1. Please confirm that the Applicant has 17 schools operated by publicly funded school boards in its franchise area. Please advise how many schools are in each of the GS<50 (Residential R-1) and GS>50 (Residential R-2) classes.

RESPONSE:

API currently has 16 schools operated by publicly funded school boards in its franchise area. There are 4 schools in the Residential R-2 and 12 schools in the Residential R-1 classes.

2 [Ex. 1/1/2] With respect to the Application:

- a. P. 1. Please confirm that the Applicant is seeking an increase in revenue requirement over two years of \$2,573,892, which is a 14.4% increase. Please identify the amount of the revenue requirement increase or decrease that is directly the result of the split of the transmission and distribution businesses, and the amount of the revenue requirement increase or decrease that is directly the result of the acquisition by Fortis of the Applicant.
- b. P. 1. Please explain why the Applicant is seeking a two year cost of service, instead of following the Board's rules requiring a single year rebasing followed by three years of IRM. Please confirm that, based on the IRM increase last year, the impact of 2011 being under cost of service would be to increase revenue requirement for 2011, 2012 and 2013 by a cumulative total of more than \$4 million.
- c. P. 2. Please provide the information required by the Board's letter in EB-2009-0423 relating to the proposal to move to a January 1, 2011 rate year. Specifically, please respond in detail to the questions set out in Appendix B to that letter.

RESPONSE:

a) API cannot confirm that the Applicant is seeking an increase in revenue requirement over two years of \$2,573,892, which is a 14.4% increase. The source reference for the forecast revenue requirements for 2010 and 2011 is Exhibit 6 Tab 1 Schedule 1 page 2 of 2. The forecast service revenue requirement for 2011 is \$20,452,136; this is a two year increase of \$2,198,530 which is a 12.0% increase over two years.

The exercise of identifying the amount of revenue requirement increase or decrease that is directly attributable to the transmission and distribution separation and the FortisOntario acquisition is impracticable, as a result of a number of changes in the operations and resulting methodologies during the year 2009. The operations of the distribution business started out the year as a division of a combined entity, and then to a stand-alone entity, and then again changed to an acquired entity with corporate allocations.

API's response to SEC IR 24, describes the various cost drivers that have contributed to variations in compensation that have occurred throughout the period from when the distribution operation was a division to its current state as a stand-alone entity owned by FortisOntario.

Such an exercise to determine impacts on the revenue requirement ultimately becomes a discussion of "what otherwise would have been"; a speculative process. What would the service revenue requirement had been if the applicant remained a division of the combined T&D and the revenue requirement in this Application with all other things being equal?

b) In its response to Board Staff Interrogatory No. 1, API explained its reasoning for a cost of service application as opposed to the conventional IRM.

Using the IRM metrics for last year and for this purpose having inflation measured at 1.3%, the productivity factor measured at 0.72% and a stretch factor set to the second cohort measured at 0.4% would result in an overall revenue cap of 0.18%. This would yield approximately \$125,000 of increased revenue from rates in 2011 based on forecasted revenue from rates of \$9,775,103 (Exhibit 6 Tab 1 Schedule 1 page 2). To sustain API's revenue from rates in 2011, API requires \$11,272,149 (Exhibit 6 Tab 1 Schedule 1 page 2) an increase of approximately \$1,500,000.

As discussed in Board Staff Interrogatory No. 1, conventional IRM does not address the unique nature of API being a high cost low revenue utility nor does it address the RRRP revenue requirement.

Clearly, as inferred in the part b. above, if the cumulative difference between IRM and cost of service is in excess of \$4,000,000 dollars over the Board's prescribed IRM period than conventional IRM will not sustain the utility.

c) API has requested that its 2011 rates be made effective on January 1, 2011. In doing so, API's rate year and fiscal year would be aligned.

On January 21, 2010, the Board initiated a consultative process to review the need for and the implications of a potential alignment of the rate year with the fiscal year for electricity distributors (EB-2009-0423). The Board concluded that it is appropriate to consider the merits of an alignment of the rate year with the fiscal year for a distributor on a case-by-case basis in the context of a Cost of Service rate application. Responses to the sample issues provided by the Board in EB-2009-0423 are set out below.

i. What are the benefits to the distributor of changing the rate year to match the fiscal year?

API's ultimate parent Fortis Inc. ("Fortis") is a reporting issuer and is listed on the Toronto Stock Exchange under the trading symbol FTS. In addition, API is required to directly access the debt capital markets for its longer term financing needs. The current misalignment of the rate year and fiscal year has created an increase level of complexity

and difficulty for Fortis to carry out its reporting and financing requirements.

The investment community and financial markets rely upon the decisions of the regulator when appraising regulated entities like API. The existing misalignment of the rate and fiscal year places an added burden on Fortis to interpret and translate the "nominal" allowed returns on equity and capital into the "effective" or "annualized" returns for these external bodies in order to avoid confusion and misinterpretation. In essence, under the OEB current schedule for implementing rates, it is extremely remote that a regulated entity such as API can ever achieve its allowed rate of return on a fiscal year basis. Furthermore, during the normal course of business, it is inevitable that the nominal rate of return will exceed the effective rate of return.

FortisOntario must ensure that the investment community and financial markets understand and appreciate this distinction and do not interpret the shortfall in the achieved return as an indicator that the utility is underperforming when compared to its allowed return on equity and invested capital. The only way to do this is by explaining the OEB's rate-making process, which is a difficult and unnecessary burden.

Alignment of API's rate year and fiscal year would remove the potential for confusion in this regard.

ii. What would be the implications of such a change from a ratepayers' perspective? For example, is it a concern that electricity consumers would see more frequent rate changes?

There would be no implications of such a change from a ratepayer's perspective. It is API's understanding that one of the reasons why the Board selected the May 1 rate year was to align distribution rate changes with the May 1 RPP commodity rate change. In API's case, this objective is not applicable because of API's unique legislated rate-setting methodology. API's rates are to be set by the Board based on the average of any adjustment to rates approved by the Board for other distributors for the same rate year. Since all distribution rate adjustments are not determined before May 1, it is unlikely, if not impossible, for the Board to determine the average of any rate adjustments for the purpose of setting API's rates early enough for implementation by May 1. Therefore, API's rates will always be implemented after the May 1 RPP adjustment. Because of this circumstance, API's customers will see more frequent rate changes than other distributors, even if the Board maintains a May 1

rate year for API. As such, API's request for rate/fiscal year alignment will not affect the frequency of its rate changes.

In any event, API believes that distinct adjustments for distribution and commodity rates are beneficial to customers by providing improved clarity on the reasoning for the rate changes.

iii. Under a Cost of Service mechanism, what are the specific issues from a ratemaking perspective of transitioning to a rate year that would be aligned with the fiscal year, and how should these issues be specifically addressed?

API submits that there are no transitional ratemaking issues that arise from aligning its rate and fiscal years in 2011.

iv. What would be the specific issues relating to the timeliness of existing filing requirements such as bridge year information, audited financial statements, RRR reporting, tax returns, and review and disposition of deferral and variance account balances, and how should these be specifically addressed?

Going forward, API expects that it would have to file its cost of service rate applications in April of the bridge year for implementation on January 1 of the test year. Audited financial statements for the year prior to filing (ie. the historic year) would be ready for filing by April 30 of the bridge year. API's applications could easily be updated through the interrogatory process to account for audited financial statements. Since API will have unaudited financial information at the time of filing its applications in April, there will likely be little difference between the filed and updated financial information.

v. Is there merit in considering the alignment during a Cost of Service application but having the implementation of the alignment take effect on January 1st of the following year as part of the distributor's first IRM-based adjustment?

API does not believe that there is merit in considering this proposal. It would not resolve the confusion of the investment community and financial markets as described in the answer to (i) above. In fact, this proposal could exacerbate the problem. Further, as explained in [Board Staff IR #1], the current IRM methodology is inconsistent with API's legislated rate-setting methodology.

3. [Ex./1/1/2-1, p. 2]

Please confirm that the proposed increase in RRRP is charged on a per kilowatt hour basis to all customers, and the result of the increase proposed would be a 1.46% increase in the RRRP charge in 2011 compared to the existing charge of 0.13 cents per kilowatt hour. Please confirm that any increase resulting from this Application is in addition to any other increase resulting from applications for 2011 from any other distributors who qualify for RRRP.

RESPONSE:

Rural Rate Assistance (RRA) is recovered from all customers on a kWh basis. API is unable to comment on how its forecasted increase in RRRP funding would affect the existing \$0.13/kWh RRA charge, if at all, since the 0.13 cents/kWh RRA charge pertains to the total province-wide RRRP funding, and API's RRRP funding is only one component of the total. The OEB has the responsibility, in a separate proceeding, to set the RRRP rate according to the RRRP regulation 442/01. It is API's understanding that, the OEB considers total RRRP funding approved and provincial load forecasts when setting the rate. The OEB estimated RRRP funding on a province-wide basis for 2010 to be \$187 million (EB-2009-0419). The forecasted increase in RRRP for API's customers from 2010 to 2011 is approximately \$1,410,000, which makes up only 0.75% of the province-wide RRRP total. Because of API's customers' relatively small contribution to the total RRRP for the province, API's forecasted increase would likely have no impact on the 0.13 cents/kWh RRA charge. The request for an increase to API's RRRP funding is independent from any other distributors' request. It is unknown to API whether all current requests for RRRP have increased, decreased or remained constant.

4. [Ex. 1/1/17] Please provide an explanation of why an amount payable to GLPL would be recoverable through the Applicant's rates. Please provide copies of all agreements that directly or indirectly bear on the liability of API and its customers to pay any such recovery if ordered, or which connect in any way the purchase price of the API business or shares to the existence or outcome of this appeal, including without limitation the share purchase agreement under which Fortis purchased the API shares, the agreements under which the transmission and distribution businesses were split, and any other relevant documents.

RESPONSE:

On June 3, 2010, the Court of Appeal dismissed Great Lakes Power Limited's appeal. API does not know if GLPL intends to pursue the matter further. As such, at this time, there is no need to consider the potential issue that API raised at Exhibit 1, Tab 1, Schedule 17.

- 5. [Ex. 1/2/1] With respect to the Summary of the Application:
 - a. P. 10. Please confirm that the Applicant is seeking approval for a 33.04% increase in rate base since 2007, which includes a 33.75% increase in fixed assets. Please provide the net fixed asset figure on January 1, 2007 and the forecast net fixed asset figure on December 31, 2011.
 - b. P. 11. Please confirm that the Applicant is seeking total OM&A in 2011 that is 19.91% higher than 2007 actual.

RESPONSE:

- a) Yes, the Applicant is seeking approval for a 33.04% increase in rate base since 2007. The fixed asset NBV at January 1, 2007 was \$52,044,594, at December 31, 2007 it was \$56,688,309 and at December 31, 2011 it is forecasted to be \$76,193,686. This represents an increase of 34.4% from December 2007 to December 2011.
- b) Yes, the Applicant is seeking approval for total OM&A of \$9,820,207 which is 19.97% higher than 2007 actual of \$8,185,720. These figures include the property tax amounts.

6. [Ex. 1/2/2] Please describe in detail any changes to the budget process since, or arising as a result of, the acquisition by Fortis of the Applicant in 2009.

RESPONSE:

There have been no changes to the budget process since, or arising as a result of, the acquisition by FortisOntario.

7. [Ex. 1/2/3] Please provide a detailed description of the difference between the method of accounting for overhead costs proposed in the Application and the method currently embedded in rates. Please confirm that the amounts shown on page 2 of the exhibit are the net impact of the change in accounting policy. Please confirm that, without this change in accounting policy, the proposed OM&A would be \$9,599,771 in 2010, an increase of \$898,098 or 10.3%, and \$10,714,207 in 2011, an increase of \$1,114,436 or 11.6%. Please confirm that the Application would, using a consistent accounting treatment, result in an increase of \$2,012,534 over two years, or 23.1%.

RESPONSE:

Historically, API has not capitalized overhead costs. The amounts shown on page 2 of Exhibit 1, Tab 2 Schedule 3 are net of the change in accounting policy.

Without the capitalization of overhead costs, the OM&A costs would be \$9,880,239 and \$10,714,536 for 2010 and 2011, respectively. Derivation of the amounts is shown below.

The two year increase in OM&A costs without the capitalization of overhead costs is \$1,695,242.

	2010	2011
OM&A (Exhibit 4, Tab 1, Schedule 1, Page 1)	9,059,236	9,840,207
Administration credit	821,003	874,239
OM&A without capitalization of overheads	9,880,239	10,714,446

8. [Ex. 1/2/4] Please explain the substantial difference in both distribution revenue and RRRP in 2007 between Board-approved and Actual.

RESPONSE:

The substantial difference in both distribution revenue and RRRP in 2007 between Board Approved and Actual is the result of the Board Decision in EB-2007-0744 not being received until December 2008, but with an effective date of September 1, 2007. The approved rates were not implemented until January 1, 2009.

9. [Ex. 1/2/5, 2011, p. 7] Please confirm that the deficiency calculated in this table is based on 2009 current rates, not 2010 proposed rates, and so represents the cumulative two year deficiency. Please restate this page with the proposed 2010 rates used as the "current rates" to calculate the deficiency from 2010 to 2011.

RESPONSE:

API confirms that the currently approved rates, EB-2007-0744, were used in the calculation.

The table below calculates 2011 distribution revenue using the 2010 requested rates, the 2011 forecasted volumes and the 2010 requested RRRP.

Interrogatory SEC No. 9 - 2011 Revenue Forecast with 2010 Requested Rates

Customer Class	# of Customers	Volum	es		Requested Rates	2001 Reve	nue with 2010 Rates	Requested
		kWh	kW	Fixed	Volumetric	Fixed	Volumetric	Total
Residential - R1	8,037	106,119,297		21.53	0.0303	2,076,556	3,213,133	5,289,689
Residential - R2	48		151,952	628.91	2.5899	362,250	393,543	755,794
Seasonal	3,660	12,622,297		24.00	0.0993	1,053,936	1,253,183	2,307,119
Street Lighting	1,052	791,996		0.98	0.1292	12,372	102,323	114,695
RRRP								10,186,621
							•	18,653,917

API has inserted the amount, \$18,653,917 into the Revenue Requirement Workform maintaining all other inputs the same as those submitted in the Application. Tab 5 of the modified 2011 Revenue Requirement Workform is shown below.

Modified 2011 Revenue Requirement Workform - Tab 5



Revenue Requirement Work Form Name of LDC: Algoma Power Inc. File Number: EB-2009-0278

Rate Year: 2011

Ontario

Revenue Sufficiency/Deficiency

		Per Appli	ication	Per Board	Decision
Line No.	Particulars	At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates
1	Revenue Deficiency from Below		\$1,428,138		\$1,428,138
2	Distribution Revenue	\$18,653,917	\$18,653,916	\$18,653,917	\$18,653,916
3	Other Operating Revenue Offsets - net	\$370,082	\$370,082	\$370,082	\$370,082
4	Total Revenue	\$19,023,999	\$20,452,136	\$19,023,999	\$20,452,136
-	Total Nevenue	Ψ10,020,000	φ20,402,100	Ψ10,020,000	Ψ20, 402, 100
5	Operating Expenses	\$14,332,891	\$14,332,891	\$14,332,891	\$14,332,891
6	Deemed Interest Expense	\$2,590,342	\$2,590,342	\$2,590,342	\$2,590,342
	Total Cost and Expenses	\$16,923,233	\$16,923,233	\$16,923,233	\$16,923,233
7	Utility Income Before Income Taxes	\$2,100,766	\$3,528,903	\$2,100,766	\$3,528,903
	Tax Adjustments to Accounting				
8	Income per 2009 PILs	(\$1,757,459)	(\$1,757,459)	(\$1,757,459)	(\$1,757,459)
9	Taxable Income	\$343,307	\$1,771,444	\$343,307	\$1,771,444
•	Taxable meeme	φο 10,001	Ψ1,771,111	φο 10,001	Ψ1,111,111
10	Income Tax Rate	28.25%	28.25%	28.25%	28.25%
11	Income Tax on Taxable Income	\$96,984	\$500,433	\$96,984	\$500,433
12	Income Tax Credits	\$ -	\$ -	\$ -	\$ -
13	Utility Net Income	\$2,003,782	\$3,028,470	\$2,003,782	\$3,028,470
14	Utility Rate Base	\$76,864,742	\$76,864,742	\$76,864,742	\$76,864,742
	Deemed Equity Portion of Rate Base	\$30,745,897	\$30,745,897	\$30,745,897	\$30,745,897
15	Income/Equity Rate Base (%)	6.52%	9.85%	6.52%	9.85%
16	Target Return - Equity on Rate Base	9.85%	9.85%	9.85%	9.85%
	Sufficiency/Deficiency in Return on Equity	-3.33%	0.00%	-3.33%	0.00%
17	Indicated Rate of Return	5.98%	7.31%	5.98%	7.31%
18	Requested Rate of Return on Rate Base	7.31%	7.31%	7.31%	7.31%
19	Sufficiency/Deficiency in Rate of Return	-1.33%	0.00%	-1.33%	0.00%
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20	Target Return on Equity	\$3,028,471	\$3,028,471	\$3,028,471	\$3,028,471
21 22	Revenue Sufficiency/Deficiency	\$1,024,689 \$1,429,139 (4)	(\$1)	\$1,024,689 \$1,429,139	(\$1)
22	Gross Revenue Sufficiency/Deficiency	\$1,428,138 (1)		\$1,428,138 (1)	

Notes:

(1) Revenue Sufficiency/Deficiency divided by (1 - Tax Rate)

- 10. Ex. 1/3/1/A] With respect to the 2009 Financial Statements:
 - a. Statement of Earnings. Please advise whether the Applicant has a tax loss in 2009. If so, please advise the impact, if any, of that loss on 2010 and/or 2011 revenue requirement as proposed.
 - b. Statement of Cash Flows. Please explain the substantial drop in additions to PP&E in 2009 compared to 2008. Please provide copies of any documents relating to reductions in capital spending in 2009 as a result of either the split of the transmission and distribution businesses, or the acquisition by Fortis of the Applicant.
 - c. P. 1. Please confirm that the audited financial statements record a full year of operations, notwithstanding that the business was not carried on in the Applicant prior to July 1,2009, such that the operations when it was carried on as a division from January 1, 2009 to June 30, 2009 are included in these statements. Please provide the first half and second half financial data and explain any differences between the accounting treatment as a division and as a standalone entity. Please describe in detail the effect, if any, of the bifurcated year on the provision for taxes.
 - d. P. 11. Please provide a copy of the main agreement, with all schedules, under which the Applicant acquired the distribution business of GLPL. Please provide any valuations or asset condition assessments that took place for the purpose of, or as a result of, that transaction.
 - e. P. 11. Please provide a copy of the main agreement, with all schedules, under which Fortis acquired the shares of the Applicant. Please provide any valuations or asset condition assessments that took place for the purpose of, or as a result of, that transaction. Please provide the due diligence reports provided to the acquiring company from its advisors as part of the purchase process.
 - f. P. 11. Please explain in detail the differences between the tax strategies of API as a division of GLPL and the tax strategies today as a standalone entity.
 - g. P. 14. Please provide a copy of the original promissory note and loan agreement (with all schedules) relating to the \$45.6 million owing to FortisOntario Inc. If the interest rate on the promissory note is affected by other documents, such as side letters or letters of understanding (but excluding Board policies), please provide those documents.

RESPONSE:

- a) The Applicant has no tax losses in 2009.
- b) The drop in additions to PP&E in 2009 compared to 2008 is attributable to the following;
 - i. Change in financial statement presentation whereby intangible assets are now shown on a separate line.
 - ii. Reduction in capital work in progress account balance.

There are no documents relating to reductions in capital spending in 2009 as a result of either the split of the transmission and distribution businesses, or the acquisition by Fortis of the Applicant.

Please reference response to Board staff IR #13.

c) API confirms that the audited financial statements record a full year of operations. The statement of operations for the first and second half of 2009 is as follows:

_	Jan-June 2009	Jul-Dec 2009	Total 2009
Operating Revenue	17,199	14,982	32,181
Expenses			
Purchased Power	7,981	6,658	14,639
Operating	4,842	5,978	10,820
Amortization	2,041	1,610	3,651
	14,864	14,246	29,110
Operating Earnings before the following	2,335	736	3,071
Provision for rate mitigation accrual	-	(14,890)	(14,890)
Earnings (loss) before income taxes	2,335	(14,154)	(11,819)
Provision for (recovery of) income taxes	644	(2,716)	(2,072)
Net earnings (loss) for the year	1,691	(11,438)	(9,747)

There are no significant variations in accounting treatment, aside from income tax described below.

As a division of Great Lakes Power Limited, income taxes were recorded on a cash basis only. As a stand-alone entity, API calculates and records future income taxes. There were no material impacts on the income tax provision relating to the bifurcated tax provisions.

- d) Please refer to the response to 10(e). We note that, as set out at Exhibit 1, Tab 2, Schedule 1, Page 8, FortisOntario Acquired the shares of GLPD, not GLPL.
- e) API declines to provide the main agreement with all schedules under which FortisOntario acquired the shares of GLPD, or any due diligence reports. The basis for this refusal is the relevance of these materials to this proceeding. The acquisition of GLPD's shares by FortisOntario was the subject of EB-2009-0282. In regard to the request for asset condition assessment please refer to the response to 15 (b).
- f) Management is not aware of the tax strategies of API as a division of GLPL. API as a standalone entity has no particular tax strategy.
- g) Attached as Appendix A is a copy of the requested promissory note.

Algoma Power Inc.

PROMISSORY NOTE

\$45,600,000 DUE:

ON DEMAND

RATE:

7.62% ANNUALLY

FOR VALUE RECEIVED Algoma Power Inc. ("API") hereby promises to pay on demand to or to the order of FortisOntario Inc. ("FortisOntario") at 1130 Bertie Street, P.O. Box 1218, Fort Erie, ON L2A 5Y2, the principal amount of \$45,600,000 in lawful money of Canada and to pay interest both before and after demand, default and judgement at the rate of 7.62% per annum calculated quarterly not in advance on the principal amount, said interest to be payable on November 30, February 28, May 31 and August 31, in each year commencing on the 30th day of November, 2009.

The principal amount outstanding under this promissory note from time to time and all accrued interest thereon shall become due and be paid in full upon demand being made by FortisOntario therefore.

API hereby waives demand and presentment for payment, notice of non-payment, protest, notice of protest, notice of dishonour, bringing of suit and diligence in taking any action.

 ${\bf DATED}$ at Fort Erie, Ontario, as of this 8^{th} day of October, 2009.

ALGOMA POWER INC.

WILLIAM J. DALEY

PRESIDENT AND CHIEF EXECUTIVE OFFICER

GLEN KING/

VICE PRESIDENT, FINANCE AND CHIEF FINANCIAL OFFICER

11. [Ex. 2/1/2] Please explain the drop in gross fixed assets from 2008 to 2009.

RESPONSE:

The footnote to the 2009 Fixed Asset Continuity Schedule (Appendix 2-C) in Exhibit 2, Tab 2, Schedule 1, explains the drop in gross fixed assets from 2008 to 2009. Please also refer to the response to OEB IR 11.

12. [Ex. 2/1/2] Please provide details of all adjustments to the cost of fixed assets prior to 2010 that were not the result of payments to arms length third parties, including in particular any revaluations of any assets prior to their acquisition by the Applicant. Please provide copies of any representations and warranties, terms and conditions, or other provisions in the documentation relating to the purchase of the shares of the Applicant by Fortis that relate directly or indirectly to whether the assets are shown on the books of the Applicant at actual cost, or some other number.

RESPONSE:

It is API's understanding that, based upon GLPT's response to Board Staff Interrogatories in EB-2009-0408 (supplemental interrogatory response 19(1) to Board Staff Interrogatory 61), there was an asset revaluation in 1996. GLPT's response was that the revaluation was in accordance with Canadian GAAP and the treatment of the revaluation was consistent with the requirements of the OEB's Accounting Procedures Handbook upon market opening in 2002.

API is aware that as part of this 1996 revaluation, the distribution assets were revalued in 1996 by an increase in the amount of \$13.6 million. The net book value of the increase in these assets as of December 31, 2009 was \$6.6 million.

API declines to provide copies of any representations, warranties, etc. regarding the share purchase of GLPD that relate to GLPD's assets on the basis of relevance.

13. [Ex. 2/2/2] Please explain the \$2.5 million addition of computer software in 2011, and describe all impacts on revenue requirement in that year of that project, including without limitation cost of capital, income and other taxes, transitional OM&A, changes in payments to third parties or affiliates, and amortization.

RESPONSE:

The \$2.5 million addition of computer software is primarily made up of the items described in E2/T4/S5 pg 3 and 4 (\$934,900) and the asset allocation from CNPI described in the BDR Report on pg 6 in E4/T5 (gross \$1,440,470, net \$495,795).

The impact on revenue requirement in 2011 as a result of the capital additions is an increase of \$38,885.

Average Rate Base	\$717,539
Requested Rate of Return	7.31%
•	\$ 52,452
Depreciation	104,365
Income Taxes	(117,932)
	\$ 38,885

The 2011 IT operating costs associated with the IT Services Agreement represent approximately \$135,000. Increased OM&A in 2011 compared with 2010 is primarily the result of an increase of approximately \$118,000 for additional ongoing IT expenditures related to licensing and maintenance fees for SAP, infrastructure, communications and other software.

- 14. [Ex. 2/4/1] With respect to the ROW Expansion Program:
 - a. P. 7. Please provide any business case or other formal analysis of the costs and benefits of the program, including any options to achieve similar benefits that were considered and rejected, and including any subsequent updates to those documents.
 - b. P.7. Please provide any due diligence documentation obtained by the Fortis companies relating to this program in the course of acquiring the shares of the Applicant.
 - c. P. 7. Please describe and quantify the benefits expected from the ROW Expansion, including any reductions in OM&A or capital costs, changes in the tree trimming cycle or the cost per km. of vegetation management, reductions in forced or planned outages, changes in CAIDI, SAIDI or SAIFI, or impacts on loss factors. Please identify the years in which those benefits are expected to arise, and the dollar impact of those benefits in each year. Please confirm that all benefits arising in the 2010 and 2011 years are reflected in the Application.
 - d. P. 12. Please provide the most recent report on the status of the project.

RESPONSE:

- a) The primary justifications for the expansion program were regulatory requirements and industry best management practice, as outlined in Exhibit 2, Tab 4, Schedule 1. An analysis was performed on the ROW distribution system by an external party, and the recommendations were made from this analysis to establish a 6 year clearing cycle. For reasons described in Exhibit 2, a minimum clearance of 4.5 meters on either side of the line for the expansion program was considered prudent from a public and worker safety and reliability perspective. On many of API's ROW's there are no formal easements; therefore the company relies on educating the landowner on why the ROW needs to be maintained referring to O.Reg 22/04 and ESC Section 75 and relying on the Electricity Act, Section 40 for the right of entry.
- b) The due diligence on this program was based on discussions with management and a review of the rate application materials (Exhibit 2, Tab 1, Schedule 1 of the 2007 Rate Application) filed with the OEB and related decisions (EB-2007-0044).
- c) There will be an overall reduction in the total ROW capital spending as the bulk of the ROW expansion program will be complete in 2011. As outlined in responses to OEB 27, SEC 21 and VECC 18 vegetation OM&A budget will

increase as the expansion program is completed. A reduction in planned outages for forestry work in 2012 and beyond is anticipated as clearances to energized equipment are maintained and the number of grow-ins are reduced. The response to OEB 17 details the changes in CAIDI, SAIDI or SAIFI, planned and forced outages as they compare to expansion program and tree caused outages. The vegetation maintenance program also provides a cost avoidance for line work as ROW are easier to access, power line a easier inspect, maintain and upgrade.

d) Please see the chart on pg 10 of Exhibit 2, Tab 4, Schedule 1 for the annual progress. Current state the program is approximately 80% complete.

- 15. [Ex. 2/4/2, p. 12] With respect to the Replacement Supply to St. Joseph Island and all related projects:
 - a. P.12. Please provide any business case or other formal analysis of the costs and benefits of the program, including any options to achieve similar benefits that were considered and rejected, and including any subsequent updates to those documents.
 - b. P. 12. Please provide any due diligence documentation obtained by the Fortis companies relating to this program in the course of acquiring the shares of the Applicant.
 - c. P. 12. Please describe and quantify the benefits expected from the project, including any reductions in OM&A or capital costs, reductions in forced or planned outages, or impacts on loss factors. Please identify the years in which those benefits are expected to arise, and the dollar impact of those benefits in each year. Please confirm that all benefits arising in the 2010 and 2011 years are reflected in the Application.
 - d. P. 12. Please provide the most recent report on the status of the project.

RESPONSE:

- a) The requirement to construct a replacement supply to St. Joseph Island is driven by the need to decommission the existing substation as a result of significant safety, environmental and reliability risks that are described in Exhibit 2/Tab 4/Schedule 2, and further detailed in API's response to OEB-14 and OEB-15. API determined that a rebuild using the existing site was not feasible and as a result, considered what options were available to decommission the existing substation. API analyzed the costs and benefits associated with constructing a new substation in the same general area on St. Joseph Island, compared with the option of constructing a new supply from an existing substation in the Desbarats area. A summary of the analysis of alternative options is attached in Appendix A.
- b) The due diligence on this program was based upon discussions with management and a review of the asset condition assessment prepared by Wardrop, attached in Appendix B.
- c) Upon completion of the project, annual costs for substation vegetation control are expected to decrease as a result of decommissioning two substations. This cost reduction is reflected in the decrease from 2010 to 2011 shown in Exhibit 4/Tab

1/Schedule 1/Appendix B/Table 1. The OM&A savings related to substation inspections of the two substations being decommissioned are expected to be more than offset by the increased inspections and maintenance required by the MOE due to construction of oil containment around the new power transformer in the New Desbarats DS.

API does not expect a reduction in forced outages as a result of this project as there have been no past instances of forced outages due to failure of equipment in the existing substation. Planned outages will be reduced as outages required in the recent past for maintenance and minor repairs of the transformers at the existing station will no longer be required.

API expects a small increase in line losses due to the fact that approximately 9 kilometres of line currently operating at 34.5 kV will operate at 25 kV following completion of these projects.

d) The new power transformer has been delivered to the New Desbarats DS. Oil containment design is complete and API has received a Certificate of Approval from the MOE for construction of the new oil containment. The construction contract has been awarded and the successful contractor is in the process of finalizing the construction drawings and some civil work has begun. Completion of station construction is expected by late fall of 2010.

Transformers have been ordered for the voltage conversions in the Desbarats area, and some conversion work has begun. The remainder of the conversion work will occur in the near future.

Equipment has been ordered for installation of the voltage regulators near the existing St. Joseph Island DS. All necessary easements and municipal consents have been obtained. Construction is expected to begin upon delivery of major materials late summer or early fall of 2010.

Algoma Power Inc. EB-2009-0278 Responses to SEC Interrogatories Appendix A

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Appendix A : Summary of Evaluation of Project Options

Options to Decommission St. Joseph Island DS

Option 1 – Construct a new substation on St. Joseph Island, close but not immediately adjacent to the existing substation site. This option has the advantage of requiring minimal reconfiguration to the overall distribution system and consequently is not dependent on other large projects being completed beforehand. The disadvantage is that this option requires land acquisition and associated permitting. Depending on the ultimate location, extension of the existing 34.5 kV feeder and reconstruction of an existing 25 kV feeder. For example, if the new site is not adjacent to an existing 3-phase portion of 25 kV feeder then conversion to 3-phase may be required.

Option 2 – Construct a new substation bay in the existing New Desbarats DS. This new bay would house the power transformer and associated protections required to supply St. Joseph Island directly at 25 kV from this substation. There are multiple advantages associated with this option. There is plenty of space available to construct the new bay without having to expand the footprint of the existing substation. This construction will also correct a number of existing deficiencies in the area where the new bay will be located, eliminating the need for a separate project to address these items. The existing 34.5 kV feeder between the two substations can be energized at 25 kV, requiring only a short underground egress from the new bay to connect to this feeder. There are some disadvantages associated with this option, including a small increase in line losses resulting from the transformation moving further from the load centres. Also, since the existing Old Desbarats DS is supplied from the existing 34.5 kV feeder running between New Desbarats and St. Joseph Island, voltage conversion projects required to transfer this load to the New Desbarats DS would have to be completed in advance. The project also requires voltage regulators to be installed near the location of the existing substation on St. Joseph Island; however the addition of these regulators will resolve low voltage issues that are present with the existing 34.5 kV substation on the island.

NPV Comparison of Options

NPV model variables:

Timeframe of Analysis	40 Years
Inflation Rate	2.1%
Discount Rate	7%
Resulting PV Factor	0.9542 / year

Assumptions:

- Appropriate land is assumed to be available within 1 km of the existing site for Option 1. Assumed 50% of the resulting line extension requires new ROW.
- Up-front capital costs of station construction are 15% higher for Option 1 as compared to Option 2. This is due to the incremental costs of fencing,

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excavation/backfill, structures, grounding, station service and construction of access roads associated with constructing a completely new station.

- The Desbarats voltage conversion and load transfer projects will be completed on their own merits, regardless of the option chosen. For Option 2, they must be completed immediately. For Option 1, it is assumed that these projects will be delayed to Year 3, on average.
- Due to equipment being combined into a single substation located closer to the work centre, Option 2 will reduce costs associated with travel time, job planning and equipment set-up for regular inspections and maintenance as compared to Option 1. An average monthly savings of 2 labour hours plus vehicle are assumed.
- Substation vegetation control costs are also reduced due to having one less substation to maintain.

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NPV model cost inputs:

	Option 1		Option 2	
Item	Cost (-) /	Year	Cost (-) /	Year
	Savings (+)	Incurred	Savings (+)	Incurred
Station Construction Work	-	1	-	1
	\$1,603,309		\$1,394,182	
Land Acquisition	-\$150,000	1	n/a	
Line Extensions to new	-\$150,000	1	n/a	
Location				
Incremental ROW	-\$4000	Every 6 th	n/a	
Maintenance		year ¹		
on Line Extension				
Desbarats Voltage	-\$236,046	3	-\$236,046	1
Conversion				
25 kV Voltage Regulators	n/a		-\$230,936	1
Ongoing Regulator	n/a		-\$1738	Every 6 th
Maintenance				year ¹
Incremental Line Losses	n/a		-\$3857	Annual ²
Reduced Travel and Set Up	n/a		+\$1821	Annual ²
time				
For Monthly Inspections				
Reduced Vegetation Control	n/a		+\$1400	Annual ²

Notes

¹ – Costs incurred every 6th year begin in Year 7

² – Costs incurred annually begin in Year 2

NPV Results

NPV – Option 1: -\$2,128,000
 NPV – Option 2: -\$1,877,000

Project Recommendations

Recommendation is to proceed with Option 2 for the following reasons:

- Lower NPV cost.
- Operational benefits resulting from elimination of a substation.
- Risks associated with uncertainties in Option 1. For example, if suitable land cannot be readily acquired within 1km of the existing site, significant costs may be incurred to relocate the station beyond this area.

Great Lakes Power



DISTRIBUTION STATIONS CONDITION ASSESSMENT Report 2007

Completed by: Eugene Williams, Wardrop Engineering
Darrel Davies, Wardrop Engineering

Distribution Stations Condition Assessment Report

By Eugene Williams and Darrel Davies Nov 01, 2007

General Findings

The following is a description of findings from site visits to all distribution stations within the Great Lakes Power Limited operating system. They are arranged in alphabetic order.

Some items found were common to most stations. These were:

- Gang operated switch bases were not connected to ground.(Rule 36-308 (2)b (ii))
- Aluminum ampact connectors used to connect ground conductors.(Rule 10-908)
- No or minimal amount of crushed stone in yard (Rule 36-304 and 310 (2) b)
- Fence grounding was deficient (Rule 36-312) every gate and corner post and at 12 metre intervals have connections to ground.
- Employee clearance to live equipment at most stations, only 'qualified' workers could enter the station grounds and live conductors within reach at some. (BP policy)
- Weeds and grass prevalent in most stations (except new ones)
- Most stations do not have provision for performing maintenance without a customer outage. Some circuits in Wawa are the exception.

All Stations

The operating diagram was found to have some irregularities; revisions should be made as soon as possible.

Appropriate single line diagrams should be displayed or available for each individual station. This is an electrical code requirement. (Rule 36-006 (4) b)

Andrews DS

This is a new station. There is no alternate station supply and any work requires a customer outage.

Batchewana DS

The 12 kV bus is too low creating limits of approach violations for all persons. The connection configuration encourages unbalanced load to flow through the neutral conductor. (Jumpered Y-2 phases) It is recommended to install the spare and supply true three phase power. Maintenance requires a customer outage.

Bar River DS

This is the best DS of all. It is neat, well laid out and does not appear to need any improvements inside the station. Maintenance cannot be performed on 022 or 023 without a customer outage. Line switches 025 and 026 seem to be mixed up on the single line diagram.

Bar River Regulator Station

The regulator is not in good shape, foundation is rotting and there is no surface stone. The old DS transformers should be removed as well as the old structures. There is an audible discharge evident from an insulator above the VR.

Bruce Mines DS

The yard is very uneven. The battery bank and charger were removed in 2007. Protective relays and motor operators on switches 061 and 062 removed in 2007. Manual switch handles installed c/w ground mats. The building was not required and was removed in 2007. The transformers are very low; it is possible to reach either the 2400 volt or 33 kV bushings and bus from ground level.

Thessalon feeder transformer side of Bruce Mines DS is a little better; however the limits of approach can be compromised here as well.

Desbarats DS (new)

For a new station, this one is in very poor shape. There is/are redundant structures and equipment. The capacitor bank is not connected and ready for service as the single line diagram shows. There are employee hazards in several places, varying from limits of approach issues to bolts sticking up from unused footings.

Guy wires within station not connected to ground Minimal grounds connected to switch bases or fuses.

The fence is not near the ground in most of the yard, a person could easily crawl under the gate. There is some equipment/devices stored in the yard.

There is a broken strain insulator in the buswork above switch 51.

Desbarats DS (old)

The transformers are very low, it is possible to reach either the 4600 volt or 33 kV bushings and bus from ground level. There is a broken bushing on one transformer and far too many ampact connectors on the neutral/ground conductor at the transformer. Transformer ground is corroded nearly enough to create an open connection. This should be repaired immediately. There are broken insulators left in the structure from an old switch that was removed. Fuse 040 centre phase is currently held in place with tie wraps.

Echo River DS

The DS portion of Echo River station is in very good condition. Circuit breaker 562 cannot be accessed or inspected without a step ladder, but all clearances are good. The single line does not adequately describe the demarcation between TS and DS. Switches 560 and 561 are in series, one on either end of a cable between the two parts of the station.

Garden River DS

The existing oil containment was minimal and not up to standard vegetation growing out of the sump. The sump lid was cast iron and required lifting device to remove it. The existing containment was removed and a new containment installed for T1 and T2 in 2007. The 12 kV secondary is low enough that the limits of approach could be compromised. The new transformer T2 was installed to meet GLP ground to Energized Ground clearances.

Goudreau

The transformer is located up a pole on a structure. It is old and has no label for PCB level. Visual appearance is very poor. Old pole stumps and guy wires left in the ground. None of the switch bases or fuses are connected to ground. Most ground connects are of the ampact type. Circuit breaker located on a new steel platform attached to new poles. Platform has a locked access ladder. Good Shape. The heater installation on the circuit breaker #2 is not complete yet. SF6 level is low and should be checked. Circuit breaker overrated for installation. 1186 fuses are in really bad shape and should be replaced.

Goulais DS and Searchmount feeder

Limits of approach cannot be maintained in either the 12 kV or 25 kV circuits.

The circuit breakers on the 2 Goulais feeders and the isolating switches above them were in bad shape so they were removed in 2007. The existing structure above the circuit breakers was rusty and was also removed in 2007. New circuit breakers are on site and will be installed.

Hawk Junction DS

The DS part of this station is in reasonably good shape, except the 4.6 kV and 44 kV live parts are too low to the ground, limits of approach cannot be maintained. There are also far too many ampact connectors on the neutral grounding conductor.

The voltage regulator is in very bad shape with oil steadily leaking from it.

The containment is extremely soiled, but no oil appears in the sump. Containment is very poor. Soil tests below the containment were conducted in 2007. Results to be received early 2008.

Some wooded poles seem to be in poor shape.

Switch 1183 is neither fully open nor closed. Switch 1182 has a broken shunt. 1182, 1183 and 1184 are all currently green tagged.

Upgrades to this station to continue into 2008 and 2009.

Highway 101 DS

The transformer is mounted up the structure; maintenance can only be performed with an aerial device.

Lochalsh DS

Transformer is located on a metal platform approximately 20' above the ground supported from two wooden poles. A bucket truck is needed for maintenance. Very remote location with rough access road.

Mackay DS

This station supplies station service to Mackay TS as well as 2400 volt feeder to customers. The voltage is 2400 phase to phase Y configuration, 1386 volts to ground. The supply transformer has no taps, so voltage cannot be adjusted. Any station work involving a South bus outage takes this supply out of service creating customer outages. This transformer is scheduled to be removed in 2008 once the current upgrades are completed in the 115 kV yard. The existing switch 652 and SSA indicated on the single line diagram as Distribution should be changed to Transmission. The existing PT-M1 and switch 653, 695 can remain as Distribution.

Missanabi DS

This is a pole structure mounted transformer. It appears to be in reasonable shape except there appears to be some minor leaks around the tapchanger handles.

Additional Note: There is a pole within the distribution system (located in the lake) that has a lean on it. It should be relocated to the roadway.

St. Josephs Island DS

This station has a leak on one transformer. The structure is very old wood and questionable quality. It has 4 transformers, two in parallel for one phase. The other transformers are mismatched, encouraging circulating currents in the neutral.

There is no stone in this yard and the fence ground is separate from the station ground (intentionally) Fence ground not connected at corner posts.

An upgrade for this station is planned for 2009.

Watson DS

There are 3 pole mount transformers outside the station that feed a supply to the generating station and further customers. They are 34.5 kV to 7.2 kV 167 kVA (we do not have a spare for here)

Wawa #1 DS

One transformer has been replaced with a much smaller (physically) unit. The live conductors can easily be reached from ground level. There is redundant equipment and structures in this station. The transformer pad is made of steel, is uneven and is not connected to station ground. An upgrade to be completed in 2008 to wye/wye 8.3 kV.

Wawa #2 DS

This station is very compressed; it is old and has lots of old porcelain insulators. There is an audible discharge from above switch 1124. The limits of approach cannot be maintained in most of this yard, many places have live equipment within reach.

The three transformers (2129, 3315, 1968) are energized but cannot be put on load because the protection system has a malfunction.

Most of the circuits that feed Wawa are 4.6 kV delta. This presents a dangerous situation for customers and electrical workers due to ground faults, they are usually catastrophic. This is to be upgraded to 8.3 kV in 2010.

There is only one feed from this station at 7.2 or 12.47 kV. It consists of 3 x 1500 kVA transformers. Since there are 3 phase customers off this feeder, we need to ensure there is a spare transformer on site or available for installation in a short time.

The feeders all have 3 phase oil switches to open the supply, the 12 kV is strictly manual operation and so no protection except for the primary fuses. The 4.6 kV feeders have a relay supplied from a Y configured set of PT's that will initiate a trip on voltage imbalance. The yard has minimal stone and step and touch potentials could be developed anywhere. There is currently a spare wye/wye 8.3 kV transformer located in the yard that was relocated from Watson T.S.

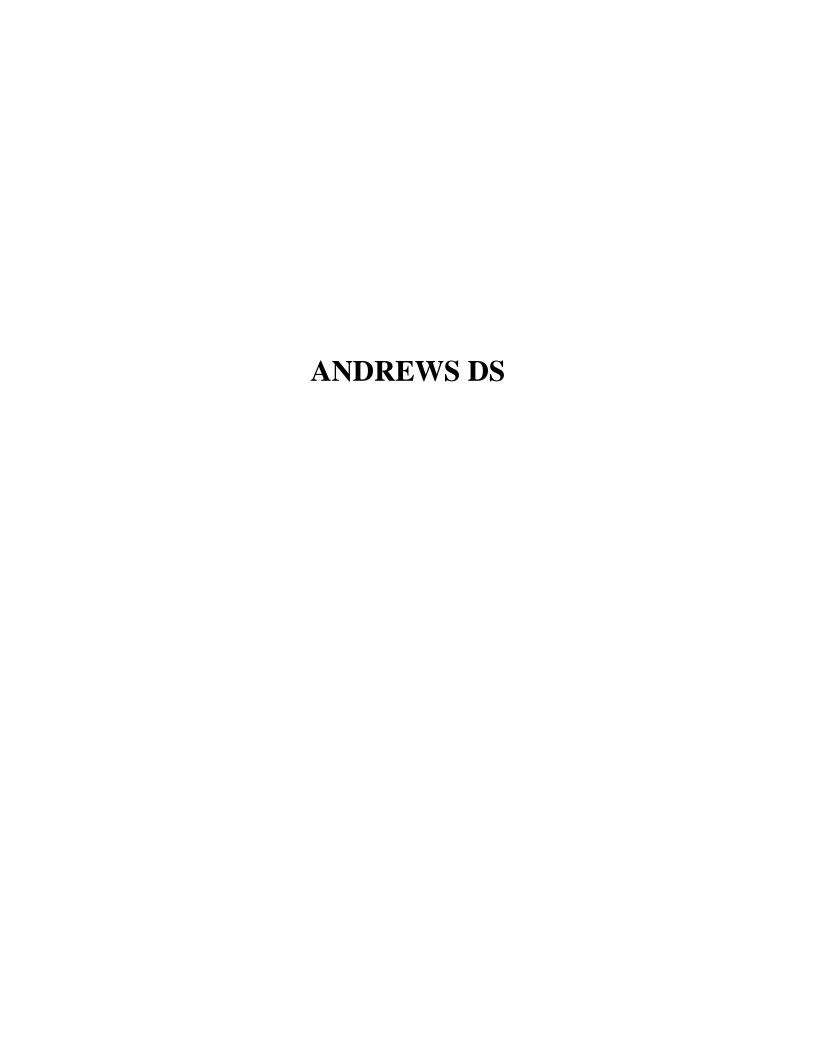
Wawa Dump DS

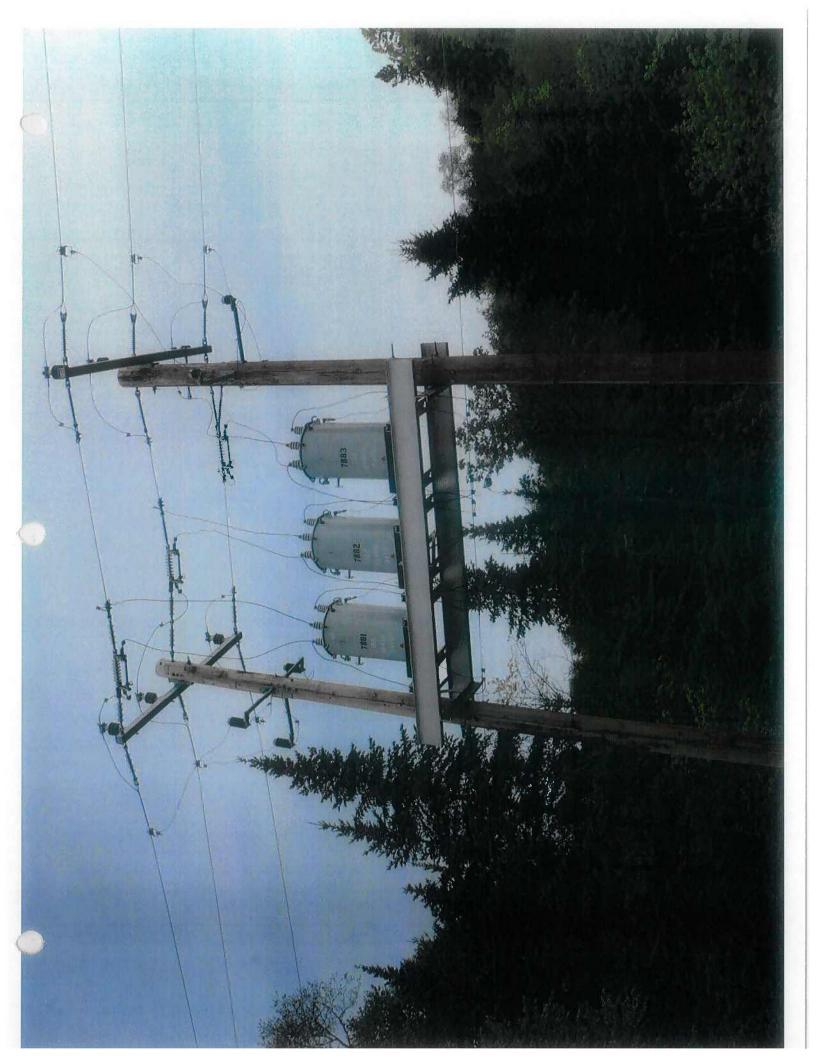
Did not visit this site yet, but it is 34.5 kV to 4.6 kV single phase 50 kVA built in 2003.

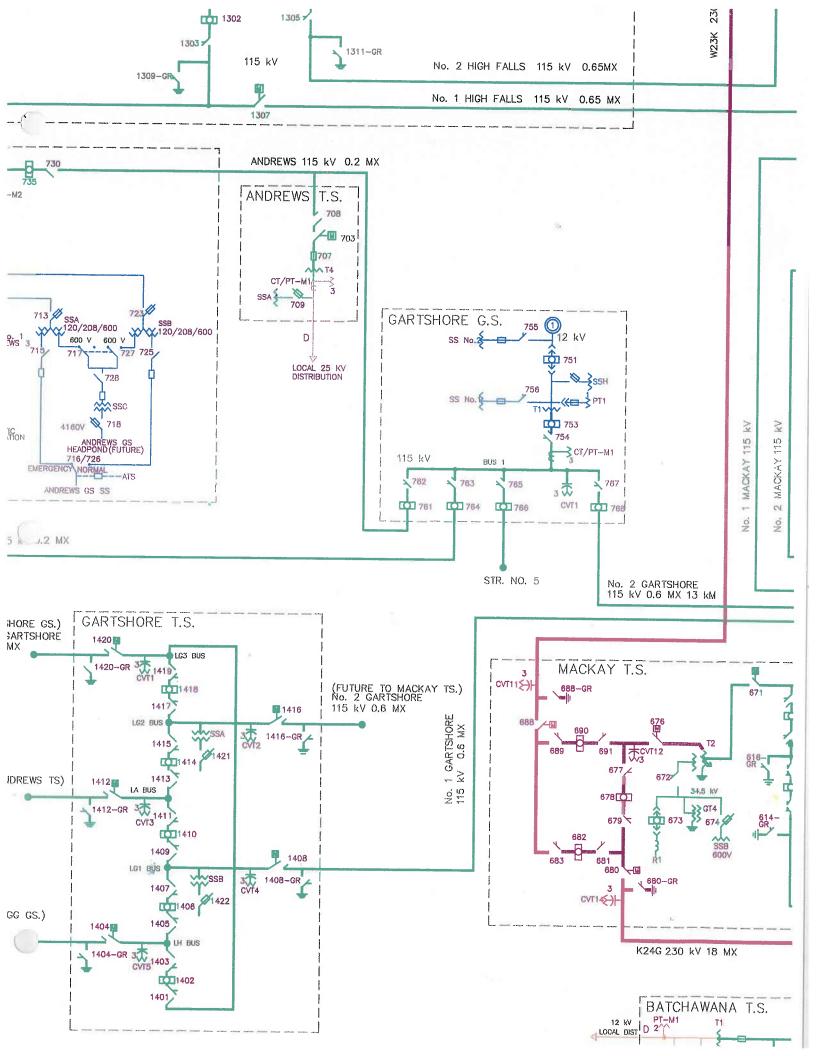
Table 1 - Summary of recommended improvements

Station	Priority	Job Description	Recommended	Estimated
			Completion	Cost
All	1	Update/revise operating	ASAP	internal
		diagram as per findings		
Andrews		No single line for this station	asap	internal
Don Disson DC		T1.11		#1 7 000
Bar River DS		Imbiber unit needs some	asap	\$17,000
		piping modification		
Bar River VR		Remove old spare	2007	\$1,000,000
		transformers, replace VR		, 41,000,000
Batchawana		No single line,	asap	Internal
Bruce Mines		Remove batteries. Complete	Fall 2007	\$25,000
		New Oil containment and	2009	\$350,000
		relocate transformers		
D-1		D C D 1 11	2000	#
Desbarats(new)		Remove Cap Bank, new oil	2009	\$300,000
		containment, relocate transformer		
		Repair gate and fence to	Agam	\$40,000
		eliminate gaps, add stone	Asap	340,000
		Replace broken insulator	Asap	Internal
		Oil containment modifications	2008	\$21,000
				
Desbarats (old)		Raise transformer	2010	\$30,000
		Remove redundant insulators	Asap	internal
<u> </u>		Repair fuse holder	Asap	internal
Echo River		Revise single line diagram	Agon	internal
Ecilo Rivei		Revise single fine diagram	Asap	mternai
Garden River		Capacity Increase and install	2007	\$225,000
		oil containment	2007	Ψ223,000
Goudreau		PCB sample/label on Trans	Asap	internal
		Complete heater install	Fall 2006	internal
Coulsis		Daine Count	2000	ΦΦΦ 0000
Goulais		Raise Searchmont trans	2008	\$20,000
		Raise Searchmont recloser	2008	\$10,000
		Replace feeder breakers	Fall 2007	\$50,000
		Replace feeder structure. Done	Fall 2007	\$20,000

Hawk Jct.	Replace Voltage regulator	2010	\$400,000
	Replace VR switches	2010	\$75,000
	Remove contaminated soil	2007	\$100,000
	(Partial complete)		
	Raise DS transformer	2009	\$50,000
	Install standard containment	2009	\$300,000
Highway 101	Purchase spare trans	2007	\$100,000
Lochalsh			
Mackay	No single line,	Asap	internal
Missanabi	Ground fuse bases	Asap	internal
St. Joseph Is.	Replace DS	2009	\$2,000,000
	Submarine Cable	2008	\$600,000
Watson	Relocate spare trans. Done	2007	\$30,000
Wawa #1	Replace transformer pad New Oil Containment	2008	\$250,000
	Replace smaller transformer	2008	\$100,000
	Revise single line	asap	internal
	D.S. Conversion	2008	\$300,000
Wawa #2	Raise all (7)trans except 4039	2007	\$150,000
	Repair feeder protection	asap	internal
	Raise PTs, reclosers, bus	2007	\$500,000
	Revise single line	asap	internal
	D.S. Conversion	2010	\$250,000
	Delta to Wye	2008	\$500,000
Wawa Dump			
Northern Ave	Vault transformer relocate	2008/2009	\$100,000







	Statio	on Functiona	ality
Delete Record		7	
Station Selected	Andrews DS	YEAR	2007
Notes:	agram (Verify against system		ics)
line on gio into, partic	any one will on main eyetem of	poralling diagram	
Deducade at and Obs	alata Fanisan and		
Redundant and Obs	olete Equipment		
Redundant and Obs Notes: None, this is a new s			
Notes:			
Notes:			
Notes: None, this is a new s Equipment Ratings Notes:	station		
Notes: None, this is a new s Equipment Ratings Notes:		lies ss power for the GS 8	dam dam
Notes: None, this is a new s Equipment Ratings Notes:	station	lies ss power for the GS &	dam
Notes: None, this is a new s Equipment Ratings Notes: 3 x 100 kVA 14,400	station 0/2400 Y-Y local feeder suppl	lies ss power for the GS 8	dam
Notes: None, this is a new s Equipment Ratings Notes:	station 0/2400 Y-Y local feeder suppl	lies ss power for the GS 8	k dam

Maintainability (Cost, Parts, Outages, Work Equipment)

Notes:

Customer outage for any work

Controlled Access

Station Selected

Andrews DS

Year

2007

Controlled Access Notes:

Located on metal plateform suspended between two pole structures, no access to DS

Delete Record

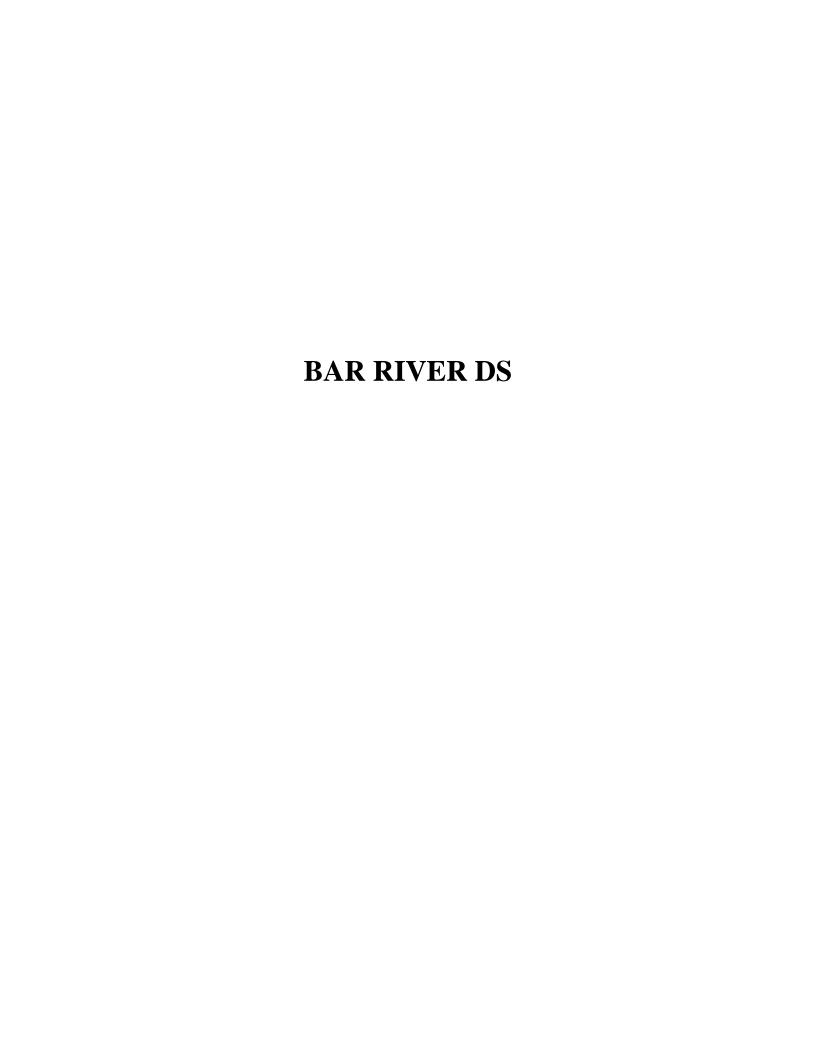
Safety and Environment

Station Selected	Andrews DS	Year	2007	
Fence Condition Cleara	nce			
No fence				
High Voltage Warning S				
None visible on the pol-	es		(FACE EXTENSION FOR SHEET AND ASSESSMENT AND ASSESSMENT	Accessive to the second of
THE RESERVE				
Pedestrian Clearance V	iolations			
None			e de la composition della comp	
House Keeping OK				
Visual Exposure				
Conductors do not have	e support, appears to be	unorganized		
Employee Clearance Vic	plation			
None				
Employee Hazard				
None				
Touch and Step Potentia	al Barrier Condition			
OK	And the second s			<u></u>

Previous Spills
None
Spill Containment Construction
None
Spill Containment Condition
N/A
Proximity to Waterways
Yes
Soil Contamination
None
Soil Contamination Location
N/A
PCB Identification
Not required, new transformers, non PCB fluid

	Station Groun	nding	
Station Selected	Andrews DS	Year	2007
Fence Grounding C	Condition		
No fence			
Major Equipment a	nd Structure Grounding		
Appears OK			
Portable Ground At	tachment Devices		
None			
Grounding System	Connectors		
ОК		191	
Cround Surface (Tr	such and Ctan Detential)		
	ouch and Step Potential)		
ОК			

	Station Site (Condition	on the Name of the State of the
Delete Record			
Station Selected	Andrews DS	Year	2007
Vegetation Control			
OK, new station			
Rodent Problems			
none			
Roadway Condition			
good			
Site Drainage Condition	n		
good			
Structure Foundation C	ondition		
new pole structure			
Structure Condition			
new poles			
Yard Lighting Condition			
none, proximity to TS a	and GS switchyard with lighting		





Station Functionality

tation Selected	Don Diver DO	VEAD	000-
tation Selected	Bar River DS	YEAR	2007
	gram (Verify against system	oneline, AC/DC schemat	cs)
Notes:			
Somewhat confusing Refer to "General Fil	g between the physical install ndings"	ation and the single line o	liagram.
r Redundant and Obsc	olete Equipment		
Notes:			
None			
None			
None			
Equipment Ratings			
Equipment Ratings Notes:	W0 (0.4 500)		
Equipment Ratings Notes:	tap #3 (34,500), 6MVA, 34,5	500/12,500	
Equipment Ratings Notes:	tap #3 (34,500), 6MVA, 34,5	500/12,500	
Equipment Ratings Notes:	tap #3 (34,500), 6MVA, 34,5	500/12,500	
Equipment Ratings Notes:	tap #3 (34,500), 6MVA, 34,5	500/12,500	
Equipment Ratings Notes: OK. Transformer on Operating Problems	tap #3 (34,500), 6MVA, 34,5	500/12,500	
Equipment Ratings Notes: OK. Transformer on	tap #3 (34,500), 6MVA, 34,5	500/12,500	
Equipment Ratings Notes: OK. Transformer on Operating Problems Notes:	tap #3 (34,500), 6MVA, 34,5	500/12,500	
Equipment Ratings Notes: OK. Transformer on Operating Problems Notes:	tap #3 (34,500), 6MVA, 34,5	500/12,500	
Equipment Ratings Notes: OK. Transformer on Operating Problems Notes:	tap #3 (34,500), 6MVA, 34,5	500/12,500	
Equipment Ratings Notes: OK. Transformer on Operating Problems Notes: None			
Equipment Ratings Notes: OK. Transformer on Operating Problems Notes: None	tap #3 (34,500), 6MVA, 34,5 Parts, Outages, Work Equipr		
Equipment Ratings Notes: OK. Transformer on Operating Problems Notes: None Maintainability (Cost, Notes:		ment)	

	Controlled Acc	cess	
Station Selected	Bar River DS	Year 2007	
Controlled Access Gates OK	Notes		
	Delete Record		

Safety and Environment

Station Selected	Bar River DS	Yea	ar	2007
Fence Condition Clear	ance			
4" to 6" clearance on t	he West side.			
। High Voltage Warning ।	Signs			
Yes				
Pedestrian Clearance \	/iolations			
None				
House Keeping				
Visual Exposure Good, nice neat station	า			
Employee Clearance Vi	iolation			
None				
Employee Hazard				
None			and the second s	
Touch and Step Potent	ial Barrier Condition			
Good				

Previous Spills	
None	
Spill Containment Construction	
Good, except imbiber unit has no valve a drain. Piping redesign should be conside	and outlet connected solidly to drain so sump cannot ered.
Spill Containment Condition	
Good	
Proximity to Waterways	
None	
Soil Contamination	
None	
Soil Contamination Location	
N.A.	
1 11/21	
PCB Identifcation	
Constitution of the consti	
Non-pcb fluid stamped on transformer n	паттеріате

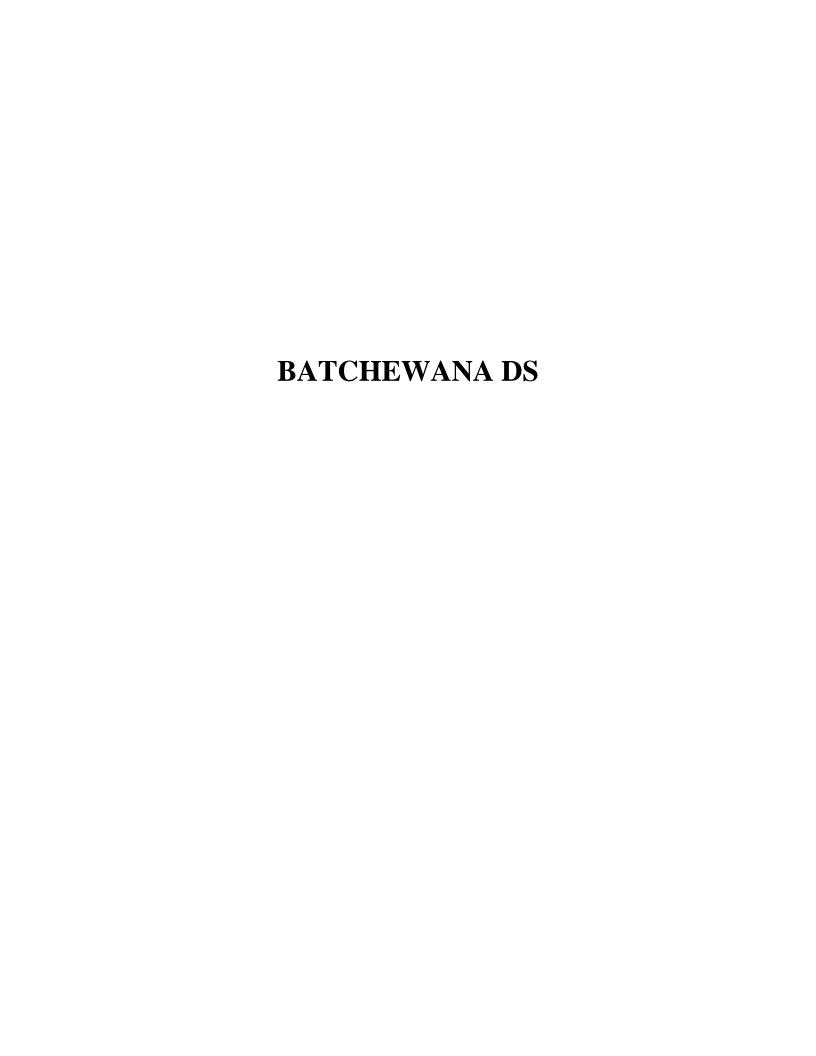
Station Grounding

	Station Ground		
Station Selected	Bar River DS	Year	2007
Fence Grounding C			
Corner jumper miss	ing on back North side next to gate	9	
Major Equipment ar	nd Structure Grounding		
Yes, OK			
Portable Ground Att	achment Devices		
None			
Grounding System (Connectors		
Good			
Ground Surface (To	uch and Step Potential)		
Good		AND DESCRIPTION OF THE PERSON	

(:

	Station Site	Condition	
Delete Record			
Station Selected	Bar River DS	Year	2007
Vegetation Control			
Good			
Rodent Problems			
None apparent			
Roadway Condition			
Good			
Site Drainage Condition Good, ditch around DS			
Structure Foundation C	ondition		
Good			
Structure Condition			
Good			
Yard Lighting Condition			
Good, except located o	n top of structure, need bucket	truck to access	

Build	ling Assess	ment		
Station Selection	Bar River DS		Year	2007
Building Foundation				
N.A.				
Building Structures				
N.A.				
Building Windows and Do	oor			
N.A.	JOI			
Building Roof				
N.A.				
Duilding LIVAC and Linkti				
Building HVAC and Lighti N.A	ng		MEN BOOK	
Building Fire and Security	v System			
N.A.	- Joseph - Land			
Building Energy Efficiency				
N.A.				



Station Functionality

Delete Record			
Station Selected	Batchewana DS	YEAR	2007
	gram (Verify against system o	neline, AC/DC schematic	:s) 4
Notes:		1928 - S 27 - 1935 1937 - 1937 - S	
Snown on main syste	em operating diagram only, no	o single line diagram avai	able
Control of the Contro	The second section of the second second section of the second second second section of the second second section section second	100 W	
Redundant and Obso	lete Equipment		
Notes:			
None			
Equipment Ratings			** 1392. [†]
Notes:			
Refer to "General Fir	nected together are fed from soldings"	smaller transformer.	
Operating Problems			
Notes:			
Vone			
A-1-1-1		A V CONTRACTOR OF THE PROPERTY	
	Parts, Outages, Work Equipm	ent)	
Maintainability (Cost, F Notes: Customer outage for a			A Committee of the Comm

	Controlled A	ocess	
tätion Selected	Batchewana DS	Year L	2007
ontrolled Access N ates OK	otes:		
	1		
	Delete Record		

Safety and Environment

Station Selected	Batchewana DS	Year	2007	
Fence Condition Clear	ance La			
Fence needs repairs	(belongs to TS)			
l High Voltage Warning	Signs			7 - 10 - 10 - 10 - 10 - 10 - 10 - 10 - 1
Yes. OK				
Pedestrian Clearance	Violations			
Yes, wire sticking up o	out of ground on road side	next to roadway		
Life Life				1.0 <u>1</u>
House Keeping				
Bad, minimal stone, v	ery uneven			
Visual Exposure	A STATE OF THE STA			
Poor				
			×.	
Employee Clearance V	/iolation		Angel Charles	and the second
Yes				
Employee Hazard				
	o low to ground. Refer to "G	General Findings"		
Touch and Step Poten		10 2 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1		
Poor grounds, and no	surface stone			

Previous Spills	
Yes	
Spill Containment Construction	
None	
Spill Containment Condition	
N/A	
Proximity to Waterways	
Yes, across the roadway (hwy 17)	
Soil Contamination	
Yes	
Soil Contamination Location	
Near spare transformer and staining on transformer pad	
PCB Identification	
Yes	

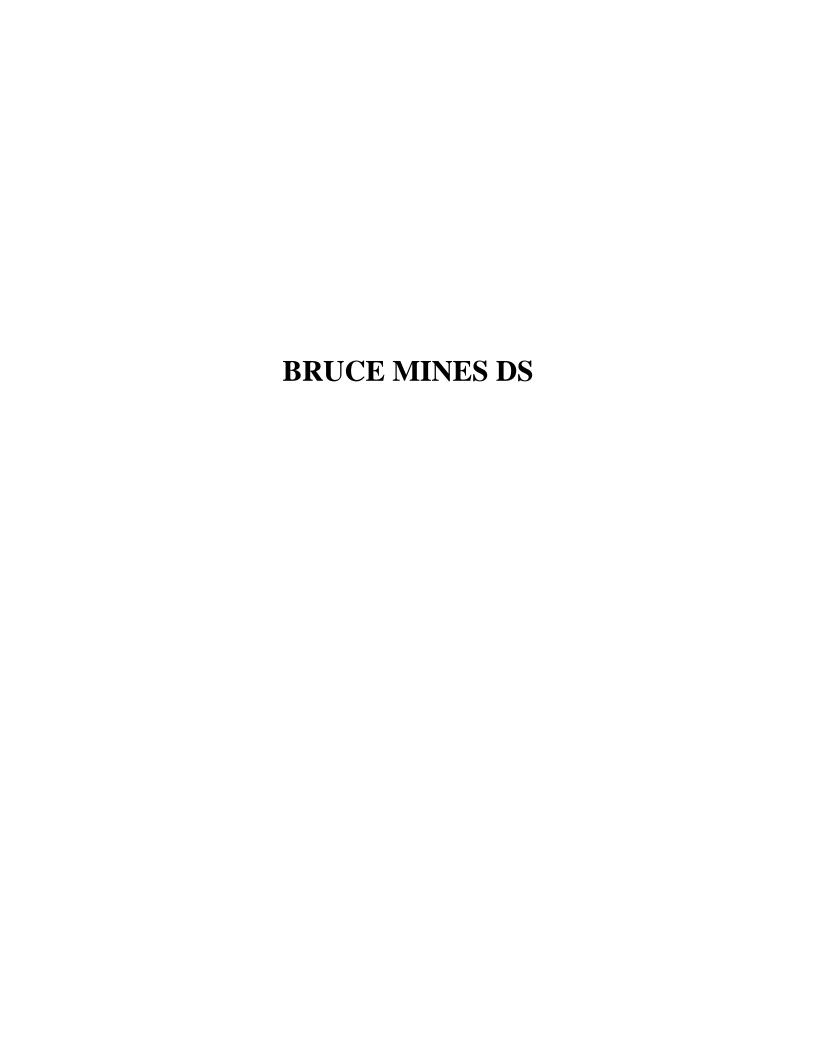
tatian Galastan	D-44	T Year □	2007
tation Selected	Batchewana DS		2007
ence Grounding C			
Covered in TS con- cound the exterior	dition assessment. There does no side of fence.	t seem to be a ground g	rid
Major Equipment à	nd Structure Grounding		
OK			
DΚ			
^o ortable Ground At			
OK Portable Ground At None			
^P ortable Ground At None	ttachment Devices		
Portable Ground At None Grounding System	tachment Devices Connectors		
^o ortable Ground At	tachment Devices Connectors		
Portable Ground At None Prounding System Some aluminum ar	tachment Devices Connectors		

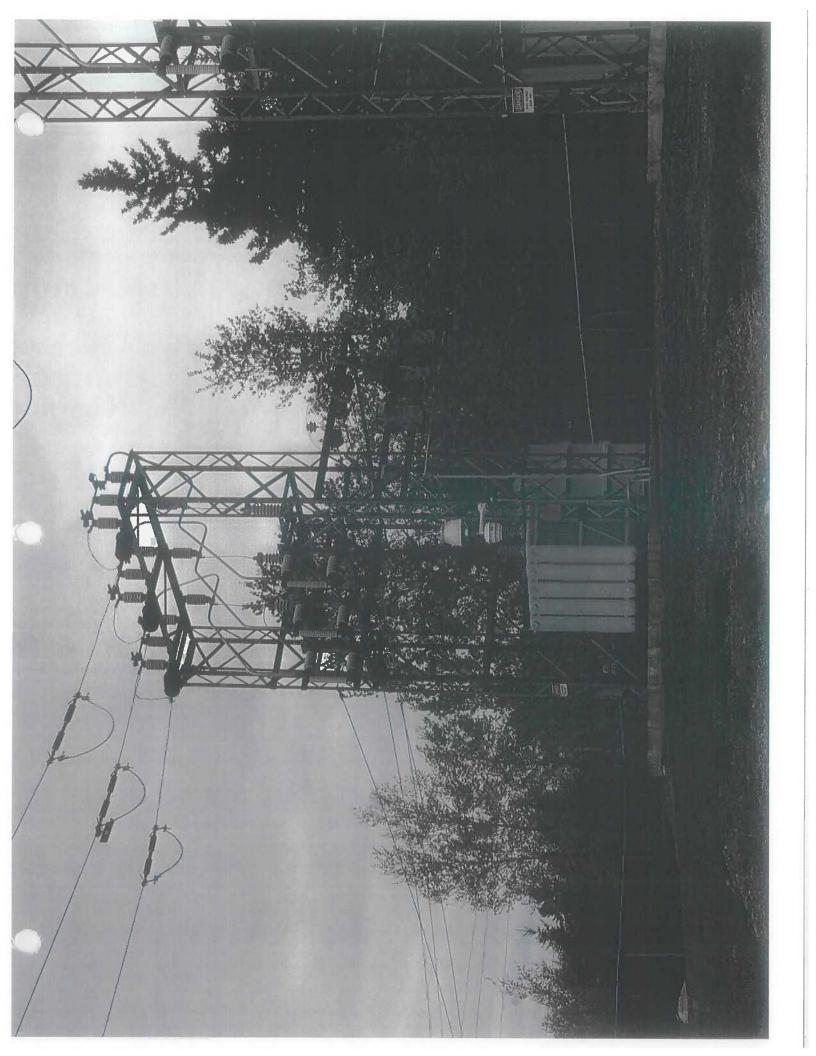
Station Site Condition Delete Record 2007 Station Selected Year Batchewana DS Vegetation Control Lots of growth Rodent Problems None apparent **Roadway Condition** Entrance OK, inside very uneven and rocks/bolders inside yard, Minimal stone Site Drainage Condition Ditch around station Structure Foundation Condition OK Structure Condition Some rusty and poor Yard Lighting Condition

Needs attention, especially in the supply wiring. The existing wiring looks as though it was a tempoary connection that was never finalized.

Building Assessment

Station Selection	Batchewana DS	Year	2007
Building Foundation			
N/A			
 	aleselvita (l. 1804) alek alek ile ti		
Building Structures			
N/A			
Building Windows and D	oor		
N/A			
Building Roof			
N/A			· · · · · · · · · · · · · · · · · · ·
Building HVAC and Light	Ihg		
N/A			
Building Fire and Securit	y System		
N/A			# # # # # # # # # # # # # # # # # # #
		and the state of t	
Building Energy Efficienc	ÿ		
N/A			





	Station	n Functiona	lity
Delete Record			
Station Selected	Bruce Mines DS	YEAR	2007
Station One Line Dia	agram (Verify against system o	neline, AC/DC schemati	ics)
Notes:			
Redundant and Obs	olete Equipment		
Notes:	27.2.2.2.2.		
Batteries, Charger, isolated but are still Equipment Ratings	undervoltage relays. Removed mounted on steel structure.	in 2007. Station service	transformers (6)
Notes:			
3 x 1000 kVA Onan	, Bruce Mines @ 4.16 kV/2300	on tap 5 (31350 V) Buil	t 1976
Operating Problems			
Notes:			
Switches 062 inope	rative for motor operation. Mar	nual hnadles installed in	2007 for 061 and 062
viaintainability (Cost.	Parts, Outages, Work Equipm	ent)	

Notes:

Customer outage for any work

Controlled Access

	_	
Station	2 6 0	lected
	1 . 7	IECTED.

Bruce Mines DS

Year

2007

Controlled Access Notes.

Gates OK on Bruce Mines side of DS

Delete Record

Safety and Environment

Station Selected	Bruce Mines DS	Year	2007
Fence Condition Clear	ance		
Fence leaning out on I it. Too much space un	North Side, South side top rader fence in numerous local	ail bent in one spot, tions	loose and broken next to
High Voltage Warning	Signs		
some. West side only	has one sign, another is nee	eded on this side.	
Pedestrian Clearance \	√iolations		
Only oinside the subst	ation. Transformers are too	low.	
House Keeping OK			
OK .			
√isual Exposure			
Poor, yard is uneven a	nd has some bolders/rocks	sticking up	
Employee Clearance Vi	olation		
Yes, HV and LV within	reach on transformers. Ref	er to "General Find	ings"
Employee Hazard			
Yes, low clearances			
Fouch and Step Potent	ial Barrier Condition		
No crushed stone in ya			

Previous Spills	
None apparent	
Spill Containment Construction	
None	
Spill Containment Condition	
N.A.	
Proximity to Waterways	
Ditch around DS on two sides	
0.11.0	
Soil Contamination	
None apparent	
Soil Contamination Location	
N.A.	
PCB Identification	
Yes, < 2	

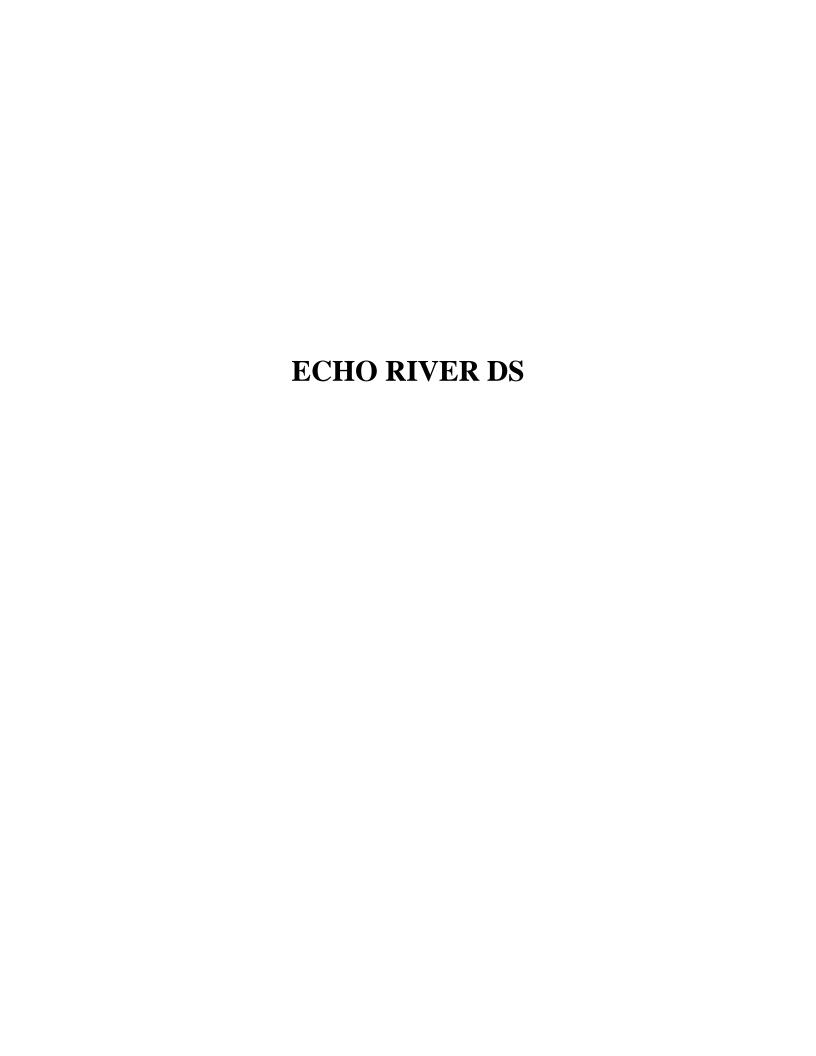
	Station Grou	nding	
Station Selected	Bruce Mines DS	Y	/ear 2007
Fence Grounding Co	ondition		
Top connections to	ground done with aluminum a	ampacts	
Major Equipment an	d Structure Grounding		
No ground conductor structure. No ground station not connected	ors to switch or fuse bases, N ds on 062, 058, 3810-4, PT F d to ground.	o grouund connec uses. Guy wire or	cted on back legs of n West side inside
Portable Ground Atta	achment Devices		
Permanent ground r	nats installaed in 2007.		
Grounding System C	Connectors		
Aluminum squeeze/	crimp connectors on some sp	oots.	
Ground Surface (To	uch and Step Potential)		

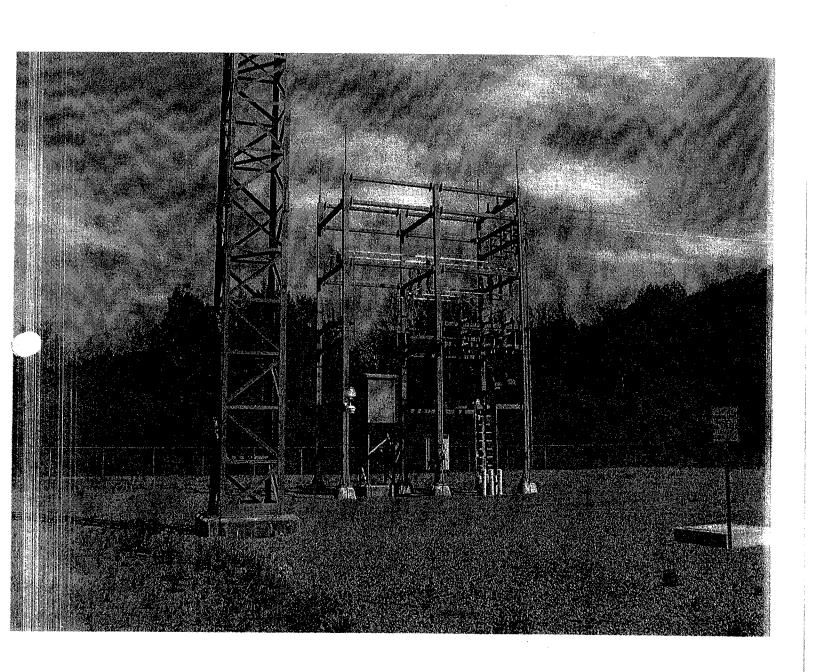
No crushed stone, no ground gradient control mats at switches

Station Site Condition Delete Record Bruce Mines DS 2007 Year Station Selected Vegetation Control Lots of weeds and grass Rodent Problems None apparent Roadway Condition Rough and soft, uneven Site Drainage Condition Ditch around station on two sides Structure Foundation Condition Some surface crumbling Structure Condition Needs painting, Lots of rust Yard Lighting Condition OK on Thessalon side, Bruce Mines side of station did not come on.

Building Assessment

Station Selection	Bruce Mines DS	Year	2007
Building Foundation			
Removed in 2007.		The second secon	
Building Structures			
N/A			
Building Windows and I	Door		
N/A			
Building Roof			
N/A			
Building HVAC and Ligh	nting		
N/A	ikapadennisi		
Building Fire and Secur	ity System		
N/A			
Building Energy Efficien	су		
N/A		The second secon	





(

Station Functionality

Delete Record	territoria de la compansión de la compan		
Station Selected	Echo River DS	YEAR	2007
Station One Line Diag Notes:	gram (Verify against system	oneline, AC/DC sche	matics)
	System Operating diagram a atter does not show groundir what unclear.		
- Redundant and Obsol Notes:	lete Equipment		
None			
4			
Notes:			
Equipment Ratings Notes: OK, 562 CB 600 amp	o continuous, 020 S&C circu	it switcher 1200 amp	continuous
Notes:	o continuous, 020 S&C circu	it switcher 1200 amp	continuous
Notes: OK, 562 CB 600 amp Operating Problems	p continuous, 020 S&C circu	it switcher 1200 amp	continuous
Notes:	p continuous, 020 S&C circu	it switcher 1200 amp	continuous
Notes: OK, 562 CB 600 amp Operating Problems Notes:	o continuous, 020 S&C circu	it switcher 1200 amp	continuous
Notes: OK, 562 CB 600 amp Operating Problems Notes:	o continuous, 020 S&C circu	it switcher 1200 amp	continuous
Notes: OK, 562 CB 600 amp Operating Problems Notes: None	o continuous, 020 S&C circu		continuous

	Sontrolled Acc	ess		
Station Selected	Echo River DS	Year T	2007	
Controlled Access No Gate on DS side OK	otes: , TS side has gap under it			
	Delete Record			

Safety and Environment

Station Selected Echo River DS	e 11 11 1 E	Year	2007
Fence Condition Clearance			
Good			
l High Voltage Warning Signs			
Yes	<u> </u>		the state of the s
Pedestrian Clearance Violations	Market and the second section		
None			
House Keeping			
Good			
Visual Exposure			
Good			A CONTROL OF CONTROL OF THE CONTROL
Employee Clearance Violation			
None	No. of the local distance of the local dista	and the state of t	maker and a secretary of the secretary o
Employee Hazard			
None			
Touch and Stop Potential Parrier Canditian			
Touch and Step Potential Barrier Condition	<u></u>		
Good, Surface layer of crushed stone and all	structu	ires properly ground	ea ea

Previous Spills None			The second of th		errando de acessagado de deservado en conse
VOLIG					
oill Containment Construction					
I/A					
					ili 10 15 16 may 1 may 1 may 1 mag 18
pill Containment Condition					
I/A		manda da se en esta esta esta esta esta esta esta esta			
en a la Marine da Barra de Capallono de encarron do un recordo a persono el Riso.	rua doti anti ¹ i a				
roximity to Waterways					
No					
					수 : : : : : : : : : : : : : : : : : : :
oil Contamination					
None					
oil Contamination Location					
V/A	a priigi din common del un monero de la un principa de	MARKET SALVE C.			
SAMERICA SA					
CB Identifcation					
N/A					
				Gereka ya Nave	e Dan Root Ari
50명 (1955년 - 1955년 - 1956년 - 1956년 - 1956년 - 1 1956년 - 1956년					

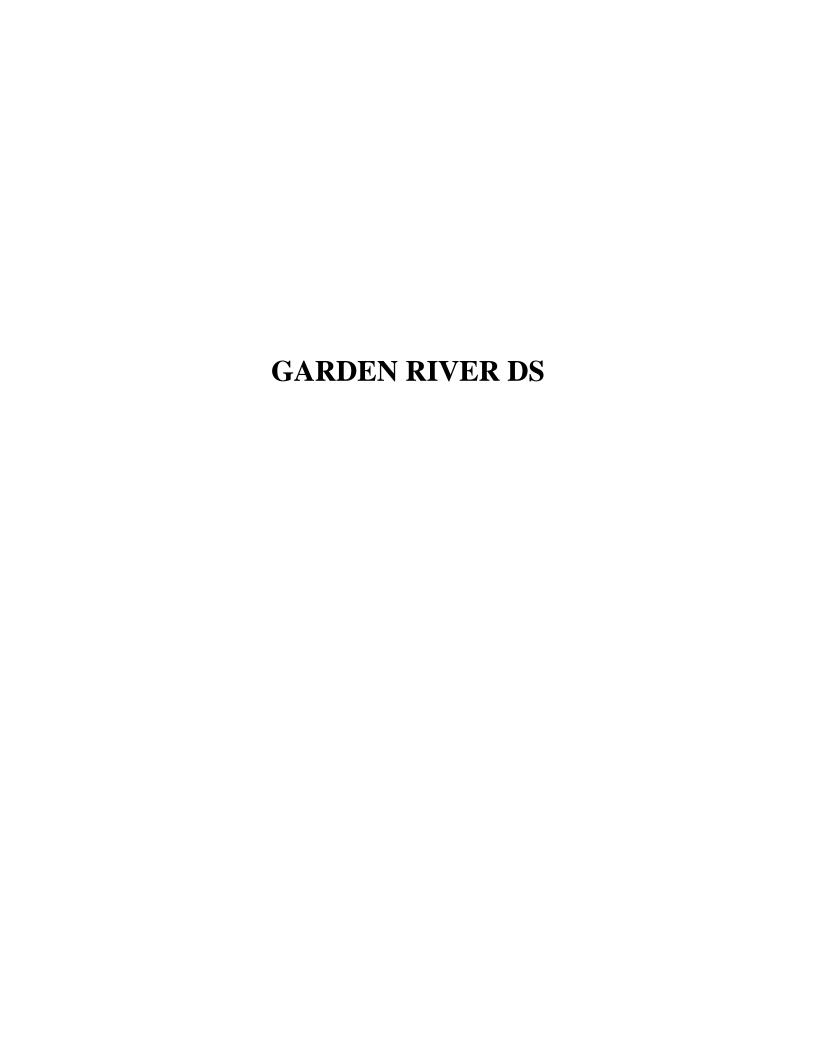
Ţ.

Station Grounding

	oramon onos	Hemra	
Station Selected	Echo River DS	Year [2007
Fence Grounding C	ondition		
OK			
Major Equipment a	nd Structure Grounding		
Good			
Portable Ground At	tachment Devices		
None			
		espinate in distriction of the original	
Grounding System	Connectors		
Most are good in D	S equipment		
Ground Surface (To	ouch and Step Potential)		
Good, Some weeds			

Station Site Condition

Station Selected Echo River DS	Year	2007
/egetation Control		
Some weeds		
Rodent Problems		
None in DS Equipment		
Roadway Condition		
Good		
		e e e e e e e e e e e e e e e e e e e
Site Drainage Condition		
Good		
Structure Foundation Condition		
Good		
Good Structure Condition		
Good Structure Condition		
Good Bructure Condition Good (ard Lighting Condition		
Structure Foundation Condition Good Structure Condition Good Yard Lighting Condition Good on DS side		





Station Functionality

Delete Record			
Station Selected	Garden River DS	YEAR	2007
Notes:	gram (Verify against system or lect all work completed in 2007		ics)
Redundant and Obsc Notes:	olete Equipment		
none			
Equipment Ratings Notes: OK, 600 A switches			
Operating Problems			
Notes: Switch operating han	dles to be rotated 90 degrees.		
Maintainability (Cost, I Notes:	Parts, Outages, Work Equipme	ent)	
Requires customer ou	tage to perform maintenance		

Controlled Access

Station Selected

Garden River DS

Year

2007

Controlled Access Notes:

Gates OK. Fence extended to allow for new oil containment.

Delete Record

Building Assessment

Station Selection	Garden River DS	Year	2007
Building Foundation			
N/A			
Building Structures			
N/A			
*			
Building Windows and D	oor		
N/A			
Building Roof			
N/A			i de la manda de la composição de la com
IN/A			
Building HVAC and Light	ing		
N/A			
Building Fire and Securit	v System		
N/A	, 0,000		
Building Energy Efficienc	у		
N/A			

Safety and Environment

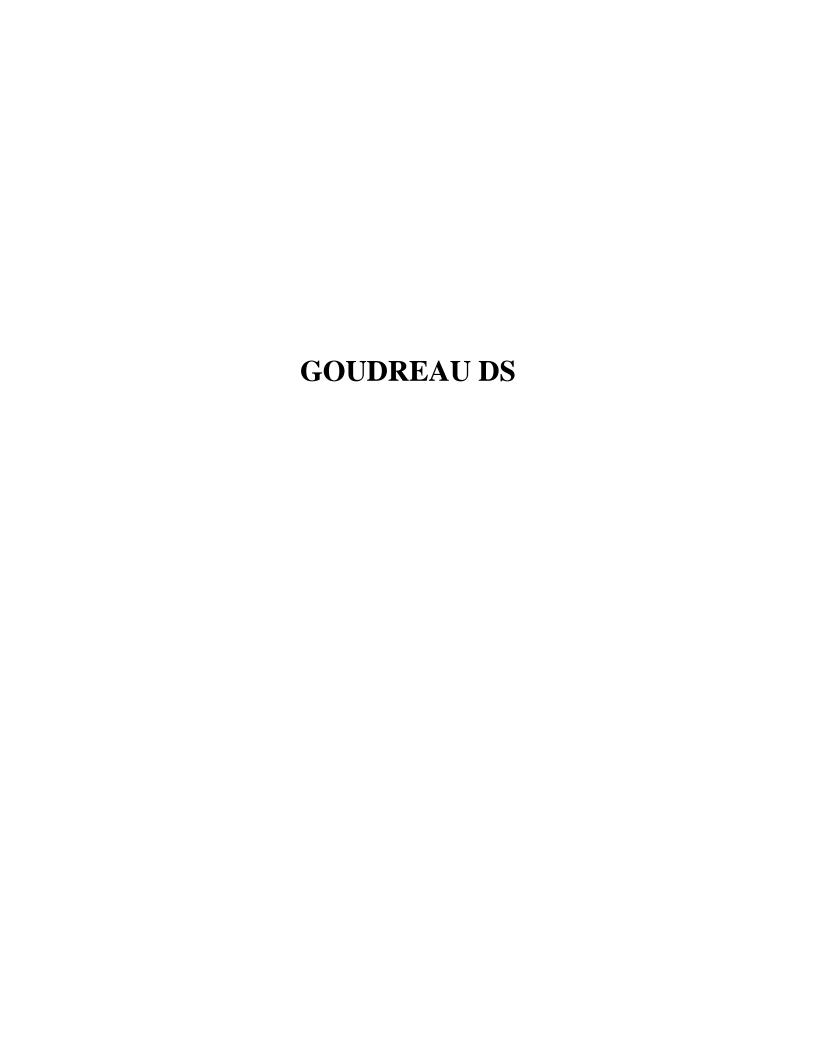
Station Selected	Garden River DS	Year	2007
Fence Condition Clear	ance		
6 inches or more unde containment.	er the fence in most places. F	ence extended to a	allow for the new oil
High Voltage Warning	Signs		
One on each side of the	ne fences		
Pedestrian Clearance \	/iolations		
None			
House Keeping			
Good.			
Visual Exposure			
	ovations are complete in 200	7	
l Employee Clearance Vi	iolation		
LV side close to limit			and the second s
Employee Hazard			
None	Waste State of the	Address Control of the Control of th	
l Touch and Step Potenti	ial Barrier Condition		
	ended and perimeter ground	d conductor installed	around perimeter of
yard. Additional stone	placed within the yard and ar	ound the perimeter	of the fence.

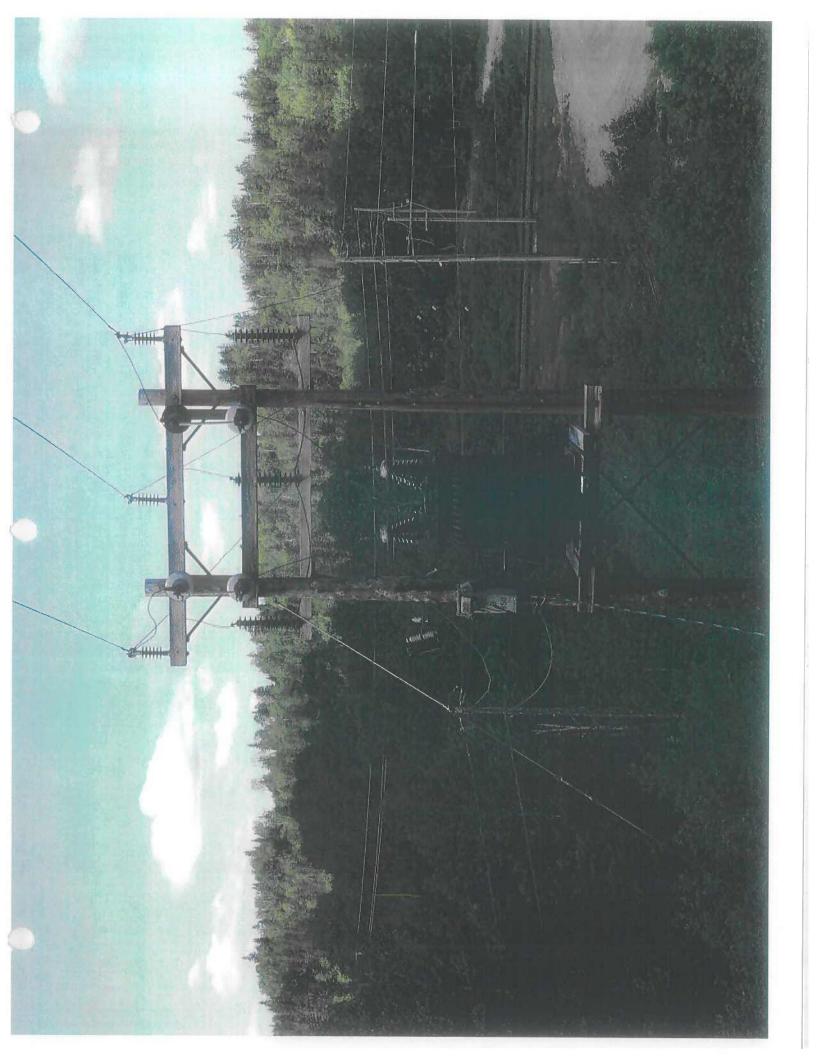
Previous Spills	
None	
Spill Containment Construction	
New oil containment installed around T1 and T2 in 2007. Containment included collector sump with Imbiber unit and sample sump.	containment,
Spill Containment Condition	
Good New	
Proximity to Waterways	
No, ditch around station. Minimal ditch along roadside.	
Soil Contamination	
None apparent	
Soil Contamination Location	
N/A	
PCB Identification	
Non, transformer built 1992, so should be clean, but no labels to indicate testing	

	Station Ground	aing
Station Selected	Garden River DS	Year 2007
Fence Grounding Co Upgraded in 2007	ondition	
	d Structure Grounding	
Ok, no grounds on s	witch or fuse bases	
Portable Ground Atta Permanent ground r		
Grounding System C		
aluminum ampact in arrester connections	one spot - structure connectors i to ground	ncorrect, ampacts on lightning
	uch and Step Potential)	
Lots of weeds. To be for 2007	e reviewed once current construct	tion within the yard is complete

Station Site Condition

Delete Record			
Station Selected	Garden River DS	Year	2007
Vegetation Control			
Lots of weeds and sma	all trees		
Rodent Problems			
none apparent			
Roadway Condition			
OK			-
Site Drainage Condition			
OK			
Structure Foundation C	ondition		
OK			
Structure Condition			
OK			
Yard Lighting Condition			
none			





Delete Record	31	auon	runcti	onam	У
Station Selected	Goudreau DS		YEAR		2007
Station One Line Dia	agram (Verify against	system oneli	ne, AC/DC sc	hematics)	
1186 fused disconn	ect shown backwards SS transformer not sh	on SLD, 119	31 should be s There is a ch	ymbol #5, ip out of H2	1189 is shown 2 bushing.
 Redundant and Obs	olete Fauinment				
Notes:	Siete Equipment				
Old Guy wires are st	ill in the ground	CONTRACTOR STATE OF THE STATE O			
Equipment Ratings					
Notes.					
OK, SF6 circuit brea shape and should b	aker rated 1200 amp, e replaced.	overrated for	installation 1	186 fuses a	are in really bad
Operating Problems					
Notes:					
None					

Maintainability (Cost, Parts, Outages, Work Equipment)

Notes.

Heater installation on circuit breaker #2 not completed at time of inspection.Breaker #4 and #6 complete. SF6 is a little low and should be checked.

Controlled Access

04-11	0 -		
Station	30	Petrad	

Goudreau DS

Year

2007

Controlled Access Notes:

all equipment is pole mounted, circuit breaker has access ladder locked

Delete Record

Safety and Environment

Station Selected	Goudreau DS	Year	2007
Fence Condition Cleara	ance		
No fence			
l High Voltage Warning \$	Signs		
Signs on poles			
l Pedestrian Clearance ∖	iolations		
Bell line runs on the su serious tripping hazard	rface of the ground from t	he structure to a near	by pole. Creates a
House Keeping			
OK, except old pole stu	ımps and guy wires left in	ground	
Visual Exposure			
DS is poor, old transfor	mer needs cleaning and p	painting	
Employee Clearance Vi	olation		
None			
Employee Hazard			
None,			
l Touch and Step Potenti	al Barrier Condition		
None None		and the state of t	

Previous Spills	
None apparent	
Spill Containment Construction	
None	
Spill Containment Condition	
N.A.	
Proximity to Waterways	
No	
Soil Contamination	
None apparent	
soil Contamination Location	
N.A.	design to a
CB Identification	
Not on main transformer, ss transformer has old 'lab tested' sticker	<u> </u>

E

Station Grounding

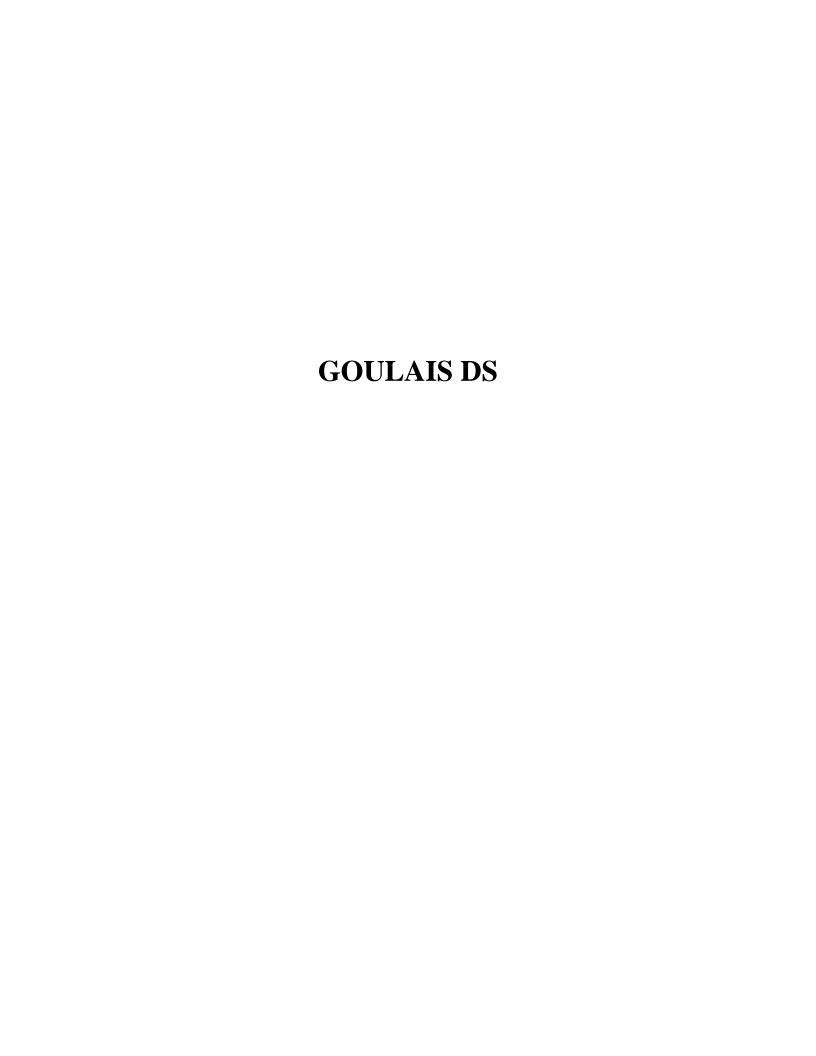
Station Selected	Goudreau DS	Year	2007
Fence Grounding C	Condition		
No fence			
Major Equipment a	nd Structure Grounding		
No grounds on swit	ch or fuse bases		nd. elicitelis hit establicate in termental anno consumerando equipo comi
Portable Ground At	tachment Devices		
None			######################################
Grounding System	Connectors		
Ampacts where the	re are any		
Ground Surface (To	ouch and Step Potential)		
N.A.			

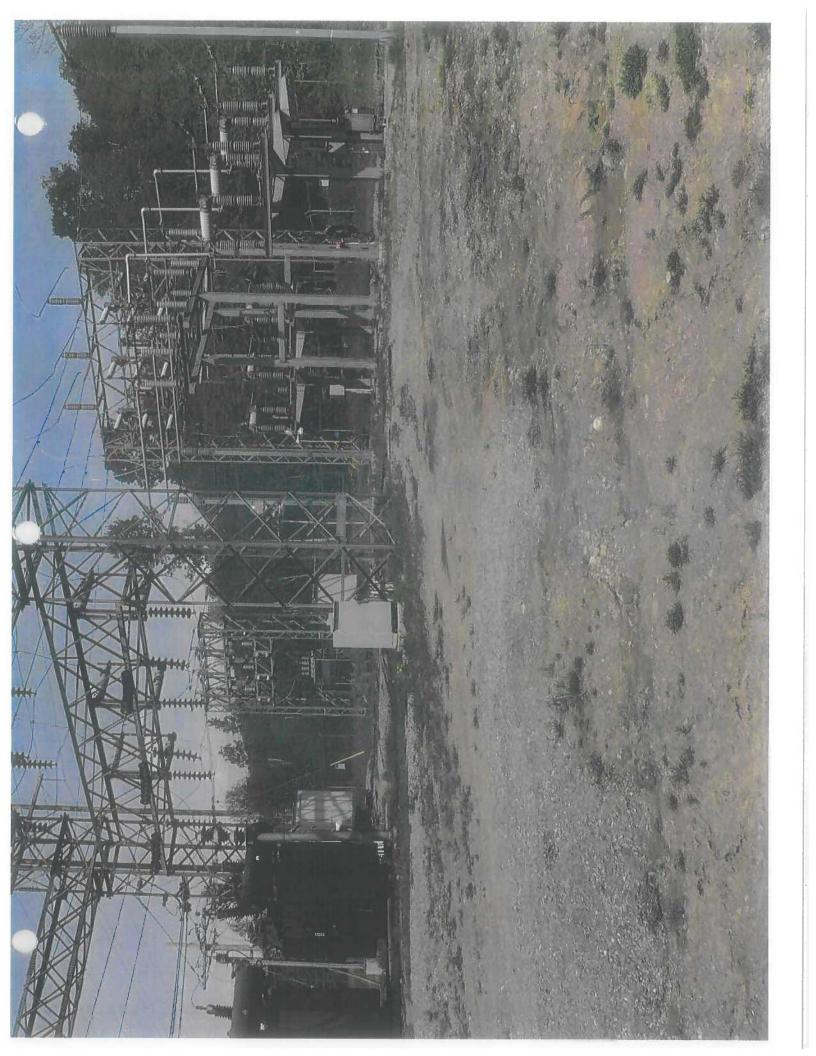
Station Site Condition

	Goudreau DS	Year	2007
Vegetation Control			
None. Lots of vegitation	n in surrounding area.		
Rodent Problems			
None apparent	ten dia artika di dindamenden ande artina di mene ken antongala kina arani, arani, arani, aring pengangan di di	um militari kan ilay kengangan kendantah militari di silah ilay kan kan kan kan kan di sebagai dan sebagai seba	
Roadway Condition			
OK, access road poor			
Site Drainage Conditior	n		
OK			
	Condition		
Structure Foundation C	condition		
Structure Foundation C None	Condition		
Structure Foundation C None Structure Condition	condition w for circuit breaker, older at DS,	but appear OK	
Structure Foundation C None Structure Condition	w for circuit breaker, older at DS,	but appear OK	

Building Assessment

Station Selection	Goudreau DS	Year	2007
Building Foundation			
N.A.	<u>andrei al altitudi dalla di edipologi adeglolla de l'accessamente a conservazione a qua</u>	MANAGER MENANCICIONAMANTO	
Building Structures			
N.A.			
Building Windows and	Door		
N.A.			
Duilding Doof			
Building Roof N.A.			
11.7			
Building HVAC and Lig	hting		
N.A.			
Building Fire and Secur	rity System		
N.A.			
Duilding Engage Efficien			
Building Energy Efficier N.A.	icy		
1 4.7 4.			





Station Functionality

Delete Record

Station Selected

Goulais DS

YEAR

2007

Station One Line Diagram (Verify against system oneline, AC/DC schematics)

Notes:

Shown on main operating diagram only, no single line for this station.

Redundant and Obsolete Equipment

Notes:

None in DS side, TS side has extra bus, switches etc

Equipment Ratings

Notes.

Old OCB's were removed in August 2007.

Operating Problems

Notes

Switches on 12 kV are old single phase hook-stick operated and are in very poor shape, they do appear to be operable

Maintainability (Cost, Parts, Outages, Work Equipment)

Notes:

No maintenance without customer outage. For maintenance issues refer to email dated 06/08/2007, 04:38 PM at start of binder for reference to Switch 584 and 585

Controlled Access

Station Selected	Goulais DS	Year [2007
Otation Goldotoa	Journals Do		2001

Controlled Access Notes:

Gate has large gap under it. Reported on TS condition assessment.

Delete Record

Safety and Environment

Station Selected	Goulais DS	Year	2007
Fence Condition Cleara	ance		
Gaps and poor fence of	condition		
High Voltage Warning S	Bigns		
Yes			
Pedestrian Clearance V	/iolations		
None			
House Keeping			
Poor. The yard is very throughout yard	uneven with ruts and hol	es located throughou	t. Minimal stone
Visual Exposure		-1,	
Poor, snow fence arou	nd old Oil Circuit Breake	rs. Yard needs overa	III cleanup
 Employee Clearance Vi	olation		
Yes, at 25 kV recloser	The second control of the second seco		
Employee Hazard			
Yes limits of approach	are in question in some	areas	
I Touch and Step Potenti	al Barrier Condition		
Poor, little to no crushe			

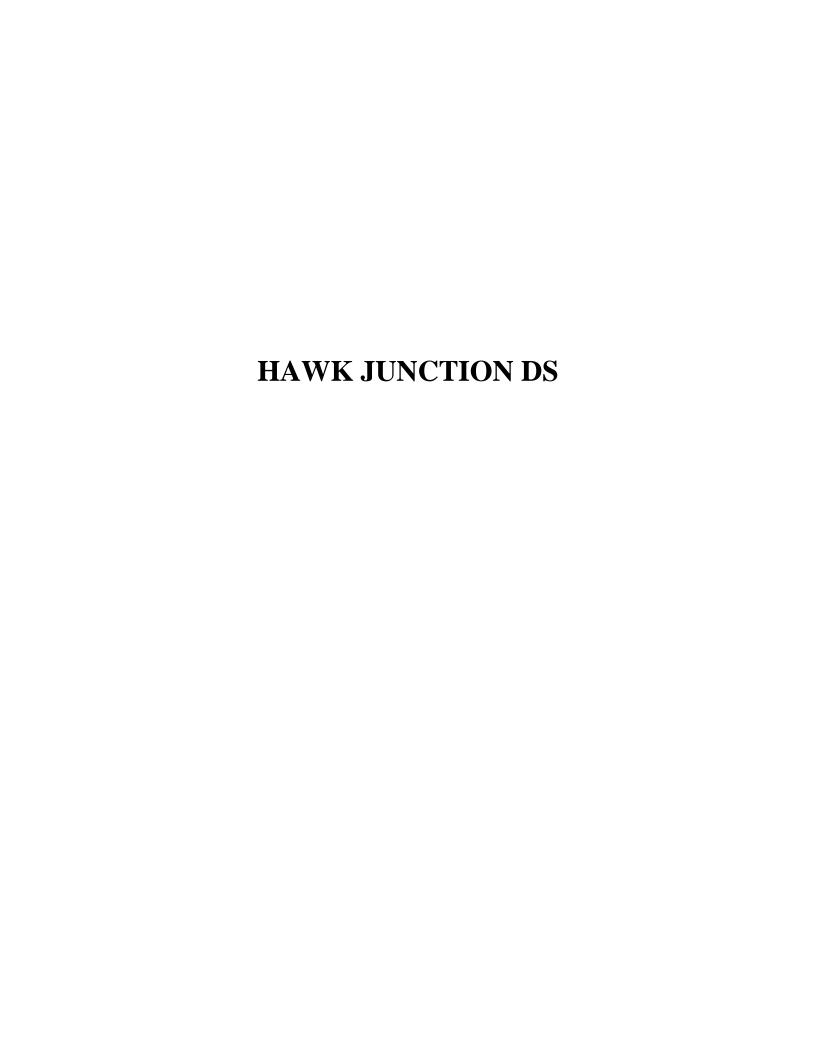
Previous Spills
Yes
Spill Containment Construction
None
Spill Containment Condition
N/A
Proximity to Waterways
Yes, ditch in front of station leads to Lake Superior
Soil Contamination
Yes
Soil Contamination Location
Around old oil circuit breakers that were removed. Soil contamination around main transformers (TS) was removed in August 2007 as part of the new oil containment project.
PCB Identification
Yes

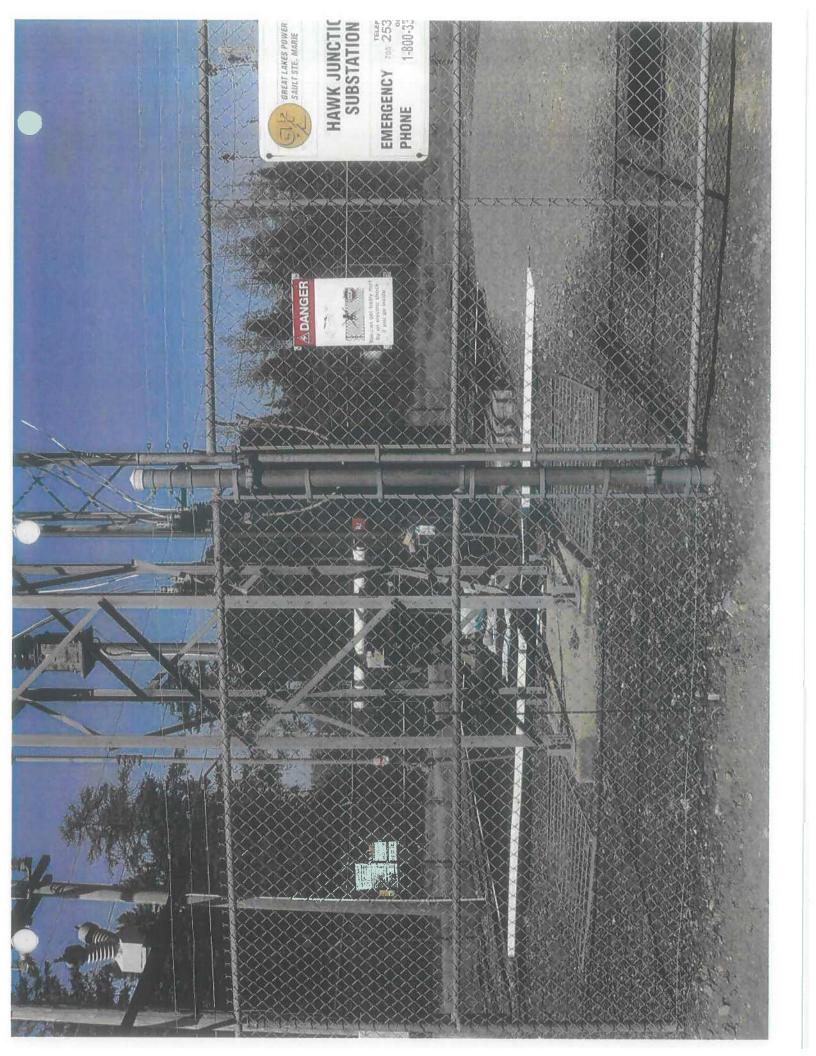
Station Grounding

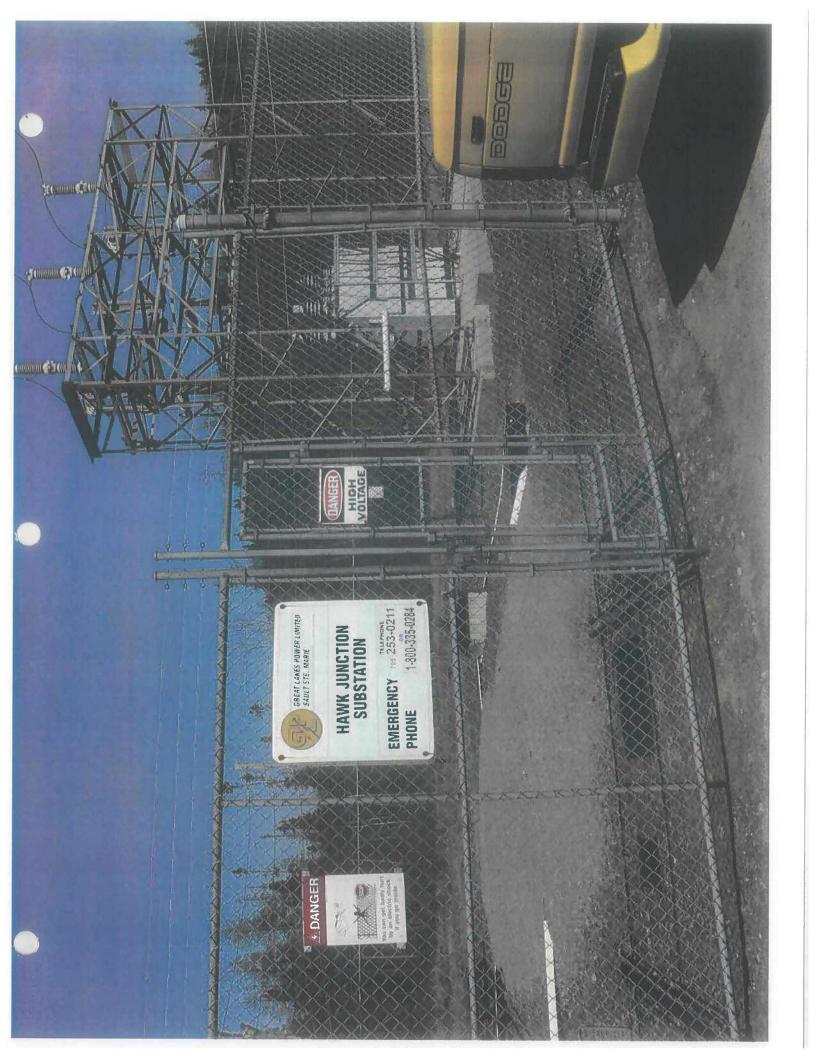
Station Selected	Goulais DS	Year	2007
Fence Grounding C	Condition		
Some aluminum an	npacts		
Major Equipment ar	nd Structure Grounding		
Poor, no grounds o	n switch or fuse bases,		
Portable Ground Att	tachment Devices		
None			
None			
None			
None Grounding System	Connectors		
Grounding System	Connectors npacts, some aluminum crimp co	onnectors used on grour	nds
Grounding System		onnectors used on grour	nds
Grounding System		onnectors used on grour	nds
Grounding System of Some aluminum an		onnectors used on grour	nds
Grounding System of Some aluminum and Ground Surface (To	npacts, some aluminum crimp co	onnectors used on grour	nds
Grounding System of Some aluminum and Ground Surface (To	npacts, some aluminum crimp co	onnectors used on grour	nds
Grounding System of Some aluminum and Ground Surface (To	npacts, some aluminum crimp co	onnectors used on grour	nds

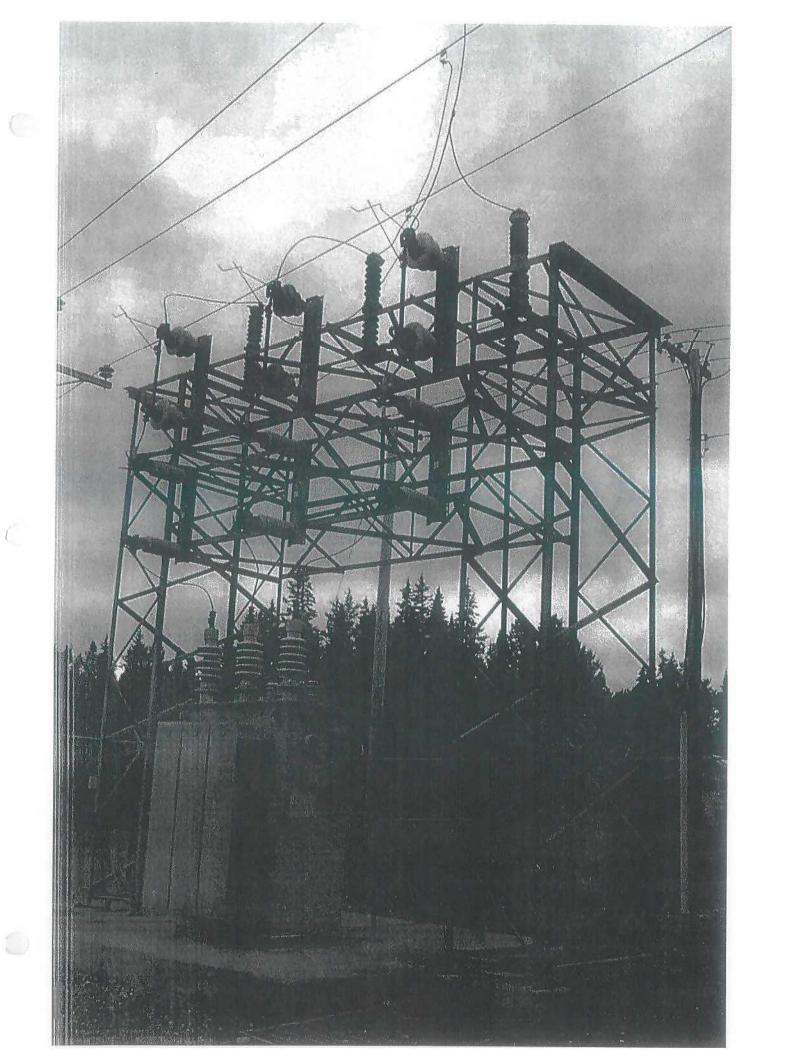
Station Selected Goulais DS Year Vegetation Control Lots of weeds Rodent Problems None apparent Roadway Condition Poor, ruts, uneven, mud etc. Site Drainage Condition Good ditch around station Structure Foundation Condition Some are crumbling Structure Condition LV structure over oil circuit breakers is in bad shape, very rusty	
Vegetation Control Lots of weeds Rodent Problems None apparent Roadway Condition Poor, ruts, uneven, mud etc. Site Drainage Condition Good ditch around station Structure Foundation Condition Some are crumbling Structure Condition	
Lots of weeds Rodent Problems None apparent Roadway Condition Poor, ruts, uneven, mud etc. Site Drainage Condition Good ditch around station Structure Foundation Condition Some are crumbling Structure Condition	2007
Rodent Problems None apparent Roadway Condition Poor, ruts, uneven, mud etc. Site Drainage Condition Good ditch around station Structure Foundation Condition Some are crumbling Structure Condition	
None apparent Roadway Condition Poor, ruts, uneven, mud etc. Site Drainage Condition Good ditch around station Structure Foundation Condition Some are crumbling Structure Condition	
Roadway Condition Poor, ruts, uneven, mud etc. Site Drainage Condition Good ditch around station Structure Foundation Condition Some are crumbling Structure Condition	
Poor, ruts, uneven, mud etc. Site Drainage Condition Good ditch around station Structure Foundation Condition Some are crumbling Structure Condition	
Site Drainage Condition Good ditch around station Structure Foundation Condition Some are crumbling Structure Condition	
Good ditch around station Structure Foundation Condition Some are crumbling Structure Condition	
Structure Foundation Condition Some are crumbling Structure Condition	
Some are crumbling Structure Condition	
Structure Condition	
	(AII)
= V di	
Marcel Lieukakine ya Canadiki ana	
Yard Lighting Condition	
OK .	

Build	ding Assessm	ent	
Station Selection	Goulais DS	Year	2007
Building Foundation			
N/A			
Building Structures			
N/A			
Building Windows and D	oor		
N/A			
Building Roof			
N/A			
Building HVAC and Ligh	ting		
N/A			
PSP STATE OF STREET			
Building Fire and Securi	y System		
N/A			
Building Energy Efficiend	су		
N/A			









Station Functionality

	plant and the second se	and the second second	Service manage the color
Station Selected	Hawk Jct DS	YEAR	2007
		1	

Notes:

PT missing from single line, 1184,1183,1182 and 1181 incorrect symbol-should be #2 from legend

Redundant and Obsolete Equipment

Notes:

Switch 1184, 1183 & 1182 are green tagged.

Equipment Ratings

Notes:

Regulator is oversized (46.375 MVA and 63 kV. Need 44 kV 12-15 MVA) New can, meter and disconnect switch installed for station transformer (4800 V)

Operating Problems

Bypass switch is on an angle, cannot be used for work protection. Switch 1182 has broken shunt.

Maintainability (Cost, Parts, Outages, Work Equipment)

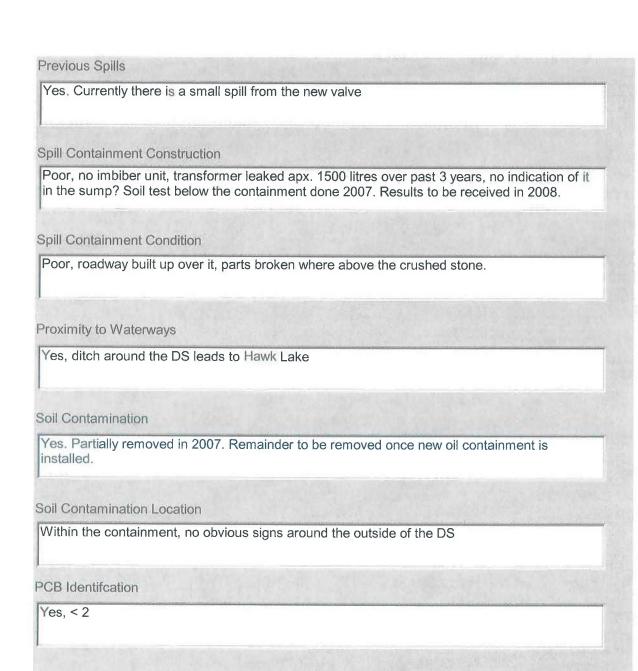
Notes:

Need lift truck or large bucket truck to maintain switches, requires customer outage to all customers to perform any maintenance.

	Controlled Acc	ess
Station Selected	Hawk Jct DS	Year 2007
Controlled Access	Notes.	
Gates OK		
	Delete Record	
	Delete Record	

Safety and Environment

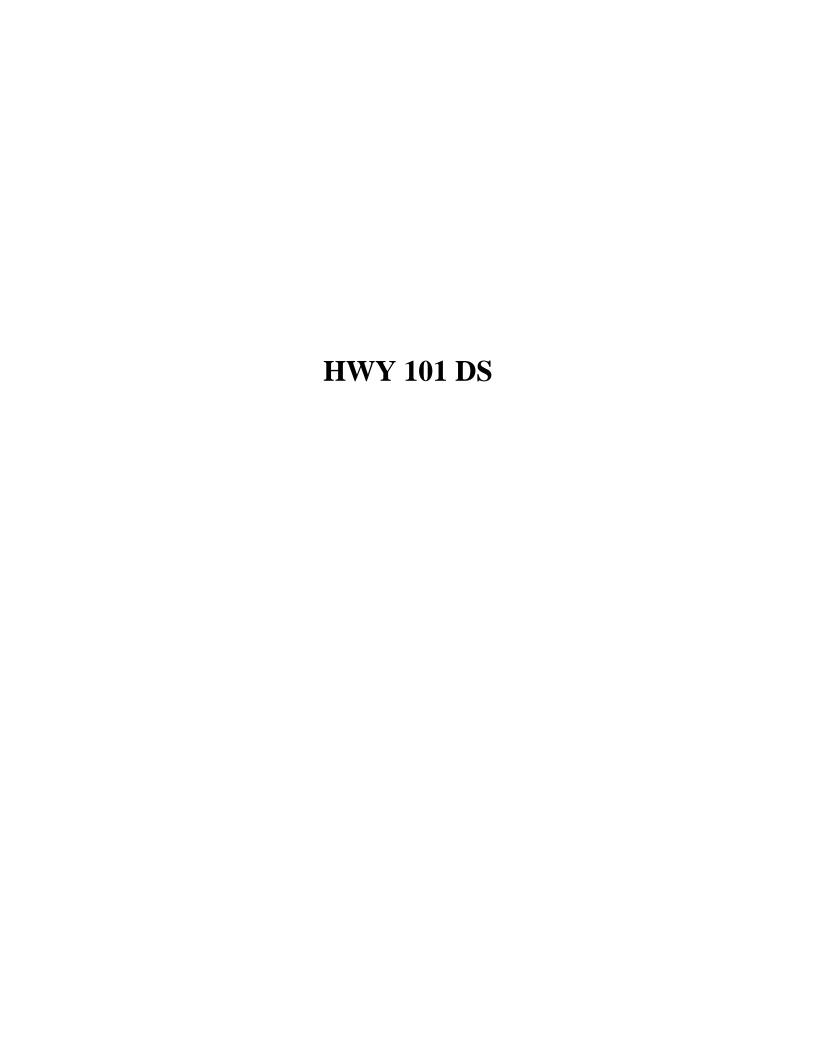
Station Selected	Hawk Jct DS	Year T	2007	
Fence Condition Clear	ance			
Fence OK. Space und	ler the gate.			
I High Voltage Warning	Signs			
Yes				
Pedestrian Clearance	Violations			
None			and the state of t	
House Keeping				
OK, except for oily ma	terial within the containmer	nt		
Visual Exposure				
Poor, because of oil le	eaks and staining on regula	tor		
 Employee Clearance V	iolation			
Yes				
I Employee Hazard				
	v. You could easily reach th	ne 4.6 kV secondary	or the 44 kV pri	mary side
Touch and Step Potent	ial Barrier Condition			
	cted to steel structure only	(not directly to are:	nd)	
owner nationes confidence	cied to steel structure offly	(not directly to groun		

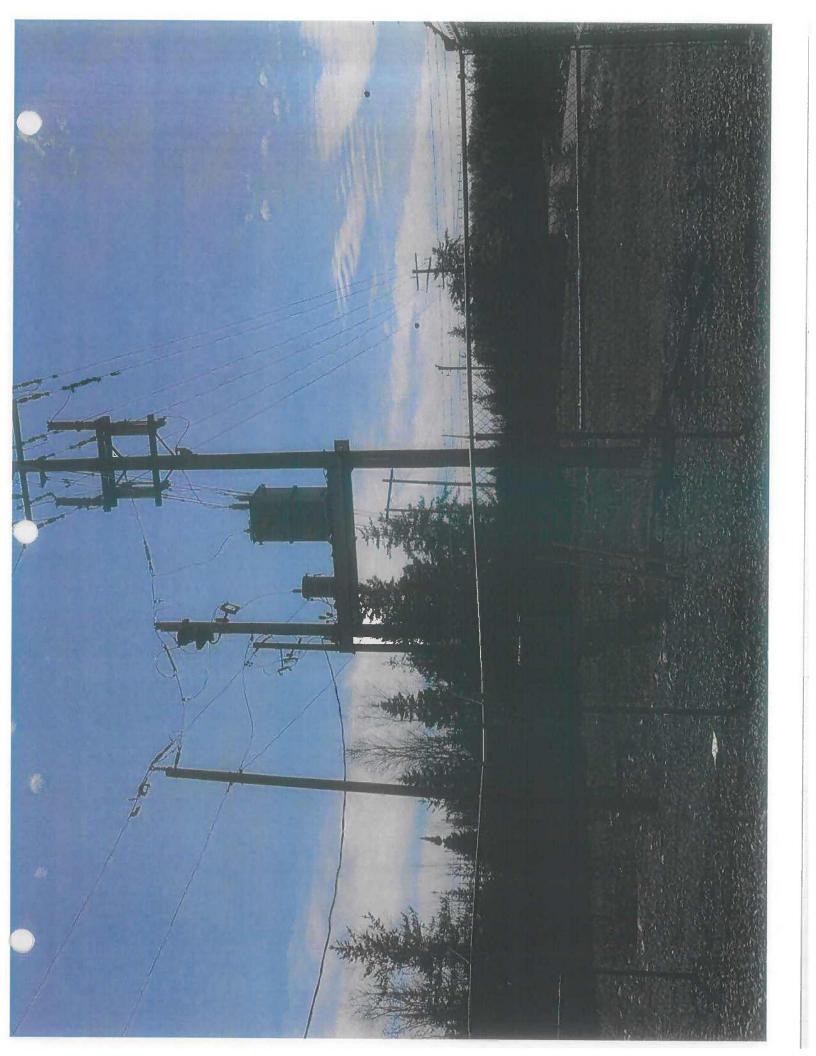


	Station Gr	Grounding		
Station Selected	Hawk Jct DS		Year	2007
Fence Grounding Co	ondition			
OK				
Major Equipment an	nd Structure Grounding			
Switch bases not greegulator.	ounded, Perimeter grour	nd conductor sti	cking up on back	side near
Portable Ground Atta	achment Devices			
None				
Grounding System C	Connectors			
Lots of aluminum an especially on the DS	npact connectors on the stransformer.	ground and ne	utral connections	,
Ground Surface (To	uch and Step Potential)			
OK, except switch ha	andles not connected to	ground, only to	the structures.	

	Station Site C	Condition	
Delete Record			
Station Selected	Hawk Jct DS	Year	2007
Vegetation Control			
Poor, lots of weeds an	d grass.		
Rodent Problems			
none apparent			
Roadway Condition			
OK but goes over (buil	t up) the VR oil containment		
Site Drainage Condition			
Seems OK, ditch arou	nd the station		
Structure Foundation C	ondition		
Cement OK, except so	me surface crumbling under the \	VR	
Structure Condition			
Steel OK, some old wo	oden poles look to be in bad shap	pe	
Yard Lighting Condition			
One dusk to dawn light	, not sure if it works (wiring to it a	ppears poor)	

Building Assessment Station Selection Hawk Jct DS Year 2007 **Building Foundation** N.A. **Building Structures** N.A. **Building Windows and Door** N.A. **Building Roof** N.A. Building HVAC and Lighting N.A. Building Fire and Security System N.A. **Building Energy Efficiency** N.A.





Station Eupotionality

Station Selected	Highway 101 DS	YEAR	2007
Station One Line Dia Notes.	gram (Verify against system	oneline, AC/DC schematic	os)
Shown only on Main	System Operating diagram,	no single line	
Redundant and Obso	olete Equipment		
Notes:			
None			
Equipment Ratings			
Notes:			
3 x 167 kVA, 34.5 k	V to 7.2 pole mounted transf	ormers	
Operating Problems			
Notes:			
No spares available,	Located up a pole structure		
Maintainability (Cost,	Parts, Outages, Work Equip	ment)	

Controlled Access

Station Selected

Highway 101 DS

Year

2007

Controlled Access Notes:

No gates, pole mounted units

Delete Record

Safety and Environment

Station Selected	Highway 101 DS	Year	2007
Fence Condition Cleara	ance		
No fence			
High Voltage Warning S	Signs		
Sign located on pole			
Pedestrian Clearance V	/iolations		
None			
House Keeping			
ОК			
Visual Exposure			and a state of the first representations and the state of
Good, Metal platform			
ı Employee Clearance Vi	olation		
None			
Employee Hazard			
None			
I Touch and Step Potenti	al Barrier Condition		
None		Pilotologica de la companya de la c	

Previous Spills
None
Spill Containment Construction
N/A
Spill Containment Condition
N/A
Proximity to Waterways
Michipicoten river close by
Soil Contamination
None apparent
Soil Contamination Location
N/A
PCB Identification
yes, non-pcb on nameplate

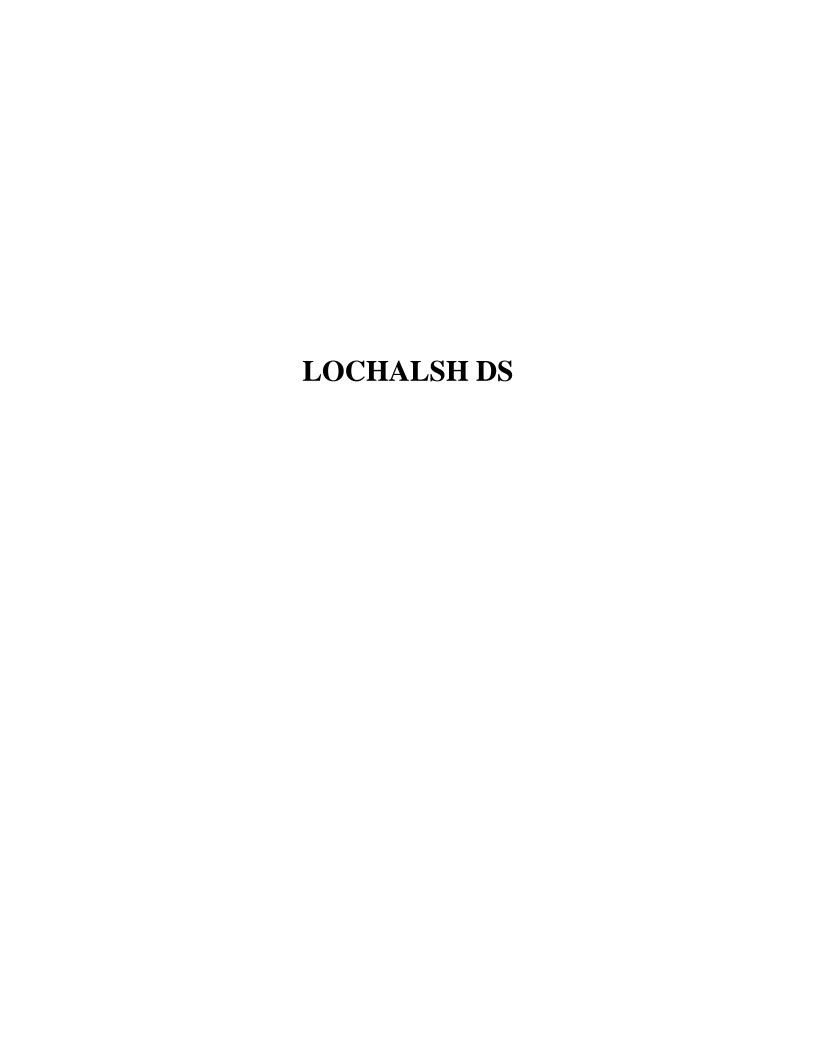
Station Grounding

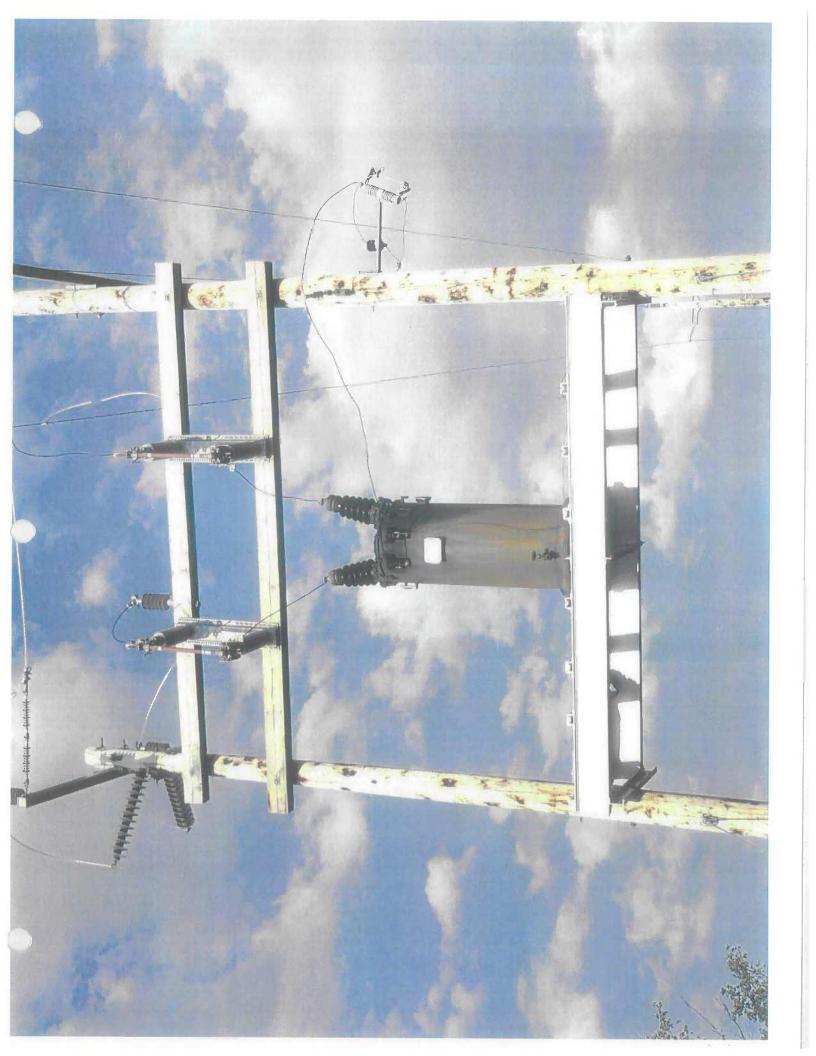
	Station Ground	amy	
Station Selected	Highway 101 DS	Year	2007
ence Grounding Co	ondition		
No fence, pole mou	nted		
Major Equipment an	d Structure Grounding		
ÓK			
Portable Ground Att	achment Devices		
None	acilinent Devices		
rvone			
Circumdina Cuatana			
Grounding System (OK, Ampacts	Connectors		
OK, Ampacis			
Ground Surface (To	uch and Step Potential)		
N/A Pole mounted			

Station Site Condition

Delete Record			
Station Selected	Highway 101 DS	Year	2007
Vegetation Control			
Lots of weeds etc, this i	s on the right-of-way		
Rodent Problems			
None			
Roadway Condition			
OK, a bit uneven and sa	andy		
Site Drainage Condition			
Good			
Structure Foundation Co	ondition		
N/A, poles			
Structure Condition			
Good, new pole			
Yard Lighting Condition			
None			

Building Assessment Highway 101 DS 2007 Station Selection Year **Building Foundation** N/A **Building Structures** N/A **Building Windows and Door** N/A **Building Roof** N/A Building HVAC and Lighting N/A **Building Fire and Security System** N/A Building Energy Efficiency N/A





Station Functionality

Delete Record Station Selected Lochalsh DS YEAR 2007 Station One Line Diagram (Verify against system oneline, AC/DC schematics) Fuse 1194 is shown opposite to installed. Redundant and Obsolete Equipment Notes. None **Equipment Ratings** Notes. 44 kV to 4.6 kV **Operating Problems** Notes: None Maintainability (Cost, Parts, Outages, Work Equipment) Notes.

Need bucket truck to maintain. Located on a steel platform at apx. 20'

	Controlled Access	3
Station Selected	Lochalsh DS	Year 2007
Controlled Access	Notes:	
	Delete Record	

(

Safety and Environment

Station Selected	Lochalsh DS	Year	2007	
Fence Condition Clear	ance			
N.A.				
High Voltage Warning				- who are to near the
Located on pole struct	ture			
Pedestrian Clearance \	Violations			
None			411	
House Keeping				
Surrounding grass is le	ong		and the second s	
grade is i	g .			
,				
Visual Exposure				
O.K.	ties and the second	titionen in vita times till in meljon mynn, mill derland komisisken in de semen in en in en in en in en in en	A Monte de la companya	orienio-glivorinios
Employee Clearance V	iolation	en e	tion of the sector of the sect	
None				
Employee Hazard				
None			<u>anna da kan da da ana manaka nyaéna nyaéna na kanaka nyaéna na manaka na kaominina da amaka na kaominina da a</u>	······································
Touch and Step Potent	tial Barrier Condition			
None.	and the state of t		Maria Maria de Miliano de Maria de Mari	

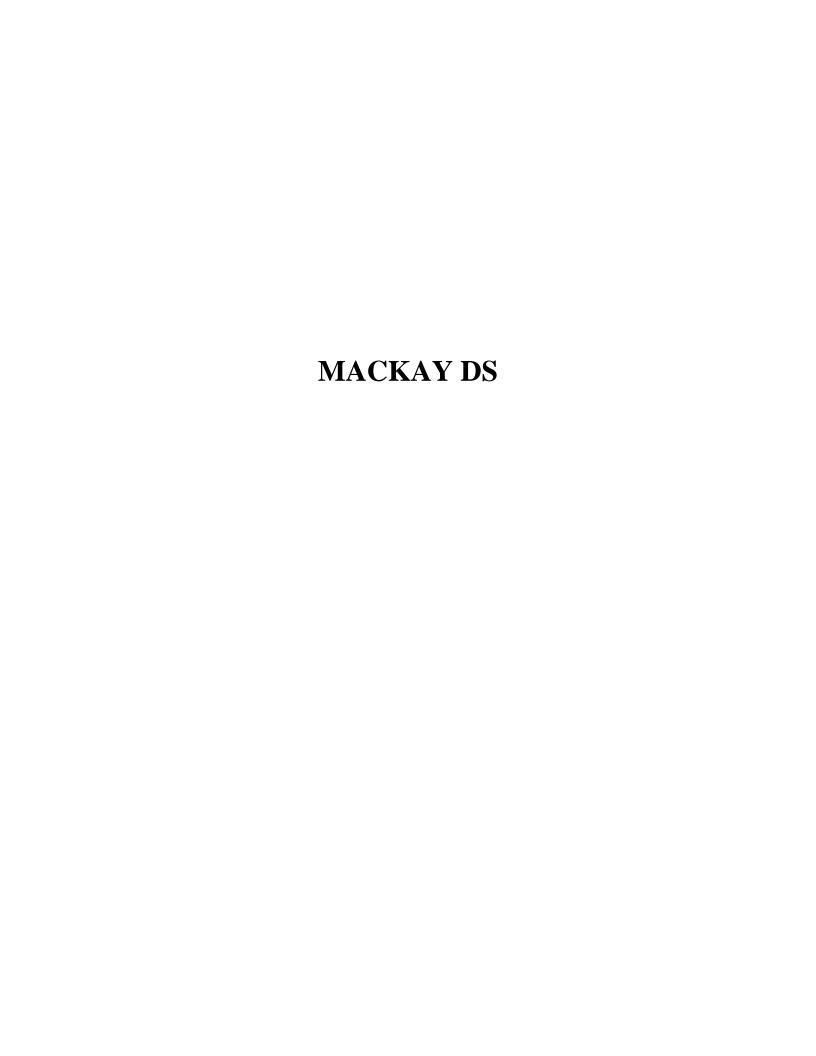
Previous Spills				
No			200 (200 a) (2	
Spill Containment Construction				
None				
Spill Containment Condition				
N.A.				
Proximity to Waterways				
None				
Soil Contamination				
None				that himself a comment of deal
Soil Contamination Location				
N.A.			anna a sii siineena ayaa daga gaga aa saasa	
PCB Identifcation				
None visible	and a second transfer of the second and the second			

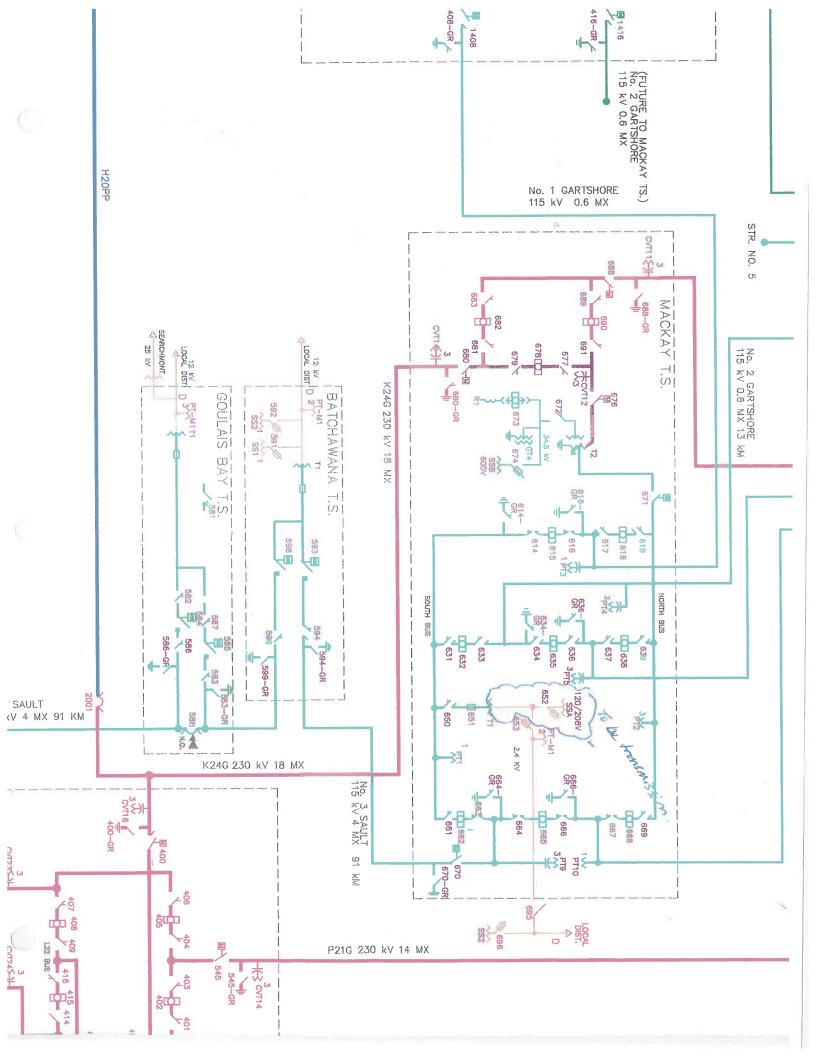
(

	Station Groun	aing	
Station Selected	Lochalsh DS	Year	2007
Fence Grounding C	Condition		
N.A.			
Major Equipment a	nd Structure Grounding		
Yes			
Portable Ground At	tachment Devices		
None			
Grounding System	Connectors		
None			
Cround Surface (Tr	push and Ctan Datantial)		
	ouch and Step Potential)		
None			

Station Site Condition Delete Record 2007 Station Selected Lochalsh DS Year Vegetation Control None Rodent Problems None Roadway Condition Rough, Very remote location Site Drainage Condition Good Structure Foundation Condition Good Structure Condition Poles seem good Newer steel plateform Yard Lighting Condition None

Building Assessment Lochalsh DS Station Selection Year 2007 **Building Foundation** N.A. **Building Structures** N.A. **Building Windows and Door** N.A. **Building Roof** N.A. **Building HVAC and Lighting** N.A. Building Fire and Security System N.A. Building Energy Efficiency N.A.





	Stati	on Function	onali	ty
Delete Record			Have	
Station Selected	Mackay D.S	YEAR		2007
Station One Line Dia Notes:	agram (Verify against syste	em oneline, AC/DC sch	nematics)	
Shown on main syst	tem opeating diagram only	, no single line availab	le	
	olete Equipment			
Notes:		an alternate feed for th	e custom	ers from a generator
	olete Equipment nected, but left to provide a I in 2008 once the current			
Notes: SS2 has been disco	nected, but left to provide a			
Notes: SS2 has been disco This will be removed	nected, but left to provide a			
Notes: SS2 has been disco This will be removed Equipment Ratings Notes.	nected, but left to provide and in 2008 once the current	upgrade is completed	in the 115	5 kV yard.
Notes: SS2 has been disconthis will be removed Equipment Ratings Notes. OK, 2.4 kV but T1 h	nected, but left to provide a	upgrade is completed rated 115kV to 2400/	in the 115	5 kV yard.
Notes: SS2 has been disco This will be removed Equipment Ratings Notes. OK, 2.4 kV but T1 h	nected, but left to provide a in 2008 once the current	upgrade is completed rated 115kV to 2400/	in the 115	5 kV yard.
Notes: SS2 has been disco This will be removed Equipment Ratings Notes. OK, 2.4 kV but T1 h usually 121 kV, so s	nected, but left to provide a in 2008 once the current has no taps avaiable and is secondary will be approxim	upgrade is completed rated 115kV to 2400/	in the 115	5 kV yard.
Notes: SS2 has been discording will be removed. Equipment Ratings Notes. OK, 2.4 kV but T1 husually 121 kV, so so	nected, but left to provide a in 2008 once the current has no taps avaiable and is secondary will be approxim	upgrade is completed rated 115kV to 2400/	in the 115	5 kV yard.
Notes: SS2 has been disconfinist will be removed Equipment Ratings Notes. OK, 2.4 kV but T1 husually 121 kV, so see	nected, but left to provide a in 2008 once the current has no taps avaiable and is secondary will be approxim	upgrade is completed rated 115kV to 2400/	in the 115	5 kV yard.
Notes: SS2 has been discording will be removed. Equipment Ratings Notes. OK, 2.4 kV but T1 husually 121 kV, so seen continuous.	nected, but left to provide a in 2008 once the current has no taps avaiable and is secondary will be approxim	upgrade is completed rated 115kV to 2400/	in the 115	5 kV yard.
Notes: SS2 has been discording will be removed. Equipment Ratings Notes. OK, 2.4 kV but T1 husually 121 kV, so seen continuous.	nected, but left to provide a in 2008 once the current has no taps avaiable and is secondary will be approxim	upgrade is completed rated 115kV to 2400/	in the 115	5 kV yard.
Notes: SS2 has been discording will be removed. Equipment Ratings Notes. OK, 2.4 kV but T1 husually 121 kV, so	nected, but left to provide a in 2008 once the current has no taps avaiable and is secondary will be approxim	upgrade is completed s rated 115kV to 2400/	in the 115	5 kV yard.
Notes: SS2 has been discording will be removed. Equipment Ratings Notes. OK, 2.4 kV but T1 husually 121 kV, so	nected, but left to provide a in 2008 once the current has no taps avaiable and is secondary will be approxim	upgrade is completed s rated 115kV to 2400/	in the 115	5 kV yard.

Controlled Access

Station Selected

Mackay D.S.

Year

2007

Controlled Access Notes.

Within the 115 kV Mackay T.S, all gates and fence on the D.S. side

Delete Record

Safety and Environment

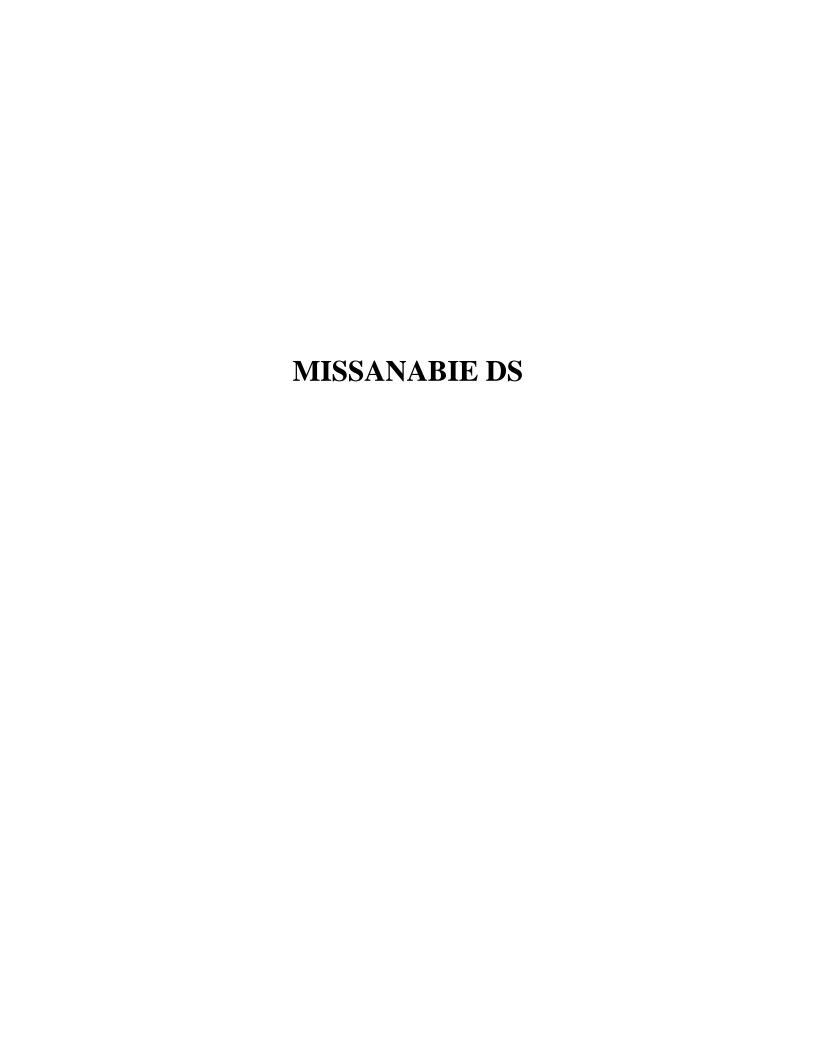
Station Selected	Mackay DS	Year	2007
Fence Condition Clear	rance		
new, (contained within	n the TS)		
ligh Voltage Warning	Signs		
yes			
Pedestrian Clearance	Violations		
none			
House Keeping			
/isual Exposure			
OK			
Employee Clearance V	/iolation		
none			
Employee Hazard			
none			
Touch and Step Poten	tial Barrier Condition		

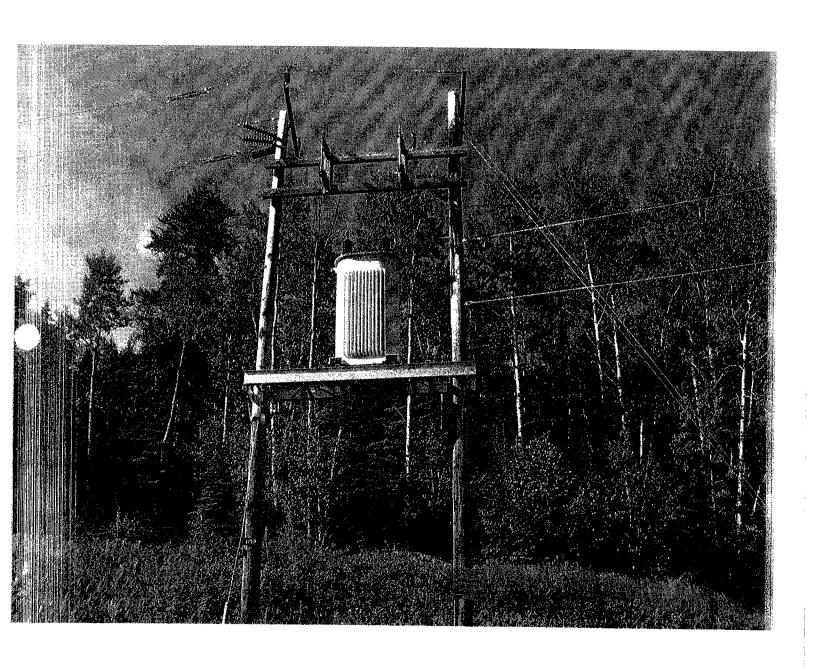
Previous Spills		
none		
Spill Containment Construction		
n/a		
Spill Containment Condition		
n/a		
Proximity to Waterways		
not directly		
Soil Contamination		
none		
Soil Contamination Location		
n/a		
PCB Identifcation		
yes		

Station Grounding

	Station Ground	iig	
Station Selected	Mackay D.S.	Year	2007
Fence Grounding Co			
New around T.S. en	nd where D.S __ is located		
	nd Structure Grounding		
OK			
Portable Ground Att	achment Devices		
None		10.00	
Grounding System (Connectors		
Old System used ar	npacts		
Ground Surface (To	uch and Step Potential)		
	kV yard. Existing yard is currently be	eing upgraded)

Station Site Condition Delete Record Mackay DS 2007 Station Selected Year **Vegetation Control** OK Rodent Problems none in DS equipment Roadway Condition OK Site Drainage Condition OK Structure Foundation Condition n/a Structure Condition Pole structures appear good. Platform seems to be rotten Yard Lighting Condition n/a





Station Functionality

Delete Record	Processed 44 Jahrs (e.g. copye code a section a age		gen Militaria in malai Palikan amakan suusian suusian suusi	and the second
Station Selected	Missinable DS	YEAR		2007
Station One Line Dia	gram (Verify against system	oneline, AC/DC sche	ematics)	
1176 shown backwa	rds on SLD			
Redundant and Obso	olete Equipment			
Notes:				
Line opened from Mi	ssinabi structure to old Rena	abie line switch		
Equipment Ratings				
Notes:		engan any aris sama any any any any any any any any any an	<u>alle talon de l'estación de la company plumignam y monencia, ma</u>	
Single phase transfo	ormer 46 kV to 4.6 kV 250 k	VA		
Operating Problems				
Notes:	martines committee for the forestern contract of the first of the contract of the first of the f	The section of the se	The solid case de consensor i consensor i de consensor	
None				
Notes:	Parts, Outages, Work Equip			
Need bucket truck to fuses located at site.	access the equipment, custo	omer outage for any r	naintenand	ce. Couple spare

Controlled Access

Safety and Environment

Station Selected	Missinabie DS	Year	2007	
	3		1	
Fence Condition Cleara	nce			
No fence, pole mounte	d	and the course has been all the buyers and the second seco		
High Voltage Warning S	Signs			
Yes on pole		and the first the first the first of the first terms and the first terms are the first terms and the first terms are the first terms and the first terms are the first		
Pedestrian Clearance V	iolations			
None				CHARLES STORY STORY CONTRACT IN A CONTRACT STORY CO
House Keeping		•		
ОК				
Visual Exposure				
OK, newer metal platfo	rm			
Employee Clearance Vid	plation			
No	4, 41	No		Sylven
Employee Hazard				
None		a da		
Touch and Step Potentia	al Barrier Condition			
N.A.			en televisionen dagg var er er er v. V. vor varete e enere	· · · · · · · · · · · · · · · · · · ·

Previous Spills
Leaking around tap switch handle.
Spill Containment Construction
N.A.
Spill Containment Condition
N.A.
Proximity to Waterways
Ditch
Soil Contamination
None apparent
Soil Contamination Location
N.A.
PCB Identification
Yes, label on transformer

Station Grounding

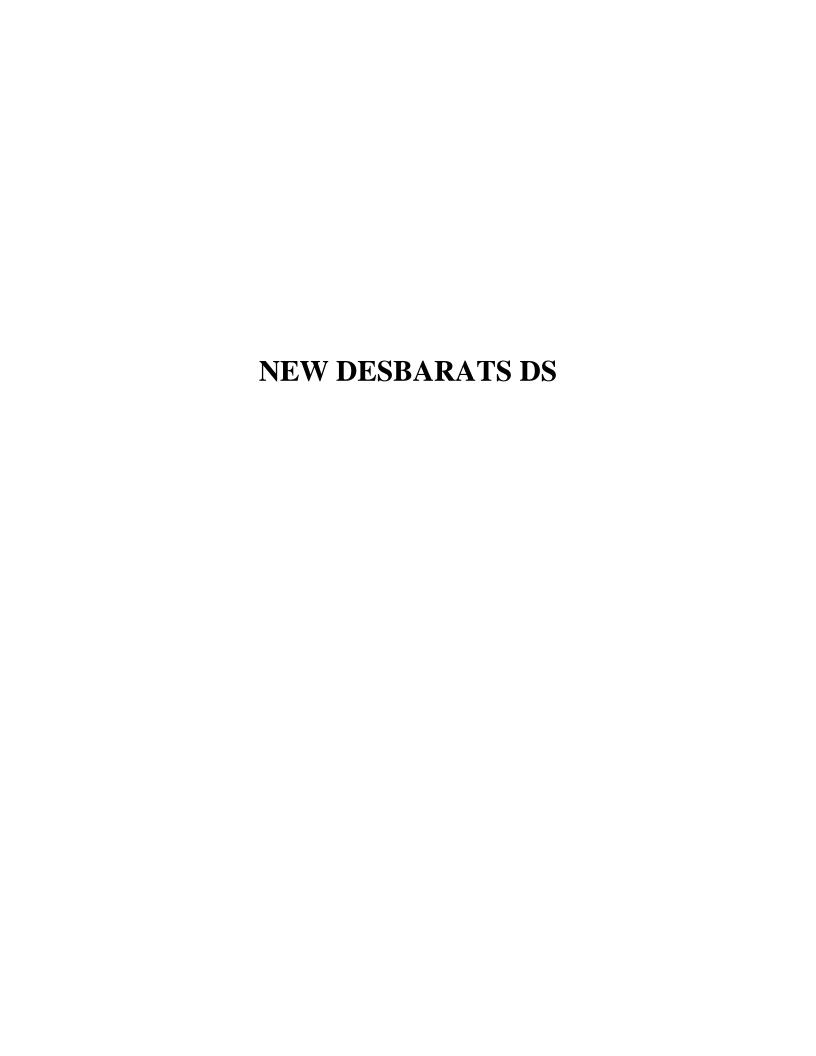
Station Selected	Missinabie DS	Year	2007
Fance Crounding C	andition		
Fence Grounding C	ONUME	and the same of th	· · · · · · · · · · · · · · · · · · ·
No fence			
ı			
Major Equipment an	d Structure Grounding		
No grounds on fuse	bases		Cold C Cold Cold Cold Cold Cold Cold Col
ŀ			
Portable Ground Att	achment Devices		
None	The state of the s		
Grounding System (Connectors		ALLEMAN AND THE STATE OF THE ST
Ampacts			
Ground Surface (To	uch and Step Potential)		
N.A.	aon ana otop rotontary		
14.7			

Station Site Condition

Delete Record			
Station Selected	Missinabie DS	Year	2007
Vegetation Control			
Lots of weeds and trees	3		
Rodent Problems			
None apparent		Managari Mindia - Ita Hasii Maa - adaga - 1000 Hasii - 7-a a aasaa	ACCORDING TO A STATE OF THE STA
Roadway Condition			
There is a roadway		A STATE OF THE STA	
Site Drainage Condition			
Ditch	100 100 100 100 100 100 100 100 100 100	THE RESERVE THE PARTY OF THE PA	
Structure Foundation Co	ondition		
N.A.			ON THE PROPERTY OF THE PROPERT
Structure Condition			· :
Pole structure looks god	od		THE RESERVE OF THE PROPERTY OF
Yard Lighting Condition			
None			

Building Assessment

Station Selection	Missinabie DS	Year	2007
Building Foundation			
N.A.			AN THE PROPERTY OF THE PROPERT
Building Structures			
N.A.			
Building Windows and Door			
N.A.			
Building Roof			
N.A.			AND
Building HVAC and Lighting			
N.A.			
Building Fire and Security S	ystem		
N.A.	Name and the specific and an arrangement of the specific and the specific		
Building Energy Efficiency			
N.A.	Marcon Artificia con control and control a		Andrew Control of the





Station Functionality

Delete Record

Station Selected

New Desbarats DS

YEAR

2007

Station One Line Diagram (Verify against system oneline, AC/DC schematics)

Notes:

Cap bank not physically connected, 045 incorrect symbol (should be #4), 054 incorrect symbol (should be #5), 049 and 053 are shown backwards and incorrect symbol (should be #4) SS Transformer not shown on SLD

Redundant and Obsolete Equipment

Notes:

Lots of redundant structures, cables, switches, insulators, 045, above 052 & 048, PT's and fuses. This station was designed to be much larger, but is largely unused.

Equipment Ratings

Notes:

5 MVA, 34.5 to 12.47 kV on tap 5, 32775

Operating Problems

Notes:

This station is a bottleneck for all the East subs (St. Josephs Island, Bruce Mines, Old Desbarats) This station is scheduled to receive upgrades in 2009

Maintainability (Cost, Parts, Outages, Work Equipment)

Notes:

Needs a total customer outage to perform maintenance on buswork. There is no way to by-pass this station to continue feeding St Joes or Bruce Mines/Thessalon

Controlled Access

Station Selected

New Desbarats DS

Year

2007

Controlled Access Notes:

Gates have large gaps under them. They need to be adjusted or extended. Serious public concern.

Delete Record

Safety and Environment

Station Selected	New Desbarats DS	Year [2007
Fence Condition Clear	ance		
There are large gaps	under the fence all around the	e station especiall	y on the backside.
ı High Voltage Warning	Signs		
Some			
Pedestrian Clearance	√iolations		
None			
House Keeping			
OK for the most part. site.	Some spare caps located in the	he yard. These sh	ould really be stored off
Visual Exposure			
the bus that has not be	n this is in extremely poor con- een replaced for more than two nrough and left unfinished. Th	o years. The cap	bank installation was
Employee Clearance V	iolation		
Reclosers 48 and 52 a	are too low, limits of approach	cannot be mainta	ained.
Employee Hazard			
Bolts sticking up from	old footings that were for the	reclosers that we	re never installed
Touch and Step Potent	ial Barrier Condition		
More surface stone sh	ould be installed throughout t	he yard.	

Previous Spills	Brok!
None apparent	
Spill Containment Construction	
OK except the imbiber unit has a valve on drain side and the outlet is directly connected drain, sump will not drain. Imbiber is mounted to high. New design to be considered. No	
Spill Containment Condition	
Good other than Imbiber unit piping	
Proximity to Waterways	
Ditch around station. Culvert on West side is plugged and has raised above ground leve both ends causing surrounding water to be above the roadway and into the yard.	lon
Soil Contamination	
None apparent	
Soil Contamination Location	
N/A	
PCB Identification	
Yes, non-psb on nameplate	

Station Grounding

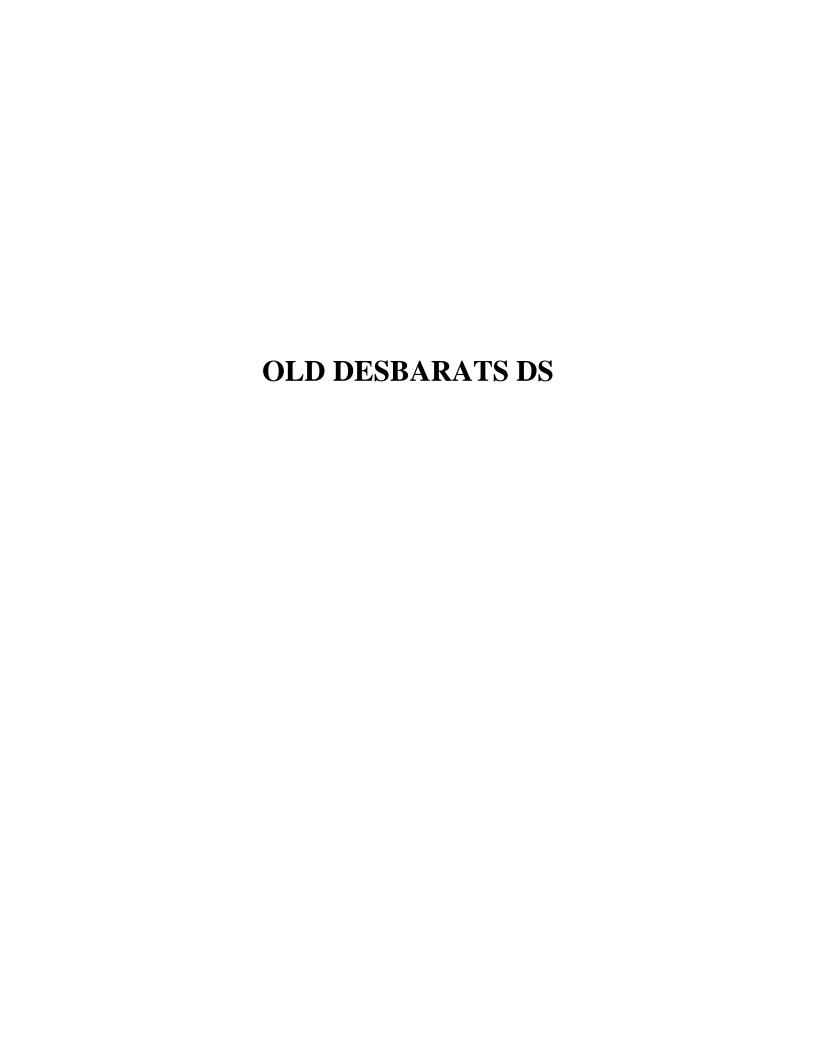
, sia							
Station Selected	New Desbarats DS	Year	2007				
Fence Grounding Condition							
OK	CANADA AND AND AND AND AND AND AND AND AN	A CONTRACTOR OF THE CONTRACTOR					
Major Equipment an	d Structure Grounding						
to ground. No groun	onnectors in some places. Guy wilds on switch bases or fuses. Neur ching tank in several places.						
Portable Ground Att	achment Devices						
None							
Grounding System (Connectors						
Lots of ampacts							
Ground Surface (To	uch and Step Potential)						
Some crushed stone	e, but very little, no ground mats a	t 053, 049 and 046 sw	itches				

Station Site Condition

Delete Record			
Station Selected	New Desbarats DS	Year	2007
Vegetation Control			
Lots of weeds and gras	S.		
Rodent Problems			
None apparent			
Roadway Condition			
Ditch blocked because into the station	of poor culvert location on West	side, water over that ro	adway and
Site Drainage Condition			
OK for the most part. Codrainage in around the	ulvert on west side to be removed station.	d and reset to provide p	proper
Structure Foundation Co	ondition		
Cracks under reclosers	48 and 52		
Structure Condition			
Rusty in lots of places			
Yard Lighting Condition			

Building Assessment

Station Selection	New Desbarats DS	Year	2007
Building Foundation			
N.A.			
Building Structures			
N.A.			
The state of the s			
Building Windows and D	oor .		
N.A.			CONCESSABLE CASCASSICAL ACCOUNTS AND
Building Roof			
N.A.			
Building HVAC and Ligh	ting		
N.A.			
Building Fire and Securit	y System		
N.A.			
Building Energy Efficiend	sy —		
N.A.		to the first formation of the first formation of the formation of the first formation of th	





Station Functionality

Delete Record			
Station Selected	Old Desbarats DS	YEAR	2007
Station One Line Dia Notes: OK	agram (Verify against system or	neline, AC/DC schemat	ics)
Redundant and Observates	plete Equipment h bases etc on structure.		
Equipment Ratings	r bases etc on structure.		
Notes:	to 4.6 kV, on tap #5, 31350 V,	1976	
0			
Operating Problems Notes. Fuse 040 centre pha	se held in with tie wraps		
Notes:	Parts, Outages, Work Equipme	nt)	
√o work without custo Fransformer station is	omer outage. Oil leak on 3708. s scheduled to be removed in 20	009	

Controlled Access

Station Selected

Old Desbarats DS

Year

2007

Controlled Access Notes:

Some space under the gate, Note: this DS is across the roadway from a school

Delete Record

Safety and Environment

Station Selected	Old Desbarats DS	Year	2007
Fence Condition Clear	ance		
The East side has a ga	ap under it.		
r High Voltage Warning :	Signs		
O.K. Currently one sig	n on each side	<u>de</u>	
Pedestrian Clearance \	/iolations		
None	The state of the s	Wi	
House Keeping			
Spare fuses stuck on t	anstormer rads	tonovice.	
Visual Exposure			
Poor, old structure with	broken insulators left and	abandoned.	er en
Employee Clearance Vi	plation		
Yes, transformer HV ar	nd LV within reach		And the second s
Employee Hazard			
Yes, live conductors with	hin reach		man company with
ouch and Step Potentia	al Barrier Condition		
No ground mat at disco	nnect switch 066 and no s eaning on the pole. This m	urface stone. There at is not connected to	is a ground mat located the ground grid.

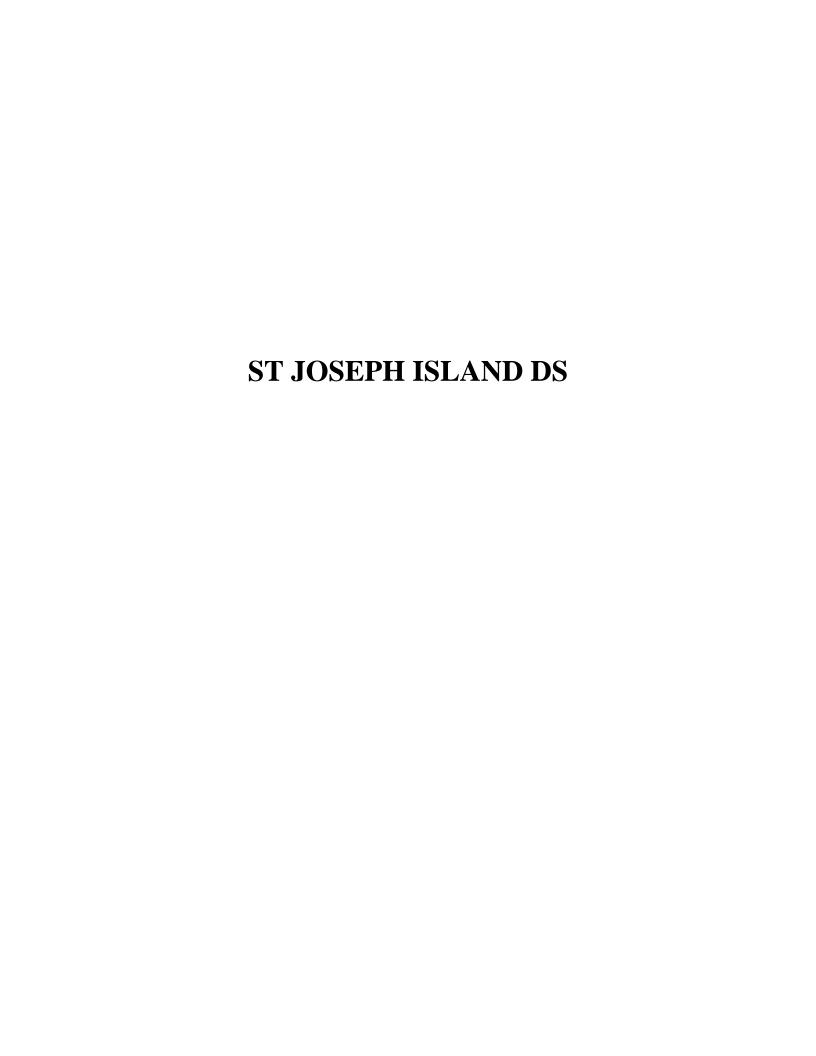
Previous Spills
Yes. Transformer has been leaking for some time.
Spill Containment Construction
None
Spill Containment Condition
N.A.
Proximity to Waterways
Yes, large ditch near back of station goes to St. Mary's river
Soil Contamination
Yes
Soil Contamination Location
Near transformers
PCB Identification
Yes

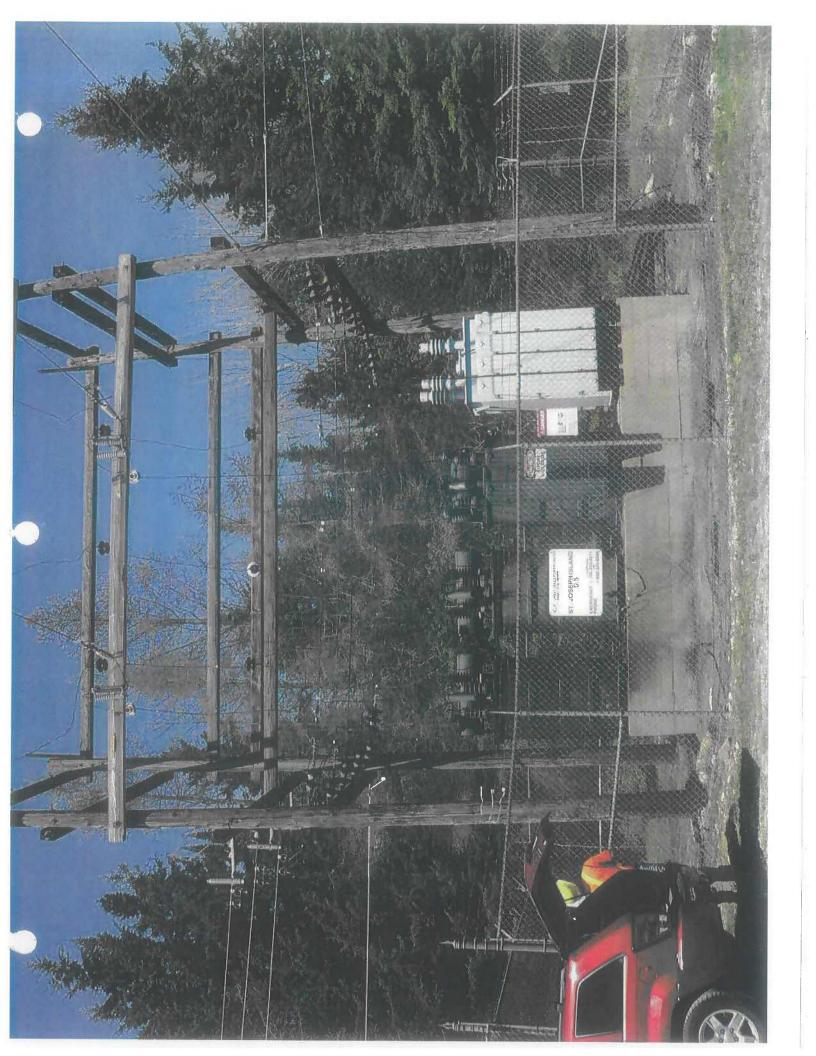
Station Grounding

Station Selected	Old Desbarats DS		Year	2007
Fence Grounding Cond	ition			
OK				
Major Foujement and S	tructure Grounding			
meder = derbitterit and of				gr = 2.50 - 12.
Yes most is grounded.	Fransformer ground is o	corroded nearly	y enough to cre	ate an
Yes most is grounded.	Fransformer ground is cleeds to be repaired im	corroded nearly mediately.	y enough to cre	eate an
Yes most is grounded.	Fransformer ground is oneeds to be repaired imp	corroded nearly mediately.	y enough to cre	ate an
Yes most is grounded. Topen connection. This notes of the connection of the connecti	needs to be repaired im	corroded nearly mediately.	y enough to cre	ate an
Yes most is grounded. This not pen connection. This not pen connection. This not pen connection attachments of the connection of the conne	needs to be repaired im	corroded nearly mediately.	y enough to cre	eate an
Yes most is grounded. Topen connection. This notes of the connection of the connecti	needs to be repaired im	corroded nearly mediately.	y enough to cre	ate an
Yes most is grounded. Topen connection. This notes of the connection of the connecti	needs to be repaired implement Devices	corroded nearly mediately.	y enough to cre	eate an
Yes most is grounded. Topen connection. This notes of the connection of the connecti	needs to be repaired important provides	nediately.		ate an
Yes most is grounded. Topen connection. This notes of the Portable Ground Attaching None Grounding System Connection is grounding System Connection.	needs to be repaired important provides	nediately.		ate an
Yes most is grounded. Topen connection. This notes of the Portable Ground Attaching None Grounding System Connection is grounding System Connection.	ment Devices nectors cts and crimped connec	nediately.		ate an

Station Site Condition

Delete Record		event les en la company de la company de La company de la company de	
Station Selected	Old Desbarats DS	Year	2007
Vegetation Control			
Lots of grass, weeds a	and trees in yard		
Rodent Problems			
Lots of seeds collected accelerated rusting on	d near base of transformers, holdin one transformer near base and on	g moisture and causing lower part of rad)
and the second s			
Roadway Condition			
Roadway Condition OK			
OK	7		
OK	n		
OK Site Drainage Condition			
OK Site Drainage Condition Good			
OK Site Drainage Condition Good Structure Foundation C			
OK Site Drainage Condition Good Structure Foundation C			
OK Site Drainage Condition Good Structure Foundation C Surface crumbling			
OK Site Drainage Condition Good Structure Foundation C Surface crumbling Structure Condition			
Site Drainage Condition			





Station Functionality

Delete Record			
Station Selected	St Joes Island DS	YEAR	2007
Station One Line Dia Notes:	gram (Verify against system o	neline, AC/DC schematics)
OK .			
Redundant and Obso Notes:	lete Equipment		
none			
Equipment Ratings			
Notes:			
2 x 667 kVA 33kV in secondary	parallel, 1- 1500 kVA 33 kV ,	1 - 1870 kVA 34.5 kV, all s	set to 14.4 kV
Operating Problems			
Notes:			
No isolating switch or	ı site.		
Maintainability (Cost, F Notes:	Parts, Outages, Work Equipmo	ent)	
No work without custo This station to be upgr	mer outage. There are 3 pha	se customers fed from this	s DS,
i ina station to be upgi	au6u III 2009		

Controlled Access

Station Selected

St Joes Island DS

Year

2007

Controlled Access Notes:

The only gate is a person gate and is hard to open. Any large equipment or work would require the fence to be taken down

Delete Record

Safety and Environment

Station Selected	St Joes Island DS	Year	2007		
Fence Condition Clearance					
OK, barbed wire facing	inward. Fence not connecte	ed at corner posts	•		
High Voltage Warning S	Bigns				
OK, one on each side					
Pedestrian Clearance V	iolations				
None					
House Keeping					
ОК		The second secon			
Visual Exposure					
Poor, old rotten pole str	ructures, leaky transfomers,	uneven surface			
: Employee Clearance Vid	plation				
OK			2000 Control of the C		
Employee Hazard					
Grounding/ground cond	luctors are poorly run and co	onnected.			
Touch and Step Potentia	al Barrier Condition				
No surface ground prot	ection - no crushed stone		tan manana an anagani at angan a maning aga a fisim an ana a fa anisanga aga		

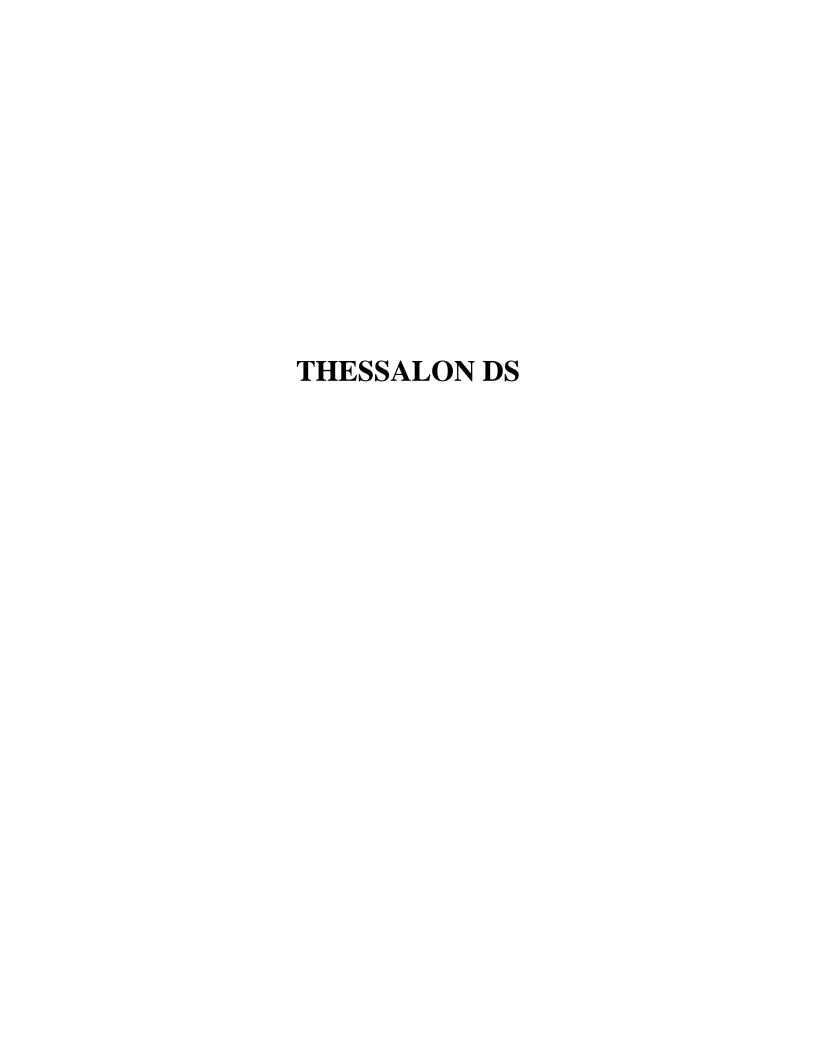
Previous Spills
Yes, some evidence of leaks
Spill Containment Construction
None
Spill Containment Condition
N.A.
Proximity to Waterways
Swampy area East of the sub
Soil Contamination
Yes
Soil Contamination Location
Around the transformer pad, more on West end. Leaking from the conservator piping.
PCB Identification
<50 and <10 on 2515 and 2514 (667's in parallel), <2 on 3133 & 4585, (2515 & 3133 are leaking)

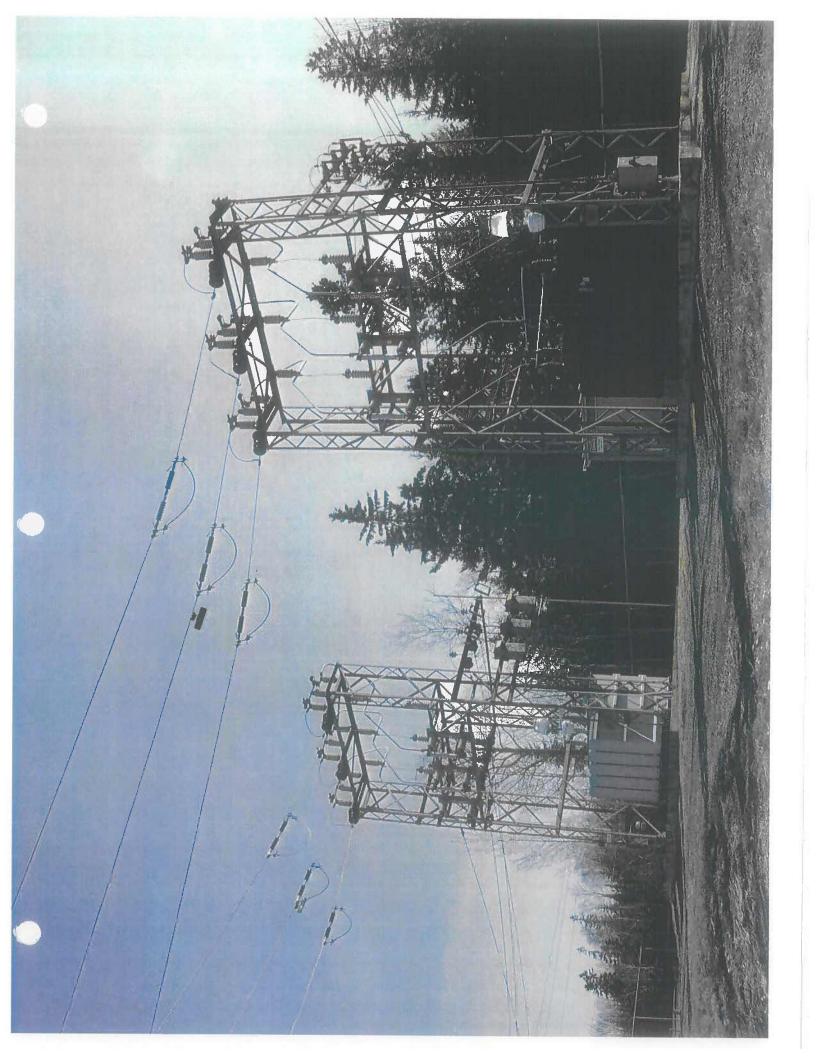
	Station Ground	ding	
Station Selected	St Joes Island DS	Year	2007
Fence Grounding Co			
OK, but ACSR cond Not connected to sta	uctor has been used. No jumper a ation grid.	around corner posts.	
	d Structure Grounding s are connected by split bolts and		
wires that are routed network.	d around the cement pad. Fence g	ground is not connected	ed to this
Portable Ground Atta	achment Devices		
None			
Grounding System C	onnectors		
None			
Ground Surface (To	uch and Step Potential)		
Poor, No surface sto	ne		

Station Site Condition

Delete Record			
Station Selected	St Joes Island DS	Year	2007
Vegetation Control			
Lots of weeds and gras	s		
Rodent Problems			
None apparent			
Roadway Condition			
None, this sub is locate	ed beside the main road (F & G line)	
Site Drainage Condition			
Ditch near and around	the station		
Structure Foundation C	ondition		
None			
Structure Condition			
Wood poles, old and ro crumbling.	tting. Appear to be in poor shape. ٦	There is some surfac	e
Yard Lighting Condition			
None			
			100

Building Assessment Station Selection St Joes Island DS Year 2007 **Building Foundation** N.A. **Building Structures** N.A. **Building Windows and Door** N.A. **Building Roof** N.A. Building HVAC and Lighting N.A. Building Fire and Security System N.A. **Building Energy Efficiency** N.A





	Statio	n Functiona	lity
Delete Record			PROCESS OF STREET
Station Selected	Thessalon DS	YEAR	2007
Station One Line Dia Notes:	agram (Verify against system	oneline, AC/DC schemati	cs)
Switch 061 symbol i No nomencalture or	ncorrect, no symbol in legend n 050.	l, closest is #5. PT's not s	shown on single line.
Redundant and Obse	olete Equipment		
Notes:			
Equipment Ratings Notes: 5 MVA 34.5 to 12.4	7/7.2 kV, 24940Y/14,400		
Operating Problems			
Notes:			
061 & 060 not fully c	losed.		mente anti a ni da dina dimina da di subodo propriogi inggo di da diregio di da chi periodo di del da discondi
Maintainability (Cost,	Parts, Outages, Work Equipn	nent)	
Votes:			2 - 10 - 10 - 10 - 10 - 10 - 10 - 10 - 1
No maintenance with	out customer outage		27.400.00.00.00.00.00.00.00.00.00.00.00.00

Controlled Access

Station Selected

Thessalon DS

Year

2007

Controlled Access Notes

Gate has large opening under it on the North side of the station

Delete Record

Station Selected	Thessalon DS	Year	2007
Fence Condition Clears	ance		
	side. South side top rail be	ent and broken	
	side. Codin side top (all so	and pronon	
High Voltage Warning	Signs		
Some			
Pedestrian Clearance \	/iolations		
None			
House Keeping			
ОК			
Visual Exposure			
Poor, ineven yard, son	ne large rocks		
Employee Clearance V	iolation		
Yes, live HV and LV be	us is within reach		
Farmley as I laward			
Employee Hazard			
Yes, low clearances			
Touch and Step Potent			
No crushed stone, no	ground mats at switches		

Previous Spills	
None apparent	
Spill Containment Construction	
None	
Spill Containment Condition	
N.A.	
Proximity to Waterways	
Ditch on 2 sides of station	
Soil Contamination	
None apparent	
Soil Contamination Location	
N.A.	
PCB Identification	
Yes	

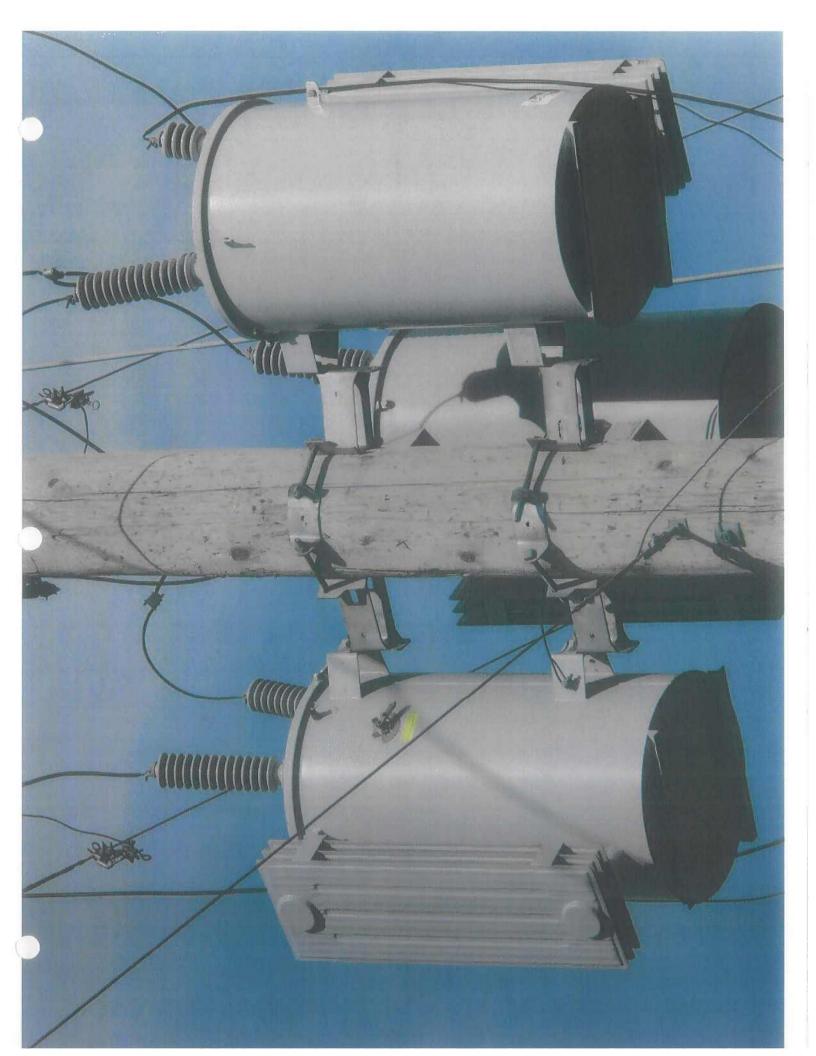
	Station Groun	unig		
Station Selected	Thessalon DS		Year	2007
Fence Grounding Co				
Top connections to (ground done using aluminum ar	npact conne	ectors	
Major Equipment an	d Structure Grounding			
No grounds on switcoperating shaft	h or fuse bases, East Structure	legs, 061 &	050 bases, 0)61
Portable Ground Atta	achment Devices			
None				
Grounding System C	onnectors			
Aluminum crimp con	nectors on some locations			
of all Proposed State Annual and Advance or the Advance of the Adv				
	uch and Step Potential)			
No crushed stone, u	neven surface			

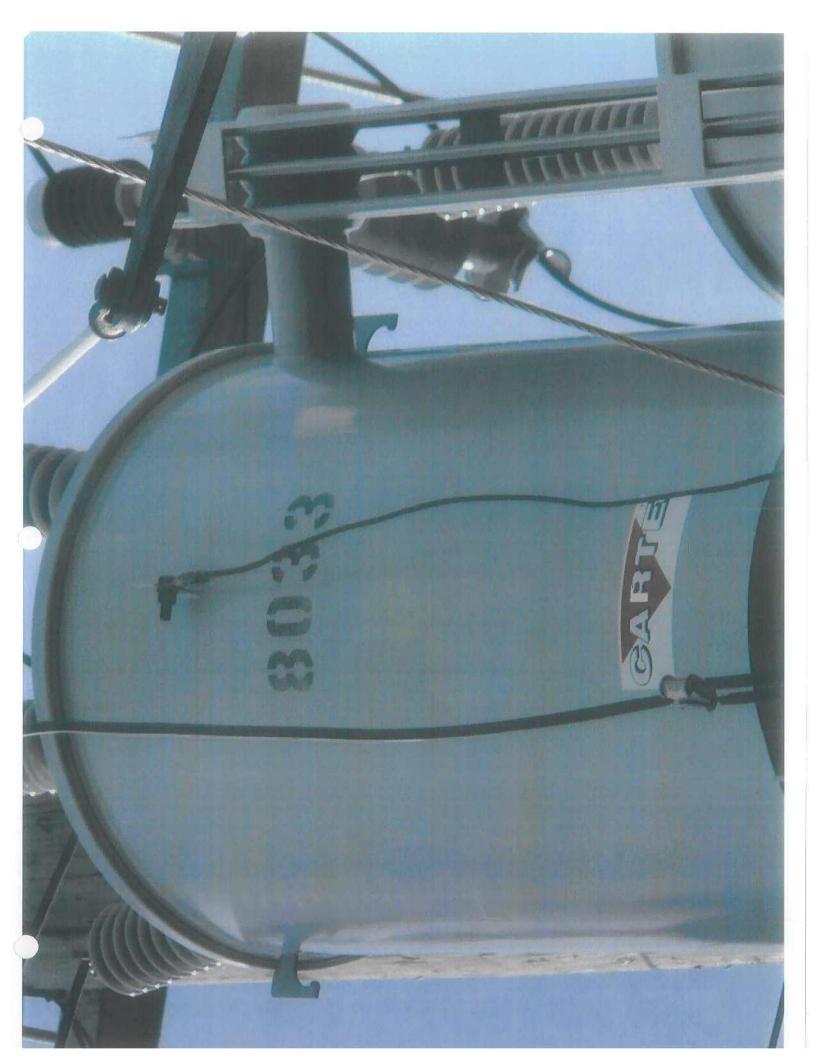
Station Site Condition Delete Record 2007 Thessalon DS Year **Station Selected** Vegetation Control Lots of weeds and grass Rodent Problems None apparent Roadway Condition Soft and uneven Site Drainage Condition OK, ditched on two sides Structure Foundation Condition OK Structure Condition Needs some painting Yard Lighting Condition OK, low easy to maintain

Building Assessment Thessalon DS Station Selection Year 2007 **Building Foundation** OK **Building Structures** OK **Building Windows and Door** One door **Building Roof** OK Building HVAC and Lighting Heat only Building Fire and Security System Number pad on door. **Building Energy Efficiency** Building lined with asbestos board. This building is redundant when the batteries are removed.











	Stat	ion Function	ality
Delete Record			
Station Selected	Watson D.S.	YEAR	2007
Station One Line Dia Notes:	gram (Verify against syst	em oneline, AC/DC schema	atics)
	System Operatingdiagra	m, no single line	
, Redundant and Obso	olete Equipment		
Notes:			
None	i manda esta sus liminis poncesa, a la si está ministra mas y anos instances de sió instinator a como es ancimo com		
Equipment Ratings			
Notes:			
3 x 167 kVA, 34.5 k	V to 7200 pole mounted t	ransformers	
Operating Problems			
Notes:			
No spares available			
4 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Parts, Outages, Work Eq		

Notes:

This supplies the headworks for the Dunford Dam and local distribution, any work requires a customer outage.

Controlled Access

Station Selected

Watson D.S.

Year

2007

Controlled Access Notes:

No gates, units are pole mounted.

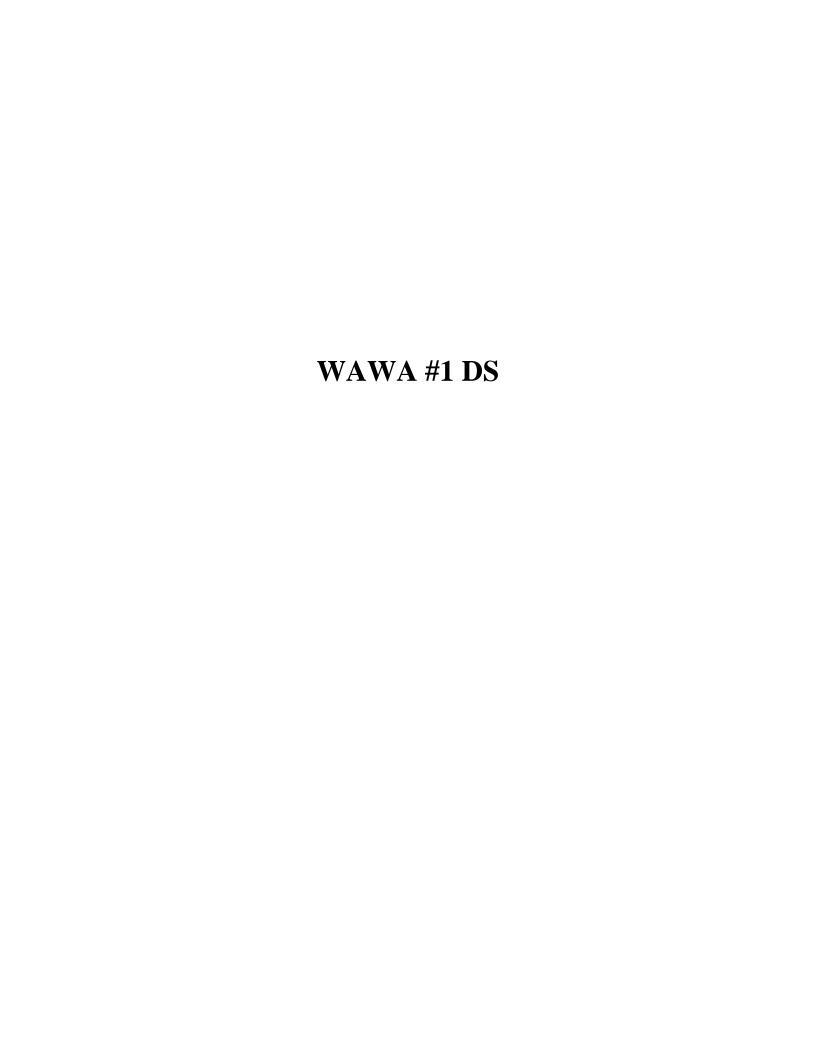
Delete Record

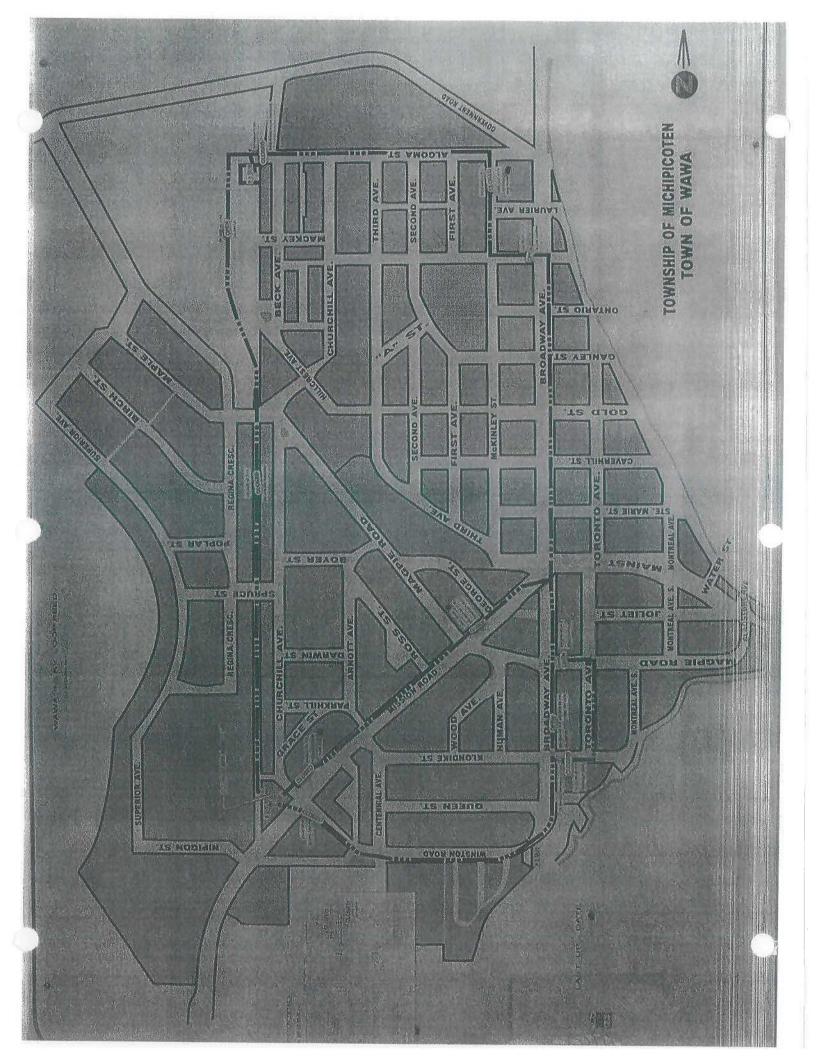
Station Selected	Watson D.S.	Year	2007
Fence Condition Clear	ance		
No Fence		HIII Approximation in	et grang di terit ni kandana kana kana mahandada pama maha kandan di di grade manamanka di mi
I High Voltage Warning	Signs		
Sign on pole			
" Pedestrian Clearance \	√iolations		
None			
J			
House Keeping			
OK Visual Exposure			
Good			
, Employee Clearance V	iolation		
None			
Employee Hazard			
None			
Touch and Step Potent	ial Barrier Condition		
N/A		(A Sylventy or any control of the second of	

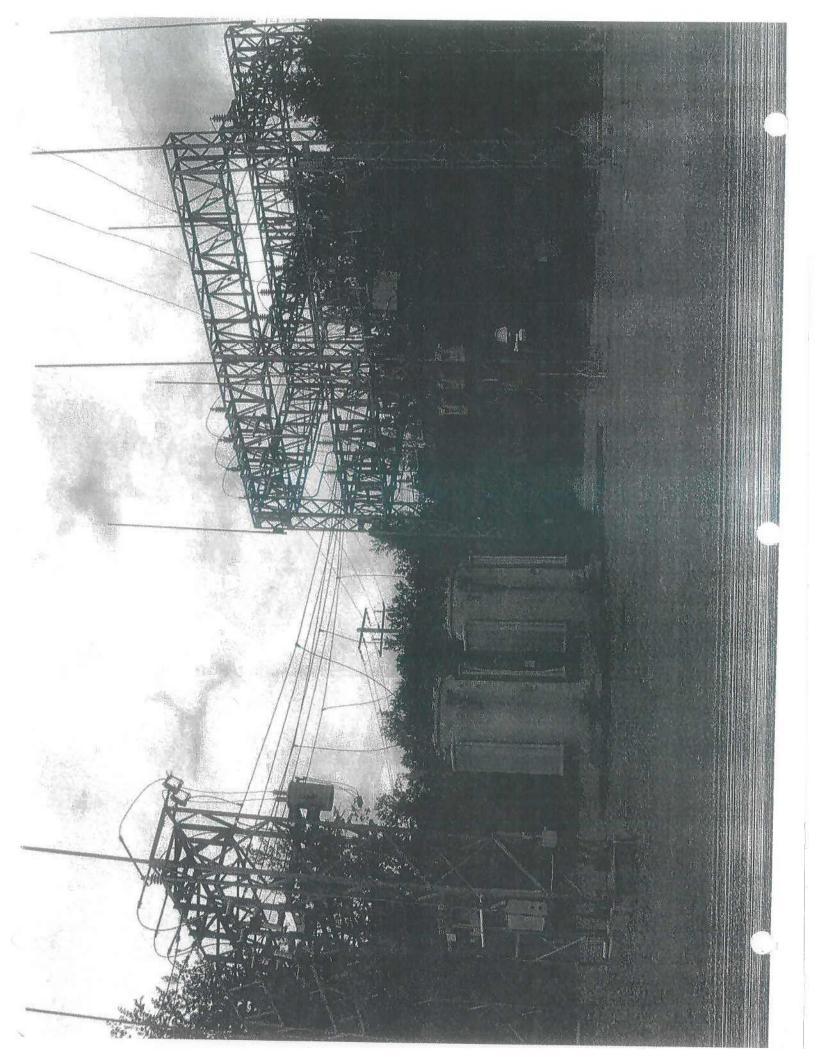
N/A Spill Containment Condition N/A	
Spill Containment Condition N/A Proximity to Waterways	
Spill Containment Condition N/A Proximity to Waterways	
N/A Proximity to Waterways	
N/A Proximity to Waterways	
Yes, Michipicoten River	
Soil Contamination	
N/A	
Soil Contamination Location	
N/A	
PCB Identification	
Yes, on nameplate	

	Station Grounding		
Station Selected	Watson D.S.	Year	2007
Fence Grounding Co			
No Fence, pole mou	inted		
Major Equipment an	d Structure Grounding		
ОК			tamend estenada in actual consideración park a sign
Portable Ground Att	achment Devices		
None	1,000 at the March and Acade (Acade of Acade (Acade of Acade of Ac		1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 -
Grounding System (Connectors		
OK			
Ground Surface (To	uch and Step Potential)		
N/A		and the control of th	

	Station Site (Condition	
Delete Record			
Station Selected	Watson D.S.	Year	2007
Vegetation Control			
Lots of weeds, this is	on the right of way		
Rodent Problems			
None			
Roadway Condition			
Good			
Site Drainage Conditio	n		
Good			
Structure Foundation (Condition		
N/A, poles	- management		
97			
Structure Condition			
Good, poles			
Yard Lighting Condition	1		
N/A			







Station Functionality

Delete Record

Station Selected

Wawa 1 DS

YEAR

2007

Station One Line Diagram (Verify against system oneline, AC/DC schematics)

Notes:

Symbols incorrect for all switches (most should be #4, 1115 should be #6), PT's not shown, SS trans not shown on SLD, bus is opened before switch 1114

Redundant and Obsolete Equipment

Notes:

Metering unit, switches 1113 and 1114

Equipment Ratings

Notes:

Transformer 1967 is a 667 kVA, while other two are 1000 kVA, 33 kV to 4.6 Kv

Operating Problems

Notes:

None. Oil switch 28 - bypass fuse is currently lying on the ground.

Maintainability (Cost, Parts, Outages, Work Equipment)

Notes:

No metering on station service supply station to be upgraded in 2008

This

	Controlled Acc	sess
Station Selected	Wawa 1 DS	Year 2007
Controlled Access N	Notes:	
Gate is OK		
	Delete Record	

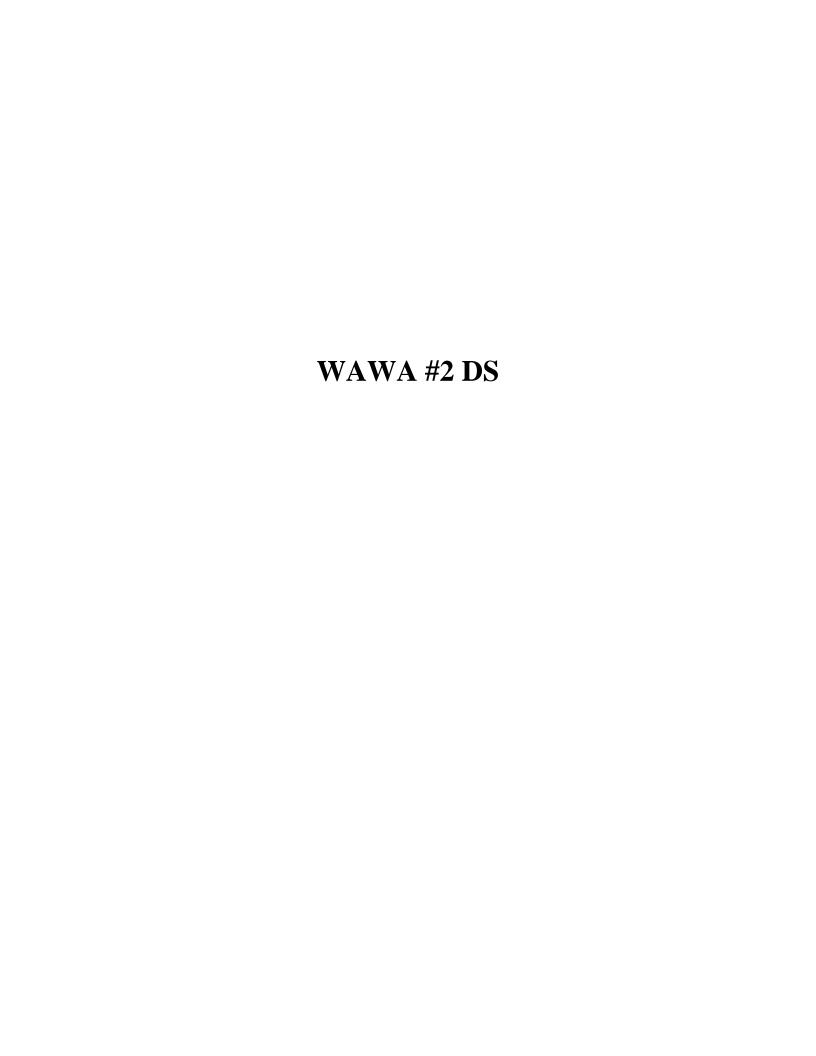
Station Selected	Wawa 1 DS	Year	2007
Fence Condition Clear	rance		
Small gap under fence fence.	e on side next to residence	ce East side. Space ι	under portions of entire
High Voltage Warning	Signs		
Yes			
Pedestrian Clearance	Violations		
No			
House Keeping			
Good			
/isual Exposure			
	eat, well laid out with lots	of space	
Employee Clearance V	/iolation		
Yes,			
Employee Hazard			
Limits of approach car switch OS28. The live	nnot be maintained at the e conductors are within re	smaller (667 kVA) tr ach.	ansformer and at the oil
Γουch and Step Poten	tial Barrier Condition		
OK, except for transfo	rmer pad (covered under	grounding)	

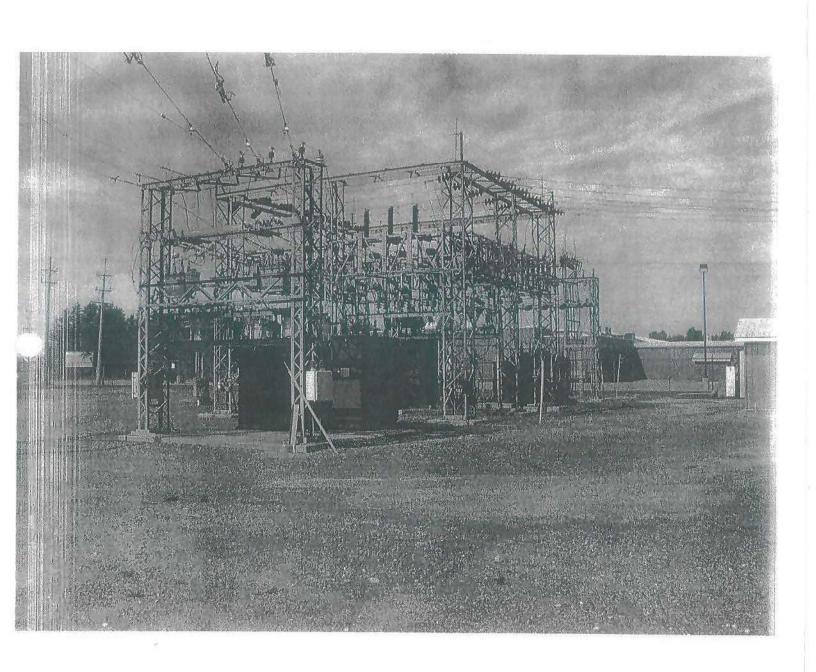
Proximity to Waterways No Soil Contamination Yes Soil Contamination Location Around the two 1000 kVA transformers. It appears that the main valves are seeping oil PCB Identification	Previous Spi	lls
None. There is a new oil containment scheduled to be installed in 2008 Spill Containment Condition N.A. Proximity to Waterways No Soil Contamination Yes Soil Contamination Location Around the two 1000 kVA transformers. It appears that the main valves are seeping oil.	Evidence of	small leaks
Spill Containment Condition N.A. Proximity to Waterways No Soil Contamination Yes Soil Contamination Location Around the two 1000 kVA transformers. It appears that the main valves are seeping oil.	ı Spill Contain	ment Construction
Proximity to Waterways No Soil Contamination Yes Soil Contamination Location Around the two 1000 kVA transformers. It appears that the main valves are seeping oil.	None. There	e is a new oil containment scheduled to be installed in 2008
Proximity to Waterways No Soil Contamination Yes Soil Contamination Location Around the two 1000 kVA transformers. It appears that the main valves are seeping oil.		
Proximity to Waterways No Soil Contamination Yes Soil Contamination Location Around the two 1000 kVA transformers. It appears that the main valves are seeping oil PCB Identification	Spill Contain	ment Condition
Soil Contamination Yes Soil Contamination Location Around the two 1000 kVA transformers. It appears that the main valves are seeping oil.	N.A.	
Soil Contamination Yes Soil Contamination Location Around the two 1000 kVA transformers. It appears that the main valves are seeping oil.		
Yes Soil Contamination Soil Contamination Location Around the two 1000 kVA transformers. It appears that the main valves are seeping oil. PCB Identification	Proximity to	Waterways
Yes Soil Contamination Location Around the two 1000 kVA transformers. It appears that the main valves are seeping oil. PCB Identification	No	
Yes Soil Contamination Location Around the two 1000 kVA transformers. It appears that the main valves are seeping oil. PCB Identification		
Yes Soil Contamination Location Around the two 1000 kVA transformers. It appears that the main valves are seeping oil. PCB Identification	Soil Contami	mation
Soil Contamination Location Around the two 1000 kVA transformers. It appears that the main valves are seeping oil. PCB Identification		Tradion -
Around the two 1000 kVA transformers. It appears that the main valves are seeping oil. PCB Identification	res	
Around the two 1000 kVA transformers. It appears that the main valves are seeping oil. PCB Identification		
PCB Identification	Soil Contami	nation Location
	Around the	two 1000 kVA transformers. It appears that the main valves are seeping oil
	PCB Identifo	ation
	No	

	Station G	roundin	9	
Station Selected	Wawa 1 DS		Year	2007
Fence Grounding Co	ondition			
OK				
Major Equipment an	d Structure Grounding	g		
Transformer pad (m grounding on any sw	etal structure) does n vitch or fuse base	ot appear to be c	onnected to grou	nd. No
Portable Ground Atta	achment Devices			
None				
Grounding System C	Connectors			
ots of aluminum an	npact connectors on t	the copper ground	d wires	
10 (/T	1 101 B			
	uch and Step Potentia	al) 		
OK				

Station Site Condition Delete Record 2007 Year Station Selected Wawa 1 DS Vegetation Control ΟK Rodent Problems none apparent Roadway Condition OK Site Drainage Condition OK Structure Foundation Condition OK except transformer pad is made of steel beams and is not level. A new concrete base within a new oil containment is scheduled for 2008. Structure Condition OK Yard Lighting Condition OK

Building Assessment Station Selection Wawa 1 DS Year 2007 **Building Foundation** N.A. **Building Structures** N.A. **Building Windows and Door** N.A **Building Roof** N.A. Building HVAC and Lighting N.A. **Building Fire and Security System** N.A. **Building Energy Efficiency** N.A.





Station Functionality

Delete Record

Station Selected

Wawa 2 DS

YEAR

2007

Station One Line Diagram (Verify against system oneline, AC/DC schematics)

Notes:

Most switch symbols are incorrect (should be #4) one transformer bank is missing from SLD, PT's are not shown on SLD. CT's are not shown on the SLD.

Redundant and Obsolete Equipment

Notes:

The old service wire from the main building to the shed should be cut back and the conduit sealed.

Equipment Ratings

Notes:

OK. Spare transformer on site. (relocated from D.A. Watson in 2007)

Operating Problems

Notes:

Feeder with 3 transformers (2129, 3315, 1968) is not in service due to protection problem (transformers are energized but not on load) 1119 is currently green tagged. Recloser R78-Open, R71-closed

Maintainability (Cost, Parts, Outages, Work Equipment)

Notes:

No alternate for the 12.4/7.2 kV feeder, customer outage for any maintenance. Station upgrade scheduled for 2010

Controlled Access

Station Selected

Wawa 2 DS

Year

2007

Controlled Access Notes:

Gates OK, main gate for access to service centre

Delete Record

	Wawa 2 DS	Year	2007		
Fence Condition Clearance					
Main gate has gap un	der it, fence OK				
High Voltage Warning	Sians				
Yes					
Pedestrian Clearance \	Violations				
Fence around the bac section of wood fence	k of the building is a con to isolate the two	itinuation of the yard f	ence and should have a		
House Keeping					
Sub yard is ok, some	material in back of yard	near service centre			
Sub yard is ok, some	material in back of yard	near service centre			
	material in back of yard	near service centre			
Visual Exposure	material in back of yard naterial in back naterial in back of yard naterial in back naterial in b		to small area		
Visual Exposure			to small area		
Visual Exposure Good, yard is large, bu	ut structures and switchg		to small area		
Visual Exposure Good, yard is large, bu Employee Clearance V	ut structures and switched /iolation except 4039 and all feed	gear is compressed in			
Visual Exposure Good, yard is large, but Employee Clearance V Yes, all transformers of PT on east side is too	ut structures and switched /iolation except 4039 and all feed	gear is compressed in			
Visual Exposure Good, yard is large, but Employee Clearance V	ut structures and switched /iolation except 4039 and all feed low.	gear is compressed in			
Visual Exposure Good, yard is large, but Employee Clearance V Yes, all transformers of PT on east side is too Employee Hazard	ut structures and switched violation except 4039 and all feed low.	gear is compressed in			

Previous Spills
Some minor leaks, oil seeping from 1968
Spill Containment Construction
None
Spill Containment Condition
N.A.
Proximity to Waterways
No
Soil Contamination
Some
Soil Contamination Location
Around 1968. Staining on concrete. Tap switch handle leaking
PCB Identification
4039 <10. 3298/3297/3298 transformers not noted, 2918 < 10, 1968 <2, 2129 < 2, 3315 < 2 (Westinghouse Insuldur 1974.)

	Station Groun	lang	
Station Selected	Wawa 2 DS	Year	2007
Fence Grounding Co	ondition		
Major Equipment an	d Structure Grounding		
switchers or oil switch	on to any switch or fuse bases ch OS25. Skywires are connec d. Four lightning rods but none	cted at four corners but not	cuit
Portable Ground Atta	achment Devices		
None			
Grounding System C	Connectors		
Lots of aluminum ar	npact connectors on copper gr	round conductors	
	uch and Step Potential)		mile and
Not much crushed s	tone		

Station Site Condition Delete Record 2007 Year Wawa 2 DS **Station Selected** Vegetation Control Weeds especially along the fences Rodent Problems None apparent Roadway Condition OK, but uneven in places Site Drainage Condition Ditch along the back Structure Foundation Condition Some surface crumbling Structure Condition Some rusting in places Yard Lighting Condition OK

Building Assessment

Station Selection	Wawa 2 DS	Year	2007
Building Foundation			
OK, but gravel is being	eroded from under the pad	along the edges	
Building Structures			
OK			
Building Windows and I	Door		
1 door			
Building Roof			
OK			
Building HVAC and Ligh	nting		
OK, heat, lights and 1 v	ent fan. There should be an	Intake louvre installed to offs	et the exhaust fan.
Building Fire and Secur	ity System		
None			
Building Energy Efficien	су		
OK			

- 16. [Ex. 2/4/5] With respect to the IT Capital Budget:
 - a. P. 1. Please provide a copy of the IT services agreement.
 - b. P. 2. Please provide the business case for the move to an independent SAP migration.
 - c. P.2. Please provide a detailed table showing all capital and operating costs associated with the IT changes in 2011, and showing the revenue requirement impacts in 2011 of those changes.

RESPONSE:

- a) See attached IT Services Agreement which is the July 1, 2009 agreement as amended by the October 9, 2009 agreement.
- b) Please refer to the response to Board staff IR #16.
- c) The impact on revenue requirement in 2011 as a result of the IT hardware and software capital additions is an increase of \$52,096.

Average Rate Base	\$980,388
Requested Rate of Return	7.31%
	\$ 71,666
Depreciation	126,495
Income Taxes	<u>(146,065)</u>
	\$ 52.096

The 2011 IT operating costs associated with the IT Services Agreement represent approximately \$135,000. Increased OM&A in 2011 compared with 2010 is primarily the result of an increase of approximately \$118,000 for additional ongoing IT expenditures related to licensing and maintenance fees for SAP, infrastructure, communications and other software.

IT SERVICES AGREEMENT

THIS AGREEMENT is made as of the 1st day of July, 2009,

BETWEEN:

Great Lakes Power Transmission LP, a limited partnership existing under the laws of Ontario, by its General Partner, GLP Transmission Inc.

("Service Provider")

- and -

Great Lakes Power Distribution Inc., a corporation incorporated under the laws of Ontario

("Customer")

RECITALS:

- A. Great Lakes Power Limited ("GLPL") carries on the business of owning, operating and maintaining an electricity distribution system, and retailing electricity, in the service territory prescribed by Electricity Distribution Licence no. ED 2008 0343, issued to GLPL by the Ontario Energy Board, and all matters incidental and/or ancillary thereto (the "Business").
- B. GLPL entered into an asset purchase agreement with the Customer (the "Purchase Agreement") dated as of June 23, 2009 whereby GLPL agreed to sell and the Customer agreed to purchase all of the assets used in connection with the Business, on and subject to the terms and conditions contained therein.
- C. GLPL transferred certain hardware and software to the Service Provider on July 1, 2009.
- D. The hardware and the software are both used in connection with the Business.
- E. In order for the Customer to assume responsibility for the operation of the Business as conducted by GLPL without interruption in its operations and without adverse impact on customers of the Business, the Customer has agreed to purchase, and the Service Provider has agreed to provide, the Services (defined herein) in connection with the hardware and software on a shared basis in accordance with the terms and conditions of this Agreement.

NOW, THEREFORE in consideration of the mutual covenants and agreements contained in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Agreement, capitalized terms will have the meanings set forth below.

- 1.1.1 "Agreement" means this IT Services Agreement, including all Schedules hereto (which are incorporated herein), as each of the foregoing may be modified, amended or supplemented from time to time.
- 1.1.2 "Applicable Law" means any law, rule, statute, regulation, order, judgment, decree, treaty, directive or other requirement in force at any time during the Term which applies to or is otherwise intended to govern or regulate any Person (including either or both Parties), property, transaction, activity, event or other matter.
- 1.1.3 "Business" has the meaning attributed to that term in Recital A.
- 1.1.4 "Confidential Information" means any and all material and information of a Party, its Affiliates or contractors (the "Disclosing Party") which has or will come into the possession or knowledge of the other Party or its Affiliates or contractors (the "Receiving Party") in connection with or as a result of entering into this Agreement, including information concerning the Disclosing Party's past, present and future customers, suppliers, technology or business. For the purposes of this definition, "information" and "material" includes data, trade secrets, processes, techniques, programs, designs, formulae, marketing, advertising, financial, commercial, sales or programming materials, equipment configurations, system access codes and passwords, written materials, compositions, drawings, diagrams, computer programs, studies, works in progress, visual demonstrations, ideas, concepts, and other data, in oral, written, graphic, electronic, or any other form or medium. Notwithstanding the foregoing, "Confidential Information" does not include information or material:
 - 1.1.4.1 which is or becomes publicly available when it is received by or becomes known to the Receiving Party or which subsequently become publicly available through no fault of the Receiving Party (but only after it becomes publicly available);
 - 1.1.4.2 which is already known to the Receiving Party at the time of its disclosure to the Receiving Party by the Disclosing Party and is not known by the Receiving Party to be the subject of an obligation of confidence of any kind;
 - 1.1.4.3 which is received by the Receiving Party in good faith without an obligation of confidence of any kind from a Person who the Receiving Party had no reason to believe was not lawfully in possession of such information free of

any obligation of confidence of any kind, but only until the Receiving Party subsequently comes to have reason to believe that such information was subject to an obligation of confidence of any kind when originally received; or

- 1.1.4.4 which is independently developed by the Receiving Party without any use of or reference to the Confidential Information of the Disclosing Party and which such independent development can be established by evidence that would be acceptable to a court of competent jurisdiction.
- 1.1.5 "Customer Indemnitees" means Customer or any of its Affiliates and their respective directors, officers, employees, agents, and contractors.
- 1.1.6 "Disclosing Party" has the meaning attributed to that term in Section 1.1.4.
- 1.1.7 "Effective Date" means July 1, 2009.
- 1.1.8 "Fees" means the amounts and fees payable for each Service as set out in Schedule 1.1.20.
- 1.1.9 "Force Majeure" means an event of fire, flood, earthquake, element of nature or act of God; acts of war, terrorism, rebellions or revolutions in Canada, riots, civil disorders or disobedience, acts of vandalism or other unlawful acts; or any other similar event beyond the commercially reasonable control of a Party. The failure of supply of materials or services by third Persons and strikes, lockouts or other industrial disputes will be deemed to be within the commercially reasonable control of the applicable Party and not an event of Force Majeure.
- 1.1.10 "Frustrated Party" has the meaning attributed to that term in Section 10.1.

1.1.11 "Intellectual Property Rights" means:

- 1.1.11.1 any and all proprietary rights provided under: (i) patent law; (ii) copyright law (including moral rights); (iii) trade-mark law; (iv) design patent or industrial design law; (v) semi-conductor chip or mask work law; or (vi) any other statutory provision or common law principle applicable to this Agreement, including trade secret law, which may provide a right in either hardware, software, content, documentation, Confidential Information, ideas, formulae, algorithms, concepts, inventions, processes or know-how generally, or the expression or use of such hardware, software, content, documentation, Confidential Information, ideas, formulae, algorithms, concepts, inventions, processes or know-how;
- 1.1.11.2 any and all applications, registrations, licenses, sub-licenses, franchises, agreements or any other evidence of a right in any of the foregoing; and
- 1.1.11.3 any and all licenses and waivers and benefits of waivers of the rights set out in Sections 1.1.11.1 and 1.1.11.2 and all rights to damages and profits by

reason of the infringement of any of the rights set out in Sections 1.1.11.1 and 1.1.11.2.

- 1.1.12 "Party" means either Customer or Service Provider, and "Parties" means both Customer and Service Provider.
- 1.1.13 "Person" means any individual, partnership, limited partnership, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, regulatory body or agency, government or governmental agency, authority or entity however designated or constituted.
- 1.1.14 "Prime Rate" means, at any time, the annual rate of interest which Canadian Imperial Bank of Commerce establishes at its principal office in Toronto as the reference rate of interest to determine interest rates it will charge at such times for demand loans in Canadian dollar made to its customers in Canada and which it refers to as its "prime rate of interest".
- 1.1.15 "Rebillable Expenses" means third party expenses that Service Provider is required to manage and for which it maintains financial responsibility and which are paid directly by Service Provider to third parties, to be repaid by Customer pursuant to Schedule 1.1.20.
- 1.1.16 "Receiving Party" has the meaning attributed to that term in Section 1.1.4.
- 1.1.17 "Service Period" means, with respect to any Service, the period of time specified in Schedule 1.1.20 during which Service Provider will provide such Service.
- 1.1.18 "Service Provider Indemnitees" means Service Provider or any of their Affiliates and their respective directors, officers, employees, agents, and contractors.
- 1.1.19 "Service Provider Intellectual Property" has the meaning attributed to that term in Section 5.1.
- 1.1.20 "Services" means the services described in Schedule 1.1.20.
- 1.1.21 "**Term**" has the meaning attributed to that term in Section 9.1.

1.2 Other Capitalized Terms

Any capitalized technical or industry term used in this Agreement that is not defined in Section 1.1, elsewhere in this Agreement or in the Purchase Agreement will have the generally accepted industry or technical meaning given to such term.

1.3 Schedules

This Agreement includes and incorporates the following Schedules:

Schedule 1.1.20

Services

1.4 Interpretation

Unless otherwise specified: (i) terms defined in the singular will have a comparable meaning when used in the plural, and vice versa; (ii) the words "hereof", "herein", "hereto" and "hereunder" and words of similar import, when used in this Agreement, will refer to this Agreement as a whole and not to any particular provision of this Agreement, and Article and Section references are to the Articles and Sections to this Agreement; and (iii) the word "including" and words of similar import when used in this Agreement will mean "including, without limitation".

1.5 Headings

The inclusion of headings in this Agreement are for convenience of reference only and will not affect the construction or interpretation of this Agreement.

1.6 Currency

All amounts owing by the Parties pursuant to this Agreement are stated and will be paid in Canadian dollars.

1.7 Order of Preference

In the event of any conflict or inconsistency between the terms and conditions in the main body of this Agreement (other than the Schedules) and the Schedules to this Agreement, this Agreement will prevail.

ARTICLE 2 PROVISION OF SERVICES

2.1 Services

Service Provider will provide to Customer, on the terms and conditions set forth in this Agreement, the Services.

2.2 Service Recipient

Customer acknowledges and agrees that the Services will be provided to Customer solely for use in connection with the Business.

2.3 Performance Commitment

Service Provider will use reasonable commercial efforts to provide the Services to Customer to the same standards as they were provided to Service Provider immediately prior to the Effective Date.

2.4 Changes to Services

- 2.4.1 Service Provider will have the right to change, modify or substitute the method of providing any of the Services, or any aspect of any of the Services, provided that:
 - 2.4.1.1 no material disruption to the Business operations occurs as a result;
 - 2.4.1.2 the change, modification or substitution results in comparable or improved Services;
 - 2.4.1.3 the change, modification or substitution does not result in an increase to the Fees or Rebillable Expenses for the Services, unless Customer has agreed to the increase in advance.
- 2.4.2 Customer may request new projects, services or changes to hardware, software or Services by submitting a change request to the Service Provider service desk. The Parties may agree in writing from time to time for Service Provider to carry out such changes, including to provide to Customer additional consulting or other services, including transition and migration services. Such changes agreed to by the Parties will be carried out at the rates set forth in Schedule 1.1.20, and otherwise at Service Provider's cost.

2.5 Suspension or Cessation of Services

- 2.5.1 Service Provider may at any time suspend Customer's access to the information technology or communications systems used by Service Provider for the Business if, in Service Provider's reasonable opinion, the integrity, security or performance of the systems, or any data stored on them, is being or is likely to be jeopardized by the activities of Customer.
- 2.5.2 Service Provider may cease to provide a Service on termination or expiry of any contract or licence, beyond the reasonable control of Service Provider, which is required by Service Provider to provide the Service. To the extent that the termination or expiry of a contract or licence would require Service Provider to cease to provide a Service, Service Provider will give Customer as much notice as reasonably possible: (i) prior to the expiry of the relevant contract or licence; or (ii) upon receipt of a notice of termination in respect of the relevant contract or license. In the event of such a termination or expiry of any such contract or licence, Service Provider and Customer will work together to try to secure the necessary contract or license or a replacement thereof.

2.6 Third Party Consents

Where the consent of a third party is required solely for the provision of a Service, Service Provider will use reasonable commercial efforts at Customer's cost to procure the consent, but will not be in breach this Agreement if a third party refuses to give it.

ARTICLE 3 CUSTOMER'S COVENANTS

3.1 Customer's Covenants

Customer will:

- 3.1.1 on reasonable prior notice, give Service Provider's employees and subcontractors access to any of Customer's facilities or premises to the extent reasonably required in connection with the provision of the Services;
- 3.1.2 at its own cost, promptly provide to Service Provider all information (including copies of documents and data) and other assistance reasonably required by Service Provider to perform the Services in accordance with this Agreement;
- 3.1.3 ensure that those of its personnel whose decisions are necessary for the performance of the Services are available to Service Provider at all reasonable times for consultation on any matter relating to the Services.
- 3.1.4 not cause Service Provider to breach of any obligation (contractual or otherwise) which Service Provider owes to a third party;
- 3.1.5 take reasonable steps to ensure the safety of any of Service Provider's employees or contractors who visit Customer's premises;
- 3.1.6 use the Services solely for the purposes of conducting the Business;
- 3.1.7 not attempt to access, use or interfere with communications systems, information technology systems (including the software of the Service Provider) or data used by Service Provider, unless authorized to do so under this Agreement;
- 3.1.8 co-operate with Service Provider in any reasonable security arrangements which Service Provider considers necessary to prevent Customer, or any unauthorized third party, from accessing a system or data in a manner prohibited by Section 3.1.7;
- 3.1.9 not use Service Provider's premises for any purpose other than for the receipt of the Services and will observe and cause its personnel to comply with Service Provider's policies and guidelines provided to Customer regarding access to the computer network, security procedures, use of Service Provider's hardware, software, equipment and assets, facilities and personnel, assigned parking, conduct, and health and safety while present in or on Service Provider's premises; and
- 3.1.10 not decommission, replace or change its information technology or communications systems or other services, without the prior written consent of Service Provider, if this could reasonably affect the ability of Service Provider to perform, or increase the cost to Service Provider of performing, its obligations under this Agreement.

ARTICLE 4 PAYMENT TERMS

4.1 Payment for Services

- 4.1.1 In consideration of the performance by Service Provider of the Services, Customer will pay to Service Provider the fees and expenses for each Service based on the documented costs and fees associated with providing each such Service to Customer.
- 4.1.2 Customer will initially pay to Service Provider the estimated Fees for each Service as set forth in Schedule 1.1.20.
- 4.1.3 To the extent in any calendar year (and at the end of the Term) the actual costs and expenses for the Services are more than 110% of the estimated Fees for the Services, Service Provider may invoice, and Customer will pay, the difference between such actual costs and expenses and the Fees.
- 4.1.4 To the extent in any calendar year (and at the end of the Term) the actual costs for the Services are less than 90% of the estimated Fees for such Service, Service Provider will refund to Customer the difference between such actual costs and expenses and the Fees.
- 4.1.5 Notwithstanding and without limiting the foregoing, if any third party costs or other Rebillable Expenses associated with the provision of a Service increase, Service Provider will be entitled, on prior written notice to Customer, to increase the Service Charge to reflect that increase.

4.2 Invoices

- 4.2.1 Service Provider will invoice Customer for the Fees payable pursuant to Section 4.1 in respect of the Services monthly.
- 4.2.2 Customer will pay each invoice within 30 calendar days of its receipt.
- 4.2.3 Invoices will be detailed in accordance with Service Provider's standard billing practices.
- 4.2.4 Interest will be charged on outstanding balances at a rate of Prime Rate plus two percent (2%) per year, payable monthly or the maximum allowable by Applicable Law.

4.3 Taxes

Any payments made hereunder are exclusive of sales tax, value added tax, goods and services tax or similar tax. Customer will pay, and Service Provider will remit, all applicable taxes to the applicable taxing authorities as required by Applicable Law.

4.4 Proration of Payments

If any period in which any payment is to be made is less than the full period in respect of which the payment is due (for example, because a payment obligation did not occur on the commencement date of the period), then the payment will be prorated on a daily basis based on the number of days in the actual period.

ARTICLE 5 INTELLECTUAL PROPERTY RIGHTS

5.1 Grant of License

Subject to any third party consents required, Service Provider hereby grants to Customer a non-exclusive, non-transferable, royalty-free license to use the software, proprietary methodologies (including document templates and project tools), data, materials, information or other intellectual property used by Service Provider in the performance of the Services or incorporated in or necessary to Customer's use of the Services (the "Service Provider Intellectual Property") solely to the extent required for Customer to receive the benefit of the Services in relation to the Business.

5.2 License Restrictions

Customer:

- 5.2.1 will use the Service Provider Intellectual Property solely for the purposes of conducting the Business, and will not make any part of the Service Provider Intellectual Property available to a third party or use it for the benefit of a third party; and
- 5.2.2 not copy, adapt, alter, decompile, disassemble or reverse engineer any part of the Service Provider Intellectual Property.

5.3 No Other Rights

- 5.3.1 Customer will acquire no other right, title or interest in or to any Service Provider Intellectual Property other than the limited license granted pursuant to Section 5.1.
- 5.3.2 Nothing in this Agreement will affect the ownership by Service Provider or its licensors of any of their Intellectual Property Rights existing at the Effective Date.
- 5.3.3 All Intellectual Property Rights in materials supplied, created or developed by, or on behalf, of Service Provider in connection with the provision of the Services are, and will remain, the exclusive property of Service Provider or its licensors.

ARTICLE 6 DISCLAIMER OF WARRANTIES

6.1 Limitation of Warranties

Except as expressly set forth in this Agreement, Customer acknowledges and agrees that Service Provider makes no representation or warranty, express or implied, with respect to the Services or the provision thereof by Service Provider, including any implied representations, warranties and duties of merchantability, the provision of error-free services, fitness of the Services for a particular purpose, results, lack of viruses or accuracy or completeness.

ARTICLE 7 LIMITATION OF LIABILITY AND INDEMNITIES

7.1 Limitation of Liability

- 7.1.1 Subject to Section 7.1.3, each Party's liability in connection with this Agreement will be limited to direct damages. Without limiting the generality of the foregoing, in no event, other than as specified in Section 7.1.3, will either Party be liable to the other for any indirect, special, incidental or consequential damages, whether based on breach of contract, tort (including negligence) or otherwise, whether or not that Party has been advised of the possibility of such damages.
- 7.1.2 Subject to Section 7.1.3 and without limiting the generality of Section 7.1.1, each Party's liability to the other Party in connection with this Agreement will not, in the aggregate, exceed \$75,000.
- 7.1.3 Sections 7.1.1 and 7.1.2 will not apply to: (i) Service Provider's liability and obligations under Section 7.2; (ii) Customer's liability and obligations under Section 7.3; (iii) Customer's liability for breaches of Section 5.2; and (iv) either Party's liability to the other Party for breaches of Article 8, which, in each case, will include all damages, including indirect, special, incidental and consequential damages.
- 7.1.4 This Section 7.1 will apply irrespective of the nature of the cause of action, demand or claim, including but not limited to, breach of contract, negligence, tort or any other legal theory, and will survive a fundamental breach or breaches or failure of the essential purpose of this Agreement or of any remedy contained herein.

7.2 Indemnity and Related Obligations of Service Provider

7.2.1 Service Provider will defend, indemnify and hold each of the Customer Indemnitees harmless from all losses, liabilities, expenses, costs and damages suffered or incurred by any of Customer Indemnitees, including legal fees and court costs, arising as a result of or in connection with:

- 7.2.1.1 any death or bodily injury, sickness, disease or injury of any kind, of any Customer employee, agent or representative, to the extent caused by any act or omission of Service Provider; and
- 7.2.1.2 any damage, loss or destruction of any real, personal or intangible property of Customer, including any Assets, to the extent caused by any act or omission of Service Provider.

7.3 Indemnity of Customer

- 7.3.1 Customer will defend, indemnify and hold each of the Service Provider Indemnitees harmless from all losses, liabilities, expenses, costs and damages suffered or incurred by any of the Service Provider Indemnitees, including legal fees and court costs, arising as a result of or in connection with:
 - 7.3.1.1 any death or bodily injury, sickness, disease or injury of any kind, of any Service Provider employee, agent or representative, to the extent caused by any act or omission of Customer; and
 - 7.3.1.2 any damage, loss or destruction of any real, personal or intangible property of Service Provider, to the extent caused by any act or omission of Customer.

ARTICLE 8 CONFIDENTIAL INFORMATION

8.1 Confidential Information

The Receiving Party will at all times, both during the Term and thereafter, keep and hold all Confidential Information of the Disclosing Party in the strictest confidence, and will not make use of, or disclose such Confidential Information for any purpose, other than as may be reasonably necessary for the exercise of its rights or the performance of its duties pursuant to this Agreement, without the Receiving Party's prior consent.

8.1.1 The Receiving Party will:

- 8.1.1.1 not disclose to any Person or use any Confidential Information of the Disclosing Party disclosed to, collected by or received by it except as expressly permitted in this Agreement; and
- 8.1.1.2 take all reasonable measures to maintain the confidentiality of all Confidential Information of the Disclosing Party in its possession or control, which will in no event be less than the measures it uses to maintain the confidentiality of its own information of similar importance.
- 8.1.2 Notwithstanding the foregoing, the Receiving Party may disclose Confidential Information:

- 8.1.2.1 to the Receiving Party's or the Receiving Party's Affiliates' employees or independent contractors solely on a "need to know" basis and only to the extent necessary or reasonably appropriate to permit the Receiving Party to exercise its rights or perform its obligations under this Agreement, provided that the applicable independent contractor has signed a written confidentiality agreement containing, and the applicable employee is bound by, confidentiality obligations that are at least as stringent as the confidentiality obligations set out in this Article 8;
- 8.1.2.2 to the extent required by a stock exchange or a court of competent jurisdiction or other governmental authority or otherwise as required by Applicable Law (provided that the Receiving Party gives the Disclosing Party an opportunity to oppose the disclosure or to seek a protective order protecting such Confidential Information prior to any such disclosure, and provided that such disclosure complies with the terms of any such protective order obtained);
- 8.1.2.3 to the extent necessary in connection with the rate making process of the Ontario Energy Board in order to support an application for rates filed by the Purchaser; or
- 8.1.2.4 as necessary to its bankers, financiers and prospective purchasers, subject to confidentiality obligations that are at least as stringent as the confidentiality obligations set out in this Article 8.
- 8.1.3 The provisions of this Agreement will be considered Confidential Information of each Party.
- 8.1.4 Each Party acknowledges that its failure to comply with the provisions of this Article 8 will cause irreparable harm to the other Party which cannot be adequately compensated for in damages, and accordingly acknowledges that the other Party will be entitled to obtain, in addition to any other remedies available to it, interlocutory and permanent injunctive relief to restrain any anticipated, present or continuing breach of this Article 8.

ARTICLE 9 TERM AND TERMINATION

9.1 Term

This Agreement will commence on the Effective Date and will continue for 24 months following the Closing Date (as defined in the Share Purchase Agreement between Brookfield Renewable Power Inc., FortisOntario, Inc. and Fortis, Inc.); unless earlier terminated pursuant to the terms of this Article 9 (the "**Term**").

9.2 Termination of Services by Customer

- 9.2.1 Customer may terminate any Service or any part thereof, or this Agreement, at any time by delivering Notice thereof to Service Provider, not less than thirty (30) days prior to the effective date of such termination.
- 9.2.2 Notwithstanding the termination of any Service, the fixed Fees and all Rebillable Expenses necessarily incurred or to be incurred by Service Provider for the remainder of the Service Period, will continue to be payable by Customer.

9.3 Termination of Services by Service Provider

9.3.1 Service Provider may terminate this Agreement with immediate effect by giving written notice to Customer if Customer fails to pay within 30 days of it becoming due any sum payable under this Agreement.

9.4 Termination of Services by Either Party

9.4.1 Either Party may terminate this Agreement with immediate effect by giving notice to the other Party if the other Party commits a material breach of this Agreement, and in the case of a breach which is capable of remedy fails to remedy it within 60 days of receipt of notice of the breach and of an intention to exercise rights under this clause.

9.5 Effect of Expiration or Termination

Upon termination or expiration of this Agreement:

- 9.5.1 all rights and obligations of each Party hereunder will cease as of the date of the termination, and any undisputed amounts owed by either Party pursuant to this Agreement will be promptly paid in full; and
- 9.5.2 each Party will return to the other all Confidential Information and property of the other Party furnished under this Agreement to the locations designated by mutual agreement of the Parties, and will destroy or erase all copies of such Confidential Information in the possession of the other Party, including copies on paper or other hard copy and copies on computer or other storage media.

ARTICLE 10 GENERAL PROVISIONS

10.1 Compliance with Applicable Laws

Each Party will perform its obligations under this Agreement in conformity with all Applicable Laws.

10.2 Survival

The termination or expiration of all or any part of this Agreement will not affect or prejudice any rights or obligations which have accrued or arisen under this Agreement or such part thereof prior to the time of termination or expiration and those rights and obligations will survive the termination or expiration of this Agreement or part thereof. In addition, Sections 4.1, 4.2, 6.1, 9.5 to 10.2 and Article 7 and Article 8, and such other provisions as are necessary for the interpretation thereof will survive expiration or termination of this Agreement.

10.3 Force Majeure

If, by reason of Force Majeure, either Party (the "Frustrated Party") is delayed or unable, in whole or in part, to perform or comply with any of its obligations under this Agreement, then, subject to the remainder of this Section 10.3, it will be relieved of liability and will suffer no prejudice for failing to perform to the extent that the inability was caused by Force Majeure. The Frustrated Party will give the other Party prompt Notice of the cessation of Force Majeure.

10.4 Non-solicitation of Employees

Each Party acknowledges that the other Party's personnel who participate under this Agreement are critical to the performance of each Party's respective obligations hereunder and to their respective businesses. The Parties agree not to solicit, hire or otherwise retain the other Party's personnel assigned to perform their respective obligations hereunder for a period of one year following any such person's involvement in the performance of this Agreement; provided however that the foregoing will not prohibit any general solicitation not specifically directed at such other Party's personnel and the making of an offer of employment to any personnel who responds to any such general solicitation. This provision may be waived upon written agreement between the Parties.

10.5 Waiver of Compliance

Any failure of Service Provider, on the one hand, or Customer, on the other hand, to comply with any obligation, covenant, agreement or condition contained herein may be waived in writing by the other Party, but such waiver or failure to insist upon strict compliance will not operate as a waiver of any subsequent or other failure.

10.6 Amendment

This Agreement may be amended, modified or supplemented only by a written agreement signed by the Parties.

10.7 Severability

In case any provision in this Agreement will be held invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof will not in any way be affected or impaired thereby.

10.8 Entire Agreement

This Agreement, including the Schedules attached hereto and the other documents expressly referred to herein and which form a part hereof, contains the entire understanding of the Parties with respect to the subject matter contained herein and therein. This Agreement supersedes all prior agreements and understandings between the Parties with respect to such subject matter.

10.9 Assignment; Enurement

This Agreement and all the provisions hereof will be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns. Customer may not assign its rights and interests in this Agreement without the prior written consent of Service Provider, which consent may be refused in its sole discretion. A change of control of Customer will be deemed to be an assignment, except for the change of control of the Customer contemplated by the share purchase agreement dated as of June 23, 2009 among Brookfield Renewable Power Inc., Fortis Ontario Inc. and Fortis Inc.

10.10 Further Assurances

Each of the Parties will promptly do, make, execute or deliver, or cause to be done, made, executed or delivered, all such further acts, documents and things as the other Party hereto may reasonably require from time to time for the purpose of giving effect to this Agreement and will use commercially reasonable efforts and take all such steps as may be reasonably within its power to implement to their full extent the provisions of this Agreement.

10.11 Notices

Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be given by pre-paid mail, facsimile or by hand-delivery as hereinafter provided. Any such notice or other communication shall be deemed to have been received on the fourth Business Day after the post-marked date thereof, or if sent by facsimile, shall be deemed to have been received on the Business Day following the sending, or if delivered by hand shall be deemed to have been received at the time it is delivered to the applicable address noted below either to the individual designated below or to an individual at such address having apparent authority to accept deliveries on behalf of the addressee. Notice of change of address shall also be governed by this section. In the event of a general discontinuance of postal service due to strike, lock-out or otherwise, notices or other communications shall be delivered by hand or sent by facsimile and shall be deemed to have been received in accordance with this section. Notices and other communications shall be addressed as follows:

10.11.1 if to Service Provider:

Great Lakes Power Transmission LP 2 Sackville Road Sault Ste. Marie, Ontario P6B 6J6 Attention:

Tim Lavoie

Telecopier number:

(705) 941-5600

10.11.2 if to the Customer:

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

Attention:

Tim Lavoie

Telecopier number:

(705) 941-5600

Notwithstanding the foregoing, any notice or other communication required or permitted to be given by either Party pursuant to or in connection with any arbitration procedures contained herein or in any Schedule hereto may only be delivered by hand writing.

10.12 Governing Law and Attornment

10.12.1 This Agreement will be governed by the laws of the Province of Ontario, Canada, without giving effect to any choice of law or conflict of law, rules or provisions thereof and the laws of Canada applicable therein. All actions arising out of or relating to this Agreement will be heard and determined exclusively in the Superior Court of Ontario or such other Ontario court as will be applicable to the matter and the Parties irrevocably submit to the exclusive jurisdiction of such court and waive the defense of an inconvenient forum to the maintenance of any such action.

10.12.2 Any judicial proceeding brought against any of the Parties on any dispute arising out of this Agreement or any matter related hereto may be brought in the court of the Province of Ontario, and, by execution and delivery of this Agreement, each of the Parties accepts the exclusive jurisdiction of such courts and irrevocably agrees to be bound by any judgment rendered thereby in connection with this Agreement, and agrees that venue in any such court or in such jurisdiction is not inconvenient.

10.13 Expenses

Except as specifically provided otherwise in this Agreement, the Parties will pay their own costs and expenses relating to the negotiating and entering into of this Agreement and the consummation of the transactions contemplated hereby.

10.14 Relationship of Parties

This Agreement is not intended to, and none of the provisions of this Agreement will: (i) create a partnership between Customer and Service Provider; (ii) create a fiduciary relationship between Customer and Service Provider; (iii) create a relationship of principal and agent between Customer and Service Provider; (iv) grant either Party any authority to bind the other to perform any obligations to any Person, or to hold itself out as having such authority to

any Person; or (v) create any joint and/or several liability between Customer and Service Provider.

10.15 Remedies Cumulative

Notwithstanding any other provision of this Agreement, and unless otherwise expressly stated herein, all rights and remedies of any Party under this Agreement are in addition to such Party's other rights and remedies and are cumulative, not alternative.

10.16 Legal Counsel

The Parties acknowledge that their respective legal counsel have reviewed and participated in settling the terms of this Agreement, and that any rule of construction to the effect that any ambiguity is to be resolved against the drafting Party will not be applicable in the interpretation of this Agreement.

10.17 Counterparts

This Agreement may be executed in any number of counterparts and either Party may execute any such counterpart, each of which when executed and delivered will be deemed to be an original and all of which counterparts taken together will constitute but one and the same instrument.

IN WITNESS WHEREOF the Parties have signed and executed this Agreement on the date first above mentioned.

GREAT LAKES POWER TRANSMISSION LP, by its general partner, GREAT LAKES POWER TRANSMISSION INC.

Date: July 1, 2009

GREAT LAKES POWER

DISTRIBUTION INC.

Title:

Schedule 1.1.20

Services

Great Lakes Power Transmission LP

Information Technology Services Agreement for

Great Lakes Power Distribution Inc.





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SCHEDULE "A" - SERVICE PROVISION

1.01 Approvals

Table A.1 shows which business groups and IT groups share ownership of the service, and their representatives have reviewed and approved this SLA.

Ownership Type	Organizational Group	Representative		
CIS, Billing, EBT functions	GLPD Customer Service,	Peggy Lund		
Financials, Regulatory	GLPTLP Finance Department			
Planning, Engineering	GLPTLP Engineering and Department	Gary Gazankas		
GLPDI IT Services	GLPDI IT	John Sander		
GLPTLP:IT Support Team	GLPTLP IT Services	James Cook		

Table A.1 Organization Representation

1.02 Time and Percent Conventions

This SLA uses the following conventions to refer to times and percents:

- Times expressed in the format "hours: minutes" reflect a 24-hour clock in the Eastern Standard Time zone.
- Times expressed as a number of "business hours" include from the hours from 8:00 to 16:30.
- Times expressed as a number of "business days" include business hours, Monday through Friday, excluding designated holidays.

The symbol "---" indicates that no time applies in a category (for example, no outages are scheduled for a day).

1.03 Description of Supported Systems

The GLPTLP IT Support Team provides the following service:

- Ensures that the Sungard Public Sector Customer Information System ("CIS") application is available for users to log on and perform business processes specific to customer interaction (i.e. billing, EBT, Net System Load Shape and ITRON MVRS).
- Ensure that the Infor Enterprise Asset Management application is available for users to log on and perform processes specific to the business requirements within the Planning/Engineering department.



- Ensure the CableCAD application is available for user to log on and perform business functions relevant to the Planning/Engineering department.
- Ensure the Lotus Domino Server application is available for users to log on and access their respective email and workflow applications.
- Ensure all aspects of the IT infrastructure are maintained including:
 - Active Directory
 - Network Core (switch gear and overall network management)
 - File/Print services and associated Network Attached Storage device(s)
 - Phone System (Nortel/Bell Canada PBX)
 - Data Centre management (including HVAC, fire suppression, power management and security)
 - Firewall Management (including configuration changes and security updates)
 - Remote access.

1.04 User Environment

The business function is conducted in the following data processing environment as shown in Table A.2.

Number of Users:	65 (approximate)∉
Geographic Location	GLPTLP office address
	Windows XP workstation Microsoft Office 2003 Suite Front-end workstations providing access to CIS and/or ERP systems a Any other third party applications necessary to perform business functions Maintain current security associated with workstation operating systems and third party applications.

Table A.2 Service User Community Characteristics

1.05 Backups and Restores

The backing up and restoring GLPTLP's CIS, ERP, GIS and associated file systems is the responsibility of GLPTLPs IT Support Services. To be discussed The goal of the disaster recovery program is to maintain a recovery point objective of 24 hours and a recovery time objective of 7 days. Backups of the GLPTLP CIS, ERP, GIS and associated file systems will follow this schedule as a minimum standard:

• Full Backups: Once per week and stored off-site within one business day utilizing a four week retention period.



- Differential Backups: Each week day. Stored off-site.
- Monthly Backups: Once per month and stored off-site within one business day utilizing a one year retention period.
- Off-site is defined as a 3 hour fire rated media vault located in an outbuilding on the property.

1.06 About Service Availability

This section provides information about the normal schedule of times when the service is available. It also describes the process for enhancing or changing the service.

1.07 Normal Service Availability Schedule

Table A.3 shows the times the service is available for customer use.

Times 🗘	Sunday	Monday.	Luesday	Wednesday	Thursday	Friday	Săturday,
Start	0:00**	0:00	0:00	0:00	0:00	0:00	0:00**
Stop	24:00	24:00	24:00	24:00	24:00	24:00	24:00 ⁻

Table A.3 Service Availability

1.08 Scheduled Events That Impact Service Availability

Regularly scheduled events can cause a service outage or have an impact on performance (such as slow response time). Table A.4 shows when these are scheduled to occur.

Times	Sunday.	Monday	Tuesday	Wednesday	idweday	Fullay :	Saturday
Start	0:00	19:30	19:30	19:30	19:30	19:30	0:00
Stop	24:00	21:30	21:30	21:30	21:30	21:30	24:00

Table A.4 Scheduled Outages for the Weekly Server Reboot

1.09 Nonemergency Enhancements

All changes that take more than four hours to implement or that impact user workflow are reviewed by GLPTLP and GLPDI for approval and prioritization through a weekly change management process.

^{**}Adjusted when necessary for scheduled outages and nonemergency enhancements or when agreed upon by both parties.

Enhancements and changes that require a service outage are scheduled on Saturday through Sunday and from 19:30 to 21:30 on weekdays as mutually agreed to through changed management process. Users are notified at least two business days in advance when a nonemergency service outage is required to implement an enhancement or change.

To request an enhancement, submission of a GLPTLP service desk ticket is required.

1.10 Change Process

Changes to any hardware or software affecting an application identified in Section 1.03 should be requested by submitting a GLPTLP service desk.

1.11 Requests for New Users

To add a new user to an existing department requires notifying GLPTLP through the GLPTLP User Change Request application, and specifying the user job role and associated access. Requests are satisfied within two business days.

1.12 About Service Response

The GLPTLP IT Support Team monitors and reports the service quality. The GLPDI helpdesk prioritizes requests for support according to the following priority-level guidelines:

1- Emergency

Complete work stoppage. Any production business application identified in Section 1.03 is not operational for multiple users

2-High Priority

Inability to complete a critical process. (e.g. Unable to post payroll)

3-Medium Priority

Inability to complete a non-critical process (for a single user).

4-Low Priority

- Any business application related to the user's workstation is impaired.
- A user requires administrative assistance.



 Enhancement requests are logged as Priority 4-Low Priority, but are reviewed and scheduled by the GLPTLP Support Team upon receiving a GLPTLP service desk ticket.

1.13 Service Costs

Table A.5 represents the monthly costs necessary to maintain IT functions related to GLPD.

www.communicates.items.utems.communicates.com	otal La	(GLPD)	Monthly	Notes (Caracia Caracia)
Sungard Public Sector (ERP)	57,800.00	23,700.00	1,975.00	Only components of Sungard specific to GLPI
Infor EAM	11,200.00	0.00	0.00	no incremental to GLPD
IBM iSeries hardware maintenance		0.00	0.00	no incremental to GLPD
series supporting utilities		0.00	0.00	Monitoring tools, programming tools, etc.
File		0.00	0.00	no incremental to GLPD
Print		0.00	0.00	no incremental to GLPD
Remote Access (Citrix, RSA, gateway)	4,400.00	1,000.00	83.33	Citrix \$3K per year, RSA \$28 per.
Symantec Backup Exec	7,000.00	0.00	0.00	11,000 7K
Spectralogic tape drive	2,800.00	0.00	****	no incremental to GLPD Meter load for equipment. Specifc additional equipment such as alternate AD.
Infrastructure (HVAC, Power, UPS)				Secondary mail server
Cisco switch service contract				Wawa, Desbarats, Garage, Receiving
Maintenance costs Lotus	24,000.00	3,575.00	297.92	maint for CALS \$55 per seat
Maintenance costs VMWare	1,200.00	0.00	0.00	no incremental to GLPD
PBX annual costs not including move/change/add	12,500.00	4,000.00	333.33	Just maintenance
Avotus telephone management	2,900.00	1,450.00	120.83	
EBT (Savage Data)	11,800.00	11,800.00	983.33	
Settlement (TB Hydro)	11,000.00	11,000.00	916.67	
Objectif Lune Maintenance	600.00	100.00	8.33	Bill print, payroll, cheques
Aclara TWACs (until Smart Metering)	7,700.00	7,700.00	641.67	
Swing Document Publisher maintenance	2,600.00	700.00	58.33	\$2250USD per year 3.75 per user per year for content subscriptio
Bluecoat content filtering hardware and software	1,673.00	188.00	15.67	\$1355 for appliance
Symantec Antivirus Enterprise Edition	5,000.00	3,250.00	270.83	\$50 per seat per year x 65
Service Desk Software maintenance	1,900.00	400.00	33.33	•
Cable CAD	18,000.00	18,000.00	1,500.00	approx \$18K per year
Network Attached Storage	6,000.00	0.00	0.00	no incremental to GLPD
Internet - main	1,160.00	300.00	25.00	
Internet Wawa	2,400.00	2,400.00	200.00	
Internet Desparats	2,868.00	2,868.00	239.00	
SPAM Filtering	1,656.00	897.00	74.75	\$1USD per box x 120
Blackberry	750.00	300.00	25.00	\$30 per user for maintenance 10 Dx
•	Ŧ	otal	7.802.33	-

Table A.3 Monthly IT Service Costs

Great Lakes Power Transmission LP

Information Technology Services Agreement for

Great Lakes Power Distribution Inc.

October 8, 2009

2009



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Subject to the terms and conditions hereof, Great Lakes Power Distribution Inc. shall retain the Great Lakes Power Transmission LP to carry out the following services:

1.01 Approvals

Table A.1 shows which business groups and IT groups share ownership of the service, and their representatives have reviewed and approved this SLA.

Ownership Type	Organizational Group	Representative
CIS, Billing, EBT functions	GLPD Customer Service,	Peggy Lund,
Financials, Regulatory	GLPTLP Finance Department	Duane Fecteau
Planning, Engineering	GLPTLP Engineering Department	Gary Gazankas
GLPDI IT Services	GLPDI IT	John Sander
GLPTLP IT Support Team	GLPTLP IT Services	James Cook

Table A.1 Organization Representation

1.02 Time and Percent Conventions

This SLA uses the following conventions to refer to times and percents:

- Times expressed in the format "hours: minutes" reflect a 24-hour clock in the Eastern Standard Time zone.
- Times expressed as a number of "business hours" include from the hours from 8:00 to 16:30.
- Times expressed as a number of "business days" include business hours, Monday through Friday, excluding designated holidays.

The symbol "---" indicates that no time applies in a category (for example, no outages are scheduled for a day).

1.03 Description of Supported Systems

The GLPTLP IT Support Team provides the following service:

- Ensures that the Sungard Public Sector Customer Information System ("CIS") application is available for users to log on and perform business processes specific to customer interaction (i.e. billing, EBT, Net System Load Shape and ITRON MVRS).
- Ensure that the *Infor Enterprise Asset Management* application is available for users to log on and perform processes specific to the business requirements within the Planning/Engineering department.



- Ensure the CableCAD application is available for user to log on and perform business functions relevant to the Planning/Engineering department.
- Ensure the *Lotus Domino Server* application is available for users to log on and access their respective email and workflow applications.
- Ensure all aspects of the IT infrastructure are maintained including:
 - Active Directory
 - Network Core (switch gear and overall network management)
 - File/Print services and associated Network Attached Storage device(s)
 - Phone System (Nortel/Bell Canada PBX)
 - Data Centre management (including HVAC, fire suppression, power management and security)
 - Firewall Management (including configuration changes and security updates)
 - Remote access.

1.04 User Environment

The business function is conducted in the following data processing environment as shown in Table A.2.

Number of Users	65 (approximate)					
Geographic Location	GLPTLP office address					
Computer Platform	 Windows XP workstation Microsoft Office 2003 Suite Front-end workstations providing access to CIS and/or ERP systems Any other third party applications necessary to perform business functions Maintain current security associated with workstation operating systems and third party applications 					

Table A.2 Service User Community Characteristics

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Table A.3 shows the times the service is available for customer use.

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Stop	24:00	24:00	24:00	24:00	24:00	24:00	24:00

Table A.3 Service Availability

1.08 Scheduled Events That Impact Service Availability

Regularly scheduled events can cause a service outage or have an impact on performance (such as slow response time). Table A.4 shows when these are scheduled to occur.

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Table A.4 Scheduled Outages for the Weekly Server Reboot

1.09 Nonemergency Enhancements

All changes that take more than four hours to implement or that impact user workflow are reviewed by GLPTLP and GLPDI for approval and prioritization through a weekly change management process.

^{**}Adjusted when necessary for scheduled outages and nonemergency enhancements or when agreed upon by both parties.



Enhancements and changes that require a service outage are scheduled on Saturday through Sunday and from 19:30 to 21:30 on weekdays as mutually agreed to through changed management process. Users are notified at least two business days in advance when a nonemergency service outage is required to implement an enhancement or change.

To request an enhancement, submission of a GLPTLP service desk ticket is required.

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Changes to any hardware or software affecting an application identified in Section 1.03 should be requested by submitting a GLPTLP service desk.

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The GLPTLP IT Support Team monitors and reports the service quality. The GLPDI helpdesk prioritizes requests for support according to the following priority-level guidelines:

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Complete work stoppage. Any production business application identified in Section 1.03 is not operational for multiple users

2-High Priority

Inability to complete a critical process. (e.g. Unable to post payroll)

3-Medium Priority

Inability to complete a non-critical process (for a single user).

4-Low Priority

- Any business application related to the user's workstation is impaired.
- A user requires administrative assistance.



 Enhancement requests are logged as Priority 4-Low Priority, but are reviewed and scheduled by the GLPTLP Support Team upon receiving a GLPTLP service desk ticket.

1.13 Service Costs

Table A represents the monthly costs necessary to maintain IT hardware related to GLPD.

Table A. – Hardware Maintenance

Service Area:	Hardware Maintenance		
	Vendor will provide the following services:		
	Cisco switch service contract Itron MVRS Software and Hardware Maintenance	\$40.00 \$420.00	Hardware and software maintenance for Cisco switches in Garage building and receiving building Handheld meter reading system hardware and software maintenance
Description and	Aclara TWACs (until Smart Metering)	\$641.67	Automated meter reading system for meters East of Sault Ste. Marie. Hardware and software maintenance
Scope of Services:	Bluecoat content filtering hardware and software	\$15.67	Hardware maintenance and web content filtering subscription
	Phone switch maintenance	\$520.83	50% of Bell Canada maintenance contract on telephone switch and voice mail system.
	IBM iSeries hardware and software maintenance	\$0.00	Incremental cost is zero. Includes hardware and operating system maintenance from IBM
	iSeries supporting utilities Total	\$0.00 \$1,638.16	Third part applications for report writing, error reporting, antivirus, etc.
Fee Basis:	Monthly fixed fee		
Fee:	\$1,638.16		



Table B represents the monthly costs necessary to maintain IT software related to GLPD

Table B – Software Maintenance

Service Area:	Software Maintenance		
	Vendor will provide the fo	ollowing ser	vices:
	Sungard Public Sector (ERP)	\$2,975.00	Charges related to only the distribution specific aspects of Sungard PS. This includes customer information system, real time, cash receipts, and smart metering.
	Remote Access (Citrix, RSA, gateway)	\$83.33	Remote access services include the provision of a Citrix Access Gateway allowing both access to Citrix severs and a VPN. Maintenance includes Citrix software and RSA two factor authentication tokens.
	Maintenance costs Lotus	\$297.92	Lotus Domino messaging system client access license. Vendor will provide access to messaging system. Avotus telephone management tracts the
Description and Scope of Services:	Avotus telephone manage- ment	\$120.83	cost of long distance based on extension. Long distance will be appropriately billed to the purchaser.
Services:	Objecif Lune Maintenance	\$8.33	Bill print, payroll pay stubs, cheques, and purchase order are all printed to blank print stock. Objectif Lune Planet Press is forms software that dynamically generates forms for these appliations.
	Swing Document Publisher maintenance	\$58.33	Swing is a present and workflow application for delivery of policies and procedures via web browser to the user community.
	Symantec Antivirus Enterprise Edition	\$270.83	Symantec Antivirus provides virus protection of client computer as well as servers.
	Service Desk Software maintenance	\$66.67	Service desk software provides a ticketing system for user requests for assistance. This charge represents the portion for two technicians.



	Cable CAD	\$1,500.00	Cable CAD is a utility specific design tool and graphical presentment system for the utility physical plant.
	Blackberry Infor Enterprise Asset	\$25.00	Provision of Blackberry Enterprise Software and associated infrastructure. This represents the maintenance charge for 10 Blackberry devices. Provision of ERP modules for work management, purchasing, and
	Management	\$687.00 \$6.093.25	inventory
Fee Basis:	Monthly fixed fee		
Fee:	\$6,093.25		

Table C represents the monthly costs necessary to maintain IT software related to GLPD

Table C – Services

Service Area:	Services		
	Vendor will provide the following services:		
	EBT (Savage Data)	\$983.33	EBT transaction hub processing with Savage data as well as spoke management.
	Settlement (TB Hydro)	\$916.67	Thunder Bay Hydro processing of Net System Load Shape for input into CIS
Description	Internet - main	\$666.67	50% of cost of primary Internet connection to Ontera (regional ISP)
and Scope of Services:	Internet Wawa	\$200.00	Entire cost of Internet connection to Wawa Work Center. Used for remote access
	Internet Desbarats	\$239.00	Entire cost of Internet connection to Desbarats Work Center. Used for remote access
			Email SPAM filtering service. \$1USD per mail box. Includes management of mail
	SPAM Filtering	\$74.75	users.



	Firewall monitoring through GoSecure including nokia and checkpoint maint	\$400.00	GoSecure of Montrea monitors and configures all firewalls. This includes the related charges to the two work centres.
	Change Management Processes	\$0.00	Weekly change management meetings to include infrastructure changes from the last week and the coming week.
	Network attached storage	\$0.00	Providion of network attached storage infrastucture for user network folders and server storage Network file services either via Netapp
	File/print services	\$0.00	or Windows server. Server based print services.
	Storage Backup	\$0.00	Utilizing Symantec Backup Exec on file servers and IBM BRMS backup on iSeries server, data backed up to Ultrium magnetic media.
	Infrastrucuture (HVAC, Power, UPS)	\$0.00	Data center including HVAC, power distribution, UPS, and generator). One rack to be dedicated to purchaser at end of agreement
	Network and server infrastructure	\$0.00	Network switch core based on CISCO hardware. Windows 2003 servers including services such as active directory. VMWare environment for single
	VMWare environmnet	\$0.00	function servers such as EBT Modem connection to CIBC. Transaction
	CIBC Bank drafting / direct deposit	\$0.00	costs born by purchaser. May migrate to web based file transfer.
	Building access control system	\$0.00	Proximity card reader based physical access control system. Purchaser incurs costs related to splitting sytem if necessary.
	PBX move/change/add Total	\$0.00 \$3,480.42	Telephone system changes done in house at no charge. Those involving Bell will be charged based on Bell invoice.



Purchaser Requirements:	Purchase is expected to supply and maintain their own network equipment to provide a connection between Purchaser and Vendor.		
Fee Basis:	Monthly fixed fee		
Fee:	\$3.480.42		

1.14 Agreement

IN WITNESS WHEREOF the parties have executed this Agreement.

Great Lakes Power Transmission LP				
Per:				
Dor				
Per:				
Great L	akes Power Distribution Inc.			
Per:				
Per:				

17. [Ex. 3/2/2, p. 3] Please provide an update on the status of the possible major customer referred to. Please provide a list of all current customers (without names or identifying features) having a capacity requirement in excess of 500 KW, and the aggregate demand and energy for that group of customers in 2009.

RESPONSE:

The status of the major customer is described in the response to VECC IR 14.

The list of current (5) customers having capacity requirement in excess of 500 kW are listed below.

	Total Consumption in	Total kW Demand in	
Customer	2009 kWhs	2009 kWhs	
1	20,829,292	36,778	
2	9,625,233	18,954	
3	2,909,466	15,419	
4	1,588,000	7,031	
5	1,167,230	3,826	
Total	36,119,221	82,008	

18. [Ex. 3/3/1] Please explain the drop in rent from electric property from 2009 to 2010.

RESPONSE:

Rent paid by API as a joint-use tenant in 2010 of approximately \$45,000 is shown as an offset to account 4210. This rent was not paid in 2009.

19. [Ex. 4/1/1, p. 2] Please explain why this is proposed to be spread over three years, instead of four as per the Board's standard IRM model.

RESPONSE:

API's proposal to recover its costs arising from this Application is discussed in the responses to Board staff IRs 1b and 30.

20. [Ex. 4/1/1/A] Please provide a detailed description of all changes in maintenance policies and practices arising out of, or occurring since, the acquisition of the Applicant by Fortis. Please quantify the dollar impact of all such changes. Please provide all internal policy documents, or instructions provided to staff, relating to such changes. Please provide a copy of any standardization or rationalization plan or proposal relating to maintenance policies for API relative to maintenance policies for CNPI, EOP or Cornwall.

RESPONSE:

There have been no changes to maintenance policies or practices arising out of, or occurring since, the acquisition of the Applicant by FortisOntario.

There has not been any standardization or rationalization plan or proposal created. There may be some rationalization in the future; however, the extent of overlap is likely limited, given API's rural, lightly loaded, and predominantly radial system.

21. [Ex. 4/1/1/B] With respect to Vegetation Management:

- a. Please describe any changes to trim sizes or clearances, or other policies or protocols associated with vegetation management, and describe how those changes relate to either the change to a six year cycle, or the ROW Expansion Program.
- b. P. 4. Please explain why the expanded ROW will result in an "increase in line clearing and brush control".

RESPONSE:

- a) There are no changes.
- b) The brush control program will see an increase density of non- compatible vegetation since the dormant seed source is now exposed to sunlight on the new cleared ROW. On-going brush control will have to be performed on the wider ROW, therefore a larger area needing to be maintained. The line clearing program will see an increase workload as described in the response to VECC IR 18c.

22. Ex. 4/1/2] With respect to the Departmental Overview:

- a. P. 1. Please provide a description of how each department has changed or is expected to change as a result of the acquisition by Fortis of the shares of the Applicant.
- b. P.1 [and Ex. 4/5/1, p.2] Please provide a copy of any plan or similar documents relating to the rationalization of the Applicant's operations and integration with those of other Fortis companies. If there is a current shared services plan or summary for the Fortis companies, please provide that document as well.
- c. For each of the departments described in this exhibit, please describe:
 - i. the extent to which similar functions are carried out by affiliates;
 - ii. the extent to which those functions will be integrated with affiliates to achieve economies of scale or to access greater expertise;
 - iii. to the extent that those functions are remaining standalone, why that decision has been made, the benefits associated with separate handling of those functions, and the cost savings given up, if any, to achieve those benefits;
 - iv. how the handling of those functions with respect to API is expected to differ from the handling of similar functions with respect to CNPI Fort Erie, CNPI Port Colborne, Eastern Ontario Power, and Cornwall Electric, particularly in regards to the extent of integration and use of common resources.

RESPONSE:

- a) An overview of each department including the changes, or impact of the acquisition, is provided in Exhibit 4, Tab 1, Schedule 2. No changes are planned in the areas of operations, customer service, and community relations. As described in each overview, Canadian Niagara Power provides limited support in the following areas; finance; regulatory; human resources; health, safety and environment; and engineering. No changes have occurred in these departments but limited support is provided. Changes to the information technology department will occur as outlined in both the overview and Exhibit 4, Tab 1, Schedule 2.
- b) There is no written plan or documents relating to the rationalization of API operations with those of other FortisOntario companies. As each acquisition presents unique opportunities and challenges, there are no "one-size-fits all" integration plans. These plans are developed based upon the characteristics

of the utility including the geographic location, state of technology, staffing, population density, regulatory context, terrain, vegetation, distribution system characteristics and customer density (see Exhibit 1, Tab 2, Schedule 1).

The integration plan for API is set out in evidence Exhibit 4, Tab 1, Schedule 2. Based on the above characteristics, API requires its own departments in the areas of Customer Service, Finance, Health Safety & Environment and Operations. Implementation plans are underway to integrate certain aspects of Information Technology, Regulatory, and Human Resources.

c) The extent of integration in areas of Information Technology, Regulatory and Human Resources are discussed above. These functions are handled similarly with other affiliates. The area of Finance is normally shared with other affiliates: however, since API employed an accounting department to support all required back office functions at the time of the acquisition by FortisOntario, as explained in Exhibit 4, Tab 1, Schedule 2 on page 4 of 8, API continues to operate this function on a decentralized basis. The same Health, Safety and Environment management system is being implemented at all affiliates. The stand alone Customer Service and Operations functions are similar to certain other affiliates.

23. [Ex. 4/4/1] With respect to Employee Compensation:

- a. P. 1 Please provide a detailed description of all changes to employee compensation policies and practices arising out of, or occurring after, the acquisition by Fortis of the shares of the Applicant. Please quantify the impacts of any such changes.
- b. P. 1. Please provide the "market information" referred to, including any compensation studies prepared for the Applicant or its predecessor or prepared for the Fortis companies in the course of their due diligence on the acquisition.
- c. P. 2. Please explain what incentive compensation is available at 50% performance levels or above.
- d. P. 2. Please provide a copy of the short-term incentive program document, and a copy of all communications to employees since the acquisition in October 2009 outlining any corporate performance criteria or triggers.
- e. P.5. Please advise the aggregate amounts of incentive compensation paid for each of 2008 and 2009, and the forecast amount for each of 2010 and 2011.

RESPONSE:

a) As noted in evidence (Exhibit 1, Tab 2, Schedule 1), the requirements under Section 71 of the OEB Act, and the Decision and Order of the Board (EB-2009-0072, 0073, 0075) required the split from the integrated business. The acquisition by FortisOntario did not result in any material changes to staffing at API. Further, the acquisition did not result in any material changes to compensation.

As noted in evidence (Exhibit 4, Tab 4, Schedule 4), effective July 1, 2009 the employees of the distribution business were transferred to API. Following the acquisition, API continued to carry on business with very few changes in compensation or staffing. The collective agreement was renewed with the Power Workers' Union effective December 31, 2009, and the pension plans are being transferred.

FortisOntario did change the short term incentive plan at API by replacing it with a new short term incentive plan. The details of this plan are set out in evidence (Exhibit 4, Tab 4, Schedule 10). As set out in evidence (Exhibit 4, Tab 4, Schedule 2), API expects a 12% reduction (or \$1,067) in average incentive pay costs in 2010 Test Year compared with 2009 Actual.

- b) The market information consisted of consideration of the negotiated collective bargaining increases for the unionized employees of API, which is approximately 3% per annum for the period 2010-2012.
- c) At 50% performance levels, approximately 50% of the target payout (which ranges from 5% to 25% of base salary) is awarded. Performance below the 50% performance levels results in no payout.

At 100% performance levels, approximately 100% of the target payout (which ranges from 5% to 25% of base salary) is awarded.

At 150% performance levels, approximately 150% of target payout (which ranges from 5% to 25% of base salary) is awarded.

As noted in evidence (Exhibit 4, Tab 4, Schedule 1), target payouts above 150% are not normally made, and are subject to the discretion of the Board of Directors.

- d) The short term incentive plan rolled out following the acquisition is set out in evidence (Exhibit 4, Tab 4, Schedule 1). A copy of the plan along with corporate performance targets for 2010 is attached.
- e) Aggregated Incentive compensation is as follows:

2008 - \$139,953

2009 - \$190,218

2010 - \$200,115

2011 - \$205,600

ALGOMA POWER INC.

2010 SHORT TERM INCENTIVE PLAN

FORMAT

For 2010, Algoma Power Inc.'s ("API") Short Term Incentive ("STI") plan includes both an individual and a corporate component for all Management and Non-union staff. Key aspects of this plan together with the proposed targets for 2010 are outlined below.

APPLICATION

The short-term incentive plan is available to all permanent Management and Non-union staff of API. Unionized employees do not participate in the STI plan and do not receive incentive compensation.

MINIMUM CORPORATE PERFORMANCE CRITERION

Prior to any incentive payments being made, a minimum corporate performance criterion, or trigger, must be reached. API must achieve a pre-determined corporate threshold/target as approved by the Board of Directors of FortisOntario Inc. ("FortisOntario"); otherwise, no incentive payments will be made for more information on these criterion, see "Corporate Targets" below.

PAYOUT SUMMARY

BASIS

The target incentive compensation ranges from 5% to 25% of base salary. An additional payment of up to 50% of the target bonus may be awarded at the Board of Directors' discretion in recognition of response to exceptional challenges or opportunities. There is no payout if performance falls below the 50% target level. The following table shows an example potential payout for a non-supervisory administrative position¹:

POSITION	% of Basic Salary		
	TARGET PAYOUT 100%	MAXIMUM PAYOUT 150%	
Non-Supervisory	5%	7.5%	

The individual performance component is designed to better reflect the degree of opportunity which employees in each management group have to influence corporate performance. The weighting for the individual component will vary by position level.

Position	CORPORATE TARGETS	INDIVIDUAL TARGETS
Regional Manager	50%	50%
Other Management/Non-union	25%	75%

¹ The STI target incentive percentage is provided to employees at the time of employment, and varies depending on the position.

The incentive regime is structured in a manner that emphasizes the greater ability of the more senior individuals to affect corporate performance by making a greater portion of their compensation dependent on corporate as opposed to individual performance. For the Regional Manager, the split is 50% corporate and 50% individual. For Management and Non-Union staff, the split is 25% corporate and 75% individual.

CORPORATE TARGETS

Corporate targets may include the following: cost reduction, capital project completion, customer service, safety and environment, regulatory compliance, employee training, and reliability. Corporate measures have three performance levels, and are reflective of key corporate targets or goals. The API corporate targets for 2010 are attached as Schedule A.

Cost reduction measures set targets for maintaining or reducing operating costs. The capital project measure sets targets for meeting budgeted capital project costs, and completing projects with respect to scope and schedule. Customer service corporate measures ensure efficient and effective levels of service that meet Ontario Energy Board standards and service quality indices. Safety and environmental measures minimize high risk incidents and ensure that the company is being proactive in safety and environmental management. Regulatory compliance ensures reliable supply of electricity, and efficient customer service at approved rates. Employee training facilitates employees keeping abreast of various job related skills including regulatory, safety and environmental, technical and customer service related policies and procedures. Reliability measures monitor the reliability of supply of electricity to customers.

INDIVIDUAL TARGETS

Individual targets, like the corporate targets, support the broader design objective of aligning the interests of all stakeholder groups in API with an overall focus on efficient delivery of service to customers. Individual measures are developed in consultation with individuals and their immediate superiors. Each measure has three performance levels, is reflective of key projects or goals and focuses on departmental or divisional priorities. Individual measures may include the following: human resources, safety and environment, reliability, regulatory compliance, customer service, efficiencies, capital project completion, cost reduction and training targets.

ASSESSMENT AND PAYMENT

The Board of Directors of FortisOntario, API's parent company, approves the corporate targets for all participants. Actual corporate performance is assessed and approved annually by the Board of Directors of FortisOntario. Actual performance against individual targets is evaluated by the individual's immediate superior for Management and Non-union staff. The Chief Executive Officer of API assesses and approves the Regional Manager's performance.

Payments are subject to Board approval and will be made generally in February, once all corporate and individual performance measures of the financial year have been finalized.

Algoma Power Inc.

2010 Corporate Short-term Incentive Plan Targets

Category	Weight	Measure	(50%) Minimum	(100%) Target	(150%) Maximum
Financial ^{1,2}	30%	Consolidated Operating Costs (\$'000)	Budget + 5% \$28,248	Budget \$26,903	Budget - 5% \$25,558
	20%	Effectively Manage/Optimize Consolidated Capital Plan (Net) (\$'000)	Subjective	Budget \$21,960	Subjective
Customer Service ³	15%	Customer Satisfaction	84%	86%	88%
a 4	15%	# of High Risk Incidents (high risk lost time accidents + high risk near misses)	1	0	Subjective
Safety ⁴	5%	# of Safety Field Observations for the Company	90% of total	100% of total	Subjective
Reliability ⁵	7.5%	The average duration of outages per customer (SAIDI)	6.00	8.00	4.00
	7.5%	The average frequency of outages per customer (SAIFI)	4.50	3.00	1.50

FORTISONTARIO INC.

2010 CORPORATE SHORT-TERM INCENTIVE PLAN TARGETS

		Plan <u>(\$'000</u>
Note 1:	Consolidated Operating Costs Operating expenses	26,903
Note 2:	Consolidated Capital Budget (Net)	21,960

- **Note 3:** 2010 target was set at 84% per the approved Business Plan.
- **Note 4:** The high risk target remains at 0 for 2010. To achieve the 100% target for the safety observation, management and staff would have to complete all planned safety observations for 2010.
- **Note 5:** These reliability statistics targets cover the performance of Algoma Power assets and employees and are based on the Business Plan targets. Interruptions of supply were not included in these calculations.

24. [Ex. 4/4/2] Please confirm that total employee compensation is expected to increase by \$2,002,383 from 2007 to 2011, a total of 35.5%. Please show the main drivers of that increase, disaggregated at least into cost of living increases, merit pay increases, higher FTEs, and allocations from other Fortis companies. Please explain in detail the increase in capitalized compensation of 65.4%, showing the calculations that resulted in this increase. Please advise whether that increase includes the fully-loaded compensation amount capitalized, or whether there is any additional amount.

RESPONSE:

API confirms that total compensation is expected to increase by \$2,002,383 over the four year period 2007 to 2011. The primary drivers of the increase are as follows:

•	Increase in FTE's – labour \$'s	\$705,233
•	Increase in cost of living – labour \$'s	\$417,437
•	Merit Pay Increases	\$81,545
•	Progressions & Job Reclassifications	\$28,166
•	Benefits (Includes Pension funding)	\$770,002
•	Allocation from Fortis	\$0.00

FTE Increase

The largest component of the FTE increase is the addition of 7.85 Non-union FTE's representing \$592,124. Although it is difficult to breakdown the increase into a number of small components, the increase can be grouped as follows:

As set out in evidence submitted in Exhibit 4 Tab 4 Schedule 3 FTE's,

- (i) The separation of the transmission and distribution businesses contributed since a few new positions were required representing \$300.838:
- (ii) There was a replacement of three externally contracted positions with three regular employee positions representing \$238,370; and
- (iii) There was an increase in land and land-rights operational requirements associated with a move to the 6 year ROW maintenance cycle requiring a new position of Land Technician representing \$52,916.

The Union FTE increase is calculated to be 1.71 FTE's representing \$113,109. To attribute this increase to any one position over the period would be difficult. It would be related to a combination of increased workload, a reduction in the use of external contractors and the filling of staff vacancies since 2007.

Cost of Living Increase

The "cost of living" labour dollar increase is calculated using 2007 as the base year and escalating by the effective rate increases for Union & Non-union Staff over the period. The estimate includes \$115,937 for Non-union staff and \$301,500 for the Union staff.

Merit Pay Increase

The "merit pay" increased by \$81,545 over the period 2007 to 2011. The increase is primarily related to the same components as noted above for the Non-union FTE's.

Progressions & Job Reclassifications

"Progressions and Job Reclassifications" over the period in question have been estimated for the Non-union group in the amount of \$28,166.

Benefits (Including Pension Funding)

Benefits which include pension funding have increased by \$770,002 compared to 2007.

The Non-union group costs have increased by \$393,042 and the Union group by \$376,960. The increase in both categories is attributable to a number of different factors which are very difficult to segregate by element. However, the 2011 levels have been based on the best information available during the budget estimating (forecast) process.

Over the period in question there are factors that impact the increased costs of both employee groups such as:

- Increased employer costs for CPP and WSIB
- Increased premiums for dental, health and vision
- Increased cost of short term and long term disability

In addition to the above premiums that impact both Union & Non-union staff, the following factors impact each category differently:

- The Non-union group has a net increase of 7.85 FTE's (+9.51 regular staff less 1.66 temporary). The increase of regular FTE's will lend to a significant portion of the additional benefits costs in addition to the factors noted above. The fact that there is a 9.51 increase in regular staff means that there has been and will be associated cost increases in respect of premiums for dental, health, vision, short and long term disability plus pension funding.
- The Union group has a net increase of only 1.71 FTE's; however, there is a trade-off between regular staff +3.57 and temporary -1.86 which lends to the overall increase. In addition, the "defined benefit" pension funding

has increased significantly with the most significant portion being borne by the Union staff who are predominately the beneficiaries of the pension.

Capitalized Compensation

The increase in capitalized compensation of 65% (from \$1,452,281 in 2007 Actual to \$2,402,307 in 2011 Test Year) can be explained as follows:

- The increase in capitalized compensation includes the fully loaded compensation for the API resources shown on Exhibit 4, Tab 4, Schedule 2.
- Actual capital compensation figures (salary, wages and benefits) for 2007 were collected from system data by program. The 2010 and 2011 test years are based on the budget estimates prepared.
- Over the period 2007 to 2011 it has been determined that a higher level of the lines capital program will be completed and/or supported by internal resources.
 The following comparison of the programs over the period shows this to be the main contributing factor:

			Increase
	<u>2007</u>	<u>2011</u>	(Decrease)
Lines & /Stations	633,903	1,084,510	450,607
Forestry	274,570	257,489	(17,081)
Other	16,166	5,650	(10,515)
Overhead	517,610	712,186	194,577
	\$ 1,442,248	\$ 2,059,835	\$ 617,587

The balance of the increase, \$332,439 is based on the forecasted dollars that will be allocated to capital projects and planning by the Engineering department. In 2007 the Engineering department resources were shared with GLPT and internal resources were applied to capital and OM&A requirements based on the demands placed on the group by each business. External contractors were used during the period to support the shared engineering group. The forecast for 2011 has been based on the API engineering staffing plans and the portion that each will contribute to capital program and planning.

25. [Ex. 4/5/1/A, p. 12] Please provide dollar figures, for the amount allocated to API, and for the total FTEs, for each of the listed categories for each of 2010 and 2011.

RESPONSE:

Please see response to OEB IR 36.

26. [Ex. 4/6/2] Please identify which, if any, of the third party service providers listed in this exhibit are owned in whole or in part by ex-employees of GLPL or its affiliates, or of Fortis or its affiliates.

RESPONSE:

None of the third party service providers listed in this exhibit are owned in whole or in part by ex-employees of GLPL or its affiliates, or by Fortis Inc. or its affiliates.

27. [Ex. 5/1/1, p. 2] Please provide all information in the possession of the Applicant or its parent relating to the market interest rate in effect in October 2009 at the time the promissory note was executed.

RESPONSE:

The promissory note between FortisOntario and API was based on the deemed long-term debt rate as set by the OEB in its letter dated March 16, 2009 *The Cost of Capital in Current Economic and Financial Market Conditions*.

Neither the Applicant nor its parent was in possession of relevant market interest rate information at the time the promissory note was executed.

28. [Ex. 6/1/3, p. 1] Please advise where the impact of the change in overhead capitalization policy shows up in the table of the causes of the deficiency.

RESPONSE:

The impact of the change in overhead capitalization policy shows up in the table of the causes of the deficiency in three areas:

Increase in amortization expense - the capitalization of overheads increases the amount amortized over the life of the corresponding asset;

Increase in OM&A expense – the capitalization of overheads offsets the OM&A increase in expenses in the year; and,

Increase in return on capital – the capitalization of overheads increases the rate base used in the calculation of the return on capital by the addition to the fixed assets offset by the reduction in the working capital allowance.

29. [Ex. 8/2/1] Please provide a detailed explanation as to why the fixed charge for the Residential R2 class is so much higher than other distributors' GS>50KW class. Please provide any cost allocation studies or other documents assisting in the analysis of the appropriate fixed charge, including any calculations of Minimum System with PLCC. Please advise the extent if any to which the non-standard rate class structure of the Applicant has caused the fixed charge for this class to be abnormally high.

RESPONSE:

Prior to the Board's Decision and Order, EB-2007-0744, which established the Residential R2 fixed charge at \$596.12, there were three customer classes in the demand billed category now comprising the Residential R2. These were:

Customer Class Fixed Charge
General Service > 50 kW \$583.29 per month
Large Customer A \$557.42 per month
Large Customer B \$2,792.67 per month

The Decision and Order, EB-2007-0744, set the rate of the Residential R2 at \$596.12 which is the former General Service > 50 kW rate of \$583.29 escalated by the approved value of 2.2%. In this Application, API has proposed to maintain fixed service charge at the current Board Approved value and escalated it by the 5.5% for 2010 and 2.0% for 2011 as requested by Board Staff (Board staff's request is attached to the response to VECC interrogatory #27).

Therefore, the fixed charge is not a function of the "non-standard rate class structure of the Applicant" but is a function of the original rate design for rates effective May 1, 2002, from RP-2003-0149. Rate design in this era would have been structured as to minimize impacts on the average customer in a particular class.

Sheet O2 of the Cost Allocation Model submitted as part of API's Application and provided here, indicates that the customer unit cost per month is \$303.50 with Minimum System with PLCC.

As with any change in the fixed monthly charge for a customer class there will be rate impacts within the class. Reducing the fixed monthly charge to \$303.50 will benefit the small volume users while increasing the volumetric rate of the larger volume users within the class. Given the stresses already facing industry in Northern Ontario, an increase in volumetric rate would negatively impact rate stability.

In this Application, API has elected to maintain the current rate structure and limit the change in the fixed monthly charge to the simple average increase in Delivery Charge per Ontario Regulation 442/01. This strategy is to maintain rate stability within the Residential R2 Class.

- 30. [Ex. 9/1/5] With respect to the new Regulatory Asset accounts requested:
 - a. Please explain in more detail what is intended with the Pension Expense Variance Account, including what types of variances would be included or not included, and how this variance accounts relates to other pension cost accounts in place with other utilities in Ontario (if known).
 - b. Please confirm that the IFRS Deferral Account is intended to cover not costs of transition, but changes in accounting standards that, if implemented, would result in 2011 revenue requirement being calculated differently.

RESPONSE:

a) The pension expense variance account is intended to recognize the difference between the annual pension expense and the amount of pension expense that is included rates. Should there be a material variance, in either direction; the amount would be recognized in the pension expense variance account.

API sponsors a defined benefit pension plan. The annual pension expense amount is determined annually by the Mercer's Human Resource Consulting. API management does not and cannot control the market forces or fluctuations in the pension expense. The estimated pension expense cost for 2010 is \$654,000 which exceeds the materiality threshold for API.

API is not aware of the pension cost accounts for other utilities in Ontario except that most are participants in OMERS. Hydro One who also sponsors a defined benefit pension had a pension expense variance account.

b) Yes, the purpose of the IFRS deferral account is to cover changes in accounting standards, if implemented, that would result on the 2011 revenue requirement being calculated differently.

- 31. [Ex. 9/2/2] With respect to the proposed Extraordinary Event recovery;
 - a. Please identify how other utilities in Ontario recovered from ratepayers their costs of establishing the corporations that are now carrying on distribution businesses in Ontario, and transferring their distribution businesses to those corporations.
 - b. Please confirm that the Board has not expressed any opinion, one way or another, on the recovery of the costs of GLPL complying with section 71.
 - c. Please provide details of the costs being claimed.
 - d. Please provide copies of any agreements or other documents referring to this claim and/or the impact of a decision by the Board for or against recovery on the net cost to Fortis of acquiring the shares of the Applicant.

RESPONSE:

- a) The Board concluded in RP-1999-0034 that transitional costs should be classified into two categories. The first category of costs related to corporate reorganization and to the transfer by-law whereby the municipal corporation acquired the assets of the municipal electric utility. The second was costs related to the business reengineering of the incorporated distribution company to conform to the new business orientation and requirements of a "wires only" company. The first category of costs was not recoverable by LDCs. The second category of costs (ie. business reengineering costs) was recoverable. As set out in the response to (c) below, the costs being claimed pertain to business reengineering, and would therefore fall into the second category of costs.
- b) API is unaware of a Board opinion on the recovery of GLPL's costs associated with complying with section 71.
- c) Costs for this claim were incurred between November 2008 and December 2009, and breakdown as follows:

Legal (\$284,200)

 Representation in connection with discussions/applications made with the Ministry of Energy, Ontario Energy Board, IESO

Consultants (\$66,390)

b. Outside consultants used primarily in the separation of engineering records

Internal Costs (\$56,440)

c. Internal staff used primarily to assist in the separation of engineering records

Administrative (\$3,665)

- d. Registration fees with Ministry of Finance, IESO
- d) API declines to provide the main agreement with all schedules under which FortisOntario acquired the shares of GLPD, or any due diligence reports. The basis for this refusal is the relevance of these materials to this proceeding. The acquisition of GLPD's shares by FortisOntario was the subject of EB-2009-0282.