enersource
Hydro Mississauga

3240 Mavis Road
Mississauga, Ontario
L5C 3K1

Tel: (905) 566-2727
Fax (905) 566-2737

November 30, 2009

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
P. O. Box 2319
2300 Yonge Street
Toronto, Ontario
M4P 1E4

Dear Ms. Walli:

Re: Enersource Hydro Mississauga Inc. 2010 Electricity Distribution Rate Application (EB-2009-0193) – Enersource's Reply Submission

Please find attached Enersource's reply submission in the above noted proceeding.

If you have any questions or concerns with this submission, please do not hesitate to contact me at (905) 283-4098.

Sincerely,

(Original signed by)

Gia M. DeJulio
Director, Regulatory Affairs

cc. George Vegh, McCarthy Tétrault
Intervenors in EB-2009-0193

Attach.

This page is left intentionally blank for double-sided printing purposes.

Final Submission

Enersource Hydro Mississauga Inc.

EB-2009-0193

1. These submissions are the reply of Enersource Hydro Mississauga Inc. ("Enersource") to the submissions filed by Board staff and the Intervenors. They address the issues of:

   Rate Year Alignment (paragraphs 2 – 44)

   Quality of Cost Allocation (paragraph 45)

   Shared Tax Savings Rate Rider (paragraphs 46-49)

   Load Forecast (paragraph 50)

   Low Voltage Rate Rider (paragraph 51)

   Deferral and Variance Accounts (paragraph 52)

Rate Year Alignment

Enersource's Proposal

2. Enersource's fiscal year is January 1 to December 31. Its rate year is May 1 to April 30.[1] Enersource proposes that its rate year be aligned with its calendar year so that the rates proposed in this proceeding take effect on January 1, 2010. The purpose of this alignment is to simplify Enersource's financial reporting, which is currently made more complicated by having different rate years and fiscal years.[2]

3. Enersource proposes a transition plan to ensure that Enersource's shareholders and customers are left financially unharmed by the change in rate year. This transition plan contains two components.[3]

[1] It is worth noting that under the former Ontario Hydro regulation, Enersource's rate year commenced January 1.
[2] See Tab B, Manager's Summary, paragraph 8.
[3] See Tab B, Manager's Summary, paragraph 10-13.

4. First, Enersource proposes that the Board's price escalator (GDP-IPI) be updated with data for the period October 2008 to September, 2009. This involves using third quarter Statistics Canada GDP-IPI data (the "Transitional Price Escalator").

5. Second, Enersource proposes applying only 8/12^ths of the proposed annual rate increase for the period January 1 to December 31, 2010. Withholding the remaining 4/12^ths of the proposed rate change avoids double-charging rates for the four-month' overlap period January 1 to April 30, 2010 (the "Transitional Overlap Plan").

Positions of the Parties

6. In reviewing Board staff's submission, Enersource believes that Board staff is largely supportive of Enersource's proposal. With respect to the Transitional Price Escalator, Board staff proposes that, instead of using third quarter GDP-IPI data, it may be more practical to implement changes for January 1 by using second quarter GDP-IPI data, which is usually available at the beginning of September. Staff points out that both Union Gas and Enbridge Gas Distribution, which have January 1 rate years, use the second quarter GDP-IPI data to establish rates for their next period.[4]

7. Some of the Intervenors expressed concerns with Enersource's proposal.[5] In summary, these concerns relate to:

- Whether Enersource's evidence has met the standard required to demonstrate a change in rate year;
- Whether Enersource's transition plans are reasonable;
- That Enersource's approved ROE is based on a May 1 rates year and changing that starting date to January 1 effectively changes the ROE ; and
- Whether this panel should change Enersource's rate year without the Board considering this issue on a generic basis.

[4] Staff submission, pp. 4-5.
[5] AMPCO did not address this issue. Energy Probe's only submission was to request a generic hearing on this issue.

Each of these concerns will be addressed in turn.

Enersource's Response

The Standard to be Met

8. The Board has changed utility rate years on two occasions: to align the rate years of Union Gas and Centra Gas[6] and to align the rate year of Enbridge Gas Distribution with its fiscal year.

9. The Union/Centra alignment occurred without the Board considering it necessary to address it in its reasons. In the Enbridge example, the Board outlined the relevant facts as follows:[7]

> "6.1.1. The issues in this chapter, Issues 13.1 and 13.2, focus on the Company's proposal to change its fiscal year-end from September 30 to December 31 and the specific impacts associated with the change. The Company's reason for the change is to bring its fiscal and reporting periods in-line with that of its parent, Enbridge Inc.
>
> 6.1.2. The Company's 2005 rate application was framed as a cost-of-service application for a 12-month period from October 1, 2004 to September 30, 2005. To accommodate the change in year-end, the Company has sought Board approval for distribution rates for the period October 1, 2005 through December 31, 2005 (the "Stub Period"). The Stub Period would provide a bridge to the first complete year in the new fiscal year-end structure, commencing on January 1, 2006 and ending on December 31, 2006."

10. Thus, in the Enbridge example, although the driver in aligning the rate year and the fiscal year was Enbridge's decision to change its fiscal year, the specific order requested from the Board was the same in both cases: a change in the start date of the rate year (in the Enbridge example, from October 1 to January 1; in the Enersource example, from May 1 to January 1).

11. The Board's statement of the standard by which it would evaluate the request is set out in the Enbridge case as follows:

> "6.2.4 The Board does not see itself as having an approval role in the decision to change fiscal year-ends, but it does recognize that Board approval is required to implement the

---

[6] EBRO 493/494.
[7] RP-2003-0023, at p. 49.

> transitional changes that result from the corporate decision to change the reporting period."

12. The Board thus does not impose a significant burden on a utility to justify changing the effective date of a rate order.

13. Board staff applied this standard fairly to the facts of this case by stating that it "accepts Enersource's position that it and the investment community would benefit from the alignment of the rate year with the fiscal year."[8]

14. By contrast, SEC asserts that changing the start date of the rate year could only be done if there is "an injustice …[that] should be corrected."[9] Similarly, CCC argues that Enersource has not been able to demonstrate "evidence of a serious problem", such as demonstrating that "its ability to raise capital was adversely impacted by the misalignment."[10]

15. Both of these proposed standards are higher than the Board has applied in the past and, given the lack of material impact on ratepayers brought about by this proposal, not commensurate with the interests at stake in this application.

16. The Board's past practice is that it will allow a change in rate year to align with management goals (such as an alignment of rate year with a fiscal year) provided that the transitional measures required to implement the change are appropriate. Therefore, the key issue is whether Enersource's transitional plan appropriately ensures that the change in rate year does not adversely affect ratepayers or its shareholders. Enersource's submissions on this issue are set out immediately below.

The Transition Plan

17. As indicated, Board staff's submission is that the transition plan is reasonable subject to the suggestion that, instead of using third quarter Statistics Canada data, in order to have rates effective January 1, it may be more practical to use second quarter GDP-IPI data, which is

[8] Board staff Submission, p. 4.
[9] SEC Submission, paragraph 2.
[10] CCC Submission, p. 3.

usually available at the beginning of September. Enersource is amenable to this proposal. The consequences of this approach are addressed at paragraphs 18 - 21, below.

18. If Enersource were to use the second quarter GDP-IPI price escalator on a year over year annual basis, based on Statistics Canada CANSIM Table 380-0003, the result would be 2.5%. See Attachment 1. Enersource believes the resulting change from using the third quarter escalation to using the second quarter would not be material, since the year over year change for the twelve months ending the first quarter of 2009 resulted in a GDP-IPI of 2.6%.

19. Assuming the productivity and stretch factors remain constant, and utilizing Board staff's proposal to use second quarter data for GDP-IPI, Enersource would receive an increase in rates of 1.38% x 8/12 = 0.92%. (GDP-IPI of 2.5% less productivity of 0.72% and less stretch factor of 0.4% amounts to 1.38%).

20. As a comparison, assuming the productivity and stretch factors remained constant, if Enersource were to utilize first quarter data for GDP-IPI, Enersource would receive an increase in rates of 1.48% x 8/12 = 0.98%. (GDP-IPI of 2.6% less productivity of 0.72% and less stretch factor of 0.4% amounts to 1.48%).

21. Enersource believes the difference in rates of 0.06% between the first quarter GDP-IPI result of 0.98% and the second quarter GDP-IPI result of 0.92% would not have a material impact on the customers or shareholders in 2010.

22. The Intervenors take a variety of positions on the transition plan. SEC argues that the transition plan is inappropriate because it does not take into account the impact of rate adjustments that may be made in future cost of service applications, starting in 2011. SEC's argument is that, in these future years, the impact of the rate alignment "varies depending on the general rate adjustment sought in the Application."[11]

23. Enersource notes that any future cost of service rate application will review the proposed cost of service in the rate year on a twelve month basis, from January 1 to December 31. The timing of previous rate adjustments during an expired IRM period will not be relevant to that review.

[11] SEC Submission, paragraph 36.

24. SEC also suggests that Enersource should file an updated load forecast in this application. However, it is not clear what impact such information would have on the transitional issues respecting Enersource's proposed rate alignment. In any event, a future cost of service application will also involve using updated load forecasts. Again, a change in rate year resulting from this application would not be relevant to a load forecast, which will be reviewed on its merits.[12]

25. SEC also argues that, while it may be appropriate for Enersource to reduce the inflation factor component of the GDP-IPI formula to 8/12[ths], Enersource's productivity factor and stretch factor should not be reduced, and should continue to operate at 100%.

26. SEC's proposal (using an eight month inflation factor and subtracting from it a twelve month productivity and stretch factor) is clearly asymmetrical. There does not appear to be any rationale for this approach other than to opportunistically impose a wealth transfer from the shareholders to the ratepayers.

27. VECC's main concern respecting the transition proposals relate to the Transitional Price Escalator. VECC argues that Enersource's proposal assumes that the inflation adjustment during the period October 2008 to September 2009 period is the same as what would apply during the January 2009 to December 2009 period. With respect, Enersource's assumption is more nuanced than that.

28. First, the incremental change in the inflation reporting period is to prospectively rely on Statistics Canada's fourth quarter inflation data for the period October, 2008 to September, 2009. The uncertain factor is, thus, three months' worth of data for that quarter, not one year's data. Second, Enersource did not assume or predict what would be the inflation data for this period. Rather, it modelled a result on the assumption that the incremental change in inflation for one quarter would not have a material impact on an annual change in inflation. Thus, although there is some theoretical uncertainty, as a practical matter, the impact of the uncertainty is small and there is no reason to think that it works to the benefit of the shareholder.[13]

---

[12] SEC's Submission on load forecast is at paragraph 41.
[13] This is explained at Tab I, Exhibit 1.3.

29. Further, as indicated, Enersource is amenable to Board staff's proposal to use second quarter GDP-IPI data, which is usually available at the beginning of September. Using this data should eliminate VECC's concern in this regard. See paragraphs 17 to 21 above.

30. In conclusion on this point, the Board's standard established in the Enbridge example is that it will allow a change in rate year to align with management's goals (such as an alignment of rate year with a fiscal year) provided that the transitional changes required to implement the change are appropriate. In this case, Enersource has designed a transitional program that seeks to ensure that neither ratepayers nor the shareholders are harmed by the transition. Enersource submits that, as Board staff has acknowledged, its transitional proposal is a reasonable one.

31. The remainder of this submission addresses Intervenor submissions that go beyond the standard that the Board has applied in the past. These relate to "regulatory lag", and whether there should be a generic hearing.

Regulatory Lag

32. Some Intervenor submissions appear to be based on the premise that ratepayers have an entitlement to a May 1 rate year and that Enersource's proposal prejudices that entitlement. This argument has been put forward most explicitly by SEC.[14]

33. SEC argues that the Board has "a longstanding policy on rate year lag for electricity distributors."[15] According to SEC, this rate year lag accounts for a discount to approved-ROE of three basis points in an IRM year and sixteen basis points if a cost of service application results in a 6% increase in rate base.[16] SEC's submission is as follows:[17]

> "It is not a given that, with a Board approved ROE of 8.01%, a 'real' Board approved ROE of 7.85% falls below the fair return standard. It is more likely, in our submission, that the 7.85% represents the fair return standard, and the 8.01% represents an amount above the fair return standard. Indeed, the financing flexibility component of the current ROE would cover this rate year lag impact multiple times.

[14] This proposition also appears to inform the submissions of CCC (at p.3) and VECC (at p. 7).
[15] SEC submission, paragraph 44.
[16] SEC submission, paragraphs 14 and 15.
[17] SEC submission, paragraphs 17 and 18.

> Further, the Board has been applying the same approach to LDC ROE for some years, and it is not a reasonable assumption that the Board never understood the impact on ROE of the rate year lag."

34. This is a remarkable proposition. According to this theory, although the OEB is legally required to provide utilities with an opportunity to make a fair return, and has publicly indicated that, in good faith, it is seeking to provide that opportunity, the reality is that the OEB has been consciously (but secretly) discounting the public ROE through the intentional contrivance of a regulatory lag.

35. Enersource submits that this theory is preposterous. Enersource does not believe that the Board has had a secret agenda of systematically and unlawfully reducing ROEs through an intentional "regulatory lag".

36. Even apart from the peculiarity of this theory, SEC's calculations do not provide empirical support for this theory. SEC's calculation appears to assume that under Enersource's proposal, it will somehow be earning a higher return over twelve months commencing January 1 than it would over twelve months commencing May 1. The fact is, both before and after the change in its rate year, Enersource will have the opportunity to earn its approved rate of return over a twelve month period – the only change brought about by the proposal is a change in the start date, from May 1 to January 1.

Is a Generic Hearing Necessary?

37. Many Intervenors have argued that the Board requires a generic hearing to address this issue. The CCC submits that "To the extent that the Board sees merit in making a fundamental change to that framework, that change should be considered in a generic context."[18]

38. The Intervenors' submissions in this case do not indicate the points that they may seek to raise in a generic proceeding that they cannot raise in this case. The reality is that the Intervenors in this case are the same ones who would participate in a generic proceeding. As a result, the

[18] CCC Submission, p. 2. See also VECC at p. 7 and Energy Probe at paragraph 11. This appears to be the only submission that Energy Probe has made in these proceedings.

Board is not missing out on any additional submissions that the Intervenors would raise in a generic hearing.

39. Further, Enersource submits that the change of moving from May 1 to January 1 is more in the nature of an administrative refinement than a fundamental change to the regulatory framework.

40. One test for measuring whether the change is fundamental is by assessing its impact on customers. As Enersource has demonstrated, the change can be implemented using a simple transitional formula that results in virtually no impact on customers.

41. VECC, SEC and CCC also argue that, if this application is granted, then other LDCs – "a flood" according to SEC – would seek similar treatment. These Intervenors suggest that this change would be unmanageable or unjust or unfair. However, no reasons are given on why this would be the case. If some LDCs seek a January 1 date, then the Board can stagger its case load more evenly than is the case today. If all LDCs seek a January 1 date, then the situation is much like today, where all LDCs share the same start date. In either case, the situation seems manageable. It is worth noting in this regard that Board staff, the entity responsible for the implementation of this change, does not seem to share the anxiety of the Intervenors on whether the change is manageable.

42. The only concerns raised by Board staff are (i) the use of third quarter GDP-IPI data (which is addressed above); and (ii) whether there may be customer confusion because, instead of two annual bill changes, there could be three (two for commodity and one for delivery). Even here, Board staff notes that "natural gas customers typically see four changes on their bills annually, without apparent confusion or dissatisfaction."[19]

43. Given the lack of material impact of this change, it is hard to characterize it as so fundamental as to be beyond the authority of a hearing panel.

44. Another measure of the change proposed in this application is by reference to its relative importance in light of other generic reviews that the Board is currently carrying out. With the passage of the Green Energy and Green Economy Act, the Board has been engaging in

[19] Board staff submission, p. 6.

generic reviews of codes and regulatory models, etc., to ensure that its approaches meet both the government's and the Board's statutory objectives. These reviews, necessary though they are, involve the investment of considerable resources for the OEB and for stakeholders. Although Enersource believes that its proposal in this case is important to Enersource, changing a rate year for one utility does not raise the same sector-wide implications as the other issues that are being considered by the Board on a generic basis. This issue does not justify the investment of resources from either the Board or the sector more broadly. In this context, and by this measure, it is difficult to characterize Enersource's proposal as bringing about change that is so fundamental so as to be beyond the mandate of a hearing panel.

Report on Quality of Cost Allocation

45. In response to AMPCO's request for Enersource to provide current data on the quality of cost allocation, Enersource submits that its allocations are consistent with the requirements of the Board's Cost Allocation Report EB-2007-0667, because all classes are well within the target range of the Board's guidelines. The issues of data quality and assumptions relied upon in Enersource's Cost Allocation Review – Informational Filing submission (EB-2006-0247) were premised on OEB guidelines. Enersource will address cost allocation in the next Cost of Service application, as agreed upon in the Settlement Agreement in EB-2007-0706, as approved by the Board on January 4, 2008.

Shared Tax Savings Rate Rider

46. VECC notes that the Supplemental Model used by Enersource in its updated filing (August 18, 2009) does not carry forward to 2010 the CCA rate changes and associated tax savings that were recognized in the 2009 3rd GIRM models and reflected in Enersource's original filing.

47. In response, Enersource advises that its original July 6, 2009 filing was completed using the Board's 2009 version of the Supplemental Model template which gave customers a shared tax savings refund of $603,080. Enersource updated its 3rd GIRM application with the newly released 2010 Supplemental Model version, which eliminated the impact of CCA rate changes in the 2009 3rd GIRM model. By excluding the CCA rate changes, the customers' portion of the

shared tax savings decreased by approximately $3,442; that is, $599,638 versus the original amount of $603,080 shared tax savings. Enersource did not reflect this change in the calculation of the shared tax savings rate rider (see EB-2009-0193 Tab B, page 9) as it was immaterial in the calculation of rates.

48. VECC also points out that the Supplemental Model in the updated filing does not reflect the impact of the May, 2009 provincial budget which, effective July, 2010, reduces the general tax rate to 12%, reduces the small business tax rate from 5.5% to 4.5%, and eliminates the small business tax deduction surtax.

49. Board guidance states that the 50/50 tax sharing is to be calculated based on the impact of currently known legislated tax changes (see page 19 of *Chapter 3 of the Filing Requirements for Transmission and Distribution Applications*, dated July 22, 2009). As of November 26, 2009, the reduction to the Ontario corporate income tax rates has not been legislated. (Tax rate changes passed First Reading on November 16, 2009). If and when this tax change is legislated, Enersource acknowledges that either OEB staff will update the currently proposed rates or Enersource will be required to track this variance in account 1592.

Load Forecast

50. In reference to VECC's comments regarding Enersource's use of its 2010 Load Forecast as opposed to the 2008 Test Year Load Forecast, and consistent with the 2010 3rd GIRM guidelines, Enersource agrees to adjust its shared tax savings rate rider calculation by reverting to the OEB-approved 2008 Test Year Forecast from EB-2007-0706.

Shared Tax Savings Rate Rider							
Based on OEB Approved 2008 Load Forecast							
Customer Class	**Customer Class as a % of Total Revenue**	**4/12ths of 2009 Shared Tax Savings**	**2010 Shared Tax Savings**	**Total to be refunded over 1 year**	**kWh 2008 Forecast**	**kW 2008 Forecast**	**2010 Proposed Rate Rider**
Residential	36.48%	$ (8.8)	$ (220.0)	$ (228.9)	$ 1,594,788,347		$ (0.000144)
General Service < 50 kW	13.08%	$ (3.2)	$ (78.9)	$ (82.1)	$ 657,014,642		$ (0.000125)
Small Commercial	0.56%	$ (0.1)	$ (3.4)	$ (3.5)	$ 11,905,587		$ (0.000294)
General Service 50 kW - 499 kW	25.80%	$ (6.3)	$ (155.6)	$ (161.9)		$ 6,418,331.6	$ (0.025217)
General Service 500 kW - 4999 kW	16.86%	$ (4.1)	$ (101.7)	$ (105.8)		$ 5,310,121.0	$ (0.019917)
Large Use (> 5000 kW)	5.55%	$ (1.3)	$ (33.5)	$ (34.8)		$ 1,720,956.0	$ (0.020238)
Street Lighting	1.67%	$ (0.4)	$ (10.0)	$ (10.5)		$ 115,190.0	$ (0.090751)
TOTALS	**100.00%**	**$ (24.2)**	**$ (603.1)**	**$ (627.3)**			

Source: Enersource Hydro Mississauga

Low Voltage Rate Rider for 2009

51. Enersource agrees with VECC's statement, "that LV revenues and costs are tracked in a variance account and eventually subject to refund/recovery" and is agreeable to recovering the 2009 low voltage rate rider in the future when the variance account is subject to disposition.

Deferral and Variance Accounts

52. On November 27, 2009 Enersource submitted an application (EB-2009-0405), in accordance with the *Report of the Board on Electricity Distributors' Deferral and Variance Account Review Initiative* dated July 31, 2009 ("EDDVAR"). Enersource's application proposes to clear all eligible Group 1 accounts as at December 31, 2008 and the commodity account 1588 as at September 30, 2009. As a result of this active application, Enersource confirms that it is in the process of addressing Board staff's noted issues with respect to clearance of deferral and variance account balances pursuant to EDDVAR, as well as Board staff's specific suggestion that a separate rate rider be established to clear the Global Adjustment sub-account balance to non-RPP customers within rate classes.

Statistics Canada, Table 380-0003 - Gross domestic product (GDP) indexes, quarterly (2002=100)

Survey or program details:

National Income and Expenditure Accounts - 1901

Geography	Indexes	Estimates	2006/09	2006/12	2007/03	2007/06	2007/09	2007/12	2008/03	2008/06	2008/09	2008/12	2009/03	2009/06
Canada	Fixed-weighted price indexes 2002=100	Gross domestic product (GDP) at market prices(2)	113.0	113.5	115.5	116.8	116.3	117.6	119.7	121.8	122.1	119.2	117.6	117.3
Canada	Fixed-weighted price indexes 2002=100	Personal expenditure on consumer goods and services	106.9	106.8	107.8	108.6	108.7	109.0	109.5	110.5	111.5	110.7	110.7	110.8
Canada	Fixed-weighted price indexes 2002=100	Personal expenditure on durable goods	96.7	96.3	96.5	96.3	95.9	94.2	92.5	91.6	90.9	89.7	88.8	89.0
Canada	Fixed-weighted price indexes 2002=100	Personal expenditure on semi-durable goods	97.4	96.9	97.0	97.3	96.8	96.6	95.2	95.0	95.2	94.7	95.4	95.6
Canada	Fixed-weighted price indexes 2002=100	Personal expenditure on non-durable goods	116.0	114.6	116.5	118.2	117.6	119.0	121.0	123.7	126.6	122.3	121.1	120.4
Canada	Fixed-weighted price indexes 2002=100	Personal expenditure on services	107.1	107.7	108.7	109.3	110.0	110.5	111.1	112.0	112.8	113.6	114.2	114.8
Canada	Fixed-weighted price indexes 2002=100	Government current expenditure on goods and services	112.2	113.2	115.2	116.7	114.8	116.4	117.3	118.4	119.3	120.4	121.1	122.1
Canada	Fixed-weighted price indexes 2002=100	Government gross fixed capital formation	110.9	111.4	113.5	114.8	114.6	115.8	118.4	121.5	125.4	126.6	126.1	123.8
Canada	Fixed-weighted price indexes 2002=100	Business gross fixed capital formation	109.5	110.9	112.4	112.9	113.0	112.8	113.8	115.3	116.7	119.9	119.9	118.6
Canada	Fixed-weighted price indexes 2002=100	Residential structures	127.7	129.9	131.8	134.7	136.5	138.0	138.6	139.0	138.9	138.4	136.7	136.8
Canada	Fixed-weighted price indexes 2002=100	Non-residential structures and equipment	100.3	101.3	102.7	102.0	101.2	100.2	101.4	103.4	105.5	110.6	111.5	109.5
Canada	Fixed-weighted price indexes 2002=100	Non-residential structures	124.8	126.4	128.4	130.5	131.5	133.0	135.1	138.6	140.6	141.6	142.0	141.1
Canada	Fixed-weighted price indexes 2002=100	Machinery and equipment	84.8	85.4	86.5	84.0	82.1	79.5	80.1	81.2	83.3	91.0	92.3	89.5
Canada	Fixed-weighted price indexes 2002=100	Exports of goods and services	105.7	106.3	109.4	108.4	105.7	106.1	111.2	117.5	120.7	116.3	110.1	106.2
Canada	Fixed-weighted price indexes 2002=100	Exports of goods	105.4	106.1	109.5	108.3	105.2	105.6	111.2	118.2	121.7	116.7	109.5	105.1
Canada	Fixed-weighted price indexes 2002=100	Exports of services	107.7	107.7	108.6	109.0	108.5	109.1	111.1	113.3	114.1	113.7	113.7	113.2
Canada	Fixed-weighted price indexes 2002=100	Imports of goods and services	93.2	93.8	95.2	92.9	90.5	88.5	90.6	95.0	100.5	104.3	102.0	98.6
Canada	Fixed-weighted price indexes 2002=100	Imports of goods	93.2	93.7	95.1	92.8	90.1	88.3	90.3	95.1	101.0	104.2	101.2	97.8
Canada	Fixed-weighted price indexes 2002=100	Imports of services	93.5	94.5	95.5	93.6	92.4	89.7	91.8	94.6	98.0	105.0	106.2	102.8
Canada	Fixed-weighted price indexes 2002=100	Final domestic demand	108.5	109.0	110.3	111.2	110.9	111.4	112.1	113.2	114.4	114.7	114.8	114.8

Footnotes

2 The fixed-weighted price index excludes the value of the physical change in inventories.

Source:

Statistics Canada. Table 380-0003 - Gross domestic product (GDP) indexes, quarterly (2002=100) (table), CANSIM (database), .

http://cansim2.statcan.gc.ca/cgi-win/cnsmcgi.exe?Lang=E&CNSM-Fi=CII/CII_1-eng.htm

(accessed: November 26, 2009)

Calculation of Annualized GDP-IPI Based on April 2008 to March 2009, Quarter 1

Based on Statistics Canada calculation of the annual percent change in the Implicit Price Index for National Gross Domestic Product (GDP-IPI) for Final Domestic Demand, consistent to Statistic Canada annual calculation, using 2007/8 over 2008/9 April - March Final Domestic Demand to calculate GDP-IPI as follows:

	2007/8 Apr-Mar	2008/9 Apr-Mar	
Sum of April to March quarters	**445.6**	**457.1**	
Average of quarters (rounded to 1 decimal)	**111.4**	**114.3**	
Annualized GDP-IPI (Based on April 2008 to March 2009, Quarter 1)			**2.6%**

Calculation of Annualized GDP-IPI Based on July 2008 to June 2009, Quarter 2

Based on Statistics Canada calculation of the annual percent change in the Implicit Price Index for National Gross Domestic Product (GDP-IPI) for Final Domestic Demand, consistent to Statistic Canada annual calculation, using 2007/8 over 2008/9 July - June Final Domestic Demand to calculate GDP-IPI as follows:

	2007/8 July-June	2008/9 July-June	
Sum of July to June quarters	**447.6**	**458.7**	
Average of quarters (rounded to 1 decimal)	**111.9**	**114.7**	
Annualized GDP-IPI (Based on July 2008 to June 2009, Quarter 2)			**2.5%**