

Renewed Regulatory Framework (“RRF”)

Stakeholder Conference

March 28 - 30, 2012

Regional Planning

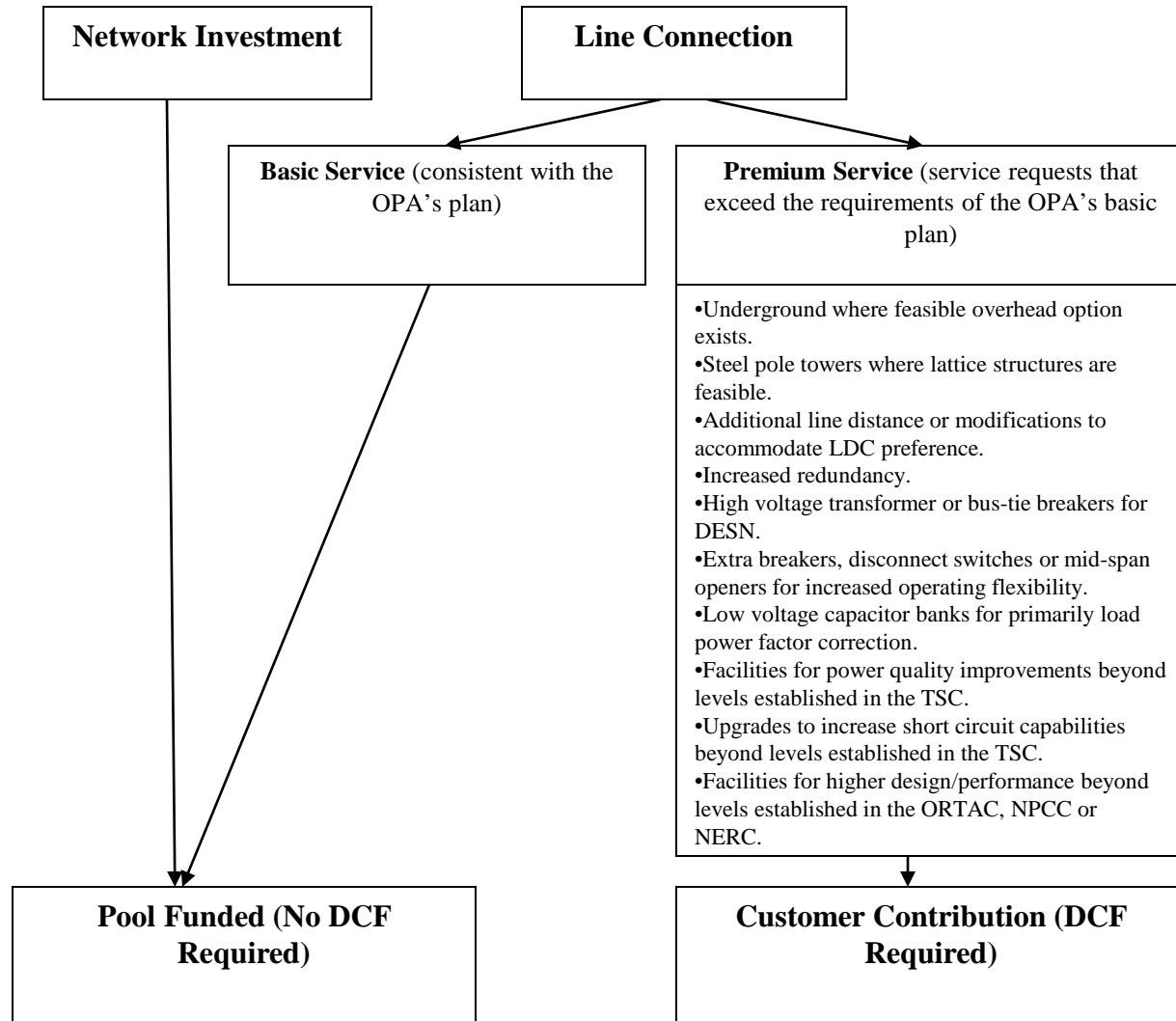
- Coordination
 - Broad-Impact and complex
 - Local and less complex
- Cost Responsibility
- Planning Horizon

Cost Responsibility

- Current Issues:
 - Transmission system is gradually overloading.
 - LDC that triggers an investment typically is required to pay.
 - Geography.
 - Capacity affordability.

Cost Responsibility

- Pool funding for basic service:



Cost Responsibility

- Why move to pool funding for basic service?
 - LDCs have an obligation to serve.
 - LDCs customer base is typically small and costs are typically large making the impact on rates prohibitive.
 - Temptation to do incremental distribution solutions that are duplicative and less economic in the long run.

Planning Horizon

- OPA lead time of 20 years to ensure that transmission right-of-ways are established ahead of or coincident to urban development
- Ensure effective coordination between gas utilities, electric utilities and municipalities
- Associated costs to establish these rights of way should be treated as current period cost despite the future-use nature of these assets.

Highway 400

- Concept/Planning started in the 1930's
- Construction started after World War II
- Completion in 1966

Hwy 400 and Hwy 7 Interchange looking northeast



1953



2004

Required Code and Guideline Changes

- Changes primarily to section 6.3 of the TSC
- Changes to complementary documents such as appendices (e.g. transmission connection agreements), CCRAs and connection procedures
- Potentially, the introduction of definitions for premium and basic services