

**UNDERTAKING**

**Undertaking**

TO ADVISE WHETHER THE MIGRATION OF 140,000 CUSTOMERS FROM BIMONTHLY TO MONTHLY BILLING AS DESCRIBED IN EXHIBIT H, TAB 1, SCHEDULE 58, WILL REDUCE THE RETAIL REVENUE LAG FOR THOSE CUSTOMERS, AND IF SO WHETHER THAT CHANGE HAS BEEN FACTORED INTO THE WORKING CAPITAL CALCULATIONS. PART 2: WOULD THAT ALSO DECREASE REVENUE LAG RELATIVE TO THE PREVIOUS PRACTICE OF MANUAL METER READING BY ALLOWING DATA TO GET INTO THE BILLING SYSTEM FASTER AND, IF SO, WHETHER THAT CHANGE HAS BEEN FACTORED INTO THE WORKING CAPITAL CALCULATIONS OVER THE 2010 AND 2011 PERIOD.

**Response**

**Part 1:**

The migration of 140,000 acquired customers from a bi-monthly to monthly cycle will reduce the retail revenue lag for those customers. However, this change has not been factored into the working capital calculation as filed since the migration of the 140,000 customers will begin in 2010 and not be completed until mid-2011. The full impact of the migration will occur in the post 2011 test year and will be considered at the time of the next rate application.

All else held equal, the current expectation is that the overall retail revenue lag will decrease by 1.69 days from 69.99 days to 68.30 days when the migration is complete. Additionally, at 2010-2011 levels of expenses, this expected decrease in the overall retail revenue lag is projected to reduce the working capital by approximately \$13M/year and revenue requirement by approximately \$1M/year when the full year impact of the migration occurs in 2012.

**Part 2:**

A change from manual to automated meter reading has not been factored into the working capital calculation for the period 2010-2011.

While there are benefits of converting all customers to automated meter reading, the Company, does not expect that automation of meter reading will have the additional benefit of reducing the billing component of its revenue lag because there would still be a need to:

1. allow for an interval of time to validate consumption data from automated meter reads prior to generating customer bills;

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Exhibit J8.5

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- 1    2. wait for the appropriate pricing information from the Independent Electric System  
2        Operator (“IESO”) to include on the bills of customers who receive bundled service  
3        from the Company. Note that this is the major driver of the billing component of the  
4        retail revenue lag;
- 5    3. wait for pricing information from independent retailers to include on the bills of  
6        customers that have elected to receive service from such retailers.