

EB-2007-0647
EB-2007-0649
EB-2007-0650
EB-2007-0651
EB-2007-0652

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

AND IN THE MATTER OF an application by Great Lakes
Power Limited under section 86 of the *Ontario Energy Board
Act, 1998* seeking leave to transfer its transmission system to
Great Lakes Power Transmission LP;

AND IN THE MATTER OF an application by Great Lakes
Power Transmission Inc. on behalf of Great Lakes Power
Transmission LP under section 60 of the *Ontario Energy Board
Act, 1998* for an electricity transmission licence;

AND IN THE MATTER OF an application by Great Lakes
Power Limited under section 18 of the *Ontario Energy Board
Act, 1998* seeking leave to transfer its transmission rate order to
Great Lakes Power Transmission LP;

AND IN THE MATTER OF an application by Great Lakes
Power Limited under section 74 of the *Ontario Energy Board
Act, 1998* for a licence amendment;

AND IN THE MATTER OF an application by Great Lakes
Power Limited under section 18 of the *Ontario Energy Board
Act, 1998* seeking leave to transfer its leave to construct order to
Great Lakes Power Transmission LP.

**VULNERABLE ENERGY CONSUMERS COALITION’S (VECC)
INTERROGATORIES FOR GREAT LAKES POWER LIMITED (“GLPL”) AND
GREAT LAKES POWER TRANSMISSION INC. (“GLPT”)**

Question #1

- Reference:**
- a) Exhibit A, Tab 1, Schedule 2, paragraph 1
 - b) Exhibit A, Tab 1, Schedule 3, pages 5-6

Question

- a) Schedule 3, page 5 indicates that following the currently proposed transaction, GLPL will continue to be a licensed transmitter with respect to the operation of the Transmission facilities to be owned by GLPTLP. Please confirm that this arrangement is not permitted under Section 71 once the current exemption (Ontario Regulation 161/99) expires.
- b) Schedule 3, page 6 states that once the distribution business is transferred to a separate licensed affiliate then the objective of compliance with Section 71 will be achieved. Please indicate how the transfer of the distribution business to a separate affiliate addresses the need to separate transmission operation and generation.
- c) What are GLPL's current plans as to where operation of the transmission system will ultimately reside:
 - With the Transmission asset owner (i.e., GLPTLP)
 - With the Distribution asset owner, or
 - With another affiliate?

Question #2

- Reference:**
- a) Exhibit A, Tab 1, Schedule 3, pages 6-7

Question:

The Application and attached press release outline a planned reorganization and the establishment of Brookfield Infrastructure Partners LP. The press release also notes that the plan is subject to a number of approvals.

- a) Have the necessary approvals all be obtained to undertake the envisioned restructuring, leading to the ultimate establishment of GLPTLP?
- b) If not, what approvals are outstanding, please discuss the anticipated timelines and any risks associated with obtaining them.

Question #3

- Reference:**
- a) Exhibit A, Tab 1, Schedule 3, pages 4-5
 - b) Exhibit A, Tab 1, Schedule 3, pages 12-13 and Appendix B

Question:

The Application indicates (pages 4-5) that currently the costs of staff and services are allocated between GLPL's distribution and transmission businesses. The Application also states (page 12) that, following the transaction, GLPL will provide services to GLPTLP through an OM&A Agreement, for which the principal terms are set out in Appendix B.

- a) Please confirm that the final Operation and Maintenance Service Agreement between GLPL and GLPTLP will comply with the OEB's Affiliate Relationships Code for Electricity Distributors and Transmitters (i.e., Affiliate Relationships Code) as suggested on page 13.
- b) Please outline whether any of the services GLPTLP will obtain from GLPL are available through third-parties and, if so, how the terms of the OM&A Agreement will satisfy paragraph 2.3.2 of the Affiliate Relationships Code.

Question #4

- Reference:**
- a) Exhibit A, Tab 1, Schedule 3, pages 6-7

Question:

The Application indicates that the proposed restructuring will lead to improved access to capital.

- a) Please indicate where the "capital" referred to is equity capital, debt capital or both.
- b) If debt capital, please indicate whether improved access will lead to a lower cost for new debt and, if so, why and by how much.

Question #5

Reference: a) Exhibit B, Tab 1, Schedule 1, pages 8-10 (Questions 1.4.1, 1.4.3 and 1.4.4)

Question:

- a) What is the anticipated effective date for the transfer?
- b) The response to Question 1.4.1 states that the outstanding indebtedness of GLPL's transmission business is \$120 M. Please provide a schedule that supports this statement and reconciles with the financial statements provided (Exhibit B, Tab 1, Schedule 6) for GLPL's Transmission business.

Question #6

Reference: a) Exhibit B, Tab 1, Schedule 1, pages 11-12 (Questions 2.1.1, 2.1.5 and 2.1.6)

Question:

The responses to Questions 2.1.1 and 2.1.6 state that the transaction will cause "no harm" to customers and have no impact on transmission rates. However, the response to Question 2.1.5 suggests that GLPTLP will seek to capitalize the transaction costs at its next rate case.

- a) What is the anticipated value of the transaction costs that will be incurred by GLPTLP?
- b) Given the response to pre-filed question 2.1.5, please explain why the transaction will not have an impact on rates

Question #7

Reference: a) Exhibit B, Tab 1, Schedule 1, page 13

Question:

- a) With respect to Question 2.3.1, what is the value of the December 31, 2006 Working Capital balance that will be used for purposes of the “working capital adjustment” and how was it determined?
- b) With respect to Question 2.3.2, what is the assumed book value of the assets being transferred (consistent with the \$90.4 M cash consideration and \$120 M debt assumption)? On what is this book value based (e.g., provide the Balance Sheet for GLPL – Transmission as of the effective date of the transaction).

Question #8

Reference: a) Exhibit B, Tab 1, Schedule 8, page 3

Question:

- a) Are GLPTLP’s tax status and applicable tax rates the same as for GLPL?
- b) If this is not the case, please indicate all differences and their impact on the pro-forma Statement of Income for GLPTLP for 2007 and 2008.