Right-of-Way
Service drop (triplex), pole to building	3 ft	Right-of-Way
Primary lines (high voltage); if growth potential	20 ft	Right-of-Way
Primary lines (high voltage); low growth -	16 ft	Right-of-Way

If GLP is unable to complete work due to incomplete customer forestry, a \$100.00 return trip fee will be charged. Customer's sketch is to include aerial view of roadway, driveway, building location, approximate distance to building, and preferred location of meter.

Please provide detailed directions and description of work to be done: _____ _____ _____
--

**NOTE: IF POLES ON CUSTOMER PROPERTY ARE REQUIRED, PROPOSED LOCATIONS MUST BE STAKED PRIOR TO GLP SITE VISIT. BUILDING MUST BE STARTED BEFORE A SITE VISIT WILL BE ARRANGED. BOUNDARY BARS FOR THE PROPERTY MUST BE MARKED PRIOR TO SITE VISIT.**



**POLE-OWNER ACKNOWLEDGEMENT  
OF POLE-SHARING ARRANGEMENT**

Date: \_\_\_\_\_

**Great Lakes Power Limited**  
2 Sackville Rd  
Sault Ste Marie, ON P6B 6J6

This letter serves to acknowledge that I have entered into a pole-sharing arrangement (the "Arrangement") with, \_\_\_\_\_ (my "Neighbor") the owner(s) of:

\_\_\_\_\_  
Lot#    Plan    Township of  
\_\_\_\_\_  
Street Address

whereby I am allowing my Neighbor to use my power pole located on my property for the purpose of supplying electrical power to his/her property. The Arrangement is between my Neighbor and myself, and does not involve Great Lakes Power Limited ("GLPL") in any way whatsoever. I will not involve GLPL in any disputes regarding the Arrangement including, but not limited to, the discontinuance of the Arrangement or financial obligations due thereunder. Should my property be sold in the future, the responsibility of informing the purchaser of the Arrangement rests with me and not GLPL.

Name (please print) : \_\_\_\_\_

\_\_\_\_\_  
Lot#    Plan    Township of  
\_\_\_\_\_  
Street Address

Signature(s): \_\_\_\_\_  
\_\_\_\_\_

**NOTE: The current design of this line will support the present services. If you plan to increase your service requirements, additional costs may be applicable.**





**POLE-USER ACKNOWLEDGEMENT  
OF POLE-SHARING ARRANGEMENT**

Date: \_\_\_\_\_

**Great Lakes Power Limited**  
2 Sackville Rd  
Sault Ste Marie, ON P6B 6J6

This letter serves to acknowledge that I have entered into a pole-sharing arrangement (the "Arrangement") with, \_\_\_\_\_ (my "Neighbor") the owner(s) of:

---

Lot#	Plan	Township of
------	------	-------------

---

Street Address

whereby my Neighbor is allowing me to use his/her power pole located on his/her property for the purpose of supplying electrical power to my property. The Arrangement is between my Neighbor and myself, and does not involve Great Lakes Power Limited ("GLPL") in any way whatsoever. I will not involve GLPL in any disputes regarding the Arrangement including, but not limited to, the discontinuance of the Arrangement or financial obligations due thereunder. Should my property be sold in the future, the responsibility of informing the purchaser of the Arrangement rests with me and not GLPL.

Name (please print) : \_\_\_\_\_

---

Lot#	Plan	Township of
------	------	-------------

---

Street Address

Signature(s): \_\_\_\_\_  
\_\_\_\_\_

**NOTE:** The current design of this line will support the present services. If you plan to increase your service requirements, additional costs may be applicable.



**TRANSFER OF PRIVATELY BUILT LINE EXTENSION**

THIS AGREEMENT MADE BETWEEN\*, (hereinafter the "Customer"), OF THE FIRST PART, and GREAT LAKES POWER LIMITED, (hereinafter "Great Lakes"), OF THE SECOND PART;

WHEREAS the Customer has arranged for the construction of a line extension on a road allowance or easement adjacent to or across the Customer's property and which is described as follows: Description of Line

<i>Township</i>	<i>Plan</i>	<i>Lot/Part</i>	<i>Twp.Lot</i>	<i>Conc.</i>
<i>Voltage</i>	<i>Length</i>	<i>No. Of Spans</i>	<i>No. Of Poles</i>	<i>No. Of Anchors</i>

(Hereinafter called the "Line");

AND WHEREAS Great Lakes has inspected the Line and is satisfied that it has been constructed in a manner that meets its requirements;

NOW WITNESSETH in consideration of the sum of One Dollar (\$1.00) now paid by Great Lakes to the Customer, the receipt of which is hereby acknowledged, the Customer and Great Lakes hereby covenant, promise and agree as follows:

1. The Customer hereby grants, transfers and conveys to Great Lakes all right, title and interest in the Line free and clear of all encumbrances.
2. Great Lakes Power Limited shall assume ownership, operation, maintenance and public liability of the Line in accordance with standard engineering practices.
3. Great Lakes, its officers, directors, agents and/or employees and successors and assigns are not responsible for any damages, claims, liabilities, costs, demands, actions, expenses or compensation associated with the Line where the cause of such damages, claims, liabilities, costs, demands, actions, expenses or compensation occurred prior to the Execution Date.
4. The Customer agrees:
  - \_\_\_\_\_ To relinquish all equity in the Line to Great Lakes at this time.
  - Initial
5. The Customer certifies and warrants that:
  - (a) All persons who have supplied work, services or materials to the construction of the Line have been paid in full; and
  - (b) Construction of the Line was completed on \_\_\_\_\_,

IN WITNESS WHEREOF the parties have executed this Agreement this \_\_\_ day of, \_\_\_\_\_, 20\_\_ (the "Execution Date").

\_\_\_\_\_ (Seal)  
(Customer)

\_\_\_\_\_ (Seal) Per: \_\_\_\_\_  
(Customer) GREAT LAKES POWER LIMITED



# Application and Contract for Electric Service

NAME (S) of CUSTOMER (S): \_\_\_\_\_ ACCOUNT-CID# \_\_\_\_\_ LID# \_\_\_\_\_

EFFECTIVE DATE: \_\_\_\_\_

MAILING ADDRESS: \_\_\_\_\_

(e.g Street #, Street name, PO Box, RR, Site, Box, Compartment)

(Municipality)

(Province)

(Postal Code)

HOME TELEPHONE NUMBER: \_\_\_\_\_ Fax at Home: \_\_\_\_\_ Cell: \_\_\_\_\_

Alternate Contact Name: \_\_\_\_\_ Contact Number: \_\_\_\_\_ Cell: \_\_\_\_\_

EMAIL \_\_\_\_\_ GST EXEMPT: Yes \_\_\_\_\_ No \_\_\_\_\_

EMPLOYER: \_\_\_\_\_ Telephone: \_\_\_\_\_ Ext: \_\_\_\_\_ Fax: \_\_\_\_\_

PHOTO IDENTIFICATION / VERIFIED Yes \_\_\_\_\_ No \_\_\_\_\_ Type of I.D. \_\_\_\_\_

The Customer agrees to abide by Great Lakes Power's (GLP) Conditions of Service as filed with the Ontario Energy Board and as amended from time to time. The Conditions of Service are available to view at GLP or at GLP's website ([www.glp.on.ca](http://www.glp.on.ca)) or by individual copy for a fee.

SIGNATURE OF CUSTOMER: \_\_\_\_\_

ACCEPTED FOR GLP (the "Company") BY: \_\_\_\_\_ DATE: \_\_\_\_\_

For office use only:

CHECK ONE:  Owner

Tenant

Property manager/caretaker

CHECK ONE:  Residential

Seasonal

General

Type of General \_\_\_\_\_

NAICS code \_\_\_\_\_

Other \_\_\_\_\_

NAME OF OWNER (S): \_\_\_\_\_

LOCATION ADDRESS: Emergency Number: \_\_\_\_\_ Civic Number - Only if there is no Emergency Number: \_\_\_\_\_

Meter# \_\_\_\_\_

(Street Name)

(Municipality)

(Province)

(Postal Code)

TYPE OF HEAT  electric  other \_\_\_\_\_

(specify)

### GUARANTEE DEPOSIT:

1. Guarantee Deposit of \$ \_\_\_\_\_ will be billed in \_\_\_\_\_ instalment(s) with \_\_\_\_\_ required prior to effective date.

# Summary of Conditions of Service

- OR
2. Deposit not required if proof of a good, 12 month history (of which part of must be within last 24 months) from another energy utility.

Utility Name: \_\_\_\_\_ Date received: \_\_\_\_\_



## Application and Contract for Electric Service

**Rates and Charges:** GLP's distribution rates include a fixed monthly service charge (which varies according to your rate classification – residential, seasonal, general, etc.) and a volumetric charge, based on the amount of electricity you use. The monthly service charge is designed to cover common costs that are independent of electricity used. All other distribution service costs are recovered through the volumetric rate. In addition to distribution rates, GLP will pass through to you, other regulated charges for transmission services, wholesale market services, rural and remote rate protection, debt retirement and standard supply service, if applicable. Rates and charges apply from the date you take responsibility for the service, even if you do not actually begin using electricity at that time.

All rates and charges levied by us, including fees for work such as line maintenance, which is required to ensure electrical service and to keep equipment safe and in good repair on your property, are your responsibility.

You can obtain current information about how GLP conducts business with our customers by contacting our Customer Service Department.

**Deposits:** A deposit may be required at any time. Deposits are held as security to guarantee payment of future charges and will not be applied to your arrears unless your account is terminated.

**Payment Options:** Customers may pay their electricity bills using any of the following methods: cheque or money order in a GLP drop box; mailed with the remittance stub portion of the bill to GLP address on the stub; through automated banking machines, telephone banking or internet bill payment services as offered through their financial institution. Acceptable payments will be in Canadian funds and either cheque or money order. Payments of cash, cheque or money orders (Canadian funds) may be paid in person at most Canadian financial institutions and at GLP authorized agents. GLP offers a pre-authorized payment option.

As a courtesy to our customers, GLP will make best effort to refrain from processing post-dated cheques until the post-date. However, if a post-dated cheque is processed by GLP, GLP assumes no responsibility for any related charges or damages, including but not limited to non-sufficient fund charges to the customer.

**Late Payment Charges:** You have 16 days from the billing date to make your payment. A late charge of 1.5% monthly (19.56% annually) may be charged on overdue balances. This charge encourages all customers to pay promptly and treats customers who pay on time in a fair manner.

Non-payment of your electricity bill may lead to a service interruption. If you are experiencing difficulties, call Customer Services to work out a mutually acceptable payment arrangement. A balance forward on all new bills is subject to a service interruption.

**Service Interruptions and Reconnections:** GLP may interrupt or limit the amount of electricity you can consume if you default on any of your obligations under GLP's Conditions of Service, including non-payment of your electricity bill, or by order of the Electrical Safety Authority. GLP is not liable for any damage related to the disconnection or limitation of electricity.

A collection charge will apply when GLP makes a trip to collect payment for an overdue account or to install a load limiter. A reconnection charge will apply to reconnect your service.

**Space and Access:** In order to read your meter or inspect and repair GLP's equipment, GLP may need to enter your premises. Please keep a path to your electricity meter(s) clear. It is your responsibility to provide GLP with access to read the meter. In the event GLP has ongoing problems obtaining access to the meter, GLP reserves the right to require a relocation of the meter at your expense.

**Tree and Vegetation Management:** You are responsible for all tree trimming, tree and brush removal for the overhead power lines on your property that service your premises. Due to the danger of working around overhead power lines, unqualified individuals should never attempt to cut down trees, or trim branches that are close to or touching overhead power lines. GLP strongly recommends you hire a qualified electrical contractor to do this work. GLP also recommends you have GLP drop the lines while cutting trees to ensure no damage occurs to your equipment and that the work can be completed safely. Clearances between trees and power lines must conform to the Ontario Electrical Safety Code.

**Privacy & Customer Information:** GLP will not divulge any of your information to third parties without your written consent except:

- a) for billing or market operation purposes;
- b) for law enforcement purposes;
- c) for the purpose of complying with a legal requirement;
- d) for the purpose of past due accounts.

**Cable Locates:** GLP will mark the location for all underground cables from your pole to your meter without a charge one time per year, if requested. GLP requires a minimum of five business days to schedule the work. Unless it is an emergency, GLP will charge the cost of locating underground cables after normal business hours.

**Your Electrical Equipment:** You are responsible for the installation and maintenance of your own power lines. For your own safety, please remember that the Electrical Safety Authority must inspect this work. You must comply with all applicable laws, including (but not limited to) the Ontario Electrical Safety Code, and ensure that your equipment is properly identified and connected for metering and operation purposes. You must take whatever steps necessary to correct any deficiencies in a timely fashion. If you do not complete the work in a timely manner, GLP is entitled to disconnect your electrical service.

**GLPL-D's Electrical Equipment:** GLP will repair or replace, at GLP's expense, any of GLP's equipment on your property that fails due to ordinary wear and tear. For any other damage, you are responsible for paying us the value of GLP's equipment or the cost to repair or replace the equipment. In some cases, alterations may be necessary to your structures, pavement, landscaping, etc. to enable us to access and repair equipment. GLP always attempts to minimize this disruption, however GLP cannot guarantee or assume the costs of returning your property to its original state.

You are not to erect a building or plant any gardens, trees or shrubs that could obstruct or endanger any of GLP's equipment, or interfere with the safe operation of the distribution system.

**Power Interruptions and Surges:** From time to time, events beyond GLP's control can cause power interruptions or voltage irregularities. For these reasons, GLP cannot guarantee a continuous or constant supply of power and will not be liable for any damages caused by a power outage or surge. Also, planned interruptions to your electricity service do occur. While GLP tries to provide you with advance notice of such interruptions, GLP may be unable to do so and in such situations, the interruptions will proceed as planned and GLP will not be liable for any damages caused during such planned outages.

**Closing Your Account:** If you decide to close your account, five business days notice is required to allow us time to schedule your meter to be read to send you a final bill.

**Implied Contracts:** GLP has an implied contract with any customer connected to GLP's distribution system until such time an actual contract is signed. Anyone who takes or uses electricity that GLP delivers is liable to pay us for it. The terms of implied contract are embedded in GLP's Conditions of Service, the Ontario Energy Board's Distribution Rate Handbook, GLP's Distribution Licence and the Distribution System Code, the Standard Supply Service Code and the Retail Settlement Code, all as amended from time to time. Any implied contract for the supply of electricity shall be binding upon the heirs, administrators, executors, successors and assigns of the person(s) who took or used electricity supplied by us.

GLP reserves the right to disconnect power if a signed contract is not in place.

**Disputes:** If you have a complaint with us, please call GLP's Customer Service Department at 1.877.457.7378. If the service representative cannot resolve your complaint, GLP has an internal process to lead to resolution of your dispute. If GLP cannot resolve your issue, it can be escalated to a third party complaint resolution agency approved by the Ontario Energy Board.

# Summary of Conditions of Service

Your safety and the safety of others is of primary concern of GLP. As such, GLP's Conditions of Service do not authorize or encourage any person or entity including, but not limited to, a customer, a customer's officers, directors, agents and/or employees and successors and assigns to engage in any activity that may cause personal injury or damage to property including, but not limited to, property belonging to GLP, a customer or any other party. GLP, its officers, directors, agents and/or employees and successors and assigns are not responsible for any damages, claims, liabilities, costs, demands, actions, expenses or compensation that may arise from GLP's Conditions of Service. For a full Conditions of Service Document, visit GLP's web site at: [www.glp.on.ca](http://www.glp.on.ca) or call GLP's Customer Service Department at 1.705.256.3850, or long distance 1.877.457.7378.

CS101

Revised: April 12, 2006



**RIGHT OF ACCESS**

Conditions of Service

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The Customer hereby grants Great Lakes Power (GLP), its successors and assigns, the unrestricted right, privilege, and easement, free of charge or rent, to use so much of the service location and to enter on, in, upon, along and over the service location at any time as GLP may deem it necessary or desirable for purposes of performing the work and for its employees, servants, agents, contractors and subcontractors to pass and re-pass with or without vehicles, supplies, machinery and equipment, on, in upon, along and over the service location at any time to perform the work and for all purposes necessary or convenient to the exercise and enjoyment of the right, privilege, and easement hereby granted.



Name of Company/Customer: \_\_\_\_\_

Mailing Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Phone: \_\_\_\_\_ Cell: \_\_\_\_\_ Fax: \_\_\_\_\_

Account Number: \_\_\_\_\_

Service Address: \_\_\_\_\_

Nature of Business: \_\_\_\_\_  
\_\_\_\_\_

Months of Operation: \_\_\_\_\_ Days per Week: \_\_\_\_\_

Daily Operating Hours:(from) \_\_\_\_\_ (to) \_\_\_\_\_

Size of Main Service: \_\_\_\_\_ Amps \_\_\_\_\_ Volts  
\_\_\_\_\_ 1 Phase \_\_\_\_\_ 3 Phase

Estimated yearly energy consumption (kWh): \_\_\_\_\_

CONNECTED LOAD CONSISTING OF THE FOLLOWING LIST:

	<u>Single Phase</u>	<u>Three Phase</u>
Heating:	_____ kW	_____ kW
Air Conditioning:	_____ kW	_____ kW
Lighting:	_____ kW	_____ kW
Welders:	_____ kva	_____ kva
Motors: (add total of all HP)	_____ HP	_____ HP
Largest Motor:	_____ HP	_____ HP
Other:	_____ kW	_____ kW
	_____ kW	_____ kW

List the motors and the equipment they run on the back

TOTAL: \_\_\_\_\_ kW \_\_\_\_\_ kW

Estimated Demand: \_\_\_\_\_ kW \_\_\_\_\_ kW

Is Power Factor Corrective Equipment ( capacitors ) Being Used? \_\_\_\_\_ YES \_\_\_\_\_ NO

Remarks: \_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
SIGNATURE DATE





**SUMMARY OF MOTORS & EQUIPMENT**

UNIT #	TYPE OF EQUIPMENT	MOTOR SIZE (HP)	VOLTAGE	1 or 3 PHASE
1.				
2.				
3.				
4.				
5.				
6.				
7.				
8.				
9.				
10.				
11.				
12.				
13.				
14.				
15.				
16.				
17.				
18.				
19.				
20.				
21.				
22.				
23.				
24.				
25.				



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### *Customer Information Package*

The customer is responsible for signing a Contract to Purchase Power, arrange for connection fees/deposits if applicable, and select billing method at our office at 2 Sackville Road, Sault Ste. Marie. All electrical work on private property shall conform to Electrical Safety Code specifications. Plan for pole installations, electrical equipment, etc. should be reviewed by the Electrical Safety Authority (ESA). As well, the plans should be submitted for review to Great Lakes Power well in advance of any work being done on the property. No connection to Great Lakes Power system will be done until approval of the installation has been given by ESA and connection authorization issued. The location of meter(s), metering cabinet, switchgear, etc., is to be approved by Great Lakes Power prior to installation of service entrance equipment. All brushing on private property is the responsibility of the customer; minimum guidelines accepted will be those specified by the ESA.

Metering will normally be supplied by the utility at a single point on the supply transformer's low voltage secondary. A central metering system may be used if the multiple secondary requirements can be supplied by a single transformer. Customer owned primary line with multiple transformers may require primary high voltage metering supplied and installed by the utility with the cost paid by the customer. Meters and instrument transformers where applicable will be mounted in sockets or in metering tubs of the proper size based on service size, per attached sheet showing metering tub sizes.

A lockable/sealable metering panel complete with detachable back plate is to be supplied/installed by the customer. The location of the metering panel will be determined by Great Lakes Power upon receipt of applicable plan and profile drawings. Great Lakes Power will supply and install the appropriate meters on a detachable back plate in the panel.

Where the metering equipment is to be mounted in switchgear, a breaker compartment in the low voltage switchgear must be able to accommodate instrument transformers for the sole purpose of metering. Great Lakes Power will supply CT's and PT's for services in switchgear up to 4160 volts. The type of instrument transformers utilized are subject to the approval of Great Lakes Power and must be of revenue accuracy in accordance with Industry Canada requirements. The switchgear cells must be of the pull-out type in order to facilitate the de-energization and isolation of the instrument transformers.

The Metering Dept. personnel of the Utility will select the appropriate type of instrument transformer based on the type and location of mounting, rating, accuracy required, and metering connections. The Utility will mount and wire all meters and instrument transformers except those in switchgear, which will be mounted but not wired by the manufacturer. The customer will supply, for secondary wiring purposes, a dedicated continuous metallic one inch conduit or other equivalent continuously enclosed raceway from the metering enclosure to any other enclosure containing instrument transformers. If requested at any time, the customer will provide a telephone extension line for purposes of remote metering.



It is the customer's responsibility to clarify any details regarding acceptance by the Utility, and/or E.S.A. of electrical equipment, location, metering, etc. for the service. Great Lakes Power's supply of service is often dependent on delivery from suppliers for transformers, metering equipment, etc.; any unexpected delays caused by late deliveries is not Great Lakes Power's responsibility.

### SUGGESTED METERING TUB SIZES (Imperial measurements)

1 phase	100 amp	Socket
1 phase	200 amp	Socket
1 phase	400 amp	30 x 30 x 10
1 phase	600 amp	30 x 30 x 10
1 phase	800 amp	30 x 30 x 10
400, 600, 800 amp require 4 jaw socket with circuit closing left side Murray-Jensen 1" WB-105MW		
3 phase 3 wire	100 amp	5 terminal socket by special request
3 phase 3 wire	200 amp	5 terminal socket by special request
3 phase 3 wire	400 amp	36 x 36 x 10
3 phase 3 wire	600 amp	48 x 48 x 10
3 phase 3 wire	800 amp	48 x 48 x 10



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3 phase 4 wire	100 amp	7 terminal socket by special request
3 phase 4 wire	200 amp	7 terminal socket by special request
3 phase 4 wire	400 amp	48 x 48 x 12
3 phase 4 wire	400 amp (using 400 MCM)	48 x 48 x 12
3 phase 4 wire	600 amp	48 x 48 x 12
3 phase 4 wire	800 amp	48 x 48 x 12

When using 2 phase and a neutral off a 3 phase, 4 wire circuit, requires 5 terminal socket. Rectangular Box by special request



---

GENERAL & INDUSTRIAL SERVICES  
Customer Information Package  
**VOLTAGE FLICKER LIMITS**

Maximum permissible voltage flicker from such sources as motor starting or load cycling, resistance welders, etc., is defined by the GE border line of irritation curve.

Examples of flicker limits are:

<u>Voltage Change (%)</u>	<u>Frequency</u>
0.5	10 - 30 per second
1.0	2 - 10 per second
2.0	< 10 per minute
4.0	4 per day or less

A formula for the % voltage change =  $100 \times \frac{MVA_L}{MVA_{SC}}$  (motor starting or other change)  $MVA_{SC}$  (short circuit at point of high voltage supply). As this formula is a slightly pessimistic approximation, marginal services should be discussed with the utility.

Service:

Short Circuit MVA =

at:

Date:

**VOLTAGE UNBALANCE LIMITS**

The customer will be required to correct a phase unbalance in his load that causes an increase of more than 1 % in the voltage unbalance of the system at the point of high voltage supply.

Great Lakes Power



ACCOUNT # \_\_\_\_\_

**NOTICE TO COMMERCIAL AND INDUSTRIAL CUSTOMERS**

If you are applying for a new commercial or industrial service or assuming an existing one, Great Lakes Power Limited (the "Company") requires that you provide it with a written comprehensive list of all electrical service equipment installed at your service location in order to assist the Company in providing you with transformation and voltages that are adequate for your needs. Any changes made to the listed equipment must be reported to the Company, in writing, immediately.

The Company will not accept any liability respecting the provision of adequate transformation and voltages if a Customer fails to provide the said comprehensive listing of all electrical service equipment; provides an inaccurate description of such equipment or fails to advise the Company, forthwith, of any changes made to such equipment.

The provisions of this notice are in addition to and not in substitution of any of the Company's Conditions of Service a copy of which may be obtained from the Company or viewed on the Company's website at [www.glp.ca](http://www.glp.ca).

The Customer acknowledges the receipt and understanding of this notice.

For Individuals:

For Corporations/Partnerships:

\_\_\_\_\_  
Customer Signature

\_\_\_\_\_  
Print Name of Corporation/Partnership

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Signature of Authorized Officer/Partner

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Address:  
\_\_\_\_\_  
\_\_\_\_\_

Address:  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_

Office use only: \_\_\_\_\_

Date: \_\_\_\_\_



The use of a credit reference form in lieu of a security deposit is subject to the approval of Great Lakes Power (GLP). To be accepted, customers must have a good payment history as defined in GLP's Conditions of Service at an electricity or gas distributor.

**GREAT LAKES POWER NEW CUSTOMER INFORMATION**

Customer Name: \_\_\_\_\_ Account #: \_\_\_\_\_

Service Address: \_\_\_\_\_

It is the responsibility of this new customer to ensure that a completed credit reference form is received at Great Lakes Power before the date of \_\_\_\_\_. In the event that the form is not provided by this date, a deposit of \$\_\_\_\_\_ will be charged to the service account, and could result in service being disconnected if it is not paid.

Please return the completed credit reference form to:

Great Lakes Power  
2 Sackville Road  
Sault Ste. Marie, Ontario P6B 6J6  
Telephone: Local 256-3850; Long Distance 1-877-457-7378  
Facsimile: 1-705-253-6476

**AUTHORIZATION TO DISCLOSE ACCOUNT INFORMATION** (to be completed by the customer)

Please accept this letter as your authority to supply information regarding my credit standing while receiving service from your utility during the past two years.

Signature: \_\_\_\_\_ Account #: \_\_\_\_\_

Address: \_\_\_\_\_

**CREDIT REFERENCE** (to be completed by the replying utility)

During the most recent 84 consecutive months ending within the past two years:

How many returned cheques and pre-authorized payments (if any) did this customer have? \_\_\_\_\_

How many disconnection notices (if any) did this customer receive? \_\_\_\_\_

How many times (if any) was this customer's service disconnected for non-payment? \_\_\_\_\_

Name of Utility: \_\_\_\_\_

Address: \_\_\_\_\_

Completed by: \_\_\_\_\_ Date: \_\_\_\_\_





The use of a credit reference form in lieu of a security deposit is subject to the approval of Great Lakes Power (GLP). To be accepted, customers must have a good payment history, as defined in GLP's Conditions of Service, at an electricity or gas distributor.

**GREAT LAKES POWER NEW CUSTOMER INFORMATION**

Customer Name: \_\_\_\_\_ Account #: \_\_\_\_\_

Service Address: \_\_\_\_\_

It is the responsibility of this new customer to ensure that a completed credit reference form is received at Great Lakes Power before the date of \_\_\_\_\_. In the event that the form is not provided by this date, a deposit of \$ \_\_\_\_\_ will be charged to the service account, and could result in service being disconnected if it is not paid.

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Facsimile: 1-705-253-6476

**AUTHORIZATION TO DISCLOSE ACCOUNT INFORMATION** (to be completed by the customer)

Please accept this letter as your authority to supply information regarding my credit standing while receiving service from your utility during the past two years.

Signature: \_\_\_\_\_ Account #: \_\_\_\_\_

Address: \_\_\_\_\_

**CREDIT REFERENCE** (to be completed by the replying utility)

During the most recent sixty consecutive months ending within the past two years:

How many returned cheques and pre-authorized payments (if any) did this customer have? \_\_\_\_\_

How many disconnection notices (if any) did this customer receive? \_\_\_\_\_

How many times (if any) was this customer's service disconnected for non-payment? \_\_\_\_\_

Name of Utility: \_\_\_\_\_

Address: \_\_\_\_\_

Completed by: \_\_\_\_\_ Date: \_\_\_\_\_



The use of a credit reference form in lieu of a security deposit is subject to the approval of Great Lakes Power (GLP). To be accepted, customers must have a good payment history as defined in GLP's Conditions of Service at an electricity or gas distributor.

**GREAT LAKES POWER NEW CUSTOMER INFORMATION**

Customer Name: \_\_\_\_\_ Account #: \_\_\_\_\_

Service Address: \_\_\_\_\_

It is the responsibility of this new customer to ensure that a completed credit reference form is received at Great Lakes Power before the date of \_\_\_\_\_. In the event that the form is not provided by this date, a deposit of \$ \_\_\_\_\_ will be charged to the service account, and could result in service being disconnected if it is not paid.

Please return the completed credit reference form to:

Great Lakes Power  
2 Sackville Road  
Sault Ste. Marie, Ontario P6B 6J6  
Telephone: Local 256-3850; Long Distance 1-877-457-7378  
Facsimile: 1-705-253-6476

**AUTHORIZATION TO DISCLOSE ACCOUNT INFORMATION** (to be completed by the customer)

Please accept this letter as your authority to supply information regarding my credit standing while receiving service from your utility during the past two years.

Signature: \_\_\_\_\_ Account #: \_\_\_\_\_

Address: \_\_\_\_\_

**CREDIT REFERENCE** (to be completed by the replying utility)

During the most recent twelve consecutive months within the past two years:

How many returned cheques and pre-authorized payments (if any) did this customer have? \_\_\_\_\_

How many disconnection notices (if any) did this customer receive? \_\_\_\_\_

How many times (if any) was this customer's service disconnected for non-payment? \_\_\_\_\_

Name of Utility: \_\_\_\_\_

Address: \_\_\_\_\_

Completed by: \_\_\_\_\_ Date: \_\_\_\_\_

Great Lakes Power



***PRE-AUTHORIZED PAYMENT***

NAME: \_\_\_\_\_

ACCOUNT NUMBER: \_\_\_\_\_

DATE: \_\_\_\_\_ PHONE#: \_\_\_\_\_

Bills are issued and the amount owing will be withdrawn from the customer's bank account on the "due date" shown on the bill. There will be only one attempt to withdraw from the customer's account per billing.

Should the customer default (on Pre-Authorized Payment) on more than one occasion within a 12 month period, the plan will be discontinued and a Guarantee Deposit may be required if not already billed.

Guarantee Deposits are a protection against accounts that are a credit risk: new customers, customers who have poor credit histories, and customers who are disconnected for non-payment of an account.

If the account is on our equal billing plan, this will also be discontinued as pre-authorized payment is required to remain on equal billing.

I agree to have all bills set up on "Pre-Authorized Payment", and to follow the terms as noted. I understand that I may not challenge the guidelines at a later date.

CUST SIGNATURE: \_\_\_\_\_

attached 'sample' cheque

entered bank information

Great Lakes Power



***PRE-AUTHORIZED PAYMENT***

NAME: \_\_\_\_\_

ACCOUNT NUMBER: \_\_\_\_\_

DATE: \_\_\_\_\_ PHONE#: \_\_\_\_\_

Bills are issued and the amount owing will be withdrawn from the customer's bank account on the "due date" shown on the bill. There will be only one attempt to withdraw from the customer's account per billing.

Should the customer default (on Pre-Authorized Payment) on more than one occasion within a 12 month period, the plan will be discontinued and a Guarantee Deposit may be required if not already billed.

Guarantee Deposits are a protection against accounts that are a credit risk: new customers, customers who have poor credit histories, and customers who are disconnected for non-payment of an account.

If the account is on our equal billing plan, this will also be discontinued as pre-authorized payment is required to remain on equal billing.

I agree to have all bills set up on "Pre-Authorized Payment", and to follow the terms as noted. I understand that I may not challenge the guidelines at a later date.

CUST SIGNATURE: \_\_\_\_\_

attached 'sample' cheque

entered bank information



## Property Key Contract

GLP-Account Number \_\_\_\_\_  
 Customer Name \_\_\_\_\_  
 Telephone Number \_\_\_\_\_  
 Service Address \_\_\_\_\_  
 Date Key Received by GLP \_\_\_\_\_  
 GLP Rep Accepting Key \_\_\_\_\_

Special Instructions  
 (preference to specific routes must be noted) \_\_\_\_\_  
 \_\_\_\_\_

Pet precautions if rep will meet enroute \_\_\_\_\_

I have read the information below and am in agreement with it.

*Customer Signature* \_\_\_\_\_

Should the locks of the service address be changed, it is the Customer's responsibility to advise and provide Great Lakes Power with a new key.

Safety: All paths both inside and outside the premises must be in good repair (e.g. no loose or broken steps, snow cleared, etc.) and not obstructed by foreign objects (e.g., toys, tools, laundry, etc.) and meter must be kept clear of obstructions (furniture, storage items, etc.)

At GLP's discretion, any situation that may affect the safety of an employee, will be immediately vacated and a meter card will be left for completion by customer. If the meter remains inaccessible for any reason, GLP may request, at the owner's expense, the meter be moved to an accessible location for the service to remain connected.

---

***For Internal Purposes Only***

CSR Number allocated to Key \_\_\_\_\_

Customer Service - Key # Added to:

1. Meter Service Info, Misc Comments \_\_\_\_\_
2. Location Master File, Misc Info \_\_\_\_\_

\* Great Lakes Power Limited, its officers, directors, agents and/or employees and successors and assigns are not responsible for any damages, claims, liabilities, costs, demands, actions, expenses or compensation associated with its possession of the Customer's key, unless such damages, claims, liabilities, costs, demands, actions, expenses or compensation are caused by the gross negligence or willful misconduct of Great Lakes Power Limited.

**Great Lakes Power**



***SECURITY DEPOSIT  
PAYMENT BY A THIRD PARTY***

Customer Account Number. \_\_\_\_\_

Service Address: \_\_\_\_\_

I, \_\_\_\_\_ *(Please Print Customer Name)*, confirm that the third party listed below has provided the security deposit required by Great Lakes Power for the above noted Customer account.

Pursuant to the terms of the Great Lakes Power Conditions of Service, I hereby authorize Great Lakes Power to provide interest payments on and, if applicable, refund of the security deposit related to my account to the third party listed below at the address listed below.

I acknowledge that it is the Customer's sole responsibility to ensure that the information provided in this form is accurate at all times.

Third Party Name. \_\_\_\_\_

Third Party Address . \_\_\_\_\_

Third Party Telephone Number . \_\_\_\_\_

Signature of Customer: \_\_\_\_\_

Date: \_\_\_\_\_ Telephone Number: \_\_\_\_\_



Account No. \_\_\_\_\_ Service address: \_\_\_\_\_

I, \_\_\_\_\_, authorize Great Lakes Power to disconnect the power at the location noted above.

Reason: \_\_\_\_\_  
***I certify that no other person will be adversely affected by this disconnection.***

I authorize disconnection at the (*choose only one method*):

Pole  (*If it is unlikely that anyone will want power here again within 6 months.*)

**Note:** I understand that if I decide to have power at this location again, it will be treated as a new service, and all connection and other installation fees, Electrical Safety Authority inspections, and site layouts will be required.

Meter  (*If someone might want power reconnected here again within 6 months.*)

**Note:** I understand the following two points.

1. If I decide to have power restored after it has been cut off for longer than six months, the Electrical Safety Authority must inspect and approve it before Great Lakes Power Limited can reconnect it.
2. If power has not been reconnected within six months from the date that it was cut off, the meter will be removed and lines rolled back from the service. If I decide to have power at this location again after this has been done, it will be treated as a new service, and all connection fees and other installation fees, Electrical Safety Authority inspections, and meter locates will be required.

The meter number is: \_\_\_\_\_  
 (*The meter number is at the bottom centre on the face of the meter. Please supply the meter number if you have more than one service, or if there is any doubt about what service you want disconnected.*)

The meter is located: Outside  Inside   
 (*An appointment must be arranged for GLP to have access to the meter if it is inside.*)

I would like the power disconnected (when?): \_\_\_\_\_  
 Note: GLP requires one week notification to schedule work.

Signature of Customer: \_\_\_\_\_

Date: \_\_\_\_\_ Telephone Number: \_\_\_\_\_



### Recommended Voltage Variation Limits for Circuits up to 1000 volts, at Service Entrances

#### Voltage Variation Limited Application at Service Entrances

Nominal System Voltages	Extreme Operating Conditions	Normal Operating Conditions		Extreme Operating Conditions
<b>Single Phase</b>				
120/240	106/212	110/220	125/250	127/254
240	212	220	250	254
<b>Three phase 4-Conductor</b>				
120/208Y	110/190	112/194	125/216	127/220
347/600Y	306/530	318/550	360/625	367/635

#### General Electric flicker limits are:

##### Voltage Change (%)

.05  
1.0  
2.0  
4.0

##### Frequency

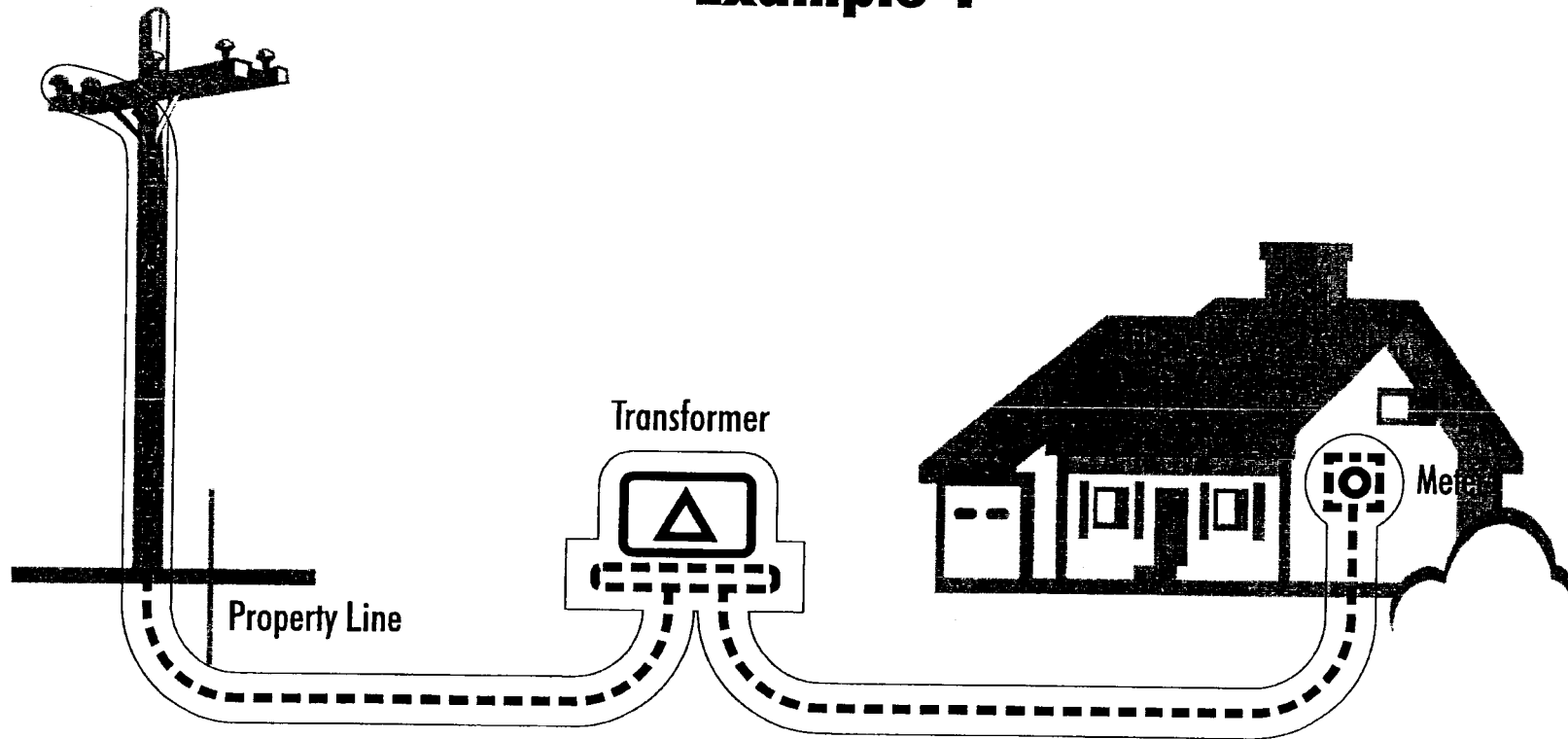
10-30 per second  
02-10 per second  
< 10 per minute  
4 per day or less

A formula for the % voltage change =  $100 \times \text{MVA L (motor starting or other change)} / \text{MVA SC (short circuit at point of high voltage supply)}$ . As this formula is a slightly pessimistic approximation, marginal services should be discussed with the utility.



# Demarcation Points

## Example 1



- **Customer Owned** – Customer is responsible for installation and maintenance of owned plant.
- **GLP Owned** – GLP is responsible for installation and maintenance of owned plant.
- **GLP Operational Demarcation** – The physical location to which GLP has operational control of distribution equipment including connection assets, ending at the customer.

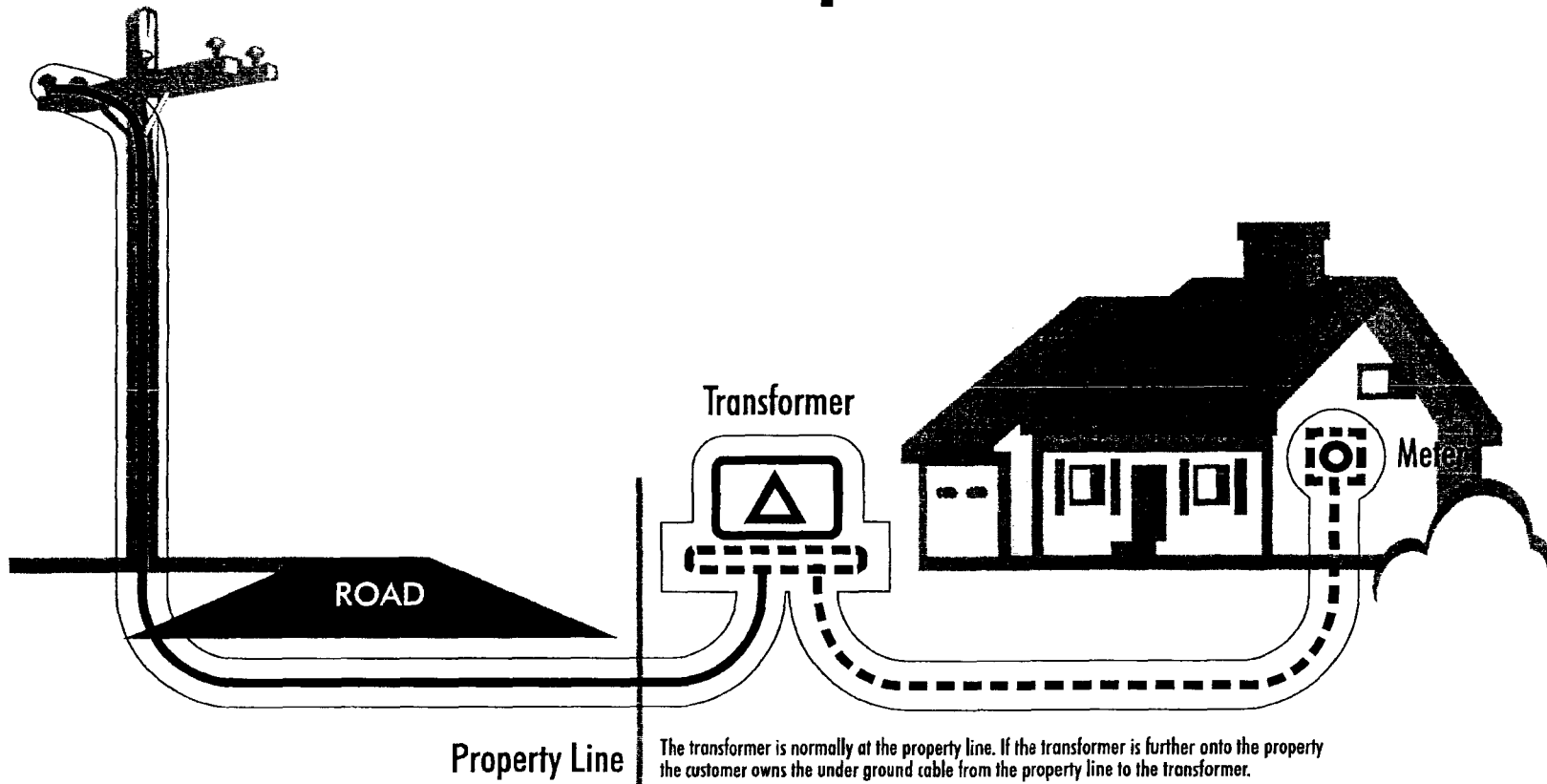
The information in this diagram is compiled by Great Lakes Power and is for general information only. Although every attempt has been made to ensure accuracy, GLP will have final say in interpretation.





# Demarcation Points

## Example 2



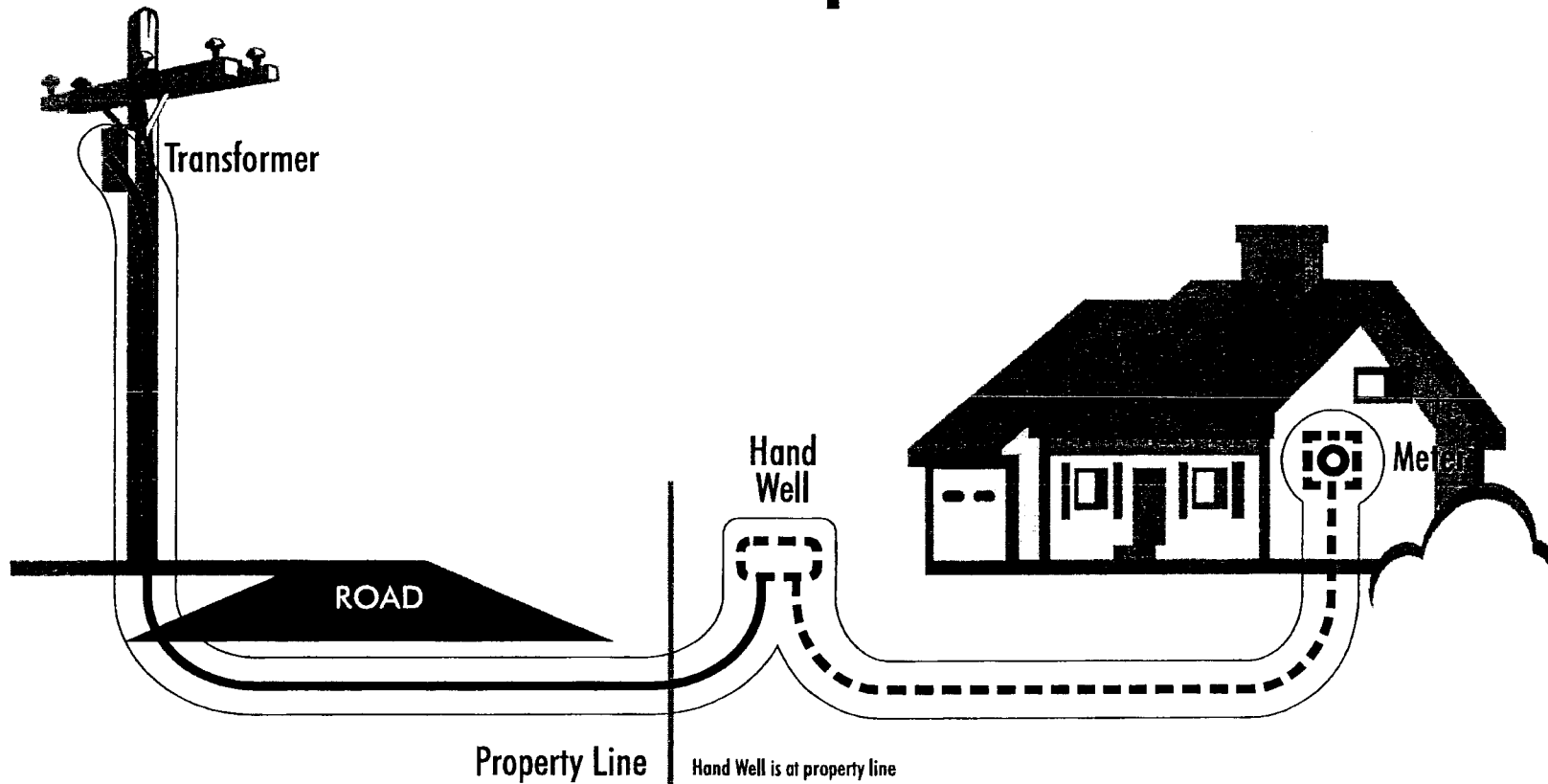
- Customer Owned** – Customer is responsible for installation and maintenance of owned plant.
- GLP Owned** – GLP is responsible for installation and maintenance of owned plant.
- **GLP Operational Demarcation** – The physical location to which GLP has operational control of distribution equipment including connection assets, ending at the customer.

The information in this diagram is compiled by Great Lakes Power and is for general information only. Although every attempt has been made to ensure accuracy, GLP will have final say in interpretation.



# Demarcation Points

## Example 3



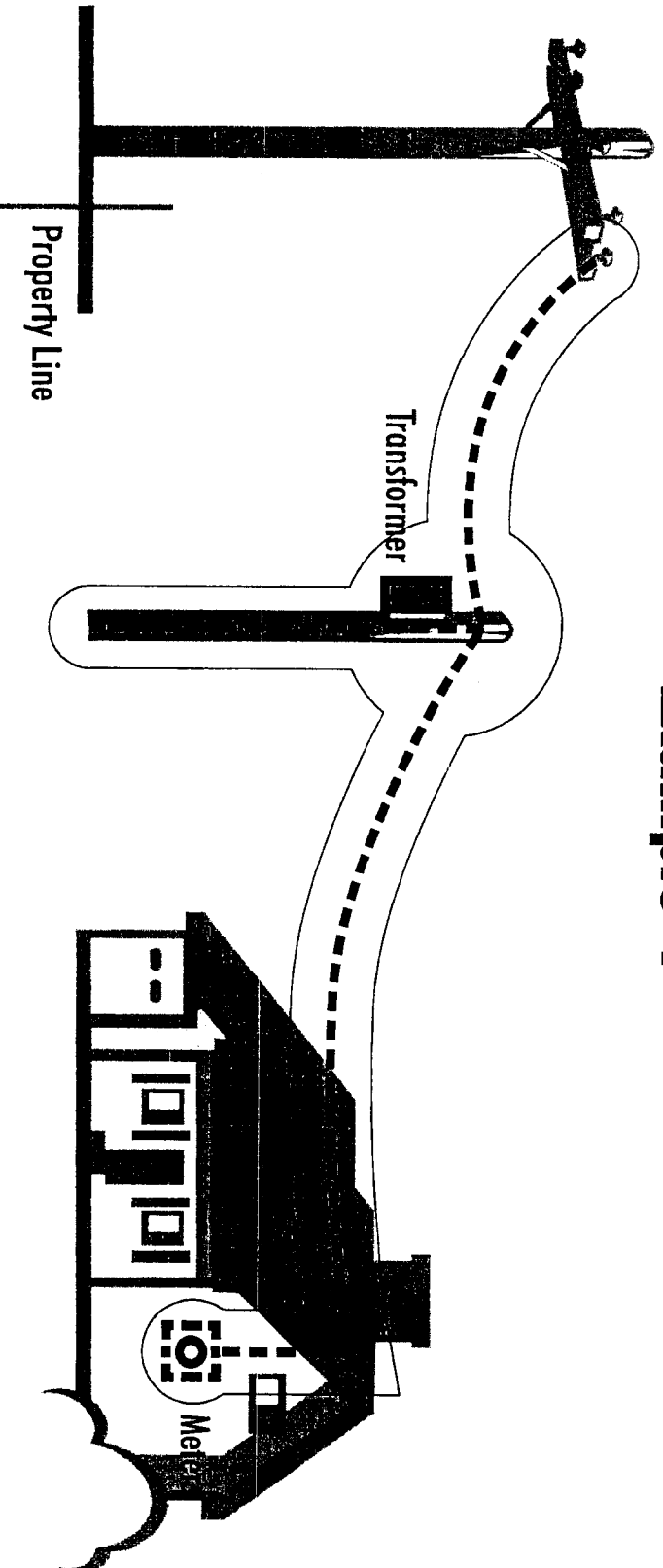
- **Customer Owned** – Customer is responsible for installation and maintenance of owned plant.
- **GLP Owned** – GLP is responsible for installation and maintenance of owned plant.
- **GLP Operational Demarcation** – The physical location to which GLP has operational control of distribution equipment including connection assets, ending at the customer.

The information in this diagram is compiled by Great Lakes Power and is for general information only. Although every attempt has been made to ensure accuracy, GLP will have final say in interpretation.



## Demarcation Points

### Example 4



--- Customer Owned – Customer is responsible for installation and maintenance of owned plant.

— GLP Owned – GLP is responsible for installation and maintenance of owned plant.

○ GLP Operational Demarcation – The physical location to which GLP has operational control of distribution equipment including connection assets, ending at the customer.

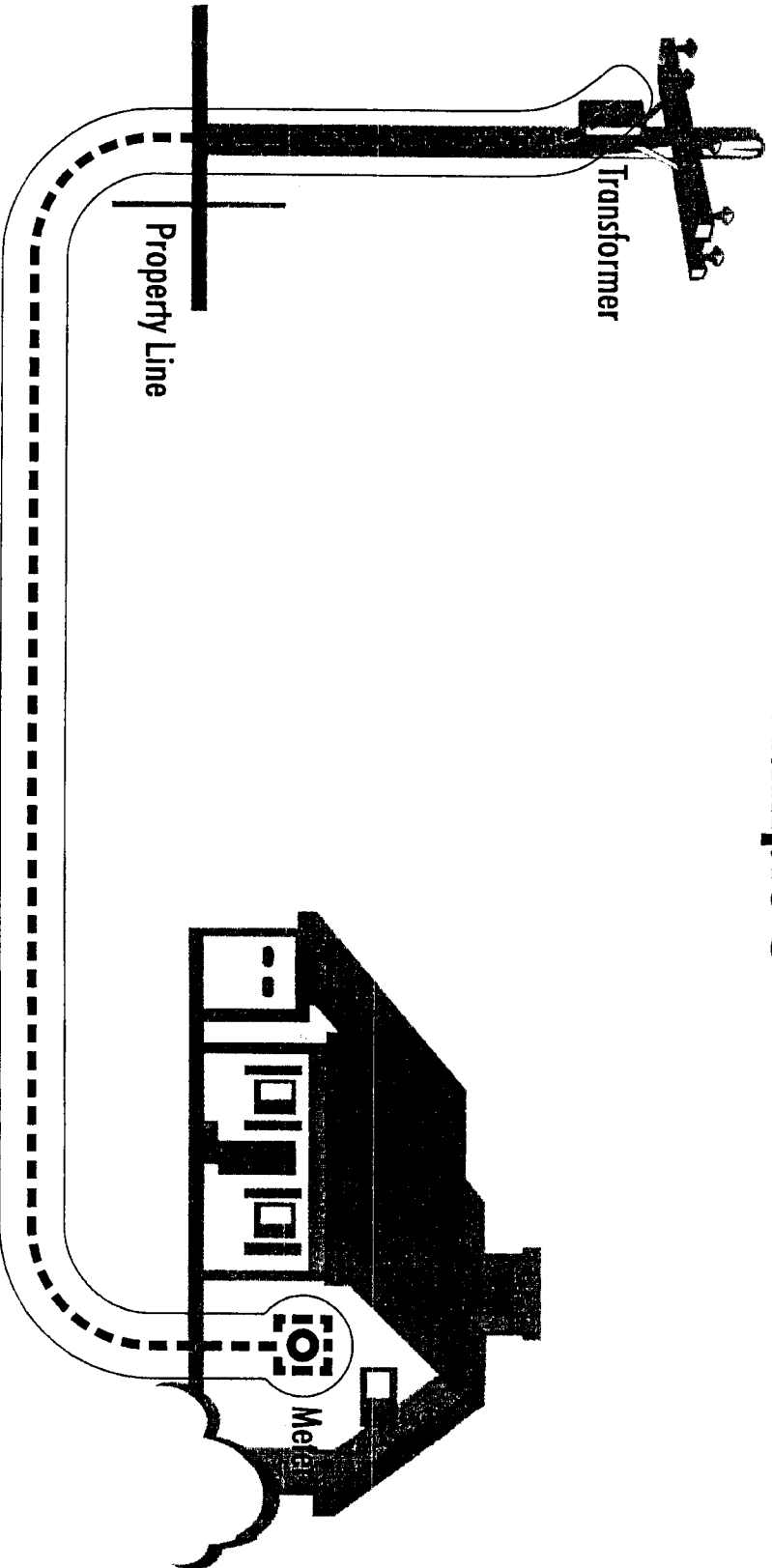
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REVISION 02 – 01/05/06



## Demarcation Points

### Example 5



- Customer Owned – Customer is responsible for installation and maintenance of owned plant.
- GLP Owned – GLP is responsible for installation and maintenance of owned plant.
- GLP Operational Demarcation – The physical location to which GLP has operational control of distribution equipment including connection assets, ending at the customer.

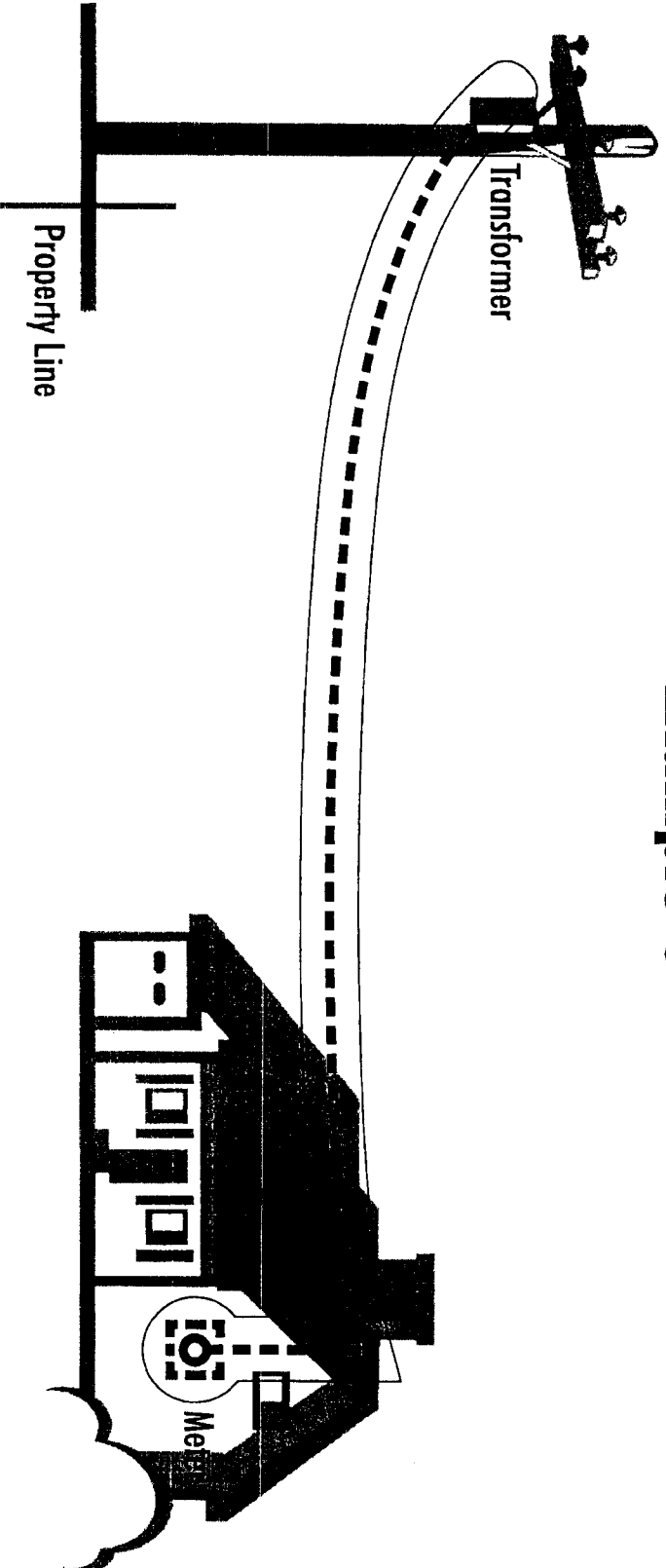
The information in this diagram is compiled by Great Lakes Power and is for general information only. Although every attempt has been made to ensure accuracy, GLP will have final say in interpretation.

REVISION 02 – 01/05/06



## Demarcation Points

### Example 6



- Customer Owned – Customer is responsible for installation and maintenance of owned plant.
- GLP Owned – GLP is responsible for installation and maintenance of owned plant.
- GLP Operational Demarcation – The physical location to which GLP has operational control of distribution equipment including connection assets, ending at the customer.

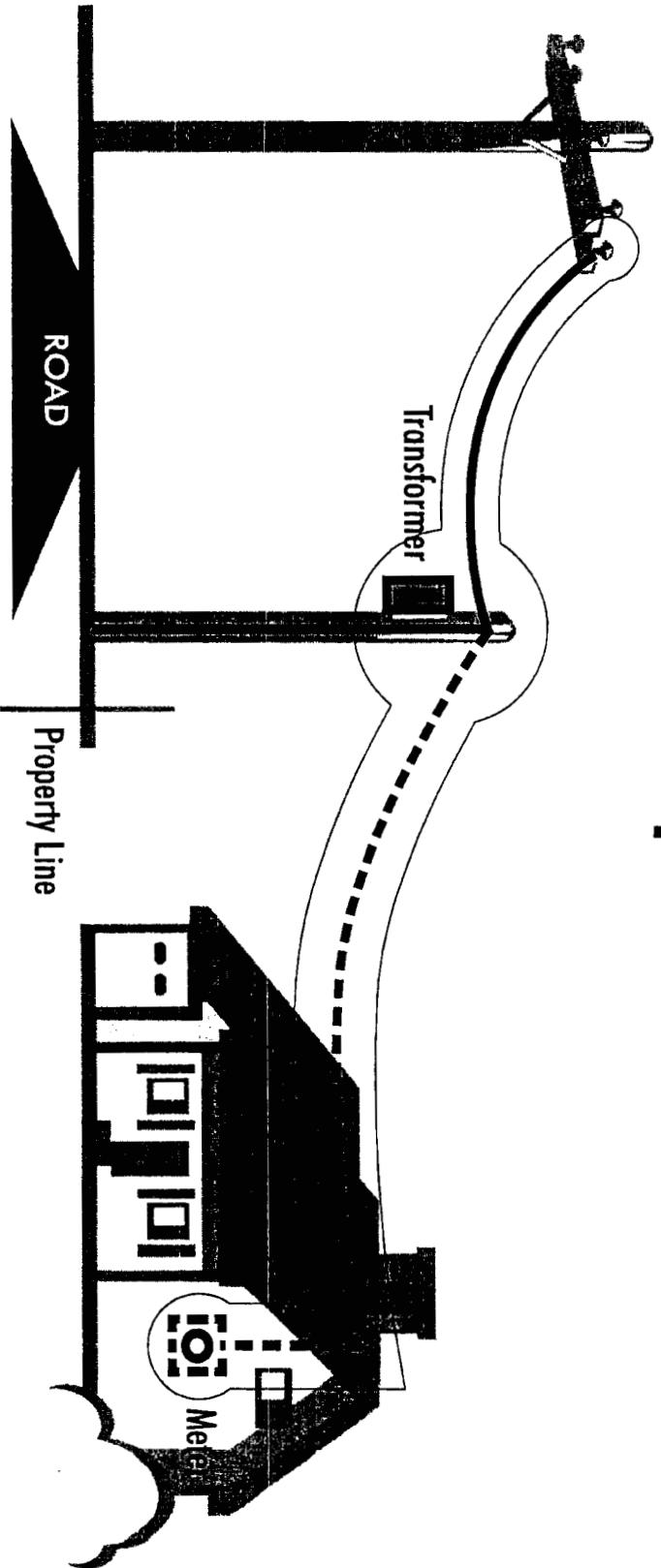
The information in this diagram is compiled by Great Lakes Power and is for general information only. Although every attempt has been made to ensure accuracy, GLP will have final say in interpretation.

REVISION 02 - 01, 05/06



## Demarcation Points

### Example 7



--- Customer Owned – Customer is responsible for installation and maintenance of owned plant.

— GLP Owned – GLP is responsible for installation and maintenance of owned plant.

○ GLP Operational Demarcation – The physical location to which GLP has operational control of distribution equipment including connection assets, ending at the customer.

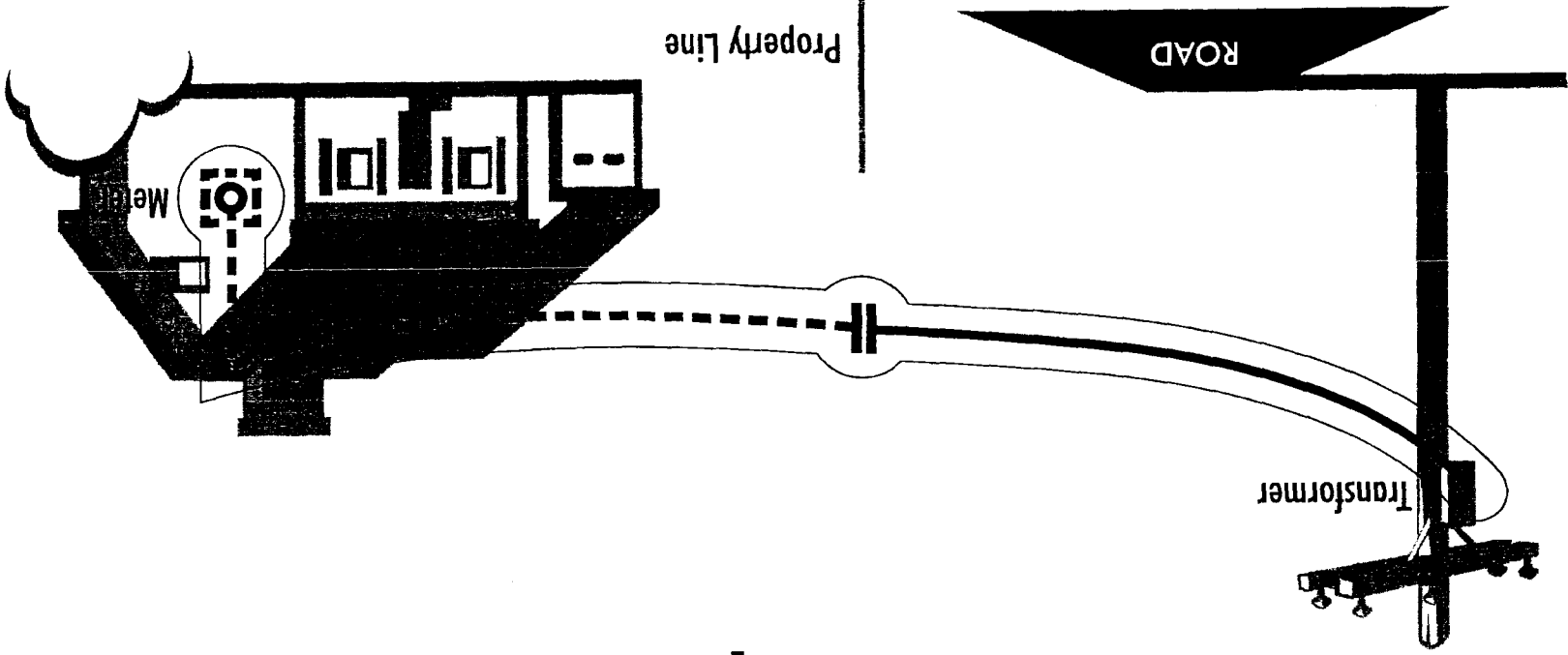
The information in this diagram is compiled by Great Lakes Power and is for general information only. Although every attempt has been made to ensure accuracy, GLP will have final say in interpretation.




REVISION 02 - 01/05/06



# Demarcation Points

## Example 8



-  **Customer Owned** – Customer is responsible for installation and maintenance of owned plant.
-  **GLP Owned** – GLP is responsible for installation and maintenance of owned plant.
-  **GLP Operational Demarcation** – The physical location to which GLP has operational control of distribution equipment including connection assets, ending at the customer.

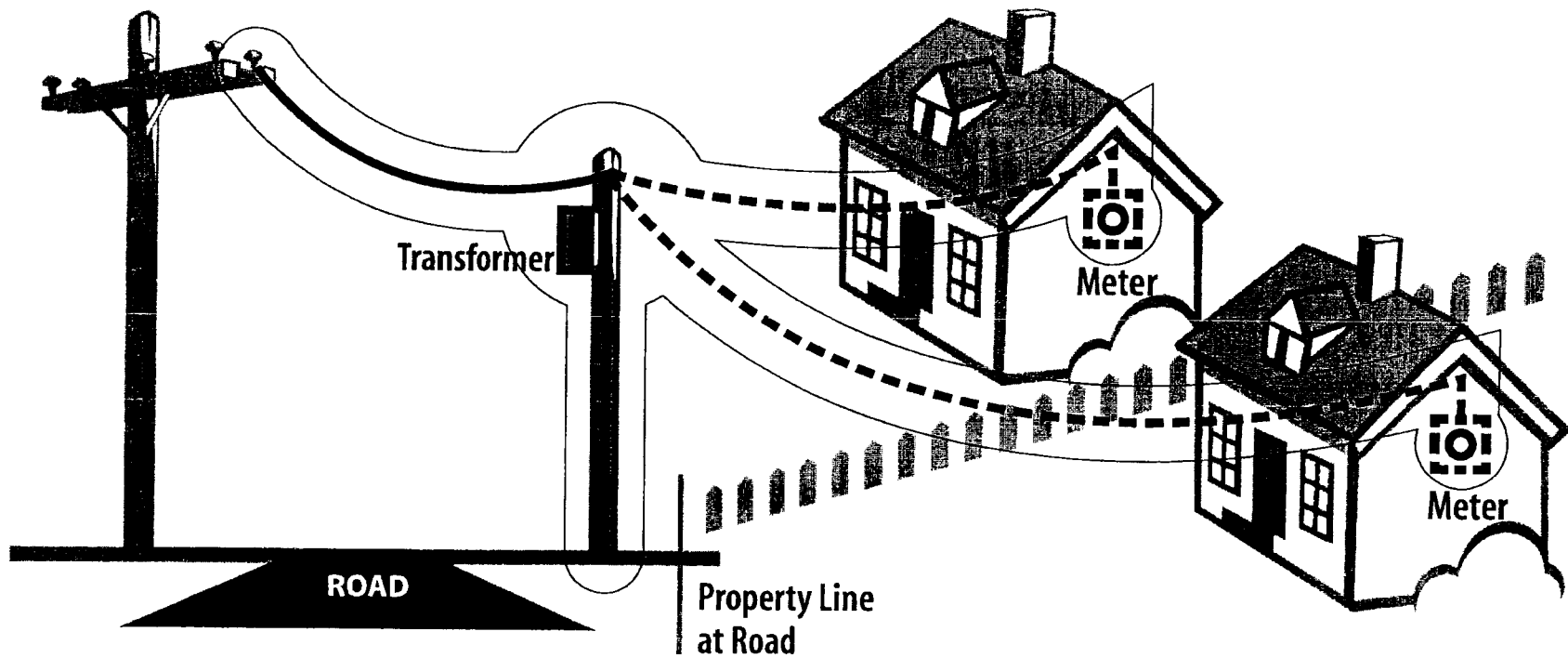
The information in this diagram is compiled by Great Lakes Power and is for general information only. Although every attempt has been made to ensure accuracy, GLP will have final say in interpretation.

REVISION 02 - 01/05/06



# Demarcation Points

## Example 9



- Customer Owned** – Customer is responsible for installation and maintenance of owned plant.
- GLP Owned** – GLP is responsible for installation and maintenance of owned plant.
- --- GLP Operational Demarcation** – The physical location to which GLP has operational control of distribution equipment including connection assets, ending at the customer.

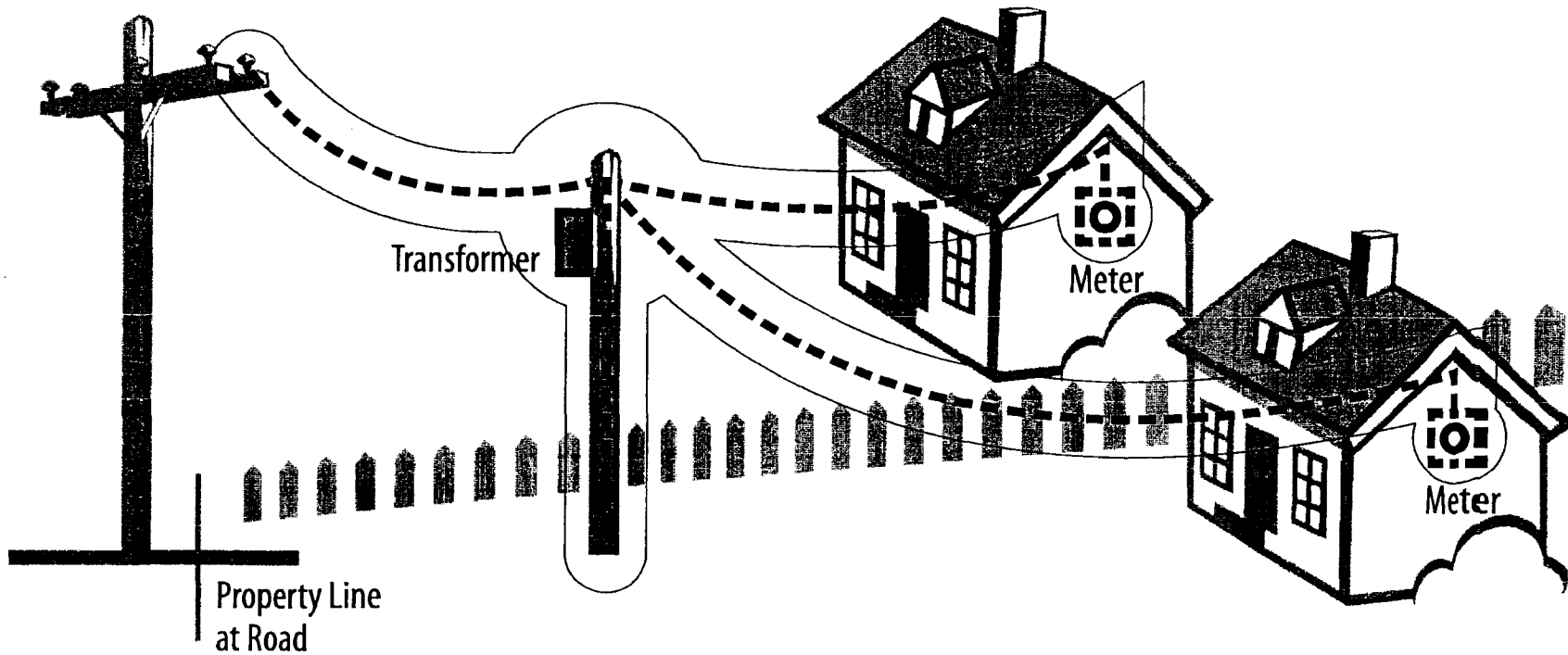
The information in this diagram is compiled by Great Lakes Power and is for general information only. Although every attempt has been made to ensure accuracy, GLP will have final say in interpretation.





# Demarcation Points

## Example 10



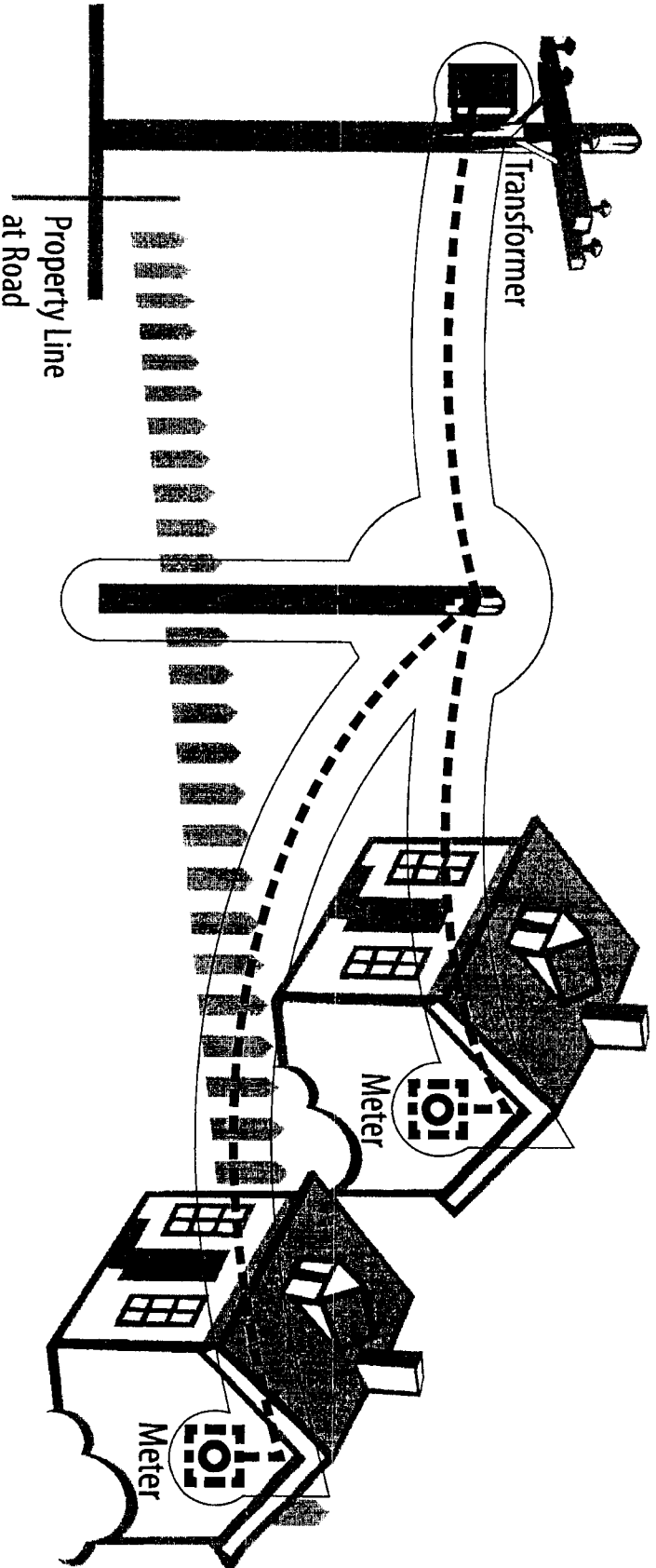
- Customer Owned** – Customer is responsible for installation and maintenance of owned plant.
- GLP Owned** – GLP is responsible for installation and maintenance of owned plant.
- GLP Operational Demarcation** – The physical location to which GLP has operational control of distribution equipment including connection assets, ending at the customer.

The information in this diagram is compiled by Great Lakes Power and is for general information only. Although every attempt has been made to ensure accuracy, GLP will have final say in interpretation.



## Demarcation Points

### Example 11



- Customer Owned – Customer is responsible for installation and maintenance of owned plant.
- GLP Owned – GLP is responsible for installation and maintenance of owned plant.
- GLP Operational Demarcation – The physical location to which GLP has operational control of distribution equipment including connection assets, ending at the customer.

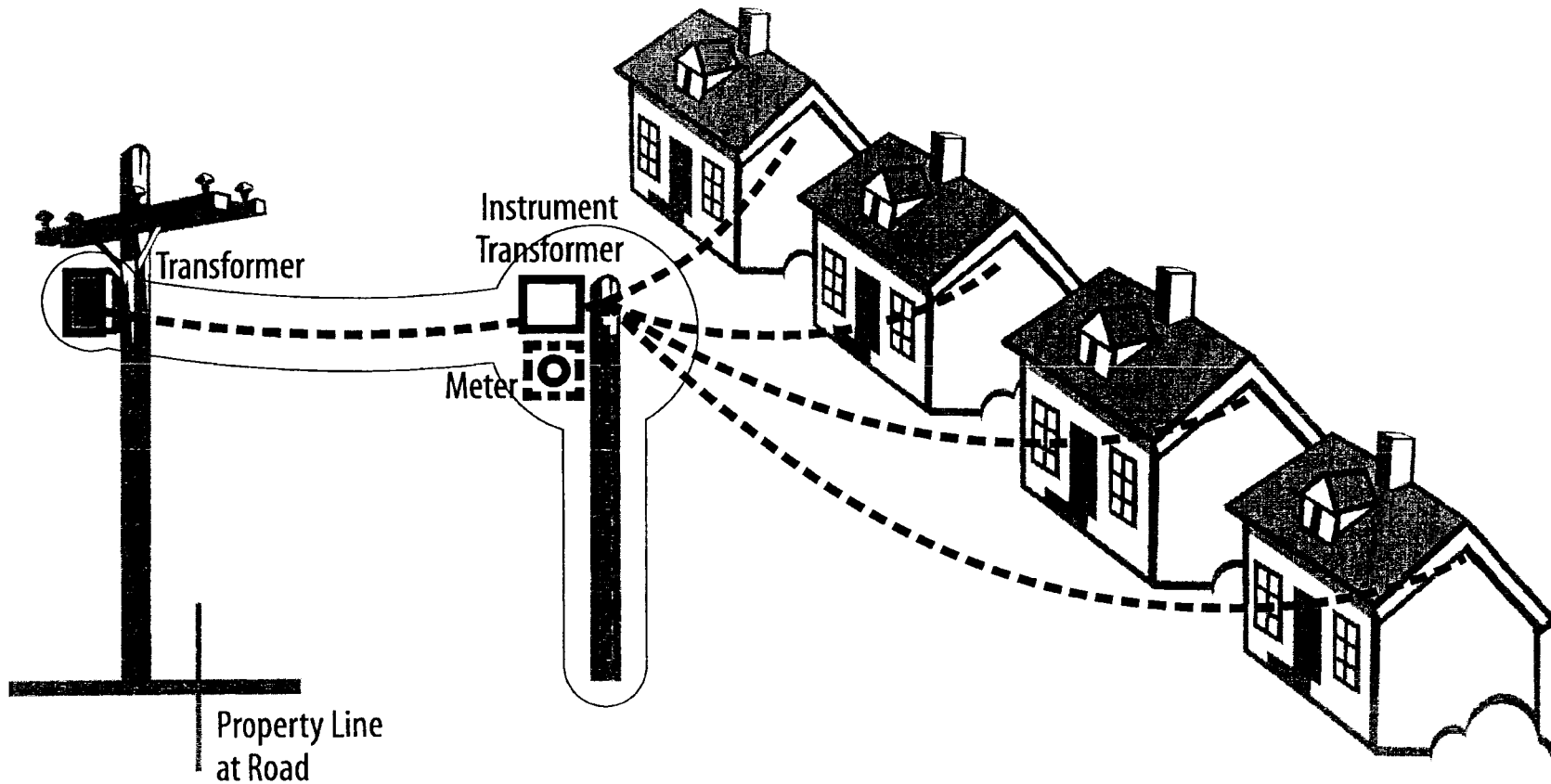
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REVISION 02 – 01/05/06



# Demarcation Points

## Example 12 (Central Metering)



- Customer Owned** – Customer is responsible for installation and maintenance of owned plant.
- GLP Owned** – GLP is responsible for installation and maintenance of owned plant.
- GLP Operational Demarcation** – The physical location to which GLP has operational control of distribution equipment including connection assets, ending at the customer.

The information in this diagram is compiled by Great Lakes Power and is for general information only. Although every attempt has been made to ensure accuracy, GLP will have final say in interpretation.



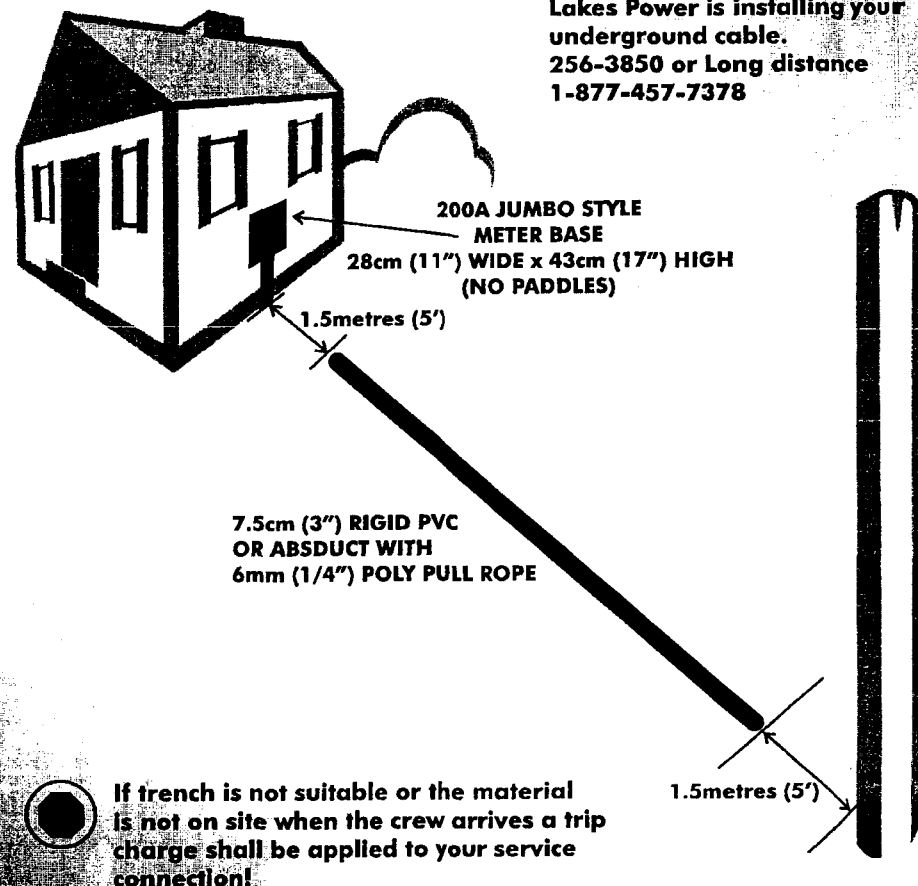
# Underground Specifications

## Requirements

- The customer is responsible for all trenching and backfilling from the pole to the meter base. The trench is to be 1 metre (39") deep (dig right to butt of pole).
- The customer is responsible to install 15cm (6") Clear Mortar Sand in the bottom of the trench, a 7.5cm (3") Rigid PVC or ABS Duct from within 1.5metres (5') of meter base to within 1.5metres (5') of the pole with a 6mm (1/4") poly pull rope installed in the pipe. Install 15cm (6") Clear Mortar Sand over the pipe and fill the remainder of the trench with totally stone free fill.
- Protect ends of the conduit to prevent foreign material entering the conduit. A warning ribbon must be installed the full length of the trench, 30.5cm (1') from the surface.
- Direct burial of the underground is also an option. However 15cm (6") of Clear Mortar Sand must still be placed on the bottom of the trench and over the cable.
- The trench is to be as straight as possible. Leave an adequate pile of Clear Mortar Sand at each end to cover exposed cable once it is installed. Maximum of two 45° long sweep elbows permitted in the entire length of trench.
- A 10cm (4") rigid PVC or ABS duct is required when secondary conductors is over 3/0.
- Phone and cablevision cannot go inside electrical duct.
- **When the underground cable is being installed up an energized pole by GLP, the customer/contractor will cut the first piece of conduit so it is only 1m (3') above the ground line.**
- Customer/contractor to have all conduit/metal clamps and screws on site for run up pole
- In locations where 76cm (30") cover is not possible it is permissible to encase the duct in concrete. A minimum of 15cm (6") of concrete must encase the duct under roadways and 7.5cm (3") of concrete encase the duct for other locations.



**Call Great Lakes Power to advise when trenching is complete only when Great Lakes Power is installing your underground cable.**  
**256-3850 or Long distance 1-877-457-7378**





# Primary Underground Services

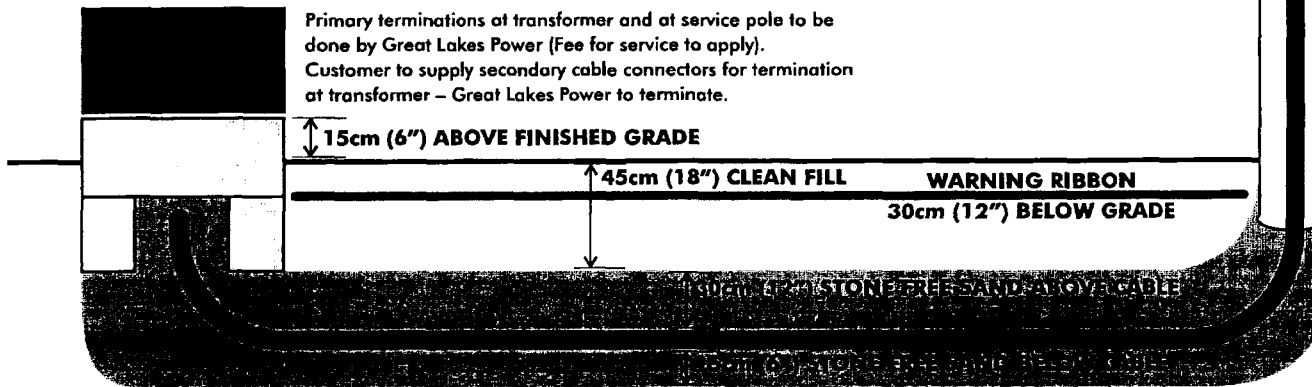
## Primary Cable

**2/0 AWG XLPE 28 KV (100% Insulation Level)**

**Type URD (-40°C) Shielded with full size neutral**

## Primary Cable Installation

- Customer is responsible for all trenching and backfilling from Pole to Transformer Base.
- The trench shall be 1 meter (39") deep min. and 46cm (18") wide min.
- 15cm (6") Stone Free Sand under cable
- 30cm (12") Stone Free Sand over cable
- Warning Marker Tape must be installed in trench 30cm (12") from ground level
- Customer/contractor to only start the cable up an energized Pole (1.5metres (5') maximum) GLP will complete the run



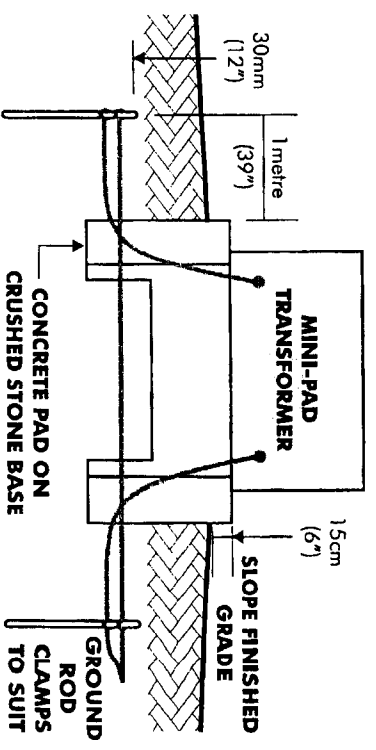
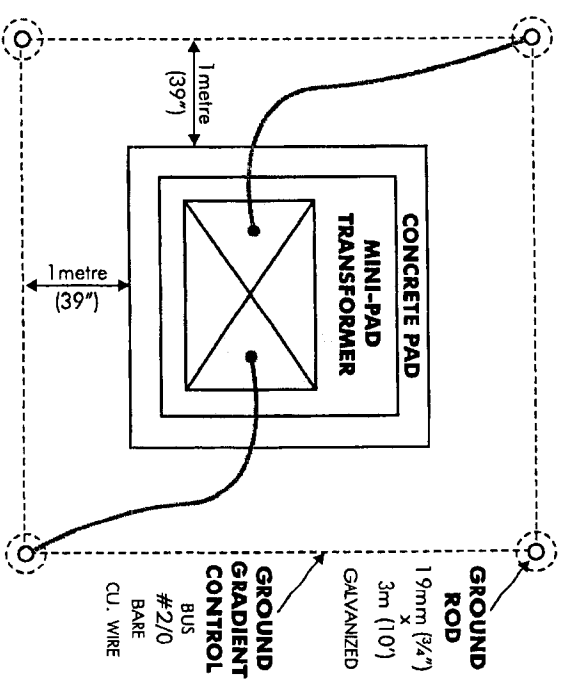
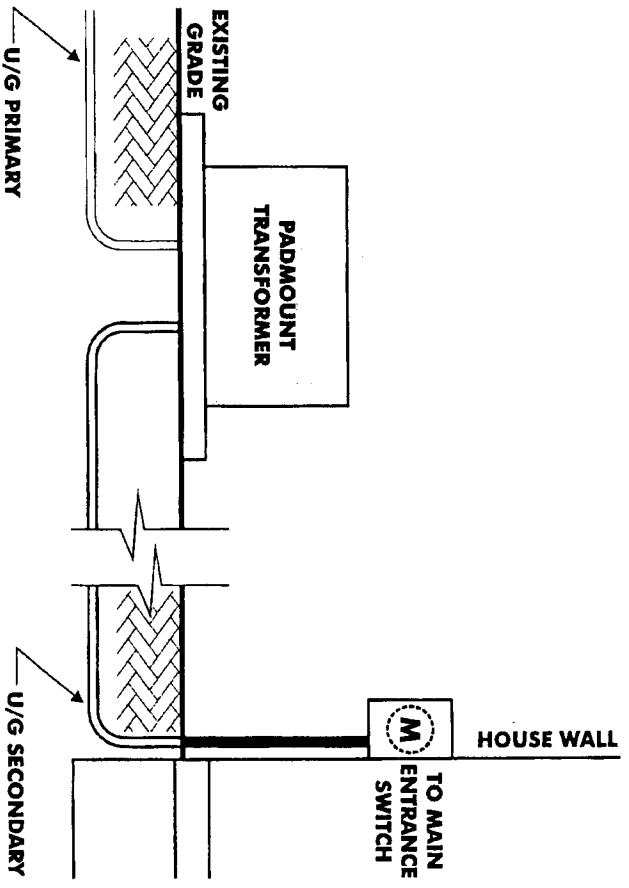
**STEEL POLE GUARDS ARE REQUIRED ON EACH SERVICE POLE**



**If trench and/or material is not suitable at time of installation, up to an additional \$350.00 trip charge shall apply to your service connection!**



# Transformer Pad & Grounding



- The customer is responsible for the following:**
- Supplying and installation of the padmount base.
  - The installation of all grounds.
  - Getting approval from the Electrical Safety Authority.

Note: Although concrete bases can be used, fiberglass is preferred.

# **Schedule 1-1-19**

## **Administration**

List of Witnesses and their  
Curriculum Vitae

# **Schedule 1-2-1**

## **Overview**

Summary of the Application



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Summary of the Application

**1.0 INTRODUCTION**

This distribution rate application filed by Great Lakes Power Limited Distribution ("GLPL") is based on a 2007 test year. GLPL requests that the existing distribution rates be made interim, with proposed rates effective as of September 1, 2007 and implementation at a later date. Among other things, GLPL is applying for rates that will allow GLPL to recover its forecast 2007 revenue requirement in the amount of \$17,576,700.

For the purpose of this application, GLPL has used relevant portions of the Ontario Energy Board's (the "Board") 2006 EDR model (the "Model") to determine its forecasted revenue requirement. Those portions of the Model that GLPL has used can be found at Exhibit 1, Tab 2, Schedule 6. Exhibit 1, Tab 2, Schedule 3 further discusses which portions of the Model were used by GLPL in this filing. GLPL has organized and filed its materials in accordance with the Board's *Filing Requirements for Transmission and Distribution Applications* dated November 14, 2006 (re forward test year filing).

Among Ontario's local distribution companies, GLPL is unique from a physical and financial perspective. These unique aspects play a significant role in the capital and operational decisions of GLPL and also its approach to its customers. This Application should be considered within this context. These unique aspects and the elements of revenue requirement and revenue recovery are set out in more detail below.

**2.0 DESCRIPTION OF GLPL'S UNIQUE ASPECTS**

GLPL is a licensed distributor, transmitter and generator of electricity. GLPL's distribution system covers an area of more than 14,200 square kilometres in a remote area of Northern Ontario, north and east of the City of Sault Ste. Marie and it serves less than 11,600 customers. It consists of 1,705 pole km and 1,832 circuit km of lines of voltages from 2.4 kV up to 44 kV.

1 There are only 6.7 customers per kilometre on GLPL's distribution lines. There are 13  
2 distribution supply points from GLPL's transmission system and 17 sub-transmission distribution  
3 substations. GLPL's distribution business operates pursuant to license ED-1999-0227.

4 As described below, there are various unique aspects, such as geography, population density and  
5 government policy, that impact on GLPL's distribution business and distribution rates.

## 6 **2.1 Unique Physical Aspects**

7 GLPL's distribution business has unique physical and rate-related aspects that make it distinct  
8 from other distributors in Ontario. The combined effect of:

- 9 (i) the geographical size of GLPL's service territory,
- 10 (ii) the low distribution customer density,
- 11 (iii) the relative size of its distribution customers, and
- 12 (iv) the financial separation of its businesses required arising from market restructuring,

13 converge to result in a revenue requirement that is reflected in a high per customer cost for  
14 distribution services. Relative to the circumstances of other LDCs, the distribution infrastructure  
15 and the cost of service related to that infrastructure is disproportionate to the underlying  
16 customer base. Without rate protection, the recovery of GLPL's full revenue requirement would  
17 result in significant rate increases that are an inescapable mathematical result created by  
18 circumstances of geography, population and regulatory change.

### 19 **2.1.1 Expansive Service Territory**

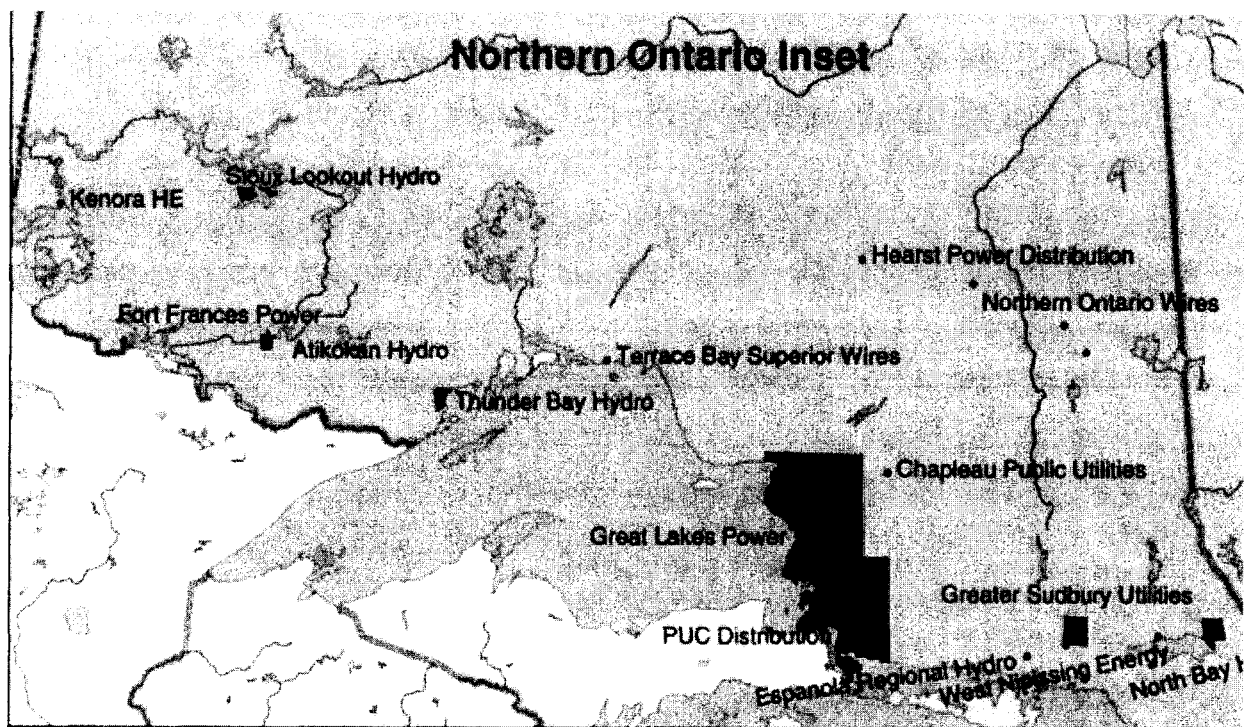
20 GLPL's distribution system covers a very large geographic area covering approximately 14,200  
21 square kilometers that extends 93 km east and approximately 255 km north of the City of Sault  
22 Ste. Marie. The following map illustrates the size of GLPL's territory relative to neighboring  
23 LDC's.<sup>1</sup> With the exception of Hydro One Networks Inc., no other LDC in the province has a  
24 service territory as large as GLPL's.

25  
26

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<sup>1</sup> From the Electricity Distributor's Association's *Ontario Electricity Primer, Revised February 2004*, page 3.

1 MAP 1-2-1 A – Illustration of Service Areas



2  
3

### 2.1.2 Rural and Rugged Terrain

4  
5 Out of 14,200 square kilometres of service territory, less than 0.1% of the territory could be  
6 considered urban. Although GLPL's distribution service area is adjacent to the City of Sault Ste.  
7 Marie, Sault Ste. Marie is served by PUC Distribution Inc. ("PUC").<sup>2</sup> The terrain and  
8 topography of the land on which GLPL's distribution system passes is some of the most rugged  
9 and challenging land areas in Ontario.

10

### 2.1.3 Dense Vegetation

11  
12 GLPL's service area is very diverse in vegetation species and vegetation growth rates. The dense  
13 vegetation in GLPL's distribution service area makes access to the distribution system

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<sup>2</sup> With the exception of a few larger distribution customers in Sault Ste. Marie that are serviced by GLPL.

1 challenging, thereby contributing to the cost of construction, line maintenance and right-of-way  
2 maintenance.

### 3           **2.1.4 Climate**

4 The weather in northern Ontario is extremely harsh. Less than one per cent of GLPL's  
5 distribution system is underground or submarine construction; 99% is overhead. Consequently,  
6 GLPL's large, widely dispersed assets experience greater exposure to weather-related and  
7 equipment-related outages, with corresponding impacts noted below:

- 8
- 9 i)           greater reliability issues due to longer radial feeder lines;
  - 10 ii)          longer repair times due to longer travel distances and difficult access in many locations;
  - 11 iii)         higher system line losses due to longer lines; and
  - 12 iv)         higher costs and staff levels per customer served.
- 13

14 Unlike other distribution systems, GLPL's distribution system is predominantly radial, with  
15 limited back-up from alternative circuits. SCADA systems are impractical and therefore  
16 component failures require immediate repair and/or replacement prior to service restoration,  
17 often at premium time, thereby adding to GLPL's costs.

## 18   **2.2        Low Customer Density**

19 As noted above, GLPL serves less than 11,600 customers. This low number of customers  
20 relative to GLPL's vast distribution service area, means that the population density within  
21 GLPL's distribution service area is very low. The cost management and revenue recovery  
22 challenges of operating within its large and rural service area are compounded by this fact. For  
23 example, as illustrated on Map 1-2-1 A above, PUC's service area is much smaller than GLPL's.  
24 However, PUC serves close to three times the number of customers (30,000) in an area that is  
25 only 2.4% the size of GLPL's Service Area (342 km<sup>2</sup> vs. 14,200 km<sup>2</sup>). Further, if all of the other  
26 service areas shown on the Map 1-2-1 A were combined, the combined area would be smaller  
27 than GLPL's service territory.

1 There are only 6.7 customers per kilometre on GLPL's distribution lines. This is the lowest utility  
 2 customer/line ratio in Ontario.<sup>3</sup> Maps that show GLPL's distribution lines are set out at Exhibit  
 3 1, Tab 1, Schedule 10. These maps illustrate how GLPL's distribution system stretches over a  
 4 vast area. The implications of GLPL's low customer density relative to its geographic size is that  
 5 significant capital assets are dedicated to serving a small number of customers. From a rates  
 6 perspective, costs of that capital and O&M must be absorbed by a small number of customers.  
 7 Since neither GLPL's customer density nor energy consumed is increasing, increases in costs  
 8 would result in significant increases in rates without rural rate protection.

9 Historically, parts of GLPL's distribution system were built to service the resource sector and the  
 10 communities that developed around those enterprises. As those industries declined, the result  
 11 was a sparsely populated service territory with predominantly residential and seasonal customers.  
 12 As a result, parts of GLPL's system are characterized by long radial lines serving few customers.

13 Examples of long GLPL distribution lines that serve relatively few customers are set out in the  
 14 following table:

15 *Table 1-2-1 A – Length of Line for Customers Served*

<b>Line Description</b>	<b>Length (km)</b>	<b>Voltage (kV)</b>	<b>Customers</b>
Highway 101 to JP Tower	26.9	7.2	6
Hawk Junction to Goudreau DS	21.5	44	0*
Wawa to Hammer Lake	80.6	14.4	66
Andrews TS to Rabbit Blanket	72.8	14.4	18

16 \*This line feeds the Goudreau DS which connects customers by way of feeders

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<sup>3</sup> As acknowledged by Hydro One Networks Inc. in its RUD model filed with the Board in May of 2000.

1 The fact that GLPL is an outlier relative to other LDCs because of GLPL's low customer density  
2 (on an asset per customer basis) is illustrated by the following table from the *Comparator and*  
3 *Cohorts Study for 2006 EDR* :<sup>4</sup>

4 *Table 1-2-1 B – Comparator and Cohort Study*

LDC Name	Cohort	Asset		Assets per kWh	Assets per kW	Distribution Transformers per Customer	Distribution losses per km Line	Expenses	
		Assets per Customer	per km Line					per Customer	Expenses per kWh
Atikokan Hydro	2	-71	-1.16	-55	-56	-.21	-.32	1.17	.99
Chapleau PUC	2	-.46	.10	-.47	-.57	-.54	.49	.59	.29
Espanola Regional Hydro	2	-.59	-.88	-.39	-.33	-.24	-1.12	-.07	.11
Fort Frances Power	2	-.10	.61	-.07	-.11	-.13	.09	-.79	-.59
Gravenhurst Hydro	2	-.41	-.78	-.02	-.13	.87	.11	-.70	-.21
Great Lakes Power	2	3.29	-.74	3.38	3.34	2.86	-1.25	2.78	3.20
Greater Sudbury Hydro	2	.59	1.88	.45	.63	-.89	1.00	-.27	-.17
Hearst Power	2	-.89	-.74	-.97	-.97	.05	.34	-.45	-.91
Kenora Hydro	2	-.46	.49	-.25	-.22	-.90	.63	-.70	-.40
Lakeland Power	2	-.34	-1.15	-.43	-.40	-.13	-1.17	-.45	-.52
North Bay Hydro	2	.27	.80	-.06	.03	-.42	-.98	-.18	-.35
Sioux Lookout Hydro	2	-.08	-1.07	-.52	-.58	1.33	-.07	.93	-.07
Terrace Bay Superior Wires	2	.31	1.14	.24	-.02	-.27	-.14	-.81	-.61
Thunder Bay Hydro	2	.08	.28	.02	.24	-.70	-.25	-.07	-.05
West Nipissing Energy	2	-.50	1.22	-.36	-.36	-.70	2.63	-.97	-.71

7  
8 **2.3 Unique Historical Treatment of Rates**

9 As explained below, partly because of GLPL's efforts and partly due to legislative changes,  
10 GLPL's customers have been shielded from the rate consequences resulting from low customer  
11 density. This circumstance has arisen as a result of; (i) the way GLPL operated prior to market  
12 opening; (ii) Bill 210's effect on GLPL's rates; and (iii) the Remote and Rural Rate Protection  
13 ("RRRP") received by GLPL's residential customers.

14  
15 **2.3.1 GLPL Pre-Market Opening Rate Treatment**

16 Historically, as an integrated utility GLPL was able to operate in a manner that compensated for  
17 the negative impact of its customer density.

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18  
<sup>4</sup> Phase II Report, *Part I Methodology and Study Findings: Comparitors and Cohorts Study for 2006 EDR*, October 2005

1 Prior to the establishment of GLPL's current distribution and transmission rates, GLPL's rates  
2 were bundled rates for transmission, distribution and cost of power. Under a bundled rate, GLPL  
3 recovered part of its costs related to distribution from large industrial utility customers (i.e.  
4 customers connected to GLPL's transmission system and billed by the IESO).

5  
6 GLPL's customers and its regulator, Ontario Hydro, accepted this rate treatment for two reasons.  
7 First, the total revenue from the distribution customers was small, making the rate effect  
8 inconsequential when spread over the balance of GLPL's total revenue requirement for  
9 transmission, generation and distribution (distribution customers only represented 8% of GLPL's  
10 total GWh sales and approximately 10% of GLPL's total revenue). Second, their rates were still  
11 maintained at levels well below the rates charged by Ontario Hydro to Ontario Hydro's  
12 comparable customers, despite the fact that Ontario Hydro's customers received rural rate  
13 subsidization.

### 14 15 **2.3.2 The Restructuring of Ontario's Electricity Market**

16 As a result of the restructuring of Ontario's electricity market in May 2002, GLPL was no longer  
17 able to maintain the above rate treatment for its distribution customers. GLPL was exempt from  
18 section 71 of the OEB Act (i.e. its generation, transmission and distribution operations do not  
19 have to be operated through separate affiliates). Nevertheless, GLPL was required to  
20 operationally separate its businesses of transmission, distribution and generation. In addition,  
21 GLPL was required to financially separate its distribution and transmission businesses pursuant  
22 to the *Electricity Act, 1998*. The rate setting mechanisms in the original Distribution Rate  
23 Handbook did not account for an integrated utility that shared costs. GLPL could not continue  
24 offering rates set at a level below that of Ontario Hydro and incur costs greater than rate  
25 recovery. GLPL was faced with the need to fully recover its distribution costs from its  
26 distribution customers and to implement the rate setting mechanisms in the original Distribution  
27 Rate Handbook. As a consequence, all the costs related to distribution services had to be borne  
28 by distribution customers only. The inclusion of costs that were historically shared resulted in  
29 rate increases that were not experienced by distribution customers prior to market opening. The  
30 rate increases at market opening were independent of any changes to rate base or OM&A. They

1 were caused by the separation of GLPL's distribution business from its other businesses and the  
2 need to recover the cost of service exclusively from its distribution customers.

### 4 **2.3.3 GLPL's 2002 Distribution Rate Application**

5 GLPL's 2002 distribution rate application (the "2002 Application") was based on GLPL's pro-  
6 forma sales, costs and assets associated with its distribution business in calendar year 2000. No  
7 transmission or generation costs or assets were included in the 2002 Application. The revenue  
8 requirement proposed by GLPL in the 2002 Application was \$12,718,300.

9  
10 In the 2002 Application, GLPL estimated that in the absence of any rate mitigation measures the  
11 average overall bill increase for customers from 2001 to 2002 would exceed 36%.

12  
13 As a consequence of the rate impacts, GLPL proposed a rate mitigation plan for the 2002  
14 through 2008 period that would result in an overall average increase to customers in 2002 to be  
15 21.04%.

16  
17 In order to implement GLPL's unbundled distribution rates for market opening, the OEB issued  
18 an interim rate order dated May 13, 2002. The interim rate order was consistent with the 2002  
19 rates proposed by GLPL in its 2002 Application. GLPL's interim rates for 2002 incorporated a  
20 0% return on equity for mitigation purposes.

21  
22 In December 2002, before the OEB could conduct a formal rate proceeding in regard to GLPL's  
23 2002 Application, Bill 210 received Royal Assent and became law in Ontario. As a result of Bill  
24 210, the *Ontario Energy Board Act, 1998* was amended such that all outstanding interim rate  
25 orders were deemed to be final rate orders.

26  
27 Consequently, since May 1, 2002, GLPL has been operating under a distribution rate order that  
28 does not allow GLPL to earn a return on equity. The revenue potentially recoverable through  
29 rates was \$9,826,800, but the revenue requirement was \$12,718,400. Other than the amounts



1 recorded in regulatory asset account 1574, the recovery of which is sought in this Application,  
2 GLPL has forgone revenue in excess of \$13,000,000 since January 1, 2005.

3  
4 **2.3.4 RRRP – Rate Mitigation**

5 Even with the freezing of rates and rate levels that resulted in a zero return on equity, concerns  
6 were expressed by rate payers regarding the increase in distribution rates. GLPL sought and  
7 obtained rural rate protection to reduce the rate increase resulting from its 2002 rate order. Since  
8 the spring of 2003, GLPL's residential customers have been receiving rural rate assistance in the  
9 amount of \$2,300,000 per year. The first payment was retroactive to May 2002. This was used  
10 to reduce the residential rate increase resulting from GLPL's 2002 Rate Order and was not used  
11 to compensate GLPL for its return on equity.

12  
13 It was GLPL's intention to file a distribution rate application for rates effective May 1, 2006 in  
14 accordance with the 2006 Electricity Distribution Rate Handbook (the "2006 Rate Handbook")  
15 based on a historical 2004 test year. However, because its distribution customers would face  
16 significant rate impacts based on the rates produced by the 2006 EDR Model, GLPL delayed filing  
17 its application. GLPL has little or no customer growth. Significant rate increases would affect the  
18 economic viability of some customers making alternative electricity sources viable. With more  
19 customers seeking alternative sources, this would reduce the customers on GLPL's system thus  
20 compounding customer density issues. In the interest of its customers, GLPL considered a number  
21 of different options including additional rural rate protection for GLPL's customers. GLPL chose  
22 not to file a distribution rate application until it felt that the resulting rates would not negatively  
23 impact customer density, and would permit full revenue recovery.

24  
25 Regulations have established a rate protection mechanism and customer reclassifications that  
26 provide enhanced rate protection. This mechanism and the reclassification of customers are set out  
27 in detail in Exhibit 8 of this Application. Simply put, the amount of rural rate protection is the  
28 difference between the forecasted revenue requirement and forecasted consumer revenue allocated  
29 to eligible consumers. The proposed amount for 2007 is \$8,867,500.

30

1     **3.0        METHODODOLOGY**

2     For the purpose of this Application, GLPL has used the Board’s 2006 EDR Model to determine  
3     its revenue requirement. A model that incorporates GLPL’s 2005-2007 data is at Exhibit 1, Tab  
4     2, Schedule 6 (the “Model”). GLPL has organized and filed additional materials in accordance  
5     with the Board’s *Filing Requirements for Transmission and Distribution Applications* dated  
6     November 14, 2006 (re: forward test year filing).

7

8     **4.0        REVENUE REQUIREMENT AND DEFICIENCY**

9     The following table summarizes the general components of GLPL's 2007 distribution revenue  
10    requirement.

11    *Table 1-2-1 C – Summary of Revenue Requirement:*

	<u>(\$000's)</u>	<u>Reference</u>
<b>Cost of Capital</b>		
Rate Base	\$57,913.0	Ex 2, Tab 1, Sch 1
Requested Rate of Return	7.63%	Ex 6, Tab 1, Sch 1
	<u>4,415.9</u>	
<b>Cost of Service</b>		
Operations, Maintenance & Admin.	7,995.7	Ex 4, Tab 2, Sch 1
Depreciation	3,623.0	Ex 4, Tab 2, Sch 7
Municipal & Capital Taxes	321.4	Ex 4, Tab 2, Sch 8
<b>Income Taxes</b>	1,565.9	Ex 4, Tab 3, Sch 1
<b>Service Revenue Requirement</b>	17,921.9	
<b>Other Revenue</b>	<u>(345.2)</u>	Ex 3, Tab 3, Sch 1
<b>Base Revenue Requirement</b>	<u><u>\$17,576.7</u></u>	

12

13    A more detailed calculation of GLPL's 2007 revenue requirement is at Exhibit 1, Tab 2,  
14    Schedule 4. GLPL's revenue deficiency in 2007 will be \$8,089,200, as numerically described at  
15    Schedule 1, Tab 2, Schedule 5.

16

1     **5.0       RATE BASE**

2     As set out at Exhibit 2, Tab 1, Schedule 1, GLPL's rate base from 2005 to 2007 can be  
3     numerically summarized as follows:

4     *Table 1-2-1 D – Rate Base Summary*  
5

(\$000's)	2005	2006	Forecast 2007
Net Fixed Assets	\$47,212.8	\$50,096.9	\$54,524.4
Working Capital Allowance	3,208.4	3,274.0	3,388.5
<b>Rate Base</b>	<b>\$50,421.1</b>	<b>\$53,370.8</b>	<b>\$57,913.0</b>

6  
7

8     Additional information on GLPL's rate base is at Exhibit 2.

9

10    **6.0       OPERATING REVENUE**

11    GLPL's operating revenue forecast for 2007 is described at Exhibit 3. Operating revenue  
12    consists of revenue collected through rates, subsidy and other sources. The following is a  
13    numerical summary of GLPL's operating revenues from 2005 to 2007:

14    *Table 1-2-1 E – Operating Revenue Summary*

(\$000's)	2005	2006	Forecast 2007
<b>Total Operating Revenue</b>	<b>\$9,399.8</b>	<b>\$9,450.1</b>	<b>\$9,832.7</b>

15  
16

17    **7.0       OPERATING COSTS**

18    GLPL's operating costs include: operations, maintenance & administration; depreciation &  
19    amortization; capital & property taxes; and income taxes. A summary of GLPL's operating costs  
20    for 2005 through 2007 is set out in the following table:

1

2 *Table 1-2-1 F – Operating Costs Summary:*

<b>(\$000's)</b>	<b>2005</b>	<b>2006</b>	<b>Forecast 2007</b>
Operations, Maintenance & Administration	\$7,359.5	\$7,600.0	\$7,995.7
Depreciation & Amortization	3,327.0	3,464.6	3,623.0
Capital & Property Taxes	362.3	313.7	321.5
Income Taxes	(880.5)	(1,069.8)	1,565.9
<b>Total Operating Costs</b>	<b>\$10,168.3</b>	<b>\$10,308.6</b>	<b>\$13,506.1</b>

3

4 Additional information on GLPL's operating costs is at Exhibit 4.

5

6 **8.0 DEFERRAL AND VARIANCE ACCOUNTS**

7 GLPL has only one non-Regulatory Asset deferral account that is related to its customer  
8 Boniferro Mill Works. In RP-2005-0031/EB-2005-0013, the Board ordered GLPL to reclassify  
9 its Large Customer A customer Boniferro Mill Works ("BMW") as a GS>50 customer, effective  
10 April 1, 2005. As of September 1, 2007, the deferral account associated with BMW rate  
11 reclassification is forecasted to have a balance of \$283,600. GLPL is seeking an order to disburse  
12 this deferral account by being permitted to establish a rate rider as part of the determination of  
13 final rates.

14 GLPL is also seeking a deferral account mitigating rate effects on seasonal customers. For more  
15 information on this, please see Exhibit 8.

1    **9.0    COST OF CAPITAL**

2    GLPL's cost of capital can be numerically summarized as follows:

3    *Table 1-2-1 G – Cost of Capital Summary:*

(\$000's)	2005	2006	Forecast 2007
Rate Base	\$50,421.1	\$53,370.8	\$57,913.0
Rate of Return	8.57%	8.57%	7.63%
<b>Total Cost of Capital</b>	<b>\$4,318.6</b>	<b>\$4,571.2</b>	<b>\$4,415.9</b>

4

5    GLPL's actual debt/equity structure is 100% equity and 0% debt. However, for rate making and  
6    accounting purposes, GLPL has treated part of the equity as debt. As a result, GLPL has used a  
7    debt amount of \$28,957,000 in this application, representing the level of debt required to  
8    establish a deemed 50/50 debt/equity ratio, the deemed debt/equity ratio that would be applied to  
9    GLPL under the 2006 Distribution Rate Handbook. Since all LDCs will continue to utilize the  
10    deemed debt/equity structures contained in the Distribution Rate Handbook in 2007, GLPL  
11    believes that it is appropriate that it be treated in the same manner in that regard for its 2007  
12    deemed debt/equity structure.

13    Similarly, GLPL has assumed the 6.25% cost of debt, and 9% return on equity used in the 2006  
14    Distribution Rate Handbook for the purpose of its 2007 test year.

15    More information on GLPL's cost of capital is at Exhibit 6, Tab 1, Schedule 1.

16

17    **10.0    REVENUE RECOVERY**

18    As a result of regulations made under the *Ontario Energy Board Act* (the "OEB Act"), GLPL  
19    must take a unique approach to revenue recovery. The regulations affect the recovery of revenue  
20    through the provision of a payment under the Rural and Remote Rate Protection regime  
21    ("RRRP"). The setting of rates is affected by the reclassification of some customers to the  
22    residential rate class.

1 **10.1 Reclassification and Rural Rate Protection**

2 Pursuant to Ontario Regulation 445/07 made in respect of Section 78 of the *OEB Act* (the  
3 “Reclassification Regulation”), with the exception of those customers falling into the Seasonal  
4 and Street Lighting rate classes, all of GLPL’s customers will fall within the Residential  
5 customer class.

6 For rate setting purposes, the Reclassification Regulation is linked with the Rural and Remote  
7 Electricity Rate Protection Regulation (O. Reg 442/01) as amended (the “RRRP Regulation”).  
8 Simply put, under subsection 4(3.1) the amount by which forecasted revenue requirement  
9 exceeds the forecasted consumer revenue is the amount of rate assistance available to be paid to  
10 the distributor. Forecasted consumer revenue is based upon the rates and classes from GLPL’s  
11 most recent rate order plus all rate adjustments (determined by the Board) for average  
12 distributors in the rate year. At the time of filing this application, GLPL was not aware of a  
13 published average distribution rate adjustment for 2007. As a result, for illustrative purposes  
14 GLPL has used 5%.

15 Based on this provision and paragraph 3 of subsection 4(4) of the RRRP Regulation, all of  
16 GLPL’s newly re-classified residential customers are eligible for rural rate protection. This  
17 protection does not extend to Seasonal and Street Lighting customers.

18 Because not all of GLPL’s customers are eligible to receive rate protection through the RRRP  
19 payment, only a portion of the funds available for rate assistance would be used for the RRRP  
20 payment.

21 As a result, the determination of rate assistance is a two step process:

- 22 1. the determination of funds available for rate assistance; and
- 23 2. the allocation of a part of those available funds to eligible customers as a RRRP payment.

24 For 2007, the amount of the rate protection for eligible consumers is \$8,867,500.

25

26

1 **10.2 Rate Impacts and Mitigation**

2 Under the Reclassification Regulation, as of the date of the Board's order, all GLPL's customers  
3 except for Seasonal and Street Lighting, are re-classified to the Residential rate class. Because  
4 of the current residential rate design and varying customer characteristics, the reclassification of  
5 these customers results in rate impacts with some customers receiving benefits and others seeing  
6 significant increases on a total bill basis.

7 Much of the adverse rate impact arises because of the rate structure of GLPL's current residential  
8 rate relative to the current GS>50 base rate. A residential customer is billed on an energy (kWh)  
9 basis whereas the GS>50 rate is billed on a demand (kW) basis. Because of the different  
10 variable billing determinants, GS>50 customers with significant loads and high load factors will  
11 be penalized if the current residential rate is applied.

12 The bill impacts associated with the GS>50 class are very diverse, from large increases to large  
13 decreases. GLPL does not feel that these types of impacts are fair or reasonable to implement,  
14 thus a mitigation plan as described below has been prepared to maintain stability and consistency  
15 among the customers who are billed on a demand (kW) basis. To establish fair treatment of  
16 customers, GLPL requests approval of a rate design for the residential rate class that would  
17 create two residential rates. The description of these two rates is as follows:

18 *R1- Residential Energy.* This rate will apply to all customers served at a demand level less than  
19 50 kW per month. This rate will be based on an energy rate per kWh.

20 *R2 - Residential Demand.* This rate will apply to all customers served at a demand level greater  
21 than 50 kW per month, and metered with a demand meter. This rate will be based on a demand  
22 rate per kW.

23 The proposed R1 rate level is a variable rate of \$0.0210 per kWh, and a service charge of \$20.97  
24 per month. This is the base residential rate increased by 5%. The proposed R2 rate level is a  
25 variable rate of \$2.100 per kW, and a service charge of \$612.45 per month, which is the base  
26 GS>50 rate increased by 5%. By implementing the proposed R2 rate for larger customers, the  
27 varying rate impacts are minimized, creating stability among that group of customers.

28

1    **10.3 Transitional Issue**

2    There is a transitional issue that arises as a result of the reclassification and establishing R1 and  
3    R2 rates. The implementation of the reclassification and R1 and R2 rates results in the recovery  
4    of revenue less than what would have been recovered if GLPL were to implement its current  
5    customer classification and rates plus the assumed 5%. The amount of the shortfall is \$1,040,900  
6    on an annual basis. GLPL requests a deferral account to collect the amount of revenue shortfall.  
7    It is important to note that the revenue shortfall may be less than the amount stated above. This  
8    would occur if GLPL makes an application and receives a further rate order in a period less than  
9    12 months following the rate order in this proceeding.

10   **10.4 Seasonal Customers**

11   Based upon the cost allocation set out in Exhibit 8, Tab 1, Schedule 1 and the rate design  
12   prescribed in the 2006 EDR model shown at Exhibit 1, Tab 2, Schedule 6, unmitigated total bill  
13   increases for a typical Seasonal customer are forecasted to be approximately 51% for 2007. The  
14   typical Seasonal customer is one with a monthly consumption of 250 kWh. Because of the  
15   magnitude of the increase, GLPL proposes to mitigate the impact on seasonal customers.  
16   GLPL's plan is to implement a variable rate of \$0.0563 per kWh, and a fixed service charge of  
17   \$24.00 per month. This increase will only cause a 10% rate impact (approximately) on the  
18   typical seasonal customer's total bill. Due to the implementation of mitigated rates, GLPL will  
19   suffer a revenue deficiency of approximately \$1,011,800 annually. GLPL is requesting a deferral  
20   account to record the revenue deficiency.

21   **10.5 Street Lighting**

22   Based on the cost allocation set out in Exhibit 8, Tab1, Schedule 1, and the rate design prescribed  
23   in the EDR model shown at Exhibit 1, Tab 2, Schedule 6, unmitigated total bill increases for a  
24   typical Street Lighting customer are forecasted to be approximately 25% for 2007. GLPL is  
25   proposing a rate increase which will result in a total bill increase of only 10%. GLPL proposes  
26   to implement a rate of \$0.0441 per kWh which will incur a deficiency to GLPL of approximately  
27   \$16,800 per year. GLPL is not proposing any method for recording or recovering this  
28   deficiency.



1 **10.6 Summary of Revenue Recovery**

2 A summary of revenue recovery is as follows:

3 *Table 1-2-1 H - Summary of Revenue Recovery*

(\$000's)	2007 Revenue Requirement	Total Revenue from Rates	Rate Protection	Requested Deferrals	Total Revenue	Annual Revenue Shortfall
<b>Residential</b>						
R1 Energy Rate	\$12,606.3	\$4,140.7	\$7,910.8	\$554.8	\$12,606.3	\$0.0
R2 Demand Rate	2,202.6	759.9	956.7	486.0	2,202.6	-
<b>Total Residential</b>	<b>14,808.9</b>	<b>4,900.6</b>	<b>8,867.5</b>	<b>1,040.8</b>	<b>14,808.9</b>	<b>-</b>
Seasonal	2,740.8	1,728.9	-	1,011.8	2,740.8	-
Street Lights	61.3	44.6	-	-	44.6	16.8
	<b>\$17,611.0</b>	<b>\$6,674.1</b>	<b>\$8,867.5</b>	<b>\$2,052.6</b>	<b>\$17,594.2</b>	<b>\$16.8</b>

6  
 7 **11.0 GLPL'S RATE MITIGATION EFFORTS**

8  
 9 Since 2002, and in this application, GLPL has been conscious of its unique circumstances and  
 10 has taken efforts to minimize rate impacts on its customers by undertaking steps such as the  
 11 following:

- 12 1. Since the lifting of the rate freeze in 2004, recognizing significant rate impacts would  
 13 occur because of low customer density, GLP has delayed recovery of rates and has  
 14 foregone revenue in excess of \$13,000,000 since January 1, 2005;
- 15 2. GLPL has explored a number of ways to mitigate rate impacts including rural rate  
 16 protection. As a result of current regulations, rural rate protection extends to most  
 17 customers;
- 18 3. Where rural rate protection is not available, GLPL has decided to hold customer rate  
 19 impacts to no more than 10%;
- 20 4. To eliminate any rate impact from the recovery of regulatory asset account 1574,  
 21 GLPL has extended the recovery period to 11 years;
- 22 5. GLPL has proposed that the calculation of carrying charges on Account 1574 will  
 23 cease as of the date of filing this application in this application and will only apply to

1 amounts up to the date of filing. GLPL has estimated that this will result in savings to  
2 the customer in excess of \$5,000,000.

3 6. GLPL chose an average of the two most recent years to calculate average line losses  
4 such that a lower average line loss is established than if GLPL had used the previous  
5 five years as required in the filing guidelines; and

6 7. Although GLPL has no debt, it has chosen to use the deemed capital structure which  
7 lowers its cost of capital by \$796,300.

8  
9 **12.0 APPLICATION FOR RECOVERY OF REGULATORY ASSETS**

10 GLPL is applying to disburse its audited December 31, 2004 year-end balances in its Regulatory  
11 Asset accounts, with the exception of Account 1574 - Deferred Rate Impact Amounts, for which  
12 GLPL is applying to disburse its estimated balance at the time of the Board's order in this  
13 application. The circumstances that give rise to GLPL's Account 1574 balance and the basis for  
14 recovery are set out at Exhibit 9, Tab 1, Schedule 5.

15 In accordance with the Board's orders in RP-2004-0119/EB-2004-0191 and RP-2005-0013/EB-  
16 2005-0031, GLPL has been recovering amounts since April 1, 2004 to offset its Regulatory  
17 Asset balances. The amounts recovered have been appropriately recorded in Account 1590. The  
18 balance of GLPL's Account 1590 as of September 1, 2007 is estimated to be \$2,929,507.

19 The aggregated balance of GLPL's RSVA accounts as of December 31, 2004 is \$81,097. GLPL  
20 proposes to disburse its December 31, 2004 RSVA account balances by offsetting them against  
21 the recovered amounts in Account 1590. GLPL proposes that the remaining \$2,848,410 in  
22 Account 1590 be used to offset the December 31, 2004 balance of Account 1570. The balance  
23 of GLPL's Account 1570 as of December 31, 2004 is \$1,103,217. GLPL proposes that the  
24 remaining \$1,745,193 in Account 1590 be used to offset the outstanding balance of Account  
25 1574, as discussed in Exhibit 9, Tab 1, Schedule 5. More information on this proposed method  
26 of recovery is set out at Exhibit 9, Tab 1, Schedule 6.

# **Schedule 1-2-2**

## **Overview**

Budget Directives (Capital and  
Operating)



1 carried out no less than once per year. Inspections are supplemented by condition  
2 assessments to provide more detailed analysis of the state of GLPL's facilities.

3 The information gathered as part of the inspection process is considered as part of  
4 GLPL's asset management approach.

5  
6 **2.2 GLPL's Asset Management Approach**

7  
8 GLPL manages its distribution lines (conductor and devices, poles, pole-mounted  
9 transformers, rights-of-way, etc.) and distribution substations (transformers, voltage  
10 regulators, communications, civil structures, etc.) with its Automated Mapping Facilities  
11 Management ("AM/FM") system, its maintenance management system and its corporate  
12 databases.

13 GLPL's AM/FM system identifies information on the individual pieces of equipment that  
14 comprise GLPL's distribution system (i.e. poles, circuits, transformers, etc.), and provides  
15 geographic information on each piece of equipment. The information tracked by GLPL's  
16 AM/FM system includes, to the extent possible, installation dates and equipment  
17 specifications.

18 The combination of the AM/FM and maintenance management systems, as well as  
19 additional observations, assist GLPL's engineering staff in proposing which facilities  
20 require preventative or corrective maintenance or capital improvements in order to  
21 maintain reliability and to maximize useful life. Prioritization is based on a number of  
22 factors, including:

- 23
- 24 • reliability considerations;
  - 25 • health and safety considerations;
  - 26 • environmental considerations; and
  - 27 • location relative to other projects (i.e. coordination of crews for multiple projects  
28 within proximity reduces costs).

1 Maintenance and capital expenditure proposals are ranked by GLPL's engineering staff  
2 based on the criteria described above, and are then considered as part of the GLPL capital  
3 expenditure or OM&A, as applicable, budget approval process.

### 4 5 **3.0 Billing and Collecting**

6 From GLPL's perspective, "Billing and Collecting" includes activities that primarily  
7 include meter reading, customer billing and collecting and customer account  
8 administration. GLPL creates annual budgets using a zero-based bottom-up approach. All  
9 planned human resources, purchased services, materials, and other costs are identified  
10 and accounted for. GLPL forecasts the billing and collecting portion of its total OM&A  
11 budget based on a review of its historic billing and collecting costs with consideration of  
12 available resources, both internal and external.

13 GLPL seeks to maximize its use of internal resources before relying on external  
14 resources. When external resources are required, GLPL typically utilizes them on a  
15 temporary or contract basis to minimize overall costs.

### 16 17 **4.0 Administration**

18 Administration relates to activities which include accounting, general administration,  
19 information technology and regulatory activities. The costs associated with these  
20 activities can generally be categorized as variable and non-variable. Non-variable  
21 administration costs include items such as property insurance, regulatory expenses and  
22 Electrical Safety Authority fees. These costs remain relatively stable from year-to-year,  
23 subject to inflationary increases. The variable administration costs relate to human  
24 resources and outside services employed, and other costs that can fluctuate on a year-  
25 over-year basis. As with operations, GLPL forecasts the administration portion of its total  
26 OM&A budget based on a review of its historic administration costs with consideration  
27 of available resources, both internal and external.

- 1 As mentioned above, GLPL seeks to maximize its use of internal resources before relying
- 2 on external resources. When external resources are required, GLPL typically utilizes
- 3 them on a temporary or contract basis to minimize overall costs.

# **Schedule 1-2-3**

## **Overview**

Methodology and Changes to  
Methodology



1                    **METHODOLOGY AND CHANGES TO METHODOLOGY**

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GLPL has organized and filed its materials in accordance with the Board's *Filing Requirements for Transmission and Distribution Applications* dated November 14, 2006 (re: forward test year filing). For the purpose of this application, GLPL has used relevant portions of the Ontario Energy Board's (the "Board") 2006 EDR model (the "Model"). GLPL used the Model for the determination of Rate Base, Service Revenue Requirement, Base Revenue Requirement, Cost Allocation and for calculation of unsubsidized rates.

Since 2001 a number of factors, including the low density of GLPL's distribution services territory, have resulted in complex issues for GLPL with respect to rate mitigation and revenue requirement recovery. Since 2003, GLPL has worked to establish mechanisms to mitigate rate impacts. Because of these efforts, GLPL deferred filing a distribution rate application as part of the EDR process and was therefore unable to apply for a 2007 rate adjustment based on the Board's 2007 IRM Model. Accordingly, GLPL has applied for rates based on a 2007 forward test year.

Pursuant to Ontario Regulation 445/07, all of GLPL's customers with the exception of Seasonal and Street Lighting have been reclassified to the Residential class of GLPL. To mitigate impacts on certain customers as a result of the reclassification under this regulation, GLPL is proposing a rate redesign to establish two Residential rates based on energy and demand.

There will be one rate based on kWh and another based on kW. The rate based on kW is applicable to customers with demand greater than 50 kW and having a demand meter. For greater detail on rate design see Exhibit 8, Tab 1, Schedule 1.

For the purposes of calculating rates, as a result of amendments to the Rural Rate Protection Regulation (O. Reg. 442/01 as amended to 335/07), GLPL will receive rural

- 1 rate protection for all customers except for Seasonal and Street Lighting. For greater
- 2 detail on calculating rates, please see Exhibit 8 of this application.

# **Schedule 1-2-4**

## **Overview**

Schedule of Overall Revenue  
Deficiency/Sufficiency

**Revenue Deficiency**

(\$000's)	Forecast		
	2005	2006	2007
Operating Revenue *	\$9,399.8	\$9,450.1	\$9,832.7
Operation, Maintenance & Admin.	7,359.5	7,600.0	7,995.7
Depreciation & Amortization	3,327.0	3,464.6	3,623.0
Property Taxes	151.8	160.0	164.3
Provincial Capital Tax (Tax Model Output)	145.4	153.7	157.2
Total Costs & Expenses	10,983.6	11,378.4	11,940.1
Utility Income Before Taxes	(1,583.8)	(1,928.3)	(2,107.5)
LCT Tax (Tax Model Output)	65.2	0.0	0.0
Income Taxes (Tax Model Output)	(880.5)	(1,069.8)	(1,320.0)
Utility Income	[A] (768.5)	(858.5)	(787.5)
Utility Rate Base	[B] 50,421.1	53,370.8	57,913.0
Indicated Rate of Return	[C] = [A] / [B] -1.52%	-1.61%	-1.36%
Approved/Requested Rate of Return	[D] 8.57%	8.57%	7.63%
(Deficiency)/Sufficiency in Return	[E] = [C] - [D] -10.09%	-10.17%	-8.98%
Revenue (Deficiency)/Sufficiency	[F] = [B] * [E] (5,087.0)	(5,429.7)	(5,203.4)
Provision for Income Taxes	(2,837.6)	(3,027.9)	(2,885.8)
Gross Revenue (Deficiency)/Sufficiency	(7,924.7)	(8,457.6)	(8,089.2)
<b>Service Revenue Requirement:</b>	<b>17,324.5</b>	<b>17,907.7</b>	<b>17,921.9</b>
Less: Revenue from Other Sources	(136.1)	(20.2)	345.2
<b>Base Revenue Requirement:</b>	<b>\$17,460.5</b>	<b>\$17,927.9</b>	<b>\$17,576.7</b>

\* Operating revenue includes revenue collected through rates, subsidy and other revenue sources

# **Schedule 1-2-5**

## **Overview**

Numerical Description of the  
Deficiency/Sufficiency in 2007

**Numerical Description of Deficiency/Sufficiency in 2007**

Based upon current rates, the chart below demonstrates that GLPL will experience a deficiency in the amount of \$8,089,200. The rate of return on capital for GLPL is negative 1.36% (see Exhibit 1, Tab 2, Schedule 4). This is indicative of the fact that under current rates GLPL can not fully fund its cost of service expenditures and can not fund any of its cost of capital.

*Table 1-2-5 A - Numerical Description of Deficiency*

<b><u>Cost of Capital</u></b>	<b><u>(\$000's)</u></b>	
Rate Base	\$57,913.0	
Requested Rate of Return	7.63%	\$4,415.9
<b><u>Cost of Service</u></b>		
Operations, Maintenance & Admin	7,995.7	
Depreciation & Amortization	3,623.0	
Property Taxes	164.3	
Capital Taxes	157.2	
Income Taxes	(1,320.0)	10,620.2
<b><u>Operating Revenue</u></b>		
Distribution Revenue	9,832.7	
Net Revenues from Merchandising, Jobbing, Etc.	0.0	(9,832.7)
Gross (Deficiency)/Sufficiency		(5,203.4)
Income Taxes on (Deficiency)/Sufficiency		(2,885.8)
Gross Revenue (Deficiency)/Sufficiency		<b>(\$8,089.2)</b>

# **Schedule 1-2-6**

## **Overview**

2006 EDR Model (2005 – 2007)



EDR 2006 MODEL (ver. 2.1)

Great Lakes Power Limited - Distribution

ED-1999-0227 (EB-2005-0369, RP-2005-0020)

August 24, 2007

2-1 TRIAL BALANCE DATA (Input)

Enter account data consistent with the audited books of account. (Enter adjustments on subsequent sheets.)

ok

Account Number	Account Description	2005 Total \$	2006 Total \$	2007 Total \$
<b>DETAILED INPUT:</b>				
1005	Cash	585,644.65	1,215,337.32	1,543,351.00
1010	Cash Advances and Working Funds	0.00	0.00	0.00
1020	Interest Special Deposits	0.00	0.00	0.00
1030	Dividend Special Deposits	0.00	0.00	0.00
1040	Other Special Deposits	0.00	0.00	0.00
1060	Term Deposits	0.00	0.00	0.00
1070	Current Investments	0.00	0.00	0.00
1100	Customer Accounts Receivable	1,200,387.91	2,261,407.16	1,961,407.16
1102	Accounts Receivable - Services	0.00	0.00	0.00
1104	Accounts Receivable - Recoverable Work	0.00	0.00	0.00
1105	Accounts Receivable - Merchandise, Jobbing, etc.	357,028.60	875,167.19	300,000.00
1110	Other Accounts Receivable	0.00	0.00	0.00
1120	Accrued Utility Revenues	3,032,180.24	3,502,377.41	2,652,028.11
1130	Accumulated Provision for Uncollectible Accounts--Credit	-100,000.00	-100,000.00	-100,000.00
1140	Interest and Dividends Receivable	0.00	0.00	0.00
1150	Rents Receivable	0.00	0.00	0.00
1170	Notes Receivable	0.00	0.00	0.00
1180	Prepayments	89,984.62	84,791.15	52,571.00
1190	Miscellaneous Current and Accrued Assets	8,417.12	13,856.92	10,000.00
1200	Accounts Receivable from Associated Companies	0.00	0.00	0.00
1210	Notes Receivable from Associated Companies	0.00	0.00	0.00
1305	Fuel Stock	0.00	0.00	0.00
1330	Plant Materials and Operating Supplies	1,067,488.51	1,280,465.24	1,000,000.00
1340	Merchandise	0.00	0.00	0.00
1350	Other Materials and Supplies	0.00	0.00	0.00
1405	Long Term Investments in Non-Associated Companies	0.00	0.00	0.00
1408	Long Term Receivable - Street Lighting Transfer	0.00	0.00	0.00
1410	Other Special or Collateral Funds	0.00	0.00	0.00
1415	Sinking Funds	0.00	0.00	0.00
1425	Unamortized Debt Expense	0.00	0.00	0.00
1445	Unamortized Discount on Long-Term Debt--Debit	0.00	0.00	0.00
1455	Unamortized Deferred Foreign Currency Translation Gains and Losses	0.00	0.00	0.00
1460	Other Non-Current Assets	0.00	0.00	0.00
1465	O.M.E.R.S. Past Service Costs	0.00	0.00	0.00
1470	Past Service Costs - Employee Future Benefits	0.00	0.00	0.00
1475	Past Service Costs - Other Pension Plans	0.00	0.00	0.00
1480	Portfolio Investments - Associated Companies	0.00	0.00	0.00
1485	Investment in Associated Companies - Significant Influence	0.00	0.00	0.00
1490	Investment in Subsidiary Companies	0.00	0.00	0.00
1505	Unrecovered Plant and Regulatory Study Costs	0.00	0.00	0.00
1508	Other Regulatory Assets	155,993.75	155,993.75	155,993.75
1510	Preliminary Survey and Investigation Charges	0.00	0.00	0.00
1515	Emission Allowance Inventory	0.00	0.00	0.00
1516	Emission Allowances Withheld	0.00	0.00	0.00
1518	RCVARetail	0.00	0.00	0.00
1520	Power Purchase Variance Account	0.00	0.00	0.00
1525	Miscellaneous Deferred Debits	0.00	0.00	0.00
1530	Deferred Losses from Disposition of Utility Plant	0.00	0.00	0.00
1540	Unamortized Loss on Reacquired Debt	0.00	0.00	0.00
1545	Development Charge Deposits/ Receivables	0.00	0.00	0.00
1548	RCVASTR	0.00	0.00	0.00
1560	Deferred Development Costs	0.00	0.00	0.00
1562	Deferred Payments in Lieu of Taxes	0.00	0.00	0.00





EDR 2006 MODEL (ver. 2.1)

## Great Lakes Power Limited - Distribution

ED-1999-0227 (EB-2005-0369, RP-2005-0020)

August 24, 2007

### 2-1 TRIAL BALANCE DATA (Input)

Enter account data consistent with the audited books of account.  
(Enter adjustments on subsequent sheets.)

ok

Account Number	Account Description	2005 Total	2006 Total	2007 Total
		\$	\$	\$
1563	Account 1563 - Deferred PILs Contra Account	0.00	0.00	0.00
1565	1565-Conservation and Demand Management Expenditures and Recoveries	0.00	0.00	0.00
1570	Qualifying Transition Costs	0.00	0.00	0.00
1571	Pre-market Opening Energy Variance	0.00	0.00	0.00
1572	Extraordinary Event Costs	0.00	0.00	0.00
1574	Deferred Rate Impact Amounts	10,166,183.60	13,606,089.10	15,106,089.10
1580	RSVAWMS	340,047.66	133,348.28	133,348.28
1582	RSVAONE-TIME	0.00	0.00	0.00
1584	RSVANW	25,812.08	76,242.30	76,242.30
1586	RSVACN	-374,230.23	-436,954.96	-436,954.96
1588	RSVAPOWER	-505,339.75	1,461,737.10	1,461,737.10
1590	1590-Recovery of regulatory asset balances	-1,024,148.79	-2,154,195.61	-3,354,195.61
1605	Electric Plant in Service - Control Account	87,961,754.06	94,498,530.91	102,306,200.91
1606	Organization	0.00	0.00	0.00
1608	Franchises and Consents	0.00	0.00	0.00
1610	Miscellaneous Intangible Plant	0.00	0.00	0.00
1615	Land	0.00	0.00	0.00
1616	Land Rights	0.00	0.00	0.00
1620	Buildings and Fixtures	0.00	0.00	0.00
1630	Leasehold Improvements	0.00	0.00	0.00
1635	Boiler Plant Equipment	0.00	0.00	0.00
1640	Engines and Engine-Driven Generators	0.00	0.00	0.00
1645	Turbogenerator Units	0.00	0.00	0.00
1650	Reservoirs, Dams and Waterways	0.00	0.00	0.00
1655	Water Wheels, Turbines and Generators	0.00	0.00	0.00
1660	Roads, Railroads and Bridges	0.00	0.00	0.00
1665	Fuel Holders, Producers and Accessories	0.00	0.00	0.00
1670	Prime Movers	0.00	0.00	0.00
1675	Generators	0.00	0.00	0.00
1680	Accessory Electric Equipment	0.00	0.00	0.00
1685	Miscellaneous Power Plant Equipment	0.00	0.00	0.00
1705	Land	0.00	0.00	0.00
1706	Land Rights	0.00	0.00	0.00
1708	Buildings and Fixtures	0.00	0.00	0.00
1710	Leasehold Improvements	0.00	0.00	0.00
1715	Station Equipment	0.00	0.00	0.00
1720	Towers and Fixtures	0.00	0.00	0.00
1725	Poles and Fixtures	0.00	0.00	0.00
1730	Overhead Conductors and Devices	0.00	0.00	0.00
1735	Underground Conduit	0.00	0.00	0.00
1740	Underground Conductors and Devices	0.00	0.00	0.00
1745	Roads and Trails	0.00	0.00	0.00
1805	Land	841,603.89	841,603.89	841,603.89
1806	Land Rights	4,514,762.82	7,705,876.70	9,720,876.70
1808	Buildings and Fixtures	6,533,262.72	6,533,262.72	6,857,762.72
1810	Leasehold Improvements	0.00	0.00	0.00
1815	Transformer Station Equipment - Normally Primary above 50 kV	0.00	0.00	0.00
1820	Distribution Station Equipment - Normally Primary below 50 kV	8,546,399.36	8,885,887.11	8,992,387.11
1825	Storage Battery Equipment	0.00	0.00	0.00
1830	Poles, Towers and Fixtures	26,263,334.02	28,104,684.43	29,951,390.43
1835	Overhead Conductors and Devices	12,506,846.37	13,681,302.72	16,105,766.72
1840	Underground Conduit	0.00	0.00	0.00
1845	Underground Conductors and Devices	460,098.80	460,098.80	460,098.80
1850	Line Transformers	8,685,096.81	8,134,432.87	8,254,432.87
1855	Services	2,678,357.17	2,691,713.16	2,691,713.16
1860	Meters	2,237,138.74	2,157,358.25	2,207,358.25



August 24, 2007

**2-1 TRIAL BALANCE DATA (Input)**

*Enter account data consistent with the audited books of account.  
(Enter adjustments on subsequent sheets.)*

ok

Account Number	Account Description	2005	2006	2007
		Total	Total	Total
		\$	\$	\$
1865	Other Installations on Customer's Premises	0.00	0.00	0.00
1870	Leased Property on Customer Premises	0.00	0.00	0.00
1875	Street Lighting and Signal Systems	16,522.64	16,522.64	16,522.64
1905	Land	0.00	0.00	0.00
1906	Land Rights	0.00	0.00	0.00
1908	Buildings and Fixtures	659,991.05	667,551.05	667,551.05
1910	Leasehold Improvements	0.00	0.00	0.00
1915	Office Furniture and Equipment	771,297.65	779,263.79	779,263.79
1920	Computer Equipment - Hardware	3,211,471.21	3,522,537.41	3,971,037.41
1925	Computer Software	1,839,080.85	1,839,080.85	1,839,080.85
1930	Transportation Equipment	4,038,531.03	4,244,120.77	4,694,120.77
1935	Stores Equipment	0.00	0.00	0.00
1940	Tools, Shop and Garage Equipment	1,276,759.79	1,346,733.03	1,368,733.03
1945	Measurement and Testing Equipment	230,700.86	230,700.86	230,700.86
1950	Power Operated Equipment	0.00	0.00	0.00
1955	Communication Equipment	393,687.89	393,687.89	393,687.89
1960	Miscellaneous Equipment	105,814.40	111,115.98	111,115.98
1965	Water Heater Rental Units	0.00	0.00	0.00
1970	Load Management Controls - Customer Premises	0.00	0.00	0.00
1975	Load Management Controls - Utility Premises	0.00	0.00	0.00
1980	System Supervisory Equipment	0.00	0.00	0.00
1985	Sentinel Lighting Rental Units	0.00	0.00	0.00
1990	Other Tangible Property	2,150,995.99	2,150,995.99	2,150,995.99
1995	Contributions and Grants - Credit	0.00	0.00	0.00
2005	Property Under Capital Leases	0.00	0.00	0.00
2010	Electric Plant Purchased or Sold	0.00	0.00	0.00
2020	Experimental Electric Plant Unclassified	0.00	0.00	0.00
2030	Electric Plant and Equipment Leased to Others	0.00	0.00	0.00
2040	Electric Plant Held for Future Use	0.00	0.00	0.00
2050	Completed Construction Not Classified--Electric	0.00	0.00	0.00
2055	Construction Work in Progress--Electric	886,793.36	422,473.37	0.00
2060	Electric Plant Acquisition Adjustment	0.00	0.00	0.00
2065	Other Electric Plant Adjustment	0.00	0.00	0.00
2070	Other Utility Plant	0.00	0.00	0.00
2075	Non-Utility Property Owned or Under Capital Leases	0.00	0.00	0.00
2105	Accumulated Amortization of Electric Utility Plant - Property, Plant, and Equipr	-39,796,111.81	-42,437,413.68	-45,285,416.76
2120	Accumulated Amortization of Electric Utility Plant - Intangibles	0.00	0.00	0.00
2140	Accumulated Amortization of Electric Plant Acquisition Adjustment	0.00	0.00	0.00
2160	Accumulated Amortization of Other Utility Plant	-16,522.64	-16,522.64	-16,522.64
2180	Accumulated Amortization of Non-Utility Property	0.00	0.00	0.00
2205	Accounts Payable	-36,541,080.36	-47,890,032.27	-48,075,900.77
2208	Customer Credit Balances	0.00	0.00	0.00
2210	Current Portion of Customer Deposits	-1,225,375.23	-610,559.21	-800,000.00
2215	Dividends Declared	0.00	0.00	0.00
2220	Miscellaneous Current and Accrued Liabilities	-76,046.12	-65,446.12	-50,000.00
2225	Notes and Loans Payable	0.00	0.00	0.00
2240	Accounts Payable to Associated Companies	0.00	0.00	0.00
2242	Notes Payable to Associated Companies	0.00	0.00	0.00
2250	Debt Retirement Charges( DRC) Payable	-29,142.37	-30,621.21	0.00
2252	Transmission Charges Payable	0.00	0.00	0.00
2254	Electrical Safety Authority Fees Payable	0.00	0.00	0.00
2256	Independent Market Operator Fees and Penalties Payable	0.00	0.00	0.00
2260	Current Portion of Long Term Debt	0.00	0.00	0.00
2262	Ontario Hydro Debt - Current Portion	0.00	0.00	0.00
2264	Pensions and Employee Benefits - Current Portion	0.00	0.00	0.00
2268	Accrued Interest on Long Term Debt	0.00	0.00	0.00



August 24, 2007

**2-1 TRIAL BALANCE DATA (Input)**

*Enter account data consistent with the audited books of account.  
(Enter adjustments on subsequent sheets.)*

ok

Account Number	Account Description	2005 Total \$	2006 Total \$	2007 Total \$
2270	Matured Long Term Debt	0.00	0.00	0.00
2272	Matured Interest on Long Term Debt	0.00	0.00	0.00
2285	Obligations Under Capital Leases--Current	0.00	0.00	0.00
2290	Commodity Taxes	16,601.22	-2,094.16	0.00
2292	Payroll Deductions / Expenses Payable	-499,712.15	-443,715.17	-350,000.00
2294	Accrual for Taxes, Payments in Lieu of Taxes, Etc.	0.00	-0.01	0.00
2296	Future Income Taxes - Current	-3,784,860.30	-4,029,390.86	-3,640,812.25
2305	Accumulated Provision for Injuries and Damages	0.00	0.00	0.00
2306	Employee Future Benefits	-115,892.80	-57,774.96	-96,017.40
2308	Other Pensions - Past Service Liability	0.00	-38,760.67	-64,011.60
2310	Vested Sick Leave Liability	0.00	0.00	0.00
2315	Accumulated Provision for Rate Refunds	0.00	0.00	0.00
2320	Other Miscellaneous Non-Current Liabilities	0.00	0.00	0.00
2325	Obligations Under Capital Lease--Non-Current	0.00	0.00	0.00
2330	Development Charge Fund	0.00	0.00	0.00
2335	Long Term Customer Deposits	0.00	0.00	0.00
2340	Collateral Funds Liability	0.00	0.00	0.00
2345	Unamortized Premium on Long Term Debt	0.00	0.00	0.00
2348	O.M.E.R.S. - Past Service Liability - Long Term Portion	0.00	0.00	0.00
2350	Future Income Tax - Non-Current	0.00	0.00	0.00
2405	Other Regulatory Liabilities	-176,302.98	176,525.42	194,480.00
2410	Deferred Gains from Disposition of Utility Plant	0.00	0.00	0.00
2415	Unamortized Gain on Reacquired Debt	0.00	0.00	0.00
2425	Other Deferred Credits	0.00	0.00	0.00
2435	Accrued Rate-Payer Benefit	0.00	0.00	0.00
2505	Debentures Outstanding - Long Term Portion	0.00	0.00	0.00
2510	Debenture Advances	0.00	0.00	0.00
2515	Reacquired Bonds	0.00	0.00	0.00
2520	Other Long Term Debt	0.00	0.00	0.00
2525	Term Bank Loans - Long Term Portion	0.00	0.00	0.00
2530	Ontario Hydro Debt Outstanding - Long Term Portion	0.00	0.00	0.00
2550	Advances from Associated Companies	0.00	0.00	0.00
3005	Common Shares Issued	0.00	0.00	0.00
3008	Preference Shares Issued	0.00	0.00	0.00
3010	Contributed Surplus	0.00	0.00	0.00
3020	Donations Received	0.00	0.00	0.00
3022	Development Charges Transferred to Equity	0.00	0.00	0.00
3026	Capital Stock Held in Treasury	0.00	0.00	0.00
3030	Miscellaneous Paid-In Capital	0.00	0.00	0.00
3035	Installments Received on Capital Stock	0.00	0.00	0.00
3040	Appropriated Retained Earnings	-21,887,957.51	-21,629,551.86	-21,450,861.09
3045	Unappropriated Retained Earnings	0.00	0.00	0.00
3046	Balance Transferred From Income	258,405.65	178,690.77	-3,232,755.62
3047	Appropriations of Retained Earnings - Current Period	0.00	0.00	0.00
3048	Dividends Payable-Preference Shares	0.00	0.00	0.00
3049	Dividends Payable-Common Shares	0.00	0.00	0.00
3055	Adjustment to Retained Earnings	0.00	0.00	0.00
3065	Unappropriated Undistributed Subsidiary Earnings	0.00	0.00	0.00
4006	Residential Energy Sales	-4,746,587.99	-5,239,680.40	-11,130,097.04
4010	Commercial Energy Sales	-3,575,840.25	-3,834,866.36	0.00
4015	Industrial Energy Sales	0.00	0.00	0.00
4020	Energy Sales to Large Users	-2,308,781.09	-1,743,804.10	0.00
4025	Street Lighting Energy Sales	-70,051.84	-64,797.78	0.00
4030	Sentinel Lighting Energy Sales	0.00	0.00	0.00
4035	General Energy Sales	0.00	0.00	0.00
4040	Other Energy Sales to Public Authorities	0.00	0.00	0.00

**EDR 2006 MODEL (ver. 2.1)****Great Lakes Power Limited - Distribution**

ED-1999-0227 (EB-2005-0369, RP-2005-0020)

August 24, 2007

**2-1 TRIAL BALANCE DATA (Input)**

*Enter account data consistent with the audited books of account.  
(Enter adjustments on subsequent sheets.)*

ok

Account Number	Account Description	2005 Total	2006 Total	2007 Total
		\$	\$	\$
4045	Energy Sales to Railroads and Railways	0.00	0.00	0.00
4050	Revenue Adjustment	0.00	0.00	0.00
4055	Energy Sales for Resale	0.00	0.00	0.00
4060	Interdepartmental Energy Sales	0.00	0.00	0.00
4062	Billed WMS	-1,207,191.76	-1,222,742.98	-1,308,656.88
4064	4064-Billed One-Time	0.00	0.00	0.00
4066	Billed NW	-1,049,449.35	-1,038,505.00	-1,102,472.78
4068	Billed CN	-913,863.64	-916,745.51	-888,965.73
4080	Distribution Services Revenue	-12,718,000.00	-12,717,999.99	-17,678,005.40
4082	Retail Services Revenues	0.00	0.00	0.00
4084	Service Transaction Requests (STR) Revenues	0.00	0.00	0.00
4090	Electric Services Incidental to Energy Sales	0.00	0.00	0.00
4105	Transmission Charges Revenue	0.00	0.00	0.00
4110	Transmission Services Revenue	0.00	0.00	0.00
4205	Interdepartmental Rents	0.00	0.00	0.00
4210	Rent from Electric Property	-128,126.31	-153,281.43	-238,178.00
4215	Other Utility Operating Income	73,079.65	-32,236.40	0.00
4220	Other Electric Revenues	0.00	0.00	0.00
4225	Late Payment Charges	40,050.66	13,543.70	-5,700.00
4230	Sales of Water and Water Power	0.00	0.00	0.00
4235	Miscellaneous Service Revenues	-65.00	0.00	0.00
4240	Provision for Rate Refunds	0.00	0.00	0.00
4245	Government Assistance Directly Credited to Income	0.00	0.00	0.00
4305	Regulatory Debits	0.00	0.00	0.00
4310	Regulatory Credits	0.00	0.00	0.00
4315	Revenues from Electric Plant Leased to Others	0.00	0.00	0.00
4320	Expenses of Electric Plant Leased to Others	0.00	0.00	0.00
4325	Revenues from Merchandise, Jobbing, Etc.	-527,139.48	-1,221,461.90	-403,861.00
4330	Costs and Expenses of Merchandising, Jobbing, Etc.	693,114.37	1,261,200.97	403,861.00
4335	Profits and Losses from Financial Instrument Hedges	0.00	0.00	0.00
4340	Profits and Losses from Financial Instrument Investments	0.00	0.00	0.00
4345	Gains from Disposition of Future Use Utility Plant	0.00	0.00	0.00
4350	Losses from Disposition of Future Use Utility Plant	0.00	0.00	0.00
4355	Gain on Disposition of Utility and Other Property	0.00	0.00	0.00
4360	Loss on Disposition of Utility and Other Property	0.00	152,441.11	0.00
4365	Gains from Disposition of Allowances for Emission	0.00	0.00	0.00
4370	Losses from Disposition of Allowances for Emission	0.00	0.00	0.00
4375	Revenues from Non-Utility Operations	0.00	0.00	0.00
4380	Expenses of Non-Utility Operations	0.00	0.00	0.00
4385	Non-Utility Rental Income	0.00	0.00	0.00
4390	Miscellaneous Non-Operating Income	0.00	0.00	0.00
4395	Rate-Payer Benefit Including Interest	0.00	0.00	0.00
4398	Foreign Exchange Gains and Losses, Including Amortization	0.00	0.00	0.00
4405	Interest and Dividend Income	0.00	0.00	0.00
4415	Equity in Earnings of Subsidiary Companies	0.00	0.00	0.00
4505	Operation Supervision and Engineering	0.00	0.00	0.00
4510	Fuel	0.00	0.00	0.00
4515	Steam Expense	0.00	0.00	0.00
4520	Steam From Other Sources	0.00	0.00	0.00
4525	Steam Transferred--Credit	0.00	0.00	0.00
4530	Electric Expense	0.00	0.00	0.00
4535	Water For Power	0.00	0.00	0.00
4540	Water Power Taxes	0.00	0.00	0.00
4545	Hydraulic Expenses	0.00	0.00	0.00
4550	Generation Expense	0.00	0.00	0.00
4555	Miscellaneous Power Generation Expenses	0.00	0.00	0.00



EDR 2006 MODEL (ver. 2.1)

## Great Lakes Power Limited - Distribution

ED-1999-0227 (EB-2005-0369, RP-2005-0020)

August 24, 2007

### 2-1 TRIAL BALANCE DATA (Input)

Enter account data consistent with the audited books of account.  
(Enter adjustments on subsequent sheets.)

ok

Account Number	Account Description	2005 Total	2006 Total	2007 Total
		\$	\$	\$
4560	Rents	0.00	0.00	0.00
4565	Allowances for Emissions	0.00	0.00	0.00
4605	Maintenance Supervision and Engineering	0.00	0.00	0.00
4610	Maintenance of Structures	0.00	0.00	0.00
4615	Maintenance of Boiler Plant	0.00	0.00	0.00
4620	Maintenance of Electric Plant	0.00	0.00	0.00
4625	Maintenance of Reservoirs, Dams and Waterways	0.00	0.00	0.00
4630	Maintenance of Water Wheels, Turbines and Generators	0.00	0.00	0.00
4635	Maintenance of Generating and Electric Plant	0.00	0.00	0.00
4640	Maintenance of Miscellaneous Power Generation Plant	0.00	0.00	0.00
4705	Power Purchased	10,705,464.95	10,882,532.65	11,130,097.04
4708	Charges-WMS	1,005,866.77	1,029,127.69	1,097,583.19
4710	Cost of Power Adjustments	0.00	0.00	0.00
4712	Charges-One-Time	0.00	0.00	0.00
4714	Charges-NW	1,145,740.13	1,097,915.79	1,102,472.78
4715	System Control and Load Dispatching	0.00	0.00	0.00
4716	Charges-CN	817,572.86	857,334.70	888,965.73
4720	Other Expenses	0.00	0.00	0.00
4725	Competition Transition Expense	0.00	0.00	0.00
4730	Rural Rate Assistance Expense	202,964.61	199,701.52	211,073.69
4805	Operation Supervision and Engineering	0.00	0.00	0.00
4810	Load Dispatching	0.00	0.00	0.00
4815	Station Buildings and Fixtures Expenses	0.00	0.00	0.00
4820	Transformer Station Equipment - Operating Labour	0.00	0.00	0.00
4825	Transformer Station Equipment - Operating Supplies and Expense	0.00	0.00	0.00
4830	Overhead Line Expenses	0.00	0.00	0.00
4835	Underground Line Expenses	0.00	0.00	0.00
4840	Transmission of Electricity by Others	0.00	0.00	0.00
4845	Miscellaneous Transmission Expense	0.00	0.00	0.00
4850	Rents	0.00	0.00	0.00
4905	Maintenance Supervision and Engineering	0.00	0.00	0.00
4910	Maintenance of Transformer Station Buildings and Fixtures	0.00	0.00	0.00
4916	Maintenance of Transformer Station Equipment	0.00	0.00	0.00
4930	Maintenance of Towers, Poles and Fixtures	0.00	0.00	0.00
4935	Maintenance of Overhead Conductors and Devices	0.00	0.00	0.00
4940	Maintenance of Overhead Lines - Right of Way	0.00	0.00	0.00
4945	Maintenance of Overhead Lines - Roads and Trails Repairs	0.00	0.00	0.00
4950	Maintenance of Overhead Lines - Snow Removal from Roads and Trails	0.00	0.00	0.00
4960	Maintenance of Underground Lines	0.00	0.00	0.00
4965	Maintenance of Miscellaneous Transmission Plant	0.00	0.00	0.00
5005	Operation Supervision and Engineering	781,085.95	464,976.51	445,999.00
5010	Load Dispatching	54,753.47	58,768.82	61,343.00
5012	Station Buildings and Fixtures Expense	368,752.00	494,799.08	541,673.00
5014	Transformer Station Equipment - Operation Labour	-8,119.06	0.00	0.00
5015	Transformer Station Equipment - Operation Supplies and Expenses	2,905.66	0.00	0.00
5016	Distribution Station Equipment - Operation Labour	28,844.39	20,830.51	37,245.00
5017	Distribution Station Equipment - Operation Supplies and Expenses	22,722.23	8,243.89	36,853.00
5020	Overhead Distribution Lines and Feeders - Operation Labour	70,536.85	83,574.14	38,748.00
5025	Overhead Distribution Lines and Feeders - Operation Supplies and Expenses	28,493.19	40,283.95	14,420.00
5030	Overhead Subtransmission Feeders - Operation	26,178.00	35,802.32	42,189.00
5035	Overhead Distribution Transformers- Operation	7,486.56	11,965.87	9,477.00
5040	Underground Distribution Lines and Feeders - Operation Labour	0.00	0.00	0.00
5045	Underground Distribution Lines and Feeders - Operation Supplies and Expens	0.00	0.00	0.00
5050	Underground Subtransmission Feeders - Operation	0.00	0.00	0.00
5055	Underground Distribution Transformers - Operation	0.00	0.00	0.00
5060	Street Lighting and Signal System Expense	0.00	0.00	0.00

**EDR 2006 MODEL (ver. 2.1)****Great Lakes Power Limited - Distribution**

ED-1999-0227 (EB-2005-0369, RP-2005-0020)

August 24, 2007

**2-1 TRIAL BALANCE DATA (Input)**

*Enter account data consistent with the audited books of account.  
(Enter adjustments on subsequent sheets.)*

ok

Account Number	Account Description	2005 Total	2006 Total	2007 Total
		\$	\$	\$
5065	Meter Expense	257,572.52	220,710.99	335,377.00
5070	Customer Premises - Operation Labour	1,928.21	87,631.45	69,576.00
5075	Customer Premises - Materials and Expenses	10,275.45	42,576.92	43,660.00
5085	Miscellaneous Distribution Expense	118,552.86	0.00	0.00
5090	Underground Distribution Lines and Feeders - Rental Paid	0.00	0.00	0.00
5095	Overhead Distribution Lines and Feeders - Rental Paid	0.00	0.00	0.00
5096	Other Rent	5,798.90	12,549.20	18,635.00
5105	Maintenance Supervision and Engineering	2,229.50	0.00	0.00
5110	Maintenance of Buildings and Fixtures - Distribution Stations	76,163.20	128,745.37	67,995.00
5112	Maintenance of Transformer Station Equipment	-1,215.60	26,638.07	2,076.00
5114	Maintenance of Distribution Station Equipment	66,256.56	68,555.98	90,689.00
5120	Maintenance of Poles, Towers and Fixtures	4,838.81	25,027.57	14,221.00
5125	Maintenance of Overhead Conductors and Devices	1,394,933.07	1,161,185.62	1,029,623.00
5130	Maintenance of Overhead Services	14,987.79	842.92	11,309.00
5135	Overhead Distribution Lines and Feeders - Right of Way	1,297,330.39	1,442,492.38	1,600,000.00
5145	Maintenance of Underground Conduit	0.00	0.00	0.00
5150	Maintenance of Underground Conductors and Devices	0.00	0.00	0.00
5155	Maintenance of Underground Services	0.00	0.00	0.00
5160	Maintenance of Line Transformers	12,521.04	11,380.84	32,861.00
5165	Maintenance of Street Lighting and Signal Systems	0.00	0.00	0.00
5170	Sentinel Lights - Labour	0.00	0.00	0.00
5172	Sentinel Lights - Materials and Expenses	0.00	0.00	0.00
5175	Maintenance of Meters	10,326.55	8,729.91	17,000.00
5178	Customer Installations Expenses- Leased Property	0.00	0.00	0.00
5185	Water Heater Rentals - Labour	0.00	0.00	0.00
5186	Water Heater Rentals - Materials and Expenses	0.00	0.00	0.00
5190	Water Heater Controls - Labour	0.00	0.00	0.00
5192	Water Heater Controls - Materials and Expenses	0.00	0.00	0.00
5195	Maintenance of Other Installations on Customer Premises	0.00	0.00	0.00
5205	Purchase of Transmission and System Services	0.00	0.00	0.00
5210	Transmission Charges	0.00	0.00	0.00
5215	Transmission Charges Recovered	0.00	0.00	0.00
5305	Supervision	0.00	0.00	0.00
5310	Meter Reading Expense	257,161.05	377,485.95	313,031.00
5315	Customer Billing	361,182.32	482,813.75	481,643.00
5320	Collecting	114,581.00	73,164.55	112,686.00
5325	Collecting- Cash Over and Short	0.00	0.00	0.00
5330	Collection Charges	0.00	0.00	0.00
5335	Bad Debt Expense	-1,435.83	43,561.54	67,000.00
5340	Miscellaneous Customer Accounts Expenses	124,217.25	99,054.09	170,080.00
5405	Supervision	0.00	0.00	0.00
5410	Community Relations - Sundry	0.00	0.00	0.00
5415	Energy Conservation	0.00	0.00	0.00
5420	Community Safety Program	0.00	0.00	0.00
5425	Miscellaneous Customer Service and Informational Expenses	0.00	0.00	0.00
5505	Supervision	0.00	0.00	0.00
5510	Demonstrating and Selling Expense	0.00	0.00	0.00
5515	Advertising Expense	1,191.00	4,586.68	8,000.00
5520	Miscellaneous Sales Expense	0.00	0.00	0.00
5605	Executive Salaries and Expenses	249,404.52	185,722.64	218,476.00
5610	Management Salaries and Expenses	149,437.62	0.00	0.00
5615	General Administrative Salaries and Expenses	297,237.89	568,510.39	748,647.00
5620	Office Supplies and Expenses	50,902.43	129,332.33	169,800.00
5625	Administrative Expense Transferred?Credit	0.00	0.00	0.00
5630	Outside Services Employed	235,380.55	918,191.64	855,532.00
5635	Property Insurance	113,042.14	107,110.49	115,760.00



## EDR 2006 MODEL (ver. 2.1)

## Great Lakes Power Limited - Distribution

ED-1999-0227 (EB-2005-0369, RP-2005-0020)

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**2-1 TRIAL BALANCE DATA (Input)**

Enter account data consistent with the audited books of account.  
(Enter adjustments on subsequent sheets.)

ok

Account Number	Account Description	2005 Total	2006 Total	2007 Total
		\$	\$	\$
5640	Injuries and Damages	0.00	0.00	0.00
5645	Employee Pensions and Benefits	691,265.96	0.00	0.00
5650	Franchise Requirements	0.00	0.00	0.00
5655	Regulatory Expenses	18,993.42	105,070.99	120,100.00
5660	General Advertising Expenses	0.00	0.00	0.00
5665	Miscellaneous General Expenses	0.00	31,456.00	32,300.00
5670	Rent	0.00	0.00	0.00
5675	Maintenance of General Plant	0.00	0.00	0.00
5680	Electrical Safety Authority Fees	26,208.86	17,639.72	21,700.00
5685	Independent Market Operator Fees and Penalties	0.00	0.00	0.00
5705	Amortization Expense ? Property, Plant, and Equipment	3,326,953.52	3,464,633.42	3,623,003.06
5710	Amortization of Limited Term Electric Plant	0.00	0.00	0.00
5715	Amortization of Intangibles and Other Electric Plant	0.00	0.00	0.00
5720	Amortization of Electric Plant Acquisition Adjustments	0.00	0.00	0.00
5725	Miscellaneous Amortization	602.98	0.00	0.00
5730	Amortization of Unrecovered Plant and Regulatory Study Costs	0.00	0.00	0.00
5735	Amortization of Deferred Development Costs	0.00	0.00	0.00
5740	Amortization of Deferred Charges	0.00	0.00	0.00
6005	Interest on Long Term Debt	1,493,391.47	1,293,321.72	1,281,250.00
6010	Amortization of Debt Discount and Expense	0.00	0.00	0.00
6015	Amortization of Premium on Debt?Credit	0.00	0.00	0.00
6020	Amortization of Loss on Reacquired Debt	0.00	0.00	0.00
6025	Amortization of Gain on Reacquired Debt--Credit	0.00	0.00	0.00
6030	Interest on Debt to Associated Companies	0.00	0.00	0.00
6035	Other Interest Expense	0.00	0.00	0.00
6040	Allowance for Borrowed Funds Used During Construction--Credit	0.00	0.00	0.00
6042	Allowance For Other Funds Used During Construction	-85,295.46	-115,171.04	-103,143.00
6045	Interest Expense on Capital Lease Obligations	0.00	0.00	0.00
6105	Taxes Other Than Income Taxes	380,350.16	324,769.52	321,416.64
6110	Income Taxes	354,467.02	244,530.56	1,565,877.08
6115	Provision for Future Income Taxes	0.00	0.00	0.00
6205	Donations	4,270.00	58,917.24	5,000.00
6210	Life Insurance	0.00	0.00	0.00
6215	Penalties	0.00	0.00	0.00
6225	Other Deductions	0.00	0.00	0.00
6305	Extraordinary Income	0.00	0.00	0.00
6310	Extraordinary Deductions	0.00	0.00	0.00
6315	Income Taxes, Extraordinary Items	0.00	0.00	0.00
6405	Discontinues Operations - Income/ Gains	0.00	0.00	0.00
6410	Discontinued Operations - Deductions/ Losses	0.00	0.00	0.00
6415	Income Taxes, Discontinued Operations	0.00	0.00	0.00
	Total (\$) Value	88,220,159.71	94,677,221.68	99,073,445.29

**2-2 UNADJUSTED ACCOUNTING DATA***All adjustment are entered on subsequent sheets.*

Account Number	Account Description	2005	2005	2005	2005
		Total	Unclassified	Non-Distribution	Distribution
		\$	\$	\$	\$
<b>DETAILED ACCOUNTS:</b>					
1005	Cash	585,645	585,645	0	0
1010	Cash Advances and Working Funds	0	0	0	0
1020	Interest Special Deposits	0	0	0	0
1030	Dividend Special Deposits	0	0	0	0
1040	Other Special Deposits	0	0	0	0
1060	Term Deposits	0	0	0	0
1070	Current Investments	0	0	0	0
1100	Customer Accounts Receivable	1,200,388	1,200,388	0	0
1102	Accounts Receivable - Services	0	0	0	0
1104	Accounts Receivable - Recoverable Work	0	0	0	0
1105	Accounts Receivable - Merchandise, Jobbing, etc.	357,029	357,029	0	0
1110	Other Accounts Receivable	0	0	0	0
1120	Accrued Utility Revenues	3,032,180	3,032,180	0	0
1130	Accumulated Provision for Uncollectible Accounts--Credit	-100,000	-100,000	0	0
1140	Interest and Dividends Receivable	0	0	0	0
1150	Rents Receivable	0	0	0	0
1170	Notes Receivable	0	0	0	0
1180	Prepayments	89,985	89,985	0	0
1190	Miscellaneous Current and Accrued Assets	8,417	8,417	0	0
1200	Accounts Receivable from Associated Companies	0	0	0	0
1210	Notes Receivable from Associated Companies	0	0	0	0
1305	Fuel Stock	0	0	0	0
1330	Plant Materials and Operating Supplies	1,067,489	1,067,489	0	0
1340	Merchandise	0	0	0	0
1350	Other Materials and Supplies	0	0	0	0
1405	Long Term Investments in Non-Associated Companies	0	0	0	0
1408	Long Term Receivable - Street Lighting Transfer	0	0	0	0
1410	Other Special or Collateral Funds	0	0	0	0
1415	Sinking Funds	0	0	0	0
1425	Unamortized Debt Expense	0	0	0	0
1445	Unamortized Discount on Long-Term Debt--Debit	0	0	0	0
1455	Unamortized Deferred Foreign Currency Translation Gains and Losses	0	0	0	0
1460	Other Non-Current Assets	0	0	0	0
1465	O.M.E.R.S. Past Service Costs	0	0	0	0
1470	Past Service Costs - Employee Future Benefits	0	0	0	0
1475	Past Service Costs - Other Pension Plans	0	0	0	0
1480	Portfolio Investments - Associated Companies	0	0	0	0
1485	Investment in Associated Companies - Significant Influence	0	0	0	0
1490	Investment in Subsidiary Companies	0	0	0	0
1505	Unrecovered Plant and Regulatory Study Costs	0	0	0	0
1508	Other Regulatory Assets	155,994	155,994	0	0
1510	Preliminary Survey and Investigation Charges	0	0	0	0
1515	Emission Allowance Inventory	0	0	0	0
1516	Emission Allowances Withheld	0	0	0	0
1518	RCVARetail	0	0	0	0
1520	Power Purchase Variance Account	0	0	0	0
1525	Miscellaneous Deferred Debits	0	0	0	0
1530	Deferred Losses from Disposition of Utility Plant	0	0	0	0
1540	Unamortized Loss on Reacquired Debt	0	0	0	0
1545	Development Charge Deposits/ Receivables	0	0	0	0
1548	RCVASTR	0	0	0	0
1560	Deferred Development Costs	0	0	0	0
1562	Deferred Payments in Lieu of Taxes	0	0	0	0
1563	Account 1563 - Deferred PILs Contra Account	0	0	0	0
1565	Conservation and Demand Management Expenditures and Recoveries	0	0	0	0
1570	Qualifying Transition Costs	0	0	0	0
1571	Pre-market Opening Energy Variance	0	0	0	0
1572	Extraordinary Event Costs	0	0	0	0
1574	Deferred Rate Impact Amounts	10,166,184	10,166,184	0	0
1580	RSVAWMS	340,048	340,048	0	0
1582	RSVAONE-TIME	0	0	0	0
1584	RSVANW	25,812	25,812	0	0
1586	RSVACN	-374,230	-374,230	0	0
1588	RSVAPOWER	-505,340	-505,340	0	0
1590	Recovery of Regulatory Asset Balances	-1,024,149	-1,024,149	0	0
1605	Electric Plant in Service - Control Account	87,961,754	87,961,754	0	0
1606	Organization	0	0	0	0
1608	Franchises and Consents	0	0	0	0
1610	Miscellaneous Intangible Plant	0	0	0	0
1615	Land	0	0	0	0
1616	Land Rights	0	0	0	0
1620	Buildings and Fixtures	0	0	0	0
1630	Leasehold Improvements	0	0	0	0
1635	Boiler Plant Equipment	0	0	0	0
1640	Engines and Engine-Driven Generators	0	0	0	0
1645	Turbogenerator Units	0	0	0	0





**2-2 UNADJUSTED ACCOUNTING DATA**

*All adjustment are entered on subsequent sheets*

Account Number	Account Description	2005	2005	2005	2005
		Total	Unclassified	Non-Distribution	Distribution
		\$	\$	\$	\$
1650	Reservoirs, Dams and Waterways	0	0	0	0
1655	Water Wheels, Turbines and Generators	0	0	0	0
1660	Roads, Railroads and Bridges	0	0	0	0
1665	Fuel Holders, Producers and Accessories	0	0	0	0
1670	Prime Movers	0	0	0	0
1675	Generators	0	0	0	0
1680	Accessory Electric Equipment	0	0	0	0
1685	Miscellaneous Power Plant Equipment	0	0	0	0
1705	Land	0	0	0	0
1706	Land Rights	0	0	0	0
1708	Buildings and Fixtures	0	0	0	0
1710	Leasehold Improvements	0	0	0	0
1715	Station Equipment	0	0	0	0
1720	Towers and Fixtures	0	0	0	0
1725	Poles and Fixtures	0	0	0	0
1730	Overhead Conductors and Devices	0	0	0	0
1735	Underground Conduit	0	0	0	0
1740	Underground Conductors and Devices	0	0	0	0
1745	Roads and Trails	0	0	0	0
1805	Land	841,604	0	0	841,604
1806	Land Rights	4,514,763	0	0	4,514,763
1808	Buildings and Fixtures	6,533,263	0	0	6,533,263
1810	Leasehold Improvements	0	0	0	0
1815	Transformer Station Equipment - Normally Primary above 50 kV	0	0	0	0
1820	Distribution Station Equipment - Normally Primary below 50 kV	8,546,399	0	0	8,546,399
1825	Storage Battery Equipment	0	0	0	0
1830	Poles, Towers and Fixtures	26,263,334	0	0	26,263,334
1835	Overhead Conductors and Devices	12,506,846	0	0	12,506,846
1840	Underground Conduit	0	0	0	0
1845	Underground Conductors and Devices	460,099	0	0	460,099
1850	Line Transformers	8,685,097	0	0	8,685,097
1855	Services	2,678,357	0	0	2,678,357
1860	Meters	2,237,139	0	0	2,237,139
1865	Other Installations on Customer's Premises	0	0	0	0
1870	Leased Property on Customer Premises	0	0	0	0
1875	Street Lighting and Signal Systems	16,523	0	0	16,523
1905	Land	0	0	0	0
1906	Land Rights	0	0	0	0
1908	Buildings and Fixtures	659,991	0	0	659,991
1910	Leasehold Improvements	0	0	0	0
1915	Office Furniture and Equipment	771,298	0	0	771,298
1920	Computer Equipment - Hardware	3,211,471	0	0	3,211,471
1925	Computer Software	1,839,081	0	0	1,839,081
1930	Transportation Equipment	4,038,531	0	0	4,038,531
1935	Stores Equipment	0	0	0	0
1940	Tools, Shop and Garage Equipment	1,276,760	0	0	1,276,760
1945	Measurement and Testing Equipment	230,701	0	0	230,701
1950	Power Operated Equipment	0	0	0	0
1955	Communication Equipment	393,688	0	0	393,688
1960	Miscellaneous Equipment	105,814	0	0	105,814
1965	Water Heater Rental Units	0	0	0	0
1970	Load Management Controls - Customer Premises	0	0	0	0
1975	Load Management Controls - Utility Premises	0	0	0	0
1980	System Supervisory Equipment	0	0	0	0
1985	Sentinel Lighting Rental Units	0	0	0	0
1990	Other Tangible Property	2,150,996	0	0	2,150,996
1995	Contributions and Grants - Credit	0	0	0	0
2005	Property Under Capital Leases	0	0	0	0
2010	Electric Plant Purchased or Sold	0	0	0	0
2020	Experimental Electric Plant Unclassified	0	0	0	0
2030	Electric Plant and Equipment Leased to Others	0	0	0	0
2040	Electric Plant Held for Future Use	0	0	0	0
2050	Completed Construction Not Classified--Electric	0	0	0	0
2055	Construction Work in Progress--Electric	886,793	0	886,793	0
2060	Electric Plant Acquisition Adjustment	0	0	0	0
2065	Other Electric Plant Adjustment	0	0	0	0
2070	Other Utility Plant	0	0	0	0
2075	Non-Utility Property Owned or Under Capital Leases	0	0	0	0
2105	Accum. Amortization of Electric Utility Plant - Property, Plant, & Equipment	-39,796,112	0	0	-39,796,112
2120	Accumulated Amortization of Electric Utility Plant - Intangibles	0	0	0	0
2140	Accumulated Amortization of Electric Plant Acquisition Adjustment	0	0	0	0
2160	Accumulated Amortization of Other Utility Plant	-16,523	0	-16,523	0
2180	Accumulated Amortization of Non-Utility Property	0	0	0	0
2205	Accounts Payable	-36,541,080	-36,541,080	0	0
2208	Customer Credit Balances	0	0	0	0
2210	Current Portion of Customer Deposits	-1,225,375	-1,225,375	0	0
2215	Dividends Declared	0	0	0	0
2220	Miscellaneous Current and Accrued Liabilities	-76,046	-76,046	0	0



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**2-2 UNADJUSTED ACCOUNTING DATA**

*All adjustment are entered on subsequent sheets.*

Account Number	Account Description	2005	2005	2005	2005
		Total	Unclassified	Non-Distribution	Distribution
		\$	\$	\$	\$
2225	Notes and Loans Payable	0	0	0	0
2240	Accounts Payable to Associated Companies	0	0	0	0
2242	Notes Payable to Associated Companies	0	0	0	0
2250	Debt Retirement Charges( DRC) Payable	-29,142	-29,142	0	0
2252	Transmission Charges Payable	0	0	0	0
2254	Electrical Safety Authority Fees Payable	0	0	0	0
2256	Independent Market Operator Fees and Penalties Payable	0	0	0	0
2260	Current Portion of Long Term Debt	0	0	0	0
2262	Ontario Hydro Debt - Current Portion	0	0	0	0
2264	Pensions and Employee Benefits - Current Portion	0	0	0	0
2268	Accrued Interest on Long Term Debt	0	0	0	0
2270	Matured Long Term Debt	0	0	0	0
2272	Matured Interest on Long Term Debt	0	0	0	0
2285	Obligations Under Capital Leases--Current	0	0	0	0
2290	Commodity Taxes	16,601	16,601	0	0
2292	Payroll Deductions / Expenses Payable	-499,712	-499,712	0	0
2294	Accrual for Taxes, Payments in Lieu of Taxes, Etc.	0	0	0	0
2296	Future Income Taxes - Current	-3,784,860	-3,784,860	0	0
2305	Accumulated Provision for Injuries and Damages	0	0	0	0
2306	Employee Future Benefits	-115,893	-115,893	0	0
2308	Other Pensions - Past Service Liability	0	0	0	0
2310	Vested Sick Leave Liability	0	0	0	0
2315	Accumulated Provision for Rate Refunds	0	0	0	0
2320	Other Miscellaneous Non-Current Liabilities	0	0	0	0
2325	Obligations Under Capital Lease--Non-Current	0	0	0	0
2330	Development Charge Fund	0	0	0	0
2335	Long Term Customer Deposits	0	0	0	0
2340	Collateral Funds Liability	0	0	0	0
2345	Unamortized Premium on Long Term Debt	0	0	0	0
2348	O.M.E.R.S. - Past Service Liability - Long Term Portion	0	0	0	0
2350	Future Income Tax - Non-Current	0	0	0	0
2405	Other Regulatory Liabilities	-176,303	-176,303	0	0
2410	Deferred Gains from Disposition of Utility Plant	0	0	0	0
2415	Unamortized Gain on Reacquired Debt	0	0	0	0
2425	Other Deferred Credits	0	0	0	0
2435	Accrued Rate-Payer Benefit	0	0	0	0
2505	Debentures Outstanding - Long Term Portion	0	0	0	0
2510	Debenture Advances	0	0	0	0
2515	Reacquired Bonds	0	0	0	0
2520	Other Long Term Debt	0	0	0	0
2525	Term Bank Loans - Long Term Portion	0	0	0	0
2530	Ontario Hydro Debt Outstanding - Long Term Portion	0	0	0	0
2550	Advances from Associated Companies	0	0	0	0
3005	Common Shares Issued	0	0	0	0
3008	Preference Shares Issued	0	0	0	0
3010	Contributed Surplus	0	0	0	0
3020	Donations Received	0	0	0	0
3022	Development Charges Transferred to Equity	0	0	0	0
3026	Capital Stock Held in Treasury	0	0	0	0
3030	Miscellaneous Paid-In Capital	0	0	0	0
3035	Installments Received on Capital Stock	0	0	0	0
3040	Appropriated Retained Earnings	-21,887,958	-21,887,958	0	0
3045	Unappropriated Retained Earnings	0	0	0	0
3046	Balance Transferred From Income	258,406	258,406	0	0
3047	Appropriations of Retained Earnings - Current Period	0	0	0	0
3048	Dividends Payable-Preference Shares	0	0	0	0
3049	Dividends Payable-Common Shares	0	0	0	0
3055	Adjustment to Retained Earnings	0	0	0	0
3065	Unappropriated Undistributed Subsidiary Earnings	0	0	0	0
4006	Residential Energy Sales	-4,746,588	0	0	-4,746,588
4010	Commercial Energy Sales	-3,575,840	0	0	-3,575,840
4015	Industrial Energy Sales	0	0	0	0
4020	Energy Sales to Large Users	-2,308,781	0	0	-2,308,781
4025	Street Lighting Energy Sales	-70,052	0	0	-70,052
4030	Sentinel Lighting Energy Sales	0	0	0	0
4035	General Energy Sales	0	0	0	0
4040	Other Energy Sales to Public Authorities	0	0	0	0
4045	Energy Sales to Railroads and Railways	0	0	0	0
4050	Revenue Adjustment	0	0	0	0
4055	Energy Sales for Resale	0	0	0	0
4060	Interdepartmental Energy Sales	0	0	0	0
4062	Billed WMS	-1,207,192	0	0	-1,207,192
4064	Billed-One-Time	0	0	0	0
4066	Billed NW	-1,049,449	0	0	-1,049,449
4068	Billed CN	-913,864	0	0	-913,864
4080	Distribution Services Revenue	-12,718,000	0	0	-12,718,000
4082	Retail Services Revenues	0	0	0	0
4084	Service Transaction Requests (STR) Revenues	0	0	0	0



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**2-2 UNADJUSTED ACCOUNTING DATA**

*All adjustment are entered on subsequent sheets.*

Account Number	Account Description	2005	2005	2005	2005
		Total	Unclassified	Non-Distribution	Distribution
		\$	\$	\$	\$
4090	Electric Services Incidental to Energy Sales	0	0	0	0
4105	Transmission Charges Revenue	0	0	0	0
4110	Transmission Services Revenue	0	0	0	0
4205	Interdepartmental Rents	0	0	0	0
4210	Rent from Electric Property	0	0	0	0
4215	Other Utility Operating Income	-128,126	0	0	-128,126
4220	Other Electric Revenues	73,080	0	0	73,080
4225	Late Payment Charges	0	0	0	0
4230	Sales of Water and Water Power	40,051	0	0	40,051
4235	Miscellaneous Service Revenues	0	0	0	0
4240	Provision for Rate Refunds	-65	0	0	-65
4245	Government Assistance Directly Credited to Income	0	0	0	0
4305	Regulatory Debits	0	0	0	0
4310	Regulatory Credits	0	0	0	0
4315	Revenues from Electric Plant Leased to Others	0	0	0	0
4320	Expenses of Electric Plant Leased to Others	0	0	0	0
4325	Revenues from Merchandise, Jobbing, Etc.	-527,139	-527,139	0	0
4330	Costs and Expenses of Merchandising, Jobbing, Etc.	693,114	693,114	0	0
4335	Profits and Losses from Financial Instrument Hedges	0	0	0	0
4340	Profits and Losses from Financial Instrument Investments	0	0	0	0
4345	Gains from Disposition of Future Use Utility Plant	0	0	0	0
4350	Losses from Disposition of Future Use Utility Plant	0	0	0	0
4355	Gain on Disposition of Utility and Other Property	0	0	0	0
4360	Loss on Disposition of Utility and Other Property	0	0	0	0
4365	Gains from Disposition of Allowances for Emission	0	0	0	0
4370	Losses from Disposition of Allowances for Emission	0	0	0	0
4375	Revenues from Non-Utility Operations	0	0	0	0
4380	Expenses of Non-Utility Operations	0	0	0	0
4385	Non-Utility Rental Income	0	0	0	0
4390	Miscellaneous Non-Operating Income	0	0	0	0
4395	Rate-Payer Benefit Including Interest	0	0	0	0
4398	Foreign Exchange Gains and Losses, Including Amortization	0	0	0	0
4405	Interest and Dividend Income	0	0	0	0
4415	Equity in Earnings of Subsidiary Companies	0	0	0	0
4505	Operation Supervision and Engineering	0	0	0	0
4510	Fuel	0	0	0	0
4515	Steam Expense	0	0	0	0
4520	Steam From Other Sources	0	0	0	0
4525	Steam Transferred--Credit	0	0	0	0
4530	Electric Expense	0	0	0	0
4535	Water For Power	0	0	0	0
4540	Water Power Taxes	0	0	0	0
4545	Hydraulic Expenses	0	0	0	0
4550	Generation Expense	0	0	0	0
4555	Miscellaneous Power Generation Expenses	0	0	0	0
4560	Rents	0	0	0	0
4565	Allowances for Emissions	0	0	0	0
4605	Maintenance Supervision and Engineering	0	0	0	0
4610	Maintenance of Structures	0	0	0	0
4615	Maintenance of Boiler Plant	0	0	0	0
4620	Maintenance of Electric Plant	0	0	0	0
4625	Maintenance of Reservoirs, Dams and Waterways	0	0	0	0
4630	Maintenance of Water Wheels, Turbines and Generators	0	0	0	0
4635	Maintenance of Generating and Electric Plant	0	0	0	0
4640	Maintenance of Miscellaneous Power Generation Plant	0	0	0	0
4705	Power Purchased	10,705,465	0	0	10,705,465
4708	Charges-WMS	1,005,867	0	0	1,005,867
4710	Cost of Power Adjustments	0	0	0	0
4712	Charges-One-Time	0	0	0	0
4714	Charges-NW	1,145,740	0	0	1,145,740
4715	System Control and Load Dispatching	0	0	0	0
4716	Charges-CN	817,573	0	0	817,573
4720	Other Expenses	0	0	0	0
4725	Competition Transition Expense	0	0	0	0
4730	Rural Rate Assistance Expense	202,965	0	0	202,965
4805	Operation Supervision and Engineering	0	0	0	0
4810	Load Dispatching	0	0	0	0
4815	Station Buildings and Fixtures Expenses	0	0	0	0
4820	Transformer Station Equipment - Operating Labour	0	0	0	0
4825	Transformer Station Equipment - Operating Supplies and Expense	0	0	0	0
4830	Overhead Line Expenses	0	0	0	0
4835	Underground Line Expenses	0	0	0	0
4840	Transmission of Electricity by Others	0	0	0	0
4845	Miscellaneous Transmission Expense	0	0	0	0
4850	Rents	0	0	0	0
4905	Maintenance Supervision and Engineering	0	0	0	0
4910	Maintenance of Transformer Station Buildings and Fixtures	0	0	0	0
4916	Maintenance of Transformer Station Equipment	0	0	0	0



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**2-2 UNADJUSTED ACCOUNTING DATA**

*All adjustment are entered on subsequent sheets.*

Account Number	Account Description	2005	2005	2005	2005
		Total	Unclassified	Non-Distribution	Distribution
		\$	\$	\$	\$
4930	Maintenance of Towers, Poles and Fixtures	0	0	0	0
4935	Maintenance of Overhead Conductors and Devices	0	0	0	0
4940	Maintenance of Overhead Lines - Right of Way	0	0	0	0
4945	Maintenance of Overhead Lines - Roads and Trails Repairs	0	0	0	0
4950	Maintenance of Overhead Lines - Snow Removal from Roads and Trails	0	0	0	0
4960	Maintenance of Underground Lines	0	0	0	0
4965	Maintenance of Miscellaneous Transmission Plant	0	0	0	0
5005	Operation Supervision and Engineering	781,086	0	0	781,086
5010	Load Dispatching	54,753	0	0	54,753
5012	Station Buildings and Fixtures Expense	368,752	0	0	368,752
5014	Transformer Station Equipment - Operation Labour	-8,119	0	0	-8,119
5015	Transformer Station Equipment - Operation Supplies and Expenses	2,906	0	0	2,906
5016	Distribution Station Equipment - Operation Labour	28,844	0	0	28,844
5017	Distribution Station Equipment - Operation Supplies and Expenses	22,722	0	0	22,722
5020	Overhead Distribution Lines and Feeders - Operation Labour	70,537	0	0	70,537
5025	Overhead Distribution Lines & Feeders - Operation Supplies and Expenses	28,493	0	0	28,493
5030	Overhead Subtransmission Feeders - Operation	26,178	0	0	26,178
5035	Overhead Distribution Transformers- Operation	7,487	0	0	7,487
5040	Underground Distribution Lines and Feeders - Operation Labour	0	0	0	0
5045	Underground Distribution Lines & Feeders - Operation Supplies & Expenses	0	0	0	0
5050	Underground Subtransmission Feeders - Operation	0	0	0	0
5055	Underground Distribution Transformers - Operation	0	0	0	0
5060	Street Lighting and Signal System Expense	0	0	0	0
5065	Meter Expense	257,573	0	0	257,573
5070	Customer Premises - Operation Labour	1,928	0	0	1,928
5075	Customer Premises - Materials and Expenses	10,275	0	0	10,275
5085	Miscellaneous Distribution Expense	118,553	0	0	118,553
5090	Underground Distribution Lines and Feeders - Rental Paid	0	0	0	0
5095	Overhead Distribution Lines and Feeders - Rental Paid	0	0	0	0
5096	Other Rent	5,799	0	0	5,799
5105	Maintenance Supervision and Engineering	2,230	0	0	2,230
5110	Maintenance of Buildings and Fixtures - Distribution Stations	76,163	0	0	76,163
5112	Maintenance of Transformer Station Equipment	-1,216	0	0	-1,216
5114	Maintenance of Distribution Station Equipment	66,257	0	0	66,257
5120	Maintenance of Poles, Towers and Fixtures	4,839	0	0	4,839
5125	Maintenance of Overhead Conductors and Devices	1,394,933	0	0	1,394,933
5130	Maintenance of Overhead Services	14,988	0	0	14,988
5135	Overhead Distribution Lines and Feeders - Right of Way	1,297,330	0	0	1,297,330
5145	Maintenance of Underground Conduit	0	0	0	0
5150	Maintenance of Underground Conductors and Devices	0	0	0	0
5155	Maintenance of Underground Services	0	0	0	0
5160	Maintenance of Line Transformers	12,521	0	0	12,521
5165	Maintenance of Street Lighting and Signal Systems	0	0	0	0
5170	Sentinel Lights - Labour	0	0	0	0
5172	Sentinel Lights - Materials and Expenses	0	0	0	0
5175	Maintenance of Meters	10,327	0	0	10,327
5178	Customer Installations Expenses- Leased Property	0	0	0	0
5185	Water Heater Rentals - Labour	0	0	0	0
5186	Water Heater Rentals - Materials and Expenses	0	0	0	0
5190	Water Heater Controls - Labour	0	0	0	0
5192	Water Heater Controls - Materials and Expenses	0	0	0	0
5195	Maintenance of Other Installations on Customer Premises	0	0	0	0
5205	Purchase of Transmission and System Services	0	0	0	0
5210	Transmission Charges	0	0	0	0
5215	Transmission Charges Recovered	0	0	0	0
5305	Supervision	0	0	0	0
5310	Meter Reading Expense	257,161	0	0	257,161
5315	Customer Billing	361,182	0	0	361,182
5320	Collecting	114,581	0	0	114,581
5325	Collecting- Cash Over and Short	0	0	0	0
5330	Collection Charges	0	0	0	0
5335	Bad Debt Expense	-1,436	0	0	-1,436
5340	Miscellaneous Customer Accounts Expenses	124,217	0	0	124,217
5405	Supervision	0	0	0	0
5410	Community Relations - Sundry	0	0	0	0
5415	Energy Conservation	0	0	0	0
5420	Community Safety Program	0	0	0	0
5425	Miscellaneous Customer Service and Informational Expenses	0	0	0	0
5505	Supervision	0	0	0	0
5510	Demonstrating and Selling Expense	0	0	0	0
5515	Advertising Expense	1,191	0	0	1,191
5520	Miscellaneous Sales Expense	0	0	0	0
5605	Executive Salaries and Expenses	249,405	0	0	249,405
5610	Management Salaries and Expenses	149,438	0	0	149,438
5615	General Administrative Salaries and Expenses	297,238	0	0	297,238
5620	Office Supplies and Expenses	50,902	0	0	50,902
5625	Administrative Expense Transferred Credit	0	0	0	0
5630	Outside Services Employed	235,381	0	0	235,381



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**2-2 UNADJUSTED ACCOUNTING DATA**

*All adjustment are entered on subsequent sheets.*

Account Number	Account Description	2005	2005	2005	2005
		Total	Unclassified	Non-Distribution	Distribution
		\$	\$	\$	\$
5635	Property Insurance	113,042	0	0	113,042
5640	Injuries and Damages	0	0	0	0
5645	Employee Pensions and Benefits	691,266	0	0	691,266
5650	Franchise Requirements	0	0	0	0
5655	Regulatory Expenses	18,993	0	0	18,993
5660	General Advertising Expenses	0	0	0	0
5665	Miscellaneous General Expenses	0	0	0	0
5670	Rent	0	0	0	0
5675	Maintenance of General Plant	0	0	0	0
5680	Electrical Safety Authority Fees	26,209	0	0	26,209
5685	Independent Market Operator Fees and Penalties	0	0	0	0
5705	Amortization Expense - Property, Plant, and Equipment	3,326,954	0	0	3,326,954
5710	Amortization of Limited Term Electric Plant	0	0	0	0
5715	Amortization of Intangibles and Other Electric Plant	0	0	0	0
5720	Amortization of Electric Plant Acquisition Adjustments	0	0	0	0
5725	Miscellaneous Amortization	603	603	0	0
5730	Amortization of Unrecovered Plant and Regulatory Study Costs	0	0	0	0
5735	Amortization of Deferred Development Costs	0	0	0	0
5740	Amortization of Deferred Charges	0	0	0	0
6005	Interest on Long Term Debt	1,493,391	1,493,391	0	0
6010	Amortization of Debt Discount and Expense	0	0	0	0
6015	Amortization of Premium on Debt Credit	0	0	0	0
6020	Amortization of Loss on Reacquired Debt	0	0	0	0
6025	Amortization of Gain on Reacquired Debt--Credit	0	0	0	0
6030	Interest on Debt to Associated Companies	0	0	0	0
6035	Other Interest Expense	0	0	0	0
6040	Allowance for Borrowed Funds Used During Construction--Credit	0	0	0	0
6042	Allowance For Other Funds Used During Construction	-85,295	-85,295	0	0
6045	Interest Expense on Capital Lease Obligations	0	0	0	0
6105	Taxes Other Than Income Taxes	380,350	0	0	380,350
6110	Income Taxes	354,467	354,467	0	0
6115	Provision for Future Income Taxes	0	0	0	0
6205	Donations	4,270	0	0	4,270
6210	Life Insurance	0	0	0	0
6215	Penalties	0	0	0	0
6225	Other Deductions	0	0	0	0
6305	Extraordinary Income	0	0	0	0
6310	Extraordinary Deductions	0	0	0	0
6315	Income Taxes, Extraordinary Items	0	0	0	0
6405	Discontinues Operations - Income/ Gains	0	0	0	0
6410	Discontinued Operations - Deductions/ Losses	0	0	0	0
6415	Income Taxes, Discontinued Operations	0	0	0	0
	Total (\$) Value	88,220,160	40,854,982	870,271	46,494,907



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**2-2 UNADJUSTED ACCOUNTING DATA**

All adjustment are entered on subsequent sheets.

Account Number	Account Description	2005 Total	2005 Unclassified	2005 Non-Distribution	2005 Distribution
		\$	\$	\$	\$
<b>GROUPED INPUT FOR CALCULATIONS: (Minimum Reporting Requirement)</b>					
	Land and Buildings	11,889,629	0	0	11,889,629
	TS Primary Above 50	0	0	0	-0
	DS	8,546,399	0	0	8,546,399
	Poles, Wires	39,230,279	0	0	39,230,279
	Line Transformers	8,685,097	0	0	8,685,097
	Services and Meters	4,915,496	0	0	4,915,496
	General Plant	659,991	0	0	659,991
	Equipment	6,816,792	0	0	6,816,792
	IT Assets	5,050,552	0	0	5,050,552
	CDM Expenditures and Recoveries	0	0	0	-0
	Other Distribution Assets	2,150,996	0	0	2,150,996
	Contributions and Grants	0	0	0	-0
	Accumulated Amortization	-39,796,112	0	0	-39,796,112
	Non-Distribution Asset	886,793	0	870,271	16,523
	<b>Unclassified Asset</b>	<b>102,987,204</b>	<b>102,987,204</b>	<b>0</b>	<b>-0</b>
	<b>Liability</b>	<b>-42,431,811</b>	<b>-42,431,811</b>	<b>0</b>	<b>-0</b>
	<b>Equity</b>	<b>-21,629,552</b>	<b>-21,629,552</b>	<b>0</b>	<b>-0</b>
	Sales of Electricity	-13,871,766	0	0	-13,871,766
	Distribution Services Revenue	-12,718,000	0	0	-12,718,000
	Late Payment Charges	40,051	0	0	40,051
	Specific Service Charges	-65	0	0	-65
	Other Distribution Revenue	-55,047	0	0	-55,047
	Other Revenue - Unclassified	0	0	0	-0
	Other Income & Deductions	165,975	165,975	0	-0
	Power Supply Expenses (Working Capital)	13,877,609	0	0	13,877,609
	Other Power Supply Expenses	0	0	0	-0
	Operation (Working Capital)	1,777,767	0	0	1,777,767
	Maintenance (Working Capital)	2,878,371	0	0	2,878,371
	Billing and Collection (Working Capital)	857,142	0	0	857,142
	Community Relations (Working Capital)	0	0	0	-0
	Community Relations - CDM (Working Capital)	0	0	0	-0
	Administrative and General Expenses (Working Capital)	1,718,831	0	0	1,718,831
	Insurance Expense (Working Capital)	113,042	0	0	113,042
	Bad Debt Expense (Working Capital)	-1,436	0	0	-1,436
	Advertising Expenses	1,191	0	0	1,191
	Charitable Contributions	4,270	0	0	4,270
	Amortization of Assets	3,326,954	0	0	3,326,954
	Other Amortization - Unclassified	603	603	0	-0
	Interest Expense - Unclassified	1,408,096	1,408,096	0	-0
	Income Tax Expense - Unclassified	354,467	354,467	0	-0
	Other Distribution Expenses	380,350	0	0	380,350
	Non-Distribution Expenses	0	0	0	-0
	<b>Unclassified Expenses</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-0</b>
		<b>88,220,160</b>	<b>40,854,982</b>	<b>870,271</b>	<b>46,494,907</b>



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**2-2 UNADJUSTED ACCOUNTING DATA**

All adjustments are entered on subsequent sheets.

Account Number	Account Description	2005 Total	2005 Unclassified	2005 Non-Distribution	2005 Distribution
		\$	\$	\$	\$

**SUMMARY FINANCIAL INFORMATION**

(Before Adjustments)

**DISTRIBUTION ASSETS:**

Land and Buildings	11,889,629	0	0	11,889,629
TS Primary Above 50	0	0	0	-0
DS	8,546,399	0	0	8,546,399
Poles, Wires	39,230,279	0	0	39,230,279
Line Transformers	8,685,097	0	0	8,685,097
Services and Meters	4,915,496	0	0	4,915,496
General Plant	659,991	0	0	659,991
Equipment	6,816,792	0	0	6,816,792
IT Assets	5,050,552	0	0	5,050,552
CDM Assets		0	0	-0
Other Distribution Assets	2,150,996	0	0	2,150,996
Contributions and Grants	0	0	0	-0
<b>TOTAL DISTRIBUTION ASSETS</b>	<b>87,945,231</b>	<b>0</b>	<b>0</b>	<b>87,945,231</b>

**NET FIXED DISTRIBUTION ASSETS:**

Total Distribution Assets (as above) - LESS:				
Accumulated Amortization	-39,796,112	0	0	-39,796,112
<b>NET FIXED DISTRIBUTION ASSETS</b>	<b>48,149,120</b>	<b>0</b>	<b>0</b>	<b>48,149,120</b>

**NET SALES REVENUE**

Sales of Electricity	-13,871,766	0	0	-13,871,766
Power Supply Expenses (Working Capital)	13,877,609	0	0	13,877,609
<b>SALES OF ELECTRICITY NET OF COST OF POWER</b>	<b>5,843</b>	<b>0</b>	<b>0</b>	<b>5,843</b>

**DISTRIBUTION REVENUE**

Distribution Services Revenue	-12,718,000	0	0	-12,718,000
Late Payment Charges	40,051	0	0	40,051
Specific Service Charges	-65	0	0	-65
Other Distribution Revenue	-55,047	0	0	-55,047
<b>TOTAL DISTRIBUTION REVENUE</b>	<b>-12,733,061</b>	<b>0</b>	<b>0</b>	<b>-12,733,061</b>

**DISTRIBUTION EXPENSES (before PILS):**

Operation (Working Capital)	1,777,767	0	0	1,777,767
Maintenance (Working Capital)	2,878,371	0	0	2,878,371
Billing and Collection (Working Capital)	857,142	0	0	857,142
Community Relations (Working Capital)	0	0	0	-0
Community Relations - CDM (Working Capital)	0	0	0	-0
Administrative and General Expenses (Working Capital)	1,718,831	0	0	1,718,831
Insurance Expense (Working Capital)	113,042	0	0	113,042
Bad Debt Expense (Working Capital)	-1,436	0	0	-1,436
Advertising Expenses	1,191	0	0	1,191
Charitable Contributions	4,270	0	0	4,270
Amortization of Assets	3,326,954	0	0	3,326,954
Other Distribution Expenses	380,350	0	0	380,350
<b>TOTAL DISTRIBUTION EXPENSES (before PILs)</b>	<b>11,056,482</b>	<b>0</b>	<b>0</b>	<b>11,056,482</b>



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**2-2 UNADJUSTED ACCOUNTING DATA**

*All adjustments are entered on subsequent sheets.*

Account Number	Account Description	2005 Total	2005 Unclassified	2005 Non-Distribution	2005 Distribution
		\$	\$	\$	\$

**WORKING CAPITAL CALCULATION**

<b>Cost of Power</b>					
	Power Supply Expenses (Working Capital)	13,877,609			
	<b>TOTAL COST OF POWER</b>	<b>13,877,609</b>			
<b>Expenses</b>					
	Operation (Working Capital)	1,777,767			
	Maintenance (Working Capital)	2,878,371			
	Billing and Collection (Working Capital)	857,142			
	Community Relations (Working Capital)	0			
	Community Relations - CDM (Working Capital)	0			
	Administrative and General Expenses (Working Capital)	1,718,831			
	Insurance Expense (Working Capital)	113,042			
	Bad Debt Expense (Working Capital)	-1,436			
	Advertising Expenses	1,191			
	Charitable Contributions	4,270			
	Other Distribution Expenses	380,350			
	<b>TOTAL EXPENSES</b>	<b>7,729,529</b>			
	<b>TOTAL FOR WORKING CAPITAL CALCULATION</b>	<b>21,607,138</b>			





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2-2 UNADJUSTED ACCOUNTING DATA

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Account Number	Account Description	2006 Total	2006 Unclassified	2006 Non-Distribution	2006 Distribution
		\$	\$	\$	\$
1005	Cash	1,215,337	1,215,337	0	0
1010	Cash Advances and Working Funds	0	0	0	0
1020	Interest Special Deposits	0	0	0	0
1030	Dividend Special Deposits	0	0	0	0
1040	Other Special Deposits	0	0	0	0
1060	Term Deposits	0	0	0	0
1070	Current Investments	0	0	0	0
1100	Customer Accounts Receivable	2,261,407	2,261,407	0	0
1102	Accounts Receivable - Services	0	0	0	0
1104	Accounts Receivable - Recoverable Work	0	0	0	0
1105	Accounts Receivable - Merchandise, Jobbing, etc.	875,167	875,167	0	0
1110	Other Accounts Receivable	0	0	0	0
1120	Accrued Utility Revenues	3,502,377	3,502,377	0	0
1130	Accumulated Provision for Uncollectible Accounts--Credit	-100,000	-100,000	0	0
1140	Interest and Dividends Receivable	0	0	0	0
1150	Rents Receivable	0	0	0	0
1170	Notes Receivable	0	0	0	0
1180	Prepayments	84,791	84,791	0	0
1190	Miscellaneous Current and Accrued Assets	13,857	13,857	0	0
1200	Accounts Receivable from Associated Companies	0	0	0	0
1210	Notes Receivable from Associated Companies	0	0	0	0
1305	Fuel Stock	0	0	0	0
1330	Plant Materials and Operating Supplies	1,280,465	1,280,465	0	0
1340	Merchandise	0	0	0	0
1350	Other Materials and Supplies	0	0	0	0
1405	Long Term Investments in Non-Associated Companies	0	0	0	0
1408	Long Term Receivable - Street Lighting Transfer	0	0	0	0
1410	Other Special or Collateral Funds	0	0	0	0
1415	Sinking Funds	0	0	0	0
1425	Unamortized Debt Expense	0	0	0	0
1445	Unamortized Discount on Long-Term Debt--Debit	0	0	0	0
1455	Unamortized Deferred Foreign Currency Translation Gains and Losses	0	0	0	0
1460	Other Non-Current Assets	0	0	0	0
1465	O.M.E.R.S. Past Service Costs	0	0	0	0
1470	Past Service Costs - Employee Future Benefits	0	0	0	0
1475	Past Service Costs - Other Pension Plans	0	0	0	0
1480	Portfolio Investments - Associated Companies	0	0	0	0
1485	Investment in Associated Companies - Significant Influence	0	0	0	0
1490	Investment in Subsidiary Companies	0	0	0	0
1505	Unrecovered Plant and Regulatory Study Costs	0	0	0	0
1508	Other Regulatory Assets	155,994	155,994	0	0
1510	Preliminary Survey and Investigation Charges	0	0	0	0
1515	Emission Allowance Inventory	0	0	0	0
1516	Emission Allowances Withheld	0	0	0	0
1518	RCVARetail	0	0	0	0
1520	Power Purchase Variance Account	0	0	0	0
1525	Miscellaneous Deferred Debits	0	0	0	0
1530	Deferred Losses from Disposition of Utility Plant	0	0	0	0
1540	Unamortized Loss on Reacquired Debt	0	0	0	0
1545	Development Charge Deposits/ Receivables	0	0	0	0
1548	RCVASTR	0	0	0	0
1560	Deferred Development Costs	0	0	0	0
1562	Deferred Payments in Lieu of Taxes	0	0	0	0
1563	Account 1563 - Deferred PILs Contra Account	0	0	0	0
1565	Conservation and Demand Management Expenditures and Recoveries	0	0	0	0
1570	Qualifying Transition Costs	0	0	0	0
1571	Pre-market Opening Energy Variance	0	0	0	0
1572	Extraordinary Event Costs	0	0	0	0
1574	Deferred Rate Impact Amounts	13,606,089	13,606,089	0	0
1580	RSVAWMS	133,348	133,348	0	0
1582	RSVAONE-TIME	0	0	0	0
1584	RSVANW	76,242	76,242	0	0
1586	RSVACN	-436,955	-436,955	0	0
1588	RSVAPOWER	1,461,737	1,461,737	0	0
1590	Recovery of Regulatory Asset Balances	-2,154,196	-2,154,196	0	0
1605	Electric Plant in Service - Control Account	94,498,531	94,498,531	0	0
1606	Organization	0	0	0	0
1608	Franchises and Consents	0	0	0	0
1610	Miscellaneous Intangible Plant	0	0	0	0
1615	Land	0	0	0	0
1616	Land Rights	0	0	0	0
1620	Buildings and Fixtures	0	0	0	0
1630	Leasehold Improvements	0	0	0	0
1635	Boiler Plant Equipment	0	0	0	0
1640	Engines and Engine-Driven Generators	0	0	0	0
1645	Turbogenerator Units	0	0	0	0



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**2-2 UNADJUSTED ACCOUNTING DATA**  
*All adjustment are entered on subsequent sheets.*

Account Number	Account Description	2006	2006	2006	2006
		Total	Unclassified	Non-Distribution	Distribution
		\$	\$	\$	\$
1650	Reservoirs, Dams and Waterways	0	0	0	0
1655	Water Wheels, Turbines and Generators	0	0	0	0
1660	Roads, Railroads and Bridges	0	0	0	0
1665	Fuel Holders, Producers and Accessories	0	0	0	0
1670	Prime Movers	0	0	0	0
1675	Generators	0	0	0	0
1680	Accessory Electric Equipment	0	0	0	0
1685	Miscellaneous Power Plant Equipment	0	0	0	0
1705	Land	0	0	0	0
1706	Land Rights	0	0	0	0
1708	Buildings and Fixtures	0	0	0	0
1710	Leasehold Improvements	0	0	0	0
1715	Station Equipment	0	0	0	0
1720	Towers and Fixtures	0	0	0	0
1725	Poles and Fixtures	0	0	0	0
1730	Overhead Conductors and Devices	0	0	0	0
1735	Underground Conduit	0	0	0	0
1740	Underground Conductors and Devices	0	0	0	0
1745	Roads and Trails	0	0	0	0
1805	Land	841,604	0	0	841,604
1806	Land Rights	7,705,877	0	0	7,705,877
1808	Buildings and Fixtures	6,533,263	0	0	6,533,263
1810	Leasehold Improvements	0	0	0	0
1815	Transformer Station Equipment - Normally Primary above 50 kV	0	0	0	0
1820	Distribution Station Equipment - Normally Primary below 50 kV	8,885,887	0	0	8,885,887
1825	Storage Battery Equipment	0	0	0	0
1830	Poles, Towers and Fixtures	28,104,684	0	0	28,104,684
1835	Overhead Conductors and Devices	13,681,303	0	0	13,681,303
1840	Underground Conduit	0	0	0	0
1845	Underground Conductors and Devices	460,099	0	0	460,099
1850	Line Transformers	8,134,433	0	0	8,134,433
1855	Services	2,691,713	0	0	2,691,713
1860	Meters	2,157,358	0	0	2,157,358
1865	Other Installations on Customer's Premises	0	0	0	0
1870	Leased Property on Customer Premises	0	0	0	0
1875	Street Lighting and Signal Systems	16,523	0	0	16,523
1905	Land	0	0	0	0
1906	Land Rights	0	0	0	0
1908	Buildings and Fixtures	667,551	0	0	667,551
1910	Leasehold Improvements	0	0	0	0
1915	Office Furniture and Equipment	779,264	0	0	779,264
1920	Computer Equipment - Hardware	3,522,537	0	0	3,522,537
1925	Computer Software	1,839,081	0	0	1,839,081
1930	Transportation Equipment	4,244,121	0	0	4,244,121
1935	Stores Equipment	0	0	0	0
1940	Tools, Shop and Garage Equipment	1,346,733	0	0	1,346,733
1945	Measurement and Testing Equipment	230,701	0	0	230,701
1950	Power Operated Equipment	0	0	0	0
1955	Communication Equipment	393,688	0	0	393,688
1960	Miscellaneous Equipment	111,116	0	0	111,116
1965	Water Heater Rental Units	0	0	0	0
1970	Load Management Controls - Customer Premises	0	0	0	0
1975	Load Management Controls - Utility Premises	0	0	0	0
1980	System Supervisory Equipment	0	0	0	0
1985	Sentinel Lighting Rental Units	0	0	0	0
1990	Other Tangible Property	2,150,996	0	0	2,150,996
1995	Contributions and Grants - Credit	0	0	0	0
2005	Property Under Capital Leases	0	0	0	0
2010	Electric Plant Purchased or Sold	0	0	0	0
2020	Experimental Electric Plant Unclassified	0	0	0	0
2030	Electric Plant and Equipment Leased to Others	0	0	0	0
2040	Electric Plant Held for Future Use	0	0	0	0
2050	Completed Construction Not Classified--Electric	0	0	0	0
2055	Construction Work in Progress--Electric	422,473	0	422,473	0
2060	Electric Plant Acquisition Adjustment	0	0	0	0
2065	Other Electric Plant Adjustment	0	0	0	0
2070	Other Utility Plant	0	0	0	0
2075	Non-Utility Property Owned or Under Capital Leases	0	0	0	0
2105	Accum. Amortization of Electric Utility Plant - Property, Plant, & Equipment	-42,437,414	0	0	-42,437,414
2120	Accumulated Amortization of Electric Utility Plant - Intangibles	0	0	0	0
2140	Accumulated Amortization of Electric Plant Acquisition Adjustment	0	0	0	0
2150	Accumulated Amortization of Other Utility Plant	-16,523	0	-16,523	0
2180	Accumulated Amortization of Non-Utility Property	0	0	0	0
2205	Accounts Payable	-47,890,032	-47,890,032	0	0
2208	Customer Credit Balances	0	0	0	0
2210	Current Portion of Customer Deposits	-610,559	-610,559	0	0
2215	Dividends Declared	0	0	0	0
2220	Miscellaneous Current and Accrued Liabilities	-65,446	-65,446	0	0



**2-2 UNADJUSTED ACCOUNTING DATA**

All adjustment are entered on subsequent sheets.

Account Number	Account Description	2006	2006	2006	2006
		Total	Unclassified	Non-Distribution	Distribution
		\$	\$	\$	\$
2225	Notes and Loans Payable	0	0	0	0
2240	Accounts Payable to Associated Companies	0	0	0	0
2242	Notes Payable to Associated Companies	0	0	0	0
2250	Debt Retirement Charges( DRC) Payable	-30,621	-30,621	0	0
2252	Transmission Charges Payable	0	0	0	0
2254	Electrical Safety Authority Fees Payable	0	0	0	0
2256	Independent Market Operator Fees and Penalties Payable	0	0	0	0
2260	Current Portion of Long Term Debt	0	0	0	0
2262	Ontario Hydro Debt - Current Portion	0	0	0	0
2264	Pensions and Employee Benefits - Current Portion	0	0	0	0
2268	Accrued Interest on Long Term Debt	0	0	0	0
2270	Matured Long Term Debt	0	0	0	0
2272	Matured Interest on Long Term Debt	0	0	0	0
2285	Obligations Under Capital Leases--Current	0	0	0	0
2290	Commodity Taxes	-2,094	-2,094	0	0
2292	Payroll Deductions / Expenses Payable	-443,715	-443,715	0	0
2294	Accrual for Taxes, Payments in Lieu of Taxes, Etc.	-0	-0	0	0
2296	Future Income Taxes - Current	-4,029,391	-4,029,391	0	0
2305	Accumulated Provision for Injuries and Damages	0	0	0	0
2306	Employee Future Benefits	-57,775	-57,775	0	0
2308	Other Pensions - Past Service Liability	-38,761	-38,761	0	0
2310	Vested Sick Leave Liability	0	0	0	0
2315	Accumulated Provision for Rate Refunds	0	0	0	0
2320	Other Miscellaneous Non-Current Liabilities	0	0	0	0
2325	Obligations Under Capital Lease--Non-Current	0	0	0	0
2330	Development Charge Fund	0	0	0	0
2335	Long Term Customer Deposits	0	0	0	0
2340	Collateral Funds Liability	0	0	0	0
2345	Unamortized Premium on Long Term Debt	0	0	0	0
2348	O.M.E.R.S. - Past Service Liability - Long Term Portion	0	0	0	0
2350	Future Income Tax - Non-Current	0	0	0	0
2405	Other Regulatory Liabilities	176,525	176,525	0	0
2410	Deferred Gains from Disposition of Utility Plant	0	0	0	0
2415	Unamortized Gain on Reacquired Debt	0	0	0	0
2425	Other Deferred Credits	0	0	0	0
2435	Accrued Rate-Payer Benefit	0	0	0	0
2505	Debentures Outstanding - Long Term Portion	0	0	0	0
2510	Debenture Advances	0	0	0	0
2515	Reacquired Bonds	0	0	0	0
2520	Other Long Term Debt	0	0	0	0
2525	Term Bank Loans - Long Term Portion	0	0	0	0
2530	Ontario Hydro Debt Outstanding - Long Term Portion	0	0	0	0
2550	Advances from Associated Companies	0	0	0	0
3005	Common Shares Issued	0	0	0	0
3008	Preference Shares Issued	0	0	0	0
3010	Contributed Surplus	0	0	0	0
3020	Donations Received	0	0	0	0
3022	Development Charges Transferred to Equity	0	0	0	0
3026	Capital Stock Held in Treasury	0	0	0	0
3030	Miscellaneous Paid-In Capital	0	0	0	0
3035	Installments Received on Capital Stock	0	0	0	0
3040	Appropriated Retained Earnings	-21,629,552	-21,629,552	0	0
3045	Unappropriated Retained Earnings	0	0	0	0
3046	Balance Transferred From Income	178,691	178,691	0	0
3047	Appropriations of Retained Earnings - Current Period	0	0	0	0
3048	Dividends Payable-Preference Shares	0	0	0	0
3049	Dividends Payable-Common Shares	0	0	0	0
3055	Adjustment to Retained Earnings	0	0	0	0
3065	Unappropriated Undistributed Subsidiary Earnings	0	0	0	0
4006	Residential Energy Sales	-5,239,680	0	0	-5,239,680
4010	Commercial Energy Sales	-3,834,866	0	0	-3,834,866
4015	Industrial Energy Sales	0	0	0	0
4020	Energy Sales to Large Users	-1,743,804	0	0	-1,743,804
4025	Street Lighting Energy Sales	-64,796	0	0	-64,796
4030	Sentinel Lighting Energy Sales	0	0	0	0
4035	General Energy Sales	0	0	0	0
4040	Other Energy Sales to Public Authorities	0	0	0	0
4045	Energy Sales to Railroads and Railways	0	0	0	0
4050	Revenue Adjustment	0	0	0	0
4055	Energy Sales for Resale	0	0	0	0
4060	Interdepartmental Energy Sales	0	0	0	0
4062	Billed WMS	-1,222,743	0	0	-1,222,743
4064	Billed-One-Time	0	0	0	0
4066	Billed NW	-1,038,505	0	0	-1,038,505
4068	Billed CN	-916,746	0	0	-916,746
4080	Distribution Services Revenue	-12,718,000	0	0	-12,718,000
4082	Retail Services Revenues	0	0	0	0
4084	Service Transaction Requests (STR) Revenues	0	0	0	0

**2-2 UNADJUSTED ACCOUNTING DATA***All adjustment are entered on subsequent sheets.*

Account Number	Account Description	2006	2006	2006	2006
		Total	Unclassified	Non-Distribution	Distribution
		\$	\$	\$	\$
4090	Electric Services Incidental to Energy Sales	0	0	0	0
4105	Transmission Charges Revenue	0	0	0	0
4110	Transmission Services Revenue	0	0	0	0
4205	Interdepartmental Rents	0	0	0	0
4210	Rent from Electric Property	-153,281	0	0	-153,281
4215	Other Utility Operating Income	-32,236	0	0	-32,236
4220	Other Electric Revenues	0	0	0	0
4225	Late Payment Charges	13,544	0	0	13,544
4230	Sales of Water and Water Power	0	0	0	0
4235	Miscellaneous Service Revenues	0	0	0	0
4240	Provision for Rate Refunds	0	0	0	0
4245	Government Assistance Directly Credited to Income	0	0	0	0
4305	Regulatory Debits	0	0	0	0
4310	Regulatory Credits	0	0	0	0
4315	Revenues from Electric Plant Leased to Others	0	0	0	0
4320	Expenses of Electric Plant Leased to Others	0	0	0	0
4325	Revenues from Merchandise, Jobbing, Etc.	-1,221,462	-1,221,462	0	0
4330	Costs and Expenses of Merchandising, Jobbing, Etc.	1,261,201	1,261,201	0	0
4335	Profits and Losses from Financial Instrument Hedges	0	0	0	0
4340	Profits and Losses from Financial Instrument Investments	0	0	0	0
4345	Gains from Disposition of Future Use Utility Plant	0	0	0	0
4350	Losses from Disposition of Future Use Utility Plant	0	0	0	0
4355	Gain on Disposition of Utility and Other Property	0	0	0	0
4360	Loss on Disposition of Utility and Other Property	152,441	152,441	0	0
4365	Gains from Disposition of Allowances for Emission	0	0	0	0
4370	Losses from Disposition of Allowances for Emission	0	0	0	0
4375	Revenues from Non-Utility Operations	0	0	0	0
4380	Expenses of Non-Utility Operations	0	0	0	0
4385	Non-Utility Rental Income	0	0	0	0
4390	Miscellaneous Non-Operating Income	0	0	0	0
4395	Rate-Payer Benefit Including Interest	0	0	0	0
4398	Foreign Exchange Gains and Losses, Including Amortization	0	0	0	0
4405	Interest and Dividend Income	0	0	0	0
4415	Equity in Earnings of Subsidiary Companies	0	0	0	0
4505	Operation Supervision and Engineering	0	0	0	0
4510	Fuel	0	0	0	0
4515	Steam Expense	0	0	0	0
4520	Steam From Other Sources	0	0	0	0
4525	Steam Transferred--Credit	0	0	0	0
4530	Electric Expense	0	0	0	0
4535	Water For Power	0	0	0	0
4540	Water Power Taxes	0	0	0	0
4545	Hydraulic Expenses	0	0	0	0
4550	Generation Expense	0	0	0	0
4555	Miscellaneous Power Generation Expenses	0	0	0	0
4560	Rents	0	0	0	0
4565	Allowances for Emissions	0	0	0	0
4605	Maintenance Supervision and Engineering	0	0	0	0
4610	Maintenance of Structures	0	0	0	0
4615	Maintenance of Boiler Plant	0	0	0	0
4620	Maintenance of Electric Plant	0	0	0	0
4625	Maintenance of Reservoirs, Dams and Waterways	0	0	0	0
4630	Maintenance of Water Wheels, Turbines and Generators	0	0	0	0
4635	Maintenance of Generating and Electric Plant	0	0	0	0
4640	Maintenance of Miscellaneous Power Generation Plant	0	0	0	0
4705	Power Purchased	10,882,533	0	0	10,882,533
4708	Charges-WMS	1,029,128	0	0	1,029,128
4710	Cost of Power Adjustments	0	0	0	0
4712	Charges-One-Time	0	0	0	0
4714	Charges-NW	1,097,916	0	0	1,097,916
4715	System Control and Load Dispatching	0	0	0	0
4716	Charges-CN	857,335	0	0	857,335
4720	Other Expenses	0	0	0	0
4725	Competition Transition Expense	0	0	0	0
4730	Rural Rate Assistance Expense	199,702	0	0	199,702
4805	Operation Supervision and Engineering	0	0	0	0
4810	Load Dispatching	0	0	0	0
4815	Station Buildings and Fixtures Expenses	0	0	0	0
4820	Transformer Station Equipment - Operating Labour	0	0	0	0
4825	Transformer Station Equipment - Operating Supplies and Expense	0	0	0	0
4830	Overhead Line Expenses	0	0	0	0
4835	Underground Line Expenses	0	0	0	0
4840	Transmission of Electricity by Others	0	0	0	0
4845	Miscellaneous Transmission Expense	0	0	0	0
4850	Rents	0	0	0	0
4905	Maintenance Supervision and Engineering	0	0	0	0
4910	Maintenance of Transformer Station Buildings and Fixtures	0	0	0	0
4916	Maintenance of Transformer Station Equipment	0	0	0	0



2-2 UNADJUSTED ACCOUNTING DATA

All adjustment are entered on subsequent sheets.

Account Number	Account Description	2006	2006	2006	2006
		Total	Unclassified	Non-Distribution	Distribution
		\$	\$	\$	\$
4930	Maintenance of Towers, Poles and Fixtures	0	0	0	0
4935	Maintenance of Overhead Conductors and Devices	0	0	0	0
4940	Maintenance of Overhead Lines - Right of Way	0	0	0	0
4945	Maintenance of Overhead Lines - Roads and Trails Repairs	0	0	0	0
4950	Maintenance of Overhead Lines - Snow Removal from Roads and Trails	0	0	0	0
4960	Maintenance of Underground Lines	0	0	0	0
4965	Maintenance of Miscellaneous Transmission Plant	0	0	0	0
5005	Operation Supervision and Engineering	464,977	0	0	464,977
5010	Load Dispatching	58,769	0	0	58,769
5012	Station Buildings and Fixtures Expense	494,799	0	0	494,799
5014	Transformer Station Equipment - Operation Labour	0	0	0	0
5015	Transformer Station Equipment - Operation Supplies and Expenses	0	0	0	0
5016	Distribution Station Equipment - Operation Labour	20,831	0	0	20,831
5017	Distribution Station Equipment - Operation Supplies and Expenses	8,244	0	0	8,244
5020	Overhead Distribution Lines and Feeders - Operation Labour	83,574	0	0	83,574
5025	Overhead Distribution Lines & Feeders - Operation Supplies and Expenses	40,284	0	0	40,284
5030	Overhead Subtransmission Feeders - Operation	35,802	0	0	35,802
5035	Overhead Distribution Transformers- Operation	11,966	0	0	11,966
5040	Underground Distribution Lines and Feeders - Operation Labour	0	0	0	0
5045	Underground Distribution Lines & Feeders - Operation Supplies & Expenses	0	0	0	0
5050	Underground Subtransmission Feeders - Operation	0	0	0	0
5055	Underground Distribution Transformers - Operation	0	0	0	0
5060	Street Lighting and Signal System Expense	0	0	0	0
5065	Meter Expense	220,711	0	0	220,711
5070	Customer Premises - Operation Labour	87,631	0	0	87,631
5075	Customer Premises - Materials and Expenses	42,577	0	0	42,577
5085	Miscellaneous Distribution Expense	0	0	0	0
5090	Underground Distribution Lines and Feeders - Rental Paid	0	0	0	0
5095	Overhead Distribution Lines and Feeders - Rental Paid	0	0	0	0
5096	Other Rent	12,549	0	0	12,549
5105	Maintenance Supervision and Engineering	0	0	0	0
5110	Maintenance of Buildings and Fixtures - Distribution Stations	128,745	0	0	128,745
5112	Maintenance of Transformer Station Equipment	26,638	0	0	26,638
5114	Maintenance of Distribution Station Equipment	68,556	0	0	68,556
5120	Maintenance of Poles, Towers and Fixtures	25,028	0	0	25,028
5125	Maintenance of Overhead Conductors and Devices	1,161,186	0	0	1,161,186
5130	Maintenance of Overhead Services	843	0	0	843
5135	Overhead Distribution Lines and Feeders - Right of Way	1,442,492	0	0	1,442,492
5145	Maintenance of Underground Conduit	0	0	0	0
5150	Maintenance of Underground Conductors and Devices	0	0	0	0
5155	Maintenance of Underground Services	0	0	0	0
5160	Maintenance of Line Transformers	11,381	0	0	11,381
5165	Maintenance of Street Lighting and Signal Systems	0	0	0	0
5170	Sentinel Lights - Labour	0	0	0	0
5172	Sentinel Lights - Materials and Expenses	0	0	0	0
5175	Maintenance of Meters	8,730	0	0	8,730
5178	Customer Installations Expenses- Leased Property	0	0	0	0
5185	Water Heater Rentals - Labour	0	0	0	0
5186	Water Heater Rentals - Materials and Expenses	0	0	0	0
5190	Water Heater Controls - Labour	0	0	0	0
5192	Water Heater Controls - Materials and Expenses	0	0	0	0
5195	Maintenance of Other Installations on Customer Premises	0	0	0	0
5205	Purchase of Transmission and System Services	0	0	0	0
5210	Transmission Charges	0	0	0	0
5215	Transmission Charges Recovered	0	0	0	0
5305	Supervision	0	0	0	0
5310	Meter Reading Expense	377,486	0	0	377,486
5315	Customer Billing	482,814	0	0	482,814
5320	Collecting	73,165	0	0	73,165
5325	Collecting- Cash Over and Short	0	0	0	0
5330	Collection Charges	0	0	0	0
5335	Bad Debt Expense	43,562	0	0	43,562
5340	Miscellaneous Customer Accounts Expenses	99,054	0	0	99,054
5405	Supervision	0	0	0	0
5410	Community Relations - Sundry	0	0	0	0
5415	Energy Conservation	0	0	0	0
5420	Community Safety Program	0	0	0	0
5425	Miscellaneous Customer Service and Informational Expenses	0	0	0	0
5505	Supervision	0	0	0	0
5510	Demonstrating and Selling Expense	0	0	0	0
5515	Advertising Expense	4,587	0	0	4,587
5520	Miscellaneous Sales Expense	0	0	0	0
5605	Executive Salaries and Expenses	185,723	0	0	185,723
5610	Management Salaries and Expenses	0	0	0	0
5615	General Administrative Salaries and Expenses	568,510	0	0	568,510
5620	Office Supplies and Expenses	129,332	0	0	129,332
5625	Administrative Expense Transferred Credit	0	0	0	0
5630	Outside Services Employed	918,192	0	0	918,192



EDR 2006 MODEL (ver. 2.1)  
Great Lakes Power Limited -  
ED-1999-0227 (EB-2005-0369, RP-2005-  
August 24, 2007

**2-2 UNADJUSTED ACCOUNTING DATA**

*All adjustment are entered on subsequent sheets.*

Account Number	Account Description	2006 Total	2006 Unclassified	2006 Non-Distribution	2006 Distribution
		\$	\$	\$	\$
5635	Property Insurance	107,110	0	0	107,110
5640	Injuries and Damages	0	0	0	0
5645	Employee Pensions and Benefits	0	0	0	0
5650	Franchise Requirements	0	0	0	0
5655	Regulatory Expenses	105,071	0	0	105,071
5660	General Advertising Expenses	0	0	0	0
5665	Miscellaneous General Expenses	31,456	0	0	31,456
5670	Rent	0	0	0	0
5675	Maintenance of General Plant	0	0	0	0
5680	Electrical Safety Authority Fees	17,640	0	0	17,640
5685	Independent Market Operator Fees and Penalties	0	0	0	0
5705	Amortization Expense - Property, Plant, and Equipment	3,464,633	0	0	3,464,633
5710	Amortization of Limited Term Electric Plant	0	0	0	0
5715	Amortization of Intangibles and Other Electric Plant	0	0	0	0
5720	Amortization of Electric Plant Acquisition Adjustments	0	0	0	0
5725	Miscellaneous Amortization	0	0	0	0
5730	Amortization of Unrecovered Plant and Regulatory Study Costs	0	0	0	0
5735	Amortization of Deferred Development Costs	0	0	0	0
5740	Amortization of Deferred Charges	0	0	0	0
6005	Interest on Long Term Debt	1,293,322	1,293,322	0	0
6010	Amortization of Debt Discount and Expense	0	0	0	0
6015	Amortization of Premium on Debt Credit	0	0	0	0
6020	Amortization of Loss on Reacquired Debt	0	0	0	0
6025	Amortization of Gain on Reacquired Debt--Credit	0	0	0	0
6030	Interest on Debt to Associated Companies	0	0	0	0
6035	Other Interest Expense	0	0	0	0
6040	Allowance for Borrowed Funds Used During Construction--Credit	0	0	0	0
6042	Allowance For Other Funds Used During Construction	-115,171	-115,171	0	0
6045	Interest Expense on Capital Lease Obligations	0	0	0	0
6105	Taxes Other Than Income Taxes	324,770	0	0	324,770
6110	Income Taxes	244,531	244,531	0	0
6115	Provision for Future Income Taxes	0	0	0	0
6205	Donations	58,917	0	0	58,917
6210	Life Insurance	0	0	0	0
6215	Penalties	0	0	0	0
6225	Other Deductions	0	0	0	0
6305	Extraordinary Income	0	0	0	0
6310	Extraordinary Deductions	0	0	0	0
6315	Income Taxes, Extraordinary Items	0	0	0	0
6405	Discontinues Operations - Income/ Gains	0	0	0	0
6410	Discontinued Operations - Deductions/ Losses	0	0	0	0
6415	Income Taxes, Discontinued Operations	0	0	0	0
	Total (\$) Value	94,677,222	43,646,324	405,951	50,624,947



EDR 2006 MODEL (ver. 2.1)  
Great Lakes Power Limited -

ED-1999-0227 (EB-2005-0369, RP-2005-

August 24, 2007

**2-2 UNADJUSTED ACCOUNTING DATA**

All adjustment are entered on subsequent sheets.

Account Number	Account Description	2006	2006	2006	2006
		Total	Unclassified	Non-Distribution	Distribution
		\$	\$	\$	\$
<b>GROUPED INPUT FOR CALCULATIONS: (Minimum Reporting Requirement)</b>					
	Land and Buildings	15,080,743	0	0	15,080,743
	TS Primary Above 50	0	0	0	-0
	DS	8,885,887	0	0	8,885,887
	Poles, Wires	42,246,086	0	0	42,246,086
	Line Transformers	8,134,433	0	0	8,134,433
	Services and Meters	4,849,071	0	0	4,849,071
	General Plant	667,551	0	0	667,551
	Equipment	7,105,622	0	0	7,105,622
	IT Assets	5,361,618	0	0	5,361,618
	CDM Expenditures and Recoveries	0	0	0	-0
	Other Distribution Assets	2,150,996	0	0	2,150,996
	Contributions and Grants	0	0	0	-0
	Accumulated Amortization	-42,437,414	0	0	-42,437,414
	Non-Distribution Asset	422,473	0	405,951	16,523
	Unclassified Asset	116,474,193	116,474,193	0	-0
	Liability	-52,991,869	-52,991,869	0	-0
	Equity	-21,450,861	-21,450,861	0	-0
	Sales of Electricity	-14,061,142	0	0	-14,061,142
	Distribution Services Revenue	-12,718,000	0	0	-12,718,000
	Late Payment Charges	13,544	0	0	13,544
	Specific Service Charges	0	0	0	-0
	Other Distribution Revenue	-185,518	0	0	-185,518
	Other Revenue - Unclassified	0	0	0	-0
	Other Income & Deductions	192,180	192,180	0	-0
	Power Supply Expenses (Working Capital)	14,066,612	0	0	14,066,612
	Other Power Supply Expenses	0	0	0	-0
	Operation (Working Capital)	1,582,714	0	0	1,582,714
	Maintenance (Working Capital)	2,873,599	0	0	2,873,599
	Billing and Collection (Working Capital)	1,032,518	0	0	1,032,518
	Community Relations (Working Capital)	0	0	0	-0
	Community Relations - CDM (Working Capital)	0	0	0	-0
	Administrative and General Expenses (Working Capital)	1,955,924	0	0	1,955,924
	Insurance Expense (Working Capital)	107,110	0	0	107,110
	Bad Debt Expense (Working Capital)	43,562	0	0	43,562
	Advertising Expenses	4,587	0	0	4,587
	Charitable Contributions	58,917	0	0	58,917
	Amortization of Assets	3,464,633	0	0	3,464,633
	Other Amortization - Unclassified	0	0	0	-0
	Interest Expense - Unclassified	1,178,151	1,178,151	0	-0
	Income Tax Expense - Unclassified	244,531	244,531	0	-0
	Other Distribution Expenses	324,770	0	0	324,770
	Non-Distribution Expenses	0	0	0	-0
	Unclassified Expenses	0	0	0	-0
		94,677,222	43,646,324	405,951	50,624,947



**2-2 UNADJUSTED ACCOUNTING DATA**

*All adjustment are entered on subsequent sheets.*

Account Number	Account Description	2006 Total	2006 Unclassified	2006 Non-Distribution	2006 Distribution
		\$	\$	\$	\$

**SUMMARY FINANCIAL INFORMATION**

*(Before Adjustments)*

**DISTRIBUTION ASSETS:**

Land and Buildings	15,080,743	0	0	15,080,743
TS Primary Above 50	0	0	0	-0
DS	8,885,887	0	0	8,885,887
Poles, Wires	42,246,086	0	0	42,246,086
Line Transformers	8,134,433	0	0	8,134,433
Services and Meters	4,849,071	0	0	4,849,071
General Plant	667,551	0	0	667,551
Equipment	7,105,622	0	0	7,105,622
IT Assets	5,361,618	0	0	5,361,618
CDM Assets	0	0	0	-0
Other Distribution Assets	2,150,996	0	0	2,150,996
Contributions and Grants	0	0	0	-0
<b>TOTAL DISTRIBUTION ASSETS</b>	<b>94,482,008</b>	<b>0</b>	<b>0</b>	<b>94,482,008</b>

**NET FIXED DISTRIBUTION ASSETS:**

Total Distribution Assets (as above) - LESS:				
Accumulated Amortization	-42,437,414	0	0	-42,437,414
<b>NET FIXED DISTRIBUTION ASSETS</b>	<b>52,044,595</b>	<b>0</b>	<b>0</b>	<b>52,044,595</b>

**NET SALES REVENUE**

Sales of Electricity	-14,061,142	0	0	-14,061,142
Power Supply Expenses (Working Capital)	14,066,612	0	0	14,066,612
<b>SALES OF ELECTRICITY NET OF COST OF POWER</b>	<b>5,470</b>	<b>0</b>	<b>0</b>	<b>5,470</b>

**DISTRIBUTION REVENUE**

Distribution Services Revenue	-12,718,000	0	0	-12,718,000
Late Payment Charges	13,544	0	0	13,544
Specific Service Charges	0	0	0	-0
Other Distribution Revenue	-185,518	0	0	-185,518
<b>TOTAL DISTRIBUTION REVENUE</b>	<b>-12,889,974</b>	<b>0</b>	<b>0</b>	<b>-12,889,974</b>

**DISTRIBUTION EXPENSES (before PILS):**

Operation (Working Capital)	1,582,714	0	0	1,582,714
Maintenance (Working Capital)	2,873,599	0	0	2,873,599
Billing and Collection (Working Capital)	1,032,518	0	0	1,032,518
Community Relations (Working Capital)	0	0	0	-0
Community Relations - CDM (Working Capital)	0	0	0	-0
Administrative and General Expenses (Working Capital)	1,955,924	0	0	1,955,924
Insurance Expense (Working Capital)	107,110	0	0	107,110
Bad Debt Expense (Working Capital)	43,562	0	0	43,562
Advertising Expenses	4,587	0	0	4,587
Charitable Contributions	58,917	0	0	58,917
Amortization of Assets	3,464,633	0	0	3,464,633
Other Distribution Expenses	324,770	0	0	324,770
<b>TOTAL DISTRIBUTION EXPENSES (before PILS)</b>	<b>11,448,333</b>	<b>0</b>	<b>0</b>	<b>11,448,333</b>





**2-2 UNADJUSTED ACCOUNTING DATA**  
*All adjustments are entered on subsequent sheets.*

Account Number	Account Description	2006 Total	2006 Unclassified	2006 Non-Distribution	2006 Distribution
		\$	\$	\$	\$

**WORKING CAPITAL CALCULATION**

<b>Cost of Power</b>	
Power Supply Expenses (Working Capital)	14,066,612
<b>TOTAL COST OF POWER</b>	<b>14,066,612</b>
<b>Expenses</b>	
Operation (Working Capital)	1,582,714
Maintenance (Working Capital)	2,873,599
Billing and Collection (Working Capital)	1,032,518
Community Relations (Working Capital)	0
Community Relations - CDM (Working Capital)	0
Administrative and General Expenses (Working Capital)	1,955,924
Insurance Expense (Working Capital)	107,110
Bad Debt Expense (Working Capital)	43,562
Advertising Expenses	4,587
Charitable Contributions	58,917
Other Distribution Expenses	324,770
<b>TOTAL EXPENSES</b>	<b>7,983,700</b>
<b>TOTAL FOR WORKING CAPITAL CALCULATION</b>	<b>22,050,312</b>



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**2-2 UNADJUSTED ACCOUNTING DATA**

All adjustment are entered on subsequent sheets.

Account Number	Account Description	2007 Total	2007 Unclassified	2007 Non-Distribution	2007 Distribution
		\$	\$	\$	\$
<b>DETAILED ACCOUNTS:</b>					
1005	Cash	1,543,351	1,543,351	0	0
1010	Cash Advances and Working Funds	0	0	0	0
1020	Interest Special Deposits	0	0	0	0
1030	Dividend Special Deposits	0	0	0	0
1040	Other Special Deposits	0	0	0	0
1060	Term Deposits	0	0	0	0
1070	Current Investments	0	0	0	0
1100	Customer Accounts Receivable	1,961,407	1,961,407	0	0
1102	Accounts Receivable - Services	0	0	0	0
1104	Accounts Receivable - Recoverable Work	0	0	0	0
1105	Accounts Receivable - Merchandise, Jobbing, etc.	300,000	300,000	0	0
1110	Other Accounts Receivable	0	0	0	0
1120	Accrued Utility Revenues	2,652,028	2,652,028	0	0
1130	Accumulated Provision for Uncollectible Accounts--Credit	-100,000	-100,000	0	0
1140	Interest and Dividends Receivable	0	0	0	0
1150	Rents Receivable	0	0	0	0
1170	Notes Receivable	0	0	0	0
1180	Prepayments	52,571	52,571	0	0
1190	Miscellaneous Current and Accrued Assets	10,000	10,000	0	0
1200	Accounts Receivable from Associated Companies	0	0	0	0
1210	Notes Receivable from Associated Companies	0	0	0	0
1305	Fuel Stock	0	0	0	0
1330	Plant Materials and Operating Supplies	1,000,000	1,000,000	0	0
1340	Merchandise	0	0	0	0
1350	Other Materials and Supplies	0	0	0	0
1405	Long Term Investments in Non-Associated Companies	0	0	0	0
1408	Long Term Receivable - Street Lighting Transfer	0	0	0	0
1410	Other Special or Collateral Funds	0	0	0	0
1415	Sinking Funds	0	0	0	0
1425	Unamortized Debt Expense	0	0	0	0
1445	Unamortized Discount on Long-Term Debt--Debit	0	0	0	0
1455	Unamortized Deferred Foreign Currency Translation Gains and Losses	0	0	0	0
1460	Other Non-Current Assets	0	0	0	0
1465	O.M.E.R.S. Past Service Costs	0	0	0	0
1470	Past Service Costs - Employee Future Benefits	0	0	0	0
1475	Past Service Costs - Other Pension Plans	0	0	0	0
1480	Portfolio Investments - Associated Companies	0	0	0	0
1485	Investment in Associated Companies - Significant Influence	0	0	0	0
1490	Investment in Subsidiary Companies	0	0	0	0
1505	Unrecovered Plant and Regulatory Study Costs	0	0	0	0
1508	Other Regulatory Assets	155,994	155,994	0	0
1510	Preliminary Survey and Investigation Charges	0	0	0	0
1515	Emission Allowance Inventory	0	0	0	0
1516	Emission Allowances Withheld	0	0	0	0
1518	RCVARetail	0	0	0	0
1520	Power Purchase Variance Account	0	0	0	0
1525	Miscellaneous Deferred Debits	0	0	0	0
1530	Deferred Losses from Disposition of Utility Plant	0	0	0	0
1540	Unamortized Loss on Reacquired Debt	0	0	0	0
1545	Development Charge Deposits/ Receivables	0	0	0	0
1548	RCVASTR	0	0	0	0
1560	Deferred Development Costs	0	0	0	0
1562	Deferred Payments in Lieu of Taxes	0	0	0	0
1563	Account 1563 - Deferred PILs Contra Account	0	0	0	0
1565	Conservation and Demand Management Expenditures and Recoveries	0	0	0	0
1570	Qualifying Transition Costs	0	0	0	0
1571	Pre-market Opening Energy Variance	0	0	0	0
1572	Extraordinary Event Costs	0	0	0	0
1574	Deferred Rate Impact Amounts	15,106,089	15,106,089	0	0
1580	RSVAWMS	133,348	133,348	0	0
1582	RSVAONE-TIME	0	0	0	0
1584	RSVANW	76,242	76,242	0	0
1586	RSVACN	-436,955	-436,955	0	0
1588	RSVAPOWER	1,461,737	1,461,737	0	0
1590	Recovery of Regulatory Asset Balances	-3,354,196	-3,354,196	0	0
1605	Electric Plant in Service - Control Account	102,306,201	102,306,201	0	0
1606	Organization	0	0	0	0
1608	Franchises and Consents	0	0	0	0
1610	Miscellaneous Intangible Plant	0	0	0	0
1615	Land	0	0	0	0
1616	Land Rights	0	0	0	0
1620	Buildings and Fixtures	0	0	0	0
1630	Leasehold Improvements	0	0	0	0
1635	Boiler Plant Equipment	0	0	0	0
1640	Engines and Engine-Driven Generators	0	0	0	0
1645	Turbogenerator Units	0	0	0	0



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**2-2 UNADJUSTED ACCOUNTING DATA**

*All adjustment are entered on subsequent sheets.*

Account Number	Account Description	2007 Total	2007 Unclassified	2007 Non-Distribution	2007 Distribution
		\$	\$	\$	\$
1650	Reservoirs, Dams and Waterways	0	0	0	0
1655	Water Wheels, Turbines and Generators	0	0	0	0
1660	Roads, Railroads and Bridges	0	0	0	0
1665	Fuel Holders, Producers and Accessories	0	0	0	0
1670	Prime Movers	0	0	0	0
1675	Generators	0	0	0	0
1680	Accessory Electric Equipment	0	0	0	0
1685	Miscellaneous Power Plant Equipment	0	0	0	0
1705	Land	0	0	0	0
1706	Land Rights	0	0	0	0
1708	Buildings and Fixtures	0	0	0	0
1710	Leasehold Improvements	0	0	0	0
1715	Station Equipment	0	0	0	0
1720	Towers and Fixtures	0	0	0	0
1725	Poles and Fixtures	0	0	0	0
1730	Overhead Conductors and Devices	0	0	0	0
1735	Underground Conduit	0	0	0	0
1740	Underground Conductors and Devices	0	0	0	0
1745	Roads and Trails	0	0	0	0
1805	Land	841,604	0	0	841,604
1806	Land Rights	9,720,877	0	0	9,720,877
1808	Buildings and Fixtures	6,857,763	0	0	6,857,763
1810	Leasehold Improvements	0	0	0	0
1815	Transformer Station Equipment - Normally Primary above 50 kV	0	0	0	0
1820	Distribution Station Equipment - Normally Primary below 50 kV	8,992,387	0	0	8,992,387
1825	Storage Battery Equipment	0	0	0	0
1830	Poles, Towers and Fixtures	29,951,390	0	0	29,951,390
1835	Overhead Conductors and Devices	16,105,767	0	0	16,105,767
1840	Underground Conduit	0	0	0	0
1845	Underground Conductors and Devices	460,099	0	0	460,099
1850	Line Transformers	8,254,433	0	0	8,254,433
1855	Services	2,691,713	0	0	2,691,713
1860	Meters	2,207,358	0	0	2,207,358
1865	Other Installations on Customer's Premises	0	0	0	0
1870	Leased Property on Customer Premises	0	0	0	0
1875	Street Lighting and Signal Systems	16,523	0	0	16,523
1905	Land	0	0	0	0
1906	Land Rights	0	0	0	0
1908	Buildings and Fixtures	667,551	0	0	667,551
1910	Leasehold Improvements	0	0	0	0
1915	Office Furniture and Equipment	779,264	0	0	779,264
1920	Computer Equipment - Hardware	3,971,037	0	0	3,971,037
1925	Computer Software	1,839,081	0	0	1,839,081
1930	Transportation Equipment	4,694,121	0	0	4,694,121
1935	Stores Equipment	0	0	0	0
1940	Tools, Shop and Garage Equipment	1,368,733	0	0	1,368,733
1945	Measurement and Testing Equipment	230,701	0	0	230,701
1950	Power Operated Equipment	0	0	0	0
1955	Communication Equipment	393,688	0	0	393,688
1960	Miscellaneous Equipment	111,116	0	0	111,116
1965	Water Heater Rental Units	0	0	0	0
1970	Load Management Controls - Customer Premises	0	0	0	0
1975	Load Management Controls - Utility Premises	0	0	0	0
1980	System Supervisory Equipment	0	0	0	0
1985	Sentinel Lighting Rental Units	0	0	0	0
1990	Other Tangible Property	2,150,996	0	0	2,150,996
1995	Contributions and Grants - Credit	0	0	0	0
2005	Property Under Capital Leases	0	0	0	0
2010	Electric Plant Purchased or Sold	0	0	0	0
2020	Experimental Electric Plant Unclassified	0	0	0	0
2030	Electric Plant and Equipment Leased to Others	0	0	0	0
2040	Electric Plant Held for Future Use	0	0	0	0
2050	Completed Construction Not Classified--Electric	0	0	0	0
2055	Construction Work in Progress--Electric	0	0	0	0
2060	Electric Plant Acquisition Adjustment	0	0	0	0
2065	Other Electric Plant Adjustment	0	0	0	0
2070	Other Utility Plant	0	0	0	0
2075	Non-Utility Property Owned or Under Capital Leases	0	0	0	0
2105	Accum. Amortization of Electric Utility Plant - Property, Plant, & Equipment	-45,285,417	0	0	-45,285,417
2120	Accumulated Amortization of Electric Utility Plant - Intangibles	0	0	0	0
2140	Accumulated Amortization of Electric Plant Acquisition Adjustment	0	0	0	0
2160	Accumulated Amortization of Other Utility Plant	-16,523	0	-16,523	0
2180	Accumulated Amortization of Non-Utility Property	0	0	0	0
2205	Accounts Payable	-48,075,901	-48,075,901	0	0
2208	Customer Credit Balances	0	0	0	0
2210	Current Portion of Customer Deposits	-800,000	-800,000	0	0
2215	Dividends Declared	0	0	0	0
2220	Miscellaneous Current and Accrued Liabilities	-50,000	-50,000	0	0



**2-2 UNADJUSTED ACCOUNTING DATA**

*All adjustment are entered on subsequent sheets.*

Account Number	Account Description	2007	2007	2007	2007
		Total	Unclassified	Non-Distribution	Distribution
		\$	\$	\$	\$
2225	Notes and Loans Payable	0	0	0	0
2240	Accounts Payable to Associated Companies	0	0	0	0
2242	Notes Payable to Associated Companies	0	0	0	0
2250	Debt Retirement Charges( DRC) Payable	0	0	0	0
2252	Transmission Charges Payable	0	0	0	0
2254	Electrical Safety Authority Fees Payable	0	0	0	0
2256	Independent Market Operator Fees and Penalties Payable	0	0	0	0
2260	Current Portion of Long Term Debt	0	0	0	0
2262	Ontario Hydro Debt - Current Portion	0	0	0	0
2264	Pensions and Employee Benefits - Current Portion	0	0	0	0
2268	Accrued Interest on Long Term Debt	0	0	0	0
2270	Matured Long Term Debt	0	0	0	0
2272	Matured Interest on Long Term Debt	0	0	0	0
2285	Obligations Under Capital Leases--Current	0	0	0	0
2290	Commodity Taxes	0	0	0	0
2292	Payroll Deductions / Expenses Payable	-350,000	-350,000	0	0
2294	Accrual for Taxes, Payments in Lieu of Taxes, Etc.	0	0	0	0
2296	Future Income Taxes - Current	-3,640,812	-3,640,812	0	0
2305	Accumulated Provision for Injuries and Damages	0	0	0	0
2306	Employee Future Benefits	-96,017	-96,017	0	0
2308	Other Pensions - Past Service Liability	-64,012	-64,012	0	0
2310	Vested Sick Leave Liability	0	0	0	0
2315	Accumulated Provision for Rate Refunds	0	0	0	0
2320	Other Miscellaneous Non-Current Liabilities	0	0	0	0
2325	Obligations Under Capital Lease--Non-Current	0	0	0	0
2330	Development Charge Fund	0	0	0	0
2335	Long Term Customer Deposits	0	0	0	0
2340	Collateral Funds Liability	0	0	0	0
2345	Unamortized Premium on Long Term Debt	0	0	0	0
2348	O.M.E.R.S. - Past Service Liability - Long Term Portion	0	0	0	0
2350	Future Income Tax - Non-Current	0	0	0	0
2405	Other Regulatory Liabilities	194,480	194,480	0	0
2410	Deferred Gains from Disposition of Utility Plant	0	0	0	0
2415	Unamortized Gain on Reacquired Debt	0	0	0	0
2425	Other Deferred Credits	0	0	0	0
2435	Accrued Rate-Payer Benefit	0	0	0	0
2505	Debentures Outstanding - Long Term Portion	0	0	0	0
2510	Debenture Advances	0	0	0	0
2515	Reacquired Bonds	0	0	0	0
2520	Other Long Term Debt	0	0	0	0
2525	Term Bank Loans - Long Term Portion	0	0	0	0
2530	Ontario Hydro Debt Outstanding - Long Term Portion	0	0	0	0
2550	Advances from Associated Companies	0	0	0	0
3005	Common Shares Issued	0	0	0	0
3008	Preference Shares Issued	0	0	0	0
3010	Contributed Surplus	0	0	0	0
3020	Donations Received	0	0	0	0
3022	Development Charges Transferred to Equity	0	0	0	0
3026	Capital Stock Held in Treasury	0	0	0	0
3030	Miscellaneous Paid-In Capital	0	0	0	0
3035	Installments Received on Capital Stock	0	0	0	0
3040	Appropriated Retained Earnings	-21,450,861	-21,450,861	0	0
3045	Unappropriated Retained Earnings	0	0	0	0
3046	Balance Transferred From Income	-3,232,756	-3,232,756	0	0
3047	Appropriations of Retained Earnings - Current Period	0	0	0	0
3048	Dividends Payable-Preference Shares	0	0	0	0
3049	Dividends Payable-Common Shares	0	0	0	0
3055	Adjustment to Retained Earnings	0	0	0	0
3065	Unappropriated Undistributed Subsidiary Earnings	0	0	0	0
4006	Residential Energy Sales	-11,130,097	0	0	-11,130,097
4010	Commercial Energy Sales	0	0	0	0
4015	Industrial Energy Sales	0	0	0	0
4020	Energy Sales to Large Users	0	0	0	0
4025	Street Lighting Energy Sales	0	0	0	0
4030	Sentinel Lighting Energy Sales	0	0	0	0
4035	General Energy Sales	0	0	0	0
4040	Other Energy Sales to Public Authorities	0	0	0	0
4045	Energy Sales to Railroads and Railways	0	0	0	0
4050	Revenue Adjustment	0	0	0	0
4055	Energy Sales for Resale	0	0	0	0
4060	Interdepartmental Energy Sales	0	0	0	0
4062	Billed WMS	-1,308,657	0	0	-1,308,657
4064	Billed-One-Time	0	0	0	0
4066	Billed NW	-1,102,473	0	0	-1,102,473
4068	Billed CN	-888,966	0	0	-888,966
4080	Distribution Services Revenue	-17,678,005	0	0	-17,678,005
4082	Retail Services Revenues	0	0	0	0
4084	Service Transaction Requests (STR) Revenues	0	0	0	0



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**2-2 UNADJUSTED ACCOUNTING DATA**

*All adjustment are entered on subsequent sheets.*

Account Number	Account Description	2007 Total	2007 Unclassified	2007 Non-Distribution	2007 Distribution
		\$	\$	\$	\$
4090	Electric Services Incidental to Energy Sales	0	0	0	0
4105	Transmission Charges Revenue	0	0	0	0
4110	Transmission Services Revenue	0	0	0	0
4205	Interdepartmental Rents	0	0	0	0
4210	Rent from Electric Property	-238,178	0	0	-238,178
4215	Other Utility Operating Income	0	0	0	0
4220	Other Electric Revenues	0	0	0	0
4225	Late Payment Charges	-5,700	0	0	-5,700
4230	Sales of Water and Water Power	0	0	0	0
4235	Miscellaneous Service Revenues	0	0	0	0
4240	Provision for Rate Refunds	0	0	0	0
4245	Government Assistance Directly Credited to Income	0	0	0	0
4305	Regulatory Debits	0	0	0	0
4310	Regulatory Credits	0	0	0	0
4315	Revenues from Electric Plant Leased to Others	0	0	0	0
4320	Expenses of Electric Plant Leased to Others	0	0	0	0
4325	Revenues from Merchandise, Jobbing, Etc.	-403,861	-403,861	0	0
4330	Costs and Expenses of Merchandising, Jobbing, Etc.	403,861	403,861	0	0
4335	Profits and Losses from Financial Instrument Hedges	0	0	0	0
4340	Profits and Losses from Financial Instrument Investments	0	0	0	0
4345	Gains from Disposition of Future Use Utility Plant	0	0	0	0
4350	Losses from Disposition of Future Use Utility Plant	0	0	0	0
4355	Gain on Disposition of Utility and Other Property	0	0	0	0
4360	Loss on Disposition of Utility and Other Property	0	0	0	0
4365	Gains from Disposition of Allowances for Emission	0	0	0	0
4370	Losses from Disposition of Allowances for Emission	0	0	0	0
4375	Revenues from Non-Utility Operations	0	0	0	0
4380	Expenses of Non-Utility Operations	0	0	0	0
4385	Non-Utility Rental Income	0	0	0	0
4390	Miscellaneous Non-Operating Income	0	0	0	0
4395	Rate-Payer Benefit Including Interest	0	0	0	0
4398	Foreign Exchange Gains and Losses, Including Amortization	0	0	0	0
4405	Interest and Dividend Income	0	0	0	0
4415	Equity in Earnings of Subsidiary Companies	0	0	0	0
4505	Operation Supervision and Engineering	0	0	0	0
4510	Fuel	0	0	0	0
4515	Steam Expense	0	0	0	0
4520	Steam From Other Sources	0	0	0	0
4525	Steam Transferred--Credit	0	0	0	0
4530	Electric Expense	0	0	0	0
4535	Water For Power	0	0	0	0
4540	Water Power Taxes	0	0	0	0
4545	Hydraulic Expenses	0	0	0	0
4550	Generation Expense	0	0	0	0
4555	Miscellaneous Power Generation Expenses	0	0	0	0
4560	Rents	0	0	0	0
4565	Allowances for Emissions	0	0	0	0
4605	Maintenance Supervision and Engineering	0	0	0	0
4610	Maintenance of Structures	0	0	0	0
4615	Maintenance of Boiler Plant	0	0	0	0
4620	Maintenance of Electric Plant	0	0	0	0
4625	Maintenance of Reservoirs, Dams and Waterways	0	0	0	0
4630	Maintenance of Water Wheels, Turbines and Generators	0	0	0	0
4635	Maintenance of Generating and Electric Plant	0	0	0	0
4640	Maintenance of Miscellaneous Power Generation Plant	0	0	0	0
4705	Power Purchased	11,130,097	0	0	11,130,097
4708	Charges-WMS	1,097,583	0	0	1,097,583
4710	Cost of Power Adjustments	0	0	0	0
4712	Charges-One-Time	0	0	0	0
4714	Charges-NW	1,102,473	0	0	1,102,473
4715	System Control and Load Dispatching	0	0	0	0
4716	Charges-CN	888,966	0	0	888,966
4720	Other Expenses	0	0	0	0
4725	Competition Transition Expense	0	0	0	0
4730	Rural Rate Assistance Expense	211,074	0	0	211,074
4805	Operation Supervision and Engineering	0	0	0	0
4810	Load Dispatching	0	0	0	0
4815	Station Buildings and Fixtures Expenses	0	0	0	0
4820	Transformer Station Equipment - Operating Labour	0	0	0	0
4825	Transformer Station Equipment - Operating Supplies and Expense	0	0	0	0
4830	Overhead Line Expenses	0	0	0	0
4835	Underground Line Expenses	0	0	0	0
4840	Transmission of Electricity by Others	0	0	0	0
4845	Miscellaneous Transmission Expense	0	0	0	0
4850	Rents	0	0	0	0
4905	Maintenance Supervision and Engineering	0	0	0	0
4910	Maintenance of Transformer Station Buildings and Fixtures	0	0	0	0
4916	Maintenance of Transformer Station Equipment	0	0	0	0

**2-2 UNADJUSTED ACCOUNTING DATA***All adjustment are entered on subsequent sheets.*

Account Number	Account Description	2007	2007	2007	2007
		Total	Unclassified	Non-Distribution	Distribution
		\$	\$	\$	\$
4930	Maintenance of Towers, Poles and Fixtures	0	0	0	0
4935	Maintenance of Overhead Conductors and Devices	0	0	0	0
4940	Maintenance of Overhead Lines - Right of Way	0	0	0	0
4945	Maintenance of Overhead Lines - Roads and Trails Repairs	0	0	0	0
4950	Maintenance of Overhead Lines - Snow Removal from Roads and Trails	0	0	0	0
4960	Maintenance of Underground Lines	0	0	0	0
4965	Maintenance of Miscellaneous Transmission Plant	0	0	0	0
5005	Operation Supervision and Engineering	445,999	0	0	445,999
5010	Load Dispatching	61,343	0	0	61,343
5012	Station Buildings and Fixtures Expense	541,673	0	0	541,673
5014	Transformer Station Equipment - Operation Labour	0	0	0	0
5015	Transformer Station Equipment - Operation Supplies and Expenses	0	0	0	0
5016	Distribution Station Equipment - Operation Labour	37,245	0	0	37,245
5017	Distribution Station Equipment - Operation Supplies and Expenses	36,853	0	0	36,853
5020	Overhead Distribution Lines and Feeders - Operation Labour	38,748	0	0	38,748
5025	Overhead Distribution Lines & Feeders - Operation Supplies and Expenses	14,420	0	0	14,420
5030	Overhead Subtransmission Feeders - Operation	42,189	0	0	42,189
5035	Overhead Distribution Transformers- Operation	9,477	0	0	9,477
5040	Underground Distribution Lines and Feeders - Operation Labour	0	0	0	0
5045	Underground Distribution Lines & Feeders - Operation Supplies & Expenses	0	0	0	0
5050	Underground Subtransmission Feeders - Operation	0	0	0	0
5055	Underground Distribution Transformers - Operation	0	0	0	0
5060	Street Lighting and Signal System Expense	0	0	0	0
5065	Meter Expense	335,377	0	0	335,377
5070	Customer Premises - Operation Labour	69,576	0	0	69,576
5075	Customer Premises - Materials and Expenses	43,660	0	0	43,660
5085	Miscellaneous Distribution Expense	0	0	0	0
5090	Underground Distribution Lines and Feeders - Rental Paid	0	0	0	0
5095	Overhead Distribution Lines and Feeders - Rental Paid	0	0	0	0
5096	Other Rent	18,635	0	0	18,635
5105	Maintenance Supervision and Engineering	0	0	0	0
5110	Maintenance of Buildings and Fixtures - Distribution Stations	67,995	0	0	67,995
5112	Maintenance of Transformer Station Equipment	2,076	0	0	2,076
5114	Maintenance of Distribution Station Equipment	90,689	0	0	90,689
5120	Maintenance of Poles, Towers and Fixtures	14,221	0	0	14,221
5125	Maintenance of Overhead Conductors and Devices	1,029,623	0	0	1,029,623
5130	Maintenance of Overhead Services	11,309	0	0	11,309
5135	Overhead Distribution Lines and Feeders - Right of Way	1,600,000	0	0	1,600,000
5145	Maintenance of Underground Conduit	0	0	0	0
5150	Maintenance of Underground Conductors and Devices	0	0	0	0
5155	Maintenance of Underground Services	0	0	0	0
5160	Maintenance of Line Transformers	32,861	0	0	32,861
5165	Maintenance of Street Lighting and Signal Systems	0	0	0	0
5170	Sentinel Lights - Labour	0	0	0	0
5172	Sentinel Lights - Materials and Expenses	0	0	0	0
5175	Maintenance of Meters	17,000	0	0	17,000
5178	Customer Installations Expenses- Leased Property	0	0	0	0
5185	Water Heater Rentals - Labour	0	0	0	0
5186	Water Heater Rentals - Materials and Expenses	0	0	0	0
5190	Water Heater Controls - Labour	0	0	0	0
5192	Water Heater Controls - Materials and Expenses	0	0	0	0
5195	Maintenance of Other Installations on Customer Premises	0	0	0	0
5205	Purchase of Transmission and System Services	0	0	0	0
5210	Transmission Charges	0	0	0	0
5215	Transmission Charges Recovered	0	0	0	0
5305	Supervision	0	0	0	0
5310	Meter Reading Expense	313,031	0	0	313,031
5315	Customer Billing	481,643	0	0	481,643
5320	Collecting	112,686	0	0	112,686
5325	Collecting- Cash Over and Short	0	0	0	0
5330	Collection Charges	0	0	0	0
5335	Bad Debt Expense	67,000	0	0	67,000
5340	Miscellaneous Customer Accounts Expenses	170,080	0	0	170,080
5405	Supervision	0	0	0	0
5410	Community Relations - Sundry	0	0	0	0
5415	Energy Conservation	0	0	0	0
5420	Community Safety Program	0	0	0	0
5425	Miscellaneous Customer Service and Informational Expenses	0	0	0	0
5505	Supervision	0	0	0	0
5510	Demonstrating and Selling Expense	0	0	0	0
5515	Advertising Expense	8,000	0	0	8,000
5520	Miscellaneous Sales Expense	0	0	0	0
5605	Executive Salaries and Expenses	218,476	0	0	218,476
5610	Management Salaries and Expenses	0	0	0	0
5615	General Administrative Salaries and Expenses	748,647	0	0	748,647
5620	Office Supplies and Expenses	169,800	0	0	169,800
5625	Administrative Expense Transferred Credit	0	0	0	0
5630	Outside Services Employed	855,532	0	0	855,532

**2-2 UNADJUSTED ACCOUNTING DATA***All adjustment are entered on subsequent sheets.*

Account Number	Account Description	2007 Total	2007 Unclassified	2007 Non-Distribution	2007 Distribution
		\$	\$	\$	\$
5635	Property Insurance	115,760	0	0	115,760
5640	Injuries and Damages	0	0	0	0
5645	Employee Pensions and Benefits	0	0	0	0
5650	Franchise Requirements	0	0	0	0
5655	Regulatory Expenses	120,100	0	0	120,100
5660	General Advertising Expenses	0	0	0	0
5665	Miscellaneous General Expenses	32,300	0	0	32,300
5670	Rent	0	0	0	0
5675	Maintenance of General Plant	0	0	0	0
5680	Electrical Safety Authority Fees	21,700	0	0	21,700
5685	Independent Market Operator Fees and Penalties	0	0	0	0
5705	Amortization Expense - Property, Plant, and Equipment	3,623,003	0	0	3,623,003
5710	Amortization of Limited Term Electric Plant	0	0	0	0
5715	Amortization of Intangibles and Other Electric Plant	0	0	0	0
5720	Amortization of Electric Plant Acquisition Adjustments	0	0	0	0
5725	Miscellaneous Amortization	0	0	0	0
5730	Amortization of Unrecovered Plant and Regulatory Study Costs	0	0	0	0
5735	Amortization of Deferred Development Costs	0	0	0	0
5740	Amortization of Deferred Charges	0	0	0	0
6005	Interest on Long Term Debt	1,281,250	1,281,250	0	0
6010	Amortization of Debt Discount and Expense	0	0	0	0
6015	Amortization of Premium on Debt Credit	0	0	0	0
6020	Amortization of Loss on Reacquired Debt	0	0	0	0
6025	Amortization of Gain on Reacquired Debt--Credit	0	0	0	0
6030	Interest on Debt to Associated Companies	0	0	0	0
6035	Other Interest Expense	0	0	0	0
6040	Allowance for Borrowed Funds Used During Construction--Credit	0	0	0	0
6042	Allowance For Other Funds Used During Construction	-103,143	-103,143	0	0
6045	Interest Expense on Capital Lease Obligations	0	0	0	0
6105	Taxes Other Than Income Taxes	321,417	0	0	321,417
6110	Income Taxes	1,565,877	1,565,877	0	0
6115	Provision for Future Income Taxes	0	0	0	0
6205	Donations	5,000	0	0	5,000
6210	Life Insurance	0	0	0	0
6215	Penalties	0	0	0	0
6225	Other Deductions	0	0	0	0
6305	Extraordinary Income	0	0	0	0
6310	Extraordinary Deductions	0	0	0	0
6315	Income Taxes, Extraordinary Items	0	0	0	0
6405	Discontinues Operations - Income/ Gains	0	0	0	0
6410	Discontinued Operations - Deductions/ Losses	0	0	0	0
6415	Income Taxes, Discontinued Operations	0	0	0	0
	Total (\$) Value	99,073,445	48,045,923	-16,523	51,044,044

**2-2 UNADJUSTED ACCOUNTING DATA***All adjustment are entered on subsequent sheets*

Account Number	Account Description	2007 Total \$	2007 Unclassified \$	2007 Non-Distribution \$	2007 Distribution \$
<b>GROUPED INPUT FOR CALCULATIONS: (Minimum Reporting Requirement)</b>					
	Land and Buildings	17,420,243	0	0	17,420,243
	TS Primary Above 50	0	0	0	-0
	DS	8,992,387	0	0	8,992,387
	Poles, Wires	46,517,256	0	0	46,517,256
	Line Transformers	8,254,433	0	0	8,254,433
	Services and Meters	4,899,071	0	0	4,899,071
	General Plant	667,551	0	0	667,551
	Equipment	7,577,622	0	0	7,577,622
	IT Assets	5,810,118	0	0	5,810,118
	CDM Expenditures and Recoveries	0	0	0	-0
	Other Distribution Assets	2,150,996	0	0	2,150,996
	Contributions and Grants	0	0	0	-0
	Accumulated Amortization	-45,285,417	0	0	-45,285,417
	Non-Distribution Asset	0	0	-16,523	16,523
	Unclassified Asset	122,867,818	122,867,818	0	-0
	Liability	-52,882,262	-52,882,262	0	-0
	Equity	-24,683,617	-24,683,617	0	-0
	Sales of Electricity	-14,430,192	0	0	-14,430,192
	Distribution Services Revenue	-17,678,005	0	0	-17,678,005
	Late Payment Charges	-5,700	0	0	-5,700
	Specific Service Charges	0	0	0	-0
	Other Distribution Revenue	-238,178	0	0	-238,178
	Other Revenue - Unclassified	0	0	0	-0
	Other Income & Deductions	0	0	0	-0
	Power Supply Expenses (Working Capital)	14,430,192	0	0	14,430,192
	Other Power Supply Expenses	0	0	0	-0
	Operation (Working Capital)	1,695,195	0	0	1,695,195
	Maintenance (Working Capital)	2,865,774	0	0	2,865,774
	Billing and Collection (Working Capital)	1,077,440	0	0	1,077,440
	Community Relations (Working Capital)	0	0	0	-0
	Community Relations - CDM (Working Capital)	0	0	0	-0
	Administrative and General Expenses (Working Capital)	2,166,555	0	0	2,166,555
	Insurance Expense (Working Capital)	115,760	0	0	115,760
	Bad Debt Expense (Working Capital)	67,000	0	0	67,000
	Advertising Expenses	8,000	0	0	8,000
	Charitable Contributions	5,000	0	0	5,000
	Amortization of Assets	3,623,003	0	0	3,623,003
	Other Amortization - Unclassified	0	0	0	-0
	Interest Expense - Unclassified	1,178,107	1,178,107	0	-0
	Income Tax Expense - Unclassified	1,565,877	1,565,877	0	-0
	Other Distribution Expenses	321,417	0	0	321,417
	Non-Distribution Expenses	0	0	0	-0
	Unclassified Expenses	0	0	0	-0
		99,073,445	48,045,924	-16,523	51,044,044





**2-2 UNADJUSTED ACCOUNTING DATA**  
*All adjustment are entered on subsequent sheets.*

Account Number	Account Description	2007 Total	2007 Unclassified	2007 Non-Distribution	2007 Distribution
		\$	\$	\$	\$

**SUMMARY FINANCIAL INFORMATION**  
*(Before Adjustments)*

**DISTRIBUTION ASSETS:**

Land and Buildings	17,420,243	0	0	17,420,243
TS Primary Above 50	0	0	0	-0
DS	8,992,387	0	0	8,992,387
Poles, Wires	46,517,256	0	0	46,517,256
Line Transformers	8,254,433	0	0	8,254,433
Services and Meters	4,899,071	0	0	4,899,071
General Plant	667,551	0	0	667,551
Equipment	7,577,622	0	0	7,577,622
IT Assets	5,810,118	0	0	5,810,118
CDM Assets	0	0	0	-0
Other Distribution Assets	2,150,996	0	0	2,150,996
Contributions and Grants	0	0	0	-0
<b>TOTAL DISTRIBUTION ASSETS</b>	<b>102,289,678</b>	<b>0</b>	<b>0</b>	<b>102,289,678</b>

**NET FIXED DISTRIBUTION ASSETS:**

Total Distribution Assets (as above) - LESS:				
Accumulated Amortization	-45,285,417	0	0	-45,285,417
<b>NET FIXED DISTRIBUTION ASSETS</b>	<b>57,004,262</b>	<b>0</b>	<b>0</b>	<b>57,004,261</b>

**NET SALES REVENUE**

Sales of Electricity	-14,430,192	0	0	-14,430,192
Power Supply Expenses (Working Capital)	14,430,192	0	0	14,430,192
<b>SALES OF ELECTRICITY NET OF COST OF POWER</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-0</b>

**DISTRIBUTION REVENUE**

Distribution Services Revenue	-17,678,005	0	0	-17,678,005
Late Payment Charges	-5,700	0	0	-5,700
Specific Service Charges	0	0	0	-0
Other Distribution Revenue	-238,178	0	0	-238,178
<b>TOTAL DISTRIBUTION REVENUE</b>	<b>-17,921,883</b>	<b>0</b>	<b>0</b>	<b>-17,921,883</b>

**DISTRIBUTION EXPENSES (before PILS):**

Operation (Working Capital)	1,695,195	0	0	1,695,195
Maintenance (Working Capital)	2,865,774	0	0	2,865,774
Billing and Collection (Working Capital)	1,077,440	0	0	1,077,440
Community Relations (Working Capital)	0	0	0	-0
Community Relations - CDM (Working Capital)	0	0	0	-0
Administrative and General Expenses (Working Capital)	2,166,555	0	0	2,166,555
Insurance Expense (Working Capital)	115,760	0	0	115,760
Bad Debt Expense (Working Capital)	67,000	0	0	67,000
Advertising Expenses	8,000	0	0	8,000
Charitable Contributions	5,000	0	0	5,000
Amortization of Assets	3,623,003	0	0	3,623,003
Other Distribution Expenses	321,417	0	0	321,417
<b>TOTAL DISTRIBUTION EXPENSES (before PILS)</b>	<b>11,945,144</b>	<b>0</b>	<b>0</b>	<b>11,945,144</b>



## 2-2 UNADJUSTED ACCOUNTING DATA

All adjustments are entered on subsequent sheets.

Account Number	Account Description	2007 Total	2007 Unclassified	2007 Non-Distribution	2007 Distribution
		\$	\$	\$	\$

### WORKING CAPITAL CALCULATION

Cost of Power	
Power Supply Expenses (Working Capital)	14,430,192
<b>TOTAL COST OF POWER</b>	<b>14,430,192</b>
Expenses	
Operation (Working Capital)	1,695,195
Maintenance (Working Capital)	2,865,774
Billing and Collection (Working Capital)	1,077,440
Community Relations (Working Capital)	0
Community Relations - CDM (Working Capital)	0
Administrative and General Expenses (Working Capital)	2,166,555
Insurance Expense (Working Capital)	115,760
Bad Debt Expense (Working Capital)	67,000
Advertising Expenses	8,000
Charitable Contributions	5,000
Other Distribution Expenses	321,417
<b>TOTAL EXPENSES</b>	<b>8,322,141</b>
<b>TOTAL FOR WORKING CAPITAL CALCULATION</b>	<b>22,752,333</b>



**2-4 ADJUSTED ACCOUNTING DATA**

*This Sheet summarizes the adjustments entered on previous sheets and calculates the adjusted amounts to be used in rate calculations.*

Acct. No.	Account Description	2007 Distribution (Before Adjustments) <i>(from INPUT 2)</i>	Adjust Amt. Assigned to Distribution by the Model <i>enter amount of the adjustment</i>	Tier 1 & Other Adjustments - Rate Base <i>(from ADJ 1 and 1a)</i>	Tier 2 Adjustments - Rate Base <i>(from ADJ 2)</i>	Tier 1 Adjustments - Distribution Expenses <i>(from ADJ 3 and 3a)</i>	Tier 2 Adjustments - Distribution Expenses <i>(from ADJ 4)</i>	Specific Distribution Expense Adjustments <i>(from ADJ 5)</i>	Tier 1 Adjustments - Revenue Amounts <i>(from ADJ 6)</i>	Total Adjustments	2007 Accounts as Adjusted for 2006 Rate Calculation <i>[and average of 06/07 for dist. assets &amp; w/kg. cap. allow. calc. f]</i>
		\$		\$	\$	\$	\$	\$	\$	\$	\$
1005	Cash	0		0	0	0	0	0	0	0	0
1010	Cash Advances and Working Funds	0		0	0	0	0	0	0	0	0
1020	Interest Special Deposits	0		0	0	0	0	0	0	0	0
1030	Dividend Special Deposits	0		0	0	0	0	0	0	0	0
1040	Other Special Deposits	0		0	0	0	0	0	0	0	0
1060	Term Deposits	0		0	0	0	0	0	0	0	0
1070	Current Investments	0		0	0	0	0	0	0	0	0
1100	Customer Accounts Receivable	0		0	0	0	0	0	0	0	0
1102	Accounts Receivable - Services	0		0	0	0	0	0	0	0	0
1104	Accounts Receivable - Recoverable Work	0		0	0	0	0	0	0	0	0
1105	Accounts Receivable - Merchandise, Jobbing, etc.	0		0	0	0	0	0	0	0	0
1110	Other Accounts Receivable	0		0	0	0	0	0	0	0	0
1120	Accrued Utility Revenues	0		0	0	0	0	0	0	0	0
1130	Accumulated Provision for Uncollectible Accounts - Credit	0		0	0	0	0	0	0	0	0
1140	Interest and Dividends Receivable	0		0	0	0	0	0	0	0	0
1150	Rents Receivable	0		0	0	0	0	0	0	0	0
1170	Notes Receivable	0		0	0	0	0	0	0	0	0
1180	Prepayments	0		0	0	0	0	0	0	0	0
1190	Miscellaneous Current and Accrued Assets	0		0	0	0	0	0	0	0	0
1200	Accounts Receivable from Associated Companies	0		0	0	0	0	0	0	0	0
1210	Notes Receivable from Associated Companies	0		0	0	0	0	0	0	0	0
1305	Fuel Stock	0		0	0	0	0	0	0	0	0
1330	Plant Materials and Operating Supplies	0		0	0	0	0	0	0	0	0
1340	Merchandise	0		0	0	0	0	0	0	0	0
1350	Other Materials and Supplies	0		0	0	0	0	0	0	0	0
1405	Long Term Investments in Non-Associated Companies	0		0	0	0	0	0	0	0	0
1408	Long Term Receivable - Street Lighting Transfer	0		0	0	0	0	0	0	0	0
1410	Other Special or Collateral Funds	0		0	0	0	0	0	0	0	0
1415	Sinking Funds	0		0	0	0	0	0	0	0	0
1425	Unamortized Debt Expense	0		0	0	0	0	0	0	0	0
1445	Unamortized Discount on Long-Term Debt - Debit	0		0	0	0	0	0	0	0	0
1455	Unamortized Deferred Foreign Currency Translation Gains and Losses	0		0	0	0	0	0	0	0	0
1460	Other Non-Current Assets	0		0	0	0	0	0	0	0	0
1465	O.M.E.R.S. Past Service Costs	0		0	0	0	0	0	0	0	0
1470	Past Service Costs - Employee Future Benefits	0		0	0	0	0	0	0	0	0
1475	Past Service Costs - Other Pension Plans	0		0	0	0	0	0	0	0	0
1480	Portfolio Investments - Associated Companies	0		0	0	0	0	0	0	0	0
1485	Investment in Associated Companies - Significant Influence	0		0	0	0	0	0	0	0	0
1490	Investment in Subsidiary Companies	0		0	0	0	0	0	0	0	0
1505	Unrecovered Plant and Regulatory Study Costs	0		0	0	0	0	0	0	0	0
1508	Other Regulatory Assets	0		0	0	0	0	0	0	0	0
1510	Preliminary Survey and Investigation Charges	0		0	0	0	0	0	0	0	0
1515	Emission Allowance Inventory	0		0	0	0	0	0	0	0	0
1516	Emission Allowances Withheld	0		0	0	0	0	0	0	0	0
1518	RCVARetail	0		0	0	0	0	0	0	0	0
1520	Power Purchase Variance Account	0		0	0	0	0	0	0	0	0
1525	Miscellaneous Deferred Debits	0		0	0	0	0	0	0	0	0
1530	Deferred Losses from Disposition of Utility Plant	0		0	0	0	0	0	0	0	0



EDR 2006 MODEL (ver. 2.1)  
Great Lakes Power Limited - Distribution

ED-1999-0227 (EB-2005-0369, RP-2005-0020)

August 24, 2007

**2-4 ADJUSTED ACCOUNTING DATA**

*This Sheet summarizes the adjustments entered on previous sheets and calculates the adjusted amounts to be used in rate calculations.*

Acct. No.	Account Description	2007 Distribution (Before Adjustments) <i>(from INPUT 2)</i>	Adjust Amt. Assigned to Distribution by the Model <i>enter amount of the adjustment</i>	Tier 1 & Other Adjustments - Rate Base <i>(from ADJ 1 and 1a)</i>	Tier 2 Adjustments - Rate Base <i>(from ADJ 2)</i>	Tier 1 Adjustments - Distribution Expenses <i>(from ADJ 3 and 3a)</i>	Tier 2 Adjustments - Distribution Expenses <i>(from ADJ 4)</i>	Specific Distribution Expense Adjustments <i>(from ADJ 5)</i>	Tier 1 Adjustments - Revenue Amounts <i>(from ADJ 6)</i>	Total Adjustments	2007 Accounts as Adjusted for 2006 Rate Calculation <i>(and average of 06/07 for dist. assets &amp; w/kg cap. allow. calc.)</i>
		\$		\$	\$	\$	\$	\$	\$	\$	\$
1540	Unamortized Loss on Recquired Debt	0		0	0	0	0	0	0	0	0
1545	Development Charge Deposits/ Receivables	0		0	0	0	0	0	0	0	0
1548	RCVASTR	0		0	0	0	0	0	0	0	0
1560	Deferred Development Costs	0		0	0	0	0	0	0	0	0
1562	Deferred Payments in Lieu of Taxes	0		0	0	0	0	0	0	0	0
1563	Account 1563 - Deferred P/Ls Contra Account	0		0	0	0	0	0	0	0	0
1565	Conservation and Demand Management Expenditures and Recoveries	0		0	0	0	0	0	0	0	0
1570	Qualifying Transition Costs	0		0	0	0	0	0	0	0	0
1571	Pre-market Opening Energy Variance	0		0	0	0	0	0	0	0	0
1572	Extraordinary Event Costs	0		0	0	0	0	0	0	0	0
1574	Deferred Rate Impact Amounts	0		0	0	0	0	0	0	0	0
1580	RSVAWMS	0		0	0	0	0	0	0	0	0
1582	RSVAONE-TIME	0		0	0	0	0	0	0	0	0
1584	RSVANW	0		0	0	0	0	0	0	0	0
1586	RSVACN	0		0	0	0	0	0	0	0	0
1588	RSVAPOWER	0		0	0	0	0	0	0	0	0
1590	Recovery of Regulatory Asset Balances	0		0	0	0	0	0	0	0	0
1605	Electric Plant in Service - Control Account	0		0	0	0	0	0	0	0	0
1606	Organization	0		0	0	0	0	0	0	0	0
1608	Franchises and Consents	0		0	0	0	0	0	0	0	0
1610	Miscellaneous Intangible Plant	0		0	0	0	0	0	0	0	0
1615	Land	0		0	0	0	0	0	0	0	0
1616	Land Rights	0		0	0	0	0	0	0	0	0
1620	Buildings and Fixtures	0		0	0	0	0	0	0	0	0
1630	Leasehold Improvements	0		0	0	0	0	0	0	0	0
1635	Boiler Plant Equipment	0		0	0	0	0	0	0	0	0
1640	Engines and Engine-Driven Generators	0		0	0	0	0	0	0	0	0
1645	Turbogenerator Units	0		0	0	0	0	0	0	0	0
1650	Reservoirs, Dams and Waterways	0		0	0	0	0	0	0	0	0
1655	Water Wheels, Turbines and Generators	0		0	0	0	0	0	0	0	0
1660	Roads, Railroads and Bridges	0		0	0	0	0	0	0	0	0
1665	Fuel Holders, Producers and Accessories	0		0	0	0	0	0	0	0	0
1670	Prime Movers	0		0	0	0	0	0	0	0	0
1675	Generators	0		0	0	0	0	0	0	0	0
1680	Accessory Electric Equipment	0		0	0	0	0	0	0	0	0
1685	Miscellaneous Power Plant Equipment	0		0	0	0	0	0	0	0	0
1705	Land	0		0	0	0	0	0	0	0	0
1706	Land Rights	0		0	0	0	0	0	0	0	0
1708	Buildings and Fixtures	0		0	0	0	0	0	0	0	0
1710	Leasehold Improvements	0		0	0	0	0	0	0	0	0
1715	Station Equipment	0		0	0	0	0	0	0	0	0
1720	Towers and Fixtures	0		0	0	0	0	0	0	0	0
1725	Poles and Fixtures	0		0	0	0	0	0	0	0	0
1730	Overhead Conductors and Devices	0		0	0	0	0	0	0	0	0
1735	Underground Conduit	0		0	0	0	0	0	0	0	0
1740	Underground Conductors and Devices	0		0	0	0	0	0	0	0	0
1745	Roads and Trails	0		0	0	0	0	0	0	0	0
		841,604		0	0	0	0	0	0	0	841,604
		9,720,877		0	0	0	0	0	0	0	8,713,377
		6,857,763		0	0	0	0	0	0	0	6,695,513



**EDR 2006 MODEL (ver. 2.1)**  
**Great Lakes Power Limited - Distribution**

ED-1999-0227 (EB-2005-0369, RP-2005-0020)

August 24, 2007

**2-4 ADJUSTED ACCOUNTING DATA**

*This Sheet summarizes the adjustments entered on previous sheets and calculates the adjusted amounts to be used in rate calculations.*

Acct. No.	Account Description	2007 Distribution (Before Adjustments)	Adjust Amt. Assigned to Distribution by the Model	Tier 1 & Other Adjustments - Rate Base	Tier 2 Adjustments - Rate Base	Tier 1 Adjustments - Distribution Expenses	Tier 2 Adjustments - Distribution Expenses	Specific Distribution Expense Adjustments	Tier 1 Adjustments - Revenue Amounts	Total Adjustments	2007 Accounts as Adjusted for 2006 Rate Calculation
		(from INPUT 2)	enter amount of the adjustment	(from ADJ 1 and 1a)	(from ADJ 2)	(from ADJ 3 and 3a)	(from ADJ 4)	(from ADJ 5)	(from ADJ 6)		(and average of 06/07 for dist. assets & wrkg. cap. allow. calc.)
		\$		\$	\$	\$	\$	\$	\$	\$	\$
1810	Transformer Improvements	0		0	0	0	0	0	0	0	0
1815	Transformer Station Equipment - Normally Primary above 50 kV	0		0	0	0	0	0	0	0	0
1820	Distribution Station Equipment - Normally Primary below 50 kV	8,992,387		0	0	0	0	0	0	0	8,939,137
1825	Storage Battery Equipment	0		0	0	0	0	0	0	0	0
1830	Poles, Towers and Fixtures	29,951,390		0	0	0	0	0	0	0	29,028,037
1835	Overhead Conductors and Devices	16,105,767		0	0	0	0	0	0	0	14,893,535
1840	Underground Conduit	0		0	0	0	0	0	0	0	0
1845	Underground Conductors and Devices	460,099		0	0	0	0	0	0	0	460,099
1850	Line Transformers	8,254,433		0	0	0	0	0	0	0	8,194,433
1855	Services	2,691,713		0	0	0	0	0	0	0	2,691,713
1860	Meters	2,207,358		0	0	0	0	0	0	0	2,182,358
1865	Other Installations on Customer's Premises	0		0	0	0	0	0	0	0	0
1870	Leased Property on Customer Premises	0		0	0	0	0	0	0	0	0
1875	Street Lighting and Signal Systems	16,523		0	0	0	0	0	0	0	16,523
		0		0	0	0	0	0	0	0	0
1908	Buildings and Fixtures	667,551		0	0	0	0	0	0	0	667,551
1910	Leasehold Improvements	0		0	0	0	0	0	0	0	0
1915	Office Furniture and Equipment	779,264		0	0	0	0	0	0	0	779,264
		3,971,037		0	0	0	0	0	0	0	3,746,787
		1,839,081		0	0	0	0	0	0	0	1,839,081
1930	Transportation Equipment	4,694,121		0	0	0	0	0	0	0	4,469,121
1935	Stores Equipment	0		0	0	0	0	0	0	0	0
1940	Tools, Shop and Garage Equipment	1,368,733		0	0	0	0	0	0	0	1,357,733
1945	Measurement and Testing Equipment	230,701		0	0	0	0	0	0	0	230,701
1950	Power Operated Equipment	0		0	0	0	0	0	0	0	0
1955	Communication Equipment	393,688		0	0	0	0	0	0	0	393,688
1960	Miscellaneous Equipment	111,116		0	0	0	0	0	0	0	111,116
1965	Water Heater Rental Units	0		0	0	0	0	0	0	0	0
1970	Load Management Controls - Customer Premises	0		0	0	0	0	0	0	0	0
1975	Load Management Controls - Utility Premises	0		0	0	0	0	0	0	0	0
1980	System Supervisory Equipment	0		0	0	0	0	0	0	0	0
1985	Sentinel Lighting Rental Units	0		0	0	0	0	0	0	0	0
1990	Other Tangible Property	2,150,996		0	0	0	0	0	0	0	2,150,996
1995	Contributions and Grants - Credit	0		0	0	0	0	0	0	0	0
2009	Property Under Capital Leases	0		0	0	0	0	0	0	0	0
2010	Electric Plant Purchased or Sold	0		0	0	0	0	0	0	0	0
2020	Experimental Electric Plant Unclassified	0		0	0	0	0	0	0	0	0
2030	Electric Plant and Equipment Leased to Others	0		0	0	0	0	0	0	0	0
2040	Electric Plant Held for Future Use	0		0	0	0	0	0	0	0	0
2050	Completed Construction Not Classified - Electric	0		0	0	0	0	0	0	0	0
2055	Construction Work in Progress - Electric	0		0	0	0	0	0	0	0	0
2060	Electric Plant Acquisition Adjustment	0		0	0	0	0	0	0	0	0
2065	Other Electric Plant Adjustment	0		0	0	0	0	0	0	0	0
2070	Other Utility Plant	0		0	0	0	0	0	0	0	0
2075	Non-Utility Property Owned or Under Capital Leases	-45,285,417		0	0	0	0	0	0	0	-43,861,415
		0		0	0	0	0	0	0	0	0
2140	Accumulated Amortization of Electric Plant Acquisition Adjustment	0		0	0	0	0	0	0	0	0
2160	Accumulated Amortization of Other Utility Plant	0		0	0	0	0	0	0	0	0



**2-4 ADJUSTED ACCOUNTING DATA**

*This Sheet summarizes the adjustments entered on previous sheets and calculates the adjusted amounts to be used in rate calculations.*

Acct. No.	Account Description	2007 Distribution (Before Adjustments) (from INPUT 2)	Adjust Amt. Assigned to Distribution by the Model (enter amount of the adjustment)	Tier 1 & Other Adjustments - Rate Base (from ADJ 1 and 1a)	Tier 2 Adjustments - Rate Base (from ADJ 2)	Tier 1 Adjustments - Distribution Expenses (from ADJ 3 and 3a)	Tier 2 Adjustments - Distribution Expenses (from ADJ 4)	Specific Distribution Expense Adjustments (from ADJ 5)	Tier 1 Adjustments - Revenue Amounts (from ADJ 6)	Total Adjustments	2007 Accounts as Adjusted for 2006 Rate Calculation (and average of 06/'07 for dist. assets & w/kg cap. allow. calc.)
		\$		\$	\$	\$	\$	\$	\$	\$	\$
2180	Accumulated Amortization of Non-Utility Property	0		0	0	0	0		0	0	0
2205	Accounts Payable	0		0	0	0	0		0	0	0
2208	Customer Credit Balances	0		0	0	0	0		0	0	0
2210	Current Portion of Customer Deposits	0		0	0	0	0		0	0	0
2215	Dividends Declared	0		0	0	0	0		0	0	0
2220	Miscellaneous Current and Accrued Liabilities	0		0	0	0	0		0	0	0
2225	Notes and Loans Payable	0		0	0	0	0		0	0	0
2240	Accounts Payable to Associated Companies	0		0	0	0	0		0	0	0
2242	Notes Payable to Associated Companies	0		0	0	0	0		0	0	0
2250	Debt Retirement Charges (DRC) Payable	0		0	0	0	0		0	0	0
2252	Transmission Charges Payable	0		0	0	0	0		0	0	0
2254	Electrical Safety Authority Fees Payable	0		0	0	0	0		0	0	0
2258	Independent Market Operator Fees and Penalties Payable	0		0	0	0	0		0	0	0
2260	Current Portion of Long Term Debt	0		0	0	0	0		0	0	0
2262	Ontario Hydro Debt - Current Portion	0		0	0	0	0		0	0	0
2264	Pensions and Employee Benefits - Current Portion	0		0	0	0	0		0	0	0
2266	Accrued Interest on Long Term Debt	0		0	0	0	0		0	0	0
2270	Matured Long Term Debt	0		0	0	0	0		0	0	0
2272	Matured Interest on Long Term Debt	0		0	0	0	0		0	0	0
2285	Obligations Under Capital Leases - Current	0		0	0	0	0		0	0	0
2290	Commodity Taxes	0		0	0	0	0		0	0	0
2292	Payroll Deductions / Expenses Payable	0		0	0	0	0		0	0	0
2294	Accrual for Taxes, Payments in Lieu of Taxes, Etc.	0		0	0	0	0		0	0	0
2296	Future Income Taxes - Current	0		0	0	0	0		0	0	0
2305	Accumulated Provision for Injuries and Damages	0		0	0	0	0		0	0	0
2306	Employee Future Benefits	0		0	0	0	0		0	0	0
2308	Other Pensions - Past Service Liability	0		0	0	0	0		0	0	0
2310	Vested Sick Leave Liability	0		0	0	0	0		0	0	0
2315	Accumulated Provision for Rate Refunds	0		0	0	0	0		0	0	0
2320	Other Miscellaneous Non-Current Liabilities	0		0	0	0	0		0	0	0
2322	Obligations Under Capital Lease - Non-Current	0		0	0	0	0		0	0	0
2330	Development Charge Fund	0		0	0	0	0		0	0	0
2335	Long Term Customer Deposits	0		0	0	0	0		0	0	0
2340	Collateral Funds Liability	0		0	0	0	0		0	0	0
2345	Unamortized Premium on Long Term Debt	0		0	0	0	0		0	0	0
2348	O.M.E.R.S. - Past Service Liability - Long Term Portion	0		0	0	0	0		0	0	0
2350	Future Income Tax - Non-Current	0		0	0	0	0		0	0	0
2405	Other Regulatory Liabilities	0		0	0	0	0		0	0	0
2410	Deferred Gains from Disposition of Utility Plant	0		0	0	0	0		0	0	0
2415	Unamortized Gain on Reacquired Debt	0		0	0	0	0		0	0	0
2425	Other Deferred Credits	0		0	0	0	0		0	0	0
2435	Accrued Ratepayer Benefit	0		0	0	0	0		0	0	0
2505	Debentures Outstanding - Long Term Portion	0		0	0	0	0		0	0	0
2510	Debenture Advances	0		0	0	0	0		0	0	0
2515	Reacquired Bonds	0		0	0	0	0		0	0	0
2520	Other Long Term Debt	0		0	0	0	0		0	0	0
2525	Term Bank Loans - Long Term Portion	0		0	0	0	0		0	0	0
2530	Ontario Hydro Debt Outstanding - Long Term Portion	0		0	0	0	0		0	0	0
2550	Advances from Associated Companies	0		0	0	0	0		0	0	0
3005	Common Shares Issued	0		0	0	0	0		0	0	0







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2-4 ADJUSTED ACCOUNTING DATA

This Sheet summarizes the adjustments entered on previous sheets and calculates the adjusted amounts to be used in rate calculations.

Acct. No.	Account Description	2007 Distribution (Before Adjustments)	Adjust Amt. Assigned to Distribution by the Model	Tier 1 & Other Adjustments - Rate Base	Tier 2 Adjustments - Rate Base	Tier 1 Adjustments - Distribution Expenses	Tier 2 Adjustments - Distribution Expenses	Specific Distribution Expense Adjustments	Tier 1 Adjustments - Revenue Amounts	Total Adjustments	2007 Accounts as Adjusted for 2006 Rate Calculation
		(from INPUT 2)	enter amount of the adjustment	(from ADJ 1 and 1a)	(from ADJ 2)	(from ADJ 3 and 3a)	(from ADJ 4)	(from ADJ 5)	(from ADJ 6)		[and average of 06/07 for dist. assets & w/kg cap. allow. calc. I]
		\$		\$	\$	\$	\$	\$	\$	\$	\$
4325	Revenues from Merchandise, Jobbing, Etc.	-403,861		0	0	0	0	0	0	0	-403,861
4330	Costs and Expenses of Merchandising, Jobbing, Etc.	403,861		0	0	0	0	0	0	0	403,861
4335	Profits and Losses from Financial Instrument Hedges	0		0	0	0	0	0	0	0	0
4340	Profits and Losses from Financial Instrument Investments	0		0	0	0	0	0	0	0	0
4345	Gains from Disposition of Future Use Utility Plant	0		0	0	0	0	0	0	0	0
4350	Losses from Disposition of Future Use Utility Plant	0		0	0	0	0	0	0	0	0
4355	Gain on Disposition of Utility and Other Property	0		0	0	0	0	0	0	0	0
4360	Loss on Disposition of Utility and Other Property	0		0	0	0	0	0	0	0	0
4365	Gains from Disposition of Allowances for Emission	0		0	0	0	0	0	0	0	0
4370	Losses from Disposition of Allowances for Emission	0		0	0	0	0	0	0	0	0
4375	Revenues from Non-Utility Operations	0		0	0	0	0	0	0	0	0
4380	Expenses of Non-Utility Operations	0		0	0	0	0	0	0	0	0
4385	Non-Utility Rental Income	0		0	0	0	0	0	0	0	0
4390	Miscellaneous Non-Operating Income	0		0	0	0	0	0	0	0	0
4395	Rate-Payer Benefit Including Interest	0		0	0	0	0	0	0	0	0
4398	Foreign Exchange Gains and Losses, Including Amortization	0		0	0	0	0	0	0	0	0
4405	Interest and Dividend Income	0		0	0	0	0	0	0	0	0
4415	Equity in Earnings of Subsidiary Companies	0		0	0	0	0	0	0	0	0
4505	Operation Supervision and Engineering	0		0	0	0	0	0	0	0	0
4510	Fuel	0		0	0	0	0	0	0	0	0
4515	Steam Expense	0		0	0	0	0	0	0	0	0
4520	Steam From Other Sources	0		0	0	0	0	0	0	0	0
4525	Steam Transferred-Credit	0		0	0	0	0	0	0	0	0
4530	Electric Expense	0		0	0	0	0	0	0	0	0
4535	Water For Power	0		0	0	0	0	0	0	0	0
4540	Water Power Taxes	0		0	0	0	0	0	0	0	0
4545	Hydraulic Expenses	0		0	0	0	0	0	0	0	0
4550	Generation Expense	0		0	0	0	0	0	0	0	0
4555	Miscellaneous Power Generation Expenses	0		0	0	0	0	0	0	0	0
4560	Rents	0		0	0	0	0	0	0	0	0
4565	Allowances for Emissions	0		0	0	0	0	0	0	0	0
4605	Maintenance Supervision and Engineering	0		0	0	0	0	0	0	0	0
4610	Maintenance of Structures	0		0	0	0	0	0	0	0	0
4615	Maintenance of Boiler Plant	0		0	0	0	0	0	0	0	0
4620	Maintenance of Electric Plant	0		0	0	0	0	0	0	0	0
4625	Maintenance of Reservoirs, Dams and Waterways	0		0	0	0	0	0	0	0	0
4630	Maintenance of Water Wheels, Turbines and Generators	0		0	0	0	0	0	0	0	0
4635	Maintenance of Generating and Electric Plant	0		0	0	0	0	0	0	0	0
4640	Maintenance of Miscellaneous Power Generation Plant	0		0	0	0	0	0	0	0	0
4705	Power Purchased	11,130,097		0	0	0	0	0	0	0	11,130,097
4708	Charges-WMS	1,097,583		0	0	0	0	0	0	0	1,097,583
4710	Cost of Power Adjustments	0		0	0	0	0	0	0	0	0
4712	Charges-One Time	0		0	0	0	0	0	0	0	0
4714	Charges-NW	1,102,473		0	0	0	0	0	0	0	1,102,473
4715	System Control and Load Dispatching	0		0	0	0	0	0	0	0	0
4716	Charges-CN	888,966		0	0	0	0	0	0	0	888,966
4720	Other Expenses	0		0	0	0	0	0	0	0	0
4725	Competition Transition Expense	0		0	0	0	0	0	0	0	0
4730	Rural Rate Assistance Expense	211,074		0	0	0	0	0	0	0	211,074
4805	Operation Supervision and Engineering	0		0	0	0	0	0	0	0	0





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**2-4 ADJUSTED ACCOUNTING DATA**

*This Sheet summarizes the adjustments entered on previous sheets and calculates the adjusted amounts to be used in rate calculations.*

Acct. No.	Account Description	2007 Distribution (Before Adjustments)	Adjust Amt. Assigned to Distribution by the Model	Tier 1 & Other Adjustments - Rate Base	Tier 2 Adjustments - Rate Base	Tier 1 Adjustments - Distribution Expenses	Tier 2 Adjustments - Distribution Expenses	Specific Distribution Expense Adjustments	Tier 1 Adjustments - Revenue Amounts	Total Adjustments	2007 Accounts as Adjusted for 2006 Rate Calculation
		(from INPUT 2)	enter amount of the adjustment	(from ADJ 1 and 1a)	(from ADJ 2)	(from ADJ 3 and 3a)	(from ADJ 4)	(from ADJ 5)	(from ADJ 6)		(and average of 06/07 for dist. assets & wrkg cap. allow calc.1)
		\$		\$	\$	\$	\$	\$	\$	\$	\$
4810	Load Dispatching	0		0	0	0	0	0	0	0	0
4815	Station Buildings and Fixtures Expenses	0		0	0	0	0	0	0	0	0
4820	Transformer Station Equipment - Operating Labour	0		0	0	0	0	0	0	0	0
4825	Transformer Station Equipment - Operating Supplies and Expense	0		0	0	0	0	0	0	0	0
4830	Overhead Line Expenses	0		0	0	0	0	0	0	0	0
4835	Underground Line Expenses	0		0	0	0	0	0	0	0	0
4840	Transmission of Electricity by Others	0		0	0	0	0	0	0	0	0
4845	Miscellaneous Transmission Expense	0		0	0	0	0	0	0	0	0
4850	Rents	0		0	0	0	0	0	0	0	0
4905	Maintenance Supervision and Engineering	0		0	0	0	0	0	0	0	0
4910	Maintenance of Transformer Station Buildings and Fixtures	0		0	0	0	0	0	0	0	0
4916	Maintenance of Transformer Station Equipment	0		0	0	0	0	0	0	0	0
4930	Maintenance of Towers, Poles and Fixtures	0		0	0	0	0	0	0	0	0
4935	Maintenance of Overhead Conductors and Devices	0		0	0	0	0	0	0	0	0
4940	Maintenance of Overhead Lines - Right of Way	0		0	0	0	0	0	0	0	0
4945	Maintenance of Overhead Lines - Roads and Trails Repairs	0		0	0	0	0	0	0	0	0
4950	Maintenance of Overhead Lines - Snow Removal from Roads and Trails	0		0	0	0	0	0	0	0	0
4960	Maintenance of Underground Lines	0		0	0	0	0	0	0	0	0
4965	Maintenance of Miscellaneous Transmission Plant	0		0	0	0	0	0	0	0	0
5005	Operation Supervision and Engineering	445,999		0	0	0	0	0	0	0	445,999
5010	Load Dispatching	61,343		0	0	0	0	0	0	0	61,343
5012	Station Buildings and Fixtures Expense	541,673		0	0	0	0	0	0	0	541,673
5014	Transformer Station Equipment - Operation Labour	0		0	0	0	0	0	0	0	0
5015	Transformer Station Equipment - Operation Supplies and Expenses	0		0	0	0	0	0	0	0	0
5016	Distribution Station Equipment - Operation Labour	37,245		0	0	0	0	0	0	0	37,245
5017	Distribution Station Equipment - Operation Supplies and Expenses	36,853		0	0	0	0	0	0	0	36,853
5020	Overhead Distribution Lines and Feeders - Operation Labour	38,748		0	0	0	0	0	0	0	38,748
5025	Overhead Distribution Lines & Feeders - Operation Supplies and Expense	14,420		0	0	0	0	0	0	0	14,420
5030	Overhead Subtransmission Feeders - Operation	42,189		0	0	0	0	0	0	0	42,189
5035	Overhead Distribution Transformers - Operation	9,477		0	0	0	0	0	0	0	9,477
5040	Underground Distribution Lines and Feeders - Operation Labour	0		0	0	0	0	0	0	0	0
5045	Underground Distribution Lines & Feeders - Operation Supplies & Expense	0		0	0	0	0	0	0	0	0
5050	Underground Subtransmission Feeders - Operation	0		0	0	0	0	0	0	0	0
5055	Underground Distribution Transformers - Operation	0		0	0	0	0	0	0	0	0
5060	Street Lighting and Signal System Expense	0		0	0	0	0	0	0	0	0
5065	Meter Expense	335,377		0	0	0	0	0	0	0	335,377
5070	Customer Premises - Operation Labour	69,576		0	0	0	0	0	0	0	69,576
5075	Customer Premises - Materials and Expenses	43,660		0	0	0	0	0	0	0	43,660
5085	Miscellaneous Distribution Expense	0		0	0	0	0	0	0	0	0
5090	Underground Distribution Lines and Feeders - Rental Paid	0		0	0	0	0	0	0	0	0
5095	Overhead Distribution Lines and Feeders - Rental Paid	0		0	0	0	0	0	0	0	0
5096	Other Rent	18,635		0	0	0	0	0	0	0	18,635
5105	Maintenance Supervision and Engineering	0		0	0	0	0	0	0	0	0
5110	Maintenance of Buildings and Fixtures - Distribution Stations	67,995		0	0	0	0	0	0	0	67,995
5112	Maintenance of Transformer Station Equipment	2,076		0	0	0	0	0	0	0	2,076
5114	Maintenance of Distribution Station Equipment	90,689		0	0	0	0	0	0	0	90,689
5120	Maintenance of Poles, Towers and Fixtures	14,221		0	0	0	0	0	0	0	14,221
5125	Maintenance of Overhead Conductors and Devices	1,029,623		0	0	0	0	0	0	0	1,029,623
5130	Maintenance of Overhead Services	11,309		0	0	0	0	0	0	0	11,309
5135	Overhead Distribution Lines and Feeders - Right of Way	1,600,000		0	0	0	0	0	0	0	1,600,000



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2-4 ADJUSTED ACCOUNTING DATA

This Sheet summarizes the adjustments entered on previous sheets and calculates the adjusted amounts to be used in rate calculations.

Acct. No.	Account Description	2007 Distribution (Before Adjustments) (from INPUT 2)	Adjust Amt. Assigned to Distribution by the Model enter amount of the adjustment	Tier 1 & Other Adjustments - Rate Base (from ADJ 1 and 1a)	Tier 2 Adjustments - Rate Base (from ADJ 2)	Tier 1 Adjustments - Distribution Expenses (from ADJ 3 and 3a)	Tier 2 Adjustments - Distribution Expenses (from ADJ 4)	Specific Distribution Expense Adjustments (from ADJ 5)	Tier 1 Adjustments - Revenue Amounts (from ADJ 6)	Total Adjustments	2007 Accounts as Adjusted for 2006 Rate Calculation <small>(and average of 06/07 for dist. assets &amp; wkg. cap. allow. calc.)</small>
		\$		\$	\$	\$	\$	\$	\$	\$	\$
5145	Maintenance of Underground Conduit	0		0	0	0	0		0	0	0
5150	Maintenance of Underground Conductors and Devices	0		0	0	0	0		0	0	0
5155	Maintenance of Underground Services	0		0	0	0	0		0	0	0
5160	Maintenance of Line Transformers	32,861		0	0	0	0		0	0	32,861
5165	Maintenance of Street Lighting and Signal Systems	0		0	0	0	0		0	0	0
5170	Sentinel Lights - Labour	0		0	0	0	0		0	0	0
5172	Sentinel Lights - Materials and Expenses	0		0	0	0	0		0	0	0
5175	Maintenance of Meters	17,000		0	0	0	0		0	0	17,000
5178	Customer Installations Expenses - Leased Property	0		0	0	0	0		0	0	0
5185	Water Heater Rentals - Labour	0		0	0	0	0		0	0	0
5186	Water Heater Rentals - Materials and Expenses	0		0	0	0	0		0	0	0
5180	Water Heater Controls - Labour	0		0	0	0	0		0	0	0
5192	Water Heater Controls - Materials and Expenses	0		0	0	0	0		0	0	0
5195	Maintenance of Other Installations on Customer Premises	0		0	0	0	0		0	0	0
5205	Purchase of Transmission and System Services	0		0	0	0	0		0	0	0
5210	Transmission Charges	0		0	0	0	0		0	0	0
5215	Transmission Charges - Recovered	0		0	0	0	0		0	0	0
5305	Streetlights	0		0	0	0	0		0	0	0
5310	Meter	313,031		0	0	0	0		0	0	313,031
5315	Customer Bill	481,643		0	0	0	0		0	0	481,643
5320	Collection	112,686		0	0	0	0		0	0	112,686
5325	Collection	0		0	0	0	0		0	0	0
5330	Collection	0		0	0	0	0		0	0	0
5335	Collection	67,000		0	0	0	0	0	0	0	67,000
5340	Miscellaneous	170,080		0	0	0	0		0	0	170,080
		0		0	0	0	0		0	0	0
		0		0	0	0	0		0	0	0
5415	Energy Conservation	0		0	0	0	0		0	0	0
		0		0	0	0	0		0	0	0
		0		0	0	0	0		0	0	0
5505	Supervision	0		0	0	0	0		0	0	0
5510	Demonstrating and Selling Expense	0		0	0	0	0		0	0	0
		8,000		0	0	0	0	0	0	0	8,000
5520	Miscellaneous Sales Expense	0		0	0	0	0		0	0	0





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Great Lakes Power Limited - Distribution

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**2-4 ADJUSTED ACCOUNTING DATA**

*This Sheet summarizes the adjustments entered on previous sheets and calculates the adjusted amounts to be used in rate calculations.*

Acct. No.	Account Description	2007 Distribution (Before Adjustments) <i>(from INPUT 2)</i>	Adjust Amt. Assigned to Distribution by the Model <i>enter amount of the adjustment</i>	Tier 1 & Other Adjustments - Rate Base <i>(from ADJ 1 and 1a)</i>	Tier 2 Adjustments - Rate Base <i>(from ADJ 2)</i>	Tier 1 Adjustments - Distribution Expenses <i>(from ADJ 3 and 3a)</i>	Tier 2 Adjustments - Distribution Expenses <i>(from ADJ 4)</i>	Specific Distribution Expense Adjustments <i>(from ADJ 5)</i>	Tier 1 Adjustments - Revenue Amounts <i>(from ADJ 6)</i>	Total Adjustments	2007 Accounts as Adjusted for 2006 Rate Calculation <i>(and average of 06/07 for dist. assets &amp; wkg. cap. allow. calc.)</i>
		\$		\$	\$	\$	\$	\$	\$	\$	\$

**GROUPED INPUT FOR CALCULATIONS:  
(Minimum Reporting Requirement)**

Land and Buildings	17,420,243	0	0	0	0	0	0	0	0	0	16,250,493
TS Primary Above 50	-0	0	0	0	0	0	0	0	0	0	0
DS	8,992,387	0	0	0	0	0	0	0	0	0	8,939,137
Poles, Wires	46,517,256	0	0	0	0	0	0	0	0	0	44,381,671
Line Transformers	8,254,433	0	0	0	0	0	0	0	0	0	8,194,433
Services and Meters	4,899,071	0	0	0	0	0	0	0	0	0	4,874,071
General Plant	667,551	0	0	0	0	0	0	0	0	0	667,551
Equipment	7,577,822	0	0	0	0	0	0	0	0	0	7,341,622
	5,810,118	0	0	0	0	0	0	0	0	0	5,585,868
CDM Expenditures and Recoveries	-0	0	0	0	0	0	0	0	0	0	0
Other Distribution Assets	2,150,996	0	0	0	0	0	0	0	0	0	2,150,996
Contributions and Grants	-0	0	0	0	0	0	0	0	0	0	0
Accumulated Amortization	-45,285,417	0	0	0	0	0	0	0	0	0	-43,861,415
Non-Distribution Asset	16,523	0	0	0	0	0	0	0	0	0	16,523
Unclassified Asset	-0	0	0	0	0	0	0	0	0	0	-0
Liability	-0	0	0	0	0	0	0	0	0	0	-0
Equity	-0	0	0	0	0	0	0	0	0	0	-0
	-14,430,192	0	0	0	0	0	0	0	0	0	-14,430,192
Distribution Services Revenue	-17,678,005	0	0	0	0	0	0	0	0	0	-17,678,005
Late Payment Charges	-5,700	0	0	0	0	0	0	0	0	0	-5,700
Special Service Charges	-0	0	0	0	0	0	0	0	0	0	-0
Other Distribution Revenue	-238,178	0	0	0	0	0	0	0	0	0	-238,178
Other Revenue - Unclassified	-0	0	0	0	0	0	0	0	0	0	-0
Other Income & Deductions	0	0	0	0	0	0	0	0	0	0	0
Power Supply Expenses (Working Capital)	14,430,192	0	0	0	0	0	0	0	0	0	14,430,192
Other Power Supply Expenses	-0	0	0	0	0	0	0	0	0	0	-0



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**Great Lakes Power Limited - Distribution**

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**2-4 ADJUSTED ACCOUNTING DATA**

*This Sheet summarizes the adjustments entered on previous sheets and calculates the adjusted amounts to be used in rate calculations.*

Acct. No.	Account Description	2007 Distribution (Before Adjustments) (from INPUT 2)	Adjust Amt. Assigned to Distribution by the Model enter amount of the adjustment	Tier 1 & Other Adjustments - Rate Base (from ADJ 1 and 1a)	Tier 2 Adjustments - Rate Base (from ADJ 2)	Tier 1 Adjustments - Distribution Expenses (from ADJ 3 and 3a)	Tier 2 Adjustments - Distribution Expenses (from ADJ 4)	Specific Distribution Expense Adjustments (from ADJ 5)	Tier 1 Adjustments - Revenue Amounts (from ADJ 6)	Total Adjustments	2007 Accounts as Adjusted for 2006 Rate Calculation <small>and average of 06/07 for dist. assets &amp; w/kg cap. allow. calc.1</small>
		\$		\$	\$	\$	\$	\$	\$	\$	\$
	Operation (Working Capital)	1,695,195	0	0	0	0	0	0	0	0	1,695,195
	Maintenance (Working Capital)	2,865,774	0	0	0	0	0	0	0	0	2,865,774
	Billing and Collection (Working Capital)	1,077,440	0	0	0	0	0	0	0	0	1,077,440
		-0	0	0	0	0	0	0	0	0	-0
	Community Relations - CDM (Working Capital)	-0	0	0	0	0	0	0	0	0	-0
		2,166,555	0	0	0	0	0	0	0	0	2,166,555
		115,760	0	0	0	0	0	0	0	0	115,760
		67,000	0	0	0	0	0	0	0	0	67,000
		8,000	0	0	0	0	0	0	0	0	8,000
		5,000	0	0	0	0	0	-5,000	0	-5,000	0
	Amortization of Assets	3,623,003	0	0	0	0	0	0	0	0	3,623,003
	Other Amortization - Unclassified	-0	0	0	0	0	0	0	0	0	-0
		-0	0	0	0	0	0	0	0	0	-0
	Income Tax Expense - Unclassified	-0	157,167	0	0	0	0	0	0	157,167	157,167
	Other Distribution Expenses	321,417	-157,167	0	0	0	0	0	0	-157,167	164,250
	Non-Distribution Expenses	-0	0	0	0	0	0	0	0	0	-0
		-0	0	0	0	0	0	0	0	0	-0
	Unclassified Expenses	51,044,044	0	0	0	0	0	-5,000	0	-5,000	48,559,211



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**2-4 ADJUSTED ACCOUNTING DATA**

*This Sheet summarizes the adjustments entered on previous sheets and calculates the adjusted amounts to be used in rate calculations.*

Acct. No.	Account Description	2007 Distribution (Before Adjustments) <i>(from INPUT 2)</i>	Adjust Amt. Assigned to Distribution by the Model <i>enter amount of the adjustment</i>	Tier 1 & Other Adjustments - Rate Base <i>(from ADJ 1 and 1a)</i>	Tier 2 Adjustments - Rate Base <i>(from ADJ 2)</i>	Tier 1 Adjustments - Distribution Expenses <i>(from ADJ 3 and 3a)</i>	Tier 2 Adjustments - Distribution Expenses <i>(from ADJ 4)</i>	Specific Distribution Expense Adjustments <i>(from ADJ 5)</i>	Tier 1 Adjustments - Revenue Amounts <i>(from ADJ 6)</i>	Total Adjustments	2007 Accounts as Adjusted for 2006 Rate Calculation <i>(and average of 06/07 for dist. assets &amp; vwhg. cap. allow. calc. 1)</i>
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$

**SUMMARY FINANCIAL INFORMATION**

**DISTRIBUTION ASSETS:**

Land and Buildings	17,420,243	0	0	0	0	0	0	0	0	0	16,250,493
TS Primary Above 50	-0	0	0	0	0	0	0	0	0	0	0
DS	8,992,387	0	0	0	0	0	0	0	0	0	8,939,137
Poles, Wires	46,517,256	0	0	0	0	0	0	0	0	0	44,381,671
Line Transformers	8,254,433	0	0	0	0	0	0	0	0	0	8,194,433
Services and Meters	4,899,071	0	0	0	0	0	0	0	0	0	4,874,071
General Plant	667,551	0	0	0	0	0	0	0	0	0	667,551
Equipment	7,577,622	0	0	0	0	0	0	0	0	0	7,341,622
IT Assets	5,810,118	0	0	0	0	0	0	0	0	0	5,585,868
CDM Assets	-0	0	0	0	0	0	0	0	0	0	0
Other Distribution Assets	2,150,996	0	0	0	0	0	0	0	0	0	2,150,996
Contributions and Grants	-0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL DISTRIBUTION ASSETS</b>	<b>102,289,678</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>98,385,843</b>

**NET FIXED DISTRIBUTION ASSETS:**

Total Distribution Assets (as above) - LESS:											
Accumulated Amortization	-45,285,417	0	0	0	0	0	0	0	0	0	-43,861,415
<b>NET FIXED DISTRIBUTION ASSETS</b>	<b>57,004,261</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>54,524,428</b>

**NET SALES REVENUE**

Sales of Electricity	-14,430,192	0	0	0	0	0	0	0	0	0	-14,430,192
Power Supply Expenses (Working Capital)	14,430,192	0	0	0	0	0	0	0	0	0	14,430,192
<b>SALES OF ELECTRICITY NET OF COST OF POWER</b>	<b>-0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-0</b>

**DISTRIBUTION REVENUE**

Distribution Services Revenue	-17,678,005	0	0	0	0	0	0	0	0	0	-17,678,005
Late Payment Charges	-5,700	0	0	0	0	0	0	0	0	0	-5,700
Specific Service Charges	-0	0	0	0	0	0	0	0	0	0	-0
Other Distribution Revenue	-238,178	0	0	0	0	0	0	0	0	0	-238,178
<b>TOTAL DISTRIBUTION REVENUE</b>	<b>-17,921,883</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-17,921,883</b>



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**2-4 ADJUSTED ACCOUNTING DATA**

This Sheet summarizes the adjustments entered on previous sheets and calculates the adjusted amounts to be used in rate calculations.

Acct. No.	Account Description	2007 Distribution (Before Adjustments) (from INPUT 2)	Adjust Amt. Assigned to Distribution by the Model enter amount of the adjustment	Tier 1 & Other Adjustments - Rate Base (from ADJ 1 and 1a)	Tier 2 Adjustments - Rate Base (from ADJ 2)	Tier 1 Adjustments - Distribution Expenses (from ADJ 3 and 3a)	Tier 2 Adjustments - Distribution Expenses (from ADJ 4)	Specific Distribution Expense Adjustments (from ADJ 5)	Tier 1 Adjustments - Revenue Amounts (from ADJ 6)	Total Adjustments	2007 Accounts as Adjusted for 2006 Rate Calculation <small>(and average of 06/07 for dist. assets &amp; w/kg cap. allow. calc.)</small>
		\$		\$	\$	\$	\$	\$	\$	\$	\$
<b>DISTRIBUTION EXPENSES (before PILS):</b>											
	Operation (Working Capital)	1,695,195	0	0	0	0	0	0	0	0	1,695,195
	Maintenance (Working Capital)	2,865,774	0	0	0	0	0	0	0	0	2,865,774
	Billing and Collection (Working Capital)	1,077,440	0	0	0	0	0	0	0	0	1,077,440
	Community Relations (Working Capital)	-0	0	0	0	0	0	0	0	0	-0
	Community Relations - CDM (Working Capital)	-0	0	0	0	0	0	0	0	0	-0
	Administrative and General Expenses (Working Capital)	2,166,555	0	0	0	0	0	0	0	0	2,166,555
	Insurance Expense (Working Capital)	115,760	0	0	0	0	0	0	0	0	115,760
	Bad Debt Expense (Working Capital)	67,000	0	0	0	0	0	0	0	0	67,000
	Advertising Expenses	8,000	0	0	0	0	0	0	0	0	8,000
	Charitable Contributions	5,000	0	0	0	0	0	-5,000	0	-5,000	0
	Amortization of Assets	3,623,003	0	0	0	0	0	0	0	0	3,623,003
	Other Distribution Expenses	321,417	-157,167	0	0	0	0	0	0	-157,167	164,250
	<b>TOTAL DISTRIBUTION EXPENSES (before PILS)</b>	<b>11,945,144</b>	<b>-157,167</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-5,000</b>	<b>0</b>	<b>-162,167</b>	<b>11,782,977</b>
<b>PILS AMOUNT</b>											
<b>WORKING CAPITAL CALCULATION</b>											
<b>Cost of Power</b>											
	Power Supply Expenses (Working Capital)	14,430,192	0	0	0	0	0	0	0	0	14,430,192
	<b>TOTAL COST OF POWER</b>	<b>14,430,192</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>14,430,192</b>
<b>Expenses</b>											
	Operation (Working Capital)	1,695,195	0	0	0	0	0	0	0	0	1,695,195
	Maintenance (Working Capital)	2,865,774	0	0	0	0	0	0	0	0	2,865,774
	Billing and Collection (Working Capital)	1,077,440	0	0	0	0	0	0	0	0	1,077,440
	Community Relations (Working Capital)	0	0	0	0	0	0	0	0	0	0
	Community Relations - CDM (Working Capital)	0	0	0	0	0	0	0	0	0	0
	Administrative and General Expenses (Working Capital)	2,166,555	0	0	0	0	0	0	0	0	2,166,555
	Insurance Expense (Working Capital)	115,760	0	0	0	0	0	0	0	0	115,760
	Bad Debt Expense (Working Capital)	67,000	0	0	0	0	0	0	0	0	67,000
	Advertising Expenses	8,000	0	0	0	0	0	0	0	0	8,000
	Charitable Contributions	5,000	0	0	0	0	0	-5,000	0	-5,000	0
	Other Distribution Expenses	321,417	-157,167	0	0	0	0	0	0	-157,167	164,250
	<b>TOTAL EXPENSES</b>	<b>8,322,141</b>	<b>-157,167</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-5,000</b>	<b>0</b>	<b>-162,167</b>	<b>8,159,974</b>
	<b>TOTAL FOR WORKING CAPITAL CALCULATION</b>	<b>22,752,333</b>	<b>-157,167</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-5,000</b>	<b>0</b>	<b>-162,167</b>	<b>22,590,166</b>



**2-5 CAPITAL EXPENDITURES**

The information at the top of the sheet is based on the trial balance data and is provided to assist in completing Schedule 4-1.

Account Number	Account Description	2006	2007	Change from 2006 to 2007	Grouping
		Before Adjustments ("Utility Only" from Sheet 2)	Before Adjustments ("Utility Only" from Sheet 2)		
		\$	\$	\$	
1565	Conservation and Demand Management Expenditures a	0	0	0	CDM Expenditures and Recoveries
1608	Franchises and Consents	0	0	0	Other Distribution Assets
1805	Land	841,604	841,604	0	Land and Buildings
1806	Land Rights	7,705,877	9,720,877	2,015,000	Land and Buildings
1808	Buildings and Fixtures	6,533,263	6,857,763	324,500	Land and Buildings
1810	Leasehold Improvements	0	0	0	Land and Buildings
1815	Transformer Station Equipment - Normally Primary above	0	0	0	TS Primary Above 50
1820	Distribution Station Equipment - Normally Primary below	8,885,887	8,992,387	106,500	DS
1825	Storage Battery Equipment	0	0	0	Other Distribution Assets
1830	Poles, Towers and Fixtures	28,104,684	29,951,390	1,846,706	Poles, Wires
1835	Overhead Conductors and Devices	13,681,303	16,105,767	2,424,464	Poles, Wires
1840	Underground Conduit	0	0	0	Poles, Wires
1845	Underground Conductors and Devices	460,099	460,099	0	Poles, Wires
1850	Line Transformers	8,134,433	8,254,433	120,000	Line Transformers
1855	Services	2,691,713	2,691,713	0	Services and Meters
1860	Meters	2,157,358	2,207,358	50,000	Services and Meters
1905	Land	0	0	0	Land and Buildings
1906	Land Rights	0	0	0	Land and Buildings
1908	Buildings and Fixtures	667,551	667,551	0	General Plant
1910	Leasehold Improvements	0	0	0	General Plant
1915	Office Furniture and Equipment	779,264	779,264	0	Equipment
1920	Computer Equipment - Hardware	3,522,537	3,971,037	448,500	IT Assets
1925	Computer Software	1,839,081	1,839,081	0	IT Assets
1930	Transportation Equipment	4,244,121	4,694,121	450,000	Equipment
1935	Stores Equipment	0	0	0	Equipment
1940	Tools, Shop and Garage Equipment	1,346,733	1,368,733	22,000	Equipment
1945	Measurement and Testing Equipment	230,701	230,701	0	Equipment
1950	Power Operated Equipment	0	0	0	Equipment
1955	Communication Equipment	393,688	393,688	0	Equipment
1960	Miscellaneous Equipment	111,116	111,116	0	Equipment
1970	Load Management Controls - Customer Premises	0	0	0	Other Distribution Assets
1975	Load Management Controls - Utility Premises	0	0	0	Other Distribution Assets
1980	System Supervisory Equipment	0	0	0	Other Distribution Assets
1990	Other Tangible Property	2,150,996	2,150,996	0	Other Distribution Assets
1995	Contributions and Grants - Credit	0	0	0	Contributions and Grants
2005	Property Under Capital Leases	0	0	0	Other Distribution Assets
2010	Electric Plant Purchased or Sold	0	0	0	Other Distribution Assets
2050	Completed Construction Not Classified--Electric	0	0	0	Other Distribution Assets
2105	Accum. Amortization of Electric Utility Plant - Property, P	-42,437,414	-45,285,417	-2,848,003	Accumulated Amortization
2120	Accumulated Amortization of Electric Utility Plant - Intang	0	0	0	Accumulated Amortization
		<u>52,061,117</u>	<u>57,020,784</u>	<u>4,959,667</u>	





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**2-5 CAPITAL EXPENDITURES**

*The information at the top of the sheet is based on the trial balance data and is provided to assist in completing Schedule 4-1.*

**GROUPED**

Land and Buildings	15,080,743	17,420,243	<b>2,339,500</b>	1805, 1806, 1808, 1810, 1905, 1906
TS Primary Above 50	-0	-0	0	1815
DS	8,885,887	8,992,387	<b>106,500</b>	1820
Poles, Wires	42,246,086	46,517,256	<b>4,271,170</b>	1830, 1835, 1840, 1845
Line Transformers	8,134,433	8,254,433	<b>120,000</b>	1850
Services and Meters	4,849,071	4,899,071	<b>50,000</b>	1855, 1860
General Plant	667,551	667,551	0	1908, 1910
Equipment	7,105,622	7,577,622	<b>472,000</b>	1915, 1930, 1935, 1940, 1945, 1950, 1955, 1960
IT Assets	5,361,618	5,810,118	<b>448,500</b>	1920, 1925
Other Distribution Assets	2,150,996	2,150,996	0	1608, 1825, 1970, 1975, 1980, 1990, 2005, 2010,
Contributions and Grants	-0	-0	0	1995
	<b>94,482,008</b>	<b>102,289,678</b>	<b>7,807,670</b>	

**MATERIALITY CALCULATION:**

<b>Materiality Threshold 1:</b>	
Net Fixed Assets (Before Adjustment) from Sheet 2-2	57,004,261
Materiality Factor	0.2%
	<b>114,009</b>
<b>Materiality Threshold 2:</b>	
Rate Base	57,912,953
<b>under \$100 million</b>	<b>75,000</b>
\$100 million - \$250 million	150,000
\$250 million - \$1 billion	300,000
greater than \$1 billion	500,000
<b>Materiality (lesser of Threshold 1 and 2)</b>	<b>75,000</b>



EDR 2006 MODEL (ver. 2.1)

## Great Lakes Power Limited - Distribution

ED-1999-0227 (EB-2005-0369, RP-2005-0020)

August 24, 2007

### 3-1 RATE BASE

<b>Net Fixed Assets</b>		<b>54,524,428</b>
-------------------------	--	-------------------

### Working Capital Allowance

Working Capital ( <i>from Sheet "2-4 ADJUSTED ACCOUNTING DATA"</i> )	22,590,166	
Working Capital Allowance @ 15%	<u>3,388,525</u>	<b>3,388,525</b>

<b>RATE BASE</b>		<b>57,912,953</b>
------------------	--	-------------------

Fixed Assets for Conservation and Demand Management <sup>1</sup>		0
--	--	---

Smart Meters		0
--------------	--	---

<sup>1</sup> Include reference to Board-Approved CDM Application



**3-2 COST OF CAPITAL (Input)**

**Cost of Capital**

**Deemed Debt Rate and D/E Structures**

Rate Base: (from Sheet Ratebase Calc.)	\$57,912,953
Size of LDC (based on Rate Base)	Small
Debt Rate (based on Size)	6.25%
Deemed Debt (based on Size)	50%
Deemed Equity (based on Size)	50%

**Table 3-1  
Deemed Common Equity and Debt Ratios and Debt Cost Rates**

Size of Utility Rate Base	Descriptor	Equity	Debt	DR
		CER %	(1-CER)%	
Greater than \$1.0 Billion	Large	35%	65%	5.80%
Between \$250 Million and \$1.0 Billion	Medium-Large	40%	60%	5.90%
Between \$100 Million and \$250 Million	Medium-Small	45%	55%	6.00%
Under \$100 Million	Small	50%	50%	6.25%

**Debt Rate (DR)**

Deemed or proposed Debt Rate for Revenue Requirement calculation.	6.25%
---	-------

Weighted debt rate calculated on Weighted Debt Cost (%)	0.00%
---	-------

**Return on Equity**

Utility's Proposed ROE	9.00%
Allowed ROE for Revenue Requirement Calculation	9.00%
Target ROE per Board	9.00%

**Cost of Capital**

Cost of Capital	7.63%
-----------------	-------



EDR 2006 MODEL (ver. 2.1)

## Great Lakes Power Limited - Distribution

ED-1999-0227 (EB-2005-0369, RP-2005-0020)

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### 5-1 SERVICE REVENUE REQUIREMENT

*This sheet calculates the Revenue Requirement using adjusted information from previous sheets and brings in the income tax amount from the PILS Model.*

	\$	\$
<u>Rate Base</u> (from sheet 3-1)	57,912,953	
x <u>Cost of Capital</u> (from sheet 3-2)	7.63%	
<b>Return on Ratebase</b>		<u>4,415,863</u>
<b>Distribution Expenses</b> (from sheet "2-4 ADJUSTED ACCOUNTING DATA")		11,782,977
<b>Revenue Requirement Before Income Taxes</b>		<u>16,198,839</u>
Income & Capital Taxes (Exhibit 4, Tab 3, Schedule 1) & (Exhibit 4, Tab 2, Schedule 8) respectively		<u>1,723,044</u>
<b>SERVICE REVENUE REQUIREMENT</b>		<u><u>17,921,883</u></u>



**EDR 2006 MODEL (ver. 2.1)**  
**Great Lakes Power Limited - Distribution**

ED-1999-0227 (EB-2005-0369, RP-2005-0020)

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**5-2 SPECIFIC SERVICE CHARGES (Input)**

Rate Code	Description	Standard Amount (Rate) \$	Applicable?	Test Year Volume (3 yr. avg.)	Calc'd. Amt. - Std. Formula \$	Alternate Amount (if applic.) \$	Calc. Method (attach. calc. & justification)	Amount for Rate Calculations \$
1	Arrears certificate	15.00		134	2,010.00		Standard	2,010.00
2	Statement of account	15.00		0	0.00		Standard	0.00
3	Pulling post dated cheques	15.00		0	0.00		Standard	0.00
4	Duplicate invoices for previous billing	15.00		0	0.00		Standard	0.00
5	Request for other billing information	15.00		0	0.00		Standard	0.00
6	Easement letter	15.00		0	0.00		Standard	0.00
7	Income tax letter	15.00		0	0.00		Standard	0.00
8	Notification charge	15.00		3,234	48,510.00		Standard	48,510.00
9	Account history	15.00		0	0.00		Standard	0.00
10	Credit reference/credit check (plus credit agency costs)	15.00		0	0.00		Standard	0.00
11	Returned cheque charge (plus bank charges)	15.00		60	895.00		Standard	895.00
12	Charge to certify cheque	15.00		0	0.00		Standard	0.00
13	Legal letter charge	15.00		31	460.00		Standard	460.00
14	Account set up charge/change of occupancy charge (plus credit agency)	30.00		906	27,170.00		Standard	27,170.00
15	Special meter reads	30.00		382	11,460.00		Standard	11,460.00
16	Collection of account charge - no disconnection	30.00		37	1,110.00		Standard	1,110.00
17	Collection of account charge - no disconnection - after regular hours	165.00		0	0.00		Standard	0.00
18	Disconnect/Reconnect at meter - during regular hours	65.00		115	7,475.00		Standard	7,475.00
19	Install/Remove load control device - during regular hours	65.00		9	585.00		Standard	585.00
20	Disconnect/Reconnect at meter - after regular hours	185.00		0	0.00		Standard	0.00
21	Install/Remove load control device - after regular hours	185.00		0	0.00		Standard	0.00
22	Disconnect/Reconnect at pole - during regular hours	185.00		8	1,480.00		Standard	1,480.00
23	Disconnect/Reconnect at pole - after regular hours	415.00		0	0.00		Standard	0.00
24	Meter dispute charge plus Measurement Canada fees (if meter found correct)	30.00		4	120.00		Standard	120.00
25	Service call - customer-owned equipment	30.00		0	0.00		Standard	0.00
26	Service call - after regular hours	165.00		0	0.00		Standard	0.00
27	Temporary service install & remove - overhead - no transformer	500.00		0	0.00		Standard	0.00
28	Temporary service install & remove - underground - no transformer	300.00		0	0.00		Standard	0.00
29	Temporary service install & remove - overhead - with transformer	1,000.00		0	0.00		Standard	0.00
30	Specific Charge for Access to the Power Poles \$/pole/year	22.35		10,433	233,177.55		Standard	233,177.55
<b>Total Specific Service Charge Revenue</b>					<b>334,452.55</b>			<b>334,452.55</b>



**5-3 OTHER REGULATED CHARGES (Input)**

Description	HANDBOOK REF.	Charge Determinant	Total \$	Comments
RETAIL SERVICES REVENUE				
Establishing Service Agreements	12.2.1	}		
Distributor-Consolidated Billing	12.2.2		0	account 4082
Retailer-Consolidated Billing	12.2.3			
SERVICE TRANSACTION REQUEST REVENUES	12.2.4		0	account 4084
RPP (formerly SSS)ADMINISTRATION CHARGE REVENUE	12.1			account 4080b
DISTRIBUTION WHEELING SERVICE REVENUE	10.7		0	account 4080c, if applicable in 2004
OTHER COMPONENTS OF "OTHER DISTRIBUTION REVENUE"			238,178	accounts 4090, 4205-4215, 4220, 4240-5
<b>OTHER DISTRIBUTION REVENUE</b>			<b>238,178</b>	

**5-5 BASE REVENUE REQUIREMENT**

	<u>\$</u>	<u>\$</u>
<b>Service Revenue Requirement</b> <i>(from Sheet 5-1)</i>		17,921,883
<b>LESS:</b>		
<b>Revenue Offsets:</b>		
<b>Board Approved Charges</b>		
Specific Service Charges <i>(from Sheet 5-2)</i>	101,275	
Late Payment Charges <i>(from Sheet 2-4 ADJUSTED ACCOUNTING DATA)</i>	5,700	
Other Distribution Revenue <i>(from Sheet 5-3)</i>	238,178	
Other Income & Deductions <i>(from Sheet 2-4 ADJUSTED ACCOUNTING DATA)</i>	-0	
	<hr/>	
<b>TOTAL REVENUE OFFSETS</b>	345,153	345,153
<b>Base Revenue Requirement</b>		<hr/> <b>17,576,730</b> <hr/>
<i>(defined as SERVICE REVENUE REQUIREMENT NET OF REVENUE OFFSETS)</i>		

Base Revenue Requirement is allocated to classes in three portions:

<b>B.R.R. #1:</b> Base Revenue Requirement net of B.R.R. #2 and #3 (below)	17,576,730
<b>B.R.R. #2:</b> Low Voltage Wheeling Costs (Embedded Distributors only) <i>(from Sheet ADJ3, item 5)</i>	0
<b>B.R.R. #3:</b> Directly assigned CDM <i>(from Sheet 5-4)</i>	0
<b>Base Revenue Requirement (as above)</b>	<hr/> <b>17,576,730</b> <hr/>



EDR 2006 MODEL (ver. 2.1)

**Great Lakes Power Limited - Distribution**

ED-1999-0227 (EB-2005-0369, RP-2005-0020)

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**6-2 DEMAND, RATES (Input)**

*Enter customer numbers and demand data for 2005, 2006 and 2007*

*Enter 2004 and 2005 rates*

	Number of Customers	Demand Data - kWh	Demand Data - kW
	2007	2007	2007
	#	kWh	kW
<b>RESIDENTIAL</b>			
Regular	6,782	75,791,926	
Other (specify) . . . . . Seasonal	3,707	11,746,043	
<b>GENERAL SERVICE</b>			
Less than 50 kW	958	28,636,380	
Greater than 50 kW (to 3000 kW)	46		130,265
Other > 50 kW (specify) .Large Customer A			
Other > 50 kW (specify) .Large Customer B			
Intermediate Use			
Large Use (> 5000 kW)	1		67,126
Street Lighting	99	1,010,306	
<b>TOTALS</b>	11,593	117,184,655	197,392





EDR 2006 MODEL (ver.  
Great Lakes Power L

ED-1999-0227 (EB-2005-036

August 24, 2007

**6-2 DEMAND, RATES (Input)**

*Enter customer numbers and demand data for 2005, 2006 and 2007*

*Enter 2004 and 2005 rates*

	Volumetric Rate Type	2004 Rates "Sheet 2"			2005 Rates "Sheet 5"			2005 Rates "Sheet 9"		
		Distribution Rate kWh	Distribution Rate kW	Mthly Service Chrg (Per Cust. or Connection)	Distribution Rate kWh	Distribution Rate kW	Mthly Service Chrg (Per Cust. or Connection)	Distribution Rate kWh	Distribution Rate kW	Mthly Service Chrg (Per Cust. or Connection)
		\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>RESIDENTIAL</b>										
Regular	kWh	0.0200		19.97	0.0226		19.97	0.0297		19.97
Other (specify) . . . . . Seasonal	kWh	0.0400		22.63	0.0426		22.63	0.0497		22.63
<b>GENERAL SERVICE</b>										
Less than 50 kW	kWh	0.0360		26.09	0.0377		26.09	0.0418		26.09
Greater than 50 kW (to 3000 kW)	kW	0.0000	2.0000	583.29	0.0000	2.9307	583.29	0.0000	2.4796	583.29
Other > 50 kW (specify) .Large Customer A	kW		8.5000	557.42		9.0235	557.42		10.0759	557.42
Other > 50 kW (specify) .Large Customer B	kW		8.5000	2,792.65		9.0772	2,792.65			
Intermediate Use	kW									
Large Use (> 5000 kW)	kW		8.5000	2,792.65		9.0772	2,792.65		9.9463	2,792.65
Street Lighting	kWh	0.0327	0.0000	0.00	0.0338	0.0000	0.00	0.0366	0.0000	0.00
<b>TOTALS</b>										



EDR 2006 MODEL (ver. 2.1)

**Great Lakes Power Limited - Distribution**

ED-1999-0227 (EB-2005-0369, RP-2005-0020)

August 24, 2007

**6-3 Transformer Ownership (Input)**

	2005			2006			2007		
	kW	\$/kW	\$	kW	\$/kW	\$	kW	\$/kW	\$
<b>RESIDENTIAL</b>									
Regular			0.00			0.00			0.00
Other (specify) . . . . . Seasonal			0.00			0.00			0.00
<b>GENERAL SERVICE</b>									
Less than 50 kW			0.00			0.00			0.00
Greater than 50 kW (to 3000 kW)	53,831	0.60	32,298.36	60,435	0.60	36,261.23	57,133	0.60	34,279.80
Other > 50 kW (specify) .Large Customer A			0.00			0.00			0.00
Other > 50 kW (specify) .Large Customer B			0.00			0.00			0.00
Intermediate Use			0.00			0.00			0.00
Large Use (> 5000 kW)			0.00			0.00			0.00
Street Lighting			0.00			0.00			0.00
<b>TOTALS</b>	<b>53,831</b>		<b>32,298.36</b>	<b>60,435</b>		<b>36,261.23</b>	<b>57,133</b>		<b>34,279.80</b>



EDR 2006 MODEL (ver. 2.1)  
**Great Lakes Power Limited - Distribution**

ED-1999-0227 (EB-2005-0369, RP-2005-0020)

August 24, 2007

**7-1 ALLOCATION - Base Revenue Requirement**

*B.R.R. #1 from Sheet 5-5  
(not including amounts related to Low  
Voltage Wheeling Costs and CDM)*

Amount allocated on this sheet--  
Base Revenue Requirement B.R.R. #1  
\$17,576,730

	Number of Customers (Connections)	kWh per Customer	Calculated kWh	kW per Customer	Calculated kW
	2007 Customer count	2007	2007 kWh	2007	2007 cust. count x 3 yr average per cust.
<b>RESIDENTIAL</b>					
Regular	6,782	11,175.5	75,791,926	0.0	0
Other (specify) . . . . . Seasonal	3,707	3,168.6	11,746,043	0.0	0
Less than 50 kW	858	29,891.8	28,636,380	0.0	0
Greater than 50 kW (to 3000 kW)	48	0.0	0	2,831.9	130,265
Other > 50 kW (specify) .Large Customer A	0	0.0	0	0.0	0
Other > 50 kW (specify) .Large Customer B	0	0.0	0	0.0	0
Intermediate Use	0	0.0	0	0.0	0
Large Use (> 5000 kW)	1	0.0	0	67,126.4	67,126
Street Lighting	99	10,205.1	1,010,306	0.0	0
<b>TOTALS</b>	11,593		117,184,655		197,392



**7-1 ALLOCATION - Base Revenue Require**

*B.R.R. #1 from Sheet 5-5  
 (not including amounts related to Low  
 Voltage Wheeling Costs and CDM)*

Amount allocated on this sheet --  
 Base Revenue Requirement B.R.R. #1  
 \$17,576,730

	Calculated Revenue for Allocation to Customer Classes: Consumption determinants x Rates for 2004 test year "Sheet 2"				Allocation to Customer Classes %  Total for customer class as % of Total for all classes	Calculated Revenue for Allocation between Fixed and Variable: Consumption determinants x Rates for 2005 "Sheet 5"				Allocation between Fixed and Variable %		
	Volumetric kWh (\$)	Volumetric kW (\$)	Monthly Fixed Charges (\$)	Total (\$)		Volumetric kWh (\$)	Volumetric kW (\$)	Monthly Fixed Charges (\$)	Total (\$)	Volumetric as percent of Total for customer class	Fixed charges as percent of total for customer class	
<b>RESIDENTIAL</b>												
Regular	1,515,839	0	3,944,682	5,460,521	57.55%	1,712,898	0	3,959,046	5,671,944	30.20%	69.80%	100.00%
Other (specify) . . . . . Seasonal	469,842	0	1,006,673	1,476,515	15.56%	500,381	0	1,006,673	1,507,054	33.20%	66.80%	100.00%
Less than 50 kW	1,030,910	0	299,931	1,330,840	14.03%	1,079,592	0	299,931	1,379,522	78.26%	21.74%	100.00%
Greater than 50 kW (to 3000 kW)	0	260,530	321,976	582,507	6.14%	0	381,768	321,976	703,744	54.25%	45.75%	100.00%
Other > 50 kW (specify) Large Customer A	0	0	0	0	0.00%	0	0	0	0	0.00%	0.00%	0.00%
Other > 50 kW (specify) Large Customer B	0	0	0	0	0.00%	0	0	0	0	0.00%	0.00%	0.00%
Intermediate Use	0	0	0	0	0.00%	0	0	0	0	0.00%	0.00%	0.00%
Large Use (> 5000 kW)	0	570,574	33,512	604,086	6.37%	0	609,320	33,512	642,831	94.79%	5.21%	100.00%
Street Lighting	33,037	0	0	33,037	0.35%	34,148	0	0	34,148	100.00%	0.00%	100.00%
<b>TOTALS</b>	<b>3,049,627</b>	<b>831,105</b>	<b>5,606,774</b>	<b>9,487,505</b>	<b>100.00%</b>	<b>3,327,019</b>	<b>991,088</b>	<b>5,621,138</b>	<b>9,939,245</b>	<b>43.45%</b>	<b>56.55%</b>	<b>100.00%</b>



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Great Lakes F

ED-1999-0227 (EB)

August 24, 2007

**7-1 ALLOCATION - Base Revenue Require**

*B.R.R. #1 from Sheet 5-5*

*(not including amounts related to Low Voltage Wheeling Costs and CDM)*

Amount allocated on this sheet:-  
Base Revenue Requirement B.R.R. #1

\$17,576,730

**RESIDENTIAL**

	Overall Allocation to Classes	Variable Component	Fixed Component
Regular	10,135,993	3,061,017	7,074,976
Other (specify) . . . . . Seasonal	2,740,754	910,002	1,830,752
Less than 50 kW	2,470,348	1,933,254	537,094
Greater than 50 kW (to 3000 kW)	1,081,267	586,567	494,700
Other > 50 kW (specify) .Large Customer A	0	0	0
Other > 50 kW (specify) .Large Customer B	0	0	0
Intermediate Use	0	0	0
Large Use (> 5000 kW)	1,121,324	1,062,867	58,456
Street Lighting	61,324	61,324	0
<b>TOTALS</b>	<b>17,811,010</b>	<b>7,815,032</b>	<b>9,995,978</b>
	-34,280	<< Less Transformer Credit	
	17,576,730	<< Base Revenue Req. B.R.R.#1	

Base Revenue Requirement Allocated (adjusted for Transformer Credit)		
Overall Allocation to Classes	Variable Component	Fixed Component
Regular	3,061,017	7,074,976
Other (specify) . . . . . Seasonal	910,002	1,830,752
Less than 50 kW	1,933,254	537,094
Greater than 50 kW (to 3000 kW)	586,567	494,700
Other > 50 kW (specify) .Large Customer A	0	0
Other > 50 kW (specify) .Large Customer B	0	0
Intermediate Use	0	0
Large Use (> 5000 kW)	1,062,867	58,456
Street Lighting	61,324	0
<b>TOTALS</b>	<b>7,815,032</b>	<b>9,995,978</b>
	<< Less Transformer Credit	
	<< Base Revenue Req. B.R.R.#1	



EDR 2006 MODEL (ver. 2.1)

**Great Lakes Power Limited - Distribution**

ED-1999-0227 (EB-2005-0369, RP-2005-0020)

August 24, 2007

**8-1 RATES - BASE REVENUE REQUIREMENT**

*Excluding amounts related to Low Voltage / Wheeling Adjustments (Embedded Distributors) and CDM*

Number of Customers (Connections)	kWh	kW	Base Revenue Requirement Allocated from Sheet 7-1		Base Rates - Requirement <i>divided</i> by consumption for test yr.				
			Variable Component	Fixed Component	Volumetric Rate Type	Rate per kWh \$	Rate per kW \$	Fixed service charge \$	
2007 Customer count	2007 cust. count x 3 yr per cust. avg. kWh	2007 cust. count x 3 yr per cust. avg. kW							
<b>RESIDENTIAL</b>									
Regular	6,782	75,791,926	0	3,061,017	7,074,976	kWh	0.0404	0.0000	86.93
Other (specify) . . . . . Seasonal	3,707	11,746,043	0	910,002	1,830,752	kWh	0.0775	0.0000	41.16
<b>GENERAL SERVICE</b>									
Less than 50 kW	958	28,636,380	0	1,933,254	537,094	kWh	0.0675	0.0000	46.72
Greater than 50 kW (to 3000 kW)	46	0	130,265	586,567	494,700	kW	0.0000	4.5029	896.20
Other > 50 kW (specify) .Large Customer A	0	0	0	0	0	kW	0.0000	0.0000	0.00
Other > 50 kW (specify) .Large Customer B	0	0	0	0	0	kW	0.0000	0.0000	0.00
Intermediate Use	0	0	0	0	0	kW	0.0000	0.0000	0.00
Large Use (> 5000 kW)	1	0	67,126	1,062,867	58,456	kW	0.0000	15.8338	4871.36
Street Lighting	99	1,010,306	0	61,324	0	kWh	0.0607	0.0000	0.00
<b>TOTALS</b>	<b>11,593</b>	<b>117,184,655</b>	<b>197,392</b>	<b>7,615,032</b>	<b>9,995,978</b>				

# **Schedule 1-3-1**

## **Finance**

Financial Statements (Historical)

Financial Statements

**GREAT LAKES POWER LIMITED DISTRIBUTION DIVISION**  
December 31, 2006





Deloitte & Touche LLP  
BCE Place  
181 Bay Street  
Suite 1400  
Toronto ON M5J 2V1  
Canada

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[www.deloitte.ca](http://www.deloitte.ca)

## Auditors' Report

To the Directors of  
Great Lakes Power Limited

We have audited the balance sheet of Great Lakes Power Limited Distribution Division (the "Division") as at December 31, 2006 and the statements of capital account, operations, and cash flows for the year then ended. These financial statements are the responsibility of the Division's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Division as at December 31, 2006 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

*Deloitte & Touche LLP*

Chartered Accountants  
Licensed Public Accountants

Toronto, Canada  
March 22, 2007

# GREAT LAKES POWER LIMITED DISTRIBUTION DIVISION

## BALANCE SHEET

As at December 31

<i>thousands of CDN dollars</i>	Notes	2006	2005
<b>Assets</b>			
<i>Current assets</i>			
Cash		\$ 1,215	\$ 586
Accounts and interest receivable	7	7,053	6,432
Due from related parties	3	657	17
Prepaid expenses and other		85	91
Materials and supplies		1,280	1,067
		<b>10,290</b>	<b>8,193</b>
<b>Regulatory assets</b>	7	<b>1,266</b>	156
<b>Rate mitigation accrual</b>	7	<b>11,070</b>	8,486
<b>Property, plant and equipment</b>	4	<b>52,467</b>	49,036
		<b>\$ 75,093</b>	<b>\$ 65,871</b>
<b>Liabilities and Capital Account</b>			
<i>Current liabilities</i>			
Accounts and other payables		\$ 3,817	\$ 2,264
Taxes payable		4,449	4,119
Current portion of due to related parties	3	-	4,434
		<b>8,266</b>	<b>10,817</b>
<b>Due to related parties</b>	3	<b>12,394</b>	-
<b>Regulatory liabilities</b>	7	<b>560</b>	924
<b>Operating debt facility</b>	3	<b>12,000</b>	12,000
<b>Capital debt facility</b>	3	<b>20,500</b>	20,500
		<b>53,720</b>	<b>44,241</b>
<b>Capital account</b>		<b>21,373</b>	21,630
		<b>\$ 75,093</b>	<b>\$ 65,871</b>

*See accompanying notes to the financial statements.*

**GREAT LAKES POWER LIMITED DISTRIBUTION DIVISION  
STATEMENT OF CAPITAL ACCOUNT**

**Year ended December 31**

<i>thousands of CDN dollars</i>	<b>2006</b>	<b>2005</b>
Balance, beginning of year	\$ 21,630	\$ 21,898
Net loss	(257)	(268)
<b>Balance, end of year</b>	<b>\$ 21,373</b>	<b>\$ 21,630</b>

*See accompanying notes to the financial statements.*

**GREAT LAKES POWER LIMITED DISTRIBUTION DIVISION**  
**STATEMENT OF OPERATIONS**  
Year ended December 31

<i>thousands of CDN dollars</i>	Notes	2006	2005
<b>Revenues</b>			
Total revenue		\$ 26,952	\$ 26,605
Less: Purchased power		(14,067)	(13,878)
Net operating revenue		<b>12,885</b>	12,727
<b>Expenses</b>			
Operating and administrative		4,881	4,552
Maintenance		2,871	2,970
Interest	3	1,178	1,408
Depreciation		3,465	3,328
Taxes, other than income taxes		348	314
		<b>12,743</b>	12,572
Net operating income		<b>142</b>	155
(Loss) gain on disposal of property, plant and equipment		(155)	7
Net (loss) income before income taxes		(13)	162
Income taxes - current	2	244	430
<b>Net loss</b>		<b>\$ (257)</b>	<b>\$ (268)</b>

*See accompanying notes to the financial statements.*

**GREAT LAKES POWER LIMITED DISTRIBUTION DIVISION**  
**STATEMENT OF CASH FLOWS**  
Year ended December 31

<i>thousands of CDN dollars</i>	Notes	2006	2005
<b>Operating activities</b>			
Net loss		\$ (257)	\$ (268)
Items not affecting cash			
Depreciation		3,465	3,328
Loss (gain) on disposal of property, plant and equipment		155	(7)
Net change in non-cash working capital	6	(3,681)	(665)
		(318)	2,388
<b>Investing activities</b>			
Proceeds on disposition of property, plant and equipment		-	41
Additions to property, plant and equipment		(7,051)	(5,495)
		(7,051)	(5,454)
<b>Financing activities</b>			
Due to related parties		7,998	1,479
Operating debt facility	3	-	2,000
		7,998	3,479
Increase in cash		629	413
Cash, beginning of year		586	173
Cash, end of year		\$ 1,215	\$ 586
<b>Supplementary information</b>			
Income taxes paid during the year		\$ -	\$ 100

*See accompanying notes to the financial statements.*

# GREAT LAKES POWER LIMITED DISTRIBUTION DIVISION

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2006

*(in thousands of CDN dollars)*

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared on the basis that the Distribution Division (the "Division") of Great Lakes Power Limited operates as a separate legal entity. The Division is engaged in the distribution of electricity to the area adjacent to Sault Ste. Marie, Canada and is subject to the regulations of the Ontario Energy Board (the "OEB"). These divisional statements have been prepared, for the purpose of complying with Section 2.1.6 of the Electricity Reporting and Record Keeping Requirements, in accordance with the accounting principles prescribed in the OEB Accounting Procedures Handbook (the "OEB Handbook") and in accordance with Canadian generally accepted accounting principles. These financial statements do not include all of the assets, liabilities, revenues and expenses of Great Lakes Power Limited ("GLPL").

The following accounting policies have been applied in the preparation of these financial statements:

*(a) Property, plant and equipment*

Property, plant and equipment are carried at cost, less accumulated depreciation. Depreciation has been calculated on the cost of the distribution assets on a straight-line basis at rates prescribed in the OEB Handbook as follows:

	Method	Rate
Buildings	Straight-line	5 to 50 years
Equipment	Straight-line	5 to 25 years
Distribution stations, towers and related fixtures	Straight-line	25 to 40 years

The Division reviews long-lived assets for other than temporary impairment whenever events or changes in circumstances indicate the carrying amount may not be recoverable. The determination of whether impairment has occurred is based on an estimate of undiscounted cash flows attributable to the assets, as compared to the carrying value of the assets. Should an asset be considered to be impaired, an impairment loss is recognized in an amount equal to the excess of the asset's carrying value over its fair value.

*(b) Pension and Employee Future Benefits*

The cost of retirement benefits for the Division's defined benefit pension plans and post-employment benefits is recognized as the benefits are earned by employees. The Division uses the projected benefit method pro-rated on the length of service and management's best estimate assumptions to value its pension and other retirement benefits. Assets are valued at fair value for purposes of calculating the expected return on plan assets. Past service costs resulting from plan amendments are being amortized on a linear basis over the average remaining service period of active members expected to receive the benefits under the plan. Cumulative gains and losses in excess of 10% of the greater of the accrued benefit obligation and the market value of the plan assets are amortized over the average remaining service period of active members expected to receive benefits under the plan. The average remaining service lives under the defined benefit pension plan as at December 31, 2006 varies from 12 to 16.5 years (2005 - 12 to 18 years). The average remaining service life under the post-employment benefit plan as at December 31, 2006 is 17 years (2005 - 16 years).

# GREAT LAKES POWER LIMITED DISTRIBUTION DIVISION

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2006

*(in thousands of CDN dollars)*

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*(c) Capitalization of interest*

Interest on funds used during construction is charged to construction work in progress at the prescribed rate of return applicable to the rate base.

*(d) Revenue recognition*

Revenue from the delivery of electricity is recorded on a basis of cyclical billings and includes unbilled revenue accrued in respect of electricity delivered but not yet billed.

*(e) Purchased power*

Purchased power represents all pass through charges billed to the Division by the Independent Electricity System Operator ("IESO"). This expense is comprised of Energy, Transmission, and Wholesale Market Service charges.

*(f) Interest expense*

Interest expense has been calculated using the approved rate order debt amounts and rates.

*(g) Income taxes*

The Division provides for income taxes using the taxes payable method as permitted by the Canadian Institute of Chartered Accountants ("CICA") and the OEB. Under the taxes payable method, no provisions are made for future income taxes as a result of temporary differences between the tax basis of assets and liabilities and their carrying amounts for accounting purposes.

*(h) Use of estimates*

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses during the reporting period. During the years presented, management has made a number of estimates and valuation assumptions including accruals, depreciation, asset impairment and those relevant to the defined benefit pension plan. Estimates are based on historical experience, current trends and various other assumptions that are believed to be reasonable under the circumstances. Actual results could differ from estimates.

*(i) Rate Regulation*

On January 1, 2005, the Division adopted CICA Handbook Accounting Guideline 19, "Disclosure by Entities Subject to Rate Regulation". The Division is regulated by the OEB. Accounting standards recognize that rate regulation can create economic benefits and obligations, which are reported in the financial statements as regulatory assets and liabilities. When the regulation provides assurance that incurred costs will be recovered in the future, the Division may defer these costs and report them as a regulatory asset. If current recovery is provided for costs expected to be incurred in the future, the Division reports a regulatory liability. Also, if the regulation provides for lesser or greater planned revenue to be received or

# GREAT LAKES POWER LIMITED DISTRIBUTION DIVISION

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2006

*(in thousands of CDN dollars)*

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returned by the Division through future rates, the Division recognizes and reports a regulatory asset or liability, respectively. The measurement of such regulatory assets and liabilities are subject to certain estimates and assumptions, including assumptions made in the interpretation of the regulation.

### 2. INCOME TAXES

The Division's future income tax liability of \$1,183 (2005 - \$1,501) as at December 31, 2006 and the Division's future income tax recovery of \$318 (2005 - recovery \$690) for the year ended December 31, 2006 have not been recorded in the financial statements. When unrecorded future income taxes become payable, it is expected that they will be included in the rates approved by the OEB and recovered from the customers of the regulated business at that time. As these financial statements report the results for the Division, the amounts presented for current income taxes represent the amounts that would be payable if the Division was a separate corporate entity.

### 3. RELATED PARTY TRANSACTIONS

- (a) The Division has provided advances to and received advances from entities under common control and other divisions of GLPL in the normal course of operations. These advances are non-interest bearing, unsecured and due on demand. It is management's expectation that the advances due to related parties will not come due during the following year.
- (b) In the normal course of operations, Riskcorp Inc., an insurance broker related through common control, entered into transactions with the Company to provide insurance. These transactions have been measured at exchange value. The total cost incurred in 2006 for these services was \$107 (2005 - \$113) and no amount remains outstanding at year end (2005 - \$nil).
- (c) Operating debt facility in the amount of \$12,000 (2005 - \$12,000) represents funds due to another division of GLPL and is non-interest bearing, unsecured and due on demand. It is management's expectation that this loan will not come due during the following year.
- (d) Capital debt facility in the amount of \$20,500 (2005 - \$20,500) represents the amount of debt permitted under the application with the OEB, as adjusted, to be allocated to fund the ownership of property, plant and equipment and is unsecured. These funds are due to another division of GLPL. Interest charged to income on this amount is prescribed by regulation in the amount of 6.25% (2005 - 7.25%). Net interest expense on the capital debt facility during the year was as follows:

	<b>2006</b>	2005
Interest expense incurred	<b>\$ 1,293</b>	\$ 1,493
Capitalized interest	<b>(115)</b>	(85)
	<b>\$ 1,178</b>	\$ 1,408



## GREAT LAKES POWER LIMITED DISTRIBUTION DIVISION NOTES TO THE FINANCIAL STATEMENTS

December 31, 2006

*(in thousands of CDN dollars)*

(e) As a result, the following balances are receivable (payable) at December 31:

	<b>2006</b>	2005
Advances to other divisions of GLPL	\$ <b>158</b>	\$ 4
Advances to entities under common control	<b>499</b>	13
	<b>\$ 657</b>	\$ 17
<hr/>		
Advances from other divisions of GLPL	<b>\$ (12,394)</b>	\$ (4,434)

#### 4. PROPERTY, PLANT AND EQUIPMENT

	<b>2006</b>		2005	
	<b>Cost</b>	<b>Accumulated Depreciation</b>	<b>Net Book Value</b>	Net Book Value
Land	\$ <b>842</b>	\$ -	\$ <b>842</b>	\$ 842
Buildings	<b>7,388</b>	<b>2,231</b>	<b>5,157</b>	5,292
Equipment	<b>4,244</b>	<b>3,729</b>	<b>515</b>	5,908
Distribution stations, towers and related fixtures	<b>82,025</b>	<b>36,494</b>	<b>45,531</b>	36,106
Capital work in progress	<b>422</b>	-	<b>422</b>	888
	<b>\$ 94,921</b>	<b>\$ 42,454</b>	<b>\$ 52,467</b>	\$ 49,036

Cost and accumulated depreciation as at December 31, 2005 were \$88,848 and \$39,812, respectively.

#### 5. PENSION AND EMPLOYEE FUTURE BENEFITS

The Division maintains a registered defined benefit, final pay pension plan and an unfunded non-pension benefit plan (the "Plans") for all of its employees. The non-pension plan includes benefits such as health and dental care, retirement bonuses and life insurance. GLPL's obligation under these plans is determined periodically through the preparation of actuarial valuations. The benefit plan expense allocated to the Division for 2006 was \$783 (2005 – \$808). The investment rate of return was 7.00% (2005 – 7.00%). The discount rate used was 5.00% (2005 – 6.00%) with a rate of compensation increase of 3.50% (2005 – 3.50%).

The Division also offers a defined contribution pension plan to certain employees. The Division contributes amounts based on the level of employee contributions for this plan.

The defined benefit pension plan and post employment benefits information provided in the following table relates to the consolidated financial statements of GLPL.

# GREAT LAKES POWER LIMITED DISTRIBUTION DIVISION

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2006

(in thousands of CDN dollars)

	2006		2005	
	Defined Benefit Pension Plan	Non-Pension Benefits Plan	Defined Benefit Pension Plan	Non-Pension Benefits Plan
<b>Weighted average assumptions</b>				
<b>Benefit obligation</b>				
Discount rate	5.25%	5.25%	5.0%	5.0%
Rate of compensation increase	3.5%	3.5%	3.5%	3.5%
Initial health care trend rate	-	6.47%	-	6.69%
Ultimate trend rate	-	4.24%	-	4.24%
Year ultimate rate reached	-	2016	-	2016
Discount rate	5.0%	5.0%	6.0%	6.0%
Long-term rate of return on plan assets	7.0%	-	7.0%	-
Rate of compensation increase	3.5%	3.5%	3.5%	3.5%
Initial health care trend rate	-	6.69%	-	6.89%
Ultimate trend rate	-	4.24%	-	3.9%
Year ultimate rate reached	-	2016	-	2008
<b>Accrued benefit obligations</b>				
Balance, beginning of year	\$ 46,974	\$ 11,890	\$ 39,584	\$ 8,687
Current service cost	947	280	641	341
Interest cost	2,362	384	2,367	533
Employee contributions	372	-	366	-
Net benefit payments	(1,943)	(234)	(1,916)	(234)
Actuarial (gain) loss	(1,627)	(4,722)	5,932	2,563
Balance, end of year	\$ 47,085	\$ 7,598	\$ 46,974	\$ 11,890
<b>Fair value plan assets</b>				
Balance, beginning of year	\$ 43,550	\$ -	\$ 38,438	\$ -
Employer contributions	1,583	234	1,552	234
Employee contributions	372	-	366	-
Actual return on plan assets	4,414	-	5,110	-
Benefits paid	(1,943)	(234)	(1,916)	(234)
Balance, end of year	\$ 47,976	\$ -	\$ 43,550	\$ -
<b>Reconciliation of accrued benefit liability</b>				
Plan surplus (deficit)	\$ 890	\$ (7,598)	\$ (3,424)	\$ (11,890)
Unamortized transitional obligation	1,549	4,487	1,858	4,986
Unamortized net actuarial loss / (gain)	1,411	(1,583)	4,422	3,108
Valuation allowance	(227)	-	-	-
Accrued benefit asset (liability)	\$ 3,623	\$ (4,694)	\$ 2,856	\$ (3,796)
<b>Expense</b>				
Current service costs	\$ 947	\$ 280	\$ 641	\$ 341
Interest cost	2,362	384	2,367	533
Actual return on plan assets	(4,414)	-	(5,110)	-
Actuarial (gain) loss	(1,627)	(4,722)	5,932	2,563
<b>Costs arising in the year</b>	<b>(2,732)</b>	<b>(4,058)</b>	<b>3,830</b>	<b>3,437</b>

## GREAT LAKES POWER LIMITED DISTRIBUTION DIVISION NOTES TO THE FINANCIAL STATEMENTS

December 31, 2006

(in thousands of CDN dollars)

	2006		2005	
	Defined Benefit Pension Plan	Non-Pension Benefits Plan	Defined Benefit Pension Plan	Non-Pension Benefits Plan
Differences between costs arising in the period and costs recognized in the period in respect of:				
Actuarial loss (gain)	1,627	4,691	(5,932)	(2,563)
Return on plan assets	1,367	-	2,419	-
Transitional obligation	310	499	310	498
Increase in valuation allowance provided against accrued benefit asset	227	-	-	-
<b>Net expense</b>	<b>\$ 799</b>	<b>\$ 1,132</b>	<b>\$ 627</b>	<b>\$ 1,372</b>

The accrued benefit liability allocated to the Division as at December 31, 2006 and 2005 is \$153 and \$116, respectively and has been recorded in accounts and other payables.

In 2006, the total employer expense for the Division's defined contribution pension plan was \$132 (2005 - \$137).

### Actuarial valuations

Actuarial valuations for these plans are required every three years. The most recent actuarial valuations for the pension and non-pension benefit plans ranged from January 1, 2004 to June 1, 2006. GLPL measures its accrued benefit obligations and the fair value of plan assets for accounting purposes as at December 31 of each year. The valuations include an indexation of pension payments of 2.0% per year (2005 - 2.0% per year). GLPL may choose to perform valuations for these plans prior to the earliest required dates.

### Sensitivity analysis

GLPL's sensitivity in the non-pension benefit plan to a 1% change in the health care cost trend rate, for the year ended December 31, 2006, is summarized as follows:

	Benefit Obligation	Benefit Expense
Impact of a 1% increase in health care cost trend rate	\$ 1,468	\$ 170
Impact of a 1% decrease in health care cost trend rate	\$ (1,159)	\$ (126)

### Asset category

GLPL's defined benefit pension plan asset allocations at December 31, by asset category are as follows:

	2006	2005
Equity securities	60%	61%
Debt securities	40%	39%
Total	100%	100%

# GREAT LAKES POWER LIMITED DISTRIBUTION DIVISION

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2006

(in thousands of CDN dollars)

### *Cash payments*

All employer contributions were fully paid during the year and as such, no balance owing remains outstanding as at year-end.

## 6. STATEMENT OF CASH FLOWS

The change in non-cash working capital is comprised of the following:

	2006	2005
Accounts and interest receivable	\$ (621)	\$ 822
Due to/from related parties	(678)	35
Prepaid expenses and other	6	170
Materials and supplies	(213)	88
Long-term portion of rate mitigation accrual	(2,584)	(2,267)
Accounts and other payables	1,553	(816)
Taxes payable	330	430
Regulatory assets and liabilities (net)	(1,474)	873
	<b>\$ (3,681)</b>	<b>\$ (665)</b>

## 7. EFFECTS OF RATE REGULATION

The Division operates in accordance with the regulations of the OEB. Regulatory assets and liabilities represent certain revenues earned or costs incurred in the current year or in prior years that have been or are expected to be recovered from customers upon approval from the OEB. In the absence of rate regulation, these balances would have been recorded as revenues or expenses in the statement of operations.

The recovery period for these regulatory accounts is not determinable until an application is made to and approval received from the OEB. The OEB has guaranteed approval of the variance accounts as per Article 490 of the Accounting Procedures Handbook.

a) The Division recorded the following regulatory assets and liabilities as at December 31:

	2006	2005
<i>Regulatory assets</i>		
OEB variance accounts	\$ 1,110	\$ -
OEB cost assessment fees	156	156
	<b>\$ 1,266</b>	<b>\$ 156</b>
<i>Regulatory liabilities</i>		
OEB variance accounts	\$ -	\$ 659
Transition costs recovery	560	265
	<b>\$ 560</b>	<b>\$ 924</b>

# GREAT LAKES POWER LIMITED DISTRIBUTION DIVISION

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2006

(in thousands of CDN dollars)

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### *OEB variance accounts*

As prescribed by regulatory order, OEB variance accounts are used to record the net of amounts charged by the IESO and the amount billed to customers, resulting in a regulatory asset or liability. These balances will be recovered or refunded through rates as approved by the OEB.

### *OEB cost assessment fees*

As prescribed by regulatory order, this regulatory account relates to the recovery of cost assessment fees in 2004 and 2005. The recovery period for this balance is unknown at this time. This balance will be included with the 2007 rate filing and upon approval, a recovery period will be determined. The risk of non-approval of this balance is negligible because this balance has been recorded as a regulatory asset as prescribed by regulatory order.

### *Transition costs recovery*

As prescribed by regulatory order, this regulatory account relates to the recovery of certain 2004, 2005 and 2006 allowed transition costs based on the OEB interim regulatory asset recovery order. During 2006, \$295 (2005 - \$265) was recovered relating to this account through rates. Upon approval from the OEB, this balance will be netted against property, plant and equipment.

### b) Rate mitigation accrual

The rate mitigation accrual relates to the return on equity portion of the revenue requirement from the 2002 rate application to the OEB. Distribution revenue in the amount of \$12,136 (2005 - \$9,552) has been accrued in accordance with the mitigation schedule submitted with the 2002 rate application, with the current portion in the amount \$1,066 (2005 - \$1,066) recorded in accounts and interest receivable. The application to the OEB to collect the rate mitigation balance as at December 31, 2003 in the amount of \$4,053 has been approved and as of December 31, 2006, \$1,470 has been collected (2005 - \$614). In 2007, management plans to file an application to the OEB to continue recovery of its rate mitigation accrual balance up to December 31, 2006. This revenue has been accrued on the basis that it is collectible through future rates. Management assesses the collectibility of this amount periodically. Collectibility of this balance is supported by the fact that the OEB has approved the rate mitigation accrual at December 31, 2003 and therefore, management believes that the balances at December 31, 2006 will be approved by the OEB upon submission of the respective applications.

## **8. FINANCIAL INSTRUMENTS**

### a) Fair value

The carrying amounts in the balance sheet of accounts and interest receivable, due from related parties, accounts and other payables, and taxes payable approximate their fair values, reflecting their short maturities.

The fair values of the operating and capital debt facilities with GLPL Investment Division and the amounts due to related parties are not determinable by management due to the related party nature of the balances.

# **GREAT LAKES POWER LIMITED DISTRIBUTION DIVISION**

## **NOTES TO THE FINANCIAL STATEMENTS**

December 31, 2006

*(in thousands of CDN dollars)*

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### b) Interest rate risk

The Division's capital debt facility debt bears interest at a rate set periodically by the OEB. Consequently, there is cash flow exposure.

### c) Credit risk

Credit risk arises from the potential for a counterparty to default on its contractual obligations and is limited to those contracts where the Division would incur a loss in replacing the defaulted transaction. The Division's financial instruments that are potentially exposed to credit risks are accounts and interest receivable, regulatory assets, and rate mitigation accrual. The Division actively manages its exposure to credit risk by assessing the ability of counterparties to fulfill their obligations under the related contracts prior to entering into such contracts, and continually monitors these exposures.

These risks are reviewed on a regular basis and the Division believes the exposures are manageable and not material in relation to its overall business operations.

## **9. COMMITMENTS, CONTINGENCIES AND GUARANTEES**

In the normal course of operations, the Division executes agreements that provide for indemnification and guarantees to third parties in transactions such as debt issuances. The nature of substantially all of the indemnification undertakings prevents the Division from making a reasonable estimate of the maximum potential amount the Division could be required to pay third parties as the agreements do not specify a maximum amount and the amounts are dependent upon the outcome of future contingent events, the nature and likelihood of which cannot be determined at this time. Historically, the Division has not made significant payments under such indemnification agreements.

The Division may, from time to time, be involved in legal proceedings, claims, and litigation that arise in the ordinary course of business which the Division believes would not reasonably be expected to have a material adverse effect on the financial condition of the Division.

The Division has asset retirement obligations associated with its property, plant and equipment. The retirement date for these assets cannot be reasonably estimated and therefore the fair value of the associated liability cannot be estimated at this time. As a result, no liability has been accrued in these financial statements.

## **10. NEW FINANCIAL INSTRUMENTS STANDARDS**

On January 27, 2005, the CICA issued three new accounting standards: Handbook Section 1530, *Comprehensive Income*, Handbook Section 3855, *Financial Instruments – Recognition and Measurement*, and Handbook Section 3865, *Hedges*. These standards were effective January 1, 2007. The impact of implementing these new standards is not reflected in these financial statements.

# **GREAT LAKES POWER LIMITED DISTRIBUTION DIVISION NOTES TO THE FINANCIAL STATEMENTS**

December 31, 2006  
*(in thousands of CDN dollars)*

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## **11. COMPARATIVE FIGURES**

Certain 2005 financial information has been reclassified, where necessary, to conform to the presentation adopted for the year ended December 31, 2006.

# **Schedule 1-3-2**

## **Finance**

### **Pro Forma Statement**



Pro-Forma  
Financial Statements

**GREAT LAKES POWER LIMITED DISTRIBUTION DIVISION**  
December 31, 2007

**GREAT LAKES POWER LIMITED DISTRIBUTION DIVISION**  
**BALANCE SHEET**  
**As at December 31**

<i>thousands of CDN dollars</i>	<b>2007</b>	<b>2006</b>
<b>Assets</b>		
<b>Current assets</b>		
Cash	\$ 1,543	\$ 1,215
Accounts and interest receivable	4,903	7,053
Due from related parties	500	657
Prepaid expenses and other	53	85
Materials and supplies	1,000	1,280
	<b>7,999</b>	<b>10,290</b>
<b>Regulatory asset</b>	<b>426</b>	<b>1,266</b>
<b>Rate mitigation accrual</b>	<b>12,136</b>	<b>11,070</b>
<b>Property, plant and equipment</b>	<b>57,004</b>	<b>52,467</b>
	<b>\$ 77,566</b>	<b>\$ 75,093</b>
<b>Liabilities and Capital Account</b>		
<b>Current liabilities</b>		
Accounts and other payables	\$ 3,381	\$ 3,817
Taxes payable	3,719	4,449
Current Portion of Due to Related Parties	-	-
	<b>7,100</b>	<b>8,266</b>
Due to Related Parties	12,500	12,394
Regulatory liability	860	560
Operating debt facility	12,000	12,000
Capital debt facility	20,500	20,500
	<b>52,960</b>	<b>53,720</b>
<b>Capital account</b>	<b>24,606</b>	<b>21,373</b>
	<b>\$ 77,566</b>	<b>\$ 75,093</b>

**GREAT LAKES POWER LIMITED DISTRIBUTION DIVISION**  
**STATEMENT OF CAPITAL ACCOUNT**  
Years ended December 31

<i>thousands of CDN dollars</i>		<b>2007</b>		<b>2006</b>
Balance, beginning of year	\$	21,373	\$	21,630
Net (loss) income		3,233		(257)
<b>Balance, end of year</b>	\$	<b>24,606</b>	\$	<b>21,373</b>

**GREAT LAKES POWER LIMITED DISTRIBUTION DIVISION**  
**STATEMENT OF OPERATIONS**  
**Years ended December 31**

<i>thousands of CDN dollars</i>	<b>2007</b>	<b>2006</b>
<b>Revenues</b>		
Total revenue	\$ 32,352	<b>\$ 26,952</b>
Less: Purchased power	(14,430)	<b>(14,067)</b>
Net operating revenue	17,922	<b>12,885</b>
<b>Expenses</b>		
Operating and administrative	5,135	<b>4,881</b>
Maintenance	2,866	<b>2,871</b>
Interest	1,178	<b>1,178</b>
Depreciation	3,623	<b>3,465</b>
Taxes, other than income taxes	321	<b>348</b>
	13,123	<b>12,743</b>
Net operating income	4,799	<b>142</b>
Gain (loss) on disposal of utility plant		<b>(155)</b>
Net income before income taxes	4,799	<b>(13)</b>
Income taxes - current	1,566	<b>244</b>
<b>Net (loss) income</b>	<b>\$ 3,233</b>	<b>\$ (257)</b>

**GREAT LAKES POWER LIMITED DISTRIBUTION DIVISION**  
**STATEMENT OF CASH FLOWS**  
Years ended December 31

<i>thousands of CDN dollars</i>	<b>2007</b>	<b>2006</b>
<b>Operating activities</b>		
Net (loss) income	\$ 3,233	\$ (257)
Items not affecting cash		
Depreciation	3,623	3,465
(Gain) loss on disposal of property, plant and equipment	-	155
Net change in non-cash working capital	<b>1,527</b>	<b>(3,681)</b>
	<b>8,383</b>	<b>(318)</b>
<b>Investing activities</b>		
Proceeds on disposition of property, plant and equipment	-	-
Additions to property, plant and equipment	<b>(8,160)</b>	<b>(7,051)</b>
	<b>(8,160)</b>	<b>(7,051)</b>
<b>Financing activities</b>		
Due to (from) related parties	106	7,998
Operating debt facility	-	-
	106	7,998
Increase (decrease) in cash	329	629
Cash, beginning of year	1,215	586
Cash, end of year	\$ 1,544	\$ 1,215

# **Schedule 1-3-3**

## **Finance**

Reconciliation Between Financial  
Statements and RRR Filings

**Reconciliation of RRR Filing to Financial Statements**

**2005 Income Statement Reconciliation**

	Adjustment	2005 Audited F/S	RRR Filing Amount	USoA Acct #'s
<b>Revenues</b>				
Total revenue		\$26,605.0	\$26,605.0	4006 - 4245
Less: Purchased power		(\$13,878.0)	(\$13,878.0)	4705 - 4730
Net Operating Revenue		<u>\$12,727.0</u>	<u>\$12,727.0</u>	
<b>Operating Expenses</b>				
Total expenses		\$12,572.0	\$12,631.0	4305-4398, 5005-6105, 6205-6225
2005 Capital tax adjustment	A		(\$67.0)	
Re-class gain on disposal	B		\$7.0	
Adjusted total expenses		<u>\$12,572.0</u>	<u>\$12,571.0</u>	
Net Operating Income		\$155.0	\$156.0	
(Loss) Gain on disposal of PP&E		\$7.0	\$0.0	
Re-class gain on disposal	B		\$7.0	
Adjusted (Loss) on disposal of PP&E		<u>\$7.0</u>	<u>\$7.0</u>	
Net (loss) income before taxes		\$162.0	\$163.0	
Income taxes - current		\$430.0	\$354.0	6110
2005 Income tax adjustment	C		\$75.0	
Adjusted Income Taxes		<u>\$430.0</u>	<u>\$429.0</u>	
Net loss		<u>(\$268.0)</u>	<u>(\$266.0)</u>	

**2005 Balance Sheet Reconciliation**

**Assets**

Total Assets		\$65,871.0	\$64,061.0	1005-1590, 1805-2180
Re-class A/P to Assets	D		\$970.0	
Re-class related party amount	E		(\$84.0)	
Re-class OEB variance accounts	F		\$924.0	
Adjusted Total Assets		<u>\$65,871.0</u>	<u>\$65,871.0</u>	<u>\$0.0</u>

**Liabilities and Capital Account**

Total Liabilities		\$44,241.0	\$42,432.0	2205-2550
Re-class A/P to Assets	D		\$970.0	
Re-class related party amount	E		(\$84.0)	
Re-class OEB variance accounts	F		\$924.0	
Adjusted Total Liabilities		<u>\$44,241.0</u>	<u>\$44,242.0</u>	
Capital account		<u>\$21,630.0</u>	<u>\$21,630.0</u>	3005-3065
Total Liabilities and Capital Account		<u>\$65,871.0</u>	<u>\$65,872.0</u>	

**2005 Statement of Capital Account**

Balance, beginning of year		\$21,898.0	\$21,888.0	3040
2005 Capital tax adjustment	A		(\$67.0)	
2005 Income tax adjustment	C		\$75.0	
Adjusted Beginning Balance		<u>\$21,898.0</u>	<u>\$21,896.0</u>	
Net loss		(\$268.0)	(\$258.0)	3046
2005 Capital tax adjustment	A		\$67.0	
2005 Income tax adjustment	C		(\$75.0)	
Adjusted Net Loss		<u>(\$268.0)</u>	<u>(\$266.0)</u>	
Balance, End of Year		<u>\$21,630.0</u>	<u>\$21,630.0</u>	

**Reconciliation of RRR Filing to Financial Statements**

2006 Income Statement Reconciliation	2006		RRR Filing	
	Adjustment	Audited F/S	Amount	USoA Acct #'s
<b>Revenues</b>				
Total revenue		\$26,952.0	\$26,951.0	4006 - 4245
Less: Purchased power		(\$14,067.0)	(\$14,067.0)	4705 - 4730
Net Operating Revenue		<u>\$12,885.0</u>	<u>\$12,884.0</u>	
<b>Operating Expenses</b>				
Total expenses		\$12,743.0	\$12,819.0	4305-4398, 5005-6105, 6205-6225
Re-class loss on disposal	A		(\$155.0)	
Capital tax adjustment	B		\$22.0	
Pension adjustment	C		\$57.0	
Adjusted total expenses		<u>\$12,743.0</u>	<u>\$12,743.0</u>	
Net Operating Income		\$142.0	\$141.0	
(Loss) Gain on disposal of PP&E		(\$155.0)	\$0.0	
Re-class loss on disposal	A		(\$155.0)	
Adjusted (Loss) on disposal of PP&E		<u>(\$155.0)</u>	<u>(\$155.0)</u>	
Net (loss) income before taxes		(\$13.0)	(\$14.0)	
Income taxes - current		<u>\$244.0</u>	<u>\$244.0</u>	6110
Net loss		<u>(\$257.0)</u>	<u>(\$258.0)</u>	
<b>2006 Balance Sheet Reconciliation</b>				
<b>Assets</b>				
Total Assets		\$75,093.0	\$74,443.0	1005-1590, 1805-2180
Re-class RRA payable	D		\$177.0	
Re-class regulatory asset recovery	E		\$560.0	
Other re-classification	F		(\$87.0)	
Adjusted Total Assets		<u>\$75,093.0</u>	<u>\$75,093.0</u>	
<b>Liabilities and Capital Account</b>				
Total Liabilities		\$53,720.0	\$52,992.0	2205-2550
Capital tax adjustment	B		\$22.0	
Pension adjustment	C		\$57.0	
Re-class RRA payable	D		\$177.0	
Re-class regulatory asset recovery	E		\$560.0	
Other re-classification	F		(\$87.0)	
Capital tax adjustment - 2004	G		\$93.0	
Income tax adjustments (2004-2005)	H		(\$94.0)	
Adjusted Total Liabilities		<u>\$53,720.0</u>	<u>\$53,720.0</u>	
Capital account		\$21,373.0	\$21,451.0	3005-3065
Capital tax adjustment - 2004	G		(\$93.0)	
Income tax adjustments (2004-2005)	H		\$94.0	
Capital tax adjustment	B		(\$22.0)	
Pension adjustment	C		(\$57.0)	
Adjusted Capital account		<u>\$21,373.0</u>	<u>\$21,373.0</u>	
Total Liabilities and Capital Account		<u>\$75,093.0</u>	<u>\$75,093.0</u>	
<b>2006 Statement of Capital Account</b>				
Balance, beginning of year		\$21,630.0	\$21,630.0	3040
Net loss		(\$257.0)	(\$179.0)	3046
Capital tax adjustment	B		(\$22.0)	
Pension adjustment	C		(\$57.0)	
Adjusted Net Loss		<u>(\$257.0)</u>	<u>(\$268.0)</u>	
Balance, End of Year		<u>\$21,373.0</u>	<u>\$21,372.0</u>	



**Reconciliation of RRR Filing to Financial Statements**

**2007 Income Statement Reconciliation**

	<b>Adjustment</b>	<b>2007 Pro-Forma</b>	<b>RRR Accounts Amount</b>	<b>USoA Acct #'s</b>
<b>Revenues</b>				
Total revenue		\$32,352.0	\$32,352.0	4006 - 4245
Less: Purchased power		(\$14,430.0)	(\$14,430.0)	4705 - 4730
Net Operating Revenue		<u>\$17,922.0</u>	<u>\$17,922.0</u>	
<b>Operating Expenses</b>				
<b>Total expenses</b>		<u>\$13,123.0</u>	<u>\$13,123.0</u>	4305-4398, 5005-6105, 6205-6225
Net Operating Income		\$4,799.0	\$4,799.0	
Net (loss) income before taxes		\$4,799.0	\$4,799.0	
Income taxes - current		<u>\$1,566.0</u>	<u>\$1,566.0</u>	6110
<b>Net loss</b>		<u><u>\$3,233.0</u></u>	<u><u>\$3,233.0</u></u>	

**2007 Balance Sheet Reconciliation**

**Assets**

<b>Total Assets</b>		<u><u>\$77,566.0</u></u>	<u><u>\$77,566.0</u></u>	1005-1590, 1805-2180
---------------------	--	--------------------------	--------------------------	----------------------

**Liabilities and Capital Account**

Total Liabilities		\$52,960.0	\$52,882.0	2205-2550
<i>Cumulative Tax Adjustment</i>	A		<u>\$78.0</u>	
<b>Adjusted Total Liabilities</b>		<u>\$52,960.0</u>	<u>\$52,960.0</u>	
Capital account		\$24,606.0	\$24,684.0	3005-3065
<i>Cumulative Tax Adjustment</i>	A		<u>(\$78.0)</u>	
<b>Adjusted Capital Account</b>		<u>\$24,606.0</u>	<u>\$24,606.0</u>	
<b>Total Liabilities and Capital Account</b>		<u><u>\$77,566.0</u></u>	<u><u>\$77,566.0</u></u>	

**2007 Statement of Capital Account**

Balance, beginning of year		\$21,373.0	\$21,451.0	3040
<i>Cumulative tax adjustment</i>	A		<u>(\$78.0)</u>	
<b>Adjusted Beginning Balance</b>		<u>\$21,373.0</u>	<u>\$21,373.0</u>	
Net Income		<u>\$3,233.0</u>	<u>\$3,233.0</u>	3046
<b>Balance, End of Year</b>		<u><u>\$24,606.0</u></u>	<u><u>\$24,606.0</u></u>	

# **Schedule 2-1-1**

## **Overview**

### **Rate Base Summary**

1 **RATE BASE OVERVIEW**

2  
3 **1.0 Summary of Rate Base**

4  
5 As indicated in the table below, GLPL's rate base for 2007 has been forecasted to be  
6 \$57,912,953, being the total of the average of the forecasted opening and closing net  
7 fixed assets (\$54,524,428) and an allowance for working capital (\$3,388,525).

8  
9 *Table 2-1-1 A – Rate Base Calculation*

(\$000's)	Forecast		
	2005	2006	2007
Opening Net Fixed Assets	46,276.4	48,149.1	52,044.6
Closing Net Fixed Assets	48,149.1	52,044.6	57,004.3
Average Fixed Assets	47,212.8	50,096.9	54,524.4
Working Capital Allowance	3,208.4	3,274.0	3,388.5
<b>Rate Base</b>	<b>50,421.1</b>	<b>53,370.8</b>	<b>57,913.0</b>

10  
11 For the years 2005-2007, Exhibit 2, Tab 2, Schedule 1 provides the following on an  
12 account basis:

- 13
- 14 • the opening and closing NBV of GLPL's fixed assets;
  - 15 • the fixed asset additions and disposals;
  - 16 • annual depreciation; and
  - 17 • proof of continuity.
- 18

19 The components of GLPL's rate base are discussed below.

20  
21  
22 **2.0 Capital Expenditures**

23 **2.1 Capital Expenditure Budgeting Process**

24 GLPL's capital expenditure budgeting process is set out below.

25  
26  
27  
28

1 **2.1.1 Inspection**

2  
3 GLPL gathers information on its distribution equipment through its inspection process.  
4 This component of GLPL's budget process is essential to ensure reliability and prudent  
5 capital expenditures.

6  
7 Inspections are carried out by crews while working on various parts of the distribution  
8 system and from patrol inspections. GLPL conducts patrol inspections of its equipment to  
9 assess its condition and identify structural problems and hazards, which lead to capital  
10 improvements. Because GLPL's 1,705 km of pole line are primarily located in rural areas  
11 of Northern Ontario where the terrain is rugged and the vegetation is dense, patrol  
12 inspections are conducted by vehicle, foot, and when necessary, by helicopter. GLPL  
13 patrols its distribution lines within a six-year cycle. For substations, inspections are  
14 carried out no less than once per year. Inspections are supplemented by condition  
15 assessments to provide more detailed analysis of the state of GLPL's facilities.

16 The information gathered as part of the inspection process is considered as part of  
17 GLPL's asset management approach.

18 **2.1.2 GLPL's Asset Management Approach**

19  
20 GLPL manages its distribution lines (conductor and devices, poles, pole-mounted  
21 transformers, rights-of-way, etc.) and distribution substations (transformers, voltage  
22 regulators, communications, civil structures, etc.) with its Automated Mapping Facilities  
23 Management ("AM/FM") system and corporate databases.

24 GLPL's AM/FM system identifies information on the individual pieces of equipment that  
25 comprise GLPL's distribution system (i.e. poles, circuits, transformers, etc.), and provides  
26 geographic information on each piece of equipment. The information tracked by GLPL's  
27 AM/FM system includes, to the extent possible, installation dates and equipment  
28 specifications.

1 The combination of the AM/FM system, corporate databases, and additional  
2 observations, assist GLPL's engineering staff in proposing which facilities require capital  
3 improvements in order to maintain reliability. Prioritization is based on a number of  
4 factors, including:

- 5 • reliability considerations;
- 6 • health and safety considerations;
- 7 • environmental considerations; and
- 8 • location relative to other projects (i.e. coordination of crews for multiple projects  
9 within proximity reduces costs).

10

11 Capital expenditure proposals are ranked by GLPL's engineering staff based on the  
12 criteria described above, and are then considered as part of GLPL's capital expenditure  
13 budget approval process.

14

## 15 **2.2 Capital Expenditure Programs**

16 GLPL has set out descriptions of its distribution capital expenditures for each year from  
17 2005-2007 that exceed a materiality threshold of \$75,000.<sup>1</sup> The year under which each  
18 capital expenditure is described corresponds with the in-service date of each capital  
19 expenditure.

20 As well, GLPL has engaged in two capital programs that have resulted in capital  
21 expenditures in multiple years. Rather than provide repeated descriptions under the  
22 corresponding years, GLPL provides descriptions of these two capital programs below.

23

24

---

<sup>1</sup> GLPL has provided descriptions of capital expenditures that exceed \$75,000 in accordance with the 2006 Distribution Rate Handbook which is a significantly lower threshold than the Filing Requirements.

1 ***j) High-Risk Conductor Replacement Program***

2 It is general industry knowledge that all types of aluminum conductor steel re-enforced  
3 (“ACSR”) experience corrosion to the steel core and experience loss of mechanical  
4 strength over time. Because ACSR relies on the steel core for mechanical strength,  
5 corrosion of the steel core causes it to be susceptible to breaking. Smaller diameter  
6 conductor types of ACSR, such as ACSR #4 and #6, do not have the same strength as  
7 larger diameter ACSR conductor sizes. ACSR core corrosion together with the inherently  
8 weaker mechanical strength of the #4 and #6 sizes, results in a significant safety risk to  
9 line workers and the public arising from the higher probability of line breaks. As a  
10 result, efforts have been made throughout the industry to remove ACSR #4 and #6 from  
11 service.

12  
13 Because internal corrosion can not be detected by visual inspection of conductor while in  
14 operation, the only way to assess the state of corrosion on a segment of ACSR #4 and #6  
15 is to remove physical segments and inspect those segments.

16  
17 Historically GLPL would assess the condition of its ACSR #4 and #6 in the field while  
18 repairing line breaks. Based on the observation of GLPL line crews, it was concluded that  
19 the broken portions of ACSR #4 and #6 conductor were experiencing severe corrosion.  
20 Of particular concern to GLPL was that this corrosion was also occurring on ACSR #4  
21 and #6 existing in favourable conditions where corrosion is less likely to occur.  
22 Favourable conditions include low load (i.e. temperature of conductor is lower) and areas  
23 without salt contamination (i.e. areas other than along roads). ACSR #4 and #6 used in  
24 favourable conditions also suffered severe corrosion. One of the difficulties is that  
25 without physically sampling sections of the ACSR, corrosion cannot be detected by  
26 routine visual inspection. GLPL does not have in service any ACSR #4 or #6 that is less  
27 than 20 years old except for sections that are repaired during restoration efforts.

28

1 Kinectrics, Inc. confirmed GLPL's concern in an analysis of a 23 year old sample of  
2 ACSR #6 that had been used in favourable conditions:

3           This conductor sample is considered to be in **poor** physical condition. The  
4           sample shows very low remaining tensile strength and poor torsional  
5           ductility. The steel core wire is 100% covered with heavy surface rust with  
6           heavy pitting indicating that corrosion has removed all of the zinc from the  
7           outer surfaces of the steel wires.

8  
9           Since severe corrosion of GLPL's ACSR #4 and #6 was occurring on conductor in  
10          favourable conditions, it was likely that ACSR #4 and #6 corrosion was occurring on  
11          other segments throughout GLPL's system. In GLPL's opinion, this circumstance posed a  
12          significant safety risk to the public (not only in populated areas but also to members of  
13          the public who use GLPL's rights-of-way for recreational purposes such as  
14          snowmobiling, hiking, etc.) and GLPL's line personnel.

15  
16          As an example of the significant hazard that GLPL's ACSR #4 and #6 conductor poses to  
17          workers and the public, on February 3, 2004 there was an incident on GLPL's distribution  
18          system whereby a line (ACSR #6) broke approximately ten feet from a pole. The  
19          conductor on the source side had come to rest against the pole, and the remaining section  
20          of conductor fell across a pickup truck parked underneath. The section of line lying  
21          across the truck was on the load side of the break and as a result was isolated. Had it not  
22          been isolated, the consequences could have been much worse.

23  
24          Because of industry knowledge, historical observations, expert analysis and testing, age  
25          of the conductor and operational experience, GLPL concluded that its system composed  
26          of #4 and #6 ACSR needed to be replaced and as a result, it commenced this program.

27  
28          Concurrent with the commencement of the high-risk conductor replacement program,  
29          GLPL gave direction to all line personnel imposing restrictions and specific work  
30          procedures for working on or near #4 and #6 ACSR conductor in order to ensure worker  
31          safety.

1

2 The contractor and project manager responsible for a majority of the conductor  
3 replacement have indicated that breakage in the conductor stranding was frequently  
4 identified, a majority of the conductor replaced was corroded to the point of exposing the  
5 steel core, and inspections of the conductor at mid-span intervals revealed severe pitting.  
6 GLPL's concerns have been and continue to be validated by the continuation of the  
7 removal of the conductor.

8

9 GLPL's conductor replacement program is scheduled for completion in 2012. The  
10 availability of resources to take on a program of this magnitude (replacement of a total of  
11 approximately 700 km of conductor that is mostly located on rugged terrain and  
12 surrounded by dense vegetation) make it difficult for GLPL to complete the program  
13 before 2012. Extension of the program beyond 2012 may result in unnecessary safety and  
14 reliability risks. Accordingly, GLPL's ten-year timeframe for this program is reasonable.

15

16 GLPL manages its conductor replacement program with the objective of maximizing  
17 safety and reliability, while minimizing costs. GLPL prioritizes these objectives as  
18 follows:

- 19 1. Safety (replacement in communities and where public risk is high);
- 20 2. Reliability (replacement where the load is the highest or where there is industrial or  
21 commercial impact from failure);
- 22 3. Cost (in locations where GLPL can logistically optimize internal resources and  
23 independent contractors).

24

25 For the reasons set out above, there is clearly a need for GLPL's conductor replacement  
26 program. If GLPL's #4 and #6 ACSR conductor is not replaced, the following can be  
27 expected:

- 28 • the conductor will continue to corrode, mechanical strength will weaken and  
29 there will be an increasing amount of conductor breaks;



- 1 • as the conductor continues to corrode, GLPL's line personnel will be exposed to
- 2 increasing safety risk due to more frequent maintenance calls and the inherent
- 3 danger of working on and around corroded conductor;
- 4 • public safety will be jeopardized;
- 5 • reliability will be affected (i.e. there will be an increasing amount of outages);
- 6 • maintenance costs to repair breaks will increase; and
- 7 • the possibility of forest fires caused by broken conductor will increase.

8

9 GLPL has forecasted that 233 kilometres will have been replaced by December 31, 2007.

10

11 *ii) Right-of-way Expansion Program*

12

13 Through its right-of-way ("ROW") expansion program, GLPL has been expanding its  
14 ROW from the standard of approximately 2 meters on each side of the line (plus  
15 allowance for conductor swing) to 4 meters (plus allowance for 0.5 meters on either side  
16 conductor swing), resulting in a ROW of 9 meters. The expansion program is necessary  
17 for public and worker safety, and for GLPL's ROWs to be consistent with industry  
18 practice. The expansion program was undertaken contemporaneously with GLPL's 6-  
19 year cycle for ROW maintenance.

20

21 Being a rural distributor in northern Ontario, one of the characteristics of GLPL's  
22 distribution service area is that it is predominantly located in forest zones with dense  
23 vegetation. This characteristic distinguishes GLPL from other distributors in the  
24 province. GLPL's distribution service area extends through two forest zones. The  
25 southern part is in the Great Lakes - St. Lawrence forest zone, characterized by red and  
26 sugar maple, yellow birch, red oak, hemlock, red and white pine. The northern part is in  
27 the Boreal forest zone, characterized by black and white spruce, tamarack, aspen, white  
28 birch, balsam fir, and jack pine. North of Wawa and east of the Montreal River area is the  
29 approximate transition area between the two forest zones.

1  
2 ROWs that run through forests are attractive to recreational users. For GLPL, its ROWs  
3 located in forests are primarily on private property, road allowances and Crown land.  
4 Accordingly, the level of public access on GLPL's ROWs is significant. Members of the  
5 public that access GLPL's ROWs include recreational users such as hikers, snowmobile  
6 and ATV operators, etc.; adjacent land owners; tree-trimmers/wood-harvesting operators;  
7 and other users of adjacent roads, lands, and ROWs (including telephone or cable  
8 companies and highway departments).

9  
10 The combination of open and public access on GLPL's ROW and the fact that GLPL's  
11 ROWs are surrounded by trees that could come into contact with or fall on the lines is a  
12 public safety concern. Accordingly, GLPL's ROW expansion program is necessary to  
13 protect the public as well as GLPL's line personnel. GLPL's ROW expansion program  
14 will reduce the likelihood of a public hazard related to trees and branches coming into  
15 contact with or falling on lines. The wider ROW standard will also increase worker  
16 safety for the following reasons:

- 17       • line workers will less frequently repair lines that have been broken by or come  
18       into contact with fallen trees or branches;
- 19       • working on lines with a wider clearance to the tree-line is inherently safer; and
- 20       • it will be safer to move equipment on the ROWs.

21 Hydro One's current standard ROW width is 10 meters (5 meters on either side of the line  
22 including an allowance for conductor swing). Hydro One's distribution system is also  
23 located in Northern Ontario, and is similar to GLPL's from a public access and vegetation  
24 perspective. The 9 meter wide ROW that GLPL adopted (4.5 meters on either side of the  
25 line including an allowance for conductor swing) is more consistent with industry  
26 practice than its previous ROW practice. Although Hydro One's ROW standard is wider  
27 than GLPL's, GLPL is of the view that it can minimize the safety concerns described  
28 above while using the 9 meter wide standard contained in the Electrical Safety Code (the

1 "ESC"). Section 75 of the ESC provides for a 9 meter ROW width (4.5 meters on either  
2 side of the line including an allowance for conductor swing). Given that this standard is  
3 contained in the ESC, GLPL believes that this ROW standard is prudent from a public  
4 and worker safety perspective.

5  
6 In 2004 Ontario Regulation 22/04 came into force which required local distribution  
7 companies to install, maintain and repair all electrical installations so as to reduce the  
8 probability of exposure to electrical safety hazards. According to Ontario Regulation  
9 22/04, overhead distribution lines that meet the 9 meter ROW standard contained in  
10 section 75 of the ESC are deemed to reduce the probability of exposure to electrical  
11 safety hazards. Although Regulation 22/04 did not create a mandatory requirement that  
12 utilities adopt the 9 meter wide ROW standard, subsection 5(2) of Regulation 22/04  
13 reinforces GLPL's view that the 9 meter wide ROW standard contained in the ESC is  
14 prudent from a safety perspective.

15  
16 GLPL's 9 meter ROW standard is also consistent with the Canadian Standards  
17 Association's (the "CSA") ROW standard. Based on GLPL's 6-year ROW maintenance  
18 cycle and subject to the growth rates of the trees adjacent to GLPL's ROWs, CSA  
19 standards generally require a 9 meter wide ROW for GLPL's system.<sup>2</sup>

20  
21 In addition to the safety considerations and industry practices described above, GLPL  
22 considered the benefits that would result from adopting the 9-meter standard. With a  
23 wider ROW, line breaks caused by falling trees and branches would be reduced, thereby  
24 reducing maintenance costs associated with repairing line breaks. The wider ROW will  
25 also lead to: increased efficiencies to storm response; access; locating and accessing  
26 equipment in problem areas; and the ability to restore power quicker. A larger ROW  
27 standard will remove more hazardous trees and for better tree species selection along the

---

<sup>2</sup> In certain areas where growth rates are high, CSA standards require GLPL to either expand the ROW beyond 9 meters or maintain the areas on a more frequent cycle.

1 backline of the ROW (slower growing, stronger trees i.e. cedar), to create a more stable  
2 backline.

3

4 GLPL has conducted its ROW expansion program in conjunction with its 6-year cycle  
5 ROW maintenance program. By working on the ROW expansion program concurrent  
6 with GLPL's regular 6-year cycle ROW maintenance program, there is the following cost  
7 savings:

- 8 • utility arbourists with necessary expertise are already mobilized, so there is no  
9 need to duplicate efforts;
- 10 • GLPL is able to deal with landowners on one occasion in regard to issues such as  
11 property easements, cutting rights, heritage trees and landscaping issues;
- 12 • fewer planned outages (i.e. separate outages for both ROW maintenance and  
13 expansion is avoided);
- 14 • more efficient work environment for patrolling lines, accessing hardware, and  
15 movement of equipment; and
- 16 • decreased response time to unplanned outages.

17

18 It is forecasted that 56% of GLPL's ROWs will have been expanded as of December 31,  
19 2007 based on the 9 meter wide ROW standard. The program is scheduled to be  
20 completed in 2010.

21

## 22 **2.3 Capital Expenditures by Year**

### 23 **2.3.1 2007**

24 GLPL's total capital expenditures are forecasted to be \$8,582,670 for 2007. There are 8  
25 capital projects planned for 2007 that exceeded GLPL's materiality threshold of \$75,000,  
26 totalling \$6,388,320.

27

28

1 Right-Of-Way Expansion Program - \$2,015,000: Please see the description of GLPL's  
2 right-of-way expansion program described above.

3

4 The total work on this program is forecasted to be 56 % complete at the end of 2007.

5

6 Conductor Replacement Program - \$2,573,300: Please see the description of GLPL's  
7 conductor replacement program described above.

8

9 It is forecasted that 233 kilometres of line will be replaced by the end of 2007. The  
10 variance from 2006 spending on this program is due to increased costs per kilometre to  
11 complete the program. These increased costs are attributable to changes in GLPL's safety  
12 considerations as well as new USF standards which were approved in 2006.

13

14 Transformer Installation - \$220,000: Because of GLPL's low customer density, the  
15 percentage of customers requiring transformers is high (i.e. it is impossible to group  
16 customers on transformers).

17

18 The expenditure will result in the replacement of approximately 110 units. There are  
19 approximately 6,000 transformers in service in GLPL's distribution system. The basis  
20 for replacement is end of life where the transformer fails, or because of voltage  
21 conversions.

22

23 Voltage Conversion - \$281,700: GLPL is experiencing voltages below acceptable limits  
24 due to load growth over time in the Neebish Road and Desbarats area. These projects will  
25 convert the system to a higher voltage in these areas and correct the low voltage problem.

26

27 Neebish Rd (continuation of work commenced in 2005) \$187,000

28

29 Desbarats area \$94,700

30 Rebuild 34.5 kV Circuit East of Sault Ste. Marie - \$ 372,000: This line is the alternate  
31 supply to 5,000 customers east of Sault Ste Marie. It has reached its end of life.  
32 Replacement is required for system reliability. This project is the second stage of a three  
33 stage program.

33

34 Increase Capacity at Garden River D.S. - \$181,500:

35 Load on this circuit is rapidly approaching the capacity of the existing station  
36 transformer. Load growth and planned development in this area require the addition of a  
37 second transformer in the DS. The transformer and major equipment were purchased in  
38 2006. Installation is planned for 2007, doubling the capacity of the station and allowing  
39 reasonable load growth over the life of the assets.

40

41 Goulais Substation Breaker Replacement - \$144,900: The protection of the 12 kV feeders  
42 is by two oil circuit breakers in excess of 50 years old. The condition of the breakers is  
43 such that the breakers can not coordinate with the high voltage fuses and the replacement

1 parts are not available. The breakers will be replaced by vacuum circuit reclosers. The  
2 breaker isolating switches can not be repaired and will be replaced.

3  
4 Transport and Work Equipment - \$600,000:

- 5 • Purchase a double bucket line truck to replace a current bucket line truck which is  
6 20 years old - \$247,000
- 7 • Buyout of lease related to forestry bucket truck - \$110,000
- 8 • Purchase of 4 pick-up trucks to replace current pick-up trucks that are in the range  
9 of 10 - 14 years old - \$174,000
- 10 • Other Off-Road Vehicles (snowmobiles, ATV, etc.) - \$69,000

11  
12  
13 **2.3.2 2006**

14 GLPL's total capital expenditures were \$7,516,548 for 2006. There were 7 capital  
15 projects in 2006 that exceeded GLPL's materiality threshold of \$75,000, totalling  
16 \$5,979,084.

17  
18 Right-Of-Way Expansion Program - \$3,191,114: Please refer to the description of  
19 GLPL's right-of-way expansion program described above.

20  
21 The total work on this program was 46% complete at the end of 2006. Some of the  
22 projects that were commenced in 2005 were not completed and were recorded in Work In  
23 Progress at the end of 2005. These projects were completed and capitalized in 2006.

24  
25 Conductor Replacement Program - \$1,339,303: Please refer to the description of GLPL's  
26 conductor replacement program described above.

27  
28 As of the end of 2006, 183 total kilometres of conductor had been replaced.

29  
30 Transformer Installation - \$194,491: Because of GLPL's low customer density, the  
31 percentage of customers requiring transformers is high (i.e. it is impossible to group  
32 customers on transformers).

33  
34 The capital expenditure resulted in the replacement of 92 units. There are approximately  
35 6,000 transformers in service in GLPL's distribution system. The basis for replacement  
36 is end of life where the transformer fails, or because of voltage conversions.

37  
38 Transformer Replacement PCB contamination - \$236,927: costs associated with testing,  
39 labour and equipment for replacing PCB contaminated pole-top transformers (with  
40 greater than 50 ppm of PCBs).

1  
2 Rebuild 34.5 kV circuit east of Sault Ste. Marie - \$505,454 This circuit is the alternate  
3 supply to 5000 customers east of Sault Ste. Marie. It has reached end of life. Replacement  
4 was required for system reliability. This section from Northern substation to Black Road  
5 is stage one of three stages. This is the portion within the city of Sault Ste. Marie.  
6

7 Anjigami Regulators – Hawk Junction - \$306,204: The Hawk Junction 44 kV voltage  
8 regulator is required to maintain voltage to a mill in Dubreuilville and townsite and the  
9 mines and communities to the north-east. The existing regulator could not be repaired and  
10 was unreliable. It was replaced with a spare regulator on hand. The capital expenditure  
11 above relates to costs of civil work, labour and ancillary equipment related to the  
12 replacement.  
13  
14

15 Transportation and Work Equipment - \$205,589:

- 16 • Purchase of two trucks and one Trailblazer to replace two trucks that were in the  
17 range of 11-14 years old and were removed from service and one replacement of a  
18 rental vehicle - \$112,604
  - 19 • Purchase of two Off Road Vehicles with trailers - \$63,926
  - 20 • Purchase of snowmobile - \$29,060
- 21  
22

23 **2.3.3 2005**

24 GLPL's total capital expenditures in 2005 were \$5,234,261. There were 9 capital  
25 projects in 2005 that exceeded GLPL's materiality threshold of \$75,000, totalling  
26 \$3,517,499.  
27

28 Right-of-Way Expansion Program - \$1,031,810: Please refer to the description of GLPL's  
29 right-of-way expansion program described above.  
30

31 The total work on this program was 35% complete at the end of 2005. The work  
32 completed in 2005 represented 11% of the total work on this program.  
33

34 Conductor replacement program - \$1,165,321: Please refer to the description of GLPL's  
35 conductor replacement program described above.  
36

37 As of the end of 2005, 140 total kilometres of conductor had been replaced. GLPL  
38 completed 69 kilometres of conductor replacement in 2005.  
39  
40

1 Transformer Installation - \$104,204: Because of GLPL's low customer density, the  
2 percentage of customers requiring transformers is high (i.e. it is impossible to group  
3 customers on transformers).  
4

5 This capital expenditure resulted in the replacement of 61 units. There are approximately  
6 6,000 transformers in service in GLPL's distribution system. The basis for replacement  
7 is end of life where the transformer fails, or because of voltage conversions.  
8

9 Diamond Lake tie line - \$159,351: Low voltage problems existed on a long feeder out of  
10 Bar River substation. A new 2 km tie line was constructed between the long feeder and a  
11 second lightly loaded feeder to relieve a low voltage condition. An additional operational  
12 benefit was the ability to move the open point and transfer load to improve service  
13 restoration and to minimize the impact of outages.  
14

15 AM/FM development - \$168,847: This is a continuation of a project begun in 2004 to  
16 upgrade the AM/FM (Automated Mapping and Facilities Management) System and  
17 improve the completeness and accuracy of its data. This portion of the project involved  
18 improving the functionality of the database and adding secondary network information to  
19 the mapping system. As well, there was additional software programming implemented.  
20

21 ISeries 820 (AS400) update - \$157,997: The ISeries server was replaced to improve  
22 performance in its support of all customer and financial business applications. This has  
23 contributed to a \$35,000 reduction in operating and maintenance costs.  
24

25 Install/Replace Reclosers, Regulators, Capacitors - \$319,387: Installation of reclosers on  
26 feeders emanating from multiple substations. Reclosers were installed or upgraded in  
27 several areas of the distribution network, with the majority of installations in the  
28 following substation networks; St. Joseph Island, Bruce Mines, Bar River and Goulais.  
29 The recloser installations improved the reliability of our distributions networks.  
30

31 Voltage Conversion - \$150,880:

32 Covered the cost of converting a portion of Government Road and a portion of Neebish  
33 Road from 4800 volts to 7200 volts. This work includes installation of a new step down  
34 transformer and relieved the low voltage condition.  
35

36 Transportation and Work Equipment - \$259,703

- 37 • Purchase of three trucks to replace two trucks that were in the range of 11-14  
38 years old and were removed from service and one replacement of a rental vehicle  
39 - \$109,189
  - 40 • Purchase of four all-terrain vehicles - \$100,944
  - 41 • Purchase of other off road vehicles - \$49,570
- 42  
43



1    **2.4    Capitalization Policy**

2    GLPL records capital assets at cost in accordance with Generally Accepted Accounting  
3    Principles. The cost of an item of property, plant and equipment includes direct  
4    acquisition, construction or development costs, such as materials and labour, and  
5    overhead costs directly attributable to the acquisition, construction or development  
6    activity. *Allowance for Funds Used During Construction* are attributed to all capital  
7    projects in accordance with the Accounting Procedures Handbook. The costs incurred to  
8    enhance the service potential of an item of property, plant and equipment are also  
9    capitalized.

10

11    **3.0    Amortization**

12    GLPL's amortization rates are set out at Exhibit 4, Tab 2, Schedule 7. Historically GLPL  
13    has used these rates. These amortization rates are consistent with those outlined in  
14    Appendix B of the 2006 Distribution Rate Handbook, with the exception of amortization  
15    rates for vehicles. GLPL has historically amortized its vehicles over five years or by 20%  
16    per year and has maintained this rate for the purpose of this application. From an  
17    accounting perspective, GLPL's amortization rate for vehicles is reasonable and there is  
18    no apparent reason to adjust it.

19

20    **4.0    Working Capital Allowance**

21

22    The proposed working capital allowance for 2007 in the amount of \$3,388,525 was  
23    calculated by GLPL in accordance with the EDR Model (15% of OM&A + 15% of cost  
24    of power). Please refer to Exhibit 2, Tab 3, Schedule 1 for a calculation of working  
25    capital allowance from 2005-2007 that utilizes an OM&A accounts formula approach.

26

27

# **Schedule 2-2-1**

## **Gross Assets – Property, Plant & Equipment**

Summary and Continuity Statements

**SUMMARY AND CONTINUITY STATEMENTS**

2006												
CEB Account Description	Depr Rate	2006 Opening Gross Asset Value	2006 Opening Accumulated Depreciation	2006 Opening NBV	2006 Additions	2006 Disposals	2006 Closing Gross Asset Value	2006 Annual Depreciation	2006 Adjustment to Accumulated Depreciation	2006 Closing Accumulated Depreciation	2006 Closing NBV	
1800 Land	0.00%	841,603.89	-	841,603.89	-	-	841,603.89	-	-	-	841,603.89	
1806 Land Rights	2.00%	3,482,952.46	84,342.43	3,398,610.02	1,031,610.37	-	4,414,762.82	99,371.44	-	164,313.87	4,330,448.95	
1808 Buildings and Fixtures - Dist. Plant	2.00%	6,533,282.72	1,857,507.43	4,675,775.29	-	-	6,533,282.72	130,409.81	-	1,787,517.24	4,746,246.48	
1820 Distribution Station Equipment - Normal Primary below 50 KV	3.33%	8,478,922.52	2,328,875.77	6,149,046.75	67,476.64	-	8,546,399.36	264,061.30	-	3,153,737.07	5,392,662.29	
1820 Poles, Towers and Fixtures	4.00%	24,095,232.48	10,136,142.18	13,959,090.30	2,166,101.54	-	26,265,334.02	940,413.50	-	11,076,555.68	15,188,778.04	
1830 Overhead Conductors and Devices	4.00%	11,724,443.18	5,421,525.75	6,302,917.43	782,406.15	-	12,506,846.37	433,505.49	-	5,855,331.27	6,651,515.10	
1840 Underground Conductors and Devices	4.00%	460,098.80	86,416.71	373,682.09	-	-	460,098.80	15,521.12	-	104,537.83	356,150.97	
1850 Line Transformers	4.00%	8,600,901.63	4,230,297.36	4,370,604.27	64,156.16	-	8,665,060.61	297,652.31	-	4,527,939.67	4,137,120.94	
1855 Services	4.00%	2,678,357.17	1,347,625.18	1,330,731.99	-	-	2,678,357.17	85,320.32	-	1,437,446.51	1,240,910.66	
1860 Meters	4.00%	2,237,073.15	1,150,630.38	1,076,442.77	10,056.55	-	2,237,138.74	65,735.32	-	1,216,265.71	1,020,873.03	
1875 Street Lighting and Signal Systems	10.00%	15,522.64	15,519.55	602.69	-	-	15,522.64	532.89	-	16,022.64	(0.00)	
1880 Buildings and Fixtures - General Plant	4.00%	567,623.53	74,571.39	493,052.14	52,367.52	-	659,991.25	24,352.29	-	59,123.68	600,867.57	
1915 Office Furniture and Equipment	10.00%	787,633.36	569,350.99	218,282.36	-	(16,335.71)	771,297.65	53,412.50	1,827.00	608,264.77	163,032.88	
1920 Computer Equipment - Hardware	20.00%	2,614,039.34	1,937,264.42	706,744.92	672,047.86	(74,566.01)	3,211,471.21	249,324.14	-	2,062,302.55	1,125,168.66	
1925 Computer Software	20.00%	1,839,080.85	1,823,123.27	15,957.58	-	-	1,839,080.85	15,957.59	-	1,825,080.86	(0.00)	
1930 Transportation Equipment	20.00%	3,899,914.70	2,931,511.55	968,403.14	285,703.08	(121,066.75)	4,039,531.03	474,315.57	32,749.50	3,317,469.88	721,041.15	
1940 Tools, Shop and Garage Equipment	10.00%	1,224,410.42	712,943.52	511,466.90	56,678.85	(6,325.52)	1,276,799.75	70,329.39	-	776,543.45	499,816.30	
1945 Measurement and Testing Equipment	10.00%	230,700.86	230,700.86	-	-	-	230,700.86	-	-	230,700.86	-	
1955 Communication Equipment	10.00%	386,281.13	291,864.65	94,416.48	7,406.76	-	393,687.89	15,443.53	-	307,308.16	86,379.73	
1960 Miscellaneous Equipment	10.00%	105,814.40	43,573.57	62,240.83	-	-	105,814.40	10,581.44	-	54,256.01	51,558.39	
1990 Other Tangible Property	4.00%	2,150,995.99	1,021,851.21	1,129,144.78	-	-	2,150,995.99	74,343.15	-	1,056,154.37	1,054,801.62	
Subtotal:		82,945,931.21	36,888,839.44	46,076,991.77	5,234,260.84	(216,337.95)	87,961,754.06	3,327,555.50	34,576.50	36,812,614.45	48,145,115.61	
Less: Non-Distribution Assets:		15,522.64	15,519.55	602.68	-	-	15,522.64	532.89	-	16,022.64	(0.00)	
<b>Totals</b>		<b>82,929,398.57</b>	<b>36,862,919.77</b>	<b>46,276,388.80</b>	<b>5,234,260.84</b>	<b>(218,337.90)</b>	<b>87,946,231.42</b>	<b>3,328,658.62</b>	<b>34,678.60</b>	<b>38,798,111.80</b>	<b>48,148,118.62</b>	

QEB Account Description	Dppr Rate	2008									
		2008 Opening Gross Asset Value	2008 Opening Accumulated Depreciation	2008 Opening NBV	2008 Additions	2008 Disposals	2008 Closing Gross Asset Value	2008 Annual Accumulated Depreciation	2008 Adjustment to Accumulated for Disposals	2008 Closing Accumulated Depreciation	2008 Closing NBV
1605 Land	0.00%	841,603.89	-	841,603.89	-	-	841,603.89	-	-	-	841,603.89
1606 Land Rights	2.50%	4,514,762.82	184,313.87	4,330,448.95	3,191,113.85	-	7,705,876.70	192,757.99	-	337,071.87	7,368,804.83
1608 Buildings and Fixtures - Dist. Plant	2.00%	6,533,262.72	1,797,917.24	4,745,345.48	-	-	6,533,262.72	130,409.81	-	1,918,327.05	4,614,938.68
1620 Distribution Station Equipment - Normally Primary below 50 KV	3.33%	8,546,399.36	3,193,737.07	5,352,662.29	339,487.75	-	8,885,887.11	269,467.75	-	3,463,204.83	5,422,682.28
1630 Poles, Towers and Fixtures	4.00%	26,263,334.02	11,079,555.99	15,183,778.04	1,842,297.58	(2,117.17)	28,103,814.43	1,006,270.45	-	12,080,709.27	16,023,105.16
1635 Overhead Conductors and Devices	4.00%	12,506,946.37	5,959,331.27	6,547,615.10	1,152,567.37	(16,540.52)	13,682,472.72	466,025.33	-	8,304,415.66	7,378,057.04
1645 Underground Conductors and Devices	4.00%	460,098.80	104,837.83	355,260.97	-	-	460,098.80	18,521.12	-	121,458.95	338,632.85
1650 Line Transformers	4.00%	8,685,096.81	4,527,939.67	4,157,157.15	328,033.32	(676,697.26)	8,134,432.87	284,535.52	133,995.61	4,067,741.74	4,066,691.13
1655 Services	4.00%	2,678,357.17	1,437,446.51	1,240,910.66	-	-	2,678,357.17	88,796.06	-	1,626,242.58	1,052,114.59
1660 Meters	4.00%	2,237,138.74	1,219,268.71	1,020,870.03	13,385.95	(75,760.49)	2,170,714.34	62,222.15	20,972.30	1,215,662.68	565,031.66
1675 Street Lighting and Signs Systems	10.00%	16,522.64	16,522.64	(0.00)	-	-	16,522.64	-	-	16,522.64	-
1608 Buildings and Fixtures - General Plant	4.00%	659,951.05	99,123.69	560,827.37	7,560.00	-	667,551.05	26,550.84	-	128,674.53	541,876.52
1615 Office Furniture and Equipment	10.00%	771,297.65	808,284.77	163,032.68	7,566.14	-	779,263.79	46,110.36	-	684,375.14	94,888.65
1620 Computer Equipment - Hardware	20.00%	3,211,471.21	2,082,302.55	1,129,168.66	311,066.20	-	3,522,537.41	314,037.11	-	2,396,339.67	1,126,197.74
1625 Computer Software	20.00%	1,839,080.95	1,839,080.95	(0.00)	-	-	1,839,080.95	14,325.65	-	1,853,406.60	(14,325.65)
1630 Transportation Equipment	20.00%	4,038,531.03	3,317,459.59	721,071.45	309,889.74	-	4,244,120.77	411,701.97	-	3,729,151.85	514,968.93
1640 Tools, Shop and Garage Equipment	10.00%	1,276,759.79	775,343.49	499,616.30	72,208.66	(2,235.44)	1,346,733.03	74,546.62	1,471.65	890,725.32	456,007.71
1645 Measurement and Testing Equipment	10.00%	230,700.86	230,700.86	-	-	-	230,700.86	-	-	230,700.86	-
1655 Communication Equipment	10.00%	393,687.89	337,308.16	56,379.71	-	-	393,687.89	15,199.99	-	332,508.17	75,179.72
1660 Miscellaneous Equipment	10.00%	125,814.40	54,255.01	51,559.39	5,301.56	-	111,115.98	10,846.52	-	68,101.63	46,014.46
1690 Other Tangible Property	4.00%	2,160,995.99	1,095,194.37	1,064,601.62	-	-	2,160,995.99	74,343.16	-	1,170,637.53	960,458.46
<b>Subtotal:</b>		<b>87,961,754.06</b>	<b>39,812,634.45</b>	<b>48,149,119.61</b>	<b>7,516,546.13</b>	<b>(575,771.26)</b>	<b>94,498,530.91</b>	<b>3,454,633.42</b>	<b>166,439.76</b>	<b>42,463,936.35</b>	<b>52,034,594.57</b>
Less: Non-Distribution Assets:		16,522.64	16,522.64	(0.00)	-	-	16,522.64	-	-	16,522.64	-
<b>Totals</b>		<b>87,945,231.42</b>	<b>39,796,111.80</b>	<b>48,149,119.62</b>	<b>7,516,546.13</b>	<b>(575,771.26)</b>	<b>94,482,008.27</b>	<b>3,484,633.42</b>	<b>166,439.76</b>	<b>42,487,419.70</b>	<b>52,044,604.67</b>

Account Description	2007 Opening Gross Asset Value	2007 Opening Accumulated Depreciation	2007			2007 Closing Gross Asset Value	2007 Annual Depreciation	2007 Closing Accumulated Depreciation	2007 Closing Net Value
			Rate	2007 Additions	2007 Disposal				
1605 Land	841,603.83	-		-	-	-	-	841,603.83	
1606 Land Rights	7,726,876.70	337,071.37		-	-	-	-	7,389,805.33	
1608 Buildings and Fixtures - Dist Plant	6,533,262.72	1,318,327.05		4,614,525.66	(1,600,000.00)	3,014,525.66	217,934.42	5,325,278.41	
1610 Distribution Station Equipment - Normally Primary below 50 KV	8,885,987.11	3,453,224.53		5,422,682.28	(3,000,000.00)	2,422,682.28	134,385.35	4,862,593.11	
1610 Poles, Towers and Fixtures	28,103,614.43	12,050,729.27		16,033,805.16	(325,000.00)	15,708,805.16	272,872.39	5,394,808.25	
1615 Overhead Conductors and Devices	13,682,472.72	5,324,415.53		7,378,057.04	(2,570,254.00)	4,807,803.04	1,078,812.59	12,804,660.28	
1616 Underground Conductors and Devices	460,099.80	121,455.95		338,635.65	-	338,635.65	539,020.55	6,659,576.25	
1616 Line Transformers	8,134,432.87	4,057,741.74		4,068,651.13	(1,000,000.00)	3,068,651.13	19,087.30	4,242,241.84	
1616 Service	2,678,357.17	1,535,242.53		1,132,114.59	-	2,670,357.17	57,152.52	4,012,181.23	
1616 Meters	2,170,714.24	1,219,552.58		551,031.26	(50,000.00)	2,220,714.24	59,307.50	1,275,550.27	
1617 Street Lighting and Signal Systems	16,522.54	16,522.54		-	-	-	-	16,522.54	
1618 Buildings and Fixtures - General Plant	667,451.05	125,674.53		541,576.52	-	636,901.52	25,720.24	152,276.57	
1618 Office Furniture and Equipment	779,263.79	64,575.14		124,628.65	-	803,837.44	39,173.31	664,664.13	
1620 Computer Equipment - Hardware	3,522,537.41	2,356,339.57		1,128,157.74	(445,500.00)	3,971,037.41	375,151.51	2,772,501.17	
1620 Computer Software	1,839,080.85	1,853,424.50		(14,323.65)	-	1,824,757.15	7,559.28	1,824,757.15	
1630 Transportation Equipment	4,244,120.77	3,729,191.85		514,528.65	-	4,244,120.77	310,911.90	4,040,102.75	
164C Tools, Bays and Garage Equipment	(1,246,733.03)	350,725.32		458,007.71	(600,000.00)	1,265,733.03	73,455.32	529,270.64	
164E Measurement and Testing Equipment	230,720.88	230,720.88		-	-	230,720.88	15,199.99	337,708.15	
1655 Communication Equipment	393,687.89	352,528.17		71,175.72	-	393,687.89	11,111.60	34,502.88	
1660 Miscellaneous Equipment	111,115.99	65,101.53		48,014.46	-	111,115.99	74,343.15	508,116.31	
1660 Other Tangible Property	2,150,595.99	1,170,537.53		580,458.46	-	2,150,595.99	-	508,116.31	
<b>Subtotal</b>	<b>94,498,530.91</b>	<b>42,453,935.35</b>		<b>32,044,594.57</b>	<b>6,531,570.00</b>	<b>(775,000.00)</b>	<b>102,326,200.91</b>	<b>3,623,023.05</b>	<b>45,301,699.40</b>
<b>Less: Non-Distribution Assets:</b>	<b>16,522.54</b>	<b>16,522.54</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>16,522.54</b>	<b>-</b>	<b>16,522.54</b>
<b>Total</b>	<b>84,482,008.37</b>	<b>42,437,412.70</b>		<b>32,044,594.57</b>	<b>6,538,140.00</b>	<b>(775,000.00)</b>	<b>102,309,678.37</b>	<b>3,623,023.05</b>	<b>45,285,176.86</b>

## **Schedule 2-2-2**

### **Gross Assets – Property, Plant & Equipment**

Customer Additions and  
System Expansions

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**CUSTOMER ADDITIONS AND SYSTEM EXPANSIONS**

GLPL currently does not expect any material net customer additions or expect any system expansions in 2007.

# **Schedule 2-3-1**

## **Allowance for Working Capital**

Overview and Calculation by Account



**WORKING CAPITAL ALLOWANCE**

Since market opening, GLPL's working capital allowance has been determined based on the formula contained in the original rate handbook, that being 15% of the cost of power plus 15% of OM&A. GLPL has elected to use this approach for determining its working capital allowance for 2007. The 2007 cost of power is forecasted based on historical loads and rates from IESO billing as calculated in the following table:

*Table 2-3-1 A – Cost of Power*

USoA	Description	Charge Determinant	Rate	Consumption (000's)	Forecast 2007 (\$000's)
4705	Power Purchased	kWh	\$0.0527	211,073.7	\$11,130.1
4708	Charges - WMS	kWh	0.0052	211,073.7	1,097.6
4714	Charges - NW	kW	2.8400	388.2	1,102.5
4716	Charges - CN	kW	2.2900	388.2	889.0
4730	Rural Rate Assistance Expense	kWh	0.0010	211,073.7	211.1
					<b>\$14,430.2</b>
Working Capital Allowance @ 15%					<b>\$2,164.5</b>

The 2007 OM&A is 15% of the total OM&A forecast for 2007. GLPL's working capital allowance is numerically illustrated by the following table:

*Table 2-3-1 B – Working Capital Allowance Summary*

\$000's	2005	2006	Forecast 2007
Total Cost of Power	\$13,877.6	\$14,066.6	\$14,430.2
<b>15% of Cost of Power</b>	<b>2,081.6</b>	<b>2,110.0</b>	<b>2,164.5</b>
Total OM&A & Municipal Tax	\$7,496.7	\$7,760.0	\$8,160.0
<b>15% of OM&amp;A &amp; Municipal Tax</b>	<b>1,124.5</b>	<b>1,164.0</b>	<b>1,224.0</b>
<b>Working Capital Allowance</b>	<b>\$3,206.1</b>	<b>\$3,274.0</b>	<b>\$3,388.5</b>

1 The following table represents 15% of the balances in the OM&A and Cost of Power  
2 accounts set out below. This provides GLPL's working capital allowance on an account  
3 basis.

4 *Table 2-3-1 C – Working Capital by Account*

<u>Account</u>	<u>2005 (\$000's)</u>	<u>2006 (\$000's)</u>	<u>Forecast 2007 (\$000's)</u>
<b><u>Other Power Supply Expenses</u></b>			
4705 Power Purchased	\$1,605.8	\$1,632.4	\$1,669.5
4708 Charges - WMS	150.9	154.4	164.6
4710 Cost of Power Adjustments	-	-	-
4712 Charges - One Time	-	-	-
4714 Charges - NW	171.9	164.7	165.4
4715 System Control and Load Dispatching	-	-	-
4716 Charges - CN	122.6	128.6	133.3
4720 Other Expenses	-	-	-
4725 Competition Transition Expense	-	-	-
4730 Rural Rate Assistance Expense	30.4	30.0	31.7
<b>Total Power Supply Expense Working Capital Allowance:</b>	<b>\$2,081.6</b>	<b>\$2,110.0</b>	<b>\$2,164.5</b>
<b><u>Distribution Expenses - Operation</u></b>			
5005 Operation Supervision and Engineering	\$117.2	\$69.7	\$66.9
5010 Load Dispatching	8.2	8.8	9.2
5012 Station Buildings and Fixtures Expense	55.3	74.2	81.3
5014 Transformer Station Equipment - Operation Labour	(1.2)	-	-
5015 Transformer Station Equipment - Operation Supplies and Expenses	0.4	-	-
5016 Distribution Station Equipment - Operation Labour	4.3	3.1	5.6
5017 Distribution Station Equipment - Operation Supplies and Expenses	3.4	1.2	5.5
5020 Overhead Distribution Lines and Feeders - Operation Labour	10.6	12.5	5.8
5025 Overhead Distribution Lines and Feeders - Operation Supplies and Expenses	4.3	6.0	2.2
5030 Overhead Subtransmission Feeders - Operation	3.9	5.4	6.3
5035 Overhead Distribution Transformers - Operation	1.1	1.8	1.4
5040 Underground Distribution Lines and Feeders - Operation Labour	-	-	-
5045 Underground Distribution Lines and Feeders - Operation Supplies and Expenses	-	-	-
5050 Underground Subtransmission Feeders - Operation	-	-	-
5055 Underground Distribution Transformers - Operation	-	-	-
5060 Street Lighting and Signal System Expense	-	-	-
5065 Meter Expense	38.6	33.1	50.3
5070 Customer Premises - Operation Labour	0.3	13.1	10.4
5075 Customer Premises - Materials and Expenses	1.5	6.4	6.5
5085 Miscellaneous Distribution Expense	17.8	-	-
5090 Underground Distribution Lines and Feeders - Rental Paid	-	-	-
5095 Overhead Distribution Lines and Feeders - Rental Paid	-	-	-
5096 Other Rent	0.9	1.9	2.8
<b><u>Distribution Expenses - Maintenance</u></b>			
5105 Maintenance Supervision and Engineering	0.3	-	-
5110 Maintenance of Buildings and Fixtures - Distribution Stations	11.4	19.3	10.2
5112 Maintenance of Transformer Station Equipment	(0.2)	4.0	0.3
5114 Maintenance of Distribution Station Equipment	9.9	10.3	13.6
5120 Maintenance of Poles, Towers, and Fixtures	0.7	3.8	2.1
5125 Maintenance of Overhead Conductors and Devices	209.2	174.2	154.4
5130 Maintenance of Overhead Services	2.2	0.1	1.7
5135 Overhead Distribution Lines and Feeders - Right of Way	194.6	216.4	240.0
5145 Maintenance of Underground Conduit	-	-	-
5150 Maintenance of Underground Conductors and Devices	-	-	-
5155 Maintenance of Underground Services	-	-	-
5160 Maintenance of Line Transformers	1.9	1.7	4.9
5165 Maintenance of Street Lighting and Signal Systems	-	-	-
5170 Sentinel Lights - Labour	-	-	-
5172 Sentinel Lights - Materials and Expenses	-	-	-
5175 Maintenance of Meters	1.5	1.3	2.6
5178 Customer Installations Expenses - Leased Property	-	-	-
5185 Water Heater Rentals - Labour	-	-	-
5186 Water Heater Rentals - Materials and Expenses	-	-	-
5190 Water Heater Controls - Labour	-	-	-

5

**Exhibit 2**  
**Tab 3**  
**Schedule 1**  
**Page 3 of 3**

5192	Water Heater Controls - Materials and Expenses	-	-	-
5195	Maintenance of Other Installations on Customer Premises	-	-	-
	<b><u>Billing and Collecting</u></b>			
5305	Supervision, Billing and Collecting	-	-	-
5310	Meter Reading Expenses	38.6	56.6	47.0
5315	Customer Billing	54.2	72.4	72.2
5320	Collecting	17.2	11.0	16.9
5325	Collecting - Cash Over and Short	0.0	-	-
5330	Collection Charges	0.0	-	-
5335	Bad Debt Expense	(0.2)	6.5	10.1
5340	Miscellaneous Customer Accounts Expenses	18.6	14.9	25.5
	<b><u>Sales Expenses</u></b>			
5505	Supervision	-	-	-
5510	Demonstrating and Selling Expense	-	-	-
5515	Advertising Expense	0.2	0.7	1.2
5520	Miscellaneous Sales Expense	-	-	-
	<b><u>Administrative and General Expenses</u></b>			
5605	Executive Salaries and Expenses	37.4	27.9	32.8
5610	Management Salaries and Expenses	22.4	-	-
5615	General Administrative Salaries	44.6	85.3	112.3
5620	Office Supplies and Expenses	7.6	19.4	25.5
5625	Administrative Expense Transferred - Credit	-	-	-
5630	Outside Services Employed	35.3	137.7	128.3
5635	Property Insurance	17.0	16.1	17.4
5640	Injuries and Damages	-	-	-
5645	Employee Pensions and Benefits	103.7	-	-
5650	Franchise Requirements	-	-	-
5655	Regulatory Expenses	2.8	15.6	18.0
5660	General Advertising Expenses	-	-	-
5665	Miscellaneous General Expenses	-	4.7	4.8
5670	Rent	-	-	-
5675	Maintenance of General Plant	-	-	-
5680	Electrical Safety Authority Fees	3.9	2.6	3.3
5685	Independent Market Operator Fees and Penalties	-	-	-
	<b><u>Taxes</u></b>			
6105	Taxes Other Than Income Taxes	22.6	24.0	24.6
	<b>Total OM&amp;A Working Capital Allowance</b>	<b>\$1,124.5</b>	<b>\$1,164.0</b>	<b>\$1,224.0</b>
	<b>Total Working Capital Allowance</b>	<b>\$3,206.1</b>	<b>\$3,274.0</b>	<b>\$3,388.6</b>

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# **Schedule 3-1-1**

## Summary of Operating Revenue

**SUMMARY OF OPERATING REVENUE**

GLPL's operating revenue is set out in the table below:

*Table 3-1-1 A – Numerical Summary of Operating Revenue*

(\$000's)	2005	2006	Forecast 2007
Operating Revenue	\$12,727.2	\$12,884.5	\$13,063.2
Less: Cost of Power Accrual Variance	(5.8)	(5.5)	-
Less: Regulatory Asset Accrual	3,333.3	3,231.4	3,115.5
Less: Boniferro Mill Works Deferral	-	208.5	115.0
<b>Net Operating Revenue</b>	<b>9,399.8</b>	<b>9,450.1</b>	<b>9,832.7</b>
Less: Revenues from Other Sources	15.1	172.0	345.2
<b>Throughput Revenue</b>	<b>\$9,384.7</b>	<b>\$9,278.1</b>	<b>\$9,487.5</b>

# **Schedule 3-2-1**

## **Throughput Revenue**

### **Overview and Variance Analysis**

## THROUGHPUT REVENUE: OVERVIEW AND VARIANCE ANALYSIS

### 1.0 Historical Throughput Revenue Summary

GLPL's historical throughput revenue can be summarized as follows.

*Table 3-2-1 A – Numerical Summary of Throughput Revenue:*

	2005	2006
Billed Volume in kWh	114,436,731	112,759,752
Billed Volume in kW	189,051	180,491
Number of Customers	11,556	11,590
<b>Throughput Revenue (\$000's)</b>	<b>\$9,384.7</b>	<b>\$9,278.1</b>

Revenue declined in 2006 as a result of a decrease in billed volume. Revenue decreased 1.1%.

### 2.0 Throughput Revenue: Load Forecast

GLPL has employed a load forecast for the 2007 test year. GLPL's customer load has remained relatively constant between 2005 and 2006 as indicated by the load data contained at Exhibit 3, Tab 2, Schedule 2. Based upon historical actual meter readings, GLPL has created load and throughput revenue forecasts as set out in Exhibit 3, Tab 2, Schedule 2.

Billed volume is expected to rise particularly due to a new customer in the mine sector.

Revenue is forecasted to rise 2.3%.

# **Schedule 3-2-2**

## **Throughput Revenue**

Volume Forecast



1 VOLUME FORECAST

2 In preparing a volume and throughput revenue forecast for 2007, GLPL made certain  
3 assumptions.

4 The charge determinants used (kWh & kW) are actual metered data. Although it is actual  
5 billed consumptions that drive revenue, there are timing variances that can skew billed  
6 consumptions from actual consumptions. These timing variances arise at the end of each  
7 year when a customer has consumed electricity but has not yet been billed for it. GLPL  
8 is unable to predict which way the timing variances will differ from the actual readings,  
9 thus the best estimate is historical actual metered data as opposed to historical billed data.

10 Because GLPL does not have a full accurate year of data in 2002, a 4-year average was  
11 used to calculate the 2007 forecast. All consumption values are based on this average  
12 with the exception of the Seasonal class and the GS>50kW class.

13 Seasonal

14 GLPL reads seasonal meters on an annual basis; therefore it does not have actual metered  
15 data for the 2006 year. 2006 has been calculated as the average of 2003-2005.

16 GS>50kW

17 GLPL's GS>50kW customer class has only 46 customers in it; therefore each customer  
18 was analyzed individually to create a forecast for 2007.

19 The last assumption made is that GLPL's customer count will remain steady in 2007,  
20 with no material additions. Thus, with the exception of GS>50kW which has been  
21 calculated by individual customer, the customer count used for 2007 is the same customer  
22 count from December 31, 2006.

23 *Table 3-2-1 A* below has been created to demonstrate the calculation of GLPL's 2007  
24 throughput revenue forecast. Variable charges are multiplied by the charge determinants  
25 (kWh & kW), and service charges and monthly RRRP are multiplied by the number of  
26 customers and then by 12 months. The sum of these creates a 2007 revenue forecast of  
27 \$9,487,500.

1 *Table 3-2-2 A – Throughput Revenue Forecast*

<u>Charge Determinant (kWh)</u>	2003	2004	2005	2006	Forecast 2007
Residential	78,608,181	76,910,001	75,004,880	72,644,640	75,791,926
Seasonal	11,867,258	11,692,754	11,678,117	11,746,043	11,746,043
GS < 50 kW	30,084,846	28,969,911	28,656,887	26,833,876	28,636,380
GS > 50 kW	-	-	-	-	-
Large Customer B	-	-	-	-	-
Street Lights	935,668	1,002,422	1,046,222	1,056,913	1,010,306
	<b>121,495,953</b>	<b>118,575,088</b>	<b>116,386,106</b>	<b>112,281,472</b>	<b>117,184,655</b>

<u>Charge Determinant (kW)</u>	2003	2004	2005	2006	Forecast 2007
Residential	-	-	-	-	-
Seasonal	-	-	-	-	-
GS < 50 kW	-	-	-	-	-
GS > 50 kW	84,888	97,601	112,628	116,920	130,265
Large Customer B	68,706	65,852	70,065	63,882	67,126
Street Lights	-	-	-	-	-
	<b>153,594</b>	<b>163,453</b>	<b>182,693</b>	<b>180,802</b>	<b>197,392</b>

<u>Customer Count</u>	2003	2004	2005	2006	Forecast 2007
Residential	6,878	6,807	6,802	6,782	6,782
Seasonal	3,577	3,646	3,652	3,707	3,707
GS < 50 kW	959	956	956	958	958
GS > 50 kW	48	47	45	43	46
Large Customer B	1	1	1	1	1
Street Lights	104	103	100	99	99
	<b>11,567</b>	<b>11,560</b>	<b>11,556</b>	<b>11,590</b>	<b>11,593</b>

<u>Revenue Forecast (\$)</u>	Variable Driver	Current Base Variable Charge	Current Base Service Charge	Current Monthly RRRP	2007 Revenue Forecast (\$000's)
Residential	kWh	\$0.0200	\$19.97	\$28.50	\$5,460.5
Seasonal	kWh	0.0400	22.63	-	1,476.5
GS < 50 kW	kWh	0.0360	26.09	-	1,330.8
GS > 50 kW	kW	2.0000	583.29	-	582.5
Large Customer B	kW	8.5000	2,792.67	-	604.1
Street Lights	kWh	0.0327	-	-	33.0
					<b>\$9,487.5</b>

## **Schedule 3-3-1**

Description of Other Revenue Sources

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**DESCRIPTION OF OTHER REVENUE SOURCES**

**1.0 Summary**

A numerical summary of GLPL's revenues from sources other than Board approved rates and charges is set out below.

*Table 3-3-1 A Numerical Summary of Revenue*

<b>(\$000's)</b>	<b>2005</b>	<b>2006</b>	<b>2007 Forecast</b>
Specific Service Charge Revenue	(\$73.0)	\$32.2	\$101.3
Pole Rental Revenue	121.9	148.5	233.2
Late Charges	(40.1)	(13.5)	5.7
Other Distribution Revenue - Rents	6.2	4.8	5.0
<b>Total Other Revenue Sources</b>	<b>\$15.1</b>	<b>\$172.0</b>	<b>\$345.2</b>

**Description of Other Revenue Sources:**

*Specific Service Charges* - As defined in the 2006 EDR Handbook: "A Specific Service Charge is an approved fixed rate charged to a customer for a specific activity or service, or as a penalty."

*Pole Rental* - GLPL shares poles with telecommunication carriers. GLPL charges a fixed price of \$22.35 per pole per year.

*Late Charges* - Customers are charged late fees (1.5% per month) on balances that remain outstanding beyond due dates.

*Other Distribution Revenue - Rents* - GLPL charges rental fees to customers for rental of equipment and/or property

1     **2.0     Variances**

2

3     **2.1     2005-2006**

4     In January 2005, approximately \$65,000 in late charges were reversed. These charges  
5     dated back to 2000/2001. This was partially offset by late charges charged during the  
6     same period.

7     In December 2005, corrections dealing with customer deposits were made relating to  
8     prior years that reduced 'Specific Service Charge Revenue' by about \$110,000. The  
9     majority of this figure relates to years prior to 2002. Specific Service Charge Revenue  
10    returned back to normal historical levels in 2006.

11    **2.2     2006-2007**

12    In June 2006, approximately \$19,000 in late charges were reversed after the Board's  
13    decision on a rate class reclassification issue (RP-2005-0013/EB-2005-0013).

14    Pole rental revenue is expected to increase in 2007 as a result of new agreements with  
15    parties having shared pole access.

16    Specific Service Charge revenue increases as a result of GLPL's requested new Specific  
17    Service Charges set out in Exhibit 3, Tab 3, Schedule 2.

# **Schedule 3-3-2**

## **Other Revenue**

### Supporting Data

**REVENUE FROM SPECIFIC SERVICE CHARGES**

GLPL's current services charges are set out in *Table 3-3-2 A* below. Also noted in *Table 3-3-2 A* are new service charges sought by GLPL.

The 2007 forecast for these service charges is based on the average of historical years activity. The charges are as described in the 2006 Distribution Rate Handbook.

*Table 3-3-2 A - Specific Service Charges:*

Service Charge Description	Amount (\$)	2007 Volume Forecast	Forecasted Revenue (\$)
<i>Current Service Charges:</i>			
Returned cheque charge (plus bank charges)	\$15	60	\$900
Collection of account charge - no disconnection	30	37	1,110
Disconnect/Reconnect at meter - during regular hours	65	115	7,475
Disconnect/Reconnect at pole - during regular hours	185	8	1,480
Meter dispute charge plus Measurement Canada fees (if meter found correct)	30	4	120
Special meter reads	30	382	11,460
<i>New Service Charges:</i>			
Arrears certificate (Credit Reference)	15	134	2,010
Notification charge	15	3,234	48,510
Legal letter charge	15	31	465
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	30	906	27,180
Install/Remove load control device - during regular hours	65	9	585
<b>Total Forecasted Revenue from Specific Service Charges</b>			<b>\$101,295</b>

The methodology used to determine the above requested service charges is as follows:

Arrears certificate

Actual GLPL historical data was used. This number includes all credit references tracked by GLPL.

Notification charge

Actual GLPL historical data was used. All "delinquent second notice" letters sent to customers are considered "Notification charges".

1 Returned cheque charge

2 Actual GLPL historical data was used. All NSF letters sent to customers are tracked and  
3 are considered as “Returned cheque charges”.

4  
5 Legal letter charge

6 Actual GLPL historical data was used. GLPL used its total “Lawyer letters” and  
7 “Easements” as its total Legal Letter charges.

8  
9 Account set up charge/change of occupancy charge

10 Actual GLPL historical data was used. All accounts initiated in each year have an  
11 account set-up charge. This is counted by customer initiation date.

12  
13 Special meter reads

14 Actual GLPL historical data used. This represents the total number of meter re-reads that  
15 took place.

16  
17 Collection of account charge

18 Actual GLPL historical data. This is calculated as the total number of disconnects  
19 canceled due to a customer paying at the time of disconnection.

20  
21 Disconnect/Reconnect at meter – regular hours

22 Actual GLPL historical data was used. The data has been compiled from the number of  
23 disconnects from our Service Interruptions Summary.

24  
25 Install/Remove load control device – regular hours

26 Actual GLPL historical data was used. This is a count by GLPL of the “load limiters”  
27 installed.

28  
29 Disconnect/Reconnect at pole – during regular hours

30 Actual GLPL historical data was used. Data is taken from Service Interruptions  
31 Summary.

32  
33 Meter dispute charge plus Measurement Canada fees (if meter found correct)

34 Actual GLPL historical data was used. This number represents the actual number of  
35 annual meter disputes that took place.

36  
37



# **Schedule 4-1-1**

## **Operating Costs Overview**

Summary of Operating Costs

**SUMMARY OF OPERATING COSTS**

**Overview of GLPL's Operating Costs**

GLPL's operating costs includes: operations, maintenance and administration ("OM&A"); depreciation and amortization; capital and property taxes; and income taxes. A summary of GLPL's operating costs is set out in the following table:

*Table 4-1-1 A - Summary of Operating Costs*

<b>(\$000's)</b>	<b>2005</b>	<b>2006</b>	<b>Application 2007</b>	<b>Reference</b>
Operations, Maintenance & Administration	\$7,359.5	\$7,600.0	\$7,995.7	Ex 4, Tab 2, Sch 1
Depreciation & Amortization	3,327.0	3,464.6	3,623.0	Ex 4, Tab 2, Sch 7
Capital & Property Taxes	362.3	313.7	321.5	Ex 4, Tab 2, Sch 8
Income Taxes	(880.5)	(1,069.8)	1,565.9	Ex 4, Tab 3, Sch 1
<b>Total Operating Costs</b>	<b>10,168.3</b>	<b>10,308.6</b>	<b>13,506.1</b>	

The variance in total operating costs from 2006 – 2007 is forecasted to be the result of income taxes arising from GLPL earning its full revenue requirement in 2007.

Approximately \$2,655,700 of the \$3,197,500 variance is the result of income tax.

Excluding income taxes, operating costs for GLPL from 2005 through to 2007 were reasonably stable.

# **Schedule 4-2-1**

## **Operation, Maintenance and Administration Costs**

### **Overview**

**Operation , Maintenance and Administration Costs**

**1.0 Summary:**

GLPL has proposed OM&A costs for the 2007 test year that will allow GLPL to continue operating its distribution system safely, reliably and in a cost-efficient manner. GLPL determined these costs based on its comprehensive asset management approach and its OM&A budget process, both of which are described below.

GLPL's OM&A expenses can be numerically summarized as follows:

*Table 4-2-1 A - Summary of OM&A*

(\$000's)	2005	2006	Forecast 2007
Operations, Maintenance & Administration	\$7,359.5	\$7,600.0	\$7,995.7
Variance		240.5	395.7

GLPL's OM&A activities cover the following four functional areas:

- **Operations:** From GLPL's perspective, "operations" includes activities relating to inspection, general engineering, testing and work planning.
- **Maintenance:** "Maintenance" relates to preventative maintenance activities and corrective maintenance. Preventative maintenance includes maintenance carried out on a cyclical basis for structures and devices to avoid failure (does not include inspections). Corrective maintenance is activity relating to the repair and replacement of equipment that either has failed or is about to fail.
- **Billing and Collecting:** Billing and collecting activities are carried out by GLPL's customer service department. Its activities primarily include meter reading, customer billing and collecting and customer account administration.
- **Administrative and General Expenses ("Administration"):** Administration relates to activities which include accounting, general administration, information technology and regulatory activities.

1 OM&A costs attributed to these functional areas can be numerically summarized as  
2 follows:

3  
4  
5

*Table 4-2-1 B – OM&A Costs by Functional Areas*

<b>(\$000's)</b>	2005	2006	Forecast 2007
Operations	\$1,438.0	\$1,582.7	\$1,695.2
Maintenance	2,968.0	2,873.6	2,865.8
Billing & Collecting	1,045.3	1,076.1	1,144.4
Administration	1,908.3	2,067.6	2,290.3
<b>Total OM&amp;A</b>	<b>\$7,359.5</b>	<b>\$7,600.0</b>	<b>\$7,995.7</b>

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## 8 **2.0 GLPL's OM&A Budgeting Process**

9

### 10 **2.1 Operations**

11 As mentioned above, from GLPL's perspective, "operations" includes activities relating  
12 to inspection, general engineering, testing and work planning. GLPL creates annual  
13 budgets using a zero-based bottom-up approach. All planned human resources; purchased  
14 services; materials; and other costs are identified and accounted for. GLPL forecasts the  
15 operations portion of its total OM&A budget based on a review of its historic operations  
16 costs with consideration of available resources, both internal and external.

17 GLPL seeks to maximize its use of internal resources before relying on external  
18 resources. When external resources are required, GLPL typically utilizes them on a  
19 temporary or contract basis to minimize overall costs.

1

2 **2.2 Maintenance**

3 GLPL's maintenance OM&A budgeting process consists of the following three distinct  
4 yet interrelated components:

- 5 i) inspection;
- 6 ii) GLPL's asset management approach; and
- 7 iii) budget approval.

8

9 Each of these components is discussed below.

10

11 **2.2.1 Inspection**

12

13 GLPL gathers information on its distribution equipment through its inspection process.

14

15 This component of GLPL's budget process is essential to ensure equipment performance  
and operability, while maximizing useful life.

16

17 Inspections are carried out by crews while working on various parts of the distribution  
18 system, and from patrol inspections. GLPL conducts patrol inspections of its equipment  
19 to assess its condition and identify structural problems and hazards, which could lead to  
20 corrective maintenance and/or capital improvements, if necessary. Because GLPL's 1,705  
21 km of pole line are primarily located in rural areas of Northern Ontario where the terrain  
22 is rugged and the vegetation is dense, patrol inspections are conducted by vehicle, and,  
23 when necessary, by helicopter and foot. GLPL patrols its distribution lines no less than on  
24 a six-year cycle with a detailed line patrol every 10 years. For substations, inspections are  
25 carried out no less than once per year. Inspections are supplemented by condition  
26 assessments to provide more detailed analysis of the state of GLPL's facilities.

27

28 The information gathered as part of the inspection process is considered as part of  
GLPL's asset management approach.

1 **2.2.2 GLPL's Asset Management Approach**

2  
3 GLPL's AM/FM system identifies information on the individual pieces of equipment that  
4 comprise GLPL's distribution system (i.e. poles, circuits, transformers, etc.), and provides  
5 geographic information on each piece of equipment. The information tracked by GLPL's  
6 AM/FM system includes, to the extent possible, installation dates and equipment  
7 specifications.

8 GLPL's maintenance management system organizes all maintenance activities and  
9 allocation of resources on an asset basis, and tracks the maintenance required either on a  
10 routine cyclical basis or for identified corrective maintenance. GLPL's maintenance  
11 management system assists GLPL with its future maintenance planning and annual  
12 budgets.

13 The combination of the AM/FM and maintenance management systems, as well as  
14 additional observations, assist GLPL's engineering staff in proposing which facilities  
15 require preventative or corrective maintenance in order to maintain reliability and to  
16 maximize useful life. Prioritization is based on a number of factors, including:

- 17       • reliability considerations;
- 18       • health and safety considerations;
- 19       • environmental considerations; and
- 20       • location relative to other projects (i.e. coordination of crews for multiple projects  
21       within proximity reduces costs).

22  
23 Maintenance proposals are ranked by GLPL's engineering staff based on the criteria  
24 described above, and are then considered as part of GLPL's OM&A budget approval  
25 process.

26  
27 **2.3 Billing and Collecting**

1 As mentioned above, from GLPL's perspective, "Billing and Collecting" includes  
2 activities that primarily include meter reading, customer billing and collecting and  
3 customer account administration. GLPL creates annual budgets using a zero-based  
4 bottom-up approach. All planned human resources; purchased services; materials; and  
5 other costs are identified and accounted for. GLPL forecasts the billing and collecting  
6 portion of its total OM&A budget based on a review of its historic billing and collecting  
7 costs with consideration of available resources, both internal and external.

8 GLPL seeks to maximize its use of internal resources before relying on external  
9 resources. When external resources are required, GLPL typically utilizes them on a  
10 temporary or contract basis to minimize overall costs.



1

2 **2.4 Administration**

3 As set out above, administration relates to activities which include accounting, general  
4 administration, salaries, information technology and regulatory activities. The costs  
5 associated with these activities can generally be categorized as variable and non-variable.

6 Non-variable administration costs include items such as property insurance, regulatory  
7 expenses and Electrical Safety Authority fees. These costs remain relatively stable from  
8 year-to-year, subject to inflationary increases. The variable administration costs relate to  
9 human resources and outside services employed, and other costs that can fluctuate on a  
10 year-over-year basis. As with operations, GLPL forecasts the administration portion of its  
11 total OM&A budget based on a review of its historic administration costs with  
12 consideration of available resources, both internal and external.

13 As mentioned above, GLPL seeks to maximize its use of internal resources before relying  
14 on external resources. When external resources are required, GLPL typically utilizes  
15 them on a temporary or contract basis to minimize overall costs.

16

17 **3.0 GLPL's Core Accounts**

18 GLPL's OM&A expenses are typically driven by twelve Uniform System of Accounts  
19 ("USofA") that form the core operations of GLPL's distribution business (the "Core  
20 Accounts"). The Core Accounts cover all four cost areas described above. The Core  
21 Accounts are described by the USofA as follows:

22 **5005 Operation Supervision and Engineering**

23 This account includes the cost of labour and expenses incurred in the general supervision  
24 and direction of the operation of the distribution system.

1  
2 **5110 Maintenance of Buildings and Fixtures - Distribution Stations**

3 This account includes the cost of labour, materials used and expenses incurred in  
4 maintenance of structures, the book cost of which is included in account 1808, Buildings  
5 and Fixtures, and 1810, Leasehold Improvements.  
6

7 **5012 Station Buildings and Fixtures Expenses**

8 This account includes the cost of labour, materials used and expenses incurred in  
9 operating distribution station building and fixtures recorded in account 1808 Buildings  
10 and Fixtures and account 1810 Leasehold Improvements.  
11

12 **5065 Meter Expenses**

13 This account includes the cost of labour, materials used and expenses incurred in the  
14 operation of customer meters and associated equipment.  
15

16 **5125 Maintenance of Overhead Conductors and Devices**

17 This account includes the cost of labour, materials used and expenses incurred in the  
18 maintenance of overhead distribution line facilities, the book cost of which is included in  
19 account 1835, Overhead Conductors and Devices.  
20

21 **5135 Overhead Distribution Lines and Feeders - Right of Way**

22 This account includes labour with payroll burden, material, trucking, and other expenses  
23 incurred in connection with tree trimming, etc. and other costs incurred in maintaining  
24 right of way subsequent to construction of a line.  
25

26 **5310 Meter Reading Expenses**

27 This account includes the cost of labour, materials used and expenses (automobile, truck  
28 and other expenses) incurred in reading customer meters, and determining consumption  
29 when performed by employees in reading meters.  
30

31 **5315 Customer Billing**

32 This account includes all costs related to the billing of customer accounts. These costs  
33 includes salaries and wages with payroll burden, stationery, postage, delivery expense  
34 and the charges for contract billing performed by other parties.  
35

36 **5320 Collecting**

37 This account includes all costs related to the collection of customer accounts. These costs  
38 include salaries and wages with payroll burden, legal fees and other expenses.  
39

40 **5340 Miscellaneous Customer Accounts Expense**

41 This account includes the cost of labour, materials used and expenses incurred not  
42 provided for in other accounts.  
43

1 **5615 General Administrative Salaries and Expenses**

2 This account includes the salaries with payroll burden and expenses of the staff of the  
 3 general administration office.

4  
 5 **5630 Outside Services Employed**

6 This account includes the fees and expenses of professional consultants and others for  
 7 general services which are not applicable to a particular operating function or to other  
 8 accounts. It also includes the pay and expenses of persons engaged for a special or  
 9 temporary administrative or general purpose in circumstances where the person so  
 10 engaged is not considered as an employee of the utility.

11  
 12 As demonstrated by the following table, the Core Accounts make up a significant portion  
 13 of GLPL's total OM&A budget.

14  
 15 *Table 4-2-1 C – OM&A by Core Account*

(\$000's)				
USofA	Description	2005	2006 Forecast	2007
	<b>TOTAL OM&amp;A (\$000's)</b>	<b>\$7,359.5</b>	<b>\$7,600.0</b>	<b>\$7,995.7</b>
5005	Operation Supervision and Engineering	532.0	465.0	446.0
5012	Station Buildings and Fixtures Expense	360.7	494.8	541.7
5110	Maintenance of Buildings and Fixtures - Distribution Stations	76.2	128.7	68.0
5065	Meter Expense	203.6	220.7	335.4
5125	Maintenance of Overhead Conductors and Devices	1,495.5	1,161.2	1,029.6
5135	Overhead Distribution Lines and Feeders - Right of Way	1,282.7	1,442.5	1,600.0
5310	Meter Reading Expenses	357.2	377.5	313.0
5315	Customer Billing	448.1	482.8	481.6
5320	Collecting	82.1	73.2	112.7
5340	Miscellaneous Customer Accounts Expenses	109.5	99.1	170.1
5615	General Administrative Salaries	770.8	568.5	748.6
5630	Outside Services Employed	664.2	918.2	855.5
	<b>Total Core Accounts</b>	<b>\$6,382.6</b>	<b>\$6,432.1</b>	<b>\$6,702.3</b>
	<b>Core Account Portion of OM&amp;A</b>	<b>86.7%</b>	<b>84.6%</b>	<b>83.8%</b>

16  
 17  
 18 OM&A balances for 2005 in this table have been adjusted from what was filed in GLPL's  
 19 2005 RRR Filing. Please see *Table 4-2-1 F* for a reconciliation of RRR Filing OM&A  
 20 and OM&A as shown here for 2005.

1 The percentage contribution of the Core Accounts to GLPL's total OM&A budget  
2 (approximately 85%) has remained relatively stable in 2005 and 2006, and that trend is  
3 forecasted to continue in 2007. GLPL strives to keep its Core Account costs down by  
4 achieving efficiencies that minimize costs, while allowing effective operation of the  
5 business. Some examples of GLPL's cost efficiencies are set out below.

6  
7 **3.1 Integration Between the Distribution and Transmission Businesses**

8 One advantage GLPL has over most other LDCs is that the nature of GLPL's integrated  
9 business allows for synergies associated with running two interrelated regulated  
10 businesses that have overlapping objectives – the transmission business and the  
11 distribution business.

12  
13 Both transmission and distribution are wires businesses, and as such they require  
14 equipment, maintenance and operational activities that are similar in nature. Both  
15 businesses are required to install and maintain wood poles, transformers, conductors and  
16 rights of way. The advantage to GLPL's integrated operations is that they only require  
17 one coordinated set of line maintenance workers, foresters, asset planners, administrative  
18 staff etc. as opposed to having two sets, which would be far more cumbersome and much  
19 less efficient. This single coordinated workforce is able to utilize a common approach to  
20 processes and controls in management of planning, business performance, contracts,  
21 safety and environment.

22  
23 In the field, GLPL's integration allows for sharing of expertise and skills, a single  
24 efficient supply chain, a single fleet and fleet manager, and a superior ability to respond  
25 to emergency events such as restoration of power. With the added work flexibility that  
26 comes with this operational structure, GLPL is able to minimize worker downtime, and  
27 maximize output by operating as a single unit, thus reducing mobilization and  
28 demobilization costs. GLPL is also able to apply common standards relating to training,  
29 safety and environment.

1

2 **3.2 Fleet Savings**

3 GLPL is taking initiative to minimize fleet maintenance costs by annually reviewing  
4 maintenance expenditures, vehicle age, vehicle condition and mileage. This helps GLPL  
5 to determine which fleet vehicles should be replaced, and which vehicles should continue  
6 to be maintained in order to operate the business most efficiently. Not only does this  
7 reduce repair and maintenance costs for GLPL's fleet, it provides a fleet that will be more  
8 responsive and reliable in emergency situations where vehicles are required to restore  
9 customer power.

10

11 **3.3 Temporary Resources**

12 In order to deal with requirements that may potentially be short term in nature, GLPL will  
13 utilize temporary or contract resources instead of employing full-time employees that  
14 may not be required long-term. By utilizing these types of resources, GLPL reduces  
15 payroll burdens and other expenses that are associated with employing individuals on a  
16 full-time basis. If it is expected that the original requirement will become a long-term  
17 requirement, the resource may be employed as a full-time employee in order to retain the  
18 training and experience already invested in them. GLPL has found this manner of  
19 employing human resources effective in minimizing costs, and will continue to  
20 implement this approach.

1

2 **4.0 Variance Analysis**

3

4 The Board requires variances greater than 1% to be explained. GLPL's OM&A costs  
5 increased by more 3% of total distribution expenses before income taxes (GLPL does not  
6 pay PILS) from 2005 to 2006, and are projected to increase by 5% in 2007. These year-  
7 to-year increases are discussed below.

8

9 **Forecast 2006-2007 Variance**

10 GLPL forecasts its OM&A to increase by approximately \$395,700 in 2007 (5%). The  
11 2006-2007 increases are driven largely by the core accounts, namely Operations account  
12 5065, Maintenance account 5135 and Administrative and General Expense account 5615.  
13 These increases are offset by decreases in Maintenance account 5125 and Administrative  
14 account 5630. These variances are described in detail in the following table:

1

Table 4-2-1 D - Variance Analysis – Core and Non-Core Accounts 2006 – 2007

	Account	2006-2007 \$ Increase/(Decrease)	Explanation
<b>CORE ACCOUNTS</b>			
<b>Operations</b>			
	5005	(19,000)	Small decrease in Asset Management/Engineering requirements.
	5012 and 5110	(13,900)	Small decrease related to building and station maintenance.
	5065	114,700	This account is forecasted to increase from 2006-2007 primarily due to a full year impact of staff additions, namely a metering supervisor and a metering data clerk, including burdens, overheads and fleet costs.
<b>Maintenance</b>			
	5125	(131,600)	Outage restoration costs are forecasted to decrease from 2006-2007. Upgrades to GLPL's infrastructure as well as right of way maintenance should impact outages and reduce outage restoration costs.
	5135	157,500	Forestry right of way maintenance cost increased as a result of greater cost associated with the brushing
<b>Billing and Collecting</b>			
	5310, 5315, 5320 and 5340	44,900	The costs in these accounts increased, primarily due to the following: <ul style="list-style-type: none"> <li>• Hiring regular staff . (Previously, temporary help has been utilized to meet GLPL's billing and collecting requirements. However, temporary staff is difficult to retain on a long term basis, resulting in increased turnover, training costs and other inefficiencies);</li> <li>• customer information system upgrades; and</li> <li>• increased training costs.</li> </ul>

<b>Administrative &amp; General Expense</b>			
	5615	180,100	This account is projected to increase from 2006-2007 primarily due to: <ul style="list-style-type: none"> <li>• implementation of planned accounting department organizational structure;</li> <li>• filling of trade staff vacancies arising from retirements/departures and long-term illnesses; and</li> <li>• changes in fleet allocation based on allocated costs set for 2007.</li> </ul> These are offset in part by decreases as follows: <ul style="list-style-type: none"> <li>• decrease in external training requirements (apprentice training); and</li> <li>• decrease in IT miscellaneous costs.</li> </ul>
	5630	(62,700)	The primary reasons for this decrease is the replacement of contract positions with full-time positions. This is offset in part by increases in outside service contracts for IT and increased environmental and health and safety external services for training, audits, etc.
<b><u>TOTAL CORE</u></b>		<b><u>283,900</u></b>	
<b><u>NON-CORE ACCOUNTS</u></b>			
<b>Administrative &amp; General Expense</b>			
	5605	32,800	This account is projected to increase from 2006-2007 primarily due to increases in consulting expenses
	5620	40,500	The primary reasons for the 2006-2007 variance in this account are as follows: <ul style="list-style-type: none"> <li>• increase in miscellaneous materials and supplies in the IT department; and</li> <li>• increase in training requirements related to planned staff additions.</li> </ul>
<b>Other Miscellaneous Changes</b>		38,500	This is the net change in the remaining USofA accounts. The remaining accounts are forecasted to show minor increases and decreases across the board, with a net increase that is not attributable to any specific area.
<b><u>TOTAL NON-CORE</u></b>		<b><u>111,800</u></b>	
<b><u>TOTAL VARIANCE</u></b>		<b><u>395,700</u></b>	



1 **2005 - 2006 Variance**

2 From 2005 to 2006, OM&A expenses increased by approximately \$240,500 (3%). The  
3 increase is driven by non-core accounts. Almost half of the increase in the non-core  
4 accounts is found in the Administrative and General expense account 5655. The 2005-  
5 2006 variances are described in detail in the following table:

1

*Table 4-2-1 E - Variance Analysis – Core and Non-Core Accounts 2005 – 2006*

	<b>Account</b>	<b>2005-2006 \$ Increase/(Decrease)</b>	<b>Explanation</b>
<b>CORE ACCOUNTS</b>			
<b>Operations</b>			
	5005	(67,000)	This account decreased primarily due to decreases in labour charges and a decrease in consulting costs.
	5012 and 5110	186,600	These accounts increased primarily due to: <ul style="list-style-type: none"> <li>• an increase in GLPL’s environmental program at distribution stations sites;</li> <li>• building electricity expense; and</li> <li>• an increase in operations and maintenance at station building’s and yards.</li> </ul>
	5065	17,100	This account increased primarily due to: <ul style="list-style-type: none"> <li>• an increase in MSP costs; and</li> <li>• an organizational change in the distribution metering department.</li> </ul>
<b>Maintenance</b>			
	5125	(334,200)	This account decreased due to a decrease in outage restoration activity. More favourable weather conditions and fewer electrical storms in 2006 contributed to this decrease.
	5135	159,800	Forestry Right of Way maintenance costs increased as a result of an expanded scope of work.
<b>Billing and Collecting</b>			
	5310, 5315, 5320 and 5340	35,600	This group of accounts increased primarily due to the following: <ul style="list-style-type: none"> <li>• an organizational change in the Distribution metering department; and</li> <li>• addition of temporary staff in customer service billing and collecting department.</li> </ul>
<b>Administrative &amp; General Expense</b>			
	5615	(210,600)	This account decreased primarily due to:

			<ul style="list-style-type: none"> <li>• a decrease in internal labour charges and contract staff arising from organizational charges; and</li> <li>• an overall decrease in fleet/travel costs.</li> </ul>
	5630	254,000	The net increase in this account is primarily due to an increase in expenses associated with regulatory issues.
<b>TOTAL CORE</b>		<b>41,300</b>	
<b><u>NON-CORE ACCOUNTS</u></b>			
<b>Operations</b>			
	5070 and 5075	67,100	Increase in operating costs associated with field technical work related to customer support.
<b>Administrative &amp; General Expense</b>			
	5655	104,300	The Board's letter of December 20, 2004 authorized recording of OEB annual cost assessment fees (in years 2004 and 2005) to account 1508, Other Regulatory Assets (a deferral account). In accordance with the letter, GLPL recorded these fees in account 1508 for 2004 and 2005. In 2006, GLPL appropriately recorded the fees in 5655 (an expenses account) because it did not participate in the 2006 EDR process.
<b>Other Miscellaneous Changes</b>		27,800	This is the net change in the remaining USofA accounts. The remaining accounts show minor increases and decreases across the board, with a net increase that is not attributable to any specific area.
<b>TOTAL NON-CORE</b>		<b>199,200</b>	
<b>TOTAL VARIANCE</b>		<b>240,500</b>	

1

2 **5.0 Reconciliation of *Table 4-2-1 C* to the 2005 RRR Filing**

3 The following *Table 4-2-1 F* reconciles 2005 RRR Filing to the 2005 OM&A accounts  
4 provided in *Table 4-2-1 C*. GLPL has maintained its accounting records through the use  
5 of the USofA since 2002. GLPL has continued to refine its use of the USofA through the  
6 account definitions, Accounting Procedures Handbook FAQ and OEB updates. For  
7 purposes of this filing, and for consistency in *Table 4-2-1 C*, GLPL has adjusted some of  
8 the 2005 balances from what was submitted in the RRR filing so that all years presented  
9 in the table are consistent.

10

1

2 *Table 4-2-1 F -- Reconciliation of RRR and OM&A*

(\$000's)		Notes:	1	2	3	4	5	6	7	
USofA	Description	2005 RRR Filing	Pension Adjustment	Administration Adjustment	Metering Adjustment	Customer Service Adjustment	Fleet Adjustment	External Services Adjustment	Other Misc. Adjustments	Reconciled 2005 USoA
5005	Operation Supervision and Engineering	\$781.1	\$144.6	(\$640.9)	\$0.0	(\$10.0)	\$97.9	\$0.0	\$151.1	\$523.7
5012	Station Buildings and Fixtures Expense	368.8	-	0.5	-	-	12.1	(30.1)	9.5	360.7
5065	Meter Expense	257.6	-	-	(64.3)	-	10.3	-	0.0	203.6
5070	Customer Premises - Operation Labour	1.9	0.4	2.7	0.4	-	-	-	47.4	52.9
5125	Maintenance of Overhead Conductors and Devices	1,394.9	-	(3.2)	-	-	171.1	-	(67.4)	1,495.5
5135	Overhead Distribution Lines and Feeders - Right of Way	1,297.3	-	(16.7)	-	-	77.2	-	(75.1)	1,282.7
5310	Meter Reading Expense	257.2	-	-	54.3	-	45.7	-	0.0	357.2
5315	Customer Billing	361.2	13.1	-	-	73.8	-	-	(0.0)	448.1
5320	Collecting	114.6	-	-	8.8	-	7.5	-	(48.8)	82.1
5340	Miscellaneous Customer Accounts Expenses	124.2	-	25.3	0.8	6.6	-	-	(47.4)	109.5
5605	Executive Salaries and Expenses	249.4	6.3	-	-	-	-	-	(69.0)	186.7
5615	General Administrative Salaries and Expenses	297.2	502.0	898.1	-	-	(443.3)	(520.4)	45.4	779.1
5630	Outside Services Employed	235.4	(173.7)	-	-	(1.0)	-	550.5	52.9	664.2
5655	Regulatory Expenses	19.0	-	-	-	-	-	-	(18.2)	0.8

3  
4

Notes:

- 1 - Pension adjustment to move pension costs out to direct expense accounts
- 2 - Administration adjustment - all administrative work for direct labour is directed to 5615
- 3 - Metering adjustment - expenses were classified under the operations account, moved to billing & collecting
- 4 - Customer service adjustment - some billing & collecting expenses were previously recorded as administration accounts
- 5 - Fleet adjustment - allocation of fleet costs to direct expense accounts (similar to pension adjustment)
- 6 - External services adjustment - all external service costs are now grouped into outside services
- 7 - Other miscellaneous adjustments - other minor adjustments that had minor effects on several accounts

5

## **Schedule 4-2-2**

### **Operation, Maintenance and Administration Costs**

Outsourced Distribution Services

1  
2  
3  
4  
5

**OUTSOURCED DISTRIBUTION SERVICES**

GLPL does not outsource distribution services in the normal course. No outsourcing costs were included in the 2007 test year.

## **Schedule 4-2-3**

# **Operation, Maintenance and Administration Costs**

Shared Services



**Cost Allocation Methodology**

**Service**

**Driver of Allocation**

**Ontario Operations Allocation:**

Ontario Operations Admin <sup>1</sup>	1/4th of costs to Dx - based on # of businesses in GLPL
Vice President <sup>2</sup>	1/7th of costs to Dx - based on # of businesses in Ontario
Health & Safety and Environment <sup>2</sup>	1/7th of costs to Dx - based on # of businesses in Ontario

**Ontario System Control Centre:**

Dispatch Operations <sup>3</sup>	2% Dx
Integrated Communications Network <sup>4</sup>	2.3% Dx based on # of circuits used by Dx
Ontario MSP <sup>5</sup>	25.4% based on the # of IESO meter points owned by Dx

General Manager Administration <sup>6</sup>	50% Dx
---	--------

**Customer Service and Finance**

Payroll and Benefits Administration Costs <sup>7</sup>	Based on FTEs charged to Dx
Accounting and Procurement <sup>8</sup>	50% Dx
Purchasing/Receiving and Accounts Payable <sup>9</sup>	Based on # of purchases made in Dx
Stores Administration Costs <sup>10</sup>	Based on # of transactions made in Dx

**Planning & Maintenance and Administrative Support**

Planning and Maintenance Administration <sup>11</sup>	50% Dx
Health and Safety Administration <sup>12</sup>	Based on # of union FTEs charged to Dx
Environmental Administration <sup>13</sup>	Based on total # of FTEs charged to Dx

Information Technology <sup>14</sup>	Based on # of computers used in Dx
--------------------------------------	------------------------------------

Building and Property <sup>15</sup>	38% to Dx. Based on square footage occupied by business.
-------------------------------------	--

**Distribution Direct Cost Allocation**

***Engineering***

Engineering Services <sup>16</sup>	Based on labour hours (includes base labour, burdens and direct overheads)
------------------------------------	--

***Operations***

Supervision	Allocated as part of the direct overhead for all direct labour
Tradestaff <sup>16</sup>	Based on labour hours (includes base labour, burdens and direct overheads)
- Linemen	Based on labour hours (includes base labour, burdens and direct overheads)
- Electricians	Based on labour hours (includes base labour, burdens and direct overheads)
- P&C	Based on labour hours (includes base labour, burdens and direct overheads)
- Foresters	Based on labour hours (includes base labour, burdens and direct overheads)

## END NOTES

### Ontario Operations Allocation

#### 1) *Ontario Operations Administration*

The Ontario Operations Administration cost centre gathers all costs shared among only GLPL businesses – Transmission, Distribution, Ontario System Control Centre (“OSCC” or “Control Centre”)and , GLPL Generation.

##### **Allocation of Costs Methodology**

Distribution is allocated 1/4th of the costs incurred by Ontario Operations Administration.

##### **Cost Driver**

The costs of this service are driven by activities associated with collective bargaining with the Power Worker’s Union and pension administration (defined benefit plan). On average, equal costs are attributed to each of GLPL’s operating businesses.

#### 2a) *VP responsible for Ontario operations*

The Vice President responsible for Ontario operations is responsible for the general supervision and direction of the businesses operating in Ontario – Transmission, Distribution, OSCC, GLPL Generation, Lake Superior Power, and Mississagi Power Trust, and Brookfield Power Wind Prince LP.

##### **Allocation of Costs Methodology**

Distribution is allocated 1/7th of the costs incurred by the VP responsible for Ontario operations.

##### **Cost Driver**

The costs of this service are driven by the individual salaries and associated costs that support the function. On average, equal attention of the VP is given to each operating business under the direction of this administration.

#### 2b) *Health & Safety and Environment*

The Health & Safety and Environment Specialists are responsible for supporting each of the Ontario businesses in safety management and environmental management activities.

##### **Allocation of Costs Methodology**

Distribution is allocated 1/7th of the costs incurred by the Health & Safety and Environmental Specialists.

##### **Cost Driver**

The costs of these services are driven by the individual salaries and associated costs that support the functions. On average, equal attention of the Health & Safety and Environmental Specialists will be given to each operating business in Ontario.

## **Ontario System Control Centre**

### **3) *Dispatch Operations***

#### **Allocation of Costs of Operation**

The method establishing the cost-based price is described as follows:

- (i) Distribution shall pay to the Control Centre an annual cost-based price equal to 2 percent of the Allocated Costs as defined in (ii) below.
- (ii) Allocated Costs: for the purposes of sub-paragraph (i) means those annual costs of operating the Control Centre as follows:
  - i. 100% of the payroll cost of the General Manager,
  - ii. 100% of the payroll cost of the Operating Superintendent;
  - iii. 100% of the payroll cost of all System Control Operators;
  - iv. 100% of the payroll cost of electronic technicians incurred in the maintenance and repair of the SCADA system; and
  - v. The SCADA license fee.
- (iii) The Allocated Costs are estimated prior to the commencement of each fiscal year and the annual cost-based price, determined in accordance with the estimated Allocated Costs, is payable in equal monthly instalments. At the end of each year, the annual cost-based price is adjusted as soon as actual Allocated Costs for such fiscal year have been determined and any difference between the actual and the estimated annual cost-based price is adjusted at the end of the fiscal period.

#### **Cost Driver**

The cost of the distribution-only activities make up on average 2% of the Control Centre activity, thus providing the associated allocation.

### **4) *Integrated Communication Network***

GLPL's telecommunication system operates as a complex, integrated system to provide vital services to each business in GLPL. This network consists of fibre optic communication, microwave communication, VHF radio communication, and a telephone network. This integration and the shared system has proven to be a cost-effective solution to the communication requirements of business operations. Total separation and the necessary duplication of equipment that would be required is not in the best interests of any business.

#### **Allocation of Costs Methodology**

The telecommunication system assets have been assigned to the cost centre in GLPL's Ontario System Control Centre, so that the capital, operations and maintenance costs can be collected and monitored.

In order to manage a transparent cost allocation process, the network applications and services that specifically utilize the telecommunication system, have been individually identified and quantified. Costs for each of these applications and services have been allocated on a percentage based on the number of circuits utilized by each business.

In addition the costs allocated to distribution are set off against amounts payable to distribution for fibre cable pole attachments. These rates are based on the same rates for common communication carriers that are normally applied through joint use agreements to the "wires" business.

### **Cost Driver**

The costs of the communication system are based on the OM&A and capital costs of the system. The benefits delivered through the various circuits provided for each part of the integrated communications network. On average, distribution utilizes 2.3% of all available circuits and is allocated cost on that basis.

#### **5) *Meter Service Provider ("MSP")***

OSCC, as MSP, provides service to all GLPL registered meter points. This internal provision and the shared MV90 system have proven to be a cost-effective solution to the MSP function requirements of business operations.

### **Allocation of Costs Methodology**

The MSP system MV90 assets have been assigned to the Control Centre as a cost centre, so that the capital, operations and maintenance costs can be collected and monitored.

In order to manage a transparent cost allocation process, the specific services that utilize the MSP, have been individually identified and quantified. Costs for each of these applications and services have been allocated on a percentage based on the number of delivery points owned by each of the businesses.

### **Cost Driver**

The costs of the MSP system are based on the OM&A and capital costs of the system. Distribution is allocated 25.4% based on the number of distribution IESO metering points managed by the MSP. The benefits delivered to each market participant include daily meter reads, dispute resolution, IESO audit support, and necessary maintenance on each meter installation.

#### **6) *General Manager and Associated Costs***

Costs associated with the General Manager are allocated on a 50/50 cost basis split between transmission and distribution. These allocations are based on the assumption that on average the General Manager spends an equal amount of time and effort overseeing the activities of each of transmission and distribution. Associated costs include, but are not limited to, travel, vehicle, and administrative support.

#### **7) *Payroll and Benefits Administration Costs***

Costs associated with payroll and benefits administration are allocated to transmission and distribution based on share of the total number of full time equivalent employees (allocation = # of FTEs for business / Total # of FTEs x total payroll & benefits budget) (an FTE = 2080 charged hours). This methodology is forecasted to result in 31/69 split between transmission and distribution in 2007. The basis for the uneven split between transmission and distribution is that GLPL's full time equivalent employees are distribution employees that perform transmission work as required.

#### **8) *Accounting and Procurement***

Costs associated with accounting services are allocated based on a 50/50 split between transmission and distribution. The accounting department has an equivalent number of internal and external financial and data reporting requirements for both businesses.

#### **9) *Purchasing/Receiving and Accounts Payable***

Costs associated with purchasing, receiving, and accounts payable are allocated to transmission and distribution based on the share of the total number of accounts payable transactions (allocation = # of transactions for business / Total # of transactions x total purchasing/receiving and A/P budget). This methodology is forecasted to result in a 29/71 split between transmission and distribution in 2007.

**10) Stores Administration Costs**

Costs associated with the stores administration are allocated to transmission and distribution based on share of the total number of issues from stores (allocation = # of stores issues for business / Total # of stores issues x total stores budget). This methodology is forecasted to result in a 7/93 split between transmission and distribution in 2007.

**11) Planning & Maintenance Administration**

Costs associated with planning & maintenance administration services are allocated based on a 50/50 split between transmission and distribution. Transmission and distribution's workload in this regard is on average the same.

**12) Health & Safety Administration**

Costs associated with the health & safety administration are allocated to transmission and distribution based on the share of the total number of full-time equivalent union employees (allocation = # of union FTEs for business / Total # of union FTEs x total health & safety budget) (FTE = 2080 charged hours). This methodology is forecasted to result in a 19/81 split between transmission and distribution in 2007 and will be adjusted annually.

**13) Environmental Administration**

Costs associated with environmental administration are allocated to transmission and distribution based on the share of the total number of full-time equivalent employees (allocation = # of FTEs for business / Total # of FTEs x total environmental budget) (FTE = 2080 charged hours). This methodology is forecasted to result in a 31/69 split between transmission and distribution in 2007 and will be adjusted annually.

**14) Information Technology**

Costs associated with information technology services are allocated to transmission and distribution based on share of the total number of computers in use (allocation = # of computers for business / total # of computers x total information technology budget). This methodology is forecasted to result in a 30/70 split between transmission and distribution in 2007.

**15) Building and Property**

Costs associated with maintenance operations and repairs for GLPL building on Sackville Road. Costs are allocated on a square footage basis. This methodology is forecasted to result in a 38% allocation for distribution in 2007.

**16) Distribution Direct Cost Allocation**

These costs are allocated based on labour hours. The cost per labour hour includes base labour rate plus burdens, plus overheads. These costs are described as follows:

1. Base Labour Rate – amount paid to employee;
2. Burdens – include GLPL's payment to pension funds or accruals (i.e., OPEB, Supplemental Pension, Defined benefit Pension, etc.). Employer's share of CPP, EI, EHT, fringe benefits, WSIB, Life Insurance, Weekly Indemnity, etc; and
3. Overheads – based on a percentage calculated for each distribution department, and applied to direct work based on labour dollars.

Table 4-3-2 A – Shared Services

(\$000's)	Forecast			
	2005	2006	2007	
<b>Ontario Operations Allocation</b>				
Ontario Operations Admin	\$35.2	\$56.9	\$60.0	Ontario Operations Allocations
VP Responsible for Ontario Operations	141.7	100.2	98.4	
Ontario Operations Health & Safety and Environment	72.5	74.9	67.7	
<i>Subtotal Ontario Operations</i>	<u>249.4</u>	<u>232.1</u>	<u>226.2</u>	
<b>Ontario System Control Centre</b>				
Dispatch Operations	43.8	47.0	50.5	Shared with Tx and Generation
Integrated Communication Network	11.0	11.8	10.8	
Meter Service Provider	105.5	114.3	123.3	
<i>Subtotal System Control Centre</i>	<u>160.3</u>	<u>173.0</u>	<u>184.6</u>	
Building & Property	177.0	182.3	201.0	
General Manager	190.9	195.7	196.0	
<b>Customer Service &amp; Finance</b>				
Payroll & Benefits	**	58.4	59.8	Shared with Tx
Accounting and Procurement	451.3	329.1	431.5	
Purchasing, Receiving & A/P	28.8	88.6	101.7	
Stores	346.1	147.5	162.9	
<i>Subtotal Customer Service &amp; Finance</i>	<u>826.2</u>	<u>623.6</u>	<u>756.0</u>	
<b>Planning &amp; Maintenance and Administrative Support</b>				
Planning & Maintenance	209.6	201.3	215.9	
Health & Safety	69.1	91.5	97.2	
Environmental	29.8	28.1	31.3	
<i>Subtotal P &amp; M and Admin Support</i>	<u>308.6</u>	<u>320.9</u>	<u>344.4</u>	
Information Technology	387.4	394.5	570.7	
<b>Total Shared Services</b>	<u>\$2,299.8</u>	<u>\$2,122.1</u>	<u>\$2,478.8</u>	

\*\* In 2005's allocation, Payroll and Benefits were grouped with Accounting

## **Schedule 4-2-4**

### **Operation, Maintenance and Administration Costs**

Employee Compensation

**Employee Compensation**

**1.0 Number of Full Time Employees**

GLPL has broken down their total Full Time Employees (FTE) and Part-Time employees by group for 2005-2007 in the following table:

*Table 4-2-4 A - Number of Full Time Employees (FTE's):*

		2005	2006	Forecast 2007
Non-unionized	Regular	29.7	26.4	34.6
	Part Time	6.2	7.9	6.8
	<i>Subtotal</i>	<i>35.9</i>	<i>34.3</i>	<i>41.4</i>
Unionized	Regular	51.3	49.2	54.5
	Part Time	3.9	5.3	3.3
	<i>Subtotal</i>	<i>55.2</i>	<i>54.5</i>	<i>57.8</i>
<b>Total FTE's</b>		<b>91.1</b>	<b>88.8</b>	<b>99.2</b>

**2.0 Employee Compensation**

GLPL has broken down their total Salaries & Wages and Benefits expense, including total compensation by group and average level per group in the following table:



1 *Table 4-2-4 B – Summary of Total Employee Compensation:*  
 2

<b>Table I: Total Wages &amp; Salaries - By Group</b>			
<b>(\$000's)</b>	<b>2005</b>	<b>2006</b>	<b>Forecast 2007</b>
Non-unionized	\$2,232.7	\$2,086.5	\$2,596.8
Unionized	3,306.4	3,548.7	3,901.3
<b>Total</b>	<b>\$5,539.1</b>	<b>\$5,635.1</b>	<b>\$6,498.1</b>

<b>Table II: Pension &amp; Benefits Expense By Group</b>			
<b>(\$000's)</b>	<b>2005</b>	<b>2006</b>	<b>Forecast 2007</b>
Non-unionized	\$739.8	\$630.2	\$781.7
Unionized	1,197.9	1,169.6	1,085.0
<b>Total</b>	<b>\$1,937.7</b>	<b>\$1,799.8</b>	<b>\$1,866.7</b>

<b>Table III = Table I + Table II: Total Compensation By Group</b>			
<b>(\$000's)</b>	<b>2005</b>	<b>2006</b>	<b>Forecast 2007</b>
Non-unionized	\$2,972.5	\$2,716.7	\$3,378.5
Unionized	4,504.3	4,718.2	4,986.3
<b>Total</b>	<b>\$7,476.8</b>	<b>\$7,434.9</b>	<b>\$8,364.8</b>

<b>Average Compensation Per Group</b>			
<b>(\$000's)</b>	<b>2005</b>	<b>2006</b>	<b>Forecast 2007</b>
Non-unionized	\$82.9	\$79.3	\$81.7
Unionized	\$81.6	\$86.6	\$86.3

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The data shown in *Table 4-2-4 B* is related to both regulated divisions of GLPL (Tx and Dx).

1 The portion of Salaries & Wages and Benefits expense that are charged to Distribution  
 2 OM&A are broken out in the following table:

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*Table 4-3-4 C – Summary of Employee Compensation charged to Distribution:*

<b>Table I: Total Wages &amp; Salaries - By Group</b>			
<b>(\$000's)</b>	<b>2005</b>	<b>2006</b>	<b>Forecast 2007</b>
Non-unionized	\$1,141.6	\$1,149.0	\$1,241.9
Unionized	1,952.9	1,895.1	2,139.5
<b>Total</b>	<b>\$3,094.5</b>	<b>\$3,044.1</b>	<b>\$3,381.4</b>

<b>Table II: Pension &amp; Benefits Expense By Group</b>			
<b>(\$000's)</b>	<b>2005</b>	<b>2006</b>	<b>Forecast 2007</b>
Non-unionized	\$378.0	\$343.4	\$390.2
Unionized	588.7	590.0	574.0
<b>Total</b>	<b>\$966.7</b>	<b>\$933.4</b>	<b>\$964.2</b>

<b>Table III = Table I + Table II: Total Compensation By Group</b>			
<b>(\$000's)</b>	<b>2005</b>	<b>2006</b>	<b>Forecast 2007</b>
Non-unionized	\$1,519.6	\$1,492.3	\$1,632.1
Unionized	2,541.6	2,485.2	2,713.5
<b>Total</b>	<b>\$4,061.2</b>	<b>\$3,977.5</b>	<b>\$4,345.6</b>

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## **Schedule 4-2-5**

### **Operation, Maintenance and Administration Costs**

Employee Incentive Plan Expense

**Employee Incentive Plan Expense**

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4 **1) Description**  
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6 All permanent, non-union employees with at least three months of service participate in  
7 the variable pay program. The target incentive compensation ranges from 5% to 25% of  
8 base salary. Depending on performance results, the incentive compensation paid out can  
9 range from zero to two times the target incentive compensation.

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11 **2) Performance Measures**  
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13 The following key performance indicators form the measures for GLPL's performance  
14 pay program:

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16 Safety  
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- 18 • Zero high-risk incidents and zero lost time injuries related to gravity, electrical  
19 and mechanical.
- 20
- 21 • Maintain an effective health & safety management system. Achieve a score in  
22 respect of a third party audit of health and safety management and implementation  
23 of at least 80%.
- 24
- 25 • Achieve third party audit score increase in specific elements of safety planning,  
26 contractor safety, work observations and safety training.
- 27

28 This is to the benefit of the rate payer as accidents affect productivity and work  
29 completion and also are costly in respect of work stoppage, investigation, legal review  
30 and rehabilitation.

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32 Environment  
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- 34 • Maintain an effective environmental management system. Achieve a score in  
35 respect of a third party audit of environmental management and implementation  
36 of at least 80% or achieve a positive delta from previous annual score.
- 37
- 38 • Develop action plan and implement all of priority 1 recommendations from  
39 previous audit to ensure improvement.
- 40
- 41 • Zero high risk incidents (i.e. no spills, species endangerment)
- 42
- 43 • Achieve third party audit score increase in public safety specific system element.
- 44

1 This benefits rate payers by avoiding costs from spills and other environmental  
 2 issues.

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5 Operations, Maintenance and Administration Costs

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- All planned work accomplished within established distribution OM&A budget.

10 Capital Budget

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- Ensure at least 75% of projects less than \$250k are completed as per plan with respect o budget, and scope.
- Ensure that all projects greater than \$250k are completed as per plan with respect to budget and scope. Project actual spending not to exceed + or – 10% variance to budget.

19 **3) Annual Cost(s)**

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 21 Please see below for the 2005, 2006 and forecasted 2007 cost of GLPL’s Incentive  
 22 Compensation Plan. Please note that these costs are related to Distribution OM&A only.

23  
 24 *Table 4-2-5 A Costs of Incentive Compensation Plan (Distribution OM&A Only)*

25

(\$000's)	2005	2006	Forecast 2007
Non-unionized	\$101.3	\$151.7	\$78.2
Unionized	-	-	-
<b>Total</b>	<b>\$101.3</b>	<b>\$151.7</b>	<b>\$78.2</b>

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The forecast in each budget year represents the expected average achievement of all specific performance measures. It is expected that over the long term, the average achievement will be attained and is a reasonable expectation of cost in the forecast year.

## **Schedule 4-2-6**

### **Operation, Maintenance and Administration Costs**

Pension Expense and Post  
Retirement Benefits

**Pension Expense and Post Retirement Benefits**

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GLPL incurs expenses with respect to its retirement plans (defined benefit and defined contribution) as well as specific post retirement benefits. The GLP retirement plans are applicable to all businesses in GLPL.

Based on actuarial reports, these costs are allocated as part of the labour rate applicable to a specific employee and charged to the account as a labour burden as noted in Exhibit 4, Tab 2, Schedule 3 (Note 16). The annual expenses charged to distribution OM&A related to the retirement plans are set out below:

*Table 4-2-6 A – Summary of Pension Expense (as charged to Distribution OM&A only):*

<b>(\$000's)</b>	<b>2005</b>	<b>2006 Forecast</b>	<b>2007</b>
<b>Total Pension &amp; Post-Retirement Benefits Expense</b>	<b>\$371.6</b>	<b>\$347.3</b>	<b>\$321.8</b>

## **Schedule 4-2-7**

### **Operation, Maintenance and Administration Costs**

Depreciation and Amortization Data



**DEPRECIATION AND AMORTIZATION**

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These amortization rates are consistent with those outlined in Appendix B of the 2006 Distribution Rate Handbook, with the exception of amortization rates for vehicles. GLPL has historically amortized its vehicles over five years or by 20% per year and has maintained this rate for the purpose of this application. From an accounting perspective, GLPL's amortization rate for vehicles is reasonable and there is no apparent reason to adjust it.

10 Please refer to Exhibit 2, Tab 2, Schedule 1 for GLPL's depreciation data.

Table 4-2-7 A – Summary of Depreciation and Amortization

(\$000's)		Depreciation			Forecast
USofA	Description	Rate	2005	2006	2007
1805	Land	0.00%	-	-	-
1806	Land Rights	2.50%	\$100.0	\$152.8	\$217.8
1808	Buildings and Fixtures - Dist. Plant	2.00%	130.4	130.4	134.4
1820	Distribution Station Equipment - Normally Primary below 50 kV	3.33%	264.1	269.5	272.8
1830	Poles, Towers and Fixtures	4.00%	940.4	1,006.3	1,078.8
1835	Overhead Conductors and Devices	4.00%	433.8	466.0	539.2
1845	Underground Conductors and Devices	4.00%	16.5	16.5	19.1
1850	Line Transformers	4.00%	297.7	284.5	274.5
1855	Services	4.00%	89.8	88.8	87.2
1860	Meters	4.00%	65.7	62.2	59.9
1875	Street Lighting and Signal Systems	10.00%	0.6	-	-
1908	Buildings and Fixtures - General Plant	4.00%	24.6	26.6	26.7
1915	Office Furniture and Equipment	10.00%	53.4	46.1	39.2
1920	Computer Equipment - Hardware	20.00%	249.6	314.0	376.2
1925	Computer Software	20.00%	16.0	14.3	7.3
1930	Transportation Equipment	20.00%	474.3	411.7	310.9
1940	Tools, Shop and Garage Equipment	10.00%	70.3	74.5	78.5
1945	Measurement and Testing Equipment	10.00%	-	-	-
1955	Communication Equipment	10.00%	15.4	15.2	15.2
1960	Miscellaneous Equipment	10.00%	10.6	10.8	11.1
1990	Other Tangible Property	4.00%	74.3	74.3	74.3
Less: Depreciation on Non-Distribution Assets:			(0.6)	-	-
<b>Total Annual Depreciation:</b>			<b>\$3,327.0</b>	<b>\$3,464.6</b>	<b>\$3,623.0</b>

## **Schedule 4-2-8**

### **Operation, Maintenance and Administration Costs**

Ontario Capital and Property Taxes

**Ontario Capital and Property Taxes**

Table 4-2-8-A Summary of Capital and Property Taxes

(\$000's)			
<u>Tax Category</u>	<u>2005</u>	<u>2006</u>	<u>Forecast 2007</u>
Municipal Property Tax	\$151.8	\$160.0	\$164.3
Federal LCT Tax	65.2	-	-
Provincial Capital Tax	145.4	153.7	157.2
<b>Total Capital &amp; Property Taxes</b>	<b>\$362.3</b>	<b>\$313.7</b>	<b>\$321.4</b>
<b><u>Federal LCT Tax Details</u></b>			
Rate Base (Taxable Capital Estimate)	50,421.1	53,370.8	57,913.0
- Capital Exemption	13,139.4	-	-
= Deemed Taxable Capital	37,281.7	53,370.8	57,913.0
x Tax Rate	0.175%	0.000%	0.000%
= Gross Federal LCT Tax	65.2	-	-
- Federal Surtax	-	-	-
<b>= Federal LCT Tax</b>	<b>\$65.2</b>	<b>\$0.0</b>	<b>\$0.0</b>
<b><u>Provincial Capital Tax Details</u></b>			
Rate Base (Taxable Capital Estimate)	50,421.1	53,370.8	57,913.0
- Capital Exemption	1,970.9	2,121.2	2,766.8
= Deemed Taxable Capital	48,450.2	51,249.6	55,146.2
x Tax Rate	0.30%	0.30%	0.285%
<b>= Provincial Capital Tax</b>	<b>\$145.4</b>	<b>\$153.7</b>	<b>\$157.2</b>

In accordance with the 2006 EDR Handbook, OCT Exemption and LCT Exemption are split between GLPL regulated businesses.

## **Schedule 4-2-9**

# **Operation, Maintenance and Administration Costs**

Corporate Cost Allocation

1

**CORPORATE COST ALLOCATION**

2

3 GLPL allocates a number of costs through a shared services arrangement described at

4 Exhibit 4, Tab 2, Schedule 3.

## **Schedule 4-2-10**

### **Operation, Maintenance and Administration Costs**

Loss Adjustment Factor

**LOSS ADJUSTMENT FACTOR**

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**1.0 Loss Adjustment Factor**

GLPL has calculated its line losses in accordance with the filing guidelines with exception of 2002. The year 2002 was not included because there is not a complete year of data for GLPL distribution.

GLPL has taken positive steps to reduce line losses. GLPL proposes a new loss adjustment factor of 9.76% which is the average of the loss factors for 2005 and 2006.

In accordance with the filing guideline distributors with loss factors greater than 5% must describe the steps taken to improve the loss factor. Because of the size of GLPLs service territory and its long distribution lines, there are difficulties in mitigating loss factors. The steps taken by GLPL are as follows:

**2.0 Small Conductor Replacement**

The primary distribution system in 2003 had approximately 700 km of small conductor sizes #4 and #6 ACSR conductor. This is the high risk conductor replacement program described in Exhibit 2, Tab 1, Schedule 1. The replacement conductor is 1/0 ACSR which has a lower resistance compared to an average resistance for #4 and #6 ACSR.

Conductor losses are proportional to the conductor resistance, therefore the conductor replacement program on average should reduce losses in the lines affected by 37% of the original value.



1    **3.0    Voltage Conversion**

2

3    Isolated low voltage pockets in the primary distribution system operating at voltages of  
4    2.4 kV and 4.8 kV still exist. Driven by low service voltage and system protection  
5    problems voltage conversion projects began in 2004. The impact on line losses in these  
6    areas is significant. The alternate voltages of 7.2 kV and 14.4 kV represent an average  
7    voltage increase of a factor of three. Since losses vary with the square of the voltage, line  
8    losses in these areas will become approximately 11% of the original value. As these low  
9    voltage pockets are eliminated the local supply transformers are removed further  
10   reducing losses.

1  
2 *Table 4-2-10 A - Calculation of Line Losses*  
3

	2003	2004	2005	2006 *
"Wholesale" kWh (IMO)	217,826,160	197,617,120	202,948,230	198,908,810
"Retail" kWh (Distributor) - Primary Meters	45,573,479	45,238,691	47,783,706	43,911,537
"Retail" kWh (Distributor) - Secondary Meters	151,494,088	133,995,527	136,996,292	137,429,850
Net "Retail" kWh (D)-(E)	197,067,567	179,234,218	184,779,998	181,341,387
Loss Factor [(C)/(F)]	10.53%	10.26%	9.83%	9.69%
Distribution Loss Adjustment Factor (2 year avg)			<b>9.76%</b>	
Variance		-0.28%	-0.42%	-0.14%

\* 2006 contains an estimation for seasonal consumption based on the volume forecast.

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# **Schedule 4-3-1**

## **Income Tax**

### **Overview**

**INCOME TAX OVERVIEW**

Income tax for regulatory purposes for the years 2005, 2006 and 2007 is as calculated in *Table 4-3-2 A* at Exhibit 4, Tab 3, Schedule 2 and summarized in *Table 4-3-1 A* below.

*Table 4-3-1-A – Summary of Income Tax Expense*

(\$000's)	2005	2006	Application 2007
Provincial Corporate Tax	(\$539.2)	(\$655.1)	\$945.0
Federal Corporate Tax	(341.3)	(414.6)	620.9
<b>Total Income Tax</b>	<b>(\$880.5)</b>	<b>(\$1,069.8)</b>	<b>\$1,565.9</b>

The assumptions underlying the calculation of income tax are:

1. Income tax rates are as set out in *Table 4-3-1 B* below; and
2. GLPL has used deemed interest expense instead of actual as further described in section 2.0 below.

**1.0 Tax Rates**

GLPL has used the various tax rates described in *Table 4-3-1 B* to calculate income tax for the purposes of this application.

*Table 4-3-1-B – Summary of Tax Rates*

(\$000's)	2005	2006	2007
Federal Tax on first	\$275.0	\$300.0	\$400.0
at	13.12%	13.12%	13.12%
Federal Tax on all over	\$275.0	\$300.0	\$400.0
at	22.12%	22.12%	22.12%
Ontario Tax on first	\$400.0	\$400.0	\$400.0
at	5.50%	5.50%	5.50%
Ontario Tax on all over	\$1,128.5	\$1,128.5	\$1,128.5
at	14.00%	14.00%	14.00%
Ontario SBD Clawback on \$400 - \$1,128.5	4.67%	4.67%	4.67%
<b>Total Corporate Tax Rate</b>	<b>36.12%</b>	<b>36.12%</b>	<b>36.12%</b>

1   **2.0    Deemed Interest**

2   GLPL has used deemed interest for the purposes of calculating income tax. GLPL's deemed  
3   interest is greater than actual interest, and therefore no adjustment is required for regulatory  
4   income tax purposes.

5   Deemed interest is the cost of debt, as described in Exhibit 6, Tab 1, Schedule 1, and is as set out  
6   in *Table 4-3-1 C* below.

7   *Table 4-3-1-C – Summary of Interest Expense*

(\$000's)	2005	2006	Forecast 2007
Deemed Interest Expense	\$1,827.8	\$1,667.8	\$1,809.8

8

9

10   **3.0    Capital Cost Allowance (“CCA”)**

11   CCA used for calculating income tax for regulatory purposes, is set out in Exhibit 4, Tab 3,  
12   Schedule 4. CCA used to calculate income tax for regulatory purposes can be summarized as  
13   follows:

14

15   *Table 4-3-1-D – Summary of CCA*

(\$000's)	2005	2006	Forecast 2007
Capital Cost Allowance (CCA)	\$2,418.5	\$2,830.2	\$3,360.1

16

17

# **Schedule 4-3-2**

## **Income Tax**

### Tax Calculation

**Tax Calculation**

Table 4-3-2 A - Numerical Summary of Taxes

(\$000's)	2005	2006	Forecast 2007
Total Revenue	\$9,399.8	\$9,450.1	\$17,921.9
Less:			
Operation, Maintenance & Admin. (Ex 4, Tab 2, Sch 1)	7,359.5	7,600.0	7,995.7
Capital & Property Taxes (Ex 4, Tab 2, Sch 8)	297.1	313.7	321.4
Sub-Total	1,743.2	1,536.3	9,604.7
Add back:			
Federal Capital Tax (Ex 4, Tab 2, Sch 8)	65.2	-	-
Sub-Total	1,808.4	1,536.3	9,604.7
Deduct:			
Interest (Ex 4, Tab 3, Sch 3)	1,827.8	1,667.8	1,809.8
Capital Cost Allowance (Ex 4, Tab 3, Sch 4)	2,418.5	2,830.2	3,360.1
Taxable Income	(2,437.8)	(2,961.7)	4,434.9
Federal Corporate Tax	(539.2)	(655.1)	945.0
Provincial Corporate Tax	(341.3)	(414.6)	620.9
<b>Total Income Tax</b>	<b>(\$880.5)</b>	<b>(\$1,069.8)</b>	<b>\$1,565.9</b>
<b><u>Corporate Tax Rates</u></b>			
Federal Tax on first	\$275.0	\$300.0	\$400.0
at	13.12%	13.12%	13.12%
Federal Tax on all over	\$275.0	\$300.0	\$400.0
at	22.12%	22.12%	22.12%
Ontario Tax on first	\$400.0	\$400.0	\$400.0
at	5.50%	5.50%	5.50%
Ontario Tax on all over	\$1,128.5	\$1,128.5	\$1,128.5
at	14.00%	14.00%	14.00%
Ontario SBD Clawback on \$400 - \$1,128.5	4.67%	4.67%	4.67%
<b>Total Corporate Tax Rate</b>	<b>36.12%</b>	<b>36.12%</b>	<b>36.12%</b>

# **Schedule 4-3-3**

## **Income Tax**

Interest Expense



**INTEREST EXPENSE**

Table 4-3-3 A - Interest Expense:

(\$000's)	2005	2006	2007
			Forecast
Rate Base	\$50,421.1	\$53,370.8	\$57,913.0
Portion Deemed as Debt	50%	50%	50%
Deemed Debt	\$25,210.6	\$26,685.4	\$28,956.5
Debt Rate	7.25%	6.25%	6.25%
<b>1) Deemed Interest Expense (Ex 6, Tab 1, Sch 1)</b>	<b>\$1,827.8</b>	<b>\$1,667.8</b>	<b>\$1,809.8</b>
2) Actual Interest Expense	\$1,408.1	\$1,178.2	\$1,188.1
Add: Capitalized Interest	\$85.3	\$115.2	\$103.1
<b>Actual Interest</b>	<b>\$1,493.4</b>	<b>\$1,293.3</b>	<b>\$1,291.3</b>
3) Additional Interest Expense for Tax Calculation (2) - (1)	-	-	-

\*2005 Interest Expense is calculated at 7.25%. 2006 and 2007 are calculated at 6.25%.

# **Schedule 4-3-4**

## **Income Tax**

### **CCA Calculation**

**CAPITAL COST ALLOCATION CALCULATION**

Table 4-3-4 A – CCA Calculation:

Class	Class Description	Rate %	UCC 2005 Opening Balance	2005 Additions	2005 Proceeds of Disposition	2005 - Interest Capitalized	UCC Before 1/2 Yr Adjustment	1/2 Year Rule (1/2 Additions Less Dispositions)	Reduced UCC	2005 CCA	UCC End of 2005
1	Distribution System - post 1987	4%	38,848,177	24,041	1,900	462	38,869,855	10,839	38,859,016	1,554,361	37,315,495
8	General Office/Stores Equip	20%	439,082	66,086	3,000	-	502,148	31,543	470,605	94,121	406,027
10	Computer Hardware/ Vehicles	30%	1,522,552	259,703	36,183	-	1,748,071	111,760	1,634,312	490,293	1,255,778
45	Computers & Systems Software acq'd post Mar 22/04	45%	-	474,283	-	-	474,283	237,132	237,132	106,709	367,554
47	Distribution System - post Feb 2005	8%	-	4,410,188	-	64,833	4,325,335	2,162,668	2,162,668	173,013	4,152,322
	<b>TOTAL</b>		<b>40,809,791</b>	<b>5,234,261</b>	<b>41,083</b>	<b>85,295</b>	<b>45,917,674</b>	<b>2,553,941</b>	<b>43,363,732</b>	<b>2,418,498</b>	<b>43,499,176</b>

Class	Class Description	Rate %	UCC 2006 Opening Balance	2006 Additions	2006 Proceeds of Disposition	2006 - Interest Capitalized	UCC Before 1/2 Yr Adjustment	1/2 Year Rule (1/2 Additions Less Dispositions)	Reduced UCC	2006 CCA	UCC End of 2006
1	Distribution System - post 1987	4%	37,315,495	-	2,527	-	37,312,968	-	37,312,968	1,492,519	35,820,449
8	General Office/Stores Equip	20%	406,027	93,036	-	-	501,063	46,518	454,545	90,909	410,154
10	Computer Hardware/ Vehicles	30%	1,255,778	205,590	-	-	1,461,368	102,795	1,358,573	407,572	1,053,796
45	Computers & Systems Software acq'd post Mar 22/04	45%	367,554	311,066	-	-	678,620	155,533	523,087	235,389	443,231
47	Distribution System - post Feb 2005	8%	4,152,322	6,908,856	-	115,171	10,944,007	3,395,843	7,548,165	603,853	10,340,154
	<b>TOTAL</b>		<b>43,499,176</b>	<b>7,516,548</b>	<b>2,527</b>	<b>115,171</b>	<b>50,898,026</b>	<b>3,700,689</b>	<b>47,197,337</b>	<b>2,830,242</b>	<b>48,067,784</b>

Exhibit 4  
 Tab 3  
 Schedule 4  
 Page 2 of 2

Class	Class Description	Rate %	UCC 2007 Opening Balance	2007 Additions	2007 Proceeds of Disposition	2007 - Interest Capitalized	UCC Before 1/2 Yr Adjustment	1/2 Year Rule (1/2 Additions Less Dispositions)	Reduced UCC	2007 CCA	UCC End of 2007
1	Distribution System - post 1987	4%	35,820,449	-	-	-	35,820,449	-	35,820,449	1,432,818	34,387,631
8	General Office/Stores Equip	20%	410,154	22,000	-	-	432,154	11,000	421,154	84,231	347,923
10	Computer Hardware/ Vehicles	30%	1,053,796	600,000	-	-	1,653,796	300,000	1,353,796	406,139	1,247,657
45	Computers & Systems Software acq'd post Mar 22/04	45%	443,231	448,500	-	-	891,731	224,250	667,481	300,366	501,364
47	Distribution System - post Feb 2005	8%	10,340,154	7,836,170	-	103,143	18,073,181	3,866,514	14,206,667	1,136,533	16,036,647
	<b>TOTAL</b>		<b>48,067,784</b>	<b>8,906,670</b>	<b>-</b>	<b>103,143</b>	<b>56,871,311</b>	<b>4,401,764</b>	<b>52,469,548</b>	<b>3,360,087</b>	<b>53,511,224</b>

# **Schedule 5-1-1**

## **Deferral and Variance Accounts**

Description of Deferral and  
Variance Accounts

1 DEFERRAL AND VARIANCE ACCOUNTS

2

3 This section addresses non-Regulatory Asset deferral and variance accounts. Please refer  
4 to Exhibit 9 of this application for a description of GLPL's Regulatory Asset accounts.

5 GLPL has only one non-Regulatory Asset deferral account that is related to its customer  
6 Boniferro Mill Works ("BMW"). In RP-2005-0031/EB-2005-0013, the Board ordered  
7 GLPL to reclassify its Large Customer A customer BMW as a GS>50 customer, effective  
8 April 1, 2005. In its decision dated February 26, 2006 the Board ordered that:

9 *GLP establish a deferral account to capture any revenue deficiency from*  
10 *Boniferro being classified as a General Service >50 kW rate class*  
11 *customer from April 1, 2005.*

12 As demonstrated in *Table 5-1-1- A* below, as of September 1, 2007, the deferral account  
13 associated with BMW rate reclassification is forecasted to have a balance of \$283,606.47.  
14 GLPL is seeking an order to disburse the amount accumulated in this deferral account as  
15 of the date of the Board order in this proceeding by being permitted to establish a rate  
16 rider as part of the determination of final rates.

17 In this application GLPL is also seeking two new deferral accounts. The first relates to a  
18 shortfall in revenue as a result of a rate mitigation plan proposed for Seasonal customers.  
19 The second relates to the revenue shortfall related to the transition to GLPL's proposed  
20 rate design. For more information on these deferral account, please see Exhibit 8.

1 *Table 5-1-1 A – BMW 2007 Deferral Calculation:*

	Total at Sept 1, 2007	Forecast Aug 2007	Jul 2007	Jun 2007	May 2007	Apr 2007	Mar 2007	Feb 2007	Jan 2007
Days	883	31	31	30	31	30	31	28	31
Demand in kW	43,748.9	1,425.0	1,345.4	1,311.0	1,399.1	1,488.9	1,529.4	1,549.4	1,538.5
Large Customer A Variable Rate	\$8.5000	\$8.5000	\$8.5000	\$8.5000	\$8.5000	\$8.5000	\$8.5000	\$8.5000	\$8.5000
Large Customer A Fixed Rate	\$557.42	\$557.42	\$557.42	\$557.42	\$557.42	\$557.42	\$557.42	\$557.42	\$557.42
Variable Charges	\$371,865.74	\$12,112.50	\$11,435.99	\$11,143.42	\$11,892.69	\$12,655.74	\$12,999.99	\$13,169.82	\$13,076.91
Fixed Charges	\$16,406.73	\$576.00	\$576.00	\$557.42	\$576.00	\$557.42	\$576.00	\$520.26	\$576.00
Total Distribution Charges	\$388,272.46	\$12,688.50	\$12,011.99	\$11,700.84	\$12,468.69	\$13,213.16	\$13,575.99	\$13,690.07	\$13,652.91
GS > 50 Variable Rate	\$2.0000	\$2.0000	\$2.0000	\$2.0000	\$2.0000	\$2.0000	\$2.0000	\$2.0000	\$2.0000
GS > 50 Fixed Rate	\$583.29	\$583.29	\$583.29	\$583.29	\$583.29	\$583.29	\$583.29	\$583.29	\$583.29
Variable Charges	\$87,497.82	\$2,850.00	\$2,690.82	\$2,621.98	\$2,798.28	\$2,977.82	\$3,058.82	\$3,098.78	\$3,076.92
Fixed Charges	\$17,168.17	\$602.73	\$602.73	\$583.29	\$602.73	\$583.29	\$602.73	\$544.40	\$602.73
Total Distribution Charges	\$104,665.99	\$3,452.73	\$3,293.55	\$3,205.27	\$3,401.01	\$3,561.11	\$3,661.55	\$3,643.18	\$3,679.65
Variance - Deferral Account	\$283,606.47	\$9,235.77	\$8,718.43	\$8,495.57	\$9,067.68	\$9,652.05	\$9,914.43	\$10,046.89	\$9,973.26

**Exhibit 5**  
**Tab 1**  
**Schedule 1**  
**Page 3 of 4**

	Dec 2006	Nov 2006	Oct 2006	Sep 2006	Aug 2006	Jul 2006	Jun 2006	May 2006	Apr 2006	Mar 2006	Feb 2006	Jan 2006
Days	31	30	31	30	31	31	30	31	30	31	28	31
Demand in kW	1,410.3	1,441.0	1,432.8	1,364.2	1,349.1	1,388.3	1,382.9	1,391.4	1,530.4	1,723.1	1,775.7	1,740.0
Large Customer A Variable Rate	\$8.5000	\$8.5000	\$8.5000	\$8.5000	\$8.5000	\$8.5000	\$8.5000	\$8.5000	\$8.5000	\$8.5000	\$8.5000	\$8.5000
Large Customer A Fixed Rate	\$557.42	\$557.42	\$557.42	\$557.42	\$557.42	\$557.42	\$557.42	\$557.42	\$557.42	\$557.42	\$557.42	\$557.42
Variable Charges	\$11,987.89	\$12,248.42	\$12,178.38	\$11,595.45	\$11,466.93	\$11,800.89	\$11,754.99	\$11,827.24	\$13,008.06	\$14,646.69	\$15,093.03	\$14,790.09
Fixed Charges	\$576.00	\$557.42	\$576.00	\$557.42	\$576.00	\$576.00	\$557.42	\$576.00	\$557.42	\$576.00	\$520.26	\$576.00
Total Distribution Charges	\$12,563.89	\$12,805.84	\$12,754.38	\$12,152.87	\$12,042.93	\$12,376.89	\$12,312.41	\$12,403.24	\$13,565.48	\$15,222.69	\$15,613.28	\$15,366.09
GS > 50 Variable Rate	\$2.0000	\$2.0000	\$2.0000	\$2.0000	\$2.0000	\$2.0000	\$2.0000	\$2.0000	\$2.0000	\$2.0000	\$2.0000	\$2.0000
GS > 50 Fixed Rate	\$583.29	\$583.29	\$583.29	\$583.29	\$583.29	\$583.29	\$583.29	\$583.29	\$583.29	\$583.29	\$583.29	\$583.29
Variable Charges	\$2,820.68	\$2,881.98	\$2,865.50	\$2,728.34	\$2,698.10	\$2,776.68	\$2,765.88	\$2,782.88	\$3,060.72	\$3,446.28	\$3,551.30	\$3,480.02
Fixed Charges	\$602.73	\$583.29	\$602.73	\$583.29	\$602.73	\$602.73	\$583.29	\$602.73	\$583.29	\$602.73	\$544.40	\$602.73
Total Distribution Charges	\$3,423.41	\$3,465.27	\$3,468.23	\$3,311.63	\$3,300.83	\$3,379.41	\$3,349.17	\$3,385.61	\$3,644.01	\$4,049.01	\$4,095.70	\$4,082.75
Variance - Deferral Account	\$9,140.48	\$9,340.57	\$9,286.14	\$8,841.24	\$8,742.09	\$8,997.48	\$8,963.24	\$9,017.63	\$9,921.47	\$11,173.68	\$11,517.58	\$11,283.33

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**Exhibit 5**  
**Tab 1**  
**Schedule 1**  
**Page 4 of 4**

	Dec 2005	Nov 2005	Oct 2005	Sep 2005	Aug 2005	Jul 2005	Jun 2005	May 2005	Apr 2005
Days	31	30	31	30	31	31	30	31	30
Demand in kW	1,726.0	1,674.1	1,497.7	1,533.5	1,626.5	1,578.3	1,507.8	1,592.2	1,497.0
Large Customer A Variable Rate	\$8.5000	\$8.5000	\$8.5000	\$8.5000	\$8.5000	\$8.5000	\$8.5000	\$8.5000	\$8.5000
Large Customer A Fixed Rate	\$557.42	\$557.42	\$557.42	\$557.42	\$557.42	\$557.42	\$557.42	\$557.42	\$557.42
Variable Charges	\$14,670.75	\$14,230.11	\$12,730.37	\$13,034.41	\$13,825.08	\$13,415.38	\$12,816.39	\$13,533.62	\$12,724.59
Fixed Charges	\$576.00	\$557.42	\$576.00	\$557.42	\$576.00	\$576.00	\$557.42	\$576.00	\$557.42
Total Distribution Charges	\$15,246.75	\$14,787.53	\$13,306.37	\$13,591.83	\$14,401.08	\$13,991.38	\$13,373.81	\$14,109.62	\$13,282.01
GS > 50 Variable Rate	\$2.0000	\$2.0000	\$2.0000	\$2.0000	\$2.0000	\$2.0000	\$2.0000	\$2.0000	\$2.0000
GS > 50 Fixed Rate	\$583.29	\$583.29	\$583.29	\$583.29	\$583.29	\$583.29	\$583.29	\$583.29	\$583.29
Variable Charges	\$3,451.94	\$3,348.26	\$2,995.38	\$3,066.92	\$3,252.96	\$3,156.56	\$3,015.62	\$3,184.38	\$2,994.02
Fixed Charges	\$602.73	\$583.29	\$602.73	\$583.29	\$602.73	\$602.73	\$583.29	\$602.73	\$583.29
Total Distribution Charges	\$4,054.67	\$3,931.55	\$3,598.11	\$3,650.21	\$3,855.69	\$3,759.29	\$3,598.91	\$3,787.11	\$3,577.31
Variance - Deferral Account	<u>\$11,192.07</u>	<u>\$10,855.98</u>	<u>\$9,708.25</u>	<u>\$9,941.62</u>	<u>\$10,545.39</u>	<u>\$10,232.09</u>	<u>\$9,774.90</u>	<u>\$10,322.50</u>	<u>\$9,704.70</u>

# **Schedule 6-1-1**

## **Cost of Capital and Rate of Return**

### Overview

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**COST OF CAPITAL**

**1.0 Numerical Summary of GLPL's Cost of Capital**

The following table provides a numerical summary of GLPL's cost of capital during the 2007 test year.

*Table 6-1-1 A – Numerical Summary of Capital Cost*

<b><u>2007 Forecast</u></b>	Capital Component (\$000's)	Capital Component (%)	Indicated Cost Rate (%)	Return Component (%)	Return Component (\$000's)
Deemed Debt	\$ 28,956.5	50.00%	6.25%	3.13%	\$ 1,809.8
Deemed Equity	\$ 28,956.5	50.00%	9.00%	4.50%	\$ 2,606.1
Rate Base:	<u>\$ 57,913.0</u>	<u>100.00%</u>		<u>7.63%</u>	<u>\$ 4,415.9</u>

Explanations for GLPL's proposed capital structure, cost of debt and cost of equity are contained in the sections that follow.

**2.0 Capital Structure**

GLPL's actual debt/equity structure is 100% equity and 0% debt. However, for rate making and accounting purposes, GLPL has assumed the deemed 50/50 debt/equity structure for its 2007 test year. This approach is consistent with the Board's December 20, 2006 *Report on the Cost of Capital and 2nd Generation Incentive Regulation For Ontario's Electricity Distributors*, which maintains the deemed capital structures prescribed by the 2006 Distribution Rate Handbook in 2007 (the phase-in to a 60/40

1 deemed debt/equity structure does not begin until 2008). Under the 2006 Distribution  
2 Rate Handbook, GLPL would be deemed to have a 50/50 debt/equity structure since its  
3 rate base is less than \$100 million.

4

### 5 **3.0 Cost of Debt**

6 As mentioned above, GLPL's distribution business does not have any third party debt.  
7 Rather, it is funded 100% by equity contributions. For rate making purposes, GLPL has  
8 treated part of the equity as debt and therefore used a \$28,956,500 debt amount in this  
9 application, representing the level of debt required to permit a 50/50 debt/equity ratio.  
10 GLPL has assumed a 6.25% debt rate consistent with the 2006 Distribution Rate  
11 Handbook (and the EDR Model). GLPL's approach has a mitigating effect on rates (i.e. if  
12 GLPL's actual distribution capital structure were used, its cost of capital would be  
13 higher).

### 14 **4.0 Cost of Equity**

15 GLPL is requesting a return on equity of 9% for 2007. This is consistent with the  
16 following:

- 17
- 18 • 2006 Distribution Rate Handbook;
  - 19 • 9% return on equity approved by the Board for all of the local distribution  
20 companies that filed on a forward test year basis in the 2006 EDR process; and
  - 21 • the return experienced by other distributors obtaining 2007 rates.<sup>1</sup>

21  
22

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<sup>1</sup> Hydro One, Hydro Ottawa and Toronto Hydro

# **Schedule 7-1-1**

## **Calculation of Revenue Deficiency or Surplus**

Calculation of Revenue Deficiency

**Calculation of Revenue Deficiency**

Table 7-1-1 A Calculation of Revenue Requirement

(\$000's)		<u>2005</u>	<u>2006</u>	<u>Forecast</u> <u>2007</u>
Operating Revenue *		\$9,399.8	\$9,450.1	\$9,832.7
Operation, Maintenance & Admin.		7,359.5	7,600.0	7,995.7
Depreciation & Amortization		3,327.0	3,464.6	3,623.0
Property Taxes		151.8	160.0	164.3
Provincial Capital Tax (Tax Model Output)		145.4	153.7	157.2
Total Costs & Expenses		10,983.6	11,378.4	11,940.1
Utility Income Before Taxes		(1,583.8)	(1,928.3)	(2,107.5)
LCT Tax (Tax Model Output)		65.2	0.0	0.0
Income Taxes (Tax Model Output)		(880.5)	(1,069.8)	(1,320.0)
Utility Income	[A]	(768.5)	(858.5)	(787.5)
Utility Rate Base	[B]	50,421.1	53,370.8	57,913.0
Indicated Rate of Return	[C] = [A] / [B]	-1.52%	-1.61%	-1.36%
Approved/Requested Rate of Return	[D]	8.57%	8.57%	7.63%
(Deficiency)/Sufficiency in Return	[E] = [C] - [D]	-10.09%	-10.17%	-8.98%
Revenue (Deficiency)/Sufficiency	[F] = [B] * [E]	(5,087.0)	(5,429.7)	(5,203.4)
Provision for Income Taxes		(2,837.6)	(3,027.9)	(2,885.8)
Gross Revenue (Deficiency)/Sufficiency		(7,924.7)	(8,457.6)	(8,089.2)
<b>Service Revenue Requirement:</b>		<b>17,324.5</b>	<b>17,907.7</b>	<b>17,921.9</b>
Less: Revenue from Other Sources		(136.1)	(20.2)	345.2
<b>Base Revenue Requirement:</b>		<b>\$17,460.5</b>	<b>\$17,927.9</b>	<b>\$17,576.7</b>

\* Operating revenue includes revenue collected through rates, subsidy and other revenue sources

**Numerical Description of Deficiency/Sufficiency in 2007**

*Table 7-1-1 B – Numerical Description of Deficiency/Sufficiency*

<b><u>Cost of Capital</u></b>	<b><u>(\$000's)</u></b>	
Rate Base	\$57,913.0	
Requested Rate of Return	7.63%	\$4,415.9
<b><u>Cost of Service</u></b>		
Operations, Maintenance & Admin	7,995.7	
Depreciation & Amortization	3,623.0	
Property Taxes	164.3	
Capital Taxes	157.2	
Income Taxes	(1,320.0)	10,620.2
<b><u>Operating Revenue</u></b>		
Distribution Revenue	9,832.7	
Net Revenues from Merchandising, Jobbing, Etc.	0.0	(9,832.7)
Gross (Deficiency)/Sufficiency		(5,203.4)
Income Taxes on (Deficiency)/Sufficiency		(2,885.8)
Gross Revenue (Deficiency)/Sufficiency		<b>(\$8,089.2)</b>

Based upon current rates, the chart above demonstrates that GLPL will experience a deficiency on the amount of \$8,089,200. The rate of return on capital for GLPL is a negative 1.36%. This is indicative of the fact that under current rates GLPL can not fully fund its cost of service expenditures and can not fund any of its cost of capital.

# **Schedule 8-1-1**

## **Rate Design**

### **Rate Design and Cost Allocation Overview**



REVENUE RECOVERY

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**1.0 INTRODUCTION**

As a result of regulations made under the *Ontario Energy Board Act* (the “OEB Act”), GLPL must take a unique approach to revenue recovery. The regulations affect the recovery of revenue through the provision of a payment under the Rural and Remote Rate Protection regime (“RRRP”). The setting of rates is affected by the reclassification of some customers to the Residential rate class.

To explain GLPL’s approach to revenue recovery and rates, GLPL describes below the following:

- (a) the regulatory regime established by the regulations;
- (b) cost allocation and its relationship to the RRRP payment and the setting of rates;
- (c) the calculation of the RRRP payment;
- (d) the establishment of Residential rates including:
  - (i) a proposed Residential rate redesign, and
  - (ii) a recovery mechanism for a revenue shortfall arising from the transition to new rates; and
- (e) the establishment of Seasonal and Street Lighting rates, including a proposed mitigation of Seasonal and Street Lighting rate increases.

It is important for the Board to note that the base rates used for rate setting purposes and the calculation of the RRRP payment are the distribution rates set out in the rate order effective May 1, 2002 (RP-2003-0149) (“Base Rate Order”) net of any rate components established to recover regulatory assets. Set out in *Table 8-1-1 A* below is a breakdown of GLPL’s rates showing the base rate and the rate adder reflecting the recovery of regulatory assets.

1 *Table 8-1-1 A – Summary of GLPL's Rates*

Customer Class	Driver	Effective May	Effective March	Regulatory Asset	Effective March	Regulatory Asset
		1, 2002 RP-2003-0149	1, 2004 RP-2004-0119/ EB-2004-0191	Recovery Mar 1, 2004 to Feb 28, 2005	1, 2005 RP-2005-0013/ EB-2005-0031	Recovery Mar 1, 2005 to Present
		A	B	C (B - A)	D	E (D - A)
<b>Residential</b>						
Service Charge	per Month	\$19.97	\$19.97		\$19.97	
Variable Charge	per kWh	\$0.0200	\$0.0226	\$0.0026	\$0.0297	\$0.0097
<b>Seasonal</b>						
Service Charge	per Month	22.63	22.63		22.63	
Variable Charge	per kWh	0.0400	0.0426	0.0026	0.0497	0.0097
<b>General Service &lt; 50kW</b>						
Service Charge	per Month	26.09	26.09		26.09	
Variable Charge	per kWh	0.0360	0.0377	0.0017	0.0418	0.0058
<b>General Service &gt; 50kW</b>						
Service Charge	per Month	583.29	583.29		583.29	
Variable Charge	per kW	2.0000	2.9307	0.9307	2.4796	0.4796
<b>Large Customer A</b>						
Service Charge	per Month	557.42	557.42		557.42	
Variable Charge	per kW	8.5000	9.0235	0.5235	10.0759	1.5759
<b>Large Customer B</b>						
Service Charge	per Month	2,792.67	2,792.67		2,792.67	
Variable Charge	per kW	8.5000	9.0772	0.5772	9.9463	1.4463
<b>Street/Sentinel Lighting</b>						
Service Charge	per Month	-	-		-	
Variable Charge	per kWh	0.0327	0.0338	0.0011	0.0366	0.0039

2  
3

4 **2.0 REGULATORY REGIME**

5 The regulations made under the *OEB Act* result in the reclassification of some of GLPL's  
 6 customers and provide a mechanism to establish an annual payment of funds to GLPL under the  
 7 RRRP regulation.

8 If the RRRP provisions were not available to the eligible customers as set out in the Regulation,  
 9 those customers would have experienced total bill increases of approximately 68% for the typical  
 10 Residential consumer.

11

12 **2.1 Reclassification**

13 Ontario Regulation 445/07 made in respect of Section 78 of the *OEB Act* (the "Reclassification  
 14 Regulation") provides as follows:

1 “1. (1) For the purposes of fixing just and reasonable rates under section 78 of the  
2 Act, the Board shall ensure that a consumer who falls into one of the following  
3 categories shall be treated as residential-rate class consumer if the criteria in  
4 subsection (2) are satisfied:

5 1. A Consumer who is charged by the distributor as a general service, less  
6 than 50 kilowatt demand rate-class customer.

7 2. A consumer who is charged by the distributor for distribution of  
8 electricity as having a demand of greater than 50 kilowatt rate-class  
9 customer.

10  
11 (2) A consumer who falls into one of the categories set out in subsection (1)  
12 shall be treated as residential-rate class consumer, if,

13 (a) the distributor that serves the consumer is licensed to serve in  
14 an area of not less than 10,000 square kilometres in size; and

15 (b) the average customer density for the distributor is less than  
16 seven customers per kilometre of distribution line.

17  
18 (3) The rate classifications to ensure that consumers that fall into a category  
19 set out in subsection (1) are treated as residential-rate class consumers if the  
20 criteria in subsection (2) are satisfied take effect on the date of the distributor’s  
21 next rate order made on or after August 15, 2007.”

22  
23 GLPL satisfies the criteria in Section 1(2) above. As a result, with the exception of those  
24 customers falling into the Seasonal and Street Lighting rate classes, all of GLPL’s customers will  
25 fall within the Residential customer class.

## 26 27 **2.2 Rural Rate Protection**

28 For rate setting purposes, the Reclassification Regulation is linked with the Rural and Remote  
29 Electricity Rate Protection Regulation (O. Reg 442/01) as amended (the “RRRP Regulation”).

### 30 2.2.1 Calculation of Available Rate Assistance

31 The amount of rural rate protection is prescribed in subsection 4(3.1) of the RRRP Regulation.  
32 Subsection 4(3.1) of the RRRP Regulation states:

33 “4. (3.1) For each year, in respect of the rates for a distributor serving consumers  
34 described in paragraph 5 of section 2, the Board shall calculate the amount by which the  
35 distributor’s forecasted revenue requirement for the year, as approved by the Board,

1 exceeds the distributor's forecasted consumer revenues for the year, as approved by the  
2 Board. O. Reg. 335/07, s. 1 (2)."

3  
4 Simply put, under subsection 4(3.1) the amount by which forecasted revenue requirement  
5 exceeds the forecasted consumer revenue is the amount of rate assistance available to be paid to  
6 the distributor. The methodology to calculate forecasted consumer revenue is set out in  
7 subsection 4(3.2) of the RRRP Regulation. Subsection 4(3.2) provides:

8 "4. (3.2) For the purpose of subsection (3.1), the distributor's forecasted consumer  
9 revenues for a year shall be based on the rate classes and on the rates set out for those  
10 classes in the most recent rate order made by the Board and shall be adjusted in line with  
11 the average, as calculated by the Board, of any adjustment to rates approved by the Board  
12 for other distributors for the same rate year. O. Reg. 335/07, s. 1 (2)."

13  
14 Under this provision, forecasted consumer revenue for a year is based upon the current rates  
15 adjusted for the average increase or decrease in rates approved by the Board for the same rate  
16 year. This average adjustment reflects the ratepayers contribution to recovery of any revenue  
17 deficiency. The remainder of the revenue sufficient to permit the distributor to recover its  
18 revenue requirement is provided by the RRRP payment. No matter the level of revenue  
19 requirement established by the Board, if there is a revenue deficiency, rates must rise by the  
20 average adjustment to fully recover the established revenue requirement.

#### 21 2.2.2 RRRP Payment

22 Paragraph 5 of Section 2 of the RRRP Regulation sets out the eligibility criteria applicable to  
23 GLPL for rural rate protection. This paragraph provides that:

24 "5. Consumers,

- 25 (i) who are treated as residential-rate class consumers under Ontario  
26 Regulation 445/07 (Reclassifying Certain Classes of Consumers as  
27 Residential-Rate Class Customers: Section 78 of the Act) made under the  
28 Act, or
- 29 (ii) who occupy residential premises in an area served by a distributor where,  
30 A. the distributor is licensed to serve the consumers,  
31 B. the area is not less than 10,000 kilometres in size, and  
32 C. the average customer density for the distributor is less than seven  
33 customers per kilometre of distribution line."

34

1 Based on this provision and paragraph 3 of subsection 4(4) of the RRRP Regulation, all of  
2 GLPL’s newly re-classified Residential customers are eligible for rural rate protection. This  
3 protection does not extend to Seasonal and Street Lighting customers. Paragraph 3 of subsection  
4 4(4) of the RRRP Regulation states as follows:

5 “4(4) 3. The Board shall take reasonable steps to ensure that an amount equal to the  
6 amount calculated under subsections (2) and (3.1) for the year is used to provide rate  
7 protection to consumers who are in the class described in paragraphs 4 and 5 of section  
8 2.”  
9

10 Because not all of GLPL's customers are eligible to receive rate protection through the RRRP  
11 payment, only a portion of the funds available for rate assistance determined according to  
12 subsection 4(3.1) listed above would be used for the RRRP payment.

13 As a result, the determination of rate assistance is a two step process:

- 14 1. the determination of funds available for rate assistance; and  
15 2. the allocation of a part of those available funds to eligible customers as a RRRP payment.

16 The application of this two step process with respect to GLPL is set out at Section 4.0 below.  
17

### 18 **3.0 COST ALLOCATION**

#### 19 **3.1 Introduction**

20 Under the regulatory regime described above, cost allocation is important in two respects:

- 21 (i) Cost allocation is needed to calculate the RRRP payment under the RRRP  
22 Regulations. This is shown in Section 4.0 below; and  
23 (ii) Cost allocation is needed to establish rates for Seasonal and Street Lighting rate  
24 classes. This is shown in Section 6.0 below.  
25  
26  
27

1 **3.2 Customer Classes**

2 GLPL has applied the same cost allocation methodology as was applied in the 2006 EDR Model.  
 3 For calculation of revenue allocation factors, GLPL applied its 2007 Forecasted Charge  
 4 Determinants to its base rates from the Base Rate Order. The 2007 charge determinant forecast,  
 5 as outlined in Exhibit 3, Tab 2, Schedule 2, is as follows:

6 *Table 8-1-1 B – Charge Determinants:*

	2007 Charge Determinant Forecast		
	kWh	kW	Customers
Residential	75,791,925.5	-	6,782
Seasonal	11,746,043.0	-	3,707
GS < 50	28,636,380.0	-	958
GS > 50	-	130,265.2	46
Large Cust. B	-	67,126.4	1
Street Lights	1,010,306.3	-	99
	<b>117,184,654.8</b>	<b>197,391.6</b>	<b>11,593</b>

7  
8

9 As noted above, GLPL applies its current base rates from the Base Rate Order to the charge  
 10 determinants. The 2007 Revenue Forecast is calculated as the variable charge multiplied by the  
 11 consumption (kWh or kW) in *Table 8-1-1 B*, plus the service charge and current RRRP  
 12 multiplied by 12 months, then multiplied by the number of customers in *Table 8-1-1 B*. The  
 13 resulting revenue forecast is used to calculate the 2007 allocation factors as demonstrated in  
 14 *Table 8-1-1 C* below.

15 *Table 8-1-1 C – Allocation to Customer Classes:*

	Current Volumetric Charge	Current Service Charge	Current RRRP	2007 Revenue Forecast (\$000's)	2007 Allocation Factors
Residential	\$0.0200	\$19.97	\$28.50	\$5,460.5	57.6%
Seasonal	0.0400	22.63	-	1,476.5	15.6%
GS < 50	0.0360	26.09	-	1,330.8	14.0%
GS > 50	2.0000	583.29	-	582.5	6.1%
Large Cust. B	8.5000	2,792.67	-	604.1	6.4%
Street Lights	0.0327	-	-	33.0	0.3%
				<b>\$9,487.5</b>	

6

1 Using the methodology from the 2006 EDR model, revenue to be collected in rates is the sum of  
 2 GLPL's base revenue requirement (as calculated in Exhibit 1, Tab 2, Schedule 4), plus a  
 3 transformer ownership allowance credit. This credit is expected to be applied to customers who  
 4 own transformers, and is calculated in Exhibit 8, Tab 1, Schedule 8. The following table  
 5 summarizes the total revenue to be collected through rates:

6 *Table 8-1-1 D - 2007 Revenue Requirement to be allocated:*

2007 Base Revenue Requirement:	\$17,576.7
Add: Transformer Credit:	34.3
<b>Total Revenue Collection in Rates</b>	<b>\$17,611.0</b>

7  
 8 For the final determination of the 2007 revenue requirement by class, the allocation factors are  
 9 applied to the total revenue calculated above, as demonstrated in the following table:

10 *Table 8-1-1 E - Allocation of 2007 Revenue Requirement*

	2007 Allocation Factors	2007 Cost Allocation (\$000's)
Residential	57.6%	\$10,136.0
Seasonal	15.6%	2,740.8
GS < 50	14.0%	2,470.3
GS > 50	6.1%	1,081.3
Large Cust. B	6.4%	1,121.3
Street Lights	0.3%	61.3
Total Revenue Requirement		<b>\$17,611.0</b>
Less Transformer Credit		(34.3)
<b>Base Revenue Requirement</b>		<b>\$17,576.7</b>

11  
 12  
 13 **4.0 CALCULATION OF RRRP PAYMENT**

14 As set out in *Table 8-1-1 D* above, the forecasted total revenue requirement from rates sought by  
 15 GLPL for the 2007 test year is \$17,611,000. For purposes of calculating the forecasted  
 16 consumer revenue under the RRRP Regulation, the rates applicable are those set out in GLPL's  
 17 Base Rate Order

1 As per subsection 4(3.2) of the RRRP Regulation, the rates used to calculate Forecasted  
 2 Consumer Revenues are to be adjusted in line with the average, as calculated by the Board, of  
 3 any adjustment to rates approved by the Board for other distributors for the same rate year. At  
 4 the time of filing this Application, an average adjustment to rates approved by the Board was not  
 5 available from the Board. As a result, for illustrative purposes, GLPL has used an increase of  
 6 5%. For the purposes of calculating the available rate assistance, the calculation of the  
 7 forecasted customer revenue is set out in table 8-1-1 F below. The 2007 Revenue Forecast is  
 8 calculated as the variable charge multiplied by the consumption (kWh or kW) in Table 8-1-1 B,  
 9 plus the service charge multiplied by 12 months, then multiplied by the number of customers in  
 10 Table 8-1-1 B.

11 *Table 8-1-1 F - Forecasted Consumer Revenue*

	Current Base Rates + 5%		(\$000's)		
	Variable Charge	Service Charge	Forecasted Variable Revenue	Forecasted Fixed Revenue	Forecasted Consumer Revenues
Residential	\$0.0210	\$20.97	\$1,591.6	\$1,706.5	\$3,298.1
Seasonal	0.0420	23.76	493.3	1,057.0	1,550.3
GS<50	0.0378	27.39	1,082.5	314.9	1,397.4
GS>50	2.1000	612.45	273.6	338.1	611.6
Large Cust. B	8.9250	2,932.28	599.1	35.2	634.3
Street Lights	0.0343	-	34.7	-	34.7
			<b>\$4,074.8</b>	<b>\$3,451.7</b>	<b>\$7,526.5</b>

12  
 13 The calculation of the available funds for rate protection is set out in Table 8-1-1 G below.

14 *Table 8-1-1 G - Available Funds for Rate Protection*

(\$000's)	Allocation Factor	Revenue Requirement	Forecasted Consumer Revenues	Available Rate Protection
Residential	57.6%	\$10,136.0	\$3,298.1	\$6,837.9
Seasonal	15.6%	2,740.8	1,550.3	1,190.4
GS<50	14.0%	2,470.3	1,397.4	1,073.0
GS>50	6.1%	1,081.3	611.6	469.6
Large Cust. B	6.4%	1,121.3	634.3	487.0
Street Lights	0.3%	61.3	34.7	26.6
		<b>\$17,611.0</b>	<b>\$7,526.5</b>	<b>\$10,084.5</b>

15



1 Pursuant to Ontario Regulation 445/07, GS<50, GS>50 and Large Customer B will be  
2 reclassified to the Residential class. As a result, under paragraph 5 of Section 2 of the RRRP  
3 Regulation, those customers in addition to the current Residential customers are eligible for  
4 Rural Rate Protection. The amount of the rate protection for eligible consumers is \$8,867,500,  
5 as set out in *Table 8-1-1 H* below.

6 *Table 8-1-1 H - Amount of Rate Protection*

(\$000's)	Rate Protection
Residential	\$6,837.9
GS<50	1,073.0
GS>50	469.6
Large Cust. B	487.0
	<b>\$8,867.5</b>

7  
8

9 **5.0 RESIDENTIAL RATES**

10 **5.1 Reclassification and Impact of Reclassification**

11 Under the Reclassification Regulation, as of the date of the Board's order all GLPL's customers,  
12 except for Seasonal and Street Lighting, are re-classified to the Residential rate class. Because  
13 of the current residential rate design and varying customer characteristics, the reclassification of  
14 these customers results in rate impacts with some customers receiving benefits and others seeing  
15 significant increases on a total bill basis. Rate impacts for typical reclassified customers as a  
16 result of applying the base energy rate for the Residential rate class are set out in *Table 8-1-1 I*  
17 below. For illustrative purposes, the Residential rate used for the purposes of calculating rate  
18 impacts is the current base Residential rate plus 5%. This percentage increase is the average  
19 increase used in Section 4.0 above, to calculate the RRRP Payment.

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1 *Table 8-1-1 I - Rate Impacts for Typical Residential Customers*

Former Rate Class	kWh	kW	Current Total Bill	Total Bill - Residential Total Impact Rates	(%)
<b>Residential:</b>					
Low	500	-	\$73.64	\$75.14	2.0%
Typical	1,000	-	128.03	130.02	1.6%
High	1,500	-	186.55	189.05	1.3%
<b>GS &lt; 50:</b>					
Low	3,000	-	404.56	366.14	-9.5%
Typical	5,000	-	662.87	602.25	-9.1%
High	10,000	-	1,308.65	1,192.53	-8.9%
<b>GS &gt; 50:</b>					
Low	10,000	50	1,576.29	1,196.99	-24.1%
Typical i	20,000	100	2,569.30	2,373.01	-7.6%
Typical ii	40,000	100	3,885.14	4,302.86	10.8%
High	150,000	500	13,802.93	16,605.81	20.3%
<b>Large Cust. B:</b>					
Typical	2,500,000	5,600	246,632.47	264,913.17	7.4%

2  
 3 \*\* Total bills displayed include current regulatory asset rate rider.

4 Much of the adverse rate impact arises because of the rate structure of GLPL's current residential  
 5 rate relative to the current GS>50 base rate. A residential customer is billed a on an energy  
 6 (kWh) basis whereas the GS>50 rate is billed on a demand (kW) basis. Because of the different  
 7 variable billing determinants, GS>50 customers with significant loads and high load factors will  
 8 be penalized if the current residential rate is applied.

9 **5.2 Mitigation**

10 The bill impacts associated with the GS>50 class are very diverse, from large increases to large  
 11 decreases. GLPL does not feel that these types of impacts are fair or reasonable to implement,  
 12 thus a mitigation plan as described below has been prepared to maintain stability and consistency  
 13 among the customers who are billed on a demand (kW) basis. To establish fair treatment of  
 14 customers, GLPL requests approval of a rate design for the residential rate class that would  
 15 create two residential rates. The description of these two rates is as follows:

1 *R1- Residential Energy.* This rate will apply to all customers served at a demand level less than  
2 50 kW per month. This rate will be based on an energy rate per kWh

3 *R2 - Residential Demand.* This rate will apply to all customers served at a demand level greater  
4 than 50 kW per month, and metered with a demand meter. This rate will be based on a demand  
5 rate per kW.

6 **5.3 Rate Levels**

7 The proposed R1 rate level is a variable rate of \$0.0210 per kWh, and a service charge of \$20.97  
8 per month. This is the base residential rate increased by 5%. The R2 rate level is a variable rate  
9 of \$2.100 per kW, and a service charge of \$612.45 per month, which is the current GS>50 rate  
10 increased by 5%.

11 *Table 8-1-1 J – Proposed Rate Levels*

<b>Rate Class</b>	<b>Driver</b>	<b>Variable Rate (per kW/kWh)</b>	<b>Fixed Service Charge</b>
<i>Residential</i>			
R1 - Energy	kWh	\$0.0210	\$20.97
R2 - Demand	kW	\$2.1000	\$612.45

12  
13 By implementing the proposed R2 rate for larger customers, the varying rate impacts are  
14 minimized, creating some stability among that group of customers. With the implementation of  
15 the rates demonstrated in the above table, bill impacts on the typical customer will be as follows:

16

17

18

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21

1 *Table 8-1-1 K – Proposed Bill Impacts for Typical Residential Customers*

Former Rate Class	kWh	kW	Current Total Bill	Total Bill - Proposed Total Impact Rates	(%)
<b>Residential:</b>					
Low	500	-	\$73.64	\$75.14	2.0%
Typical	1,000	-	128.03	130.02	1.6%
High	1,500	-	186.55	189.05	1.3%
<b>GS &lt; 50:</b>					
Low	3,000	-	404.56	366.14	-9.5%
Typical	5,000	-	662.87	602.25	-9.1%
High	10,000	-	1,308.65	1,192.53	-8.9%
<b>GS &gt; 50:</b>					
Low	10,000	50	1,576.29	1,610.46	2.2%
Typical i	20,000	100	2,569.30	2,608.46	1.5%
Typical ii	40,000	100	3,885.14	3,924.30	1.0%
High	150,000	500	13,802.93	13,882.10	0.6%
<b>Large Cust. B:</b>					
Typical	2,500,000	5,600	246,632.47	203,198.75	-17.6%

2

3 \*\* Total bills displayed include current regulatory asset rate riders.

4 **5.4 Transition Issues**

5 There is a transitional issue that arises as a result of the reclassification and establishing R1 and  
6 R2 rates. The implementation of the reclassification and R1 and R2 rates results in the recovery  
7 of revenue less than what would have been recovered if GLPL were to implement its current  
8 customer classification and rates plus 5%.

9 The calculation of the transitional shortfall is demonstrated at *Table 8-1-1 L below*.

1 *Table 8-1-1 L - Calculation of Transitional Shortfall*

(\$000's)	2007 Revenue Requirement	Total Revenue from Rates	Rate Protection	Total Residential Revenue	Annual Revenue Shortfall
<b>Residential</b>					
R1 Energy Rate	\$12,606.3	\$4,140.5	\$7,910.8	\$12,051.4	\$555.0
R2 Demand Rate	2,202.6	759.9	956.7	1,716.6	486.0
	<b>\$14,808.9</b>	<b>\$4,900.5</b>	<b>\$8,867.5</b>	<b>\$13,768.0</b>	<b>\$1,040.9</b>

2

3 GLPL requests a deferral account to collect the amount of revenue shortfall. The amount stated  
4 above is an annual number. It is important to note that the revenue shortfall may be less than the  
5 amount stated above. This would occur if GLPL makes an application and receives a further rate  
6 order in a period less than 12 months following the rate order in this proceeding. Further, it is  
7 also important to note that this transitional deficiency will not reoccur because; 1) the  
8 reclassification of customers occurs only once, and 2) the need for rate redesign in the future is  
9 unforeseen.

10 **6.0 SEASONAL AND STREET LIGHTING**

11 **6.1 Seasonal Rates**

12 Based upon the cost allocation set out in Section 3.0 above, and the rate design prescribed in the  
13 2006 EDR model shown at Exhibit 1, Tab 2, Schedule 6, unmitigated total bill increases for a  
14 typical Seasonal customer are forecasted to be approximately 51% for 2007. This is the result of  
15 a variable rate of \$0.0775 per kWh, and a fixed service charge rate of \$41.16 per month. The  
16 typical Seasonal customer is one with a monthly consumption of 250 kWh.

17 Because of the magnitude of the increase, GLPL proposes to mitigate the impact on Seasonal  
18 customers. GLPL's plan is to implement a variable rate of \$0.0563 per kWh, and a fixed service  
19 charge of \$24.00 per month. This increase will only cause a 10% rate impact (approximately) on  
20 the typical Seasonal customer's total bill. With the proposed mitigated rates, Seasonal customers  
21 will see impacts of the following, depending on their consumption level:

1 *Table 8-1-1 M - Impact of Mitigated Seasonal Rates*

Monthly kWh Consumption	Total Bill at Current Rates	Total Bill at Proposed Rates	Total Bill Impact
100.0	\$35.36	\$38.36	8.5%
150.0	41.73	45.55	9.1%
200.0	48.10	52.73	9.6%
250.0	54.46	59.91	10.0%
300.0	60.83	67.09	10.3%
400.0	73.57	81.46	10.7%

2  
3 Due to the implementation of mitigated rates, GLPL will suffer a revenue deficiency of  
4 approximately \$1,011,800 annually as demonstrated in the table below. GLPL is requesting a  
5 deferral account to record the revenue deficiency. The table below demonstrates the calculation  
6 of the deficiency. Revenue from proposed rates is calculated by applying the variable charge and  
7 service charge to the determinants in *Table 8-1-1B* above. Allocated Revenue is calculated by  
8 the EDR Model in Exhibit 1, Tab 2, Schedule 6.

9 *Table 8-1-1N - Revenue Deficiency from Proposed Seasonal Rates*

(\$000's)	Proposed Rates (\$)	Revenue from Proposed Rates	Allocated Revenue	Deficiency
Service Charge	\$24.00	\$1,067.6	\$1,830.8	\$763.1
Variable Charge	\$0.0563	\$661.3	\$910.0	\$248.7
		<b>\$1,728.9</b>	<b>\$2,740.8</b>	<b>\$1,011.8</b>

11 **6.2 Street Lighting**

12 Based on the cost allocation set out in section 3.0 above, and the rate design prescribed in the  
13 EDR model shown at Exhibit 1, Tab 2, Schedule 6, unmitigated total bill increases for a typical  
14 Street Lighting customer are forecasted to be approximately 25% for 2007. This is the result of a  
15 variable rate of \$0.0607 per kWh. Customers in the Street Lighting rate class are not subject to a  
16 monthly service charge. GLPL is proposing a rate increase which will result in a total bill  
17 increase of only 10%. GLPL proposes to implement a rate of \$0.0441 kWh which will incur a  
18 deficiency to GLPL of approximately \$16,800 per year. GLPL is not proposing any method for  
19 recording or recovering this deficiency.

1    **7.0    REVENUE RECOVERY**

2    A summary of the recovery of GLPL’s revenue requirement is set out below:

3    *Table 8-1-1 O – Revenue Recovery Summary*

(\$000's)	2007 Revenue Requirement	Total Revenue from Rates	Rate Protection	Requested Deferrals	Total Revenue	Annual Revenue Shortfall
<b>Residential</b>						
R1 Energy Rate	\$12,606.3	\$4,140.5	\$7,910.8	\$555.0	\$12,606.3	\$0.0
R2 Demand Rate	2,202.6	759.9	956.7	486.0	2,202.6	-
<b>Total Residential</b>	<b>14,808.9</b>	<b>4,900.5</b>	<b>8,867.5</b>	<b>1,040.9</b>	<b>14,808.9</b>	<b>-</b>
Seasonal	2,740.8	1,728.9	-	1,011.8	2,740.8	-
Street Lights	61.3	44.6	-	-	44.6	16.8
	<b>\$17,611.0</b>	<b>\$6,674.0</b>	<b>\$8,867.5</b>	<b>\$2,052.8</b>	<b>\$17,594.2</b>	<b>\$16.8</b>

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6    **8.0    DISBURSAL OF DEFERRAL ACCOUNT**

7    **8.1    Request for Rate Rider**

8    As noted in Exhibit 5, Tab 1, Schedule 1, GLPL is seeking an order to disburse their deferral  
9    account associated with Large Customer A. The balance of the account is forecasted to be  
10   \$283,606 at September 1, 2007. GLPL is seeking permission to establish a rate rider as part of  
11   the determination of final rates.

12   Since GLPL is proposing to implement a strategy to mitigate rates for Seasonal and Street  
13   Lighting customers, it is unreasonable at this time to create a rate rider to increase the already  
14   mitigated rates. Thus, the rider requested will only affect the Residential rate class.

15   **8.2    Disbursal of Account**

16   GLPL seeks to implement a rate rider on both the R1 and R2 Residential rates. In order to  
17   recover the balance over two years, GLPL would have to implement rate riders demonstrated in  
18   *Table 8-1-1 P* below.

1 *Table 8-1-1 P – Rate Riders*

Residential Rate	Variable Rate Rider
R1 - Energy	0.0012
R2 - Demand	0.1068

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3 For the calculation of these riders, please see Exhibit 8, Tab 1, Schedule 9. With the  
 4 implementation of these riders, GLPL will recover approximately \$146,400 annually, with the  
 5 intent of recovering the balance over a two year period. This calculation assumes no variances in  
 6 volumes, and is demonstrated in *Table 8-1-1 Q* below.

7 *Table 8-1-1 Q – Recovery of Deferral Account*

Residential Rate	Driver	Variable Rate Rider	Consumption (kWh/kW) (000's)	Forecasted Annual Recovery (\$000's)	Forecasted Two- Year Recovery (\$000's)
R1 - Energy	kWh	0.0012	104,428.3	\$125.3	\$250.6
R2 - Demand	kW	0.1068	197.4	21.1	42.2
				<b>\$146.4</b>	<b>\$292.8</b>

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10 The rate impact associated with the implementation of this rate rider is minimal. No customer  
 11 will see a total bill impact greater than 1%. *Table 8-1-1 R* below demonstrates rate impacts for a  
 12 number of different customers and consumptions.

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1 *Table 8-1-1 R – Rate Impacts Due to Rate Rider*

Residential Rate	kWh	kW	Current	Total Bill with Total Impact	
			Proposed Total Bill	Rate Rider	(%)
R1 - Energy - kWh	500	-	75.14	75.74	0.8%
	1,000	-	130.02	131.22	0.9%
	1,500	-	189.05	190.85	1.0%
	3,000	-	366.14	369.74	1.0%
	5,000	-	602.25	608.25	1.0%
	10,000	-	1,192.53	1,204.53	1.0%
R2 - Demand - kW	10,000	50	1,610.46	1,615.80	0.3%
	20,000	100	2,608.46	2,619.14	0.4%
	40,000	100	3,924.30	3,934.98	0.3%
	150,000	500	13,882.10	13,935.50	0.4%
	2,500,000	5,600	203,198.75	203,796.83	0.3%

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2 **9.0 PROPOSED RATE SCHEDULE**

3 GLPL proposes the following rate schedule:

4 *Table 8-1-1 S – Proposed Rate Schedule*

<b>Great Lakes Power Limited - Distribution Proposed Rate Schedule - 2007 Future Test Year</b>		
<b><u>RESIDENTIAL - ENERGY</u></b>		
Monthly Service Charge	(per month)	\$20.97
Distribution Volumetric Rate	(per kWh)	\$0.0210
Deferral Account Rate Rider	(per kWh)	\$0.0012
Regulatory Asset Rate Rider	(per kWh)	\$0.0097
<b><u>RESIDENTIAL - DEMAND</u></b>		
Monthly Service Charge	(per month)	\$612.45
Distribution Volumetric Rate	(per kW)	\$2.1000
Deferral Account Rate Rider	(per kW)	\$0.1068
Regulatory Asset Rate Rider	(per kW)	\$0.4763
<b><u>SEASONAL</u></b>		
Monthly Service Charge	(per month)	\$24.00
Distribution Volumetric Rate	(per kWh)	\$0.0563
Regulatory Asset Rate Rider	(per kWh)	\$0.0097
<b><u>STREET LIGHTING</u></b>		
Distribution Volumetric Rate	(per kWh)	\$0.0441
Regulatory Asset Rate Rider	(per kWh)	\$0.0039

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# **Schedule 8-1-2**

## **Rate Design**

### **Existing Rate Schedules**

**Interim Rates**  
**Great Lakes Power Limited - Distribution**  
**Schedule of Changed Distribution Rates and Charges**  
Effective Date: March 1, 2005  
Implementation Date: April 1, 2005

RP-2005-0013  
EB-2005-0031

**RESIDENTIAL**

Monthly Service Charge	(per month)	\$19.97
Distribution Volumetric Rate	(per kWh)	\$0.0297

**RESIDENTIAL (Seasonal)**

Monthly Service Charge	(per month)	\$22.63
Distribution Volumetric Rate	(per kWh)	\$0.0497

**GENERAL SERVICE < 50 KW**

Monthly Service Charge	(per month)	\$26.09
Distribution Volumetric Rate	(per kWh)	\$0.0418

**GENERAL SERVICE > 50 KW (Non Time of Use)**

Monthly Service Charge	(per month)	\$583.29
Distribution Volumetric Rate	(per kW)	\$2.4796

**LARGE CUSTOMER A**

Monthly Service Charge	(per month)	\$557.42
Distribution Volumetric Rate	(per kW)	\$10.0759

**LARGE CUSTOMER B**

Monthly Service Charge	(per month)	\$2,792.65
Distribution Volumetric Rate	(per kW)	\$9.9463

**SENTINEL LIGHTING / STREET LIGHTING**

Monthly Service Charge	(per month)	
Distribution Volumetric Rate	(per kWh)	\$0.0366

**Existing Rate Schedule - Breakdown of Volumetric Rate**

In order to clarify the components of the volumetric distribution charge, GLPL has prepared the following schedule:

<b><u>RESIDENTIAL</u></b>		
Monthly Service Charge	(per month)	\$19.97
Distribution Volumetric Rate	(per kWh)	\$0.0200
Regulatory Asset Rate Rider	(per kWh)	\$0.0097
<b><u>RESIDENTIAL (Seasonal)</u></b>		
Monthly Service Charge	(per month)	\$22.63
Distribution Volumetric Rate	(per kWh)	\$0.0400
Regulatory Asset Rate Rider	(per kWh)	\$0.0097
<b><u>GENERAL SERVICE &lt; 50 KW</u></b>		
Monthly Service Charge	(per month)	\$26.09
Distribution Volumetric Rate	(per kWh)	\$0.0360
Regulatory Asset Rate Rider	(per kWh)	\$0.0058
<b><u>GENERAL SERVICE &gt; 50 KW (Non Time of Use)</u></b>		
Monthly Service Charge	(per month)	\$583.29
Distribution Volumetric Rate	(per kW)	\$2.0000
Regulatory Asset Rate Rider	(per kW)	\$0.4796
<b><u>LARGE CUSTOMER A</u></b>		
Monthly Service Charge	(per month)	\$557.42
Distribution Volumetric Rate	(per kW)	\$8.5000
Regulatory Asset Rate Rider	(per kW)	\$1.5759
<b><u>LARGE CUSTOMER B</u></b>		
Monthly Service Charge	(per month)	\$2,792.65
Distribution Volumetric Rate	(per kW)	\$8.5000
Regulatory Asset Rate Rider	(per kW)	\$1.4463
<b><u>SENTINEL LIGHTING / STREET LIGHTING</u></b>		
Distribution Volumetric Rate	(per kWh)	\$0.0327
Regulatory Asset Rate Rider	(per kWh)	\$0.0039

# **Schedule 8-1-3**

## **Rate Design**

### **Proposed Rate Schedules**

**Proposed Rate Schedule**

<b>Proposed Rate Schedule - 2007 Future Test Year</b>		
<b><u>RESIDENTIAL - ENERGY</u></b>		
Monthly Service Charge	(per month)	\$20.97
Distribution Volumetric Rate	(per kWh)	\$0.0210
Deferral Account Rate Rider	(per kWh)	\$0.0012
Regulatory Asset Rate Rider	(per kWh)	\$0.0097
<b><u>RESIDENTIAL - DEMAND</u></b>		
Monthly Service Charge	(per month)	\$612.45
Distribution Volumetric Rate	(per kW)	\$2.1000
Deferral Account Rate Rider	(per kW)	\$0.1068
Regulatory Asset Rate Rider	(per kW)	\$0.4763
<b><u>SEASONAL</u></b>		
Monthly Service Charge	(per month)	\$24.00
Distribution Volumetric Rate	(per kWh)	\$0.0563
Regulatory Asset Rate Rider	(per kWh)	\$0.0097
<b><u>STREET LIGHTING</u></b>		
Distribution Volumetric Rate	(per kWh)	\$0.0441
Regulatory Asset Rate Rider	(per kWh)	\$0.0039

# **Schedule 8-1-4**

## **Rate Design**

Reconciliation of Rate Class Revenue to  
Total Revenue Requirement



Distribution Revenue Recovery by Rate Class

Rate Class	Charge Determinant	Proposed Rate	Revenue (\$000's)	Rate Protection (\$000's)	Requested Deferrals	Total Recovery (\$000's)
<u>Residential Energy</u>						
kWh's	104,428,306	0.0210	\$2,193.0			
Customers	7,740	20.97	<u>1,947.7</u>			
Total Distribution Revenue			4,140.7	\$7,910.8	\$554.8	\$12,606.3
<u>Residential Demand</u>						
kW's	197,392	2.100	414.5			
Customers	47	612.45	<u>345.4</u>			
Total Distribution Revenue			759.9	956.7	486.0	2,202.6
<u>Seasonal</u>						
kWh's	11,746,043	0.0563	661.3			
Customers	3,707	24.00	<u>1,067.6</u>			
Total Distribution Revenue			1,728.9	-	1,011.8	2,740.8
<u>Street Lights</u>						
kWh's	1,010,306	0.0441	44.6			
Customers	99	-	<u>-</u>			
Total Distribution Revenue			44.6	-	-	44.6
<b>Total Revenue from Rates - All Classes</b>			<b>\$6,674.1</b>	<b>\$8,867.5</b>	<b>\$2,052.6</b>	<b>\$17,594.2</b>
<b>Less: Transformer Allowance Credit</b>						<b>(34.3)</b>
<b>Add: Other Revenues</b>						<b>345.2</b>
<b>Total Distribution Revenue</b>						<b>17,905.1</b>
<b>Total Revenue Requirement</b>						<b>17,921.9</b>
<b><u>Net Sufficiency/(Deficiency)</u></b>						<b><u>(\$16.8)</u></b>

# **Schedule 8-1-5**

## **Rate Design**

Revenue/Cost Ratios under Proposed  
Rates

**Revenue & Cost Ratios Using Proposed Rates**

<b>Rate Class</b>	<b>Charge Determinant</b>	<b>Proposed Rate</b>	<b>Revenue (\$000's)</b>	<b>Rate Protection (\$000's)</b>	<b>Requested Deferrals (\$000's)</b>	<b>Total Recovery (\$000's)</b>	<b>Revenue Requirement* (\$000's)</b>	<b>Revenue/ Cost Ratio</b>
<u>Residential - Energy Rate</u>								
kWh's	104,428,306	\$0.0210	\$2,193.0					
Customers	7,740	\$20.97	<u>1,947.7</u>					
Total Distribution Revenue			4,140.7	\$7,910.8	\$554.8	\$12,606.3	\$12,606.3	1.00
<u>Residential - Demand Rate</u>								
kW's	197,392	\$2.1000	414.5					
Customers	47	\$612.45	<u>345.4</u>					
Total Distribution Revenue			759.9	956.7	486.0	2,202.6	2,202.6	1.00
<u>Seasonal</u>								
kWh's	11,746,043	\$0.0563	661.3					
Customers	3,707	\$24.00	<u>1,067.6</u>					
Total Distribution Revenue			1,728.9	-	1,011.8	2,740.8	2,740.8	1.00
<u>Street Lights</u>								
kWh's	1,010,306	\$0.0441	44.6					
Customers	99	\$0.00	<u>-</u>					
Total Distribution Revenue			44.6	-	-	44.6	61.3	0.73
<b>Total Distribution Revenue - All Classes</b>			<b>\$6,674.1</b>	<b>\$8,867.5</b>	<b>\$2,052.6</b>	<b>\$17,594.2</b>	<b>\$17,611.0</b>	<b>1.00</b>

\* Revenue Requirement by class is found in Exhibit 8, Tab 1, Schedule 1 under Cost Allocation

# **Schedule 8-1-6**

## **Rate Design**

### Rate Impacts

Rate Impacts on Typical Customers

Former Rate Class	kWh	kW	Current Total Bill	Total Bill - Proposed Total Rates	Impact (%)
<b>Residential:</b>					
Low	500	-	\$73.64	\$75.74	2.9%
Typical	1,000	-	128.03	131.22	2.5%
High	1,500	-	186.55	190.85	2.3%
<b>Seasonal:</b>					
Low	100	-	35.36	38.36	8.5%
Typical	250	-	54.46	59.91	10.0%
High	400	-	73.57	81.46	10.7%
<b>GS &lt; 50:</b>					
Low	3,000	-	404.56	369.74	-8.6%
Typical	5,000	-	662.87	608.25	-8.2%
High	10,000	-	1,308.65	1,204.53	-8.0%
<b>GS &gt; 50:</b>					
Low	10,000	50	1,576.29	1,615.80	2.5%
Typical i	20,000	100	2,569.30	2,619.14	1.9%
Typical ii	40,000	100	3,885.14	3,934.98	1.3%
High	150,000	500	13,802.93	13,935.50	1.0%
<b>Large Cust. B:</b>					
Typical	2,500,000	5,600	246,632.47	203,796.83	-17.4%
<b>Street Lights</b>					
Typical	150	-	17.14	18.85	10.0%

# **Schedule 8-1-7**

## **Rate Design**

### Customer Eligibility Criteria

1 CUSTOMER ELIGIBILITY CRITERIA  
2

3 *R1- Residential Energy.* This rate will apply to all customers served at a demand level  
4 less than 50 kW per month. This rate will be based on an energy rate per kWh

5 *R2 - Residential Demand.* This rate will apply to all customers served at a demand level  
6 greater than 50 kW per month, and metered with a demand meter. This rate will be based  
7 on a demand rate per kW.

8 *Seasonal.* Seasonal customers are services supplied to single family dwelling units for  
9 domestic/household units with seasonal occupancy.

10 *Street Lighting.* Street Lighting is all service supplied to street lighting equipment owned  
11 by or operated for a municipal corporation (Municipality/Township). Street Lighting  
12 extends to include MTO lighting, telephone booth lights, rink lights, repeater usage,  
13 railway crossings, wharf lighting, etc.

# **Schedule 8-1-8**

## **Rate Design**

Transformer Ownership Allowance



Exhibit 8  
Tab 1  
Schedule 8

Transformer Ownership Allowance

	2005	2006	2007 Forecast
kW	53,830.6	60,435.4	57,133.0
Rate (\$/kW)	\$0.60	\$0.60	\$0.60
<b>Total Allowance (\$000's)</b>	<b>\$32.3</b>	<b>\$36.3</b>	<b>\$34.3</b>

# **Schedule 8-1-9**

## **Rate Design**

Calculation of Deferral Account Rate  
Rider

Calculation of Deferral Account Rate Rider

Rates Designed for Recovery over 2 years:

Total Recovery Required (\$000's):	\$283.6
Recovery per Year:	<u>\$141.8</u>

Residential rate	Forecast kWh (000's)	Forecast kW (000's)	Allocation Factor*	Adjusted Allocation Factor**	Annual Recovery Required***	Rider Required****
R1 - Energy	104,428.3	-	71.6%	85.1%	\$120.7	\$0.0012
R2 - Demand	-	197.4	12.5%	14.9%	\$21.1	\$0.1068
	<u>104,428.3</u>	<u>197.4</u>	<u>84.1%</u>	<u>100.0%</u>	<u>\$141.8</u>	

\* Allocation factors are determined in Exhibit 8, Tab 1, Schedule 1 under Cost Allocation.

\*\* Adjusted Allocation Factors are the grossed up Allocation Factors. Each rate's Allocation Factor is divided by the total of R1 and R2's Allocation Factors.

\*\*\* Annual Recovery Required is the Recovery per year times the Adjusted Allocation Factor

\*\*\*\* Rider required is the Annual Recovery Required divided by the charge determinant (kW/kWh)

# **Schedule 8-1-10**

## **Rate Design**

Non-Distribution Charges Used to  
Calculate Rate Impacts

**Non-Distribution Charges Used to Calculate Rate Impacts**

Former Rate Class	kWh	kW	Loss Factor	WMSR	Transmission	Debt Retirement Charges	Commodity Tier 1	Commodity Tier 2	Total Non- Distribution Charges
<b>Residential:</b>			Rate: 1.0798	\$0.0062	\$0.0107	\$0.0020	\$0.0530	\$0.0620	
Low	500	-		3.35	5.78	1.08	28.61	-	\$38.82
Typical	1,000	-		6.69	11.55	2.16	53.00	4.95	\$78.36
High	1,500	-		10.04	17.33	3.24	53.00	38.42	\$122.03
<b>Seasonal:</b>			Rate: 1.0798	\$0.0062	\$0.0107	\$0.0020	\$0.0530	\$0.0620	
Low	100	-		0.67	1.16	0.22	5.72	-	\$7.76
Typical	250	-		1.67	2.89	0.54	14.31	-	\$19.41
High	400	-		2.68	4.62	0.86	22.89	-	\$31.06
<b>GS &lt; 50:</b>			Rate: 1.0798	\$0.0062	\$0.0107	\$0.0020	\$0.0530	\$0.0620	
Low	3,000	-		20.08	34.66	6.48	53.00	138.84	\$253.07
Typical	5,000	-		33.47	57.77	10.80	53.00	272.74	\$427.78
High	10,000	-		66.95	115.54	21.60	53.00	607.48	\$864.56
<b>GS &gt; 50:</b>			Rate: 1.0798	\$0.0062	\$3.9100	\$0.0020	\$0.0527	\$0.0000	
Low	10,000	50		66.95	211.10	21.60	569.38	-	\$869.02
Typical i	20,000	100		133.90	422.20	43.19	1,138.76	-	\$1,738.05
Typical ii	40,000	100		267.79	422.20	86.38	2,277.51	-	\$3,053.89
High	150,000	500		1,004.21	2,111.01	323.94	8,540.68	-	\$11,979.84
<b>Large Cust. B:</b>			Rate: 1.0690	\$0.0062	\$4.2271	\$0.0020	\$0.0527	\$0.0000	
Typical	2,500,000	5,600		16,569.50	25,305.11	5,345.00	140,920.93	-	\$188,140.54
<b>Street Lights</b>			Rate: 1.0798	\$0.0062	\$0.0107	\$0.0020	\$0.0530	\$0.0620	
Typical	150	-		1.00	1.73	0.32	8.58	-	\$11.65

# **Schedule 9-1-1**

## **Regulatory Assets**

### Regulatory Assets Overview

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**REGULATORY ASSETS**

**OVERVIEW**

GLPL is applying to disburse its audited December 31, 2004 year-end balances in its Regulatory Asset accounts, with the exception of Account 1574 - Deferred Rate Impact Amounts, for which GLPL is applying to disburse its estimated balance at the time of the Board's order in this application. The circumstances that give rise to GLPL's Account 1574 balance and the basis for recovery are set out at Exhibit 9, Tab 1, Schedule 5.

In accordance with the Board's orders in RP-2004-0119/EB-2004-0191 and RP-2005-0013/EB-2005-0031, GLPL has been recovering amounts since April 1, 2004 to offset its Regulatory Asset balances. The amounts recovered have been appropriately recorded in Account 1590. The balance of GLPL's Account 1590 as of September 1, 2007 is estimated to be \$2,929,507.

The aggregated balance of GLPL's RSVA accounts as of December 31, 2004 is \$81,097. GLPL proposes to disburse its December 31, 2004 RSVA account balances by offsetting them against the recovered amounts in Account 1590. GLPL proposes that the remaining \$2,848,410 in Account 1590 be used to offset the December 31, 2004 balance of Account 1570. The balance of GLPL's Account 1570 as of December 31, 2004 is \$1,103,217. GLPL proposes that the remaining \$1,745,193 in Account 1590 be used to offset the outstanding balance of Account 1574, as discussed in Exhibit 9, Tab 1, Schedule 5. More information on this proposed method of recovery is set out at Exhibit 9, Tab 1, Schedule 6.

## **Schedule 9-1-2**

### **Regulatory Assets**

Retail Settlement Variance Accounts  
1580, 1582, 1584, 1586 and 1588



**RETAIL SETTLEMENT VARIANCE ACCOUNTS 1580, 1582, 1584, 1586 and 1588**

**1.0 DESCRIPTION OF ACCOUNTS**

**1.1 Account 1580 - RSVA<sub>WMSC</sub>**

*Table 9-1-2-A – Balance of Account 1580*

Opening Balance	Carrying Charges	Net Accruals	Adjustments	Closing Balance
31/12/01 \$0.00		\$118,556.92		31/12/02 \$118,556.92
31/12/02 \$118,556.92		\$48,270.38		31/12/03 \$166,827.30
31/12/03 \$166,827.30		\$19,795.96		31/12/04 \$186,623.06

This account is used to record the net difference between:

- i) the amount charged by the IESO, based on the settlement invoice, for the operation of the IESO administered markets and the operation of the IESO-administered grid (as defined in the *Electricity Act, 1998*); and
- ii) the amount billed to customers using the Board-approved Wholesale Market Service Rate.

**1.2 Account 1582 - RSVA<sub>one-time</sub>**

GLPL does not seek any recovery in relation to this account.

1 **1.3 Account 1584 - RSVA<sub>NW</sub>**

2  
 3 *Table 9-1-2 B – Balance of Account 1584*

4

Opening Balance	Carrying Charges	Net Accruals	Adjustments	Closing Balance
31/12/01 \$0.00		\$3,855.70		31/12/02 \$3,855.70
31/12/02 \$3,855.70		\$2,520.01		31/12/03 \$6,375.71
31/12/03 \$6,375.71		\$(10,854.67)		31/12/04 \$(4,478.96)

5  
 6 This account is used to record the net difference between:  
 7 i) the amount charged by the IESO, based on the settlement invoice, for transmission  
 8 network services; and  
 9 ii) the amount billed to customers for the same services using the Board-approved  
 10 Transmission Network Charge Rate.  
 11

12 **1.4 Account 1586 - RSVA<sub>CN</sub>**

13  
 14 *Table 9-1-2 C – Balance of Account 1586*

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Opening Balance	Carrying Charges	Net Accruals	Adjustments	Closing Balance
31/12/01 \$0.00		\$(8,230.84)		31/12/02 \$(8,230.84)
31/12/02 \$-8,230.84		\$(152,736.24)		31/12/03 \$(160,967.08)
31/12/03 \$-160,967.08		\$(115,240.83)		31/12/04 \$(276,207.91)

1 This account is used to record the net difference between:  
 2 i) the amount charged by the IESO, based on the settlement invoice, for transmission  
 3 connection services; and  
 4 ii) the amount billed to customers for the same services using the Board-approved  
 5 Transmission Connection Charge Rate.  
 6

7 **1.5 Account 1588 - RSVA<sub>Power</sub>**

8

9 *Table 9-1-2 D – Balance of Account 1588*

10

Opening Balance	Carrying Charges	Net Accruals	Adjustments	Closing Balance
31/12/01 \$0.00		\$32,248.65		31/12/02 \$32,248.65
31/12/02 \$32,248.65		\$16,834.96		31/12/03 \$49,083.61
31/12/03 \$49,083.61		\$126,077.59		31/12/04 \$175,161.20

11

12 This account is used to record the net difference between:  
 13 i) the energy amount billed to customers; and  
 14 ii) the energy charge to a distributor using the settlement invoice received from the IESO,  
 15 host distributor or embedded generator.  
 16

17 **2.0 METHODOLOGY**

18 The RSVA accounts are calculated by taking the difference between costs and revenues for each  
 19 applicable RSVA charge type. For both of these items, the accrual method of accounting is used.  
 20 The origin of the cost side of the equation is the IESO monthly invoices. The origin of the  
 21 revenue side of the equation is the billing system, adjusted for unbilled revenue. GLPL has not  
 22 historically applied carrying charges to its RSVA accounts.

23 **3.0 ALLOCATION TO CUSTOMERS**

24 GLPL will allocate the balances in these accounts on the basis of energy consumed (i.e. kWhs).  
 25 This method of allocation complies with paragraph 2.0.35 of the Board's Decision in the  
 26 Recovery of Regulatory Assets – Phase 2 proceeding (RP-2004-0117, 0118, 0100, 0069, 0064)  
 27 (the “Phase 2 Decision”).

# **Schedule 9-1-3**

## **Regulatory Assets**

Pre-Market Opening Energy Variance  
Account 1571

Retail Cost Variance Accounts 1518  
and 1548

Miscellaneous Deferred Debits  
Account 1525

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12

**ACCOUNTS 1571, 1518/1548, AND 1525**

**1.0 PRE-MARKET OPENING ENERGY VARIANCE ACCOUNT 1571**

GLPL does not seek any recovery in relation to this account.

**2.0 RETAIL COST VARIANCE ACCOUNTS 1518 and 1548**

GLPL does not seek any recovery in relation to these accounts.

**3.0 MISCELLANEOUS DEFERRED DEBITS ACCOUNT 1525**

GLPL does not seek any recovery in relation to this account.

# **Schedule 9-1-4**

## **Regulatory Assets**

Market Readiness Transition Costs  
Account 1570

1                    **MARKET READINESS TRANSITION COSTS ACCOUNT 1570**

2    **1.0    Summary of Market Readiness Transition Costs**

3    As a licensed distributor, it was necessary for GLPL to modify its systems and business practices  
4    to meet the requirements of the new Ontario electricity market, which opened on May 1, 2002.  
5    The market readiness requirements were mandated by legislation, the Market Rules and various  
6    regulatory instruments established by the Board, including: the Distribution System Code; the  
7    Retail Settlement Code; the Standard Supply Service Code; and the Electronic Business  
8    Transactions Standard.

9    The costs incurred to meet the market readiness requirements have been recorded in Account  
10    1570 in compliance with Article 480 of the *Accounting Procedures Handbook* (APH480). Those  
11    costs are related to the implementation of incremental billing and settlement systems and other  
12    regulated market requirements. GLPL commissioned an external review by KPMG of all  
13    amounts recorded in Account 1570 to ensure that they meet the causation and materiality criteria.  
14    KPMG's report is at Exhibit 9, Tab 1, Schedule 7 below. GLPL's materiality calculation is as  
15    follows:

16    *Table 9-1-4 A – Materiality Calculation*

Net Assets at Dec. 31, 2002:	\$36,911,684.61
Materiality %:	0.25%
<b>Materiality Threshold:</b>	<b>\$92,279.21</b>

17  
18    GLPL's transitional costs on a per customer basis exceed \$60/customer.<sup>1</sup> It is important to note  
19    that this exceedance is solely a function of the combination of GLPL's expansive service  
20    territory<sup>2</sup> and its low customer density,<sup>3</sup> which results in a high transitional cost per customer.  
21    These circumstances are beyond GLPL's control. For example, because of GLPL's expansive

---

<sup>1</sup> According to evidence filed by Energy Probe in Phase II of the Board's Regulatory Asset Review, GLPL's transitional costs/customer were \$81.13

<sup>2</sup> GLPL's distribution system covers a very large geographic area covering approximately 14,200 square kilometers that extends 93 km east and approximately 255 km north of the City of Sault Ste. Marie. With the exception of Hydro One Networks Inc., no other LDC in the province has a service territory as large as GLPL's.

<sup>3</sup> GLPL serves less than 11,600 customers. There are only 6.7 customers per kilometre on GLPL's distribution lines. This is the lowest utility customer/line ratio in Ontario.

1 service territory, there are 13 distribution supply points from GLPL's transmission system.  
 2 GLPL's neighbouring distributor PUC Networks Inc. has approximately three times as many  
 3 customers as GLPL, but only has 4 distribution supply points. GLPL's transitional costs include  
 4 \$472,311 for installing wholesale meters at its 13 distribution supply points, as required by the  
 5 Market Rules. Because of GLPL's low customer density, this cost translates to approximately  
 6 \$41/customer. In the absence of this cost, GLPL's transitional costs on a per customer basis  
 7 would have been below \$60/customer. Accordingly, GLPL submits that little weight should be  
 8 afforded to its transitional costs on a per customer basis relative to other distributors.

9 GLPL proposes to allocate balances in this account to rate classes based on number of customers.  
 10 This method of allocation complies with paragraph 7.0.67 of the Board's Phase 2 Decision.  
 11 GLPL proposes to recover these balances pursuant to the methodology set out at Exhibit 9, Tab  
 12 1, Schedule 6.

13 A breakdown of GLPL's Account 1570 costs based on the categories set out in APH480 is set out  
 14 in the table below. Although this section illustrates GLPL's Account 1570 costs as of December  
 15 31, 2004, GLPL did not incur any costs related to Account 1570 after December 31, 2002.

16 **1.1 Summary of Market Readiness Transition Costs as of December 31, 2004**

17  
 18 *Table 9-1-4 B – Summary of Market Readiness Transition Costs*  
 19

APH480 Category	Project	Cost	Notes
1. Billing Activities	Billing and Settlement Systems	\$174,139.00	1A Billing Contracts 1B Settlement System
2. Customer Education Activities		0	
3. Wholesale Market Requirements	IESO Meter Installations	\$472,311.00	3
4. IMO Requirements	Prudential/Registration	\$166,540.00	4



5. Retailer/ Customer Requirements	Salaries & Navigant	\$102,102.00	5
6. Staff Adjustment Activities		0	
7. Regulatory Costs		0	
8. Regulatory Requirements		0	
9. Payments in lieu of taxes		0	
10. Others (if applicable)		0	
Transition costs		\$915,092.00	
Post Market Opening Interest Costs		\$188,124.56	
<b>TOTAL TRANSITION COSTS</b>		<b>\$1,103,216.56</b>	

1

2 **1.2 Explanatory Notes**

3 *Table 9-1-4 C – Billing Activities*

4 APH480 Category 1: Billing Activities

APH480 Category	Project	Capital Sub-account (a)	Accumulated Amortization (b)	Non-Capital Sub-account (c)	Total (d)=(a)+(c)
1. Billing Activities	1A – Billing Contracts			\$96,080.00	\$96,080.00
	1B – Settlement Systems & Other			\$78,059.00	\$78,059.00
	Total			\$174,139.00	\$174,139.00

5

6

1 **Note 1A – Billing Contracts: \$96,080.00**

2 Project Description:

3 Costs related to contracts for temporary billing staff to carry out transition activities were  
4 required. Transition activities included: setting up and maintaining retailer functions, retailer  
5 billing functions, customer billing functions, and account adjustment functions. There were  
6 three contracts spanning approximately 12-18 months from May 2001 until December 2002.

7 Causation

8 These costs were incremental to the costs reflected in GLPL's Board-approved rates. They were  
9 directly related to operational requirements created by industry restructuring.

10 Prudence

11 Used internally skilled people to assist in unbundling distribution rates and used external help at  
12 reduced rates to manage day to day billing and customer service requirements.

13 Inability to Control

14 GLPL could not have avoided this cost since it was necessary to allow GLPL's customer billing  
15 department to transition to the deregulated market.

16

17 **Note 1B – Settlement Systems & Other: \$78,059.00**

18 Project Description:

19 Settlement System - SunGard HTE SCRs (system change requests). Activities included analysis  
20 of existing systems, automating parts of billing system, interfacing with service providers, and  
21 modifying the CX (customer information) system to meet the standards for EBT as set out in the  
22 Retail Settlement Code.

23 Causation

24 These costs were incremental to the costs reflected in GLPL's Board-approved rates. They were  
25 directly related to operational requirements created by industry restructuring.

26 Prudence

27 GLPL looked at three providers and chose Thunder Bay Hydro as the lowest cost provider.  
28 Thunder Bay Hydro was the lowest price as GLPL did not have to invest in the software other  
29 than an initial incremental license fee. In order to minimize its costs even further, GLPL evenly  
30 shared development costs with the following utilities: Thunder Bay Hydro Electric Distribution  
31 Inc., Halton Hills Hydro Inc., Barrie Hydro Distribution Inc., North Bay Hydro Distribution  
32 Limited, and Guelph Hydro Electric Systems Inc.

1 Inability to Control

2 GLPL could not have avoided this cost since it was necessary to allow GLPL to achieve  
 3 compliance with the Retail Settlement Code.

4

5 **Note 3 - Wholesale Market Requirements: \$472,311.00**

6 APH480 Category 3: Wholesale Market Requirements

7 *Table 9-1-4 D - APH480 Wholesale Market Requirements*

APH480 Category	Project	Capital Sub-account (a)	Accumulated Amortization (b)	Non-Capital Sub-account (c)	Total (d)=(a)+(c)
3. Wholesale Market Requirements	IMO Meter Installations	\$472,311.00			\$472,311.00

8

9 Project Description:

10 There are 13 connection points between GLPL's transmission and distribution systems. To  
 11 become a market participant in the newly restructured electricity market, installation of  
 12 wholesale metering was required at these connection points to allow market settlement with the  
 13 IESO in accordance with the Market Rules.

14 *i. Equipment Costs*

15 Equipment for this project, accounting for \$268,732 of the \$472,311 total cost, includes revenue  
 16 meters from ABB Inc. (formerly Canadian Meter Company Inc.), and materials from GE  
 17 Canada, PowerNet Measurement and Control Ltd., and Grafton Utility Supply Co.

18 *ii. Installation and Other Costs*

19 The remaining \$203,579 represents installation costs which included internal GLPL engineering  
 20 services, as well as engineering services from Acres International and Danieli Corus Canada Inc.

21 Causation

22 All costs included in this category were incremental to the costs reflected in GLPL's Board-  
 23 approved rates. They were directly related to operational requirements created by industry  
 24 restructuring. As noted in the KPMG audit report prepared for GLPL, set out in Section 9.0 of  
 25 this Summary, GLPL satisfies the Board's causation criteria.

26

1 Prudence

2 GLPL hired a qualified project manager to manage the project implementation for wholesale  
3 metering and to ensure reasonableness of equipment and engineering costs.

4 Inability to Control

5 GLPL could not have avoided this cost since it was necessary for market participation.

6

7 **Note 4 – Prudential / Registrations: \$166,540**

8 APH480 Category 4: IESO Requirements

9 *Table 9-1-4 E - APH480 IESO Requirements*

APH480 Category	Project	Capital Sub-account (a)	Accumulated Amortization (b)	Non-Capital Sub-account (c)	Total (d)=(a)+(c)
4. IESO Requirements	Prudential / Registration			\$166,540.00	\$166,540.00

10

11 Project Description:

12 As a result of market opening, GLPL was obligated to comply with a number of regulatory  
13 requirements related to operating as a market participant in Ontario. These requirements  
14 included the following:

- 15 *i. Emergency Preparedness, Market Readiness and Communications Plans: \$84,360*
- 16 *ii. IESO Registration Fees: \$50,373*
- 17 *iii. IESO Connection Agreements: \$12,269*
- 18 *iv. Other internal costs related to IESO requirements: \$19,538*

19 Causation

20 These costs were new requirements for GLPL caused solely by its obligation as a market  
21 participant. As noted in the KPMG audit report prepared for GLPL, as set out in Exhibit 9, Tab  
22 1, Schedule 7 of this Application, GLPL satisfies the Board's causation criteria.

23

1

2 Prudence

3 GLPL sought to use the most qualified consultant to provide the services that needed to be  
4 implemented.

5 Inability to Control

6 GLPL could not have avoided this cost since it was necessary for market participation.

7

8 **Note 5 – Salaries & Cost Allocation Study: \$102,102.00**

9 APH480 Category 5: Retailer/Customer Requirements

10 *Table 9-1-4 F – APH480 Retailer/Customer Requirements*

APH480 Category	Project	Capital Sub-account (a)	Accumulated Amortization (b)	Non-Capital Sub-account (c)	Total (d)=(a)+(c)
5. Retailer/Customer Requirements	Salaries & Cost Allocation Study			\$102,102.00	\$102,102.00

11

12 Project Description:

13 *i. Incremental Salaries*

14 Incremental salaries are associated with the hiring of a Junior Accounting Clerk for part of 2001  
15 and 2002. These costs were incurred as a result of the need to add resources in order to fulfill  
16 accounting functions related to market readiness. The amount of the incremental salary was  
17 \$28,763, representing approximately a 9-month period.

18 *ii. Cost Allocation Study*

19 As discussed below (see Account 1574), GLPL historically operated as an integrated utility,  
20 providing generation, transmission and distribution services to its customers. Prior to the  
21 establishment of GLPL's current distribution and transmission rates, GLPL's rates bundled  
22 transmission, distribution and cost of power. Under a bundled rate GLPL recovered part of its  
23 costs related to distribution from large industrial utility customers.

24 As part of the transition to an open electricity market, GLPL was required to establish stand-  
25 alone distribution rates. Because of the historic arrangement whereby GLPL recovered part of its

1 costs related to distribution from large industrial utility customers, GLPL could not rely on the  
2 historic cost allocations in developing stand alone distribution rates as contemplated by the  
3 original Distribution Rate Handbook.

4 As well, both GLPL (generation) and the former Ontario Hydro supplied power to GLPL for  
5 transmission and distribution to GLPS's customers. Because GLPL did not track the cost of  
6 power it generated for transmission and distribution customers, it was unable to determine  
7 historically its cost of power for the purpose of the RBD Model contained in the original  
8 Distribution Rate Handbook. Therefore, GLPL had to commission a cost allocation study from  
9 Navigant Consulting at a cost of \$65,565 in order to establish distribution rates for market  
10 opening.

11 *iii. Retailer Settlement Systems*

12 SunGard HTE CX (customer information) system modifications, in the amount of \$7,774, were  
13 required to allow for market settlement with retailers pursuant to the Retail Settlement Code.

14 Causation

15 These costs were new requirements for GLPL caused solely by its obligation to unbundled its  
16 distribution rates. As noted in the KPMG audit report prepared for GLPL, as set out in Exhibit 9,  
17 Tab 1, Schedule 7 of this Application, GLPL satisfies the Board's causation criteria.

18 Inability to Control

19 GLPL could not have avoided these costs since they were necessary for market participation.

# **Schedule 9-1-5**

## **Regulatory Assets**

Deferred Rate Impact Amounts  
Account 1574

**DEFERRED RATE IMPACT AMOUNTS ACCOUNT 1574**

2 *Table 9-1-5 A – Balance of Account 1574*

Sub-account 1574 Deferred Rate Impact Amounts	Opening Balance	Carrying Charges	Net Accruals *	Adjustments	Closing Balance
	01/05/02				31/12/02
	\$0		\$1,164,484		\$1,164,484
	31/12/02				31/12/03
	\$1,161,484		\$2,891,600		\$4,053,084
	31/12/03				31/12/04
	\$4,053,084		\$2,891,600		\$6,944,684
	31/12/04				31/12/05
	\$6,944,684		\$2,891,600		\$9,836,284
	31/12/05				31/12/06
	\$9,836,284	\$450,006	\$2,891,600		\$13,177,890
	31/12/06				31/08/07
	\$13,177,890	\$530,329	\$1,927,733		\$15,635,952 (estimated)

3 \* GLPL has historically recorded accruals in Account 1574 using management's best estimate of the  
 4 correct methodology for calculating the accrual at the time. The annual accrual shown here has been  
 5 calculated using the methodology described in this section.

6 **1.0 OVERVIEW**

7 GLPL is seeking to recover its balance for Account 1574. Account 1574 - Deferred Rate Impact  
 8 Amounts is described by the Accounting Procedures Handbook as follows:

9 This account shall be used to record amounts equal to rate impacts associated with  
 10 market-based rate of return, transition costs, and extraordinary costs that the  
 11 utility has determined to be excessive and has decided to defer to future periods.

12 GLPL's Account 1574 balance represents deferrals of the recovery of GLPL's full revenue  
 13 requirement since market opening in 2002. As discussed below, in order to mitigate rate impacts



1 associated with GLPL's original 2002 distribution rate application (RP-2002-0109), GLPL  
2 proposed to defer recovery of its full revenue requirement in 2002 by an amount that equalled its  
3 return on equity ("ROE"). This mitigation proposal was incorporated into an interim rate order  
4 that, as a result of Bill 210, became a final rate order. Accordingly, GLPL has not recovered its  
5 revenue requirement since market opening. Because this deficiency is equal to GLPL's ROE, in  
6 effect, GLPL has not earned an ROE since market opening.

7 GLPL has calculated the amount in Account 1574 for all years using the ROE deficiency from its  
8 2002 rate application.

9 The details of these circumstances are described in detail below.

## 10 **2.0 BACKGROUND**

### 11 12 **2.1 GLPL's Historic Rates**

13 As described at Exhibit 1, Tab 2, Schedule 1, GLPL's unique physical aspects (i.e. expansive  
14 service territory, rural and rugged terrain, dense vegetation, climate, low customer density, and  
15 customer mix) result in a revenue requirement that is reflected in a high per customer cost for  
16 distribution services.

17 Historically, as an integrated utility, GLPL was able to operate in a manner that compensated for  
18 the high per customer cost. Prior to the establishment of GLPL's current distribution and  
19 transmission rates, GLPL's rates were bundled rates for transmission, distribution and cost of  
20 power. Under a bundled rate, GLPL recovered part of its costs related to distribution from large  
21 industrial utility customers.

22 GLPL's customers and its regulator at the time, Ontario Hydro, accepted this rate treatment for  
23 two reasons. First, the total revenue from the distribution customers was small, making the rate  
24 effect inconsequential when spread over the balance of GLPL's total revenue requirement for  
25 transmission, generation and distribution (distribution customers only represented 8% of GLPL's  
26 total GWh sales and approximately 10% of GLPL's total revenue). Second, its rates were still  
27 maintained at levels well below the rates charged by Ontario Hydro to Ontario Hydro's

1 comparable customers, despite the fact that Ontario Hydro's customers received rural rate  
2 subsidization.

### 3 **2.2 The Restructuring of Ontario's Electricity Market**

4 As a result of the legislated restructuring of Ontario's electricity market in May 2002, GLPL was  
5 no longer able to maintain the rate treatment described above for its distribution customers.  
6 While GLPL was exempt from section 71 of the OEB Act (i.e. its generation, transmission and  
7 distribution operations do not have to be operated through separate affiliates), the rate setting  
8 mechanisms established by the Board in the original Distribution Rate Handbook did not account  
9 for an integrated utility with bundled rates for distribution, transmission and power. Rates were  
10 to be unbundled and GLPL was faced with a requirement to fully recover its distribution costs in  
11 distribution rates to be charged to its distribution customers and to implement the rate setting  
12 mechanisms in the original Distribution Rate Handbook. As a consequence, all the costs related  
13 to distribution services had to be borne by distribution customers only. Therefore, GLPL was  
14 faced with having to seek a very large rate increase in distribution rates, independent of any  
15 changes to rate base or OM&A. The rate increases were primarily caused by the required  
16 financial separation of GLPL's distribution business from its other businesses.

### 17 **2.3 GLPL's 2002 Distribution Rate Application**

18 GLPL's 2002 distribution rate application (the "2002 Application") was based on GLPL's pro-  
19 forma sales, costs and assets associated with its distribution business in calendar year 2000. No  
20 transmission or generation costs or assets were included in the 2002 Application. The revenue  
21 requirement proposed by GLPL in the 2002 Application was \$12,718,300.

22 In the 2002 Application, GLPL estimated that in the absence of any rate mitigation measures the  
23 average overall bill increase for customers from 2001 to 2002 would exceed 36%.

24 This was a very large increase and GLPL was concerned about the impact this would have on its  
25 distribution customers. Therefore, GLPL proposed a rate mitigation plan for the 2002 through  
26 2008 period that would reduce the overall average increase to customers in 2002 to 21.04%.  
27 Specifically, as illustrated by the following table, GLPL proposed to defer recovery a portion of  
28 its distribution revenue requirement by an amount that equalled GLPL's ROE in 2002. For

1 subsequent years, GLPL proposed that one half of an amount equal to its ROE be deferred in  
2 2003. GLPL would recover its full revenue requirement in 2004. GLP also proposed to recover  
3 the revenue requirement deferred in the years 2002 and 2003 by recovering an additional  
4 \$1,447,900 per year from 2005 to 2008. The amounts deferred in 2002 and 2003 would be  
5 recorded in a deferral account, to be offset by the additional amounts recovered in 2005 through  
6 2008.

7 *Table 9-1-5 B – Proposed Rate Mitigation Plan*

( \$ Thousands)

	No Mitigation	2002	2003	2004	2005	2006	2007	2008
<b>Distribution Revenue</b>								
Distribution Revenue Requirement	\$12,718.4	\$12,718.4	\$12,718.4	\$12,718.4	\$12,718.4	\$12,718.4	\$12,718.4	\$12,718.4
Less: Return on Equity deferral (note 1.0)	-	(2,891.6)	(1,445.8)	-	-	-	-	-
Add: Deferred ROE recapture (note 2.0)	-	-	-	-	1,447.9	1,447.9	1,447.9	1,447.9
Distribution Revenue from Rates	12,718.4	9,826.8	11,272.6	12,718.4	14,166.3	14,166.3	14,166.3	14,166.3
<b>Estimated Cost of Power (\$/kWh)</b>								
Cost of Power	0.0430	8,997.7	8,997.7	8,997.7	8,997.7	8,997.7	8,997.7	8,997.7
Transmission	0.0105	2,191.9	2,191.9	2,191.9	2,191.9	2,191.9	2,191.9	2,191.9
		11,189.6	11,189.6	11,189.6	11,189.6	11,189.6	11,189.6	11,189.6
Energy including losses: (KWh) 209,249,847								
<b>Average Rate Impact</b>								
Current Total Cost to Customers	\$17,362.8							
Proposed Total Cost to Customers	\$23,908.0	\$21,016.4	\$22,462.2	\$23,908.0	\$25,355.9	\$25,355.9	\$25,355.9	\$25,355.9
Average Increase	37.70%	21.04%	6.88%	6.44%	6.06%	0.00%	0.00%	0.00%

Notes:

- 1.0 GLPL reduces income before tax to \$0 for 2002 (reduction of \$2.9M Revenue). 1/2 of the reduction is added back in both 2003 and 2004.
- 2.0 GLPL recaptures deferred revenue from 2005 to 2008. Recaptured amounts phased in so that total impact is 6.1% or less.  
Interest on deferred revenue compounded annually at 7.25%.

8  
9  
10 To ensure that GLPL would have unbundled distribution rates in place for market opening, the  
11 OEB issued an interim rate order dated May 13, 2002 (RP-2003-0149). The interim rate order  
12 was consistent with the mitigated rates proposed for 2002 in GLPL's 2002 Application, which  
13 meant that GLPL was deferring its ROE for 2002.

14 GLPL's interim rates for 2002 would result in GLPL recovering \$9,826,800 of its full  
15 \$12,718,300 revenue requirement.

1 However, in December 2002, before the OEB could complete the proceeding and make a final  
2 decision, Bill 210 was enacted to implement a rate freeze. Included in the legislation was a  
3 provision that deemed all outstanding interim rate orders to be final rate orders.

4 Consequently, since May 1, 2002, GLPL has incurred a revenue requirement deficiency,  
5 effectively preventing GLPL from earning its market-based rate of return.

6 Bill 210 also provided for the creation of regulatory assets in the form of amounts recorded in  
7 prescribed accounts, including account 1574. As a result, GLPL has recorded this deficiency  
8 since market opening in Account 1574 and wishes to disburse the balance of that account.

9

### 10 **3.0 FAIRNESS PRINCIPLE**

11 The *Ontario Energy Board Act, 1998* requires that the Board set rates that are just and  
12 reasonable.<sup>4</sup> It is a well recognized principle that just and reasonable rates must be fair to both  
13 the consumer and the distributor. From the distributor's perspective, it must be permitted to earn  
14 a fair return on its invested capital. The Supreme Court of Canada has described this principle as  
15 follows:

16 *The duty of the Board was to fix fair and reasonable rates; rates which, under the*  
17 *circumstances, would be fair to the consumer on one hand, and which, on the*  
18 *other hand, would secure to the company a fair return for the capital invested. By*  
19 *a fair return is meant that the company will be allowed as large a return on the*  
20 *capital invested in its enterprise (which will be net to the company) as it would*  
21 *receive if it were investing the same amount in other securities possessing an*  
22 *attractiveness, stability and certainty equal to that of the company's enterprise.*<sup>5</sup>

23 Furthermore, GLPL's approved rate of return as an integrated utility prior to market opening  
24 allowed for an ROE of 12.08% on all aspects of its business. GLPL's original rate application  
25 proposed a reduced ROE and deferred impacts related to moving to the deemed 9.88% for its  
26 distribution business such that more reasonable rates could be implemented and rate shock could  
27 be minimized.

---

<sup>4</sup> Section 78 of the *Ontario Energy Board Act, 1998*

<sup>5</sup> *Northwestern Utilities Ltd. v. Edmonton (City)*, [1929] S.C.R. 186, Supreme Court of Canada

1  
2 GLPL's original proposal to mitigate rates to protect its customers from rate impacts was  
3 premised on GLPL deferring the recovery of its revenue requirement – not foregoing it. As a  
4 result of Bill 210, an unforeseeable circumstance that was beyond the control of both GLPL and  
5 the OEB, GLPL has been operating its distribution business with no ROE. As a consequence,  
6 GLPL's customers have enjoyed artificially low distribution rates since market opening, a  
7 circumstance experienced by no other utility in Ontario. It would be unfair to now deny GLPL  
8 recovery of mitigation amounts as a result of the circumstances surrounding Bill 210.

9  
10 A key component of Bill 210 was the creation of regulatory assets in the form of amounts  
11 recorded in prescribed accounts, including account 1574, to be recovered at a prescribed point in  
12 the future. To avoid any additional rate shock, GLPL proposes to recover the balance recorded  
13 in account 1574 by continuing the existing Board approved Regulatory Asset rate rider until the  
14 Account 1574 balance is disbursed, as discussed below at Exhibit 9, Tab 1, Schedule 6.

# **Schedule 9-1-6**

## **Regulatory Assets**

Proposed Methodology for Recovery

**PROPOSED METHODOLOGY FOR RECOVERY**

**1.0 OVERVIEW**

Since GLPL's distribution rates were made effective May 1, 2002 by the Board (RP-2003-0149), GLPL has experienced two distribution rate increases, both related to the recovery of Regulatory Assets. The first rate increase was effective March 1, 2004 (RP-2004-0119/EB-2004-0191). The second rate increase was effective March 1, 2005 (RP-2005-0013/EB-2005-0031). Both rate increases were interim, pending final approval by the Board of the recoverability of GLPL's Regulatory Assets.

These increases were reflected in GLPL's rate schedules by increased volumetric rates for each of GLPL's rate classes. The following table illustrates the evolution of GLPL's rates since May 1, 2002, and calculates the rates related to GLPL's current Regulatory Asset recovery.

*Table 9-1-6 A - GLPL's Distribution Rates*

Customer Class	Driver	Effective May	Effective March	Regulatory Asset	Effective March	Regulatory Asset
		1, 2002 RP-2003-0149	1, 2004 RP-2004-0119/ EB-2004-0191	Recovery Mar 1, 2004 to Feb 28, 2005	1, 2005 RP-2005-0013/ EB-2005-0031	Recovery Mar 1, 2005 to Present
		A	B	C (B - A)	D	E (D - A)
<b>Residential</b>						
Service Charge	per Month	\$19.97	\$19.97		\$19.97	
Variable Charge	per kWh	\$0.0200	\$0.0226	\$0.0026	\$0.0297	\$0.0097
<b>Seasonal</b>						
Service Charge	per Month	22.63	22.63		22.63	
Variable Charge	per kWh	0.0400	0.0426	0.0026	0.0497	0.0097
<b>General Service &lt; 50kW</b>						
Service Charge	per Month	26.09	26.09		26.09	
Variable Charge	per kWh	0.0360	0.0377	0.0017	0.0418	0.0058
<b>General Service &gt; 50kW</b>						
Service Charge	per Month	583.29	583.29		583.29	
Variable Charge	per kW	2.0000	2.9307	0.9307	2.4796	0.4796
<b>Large Customer A</b>						
Service Charge	per Month	557.42	557.42		557.42	
Variable Charge	per kW	8.5000	9.0235	0.5235	10.0759	1.5759
<b>Large Customer B</b>						
Service Charge	per Month	2,792.67	2,792.67		2,792.67	
Variable Charge	per kW	8.5000	9.0772	0.5772	9.9463	1.4463
<b>Street/Sentinel Lighting</b>						
Service Charge	per Month	-	-		-	
Variable Charge	per kWh	0.0327	0.0338	0.0011	0.0366	0.0039

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2 GLPL proposes to disburse its Regulatory Asset account balances as follows:

3 *Table 9-1-6 B - Proposed Disbursal of Regulatory Assets*

Account 1590 Balance - Aug 31, 2007:	\$2,929,507
Less: Recovered RSVA Accounts	(\$81,097)
Acct 1590 - remaining balance	\$2,848,410
Less: Recovered Transition Costs (1570)	(\$1,103,217)
Acct 1590 - remaining balance	<b>\$1,745,193</b>

GLPL proposes to offset the \$1,745.2 against the 1574 mitigation accrual as discussed in Section 8.4 below.

4

## 5 **2.0 RECOVERY OF REGULATORY ASSET AMOUNTS**

6 As illustrated by *Table 9-1-6 B* above, GLPL has been collecting Regulatory Asset amounts  
7 since April 1, 2004. GLPL has recorded those amounts in Account 1590 – Recovery of  
8 Regulatory Asset Balances. The balance of GLPL’s Account 1590 as of September 1, 2007 is  
9 estimated to be \$2,929,500.

## 10 **3.0 DISBURSAL OF RSVA ACCOUNTS**

11 The aggregated balance of GLPL’s RSVA accounts as of December 31, 2004 was \$81,097.  
12 GLPL proposes to disburse its December 31, 2004 RSVA account balances by offsetting them  
13 against GLPL’s Account 1590 balance. This will leave \$2,848,410 in GLPL’s Account 1590.

## 14 **4.0 DISBURSAL OF ACCOUNT 1570**

15 GLPL proposes that a portion of the remaining \$2,848,410 in Account 1590 be used to offset  
16 GLPL’s December 31, 2004 Account 1570 balance of \$1,103,217. The amount outstanding in  
17 Account 1590 after this offset would be \$1,745,193.



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**5.0 DISBURSAL OF ACCOUNT 1574**

GLPL proposes that the outstanding balance in Account 1590 of \$1,745,193 be applied against Account 1574. GLPL proposes to recover the remaining balance of 1574 by applying the current rate adder set out in *Table 9-1-6 C* below. GLPL proposes that the calculation of carrying charges on Account 1574 will cease as of the date of filing in this application and will only apply to amounts up to the date of filing. This is estimated to result in savings to the customer in excess of \$5,000,000.

Based upon current volumes, GLPL expects that annual recovery will be approximately \$1,225,500. Because GLPL is using the current adder, there will be no total bill rate impact from recovering Account 1574 balances.

GLPL proposes to maintain the current Regulatory Asset rates (i.e. as set out in column “E” in *Table 9-1-6 B* above) in addition to the rates approved by the Board in GLPL’s current distribution rate application. Specifically, GLPL requests that the Board approve the following Regulatory Asset rate-riders in conjunction with the rates set in GLPL’s current distribution rate application:

*Table 9-1-6 C - Proposed Regulatory Asset Rate Riders*

	2007 Determinants		Rider	Recovery
Residential Energy	kWh	104,428,306	\$0.0097	\$1,012,955
Residential Demand	kW	197,392	0.4796	94,669
Seasonal	kWh	11,746,043	0.0097	113,937
Street Lights	kWh	1,010,306	0.0039	3,940
				<b>\$1,225,500</b>

GLPL estimates that these rate-riders will have to be maintained for approximately 11 years for GLPL to fully disburse its September 1, 2007 Account 1574 balance, as a set out in *Table 9-1-6 D*.

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2 *Table 9-1-6 D –Calculation of Recovery Period*

Balance of 1574 in Application		\$15,635,952
Balance in 1590 (apply to 1574)		1,745,193
Remaining Balance	[A]	13,890,759
Annual Recovery	[B]	1,225,500
<b>Years of Recovery Required</b>	<b>[A] / [B]</b>	<b>11.3 Years</b>

3

# **Schedule 9-1-7**

## **Regulatory Assets**

### **External Auditor Report**



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To Great Lakes Power Limited

As specifically agreed, we have performed the procedures outlined in the appendix in connection with the above company's regulatory assets general ledger accounts as at December 31, 2004.

The results of applying the above procedures, are detailed in the appendix. However, these procedures do not constitute an audit of the company's regulatory assets general ledger accounts, and therefore we express no opinion on the amount of regulatory assets general ledger accounts as at December 31, 2004.

This letter is for use solely in connection with the 2006 rate application of the company to the Ontario Energy Board (the "OEB") and the following supplementary disclosure requirements as set out in the OEB's Decision with Reasons dated December 9, 2004 ("the Decision") and in the Filing Guidelines: Applications for Final Recovery of Regulatory Assets for May 1, 2006 Distribution Rate Adjustments dated July 12, 2005:

- A statement by the distributor's Chief Executive Officer or external auditor (as applicable) certifying that the information filed in the regulatory assets claim is consistent with the Board's accounting requirements and procedures in the Accounting Procedures Handbook, as modified by the Board's findings in the Decision and that the filing provided is consistent with the requirements of the Board's Transition Cost Filing Guidelines issued January 15, 2003, and the Regulatory filing Guidelines issued September 15, 2003.
- A statement as to which approach (billed or accrual) has been used for the RSVA accounts and Account 1571 and whether this approach has been used consistently over time and among accounts for the applicable period. (see s 2.0.23 of the Decision)
- A statement as to the interest rate used to record interest and whether this interest rate is consistent with or deviates from that stipulated in the Distribution Rate Handbook ("DRH") for the distributor. (see s. 2.0.29 of the Decision)
- A statement confirming whether the method used to calculate the balances for Account 1571 conforms to the methodology recommended in the Decision. (see s. 3 0 24 of the Decision)
- A statement confirming whether costs in Account 1525 relate solely to the costs associated with the issuance of rebate cheques and not other costs, and that such cheques were issued on or before December 31, 2002. (see s. 5.0.15 of the Decision)
- A reconciliation of the amounts claimed to the amounts previously filed with the Board (January 2004 and 2005 filings for Phase 1 of this proceeding) setting out the differences and causes. (see s. 7.0.56 and 7.0.57 of the Decision)
- A statement confirming whether transition costs claimed do not include Electronic Business Transaction (EBT) costs or costs for settlement services as found in the Decision.
- A statement confirming whether all costs categories in the Transition Cost Account 1570 meet the materiality criterion as outlined in the Filing Guidelines issued January 15, 2003. (see s. 7.0.18 of the Decision)

**KPMG LLP**

Sault Ste. Marie, Canada  
March 17, 2006



## Appendix

	<b>Procedure</b>	<b>Findings</b>
	<b><i>RSVA accounts 1580, 1582, 1584 &amp; 1586</i></b>	
1.	For two months selected at random from each of the years 2002, 2003 and 2004, agree charges to the IESO invoice and amounts billed for each type of charge to the billing registers.	The months of November and December 2002, February and March 2003, and January and September 2004 were selected.  No exceptions found.
2.	For each of the years 2002, 2003 and 2004, agree balances to OEB amounts claimed.	No exceptions found.
	<b><i>RSVA account 1588</i></b>	
3.	For two months selected at random from each of the years 2002, 2003 and 2004, agree cost of power to the Independent Electricity System Operator ("IESO") invoice and the amounts billed for power to the billing register.	The months of November and December 2002, February and March 2003, and January and September 2004 were selected.  No exceptions found.
4.	For two months selected at random from each of the years 2003 and 2004 agree fixed price rebates to the applicable forms 1506 and 1562.	The months of February and March 2003, and January and September 2004 were selected.  There was no applicable form filed for the month of September 2004.  No exceptions found.
5.	Review Ministry of Finance audit report on forms 1506 and 1562. Ensure all errors identified in the audit report have been properly reflected in the RSVA account.	The Ministry of Finance audit found an error of \$25,316. This error was adjusted by February 13, 2006
6.	For each of the years 2002, 2003 and 2004, agree RSVA balances claimed to OEB claim amounts.	No exceptions found.



## Appendix (continued)

	<b><i>Pre-market opening variance account 1571</i></b>	
7.	For 2 months selected at random from each of the years 2001 and 2002, check the calculation of the variance account using the following formula:  PPVA = Non TOU COP billed – Non TOU COP expense where Non TOU COP expense = Total COP expense – TOU COP billed	There was no activity in this account.
8.	For each of the years 2001 and 2002, agree balances claimed to OEB claim amounts.	There was no activity in this account
	<b><i>RCVA accounts 1518, 1548</i></b>	
9.	For amounts greater than \$ 10,000 agree costs to invoice or other supporting documentation. Review nature of the expense and enquire if it was an incremental cost of providing retail services.	There was no activity in this account
10.	For each of the years 2001 and 2002, agree balances claimed to OEB claim amounts.	There was no activity in this account
	<b><i>Miscellaneous deferred debits account 1525</i></b>	
11.	Determine the nature of charges to the account.	There was no activity in this account
12.	For charges relating to the issuance of rebate cheques greater than \$ 10,000 agree costs to invoice or other supporting documentation. Review nature of the expense and determine if it was directly associated with the issuance of the rebate cheques.	There was no activity in this account
13.	Enquire of timing of issuance of rebate cheques by December 31, 2002 to be eligible for cost recovery.	There was no activity in this account
14.	For each of the years 2002, 2003 and 2004, agree balances claimed to OEB claim amounts.	There was no activity in this account



## Appendix (continued)

	<i>Other Regulatory Assets account 1508</i>	
15.	Agree charges to an OEB rate order.	No exceptions found.
16.	For each of the years 2002, 2003 and 2004, agree balances claimed to OEB claim amounts.	No exceptions found.
	<i>Transition Costs account 1570</i>	
17.	For charges greater than \$ 50,000, ensure costs were incurred prior to December 31, 2002.	No exceptions found.
18.	Review the charges by the categories of activity in APH 480 and ensure that each category has exceeded the materiality calculation as set out in section 5.5.1.1 of the Rate Distribution Handbook.	No exceptions found.
19.	For charges greater than \$ 50,000, agree amount to invoice or other supporting documentation. Determine if the charge meets the criteria of causation as set out in Article 480 of the Accounting Procedures Handbook issued by the OEB.	90% of the costs were agreed to invoice or other supporting documentation. No exceptions found.
20.	For each of the years 2001, 2002, 2003 and 2004, agree balances claimed to OEB claim amounts.	No exceptions found.
	<i>Carrying charges for account 1570</i>	
21.	Review methodology for calculating carrying charges and determine if it is in accordance with the method set out in Chapter 3 of the Distribution Rate Handbook.	No exceptions found.
22.	For 2 months selected at random from each of the years 2001 to 2004 for each of the regulatory asset accounts, recalculate the carrying charge in accordance with the Rate Distribution Handbook.	No exceptions found.



**Appendix (continued)**

	<i>Accounting method</i>	
23.	Reviewed the accounting method used to calculate accounts, 1571, 1580, 1582, 1584, 1586 and 1588 ensuring that it was consistently applied in each of the years 2001, 2002, 2003 and 2004 and in each account.	The accrual method was followed consistently for each of the years 2001, 2002, 2003 and 2004 and for each of the regulatory asset account balances.