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June 29, 2012

RESS & COURIER

Ontario Energy Board
P.O. Box 2319
27th Floor
2300 Yonge Street
Toronto ON M4P 1E4

Attention: Ms. K. Walli, Board Secretary

Dear Ms. Walli:

Re: Application by Great Lakes Power Transmission LP for 2013 and 2014 Transmission Rates (EB-2012-0300)

We are counsel to Great Lakes Power Transmission LP ("GLPT"). Enclosed, please find GLPT's application and pre-filed evidence for 2013 and 2014 transmission rates. The Board has assigned file no. EB-2012-0300 to this proceeding.

In parallel with this application, under separate cover, GLPT is filing certain information in confidence in accordance with the Board's *Practice Direction on Confidential Filings*. That confidential information is intended to form part of the written evidence.

Yours truly,

Charles Keizer

Tel 416.865.7512
Fax 416.865.7380
ckeizer@torys.com

cc: Andy McPhee, GLPT
Duane Fecteau, GLPT
Tyson Dyck, Torys

ONTARIO ENERGY BOARD

IN THE MATTER OF the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15 (Sched. B)

AND IN THE MATTER OF an application by Great Lakes Power Transmission Inc. on behalf of Great Lakes Power Transmission LP for an Order or Orders pursuant to section 78 of the *Ontario Energy Board Act, 1998* for 2013 and 2014 transmission rates and related matters.

EB-2012-0300

Great Lakes Power Transmission Inc.
on behalf of Great Lakes Power Transmission LP

June 29, 2012

EXHIBIT 1 - ADMINISTRATIVE DOCUMENTS

Exhibit 1, Tab 1, Schedule 1

Exhibit List

EXHIBIT LIST

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Application

ONTARIO ENERGY BOARD

IN THE MATTER OF the *Ontario Energy Board Act, 1998*, S.O.1998, c.15 (Sched. B)

AND IN THE MATTER OF an application by Great Lakes Power Transmission Inc. on behalf of Great Lakes Power Transmission LP for an Order or Orders pursuant to section 78 of the *Ontario Energy Board Act, 1998* for 2013 and 2014 transmission rates and related matters.

EB-2012-0300

1. Great Lakes Power Transmission Inc. in its capacity as the General Partner of Great Lakes Power Transmission LP ("GLPT"), a limited partnership formed under the laws of Ontario, carries on the business of owning and operating electricity transmission facilities in the vicinity of Sault Ste. Marie, Ontario.

2. GLPT hereby applies to the Ontario Energy Board (the "Board") for an Order or Orders made pursuant to Section 78 of the *Ontario Energy Board Act, 1998,* as amended (the "OEB Act"), approving just and reasonable rates for the transmission of electricity based on 2013 and 2014 forward test years.

3. The Applicant has materially followed the filing requirements set out in Chapter 2 of the Board's *Filing Requirements for Transmission and Distribution Applications,* updated June 22, 2011.

4. As indicated in GLPT's pre-filed evidence, GLPT's forecasted 2013 base revenue requirement is $39,127,700 and 2014 base revenue requirement is $39,908,300.

Based on current transmission rates and forecast load, GLPT forecasts a 2013 revenue deficiency of $3,067,600 and a 2014 revenue deficiency of $3,848,300.

5. GLPT is seeking Board approval for updated Uniform Transmission Rates for Ontario for 2013 and 2014 so as to permit GLPT to recover its forecasted base revenue requirement of $39,127,700 for 2013 and $39,908,300 for 2014.

6. GLPT requests that its current rates for the 2013 test year be made interim as of January 1, 2013, if necessary.

7. GLPT requests that the proposed rates be made effective as of January 1, 2013. GLPT also requests an accounting order to establish a sub-account within deferral account 1574 to record revenue requirement deficiencies incurred from January 1, 2013 until GLPT's proposed 2013 rates are implemented, if necessary. For the 2014 test year, GLPT requests that the proposed rates become effective January 1, 2014.

8. GLPT is seeking approval to disburse, through the use of account 1595, the balances of various deferral and variance accounts in 2013, as described more particularly in Exhibit 9 of the pre-filed evidence.

9. GLPT is seeking Board approval for:

(a) the continuation in the test period of the sub-account for Property Tax and Use and Occupation Permit Fee variances, within account 1508;

(b) the continuation in the test period of the sub-account for costs related to a legal claim made by Comstock Canada Inc., within account 1508;

(c) the continuation in the test period of the sub-account to track and record impacts on test year revenue requirements resulting from any changes to existing IFRS standards or changes in the interpretation of such standards, within account 1508;

(d) the continuation in the test period of the sub-account to record costs in respect of IFRS gains and losses resulting from premature asset component retirements, within account 1508;

(e) the continuation in the test period of account 1505 for retirement of readily identifiable assets;

(f) the establishing in the test periods of a new deferral account for recording incremental costs related to addressing an upcoming change to the definition of the Bulk Electric System ("BES"), within account 1508;

(g) the establishing in the test periods of a variance account to track and record variances related to expenses allocated to East-West Tie Line initiatives, within account 1508; and

(h) the establishing in the test periods of a new deferral account, effective as of January 3, 2012, for the purpose of recording expenses relating to the

East West Tie proceeding (EB-2011-0140), particularly with respect to (i) the cost of the proceeding apportioned to GLPT by the Board to be recovered through the Uniform Transmission Rates; and (ii) the costs incurred by GLPT to support the Board through the designation process.

all of which are described more particularly in Exhibit 9 of the pre-filed evidence.

10. Based upon the Board's Decision in EB-2009-0409, GLPT will continue to maintain in the test period sub-accounts for Infrastructure Investment, Green Energy Initiatives and Preliminary Planning Costs, within account 1508; and based upon the Accounting Procedures Handbook, GLPT will continue to maintain in the test period account 1592 for tax variances, accounts 1574 and 1595 related to previously approved regulatory liability repayments and account 1575 related to IFRS-CGAAP Transitional PP&E Amounts.

11. This Application is supported by written evidence. The written evidence will be pre-filed and may be amended from time to time, prior to the Board's final decision on this Application. The Applicant, as part of the written evidence, has filed certain information in confidence in accordance with the Board's Practice Direction on Confidential Filings.

12. The Applicant requests that, pursuant to Section 34.01 of the Board's *Rules of Practice and Procedure*, this proceeding be conducted by way of written hearing.

13. The persons affected by this Application are the ratepayers of the Uniform Transmission Rate. It is impractical to set out their names and addresses because they are too numerous.

14. The Applicant requests that a copy of all documents filed with the Board in this proceeding be served on the Applicant and the Applicant's counsel, as follows:

The Applicant:

Great Lakes Power Transmission Inc.
on behalf of Great Lakes Power Transmission LP
2 Sackville Road, Suite B
Sault Ste. Marie, Ontario
P6B 6J6

Attention: Mr. Andy McPhee
Vice President and General Manager
Telephone: (705) 941-5661
Fax: (705) 941-5600
Email: amcphee@glp.ca

- and -

Mr. Duane Fecteau
Director of Administration
Telephone: (705) 256-3846
Fax: (705) 941-5600
Email: dfecteau@glp.ca

The Applicant's Counsel:

Torys LLP
79 Wellington Street West, Suite 3000
Box 270, TD Centre
Toronto, Ontario
M5K 1N2

Attention: Mr. Charles Keizer

Telephone: (416) 865-7512
Fax: (416) 865-7380
Email: ckeizer@torys.com

- and -

Mr. Tyson Dyck
Telephone: (416) 865-8136
Fax: (416) 865-7380
Email: tdyck@torys.com

DATED at Toronto, Ontario, this 29 day of June, 2012.

GREAT LAKES POWER TRANSMISSION INC. ON BEHALF OF GREAT LAKES POWER TRANSMISSION LP

By its counsel,

per

Charles Keizer

Exhibit 1, Tab 1, Schedule 3

GLPT Transmission Licence

Electricity Transmission Licence

ET-2007-0649

Great Lakes Power Transmission Inc. on behalf of Great Lakes Power Transmission LP

Valid Until

March 11, 2028

Original signed by

Kirsten Walli
Board Secretary
Ontario Energy Board
Date of Issuance: December 24, 2007
Effective Date: March 12, 2008
Date of Sch.1 Correction: March 13, 2008
Date of Amendment: November 19, 2008
Date of Amendment: May 5, 2009

Ontario Energy Board
P.O. Box 2319
2300 Yonge Street
27th Floor
Toronto ON M4P 1E4

Commission de l'énergie de l'Ontario
C.P. 2319
2300, rue Yonge
27e étage
Toronto ON M4P 1E4

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1 Definitions

In this Licence:

"**Accounting Procedures Handbook**" means the handbook, approved by the Board which specifies the accounting records, accounting principles and accounting separation standards to be followed by the Licensee;

"**Act**" means the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, Schedule B;

"**Affiliate Relationships Code for Electricity Distributors and Transmitters**" means the code, approved by the Board which, among other things, establishes the standards and conditions for the interaction between electricity distributors or transmitters and their respective affiliated companies;

"**Board**" means the Ontario Energy Board;

"**Electricity Act**" means the *Electricity Act, 1998*, S.O. 1998, c. 15, Schedule A;

"**Licensee**" means Great Lakes Power Transmission Inc. on behalf of Great Lakes Power Transmission LP

"**Market Rules**" means the rules made under section 32 of the Electricity Act;

"**Performance Standards**" means the performance targets for the distribution and connection activities of the Licensee as established by the Board in accordance with section 83 of the Act;

"**Rate Order**" means an Order or Orders of the Board establishing rates the Licensee is permitted to charge;

"**transmission services**" means services related to the transmission of electricity and the services the Board has required transmitters to carry out for which a charge or rate has been established in the Rate Order;

"**Transmission System Code**" means the code approved by the Board and in effect at the relevant time, which, among other things, establishes the obligations of a transmitter with respect to the services and terms of service to be offered to customers and provides minimum technical operating standards of transmission systems;

"**wholesaler**" means a person that purchases electricity or ancillary services in the IESO administered markets or directly from a generator or, a person who sells electricity or ancillary services through the IESO-administered markets or directly to another person other than a consumer.

2 Interpretation

2.1 In this Licence, words and phrases shall have the meaning ascribed to them in the Act or the Electricity Act. Words or phrases importing the singular shall include the plural and vice versa. Headings are for convenience only and shall not affect the interpretation of the Licence. Any reference to a document or a provision of a document includes an amendment or supplement to, or a replacement of, that document or that provision of that document. In the computation of time under this licence, where there is a reference to a number of days between two events, they shall be counted by excluding the day on which the first event happens and including the day on which the second event happens. Where the time for doing an act expires on a holiday, the act may be done on the next day that is not a holiday.

3 Authorization

3.1 The Licensee is authorized, under Part V of the Act and subject to the terms and conditions set out in this Licence to own and operate a transmission system consisting of the facilities described in Schedule 1 of this Licence, including all associated transmission equipment.

4 Obligation to Comply with Legislation, Regulations and Market Rules

4.1 The Licensee shall comply with all applicable provisions of the Act and the Electricity Act and regulations under these Acts, except where the Licensee has been exempted from such compliance by regulation.

4.2 The Licensee shall comply with all applicable Market Rules.

5 Obligation to Comply with Codes

5.1 The Licensee shall at all times comply with the following Codes (collectively the "Codes") approved by the Board, except where the Licensee has been specifically exempted from such compliance by the Board. Any exemptions granted to the Licensee are set out in Schedule 2 of this Licence. The following Codes apply to this Licence:

a) the Affiliate Relationships Code for Electricity Distributors and Transmitters; and

b) the Transmission System Code.

5.2 The Licensee shall:

a) make a copy of the Codes available for inspection by members of the public at its head office and regional offices during normal business hours; and

b) provide a copy of the Codes to any person who requests it. The Licensee may impose a fair and reasonable charge for the cost of providing copies.

6 Requirement to Enter into an Operating Agreement

6.1 The Licensee shall enter into an agreement ("Operating Agreement") with the IESO providing for the direction by the IESO of the operation of the Licensee's transmission system. Following a request made by the IESO, the Licensee and the IESO shall enter into an Operating Agreement

within a period of 90 business days, unless extended with leave of the Board. The Operating Agreement shall be filed with the Board within ten (10) business days of its completion.

6.2 Where there is a dispute that cannot be resolved between the parties with respect to any of the terms and conditions of the Operating Agreement, the IESO or the Licensee may apply to the Board to determine the matter.

7 Obligation to Provide Non-discriminatory Access

7.1 The Licensee shall, upon the request of a consumer, generator, distributor or retailer, provide such consumer, generator, distributor or retailer, as the case may be, with access to the Licensee's transmission system and shall convey electricity on behalf of such consumer, generator, distributor or retailer in accordance with the terms of this Licence, the Transmission System Code and the Market Rules.

8 Obligation to Connect

8.1 If a request is made for connection to the Licensee's transmission system or for a change in the capacity of an existing connection, the Licensee shall respond to the request within 30 business days.

8.2 The Licensee shall process connection requests in accordance with published connection procedures and participate with the customer in the IESO's Connection Assessment and approval process in accordance with the Market Rules, its Rate Order(s) and the Transmission System Code.

8.3 An offer of connection shall be consistent with the terms of this Licence, the Market Rules, the Rate Order, and the Transmission System Code.

8.4 The terms of such offer to connect shall be fair and reasonable.

8.5 The Licensee shall not refuse to make an offer to connect unless it is permitted to do so by the Act or any Codes, standards or rules to which the Licensee is obligated to comply with as a condition of this Licence.

9 Obligation to Maintain System Integrity

9.1 The Licensee shall maintain its transmission system to the standards established in the Transmission System Code and Market Rules, and have regard to any other recognized industry operating or planning standards required by the Board.

10 Transmission Rates and Charges

10.1 The Licensee shall not charge for the connection of customers or the transmission of electricity except in accordance with the Licensee's Rate Order(s) as approved by the Board and the Transmission System Code

11 Separation of Business Activities

11.1 The Licensee shall keep financial records associated with transmitting electricity separate from its financial records associated with distributing electricity or other activities in accordance with the Accounting Procedures Handbook and as otherwise required by the Board.

12 Expansion of Transmission System

12.1 The Licensee shall not construct, expand or reinforce an electricity transmission system or make an interconnection except in accordance with the Act and Regulations, the Transmission System Code and the Market Rules.

13 Provision of Information to the Board

13.1 The Licensee shall maintain records of and provide, in the manner and form determined by the Board, such information as the Board may require from time to time.

13.2 Without limiting the generality of paragraph 13.1, the Licensee shall notify the Board of any material change in circumstances that adversely affects or is likely to adversely affect the business, operations or assets of the Licensee as soon as practicable, but in any event no more than twenty (20) business days past the date upon which such change occurs.

14 Restrictions on Provision of Information

14.1 The Licensee shall not use information regarding a consumer, retailer, wholesaler or generator, obtained for one purpose for any other purpose without the written consent of the consumer, retailer, wholesaler or generator.

14.2 The Licensee shall not disclose information regarding a consumer, retailer, wholesaler or generator to any other party without the written consent of the consumer, retailer, wholesaler or generator, except where such information is required to be disclosed:

a) to comply with any legislative or regulatory requirements, including the conditions of this Licence;

b) for billing, settlement or market operations purposes;

c) for law enforcement purposes; or

d) to a debt collection agency for the processing of past due accounts of the consumer, retailer, wholesaler or generator.

14.3 Information regarding consumers, retailers, wholesalers or generators may be disclosed where the information has been sufficiently aggregated such that their particular information cannot reasonably be identified.

14.4 The Licensee shall inform consumers, retailers, wholesalers and generators of the conditions under which their information may be released to a third party without their consent.

14.5 If the Licensee discloses information under this section, the Licensee shall ensure that the information is not be used for any other purpose except the purpose for which it was disclosed.

15 Term of Licence

15.1 The effective date of this Licence is March 12, 2008, and the Licence will expire on March 11, 2028. The term of this Licence may be extended by the Board.

16 Transfer of Licence

16.1 In accordance with subsection 18(2) of the Act, this Licence is not transferable or assignable without leave of the Board.

17 Amendment of Licence

17.1 The Board may amend this Licence in accordance with section 74 of the Act or section 38 of the Electricity Act.

18 Fees and Assessments

18.1 The Licensee shall pay all fees charged and amounts assessed by the Board.

19 Communication

19.1 The Licensee shall designate a person that will act as a primary contact with the Board on matters related to this Licence. The Licensee shall notify the Board promptly should the contact details change.

19.2 All official communication relating to this Licence shall be in writing.

19.3 All written communication is to be regarded as having been given by the sender and received by the addressee:

a) when delivered in person to the addressee by hand, by registered mail or by courier;

b) ten (10) business days after the date of posting if the communication is sent by regular mail; and

c) when received by facsimile transmission by the addressee, according to the sender's transmission report.

20 Copies of the Licence

20.1 The Licensee shall:

a) make a copy of this Licence available for inspection by members of the public at its head office and regional offices during normal business hours; and

b) provide a copy of this Licence to any person who requests it. The Licensee may impose a fair and reasonable charge for the cost of providing copies.

SCHEDULE 1 SPECIFICATION OF TRANSMISSION FACILITIES

This Schedule specifies the facilities over which the Licensee is authorized to transmit electricity in accordance with paragraph 3 of this Licence.

1. Great Lakes Power Inc. on behalf of Great Lakes Power Transmission LP's transmission facilities consist of:

   - 318.25 circuit km of 230 kV line and associated equipment;
   - 232.37 circuit km of 115 kV line and associated equipment; and
   - 11 circuit km of 44 kV line and associated equipment which was deemed by the Board as serving a transmission function under section 84 of the Act.

   .

SCHEDULE 2 LIST OF CODE EXEMPTIONS

This Schedule specifies any specific Code requirements from which the licensee has been exempted.

Exhibit 1, Tab 1, Schedule 4

Contact Information

CONTACT INFORMATION

Applicant:

Great Lakes Power Transmission Inc.
on behalf of Great Lakes Power Transmission LP
2 Sackville Road, Suite B
Sault Ste. Marie, Ontario
P6B 6J6

Attention: Mr. Andy McPhee
Vice President and General Manager
Telephone: (705) 941-5661
Fax: (705) 941-5600
Email: amcphee@glp.ca

- and -

Mr. Duane Fecteau
Director of Administration
Telephone: (705) 256-3846
Fax: (705) 941-5600
Email: dfecteau@glp.ca

Applicant's Counsel:

Torys LLP
79 Wellington Street West, Suite 3000
Box 270, TD Centre
Toronto, Ontario
M5K 1N2

Attention: Mr. Charles Keizer
Telephone: (416) 865-7512
Fax: (416) 865-7380
Email: ckeizer@torys.com

- and -

Mr. Tyson Dyck
Telephone: (416) 865-8136
Fax: (416) 865-7380
Email: tdyck@torys.com

Exhibit 1, Tab 1, Schedule 5

Specific Approvals Requested

SPECIFIC APPROVALS REQUESTED

GLPT applies for an Order or Orders of the Board granting:

(a) Approval of updated Uniform Transmission Rates for Ontario so as to permit GLPT to recover its forecasted 2013 base revenue requirement of $39,127,700 and forecasted 2014 base revenue requirement of $39,908,300;

(b) Approval for GLPT's current rates to be made interim as of January 1, 2013, if necessary;

(c) Approval for GLPT's proposed 2013 rates to be made effective as of January 1, 2013;

(d) Approval for GLPT's proposed 2014 rates to be made effective as of January 1, 2014;

(e) An accounting order to establish a sub-account within deferral account 1574 to record revenue deficiencies incurred from January 1, 2013 until GLPT's proposed 2013 rates are implemented, if necessary;

(f) Approval to disburse, through the use of account 1595, balances in various deferral and variance accounts in 2013;

(g) Approval for the continuation in the test period of:

(i) the sub-account, within deferral account 1508, for Property Tax and Use and Occupation Permit Fees Variances;

(ii) the sub-account, within deferral account 1508, for costs related to a legal claim made by Comstock Canada Inc;

(iii) the sub-account, within deferral account 1508, to track and record impacts on test year revenue requirements resulting from any changes to existing IFRS standards or changes in the interpretation of such standards;

(iv) the sub-account, within deferral account 1508 to record costs in respect of IFRS gains and losses resulting from premature asset component retirements; and

(v) variance account 1505 for retirement of readily identifiable assets;

(h) Approval for the establishing in the test period of:

(i) a new deferral account for recording expenditures related to addressing an upcoming change to the definition of the Bulk Electric System, within account 1508;

(ii) a new variance account for recording variances related to expenses allocated to East-West Tie Line initiatives, within account 1508; and

(iii) a new deferral account, effective as of January 3, 2012, for recording expenses relating to the East West Tie proceeding (EB-2011-0140), particularly with respect to (i) the cost of the proceeding apportioned to GLPT by the Board to be recovered through the Uniform Transmission Rates; and (ii) the costs incurred by GLPT to support the Board through the designation process.

Based upon the Board's Decision in EB-2009-0409, GLPT will continue to maintain in the test period sub-accounts for Infrastructure Investment, Green Energy Initiatives and Preliminary Planning Costs, within account 1508; and based upon the Accounting Procedures Handbook, GLPT will continue to maintain in the test period account 1592 for tax variances, accounts 1574 and 1595 related to previously approved regulatory liability repayments and account 1575 related to IFRS-CGAAP Transitional PP&E Amounts.

Exhibit 1, Tab 1, Schedule 6

Proposed Issues List

PROPOSED ISSUES LIST

1. Calculation of Transmission Rate Base for the Test Years
   - (a) In-Service Additions 2013
   - (b) In-Service Additions 2014
   - (c) Capital Variance
   - (d) Working Cash Allowance
   - (e) Impacts of IFRS
2. Transmission Operating Costs For the Test Years
   - (a) Operations, Maintenance & Administration
   - (b) Depreciation and Amortization
   - (c) Property and Income Taxes
   - (d) Impacts of IFRS
3. Operating Revenue
   - (a) Transmission Services Revenue
   - (b) Other Income
4. Transmission Cost of Capital for the Test Years
   - (a) Capital Structure
   - (b) Cost of Debt
   - (c) Cost of Equity
5. Rate Recovery of Revenue Requirement
   - (a) Cost Allocation
   - (b) Rate Design
     - (i) Charge Determinant Forecast

(ii) Calculation of Uniform Transmission Rates

6. Deferral and Variance Accounts

(a) Existing Deferral and Variance Accounts

(b) Proposed Deferral and Variance Accounts

(c) Disbursal of Deferral and Variance Accounts

Exhibit 1, Tab 1, Schedule 7

Procedural Orders, Correspondence & Notices

PROCEDURAL ORDERS, CORRESPONDENCE & NOTICES

Please see the attached for all procedural orders, correspondence and notices related to this transmission rate application.

Exhibit 1, Tab 1, Schedule 8

Board Decisions and Accounting Orders

BOARD DECISIONS AND ACCOUNTING ORDERS

The Board's Decision and Order dated February 2, 2011 relating to the settlement agreement reached in EB-2010-0291 and filed with the Board on January 21, 2011 is attached as **Appendix "A"**.

GLPT has attached as **Appendix "B"** the Board's December 19, 2011 Decision and Order in EB-2010-0291 that updates GLPT's Transmission Revenue Requirement for 2012 to reflect updated cost of capital parameters, published by the Board on November 10, 2011. The revised revenue requirement was used in the calculation of UTR for Ontario for 2012.

APPENDIX "A"

February 2, 2011 Decision and Order re
Proposed Settlement Agreement and Supporting Appendices
Filed with the Board for Review on January 21, 2011
in EB-2010-0291

Ontario Energy Board

Commission de l'énergie de l'Ontario

Ontario

EB-2010-0291

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

AND IN THE MATTER OF an Application by Great Lakes Power Transmission Inc. on behalf of Great Lakes Power Transmission LP seeking changes to the uniform provincial transmission rates for 2011 and 2012.

BEFORE: Paula Conboy
Presiding Member

Ken Quesnelle
Member

DECISION AND ORDER AND ACCOUNTING ORDER
PROPOSED SETTLEMENT AGREEMENT

THE APPLICATION

Great Lakes Power Transmission Inc. on behalf of Great Lakes Power Transmission LP ("GLPT" or the "Applicant") has filed an Application with the Ontario Energy Board (the "Board") on September 29, 2010 under section 78 of the *Ontario Energy Board Act, 1998*, 1998 S.O. c.15, (Schedule B). GLPT is seeking Board approval for updated Uniform Transmission Rates ("UTR") to permit GLPT recovery of its forecasted revenue requirement for 2011 and for 2012. The Board has assigned the application Board file number EB-2010-0291.

GLPT requested that the proposed rates be made effective as of January 1, 2011. GLPT also requested an accounting order, similar to the approach approved in EB-

2009-0408[1], whereby Account 1574 would be a deferral account to record revenue requirement deficiencies incurred from January 1, 2011 until GLPT's proposed 2011 rates are implemented. For the 2012 test year, GLPT requested that the rates proposed for 2012 become effective January 1, 2012.

THE PROCEEDING

The Board issued a Notice of Application and Hearing dated October 28, 2010.

Four intervention requests were granted to: (1) Independent Electricity System Operator ("IESO"); (2) Vulnerable Energy Consumers Coalition ("VECC"); (3) Energy Probe Research Foundation ("Energy Probe"); and (4) Schools Energy Coalition ("SEC"). The IESO cited its role in the administration of the UTR in making its request for intervenor status. The IESO was not an active participant in the proceeding. Requests for cost eligibility were approved for VECC, Energy Probe, and SEC. PUC Distribution Inc. requested observer status and the Board granted this request.

On November 17, 2010 the Board issued Procedural Order No. 1 and Interim Rate Decision which included a schedule for procedural steps with deadlines.

On December 3, 2010, counsel to the Applicant indicated that on September 29, 2010, the Applicant had filed a request for confidential treatment of certain information (the "Requested Confidential Information") associated with the application. The Applicant indicated that the Requested Confidential Information describes certain standards of the North American Reliability Corporation ("NERC") that are relevant to its transmission system that require confidentiality.

On December 6, 2010, the Board issued Procedural Order No.2 designating as confidential, on an interim basis, the Requested Confidential Information, and set out procedural steps for parties to respond to this request. No intervenor objected to the Applicant's request for confidentiality and the Requested Confidential Information was subsequently designated confidential by the Board.

On January 7, 2011 in accordance with Procedural Order No. 1, the Applicant filed its responses to interrogatories from Board staff and other intervenors. The Applicant

[1] Board Decision and Order for EB-2209-0408, dated August 31, 2010 where the Board stated in part in its Order that:

> *"The uniform transmission rate (UTR) for the province of Ontario will not be adjusted at this time. Great Lakes Power Transmission LP will make the accounting entries in Account 1574 as prescribed in the Implementation Proposal filed on July 30, 2010, and attached as Appendix A to this Order."*

requested that its response to Board staff Interrogatory # 40 be treated as confidential indicating that the requested load information on delivery points of certain large load customers may reveal proprietary information about them. On January 12, 2011, the Board granted the Applicant's request noting that the subject information is of the same nature and substance as information that had been declared confidential by the Board in a previous proceeding.

In accordance with Procedural Order No.1, GLPT and three intervenors, SEC, VECC and Energy Probe participated in a Settlement Conference on January 13, 2011 with the assistance of a facilitator. As a result of the Settlement Conference, the parties prepared a Settlement Proposal and filed it with the Board on January 21, 2011.

BOARD FINDINGS

Having reviewed the Settlement Proposal, the Board accepts its cost and rate consequences as being reasonable and hereby approves the Settlement Proposal (the "Approved Settlement"). The Board commends the parties on achieving settlement of all matters.

The Board wishes to remind the parties to the settlement and others that, as settlements as a whole are the result of negotiations of many separate issues, the particular results and terms of a given settled issue should not be viewed as having any precedential value.

2011 Transmission Revenue and Revenue Requirement

For 2011, the Transmission Revenue at current rates[2] is $35,141,600. In its application, GLPT had sought approval of, a Transmission Revenue Requirement[3] of $36,416,897 for 2011. As a result of the Approved Settlement, the 2011 Transmission Revenue Requirement[4] is set at $34,753,678.

2012 Transmission Revenue Requirement

In its application, GLPT had sought approval of a Transmission Revenue Requirement[5] of $38,337,491 for 2012. As a result of the Approved Settlement, the 2012 Transmission Revenue Requirement[6] is based the amount of $36,372,546 which is

[2] Approved Settlement , January 21, 2011, Section 4.2, page 22
[3] Exhibit 3/Tab 1/Sch. 1/p. 2/ Table 3-1-1B – 2011 Test Year Revenue Deficiency
[4] Approved Settlement , January 21, 2011, Appendix C "Revenue Requirement Work Forms", for 2011, page 2
[5] Exhibit 3/Tab 1/Sch. 1/p. 3/ Table 3-1-1C – 2012 Test Year Revenue Deficiency
[6] Approved Settlement, January 21, 2011, Appendix C "Revenue Requirement Work Forms" for 2012, page 2

subject to change based on an adjustment that will be implemented with respect to the Cost of Capital as set out in Section 2.2 and Section 2.3 of the Approved Settlement, for the Cost of Debt and Cost of Equity, respectively.

New 2011 Revenue Deficiency/Sufficiency Deferral Account

Sections 5.3 and 6.3 of the settlement address the revenue deficiency/sufficiency for 2011 in such a way as to avoid updating the UTR a second time[7] in 2011.

The Board therefore authorizes the establishment of a deferral account to record revenue requirement deficiency or sufficiency incurred for the period commencing January 1, 2011 to the date that the revised 2011 rates (reflecting GLPT's proposed new revenue requirement) are implemented, together with carrying costs, such carrying costs being based upon the applicable Board prescribed interest rate.

For that purpose, the Board requires GLPT to use a new sub-account of Account 1574 Deferred Rate Impact Amounts, sub-account "2011 Rates" to record deficiency/sufficiency variances.

Two New Sub-accounts - IFRS

The Board authorizes the establishment of two sub-accounts of Account 1508 - Other Regulatory Assets, to be titled as follows:

- Sub-account "Revenue Requirement Impact – IFRS Changes in Standards/Interpretations"

  This sub-account is to record impacts on test year revenue requirements resulting from any changes to existing IFRS standards or changes in the interpretation of such standards;

- Sub-account "IFRS Gains/Losses – Premature Asset Retirements"

  This sub-account is to record costs as proposed in respect of IFRS gains or losses resulting from premature asset component retirements, subject to a depreciation credit that would be calculated based on the amount of depreciation in approved revenue requirement that will not be incurred as a result of premature retirement of the asset.

[7] The UTR is has been updated to reflect the approved 2011 revenue requirement for Hydro One Networks Inc's transmission rate , proceeding (EB-2010-0002) – see Revised Rate Order dated January 18, 2011.

New Deferral Sub-Account - Comstock Claim

The Board authorizes establishment of a new sub-account titled “Comstock Claim” of Account 1508 - Other Regulatory Assets. The issue of whether the amounts are recoverable will be determined by the Board at a later date.

THE BOARD ORDERS THAT:

1. The Proposed Settlement, including the Appendices, filed on January 21, 2011 is accepted and attached as Appendix “A” “Approved Settlement” to this Order.

2. Great Lakes Power Transmission LP will make the accounting entries in Account 1574 as prescribed in the Approved Settlement, including the Appendices.

3. The new deferral sub-accounts listed in Appendix “B” and entries for these sub-accounts will be in accordance with this Decision and Order and the Approved Settlement.

4. Parties eligible for costs shall submit their claims on or before Monday, February 14, 2011. A copy is to be served on GLPT. The cost claims must conform to the Board’s Practice Direction on Cost Awards.

5. GLPT’s objections, if any, must be filed with the Board and one copy must be served on the party against whose claim the objection is made, by Monday, February 21, 2011.

6. The party whose cost claim was objected to will have until Monday, February 28, 2011 to respond. A copy of the submission must be filed with the Board and one copy is to be served on GLPT.

7. GLPT shall pay the Board’s costs upon receipt of the Board’s invoice.

8. All filings to the Board noted in this Decision and Order must be in the form of 2 hard copies and must be received by the Board by 4:45 p.m. on the stated dates. An electronic copy of the filing must also be provided. If you already have a user ID, the electronic copy of your filing should be submitted through the Board’s web portal at www.errr.oeb.gov.on.ca. If you do not have a user ID, please visit the “e-Filing Services” page on the Board’s website at www.oeb.gov.on.ca and fill out a user ID password request. For instructions on how to submit and naming conventions, please refer to the RESS Document Guidelines also found on the “e-Filing Services” webpage. If the Board’s web portal is not available, the electronic

copy of your filing may be submitted by e-mail at Boardsec@oeb.gov.on.ca . Those who do not have internet access are required to submit the electronic copy of their filing on a CD in PDF format.

DATED at Toronto on February 2, 2011

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary

APPENDIX "A"

GREAT LAKES POWER TRANSMISSION INC.

APPROVED SETTLEMENT

BOARD FILE EB-2010-0291

FEBRUARY 2, 2011

[The Proposed Settlement Agreement filed on January 21, 2011 by the Applicant and Intervenors]

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January 21, 2011

EMAIL, COURIER & RESS

Ontario Energy Board
P.O. Box 2319
27th Floor
2300 Yonge Street
Toronto ON M4P 1E4

Attention: Board Secretary

Dear Ms. Walli:

Re: Great Lakes Power Transmission LP - Application for 2011 & 2012 Transmission Rates (EB-2010-0291) - Proposed Settlement Agreement

We are counsel for the Applicant in respect of the above noted matter. Pursuant to Procedural Order No. 1, please find attached a proposed Settlement Agreement concluded between the parties noted therein. Each of the parties to the proposed Settlement Agreement has reviewed and approved the proposed agreement as described therein.

Should you have any questions or concerns, please contact the undersigned.

Yours truly,

Tyson Dyck

Tel 416.865.8136
Fax 416.865.7380
tdyck@torys.com

cc: All Intervenors
N. Mikhail, Board Staff
J. Rosenthal, GLPT LP
A. McPhee, GLPT LP
D. Fecteau, GLPT LP
C. Keizer, Torys LLP

SETTLEMENT AGREEMENT

January 21, 2011

GREAT LAKES POWER TRANSMISSION LP
2011 & 2012 RATES APPLICATION
(EB-2010-0291)

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PREAMBLE

This Settlement Agreement is filed with the Ontario Energy Board (the "**Board**") in connection with an application by Great Lakes Power Transmission ("**GLPT**") pursuant to section 78 of the *Ontario Energy Board Act, 1998* for an order or orders approving or fixing just and reasonable rates for the transmission of electricity (EB-2010-0291).

Pursuant to Procedural Order No. 1 in this proceeding, a Settlement Conference was held on January 13, 2011 in accordance with the *Ontario Energy Board Rules of Practice and Procedure* (the "**Rules**") and the Board's *Settlement Conference Guidelines* (the "**Settlement Guidelines**"). This Settlement Agreement arises from the Settlement Conference and is for the consideration of the Board in its determination of GLPT's 2011 & 2012 electricity transmission rates.

The Parties

GLPT and the following intervenors (collectively the "**Participating Intervenors**"), as well as Ontario Energy Board technical staff ("**Board Staff**"), participated in the Settlement Conference in respect of all issues contained in this proposal:

- Energy Probe Research Foundation ("**Energy Probe**")
- School Energy Coalition ("**SEC**")
- Vulnerable Energy Consumers Coalition ("**VECC**")

The following intervenors did not participate in the Settlement Conference:

- Independent Electricity System Operator ("**IESO**")

The Applicant and the Participating Intervenors are collectively referred to herein as the "**Parties**". In accordance with page 5 of the Settlement Guidelines, Board Staff is neither a Party nor a signatory to this Settlement Agreement. Although Board Staff is not a party to this Settlement Agreement, the Board Staff who did participate in the Settlement Conference are bound by the same confidentiality standards that apply to the Parties to the proceeding.

These settlement proceedings are subject to the rules relating to confidentiality and privilege contained in the Guidelines. The parties understand this to mean that the documents and other information provided, the discussion of each issue, the offers and counter-offers, and the negotiations leading to the settlement – or not – of each issue during the Settlement Conference are strictly confidential and without prejudice. None of the foregoing is admissible as evidence in this proceeding, or otherwise, with one

exception: the need to resolve a subsequent dispute over the interpretation of any provision of this Settlement Agreement.

Summary of the Proposed Settlement

There is no approved issues list for this proceeding. However, for the purposes of organizing this Settlement Agreement, and without prejudice to the positions of the Parties with respect to the issues that might otherwise be considered in this proceeding should a hearing be required, the Parties have followed the issues list set out at **'Appendix A'** to this Settlement Agreement.

We are pleased to inform the Board that the Parties have reached a comprehensive agreement on all issues.

Through this Settlement Agreement, GLPT agrees to certain changes from its initial application for 2011 & 2012 electricity transmission rates, as filed with the Board on September 29, 2010. The most significant matters arising from this Settlement Agreement are as follows:

- Rate Base Addition - Third Line TS 115kV Redevelopment Project ("**Redevelopment Project**"): GLPT initially proposed that $20,367,200 be added to rate base in 2011 and $2,102,800 be added in 2012, in respect of the Redevelopment Project. The Parties have agreed that the rate base addition intended for 2011 be deferred to 2012 and that the total of the amounts for 2011 and 2012 ($22,470,000) be added to rate base in 2012.

- Retirement of Readily Identifiable Assets: GLPT proposes to recover costs from a premature retirement of readily identifiable assets in 2011 arising from the Redevelopment Project. As a result of delaying the rate base addition associated with the Redevelopment Project, the assets will come out of service in 2012. The net book value of the assets in 2012 will be $863,369 (compared to the proposed 2011 value of $910,534). GLPT had initially proposed that recovery of the write-off would occur over a three year period by offsetting the amount against the aggregate regulatory liability balance. The Parties have agreed that the 2012 amount of $863,369 will be recovered over one year.

- OEB Cost Assessment Variances: GLPT initially proposed the continuation of an account to capture future amounts of OEB cost assessments that are incremental to the base OEB cost embedded in revenue requirement. Parties have agreed this account will not be continued after 2010.

- Comstock Claim: GLPT sought the Board's direction as to whether costs arising from a claim from Comstock Canada Ltd. ("**Comstock**") in respect of a design build contract for the Transmission Reinforcement Project approved in EB-2003-0162 should be included in Construction Work in Progress or in a designated deferral account. The Parties have agreed that the costs should be recorded in a deferral account.

The Settlement Agreement describes the agreements reached on the settled issues and identifies the parties who agree, or alternatively who take no position on each issue. The Settlement Agreement provides a direct link between each issue and the supporting evidence in the record to date. In this regard, the parties who agree with the individual settlements are of the view that the evidence provided is sufficient to support the Settlement Agreement in relation to the settled issues and, moreover, that the quality and detail of the supporting evidence, together with the corresponding rationale, will allow the Board to make findings on the settled issues.

Best efforts have been made to identify all of the evidence that relates to each settled issue. The supporting evidence for each settled issue is identified individually by reference to its exhibit number in an abbreviated format. For example, Exhibit 2, Tab 1, Schedule 1, Page 3 (commencing page) is referred to as 2-1-1-3. A concise description of the content of each exhibit is also provided. In this regard, GLPT's response to an interrogatory (IR) is described by citing the name of the Party and the number of the interrogatory (e.g., Board Staff IR #1 or SEC IR #2). The identification and listing of the evidence that relates to each issue is provided to assist the Board. The identification and listing of the evidence that relates to each settled issue is not intended to limit any party who wishes to assert that other evidence is relevant to a particular settled issue.

According to the Settlement Guidelines (p.3), the Parties must consider whether a Settlement Agreement should include an appropriate adjustment mechanism for any settled issue that may be affected by external factors. GLPT and the other Parties who participated in the Settlement Conference agree that no settled issue requires an adjustment mechanism other than those expressly set forth herein.

All of the issues contained in this proposal have been settled by the Parties as a package (the "**package**") and none of the provisions of these issues are severable. Compromises were made by the Parties with respect to various matters to arrive at this comprehensive Settlement Agreement. The distinct issues addressed in this proposal are intricately interrelated, and reductions or increases to the agreed-upon amounts may have financial consequences in other areas of this proposal which may be unacceptable to one or more of the Parties. If the Board does not, prior to the commencement of the hearing of the evidence, accept the package in its entirety, then there is no settlement (unless the Parties

agree that any portion of the package that the Board does accept may continue as part of a valid Settlement Agreement). None of the Parties can withdraw from this proposal except in accordance with Rule 32.05 of the Rules. Moreover, the settlement of any particular issue in this proceeding and the positions of the Parties in this Settlement Agreement are without prejudice to the rights of the Parties to raise the same issue and/or to take any position thereon in any other proceeding, whether or not GLPT is a party to such proceeding.

Attached at **Appendix 'B'** is supplemental evidence related to capital investments to be received by GLPT in 2011 and 2012. GLPT's pre-filed evidence (at Exhibit 5, Tab 1, Schedule 1) indicated that the cash contributions received from its parent company would be treated as intercompany debt, thus impacting the long-term debt rate to be applied by GLPT. However, actual contributions made by GLPT's parent company are treated by GLPT as equity contributions. As a result, and as per GLPT's response to Board staff IR #37, GLPT is using its effective interest rate as its long-term debt rate instead of a blended rate that would incorporate the rate applicable to any affiliate debt.

Attached at **Appendix 'C'** is a copy of the Revenue Requirement Work Forms updated to reflect the impacts of the proposed settlement as herein described for the 2011 & 2012 Test Years.

The Parties agree that this Settlement Agreement and the Appendices form part of the record in EB-2010-0291. The Revenue Requirement Work Forms were prepared by the Applicant. The intervenors are relying on the accuracy and completeness of the Revenue Requirement Work Forms in entering into this Agreement.

ISSUES

1. Rate Base

1.1 Rate Base for the Test Years

Complete Settlement: There is an agreement to settle this issue as follows:

In its application and evidence, GLPT forecasted its 2011 & 2012 rate base to be $217,297,000 and $226,120,500, respectively, as presented in Table 2-1-1A of the pre-filed evidence.

GLPT initially proposed that $20,367,200 be added to rate base in 2011 and $2,102,800 be added in 2012 in respect of the Redevelopment Project. However, for the purposes of obtaining a complete settlement of all issues, the Parties have agreed that the rate base addition intended for 2011 be deferred to 2012 and that the total of the amounts for 2011 and 2012 ($22,470,000) be added to rate base in 2012.

As a result of the forgoing, rate base for 2011 and 2012 are amended to be $207,696,000 and $216,774,000, respectively. For the purpose of obtaining a complete settlement of all issues, the Parties agree that the Board should accept these amounts as GLPT's forecasted rate base for the 2011 & 2012 Test Years.

Approval:

Parties in Support: SEC, VECC, Energy Probe

Parties Taking No Position: N/A

Evidence: The evidence in relation to this issue includes the following:

2-1-1	Rate Base Overview
2-2-1	Summary and Continuity Statements
10-2-1-35	Board Staff IR #23 - Third Line TS Redevelopment
10-2-1-36	Board Staff IR #24 - Third Line TS Redevelopment
10-2-1-37	Board Staff IR #25 - Third Line TS Redevelopment
10-2-1-40	Board Staff IR #26 - Third Line TS Redevelopment
10-3-1-13	SEC IR #4 - Third Line TS Redevelopment
10-4-1-2	VECC IR #2 - Third Line TS Redevelopment
104-1-3	VECC IR #3 - Third Line TS Redevelopment

10-5-1-1	Energy Probe IR #1 - Third Line TS Redevelopment
10-5-1-2	Energy Probe IR #2 - Third Line TS Redevelopment

1.2 Capital Expenditures 2012

Complete Settlement: There is an agreement to settle this issue as follows:

For the purpose of obtaining a complete settlement of all issues, the Parties agree that GLPT's proposed capital additions for 2012, being $29,336,600, should be included in GLPT's rate base for the Test Year. This total is made up of the originally proposed capital additions of $8,969,400, plus the Third Line Redevelopment project amount of $20,367,200. It was agreed that the 2011 rate base addition related to the Third Line Redevelopment project be deferred from 2011 to 2012 as a part of reaching this settlement agreement.

Approval:

Parties in Support: SEC, VECC, Energy Probe

Parties Taking No Position: N/A

Evidence: The evidence in relation to this issue includes the following:

1-4-1	Materiality Threshold
2-1-2-1	Capital Expenditures Table
2-1-3	Confidential Filing
2-2-1	Summary and Continuity Statements
10-2-1-35	Board Staff IR #23 - Third Line TS Redevelopment
10-2-1-36	Board Staff IR #24 - Third Line TS Redevelopment
10-2-1-37	Board Staff IR #25 - Third Line TS Redevelopment
10-2-1-40	Board Staff IR #26 - Third Line TS Redevelopment
10-2-1-46	Board Staff IR #30 - Master SCADA System Replacement
10-2-1-48	Board Staff IR #31 - Work Management System Conversion
10-2-1-51	Board Staff IR #32 - 2012 Capital Expenditures in Service
10-2-1-52	Board Staff IR #33 - Summary of Capital Investments
10-2-1-53	Board Staff IR #34 - Asset Management and Capital Budgeting
10-3-1-4	SEC IR #3 - Master SCADA System Replacement
10-3-1-6	SEC IR #4 - Third Line TS Redevelopment
10-4-1-4	VECC IR #4 - Capital Expenditure Projects, 2011 and 2012
10-4-1-6	VECC IR #5 - HST Savings on Capital Expenditures
10-4-1-7	VECC IR #6 - Capital Budgeting
10-4-1-8	VECC IR #7 - Rate Base - Summary and Continuity

10-5-1-1	Energy Probe IR #1 - Third Line TS Redevelopment
10-5-1-2	Energy Probe IR #2 - Third Line TS Redevelopment
10-5-1-14	Energy Probe IR #10 - Master SCADA System Replacement
10-5-1-16	Energy Probe IR #11 - Third Line TS Redevelopment
10-5-1-17	Energy Probe IR #12 - Goulais TS Civil Refurbishment
10-5-1-18	Energy Probe IR #13 - Work Management System Conversion
10-5-1-19	Energy Probe IR #14 - Echo River TS Protection Upgrade

1.3 Capital Expenditures 2011

Complete Settlement: There is an agreement to settle this issue as follows:

For the purpose of obtaining a complete settlement of all issues, the Parties agree that GLPT's capital additions for 2011, being $6,026,500 as described herein, should be included in GLPT's rate base for the Test Year. This total is made up of the originally proposed capital additions of $26,393,700, less the Third Line Redevelopment project amount of $20,367,200. It was agreed that the 2011 rate base addition related to the Third Line Redevelopment project be deferred from 2011 to 2012 as a part of reaching this settlement agreement.

Approval:

Parties in Support: SEC, VECC, Energy Probe

Parties Taking No Position: N/A

Evidence: The evidence in relation to this issue includes the following:

1-4-1	Materiality Threshold
2-1-2-1	Capital Expenditures Table
2-1-3	Confidential Filing
2-2-1	Summary and Continuity Statements
10-2-1-35	Board Staff IR #23 - Third Line TS Redevelopment
10-2-1-36	Board Staff IR #24 - Third Line TS Redevelopment
10-2-1-37	Board Staff IR #25 - Third Line TS Redevelopment
10-2-1-40	Board Staff IR #26 - Third Line TS Redevelopment
10-2-1-42	Board Staff IR #27 - GLPT SCC and Sackville Road Building Generator
10-2-1-43	Board Staff IR #28 - Sackville Building HVAC Replacement
10-2-1-44	Board Staff IR #29 - 2011 Capital Expenditures in Service
10-2-1-52	Board Staff IR #33 - Summary of Capital Investments
10-2-1-53	Board Staff IR #34 - Asset Management and Capital Budgeting
10-3-1-1	SEC IR #1 - Sackville Building HVAC Replacement
10-3-1-2	SEC IR #2 - Asset Management System Enhancement
10-4-1-2	VECC IR #2 - Third Line TS Redevelopment
10-4-1-3	VECC IR #3 - Third Line TS Redevelopment
10-4-1-4	VECC IR #4 - Capital Expenditure Projects, 2011 and 2012
10-4-1-6	VECC IR #5 - HST Savings on Capital Expenditures
10-4-1-7	VECC IR #6 - Capital Budgeting

10-4-1-8	VECC IR #7 - Rate Base - Summary and Continuity
10-5-1-1	Energy Probe IR #1 - Third Line TS Redevelopment
10-5-1-2	Energy Probe IR #2 - Third Line TS Redevelopment
10-5-1-3	Energy Probe IR #3 - Sackville Road Building Generator
10-5-1-4	Energy Probe IR #4 - Sackville Road Building Generator
10-5-1-5	Energy Probe IR #5 - Sackville Building HVAC Replacement
10-5-1-9	Energy Probe IR #6 - Asset Management System Enhancement
10-5-1-10	Energy Probe IR #7 - Clergue TS Overload Protection
10-5-1-12	Energy Probe IR #8 - Magpie TS Lightning Arrestor
10-5-1-13	Energy Probe IR #9 - MacKay TS Station Service Voltage Regulator

1.4 Working Cash Allowance

Complete Settlement: There is an agreement to settle this issue as follows:

The working cash allowance for the Test Years has been calculated by GLPT using the results of the working cash study completed in 2010 by Navigant Consulting Inc., plus a provision for inventory assets that are working capital for GLPT but that form no part of the working cash study.

For the purpose of obtaining a complete settlement of all issues, the parties agree to accept GLPT's working cash allowance calculation and that the total working cash requirements of $621,100 for 2011 and $513,800 for 2012 are therefore accepted for inclusion in rate base.

Approval:

Parties in Support: SEC, VECC, Energy Probe

Parties Taking No Position: N/A

Evidence: The evidence in relation to this issue includes the following:

2-1-1-1	Working Capital Allowance
2-4-1	Working Capital Allowances
10-2-1-68	Board Staff IR #35 - Rate Base - Working Capital
10-2-1-69	Board Staff IR #36 - Rate Base Working Capital
10-4-1-9	VECC IR #8 - Working Capital Allowance

2. Cost of Capital for the Test Years

2.1 Capital Structure

Complete Settlement: There is an agreement to settle this issue as follows:

In its application and evidence, GLPT proposed a capital structure for both the 2011 and 2012 Test Years that is 60% deemed debt (comprised of 4% short-term and 56% long-term) and 40% equity, as presented in Tables 5-1-1B and 5-1-1C of the pre-filed evidence. GLPT expressed its intention in EB-2009-0408 to propose this capital structure.

For the purpose of obtaining a complete settlement of all issues, the Parties agree that the Board should accept GLPT's proposed capital structure for the 2011 & 2012 Test Years.

Approval:

Parties in Support: SEC, VECC, Energy Probe

Parties Taking No Position: N/A

Evidence: The evidence in relation to this issue includes the following:

5-1-1	Capital Structure
10-2-1-71	Board Staff IR #37 - Capital Structure and Long-term Debt Rate (Methodology)
10-2-1-73	Board Staff IR #38 - Weighted Average Cost of Capital

2.2 Cost of Debt

Complete Settlement: There is an agreement to settle this issue as follows:

In its application, GLPT proposed a weighted average rate of interest on long term debt using its effective rate of interest on its actual debt and the Board's deemed long-term interest rate on the incremental debt above the actual debt held by GLPT. The averages proposed by GLPT were 6.86% in 2011 and 6.82% in 2012, as presented in the Tables at 5-1-1A of the pre-filed evidence.

In response to Board staff Interrogatory #37, GLPT indicated that it agreed with Board staff's assumption that the incremental debt is in fact notional debt, and should therefore attract GLPT's actual long-term debt rate, not the Board's deemed long-term debt rate. In furtherance of its interrogatory response, GLPT has amended its evidence and has applied its effective interest rate of 6.87% to the full amount of its deemed long-term debt, implying that any deemed debt over and above GLPT's actual debt is notional debt. GLPT's amended evidence is set out at **'Appendix B'** of this agreement.

GLPT also assumed that, for rates effective January 1, 2011 and January 1, 2012, the Board would determine the deemed short term debt rate for GLPT based on the September 2010 and September 2011 Bank of Canada data, respectively, plus the average spread calculated in each year. The deemed short term debt rate for 2012 will be updated when the Board issues its approved cost of capital parameters for the 2012 rate year.

For the purpose of obtaining a complete settlement of all issues, the Parties agree that the Board should accept GLPT's proposed rate of interest on long term debt of 6.87% and the Board-prescribed rate of interest on short term debt for the purpose of determining the cost of debt component of GLPT's revenue requirements for the 2011 and 2012 Test Years.

Approval:

Parties in Support: SEC, VECC, Energy Probe

Parties Taking No Position: N/A

Evidence: The evidence in relation to this issue includes the following:

5-1-1	Cost of Debt (as amended)
4-3-5	Interest Expense
10-2-1-71	Board Staff IR #37 - Capital Structure and Long-term Debt Rate

	(Methodology)
10-2-1-73	Board Staff IR #38 - Weighted Average Cost of Capital
10-4-1-16	VECC IR #13 - New/Forecasted Debt

2.3 Cost of Equity

Complete Settlement: There is an agreement to settle this issue as follows:

In its application, GLPT initially proposed a return on equity ("ROE") of 10.16% for the 2011 test year and 10.41% for the 2012 test year. GLPT stated that it would update the ROE for each test year with the Board-approved figure, in accordance with the December 11, 2009 Cost of Capital Report.

This was amended as part of GLPT's response to Board Staff interrogatory #38 so that the return on equity for 2011 would be 9.66% in order to accord with updated cost of capital parameters for 2011 cost of service rate applications, issued on November 15, 2010.

For the purpose of obtaining a complete settlement of all issues, the Parties agree that the Board should accept GLPT's amended proposed ROE of 9.66% for 2011 (as set out in the response to Board Staff Interrogatory #38). The parties also agree that the ROE for 2012 will be updated when the Board issues its approved cost of capital parameters for the 2012 rate year.

Approval:

Parties in Support: SEC, VECC, Energy Probe

Parties Taking No Position: N/A

Evidence: The evidence in relation to this issue includes the following:

5-1-1 Cost of Equity
10-2-1-73 Board Staff IR #38 - Weighted Average Cost of Capital

3. Operating Costs for the Test Years

In its application, GLPT initially proposed total operating costs of $18,922,300 for 2011 and $19,864,300 for 2012. As shown in Table 4-1-1A, this was comprised of the following components:

- Operations, Maintenance and Administration ($9,225,000 for 2011 and $9,455,600 for 2012)
- Depreciation and Amortization ($7,975,100 for 2011 and $8,615,900)
- Income Taxes ($1,457,600 for 2011 and $1,521,900 for 2012)
- Capital and Property Taxes ($264,700 for 2011 and $271,300 for 2012)

Operations, Maintenance & Administration expenses (OM&A) are considered in section 3.1 of this Settlement Agreement, below.

Depreciation and Amortization expenses are considered in section 3.2 of this Settlement Agreement.

Income Taxes, as well as Capital and Property Taxes, are considered together in section 3.3 of this Settlement Agreement.

3.1 Operations, Maintenance & Administration

Complete Settlement: There is an agreement to settle this issue as follows:

As indicated above, GLPT initially proposed operating costs that included OM&A costs of $9,225,000 for 2011 and $9,455,600 for 2012.

For the purpose of obtaining a complete settlement of all issues, the Parties have agreed that GLPT's OM&A expenses for the Test Years, as described herein, should be accepted. The Parties further agree that the Board should approve the recovery of this amount by GLPT in rates for 2011 and 2012, respectively.

Approval:

Parties in Support: SEC, VECC, Energy Probe

Parties Taking No Position: N/A

Evidence: The evidence in relation to this issue includes the following:

4-1-1	Summary of Operating Costs
4-2-1	OM&A Overview
4-2-2	Employee Compensation Breakdown
4-3-3	Shared Services & Corporate Cost Allocation
4-4-4	Purchase of Non-Affiliate Services
10-2-1-5	Board Staff IR #4 - 2010 Forecast Amounts
10-2-1-6	Board Staff IR #5 - 2010 OM&A Costs
10-2-1-8	Board Staff IR #6 - FTE Estimates & Total Compensation
10-2-1-12	Board Staff IR #7 - Incentive Compensation Plan
10-2-1-13	Board Staff IR #8 - Radio System Costs
10-2-1-14	Board Staff IR #9 - Corporate Cost Allocation
10-2-1-16	Board Staff IR #10 - Purchase of Non-affiliate Services
10-2-1-17	Board Staff IR #11 - OM&A Reductions in 2010 from Settlement
10-2-1-20	Board Staff IR #12 - Account 5605
10-2-1-22	Board Staff IR #13 - Account 4940 - ROW
10-2-1-24	Board Staff IR #14 - Account 5630 - Outside Services Employed
10-2-1-26	Board Staff IR #15 - First Quartile Report
10-2-1-28	Board Staff IR #16 - OM&A Reductions in 2011
10-2-1-29	Board Staff IR #17 - Continuity Statement
10-2-1-102	Board Staff IR #53 - Impact of HST on GLPT's Revenue
10-3-1-7	SEC IR #5 - GLPT Corporate Performance Objectives
10-3-1-8	SEC IR #6 - Working Group Performance Measures
10-3-1-9	SEC IR #7 - Executive Service Costs
10-4-1-14	VECC IR #11 - OM&A Costs
10-4-1-15	VECC IR #12 - Shared Services & Corporate Cost Allocation
10-5-1-20	Energy Probe IR #15 - Staff Levels and Compensation
10-5-1-21	Energy Probe IR #16 - Collective Agreement
10-5-1-22	Energy Probe IR #17 - Benefits for Retirees
10-5-1-23	Energy Probe IR #18 - Recreational Facilities
10-5-1-24	Energy Probe IR #19 - Replacement of Personal Tools
10-5-1-25	Energy Probe IR #20 - OM&A Year over Year Comparisons
10-5-1-26	Energy Probe IR #21 - Employee Compensation
10-5-1-27	Energy Probe IR #22 - Environmental Management
10-5-1-29	Energy Probe IR #23 - Depreciation Expense by Asset Class

3.2 Depreciation and Amortization

Complete Settlement: There is an agreement to settle this issue as follows:

Given the Parties agreement on the Redevelopment Project, depreciation and amortization expense has changed from $7,975,100 for 2011 and $8,615,900 in 2012 to $7,720,500 and $8,408,500 for 2011 and 2012, respectively. For the purpose of obtaining a complete settlement of all issues, the Parties agree that the Board should accept GLPT's proposed calculation of the depreciation expense of $7,720,500 for 2011 and $8,408,500 for 2012.

Approval:

Parties in Support: SEC, VECC, Energy Probe

Parties Taking No Position: N/A

Evidence: The evidence in relation to this issue includes the following:

2-3-1	Accumulated Depreciation
4-2-5	Depreciation and Amortization
10-2-1-30	Board Staff IR #18 - Depreciation Rate for Account 1908
10-2-1-31	Board Staff IR #19 - Depreciation Rate for Account 1930
10-2-1-32	Board Staff IR #20 - Depreciation Rates

3.3 Capital, Property and Income Taxes

Complete Settlement: There is an agreement to settle this issue as follows:

In its initial application, GLPT:

- Calculated its capital tax expense for the Test Years as nil. The calculation of this amount is described in 4-3-3;
- Calculated its property tax expense as $264,700 for 2011 and $271,300 for 2012. The calculation of these amounts is described in 4-3-4; and
- Calculated its income tax expense as $1,457,600 for 2011 and $1,521,900 for 2012. The calculation of this amount is described in 4-3-2.

Capital and Property Tax

For the purpose of obtaining a complete settlement of all issues, the Parties agree that GLPT's calculations of capital and property taxes described herein, which total $264,700 for 2011 and $271,300 for 2012 should be included as part of its cost of service for the Test Years.

Income Tax

Given the change in ROE driven by the Board's cost of capital parameter update, and given the Parties' agreement on the Redevelopment Project, income tax expense has changed from $1,457,600 in 2011 and $1,521,900 in 2012 to $1,352,000 and $1,336,800 for 2011 and 2012, respectively. For the purpose of obtaining a complete settlement of all issues, the Parties agree that GLPT's calculations of income tax described herein, which total $1,352,000 for 2011 and $1,336,800 for 2012, should be included as part of its cost of service for the Test Years.

Approval:

Parties in Support: SEC, VECC, Energy Probe

Parties Taking No Position: N/A

Evidence: The evidence in relation to this issue includes the following:

4-3-1 Tax Overview

4-3-2	Income Tax
4-3-3	Capital Tax
4-3-4	Property Tax
10-2-1-33	Board Staff IR #21 - CapEx in Fixed Assets and on the UCC Continuity Schedule
10-2-1-34	Board Staff IR #22 - CapEX in Fixed Assets and on the UCC Continuity Schedule
10-3-1-10	SEC IR #8 - Property Tax

4. Operating Revenue

4.1 Charge Determinant Forecast

Complete Settlement: There is an agreement to settle this issue as follows:

As described in 8-1-1 of its application, GLPT employed a methodology for developing a charge determinant forecast for its directly connected customers. As described in 8-2-1, this forecasting methodology was then combined with the approved charge determinants for Ontario's other three electricity transmitters in order to derive the Uniform Transmission Rate in Ontario (the "**UTR**").

	Proposed Annual Charge Determinants (MW)		
	Network	**Line Connection**	**Transformation Connection**
GLPT	3,954.620	2,937.438	985.415
All Transmitters	246,520.154	237,815.026	203,928.634

For the purpose of obtaining a complete settlement of all issues, the Parties agree that the proposed charge determinants presented in the above table should be accepted by the Board.

Approval:

Parties in Support: SEC, VECC, Energy Probe

Parties Taking No Position: N/A

Evidence: The evidence in relation to this issue includes the following:

8-1-1	Charge Determinant Forecast
10-2-1-76	Board Staff IR #40 - Charge Determinants
10-2-1-76	Confidential Response to Board Staff IR #40 - Charge Determinants
10-3-1-11	SEC IR #9 - Impact of Ontario Clean Energy Benefit

4.2 Transmission Services Revenue

Complete Settlement: There is an agreement to settle this issue as follows:

In its application and evidence, GLPT forecasted its transmission services revenue to be $35,141,600 in each of 2011 & 2012, as presented in Table 3-1-1A of the pre-filed evidence.

For the purpose of obtaining a complete settlement of all issues, the Parties agree that the Board should accept GLPT's forecasted transmission services revenue for the 2011 & 2012 Test Years.

Approval:

Parties in Support: SEC, VECC, Energy Probe

Parties Taking No Position: N/A

Evidence: The evidence in relation to this issue includes the following:

3-1-1	Operating Revenue
3-1-2	Other Revenue
10-2-1-77	Board Staff IR #41 - Transmission Revenue Streams
10-2-1-78	Board Staff IR #42 - Transmission Revenue Streams
10-4-1-11	VECC IR #9 - Operating Revenue

4.3 Other Income

Complete Settlement: There is an agreement to settle this issue as follows:

In its application and evidence, GLPT forecasted its other income to be ($30,800) in 2011 ($31,100) in 2012, as presented in Table 3-1-2A of the pre-filed evidence.

For the purpose of obtaining a complete settlement of all issues, the Parties agree that the Board should accept GLPT's forecasted other income for the 2011 & 2012 Test Years.

Approval:

Parties in Support: SEC, VECC, Energy Probe

Parties Taking No Position: N/A

Evidence: The evidence in relation to this issue includes the following:

3-1-1	Operating Revenue
3-1-2	Other Revenue
10-2-1-102	Board Staff IR #53 - Impact of HST on GLPT's Revenue
10-4-1-12	VECC IR #10 - Other Income

5. Rate Recovery of Revenue Requirement

5.1 Rate Implementation Date

Complete Settlement: There is an agreement to settle this issue as follows:

In its application, GLPT requested that its existing rates be made interim effective January 1, 2011. On November 17, 2010 the Board issued Procedural Order #1, which included a decision declaring GLPT's rates interim as of January 1, 2011. In its application, GLPT also requested that its proposed rates for 2011 and 2012 test years be made effective as of January 1, 2011 and January 1, 2012, respectively.

For the purpose of obtaining a complete settlement of all issues, the Parties have agreed that GLPT's revised 2011 and 2012 rates should be made effective as of January 1, 2011 and January 1, 2012, respectively.

Approval:

Parties in Support: SEC, VECC, Energy Probe

Parties Taking No Position: N/A

Evidence: The evidence in relation to this issue includes the following:

1-1-2 Application

5.2 Cost Allocation

Complete Settlement: There is an agreement to settle this issue as follows:

GLPT proposes to allocate its incremental revenue requirement to the Uniform Transmission Rate pools by applying the same proportions as set out in Hydro One's proposed 2011 Ontario Transmission Rate Schedule, which was filed with the Board on January 5, 2011 as part of the EB-2010-0002 proceeding.

For the purpose of obtaining a complete settlement of all issues, the Parties agree that the Board should adopt GLPT's allocation of its incremental revenue requirement to the Uniform Transmission Rate pools in accordance with Hydro One's latest cost allocation methodology.

Approval:

Parties in Support: SEC, VECC, Energy Probe

Parties Taking No Position: N/A

Evidence: The evidence in relation to this issue includes the following:

8-2-1	Calculation of Uniform Transmission Rates
10-2-1-86	Board Staff IR #43 - Uniform Transmission Rates

5.3 Revenue Deficiency/Sufficiency Deferral Account

Complete Settlement: There is an agreement to settle this issue as follows:

As noted in section 5.1 of this Settlement Agreement, GLPT requested that its existing rates be made interim effective January 1, 2011. In its application, GLPT also requested that its proposed rates for the 2011 and 2012 test years be made effective as of January 1, 2011 and January 1, 2012, respectively. GLPT further requests authorization to establish a deferral account to record revenue requirement deficiencies incurred from January 1, 2011 until the date that GLPT's proposed 2011 rates are implemented. Also as noted in section 5.1 of this Settlement Agreement, on November 17, 2010 the Board issued Procedural Order #1, which included a decision declaring GLPT's rates interim as of January 1, 2011. For the purpose of obtaining a complete settlement of all issues, the Parties have agreed that GLPT's revised 2011 and 2012 rates should be made effective as of January 1, 2011 and January 1, 2012, respectively.

For the purpose of obtaining a complete settlement of all issues, the Parties agree that a deferral account should be established to record any deficiency or sufficiency for the period commencing January 1, 2011 to the date that the revised 2011 rates (reflecting GLPT's proposed new revenue requirement) are implemented, together with carrying costs, such carrying costs being based upon the applicable Board prescribed interest rate.

As explained in section 6.3 of this Settlement Agreement, GLPT proposes to recover or pay, as the case may be, the balance of the Revenue Deficiency/Sufficiency Deferral Account, as at the date of implementation, through an offset to the amounts GLPT proposes to credit to ratepayers over a three-year period based on the aggregate balance of GLPT's existing deferral and variance accounts.

Approval:

Parties in Support: Energy Probe, SEC, VECC

Parties Taking No Position: N/A

Evidence: The evidence in relation to this issue includes the following:

See Appendix "C" of this Settlement Agreement.

6. Deferral and Variance Accounts

6.1 Existing Deferral and Variance Accounts

Complete Settlement: There is an agreement to settle this issue as follows:

In its application, GLPT proposed continuance of the following deferral/variance accounts: two sub-accounts of Account 1508, as well as Account 1574, of the Uniform System of Accounts. GLPT also requested approval to use Accounts 1505 and 1595 of the Uniform System of Accounts. Based upon the Board's Decision in EB-2009-0409, GLPT will also continue to maintain in the test period sub-accounts for Infrastructure Investment, Green Energy Initiatives and Preliminary Planning Costs, within Account 1508. In addition, based upon the Accounting Procedures Handbook, GLPT will also continue to maintain in the test period the sub-account for IFRS transition costs in Account 1508, as well as Account 1592 for tax variances.

Account 1508 - Other Regulatory Assets

As at June 30, 2010, GLPT had four active sub-accounts of Account 1508: (i) IFRS Transition costs; (ii) Infrastructure Investment, Green Energy Initiatives and Preliminary Planning Costs; (iii) OEB Cost Assessment Variances; and (iv) Property Tax and Use and Occupation Permit Fee Variances.

Account 1574 - Deferred Rate Impact Amounts

This account was established to record the revenue deficiency incurred by GLPT, plus carrying charges, under currently approved transmission rates beginning January 1, 2005. This account is also being used to record GLPT's 2010 revenue deficiencies.

Account 1592 - Changes in Tax Legislation

The Board created this account to deal with changes in tax legislation and tax rules with respect to PILs and taxes.

Account 1505 - Unrecovered Plant

In this application, GLPT proposed to recover costs resulting from a premature retirement of readily identifiable assets that will occur in 2011, related to the Third Line Redevelopment project. The total net book value of the assets to be retired will be $910,534 at December 31, 2011, which is a significant value to GLPT. GLPT proposed to recover the $910,534 write-off by offsetting the amount against the aggregate regulatory liability balance of $2,962,700. This would effectively result in GLPT collecting this amount over a three year period beginning January 1, 2011. Any gains or

recoveries realized relative to the prematurely retired plant will be credited to the benefit of ratepayers. GLPT proposed the use of Account 1505 of the Uniform System of Accounts for this purpose, after which the balance will be transferred to Account 1595 for recovery, as described in 9-3-1 of the Application.

For the purpose of obtaining a complete settlement of all issues, the Parties accept GLPT's proposal that the Board should authorize GLPT to continue to establish and record costs in these existing accounts, as described in the evidence filed by GLPT in support of these requests, except as follows:

(a) the amount recoverable for readily identifiable assets in Account 1505 - Unrecovered Plant will be the December 31, 2012 net book value of $863,369, and will be recovered over a one year period instead of a three year period; and

(b) the account in respect of OEB Cost Assessment Variances should not be approved for continuation beyond 2010.

Approval:

Parties in Support: SEC, VECC, Energy Probe

Parties Taking No Position: N/A

Evidence: The evidence in relation to this issue includes the following:

9-1-1	Deferral and Variance Accounts Overview
9-1-2	Account 1508 - Other Regulatory Assets
9-1-3	Account 1574 - Deferred Rate Impact Amounts
9-1-4	Account 1592 - Changes in Tax Legislation
9-1-5	Account 1505 - Unrecovered Plant Costs
10-2-1-87	Board Staff IR #44 - Sub-accounts of Account 1508
10-2-1-88	Board Staff IR #45 - Change in Costs due to IFRS Implementation Account
10-2-1-90	Board Staff IR #46 - IFRS Gains and Losses on Disposal
10-2-1-93	Board Staff IR #47 - Recovery of Costs related to Premature Retirement of Assets
10-2-1-94	Board Staff IR #48 - OEB Cost Assessment Variances
10-3-1-12	SEC IR #10 - Deferred Rate Impact Amounts

6.2 New Deferral and Variance Accounts

Complete Settlement: There is an agreement to settle this issue as follows:

In its application, GLPT requested approval to establish the following new deferral or variance accounts:

- Change in Costs due to IFRS Implementation Account; and,
- IFRS Gains and Losses on Disposal.

GLPT also sought the Board's direction as to whether costs arising from a claim from Comstock Canada Ltd. ("**Comstock**") in respect of a design build contract for the Transmission Reinforcement Project approved in EB-2003-0162 should be included in Construction Work in Progress or in a designated deferral account.

The costs to be recorded in the account are as follows:

2007 - $656,038
2008 - $313,205
2009 - $504,782
2010 - $117,934 (YTD, November 30, 2010)

For the purpose of obtaining a complete settlement of all issues, the Parties agree that the Board should authorize GLPT to:

(a) establish a variance account and record impacts on test year revenue requirements resulting from any changes to existing IFRS standards or changes in the interpretation of such standards;

(b) establish a deferral account and record costs as proposed in respect of IFRS gains or losses resulting from premature asset component retirements, subject to a depreciation credit that would be calculated based on the amount of depreciation in approved revenue requirement that will not be incurred as a result of premature retirement of the asset; and

(c) establish a deferral account and record costs incurred and to be incurred in respect of the Comstock claim (the issue of whether those amounts are recoverable by GLPT will be determined by the Board at a later date).

Approval:

Parties in Support: SEC, VECC, Energy Probe

Parties Taking No Position: N/A

Evidence: The evidence in relation to this issue includes the following:

9-1-1	Deferral and Variance Accounts Overview
9-2-1	Proposed Deferral and Variance Accounts and Request for Direction
10-2-1-88	Board Staff IR #45 - Change in Costs due to IFRS Implementation Account
10-2-1-90	Board Staff IR #46 - IFRS Gains and Losses on Disposal
10-2-1-95	Board Staff IR #49 - New Deferral Account Request - IFRS Implementation
10-2-1-97	Board Staff IR #50 - New Deferral and Variance Account Requests
10-2-1-99	Board Staff IR #51 - Total New Disposition
10-2-1-100	Board Staff IR #52 - Comstock Claim
10-3-1-13	SEC IR #11 - Comstock Claim

6.3 Disbursal of Deferral and Variance Accounts

Complete Settlement: There is an agreement to settle this issue as follows:

In its application, GLPT proposed that, upon implementation of new Uniform Transmission Rates, the aggregate balance of the existing deferral accounts, less an offset related to GLPT's 2010 revenue deficiency, and less or in addition to an offset related to any revenue deficiency or sufficiency, respectively, for the period between January 1, 2011 and the date that the revised Uniform Transmission Rates reflecting GLPT's new revenue requirement are implemented (as discussed in section 5.3 of this Settlement Agreement), will be returned to ratepayers over a three-year period (the "**Aggregate Regulatory Liability Balance**"). In addition to this, GLPT proposed to credit, over a five-year period, ratepayers a further amount of $3,063,900 related to costs recovered in respect of an asset retirement.

In its application, GLPT also proposed to recover costs resulting from a premature retirement of readily identifiable assets that will occur related to the Third Line Redevelopment project. The total net book value of the assets to be retired will be $910,534 at December 31, 2011. As a result of the deferral of the rate base addition related to this project from 2011 to 2012, the assets to be removed upon completion of the project will remain in service until 2012. Therefore GLPT will require recovery of the balance of the net book value of the assets at December 31, 2012. This value is $863,369.

GLPT proposed to recover the write-off amount by offsetting the amount against the Aggregate Regulatory Liability Balance that will be returned to customers over the three-year period referenced above. However, for the purpose of obtaining a complete settlement of all issues, the Parties agree that the Board should authorize GLPT to recover the December 31, 2012 net book value of $863,369 over a one-year period instead of a three-year period.

Approval:

Parties in Support: SEC, VECC, Energy Probe

Parties Taking No Position: N/A

Evidence: The evidence in relation to this issue includes the following:

9-1-1 Deferral and Variance Accounts Overview
9-3-1 Disbursal of Existing Deferral and Variance Accounts

APPENDIX 'A'

ISSUES LIST

ISSUES LIST

1. Rate Base
   - 1.1 Rate Based for the Test Years
   - 1.2 Capital Expenditures 2012
   - 1.3 Capital Expenditures 2011
   - 1.4 Working Cash Allowance
2. Cost of Capital for the Test Years
   - 2.1 Capital Structure
   - 2.2 Cost of Debt
   - 2.3 Cost of Equity
3. Operating Costs for the Test Year
   - 3.1 Operations, Maintenance and Administration
   - 3.2 Depreciation and Amortization
   - 3.3 Capital, Property and Income Taxes
4. Operating Revenue
   - 4.1 Charge Determinant Forecast
   - 4.2 Transmission Services Revenue
   - 4.3 Other Income
5. Rate Recovery of Revenue Requirement
   - 5.1 Rate Implementation Date
   - 5.2 Cost Allocation
6. Deferral and Variance Accounts
   - 6.1 Existing Deferral and Variance Accounts

6.2 New Deferral and Variance Accounts

6.3 Disbursal of Deferral and Variance Accounts

APPENDIX 'B'

SUPPLEMENTAL EVIDENCE ON CAPITAL CONTRIBUTIONS

Supplemental Evidence

Between the time GLPT filed its EB-2010-0291 rate application and the time an actual funding mechanism was put in place, a change occurred to the mechanism that affects GLPT's new funding requirements. GLPT has provided the following update to Section 5.2 found on page 4 of Exhibit 5, Tab 1, Schedule 1. The section should be titled "New / Forecasted Equity", and should read:

> GLPT will require additional funding in the test years to finance the proposed capital program and day to day operations. GLPT will raise the additional funds by means of a capital investment from its Partners, which will be treated as an equity transaction. Interest will not be paid on the equity investments.

Further to this, GLPT is providing the following information which is an expansion of its response to Board Staff Interrogatory #37 (i):

> Confirmed.
>
> GLPT notes that its pre-filed evidence indicated that there would be additional funding received in the test years from its Partners and treated as affiliate debt. However, the actual funding mechanism that has been put in place involves funding the partnership through equity transactions. As a result, GLPT will not incur additional debt in the test years in any form. Therefore, any deemed debt amounts that are above and beyond GLPT's actual third party debt should be treated as notional debt.

Lastly, given the above, GLPT is providing clarification of the pro-forma financial statements found at Exhibit 1, Tab 3, Schedule 2 of the pre-filed evidence. The pro-forma Balance Sheet on page 4 of this Schedule indicates that certain funds received in the test years would be recorded as an "Intercompany loan". However, this intercompany loan will not exist during the test years, as the funds received are a capital contribution and will instead be recorded as an addition to GLPT's Capital account, forming part of the pro-forma Statement of Partners' Equity. This change should also be reflected in the pro-forma Statement of Cash Flows found on page 7 of Exhibit 1, Tab 3, Schedule 2. In that Schedule, under financing activities, the "Increase in borrowings" heading should instead be "Capital contributions".

APPENDIX 'C'

REVENUE REQUIREMENT WORK FORMS - REVISED TO REFLECT SETTLEMENT AGREEMENT

Ontario

REVENUE REQUIREMENT WORK FORM

Name of LDC: Great Lakes Power Transmission LP (1)

File Number:

Rate Year: 2011 Version: 2.11

Table of Content

Sheet	Name
A	Data Input Sheet
1	Rate Base
2	Utility Income
3	Taxes/PILS
4	Capitalization/Cost of Capital
5	Revenue Sufficiency/Deficiency
6	Revenue Requirement
7A	Bill Impacts -Residential
7B	Bill Impacts - GS < 50 kW

Notes:

(1) Pale green cells represent inputs
(2) Pale yellow cells represent drop=down lists
(3) ***Please note that this model uses MACROS. Before starting, please ensure that macros have been enabled.***
(4) ***Completed versions of the Revenue Requirement Work Form are required to be filed in working Microsoft Excel format.***

Copyright

This Revenue Requirement Work Form Model is protected by copyright and is being made available to you solely for the purpose of preparing or reviewing your draft rate order. You may use and copy this model for that purpose, and provide a copy of this model to any person that is advising or assisting you in that regard. Except as indicated above, any copying, reproduction, publication, sale, adaptation, translation, modification, reverse engineering or other use or dissemination of this model without the express written consent of the Ontario Energy Board is prohibited. If you provide a copy of this model to a person that is advising or assisting you in preparing or reviewing your draft rate order, you must ensure that the person understands and agrees to the restrictions noted above.

Ontario

REVENUE REQUIREMENT WORK FORM

Name of LDC: Great Lakes Power Transmission
File Number:
Rate Year: 2011

Version: 2.11

		Data Input			(1)
		Initial Application	Adjustments	Close of Discovery (7)	Adjustments	Per Board Decision
1	**Rate Base**					
	Gross Fixed Assets (average)	$302,943,886		$ 302,943,886	($9,229,313)	$293,714,573
	Accumulated Depreciation (average)	($86,268,030) (5)		-$ 86,268,030	($371,715)	($86,639,745)
	Allowance for Working Capital:					
	Controllable Expenses	$9,225,000		$ 9,225,000		$9,225,000
	Cost of Power	$ -				$0
	Working Capital Rate (%)	6.73%		6.73%		6.73%
2	**Utility Income**					
	Operating Revenues:					
	Distribution Revenue at Current Rates	$35,141,618	$0	$35,141,618	$0	$35,141,618
	Distribution Revenue at Proposed Rates	$36,416,907	($724,263)	$35,692,644	($938,966)	$34,753,678
	Other Revenue:					
	Specific Service Charges					
	Late Payment Charges					
	Other Distribution Revenue					
	Other Income and Deductions	$30,800	$0	$30,800	$0	$30,800
	Operating Expenses:					
	OM+A Expenses	$9,225,000		$ 9,225,000		$9,225,000
	Depreciation/Amortization	$7,975,063		$ 7,975,063	($254,590)	$7,720,473
	Property taxes	$264,655		$ 264,655		$264,655
	Capital taxes	$0		$0		$0
	Other expenses	$ -		0		$0
3	**Taxes/PILs**					
	Taxable Income:					
	Adjustments required to arise at taxable income	($5,129,024) (3)		($5,129,024)		($4,591,617)
	Utility Income Taxes and Rates:					
	Income taxes (not grossed up)	$1,045,794		$923,021		$970,036
	Income taxes (grossed up)	$1,457,553		$1,286,441		$1,351,966
	Capital Taxes	$ - (6)		$ - (6)		$ - (6)
	Federal tax (%)	16.50%		16.50%		16.50%
	Provincial tax (%)	11.75%		11.75%		11.75%
	Income Tax Credits					
4	**Capitalization/Cost of Capital**					
	Capital Structure:					
	Long-term debt Capitalization Ratio (%)	56.0%		56.0%		56.0%
	Short-term debt Capitalization Ratio (%)	4.0% (2)		4.0% (2)		4.0% (2)
	Common Equity Capitalization Ratio (%)	40.0%		40.0%		40.0%
	Prefered Shares Capitalization Ratio (%)					
		100.0%		100.0%		100.0%
	Cost of Capital					
	Long-term debt Cost Rate (%)	6.86%		6.87%		6.87%
	Short-term debt Cost Rate (%)	3.99%		2.43%		2.43%
	Common Equity Cost Rate (%)	10.16%		9.66%		9.66%
	Prefered Shares Cost Rate (%)					

Notes:

Data inputs are required on on this Sheet A. Data Input Sheet, and on Sheets 7A and 7B, for Bill IMpacts. Data on this input sheet complete sheets 1 through 6 (Rate Base through Revenue Requirement), except for Notes that the utility may wish to use to support the data. Notes should be put on the applicable pages to

(1) All inputs are in dollars ($) except where inputs are individually identified as percentages (%)
(2) 4.0% unless an Applicant has proposed or been approved for another amount.
(3) Net of addbacks and deductions to arrive at taxable income.
(4) Average of Gross Fixed Assets at beginning and end of the Test Year
(5) Average of Accumulated Depreciation at the beginning and end of the Test Year. Enter as a negative amount.
(6) Not applicable as of July 1, 2010
(7) Select option from drop-down list by clicking on cell M10. This columnallows for the application update reflecting the end of discovery or Argument-in-Chief. Also, the outsome of any Settlement Process can be reflected.

Ontario

REVENUE REQUIREMENT WORK FORM

Name of LDC: Great Lakes Power Transmission LP
File Number:
Rate Year: 2011

Version: 2.11

Rate Base

Line No.	Particulars		Initial Application	Adjustments	Close of Discovery	Adjustments	Per Board Decision
1	Gross Fixed Assets (average)	(3)	$302,943,886	$ -	$302,943,886	($9,229,313)	$293,714,573
2	Accumulated Depreciation (average)	(3)	($86,268,030)	$ -	($86,268,030)	($371,715)	($86,639,745)
3	Net Fixed Assets (average)	(3)	$216,675,856	$ -	$216,675,856	($9,601,028)	$207,074,828
4	Allowance for Working Capital	(1)	$621,133	$ -	$621,133	$ -	$621,133
5	**Total Rate Base**		$217,296,989	$ -	$217,296,989	($9,601,028)	$207,695,961

(1)	Allowance for Working Capital - Derivation					
6	Controllable Expenses	$9,225,000	$ -	$9,225,000	$ -	$9,225,000
7	Cost of Power	$ -	$ -	$ -	$ -	$ -
8	Working Capital Base	$9,225,000	$ -	$9,225,000	$ -	$9,225,000
9	Working Capital Rate % (2)	6.73%	0.00%	6.73%	0.00%	6.73%
10	Working Capital Allowance	$621,133	$ -	$621,133	$ -	$621,133

Notes

(2) Generally 15%. Some distributors may have a unique rate due as a result of a lead-lag study.
(3) Average of opening and closing balances for the year.

Ontario

REVENUE REQUIREMENT WORK FORM

Name of LDC: Great Lakes Power Transmission LP
File Number:
Rate Year: 2011

Version: 2.11

Utility income

Line No.	Particulars		Initial Application	Adjustments	Close of Discovery	Adjustments	Per Board Decision
	Operating Revenues:						
1	Distribution Revenue (at Proposed Rates)		$36,416,907	($724,263)	$35,692,644	($938,966)	$34,753,678
2	Other Revenue	(1)	$30,800	$ -	$30,800	$ -	$30,800
3	Total Operating Revenues		$36,447,707	($724,263)	$35,723,444	($938,966)	$34,784,478
	Operating Expenses:						
4	OM+A Expenses		$9,225,000	$ -	$9,225,000	$ -	$9,225,000
5	Depreciation/Amortization		$7,975,063	$ -	$7,975,063	($254,590)	$7,720,473
6	Property taxes		$264,655	$ -	$264,655	$ -	$264,655
7	Capital taxes		$ -	$ -	$ -	$ -	$ -
8	Other expense		$ -	$ -	$ -	$ -	$ -
9	Subtotal (lines 4 to 8)		$17,464,718	$ -	$17,464,718	($254,590)	$17,210,128
10	Deemed Interest Expense		$8,694,487	($118,557)	$8,575,930	($378,918)	$8,197,012
11	Total Expenses (lines 9 to 10)		$26,159,205	($118,557)	$26,040,648	($633,508)	$25,407,140
12	**Utility income before income taxes**		$10,288,502	($605,706)	$9,682,796	($305,458)	$9,377,338
13	Income taxes (grossed-up)		$1,457,553	($171,112)	$1,286,441	$65,526	$1,351,966
14	**Utility net income**		$8,830,950	($434,594)	$8,396,356	($370,984)	$8,025,372

Notes

(1)

Other Revenues / Revenue Offsets				
Specific Service Charges	$ -		$ -		$ -
Late Payment Charges	$ -		$ -		$ -
Other Distribution Revenue	$ -		$ -		$ -
Other Income and Deductions	$30,800	$ -	$30,800	$ -	$30,800
Total Revenue Offsets	$30,800	$ -	$30,800	$ -	$30,800

Ontario

REVENUE REQUIREMENT WORK FORM

Name of LDC: Great Lakes Power Transmission LP
File Number:
Rate Year: 2011

Version: 2.11

Taxes/PILs

Line No.	Particulars	Application		Close of Discovery		Per Board Decision	
	Determination of Taxable Income						
1	Utility net income before taxes	$8,830,950		$8,396,356		$8,025,372	
2	Adjustments required to arrive at taxable utility income	($5,129,024)		($5,129,024)		($4,591,617)	
3	Taxable income	$3,701,926		$3,267,332		$3,433,755	
	Calculation of Utility income Taxes						
4	Income taxes	$1,045,794		$923,021		$970,036	
5	Capital taxes	$ -	(1)	$ -	(1)	$ -	(1)
6	Total taxes	$1,045,794		$923,021		$970,036	
7	Gross-up of Income Taxes	$411,759		$363,419		$381,930	
8	Grossed-up Income Taxes	$1,457,553		$1,286,441		$1,351,966	
9	PILs / tax Allowance (Grossed-up Income taxes + Capital taxes)	$1,457,553		$1,286,441		$1,351,966	
10	Other tax Credits	$ -		$ -		$ -	
	Tax Rates						
11	Federal tax (%)	16.50%		16.50%		16.50%	
12	Provincial tax (%)	11.75%		11.75%		11.75%	
13	Total tax rate (%)	28.25%		28.25%		28.25%	

Notes

(1) Capital Taxes not applicable after July 1, 2010 (i.e. for 2011 and later test years)

Ontario

REVENUE REQUIREMENT WORK FORM

Version: 2.11

Name of LDC: Great Lakes Power Transmission LP
File Number:
Rate Year: 2011

Capitalization/Cost of Capital

Line No.	Particulars	Capitalization Ratio		Cost Rate	Return
		Initial Application			
		(%)	($)	(%)	($)
	Debt				
1	Long-term Debt	56.00%	$121,686,314	6.86%	$8,347,681
2	Short-term Debt	4.00%	$8,691,880	3.99%	$346,806
3	**Total Debt**	60.00%	$130,378,193	6.67%	$8,694,487
	Equity				
4	Common Equity	40.00%	$86,918,796	10.16%	$8,830,950
5	Preferred Shares	0.00%	$ -	0.00%	$ -
6	**Total Equity**	40.00%	$86,918,796	10.16%	$8,830,950
7	**Total**	100.00%	$217,296,989	8.07%	$17,525,437
		Close of Discovery			
		(%)	($)	(%)	($)
	Debt				
1	Long-term Debt	56.00%	$121,686,314	6.87%	$8,364,717
2	Short-term Debt	4.00%	$8,691,880	2.43%	$211,213
3	**Total Debt**	60.00%	$130,378,193	6.58%	$8,575,930
	Equity				
4	Common Equity	40.00%	$86,918,796	9.66%	$8,396,356
5	Preferred Shares	0.00%	$ -	0.00%	$ -
6	**Total Equity**	40.00%	$86,918,796	9.66%	$8,396,356
7	**Total**	100.00%	$217,296,989	7.81%	$16,972,286
		Per Board Decision			
		(%)	($)	(%)	($)
	Debt				
8	Long-term Debt	56.00%	$116,309,738	6.87%	$7,995,131
9	Short-term Debt	4.00%	$8,307,838	2.43%	$201,880
10	**Total Debt**	60.00%	$124,617,577	6.58%	$8,197,012
	Equity				
11	Common Equity	40.00%	$83,078,384	9.66%	$8,025,372
12	Preferred Shares	0.00%	$ -	0.00%	$ -
13	**Total Equity**	40.00%	$83,078,384	9.66%	$8,025,372
14	**Total**	100.00%	$207,695,961	7.81%	$16,222,384

Notes

(1) 4.0% unless an Applicant has proposed or been approved for another amount.

Ontario

REVENUE REQUIREMENT WORK FORM

Name of LDC: Great Lakes Power Transmission LP
File Number:
Rate Year: 2011

Version: 2.11

Revenue Sufficiency/Deficiency

Line No.	Particulars	Initial Application		Close of Discovery		Per Board Decision	
		At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates
1	Revenue Deficiency from Below		$1,275,289		$551,026		($387,940)
2	Distribution Revenue	$35,141,618	$35,141,618	$35,141,618	$35,141,618	$35,141,618	$35,141,618
3	Other Operating Revenue Offsets - net	$30,800	$30,800	$30,800	$30,800	$30,800	$30,800
4	**Total Revenue**	$35,172,418	$36,447,707	$35,172,418	$35,723,444	$35,172,418	$34,784,478
5	Operating Expenses	$17,464,718	$17,464,718	$17,464,718	$17,464,718	$17,210,128	$17,210,128
6	Deemed Interest Expense	$8,694,487	$8,694,487	$8,575,930	$8,575,930	$8,197,012	$8,197,012
	Total Cost and Expenses	$26,159,205	$26,159,205	$26,040,648	$26,040,648	$25,407,140	$25,407,140
7	**Utility Income Before Income Taxes**	$9,013,213	$10,288,502	$9,131,770	$9,682,796	$9,765,278	$9,377,338
8	Tax Adjustments to Accounting Income per 2009 PILs	($5,129,024)	($5,129,024)	($5,129,024)	($5,129,024)	($4,591,617)	($4,591,617)
9	**Taxable Income**	$3,884,189	$5,159,478	$4,002,746	$4,553,772	$5,173,661	$4,785,721
10	Income Tax Rate	28.25%	28.25%	28.25%	28.25%	28.25%	28.25%
11	**Income Tax on Taxable Income**	$1,097,283	$1,457,553	$1,130,776	$1,286,441	$1,461,559	$1,351,966
12	**Income Tax Credits**	$ -	$ -	$ -	$ -	$ -	$ -
13	**Utility Net Income**	$7,915,930	$8,830,950	$8,000,994	$8,396,356	$8,303,719	$8,025,372
14	**Utility Rate Base**	$217,296,989	$217,296,989	$217,296,989	$217,296,989	$207,695,961	$207,695,961
	Deemed Equity Portion of Rate Base	$86,918,796	$86,918,796	$86,918,796	$86,918,796	$83,078,384	$83,078,384
15	Income/Equity Rate Base (%)	9.11%	10.16%	9.21%	9.66%	10.00%	9.66%
16	Target Return - Equity on Rate Base	10.16%	10.16%	9.66%	9.66%	9.66%	9.66%
17	Sufficiency/Deficiency in Return on Equity	-1.05%	0.00%	-0.45%	0.00%	0.34%	0.00%
18	Indicated Rate of Return	7.64%	8.07%	7.63%	7.81%	7.94%	7.81%
19	Requested Rate of Return on Rate Base	8.07%	8.07%	7.81%	7.81%	7.81%	7.81%
20	Sufficiency/Deficiency in Rate of Return	-0.42%	0.00%	-0.18%	0.00%	0.13%	0.00%
21	Target Return on Equity	$8,830,950	$8,830,950	$8,396,356	$8,396,356	$8,025,372	$8,025,372
22	Revenue Deficiency/(Sufficiency)	$915,020	$ -	$395,361	$ -	($278,347)	$ -
23	**Gross Revenue Deficiency/(Sufficiency)**	$1,275,289 (1)		$551,026 (1)		($387,940) (1)	

Notes:

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

Ontario

REVENUE REQUIREMENT WORK FORM

Name of LDC: Great Lakes Power Transmission LP
File Number:
Rate Year: 2011

Line No.	Particulars	Revenue Requirement		
		Application	Close of Discovery	Per Board Decision
1	OM&A Expenses	$9,225,000	$9,225,000	$9,225,000
2	Amortization/Depreciation	$7,975,063	$7,975,063	$7,720,473
3	Property Taxes	$264,655	$264,655	$264,655
4	Capital Taxes	$ -	$ -	$ -
5	Income Taxes (Grossed up)	$1,457,553	$1,286,441	$1,351,966
6	Other Expenses	$ -	$ -	$ -
7	Return			
	Deemed Interest Expense	$8,694,487	$8,575,930	$8,197,012
	Return on Deemed Equity	$8,830,950	$8,396,356	$8,025,372
8	Distribution Revenue Requirement before Revenues	$36,447,707	$35,723,444	$34,784,478
9	Distribution revenue	$36,416,907	$35,692,644	$34,753,678
10	Other revenue	$30,800	$30,800	$30,800
11	**Total revenue**	$36,447,707	$35,723,444	$34,784,478
12	**Difference (Total Revenue Less Distribution Revenue Requirement before Revenues)**	$ - (1)	$ - (1)	$ - (1)

Notes
(1) Line 11 - Line 8

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REVENUE REQUIREMENT WORK FORM

Name of LDC: Great Lakes Power Transmission LP (1)

File Number:

Rate Year: 2012 Version: 2.11

Table of Content

Sheet	Name
A	Data Input Sheet
1	Rate Base
2	Utility Income
3	Taxes/PILS
4	Capitalization/Cost of Capital
5	Revenue Sufficiency/Deficiency
6	Revenue Requirement
7A	Bill Impacts -Residential
7B	Bill Impacts - GS < 50 kW

Notes:

(1) Pale green cells represent inputs
(2) Pale yellow cells represent drop=down lists
(3) ***Please note that this model uses MACROS. Before starting, please ensure that macros have been enabled.***
(4) ***Completed versions of the Revenue Requirement Work Form are required to be filed in working Microsoft Excel format.***

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Ontario

REVENUE REQUIREMENT WORK FORM

Name of LDC: Great Lakes Power Transmission
File Number:
Rate Year: 2012

Version: 2.11

Data Input (1)

		Initial Application		Adjustments	Close of Discovery (7)	Adjustments	Per Board Decision
1	**Rate Base**						
	Gross Fixed Assets (average)	$319,671,150			$ 319,671,150	($9,229,313)	$310,441,837
	Accumulated Depreciation (average)	($94,064,498)	(5)		-$ 94,064,498	($117,125)	($94,181,623)
	Allowance for Working Capital:						
	Controllable Expenses	$9,455,625			$ 9,455,625		$9,455,625
	Cost of Power	$ -					$0
	Working Capital Rate (%)	5.43%			5.43%		5.43%
2	**Utility Income**						
	Operating Revenues:						
	Distribution Revenue at Current Rates	$35,141,618		$0	$35,141,618	$0	$35,141,618
	Distribution Revenue at Proposed Rates	$38,337,474		($1,083,885)	$37,253,589	($881,044)	$36,372,546
	Other Revenue:						
	Specific Service Charges						
	Late Payment Charges						
	Other Distribution Revenue						
	Other Income and Deductions	$31,100		$0	$31,100	$0	$31,100
	Operating Expenses:						
	OM+A Expenses	$9,455,625			$ 9,455,625		$9,455,625
	Depreciation/Amortization	$8,615,893			$ 8,615,893	($207,425)	$8,408,468
	Property taxes	$271,271			$ 271,271		$271,271
	Capital taxes	$0			$0		$0
	Other expenses						
3	**Taxes/PILs**						
	Taxable Income:						
	Adjustments required to arrive at taxable income	($5,139,851)	(3)		($5,139,851)		($4,620,253)
	Utility Income Taxes and Rates:						
	Income taxes (not grossed up)	$1,122,399			$944,329		$985,922
	Income taxes (grossed up)	$1,521,897			$1,280,446		$1,336,844
	Capital Taxes	$ -	(6)		$ - (6)		$ - (6)
	Federal tax (%)	15.00%			15.00%		15.00%
	Provincial tax (%)	11.25%			11.25%		11.25%
	Income Tax Credits	$ -			$ -		$ -
4	**Capitalization/Cost of Capital**						
	Capital Structure:						
	Long-term debt Capitalization Ratio (%)	56.0%			56.0%		56.0%
	Short-term debt Capitalization Ratio (%)	4.0%	(2)		4.0% (2)		4.0% (2)
	Common Equity Capitalization Ratio (%)	40.0%			40.0%		40.0%
	Prefered Shares Capitalization Ratio (%)						
		100.0%			100.0%		100.0%
	Cost of Capital						
	Long-term debt Cost Rate (%)	6.82%			6.87%		6.87%
	Short-term debt Cost Rate (%)	5.00%			2.43%		2.43%
	Common Equity Cost Rate (%)	10.41%			9.66%		9.66%
	Prefered Shares Cost Rate (%)						

Notes:

Data inputs are required on on this Sheet A. Data Input Sheet, and on Sheets 7A and 7B, for Bill IMpacts. Data on this input sheet complete sheets 1 through 6 (Rate Base through Revenue Requirement), except for Notes that the utility may wish to use to support the data. Notes should be put on the applicable pages to

(1) All inputs are in dollars ($) except where inputs are individually identified as percentages (%)
(2) 4.0% unless an Applicant has proposed or been approved for another amount.
(3) Net of addbacks and deductions to arrive at taxable income.
(4) Average of Gross Fixed Assets at beginning and end of the Test Year
(5) Average of Accumulated Depreciation at the beginning and end of the Test Year. Enter as a negative amount.
(6) Not applicable as of July 1, 2010
(7) Select option from drop-down list by clicking on cell M10. This columnallows for the application update reflecting the end of discovery or Argument-in-Chief. Also, the outsome of any Settlement Process can be reflected.

Ontario

REVENUE REQUIREMENT WORK FORM

Name of LDC: Great Lakes Power Transmission LP
File Number:
Rate Year: 2012

Version: 2.11

Rate Base

Line No.	Particulars		Initial Application	Adjustments	Close of Discovery	Adjustments	Per Board Decision
1	Gross Fixed Assets (average)	(3)	$319,671,150	$ -	$319,671,150	($9,229,313)	$310,441,837
2	Accumulated Depreciation (average)	(3)	($94,064,498)	$ -	($94,064,498)	($117,125)	($94,181,623)
3	Net Fixed Assets (average)	(3)	$225,606,652	$ -	$225,606,652	($9,346,438)	$216,260,214
4	Allowance for Working Capital	(1)	$513,799	$ -	$513,799	$ -	$513,799
5	**Total Rate Base**		$226,120,451	$ -	$226,120,451	($9,346,438)	$216,774,013

	(1) Allowance for Working Capital - Derivation						
6	Controllable Expenses		$9,455,625	$ -	$9,455,625	$ -	$9,455,625
7	Cost of Power		$ -	$ -	$ -	$ -	$ -
8	Working Capital Base		$9,455,625	$ -	$9,455,625	$ -	$9,455,625
9	Working Capital Rate %	(2)	5.43%	0.00%	5.43%	0.00%	5.43%
10	Working Capital Allowance		$513,799	$ -	$513,799	$ -	$513,799

Notes

(2) Generally 15%. Some distributors may have a unique rate due as a result of a lead-lag study.
(3) Average of opening and closing balances for the year.

Ontario

REVENUE REQUIREMENT WORK FORM

Name of LDC: Great Lakes Power Transmission LP
File Number:
Rate Year: 2012

Version: 2.11

Utility income

Line No.	Particulars	Initial Application		Adjustments	Close of Discovery	Adjustments	Per Board Decision
	Operating Revenues:						
1	Distribution Revenue (at Proposed Rates)	$38,337,474		($1,083,885)	$37,253,589	($881,044)	$36,372,546
2	Other Revenue	(1) $31,100		$ -	$31,100	$ -	$31,100
3	Total Operating Revenues	$38,368,574		($1,083,885)	$37,284,689	($881,044)	$36,403,646
	Operating Expenses:						
4	OM+A Expenses	$9,455,625		$ -	$9,455,625	$ -	$9,455,625
5	Depreciation/Amortization	$8,615,893		$ -	$8,615,893	($207,425)	$8,408,468
6	Property taxes	$271,271		$ -	$271,271	$ -	$271,271
7	Capital taxes	$ -		$ -	$ -	$ -	$ -
8	Other expense	$ -		$ -		$ -	
9	Subtotal (lines 4 to 8)	$18,342,789		$ -	$18,342,789	($207,425)	$18,135,364
10	Deemed Interest Expense	$9,088,233		($164,073)	$8,924,160	($368,870)	$8,555,290
11	Total Expenses (lines 9 to 10)	$27,431,022		($164,073)	$27,266,949	($576,295)	$26,690,654
12	**Utility income before income taxes**	$10,937,552		($919,812)	$10,017,740	($304,748)	$9,712,992
13	Income taxes (grossed-up)	$1,521,897		($241,451)	$1,280,446	$56,398	$1,336,844
14	**Utility net income**	$9,415,656		($678,361)	$8,737,294	($361,146)	$8,376,148

Notes

(1)

Other Revenues / Revenue Offsets					
Specific Service Charges	$ -		$ -		$ -
Late Payment Charges	$ -		$ -		$ -
Other Distribution Revenue	$ -		$ -		$ -
Other Income and Deductions	$31,100	$ -	$31,100	$ -	$31,100
Total Revenue Offsets	$31,100	$ -	$31,100	$ -	$31,100

Ontario

REVENUE REQUIREMENT WORK FORM

Version: 2.11

Name of LDC: Great Lakes Power Transmission LP
File Number:
Rate Year: 2012

Taxes/PILs

Line No.	Particulars	Application		Close of Discovery		Per Board Decision	
	Determination of Taxable Income						
1	Utility net income before taxes	$9,415,656		$8,737,294		$8,376,148	
2	Adjustments required to arrive at taxable utility income	($5,139,851)		($5,139,851)		($4,620,253)	
3	Taxable income	$4,275,805		$3,597,443		$3,755,895	
	Calculation of Utility income Taxes						
4	Income taxes	$1,122,399		$944,329		$985,922	
5	Capital taxes	$ -	(1)	$ -	(1)	$ -	(1)
6	Total taxes	$1,122,399		$944,329		$985,922	
7	Gross-up of Income Taxes	$399,498		$336,117		$350,922	
8	Grossed-up Income Taxes	$1,521,897		$1,280,446		$1,336,844	
9	PILs / tax Allowance (Grossed-up Income taxes + Capital taxes)	$1,521,897		$1,280,446		$1,336,844	
10	Other tax Credits	$ -		$ -		$ -	
	Tax Rates						
11	Federal tax (%)	15.00%		15.00%		15.00%	
12	Provincial tax (%)	11.25%		11.25%		11.25%	
13	Total tax rate (%)	26.25%		26.25%		26.25%	

Notes

(1) Capital Taxes not applicable after July 1, 2010 (i.e. for 2011 and later test years)

Ontario

REVENUE REQUIREMENT WORK FORM

Version: 2.11

Name of LDC: Great Lakes Power Transmission LP

File Number:

Rate Year: 2012

Capitalization/Cost of Capital

Line No.	Particulars	Capitalization Ratio		Cost Rate	Return
	Initial Application	(%)	($)	(%)	($)
	Debt				
1	Long-term Debt	56.00%	$126,627,453	6.82%	$8,635,992
2	Short-term Debt	4.00%	$9,044,818	5.00%	$452,241
3	**Total Debt**	60.00%	$135,672,271	6.70%	$9,088,233
	Equity				
4	Common Equity	40.00%	$90,448,180	10.41%	$9,415,656
5	Preferred Shares	0.00%	$ -	0.00%	$ -
6	**Total Equity**	40.00%	$90,448,180	10.41%	$9,415,656
7	**Total**	100.00%	$226,120,451	8.18%	$18,503,889
	Close of Discovery	(%)	($)	(%)	($)
	Debt				
1	Long-term Debt	56.00%	$126,627,453	6.87%	$8,704,371
2	Short-term Debt	4.00%	$9,044,818	2.43%	$219,789
3	**Total Debt**	60.00%	$135,672,271	6.58%	$8,924,160
	Equity				
4	Common Equity	40.00%	$90,448,180	9.66%	$8,737,294
5	Preferred Shares	0.00%	$ -	0.00%	$ -
6	**Total Equity**	40.00%	$90,448,180	9.66%	$8,737,294
7	**Total**	100.00%	$226,120,451	7.81%	$17,661,454
	Per Board Decision	(%)	($)	(%)	($)
	Debt				
8	Long-term Debt	56.00%	$121,393,447	6.87%	$8,344,586
9	Short-term Debt	4.00%	$8,670,961	2.43%	$210,704
10	**Total Debt**	60.00%	$130,064,408	6.58%	$8,555,290
	Equity				
11	Common Equity	40.00%	$86,709,605	9.66%	$8,376,148
12	Preferred Shares	0.00%	$ -	0.00%	$ -
13	**Total Equity**	40.00%	$86,709,605	9.66%	$8,376,148
14	**Total**	100.00%	$216,774,013	7.81%	$16,931,438

Notes

(1) 4.0% unless an Applicant has proposed or been approved for another amount.

Ontario

REVENUE REQUIREMENT WORK FORM

Name of LDC: Great Lakes Power Transmission LP
File Number:
Rate Year: 2012

Revenue Sufficiency/Deficiency

Line No.	Particulars	Initial Application		Close of Discovery		Per Board Decision	
		At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates
1	Revenue Deficiency from Below		$3,195,856		$2,111,971		$1,230,928
2	Distribution Revenue	$35,141,618	$35,141,618	$35,141,618	$35,141,618	$35,141,618	$35,141,618
3	Other Operating Revenue Offsets - net	$31,100	$31,100	$31,100	$31,100	$31,100	$31,100
4	**Total Revenue**	$35,172,718	$38,368,574	$35,172,718	$37,284,689	$35,172,718	$36,403,646
5	Operating Expenses	$18,342,789	$18,342,789	$18,342,789	$18,342,789	$18,135,364	$18,135,364
6	Deemed Interest Expense	$9,088,233	$9,088,233	$8,924,160	$8,924,160	$8,555,290	$8,555,290
	Total Cost and Expenses	$27,431,022	$27,431,022	$27,266,949	$27,266,949	$26,690,654	$26,690,654
7	**Utility Income Before Income Taxes**	$7,741,696	$10,937,552	$7,905,769	$10,017,740	$8,482,064	$9,712,992
8	Tax Adjustments to Accounting Income per 2009 PILs	($5,139,851)	($5,139,851)	($5,139,851)	($5,139,851)	($4,620,253)	($4,620,253)
9	**Taxable Income**	$2,601,845	$5,797,701	$2,765,918	$4,877,889	$3,861,811	$5,092,739
10	Income Tax Rate	26.25%	26.25%	26.25%	26.25%	26.25%	26.25%
11	**Income Tax on Taxable Income**	$682,984	$1,521,897	$726,053	$1,280,446	$1,013,725	$1,336,844
12	**Income Tax Credits**	$ -	$ -	$ -	$ -	$ -	$ -
13	**Utility Net Income**	$7,058,712	$9,415,656	$7,179,715	$8,737,294	$7,468,339	$8,376,148
14	**Utility Rate Base**	$226,120,451	$226,120,451	$226,120,451	$226,120,451	$216,774,013	$216,774,013
	Deemed Equity Portion of Rate Base	$90,448,180	$90,448,180	$90,448,180	$90,448,180	$86,709,605	$86,709,605
15	Income/Equity Rate Base (%)	7.80%	10.41%	7.94%	9.66%	8.61%	9.66%
16	Target Return - Equity on Rate Base	10.41%	10.41%	9.66%	9.66%	9.66%	9.66%
17	Sufficiency/Deficiency in Return on Equity	-2.61%	0.00%	-1.72%	0.00%	-1.05%	0.00%
18	Indicated Rate of Return	7.14%	8.18%	7.12%	7.81%	7.39%	7.81%
19	Requested Rate of Return on Rate Base	8.18%	8.18%	7.81%	7.81%	7.81%	7.81%
20	Sufficiency/Deficiency in Rate of Return	-1.04%	0.00%	-0.69%	0.00%	-0.42%	0.00%
21	Target Return on Equity	$9,415,656	$9,415,656	$8,737,294	$8,737,294	$8,376,148	$8,376,148
22	Revenue Deficiency/(Sufficiency)	$2,356,944	$ -	$1,557,579	$ -	$907,809	$ -
23	**Gross Revenue Deficiency/(Sufficiency)**	$3,195,856 (1)		$2,111,971 (1)		$1,230,928 (1)	

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

Ontario

REVENUE REQUIREMENT WORK FORM

Version: 2.11

Name of LDC: Great Lakes Power Transmission LP
File Number:
Rate Year: 2012

Line No.	Particulars	Revenue Requirement		
		Application	Close of Discovery	Per Board Decision
1	OM&A Expenses	$9,455,625	$9,455,625	$9,455,625
2	Amortization/Depreciation	$8,615,893	$8,615,893	$8,408,468
3	Property Taxes	$271,271	$271,271	$271,271
4	Capital Taxes	$ -	$ -	$ -
5	Income Taxes (Grossed up)	$1,521,897	$1,280,446	$1,336,844
6	Other Expenses	$ -		
7	Return			
	Deemed Interest Expense	$9,088,233	$8,924,160	$8,555,290
	Return on Deemed Equity	$9,415,656	$8,737,294	$8,376,148
8	Distribution Revenue Requirement before Revenues	$38,368,574	$37,284,689	$36,403,646
9	Distribution revenue	$38,337,474	$37,253,589	$36,372,546
10	Other revenue	$31,100	$31,100	$31,100
11	Total revenue	$38,368,574	$37,284,689	$36,403,646
12	Difference (Total Revenue Less Distribution Revenue Requirement before Revenues)	$ - (1)	$ - (1)	$ - (1)

Notes

(1) Line 11 - Line 8

APPENDIX "B"

GREAT LAKES POWER TRANSMISSION INC.

ACCOUNTING ORDER

NEW SUB_ACCOUNTS

BOARD FILE EB-2010-0291

FEBRUARY 02, 2011

ACCOUNTING ORDER

NEW SUB_ACCOUNTS

1. Sub-account “2011 Revenue Deficiency/Sufficiency Deferral” of Account 1574 Deferred Rate Impact Amounts

   Purpose: to record revenue requirement deficiency or sufficiency incurred for the period commencing January 1, 2011 to the date that the revised 2011 rates (reflecting GLPT’s proposed new revenue requirement) are implemented, together with carrying costs, such carrying costs being based upon the applicable Board prescribed interest rate.

2. Sub-account “Revenue Requirement Impact – IFRS Changes in Standards/Interpretations” of Account 1508 - Other Regulatory Assets

   Purpose: to record impacts on test year revenue requirements resulting from any changes to existing IFRS standards or changes in the interpretation of such standards;

3. Sub-account “IFRS Gains/Losses – Premature Asset Retirement” of Account 1508 - Other Regulatory Assets

   Purpose: to record costs as proposed in respect of IFRS gains or losses resulting from premature asset component retirements, subject to a depreciation credit that would be calculated based on the amount of depreciation in approved revenue requirement that will not be incurred as a result of premature retirement of the asset.

4. Sub-Account “Comstock Claim” of Account 1508 - Other Regulatory Assets

   Purpose: to recorded costs arising from a claim from Comstock Canada Ltd. (“Comstock”) in respect of a design build contract for the Transmission Reinforcement Project approved in EB-2003-0162. The issue of whether the amounts are recoverable will be determined by the Board at a later date.

APPENDIX "B"

December 19, 2011 Decision and Order of the Board in EB-2010-0291

Ontario Energy Board

Commission de l'énergie de l'Ontario

Ontario

EB-2010-0291

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

AND IN THE MATTER OF an Application by Great Lakes Power Transmission Inc. on behalf of Great Lakes Power Transmission LP seeking changes to the uniform provincial transmission rates for 2011 and 2012;

BEFORE: Paula Conboy
Presiding Member

Ken Quesnelle
Member

DECISION AND ORDER

2012 TRANSMISSION REVENUE REQUIREMENT

Great Lakes Power Transmission Inc. on behalf of Great Lakes Power Transmission LP ("GLPT" or the "Applicant") has filed an Application with the Ontario Energy Board (the "Board") on September 29, 2010 under section 78 of the *Ontario Energy Board Act, 1998*, 1998 S.O. c.15, (Schedule B). GLPT is seeking Board approval for updated Uniform Transmission Rates ("UTR") to permit GLPT recovery of its forecasted revenue requirement for 2011 and for 2012. The Board has assigned the application Board file number EB-2010-0291.

In accordance with the Board's direction in Procedural Order No.1, GLPT and three intervenors, Schools Energy Coalition ("SEC"), Vulnerable Energy Consumers Coalition ("VECC") and Energy Probe Research Foundation ("Energy Probe") participated in a

Settlement Conference on January 13, 2011 with the assistance of a facilitator. As a result of the Settlement Conference, the parties prepared a Settlement Proposal and filed it with the Board on January 21, 2011.

On February 2, 2011, the Board issued its Decision and Order and Accounting Order, accepting the Settlement Agreement, and in regard to the 2012 revenue requirement, the Board stated in part that:

> *"the 2012 Transmission Revenue Requirement is subject to change based on an adjustment that will be implemented with respect to the Cost of Capital as set out in Section 2.2 and Section 2.3 of the Approved Settlement, for the Cost of Debt and Cost of Equity, respectively".*

On November 10, 2011, the Board issued Cost of Capital Parameter Updates for 2012 Cost of Service Applications for Rates Effective January 1, 2012 (the "January 1, 2012 Cost of Capital Update").

2012 Cost of Capital Update and GLPT's Revised 2012 Revenue Requirement

On November 17, 2011, GLPT filed with the Board a revised 2012 Revenue Requirement Work Form to reflect the January 1, 2012 Cost of Capital Update. The revised 2012 Transmission Revenue Requirement for GLPT is calculated to be $36,060,024 to replace the previous amount of $36,372,546.

Update of the Uniform Transmission Rates ("UTR") – Effective, January 1, 2012

The Board notes that Hydro One Networks Inc. and GLPT will be requesting that the UTR effective January 1, 2012, be adjusted to allow recovery of their respective Board approved 2012 revenue requirements. For GLPT, the Board approved revenue requirement is based on further adjustments to the revised 2012 revenue requirement attributable to various deferral account dispositions.

GLPT calculated the adjusted 2012 revenue requirement to be $35,247,808 after allowing for pertinent dispositions of certain deferral accounts, as shown in Appendix B of the November 17, 2011 filing.

On December 2, 2011 the Board issued Procedural Order No. 3 inviting comments from intervenors in regard to GLPT's revised 2012 revenue requirement and the further adjustments noted above for the effective January 1, 2011 UTR.

No objections by intervenors or Board staff were filed by the deadline of December 16, 2011. The Board, upon reviewing the evidence, is satisfied that the calculations in GLPT's November 17, 2011 filing are correct, showing that GLPT's revised 2012 revenue requirement is $36,060,024 and that the adjusted calculations for recovery in the January 1, 2012 UTR is $35,247,808.

THE BOARD ORDERS THAT:

1. For Great Lakes Power Transmission LP, the revised revenue requirement for 2012 of $36,060,024 is approved, to reflect the Board's November 10, 2011 Cost of Capital Parameter Updates.

2. For Great Lakes Power Transmission LP, the adjusted revised revenue requirement of $35,247,808 is approved for inclusion in the January 1, 2012 Uniform Transmission Rate update, to reflect certain deferral account dispositions, as outlined in Appendix B of the November 17, 2011 filing.

DATED at Toronto on December 19, 2011

ONTARIO ENERGY BOARD

Original Signed By

Kirsten Walli
Board Secretary

Exhibit 1, Tab 1, Schedule 9

Compliance with Uniform System of Accounts

COMPLIANCE WITH UNIFORM SYSTEM OF ACCOUNTS

GLPT is not aware of any non-compliance with the Uniform System of Accounts.

Exhibit 1, Tab 1, Schedule 10

Description of Utility Operations

DESCRIPTION OF UTILITY OPERATIONS

GLPT's transmission system, which is shown on the system map provided in *Figure 1-2-1 A* of Exhibit 1, Tab 2, Schedule 1, Appendix A, is located in northern Ontario and consists of the following:

- 318.25 circuit km of 230 kV line and associated equipment;
- 232.37 circuit km of 115 kV line and associated equipment; and
- 11 circuit km of 44 kV line and associated equipment which has been deemed by the Board as serving a transmission function under section 84 of the *Ontario Energy Board Act*.

A detailed description of GLPT's transmission system is set out at Exhibit 1, Tab 2, Schedule 1, Appendix A**.**

Exhibit 1, Tab 1, Schedule 11

Neighbouring Utilities

NEIGHBOURING UTILITIES

GLPT's neighbouring utilities are:

- PUC Distribution Inc. (ED-2002-0546);
- Hydro One Networks Inc. (ED-2003-0043, ET-2003-0035); and
- Algoma Power Inc. (ED-2009-0072)

Exhibit 1, Tab 1, Schedule 12

Corporate and Utility Organization

CORPORATE & UTILITY ORGANIZATION

1. Utility Organizational Structure

GLPT's internal organizational structure is presented in **Appendix "A"**.

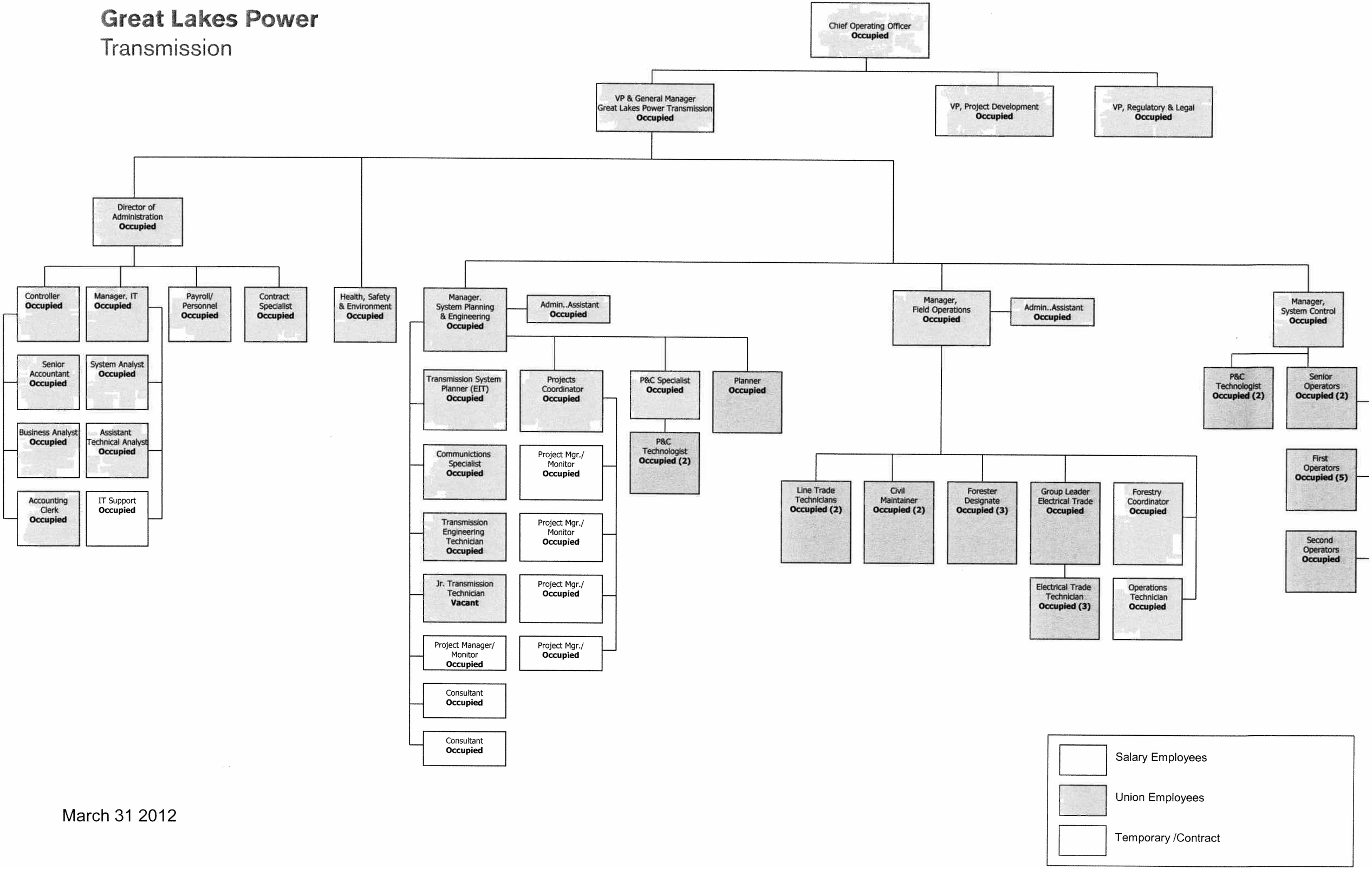
2. Corporate Entities Relationship Chart

A corporate entities relationship chart for GLPT is provided in **Appendix "B"**.

APPENDIX "A"

GLPT ORGANIZATIONAL STRUCTURE

Great Lakes Power
Transmission



March 31 2012

APPENDIX "B"

CORPORATE ENTITIES RELATIONSHIP CHART

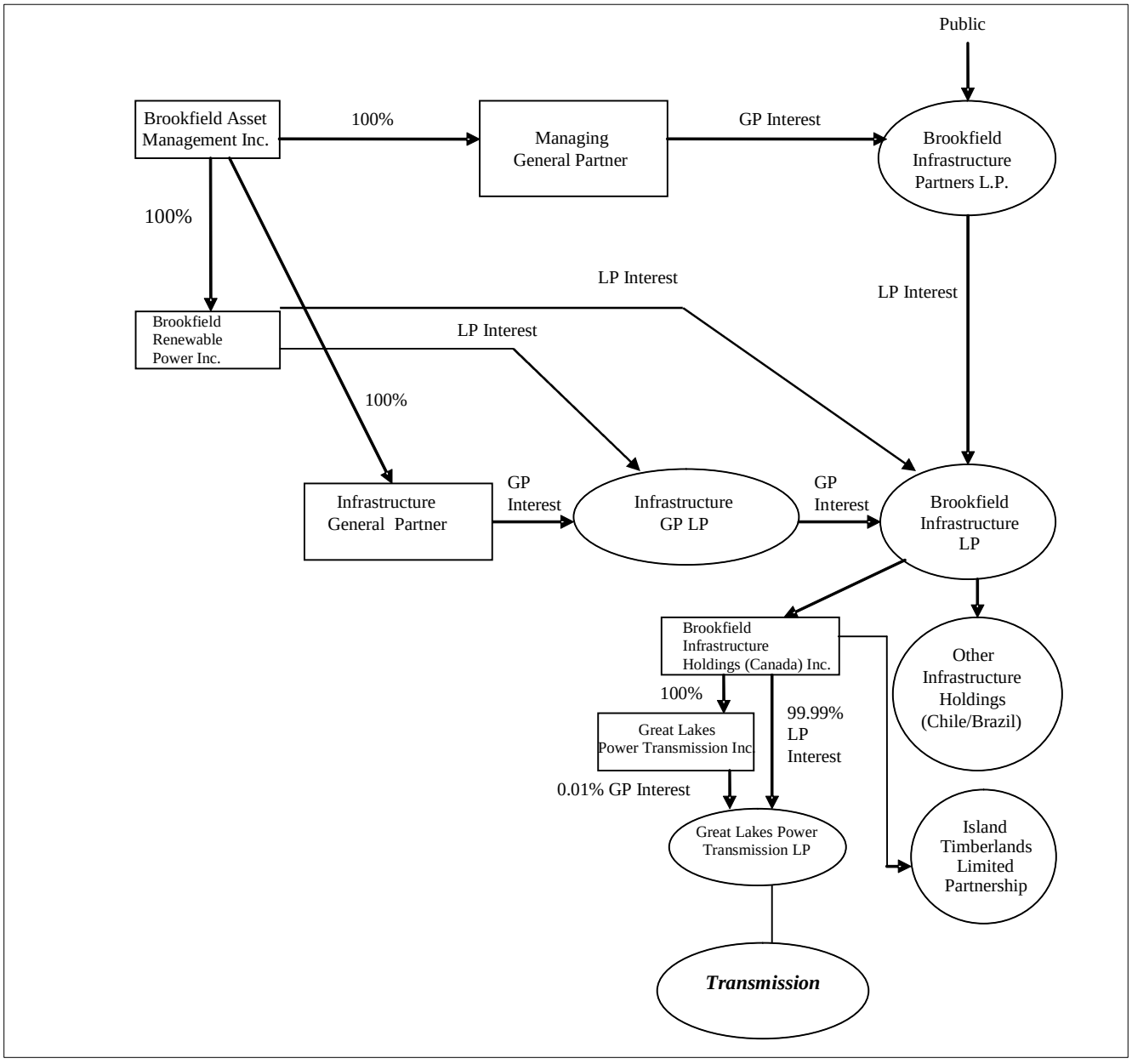

Public
Brookfield Asset Management Inc.
100%
Managing General Partner
GP Interest
Brookfield Infrastructure Partners L.P.
100%
LP Interest
LP Interest
Brookfield Renewable Power Inc.
LP Interest
100%
Infrastructure General Partner
GP Interest
Infrastructure GP LP
GP Interest
Brookfield Infrastructure LP
Brookfield Infrastructure Holdings (Canada) Inc.
Other Infrastructure Holdings (Chile/Brazil)
100%
99.99% LP Interest
Great Lakes Power Transmission Inc.
0.01% GP Interest
Great Lakes Power Transmission LP
Island Timberlands Limited Partnership
Transmission

Exhibit 1, Tab 1, Schedule 13

Status of Board Directives

STATUS OF BOARD DIRECTIVES

There are no outstanding Board directives.

Exhibit 1, Tab 1, Schedule 14

Witnesses & Witness CVs

WITNESSES & WITNESS CVs

A list of witnesses and the curriculum vitae for those witnesses will be provided at such time as witness selection is completed.

Exhibit 1, Tab 2, Schedule 1

Summary of the Application

SUMMARY OF THE APPLICATION

1.0 Introduction

This transmission rate application (the "Application"), filed by Great Lakes Power Transmission Inc. on behalf of Great Lakes Power Transmission LP (collectively, "GLPT"), is based on 2013 and 2014 forward test years. For the 2013 test year, GLPT requests that the proposed rates become effective January 1, 2013. However, if implementation occurs after January 1, 2013, GLPT requests that the existing transmission rates be made interim to permit the implementation of rates effective as of January 1, 2013. For the 2014 test year, GLPT requests that the proposed rates become effective January 1, 2014.

Among other things, GLPT is applying for rates that will allow GLPT to recover its forecast 2013 and 2014 base revenue requirements in the amount of $39,127,700 and $39,908,300, respectively. The approval of GLPT's revenue requirement, less the balances of certain deferral and variance accounts payable to ratepayers (in the 2013 test year only), will result in a 0.24% and 0.08% change in the overall revenue requirement used in the calculation of Uniform Transmission Rates ("UTR") for the 2013 and 2014 test years, respectively.

This change in revenue requirement, combined with GLPT's proposed charged determinants, results in changes in the UTR as follows. The rate in the Network pool will increase by $0.01 per kW from $3.57 to $3.58 in 2013, and by $0.01 per kW from $3.58 per kW to $3.59 per kW in 2014. The rate in the Line Connection pool will increase by $0.01 per kW from $0.80 to

$0.81 in 2013, and will remain at $0.81 for 2014. The rate in the Transformation Connection pool will increase by $0.01 per kW from $1.86 per kW to $1.87 per kW in 2013, and will remain at $1.87 per kW for 2014. GLPT estimates that this change in the UTR results in a 0.013% change to a typical residential customer's total bill, or approximately $0.02 per month for 2013 and a 0.005% change or $0.01 per month for 2014.

Great Lakes Power Transmission LP is a limited partnership duly registered in the Province of Ontario, the partners of which are Great Lakes Power Transmission Inc., as general partner, and Brookfield Infrastructure Holdings (Canada) Inc., as limited partner. GLPT is a licensed transmitter under licence number ET-2007-0649. A description of GLPT's transmission system and its significance to the IESO controlled grid, especially to the Ontario bulk power system is set out at Appendix "A".

In the summary that follows, GLPT has provided a general overview of the Application and identified key aspects of the Application for the Board to consider.

2.0 General Overview

2.1 Rate Base

GLPT's rate base for 2013 is forecast to be $228,255,000, being the total of the average of the forecasted opening and closing net fixed assets ($227,815,400) plus an allowance for working capital ($439,600). For 2014, GLPT has forecast rate base to be $223,483,000, being the total of the average of the forecasted opening and closing net fixed assets ($223,023,600) plus an allowance for working capital ($459,400).

2.2 OM&A Expenses

For the purposes of this rate application, GLPT revisited its 2012 OM&A forecast in order to ensure that it is allocated in a manner to reflect GLPT's mandate of operating a safe, reliable, cost-efficient and environmentally friendly transmission system. To do so, GLPT first considered the needs and requirements of the organization through a complete review of work plans and staffing requirements. It then re-allocated the 2012 OM&A envelope among its various USofA OM&A accounts to ensure that resources are allocated appropriately to address GLPT's needs and requirements without sacrificing safety, reliability or the environment. Using this approach, GLPT was able to create a more accurate 2012 OM&A allocation to its USofA accounts by using historical information from 2010 and 2011 that was not available when GLPT's initial 2012 OM&A envelope was approved. This approach is a reallocation, not an increase, of GLPT's 2012 OM&A envelope.

GLPT then used the 2012 OM&A re-allocation as the baseline for its 2013 and 2014 budgets. GLPT applied to this baseline an inflation factor of 3.1%, which is based on the rate used in GLPT's collective agreement (attached at Exhibit 4, Tab 2, Schedule 3, Appendix B) and equal to the percentage change in all-items CPI for Ontario[1] for the twelve months ending December 31, 2011. Applying the 3.1% change in CPI ensures the cost required to run operations in 2012 are accounted for in terms of 2013 and 2014 dollars. However, it does not ensure that GLPT's approved 2013 and 2014 OM&A will be sufficient to cover any operational changes anticipated for those years that are not covered by the inflationary increase.

[1] http://www.statcan.gc.ca/tables-tableaux/sum-som/l01/cst01/econ09g-eng.htm

Further to this, GLPT undertook a review of its operations to identify any such operational changes that are expected to take place in 2013 or 2014, and that would not be covered by applying the inflationary increases described above. These operational changes were quantified and incorporated into the appropriate OM&A category and are described in detail in Exhibit 4, Tab 2, Schedule 2.

As a result of the CPI increase and operational changes, GLPT's OM&A expense is forecasted to increase by $1,260,100 to $10,715,700 in 2013 and by $457,600 to $11,173,400 in 2014. GLPT's OM&A forecasts are summarized in greater detail in Exhibit 4, Tab 2, Schedule 1.

2.3 Operating Revenue

GLPT is forecasting operating revenue of $36,060,000 for each of 2013 and 2014 based on currently approved revenue requirement. Any variances in operating revenue are driven primarily by variations in the provincial peak loads from year to year. GLPT's operating revenue forecast is set out at Exhibit 3, Tab 1, Schedule 1 and GLPT's charge determinant forecast is set out at Exhibit 8, Tab 1, Schedule 1 of this Application.

2.4 Cost of Capital

GLPT has adopted the capital structure and the methodology outlined in the Report of the Board on the Cost of Capital for Ontario's Regulated Utilities dated December 11, 2009 (EB-2009-0084) (the "Cost of Capital Report"). GLPT's deemed capital structure for rate making purposes is 60% debt and 40% common equity. The 60% debt component is comprised of 4% deemed short term debt and 56% long term debt.

GLPT's currently approved ROE is 9.42%[2]. GLPT's evidence reflects an ROE of 9.16% for the 2013 test year and 9.44% for the 2014 test year. These figures are consistent with Hydro One Networks Inc.'s ("HONI") proposed ROE figures for 2013 and 2014 (EB-2012-0031). Prior to implementing a 2013 or 2014 revenue requirement, GLPT will update the ROE for each test year in accordance with the Cost of Capital Report.

GLPT's evidence reflects a deemed short-term debt rate of 2.01% for the 2013 test year and 2.98% for the 2014 test year. These figures are consistent with HONI's proposed short term debt rates for 2013 and 2014. Prior to implementing a 2013 or 2014 revenue requirement, GLPT will update the ROE for each test year in accordance with the Cost of Capital Report.

GLPT's long term debt rate is equal to 6.87% for 2013 and 2014, which is the previously approved rate related to GLPT's existing embedded debt.

3.0 Deferral and Variance Accounts

GLPT is requesting approval for continuance of the following deferral/variance accounts:

- Four sub-accounts of account 1508:
    - Costs related to a legal claim made by Comstock Canada Inc. (the "Comstock Claim");
    - Property Tax and Use and Occupation Permit Fee Variances;

[2] Per Approved Settlement Agreement in EB-2010-0291, and per the Board's Cost of Capital Parameter Update letter dated November 10, 2011

- Changes in IFRS; and
- IFRS Gains and Losses, and

- Account 1505 related to a premature retirement of assets.

In addition, based upon the Board's Decision in EB-2009-0409, GLPT will continue to maintain in the test period sub-accounts for Infrastructure Investment, Green Energy Initiatives and Preliminary Planning Costs, within account 1508, and based upon the Accounting Procedures Handbook, GLPT will also continue to maintain in the test period account 1592 for tax variances, accounts 1574 and 1595 related to previously approved regulatory liability repayments and account 1575 related to IFRS-CGAAP Transitional PP&E Amounts.

Furthermore, GLPT is requesting approval to disburse the balances in the following accounts:

- five sub-accounts of account 1508:
  - IFRS Transition Costs;
  - Infrastructure Investment, Green Energy Initiatives and Preliminary Planning Costs;
  - OEB Cost Assessment Variances;
  - Comstock Claim; and
  - Property Tax and Use and Occupation Permit Fee Variances,

- Account 1575 related to IFRS-CGAAP Transitional PP&E Amounts,
- Account 1592 related to changes in tax legislation,
- Account 1574 related to previously approved regulatory liability repayments, and
- Account 1595 related to previously approved regulatory liability repayments.

Accounts 1574 and 1592 are currently being repaid to ratepayers over a 3 year and 5 year period, respectively. The repayment periods began on January 1, 2011 with the implementation of UTR for the 2011 calendar year. Therefore, at December 31, 2012, there will be one year and three years remaining in the payback periods, respectively. Subject to the approval of the various account balances that GLPT is seeking to disburse as part of this Application, it is GLPT's position that the most administratively efficient method to disburse the various account balances would be to aggregate the balance of all accounts, including accounts 1574 and 1595, and disburse the balance over a one year period in 2013. GLPT proposes to use account 1595 to collect the amounts and track the disbursal of the net amount. The proposed disbursal over the single year is $430,210. With the exception of one sub-account under account 1508, all account balances would be disbursed by December 31, 2013 under GLPT's proposal. This disbursal methodology is described in more detail in Exhibit 9, Tab 3, Schedule 1. GLPT has also provided a continuity schedule of deferral and variance accounts at Exhibit 9, Tab 4, Schedule 1.

Finally, GLPT is requesting approval to establish new sub-accounts within account 1508 for the following:

- recording incremental costs related to addressing an upcoming change to the definition of the Bulk Electric System ("BES");

- recording expenses relating to (i) the cost of the East-West Tie proceeding (EB-2011-0140) apportioned to GLPT by the Board to be recovered through the Ontario UTR; and (ii) the cost incurred by GLPT to support the Board through the designation process (with this sub-account being made effective as of January 3, 2012); and

- recording variances related to expenses allocated to East-West Tie Line initiatives

The need for these accounts and the accounting and control process is described in Exhibit 9, Tab 2, Schedule 1.

4.0 Rate Design and Rates

Aspects related to rate design, including the charge determinant forecast, calculation of the UTR, variances in those rates and rate reconciliation are set out in Exhibit 8. In calculating the 2013 UTR, GLPT has used the base revenue requirement sought in this Application of $39,127,700, less the forecasted disbursal related to the net deferral and variance accounts of $430,210, for a total of $38,697,500. In calculating the 2014 UTR GLPT has used the base revenue requirement sought in this Application of $39,908,300. As shown in Exhibit 8, the resulting UTR arising from this Application are as follows:

- Network Rate: $3.58 per kW (2013) and $3.59 per kW (2014)

- Line Connection Rate: $0.81 per kW (2013) and $0.81 per kW (2014)
- Transformation Connection Rate: $1.87 per kW (2013) and $1.87 per kW (2014)

As indicated above, for the 2013 and 2014 forward test years the Application by GLPT results in a minimal change to the UTR and a negligible impact on a typical residential customer.

APPENDIX "A"

GLPT's Transmission System

GLPT'S TRANSMISSION SYSTEM

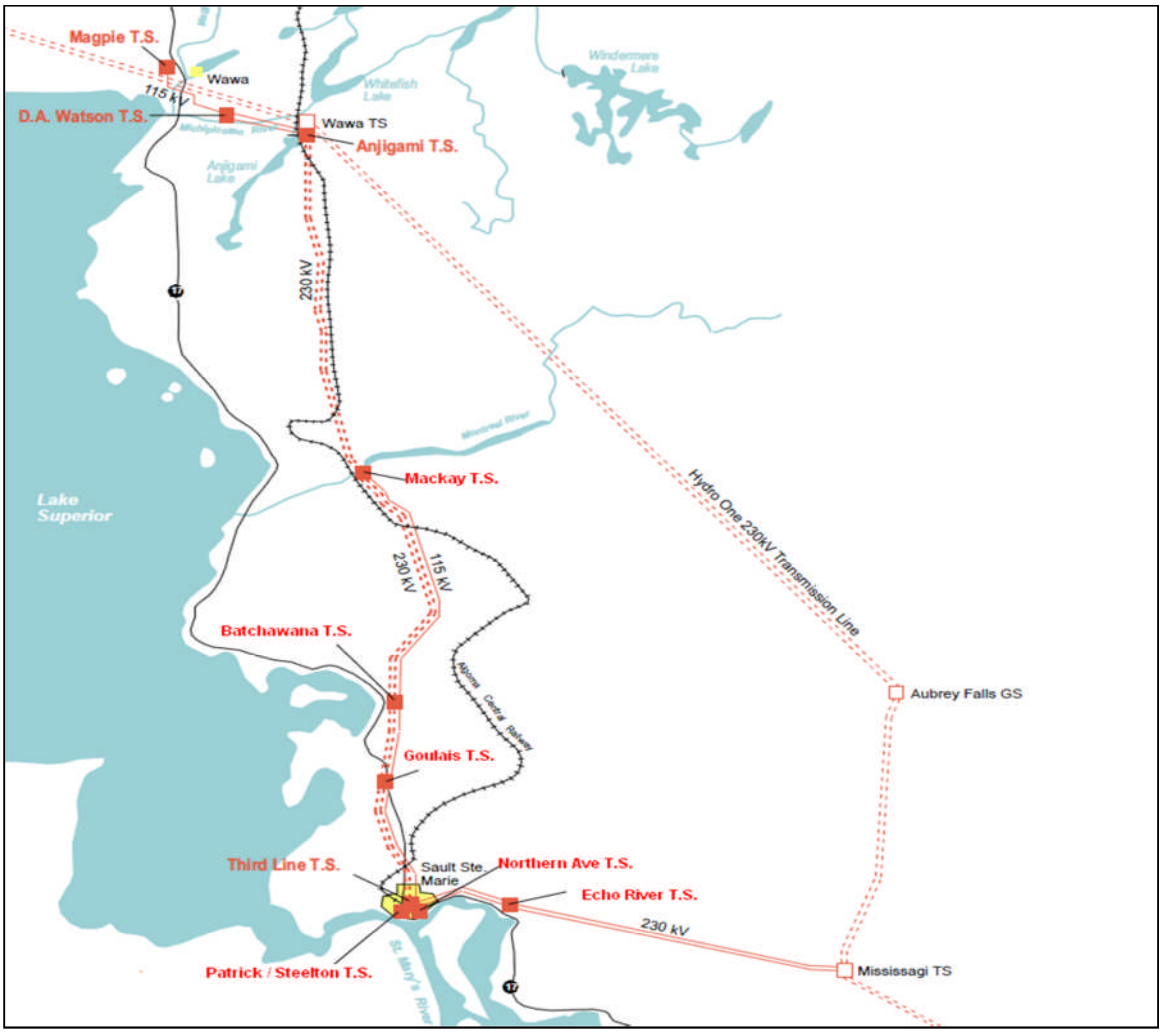
With respect to GLPT's transmission system it is important to note that:

- GLPT's transmission system is located entirely in an area of dense vegetation and rugged terrain of the Canadian Shield; and
- GLPT's transmission system is critical to the reliability of the Ontario bulk power system.

1.0 Physical Location

GLPT's transmission system is located in the Algoma district of Ontario with its system extending from in and around Sault Ste. Marie, north to Wawa, and east from Sault Ste. Marie to a remote area at which HONI's Mississagi TS is located. A map of GLPT's system is shown in *Figure 1-2-1 A*, below.

Figure 1-2-1 A - GLPT System Map



This area is located in the Canadian Shield and is predominantly located in forest zones with dense vegetation and steep elevations in places. GLPT's transmission system extends through two forest zones. The southern portion of the system is in the Great Lakes-St. Lawrence forest zone, which is characterized by red and sugar maple, yellow birch, red oak, hemlock, red and white pine. The northern part is in the Boreal forest zone, characterized by black and white

spruce, tamarack, aspen, white birch, balsam fir and jack pine. The terrain and vegetation present challenges to GLPT with respect to vegetation management, as well as various aspects of its operations and maintenance program.

1.1 GLPT's Significance to the IESO-Controlled Grid

GLPT's transmission system is significant to the bulk power system and the IESO-controlled grid. GLPT's transmission system is a critical link in that part of the IESO-controlled grid which extends from the Manitoba border to Sudbury, Ontario (Algoma TS, Hanmer TS) which, for the purpose of this evidence, is defined and referred to as the "Northwest Transmission System". As such, the condition and operation of GLPT's transmission system has a fundamental impact on the Northwest Transmission System.

The Northwest Transmission System can be divided into three sections:

- Manitoba to Wawa TS;
- Wawa TS to Mississagi TS; and
- Mississagi TS to Algoma TS (Sudbury).

(a) Manitoba to Wawa TS

This section of the Northwest Transmission System evacuates generation comprised of a mix of hydraulic and thermal units.

The generation in excess of load in the Northwest section combined with any imports from Manitoba, is evacuated predominantly to the east through the HONI double circuit lines from Thunder Bay (Mackenzie TS, Lakehead TS) to Marathon (Marathon TS) to Wawa (Wawa TS). The interface between Marathon TS and Wawa TS is defined by the IESO as the East-West Tie ("EWT"). The

east-to-west or west-to-east power flows along this interface are limited by post-contingency voltage stability considerations at Wawa TS. Power flow across the EWT is predominantly eastbound, delivering excess power from northwestern Ontario to Wawa TS.

(b) Wawa TS to Mississagi TS

GLPT's and HONI's transmission systems run in parallel between Wawa TS and Mississagi TS (as shown in *Figure 1-2-1 A*). They affect each other's capability, operation and transmission system limits.

GLPT's transmission system runs 73 km north-south from Wawa TS to MacKay TS, 91 km from MacKay TS to Third Line TS and 76 km east-west from Third Line TS to Mississagi TS. It is comprised of a 230 kV line running from Third Line TS to MacKay TS denoted as K24G and a 230 kV line running from MacKay TS to Wawa TS denoted as W23K. There are two 230 kV lines running east-west from Third Line TS to Mississagi TS ("P21G and P22G").

Third Line TS is GLPT's largest station. The station has two sections, a 230 kV section and a 115 kV section. As part of the IESO-controlled grid, if either of the 115 kV or the 230 kV sections of Third Line TS were to be degraded, destroyed, or otherwise made unavailable, the reliability and operability of the Ontario bulk power system could be adversely affected and thereby threaten the supply of power to numerous customers throughout the province. The station is also a connection point that facilitates a parallel circuit with the HONI transmission system, as shown in *Figure 1-2-1 A* above.

Emanating from Third Line TS are three 230 kV circuits and nine 115 kV circuits, which connect various loads and generation facilities. The station serves the largest loads in the GLPT system, as it supplies power to the City of Sault Ste. Marie and to large industrial loads that include ESSAR Steel Inc., and Flakeboard Inc.

The HONI transmission system runs east-west for 204 km from Wawa TS to Mississagi TS. It is comprised of one double-circuit 230 kV line.

For the most part, the load directly connected to GLPT's transmission system is supplied via 115 kV circuits off of Third Line TS. The GLPT system's peak load is approximately 300 MW in summer and 350 MW in winter. Installed generation capacity connected to GLPT's transmission system is 697 MW. Therefore, during peak periods, the generation in excess of the GLPT load is evacuated predominantly to the east to Mississagi TS and added to the peak

generation connected to the HONI transmission system in the Wawa-Mississagi Section.

(c) The Mississagi ─ Sudbury Section

Mississagi TS is connected to Algoma TS (Sudbury) via HONI's double-circuit 230 kV line and to Hanmer TS (Sudbury) via HONI's single-circuit 230 kV line.

In provincial peak periods, the predominantly eastbound power flow across the EWT interface into Wawa TS, the excess generation out of GLPT's network and the generation from Aubrey Falls GS and Wells GS on HONI's transmission system converge at Mississagi TS to be transferred east to Sudbury and on to southern Ontario. As a result of the amount of energy deliverable to Mississagi TS through the GLPT transmission system, GLPT's system is critical with respect to the transmission of power from the Northwest Transmission System to southern Ontario.

In March 2004, the transmission division of GLPL obtained approval for the construction of the Transmission Reinforcement Project, which included, among other things, the construction of the 230 kV transmission lines running between Third Line TS and Wawa TS (K24G and W23K) and the refurbishment of the east-west line P21G running from Third Line TS to Mississagi TS.

This project provided a number of benefits. In particular, the IESO-controlled grid benefited by:

- eliminating transmission constraints and thereby increasing transfer limits to permit the full evacuation of generation from GLPT's system during system peak;
- eliminating the weakest link in the east-west system between Wawa TS and Mississagi TS;
- improving voltage stability at Wawa TS to increase the EWT east limit for specific generation collections and voltage stability at Mississagi TS to increase the Mississagi limit;
- eliminating the possibility of severing GLPT's system because of a double circuit outage on HONI's system, which in turn would result in severing the EWT; and
- allowing for future reinforcement of the EWT and Mississagi TS limits.

Exhibit 1, Tab 2, Schedule 2

Budget Overview

BUDGET OVERVIEW (CAPITAL AND OPERATING)

1.0 Operations, Maintenance and Administration

GLPT's 2011 and 2012 OM&A cost envelopes approved by the Board in EB-2010-0291 were based on a "top down" approach. This "top down" approach used GLPT's 2010 approved OM&A as the starting point, and then factored in a 2.5% inflationary increase of total OM&A for each of 2011 and 2012 (creating the OM&A envelope for those years). This inflationary increase was applied given that over 95% of GLPT's OM&A expenditures occur because of third party contracts, materials and supplies or internal labour, all of which are subject to either inflation or wage and benefit changes.

For the purposes of this rate application, GLPT has revisited its 2012 OM&A forecast in order to ensure the 2012 approved OM&A is allocated in a manner to reflect GLPT's mandate of operating a safe, reliable, cost-efficient and environmentally friendly transmission system. This approach is a reallocation, not an increase, of GLPT's 2012 OM&A envelope. GLPT first considered the needs and requirements of the organization through a complete review of work plans and staffing requirements. It then re-allocated the 2012 OM&A envelope among its various USofA OM&A accounts to ensure that resources are allocated appropriately to address GLPT's needs and requirements without sacrificing safety, reliability or the environment. Using this approach, GLPT was able to create a more accurate 2012 OM&A allocation to its USofA accounts by using historical

information from 2010 and 2011 that was not available when GLPT's initial 2012 OM&A envelope was approved.

Consistent with the "top down" approach, GLPT then used the 2012 OM&A re-allocation as the baseline for its 2013 and 2014 budgets. GLPT applied to this baseline an inflation factor of 3.1%, which is based on the rate used in GLPT's collective agreement (attached at Exhibit 4, Tab 2, Schedule 3, Appendix B) and equal to the percentage change in all-items CPI for Ontario[1] for the twelve months ending December 31, 2011. Applying the 3.1% change in CPI ensures the cost required to run operations in 2012 are accounted for in terms of 2013 and 2014 dollars. However, it does not ensure that GLPT's approved 2013 and 2014 OM&A will be sufficient to cover any operational changes anticipated for those years that are not covered by the inflationary increase.

Further to this, GLPT undertook a review of its operations to identify any such operational changes that are expected to take place in 2013 or 2014, and that would not be covered by applying the inflationary increases described above. In order to identify these operational changes, GLPT used information gathered through its asset management plan to confirm budgeted maintenance expenditures for the 2013 and 2014 test years. GLPT's asset management plan involves gathering information from various sources, including through inspections, testing and asset condition assessments, and is further described at Exhibit 2, Tab 5, Schedule 1.

[1] http://www.statcan.gc.ca/tables-tableaux/sum-som/l01/cst01/econ09g-eng.htm

All operational changes that GLPT identified as prudent and reasonable for 2013 and 2014, and that would not be covered by the inflationary increases for each of those years, were quantified and incorporated into the appropriate OM&A category. The net result of this exercise was an adjustment to GLPT's OM&A budget for 2013 and 2014 test years above and beyond the inflationary increases (see the OM&A Variance Analysis set out in Exhibit 4, Tab 2, Schedule 2).

2.0 Capital Budget

For details on GLPT's capital budgeting process, please refer to the Asset Management schedule at Exhibit 2, Tab 5, Schedule 1. As indicated, GLPT has a comprehensive program for managing its existing assets through the inspection and maintenance of lines and stations and the undertaking of asset condition assessments. GLPT also has a rigorous process for optimizing the replacement of assets by ensuring that projects are appropriately prioritized.

3.0 Economic Assumptions Used

In calculating the budget for the 2013 and 2014 test years GLPT relied on the following economic assumption:

- GLPT utilized the percentage change in all-items CPI for Ontario for the twelve months ending December 31, 2011 of 3.1% as the inflation factor when calculating increases for OM&A expenditures in both 2013 and 2014.

Exhibit 1, Tab 2, Schedule 3

Methodology and Changes to Methodology

METHODOLOGY AND CHANGES TO METHODOLOGY

1.0 Background

GLPT has made changes to its methodology as compared to the methodology used in the EB-2010-0291 application; all changes are as a result of the adoption of International Financial Reporting Standards ("IFRS") and the transition from Canadian Generally Accepted Accounting Principles ("CGAAP").

In 2008, the Canadian Accounting Standards Board ("AcSB") announced that publicly accountable enterprises would be required to adopt IFRS effective January 1, 2011. In September 2010, the AcSB approved an option to entities with qualifying rate regulated activities to defer reporting under IFRS by one year to January 1, 2012. GLPT elected the option to defer. On March 30, 2012 the AcSB issued the Accounting Standards Board – Decision Summary, March 20-21, 2012 which indicated the AcSB's decision to allow an additional one-year deferral of the mandatory adoption of IFRS to January 1, 2013. In a letter dated April 30, 2012, the Board indicated that consistent with its previous approach on IFRS, it will not require regulatory accounting and reporting for 2012 to be in Modified IFRS ("MIFRS") if a utility opts to remain on CGAAP. As a result, GLPT elected the option to defer for an additional year.

As a result, GLPT is adopting IFRS for reporting purposes with a changeover date of January 1, 2013, and with a transition date of January 1, 2012. In accordance with the *Report of the Board on Transition to IFRS* – Appendix 2, Section 9.1.2, GLPT has filed

its 2012 information in both CGAAP and MIFRS, and provided 2013 and 2014 information in MIFRS. GLPT notes that throughout this rate application the terms IFRS and MIFRS are used interchangeably, and GLPT's proposed 2012-2014 figures are in compliance with MIFRS for regulatory reporting purposes.

In 2011, GLPT engaged BDO Canada LLP ("BDO") to assist with determining and assessing the impacts of the adoption of IFRS. The sections below outline the various areas where there are material differences between IFRS and CGAAP for GLPT.

2.0 Property Plant and Equipment

GLPT's IFRS changeover date is January 1, 2013, and as a result GLPT is required to re-state the value of its property, plant and equipment in accordance with IFRS as at the transition date, January 1, 2012. GLPT will elect to use the rate-regulated deemed cost exemption and restate the carrying value of its assets as its deemed cost at the transition date, resetting the accumulated depreciation value to zero as at that date. As a result, on January 1, 2012, the IFRS carrying amount (cost) of property, plant and equipment will be equal to the previous CGAAP carrying amount (net book value) of these items at December 31, 2011.

As noted above, GLPT engaged BDO to assist with the adoption of IFRS. BDO reviewed GLPT's asset sub-ledger and provided an asset breakdown on a componentized basis that is in compliance with IFRS. BDO, with the assistance of the *Asset Depreciation Study for the Ontario Energy Board* prepared by Kinectrics Inc. on July 8,

2010 (the "Kinectrics Study"), worked with GLPT's operations and finance staff to define the various components that exist within GLPT's system and assign useful lives to those components.

As a result of the componentization, there is an increase in GLPT's 2012, 2013 and 2014 depreciation expenses as compared to what it would have been under CGAAP. While the useful lives of GLPT's poles and conductors were generally extended, the average useful life of its station equipment has declined slightly. These differences are demonstrated in Exhibit 4, Tab 2, Schedule 6 of this application.

In addition to componentization, IFRS requires the separate presentation of Software and Land rights as intangibles. However, these values are still considered to be a part of rate base for regulatory purposes. Therefore, while there is no financial impact related to the change in presentation, GLPT has segregated its intangible asset values in the various rate base continuity schedules provided throughout this application.

3.0 Capitalization of Borrowing Costs

GLPT's prior CGAAP accounting policy for capitalization of borrowing costs is in-line with IFRS with respect to recognition, commencement and cessation. However GLPT's borrowing cost capitalization rate has been adjusted upon transition to IFRS. Because GLPT's debt is held at arm's length, the actual rate of interest on debt is to be used for capitalization of borrowing costs. Therefore, for accounting purposes GLPT is required to use this rate under IFRS instead of the OEB-prescribed rate, which was historically

used under CGAAP. This change in rate has been incorporated into GLPT's forecast capital expenditures for the 2013 and 2014 test years.

4.0 Employee Benefits

Under IFRS, post retirement non-pension benefits are to be valued in accordance with International Accounting Standard 19 Employee Benefits ("IAS 19"). Under CGAAP valuations are prepared in accordance with Section 3461 Canadian Institute of Chartered Accountants Handbook ("CICA 3461").

For defined benefit plans, IFRS 1 allows a first time adopter to reset to zero all cumulative actuarial gains and losses at the date of transition to IFRS (January 1, 2012). GLPT has applied IFRS 1, which results in an adjustment to opening equity for IFRS made up of all cumulative actuarial gains and losses from the inception of the plan until the IFRS transition date. This adjustment is reflected in GLPT's pro-forma financial statements found at Exhibit 1, Tab 3, Schedule 2, but has no impact on GLPT's revenue requirement in the 2013 or 2014 test years.

Upon transition to IFRS, the calculation of pension and benefit expense changes slightly. However, GLPT has reviewed the variances that existed for the 2009, 2010 and 2011 historical years and determined that the overall change in these expenses is not material enough to necessitate a change to its 2013 and 2014 operating expense budgets as compared to the 2012 forecast.

5.0 Overhead Charges and Burdens

IFRS specifically prohibits the capitalization of indirect administration, training costs, and general overheads. These costs are deemed not directly attributable to bringing assets to their locations and working conditions related to their intended use. Under CGAAP GLPT does not capitalize indirect administration costs or general overheads and as a result no change is required related to these two items. However, with regard to training costs, GLPT has reviewed the impacts and appropriately reflected the change within its capital budgets for the 2013 and 2014 test years. In addition, GLPT reviewed its training program for 2013 and 2014, along with historical trends related to training capitalization, to assess the potential impact on OM&A for the 2013 and 2014 test years. GLPT's capitalization of training costs has been historically very low, and GLPT is not forecasting significant training activities in the test year that would have been historically capitalized under CGAAP. Therefore, GLPT has not made an adjustment to its 2013 or 2014 test year OM&A to reflect the IFRS change related to training costs.

Exhibit 1, Tab 2, Schedule 4

Calculation of Revenue Deficiency

CALCULATION OF REVENUE DEFICIENCY

Table 1-2-4 A – Schedule of Overall Revenue Deficiency

($000's)		2010 Actual	2011 Actual	2012 Approved	2012 Forecast	2013 Test Year - Current	2013 Test Year - Proposed	2014 Test Year - Current	2014 Test Year - Proposed
Operating Revenue		$33,397.6	$35,694.3	$36,060.0	$36,060.0	$36,060.0	$39,167.7	$36,060.0	$39,949.0
Operation, Maintenance & Admin.		9,491.0	9,325.6	9,455.6	9,455.6	10,715.7	10,715.7	11,173.4	11,173.4
Depreciation & Amortization		7,356.0	7,538.9	8,408.5	8,439.4	9,185.2	9,185.2	9,229.8	9,229.8
Property Taxes		118.0	108.1	131.3	110.8	114.2	114.2	117.8	117.8
Payments in Lieu of Taxes to First Nations		128.8	128.8	139.9	128.8	128.8	128.8	128.8	128.8
Provincial Capital Tax		145.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Costs & Expenses		17,239.4	17,101.3	18,135.4	18,134.7	20,144.0	20,144.0	20,649.8	20,649.8
Utility Income Before Taxes		16,158.2	18,592.9	17,924.7	17,925.4	15,916.0	19,023.7	15,410.2	19,299.2
Income Taxes		1,002.8	1,627.4	1,254.6	1,258.9	866.9	1,690.4	960.7	1,991.3
Utility Income	**[A]**	15,155.4	16,965.6	16,670.1	16,666.4	15,049.1	17,333.3	14,449.6	17,308.0
Utility Rate Base	**[B]**	209,183.5	207,696.0	216,774.0	218,966.4	228,255.0	228,255.0	223,483.0	223,483.0
Indicated Rate of Return	**[C]** = [A] / [B]	7.25%	8.17%	7.69%	7.61%	6.59%	7.59%	6.47%	7.74%
Approved/Requested Rate of Return	**[D]**	7.95%	7.81%	7.70%	7.70%	7.59%	7.59%	7.74%	7.74%
(Deficiency)/Sufficiency in Return	**[E]** = [C] - [D]	-0.70%	0.36%	-0.01%	-0.09%	-1.00%	0.00%	-1.28%	0.00%
Revenue (Deficiency)/Sufficiency	**[F]** = [B] * [E]	(1,474.7)	743.2	(22.9)	(195.4)	(2,284.2)	0.0	(2,858.4)	0.0
Provision for Income Taxes		(662.6)	292.6	(8.2)	(76.9)	(823.5)	0.0	(1,030.6)	0.0
Gross Revenue (Deficiency)/Sufficiency		(2,137.3)	1,035.8	(31.1)	(272.3)	(3,107.7)	0.0	(3,889.0)	0.0
Service Revenue Requirement:		**35,534.9**	**34,658.5**	**36,091.1**	**36,332.3**	**39,167.7**	**39,167.7**	**39,949.0**	**39,949.0**
Less: Revenue from Other Sources		39.0	72.3	31.1	39.5	40.1	40.1	40.7	40.7
Base Revenue Requirement:		**$35,495.9**	**$34,586.2**	**$36,060.1**	**$36,292.8**	**$39,127.7**	**$39,127.7**	**$39,908.3**	**$39,908.3**

Exhibit 1, Tab 2, Schedule 5

Numerical Description of the Revenue Deficiency

NUMERICAL DESCRIPTION OF REVENUE DEFICIENCY

Table 1-2-5 A – Numerical Description of Revenue Deficiency - 2013

Cost of Capital	**($000's)**	**($000's)**
2013 Rate Base	$228,255.0	
Requested Rate of Return	7.59%	$17,333.3
Cost of Service		
Operations, Maintenance & Admin	10,715.7	
Depreciation & Amortization	9,185.2	
Property Taxes	243.0	
Capital Taxes	0.0	
Income Taxes	866.9	21,010.9
Operating Revenue		
Transmission Services Revenue		(36,060.0)
Gross (Deficiency)/Sufficiency		(2,284.2)
Income Taxes on (Deficiency)/Sufficiency		(823.5)
Gross Revenue (Deficiency)/Sufficiency - 2013		(3,107.7)
Less: Revenue from Other Sources		40.1
Net (Deficiency)/Sufficiency - 2013		**($3,067.6)**

Table 1-2-5 B – Numerical Description of Revenue Deficiency - 2014

Cost of Capital	**($000's)**	**($000's)**
2014 Rate Base	$223,483.0	
Requested Rate of Return	7.74%	$17,308.0
Cost of Service		
Operations, Maintenance & Admin	11,173.4	
Depreciation & Amortization	9,229.8	
Property Taxes	246.6	
Capital Taxes	0.0	
Income Taxes	960.7	21,610.5
Operating Revenue		
Transmission Services Revenue		(36,060.0)
Gross (Deficiency)/Sufficiency		(2,858.4)
Income Taxes on (Deficiency)/Sufficiency		(1,030.6)
Gross Revenue (Deficiency)/Sufficiency - 2014		(3,889.0)
Less: Revenue from Other Sources		40.7
Net (Deficiency)/Sufficiency - 2014		**($3,848.3)**

Exhibit 1, Tab 2, Schedule 6

Revenue Requirement Work Forms (2013 & 2014)

REVENUE REQUIREMENT WORK FORMS – 2013 & 2014

GLPT's revenue requirement work forms for 2013 and 2014 are provided at **Appendices "A"** and **"B"**, respectively. The Board released its most recent version (version 2.20) of the revenue requirement work form on June 22, 2011, however GLPT has populated and filed version 2.11 of same form in its place. Version 2.11 was used by GLPT in its most recent rate application (EB-2010-0291). The net results produced by the two versions are identical; however version 2.20 was updated by the Board to provide tabs related to bill impacts. These tabs are irrelevant to GLPT's application as a licensed transmitter. Furthermore, an applicant using version 2.20 is forced to choose its identity from a list of Local Distribution Companies, where GLPT is not a part of this list.

APPENDIX "A"

Revenue Requirement Work Form 2013

REVENUE REQUIREMENT WORK FORM

Name of LDC: Great Lakes Power Transmission LP

File Number:

Rate Year: 2013

Version: 2.11

Table of Content

Sheet	Name
A	Data Input Sheet
1	Rate Base
2	Utility Income
3	Taxes/PILS
4	Capitalization/Cost of Capital
5	Revenue Sufficiency/Deficiency
6	Revenue Requirement
7A	Bill Impacts -Residential
7B	Bill Impacts - GS < 50 kW

Notes:

(1) Pale green cells represent inputs

(2) Pale yellow cells represent drop=down lists

(3) ***Please note that this model uses MACROS. Before starting, please ensure that macros have been enabled.***

(4) ***Completed versions of the Revenue Requirement Work Form are required to be filed in working Microsoft Excel format.***

Copyright

This Revenue Requirement Work Form Model is protected by copyright and is being made available to you solely for the purpose of preparing or reviewing your draft rate order. You may use and copy this model for that purpose, and provide a copy of this model to any person that is advising or assisting you in that regard. Except as indicated above, any copying, reproduction, publication, sale, adaptation, translation, modification, reverse engineering or other use or dissemination of this model without the express written consent of the Ontario Energy Board is prohibited. If you provide a copy of this model to a person that is advising or assisting you in preparing or reviewing your draft rate order, you must ensure that the person understands and agrees to the restrictions noted above.

REVENUE REQUIREMENT WORK FORM

Version: 2.11

Name of LDC: Great Lakes Power Transmission LP
File Number:
Rate Year: 2013

Ontario

		Data Input									(1)
		Initial Application					(7)			Per Board Decision	
1	**Rate Base**										
	Gross Fixed Assets (average)	$241,080,832				$ 241,080,832				$241,080,832	
	Accumulated Depreciation (average)	($13,265,420)	(5)			-$ 13,265,420				($13,265,420)	
	Allowance for Working Capital:										
	Controllable Expenses	$10,715,748				$ 10,715,748				$10,715,748	
	Cost of Power	$ -								$0	
	Working Capital Rate (%)	4.10%				4.10%				4.10%	
2	**Utility Income**										
	Operating Revenues:										
	Distribution Revenue at Current Rates	$36,060,024									
	Distribution Revenue at Proposed Rates	$39,127,669									
	Other Revenue:										
	Specific Service Charges										
	Late Payment Charges										
	Other Distribution Revenue										
	Other Income and Deductions	$40,081									
	Operating Expenses:										
	OM+A Expenses	$10,715,748				$ 10,715,748				$10,715,748	
	Depreciation/Amortization	$9,185,224				$ 9,185,224				$9,185,224	
	Property taxes	$243,040				$ 243,040				$243,040	
	Capital taxes	$0									
	Other expenses										
3	**Taxes/PILs**										
	Taxable Income:										
	Adjustments required to arrive at taxable income	($3,674,747)	(3)								
	Utility Income Taxes and Rates:										
	Income taxes (not grossed up)	$1,242,457									
	Income taxes (grossed up)	$1,690,418									
	Capital Taxes	$ -	(6)				(6)				(6)
	Federal tax (%)	15.00%									
	Provincial tax (%)	11.50%									
	Income Tax Credits	$ -									
4	**Capitalization/Cost of Capital**										
	Capital Structure:										
	Long-term debt Capitalization Ratio (%)	56.0%									
	Short-term debt Capitalization Ratio (%)	4.0%	(2)				(2)				(2)
	Common Equity Capitalization Ratio (%)	40.0%									
	Prefered Shares Capitalization Ratio (%)										
		100.0%									
	Cost of Capital										
	Long-term debt Cost Rate (%)	6.87%									
	Short-term debt Cost Rate (%)	2.01%									
	Common Equity Cost Rate (%)	9.16%									
	Prefered Shares Cost Rate (%)										

Notes:

(Rate Base through Revenue Requirement), except for Notes that the utility may wish to use to support the data. Notes should be put on the applicable pages to explain numbers shown.

(1) All inputs are in dollars ($) except where inputs are individually identified as percentages (%)
(2) 4.0% unless an Applicant has proposed or been approved for another amount.
(3) Net of addbacks and deductions to arrive at taxable income.
(4) Average of Gross Fixed Assets at beginning and end of the Test Year
(5) Average of Accumulated Depreciation at the beginning and end of the Test Year. Enter as a negative amount.
(6) Not applicable as of July 1, 2010
(7) Select option from drop-down list by clicking on cell M10. This columnallows for the application update reflecting the end of discovery or Argument-in-Chief. Also, the outsome of any Settlement Process can be reflected.

REVENUE REQUIREMENT WORK FORM

Version: 2.11

Name of LDC: Great Lakes Power Transmission LP
File Number:
Rate Year: 2013

Rate Base

Line No.	Particulars		Initial Application						Per Board Decision
1	Gross Fixed Assets (average)	(3)	$241,080,832		$ -		$241,080,832	$ -	$241,080,832
2	Accumulated Depreciation (average)	(3)	($13,265,420)		$ -		($13,265,420)	$ -	($13,265,420)
3	Net Fixed Assets (average)	(3)	$227,815,412		$ -		$227,815,412	$ -	$227,815,412
4	Allowance for Working Capital	(1)	$439,600		$ -		$439,600	$ -	$439,600
5	**Total Rate Base**		$228,255,012		$ -		$228,255,012	$ -	$228,255,012

	(1) Allowance for Working Capital - Derivation								
6	Controllable Expenses		$10,715,748		$ -		$10,715,748	$ -	$10,715,748
7	Cost of Power		$ -		$ -		$ -	$ -	$ -
8	Working Capital Base		$10,715,748		$ -		$10,715,748	$ -	$10,715,748
9	Working Capital Rate %	(2)	4.10%		0.00%		4.10%	0.00%	4.10%
10	Working Capital Allowance		$439,600		$ -		$439,600	$ -	$439,600

Notes

(2) Generally 15%. Some distributors may have a unique rate due as a result of a lead-lag study.
(3) Average of opening and closing balances for the year.

REVENUE REQUIREMENT WORK FORM

Version: 2.11

Name of LDC: Great Lakes Power Transmission LP
File Number:
Rate Year: 2013

Ontario

Utility income

Line No.	Particulars		Initial Application						Per Board Decision
	Operating Revenues:								
1	Distribution Revenue (at Proposed Rates)		$39,127,669		($39,127,669)		$ -		$ -
2	Other Revenue	(1)	$40,081		($40,081)		$ -		$ -
3	Total Operating Revenues		$39,167,750		($39,167,750)		$ -		$ -
	Operating Expenses:								
4	OM+A Expenses		$10,715,748		$ -		$10,715,748		$10,715,748
5	Depreciation/Amortization		$9,185,224		$ -		$9,185,224		$9,185,224
6	Property taxes		$243,040		$ -		$243,040		$243,040
7	Capital taxes		$ -		$ -		$ -		$ -
8	Other expense		$ -		$ -				
9	Subtotal (lines 4 to 8)		$20,144,012		$ -		$20,144,012		$20,144,012
10	Deemed Interest Expense		$8,970,057		($8,970,057)		$ -		$ -
11	Total Expenses (lines 9 to 10)		$29,114,069		($8,970,057)		$20,144,012		$20,144,012
12	**Utility income before income taxes**		$10,053,681		($30,197,693)		($20,144,012)		($20,144,012)
13	Income taxes (grossed-up)		$1,690,418		$ -		$1,690,418		$1,690,418
14	**Utility net income**		$8,363,264		($30,197,693)		($21,834,430)		($21,834,430)

Notes

(1)	**Other Revenues / Revenue Offsets**						
	Specific Service Charges	$ -			$ -		$ -
	Late Payment Charges	$ -			$ -		$ -
	Other Distribution Revenue	$ -			$ -		$ -
	Other Income and Deductions	$40,081			$ -		$ -
	Total Revenue Offsets	$40,081	$ -	$ -	$ -		$ -

Ontario

REVENUE REQUIREMENT WORK FORM

Version: 2.11

Name of LDC: Great Lakes Power Transmission LP
File Number:
Rate Year: 2013

Taxes/PILs

Line No.	Particulars	Application				Per Board Decision	
	Determination of Taxable Income						
1	Utility net income before taxes	$8,363,264		$ -		$ -	
2	Adjustments required to arrive at taxable utility income	($3,674,747)		$ -		($3,674,747)	
3	Taxable income	$4,688,517		$ -		($3,674,747)	
	Calculation of Utility income Taxes						
4	Income taxes	$1,242,457		$1,242,457		$1,242,457	
5	Capital taxes	$ -	(1)	$ -	(1)	$ -	(1)
6	Total taxes	$1,242,457		$1,242,457		$1,242,457	
7	Gross-up of Income Taxes	$447,961		$447,961		$447,961	
8	Grossed-up Income Taxes	$1,690,418		$1,690,418		$1,690,418	
9	PILs / tax Allowance (Grossed-up Income taxes + Capital taxes)	$1,690,418		$1,690,418		$1,690,418	
10	Other tax Credits	$ -		$ -		$ -	
	Tax Rates						
11	Federal tax (%)	15.00%		15.00%		15.00%	
12	Provincial tax (%)	11.50%		11.50%		11.50%	
13	Total tax rate (%)	26.50%		26.50%		26.50%	

Notes

(1) Capital Taxes not applicable after July 1, 2010 (i.e. for 2011 and later test years)

REVENUE REQUIREMENT WORK FORM

Version: 2.11

Name of LDC: Great Lakes Power Transmission LP
File Number:
Rate Year: 2013

Ontario

Capitalization/Cost of Capital

Line No.	Particulars	Capitalization Ratio		Cost Rate	Return
	Initial Application	(%)	($)	(%)	($)
	Debt				
1	Long-term Debt	56.00%	$127,822,807	6.87%	$8,786,540
2	Short-term Debt	4.00%	$9,130,200	2.01%	$183,517
3	**Total Debt**	60.00%	$136,953,007	6.55%	$8,970,057
	Equity				
4	Common Equity	40.00%	$91,302,005	9.16%	$8,363,264
5	Preferred Shares	0.00%	$ -	0.00%	$ -
6	**Total Equity**	40.00%	$91,302,005	9.16%	$8,363,264
7	**Total**	100.00%	$228,255,012	7.59%	$17,333,320
		(%)	($)	(%)	($)
	Debt				
1	Long-term Debt	0.00%	$ -	0.00%	$ -
2	Short-term Debt	0.00%	$ -	0.00%	$ -
3	**Total Debt**	0.00%	$ -	0.00%	$ -
	Equity				
4	Common Equity	0.00%	$ -	0.00%	$ -
5	Preferred Shares	0.00%	$ -	0.00%	$ -
6	**Total Equity**	0.00%	$ -	0.00%	$ -
7	**Total**	0.00%	$228,255,012	0.00%	$ -
	Per Board Decision	(%)	($)	(%)	($)
	Debt				
8	Long-term Debt	0.00%	$ -	6.87%	$ -
9	Short-term Debt	0.00%	$ -	2.01%	$ -
10	**Total Debt**	0.00%	$ -	0.00%	$ -
	Equity				
11	Common Equity	0.00%	$ -	9.16%	$ -
12	Preferred Shares	0.00%	$ -	0.00%	$ -
13	**Total Equity**	0.00%	$ -	0.00%	$ -
14	**Total**	0.00%	$228,255,012	0.00%	$ -

Notes

(1) 4.0% unless an Applicant has proposed or been approved for another amount.

REVENUE REQUIREMENT WORK FORM

Version: 2.11

Name of LDC: Great Lakes Power Transmission LP
File Number:
Rate Year: 2013

Ontario

Revenue Sufficiency/Deficiency

Line No.	Particulars	Initial Application				Per Board Decision	
		At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates
1	Revenue Deficiency from Below		$3,067,645		($17,240,921)		$20,144,012
2	Distribution Revenue	$36,060,024	$36,060,024	$36,060,024	$56,368,590	$ -	($20,144,012)
3	Other Operating Revenue Offsets - net	$40,081	$40,081	$ -	$ -	$ -	$ -
4	**Total Revenue**	$36,100,105	$39,167,750	$36,060,024	$39,127,669	$ -	$ -
5	Operating Expenses	$20,144,012	$20,144,012	$20,144,012	$20,144,012	$20,144,012	$20,144,012
6	Deemed Interest Expense	$8,970,057	$8,970,057	$ -	$ -	$ -	$ -
	Total Cost and Expenses	$29,114,069	$29,114,069	$20,144,012	$20,144,012	$20,144,012	$20,144,012
7	**Utility Income Before Income Taxes**	$6,986,036	$10,053,681	$15,916,012	$18,983,657	($20,144,012)	($20,144,012)
8	Tax Adjustments to Accounting Income per 2009 PILs	($3,674,747)	($3,674,747)	($3,674,747)	($3,674,747)	$ -	$ -
9	**Taxable Income**	$3,311,289	$6,378,934	$12,241,265	$15,308,910	($20,144,012)	($20,144,012)
10	Income Tax Rate	26.50%	26.50%	26.50%	26.50%	26.50%	26.50%
11	**Income Tax on Taxable Income**	$877,492	$1,690,418	$3,243,935	$4,056,861	($5,338,163)	($5,338,163)
12	**Income Tax Credits**	$ -	$ -	$ -	$ -	$ -	$ -
13	**Utility Net Income**	$6,108,545	$8,363,264	$12,672,077	($21,834,430)	($14,805,849)	($21,834,430)
14	**Utility Rate Base**	$228,255,012	$228,255,012	$228,255,012	$228,255,012	$228,255,012	$228,255,012
	Deemed Equity Portion of Rate Base	$91,302,005	$91,302,005	$ -	$ -	$ -	$ -
15	Income/Equity Rate Base (%)	6.69%	9.16%	0.00%	0.00%	0.00%	0.00%
16	Target Return - Equity on Rate Base	9.16%	9.16%	0.00%	0.00%	0.00%	0.00%
17	Sufficiency/Deficiency in Return on Equity	-2.47%	0.00%	0.00%	0.00%	0.00%	0.00%
18	Indicated Rate of Return	6.61%	7.59%	5.55%	0.00%	-6.49%	0.00%
19	Requested Rate of Return on Rate Base	7.59%	7.59%	0.00%	0.00%	0.00%	0.00%
20	Sufficiency/Deficiency in Rate of Return	-0.99%	0.00%	5.55%	0.00%	-6.49%	0.00%
21	Target Return on Equity	$8,363,264	$8,363,264	$ -	$ -	$ -	$ -
22	Revenue Deficiency/(Sufficiency)	$2,254,719	$0	($12,672,077)	$ -	$14,805,849	$ -
23	**Gross Revenue Deficiency/(Sufficiency)**	$3,067,645 **(1)**		($17,240,921) **(1)**		$20,144,012 **(1)**	

Notes:

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

REVENUE REQUIREMENT WORK FORM

Version: 2.11

Name of LDC: Great Lakes Power Transmission LP
File Number:
Rate Year: 2013

Line No.	Particulars	Revenue Requirement: Application		Revenue Requirement		Revenue Requirement: Per Board Decision	
1	OM&A Expenses	$10,715,748		$10,715,748		$10,715,748	
2	Amortization/Depreciation	$9,185,224		$9,185,224		$9,185,224	
3	Property Taxes	$243,040		$243,040		$243,040	
4	Capital Taxes	$ -		$ -		$ -	
5	Income Taxes (Grossed up)	$1,690,418		$1,690,418		$1,690,418	
6	Other Expenses	$ -					
7	Return						
	Deemed Interest Expense	$8,970,057		$ -		$ -	
	Return on Deemed Equity	$8,363,264		$ -		$ -	
8	Distribution Revenue Requirement before Revenues	$39,167,750		$21,834,430		$21,834,430	
9	Distribution revenue	$39,127,669		$ -		$ -	
10	Other revenue	$40,081		$ -		$ -	
11	**Total revenue**	$39,167,750		$ -		$ -	
12	**Difference (Total Revenue Less Distribution Revenue Requirement before Revenues)**	$0	(1)	($21,834,430)	(1)	($21,834,430)	(1)

Notes

(1) Line 11 - Line 8

APPENDIX "B"

Revenue Requirement Work Form 2014

REVENUE REQUIREMENT WORK FORM

Name of LDC: Great Lakes Power Transmission LP

File Number:

Rate Year: 2014 **Version:** 2.11

Table of Content

Sheet	Name
A	Data Input Sheet
1	Rate Base
2	Utility Income
3	Taxes/PILS
4	Capitalization/Cost of Capital
5	Revenue Sufficiency/Deficiency
6	Revenue Requirement
7A	Bill Impacts -Residential
7B	Bill Impacts - GS < 50 kW

Notes:

(1) Pale green cells represent inputs

(2) Pale yellow cells represent drop=down lists

(3) ***Please note that this model uses MACROS. Before starting, please ensure that macros have been enabled.***

(4) ***Completed versions of the Revenue Requirement Work Form are required to be filed in working Microsoft Excel format.***

Copyright

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REVENUE REQUIREMENT WORK FORM

Version: 2.11

Name of LDC: Great Lakes Power Transmission LP
File Number:
Rate Year: 2014

Ontario

		Data Input										(1)
		Initial Application						(7)			Per Board Decision	
1	**Rate Base**											
	Gross Fixed Assets (average)	$245,496,549				$	245,496,549				$245,496,549	
	Accumulated Depreciation (average)	($22,472,953)	(5)			-$	22,472,953				($22,472,953)	
	Allowance for Working Capital:											
	Controllable Expenses	$11,173,357				$	11,173,357				$11,173,357	
	Cost of Power	$ -									$0	
	Working Capital Rate (%)	4.11%					4.11%				4.11%	
2	**Utility Income**											
	Operating Revenues:											
	Distribution Revenue at Current Rates	$36,060,024										
	Distribution Revenue at Proposed Rates	$39,908,324										
	Other Revenue:											
	Specific Service Charges											
	Late Payment Charges											
	Other Distribution Revenue											
	Other Income and Deductions	$40,679										
	Operating Expenses:											
	OM+A Expenses	$11,173,357				$	11,173,357				$11,173,357	
	Depreciation/Amortization	$9,229,841				$	9,229,841				$9,229,841	
	Property taxes	$246,577				$	246,577				$246,577	
	Capital taxes	$0										
	Other expenses											
3	**Taxes/PILs**											
	Taxable Income:											
	Adjustments required to arrive at taxable income	($2,915,756)	(3)									
	Utility Income Taxes and Rates:											
	Income taxes (not grossed up)	$1,463,585										
	Income taxes (grossed up)	$1,991,272										
	Capital Taxes	$ -	(6)					(6)				(6)
	Federal tax (%)	15.00%										
	Provincial tax (%)	11.50%										
	Income Tax Credits	$ -										
4	**Capitalization/Cost of Capital**											
	Capital Structure:											
	Long-term debt Capitalization Ratio (%)	56.0%										
	Short-term debt Capitalization Ratio (%)	4.0%	(2)					(2)				(2)
	Common Equity Capitalization Ratio (%)	40.0%										
	Prefered Shares Capitalization Ratio (%)											
		100.0%										
	Cost of Capital											
	Long-term debt Cost Rate (%)	6.87%										
	Short-term debt Cost Rate (%)	2.98%										
	Common Equity Cost Rate (%)	9.44%										
	Prefered Shares Cost Rate (%)											

Notes:

(Rate Base through Revenue Requirement), except for Notes that the utility may wish to use to support the data. Notes should be put on the applicable pages to explain numbers shown.

(1) All inputs are in dollars ($) except where inputs are individually identified as percentages (%)
(2) 4.0% unless an Applicant has proposed or been approved for another amount.
(3) Net of addbacks and deductions to arrive at taxable income.
(4) Average of Gross Fixed Assets at beginning and end of the Test Year
(5) Average of Accumulated Depreciation at the beginning and end of the Test Year. Enter as a negative amount.
(6) Not applicable as of July 1, 2010
(7) Select option from drop-down list by clicking on cell M10. This columnallows for the application update reflecting the end of discovery or Argument-in-Chief. Also, the outsome of any Settlement Process can be reflected.

REVENUE REQUIREMENT WORK FORM

Name of LDC: Great Lakes Power Transmission LP
File Number:
Rate Year: 2014

Ontario

Rate Base

Line No.	Particulars		Initial Application						Per Board Decision
1	Gross Fixed Assets (average)	(3)	$245,496,549		$ -		$245,496,549	$ -	$245,496,549
2	Accumulated Depreciation (average)	(3)	($22,472,953)		$ -		($22,472,953)	$ -	($22,472,953)
3	Net Fixed Assets (average)	(3)	$223,023,596		$ -		$223,023,596	$ -	$223,023,596
4	Allowance for Working Capital	(1)	$459,412		$ -		$459,412	$ -	$459,412
5	**Total Rate Base**		$223,483,008		$ -		$223,483,008	$ -	$223,483,008

	(1) Allowance for Working Capital - Derivation								
6	Controllable Expenses		$11,173,357		$ -		$11,173,357	$ -	$11,173,357
7	Cost of Power		$ -		$ -		$ -	$ -	$ -
8	Working Capital Base		$11,173,357		$ -		$11,173,357	$ -	$11,173,357
9	Working Capital Rate %	(2)	4.11%		0.00%		4.11%	0.00%	4.11%
10	Working Capital Allowance		$459,412		$ -		$459,412	$ -	$459,412

Notes

(2) Generally 15%. Some distributors may have a unique rate due as a result of a lead-lag study.
(3) Average of opening and closing balances for the year.

REVENUE REQUIREMENT WORK FORM

Version: 2.11

Name of LDC: Great Lakes Power Transmission LP
File Number:
Rate Year: 2014

Utility income

Line No.	Particulars		Initial Application						Per Board Decision
	Operating Revenues:								
1	Distribution Revenue (at Proposed Rates)		$39,908,324		($39,908,324)		$ -		$ -
2	Other Revenue	(1)	$40,679		($40,679)		$ -		$ -
3	Total Operating Revenues		$39,949,003		($39,949,003)		$ -		$ -
	Operating Expenses:								
4	OM+A Expenses		$11,173,357		$ -		$11,173,357		$11,173,357
5	Depreciation/Amortization		$9,229,841		$ -		$9,229,841		$9,229,841
6	Property taxes		$246,577		$ -		$246,577		$246,577
7	Capital taxes		$ -		$ -		$ -		$ -
8	Other expense		$ -		$ -				
9	Subtotal (lines 4 to 8)		$20,649,775		$ -		$20,649,775		$20,649,775
10	Deemed Interest Expense		$8,869,236		($8,869,236)		$ -		$ -
11	Total Expenses (lines 9 to 10)		$29,519,011		($8,869,236)		$20,649,775		$20,649,775
12	**Utility income before income taxes**		$10,429,992		($31,079,767)		($20,649,775)		($20,649,775)
13	Income taxes (grossed-up)		$1,991,272		$ -		$1,991,272		$1,991,272
14	**Utility net income**		$8,438,720		($31,079,767)		($22,641,047)		($22,641,047)

Notes

(1) **Other Revenues / Revenue Offsets**

Specific Service Charges	$ -		$ -		$ -
Late Payment Charges	$ -		$ -		$ -
Other Distribution Revenue	$ -		$ -		$ -
Other Income and Deductions	$40,679		$ -		$ -
Total Revenue Offsets	$40,679	$ -	$ -	$ -	$ -

REVENUE REQUIREMENT WORK FORM

Version: 2.11

Name of LDC: Great Lakes Power Transmission LP
File Number:
Rate Year: 2014

Taxes/PILs

Line No.	Particulars	Application				Per Board Decision	
	Determination of Taxable Income						
1	Utility net income before taxes	$8,438,718		$ -		$ -	
2	Adjustments required to arrive at taxable utility income	($2,915,756)		$ -		($2,915,756)	
3	Taxable income	$5,522,962		$ -		($2,915,756)	
	Calculation of Utility income Taxes						
4	Income taxes	$1,463,585		$1,463,585		$1,463,585	
5	Capital taxes	$ -	(1)	$ -	(1)	$ -	(1)
6	Total taxes	$1,463,585		$1,463,585		$1,463,585	
7	Gross-up of Income Taxes	$527,687		$527,687		$527,687	
8	Grossed-up Income Taxes	$1,991,272		$1,991,272		$1,991,272	
9	PILs / tax Allowance (Grossed-up Income taxes + Capital taxes)	$1,991,272		$1,991,272		$1,991,272	
10	Other tax Credits	$ -		$ -		$ -	
	Tax Rates						
11	Federal tax (%)	15.00%		15.00%		15.00%	
12	Provincial tax (%)	11.50%		11.50%		11.50%	
13	Total tax rate (%)	26.50%		26.50%		26.50%	

Notes

(1) Capital Taxes not applicable after July 1, 2010 (i.e. for 2011 and later test years)

Ontario

REVENUE REQUIREMENT WORK FORM

Version: 2.11

Name of LDC: Great Lakes Power Transmission LP
File Number:
Rate Year: 2014

Capitalization/Cost of Capital

Line No.	Particulars	Capitalization Ratio		Cost Rate		Return
	Initial Application					
		(%)	($)	(%)		($)
	Debt					
1	Long-term Debt	56.00%	$125,150,484	6.87%		$8,602,844
2	Short-term Debt	4.00%	$8,939,320	2.98%		$266,392
3	**Total Debt**	60.00%	$134,089,805	6.61%		$8,869,236
	Equity					
4	Common Equity	40.00%	$89,393,203	9.44%		$8,438,718
5	Preferred Shares	0.00%	$ -	0.00%		$ -
6	**Total Equity**	40.00%	$89,393,203	9.44%		$8,438,718
7	**Total**	100.00%	$223,483,008	7.74%		$17,307,954
		(%)	($)	(%)		($)
	Debt					
1	Long-term Debt	0.00%	$ -	0.00%		$ -
2	Short-term Debt	0.00%	$ -	0.00%		$ -
3	**Total Debt**	0.00%	$ -	0.00%		$ -
	Equity					
4	Common Equity	0.00%	$ -	0.00%		$ -
5	Preferred Shares	0.00%	$ -	0.00%		$ -
6	**Total Equity**	0.00%	$ -	0.00%		$ -
7	**Total**	0.00%	$223,483,008	0.00%		$ -
	Per Board Decision					
		(%)	($)	(%)		($)
	Debt					
8	Long-term Debt	0.00%	$ -	6.87%		$ -
9	Short-term Debt	0.00%	$ -	2.98%		$ -
10	**Total Debt**	0.00%	$ -	0.00%		$ -
	Equity					
11	Common Equity	0.00%	$ -	9.44%		$ -
12	Preferred Shares	0.00%	$ -	0.00%		$ -
13	**Total Equity**	0.00%	$ -	0.00%		$ -
14	**Total**	0.00%	$223,483,008	0.00%		$ -

Notes

(1) 4.0% unless an Applicant has proposed or been approved for another amount.

REVENUE REQUIREMENT WORK FORM

Version: 2.11

Name of LDC: Great Lakes Power Transmission LP
File Number:
Rate Year: 2014

Ontario

Revenue Sufficiency/Deficiency

Line No.	Particulars	Initial Application				Per Board Decision	
		At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates
1	Revenue Deficiency from Below		$3,848,299		($16,461,508)		$20,649,775
2	Distribution Revenue	$36,060,024	$36,060,025	$36,060,024	$56,369,832	$ -	($20,649,775)
3	Other Operating Revenue Offsets - net	$40,679	$40,679	$ -	$ -	$ -	$ -
4	**Total Revenue**	$36,100,703	$39,949,003	$36,060,024	$39,908,324	$ -	$ -
5	Operating Expenses	$20,649,775	$20,649,775	$20,649,775	$20,649,775	$20,649,775	$20,649,775
6	Deemed Interest Expense	$8,869,236	$8,869,236	$ -	$ -	$ -	$ -
	Total Cost and Expenses	$29,519,011	$29,519,011	$20,649,775	$20,649,775	$20,649,775	$20,649,775
7	**Utility Income Before Income Taxes**	$6,581,692	$10,429,992	$15,410,249	$19,258,549	($20,649,775)	($20,649,775)
8	Tax Adjustments to Accounting Income per 2009 PILs	($2,915,756)	($2,915,756)	($2,915,756)	($2,915,756)	$ -	$ -
9	**Taxable Income**	$3,665,936	$7,514,236	$12,494,493	$16,342,793	($20,649,775)	($20,649,775)
10	Income Tax Rate	26.50%	26.50%	26.50%	26.50%	26.50%	26.50%
11	**Income Tax on Taxable Income**	$971,473	$1,991,273	$3,311,041	$4,330,840	($5,472,190)	($5,472,190)
12	**Income Tax Credits**	$ -	$ -	$ -	$ -	$ -	$ -
13	**Utility Net Income**	$5,610,219	$8,438,720	$12,099,208	($22,641,047)	($15,177,585)	($22,641,047)
14	**Utility Rate Base**	$223,483,008	$223,483,008	$223,483,008	$223,483,008	$223,483,008	$223,483,008
	Deemed Equity Portion of Rate Base	$89,393,203	$89,393,203	$ -	$ -	$ -	$ -
15	Income/Equity Rate Base (%)	6.28%	9.44%	0.00%	0.00%	0.00%	0.00%
16	Target Return - Equity on Rate Base	9.44%	9.44%	0.00%	0.00%	0.00%	0.00%
17	Sufficiency/Deficiency in Return on Equity	-3.16%	0.00%	0.00%	0.00%	0.00%	0.00%
18	Indicated Rate of Return	6.48%	7.74%	5.41%	0.00%	-6.79%	0.00%
19	Requested Rate of Return on Rate Base	7.74%	7.74%	0.00%	0.00%	0.00%	0.00%
20	Sufficiency/Deficiency in Rate of Return	-1.27%	0.00%	5.41%	0.00%	-6.79%	0.00%
21	Target Return on Equity	$8,438,718	$8,438,718	$ -	$ -	$ -	$ -
22	Revenue Deficiency/(Sufficiency)	$2,828,499	$1	($12,099,208)	$ -	$15,177,585	$ -
23	**Gross Revenue Deficiency/(Sufficiency)**	$3,848,299 **(1)**		($16,461,508) **(1)**		$20,649,775 **(1)**	

Notes:

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

Ontario

REVENUE REQUIREMENT WORK FORM

Version: 2.11

Name of LDC: Great Lakes Power Transmission LP
File Number:
Rate Year: 2014

Line No.	Particulars	Revenue Requirement: Application				Revenue Requirement: Per Board Decision	
1	OM&A Expenses	$11,173,357		$11,173,357		$11,173,357	
2	Amortization/Depreciation	$9,229,841		$9,229,841		$9,229,841	
3	Property Taxes	$246,577		$246,577		$246,577	
4	Capital Taxes	$ -		$ -		$ -	
5	Income Taxes (Grossed up)	$1,991,272		$1,991,272		$1,991,272	
6	Other Expenses	$ -					
7	Return						
	Deemed Interest Expense	$8,869,236		$ -		$ -	
	Return on Deemed Equity	$8,438,718		$ -		$ -	
8	Distribution Revenue Requirement before Revenues	$39,949,002		$22,641,047		$22,641,047	
9	Distribution revenue	$39,908,324		$ -		$ -	
10	Other revenue	$40,679		$ -		$ -	
11	**Total revenue**	$39,949,003		$ -		$ -	
12	**Difference (Total Revenue Less Distribution Revenue Requirement before Revenues)**	$1	(1)	($22,641,047)	(1)	($22,641,047)	(1)

Notes
(1) Line 11 - Line 8

Exhibit 1, Tab 2, Schedule 7

Sensitivity Analysis

SENSITIVITY ANALYSIS

GLPT has provided the following sensitivity analysis to assist the Board in analyzing potential impacts to key figures found throughout this Application.

Change Criteria	Proportional Change in 2013 Revenue Requirement	Proportional Change in 2014 Revenue Requirement
1% Increase in Rate Base	$203,486, or 0.52%	$203,504, or 0.51%
1% Increase in Cost of Service[1]	$201,440 or 0.51%	$206,498, or 0.52%
5% Increase in Cost of Service[1]	$1,007,200 or 2.57%	$1,032,490, or 2.58%
1% Increase in Cost of Long-Term Debt[2]	$1,278,228, or 3.26%	$1,251,504, or 3.12%
1% Increase in Cost of Short-Term Debt[3]	$91,302, or 0.23%	$89,393, or 0.22%
1% Increase in Cost of Equity[4]	$1,242,204, or 3.17%	$1,216,234, or 3.03%
1% Change in Capital Structure[5]	$127,562, or 0.33%	$133,409, or 0.33%

[1] Cost of Service includes OM&A, Depreciation and Property taxes
[2] The increase in Cost of Long-Term Debt is an increase of 1% to the proposed Long Term Debt rate
[3] The increase in Cost of Short-Term Debt is an increase of 1% to the proposed Short Term Debt rate
[4] The increase in Cost of Equity is an increase of 1% to the proposed Return on Equity rate
[5] The impact of a 1% change in capital structure is calculated by decreasing the long-term debt component from 56% to 55% and increasing the equity component from 40% to 41%.

Exhibit 1, Tab 3, Schedule 1

Audited Financial Statements - 2010 & 2011

AUDITED FINANCIAL STATEMENTS – 2010 & 2011

GLPT's audited financial statements for 2010 are provided in **Appendix "A"** and 2011 audited financial statements are provided in **Appendix "B".**

APPENDIX "A"

Audited Financial Statements for 2010

Financial Statements

GREAT LAKES POWER TRANSMISSION LIMITED PARTNERSHIP

December 31, 2010

Deloitte & Touche LLP
Brookfield Place
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Canada

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Independent Auditor's Report

To the Partners of
Great Lakes Power Transmission Limited Partnership

We have audited the accompanying financial statements of Great Lakes Power Transmission Limited Partnership, which comprise the balance sheet as at December 31, 2010, and the statements of income and comprehensive income, partners' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Great Lakes Power Transmission Limited Partnership as at December 31, 2010 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Deloitte & Touche LLP

Chartered Accountants
Licensed Public Accountants
April 18, 2011

Great Lakes Power Transmission Limited Partnership

Balance Sheet

as at December 31, 2010

thousands of CDN dollars	*Notes*	**2010**	2009
Assets			
Current Assets			
Cash		**$ 77**	$ 393
Accounts receivable		**3,224**	3,152
Due from related parties	*5*	**2,447**	203
Prepaid expenses and other		**644**	215
Current portion of regulatory asset	*8*	**-**	358
		6,392	4,321
Pension asset	*9*	**1,757**	1,587
Regulatory asset	*8*	**2,881**	716
Property, plant and equipment, net	*6*	**215,142**	215,401
		$ 226,172	$ 222,025
Liabilities and Capital Account			
Current liabilities			
Accounts and other payables		**$ 2,893**	$ 1,635
Current portion of regulatory liability	*8*	**1,482**	1,340
Due to related parties	*5*	**205**	279
		4,580	3,254
Pension liability	*9*	**2,025**	1,837
Regulatory liability	*8*	**4,250**	2,680
Trans senior bonds	*7*	**117,177**	117,025
		128,032	124,796
Partners' Equity		**98,140**	97,229
		$ 226,172	$ 222,025

Great Lakes Power Transmission Limited Partnership

Statement of Partners' Equity

for the year ended December 31, 2010

thousands of CDN dollars	*Notes*	**Brookfield Infrastructure Holdings (Canada) Inc.**	**Great Lakes Power Transmission Inc.**	**2010**	2009
Partners' equity, beginning of year		$ 97,132	$ 97	**$ 97,229**	$ 98,851
Allocation of net income		8,403	8	**8,411**	7,378
Distributions		(9,490)	(10)	**(9,500)**	(9,000)
Capital contributions		1,998	2	**2,000**	-
Partners' equity, end of year		$ 98,043	$ 97	**$ 98,140**	$ 97,229

Great Lakes Power Transmission Limited Partnership

Statement of Income and Comprehensive Income

for the year ended December 31, 2010

thousands of CDN dollars	*Notes*		**2010**		2009
Revenues		**$**	**33,398**	$	31,888
Expenses					
Operating and administration			**7,450**		6,288
Maintenance			**2,118**		1,622
Taxes, other than income taxes			**119**		93
			9,687		8,003
			23,711		23,885
Interest	*11*		**7,934**		7,832
Depreciation			**7,393**		6,973
Loss on disposal of property, plant and equipment	*6,8*		**-**		1,649
Other (income) expenses			**(27)**		53
Net income before income taxes			**8,411**		7,378
Current tax provision	*12*		**-**		-
Future tax provision	*12*		**-**		-
Net income and comprehensive income		**$**	**8,411**	$	7,378

Great Lakes Power Transmission Limited Partnership

Statement of Cash Flows

for the year ended December 31, 2010

thousands of CDN dollars	*Notes*	**2010**	2009
Operating Activities			
Net income		**$ 8,411**	$ 7,378
Items not affecting cash;			
Depreciation		**7,393**	6,973
Amortization of prepaid expenses		**984**	611
Non-cash interest expense		**152**	144
Loss on disposal of property, plant and equipment		**-**	1,649
Net change in non-cash working capital and other	*10*	**(1,597)**	(390)
		15,343	16,365
Investing activities			
Proceeds on disposition of property, plant and equipment		**1**	2
Change in investment amounts due from related party	*5*	**(2,200)**	-
Additions to property, plant and equipment		**(7,339)**	(11,244)
Net changes in regulatory assets and liabilities		**1,379**	2,280
		(8,159)	(8,962)
Financing activities			
Dividends paid		**(9,500)**	(9,000)
Capital contributions		**2,000**	-
		(7,500)	(9,000)
Decrease in cash		**(316)**	(1,597)
Cash, beginning of year		**393**	1,990
Cash, end of year		**$ 77**	$ 393
Supplemental cash flow information:			
Cash interest paid		$ 7,920	$ 7,920

GREAT LAKES POWER TRANSMISSION LIMITED PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS

December 31, 2010
(thousands of CDN dollars)

1. NATURE AND DESCRIPTION OF BUSINESS

Great Lakes Power Transmission Limited Partnership (the "Partnership") was formed on May 17, 2007 for the purpose of acquiring the assets and liabilities of the transmission division of Great Lakes Power Limited ("GLPL"), a related party due to common ownership.

Brookfield Infrastructure Holdings (Canada) Inc. is the Limited Partner and holds a 99.9% interest in the Partnership. Great Lakes Power Transmission Inc., the General Partner, holds a 0.1% limited interest in the Partnership and is responsible for management of the Partnership. Both the General and Limited partners are wholly owned subsidiaries of Brookfield Infrastructure Partners LP ("BIP").

The Partnership is engaged in the transmission of electricity to the area adjacent to Sault Ste. Marie, Canada and is subject to the regulations of the Ontario Energy Board (the "OEB").

2. BASIS OF PRESENTATION

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles. All amounts are reported in thousands of Canadian dollars, except as otherwise noted.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies have been applied in the preparation of these financial statements:

(a) *Property, plant and equipment*

Property, plant and equipment are recorded at cost less accumulated depreciation. The cost of the property, plant and equipment is depreciated over the estimated service lives of the assets as follows:

	Method	Rate
Buildings	Straight-line	40 years
Transmission stations, towers and related fixtures	Straight-line	25 to 40 years
Equipment	Straight-line	5 to 40 years

Construction work in progress is not depreciated until the assets are put into service.

(b) *Impairment of long-lived assets*

The Partnership reviews long-lived assets for other than temporary impairment whenever events or changes in circumstances indicate the carrying amount may not be recoverable. The determination of whether impairment has occurred is based on an estimate of undiscounted cash flows attributable to the assets, as compared to the carrying value of the assets. Should an asset be considered to be impaired, an impairment loss is recognized in an amount equal to the excess of the asset's carrying value over its fair value.

(c) *Deferred financing fees*

Financing costs associated with the offering of debt are capitalized, netted against the debt, and amortized over the term of the debt using the effective interest method.

(d) *Capitalization of interest*

Interest on funds used in construction is charged to construction work in progress at the rate prescribed by the OEB.

(e) *Revenue recognition*

The Partnership recognizes revenue on an accrual basis, when electricity is wheeled, at the regulated rate established by the OEB.

(f) *Income taxes*

The Partnership is not subject to income taxation as a result of its formation as a limited partnership.

(g) *Pension and Employee Future Benefits*

The cost of retirement benefits for the Partnership's defined benefit pension plan and post employment benefits is recognized as the benefits are earned by employees. The Partnership uses the projected benefit method pro-rated on the length of service and management's best estimate assumptions to value its pension and other retirement benefits. Assets are valued at fair value for purposes of calculating the expected return on plan assets. Past service costs resulting from plan amendments are being amortized on a linear basis over the average remaining service period of active members expected to receive the benefits under the plan. Cumulative gains and losses in excess of 10% of the greater of the accrued benefit obligation and the market value of the plan assets are amortized over the average remaining service period of active members expected to receive benefits under the plan. The average remaining service lives under the defined benefit pension plan as at December 31, 2010 varies from 13.0 to 14.0 years. The average remaining service life under the post-employment benefit plan as at December 31, 2010 is 17.0 years.

(h) *Use of estimates*

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. During the years presented, management has made a number of estimates and valuation assumptions including accruals and depreciation. Estimates are based on historical experience, current trends and various other assumptions that are believed to be reasonable under the circumstances. Actual results could differ from those estimates.

(i) *Rate Regulation*

On January 1, 2005, the Partnership adopted CICA Handbook Accounting Guideline 19, *Disclosure by Entities Subject to Rate Regulation*. The Partnership is regulated by the OEB. Accounting standards recognize that rate regulation can create economic benefits and obligations, which are reported in the financial statements as regulatory assets and liabilities. When the regulation provides assurance that incurred costs will be recovered in the future, the Partnership may defer these costs and report them as a regulatory asset. If current recovery is provided for costs expected to be incurred in the future, the Partnership reports a regulatory liability. Also, if the regulation provides for lesser or greater planned revenue to be received or returned by the Partnership through future rates, the Partnership recognizes

and reports a regulatory asset or liability, respectively. The measurement of such regulatory assets and liabilities is subject to certain estimates and assumptions, including assumptions made in the interpretation of the regulation.

4. FUTURE ACCOUNTING POLICY CHANGES

International Financial Reporting Standards

On February 13, 2008, the Accounting Standards Board of Canada ("AcSB") confirmed that publicly accountable enterprises will be required to adopt IFRS in place of Canadian GAAP for interim and annual reporting purposes for fiscal years beginning on or after January 1, 2011. Subsequently, on September 8, 2010, the AcSB issued a decision that provides for an optional one year deferral of the mandatory IFRS changeover date for entities with rate-regulated activities. As a result, the Partnership has opted to defer adoption of IFRS until the fiscal year beginning January 1, 2012.

The Partnership is in the process of evaluating the potential impact of the conversion to IFRS on its financial statements. Although the impact of the adoption of IFRS on the Partnership's financial position and results of operations is not yet reasonably determinable or estimable, the Partnership does expect a significant increase in financial statement disclosure requirements resulting from the adoption of IFRS.

5. RELATED PARTY TRANSACTIONS

(a) In the normal course of operations, Riskcorp Inc., an insurance broker related through common control, entered into transactions with the Partnership to provide insurance. These transactions have been measured at exchange value. The total cost allocated to the Partnership in 2010 was $196 (2009 - $178) and no amount remains outstanding at year end (2009 - $nil).

(b) The Partnership has provided services to and received services from entities under common control in the normal course of operations. The balances payable and receivable for these services are non-interest bearing and unsecured. The balances payable to and receivable from related parties will come due during the following year.

Office Complex

Effective July 1, 2009, the office complex in which the Partnership conducts its operations is owned by GLPL, and leased by the Partnership. Lease payments are made to GLPL on a monthly basis, with the annual lease cost for 2010 equal to $308 (2009 - $154).

Communication Equipment

The Partnership uses various types of communication assets including Supervisory Control and Data Acquisition ("SCADA") equipment, and a fibre optic network. The communication equipment is owned by GLPL and is licensed by the Partnership. License fee payments are made to GLPL on a quarterly basis, with the annual lease cost for 2010 equal to $484 (2009 – $178).

Road Maintenance

The Partnership shares a remote roadway in the northern portion of its service territory with GLPL. The roadway is used for access to various generating stations and transmission

GREAT LAKES POWER TRANSMISSION LIMITED PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS

December 31, 2010
(thousands of CDN dollars)

stations. The road maintenance costs are shared between the Partnership and GLPL, with GLPL incurring the initial cost and passing a predetermined portion on to the Partnership. Payments for this road maintenance are made to GLPL as the costs are incurred by GLPL, with the total portion borne by the Partnership in 2010 equal to $152 (2009 - $41).

(c) At December 31, 2010, the Partnership had an outstanding loan receivable from BIP in the amount of $2,200 (2009 - $nil). The loan is short-term in nature and is non-interest bearing.

(d) As a result, the following balances are receivable (payable) at December 31:

	2010	2009
Due from related parties		
Services provided to entities under common control	**$ 247**	$ 203
Loan receivable from BIP	**2,200**	-
	2,447	203
Due to related parties		
Services received from entities under common control	**(205)**	(279)

6. PROPERTY, PLANT AND EQUIPMENT

			2010	2009
	Cost	**Accumulated Depreciation**	**Net Book Value**	Net Book Value
Land	**$ 929**	**$ -**	**$ 929**	$ 929
Buildings	**15,559**	**5,123**	**10,436**	10,672
Transmission stations, towers and related fixtures	**275,292**	**77,749**	**197,543**	199,832
Construction work in progress	**6,234**	**-**	**6,234**	3,968
	$ 298,014	**$ 82,872**	**$ 215,142**	$ 215,401

Cost and accumulated depreciation as at December 31, 2009 were $290,887 and $75,486, respectively.

During 2010, the Partnership disposed of assets that had a net book value of $1 for net proceeds of $1 (2009 - $2 and $2, respectively).

7. TRANS SENIOR BONDS

The Trans Senior Bonds ("the Bonds") have a principal amount of $120,000 and are secured by a charge on transmission present and future real property assets of the Partnership. On behalf of the Partnership, a company related through common control, Brookfield Renewable Power Inc. ("BRPI"), obtained a letter of credit in the amount of $3,960 to cover six months of interest payments on the Bonds.

The fair market value of the Bonds is $138,198 based on current market prices for debt with similar terms (2009 - $131,951). Amortization of deferred financing fees for the year related to the Partnership's long-term debt is included in interest expense and totalled $152 (2009 - $144).

The Bonds bear interest at the rate of 6.6%. Semi-annual payments of interest only are due and payable on June and December 16 each year until and including June 16, 2013. Equal blended semi-annual payments of principal and interest on the Bonds will commence on December 16, 2013

and will continue until and including June 16, 2023. The Bonds will not be fully amortized by their maturity date. The remaining principal balance of the Bonds will be fully due on June 16, 2023.

	2010	2009
Trans Senior Bonds	**$ 120,000**	$ 120,000
Less: Unamortized deferred financing fees	**(2,823)**	(2,975)
	$ 117,177	$ 117,025

8. EFFECT OF RATE REGULATION

The Partnership recorded the following regulatory assets and liabilities as at December 31:

	2010	2009
Regulatory assets:		
Reorganization costs relating to the transfer of assets	**$ -**	$ 1,041
Green energy and green economy deferred costs	**1,104**	-
Deferred litigation fees	**1,661**	-
Other regulatory assets	**116**	33
Less: current portion	**-**	(358)
Long-term portion	**$ 2,881**	$ 716
Regulatory liability:		
Deferred rate impact accrual	**$ 2,251**	$ 2,578
Aggregated approved liability disbursal	**3,481**	-
Deferred loss on disposal of transmission assets	**-**	71
Wholesale metering services rebates	**-**	122
Changes in tax legislation	**-**	1,249
Less: current portion	**(1,482)**	(1,340)
Total	**$ 4,250**	$ 2,680

The Partnership operates in accordance with the regulations of the OEB. Regulatory assets and liabilities represent certain revenues earned or costs incurred in the current year or in prior years that have been or are expected to be recovered from customers upon approval from the OEB. In the absence of rate regulation, these balances would have been recorded as revenues or expenses in the statement of income and comprehensive income.

Reorganization costs relating to the transfer of assets

These reorganization costs were the result of the transfer of the Partnership's assets from GLPL to the Partnership. Legislation through the *Ontario Energy Board Act, 1998* requires the separation of transmission assets from generation assets; however, GLPL had an exemption to operate its transmission, distribution, and generation business within the same company until December 31, 2008. The costs associated with the transfer of the Partnership's assets were recorded as regulatory assets in 2009 and were subsequently approved for recovery in the OEB's Decision and Order dated May 21, 2010. The balance of the regulatory asset was transferred to the aggregated approved liability disbursal as an offset to various regulatory liability balances that were also approved for repayment to ratepayers.

Green energy and green economy deferred costs

In a decision dated March 25, 2010, the OEB approved the establishment of a deferral account to record capital expenditures as well as operation, maintenance and administration expenses related to renewable generation connection, system planning, and infrastructure investment arising from the *Green Energy and Green Economy Act, 2009.* The balance in this regulatory asset account represents the costs incurred that meet the definition of the costs approved to be recorded in this regulatory asset deferral account. The Partnership will include its request to recover the balance of this account in a future rate application filing to the OEB.

Deferred litigation fees

In accordance with the settlement agreement reached by the parties to the Partnership's 2011-2012 rate application, the Partnership has established a deferral account to capture professional fees and expenses associated with an outstanding claim in respect of a transmission project completed in 2007. In 2009, $1,474 relating to this balance was included within property, plant and equipment. As required by the settlement agreement this balance has been transferred to regulatory assets in 2010. The Partnership will include its request to recover the balance of this account in a future rate application filing to the OEB.

Other regulatory assets

Other regulatory assets are impacted by three drivers, as follows:

(a) The Partnership incurred costs related to a study undertaken as a result of the settlement agreed upon in GLPT's 2005-2006 transmission rate application. The costs associated with the study were recorded as regulatory assets in 2009 and were subsequently approved for recovery in the OEB's Decision and Order dated May 21, 2010. The costs associated with the study were transferred to the aggregated approved liability disbursal as an offset to various regulatory liability balances that were also approved for repayment to ratepayers.

(b) The Partnership incurred incremental administrative expenses related to International Financial Reporting Standards. The OEB has approved a deferral account to track incremental administrative expenses for the purposes of future recovery. The Partnership will include its request to recover this amount in its next rate application filing to the OEB.

(c) The Partnership incurred incremental costs related to OEB fees that were above the level approved for recovery in 2010 rates. These costs were approved to be deferred in a regulatory asset account in the OEB's Decision and Order dated May 21, 2010. The Partnership will include its request to recover this amount in its next rate application filing to the OEB.

Deferred rate impact accrual

The deferred rate impact accrual ("DRIA") account was used for incremental revenues being recovered through the 2005 rate application filed with the OEB. On November 1, 2007, the OEB implemented a new uniform transmission rate as a result of the rate application filed by Hydro One Networks Inc. This resulted in the termination of the over recovery of the DRIA. At December 31, 2009, the DRIA balance of $2,578 was payable to the Ontario transmission rate-payers.

Offsetting the 2009 balance are accrual entries in 2010 that reflect GLPT's revenue deficiency between the actual revenues that GLPT collects compared to the approved revenue requirement in 2010. In 2010, GLPT recorded a revenue deficiency of $327 as an offset to this account to reflect revenue that was earned but not collected. The deficiency accrual methodology for 2010 was approved by the OEB in its Decision and Order dated August 31, 2010.

In its Decision and Order dated May 21, 2010, the OEB approved the disbursal of the net balance of the DRIA over a period of three years, beginning in 2011. The total approved disbursal included in the uniform transmission rates effective January 1, 2011 is equal to $2,251.

Aggregated approved liability disbursal

In its decision and order dated May 21, 2010, the OEB approved the disbursal of various regulatory asset and liability balances. The net balance of the approved regulatory accounts is included in the aggregate approved liability disbursal. Of the net balance, $3,213 will be returned to rate payers over a five year period and $268 will be returned to rate payers over a three year period, both commencing in 2011.

Deferred loss on disposal of transmission assets

As prescribed by regulatory order, gains or losses on disposals of assets are recorded as a regulatory asset or liability subject to approval by the OEB. For the year ended December 31, 2005, GLPLTD incurred a loss on disposal of transmission assets of $8,246. This regulatory asset was recovered over a period of five years, which commenced on April 1, 2005, through rate increases. During 2009, the Partnership recovered the remaining $1,649, plus an additional $71 of the deferred loss. The amount of $71 was transferred to the aggregated approved liability disbursal.

Wholesale metering services rebates

As prescribed by regulatory order, the rebates related to metering services were recorded as a regulatory asset. The Partnership was responsible for paying the rebates and recording them in a regulatory asset deferral account. As a result of a change in a management assumption in 2009, the Partnership reduced the balance of the deferral account by the total costs avoided as a result of no longer providing meter services between 2005 and 2009. The 2009 balance of $122 was transferred to the aggregated approved liability disbursal.

Changes in tax legislation

This amount relates to differences that resulted from legislative changes to tax rates and rules in comparison to those rates and rules assumed in the Partnership's most recently approved revenue requirement. The purpose of capturing these amounts for future disbursal or recovery is to ensure that both ratepayers and regulated utilities are protected from changes in legislation that may affect the amount of taxes payable by a utility in any given year.

Between 2005 and 2009, income and capital tax rates have declined, resulting in the Partnership collecting a surplus of revenue when compared to the actual tax expenses incurred. As a result, the Partnership is required to return the excess funds to ratepayers. The 2009 balance of $1,249 was transferred to the aggregated approved liability disbursal.

9. PENSION AND EMPLOYEE FUTURE BENEFITS

The Partnership is part of a registered defined benefit, final pay pension plan and an unfunded non-pension benefit plan (the "Plans"). The Plans were transferred to the Partnership from GLPL on July 1, 2009, and they are representative of the employees transferred from GLPL to the Partnership on the same date. The consideration paid from GLPL to the Partnership as a result of the transfer was $156.

GREAT LAKES POWER TRANSMISSION LIMITED PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS

December 31, 2010
(thousands of CDN dollars)

The non-pension plan includes benefits such as health and dental care, retirement bonuses and life insurance. The obligation under these plans is determined periodically through the preparation of actuarial valuations. The benefit plan contribution for the Partnership for 2010 was $755 (2009 - $298). The investment rate of return was 6.70% (2009 – 7.50%). The discount rate used was 6.70% (2009 – 7.50%) with a rate of compensation increase of 3.50% (2009 – 3.50%).

Certain amendments were made to the eligibility criteria for the non-pension plan effective January 1, 2010. The increase to the liability was $109, which is being amortized over 14 years.

The Partnership also participates in a defined contribution pension plan provided to certain employees. The Partnership contributes amounts based on the level of employee contributions for this plan.

The Partnership's defined benefit pension plan and post employment benefits information is provided in the following tables.

GREAT LAKES POWER TRANSMISSION LIMITED PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS

December 31, 2010

(thousands of CDN dollars)

	2010		2009	
	Defined Benefit Pension Plan	**Non-Pension Benefits Plan**	Defined Benefit Pension Plan	Non-Pension Benefits Plan
Weighted average assumptions				
Benefit obligation				
Discount rate	**5.75%**	**5.75%**	6.70%	6.70%
Rate of compensation increase	**3.50%**	**3.50%**	3.50%	3.50%
Initial health care trend rate	**-**	**7.00%**	-	7.07%
Ultimate trend rate	**-**	**4.43%**	-	4.43%
Year ultimate rate reached	**-**	**2029**	-	2029
Benefit expense				
Discount rate	**6.70%**	**6.70%**	7.50%	7.50%
Long-term rate of return on plan assets	**6.70%**	**n/a**	7.50%	-
Rate of compensation increase	**3.50%**	**3.50%**	3.50%	3.50%
Initial health care trend rate	**-**	**7.07%**	-	7.18%
Ultimate trend rate	**-**	**4.43%**	-	4.43%
Year ultimate rate reached	**-**	**2029**	-	2029
Accrued benefit obligations				
Balance, beginning of period	**$ 12,290**	**$ 2,587**	$ 10,820	$ 1,762
Current service cost	**191**	**78**	69	27
Interest cost	**820**	**182**	405	85
Employee contributions	**121**	**-**	57	-
Plan amendments	**-**	**109**	-	-
Net benefit payments	**(694)**	**(199)**	(313)	(55)
Actuarial loss	**1,709**	**543**	1,252	768
Balance, end of year	**$ 14,437**	**$ 3,300**	$ 12,290	$ 2,587
Fair value plan assets				
Balance, beginning of period	**$ 11,730**	**$ -**	$ 10,840	$ -
Employer contributions	**556**	**199**	243	55
Employee contributions	**121**	**-**	57	-
Actual return on plan assets	**1,040**	**-**	903	-
Benefits paid	**(694)**	**(199)**	(313)	(55)
Balance, end of year	**$ 12,753**	**$ -**	$ 11,730	$ -
Reconciliation of accrued benefit liability				
Plan (deficit)	**$ (1,684)**	**$ (3,300)**	$ (560)	$ (2,587)
Unamortized transitional obligation	**539**	**582**	686	700
Unamortized past service costs	**-**	**101**	-	-
Unamortized net actuarial loss	**2,902**	**592**	1,461	50
Accrued benefit asset (liability)	**$ 1,757**	**(2,025)**	$ 1,587	$ (1,837)
Expense				
Current service costs	**$ 191**	**$ 78**	$ 69	$ 27
Interest cost	**820**	**182**	405	85
Plan amendments	**-**	**109**	-	-
Actual return on plan assets	**(1,040)**	**-**	(903)	-
Actuarial loss	**1,709**	**543**	1,252	768
Costs arising in the year	**1,680**	**912**	823	880
Differences between costs arising in the period and costs recognized in the period in respect of:				
Actuarial loss	**(1,694)**	**(543)**	(1,252)	(768)
Return on plan assets	**253**	**-**	496	-
Plan amendments	**-**	**(101)**	-	-
Transitional obligation	**147**	**118**	74	59
Net expense	**$ 386**	**$ 386**	$ 141	$ 171

In 2010, the total employer expense for the Partnership's defined contribution pension plan was $83 (2009 - $28).

Actuarial valuations

Actuarial valuations for the Partnership's plans are required every three years. The most recent actuarial valuations for the pension and non-pension benefit plans were completed on July 1, 2009. The Partnership measures its accrued benefit obligations and the fair value of plan assets for accounting purposes as at December 31 of each year. The valuations include an indexation of pension payments of 2.0% per year. The Partnership may choose to perform valuations for these plans prior to the earliest required dates.

Sensitivity analysis

The Partnership's sensitivity in the non-pension benefit plan to a 1% change in the health care cost trend rate, for the year ended December 31, 2010, is summarized as follows:

	Benefit Obligation	Benefit Expense
Impact of a 1% increase in health care cost trend rate	$ 586	$ 58
Impact of a 1% decrease in health care cost trend rate	$ (459)	$ (45)

Asset category

The Partnership's defined benefit pension plan asset allocations at December 31, by asset category are as follows:

	2010	2009
Equity securities	**61%**	61%
Debt securities	**39%**	39%
Total	**100%**	100%

Cash payments

All employer contributions were fully paid during the year and as such, no balance owing remains outstanding as at year-end.

10. STATEMENT OF CASH FLOWS

	2010	2009
Accounts receivable	**$ (72)**	$ (138)
Prepaid expenses and other	**(1,413)**	(826)
Due from related parties	**(44)**	(203)
Pension asset and liability	**18**	250
Due to related parties	**(74)**	(1,801)
Accounts and other payables	**(12)**	2,328
	$ (1,597)	$ (390)

Capital asset additions totaling $1,674 have been excluded from the Statement of Cash Flows as they remain unpaid at year end. During 2010, capital asset additions totaling $404 have been

included in the Statement of Cash Flows as they were accrued at December 31, 2009 and paid in 2010.

11. INTEREST AND FINANCING FEES

The net interest and financing fees recorded in the financial statements at December 31 are comprised as follows:

		2010		2009
Interest expense incurred	**$**	**7,920**	$	7,920
Amortization of deferred financing fees		**152**		144
Other interest		**70**		(48)
Capitalized interest		**(208)**		(184)
	$	**7,934**	$	7,832

12. INCOME TAXES

The Partnership does not record income tax expenses as it is not subject to income taxation as a result of its formation as a limited partnership.

13. PARTNERSHIP UNITS

The Partnership is authorized to issue an unlimited number of Class A and Class B partnership units, of which 2,019,998 Class A units and 2 Class B units were issued and outstanding as at December 31, 2010. 19,998 Class A units and 2 Class B units were issued and outstanding as at December 31, 2009.

14. CAPITAL MANAGEMENT

The Partnership's primary capital management objective is to ensure the sustainability of its capital to support continuing operations, meet its financial obligations, allow for growth opportunities and provide stable dividends to its partners. The Partnership manages its capital to maintain an investment grade credit rating while providing its ultimate parent with a prudent use of leverage to enhance returns and ensure access to incremental borrowings needed to fund new growth initiatives.

The Partnership manages its capital structure in accordance with changes in economic conditions. Generally, developments are funded with external borrowings. In order to adjust the capital structure, the Partnership may elect to adjust the dividend amount paid to its partners, increase or reduce the equity participation in new and existing operations, adjust the level of capital spending or issue new partnership units.

The Partnership manages its capital in order to maintain a debt to capitalization ratio below 75%. As at December 31, 2010, the ratio was 55% (2009 – 55%). The table below presents the detail of the Partnership's capitalization and the calculation of the ratio:

		2010		2009
Debt				
Trans Senior Bonds	**$**	**120,000**	$	120,000
		120,000		120,000
Partners' equity		**98,140**		97,229
Total capitalization	**$**	**218,140**	$	217,229
Debt to capitalization		**55%**		55%

There has been no change in the Partnership's approach to managing capital in the year.

15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Partnership classifies its financial assets and liabilities as outlined below:

Cash is designated as a financial asset held-for-trading and is measured at fair value through net income at each period end.

Accounts receivable as well as due from related parties are classified as loans and receivables, accounts and other payables, due to related parties, and Trans Senior Bonds are classified as other financial liabilities, and each are measured at fair value at inception and are subsequently measured at amortized cost using the effective interest method.

The carrying value approximates fair value for the Partnership's financial assets and liabilities, with the exception of long-term debt.

The Partnership has exposure to the following risks from its use of financial instruments: market risk, credit risk and liquidity risk. The Partnership's management is responsible for determining the acceptable level of risk.

Market Risk

Market risk is the risk that the fair value of future cash flows of financial assets or liabilities will fluctuate due to movements in market prices.

Interest Rates:
The Partnership's long-term debt is subject to a fixed interest rate of 6.6%, payable semi-annually on June 16 and December 16. As a result of having fixed rate debt, fluctuations in market interest rates are not expected to materially affect the Partnership's cash flows.

Credit Risk

Credit risk arises from the potential for a counterparty to default on its contractual obligations and is limited to those contracts where the Partnership would incur a loss in replacing the defaulted transaction. The Partnership's financial instruments that are potentially exposed to credit risks are accounts receivable and due from related parties. The Partnership actively manages its exposure to credit risk by assessing the ability of counterparties to fulfill their obligations under the related contracts prior to entering into such contracts, and continually monitors these exposures.

The vast majority of accounts receivable transactions entered by the Partnership are with the Independent Electricity System Operator ("IESO"). The IESO operates the provincial transmission

system, and is a reliable counterparty. The quality of the Partnership's counterparties mitigates the Partnership's exposure to credit risk.

Liquidity Risk

Liquidity risk is the risk the Partnership cannot meet a demand for cash or fund an obligation when due. Liquidity risk is mitigated by the Partnership's cash and cash equivalent balances and through the use and management of amounts due from related parties. The Partnership is subject to risk associated with debt financing, including the ability to refinance its debt at maturity. This risk is mitigated by the long-term duration of the Partnership's debt secured by high quality assets.

16. COMMITMENTS, CONTINGENCIES AND GUARANTEES

In the normal course of operations, the Partnership executes agreements that provide for indemnification and guarantees to third parties in transactions such as debt issuances. The nature of substantially all of the indemnification undertakings prevents the Partnership from making a reasonable estimate of the maximum potential amount the Partnership could be required to pay third parties as the agreements do not specify a maximum amount and the amounts are dependent upon the outcome of future contingent events, the nature and likelihood of which cannot be determined at this time. Historically, the Partnership has not made significant payments under such indemnification agreements.

On behalf of the Partnership, BRPI obtained a letter of credit totalling $3,960 to cover six months of interest payments on the Trans Senior Bonds. No amount has been drawn against this letter of credit.

In the normal course of operations, the Partnership has committed as at December 31, 2010 to spend approximately $1,674 (2009 - $404) on capital projects in future years.

The Partnership may, from time to time, be involved in legal proceedings, claims, and litigation that arise in the ordinary course of business which the Partnership believes would not reasonably be expected to have a material adverse effect on the financial condition of the Partnership.

There are no specified decommissioning costs relating to the Ontario transmission assets. The Partnership has a comprehensive repair and capital expenditure program to ensure that its transmission lines are maintained to optimum industry standards. Replacement of the assets occurs in accordance with a long term capital plan and would involve typical costs of removal as part of that process. In the circumstance where a portion of a line or other assets were removed completely, there may be some contractual obligations under private or crown easements or other land rights which require the transmission owner to reinstate the land to a certain standard, typically the shape it was prior to the construction of the transmission assets. As well, certain environmental, land use and/or utility legislation, regulations and policy may apply in which we would have to comply with remediation requirements set by the government. The requirements will typically depend on the specific property characteristics and what criteria the government determines to be appropriate to meet safety and environmental concerns. These asset lives are indeterminate given their nature. As the individual assets or components reach the end of their useful lives, they are retired and replaced. Historically, certain asset components have been replaced a number of times, thus creating a perpetual asset with an indeterminate life. As such, the retirement date for these lines cannot be reasonably estimated and therefore, the fair value of the associated liability cannot be determined at this time. As a result, no liability has been accrued in these financial statements.

APPENDIX "B"

Audited Financial Statements for 2011

Financial Statements

GREAT LAKES POWER TRANSMISSION LIMITED PARTNERSHIP

December 31, 2011

Deloitte.

Deloitte & Touche LLP
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Independent Auditor's Report

To the Partners of
Great Lakes Power Transmission Limited Partnership

We have audited the accompanying financial statements of Great Lakes Power Transmission Limited Partnership, which comprise the balance sheet as at December 31, 2011, and the statements of income and comprehensive income, partners' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Great Lakes Power Transmission Limited Partnership as at December 31, 2011 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Deloitte & Touche LLP

Chartered Accountants
Licensed Public Accountants
April 19, 2012

Great Lakes Power Transmission Limited Partnership
Balance Sheet
as at December 31, 2011

thousands of CDN dollars	*Notes*	**2011**	2010
Assets			
Current Assets			
Cash		**$ 219**	$ 77
Accounts receivable		**2,980**	3,224
Due from related parties	*5*	**1,041**	2,447
Prepaid expenses and other		**559**	644
		4,799	6,392
Pension asset	*9*	**2,719**	1,757
Regulatory asset	*8*	**5,023**	2,881
Property, plant and equipment, net	*6*	**229,728**	215,142
		$ 242,269	$ 226,172
Liabilities and Capital Account			
Current liabilities			
Accounts and other payables		**$ 3,786**	$ 2,893
Current portion of regulatory liability	*8*	**1,676**	1,482
Due to related parties	*5*	**195**	205
		5,657	4,580
Pension liability	*9*	**2,340**	2,025
Regulatory liability	*8*	**3,017**	4,250
Trans senior bonds	*7*	**117,341**	117,177
		128,355	128,032
Partners' Equity		**113,914**	98,140
		$ 242,269	$ 226,172

Great Lakes Power Transmission Limited Partnership

Statement of Partners' Equity

for the year ended December 31, 2011

thousands of CDN dollars	Brookfield Infrastructure Holdings (Canada) Inc.	Great Lakes Power Transmission Inc.	**2011**	2010
Partners' equity, beginning of year	$ 98,043	$ 97	**$ 98,140**	$ 97,229
Allocation of net income	10,842	11	**10,853**	8,411
Distributions	(8,691)	(9)	**(8,700)**	(9,500)
Capital contributions	13,607	14	**13,621**	2,000
Partners' equity, end of year	$ 113,801	$ 113	**$ 113,914**	$ 98,140

Great Lakes Power Transmission Limited Partnership

Statement of Income and Comprehensive Income

for the year ended December 31, 2011

thousands of CDN dollars	*Notes*	**2011**	2010
Revenues		**$ 35,694**	$ 33,398
Expenses			
Operating and administration		**7,533**	7,450
Maintenance		**2,048**	2,118
Taxes, other than income taxes		**108**	119
		9,689	9,687
		26,005	23,711
Interest	*11*	**7,613**	7,934
Depreciation		**7,576**	7,393
Gain on disposal of property, plant and equipment	*6*	**(9)**	-
Other income		**(28)**	(27)
Net income before income taxes		**10,853**	8,411
Current tax provision	*12*	**-**	-
Future tax provision	*12*	**-**	-
Net income and comprehensive income		**$ 10,853**	$ 8,411

Great Lakes Power Transmission Limited Partnership

Statement of Cash Flows

for the year ended December 31, 2011

thousands of CDN dollars	*Notes*	2011	2010
Operating Activities			
Net income		$ 10,853	$ 8,411
Items not affecting cash:			
Depreciation		7,576	7,393
Amortization of prepaid expenses		63	984
Non-cash interest expense	*7*	163	152
Non-cash land transfer expense		317	-
Gain on disposal of property, plant and equipment		(9)	-
Net change in non-cash working capital and other	*10*	287	(1,597)
		19,250	15,343
Investing activities			
Proceeds on disposition of property, plant and equipment		16	1
Change in investment amounts due from related party	*5*	1,200	(2,200)
Additions to property, plant and equipment		(20,509)	(7,339)
Net changes in regulatory assets and liabilities		(2,971)	1,379
		(22,264)	(8,159)
Financing activities			
Dividends paid		(8,700)	(9,500)
Capital contributions		11,856	2,000
		3,156	(7,500)
Decrease in cash		142	(316)
Cash, beginning of year		77	393
Cash, end of year		$ 219	$ 77

GREAT LAKES POWER TRANSMISSION LIMITED PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS

December 31, 2011
(thousands of CDN dollars)

1. NATURE AND DESCRIPTION OF BUSINESS

Great Lakes Power Transmission Limited Partnership (the "Partnership") was formed on May 17, 2007 for the purpose of acquiring the assets and liabilities of the transmission division of Great Lakes Power Limited ("GLPL"), a related party due to common ownership.

Brookfield Infrastructure Holdings (Canada) Inc. is the Limited Partner and holds a 99.9% interest in the Partnership. Great Lakes Power Transmission Inc., the General Partner, holds a 0.1% limited interest in the Partnership and is responsible for management of the Partnership. Both the General and Limited partners are wholly owned subsidiaries of Brookfield Infrastructure Partners LP ("BIP").

The Partnership is engaged in the transmission of electricity to the area adjacent to Sault Ste. Marie, Canada and is subject to the regulations of the Ontario Energy Board (the "OEB").

2. BASIS OF PRESENTATION

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles. All amounts are reported in thousands of Canadian dollars, except as otherwise noted.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies have been applied in the preparation of these financial statements:

(a) *Property, plant and equipment*

Property, plant and equipment are recorded at cost less accumulated depreciation. The cost of the property, plant and equipment is depreciated over the estimated service lives of the assets as follows:

	Method	Rate
Buildings	Straight-line	40 years
Transmission stations, towers and related fixtures	Straight-line	25 to 40 years
Equipment	Straight-line	5 to 40 years

Construction work in progress is not depreciated until the assets are put into service.

(b) *Impairment of long-lived assets*

The Partnership reviews long-lived assets for other than temporary impairment whenever events or changes in circumstances indicate the carrying amount may not be recoverable. The determination of whether impairment has occurred is based on an estimate of undiscounted cash flows attributable to the assets, as compared to the carrying value of the assets. Should an asset be considered to be impaired, an impairment loss is recognized in an amount equal to the excess of the asset's carrying value over its fair value.

(c) *Deferred financing fees*

Financing costs associated with the offering of debt are capitalized, netted against the debt, and amortized over the term of the debt using the effective interest method.

(d) *Capitalization of interest*

Interest on funds used in construction is charged to construction work in progress at the rate prescribed by the OEB.

(e) Revenue recognition

The Partnership recognizes revenue on an accrual basis, when electricity is wheeled, at the regulated rate established by the OEB.

(f) Income taxes

The Partnership is not subject to income taxation as a result of its formation as a limited partnership.

(g) *Pension and Employee Future Benefits*

The cost of retirement benefits for the Partnership's defined benefit pension plan and post employment benefits is recognized as the benefits are earned by employees. The Partnership uses the projected benefit method pro-rated on the length of service and management's best estimate assumptions to value its pension and other retirement benefits. Assets are valued at fair value for purposes of calculating the expected return on plan assets. Past service costs resulting from plan amendments are being amortized on a linear basis over the average remaining service period of active members expected to receive the benefits under the plan. Cumulative gains and losses in excess of 10% of the greater of the accrued benefit obligation and the market value of the plan assets are amortized over the average remaining service period of active members expected to receive benefits under the plan. The average remaining service lives under the defined benefit pension plan as at December 31, 2011 varies from 12.0 to 14.0 years. The average remaining service life under the post-employment benefit plan as at December 31, 2011 is 17.0 years.

(h) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, and disclosures of contingent liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. During the years presented, management has made a number of estimates and valuation assumptions including accruals, depreciation, future costs, impairment, contingent liabilities and financial instruments. Estimates are based on historical experience, current trends and various other assumptions that are believed to be reasonable under the circumstances. Actual results could differ from those estimates.

(i) Rate Regulation

On January 1, 2005, the Partnership adopted CICA Handbook Accounting Guideline 19, *Disclosure by Entities Subject to Rate Regulation.* The Partnership is regulated by the OEB. Accounting standards recognize that rate regulation can create economic benefits and obligations, which are reported in the financial statements as regulatory assets and liabilities. When the regulation provides assurance that incurred costs will be recovered in the future, the Partnership may defer these costs and report them as a regulatory asset. If current

recovery is provided for costs expected to be incurred in the future, the Partnership reports a regulatory liability. Also, if the regulation provides for lesser or greater planned revenue to be received or returned by the Partnership through future rates, the Partnership recognizes and reports a regulatory asset or liability, respectively. The measurement of such regulatory assets and liabilities is subject to certain estimates and assumptions, including assumptions made in the interpretation of the regulation.

4. FUTURE ACCOUNTING POLICY CHANGES

International Financial Reporting Standards

On February 13, 2008, the Accounting Standards Board of Canada ("AcSB") confirmed that publicly accountable enterprises will be required to adopt IFRS in place of Canadian GAAP for interim and annual reporting purposes for fiscal years beginning on or after January 1, 2011. Subsequently, on September 8, 2010, the AcSB issued a decision that provides for an optional one year deferral of the mandatory IFRS changeover date for entities with rate-regulated activities. As a result, the Partnership had opted to defer adoption of IFRS until the fiscal year beginning January 1, 2012. Subsequent to year end, in March 2012, the AcSB announced an additional optional one year deferral related to the adoption of IFRS (to January 1, 2013) for qualifying entities with rate regulated activities.

The Partnership is in the process of evaluating the potential impact of the conversion to IFRS on its financial statements as well as the timing of the conversion given the recent announcement of the additional optional one year deferral of the mandatory changeover. Although the impact of the adoption of IFRS on the Partnership's financial position and results of operations is not yet reasonably determinable or estimable, the Partnership does expect a significant increase in financial statement disclosure requirements resulting from the adoption of IFRS.

5. RELATED PARTY TRANSACTIONS

(a) In the normal course of operations, Riskcorp Inc., an insurance broker related through common control, entered into transactions with the Partnership to provide insurance. These transactions have been measured at exchange value. The total cost allocated to the Partnership in 2011 was $206 (2010 - $196) and no amount remains outstanding at year end.

(b) The Partnership has provided services to and received services from entities under common control in the normal course of operations. The balances payable and receivable for these services are non-interest bearing and unsecured. The balances payable to and receivable from related parties will come due during the following year.

Office Complex

Effective July 1, 2009, the office complex in which the Partnership conducts its operations is owned by GLPL, and leased by the Partnership. Lease payments are made to GLPL on a monthly basis, with the annual lease cost for 2011 equal to $315 (2010 - $308).

Communication Equipment

The Partnership uses various types of communication assets including Supervisory Control and Data Acquisition ("SCADA") equipment, and a fibre optic network. The communication equipment is owned by GLPL and is licensed by the Partnership. License fee payments are made to GLPL on a quarterly basis, with the annual lease cost for 2011 equal to $438 (2010 – $484).

The Partnership owns Radio Systems Assets and issues licenses for the use of these assets to GLPL. License fee payments are received from GLPL on a quarterly basis, with the annual lease payments for 2011 equal to $30 (2010 - $42). This agreement was implemented in 2010 with retroactive billing to July 2009.

Pole Rental

The Partnership owns transmission poles and receives license fee payments in accordance with a Licensed Attachment Agreement between the Partnership and GLPL. This agreement allows GLPL to affix and maintain its apparatus and equipment to the transmission poles owned by the Partnership. Payments are received by the Partnership annually. Total payments received by the Partnership in 2011 equal to $81 (2010 - $0). This agreement was implemented in 2011 with retroactive billing to July 2009.

Road Maintenance

The Partnership shares a remote roadway in the northern portion of its service territory with GLPL. The roadway is used for access to various generating stations and transmission stations. The road maintenance costs are shared between the Partnership and GLPL, with GLPL incurring the initial cost and passing a predetermined portion on to the Partnership. Payments for this road maintenance are made to GLPL as the costs are incurred by GLPL, with the total portion borne by the Partnership in 2011 equal to $94 (2010 - $152).

(c) At December 31, 2011, the Partnership had an outstanding loan receivable from BIP in the amount of $1,000 (2010 - $2,200). The loan is short-term in nature and is non-interest bearing.

(d) As a result, the following balances are receivable (payable) at December 31:

		2011		2010
Due from related parties				
Services provided to entities under common control	**$**	**41**	$	247
Loan receivable from BIP		**1,000**		2,200
	$	**1,041**	$	2,447
Due to related parties				
Services received from entities under common control	**$**	**(195)**	$	(205)

GREAT LAKES POWER TRANSMISSION LIMITED PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS

December 31, 2011
(thousands of CDN dollars)

6. PROPERTY, PLANT AND EQUIPMENT

	Cost	Accumulated Depreciation	2011 Net Book Value	2010 Net Book Value
Land	$ 929	$ -	$ 929	$ 929
Buildings	15,724	5,507	10,217	10,436
Transmission stations, towers and related fixtures, and equipment	282,258	84,852	197,406	197,543
Construction work in progress	21,176	-	21,176	6,234
	$ 320,087	$ 90,359	$ 229,728	$ 215,142

Cost and accumulated depreciation as at December 31, 2010 were $298,014 and $82,872, respectively.

During 2011, the Partnership disposed of assets that had a net book value of $7 for net proceeds of $16 (2010 - $1 and $1, respectively).

7. TRANS SENIOR BONDS

The Trans Senior Bonds ("the Bonds") have a principal amount of $120,000 and are secured by a charge on transmission present and future real property assets of the Partnership. On behalf of the Partnership, a company related through common control, Brookfield Infrastructure LP, obtained a letter of credit in the amount of $3,960 to cover six months of interest payments on the Bonds.

The fair market value of the Bonds is $145,627 based on current market prices for debt with similar terms (2010 - $138,198). Amortization of deferred financing fees for the year related to the Partnership's Bonds are included in interest expense and totalled $163 (2010 - $152).

The Bonds bear interest at the rate of 6.6%. Semi-annual payments of interest only are due and payable on June and December 16 each year until and including June 16, 2013. Equal blended semi-annual payments of principal and interest on the Bonds will commence on December 16, 2013 and will continue until and including June 16, 2023. The Bonds will not be fully amortized by their maturity date. The remaining principal balance of the Bonds will be fully due on June 16, 2023.

	2011	2010
Trans Senior Bonds	$ 120,000	$ 120,000
Less: Unamortized deferred financing fees	(2,659)	(2,823)
	$ 117,341	$ 117,177

GREAT LAKES POWER TRANSMISSION LIMITED PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS

December 31, 2011
(thousands of CDN dollars)

8. EFFECT OF RATE REGULATION

The Partnership recorded the following regulatory assets and liabilities as at December 31:

	2011	2010
Regulatory assets:		
Green energy and green economy deferred costs	$ **2,933**	$ 1,104
Deferred litigation fees	**1,792**	1,661
Other regulatory assets	**298**	116
Total	$ **5,023**	$ 2,881
Regulatory liabilities:		
Deferred rate impact accrual	$ **1,530**	$ 2,251
Aggregated approved liabilities disbursal	**3,163**	3,481
Less: current portion	**(1,676)**	(1,482)
Long-term portion	$ **3,017**	$ 4,250

The Partnership operates in accordance with the regulations of the OEB. Regulatory assets and liabilities represent certain revenues earned or costs incurred in the current year or in prior years that have been or are expected to be recovered from or returned to customers upon approval from the OEB. In the absence of rate regulation, these balances would have been recorded as revenues or expenses in the statement of income and comprehensive income.

Green energy and green economy deferred costs

In a decision dated March 25, 2010, the OEB approved the establishment of a deferral account to record capital expenditures as well as operation, maintenance and administration expenses related to renewable generation connection, system planning, and infrastructure investment arising from the *Green Energy and Green Economy Act, 2009.* The balance in this regulatory asset account represents the costs incurred that meet the definition of the costs approved to be recorded in this regulatory asset deferral account. The Partnership will include its request to recover the balance of this account in a future rate application filing to the OEB.

Deferred litigation fees

In accordance with the settlement agreement reached by the parties to the Partnership's 2011-2012 rate application, the Partnership has established a deferral account to capture professional fees and expenses associated with an outstanding claim in respect of a transmission project completed in 2007. The Partnership will include its request to recover the balance of this account in a future rate application filing to the OEB.

Other regulatory assets

Other regulatory assets are impacted by two drivers, as follows:

(a) The Partnership incurred incremental administrative expenses related to International Financial Reporting Standards. The OEB has approved a deferral account to track incremental administrative expenses for the purposes of future recovery. The Partnership will include its request to recover this amount in its next rate application filing to the OEB.

(b) The Partnership incurred incremental costs related to OEB fees that were above the level approved for recovery through 2010 rates. These costs were approved to be deferred in a regulatory asset account in the OEB's Decision and Order dated May 21, 2010. The Partnership will include its request to recover this amount in its next rate application filing to the OEB.

Deferred rate impact accrual

The deferred rate impact accrual ("DRIA") account was used for incremental revenues being recovered through the 2005 rate application filed with the OEB. On November 1, 2007, the OEB implemented a new uniform transmission rate as a result of the rate application filed by Hydro One Networks Inc. This resulted in the termination of the over recovery of the DRIA. At December 31, 2009, the DRIA balance of $2,578 was payable to the Ontario transmission rate-payers.

Offsetting the 2009 balance are accrual entries in 2010 that reflect GLPT's revenue deficiency between the actual revenues that GLPT collects compared to the approved revenue requirement in 2010. In 2010, GLPT recorded a revenue deficiency of $327 as an offset to this account to reflect revenue that was earned but not collected. The deficiency accrual methodology for 2010 was approved by the OEB in its Decision and Order dated August 31, 2010.

In its Decision and Order dated May 21, 2010, the OEB approved the disbursal of the net balance of the DRIA over a period of three years, beginning in 2011. The total approved disbursal included in the uniform transmission rates effective January 1, 2011 is equal to $2,251. In 2011, $721 was disbursed leaving an outstanding balance of $1,530 to be paid back over the remaining two years.

Aggregated approved liability disbursal

In its decision and order dated May 21, 2010, the OEB approved the disbursal of various regulatory asset and liability balances. The net balance of the approved regulatory accounts is included in the aggregate approved liability disbursal. Of the net balance at December 31, 2010 $3,088 will be returned to rate payers over a five year period and $393 will be returned to rate payers over a three year period, both commencing in 2011. In 2011 $318 was returned leaving an outstanding balance of $3,163.

9. PENSION AND EMPLOYEE FUTURE BENEFITS

The Partnership is part of a registered defined benefit, final pay pension plan and an unfunded non-pension benefit plan (the "Plans"). The Plans were transferred to the Partnership from GLPL on July 1, 2009, and they are representative of the employees transferred from GLPL to the Partnership on the same date.

The non-pension plan includes benefits such as health and dental care, retirement bonuses and life insurance. The obligation under these plans is determined periodically through the preparation of actuarial valuations. The benefit plan contribution for the Partnership for 2011 was $1,661 (2010 - $755).

The Partnership also participates in a defined contribution pension plan provided to certain employees. The Partnership contributes amounts based on the level of employee contributions for this plan.

The Partnership's defined benefit pension plan and post employment benefits information is provided in the following tables.

GREAT LAKES POWER TRANSMISSION LIMITED PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS

December 31, 2011
(thousands of CDN dollars)

	2011		2010	
	Defined Benefit Pension Plan	**Non-Pension Benefits Plan**	Defined Benefit Pension Plan	Non-Pension Benefits Plan
Weighted average assumptions				
Benefit obligation				
Discount rate	**5.30%**	**5.30%**	5.75%	5.75%
Rate of compensation increase	**3.50%**	**3.50%**	3.50%	3.50%
Initial health care trend rate	**-**	**6.81%**	-	7.00%
Ultimate trend rate	**-**	**4.43%**	-	4.43%
Year ultimate rate reached	**-**	**2029**	-	2029
Benefit expense				
Discount rate	**5.75%**	**5.75%**	6.70%	6.70%
Long-term rate of return on plan assets	**6.20%**	**n/a**	6.70%	n/a
Rate of compensation increase	**3.50%**	**3.50%**	3.50%	3.50%
Initial health care trend rate	**-**	**7.00%**	-	7.07%
Ultimate trend rate	**-**	**4.43%**	-	4.43%
Year ultimate rate reached	**-**	**2029**	-	2029
Accrued benefit obligations				
Balance, beginning of year	**$ 14,437**	**$ 3,300**	$ 12,290	$ 2,587
Current service cost	**278**	**107**	191	78
Interest cost	**832**	**192**	820	182
Employee contributions	**112**	**-**	121	-
Plan amendments	**-**	**-**	-	109
Net benefit payments	**(752)**	**(124)**	(694)	(199)
Actuarial loss	**720**	**272**	1,709	543
Balance, end of year	**$ 15,627**	**$ 3,747**	$ 14,437	$ 3,300
Fair value plan assets				
Balance, beginning of year	**$ 12,753**	**$ -**	$ 11,730	$ -
Employer contributions	**1,537**	**124**	556	199
Employee contributions	**112**	**-**	121	-
Actual return on plan assets	**50**	**-**	1,040	-
Benefits paid	**(752)**	**(124)**	(694)	(199)
Balance, end of year	**$ 13,700**	**$ -**	$ 12,753	$ -
Reconciliation of accrued benefit liability				
Plan (deficit)	**$ (1,927)**	**$ (3,747)**	$ (1,684)	$ (3,300)
Unamortized transitional obligation	**391**	**465**	539	582
Unamortized past service costs	**-**	**93**	-	101
Unamortized net actuarial loss	**4,255**	**849**	2,902	592
Accrued benefit asset (liability)	**$ 2,719**	**$ (2,340)**	$ 1,757	$ (2,025)
Expense				
Current service costs	**$ 278**	**$ 107**	$ 191	$ 78
Interest cost	**832**	**192**	820	182
Plan amendments	**-**	**-**	-	109
Actual return on plan assets	**(50)**	**-**	(1,040)	-
Actuarial loss	**720**	**272**	1,709	543
Costs arising in the year	**1,780**	**571**	1,680	912
Differences between costs arising in the year and costs recognized in the period in respect of:				
Actuarial loss	**(615)**	**(273)**	(1,694)	(543)
Return on plan assets	**(738)**	**-**	253	-
Plan amendments	**-**	**23**	-	(101)
Transitional obligation	**147**	**118**	147	118
Net expense	**$ 574**	**$ 439**	$ 386	$ 386

GREAT LAKES POWER TRANSMISSION LIMITED PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS

December 31, 2011
(thousands of CDN dollars)

In 2011, the total employer expense for the Partnership's defined contribution pension plan was $109 (2010 - $83).

Actuarial valuations

Actuarial valuations for the Partnership's plans are required every three years. The most recent actuarial valuations for the pension and non-pension benefit plans were completed on July 1, 2009, revised March 2010. The Partnership measures its accrued benefit obligations and the fair value of plan assets for accounting purposes as at December 31 of each year. The valuations include an indexation of pension payments of 2.5% per year. The Partnership may choose to perform valuations for these plans prior to the earliest required dates.

Sensitivity analysis

The Partnership's sensitivity in the non-pension benefit plan to a 1% change in the health care cost trend rate, for the year ended December 31, 2011, is summarized as follows:

	Benefit Obligation	Benefit Expense
Impact of a 1% increase in health care cost trend rate	$ 821	$ 78
Impact of a 1% decrease in health care cost trend rate	$ (633)	$ (58)

Asset category

The Partnership's defined benefit pension plan asset allocations at December 31, by asset category are as follows:

	2011	2010
Equity securities	**60%**	61%
Debt securities	**40%**	39%
Total	**100%**	100%

Cash payments

All employer contributions were fully paid during the year and as such, no balance owing remains outstanding as at year-end.

10. STATEMENT OF CASH FLOWS

	2011	**2010**
Accounts receivable	**$ 244**	**$ (72)**
Prepaid expenses and other	**22**	**(1,413)**
Due from related parties	**206**	**(44)**
Pension asset and liability	**(647)**	**18**
Due to related parties	**(10)**	**(74)**
Accounts and other payables	**472**	**(12)**
	$ 287	**$ (1,597)**

Capital asset additions totaling $2,095 have been excluded from the Statement of Cash Flows as they remain unpaid at year end. During 2011, capital asset additions totaling $1,674 have been included in the Statement of Cash Flows as they were accrued at December 31, 2010 and paid in 2011.

11. INTEREST

The amounts recorded as interest in the financial statements at December 31 are comprised as follows:

		2011		2010
Interest expense incurred	$	**7,920**	$	7,920
Amortization of deferred financing fees		**163**		152
Other interest		**30**		70
Capitalized interest		**(500)**		(208)
	$	**7,613**	$	7,934

12. INCOME TAXES

The Partnership does not record income tax expenses as it is not subject to income taxation as a result of its formation as a limited partnership.

13. PARTNERSHIP UNITS

The Partnership is authorized to issue an unlimited number of Class A and Class B partnership units, of which 14,019,998 Class A units and 2 Class B units were issued and outstanding as at December 31, 2011. 2,019,998 Class A units and 2 Class B units were issued and outstanding as at December 31, 2010.

14. CAPITAL MANAGEMENT

The Partnership's primary capital management objective is to ensure the sustainability of its capital to support continuing operations, meet its financial obligations, allow for growth opportunities and provide stable dividends to its partners. The Partnership manages its capital to maintain an investment grade credit rating while providing its ultimate parent with a prudent use of leverage to enhance returns and ensure access to incremental borrowings needed to fund new growth initiatives.

The Partnership manages its capital structure in accordance with changes in economic conditions. Generally, developments are funded with external borrowings. In order to adjust the capital structure, the Partnership may elect to adjust the dividend amount paid to its partners, increase or reduce the equity participation in new and existing operations, adjust the level of capital spending or issue new partnership units.

The Partnership manages its capital in order to maintain a debt to capitalization ratio below 75%. As at December 31, 2011, the ratio was 51% (2010 – 55%). The table below presents the detail of the Partnership's capitalization and the calculation of the ratio:

GREAT LAKES POWER TRANSMISSION LIMITED PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS

December 31, 2011
(thousands of CDN dollars)

	2011	2010
Debt		
Trans Senior Bonds	**$ 120,000**	$ 120,000
	120,000	120,000
Partners' equity	**113,914**	98,140
Total capitalization	**$ 233,914**	$ 218,140
Debt to capitalization	**51%**	55%

There has been no change in the Partnership's approach to managing capital in the year.

15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Partnership classifies its financial assets and liabilities as outlined below:

Cash is designated as a financial asset held-for-trading and is measured at fair value through net income at each period end.

Accounts receivable as well as due from related parties are classified as loans and receivables, accounts and other payables, due to related parties, and Trans Senior Bonds are classified as other financial liabilities, and each are measured at fair value at inception and are subsequently measured at amortized cost using the effective interest method.

The carrying value approximates fair value for the Partnership's financial assets and liabilities, with the exception of the Bonds.

The Partnership has exposure to the following risks from its use of financial instruments: market risk, credit risk and liquidity risk. The Partnership's management is responsible for determining the acceptable level of risk.

Market Risk

Market risk is the risk that the fair value of future cash flows of financial assets or liabilities will fluctuate due to movements in market prices.

Interest Rates:
The Partnership's Bonds are subject to a fixed interest rate of 6.6%, payable semi-annually on June 16 and December 16. As a result of having fixed rate debt, fluctuations in market interest rates are not expected to materially affect the Partnership's cash flows.

Credit Risk

Credit risk arises from the potential for a counterparty to default on its contractual obligations and is limited to those contracts where the Partnership would incur a loss in replacing the defaulted transaction. The Partnership's financial instruments that are potentially exposed to credit risks are accounts receivable and due from related parties. The Partnership actively manages its exposure to credit risk by assessing the ability of counterparties to fulfill their obligations under the related contracts prior to entering into such contracts, and continually monitors these exposures.

The majority of accounts receivable transactions entered by the Partnership are with the Independent Electricity System Operator ("IESO"). The IESO operates the provincial transmission system, and is a reliable counterparty. The quality of the Partnership's counterparties mitigates the Partnership's exposure to credit risk.

Liquidity Risk

Liquidity risk is the risk the Partnership cannot meet a demand for cash or fund an obligation when due. Liquidity risk is mitigated by the Partnership's cash balances and through the use and management of amounts due from related parties. The Partnership is subject to risk associated with debt financing, including the ability to refinance its debt at maturity. This risk is mitigated by the long-term duration of the Partnership's debt secured by high quality assets.

16. COMMITMENTS, CONTINGENCIES AND GUARANTEES

In the normal course of operations, the Partnership executes agreements that provide for indemnification and guarantees to third parties in transactions such as debt issuances. The nature of substantially all of the indemnification undertakings prevents the Partnership from making a reasonable estimate of the maximum potential amount the Partnership could be required to pay third parties as the agreements do not specify a maximum amount and the amounts are dependent upon the outcome of future contingent events, the nature and likelihood of which cannot be determined at this time. Historically, the Partnership has not made significant payments under such indemnification agreements.

On behalf of the Partnership, Brookfield Infrastructure LP obtained a letter of credit totalling $3,960 to cover six months of interest payments on the Trans Senior Bonds. No amount has been drawn against this letter of credit.

In the normal course of operations, the Partnership has committed as at December 31, 2011 to spend approximately $2,095 (2010 - $1,674) on capital projects in future years.

The Partnership may, from time to time, be involved in legal proceedings, claims, and litigation that arise in the ordinary course of business which the Partnership believes would not reasonably be expected to have a material adverse effect on the financial condition of the Partnership.

There are no specified decommissioning costs relating to the Ontario transmission assets. The Partnership has a comprehensive repair and capital expenditure program to ensure that its transmission lines are maintained to optimum industry standards. Replacement of the assets occurs in accordance with a long term capital plan and would involve typical costs of removal as part of that process. In the circumstance where a portion of a line or other assets were removed completely, there may be some contractual obligations under private or crown easements or other land rights which require the transmission owner to reinstate the land to a certain standard, typically the shape it was prior to the construction of the transmission assets. As well, certain environmental, land use and/or utility legislation, regulations and policy may apply in which the Partnership would have to comply with remediation requirements set by the government. The requirements will typically depend on the specific property characteristics and what criteria the government determines to be appropriate to meet safety and environmental concerns. These asset lives are indeterminate given their nature. As the individual assets or components reach the end of their useful lives, they are retired and replaced. Historically, certain asset components have been replaced a number of times, thus creating a perpetual asset with an indeterminate life. As such, the retirement date for these lines cannot be reasonably estimated and therefore, the fair value of the associated liability cannot be determined at this time. As a result, no liability has been accrued in these financial statements.

Exhibit 1, Tab 3, Schedule 2

Pro Forma Financial Statements - 2012, 2013 & 2014

PRO-FORMA FINANCIAL STATEMENTS – 2012, 2013 & 2014

1.0 Overview

GLPT's pro-forma financial statements for 2012, 2013 and 2014 are provided in **Appendix "A"**. As indicated elsewhere throughout this application, GLPT has provided information for the 2012 year under both CGAAP (under which 2012 rates were prepared and approved), and IFRS (which is used for continuity purposes for 2013-2014 rate base). The variance that exists between CGAAP and IFRS for regulatory purposes is related to GLPT's depreciation expense and the resulting asset disposal amount. As described in further detail in Exhibit 9, GLPT will use account 1575 to track the differences in depreciation and the net disposal amounts between CGAAP and IFRS for 2012.

2.0 Reconciliation of 2012 Net Income and Capital Account

As indicated in GLPT's pro-forma financial statements for 2012, GLPT is forecasting variances in its net income and total capital account between CGAAP and IFRS. *Table 1-3-2* below highlights the drivers of the variances. Each driver is further described below the table.

Table 1-3-2 – Variances in 2012 CGAAP versus IFRS

($000's)	Net Income	Capital Account
2012 Canadian GAAP Value	**$9,374**	**$118,988**
Depreciation variance	(285)	(285)
Loss on Disposal variance	(7)	(7)
Opening Pension Adjustment	-	(973)
2012 IFRS Value	**$9,082**	**$117,723**

2.1 Depreciation Variance

As described in Exhibit 1, Tab 2, Schedule 3, GLPT worked with BDO Canada LLP to define the various property, plant and equipment components that exist within GLPT's system and assign useful lives to those components. As a result of the componentization and the application of new useful lives, there is an increase in GLPT's 2012, 2013 and 2014 depreciation expenses as compared to what it would have been under CGAAP. While the useful lives of GLPT's poles and conductors were generally extended, the average useful life of its station equipment has declined slightly. These differences are demonstrated in Exhibit 4, Tab 2, Schedule 6 of this application.

2.2 Loss on Disposal Variance

In the Board Approved Settlement Agreement in EB-2010-0291, the parties agreed that GLPT would recover costs resulting from a premature retirement of readily identifiable assets that would occur in 2012. The amount recoverable is equal to the December 31, 2012 net book value

of $863,369 (calculated per CGAAP). However, as noted above, GLPT defined asset components and assigned useful lives to those components. For the assets to be retired, the newly assigned useful life decreased GLPT's 2012 depreciation expense recorded under IFRS as compared to CGAAP by a total of $6,454. Consequently, the December 31, 2012 net book value of the assets as calculated under IFRS is $869,823. In Exhibit 9, Tab 1, Schedule 5, GLPT addresses the recovery of this variance through the use of the Board-approved USofA account 1575 for IFRS-CGAAP Transitional PP&E amounts.

2.3 Opening Pension Adjustment

As described in Exhibit 1, Tab 2, Schedule 3, for defined benefit plans, IFRS 1 allows a first time adopter to reset to zero all cumulative actuarial gains and losses at the date of transition to IFRS (January 1, 2012). GLPT has applied IFRS 1, which results in an adjustment to its IFRS opening equity. The adjustment is made up of all cumulative actuarial gains and losses from the inception of its pension plan until the IFRS transition date. The net impact of the adjustment is a decrease to GLPT's pension asset of $1,167,000, and a decrease to GLPT's pension liability of $194,000, resulting in a net decrease to GLPT's capital account balance of $973,000 as at the IFRS transition date.

3.0 Intangible Assets

In addition to componentization, IFRS requires the separate presentation of Software and Land rights as intangibles. However, these values are still considered to be a part of rate base for regulatory purposes. Therefore, while there is no financial impact related to the change in

presentation, GLPT has segregated its intangible asset values on its pro-forma financial statements.

APPENDIX "A"

Pro Forma Financial Statements for 2012 - 2014

Pro-Forma
Financial Statements

GREAT LAKES POWER TRANSMISSION LP

For the years ended December 31

GREAT LAKES POWER TRANSMISSION LP
PRO-FORMA BALANCE SHEET
As at December 31

thousands of CDN dollars	2014	2013	2012 IFRS	2012 CGAAP
Assets				
Current assets				
Cash	$ 560	$ 394	$ 1,564	$ 1,564
Accounts receivable	3,304	3,257	3,005	3,005
Prepaid expenses and other	650	650	650	650
	4,514	4,301	5,219	5,219
Pension asset	1,552	1,552	1,552	2,719
Regulatory asset	472	319	2,515	2,515
Intangible assets	1,621	2,019	2,528	-
Property, plant and equipment	221,964	226,411	230,652	233,472
	$ 230,123	$ 234,601	$ 242,466	$ 243,925
Liabilities and Capital Account				
Current liabilities				
Accounts and other payables	$ 2,000	$ 2,000	$ 2,000	$ 2,000
Current portion of regulatory liability	-	-	3,082	3,082
	2,000	2,000	5,082	5,082
Pension liability	2,146	2,146	2,146	2,340
Regulatory liability	-	-	-	-
Trans senior bonds	114,881	116,729	117,515	117,515
	119,027	120,875	124,743	124,937
Capital account	111,096	113,726	117,723	118,988
	$ 230,123	$ 234,601	$ 242,466	$ 243,925

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GREAT LAKES POWER TRANSMISSION LP
PRO-FORMA STATEMENT OF PARTNERS' EQUITY
Years ended December 31

thousands of CDN dollars	2014	2013	2012 IFRS	2012 CGAAP
Partners' equity, beginning of year	$ 113,726	$ 117,723	$ 112,941	$ 113,914
Allocation of net income	11,370	11,004	9,082	9,374
Distributions	(14,000)	(15,000)	(8,300)	(8,300)
Capital contributions	-	-	4,000	4,000
Partners' equity, end of year	$ 111,096	$ 113,726	$ 117,723	$ 118,988

GREAT LAKES POWER TRANSMISSION LP
PRO-FORMA STATEMENT OF INCOME
Years ended December 31

thousands of CDN dollars	2014	2013	2012 IFRS	2012 CGAAP
Revenues	$ 39,909	$ 39,128	$ 36,060	$ 36,060
Expenses				
Operating and administrative	8,749	8,355	7,318	7,318
Maintenance	2,553	2,490	2,265	2,265
Taxes, other than income taxes	118	114	111	111
	11,420	10,959	9,695	9,695
	28,489	28,169	26,366	26,366
Interest	7,898	7,988	7,691	7,691
Depreciation	9,262	9,217	8,762	8,477
Loss (gain) on disposal of property, plant and equipment	-	-	870	863
Other income, net	(41)	(40)	(40)	(40)
Net income before income taxes	11,370	11,004	9,082	9,374
Income taxes - current	-	-	-	-
Income taxes - future	-	-	-	-
Net income and comprehensive income	$ 11,370	$ 11,004	$ 9,082	$ 9,374

GREAT LAKES POWER TRANSMISSION LP
PRO-FORMA STATEMENT OF CASH FLOWS
Years ended December 31

thousands of CDN dollars	2014	2013	2012 IFRS	2012 GAAP
Operating activities				
Net income (loss)	$ 11,370	$ 11,004	$ 9,082	$ 9,374
Items not affecting cash				
Depreciation	9,262	9,217	8,762	8,477
Amortization of prepaid expenses	-	-	(91)	(91)
Non-cash interest expense	195	187	174	174
Loss (gain) on disposal of property, plant and equipment	-	-	870	863
Net change in non-cash working capital and other	(47)	(252)	(965)	(965)
	20,780	20,156	17,832	17,832
Investing activities				
Additions to property, plant and equipment	(4,418)	(4,467)	(13,084)	(13,084)
Net changes in regulatory assets and liabilities	(153)	(886)	897	897
	(4,571)	(5,353)	(12,187)	(12,187)
Financing activities				
Distributions paid	(14,000)	(15,000)	(8,300)	(8,300)
Capital contributions	-	-	4,000	4,000
Principal repayment of Debt	(2,043)	(973)	-	-
	(16,043)	(15,973)	(4,300)	(4,300)
Increase (decrease) in cash	166	(1,170)	1,345	1,345
Cash, beginning of year	394	1,564	219	219
Cash, end of year	$ 560	$ 394	$ 1,564	$ 1,564

Exhibit 1, Tab 3, Schedule 3

Reconciliation to Financial Statements

RECONCILIATION TO FINANCIAL STATEMENTS

1.0 Operations, Maintenance and Administration ("OM&A")

GLPT has provided *Table 1-3-3 A* which reconciles the total operating, maintenance and administration ("OM&A") expenses from GLPT's historical actual and pro-forma financial statements to the total OM&A expenses provided in Exhibit 4 of this application. The 'Total OM&A per Financial Statements' line in *Table 1-3-3 A* is equal to the 'Operating and administration' line plus the 'Maintenance' line in GLPT's Statement of Income and Comprehensive Income in GLPT's historical and pro-forma financial statements.

Table 1-3-3 A – Reconciliation of OM&A to Financial Statements

($000's)	2010 Actual	2011 Actual	2012 Forecast	2013 Test Year	2014 Test Year
Total OM&A per Financial Statements	**$9,568.0**	**$9,581.0**	**$9,584.0**	**$10,845.0**	**$11,302.0**
Reconciling Items:					
Net revenue - merchandising & jobbing	(8.0)	14.2	-	-	-
Accrual adjustment	123.0	(141.0)	-	-	-
Donations	(60.0)	-	-	-	-
First Nations PILs Tax	(128.8)	(128.8)	(128.8)	(128.0)	(128.0)
Other (rounding)	(3.2)	0.1	0.4	(1.3)	(0.6)
Adjusted OM&A per Financial Statements	**$9,491.0**	**$9,325.6**	**$9,455.6**	**$10,715.7**	**$11,173.4**
Total OM&A per Table 4-2-1 A	**$9,491.0**	**$9,325.6**	**$9,455.6**	**$10,715.7**	**$11,173.4**

The reconciling items reflected in the table are described below:

Net revenue – merchandising & jobbing is the net of GLPT's merchandising and jobbing revenue and expenses. In GLPT's historical and pro-forma financial statements, they are reflected as an item within OM&A. In this application, these costs and revenues are described in Other Revenue at Exhibit 3, Tab 1, Schedule 2.

Accrual adjustment is related to an adjustment arising from GLPT's audited financial statements in 2010 and 2011. The amount in *Table 1-3-3 A* reflects an adjustment made to GLPT's OM&A in the preparation of those audited financial statements. The adjustments are related to timing differences in the pension expenses.

Donations are included in GLPT's OM&A per financial statements, but are not included in the OM&A GLPT is seeking in this application.

First Nations PILs Tax is related to GLPT's payments made in lieu of taxes to First Nations. In GLPT's historical and pro-forma financial statements, these costs are reflected in OM&A, however GLPT is seeking to recover these costs in Exhibit 4, Tab 3, Schedule 3 – property taxes.

2.0 Net Income

GLPT has provided *Table 1-3-3 B* which reconciles the net income per GLPT's pro-forma financial statements to the expected net income per GLPT's cost of capital.

Table 1-3-3 B – Reconciliation of Net Income

($000's)	2013	2014
Net Income in Pro-Forma FS	**$11,004.0**	**$11,370.0**
Add Back:		
Disallowed Depreciation Expense	31.9	31.9
Actual Interest Expense	7,988.0	7,898.0
Subtract:		
Income Tax Provision	(1,690.4)	(1,991.3)
Deemed Interest Expense	(8,970.1)	(8,869.2)
Adjusted Pro-Forma Net Income	**$8,363.4**	**$8,439.4**
Rate Base	228,255.0	223,483.0
Equity Component	40.0%	40.0%
Total Equity	91,302.0	89,393.2
ROE Rate	9.16%	9.44%
Expected Regulatory Net Income	**$8,363.3**	**$8,438.7**
Variance	**$0.2**	**$0.7**

The reconciling items reflected in the table are described below:

Disallowed Depreciation Expense – GLPT's depreciation per financial statements includes $31,900 in depreciation expense related to a disallowed addition from 2005 (EB-2005-0241). This amount is to be added back to the financial statement net income.

Actual Interest Expense – this represents the actual interest expense incurred by GLPT, and is to be added back to the financial statement net income (and offset by the deemed interest expense described below).

Income Tax Provision – GLPT's financial statements are prepared for the Limited Partnership, and therefore income tax is not included. As a result, the stand-alone income tax provision included in rates is deducted from the financial statement net income.

Deemed Interest Expense – as noted above, the deemed interest expense needs to be deducted from net income to offset the addition of actual interest expense. Deemed interest needs to be included in the calculation of pro-forma net income from a regulatory perspective.

Exhibit 1, Tab 3, Schedule 4

Rating Report

RATING REPORT

A copy of a Private Rating Report for Great Lakes Power Transmission LP, prepared by Dominion Bond Rating Service and dated October 28, 2011, is provided in **Appendix "A"**.

GLPT is expecting an updated Rating Report in late 2012.

APPENDIX "A"

Private Rating Report for GLPT

Private Rating Report

Report Date:
October 28, 2011

Previous Report:
September 14, 2010

DBRS
Insight beyond the rating.

Great Lakes Power Transmission LP

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The Company

Great Lakes Power Transmission LP (GLPT) is a single-purpose subsidiary of Brookfield Infrastructure Partners (BIP). The company was established in 2008 to purchase the transmission assets of Great Lakes Power Limited (GLPL) and assume $120 million of GLPL's senior secured bonds associated with the assets.

Private Rating

Debt	Private Rating	Rating Action	Trend
Senior Bonds	A	Confirmed	Stable

Rating Update

DBRS has confirmed the private rating on the $120 million Series 1 Senior Bonds (the Bonds) of Great Lakes Power Transmission LP (GLPT or the Company) at "A" with a Stable trend. The rating confirmation reflects the strength of GLPT's regulated transmission assets and operations in northern Ontario and the cost-of-service-based rate framework which provides relatively stable and predictable cash flow.

For the 12-month period ended June 30, 2011, revenues and EBITDA were approximately $33 million and $24 million, respectively. Substantial reinforcement and enhancement programs in recent years increased the rate base and extended asset life. Revenues and EBITDA are expected to remain reasonably stable in the medium term. Rate base is expected to increase in 2012 and 2013, reflecting the capex on and completion of the third line project. After this project, capex is expected to drop below the level of depreciation. As a result, rate base will decline gradually. The Company's credit metrics are viewed as strong, given the low level of business risk; DBRS expects GLPT to manage its distributions in order to maintain its regulatory-approved capital structure.

Due to the regulated nature of GLPT's business, the rating would be affected by potential changes in regulation. Unfavourable developments in laws or regulations relevant to GLPT or negative results in future rate cases could have a material impact on the Company. DBRS believes this risk is low, however, given the minimal change in transmission-related regulations in Ontario since the breakup of generation, transmission and distribution functions of the government-owned utilities. The refinancing risk is sufficiently mitigated by the long-life and low-risk nature of GLPT's transmission assets and operations.

Rating Considerations

Strengths
(1) Stable earnings from regulated rates
(2) Reliable and long-life assets with good operating history and recently completed system reinforcement and upgrades
(3) Six-month debt service reserve

Challenges
(1) Regulatory risk
(2) Approved ROEs sensitive to interest rates
(3) Refinancing risk with only partial amortization in later years and a balloon payment at maturity
(4) Some volume risk related to peak demand

Summary Financial Information

	Years ended December 31				LTM ended June 30
	2007*	2008	2009	2010	2011
Revenues	35.6	35.1	31.9	33.4	33.7
EBITDA	29.2	27.7	23.9	23.7	24.7
Operating cash flow	17.0	19.1	16.1	15.8	16.9
Cash flow/total debt	15%	16%	13%	13%	14%
Cash flow/capex	0.95x	1.41x	1.43x	2.15x	1.27x
EBITDA interest coverage	3.82x	3.56x	3.02x	2.99x	3.12x
Debt/EBITDA	3.97x	4.34x	5.02x	5.06x	4.85x
Debt service coverage	2.60x	2.84x	2.42x	2.39x	2.53x
Total debt in capital structure	60.2%	54.8%	55.2%	55.0%	53.6%

** Based on the statements of the transmission division of GLPL.*

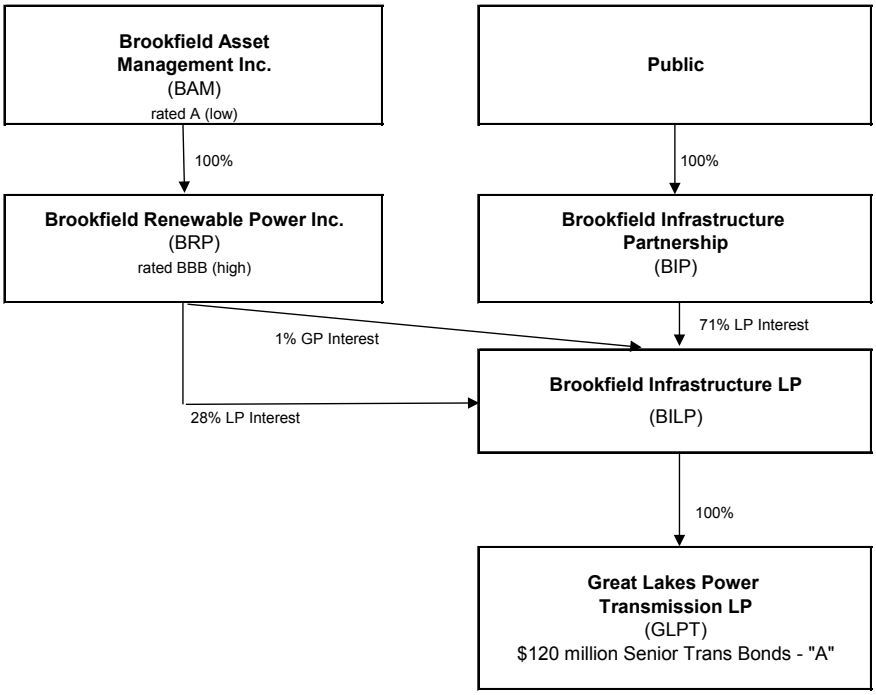
Note: table may not add up due to rounding effects.

Private Rating Report

Great Lakes Power Transmission LP

Report Date:
October 28, 2011

Simplified Organizational Chart



GLPT's Bonds have the following key covenants and security:

- Six-month debt service reserve in an account under the trustee's name for the benefit of the bondholders.
- Distribution test: Trailing and forward-looking 12-month EBITDA-to-debt service ratio no lower than 1.5 times.
- Debt incurrence test: Trailing 12-month EBITDA-to-pro forma interest no lower than 3.0 times; no rating change to the existing rating; a minimum rating of BBB; new bonds to have the same maturity date and amortize no sooner than the existing bonds.

DBRS notes that the Bonds do not have a capex reserve requirement after the intensive capex program that was completed in the past several years. However, capex requirements going forward are considered low and manageable.

Private Rat

Great Lakes Power Transmission LP

Report Date:
October 28, 2011

Rating Considerations Details

Strengths

(1) Regulated transmission in Ontario generally has low business risk, with relatively predictable revenues and cash flow. GLPT's transmission operation is regulated by the Ontario Energy Board (OEB) and under the cost-of-service rate-making methodology. Rates are set to recover prudently incurred costs, including O&M, depreciation, taxes, cost of debt and a return on equity.

According to the recent rate decision in January 2011, GLPT's transmission assets have: (a) an approved rate base of about $208 million in 2011 and $218 million for 2012. Some of the proposed 2011 increase in rate base was deferred to 2012. The total increase of $22.5 million reflects the cost recovery of the capex on the Third Line redevelopment project; (b) a regulated capital structure of 60/40 debt-to-equity; (c) an approved return on equity (ROE) at 9.66% and cost of long-term debt at 6.87%; and (d) a total revenue requirement of $35 million for 2011. The revenue requirement is received on a monthly basis from the Independent Electricity System Operator (IESO), a creation of the Province of Ontario (the Province), that receives its powers through provincial regulation and legislation. GLPT's revenue requirement is added to that of the other transmission owners in Ontario (with Hydro One Inc. having the dominant position). GLPT's revenue requirements account for approximately 2.5% of the provincial total.

Major capital expenditures for lines longer than two kilometres would require the OEB's pre-approval through a Leave to Construct, which grants the approval to proceed with capital projects, with an expected capital cost forecast. If actual costs exceed expected amounts, OEB approval is required to include the overages in rate base, with prudency usually being the key determinant in this process. Routine capital expenditures are approved through the rate application process.

(2) GLPT and its predecessor have been providing transmission service in its territory since 1916. The assets have been upgraded, replaced or reinforced in cycles similar to what the Company carried out in recent years. Although revenues are not explicitly tied to performance, GLPT has been achieving good operating performance, which helps the Company maintain good standing with the regulators.

(3) The Bonds have a debt service reserve equal to six months of interest. This liquidity protection is considered adequate, given the stable and predictable nature of GLPT's business and manageable capex going forward.

Challenges

(1) Regulatory uncertainties are the main risk in GLPT's business. This risk factor is intertwined with other key risk factors, such as an unexpected increase in capital program costs. To the extent that the OEB deems capital cost overruns to be imprudent, GLPT would not be able to recover that portion of costs in rate base. This risk is relatively muted for the next five to ten years as the Company has completed a round of intensive capital improvements. Capital expenditures going forward will be mainly for routine maintenance and reinforcement. Annual costs are expected to be a manageable level of approximately $5 million to $10 million in the near to medium term. The sustaining or maintenance type of capital programs normally has limited scope or risk of construction work, if any, and more certainty in regulatory approval of full cost recovery. In addition, the Company has generally had a positive relationship with the regulators and has not encountered any significant difficulty in obtaining approval for its rate cases, either through pre-arranged negotiated settlements or through other regulatory processes. GLPT significantly increased its rate base from 2003 to 2007, with no major regulatory issues regarding capital cost recovery.

Although any unfavourable change in the rate framework and process and the general regulatory environment for electric transmission in Ontario could trigger uncertainty in GLPT's business, no significant, adverse changes are expected.

Private Rating Report

Great Lakes Power Transmission LP

Report Date:
October 28, 2011

(2) In December 2009, the OEB changed its methodology on the calculation of a utility company's allowed ROE. The formula was reset to address the relatively low ROE levels in the past few years and to reduce its sensitivity to changes in the Government of Canada long-term bond yield. In February 2010, the OEB issued a letter on the Cost of Capital Parameter Update for 2010 Cost of Service Applications and set a ROE of 9.85% in reflection of financial market conditions. ROE calculations will still be partially based on the Government of Canada bond yield, albeit to a lesser extent.

(3) The Bonds will be amortized per a 25-year mortgage-style schedule (or $2 million equal annual payments) after 2013 and will have a balloon payment (79% of original amount) due at maturity in 2023. The refinancing risk is mitigated by the long-life, regulated and stable nature of GLPT's assets and operations. The Bonds outstanding at maturity are expected to be less than 60% of GLPT's then-current rate base and around 4.0 times projected EBITDA, which are viewed as financeable metrics, given the steady, low-risk cash flow stream of GLPT's regulated transmission business.

(4) Revenues are affected by the peak transmission demand in Ontario, which is part of the reason behind the 9% year-over-year decline in 2009. This volume risk is somewhat mitigated, however, as the volume forecast is updated and rates are recalculated annually to reflect the more current demand level.

Report

Financial Profile

(CAD million)	For years ended December 31				LTM June 30
	2007*	2008	2009	2010	2011
Transmission revenues	35.6	35.1	31.9	33.4	33.7
Operating costs	6.4	7.4	8.0	9.7	8.9
EBITDA	29.2	27.7	23.9	23.7	24.7
Depreciation	6.1	6.5	7.0	7.4	7.5
EBIT	23.1	21.1	16.9	16.3	17.3
Gross interest on senior debt	7.6	7.8	7.9	7.9	7.9
Other interest expense and/or amtz. of financing costs	(0.2)	0.0	(0.1)	0.0	(0.1)
Earnings before tax	15.7	13.3	9.1	8.4	9.4
Current income tax	4.8	0.8	-	-	-
Future income tax	(2.2)	0.1	-	-	-
Net income (before extras)	13.1	12.5	9.1	8.4	9.4
Estimated operating cash flow	17.0	19.1	16.1	15.8	16.9
Interest on senior debt	7.6	7.8	7.9	7.9	7.9
Cash available for debt service and capex	24.7	26.9	24.0	23.7	24.8
Maintenance capital expenditures	*4.8*	*4.8*	*4.8*	*4.8*	*4.8*
Enhancement capital expenditure	13.2	8.7	6.4	2.5	8.5
Total capital expenditure	18.0	13.5	11.2	7.3	13.3
Free cash flow	(1.0)	5.6	4.8	8.4	3.5
YE principal outstanding	116	120	120	120	120
EBITDA interest coverage	3.82 x	3.56 x	3.02 x	2.99 x	3.12 x
EBITDA interest Coverage (after maintenance capex)	3.19 x	2.94 x	2.41 x	2.39 x	2.52 x
Debt service coverage ratio (before maintenance capex)	3.23 x	3.46 x	3.03 x	2.99 x	3.13 x
Debt service coverage ratio (after maintenance capex)	2.60 x	2.84 x	2.42 x	2.39 x	2.53 x
Cash flow/debt	15%	16%	13%	13%	14%
Debt/capital	60%	55%	55%	55%	54%
Est. Rate Base	197	197	200	209	208

** Based on the statements of the transmission division of GLPL.*
Note: Table may not add up due to rounding.

Summary

- Revenues and EBITDA have grown in line with inflation over the past couple of years, as the approved revenue requirements reflected the cost inflation.
- Operating expenses were higher due to a new operating structure, under which GLPT has operated independently with its own staff and personnel since 2009.

Great Lakes Power Transmission LP

Report Date:
October 28, 2011

- In recent years, capital expenditures, although slightly higher than the 20-year average, have been manageable and primarily maintenance related, as the capital programs completed in 2005 have set up a very solid foundation for operations in the next ten to twenty years.
- Key credit metrics remain strong, given the low level of business risk, with EBITDA-to-interest of 3.1x, cash flow-to-debt of 14% and debt-to-capital of 54%. These are consistent with the current "A" rating.

Outlook

- As a result of the increase in rate base as well as cost inflation, revenue requirements for 2012 have been approved at $36 million, subject to adjustment when the deemed short-term interest rate and ROE are determined by the OEB. A new rate case will be submitted in late 2012 for 2013 and 2014.
- The debt ratio in the capital structure has been approved to 60%, as proposed by GLPT. This is consistent with the level approved for all other transmission companies in the Province.
- Revenues will be consistent with the rate base, staying above $35 million.
- The Bonds will begin to partially amortize in 2013 (25-year mortgage-style), reflecting the rate base and revenue profiles. DBRS expects GLPT to manage distribution levels in order to maintain the capital structure within regulatory approved levels.
- Liquidity is viewed as adequate, with stable regulated cash flows and limited capital expenditures. The $4 million debt service reserve provides further protection against unexpected cash flow shortfalls.

Description of Operations

- GLPT's assets are located along the eastern shore of Lake Superior, north of Sault Ste. Marie, Ontario.
- The assets consist of 14 transmission stations, 725 kilometres of high- and medium-voltage transmission lines, and related infrastructure, covering an area of 12,000 square kilometres in the Algoma region of Ontario.
- The asset network is interconnected with five industrial customers and two local distribution companies as well as to the rest of the Ontario power grid at Wawa and Mississagi, Ontario, east of Sault Ste. Marie.
- Based on instructions received from the IESO, GLPT switches and controls its transmission equipment remotely through a supervisory control and data acquisition (SCADA) centre located in the city of Sault Ste. Marie.
- Transmission in Ontario is regulated by the OEB, and rates are designed to recover allowed costs, including debt financing, and earn a specified rate of return on equity.
- Transmission assets earn a guaranteed perpetual payment stream regardless of utilization.
- Maintenance capital expenditures, on a levelized basis, are expected to be less than $10 million annually.

Private Ratings Report

Great Lakes Power Transmission LP

Report Date:
October 28, 2011

Great Lakes Power Transmission

Summary Balance Sheet

(CAD millions)	Dec. 31		Jun. 30		Dec. 31		Jun. 30
Assets	2009R**	2010	2011	**Liabilities & Equity**	2009R**	2010	2011
Cash + equivalents	0.4	0.1	0.4	Accounts payable & accruals	1.6	2.9	2.2
Int. & accounts rec.	3.2	3.2	3.2	Due to related parties	0.3	0.2	0.2
Due from related parties	0.2	2.4	1.0	Others	1.3	1.5	1.5
Prepaid expenses & others	0.6	0.6	0.6	**Current liabilities**	3.3	4.6	4.0
Current Assets	4.3	6.4	5.1	Senior secured bonds	117.0	117.2	117.3
Due from related parties	-	-	-	Other liabilities	4.5	6.3	6.0
Regulatory asset	2.3	4.6	6.5	Future income tax liability	-	-	-
Net fixed assets	215.4	215.1	219.5	Capital account	97.2	98.1	103.9
Total	222.0	226.2	231.1	**Total**	222.0	226.2	231.1

Note: table may not add up due to rounding effects.

Private Rating Report

Great Lakes Power Transmission LP

Report Date:
October 28, 2011

Private Rating

Debt	Rating	Rating Action	Trend
Senior Bonds	A	Confirmed	Stable

Rating History

	Current	2010	2009	2009	2008
Senior Bonds	A	A	A	A	A

Private Rating Report

Note:
All figures are in Canadian dollars unless otherwise noted.

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Exhibit 1, Tab 3, Schedule 5

Brookfield Infrastructure Partners L.P. Annual Report

BROOKFIELD INFRASTRUCTURE PARTNERS L.P. ANNUAL REPORT

In previous applications to the OEB, GLPT has included hard copies of Brookfield Infrastructure Partners LP's annual reports. Due to the size of the reports and the fact that they are publicly available, GLPT has elected to provide a direct link to the reports rather than providing the hard copies.

Electronic copies of Brookfield Infrastructure Partners L.P.'s 2010 and 2011 Annual Reports can be found at:

http://www.brookfieldinfrastructure.com/_Global/22/img/content/BIP_2010_20F_v_f.pdf

and

http://www.brookfieldinfrastructure.com/_Global/22/img/content/332926-BIP-SEDAR_excluding%20exhibits.pdf

Exhibit 1, Tab 4, Schedule 1

Materiality Threshold

MATERIALITY THRESHOLD

GLPT's service revenue requirement is equal to $39,167,700 for 2013, and $39,949,000 for 2014. In accordance with Chapter 2 of the *Filing Requirements for Transmission and Distribution Applications*, updated June 22, 2011, the default materiality threshold is 0.5% of revenue requirement for distributors[1] with a revenue requirement greater than $10 million and less than or equal to $200 million. GLPT's revenue requirement falls within this range, and therefore GLPT's materiality threshold is $195,800 for 2013 ($39,167,700 * 0.5%), and $199,700 for 2014 ($39,949,000 * 0.5%).

[1] Although GLPT is a transmitter, GLPT assumes that the same threshold calculation will apply.

EXHIBIT 2 - RATE BASE

Exhibit 2, Tab 1, Schedule 1

Rate Base Overview

RATE BASE OVERVIEW

1.0 Summary of Rate Base

As indicated in Table 2-1-1 A below, GLPT's rate base for 2013 and 2014 has been forecasted to be $228,255,000 and $223,483,000 respectively. Rate base is calculated as the total of the average of the forecast opening and closing net fixed assets ($227,815,400 for 2013 and $223,023,600 for 2014) and an allowance for working capital ($439,600 for 2013 and $459,400 for 2014).

In 2010, GLPT retained Navigant Consulting Inc. to undertake a working capital study for the purpose of updating the calculation of GLPT's working capital for the 2011 and 2012 test years. For the 2013 and 2014 test years, GLPT used the methodology outlined in the 2010 report. Additional information on GLPT's working capital can be found at Exhibit 2, Tab 4, Schedule 1.

Table 2-1-1 A – Rate Base Calculation

($000's)	2010 Actual	2011 Approved	2011 Actual	2012 Approved	2012 Forecast	2013 Test Year	2014 Test Year
Opening Net Fixed Assets**	$209,142.9	$207,921.8	$206,654.9	$206,227.8	$206,337.0	$230,164.7	$225,466.1
Closing Net Fixed Assets**	206,654.9	206,227.8	206,337.0	226,292.6	230,462.2	225,466.1	220,581.1
Average Fixed Assets	207,898.9	207,074.8	206,496.0	216,260.2	218,399.6	227,815.4	223,023.6
Working Capital Allowance	645.7	621.1	594.1	513.8	566.8	439.6	459.4
Rate Base	**$208,544.6**	**$207,696.0**	**$207,090.1**	**$216,774.0**	**$218,966.4**	**$228,255.0**	**$223,483.0**

**Opening and Closing Net Fixed Assets have been reduced by the Net Book Value of a capital addition removed from Rate Base as a result of EB-2005-0241's settlement agreement.

For the years 2010-2014, Exhibit 2, Tab 2, Schedule 1 provides the following on an account basis:

- the opening and closing gross and net book values;
- the fixed asset additions and disposals;
- annual depreciation; and
- proof of continuity.

Also described within the schedule is the impact on rate base and asset continuity related to GLPT's transition to IFRS, effective January 1, 2013. Further information on GLPT's transition to IFRS can be found at Exhibit 1, Tab 2, Schedule 3.

The details of GLPT's rate base additions are discussed below.

2.0 Capital Expenditures

2.1 Capital Expenditure Budgeting Process and Asset Management Approach

For a discussion of GLPT's approach to capital budgeting and asset management, please refer to Exhibit 2, Tab 5, Schedule 1.

2.2 Capital Expenditure Projects

Set out below are descriptions of capital expenditures for the 2013-2014 test years that exceed GLPT's materiality threshold as calculated in Exhibit 1, Tab 4, Schedule 1. These materiality thresholds are $195,800 for 2013 and $199,700 for 2014. The in-

service date of each capital project described in this section will occur in the year indicated in the corresponding section heading below. GLPT's capital expenditure forecasts for 2013 and 2014 are at a level that allows GLPT to continue to run a safe, reliable, cost-efficient and environmentally friendly transmission system.

GLPT has organized the project descriptions into two categories. The first category represents new projects to be completed in 2013 or 2014, and with one exception is made up of projects (or phases of projects) that have not yet been reviewed by the Board. The second category represents variances that are driven by prior year projects where GLPT was before the Board in EB-2010-0291 with forecast information for those years. The single exception noted above is the multi-year Master SCADA System Replacement project. In EB-2010-0291, GLPT sought approval of the need for this project, and inclusion of the first phase of the project (to be completed in 2012) as a 2012 rate base addition. In the Board Approved Settlement Agreement in that proceeding, GLPT's 2012 capital plan was approved with no change to the proposed Master SCADA Replacement Project. GLPT is forecasting that the second and final phase of the Master SCADA Replacement Project will be completed and added to rate base in 2013, and has included a description of this phase of the project below.

2.2.1 2013 Capital Expenditures in Service

GLPT's total capital expenditures that came into service in 2013 are forecast to be $4,486,700. There are three capital projects for 2013 that are forecast to exceed GLPT's

materiality threshold of $195,800, totaling approximately $2,845,400. The explanations for these three projects, provided below, comprise approximately 63.4% of GLPT's forecast 2013 capital expenditures coming into service.

1. Algoma Lines Wood Structure Replacements - $1,710,400

The Algoma Lines Wood Structure Replacement Program is a capital program related to wood structure replacements that will result in capital expenditures occurring in multiple years. A description of the program for 2012 is set out in section 2.3.1 below. GLPT expects a significant increase in the implementation of the program in 2013 and 2014. Rather than provide repeated descriptions under the corresponding years, GLPT has provided a single description of the capital program below.

Need:

GLPT's No. 1, 2 and 3 Algoma and Northern Ave circuits are 115 kV circuits that run between Third Line TS, Northern Avenue TS and Steelton TS within the city of Sault Ste. Marie. The circuits prioritized for replacement consist of wood pole double-circuit "H" frame structures that are over 50 years old.

GLPT considers asset condition assessment results, regulatory compliance requirements, asset performance and safety requirements when carrying out assessments on wood pole structures. In 2009, GLPT engaged Polecare International Inc. ("Polecare") to perform condition assessments of the majority of the wood pole structures within GLPT's

transmission system. Polecare, with the assistance of GLPT personnel, performed inspections and testing on the wood pole structures. Based on the work performed, Polecare issued a comprehensive wood pole database which identified the need for replacement of a number of the wood structures on the circuits described above due to woodpecker damage, rot and ant infestation. Over time, this deterioration begins to threaten structural integrity and reliability of the structures and the circuits. Additional risks associated with this deterioration include potential safety hazards to workers and the public due to the location of the structures (i.e., within urban areas of the city of Sault Ste. Marie in close proximity to residential and institutional buildings). As a prudent transmitter, GLPT is introducing a structure replacement program to proactively replace structures that are nearing end of life and posing increased risk to health and safety and reliability. Although at this time GLPT is focusing on the replacement of these priority structures, GLPT also intends to use the Polecare report to consider a multi-year replacement program that may extend beyond 2013 and 2014.

The long-term solution identified by GLPT is to replace the existing structures on the identified circuits with steel or fibreglass poles (where applicable) with steel arms and epoxy insulators. The project does not include the replacement of the conductor on the circuits, as the conductor in question has an estimated remaining life in excess of 20 years.

The initial cost of installing this type of pole is marginally higher than the cost of standard wood poles. However, the incremental useful life (typically 60+ years compared

to 40 years), combined with the reduced maintenance costs (no woodpecker hole patching, no rot, no insect infestations) result in long-term cost savings that will benefit ratepayers over the life of the new structures.

Outcome:

Upon completion of the structure replacement, benefits will include the following:

- enhanced public and employee safety,
- improved structural integrity;
- maintained reliability of the line; and
- reduced maintenance costs due to the use of fiberglass poles and steel arm structures.

Therefore, it is prudent for GLPT to apply the knowledge it has garnered through its asset management plan, and more specifically its condition assessments performed by Polecare to initiate this structure replacement program in order to continue to run a safe, reliable, cost-efficient and environmentally friendly transmission operation.

In 2013, GLPT is forecasting to replace 12 tangent structures and 1 dead end structure with a total cost of $1,710,400 to be added to rate base in the year. The replacements are forecast to occur on GLPT's No. 3 Algoma circuit and Northern Avenue circuit between Third Line TS and 'Second Line', all within the city of Sault Ste. Marie.

2. Master SCADA System Replacement - $886,000

In EB-2010-0291, GLPT applied to the Board for approval of a 2012 rate base addition for its Master SCADA System Replacement. The description of this project, as filed in EB-2010-0291,[1] can be found at **Appendix "A"** to this schedule. In that application, GLPT indicated to the Board that it would replace the existing SCADA system in 2012, and add $3,818,500 to rate base in that year. GLPT also indicated in that application that it expected some expenditures related to this project to occur in the 2013 test year.[2] The 2012 project included the completion of the first phase of the project and represented the completion of the new control room to a state where it is fully functional and in use by GLPT's operating staff in managing GLPT's transmission system.

In addition to the work completed in 2012 (phase one), GLPT is forecasting that additional work (phase two) will be completed in relation to the same Master SCADA Replacement project in 2013. Phase two of the Master SCADA Replacement Project will involve the purchase, installation and commissioning of the Energy Management System ("EMS") and Operator Training Simulator ("OTS") software modules.

Phase two of the Master SCADA Replacement project, along with the corresponding 2013 rate base addition forecast, is described below.

[1] GLPT filed additional information in confidence to further justify the need for the project, however this additional information is not included in the appendix

[2] See in particular GLPT's response to Board Staff's interrogatory number 30.

Need:

While GLPT will complete the first phase of the SCADA Replacement project in 2012, there are additional upgrades required to be completed in 2013 to enhance the new system to allow GLPT to take full advantage of the new SCADA system.

The operation of GLPT's transmission system has an abundance of complex operations with impacts to many market participants. With the addition of the EMS and OTS software modules, GLPT will have enhanced ability to assist operators in preparing for emergency situations, system restoration, contingency planning and routine system operations. EMS and OTS are both required as they work in tandem to provide these benefits. GLPT strongly believes that the new modules are required to meet good utility practice in today's operating environment. The EMS and OTS implementation phase of the SCADA replacement project, to be completed in 2013 as described above, will provide an environment in which the system operators can simulate real system conditions and events at any time and in a manner which is safe for GLPT field staff and free of operational risk. Additionally, the EMS will allow for network modeling and provide a means of predicting events during planned and unplanned outages.

Summary:

As noted above, this will be the final phase and signify the completion of the Master SCADA Replacement Project. The investment involves the purchase of the EMS and OTS software modules, installation and commissioning. This enhancement will be

compatible with the Alstom Base SCADA system which will be complete in the fourth quarter of 2012.

Outcome:

Investing in this phase of the project will:

- improve system reliability;
- improve transmission system situational awareness;
- improve contingency analysis;
- improve training of system operators by creating realistic simulations of real-time system events; and
- provide the tools necessary to comply and be prepared, as per good utility practice, for current and future Reliability Standards.

3. Watson TS Oil Containment Modifications - $249,000

Need:

Watson TS is a 115 kV transmission station located in northern Ontario, near the town of Wawa. GLPT has two existing oil containment systems for the two 115/34.5 kV, 75 MVA transformers within this transmission substation. These containments were engineered to applicable standards and installed in 1997. The existing containments consist of a concrete foundation with a rubber liner intended to capture any residual oil from the transformers that would otherwise be released to the surrounding environment.

To ensure all containments within GLPT's transmission system operate as required, GLPT performs condition assessments which include testing its oil containment systems for leaks. Based on recent testing, it has been determined that the existing containments will leak in the event of a transformer failure, thus exposing the environment to harmful hazards. This could result in a discharge of oil into the surrounding environment and into nearby waterways upon a transformer failure. In order to maintain a level of environmental stewardship that accompanies good utility practice, these oil containment units will be upgraded based on modified engineering designs which incorporate a membrane as well as a solid concrete floor within the design to further reduce the likelihood of failure in the future.

Summary:

The project work includes:

- field survey and inspection of the oil containments in question;
- completion of an engineering design for each containment;
- application for a new Certificate of Approval for the site;
- request for Quotation and award of project; and
- construction to replace current oil containments.

Outcome:

Expected results include:

- improving the reliability of the existing oil containments;
- maintaining compliance with the relevant approval issued by the Ministry of the Environment;
- increasing the capacity within the containment units; and
- minimizing the effect to the public and the surrounding environment in the case of a transformer failure.

2.2.2 2014 Capital Expenditures in Service

GLPT's total capital expenditures coming into service in 2014 are forecast to be approximately $4,344,800. There is one capital project for 2014 that is forecast to exceed GLPT's materiality threshold of $199,700, totaling approximately $3,183,500. The explanation for this project is provided below and comprises approximately 73.3% of GLPT's forecast 2014 capital expenditures coming into service.

1. Algoma Lines Wood Structure Replacements - $3,183,500

GLPT's Algoma Lines Wood Structure Replacement Program is described in section 2.2.1 above. In 2014, GLPT is forecasting to replace 16 tangent structures and 2 dead-end structures with a total cost of $3,183,500 to be added to rate base in the year. The structures to be replaced include 12 structures on #1 and #2 Algoma 115 kV structures between the 'Third Line' and 'Second Line' roads in Sault Ste. Marie, and 6 single wood pole structures on #3 Algoma between Sackville Road and Carmen's Way within the city of Sault Ste Marie.

2.3 Previously Approved Capital Projects

All of the projects demonstrated below either were put into service in 2010 or 2011, or are forecast to go into service in 2012. With the three exceptions that are described in detail below, all of these projects have been approved through the Board Approved Settlement Agreement in EB-2010-0291 and were included in the 2012 Board Approved rate base. *Table 2-1-1 D* below summarizes the dollar amount for each project that was approved in EB-2010-0291 as a rate base addition for 2010, 2011 or 2012, and compares those amounts to the updated actual and forecast figures provided in this application. As noted in the bottom right corner of the table, the overall spending for 2010 to 2012 is $3,921,500 higher than the previously approved spending, representing incremental spending of approximately 9.4% over the approved amount. As a result, GLPT is seeking the incremental spending of $3,921,500 to be incorporated in the calculation of rate base for 2013 and 2014.

GLPT notes that for two 2012 projects, GLPT reduced spending on an actual basis compared to the approved amount. However, GLPT did not reduce spending for 2012 on an overall envelope basis.

Table 2-1-1 D – Previously Approved Project Reconciliation

Year Approved	Project	Approved Spending	2010 Actual	2011 Actual	2012 Forecast	Total Actual	Variance
2010	Third Line TS T2 Autotransformer Protections	**$657.0**	$657.0	$0.0	$0.0	**$657.0**	**$0.0**
2010	Batchawana TS Ground Refurbishment	**187.4**	185.2	-	-	**185.2**	**(2.2)**
2010	Third Line Redevelopment Project	**1,230.0**	-	-	-	**-**	**(1,230.0)**
2010	Steelton TS Ground Refurbishment	**617.3**	679.9	-	-	**679.9**	**62.6**
2010	Building Upgrades	**541.2**	488.1	-	-	**488.1**	**(53.1)**
2010	Third Line Series Reactor Installation (part 2)	**345.4**	343.4	-	-	**343.4**	**(2.0)**
2010	GIS Software	**262.1**	260.4	-	-	**260.4**	**(1.7)**
2010	Other Miscellaneous Projects	**2,399.2**	2,254.6	-	-	**2,254.6**	**(144.6)**
	2010 Subtotal	**6,239.6**	**4,868.7**	**-**	**-**	4,868.7	**(1,370.9)**
2011	Sackville Facility Generator Replacement	**988.1**	-	1,000.5	-	**1,000.5**	**12.4**
2011	Building HVAC Replacement	**410.0**	-	510.4	-	**510.4**	**100.4**
2011	Asset Management System Enhancements	**480.4**	-	-	390.6	**390.6**	**(89.8)**
2011	Clergue TS Overload Protection	**389.2**	-	419.0	-	**419.0**	**29.8**
2011	Magpie TS Lightning Arrester Installations	**306.6**	-	298.2	-	**298.2**	**(8.4)**
2011	MacKay TS Station Service Voltage Regulator	**251.5**	-	296.9	-	**296.9**	**45.4**
2011	Land Transfer Tax	**-**	-	1,450.1	-	**1,450.1**	**1,450.1**
2011	Other Miscellaneous Projects	**3,200.7**	-	3,252.3	-	**3,252.3**	**51.6**
	2011 Subtotal	**6,026.5**	**-**	**7,227.5**	**390.6**	7,618.0	**1,591.5**
2012	Master SCADA System Replacement	**3,818.5**	-	-	3,821.5	**3,821.5**	**3.0**
2012	Third Line Redevelopment Project	**22,470.0**	-	-	24,661.4	**24,661.4**	**2,191.4**
2012	Fibre Optic Upgrades	**-**	-	-	318.0	**318.0**	**318.0**
2012	Goulais TS Civil Refurbishment	**489.0**	-	-	-	**-**	**(489.0)**
2012	Work Management System Conversion	**387.9**	-	-	-	**-**	**(387.9)**
2012	Algoma Lines Structure Replacements	**-**	-	-	1,360.4	**1,360.4**	**1,360.4**
2012	Other Miscellaneous Projects	**2,171.2**	-	-	2,876.1	**2,876.1**	**704.9**
	2012 Subtotal	**29,336.6**	**-**	**-**	**33,037.4**	33,037.4	**3,700.8**
	Subtotal	**$41,602.7**	**$4,868.7**	**$7,227.5**	**$33,428.0**	$45,524.2	**$3,921.5**
	Cumulative Total		**4,868.7**	**12,096.2**	**45,524.2**		
	Cumulative as % of Approved		**11.7%**	**29.1%**	**109.4%**		

Although materiality for GLPT is $195,800 for 2013 and $199,700 for 2014, for purposes of analysis in this section, GLPT chose a lower threshold of $100,000 to provide a more comprehensive analysis of the variances that exist. There are seven projects where there are variances greater than $100,000 for the years 2010 to 2012. For these seven projects, GLPT has provided a brief description of the project, as well as an explanation of the variance. The described project variances represent an aggregate variance of $3,313,400, or 84.5% of the total variance of $3,921,500. The remaining variance is comprised of project variances that are less than $100,000 on a stand-alone basis. GLPT has not

provided variance explanations related to Other Miscellaneous Projects from 2010 to 2012. This grouping is comprised of a number of smaller projects that are under GLPT's materiality threshold, where no single project had a variance greater than materiality.

2.3.1 Variances of Prior Year Projects

1. 2012 - Algoma Lines Wood Structure Replacements - $1,360,400

The need, summary and expected outcome of GLPT's Algoma Lines Wood Structure Replacement program are described in section 2.2.1 above. A decision was made to accelerate this program in 2012 as a result of conditions experienced when erecting new structures within Third Line TS for the Third Line Redevelopment project. This led to concerns regarding the structural integrity of the old structures when connecting to the new Third Line egress structures, particularly with respect to the increased tension required for the conductor being strung.

The 2012 Algoma Lines Structure Replacement program will involve the replacement of 8 structures outside of Third Line TS with free standing steel poles on concrete foundations on No. 1, 2 and 3 Algoma and Northern Avenue circuits. This project was not approved in EB-2010-0291. Therefore GLPT is requesting approval for an incremental 2012 capital expenditure of $1,360,400 to be incorporated in GLPT's calculation of 2013 and 2014 rate base.

Specifically, the new Third Line TS Redevelopment project egress structures would alter the strain on the existing structures enough to cause concern regarding safety of the workers performing the cutover. In light of this, and consistent with GLPT's mandate of operating a safe, reliable, cost-efficient and environmentally friendly transmission system, a decision was made to re-prioritize GLPT's 2012 capital plan and start the Algoma Lines Wood Structure Replacement program (described in section 2.2.1 above) one year earlier with the replacement of these 8 structures in 2012. Based on the condition assessments completed by Polecare, these structures were originally prioritized for replacement in 2013.

2. 2012 - Third Line Redevelopment ($961,400) and Fibre Optic Upgrade ($318,000)

The Third Line Redevelopment Project was approved in EB-2010-0291 for total spending of $23,700,000 ($1,230,000 to be added to rate base in 2010, $22,470,000 to be added to rate base in 2012). Total project costs of $24,661,400 are forecast to be capitalized in 2012 upon completion of the project, amounting to a project overage of $961,400, or approximately 4%. Therefore, in this Application, GLPT is requesting approval for an incremental 2012 capital expenditure of $961,400 to be incorporated in GLPT's calculation of 2013 and 2014 rate base.

When the initial budget and design specification were completed for the Third Line Redevelopment Project, the design called for free standing mono poles structures to be

erected inside the perimeter of the station (given the terrain) using a soil analysis (attached at **Appendix "B"** to this schedule) that identified soil conditions to a depth of 10 meters. The initial specification for the structure designs required a concrete foundation at a depth of approximately 10 meters with the self supporting steel mono pole affixed to the concrete foundation. Upon starting construction, it was discovered that soil conditions may be poorer than initially anticipated. In light of this, further analysis of the soil conditions was conducted to determine whether the soils could handle the weight of the original design. Upon review of the soil tests (attached at **Appendix "C"** to this schedule), it was confirmed that the soils were not capable of supporting the weight of the original design and as a result the engineering firm initiated a design change.

The design change required GLPT to go to a depth where the concrete base would find solid footing. While GLPT's initial budget allowed for a concrete pads at a depth of 10 meters for each structure, the concrete pads ended up being approximately 20 meters deep to support the steel structures. This resulted in incremental spending on the project, increasing the total cost of the project by $961,400. Therefore, in this Application, GLPT is requesting approval for an incremental 2012 capital expenditure of $961,400 to be incorporated in GLPT's calculation of 2013 and 2014 rate base.

As a result of project developments during the Third Line TS Redevelopment Project, it became clear that the existing fibre optic cable locations would no longer be available for fibre routing. Therefore, GLPT had to relocate fibre optics cables to the newly

constructed structures at GLPT's Third Line TS in order to enable construction of the new Third Line TS facilities in 2012. This project was not a part of the initial scope or budget of the Third Line Redevelopment Project and as a result it was not approved in EB-2010-0291. Therefore, GLPT is requesting approval for an incremental 2012 capital expenditure of $318,000 to be incorporated in GLPT's calculation of 2013 and 2014 rate base.

The fibre relocation project included engineering, labour, materials and equipment to install new structures and relocate fibre optic cables and patch panels to a new location to support the new 115 kV station at Third Line TS. In particular, the project involved relocating the fibre to new structures on 115kV and 230kV Rights of Way as well as the installation of an Omni Patch Panel and respective terminations. The fibre would not have been relocated but for the need to do so resulting from the Third Line Redevelopment Project.

3. 2012 - Goulais TS Civil Refurbishment – ($489,000)

This project was approved in EB-2010-0291 for a 2012 rate base addition of $489,000. However, as a result of reprioritization of GLPT's 2012 capital program, GLPT determined that this project could be deferred to a future year in favour of a material project that became a higher priority in the year -- namely, the Algoma Lines Structure Replacement project for 2012, which is described within this section. GLPT was able to defer the Goulais TS project because the nature of the work -- the provision of fill and

crushed stone and the improvement of site grading, drainage facilities and fencing -- could safely and prudently be undertaken in future years. Therefore, for safety and reliability reasons, GLPT undertook the Algoma Lines Structure Replacement over the Goulais TS Civil Refurbishment in the previous test years. In this Application, GLPT is requesting approval for a reduction to its 2012 capital expenditures of $489,000 to be incorporated in GLPT's calculation of 2013 and 2014 rate base. This was a spending reduction on an actual basis compared to the approved amount for the 2012 test year; however, as noted in *Table 2-1-1 D*, GLPT did not reduce spending for 2012 on an overall envelope basis.

When evaluating the priority of this project, GLPT considered the impact of delaying the project in regards to health and safety, reliability, environmental stewardship and cost-efficiency. As a result, GLPT determined that it is not a priority project that needs to be completed in the 2013 or 2014 test years. While it would be beneficial to complete the project as soon as possible, GLPT is currently planning a significant upgrade at Goulais TS in 2017, including replacement of the existing transformer. As a result, GLPT will defer the civil refurbishment project until that time in order to maximize its efficiency and economies of scale and minimize mobilization and other fixed costs associated with major station work.

4. 2012 - Work Management System Conversion – ($387,900)

This project was approved in EB-2010-0291 for a 2012 rate base addition of $387,900. At the time of filing that application, and throughout that proceeding, GLPT was in the process of identifying and assessing alternatives for upgrading its work management system. In 2011, GLPT identified a work management system that would meet the needs of the organization at a reasonable price, given the size of the organization. However, certain components of this product are still under development by the program provider, and in light of this, combined with the reprioritization of projects taking place in 2012, GLPT determined that it would be most prudent to defer the capital expenditures related to this project to a future year. GLPT will continue to maintain its existing work management system through available upgrades, and will monitor the development of the work management system identified in 2011. Therefore, in this Application, GLPT is requesting approval for a reduction to its 2012 capital expenditures of $387,900 to be incorporated in GLPT's calculation of 2013 and 2014 rate base. This was a spending reduction on an actual basis compared to the approved amount for the 2012 test year; however, as noted in *Table 2-1-1 D*, GLPT did not reduce spending for 2012 on an overall envelope basis.

5. 2011 - Land Transfer Tax - $1,450,100

GLPT is an electricity transmission company that is solely in the business of owning and operating its electricity transmission system in accordance with Section 71 of the *Ontario*

Energy Board Act, 1998 (the "OEB Act"). GLPT is the successor of Great Lakes Power Limited's ("GLPL's") transmission business. Up to and including March 2008, GLPL operated the transmission system as a division, financially separate from its distribution and generation businesses. Under Section 5(4) of Ontario Regulation 161/99, GLPL was exempt from Section 71 of the OEB Act until December 31, 2008 and, as a result, was permitted to carry on the activities of transmission and distribution, together with generation, within the same corporation until such date.

In early 2007 in anticipation of the expiry of the Section 71 exemption, a reorganization began in which the transmission assets of GLPL were transferred to GLPT in March 2008. No distribution assets were transferred. This was approved by a Decision and Order of the Board issued on December 24, 2007 (EB-2007-0647). GLPT became a licensed transmitter (ET-2007-0649) in respect of the ownership of these assets only. GLPL also remained a licensed transmitter, as the operator of the GLPT transmission system. This completed the first phase of achieving compliance with Section 71. Full compliance with Section 71 occurred when the employees engaged in the management and operation of the transmission business were transferred to GLPT, and GLPT's electricity transmission licence was amended to reflect GLPT being both an owner and an operator of transmission facilities in Ontario.

As part of transferring the transmission assets from GLPL to GLPT in 2008, a land transfer tax amount of $1,450,100 became payable to the Minister of Finance. Under the Asset Purchase Agreement dated December 11, 2007 and due to the operation of the

Land Transfer Tax Act, R.S.O. 1990, c.L.6 (the "LTTA"), the land transfer tax amount was payable by GLPT.[3] However, at the time this tax amount became payable, the amount was deferred pursuant to subsection 3(9) of the LTTA. Simply put, the subsection states that if land is transferred between two corporations that are affiliates of one another, the Minister of Finance may grant a deferral of the tax for a period of up to 36 months, so long as the corporations continue to be affiliates of one another and the land continues to be owned by the acquiring corporation. At the expiration of the 36 months, the amount of tax deferred would no longer be owed.

However, before the expiration of the 36 month period, GLPT and GLPL ceased to be affiliates of one another for the purposes of the LTTA.[4] The corporate reorganization that resulted in this loss of affiliate status was beyond the control of GLPT given that GLPT's activities are restricted to transmission activities and do not extend to the activities of non-regulated affiliate entities. As a result, at that time the land transfer tax amount of $1,450,100 became payable to the Minister of Finance. GLPT paid the amount in 2011 in accordance with the LTTA and the Asset Purchase Agreement dated December 11, 2007 given that the tax was a cost of acquisition of the property. In

[3] Section 9.3 of the Asset Purchase Agreement specifically required the purchaser GLPT to pay all land transfer taxes payable in connection with the sale, assignment or transfer of the purchased assets by GLPL to GLPT.

[4] For the purposes of that section of the LTTA, a corporation is an affiliate of another corporation if one of them is the subsidiary of the other, if both are subsidiaries of the same corporation or if each of them is controlled by the same person or persons. GLPT and GLPL ceased to be affiliates when the entities having control over GLPT ceased to have control over GLPL.

particular, the payment of the land transfer tax was required to effectuate the acquisition of the assets by GLPT and allowed GLPT to continue to operate as a standalone utility in compliance with the OEB Act, with secure land rights for the property over which its transmission assets were situated.

Therefore, GLPT is requesting approval for an incremental 2011 capital expenditure of $1,450,100 to be incorporated in GLPT's calculation of 2013 and 2014 rate base.

6. 2011 - Sackville Building HVAC Replacement - $100,400

This project was approved in EB-2010-0291 as a 2011 rate base addition of $410,000. The actual capital expenditure put into service in 2011 was $510,400. Therefore, in this Application, GLPT is requesting approval for an incremental 2011 capital expenditure of $100,400 to be incorporated in GLPT's calculation of 2013 and 2014 rate base. The incremental rate base addition is related primarily to energy audit, engineering and preliminary planning costs that were not included in the estimate provided to the Board in the EB-2010-0291 application. These activities were required as part of project preparation and are a normal part of GLPT's capital planning process.

3.0 Capitalization Policy

Prior to the IFRS change over date of January 1, 2013, GLPT recorded its capital assets at cost in accordance with CGAAP. Subsequent to the change over date GLPT will record the cost of capital assets in accordance with IFRS. As described in Exhibit 1, Tab 2,

Schedule 3, under IFRS, only costs deemed directly attributable to bringing assets to their locations and the working conditions related to their intended use are to be capitalized. Specifically, the change to IFRS means that GLPT can no longer capitalize indirect administration costs or general overheads. However, this change does not significantly impact the capitalization policy for GLPT, as under CGAAP GLPT did not capitalize indirect administration costs or general overheads. In addition, training costs are not to be capitalized under IFRS. This change has been appropriately reflected in GLPT's 2013 and 2014 capital budgets, as GLPT will no longer capitalize training costs in accordance with IFRS.

With regard to capitalization of borrowing costs, GLPT's prior CGAAP accounting policy for capitalization of borrowing costs aligns with IFRS with respect to recognition, commencement and cessation. However GLPT's borrowing cost capitalization rate will be adjusted upon transition to IFRS. Because GLPT's long-term debt is held at arm's length, the actual rate of interest on debt is to be used for capitalization of borrowing costs. Therefore, for accounting purposes GLPT is required to use this rate under IFRS instead of the OEB-prescribed rate, which was historically used under CGAAP.

4.0 Amortization

As described in Exhibit 1, Tab 2, Schedule 3, in 2011 GLPT engaged BDO Canada LLP ("BDO") to assist with the adoption of IFRS. BDO reviewed GLPT's asset sub-ledger and provided an asset breakdown on a componentized basis that is in compliance with

IFRS. BDO, with the assistance of the Asset Depreciation Study for the Ontario Energy Board prepared by Kinectrics Inc. on July 8, 2010 (the "Kinectrics Study"), worked with GLPT's operations and finance staff to define the various components that exist within GLPT's system and assign useful lives to those components.

Each part of an asset with a cost that is significant in relation to the total cost of the item must be depreciated separately, which means the cost of a single asset may now be allocated between its significant parts. GLPT will continue to utilize straight-line depreciation calculations based on the depreciable gross book value of each asset class. The rates utilized by GLPT are set out in Exhibit 4, Tab 2, Schedule 6.

IFRS states that estimates of useful life must be reviewed at each annual reporting date at minimum. Any changes are accounted for prospectively as changes in estimates. This is a change from CGAAP, where the useful life is reviewed "regularly".

As a result of the componentization and newly assigned useful lives, there is an increase in GLPT's 2012, 2013 and 2014 depreciation expenses as compared to what it would have been under CGAAP. These differences are demonstrated in Exhibit 4, Tab 2, Schedule 6 of this application.

5.0 Working Capital Allowance

The working capital allowance for the 2013 and 2014 test years was calculated by GLPT using the working cash methodology established for GLPT in 2010 by Navigant

Consulting Inc., plus a provision for inventory assets that are working capital for GLPT but do not form a part of the working cash study. Please refer to Exhibit 2, Tab 4, Schedule 1 for the working cash study, as well as the calculation of GLPT's working capital allowance for the 2013 and 2014 test years.

6.0 Classification of Capital Expenditures

GLPT's capital expenditures for 2013 and 2014 are all classified as Sustainment (see Exhibit 2, Tab 1, Schedule 2). GLPT continues to maintain the performance of the transmission network at its current standard, often through replacing end-of-life facilities.

APPENDIX "A"

Description of Master SCADA System Replacement

As filed in EB-2010-0291

Master SCADA System Replacement

Need:

The GLPT SCC is the centralized control center for GLPT transmission facilities in Ontario. The remote operation and control of these facilities are carried out from this control center. The control center plays an important role in the restoration of the Bulk Electricity System by the IESO.

As a result, it is imperative that the GLPT SCADA system is functional at all times and that proactive upgrades and replacements are performed to ensure the system operates with the utmost reliability.

The existing SCADA equipment is owned by GLPL, an affiliate of GLPT, and licensed by GLPT from GLPL under an agreement that expires on June 30, 2012. GLPT anticipates that it will run the existing SCADA system in parallel with the new system until such time as there is complete assurance that the new system can operate on a purely stand-alone basis. As a result, it is anticipated that the current license fee (as described in Exhibit 4, Tab 2, Schedule 4) will remain in place through the end of 2012.

The current SCADA system consists of an ABB Ranger SCADA version 10.4 installed in 1998 and last upgraded in 2002. GLPT is currently faced with the following issues and limitations:

- The SCADA software version is outdated and is no longer supported;

- The SCADA hardware is nearing the end of its lifespan, replacement parts are no longer available and GLPT must rely on refurbished equipment resulting in the potential for lengthy SCADA outages;

- The current SCADA architecture does not allow for stand alone, backup control centre operation;

- The system is unable to efficiently interchange data with Hydro One Networks Inc. ("HONI") and the IESO; and

- The SCADA system does not comply with NERC.

Additional information describing the need for this project has been filed in confidence as a part of Exhibit 2, Tab 1, Schedule 3.

Summary:

GLPT engaged an external consultant, BBA Engineering, to undertake a feasibility study in 2010 to determine what options should be considered to address the shortcomings of the existing SCADA system. Parameters such as reliability, expandability, maintainability and constructability were considered. Due to the limitations described above, the study recommended that the existing SCADA system be replaced with a new platform to allow GLPT to efficiently control and operate its transmission assets.

Because the existing equipment is not owned by GLPT, there will be no gain or loss on disposal associated with the removal of the existing equipment.

Outcome:

Expected results include:

- ensure the safe, reliable and secure operation of GLPT's transmission system;
- ensure the GLPT SCC remains a reliable point of contact, allowing GLPT to respond appropriately in emergency situations;
- ensure proper communication to stakeholders, such as the IESO;
- ensure the GLPT SCC has adaptability, flexibility and sufficient capacity for potential growth related to the *Green Energy and Green Economy Act, 2009*; and
- allow GLPT to remain compliant with NERC standards.

APPENDIX "B"

Soil Analysis at Third Line TS

10 Meter Depth

SR- 92110

November 17, 2009

REPORT

A world of capabilities delivered locally

GEOTECHNICAL EVALUATION

Great Lakes Power
Third Line Transformer Station
Sault Ste. Marie, Ontario

Submitted to:
Great Lakes Power
2 Sackville Road
Sault Ste. Marie, Ontario
P6B 6J6

Report Number: 09-1191-0048

Distribution:

2 Copies - Great Lakes Power, Sault Ste. Marie, ON

2 Copies - Golder Associates Ltd., Sudbury, ON

Golder Associates

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1.0 INTRODUCTION

Golder Associates Ltd. (Golder) was retained by Great Lakes Power (GLP) to complete a geotechnical evaluation for a redevelopment project at the Third Line Transformer Station, located in Sault Ste. Marie, Ontario (Figure 1). We understand that GLP plans to construct three new transformer structures adjacent to the existing Third Line Transformer Station.

The purpose of this geotechnical evaluation is to assess the existing subsurface conditions within the proposed footprint of the new structures and provide geotechnical recommendations for their design.

The fieldwork and the contents of this report were prepared based on our scope of work outlined in our Proposal P9-1191-0048, dated August 27, 2009. Written authorization to proceed was provided by Mr. Reg Rickaby via email on August 27, 2009.

This report provides the results of our geotechnical evaluation, discussing existing subsurface soil and groundwater conditions followed by geotechnical recommendations for appropriate foundation types, Serviceability Limit States (SLS) and Ultimate Limit States (ULS) for foundation bearing; estimated total settlements for conventional strip and spread footings, frost cover requirements, structural fill requirements, earthquake design parameters as well as dewatering and excavations. Construction considerations are also discussed.

2.0 GEOLOGIC SETTING

The quaternary geology of the area is characterized by glaciolacustrine plain deposits of silt, sand and clay. The local relief is mainly low with a dry drainage condition (Northern Ontario Engineering Geology Terrain Study).

3.0 FIELDWORK

The fieldwork was completed on September 23, 2009, with the advancement of six (6) sampled boreholes (Boreholes BH09-01 to BH09-06). The boreholes were advanced using a CME 55 track mounted drill rig, which was provided and operated by Landcore Drilling and was retained by Golder for this field program. Upon completion, the boreholes were abandoned in accordance with the current regulations.

Sampling in the soil was completed in accordance with our standard procedures for similar site work, with split spoon samples obtained at 0.75 m intervals. In situ vane measurements were made in zones where soft cohesive soils were encountered. The boreholes were advanced to depths ranging from 5.2 m to 10.1 m below the existing ground surface. Piezometers were not installed in the boreholes advanced for this field program.

The fieldwork was observed by our technician who logged the boreholes and collected the soil samples. The retrieved soil samples were placed in labelled plastic containers for transportation to our Sudbury laboratory for additional examination. Water content measurements, particle size distribution testing and Atterberg Limits testing were completed on selected soil samples.

Golder surveyed the borehole elevations and located the as-drilled boreholes using existing benchmarks. Benchmark information was provided by a GLP representative on site during the fieldwork. The approximate borehole locations are shown on Figure 2.

4.0 SUBSURFACE CONDITIONS

Details of the subsurface conditions encountered at the borehole locations are given on the Record of Borehole sheets following the text of this report. The borehole logs convey the subsurface conditions at the borehole locations only. It should be noted that the boundaries indicated on the attached sheets are inferred from non continuous sampling and in situ testing. These boundaries typically represent a transition from one material type to another and should not be regarded as an exact plane of geological change. It should be pointed out that the subsurface conditions will vary across this site.

The following sections provide a summary of the soil strata encountered at the borehole locations.

4.1 Fill

A surficial layer of fill was encountered at Boreholes BH09-01, BH09-04 and BH09-06. Generally, the fill was dark brown and consisted of sand to gravelly sand. The thickness of the fill layer was encountered at ground surface with the thickness varying from 0.8 m to 1.8 m. A 0.3 m thick layer of clayey silt fill was encountered below the surficial gravelly sand fill in Borehole BH09-06.

Standard Penetration Test (SPT) measurements within this deposit were N=6 to N=17 per 0.3 m of penetration, which corresponded to a loose to compact relative density. Measured water contents in this stratum varied between 5% and 28%.

4.2 Organics

A surficial, dark brown sandy to silty organic layer was encountered in Boreholes BH09-02, BH09-03 and BH09-05. A subsurface sandy organics layer was encountered in Borehole BH09-06 where it was overlaid by the clayey silt fill layer. The thickness of the organics layer varied from 0.2 m to 1.2 m.

An SPT measurement completed in the sandy organics layer encountered in Borehole BH09-06 yielded an 'N' value of 4 blows per 0.3 m of penetration. Measured water contents of samples obtained from this layer were 34% and 35%.

4.3 Sand to Silty Sand

A deposit of loose to compact, reddish brown to brown sand to silty sand was encountered in Boreholes BH09-02, BH09-03, BH09-05 and BH09-06. The upper sand deposit was encountered beneath the organic layer in each of the boreholes. The thickness of this deposit varied between 0.6 m and 0.9 m.

SPT measurements completed in the sand layer yielded 'N' values ranging from 1 blow to 11 blows per 0.3 m of penetration, indicating the deposit had a very loose to compact relative density.

The natural moisture content of the sand samples tested varied between 20% and 24%.

4.4 Upper Silty Clay and Silty Sand

A deposit of soft to stiff, reddish brown to reddish grey (occasionally layered) silty clay was encountered in Boreholes BH09-01 to BH09-05 (inclusive). The thickness of the silty clay deposit varied from 0.9 m to 2.7 m.

SPT measurements within this deposit were N=2 to N=8 per 0.3 m of penetration, while in situ field vane testing carried out within this stratum measured undrained shear strengths between approximately 40 kPa to 71 kPa. The SPT 'N' values combined with the undrained shear strengths indicated this material had a soft to stiff consistency.

Results of particle size distribution tests conducted on retrieved samples from Boreholes BH09-01 and BH09-03 are shown on Figures 3 and 4, respectively.

The natural moisture contents of the silty clay samples tested ranged from 21% to 44%.

A seam of loose, reddish brown silty sand was embedded within the silty clay deposit encountered in Boreholes BH09-03 and BH09-05. The silty sand seam was 0.5 m thick and encountered at a depth of 2.7 m below existing grade in Borehole BH09-03, and 0.3 m thick and intercepted at a depth of 2.6 m below existing grade in Borehole BH09-05.

The natural moisture content of a silty sand sample tested was 26%.

4.5 Silt

A deposit of grey to reddish grey (occasionally layered) silt containing some clay was encountered in each of the boreholes. The thickness of this deposit was between 4.0 m and 4.5 m, and was encountered at depths ranging from 2.7 m to 3.7 m below the existing ground surface.

SPT measurement results from this deposit were between N=2 and N=21 blows per 0.3 m of penetration, whereas in situ field vane testing carried out within this stratum measured undrained shear strengths of about 10 kPa to 29 kPa, which corresponded to a loose to compact relative density. Results of particle size distribution tests conducted on retrieved samples from this deposit are shown on Figures 5 to 7.

Measured water contents of silt samples tested were between 19% and 36%.

4.6 Lower Silty Clay

In Boreholes BH09-02 and BH09-06, a relatively thick, lower silty clay deposit was encountered beneath the silt deposit, each at a depth of 7.2 m below existing grade that extended to the bottom of the boreholes, which were terminated at a depth of 10.1 m.

SPT measurements within this deposit were N=1 to N=2 per 0.3 m of penetration, while in situ field vane testing carried out within this stratum measured undrained shear strengths of about 30 kPa to 40 kPa. The SPT 'N' values combined with the undrained shear strengths indicate that the material had a soft to firm consistency.

Atterberg Limits testing carried out on a sample of the silty clay obtained from Borehole BH09-06 measured a Liquid Limit of 59% and a Plastic Limit of 22%, corresponding to a Plasticity Index of 36%. The results of the Atterberg Limits testing are shown on the plasticity chart on Figure 8 and indicate that the material is a silty clay of high plasticity.

Measured water contents of lower silty clay samples tested were between 33% and 71%.

4.7 Refusal

Spoon or auger refusal was not encountered in the boreholes. The boreholes were terminated at depths varying from 5.2 m to 10.1 m below the existing ground surface.

4.8 Groundwater

The unstabilized water level was measured in Boreholes BH09-01 to BH09-05 (inclusive) at depths of 2.0 m to 8.1 m below the existing ground surface. The unstabilized water level was not encountered in Borehole BH09-06. Based on measured moisture contents, the groundwater table is anticipated at a depth of approximately 1.5 m to 2.0 m below existing grade.

Fluctuations of groundwater levels can occur due to seasonal variations in the amount of rainfall and runoff, and other factors not evident at the time the borings were performed. The possibility of groundwater level fluctuations should be considered when developing the design and construction plans for the project.

5.0 DISCUSSION

This section of the report provides our interpretation of the factual geotechnical data obtained during the geotechnical evaluation and is intended for the guidance of GLP and their design team only. Where comments are made on aspects of construction, they are provided only to highlight those aspects which could affect the design of the project. Contractors bidding on or undertaking the work should make their own interpretation of the subsurface information provided as it affects their proposed construction methods, equipment selection, scheduling, safety and the like.

5.1 Foundations

The soil stratigraphy encountered generally consisted of fill overlying a deposit of organics, which was underlain by a loose sand to silty sand. A silty clay (upper) deposit was encountered beneath the sand to silty sand. Below the silty clay (upper), a very loose to compact silt stratum was encountered, which was underlain by a soft to firm silty clay (lower) deposit. The lower silty clay deposit extended to the bottom of Boreholes BH09-02 and BH09-06, which were terminated at 10.1 m below the existing grade.

Considering this structure is anticipated to be lightly loaded, conventional strip and spread footings can be founded on the upper silty clay stratum. To provide adequate soil cover for frost protection, the footings should be founded at a depth of 1.8 m below the existing grade. At this depth, an SLS bearing pressure of 75 kPa (25 mm total settlement) and a factored ULS bearing pressure of 180 kPa should be used for design purposes. The above noted bearing pressures assume the native soils are properly prepared by removing organics, disturbed soil and loose material from the footing contact area.

Minimum footing sizes (least lateral dimension) should be 910 mm for individual column spread footings and 610 mm for continuous strip footings.

5.2 Structural Fill

The base of the excavation for the footings should be reviewed by a geotechnical engineer and any loose or soft areas should be replaced with structural fill. We recommend that structural fill below the footing level consist of clean, imported granular fill material, such as an Ontario Provincial Standard Specifications (OPSS) Granular A or Granular B (Type II). Granular structural fill should be placed on an approved subgrade and should be spread in layers having a maximum loose lift thickness of 300 mm. The Granular A should be uniformly compacted to 100% of the materials Standard Proctor Maximum Dry Density (SPMDD), whereas the use of a probe rod and a review of the compactive effort are required to assess the compaction of the Granular B (Type II).

The in situ silty clay and silt are susceptible to disturbance caused by construction equipment and foot traffic. We recommend that a 150 mm thick layer of OPSS Granular A or Granular B (Type II) be placed directly below the footings and extending 300 mm beyond the footing edges.

Backfill placed along the footing wall and within the footing trench excavation should be a Granular A, Granular B (Type I) or Granular B (Type II) and should be placed in maximum loose lift thicknesses of 300 mm and be uniformly compacted to 95% of the SPMDD. Care should be taken during placement and compaction of the backfill material to ensure that the footing wall has adequate lateral support and to prevent damage to the wall.

5.3 Seismic Considerations

When referencing Table 4.1.8.4 A of the Ontario Building Code (2006), the project site is classified as Class E, based on the thickness and properties of the soils encountered. The four values of the Spectral Response Acceleration [Sa(T)] for different periods and the Peak Ground Acceleration (PGA) can be obtained from the National Building Code of Canada (2005). The design values of acceleration-based site coefficient (Fa) and velocity-based site coefficient (Fv) for the project site should be calculated in accordance with Tables 4.1.8.4 B

and C of the Ontario Building Code (2006), respectively. Should a less conservative site class designation be required, additional field evaluations will be required to measure the average in situ shear wave velocity within the upper 30 m of overburden soils.

5.4 Frost Protection

The soils encountered at this site are considered highly frost susceptible. Footings will require a minimum of 1.8 m of soil cover or an equivalent combination of insulation and soil cover.

As a guideline, approximately 25 mm of polystyrene foam insulation provides 300 mm to 450 mm reduction in soil cover. If rigid polystyrene foam insulation is used (i.e. Styrofoam HI 40 or equivalent), it should be placed directly beneath the footing and extend horizontally beyond the footing edge. The horizontal distance from the footing edge is dependent on the amount of soil cover provided.

5.5 Dewatering and Excavations

All excavations should be carried out in accordance with the most recent guidelines of the Occupational Health and Safety Act and Regulations for Construction Projects (the Act). Based on measured water contents and unstabilized water levels in the open boreholes, the water table depth is estimated to be 2.0 m below existing grade. The upper silty clay should be classified as a Type 2 above the water table and a Type 3 soil below the water table when referencing the Act. The encountered silt stratum should be classified as a Type 2 above the water table and classified as a Type 3 below the water table.

Shallow excavations completed within the silty clay (upper) or silt should be possible using open cut techniques. If the water table is encountered within the excavation, standard construction dewatering procedures (i.e. sumps with filter equipped sump pumps) will be necessary to control inflows. Short-term side slopes should be no steeper than 1H:1V.

Stockpiles should be placed well away from the edge of the excavation and their height should be controlled so they do not surcharge the sides of the excavation and/or support, unless accounted for in the design. Surface drainage should be controlled to prevent flow of surface water into the excavations. Excavation safety and stability of temporary construction slopes and lateral support systems are the contractor's responsibility.

5.6 Reuse of Excavated Soil

The in situ soils are considered frost susceptible and are not acceptable as structural fill or backfill within the footing excavation. This material should only be used for landscaping purposes where compaction is not required.

5.7 Construction Considerations

A geotechnical engineer should be on site during construction to evaluate the exposed subgrade prior to placement of concrete and/or structural fill and to confirm that the exposed conditions are consistent with those encountered in the exploratory boreholes.

Where structural fill material is placed on this project, adequate testing and observation during the placement and compaction of the structural fill will be required.

The bearing soil, backfill and fresh concrete should be protected from freezing during cold weather construction.

6.0 IMPORTANT INFORMATION AND LIMITATIONS OF THIS REPORT

6.1 Standard of Care

Golder has prepared this report in a manner consistent with that level of care and skill ordinarily exercised by members of the engineering and science professions currently practicing under similar conditions in the jurisdiction in which the services are provided, subject to the time limits and physical constraints applicable to this report. No other warranty, expressed or implied is made.

6.2 Basis and Use of the Report

This report has been prepared for the specific site, design objective, development and purpose described to Golder by the Client. The factual data, interpretations and recommendations pertain to a specific project as described in this report and are not applicable to any other project or site location. Any change of site conditions, purpose, development plans or if the project is not initiated within eighteen months of the date of the report may alter the validity of the report. Golder can not be responsible for use of this report, or portions thereof, unless Golder is requested to review and, if necessary, revise the report.

The information, recommendations and opinions expressed in this report are for the sole benefit of the Client. No other party may use or rely on this report or any portion thereof without Golder's express written consent. If the report was prepared to be included for a specific permit application process, then upon the reasonable request of the client, Golder may authorize in writing the use of this Report by the regulatory agency as an Approved User for the specific and identified purpose of the applicable permit review process. Any other use of this report by others is prohibited and is without responsibility to Golder. The report, all plans, data, drawings and other documents as well as all electronic media prepared by Golder are considered its professional work product and shall remain the copyright property of Golder, who authorizes only the Client and Approved Users to make copies of the report, but only in such quantities as are reasonably necessary for the use of the report by those parties. The Client and Approved Users may not give, lend, sell, or otherwise make available the report or any portion thereof to any other party without the express written permission of Golder. The Client acknowledges that electronic media is susceptible to unauthorized modification, deterioration and incompatibility and therefore the Client can not rely upon the electronic media versions of Golder's report or other work products.

The report is of a summary nature and is not intended to stand alone without reference to the instructions given to Golder by the Client, communications between Golder and the Client, and to any other reports prepared by Golder for the Client relative to the specific site described in the report. In order to properly understand the suggestions, recommendations and opinions expressed in this report, reference must be made to the whole of the report. Golder can not be responsible for use of portions of the report without reference to the entire report.

Unless otherwise stated, the suggestions, recommendations and opinions given in this report are intended only for the guidance of the Client in the design of the specific project. The extent and detail of investigations, including the number of test holes, necessary to determine all of the relevant conditions which may affect construction costs would normally be greater than has been carried out for design purposes. Contractors bidding on, or undertaking the work, should rely on their own investigations, as well as their own interpretations of the factual data presented in the report, as to how subsurface conditions may affect their work, including but not limited to proposed construction techniques, schedule, safety and equipment capabilities.

6.3 Soil, Rock and Groundwater Conditions

Classification and identification of soils, rocks, and geologic units have been based on commonly accepted methods employed in the practice of geotechnical engineering and related disciplines. Classification and identification of the type and condition of these materials or units involves judgment, and boundaries between different soil, rock or geologic types or units may be transitional rather than abrupt. Accordingly, Golder does not warrant or guarantee the exactness of the descriptions.

Special risks occur whenever engineering or related disciplines are applied to identify subsurface conditions and even a comprehensive investigation, sampling and testing program may fail to detect all or certain subsurface conditions. The environmental, geologic, geotechnical, geochemical and hydrogeologic conditions that Golder interprets to exist between and beyond sampling points may differ from those that actually exist. In addition to soil variability, fill of variable physical and chemical composition can be present over portions of the site or on adjacent properties. The professional services retained for this project include only the geotechnical aspects of the subsurface conditions at the site, unless otherwise specifically stated and identified in the report. The presence or implication(s) of possible surface and/or subsurface contamination resulting from previous activities or uses of the site and/or resulting from the introduction onto the site of materials from off-site sources are outside the terms of reference for this project and have not been investigated or addressed.

Soil and groundwater conditions shown in the factual data and described in the report are the observed conditions at the time of their determination or measurement. Unless otherwise noted, those conditions form the basis of the recommendations in the report. Groundwater conditions may vary between and beyond reported locations and can be affected by annual, seasonal and meteorological conditions. The condition of the soil, rock and groundwater may be significantly altered by construction activities (traffic, excavation, groundwater level lowering, pile driving, blasting, etc.) on the site or on adjacent sites. Excavation may expose the soils to changes due to wetting, drying or frost. Unless otherwise indicated, the soil must be protected from these changes during construction.

6.4 Sample Disposal

Golder will dispose of all uncontaminated soil and/or rock samples 90 days following issue of this report or, upon written request of the Client, will store uncontaminated samples and materials at the Client's expense. In the event that actual contaminated soils, fills or groundwater are encountered or are inferred to be present, all contaminated samples shall remain the property and responsibility of the Client for proper disposal.

6.5 Follow-Up and Construction Services

All details of the design were not known at the time of submission of Golder's report. Golder should be retained to review the final design, project plans and documents prior to construction, to confirm that they are consistent with the intent of Golder's report.

During construction, Golder should be retained to perform sufficient and timely observations of encountered conditions to confirm and document that the subsurface conditions do not materially differ from those interpreted conditions considered in the preparation of Golder's report and to confirm and document that construction activities do not adversely affect the suggestions, recommendations and opinions contained in Golder's report. Adequate field review, observation and testing during construction are necessary for Golder to be able to provide letters of assurance, in accordance with the requirements of many regulatory authorities. In cases where this recommendation is not followed, Golder's responsibility is limited to interpreting accurately the information encountered at the borehole locations, at the time of their initial determination or measurement during the preparation of the report.

6.6 Changed Conditions and Drainage

Where conditions encountered at the site differ significantly from those anticipated in this report, either due to natural variability of subsurface conditions or construction activities, it is a condition of this report that Golder be notified of any changes and provided with an opportunity to review or revise the recommendations within this report. Recognition of changed soil and rock conditions requires experience and it is recommended that Golder be employed to visit the site with sufficient frequency to detect if conditions have changed significantly.

Drainage of subsurface water is commonly required either for temporary or permanent installations for the project. Improper design or construction of drainage or dewatering can have serious consequences. Golder takes no responsibility for the effects of drainage unless specifically involved in the detailed design and construction monitoring of the system.

7.0 CLOSURE

We trust the above information is sufficient for your use at this time. Should you require any additional data or clarification, please feel free to contact the undersigned.

Report Signature Page

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LIST OF ABBREVIATIONS

The abbreviations commonly employed on Records of Boreholes, on figures and in the text of the report are as follows:

1. SAMPLE TYPE

AS	Auger sample
BS	Block sample
CS	Chunk sample
DO	Drive open
DS	Denison type sample
FS	Foil sample
RC	Rock core
SC	Soil core
ST	Slotted tube
TO	Thin-walled, open
TP	Thin-walled, piston
WS	Wash sample

II. PENETRATION RESISTANCE

Standard Penetration Resistance (SPT), N:
The number of blows by a 63.5 kg. (140 lb.) hammer dropped 760 mm (30 in.) required to drive a 50 mm (2 in.) drive open sampler for a distance of 300 mm (12 in.).

Dynamic Cone Penetration Resistance, N_d:
The number of blows by a 63.5 kg. (140 lb.) hammer dropped 760 mm (30 in.) to drive uncased a 50 mm (2 in.) diameter, 60° cone attached to "A" size drill rods for a distance of 300 mm (12 in.).

PH: Sampler advanced by hydraulic pressure
PM: Sampler advanced by manual pressure
WH: Sampler advanced by static weight of hammer
WR: Sampler advanced by weight of sampler and rod

Piezocone Penetration Test (CPT)
An electronic cone penetrometer with a 60° conical tip and a project end area of 10 cm^2 pushed through ground at a penetration rate of 2 cm/s. Measurements of tip resistance (Q_t), porewater pressure (PWP) and friction along a sleeve are recorded electronically at 25 mm penetration intervals.

III. SOIL DESCRIPTION

(a) Cohesionless Soils

Density Index (Relative Density)	N Blows/300 mm or Blows/ft.
Very loose	0 to 4
Loose	4 to 10
Compact	10 to 30
Dense	30 to 50
Very dense	over 50

(b) Cohesive Soils

Consistency	C_u,S_u kPa	C_u,S_u psf
Very soft	0 to 12	0 to 250
Soft	12 to 25	250 to 500
Firm	25 to 50	500 to 1,000
Stiff	50 to 100	1,000 to 2,000
Very stiff	100 to 200	2,000 to 4,000
Hard	over 200	over 4,000

IV. SOIL TESTS

w	water content
w_p	plastic limit
w_l	liquid limit
C	consolidation (oedometer) test
CHEM	chemical analysis (refer to text)
CID	consolidated isotropically drained triaxial test[1]
CIU	consolidated isotropically undrained triaxial test with porewater pressure measurement[1]
D_R	relative density (specific gravity, G_s)
DS	direct shear test
M	sieve analysis for particle size
MH	combined sieve and hydrometer (H) analysis
MPC	Modified Proctor compaction test
SPC	Standard Proctor compaction test
OC	organic content test
SO_4	concentration of water-soluble sulphates
UC	unconfined compression test
UU	unconsolidated undrained triaxial test
V	field vane (LV-laboratory vane test)
γ	unit weight

Note: 1 Tests which are anisotropically consolidated prior to shear are shown as CAD, CAU.

LIST OF SYMBOLS

Unless otherwise stated, the symbols employed in the report are as follows:

I. GENERAL

π	3.1416
in x,	natural logarithm of x
$\log_{10}$	x or log x, logarithm of x to base 10
g	acceleration due to gravity
t	time
F	factor of safety
V	volume
W	weight

II. STRESS AND STRAIN

γ	shear strain
Δ	change in, e.g. stress: $\Delta\sigma$
ε	linear strain
ε_v	volumetric strain
η	coefficient of viscosity
ν	Poisson's ratio
σ	total stress
σ'	effective stress ($\sigma' = \sigma$-u)
σ_{vo}	initial effective overburden stress
$\sigma_1, \sigma_2, \sigma_3$	principal stress (major, intermediate, minor)
σ_{oct}	mean stress or octahedral stress $= (\sigma_1 + \sigma_2 + \sigma_3)/3$
τ	shear stress
u	porewater pressure
E	modulus of deformation
G	shear modulus of deformation
K	bulk modulus of compressibility

III. SOIL PROPERTIES

(a) Index Properties

$\rho(\gamma)$	bulk density (bulk unit weight*)
$\rho_d(\gamma_d)$	dry density (dry unit weight)
$\rho_w(\gamma_w)$	density (unit weight) of water
$\rho_s(\gamma_s)$	density (unit weight) of solid particles
γ'	unit weight of submerged soil ($\gamma' = \gamma$-γ_w)
D_R	relative density (specific gravity) of solid particles ($D_R = \rho_s/\rho_w$) (formerly G_s)
e	void ratio
n	porosity
S	degree of saturation

* Density symbol is ρ. Unit weight symbol is γ where $\gamma = \rho g$ (i.e. mass density x acceleration due to gravity).

(a) Index Properties (continued)

w	water content
w_l	liquid limit
w_p	plastic limit
I_p	plasticity index – $(w_l - w_p)$
w_s	shrinkage limit
I_L	liquidity index = $(w - w_p)/I_p$
I_c	consistency index = $(w_l - w)/I_p$
e_{max}	void ratio in loosest state
e_{min}	void ratio in densest state
I_D	density index = $(e_{max} - e) / (e_{max} - e_{min})$ (formerly relative density)

(b) Hydraulic Properties

h	hydraulic head or potential
q	rate of flow
v	velocity of flow
i	hydraulic gradient
k	hydraulic conductivity (coefficient of permeability)
j	seepage force per unit volume

(c) Consolidation (one-dimensional)

C_c	compression index (normally consolidated range)
C_r	recompression index (over-consolidated range)
C_s	swelling index
C_a	coefficient of secondary consolidation
m_v	coefficient of volume change
c_v	coefficient of consolidation
T_v	time factor (vertical direction)
U	degree of consolidation
σ'_p	pre-consolidation pressure
OCR	over-consolidation ratio = σ'_p/σ'_{vo}

(d) Shear Strength

τ_p, τ_r	peak and residual shear strength
ϕ'	effective angle of internal friction
δ	angle of interface friction
μ	coefficient of friction = tan δ
c'	effective cohesion
c_u, s_u	undrained shear strength ($\phi = 0$ analysis)
p	mean total stress $(\sigma_1 + \sigma_3)/2$
p'	mean effective stress $(\sigma'_1 + \sigma'_3)/2$
q	$(\sigma_1 + \sigma_3)/2$ or $(\sigma'_1 + \sigma'_3)/2$
q_u	compressive strength $(\sigma_1 + \sigma_3)$
S_t	sensitivity

Notes: 1 $\tau = c' + \sigma' \tan \phi'$

2 Shear strength = (Compressive strength)/2

N:\admin_gal\Clerical\Forms\Geotechnical\List of Symbols.doc

PROJECT: 09-1191-0048

RECORD OF BOREHOLE: BH09-01

SHEET 1 OF 1

LOCATION: See Figure 2

BORING DATE: September 23, 2009

DATUM: Geodetic

SAMPLER HAMMER: 63.5 kg; DROP: 760 mm

INCLINATION: -90°

PENETRATION TEST HAMMER, 63.5kg; DROP, 760mm

DEPTH SCALE METRES	BORING METHOD	SOIL PROFILE: DESCRIPTION	STRATA PLOT	ELEV. / DEPTH (m)	SAMPLES: NUMBER	TYPE	BLOWS/0.3m	DYNAMIC PENETRATION RESISTANCE, BLOWS/0.3m (20 40 60 80); SHEAR STRENGTH Cu, kPa (nat V. + Q - ●, rem V. ⊕ U - ○) (30 60 90 120)	HYDRAULIC CONDUCTIVITY, k, cm/s (10^{-6} 10^{-5} 10^{-4} 10^{-3}); WATER CONTENT PERCENT (Wp W Wl) (10 20 30 40)	ADDITIONAL LAB. TESTING	PIEZOMETER OR STANDPIPE INSTALLATION
		GROUND SURFACE		231.0							
0	CME - 55 Track Mount	Compact, moist, dark brown, sand, some silt (FILL)		0.0	1	SS	11		W		
				230.2							
1		Stiff to frim, moist to wet, layered, reddish grey, SILTY CLAY		0.8	2	SS	8		W		
2					3	SS	6		W		
					4	SS	3		W	MH	
				228.0							
3		Loose to very loose, wet, reddish grey to grey, SILT, some clay		3.0	5	SS	8		W		
4											(09/23/09) ▽
5					6	SS	3		W	MH	
				225.8							
		End of Borehole		5.2							
6		Note: 1. Water level measured at 3.8 m below ground surface (Elev. 227.2 m) upon completion of drilling.									
7											
8											
9											
10											

BOREHOLE 09-1191-0048 GREAT LAKES POWER.GPJ GLDR_CAN.GDT 17/11/09

DEPTH SCALE
1 : 50

Golder Associates

LOGGED: EHS
CHECKED: LG

PROJECT: 09-1191-0048

RECORD OF BOREHOLE: BH09-02

SHEET 1 OF 2

LOCATION: See Figure 2

BORING DATE: September 23, 2009

DATUM: Geodetic

SAMPLER HAMMER: 63.5 kg; DROP: 760 mm

INCLINATION: -90°

PENETRATION TEST HAMMER, 63.5kg; DROP, 760mm

DEPTH SCALE METRES	BORING METHOD	DESCRIPTION	STRATA PLOT	ELEV. DEPTH (m)	SAMPLES NUMBER	SAMPLES TYPE	SAMPLES BLOWS/0.3m	DYNAMIC PENETRATION RESISTANCE, BLOWS/0.3m (20 40 60 80) / SHEAR STRENGTH Cu, kPa (30 60 90 120) nat V. + Q - ● rem V. ⊕ U - ○	HYDRAULIC CONDUCTIVITY, k, cm/s (10^{-6} 10^{-5} 10^{-4} 10^{-3}) / WATER CONTENT PERCENT Wp W Wl (10 20 30 40)	ADDITIONAL LAB. TESTING	PIEZOMETER OR STANDPIPE INSTALLATION
0	CME - 55 Track Mount	GROUND SURFACE		229.7							
		Moist, dark brown, Sandy ORGANICS		229.5							
		Loose, moist, reddish brown, SAND, trace silt		0.2	1	SS	5				
				228.9							
1		Firm, moist to wet, reddish grey, SILTY CLAY		0.8	2	SS	5				
					3	SS	3				
2								⊕ +			
				227.0							
		Very loose to loose, wet, layered, reddish grey, SILT, trace to some clay		2.7							
3					4	SS	5				
4											
5					5	SS	3				
6					6	SS	3				
7				222.5							
		Firm, wet, layered, reddish grey, SILTY CLAY		7.2	7	SS	1				(09/23/09) ▽
8								⊕ +			
9					8	SS	1			70.6	
10		CONTINUED NEXT PAGE									

BOREHOLE 09-1191-0048 GREAT LAKES POWER.GPJ GLDR_CAN.GDT 17/11/09

DEPTH SCALE
1 : 50

Golder Associates

LOGGED: EHS
CHECKED: LG

PROJECT: 09-1191-0048

RECORD OF BOREHOLE: BH09-02

SHEET 2 OF 2

LOCATION: See Figure 2

BORING DATE: September 23, 2009

DATUM: Geodetic

SAMPLER HAMMER: 63.5 kg; DROP: 760 mm

INCLINATION: -90°

PENETRATION TEST HAMMER, 63.5kg; DROP, 760mm

DEPTH SCALE METRES	BORING METHOD	SOIL PROFILE: DESCRIPTION	STRATA PLOT	ELEV. / DEPTH (m)	SAMPLES: NUMBER	SAMPLES: TYPE	SAMPLES: BLOWS/0.3m	DYNAMIC PENETRATION RESISTANCE, BLOWS/0.3m (20 40 60 80) / SHEAR STRENGTH Cu, kPa (nat V. + Q - ● / rem V. ⊕ U - ○) (30 60 90 120)	HYDRAULIC CONDUCTIVITY, k, cm/s (10^{-6} 10^{-5} 10^{-4} 10^{-3}) / WATER CONTENT PERCENT (Wp — W — Wl) (10 20 30 40)	ADDITIONAL LAB. TESTING	PIEZOMETER OR STANDPIPE INSTALLATION
10		— CONTINUED FROM PREVIOUS PAGE —									
				219.6				⊕ +			
		End of Borehole		10.1							
		Note: 1. Water level measured at 8.1 m below ground surface (Elev. 221.6 m) upon completion of drilling.									
11											
12											
13											
14											
15											
16											
17											
18											
19											
20											

DEPTH SCALE
1 : 50

Golder Associates

LOGGED: EHS
CHECKED: LG

BOREHOLE 09-1191-0048 GREAT LAKES POWER.GPJ GLDR_CAN.GDT 17/11/09

PROJECT: 09-1191-0048

RECORD OF BOREHOLE: BH09-03

SHEET 1 OF 1

LOCATION: See Figure 2

BORING DATE: September 23, 2009

DATUM: Geodetic

SAMPLER HAMMER: 63.5 kg; DROP: 760 mm

INCLINATION: -90°

PENETRATION TEST HAMMER, 63.5kg; DROP, 760mm

DEPTH SCALE METRES	BORING METHOD	SOIL PROFILE: DESCRIPTION	STRATA PLOT	ELEV. / DEPTH (m)	SAMPLES: NUMBER	TYPE	BLOWS/0.3m	DYNAMIC PENETRATION RESISTANCE, BLOWS/0.3m (20 40 60 80); SHEAR STRENGTH Cu, kPa (nat V. + Q - ●, rem V. ⊕ U - ○) (30 60 90 120)	HYDRAULIC CONDUCTIVITY, k, cm/s (10^{-6} 10^{-5} 10^{-4} 10^{-3}); WATER CONTENT PERCENT (Wp, W, Wl) (10 20 30 40)	ADDITIONAL LAB. TESTING	PIEZOMETER OR STANDPIPE INSTALLATION
0	CME - 55 Track Mount	GROUND SURFACE		229.4							
		Moist, dark brown Silty ORGANICS		229.2							
		Loose, moist, reddish brown, SAND, some silt, trace clay		0.2	1	SS	6		W		
				228.5							
1		Firm to stiff, moist, reddish brown, SILTY CLAY, trace sand		0.9	2	SS	5				
					3	SS	6		W	MH	
2								⊕ +			
				226.7							
		Loose, wet, reddish brown, Silty SAND, trace clay		2.7							
				226.2							
3		Very loose, wet, layered reddish grey, SILT, trace to some clay		3.2	4	SS	4		W		
4											(09/23/09) ▽
					5	SS	3				
5				223.9							
		End of Borehole		5.5							
6		Note: 1. Water level measured at 4.3 m below ground surface (Elev. 225.1 m) upon completion of drilling.									
7											
8											
9											
10											

DEPTH SCALE
1 : 50

Golder Associates

LOGGED: EHS
CHECKED: LG

BOREHOLE 09-1191-0048 GREAT LAKES POWER.GPJ GLDR_CAN.GDT 17/11/09

PROJECT: 09-1191-0048

RECORD OF BOREHOLE: BH09-04

SHEET 1 OF 1

LOCATION: See Figure 2

BORING DATE: September 23, 2009

DATUM: Geodetic

SAMPLER HAMMER: 63.5 kg; DROP: 760 mm

INCLINATION: -90°

PENETRATION TEST HAMMER, 63.5kg; DROP, 760mm

DEPTH SCALE METRES	BORING METHOD	SOIL PROFILE: DESCRIPTION	STRATA PLOT	ELEV. / DEPTH (m)	SAMPLES: NUMBER	TYPE	BLOWS/0.3m	DYNAMIC PENETRATION RESISTANCE, BLOWS/0.3m (20 40 60 80) / SHEAR STRENGTH Cu, kPa (nat V. + Q - ●, rem V. ⊕ U - ○) (30 60 90 120)	HYDRAULIC CONDUCTIVITY, k, cm/s (10^{-6} 10^{-5} 10^{-4} 10^{-3}) / WATER CONTENT PERCENT (Wp W Wl) (10 20 30 40)	ADDITIONAL LAB. TESTING	PIEZOMETER OR STANDPIPE INSTALLATION
0	CME - 55 Track Mount	GROUND SURFACE		230.2							
		Compact, moist, brown, gravelly sand to sand, trace silt (FILL)		0.0	1	SS	16				
1					2	SS	16				
				228.4	3	SS	10				
2		Stiff, moist, reddish brown, SILTY CLAY, trace organics		1.8							(09/23/09) ▽
				227.5	4	SS	4				
3		Loose to compact, moist to wet, layered, grey and reddish brown, SILT, some clay, trace sand		2.7	5	SS	21				
4											
5				225.0	6	SS	5			MH	
		End of Borehole		5.2							
6		Note: 1. Water level measured at 2.0 m below ground surface (Elev. 228.2 m) upon completion of drilling.									
7											
8											
9											
10											

BOREHOLE 09-1191-0048 GREAT LAKES POWER.GPJ GLDR_CAN.GDT 17/11/09

DEPTH SCALE
1 : 50

Golder Associates

LOGGED: EHS
CHECKED: LG

PROJECT: 09-1191-0048

RECORD OF BOREHOLE: BH09-05

SHEET 1 OF 1

LOCATION: See Figure 2

BORING DATE: September 23, 2009

DATUM: Geodetic

SAMPLER HAMMER: 63.5 kg; DROP: 760 mm

INCLINATION: -90°

PENETRATION TEST HAMMER, 63.5kg; DROP, 760mm

DEPTH SCALE METRES	BORING METHOD	SOIL PROFILE: DESCRIPTION	STRATA PLOT	ELEV. / DEPTH (m)	SAMPLES: NUMBER	TYPE	BLOWS/0.3m	DYNAMIC PENETRATION RESISTANCE, BLOWS/0.3m (20 40 60 80); SHEAR STRENGTH Cu, kPa (30 60 90 120); nat V. + Q - ●; rem V. ⊕ U - ○	HYDRAULIC CONDUCTIVITY, k, cm/s (10^{-6} 10^{-5} 10^{-4} 10^{-3}); WATER CONTENT PERCENT Wp W Wl (10 20 30 40)	ADDITIONAL LAB. TESTING	PIEZOMETER OR STANDPIPE INSTALLATION
0	CME - 55 Track Mount	GROUND SURFACE		229.2							
		Moist, dark brown, Silty ORGANICS		229.0							
		Compact, moist to wet, brown, Silty SAND, trace clay		0.2	1	SS	11				
1				228.2							
		Firm, moist to wet, reddish brown to reddish grey, SILTY CLAY, trace sand		1.0	2	SS	8				
2					3	SS	8				
				226.6	4	SS	9				
		Loose, wet, reddish brown, Silty SAND, trace clay		2.6							
				226.3							
3		Firm, wet, reddish brown, SILTY CLAY, trace sand		2.9	5	SS	2				
				225.5							
		Loose, wet, grey, SILT, trace to some clay		3.7							(09/23/09) ▽
4											
					6	SS	4			MH	
5				223.7							
		End of Borehole		5.5							
6		Note:									
		1. Water level measured at 4.1 m below ground surface (Elev. 225.1 m) upon completion of drilling.									
7											
8											
9											
10											

BOREHOLE 09-1191-0048 GREAT LAKES POWER.GPJ GLDR_CAN.GDT 17/11/09

DEPTH SCALE
1 : 50

Golder Associates

LOGGED: EHS
CHECKED: LG

PROJECT: 09-1191-0048

RECORD OF BOREHOLE: BH09-06

SHEET 1 OF 2

LOCATION: See Figure 2

BORING DATE: September 23, 2009

DATUM: Geodetic

SAMPLER HAMMER: 63.5 kg; DROP: 760 mm

INCLINATION: -90°

PENETRATION TEST HAMMER, 63.5kg; DROP, 760mm

DEPTH SCALE METRES	BORING METHOD	SOIL PROFILE: DESCRIPTION	STRATA PLOT	ELEV. / DEPTH (m)	SAMPLES: NUMBER	TYPE	BLOWS/0.3m	DYNAMIC PENETRATION RESISTANCE, BLOWS/0.3m (20 40 60 80) / SHEAR STRENGTH Cu, kPa (nat V. + Q - ● / rem V. ⊕ U - ○) (30 60 90 120)	HYDRAULIC CONDUCTIVITY, k, cm/s (10^{-6} 10^{-5} 10^{-4} 10^{-3}) / WATER CONTENT PERCENT (Wp — W — Wl) (10 20 30 40)	ADDITIONAL LAB. TESTING	PIEZOMETER OR STANDPIPE INSTALLATION
0		GROUND SURFACE		229.5							
	CME - 55 Track Mount	Compact, moist, brown, gravelly sand, trace silt (FILL)		0.0 / 228.7	1	SS	17				
1		Firm, moist, brown and grey, clayey silt, some sand (FILL)		0.8 / 228.4	2	SS	6				
		Loose, moist to wet, dark brown, Sandy ORGANICS		1.1 / 227.2	3	SS	4				
2											
		Very loose, wet, dark brown, Silty SAND, some gravel, trace clay		2.3 / 226.3	4	SS	1				
3											
		Very loose, wet, reddish grey, SILT, trace to some clay		3.2	5	SS	2				
4					6	SS	3				
								⊕ +			
5					7	SS	4				
6					8	SS	4				
								⊕			
7		Soft, wet, reddish grey, SILTY CLAY		7.2 / 222.3							
					9	SS	2				
8											
9					10	SS	1		59		
10		CONTINUED NEXT PAGE									

DEPTH SCALE
1 : 50

Golder Associates

LOGGED: EHS
CHECKED: LG

BOREHOLE 09-1191-0048 GREAT LAKES POWER.GPJ GLDR_CAN.GDT 17/11/09

PROJECT: 09-1191-0048

RECORD OF BOREHOLE: BH09-06

SHEET 2 OF 2

LOCATION: See Figure 2

BORING DATE: September 23, 2009

DATUM: Geodetic

SAMPLER HAMMER: 63.5 kg; DROP: 760 mm

INCLINATION: -90°

PENETRATION TEST HAMMER, 63.5kg; DROP, 760mm

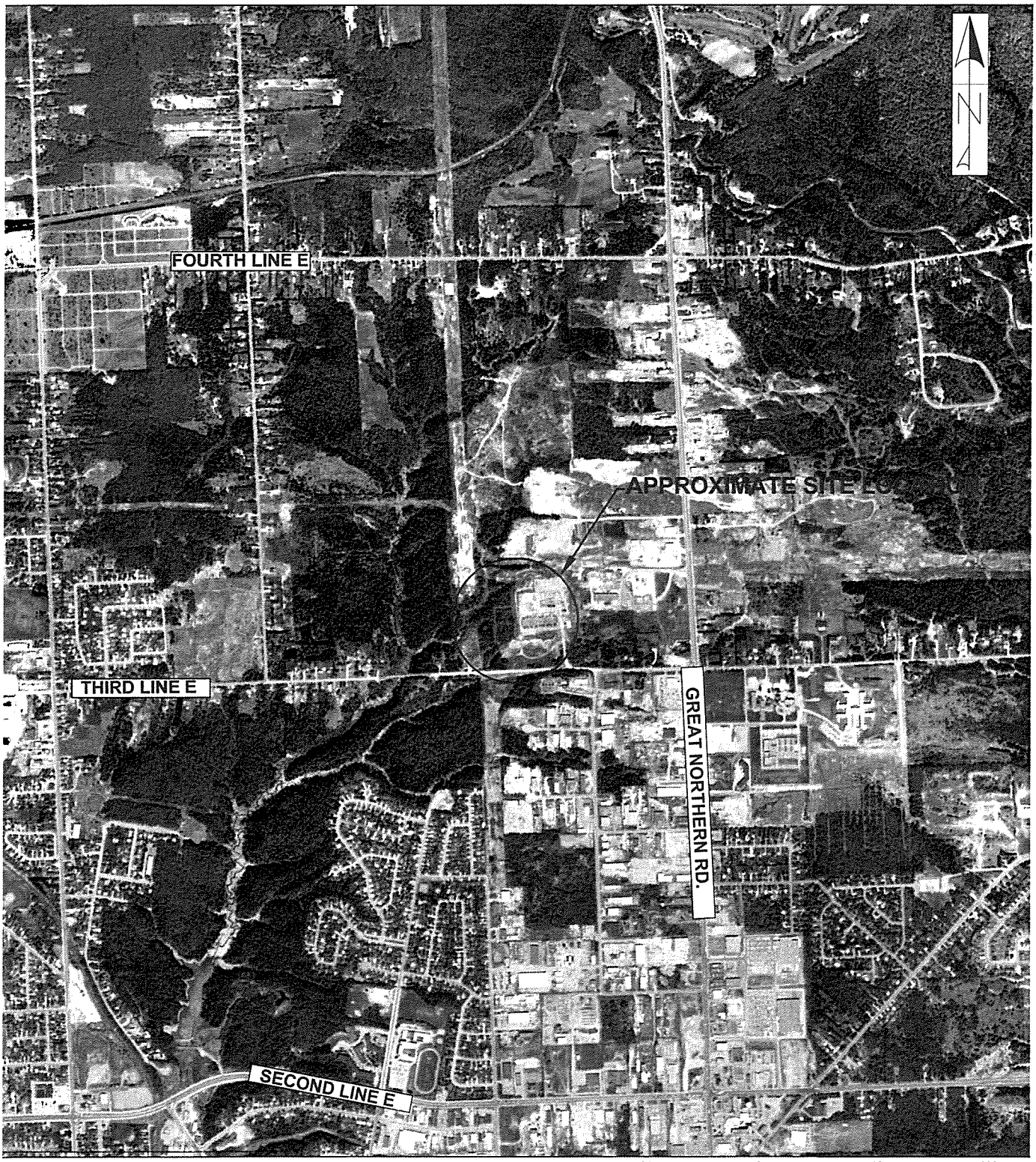
DEPTH SCALE METRES	BORING METHOD	SOIL PROFILE: DESCRIPTION	STRATA PLOT	ELEV. / DEPTH (m)	SAMPLES: NUMBER	SAMPLES: TYPE	SAMPLES: BLOWS/0.3m	DYNAMIC PENETRATION RESISTANCE, BLOWS/0.3m (20 40 60 80) / SHEAR STRENGTH Cu, kPa (nat V. + Q - ● / rem V. ⊕ U - ○) (30 60 90 120)	HYDRAULIC CONDUCTIVITY, k, cm/s (10^{-6} 10^{-5} 10^{-4} 10^{-3}) / WATER CONTENT PERCENT (Wp W Wl) (10 20 30 40)	ADDITIONAL LAB. TESTING	PIEZOMETER OR STANDPIPE INSTALLATION
10		*--- CONTINUED FROM PREVIOUS PAGE ---*									
		End of Borehole		219.4 10.1							
		Note: 1. Borehole dry upon completion of drilling.									
11											
12											
13											
14											
15											
16											
17											
18											
19											
20											

DEPTH SCALE
1 : 50

Golder Associates

LOGGED: EHS
CHECKED: LG

BOREHOLE 09-1191-0048 GREAT LAKES POWER.GPJ GLDR_CAN.GDT 17/11/09



Golder Associates
Sudbury, Ontario

SCALE	AS SHOWN
DATE	OCT 2009
DESIGN	
CADD	PL
CHECK	LG
REVIEW	AZ

FILE No. 0911910048FIG1.DWG
PROJECT No. 09-1191-0048 REV. 0

PROJECT
GEOTECHNICHAL EVALUATION
GREAT LAKES POWER
THIRD LINE TRANSFORMER STATION
SAULT STE MARIE, ONTARIO

TITLE KEY PLAN

FIGURE 1

BH09-01
BH09-02
BH09-03
BH09-04
BH09-05
BH09-06

FUTURE
TOWER C/W C.V.T.
NO.3 SAULT
1-266 VCM ACSR
(BY OTHERS)
2-1272 MCM AAC (TYP.)
SHIELD WIRE
NEW TOWER
EXISTING ACCESS
NEW BUILDING
20 4" PSC "C"
ACCESS ROAD
NEW BUS 4" PS. AL SCH.80 C/W 795VCM AAC DAMPING CABLE
EXISTING TOWER C & TRANSFORMERS
SCOPE OF WORK
NEW TOWER
EXISTING TOWER
TO BE CONFIRMED (WATCH WITH EXISTING PHASE TO PHASE)
EXISTING FENCE
NEW SHIELD WIRE
MODIFIED EXISTING ACCESS ROAD TO 6000mm
NEW BUS SUPPORT
EXISTING BUS SUPPORT
TOWER
S.S.V.T.
NO.1 ALGOMA
1-336 VCM ACSR
(BY OTHERS)
NO.2 ALGOMA
1-336 VCM ACSR
(BY OTHERS)
NO.3 ALGOMA
1-336 VCM ACSR
(BY OTHERS)
NORTHERN AVE.
1-477 MCM ACSR
(BY OTHERS)
TOWER C/W C.V.T.
GL2SM
GL1SM
GL2TA
GL1TA
1-477 MCV ACSR
(BY OTHERS)
EXISTING ACCESS ROAD
EXISTING FENCE
EXISTING TRANSFORMER T1 C/L
EXISTING TRANSFORMER T2 C/L
FLOATED AREA IS LOCATION OF PLANNED EXCAVATIONS
NEW SHIELD WIRE
EXISTING SHIELD WIRE
NEW BUS SUPPORT
EXISTING BUS SUPPORT
BREAK ATCH SUPPORT
BREAKER
C/W 2 BREAK DISC. SWITCH
C/W L.A., C.V.T., ATCH & C/W MOTOR R & GROUND SWITCH
NHW +HWC
FENCE

LEGEND

BH09-01
1. APPROXIMATE BOREHOLE LOCATION

APPROXIMATE SCALE 10 0 10 20 METRES

REFERENCE:BASE IMAGE xSD-23001-A.PDF AS PROVIDED BY GREAT LAKES POWER, AUGUST 2009

Golder Associates
Sudbury, Ontario

PROJECT
GEOTECHNICAL EVALUATION
GREAT LAKES POWER
THIRD LINE TRANSFORMER STATION
SAULT STE MARIE, ONTARIO

TITLE
BOREHOLE LOCATION PLAN

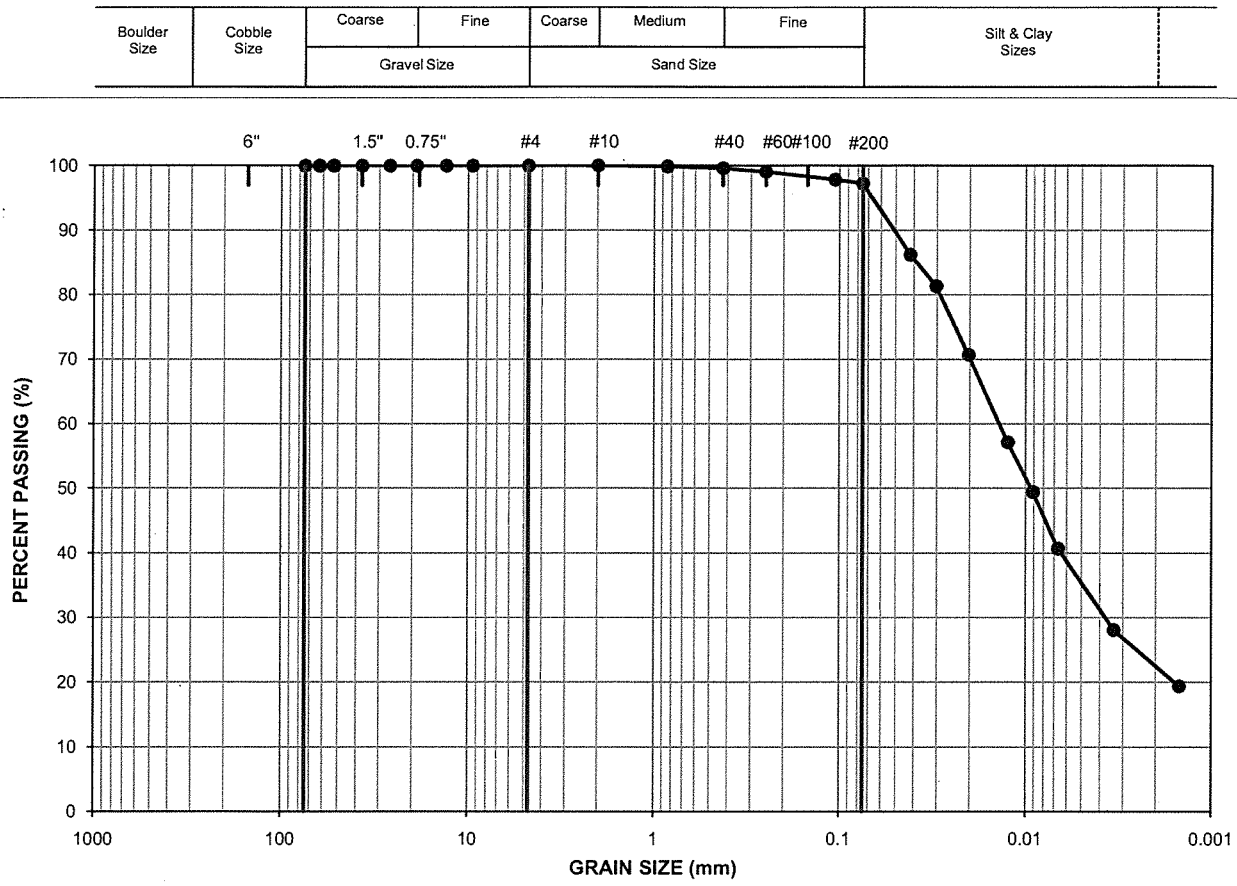
PROJECT No09-1191-0048		
FILE No0911910048FIG2.DWG		
REV. 0	SCALE AS SHOWN	
DESIGN		
CADD	PL	OCT 2009
CHECK	LG	OCT 2009
REVIEW	AZ	OCT 2009

FIGURE 2

PARTICLE SIZE DISTRIBUTION

SILTY CLAY

Figure 3



Golder Associates
Sudbury, Ontario

DATE:	Sept. 30/09	BOREHOLE:	BH09-01
PROJECT #:	09-1191-0048	SAMPLE #:	4
LAB #:	CS788	DEPTH:	2.3 - 2.9 m

Checked: LG
Reviewed: AZ

50 BEST EMPLOYERS IN CANADA 2008

CERTIFIED CONCRETE
TESTING LABORATORY
CSA Standard A283

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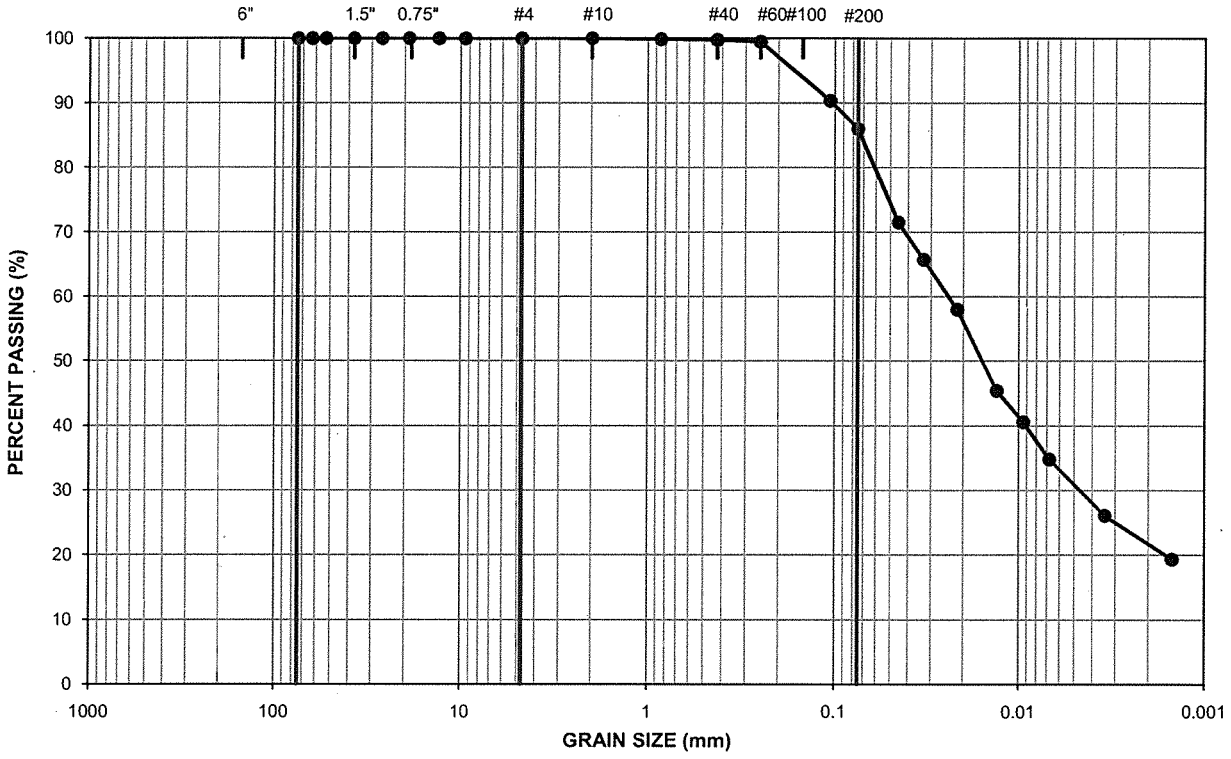
50 BEST MANAGED COMPANIES

PARTICLE SIZE DISTRIBUTION

SILTY CLAY

Figure 4

Boulder Size	Cobble Size	Gravel Size: Coarse	Gravel Size: Fine	Sand Size: Coarse	Sand Size: Medium	Sand Size: Fine	Silt & Clay Sizes



Golder Associates
Sudbury, Ontario

DATE:	Sept. 30/09	BOREHOLE:	BH09-03
PROJECT #:	09-1191-0048	SAMPLE #:	3
LAB #:	CS790	DEPTH:	1.5 - 2.1 m

Checked: LG
Reviewed: AZ

50 BEST EMPLOYERS IN CANADA 2008

CERTIFIED CONCRETE TESTING LABORATORY
CSA Standard A283

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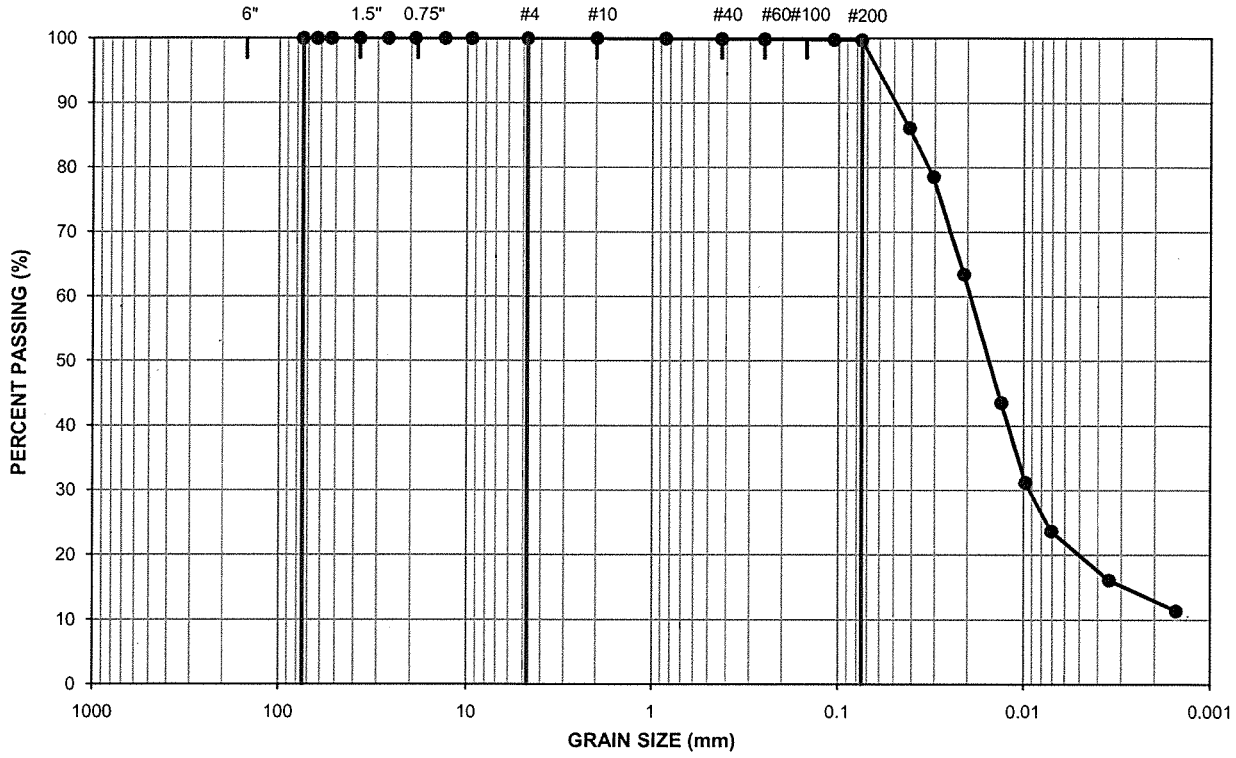
50 BEST MANAGED COMPANIES

PARTICLE SIZE DISTRIBUTION

SILT

Figure 5

Boulder Size	Cobble Size	Gravel Size: Coarse	Gravel Size: Fine	Sand Size: Coarse	Sand Size: Medium	Sand Size: Fine	Silt & Clay Sizes



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Sudbury, Ontario

DATE:	Sept. 30/09	BOREHOLE:	BH09-01
PROJECT #:	09-1191-0048	SAMPLE #:	6
LAB #:	CS789	DEPTH:	4.6 - 5.2 m

Checked: LG
Reviewed: AZ

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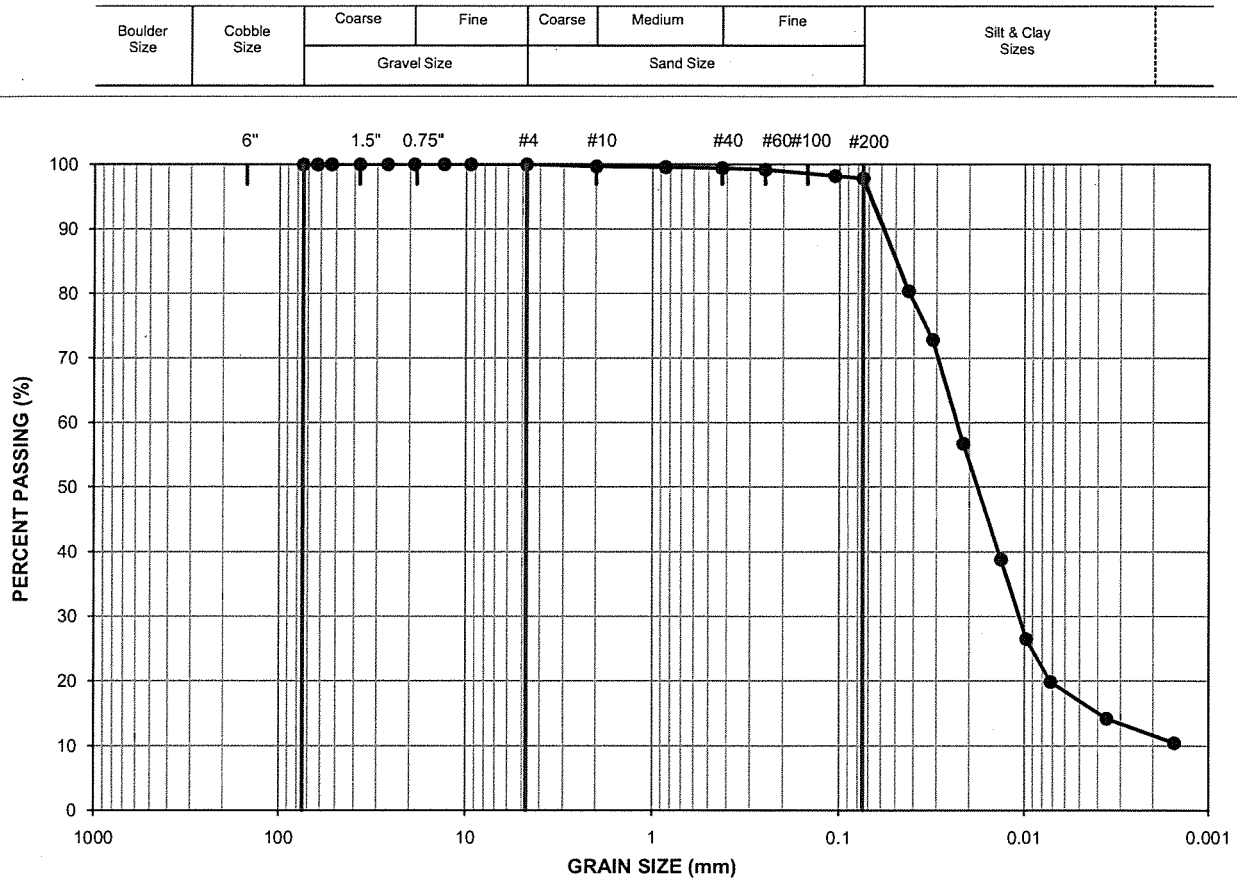
50 BEST MANAGED COMPANIES

PARTICLE SIZE DISTRIBUTION

SILT

Figure 6



DATE:	Sept. 30/09	BOREHOLE:	BH09-04
PROJECT #:	09-1191-0048	SAMPLE #:	6
LAB #:	CS791	DEPTH:	4.6 - 5.2 m

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Sudbury, Ontario

Checked: LG
Reviewed: AZ

50 BEST EMPLOYERS IN CANADA 2008

CERTIFIED CONCRETE TESTING LABORATORY
CSA Standard A283

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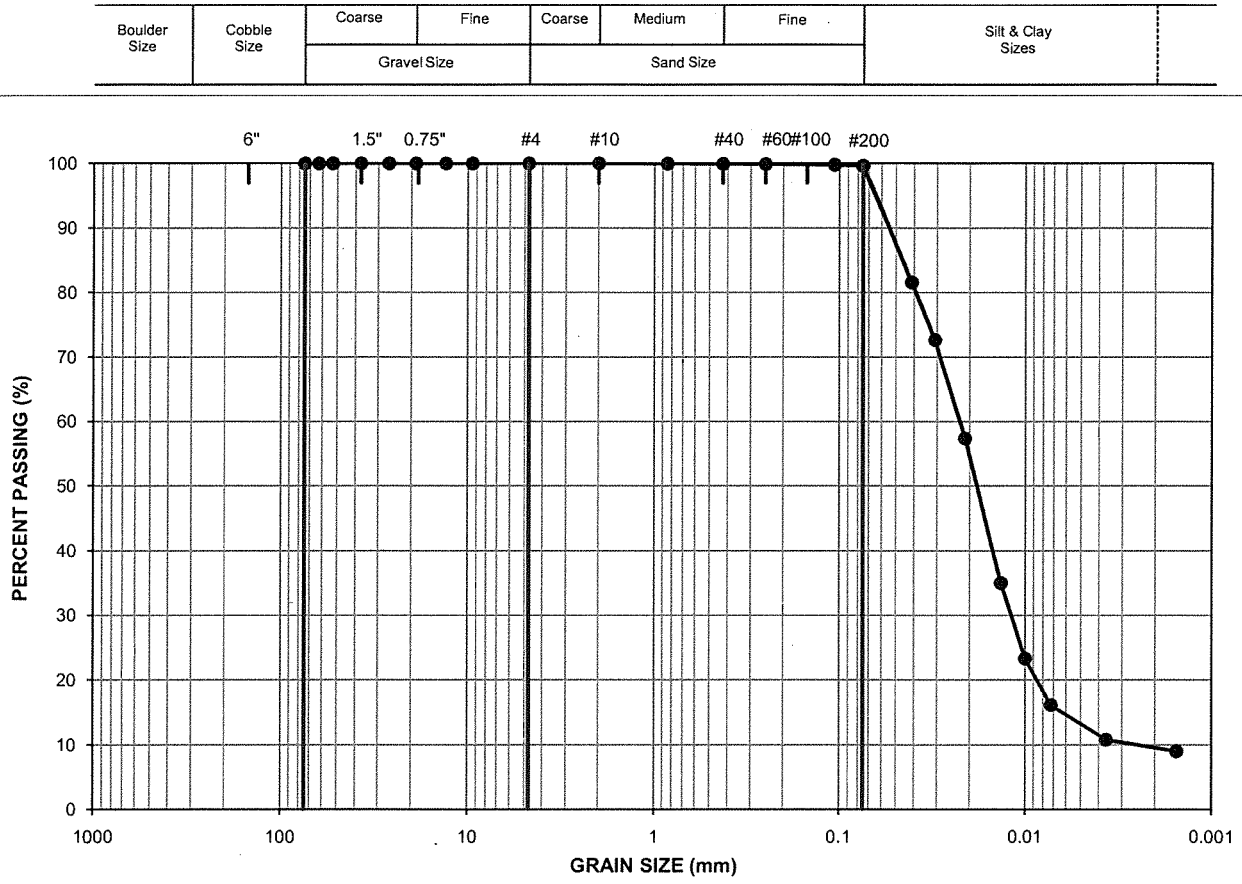
50 BEST MANAGED COMPANIES

PARTICLE SIZE DISTRIBUTION

SILT

Figure 7



Golder Associates
Sudbury, Ontario

DATE:	Sept. 30/09	BOREHOLE:	BH09-05
PROJECT #:	09-1191-0048	SAMPLE #:	6
LAB #:	CS792	DEPTH:	4.6 - 5.2 m

Checked: LG
Reviewed: AZ

50 BEST EMPLOYERS IN CANADA 2008

CERTIFIED CONCRETE TESTING LABORATORY
CSA Standard A283

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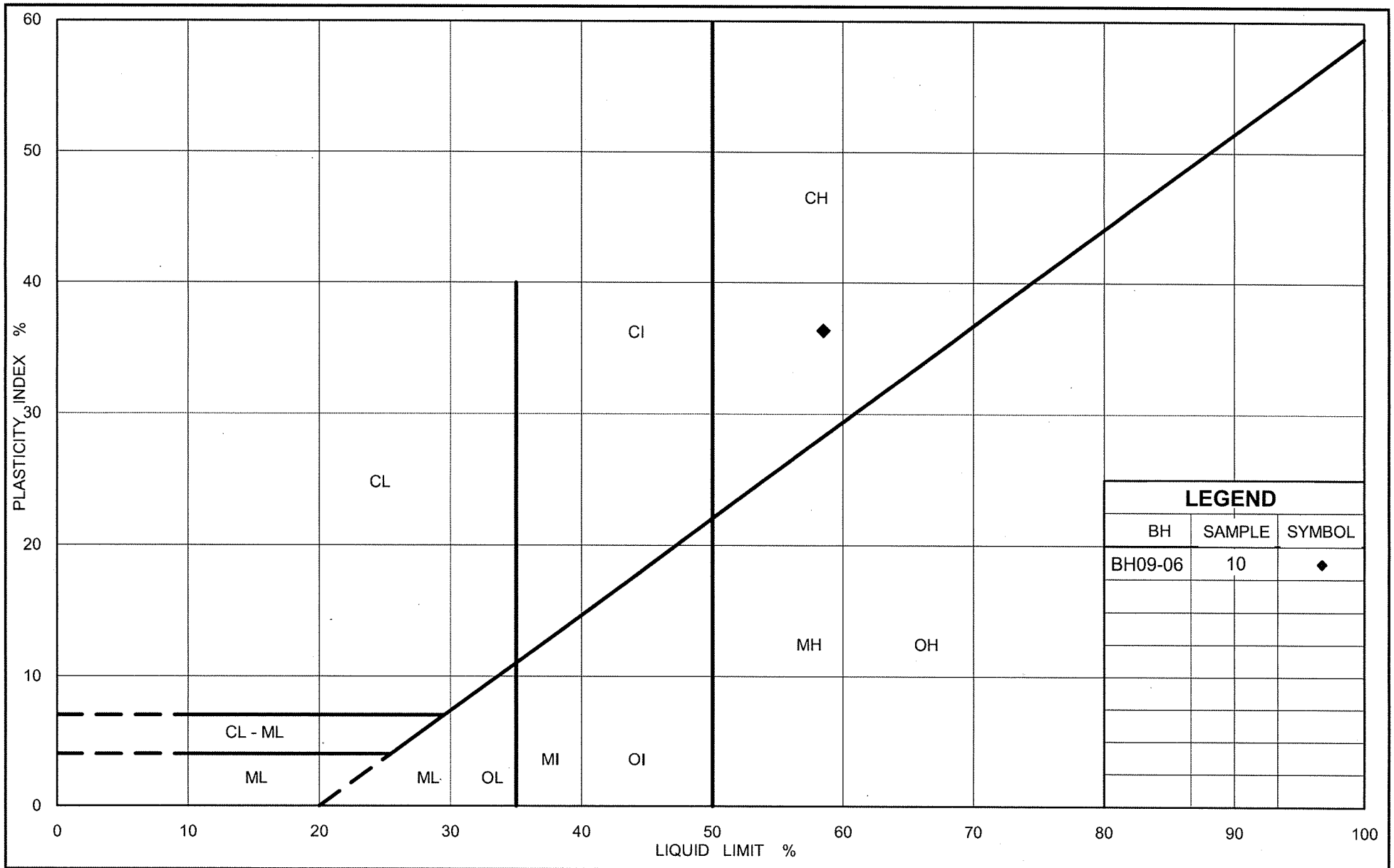
50 BEST MANAGED COMPANIES



Golder Associates

PLASTICITY CHART
SILTY CLAY

Figure 8
Project No. 09-1191-0048
Review: LG Checked: AZ

APPENDIX "C"

Soil Analysis at Third Line TS

20 Meter Depth

Consulting Engineers
MRW
M.R. WRIGHT & ASSOCIATES CO. LTD.
SAULT STE. MARIE • ONTARIO

Geotechnical Report

Great Lakes Power
Third Line Egress Renovations Project
Sault Ste. Marie, Ontario

November 30, 2011
Project G11310

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Geotechnical Report

Great Lakes Power
Third Line Egress Renovations Project
Sault Ste. Marie, Ontario

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November 30, 2011
MRW Project G11310

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1.0 Introduction and Scope

Great Lakes Power Transmission (GLPT) is expanding the Third Line Transformer Station, located in Sault Ste. Marie, Ontario. The station is located on the north side of Third Line East approximately 0.3 miles west of Great Northern Road (Highway 17). The site location and proposed substation expansion is shown on Figure 1.

The Consulting Engineering firm of M. R. Wright and Associates Co. Ltd. (MRW) has been retained by PowerTel Utilities Contractors Limited (PowerTel) to perform a geotechnical evaluation and provide subsequent geotechnical design parameters and recommendations to be used by Power Engineers to refine a deep foundation design for the support of power transmission poles.

It is understood by MRW that a preliminary pole foundation design by Power Engineers consists of a 35 foot (ft) long 7 ft diameter drilled concrete caisson. This design was based on limited soil information obtain within the vicinity of the new development.

Our geotechnical comments, recommendations and design parameters within this report are based on the results of the field investigation and our understanding of the project scope.

It is understood by MRW that the foundations are to be designed to resist the following loads:

- Bending moment of 1,300 ft-kips at the base of the pole;
- Axial load of 12 kips, and;
- Shearing load of 25 kips.

The purpose of the geotechnical evaluation was to delineate the subsurface soil and groundwater conditions at the site by advancing four sampled boreholes and three Dynamic Cone Penetration Tests (DCPT). The borehole and DCPT locations are shown on Figure 1. Based on the results of the geotechnical investigation, the following data and geotechnical engineering recommendations are provided herein:

- A review of relevant area geology and geotechnical background information;
- A summary and interpretation of all relevant geological surface and subsurface information;
- A detailed description of soil and groundwater conditions including borehole logs and design parameters for LPILE;
- Foundation design comments and recommendations;
- Frost penetration depth;

- Site classification for seismic site response.

Abbreviations, terminology and principal symbols commonly used throughout the report, test hole logs and appendices are enclosed in Appendix E.

2.0 Site Description and Geological Setting

Data obtained from the Northern Ontario Geology Terrain Study Map 5012, as published by the Ministry of Natural Resources, indicate that the site is located in glaciolacustrine plain that is mainly comprised of clay and silt material. The topography of the dominant landform for the area is mainly low local relief, and is plain, dissected/gullied. The surface drainage is considered dry.

The local topography generally slopes down in a southwest direction. There are pockets of low lying areas that are somewhat swampy and covered by cattails which is considered wet.

3.0 Geotechnical Field Investigation and Methodology

The geotechnical field investigation was performed from November 3 to 7, 2011. The field investigation consisted of advancing four sampled boreholes (BH1 to BH3 and BH5) and three Dynamic Cone Penetration Test's (DCPT1 to DCPT3). The approximate spatial locations of the boreholes are indicated on Figure 1.

Borehole BH4 was intended to be advanced at the southeast corner of Second Line East and Sackville Road, was not completed as part of this geotechnical investigation. It is understood by MRW that the borehole may be advanced in the future.

The boreholes were advanced with the use of a Track-Mounted Mobile CME850 drill rig equipped with 200 mm diameter continuous flight hollow stem augers and standard soil sampling equipment, which was operated by Marathon Drilling Co. Ltd. Soil samples were obtained with a 2 ft long 2 inch outside diameter split spoon barrel in conjunction with Standard Penetration Tests, "N" values (ASTM D1586) at 2.5 ft intervals in the upper 10 ft and 5 ft intervals thereafter. The Standard Penetration Test (SPT) "N" values were used to assess the compactness condition of the overburden soils.

Continuous Dynamic Cone Penetration testing was performed with a 60 degree apex cone attached to "A" size drill rods. The number of blows were recorded for each foot of soil penetration advanced by a 140 lb weight free falling a distance of 2.5 ft.

Upon completion of the drilling program, monitoring wells were installed within each borehole to measure the stabilized groundwater. The piezometers were installed with the Ontario Ministry of Environment Regulation 903.

The soil sampling operation was completed under the full time review of a MRW technician. MRW's technician logged the drilling operations and identified the soil samples as they were retrieved. The recovered soil samples were sealed into plastic bags and carefully transported to our laboratory for detailed examination and testing. All soil samples were classified according to visual and index properties by the project engineer.

4.0 Laboratory Testing

Select soil samples collected from the boreholes were submitted to MRW's Materials Testing Laboratory and Testmark Laboratory Limited (Testmark), in accordance with the applicable ASTM Standards to determine the following:

- Water content;
- Grain size distribution;
- Atterberg limits;
- Unit weight;
- pH;
- Sulfate;
- Chlorides, and;
- Resistivity.

The water content, grain size distribution and Atterberg Limits of the material tested are summarized on the borehole logs in Appendix A and our laboratory analytical reports in Appendix B. Although laboratory testing was performed to estimate the unit weight of the soil, the unit weights provided on the borehole logs is an overall representation of a specific soil horizon for geotechnical design purposes. The laboratory testing was utilized to corroborate with soils that are the same/similar in composition and water content. Results from the laboratory testing are included in Appendix B. We note that the testing was performed on disturbed soil samples and is subject to an according degree of error. As such, interpretation is required by an experienced geotechnical engineer who is familiar with the local soil types and conditions. Unit weight testing was not performed on relatively undisturbed soil samples obtained from thin wall Shelby tubes in case consolidation or triaxial compression testing is required in the future.

It is noted that due to the limitations of retrieving soil samples with a 2 inch diameter split spoon barrel, the grain size distribution results may not be representative of the in-situ soil matrix and reflect the larger particles observed by the geotechnical field technician. These observations are reflected on the borehole logs.

The pH, resistivity, chlorides and sulfate content of select soil samples were submitted to Testmark's laboratory. The test results are summarized in Section 5.3 of this report. A copy of Testmark's analytical report is included in Appendix C.

The collected samples were also compared against previous geotechnical information from the area, for consistency and calibration of results.

5.0 Geophysical Logging of Subsurface Conditions

Details of the soil and groundwater conditions encountered within each borehole are included in Appendix A, Borehole Logs. The borehole logs include textural descriptions of the subsoil in accordance with an expanded Unified Soil Classification System (USCS) and indicate the soil boundaries inferred from non-continuous sampling and observations during the borehole advancement. These boundaries reflect approximate transition zones for the purpose of geotechnical design and should not be interpreted as exact planes of geological change. The expanded USCS classification is explained in further detail in Appendix E.

5.1 Borehole Soil Stratigraphy

The soil stratigraphy encountered within boreholes BH1 to BH3 and BH5 generally consisted of altering layers of silt and silty clay (silty and clayey phases of soil) in the upper 20 to 30 ft or so. Below this depth, the soils became more homogeneous and predominantly silty clays of low plasticity. The silty clays overlaid a glacial till deposit. It is noted that within borehole BH1, the silty clay generally increased in clay content below 50 ft in depth and tended to have a higher plasticity. The silty clay also had a higher plasticity within borehole BH3 between approximately 35 to 40 ft below grade. In addition, an initial 5 ft layer of sand material was encountered within borehole BH1 and an initial 2.5 ft of sand and gravel fill within borehole BH2.

From an engineering perspective, the soils can be combined into five categories and are summarized below:

- Upper sand – encountered in borehole BH1 from approximately 0 to 5 ft;
- Upper and lower silt – the upper silt layer was encountered in all boreholes from approximately 0 to 10 ft and the lower silt layer was encountered in boreholes BH1 and BH5 from approximately 15 to 30 ft and borehole BH3 from 25 to 30 ft;
- Intermediate clayey silt to silty clay – encountered in all boreholes from approximately 5 to 20 ft and up to 25 ft in borehole BH3.
- Lower silty clay – encountered in all boreholes from approximately 20 to 65 ft
- Glacial till – encountered in all boreholes from approximately 42 to 76 ft.

- Underlying sandstone bedrock was not proven in any boreholes.

All boreholes and DCPT's extended to refusal or competent end bearing material within the glacial till deposit. The refusal depths or competent end bearing material are outlined in the table below:

Borehole/DCPT No.	Refusal Depth (ft)
BH1	75.7
BH2	51
BH3	67
BH5	60
DCPT1	57.3
DCPT2	53.3
DCPT3	50.7

5.1.1 General Soil Description and Physical Properties

Initial Sand Layer – BH1

The initial layer of sand encountered within borehole BH1 contained trace to some silt, trace organics (rootlets), was brown, loose to compact, damp, fine to medium grained and poorly graded. Uncorrected SPT "N" values form 2.5 to 4 ft were 11 blows per 1 ft, classifying the material as having a compact compactness condition.

Initial Sand and Gravel Fill – BH2

The sand and gravel fill encountered within borehole BH2 contained trace cobbles, trace boulders, trace silt, trace clay, was brown, loose to compact, dry to damp, fine to medium grained and poorly graded.

Upper Silt (All Boreholes) & Lower Silt – BH1, BH3 and BH5

The upper and lower silt deposit contained trace to some sand, trace to some clay, was typically reddish brown in the upper layer and grey in the lower layer. Uncorrected SPT "N" values within the material ranged from 1 to 9 blows per 1 ft, classifying the material as having a very loose to loose compactness condition.

The lower layer of silt tended to have increased clay content and exhibited slight plasticity. The upper silt layer was dry to damp and the lower layer of silt was moist to wet.

Intermediate Clayey Silt to Silty Clay

The intermediate clayey silt to silty clay was typically reddish brown and of low plasticity.

Uncorrected SPT "N" values within the material ranged from 0 to 4 blows per 1 ft, classifying the material as very soft to soft in consistency. The undrained shear strengths of the material as measured from field vanes ranged from 0.92 to 1.26 kip/ft^2, classifying the material as firm to stiff in consistency. The undrained shear strengths may have indicated a higher consistency due to silt seams within the material. Based on tactile observations of the material, a soft to firm consistency is a more appropriate description.

The sensitivity of the clayey silt to silty clay ranged from 2.7 to 6 and is generally considered to be moderately sensitive to disturbance.

Lower Silty Clay

The lower silty clay was typically greyish brow to grey in colour and of low plasticity.

Uncorrected SPT "N" values within the material ranged from 0 to 1 blow per 1 ft, classifying the material as very soft in consistency. The undrained shear strengths of the material as measured from field vanes ranged from 0.84 to 1.1 kip/ft^2, classifying the material as firm in consistency. The undrained shear strengths may have indicated a higher consistency due to silt seams within the material. Based on tactile observations of the material, a soft consistency is a more appropriate description.

The sensitivity of the clayey silt to silty clay ranged from 2.2 to 9.5 and is generally considered to be sensitive to disturbance.

Glacial Till

The glacial till deposit encountered underlying the silty clay, predominantly comprised silt. The till also contained trace to some gravel, trace to some sand, trace clay, was grey, compact to very dense, moist to wet and fine to medium grained. Uncorrected SPT "N" values within the material ranged from 21 to greater than 100 blows per 1 ft, classifying the material as having a compact to very dense compactness condition. We note that a blow count of 1 was observed at the initial contact of the till layer within borehole BH1. This is likely due to unequal hydrostatic head in the casing and is not considered representative of the overall compactness condition of the till material.

The glacial till deposit was encountered between 41 to 65 ft below grade and was sampled to a depth between 51 to 76 ft below grade. The split spoon barrel was bouncing (i.e. SPT "N" values greater than 100 blows/ft) on a probable boulder within boreholes BH1, BH2, and BH5. Within borehole BH3 two consecutive sets of SPT "N" values of 21 and 28 blows per foot were achieved and the borehole was terminated at this depth.

Based on the spoon bouncing and the SPT, "N" values we would anticipate a very dense bouldery till. Underlying sandstone bedrock was not proven in any borehole.

5.1.2 Summary of Soil Conditions

In general, based on the information encountered within the boreholes and DCPT's, the soils consist of a relatively thick stratum of alternating soil layers that predominantly consist of silt and silty clay (silty and clayey phases of soil). This stratum thickness ranges from approximately 41 ft (BH2) to 65 ft (BH1). This stratum was typically very loose to loose consisting of non-cohesive soils (silt and sand) and soft to firm cohesive soils (clayey silt to silty clay). This stratum was underlain by a compact to very dense glacial till deposit that predominantly comprised of silt, some gravel and some sand, trace clay and probable boulders below the sampled depth. Based upon previous investigations we would anticipate sandstone bedrock to be encountered at varying depths below the till.

5.1.3 Summary of Soil Engineering Properties for LPILE

The following table outlines soil engineering properties based on current laboratory test results and previous geotechnical information from the area:

Soil Type	Unit Weight γ (kips/ft^3)	Effective Unit Weight γ' (kips/ft^3)	Effective Angle of Internal Friction ϕ'	Cohesion c (kips/ft^2)	Modulus of Lateral Subgrade K_h (kips/ft^3)	Strain at 50% Maximum Stress E_{50}	Average Ultimate Skin Friction q_s (kips/ft^2)
Intermediate Clayey Silt to Silty Clay	0.114	0.052	24°	1.0	180	0.01	0.65
Lower Silt	0.114	0.052	26°	N/A	150	N/A	0.22
Lower Silty Clay	0.105	0.043	22°	1.0	85	0.015	0.6
Glacial Till	0.133	0.071	36°	N/A	260	N/A	1.25

Notes (for previous table)

- The upper 10 ft of soil should be ignored when determining the axial pile capacity and horizontal pile resistance, due to freeze thaw and wetting and drying cycles. As such, the upper sand, upper silt and upper clayey silt have not been included in the above table;
- The effective unit weight (γ') of the soil should be utilized when calculating the axial pile capacity and horizontal pile resistance;
- Even though the lower silty clay is softer than the upper silty clay, the cohesion (c) between the upper silty clay and the lower silty clay are similar due to increasing pressure with depth;
- The modulus of lateral subgrade reaction (K_h) is based on submerged soil (i.e. 100% saturation);
- The average ultimate skin friction is based on cast in place concrete caissons and varies with embedment depth.

5.2 Groundwater Conditions

The groundwater elevations at the borehole locations were measured upon completion of drilling and between 4 to 6 days after drilling on November 10, 2011, once stabilized. The measured stabilized groundwater conditions are summarized on the borehole logs in Appendix A and the table below.

Borehole/DCPT No.	Measured Groundwater Depth (ft)
BH1	1.5
BH2	1.5
BH3	10.0
BH5	12.5
DCPT1	*12.0
DCPT2	*6.0
DCPT3	*1.0

***The groundwater within DCPT's 1 to 3 were estimated based on visual observations on the side of the rods upon removal and are estimates only.

Seasonal variations in the water table should be expected, with higher levels occurring during wet weather conditions in the spring and fall and lower levels occurring during dry weather conditions. As such, the measured groundwater table should be assumed to fluctuate as much as 3 ft between wet and dry seasons. We note that the groundwater elevation has been measured during a relatively wet time of year.

5.3 Soil Corrosion Assessment

The pH, resistivity, chlorides and sulfate content of select soil samples were submitted to Testmarks's laboratory. A copy of Testmark's analytical report is included in Appendix C and is summarized in the following table.

Borehole & Sample No.	Soil Type	Depth (ft)	Water Content (%)	pH	Resistivity ohm-cm	Chlorides (µg/g)	Sulfate (µg/g)
BH1-2	Sand	2.5 to 4.5	16.5	4.77	75757	18.7	2.3
BH1-3	Silt	5 to 7	17.1	7.44	25188	29.6	1.9
BH1-11	Silty Clay	40 to 42	21.9	8.06	16233	27.3	7
BH2-4	Silt	7.5 to 9.5	21.6	6.93	6968	98.9	53.9
BH3-8	Silt	25 to 27	22.3	8.02	13736	25.8	6.6
BH5-4	Clayey Silt	7.5 to 9.5	31.2	8.29	25125	38.5	6.4
BH5-12	Silty Clay	44.5 to 46.5	28	8.36	19305	38.4	5.3

5.3.1 Concrete

The Canadian Standards Association (CSA) outlines the guidelines for sulfate attack (corrosion) within Table 3 of the Concrete Code A23.1-04. The code generally stipulates that when the water-soluble sulfate in the soil is less than 0.10% the concrete will not be subjected to sulfate attack. Slightly acidic soils with a pH value of 4.5 can slightly etch concrete surfaces, usually without affecting the long term performance of the concrete. The laboratory analytical results conducted on the submitted soil samples indicate that the sulfate content is a maximum of 53.9 µg/g (0.005% by weight), which is considered negligible and does not exceed Table 3 of CSA Standard A23.1-04. The lowest pH value was 4.77, indicating the soil is slightly acidic and is not considered to affect the overall performance of the concrete. As such, Type 10 Portland cement would be suitable for this project.

5.3.2 Metal Components

Aside from pH, resistivity, chlorides, and sulfate, there are many factors that could potentially affect the corrosion rate of metal components. Based on the test results only, the soils appear to be mildly corrosive to metal.

These comments are somewhat general and should be reviewed in detail by an electrical engineer based on the laboratory test results and local conditions.

6.0 Geotechnical Design Comments & Recommendations

6.1 Discussion

It is understood by MRW that a preliminary foundation design by Power Engineers consists of a 35 ft long 7 ft diameter concrete caisson. This preliminary foundation design was based on limited soil information obtain within the vicinity of the new development.

It is also understood by MRW that the foundations are to be designed to resist the following loads:

- Bending moment of 1,300 ft-kips at the base of the power pole;
- Axial load of 12 kips, and;
- Shearing load of 25 kips.

6.2 Concrete Caisson

6.2.1 General

The upper 10 ft of soil should be ignored when determining the axial capacity, uplift capacity and horizontal capacity due to freeze thaw and wetting and drying cycles.

6.2.2 Ultimate & Allowable End Bearing Capacity

The ultimate and allowable end bearing capacity is a function of the soil type at the underside of the concrete caisson, embedment depth, base diameter and depth to an underlying stronger bearing stratum (i.e. dense till or bedrock).

6.2.2.1 Glacial Till

The best soil bearing stratum is the underlying dense to very dense glacial till deposit (not considering the underlying sandstone bedrock). For concrete caissons end bearing on the dense to very dense glacial till deposit, the ultimate end bearing capacity is 26 kips/ft^2.

As per the Canadian Foundation Engineering Manual, the ultimate end bearing capacity should be multiplied by a geotechnical resistance factor of 0.4 to obtain a factored Ultimate Limit State (ULS) design.

To limit settlements to within approximately 1 inch or less, an allowable bearing reaction of 7.5 kips/ft^2 is estimated for Serviceability Limit State (SLS) design.

6.2.2.2 Lower Silty Clay

A 35 ft long 7 ft diameter cast-in-place concrete caisson is anticipated to bear in the lower silty clay deposit.

For concrete caissons end bearing in the silty clay stratum at approximately 35 ft below the existing grade, the ultimate end bearing capacity is 4 kips/ft^2.

To limit settlements to within approximately 1 inch or less, an allowable bearing reaction of 1 kip/ft^2 is estimated for SLS design.

The capacity of the pile will change, depending on caisson length, shaft diameter and base diameter. If required, once the caisson design nears completion, MRW can provide updated capacities based on a revised design.

6.2.3 Uplift Resistance

The caissons ultimate uplift resistance is equal to the shaft resistance that can be mobilized along the surface area of the pile shaft.

Based on the soils encountered within the geotechnical investigation, and for augured cast-in-place concrete caissons, the ultimate shaft resistance can be taken as the total axial resistance.

A factored geotechnical axial resistance for ULS design is taken as the total ultimate axial resistance multiplied by geotechnical resistance factor of 0.3 for uplift.

6.2.4 Pile Downdrag with Potential Grade Raise

Any potential grade increase should be limited to 2 ft above the existing elevation to prevent consolidation settlements of the soils and negative skin friction (down drag) on the caissons.

If a grade increase in excess of 2 ft is required, downdrag forces should be considered and the piles should be designed with additional capacity to resist downdrag forces. If required, MRW can provide recommendations for reducing the geotechnical axial capacity of the pile based on the proposed grade increase. Depending on the grade increase, consolidation testing may have to be performed on a representative number of soil samples. During the geotechnical investigation MRW retrieved a total a five thin walled Shelby tubes that may be utilized for consolidation testing, if this scenario occurs.

6.2.5 Horizontal Capacity

The horizontal capacity will be analyzed by the prime consulting engineer (Power Engineers) utilizing the computer software program “LPILE” and the estimated soil properties outline in Section 5.1.3 of this report, as well as the borehole logs in Appendix A.

We note that the horizontal capacity of the caisson can be increased by providing an expanded base at the toe.

6.2.6 Load Testing

The vertical axial resistance and horizontal resistance should be confirmed on a representative number of caissons by load testing. Based on the soil conditions encountered within the boreholes, this should be performed on at least two caissons. If required, the load testing program may be augmented, once additional information is obtained during the installation of the caissons.

6.2.7 Installation Comments and Recommendations

To alleviate soil basal heave at the bottom of the augured hole the drilling contractor should utilize a drilling slurry to maintain pressure at the base of the excavation. All concrete is to be installed immediately upon completion of auguring, as delay may result in significant soil strength loss, both vertically and horizontally. Alternatively, the contractor may install auger-cast caissons by pumping concrete under pressure while the auger is withdrawn.

For augured caissons, a thin layer of soil immediately adjacent to the shaft will be remolded during auguring, in addition to a gradual softening due to stress release, which results in a temporary corresponding reduction in frictional shaft resistance. Based on the soil strength parameters obtained during our geotechnical investigation, the temporary frictional resistance will be approximately 20% of the final working frictional resistance. With time, the soil will regain its shear strength (thixotropy) and corresponding shaft resistance. This is estimated to take a minimum of 2 to 3 weeks after caisson installation. As such, MRW recommends waiting at least 2 to 3 weeks prior to installing structures on the caissons or load testing.

Prior to auguring, it is critical that all existing surface water and potential surface water be controlled and diverted away from the work site to prevent infiltration. This scenario is likely to occur at borehole location BH2.

The caisson should be spaced at a minimum distance of 2.5 times the caisson diameter to avoid interference between caissons.

Augured cast-in-place concrete caissons are to be installed by an experienced contractor familiar with the auger-cast process and soil conditions. This is critical to ensure the caisson performs as designed.

The installation of the caissons should be monitored on a full time basis by a qualified geotechnical consultant.

6.3 Frost Penetration Depth

For the soil conditions encountered, the frost penetration depth can be expected to extend to a depth of up to 6 ft below grade.

For a 35 ft long 7 ft diameter cast-in-place concrete caisson, vertical movement from frost adhesion should not be an issue.

6.4 Site Classification for Seismic Site Response

The 2006 Ontario Building Code (OBC) stipulates the methodology for earthquake design analysis. The determination of the type of analysis is predicated on the importance of the structure, the spectral response acceleration and the site classification for seismic site response. The parameters for determination of Site Classification for Seismic Site Response are set out in Table 4.1.8.4.A of the 2006 OBC. The site classification is based on the average shear wave velocity in the top 30 metres of the site stratigraphy. If the average shear wave velocity is not know, the site class can be estimated from energy corrected Standard Penetration Resistance (N_{60}) and/or the average undrained shear strength of the soil in the top 30 metres.

At this site there have been no shear wave velocity measurements. As such, Standard Penetration Tests (SPT) and the undrained shear strengths of the soil have been used to determine the site classification. Based on Table 4.1.8.4.A of the 2006 OBC, this site has been classified as a Class E.

These seismic design parameters should be reviewed in detail by the structural engineer and incorporated into the design as required by article 4.1.8.7 of the Ontario Building Code.

7.0 Limitations

We have prepared this report for the exclusive use of PowerTel Utilities Contractors Limited and their authorized agents.

Within the limitations of scope, schedule and budget, our services have been executed in accordance with generally accepted practises in the field of geotechnical engineering, for the Third Line Egress Renovations Project in Sault Ste. Marie, Ontario. Classification and identification of soils, and geologic units have been based upon commonly accepted methods employed in professional geotechnical practice. No warranty or other conditions, expressed or implied, should be understood.

Regardless how exhaustive a geotechnical investigation is performed, the investigation cannot identify all the subsurface conditions. In addition, subsurface conditions between test holes may differ from the conditions encountered during our geotechnical investigation. Therefore, no warranty is expressed or implied that the entire site is representative of the subsurface information obtained at the specific test hole locations. If during construction, subsurface conditions differ from then what was encountered within our test holes and the additional subsurface information provided to us, MRW should be contacted to review our recommendations.

This report does not alleviate the contractor, owner, or any other parties of their respective responsibilities.

Please refer to Appendix D, Report Limitations and Guidelines for Use, which pertains to this report.

8.0 Closure

We trust that the information and recommendations in this report will be found to be complete and adequate for your consideration. Should further elaboration be required for any portion of this project, we would be pleased to provide assistance.

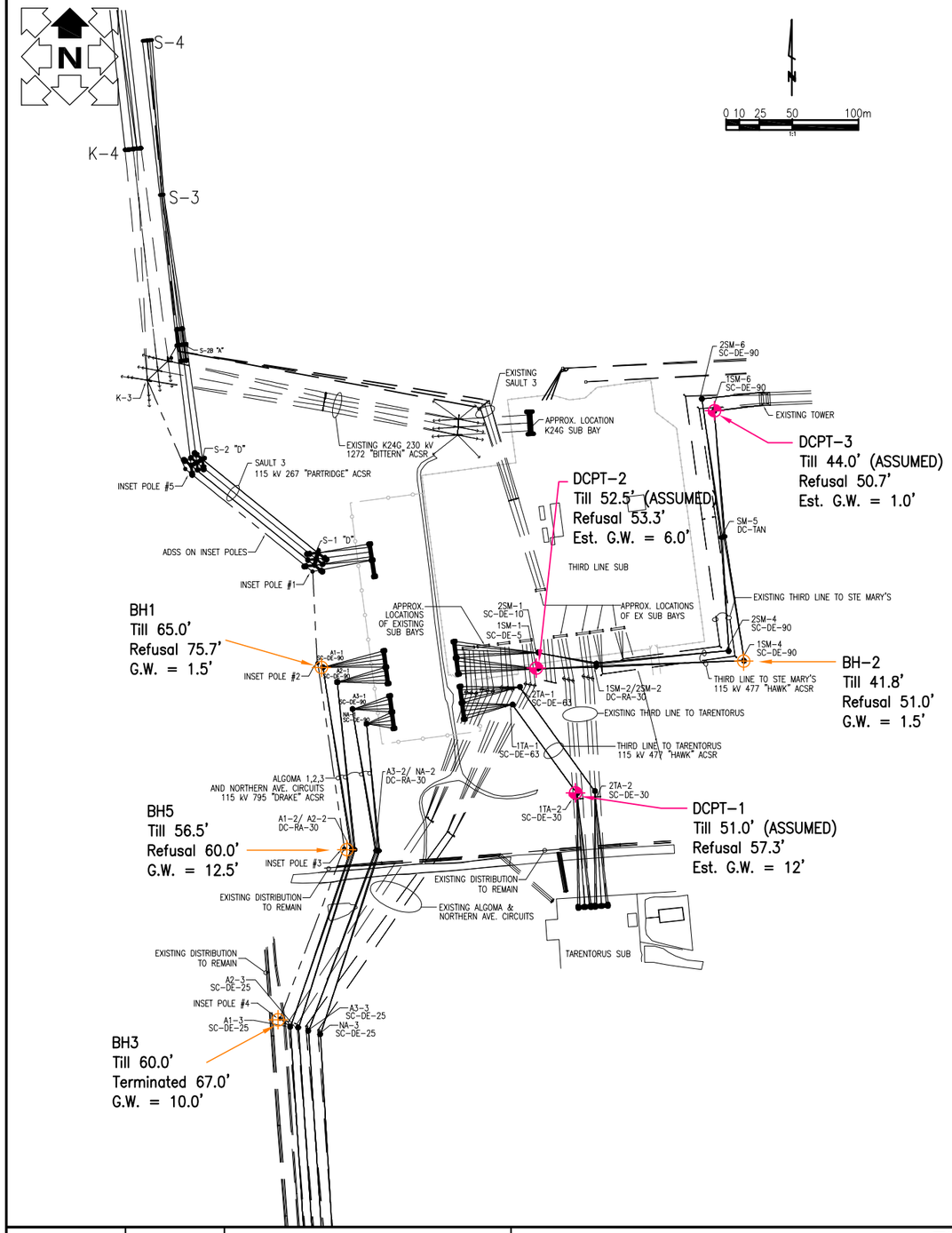
Respectfully submitted,

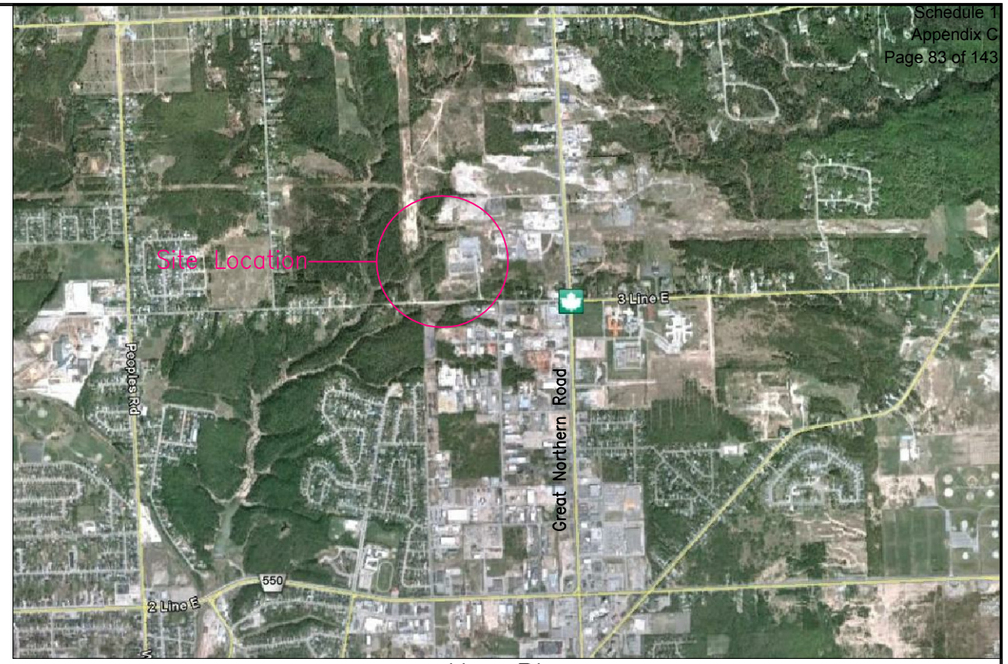


Maurice Corriveau, P.Eng.
Geotechnical Engineer

Greg Saunders, P.Eng.
Senior Engineer

Figure 1 - Site Reference & Borehole Location Plan





Key Plan

Great Lakes Power
Egress Renovations Project
Third Line, Sault Ste. Marie, Ontario

NOTES

- DRAWING PROVIDED BY POWER ENGINEERS TO DEPICT BOREHOLE LOCATIONS
- BOREHOLE LOCATIONS ARE APPROXIMATE AND HAVE NOT BEEN SURVEYED

LEGEND

BH1 – BOREHOLE LOCATION, ADVANCED FROM NOVEMBER 3 TO 7, 2011

DCPT1 – DYNAMIC CONE PENETRATION TEST ADVANCED FROM NOVEMBER 3 TO 7, 2011

TILL 53.0' – DEPTH TO GLACIAL TILL

REFUSAL 53.3' – REFUSAL ON PROBABLE BOULDER

TERMINATED 67.0' – TERMINATED IN STRATUM WITH SPT, "N" VALUES GREATER THAN 21 BLOWS/FT

G.W. – STABILIZED GROUND WATER MEASURED ON NOV. 10, 2011

EST. G.W. – ESTIMATED GROUND WATER FROM SIDE OF DRILL RODS

EXISTING DISTRIBUTION
ADSS
OPGW
PROPOSED CENTERLINE ROUTE
EXISTING ROUTE TO BE TERMINATED

DRAWN BY:	D.A.MOUSSEAU
APPROVED BY:	M.CORRIVEAU
DATE CREATED:	11/24/2011
REVISION #:	
REVISION DATE:	

Consulting Engineers
MRW
M. R. WRIGHT & ASSOCIATES CO. LTD.
SAULT STE. MARIE, ONTARIO

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FIGURE 1: BOREHOLE LOCATION PLAN
GEOTECHNICAL EVALUATION
GLP THIRD LINE EGRESS RENOVATIONS PROJECT
SAULT STE. MARIE, ONTARIO
MRW PROJECT G11310

CLIENT:

PowerTel Utilities Contractors Ltd.

Appendix A Borehole and Dynamic Cone Logs

Borehole Log: BH1

Project No: G11310
Project: Great Lakes Power, Third Line Egress Renovations
Site Location: Third Line, Sault Ste. Marie
Client: PowerTel Utilities Contractors Limited

Logged By: W. Tabaczuk
Compiled By: L. DiAngelo
Reviewed By: M. Corriveau

Well	Strata Plot (ft)	Depth (ft)	DESCRIPTION	Elevation (ft)	Sample Number	Sample Type	Recovery (%)	Blows / 1 ft	Dynamic Penetration Resistance / Undrained Shear Strength (Cu, ksf)	Water Content (%)	Remarks / Grain Size % (Gr Sa Si Cl)
		0	Geodetic Ground Elevation	0.0							
		0	Sand, trace to some silt, trace organics (rootlets), brown, loose to compact, damp, fine to medium grained		1-1	AS	NA	NA			
		5		-5.0	1-2	SS	70	11			
		5	Silt, trace sand, trace clay, reddish brown, loose, dry to damp, fine to medium grained		1-3	SS	100	6			
		8	Clayey Silt, trace organics (rootlets), reddish brown, very soft, moist, low plasticity, varved		1-4	SS	100	1			
		10	Silty clay, trace sand, trace rootlets, reddish brown, very soft, moist to wet, low plasticity, varved γ' = 0.052 kcf C = 1 ksf Kh = 180 kcf E_{50} = 0.01		1-5	SS	100	0	S = 4.3 S = 4.3		7 50 43 W_l = 30.1% W_p = 15.9% Cu = 1ksf r = 0.231ksf Cu = 1ksf r = 0.231ksf
		15	Silt, trace to some clay, grey, very loose to loose, moist to wet γ' = 0.052 kcf Ø' = 26° Kh = 150 kcf		1-6	SS	60	9			2 85 13

Dynamic Penetration Resistance: 10 20 30 40 50 60 70 80 90
Undrained Shear Strength (Cu, ksf): 0.5 1 1.5 2 2.5 3 3.5 4 4.5
Water Content (%): 10 30 50 70

Drilled By: Marathon Drilling
Drill Method: Hollow Stem Auger/Split Spoon
Drill Date: November 5, 2011

Sample Type
AS - Auger Sample
SS - Spilt Spoon
ST - Thin Walled Shelby Tube
BS - Block Sample
NQ- Rock Core
W - Water Content
W_p - Plastic Limit
W_l - Liquid Limit
X Field Vane, S - Sensitivity
- Lab Vane
w - Wash
o - SPT(Standard Penetration Test)
O - DCPT (Dyanamic Cone Penetration)

Datum:
Station #:
Sheet: 1 of 4

▼ Freestanding groundwater measured in monitoring well. Depth to cave measured on completion of drilling.

Borehole Log: BH1

Project No: G11310
Project: Great Lakes Power, Third Line Egress Renovations
Site Location: Third Line, Sault Ste. Marie
Client: PowerTel Utilities Contractors Limited

Logged By: W. Tabaczuk
Compiled By: L. DiAngelo
Reviewed By: M. Corriveau

Well	Strata Plot (ft)	Depth (ft)	DESCRIPTION	Elevation (ft)	Sample Number	Sample Type	Recovery (%)	Blows / 1 ft	Dynamic Penetration Resistance / Undrained Shear Strength (Cu, ksf)	Water Content (%)	Remarks / Grain Size %
		21	Silt, trace to some clay, grey, very loose to loose, moist to wet γ' = 0.052 kcf Ø' = 26° Kh = 150 kcf	-21.0	1-7	SS	50	2			
		22		-22.0							
		23		-23.0							
		24		-24.0							
		25		-25.0							
		26		-26.0	1-8	SS	70	4			
		27		-27.0							
		28		-28.0							
		29		-29.0							
		30	Clayey silt, grey, very soft, wet, low plasticity, varved γ' = 0.052 kcf C = 1 ksf Kh = 180 kcf E_{50} = 0.01	-30.0							
		31		-31.0	1-9	SS	65	2			
		32		-32.0							
		33		-33.0							
		34		-34.0							
		35	Silty clay, greyish red, very soft, wet, varved γ' = 0.043 kcf C = 1 ksf Kh = 85 kcf E_{50} = 0.015	-35.0							
		36		-36.0	1-10	SS	100	0	S = 3.6 S = 2.2		Cave depth = 36 ft Cu = 1.05ksf r = 0.294ksf Cu = 1.26ksf r = 0.567ksf
		37		-37.0							
		38		-38.0							
		39		-39.0							
		40		-40.0							

Dynamic Penetration Resistance: 10 20 30 40 50 60 70 80 90
Undrained Shear Strength (Cu, ksf): 0.5 1 1.5 2 2.5 3 3.5 4 4.5
Water Content (%): 10 30 50 70
Grain Size %: Gr Sa Si Cl

Drilled By: Marathon Drilling

Drill Method: Hollow Stem Auger/Split Spoon

Drill Date: November 5, 2011

Sample Type
AS - Auger Sample
SS - Spilt Spoon
ST - Thin Walled Shelby Tube
BS - Block Sample
NQ- Rock Core
W - Water Content
W_P - Plastic Limit
W_L - Liquid Limit
X Field Vane, S - Sensitivity
- Lab Vane
w - Wash
o - SPT(Standard Penetration Test)
O - DCPT (Dyanamic Cone Penetration)

Datum:

Station #:

Sheet: 2 of 4

▼ Freestanding groundwater measured in monitoring well. Depth to cave measured on completion of drilling.

Borehole Log: BH1

Project No: G11310
Project: Great Lakes Power, Third Line Egress Renovations
Site Location: Third Line, Sault Ste. Marie
Client: PowerTel Utilities Contractors Limited

Logged By: W. Tabaczuk
Compiled By: L. DiAngelo
Reviewed By: M. Corriveau

Well	Strata Plot (ft)	Depth (ft)	DESCRIPTION	Elevation (ft)	Sample Number	Sample Type	Recovery (%)	Blows / 1 ft	Dynamic Penetration Resistance / Undrained Shear Strength (Cu, ksf)	Water Content (%)	Remarks / Grain Size % (Gr Sa Si Cl)
		41	Silty clay, greyish red, very soft, wet, low plasticity, varved γ' = 0.043 kcf C = 1 ksf Kh = 85 kcf E_{50} = 0.015	-41.0	1-11	SS	100	0			
		42		-42.0							
		43		-43.0					S = 6.2		Cu = 1.3ksf r = 0.21ksf
		44		-44.0					S = 5.2		Cu = 1.09ksf r = 0.21ksf
		45		-45.0							
		46		-46.0	1-12	ST					
		47		-47.0							
		48		-48.0					S = 3.4		Cu = 1ksf r = 0.294ksf
		49		-49.0					S = 5		Cu = 1.26ksf r = 0.252ksf
		50	Reddish brown, damp to moist, below 50 ft depth	-50.0							
		51		-51.0	1-13	SS	100	0			W_l = 30.4% W_p = 18.7%
		52		-52.0							
		53		-53.0							
		54		-54.0							
		55		-55.0							
		56		-56.0	1-14	ST					
		57		-57.0							
		58		-58.0					S = 3.1		Cu = 1.176ksf r = 0.378ksf
		59		-59.0					S = 4		Cu = 1.176ksf r = 0.294ksf
		60		-60.0							

Dynamic Penetration Resistance: 10 20 30 40 50 60 70 80 90
Undrained Shear Strength (Cu, ksf): 0.5 1 1.5 2 2.5 3 3.5 4 4.5
Water Content (%): 10 30 50 70

Drilled By: Marathon Drilling

Drill Method: Hollow Stem Auger/Split Spoon

Drill Date: November 5, 2011

Sample Type
AS - Auger Sample
SS - Spilt Spoon
ST - Thin Walled Shelby Tube
BS - Block Sample
NQ- Rock Core
W - Water Content
W_p - Plastic Limit
W_l - Liquid Limit
X Field Vane, S - Sensitivity
- Lab Vane
w - Wash
o - SPT(Standard Penetration Test)
O - DCPT (Dyanamic Cone Penetration)

Datum:

Station #:

Sheet: 3 of 4

▼ Freestanding groundwater measured in monitoring well. Depth to cave measured on completion of drilling.

Borehole Log: BH1

Project No: G11310
Project: Great Lakes Power, Third Line Egress Renovations
Site Location: Third Line, Sault Ste. Marie
Client: PowerTel Utilities Contractors Limited

Logged By: W. Tabaczuk
Compiled By: L. DiAngelo
Reviewed By: M. Corriveau

Well	Strata Plot (ft)	Depth (ft)	DESCRIPTION	Elevation (ft)	Sample Number	Sample Type	Recovery (%)	Blows / 1 ft	Dynamic Penetration Resistance / Undrained Shear Strength (Cu, ksf)	Water Content (%)	Remarks / Grain Size % (Gr Sa Si Cl)
		61	Silty clay, greyish red, very soft, wet, low plasticity, varved γ' = 0.043 kcf C = 1 ksf Kh = 85 kcf E_{50} = 0.015	-61.0	1-15	SS	100	0			1 69 30
		62		-62.0							
		63		-63.0							
		64		-64.0							
		65	Till-silt, some gravel, trace to some sand, trace to some clay, grey, very loose, moist to wet, fine to medium grained γ' = 0.071 kcf Ø' = 36° Kh = 260 kcf	-65.0							
		66		-66.0	1-16	SS	100	1			
		67		-67.0							
		68		-68.0							
		69		-69.0							
		70	Dense to very dense below 70 ft depth	-70.0							
		71		-71.0	1-17	SS	100	32			
		72		-72.0							
		73		-73.0							
		74		-74.0							
		75		-75.0	1-18	SS	35	>100			
		76	End of Borehole Spilt spoon bouncing on probable boulder	-76.0							
		77		-77.0							
		78		-78.0							
		79		-79.0							
		80		-80.0							

Drilled By: Marathon Drilling

Drill Method: Hollow Stem Auger/Split Spoon

Drill Date: November 5, 2011

Sample Type
AS - Auger Sample
SS - Spilt Spoon
ST - Thin Walled Shelby Tube
BS - Block Sample
NQ- Rock Core
W - Water Content
W_P - Plastic Limit
W_L - Liquid Limit
X Field Vane, S - Sensitivity
- Lab Vane
w - Wash
o - SPT(Standard Penetration Test)
O - DCPT (Dyanamic Cone Penetration)

Datum:

Station #:

Sheet: 4 of 4

▼ Freestanding groundwater measured in monitoring well. Depth to cave measured on completion of drilling.

Borehole Log: BH2

Project No: G11310
Project: Great Lakes Power, Third Line Egress Renovations
Site Location: Third Line, Sault Ste. Marie
Client: PowerTel Utilities Contractors Limited

Logged By: W. Tabaczuk
Compiled By: L. DiAngelo
Reviewed By: M. Corriveau

Well	Strata Plot (ft)	Depth (ft)	DESCRIPTION	Elevation (ft)	Sample Number	Sample Type	Recovery (%)	Blows / 1 ft	Dynamic Penetration Resistance (10 20 30 40 50 60 70 80 90) / Undrained Shear Strength (Cu, ksf) (0.5 1 1.5 2 2.5 3 3.5 4 4.5)	Water Content (%) (10 30 50 70)	Remarks / Grain Size % (Gr Sa Si Cl)
			Geodetic Ground Elevation	0.0							
		0	Fill, sand and gravel, trace silt, trace cobbles, trace boulders, brown, loose to compact, dry to damp, fine to coarse grained, poorly graded		2-1	AS	NA	NA			
		1		-1.0							
		2		-2.0							
		3	Silt, trace to some sand, red to greyish brown, loose, dry to damp, fine grained, well graded	-3.0	2-2	SS	80	7			
		4		-4.0							
		5	Trace clay, damp to wet, below 5ft depth	-5.0							
		6		-6.0	2-3	SS	65	5			
		7	No sand below 7.5ft depth	-7.0							
		8		-8.0							
		9		-9.0	2-4	SS	75	6			
		10		-10.0							
		11		-11.0	2-5	SS	60	3			2 96 2
		12		-12.0							
		13		-13.0							
		14		-14.0							
		15	Clayey silt, greyish brown, soft, moist to wet, low plasticity, varved	-15.0							
		16	$\gamma' = 0.052$ kcf C = 1 ksf Kh = 180 kcf $E_{50} = 0.01$	-16.0	2-6	SS	100	2			
		17		-17.0							
		18		-18.0					S = 3.5		Cu = 1.26ksf r = 0.357ksf
		19		-19.0					S = 2.72		Cu = 1.428ksf r = 0.525ksf
		20		-20.0							

Drilled By: Marathon Drilling

Drill Method: Hollow Stem Auger/Split Spoon

Drill Date: November 3, 2011

Sample Type
AS - Auger Sample
SS - Spilt Spoon
ST - Thin Walled Shelby Tube
BS - Block Sample
NQ- Rock Core
W - Water Content
W_P - Plastic Limit
W_L - Liquid Limit
X Field Vane, S - Sensitivity
- Lab Vane
w - Wash
o - SPT(Standard Penetration Test)
O - DCPT (Dyanamic Cone Penetration)

Datum:

Station #:

Sheet: 1 of 3

▼ Freestanding groundwater measured in monitoring well. Depth to cave measured on completion of drilling.

Borehole Log: BH2

Project No: G11310
Project: Great Lakes Power, Third Line Egress Renovations
Site Location: Third Line, Sault Ste. Marie
Client: PowerTel Utilities Contractors Limited

Logged By: W. Tabaczuk
Compiled By: L. DiAngelo
Reviewed By: M. Corriveau

Well	Strata Plot (ft)	Depth (ft)	DESCRIPTION	Elevation (ft)	Sample Number	Sample Type	Recovery (%)	Blows / 1 ft	Dynamic Penetration Resistance / Undrained Shear Strength (Cu, ksf)	Water Content (%)	Remarks / Grain Size %
		21	Silty clay, reddish brown, very soft, low plasticity, moist to wet, varved γ' = 0.043 kcf C = 1 ksf Kh = 85 kcf E_{50} = 0.015	-21.0	2-7	SS	100	0			
		22		-22.0							
		23		-23.0					S = 9.5		Cu = 1ksf r = 0.105ksf
		24		-24.0					S = 5.3		Cu = 1ksf r = 0.189ksf
		25		-25.0							
		26		-26.0	2-8	ST					
		27		-27.0							
		28		-28.0					S = 4.4		Cu = 0.84ksf r = 0.189ksf
		29		-29.0					S = 3.6		Cu = 0.84ksf r = 0.231ksf
		30		-30.0							
		31		-31.0	2-9	SS	100	0			1 53 46 W_l = 30.9% W_p = 17.3%
		32		-32.0							
		33		-33.0					S = 7.3		Cu = 0.92ksf r = 0.126ksf
		34		-34.0					S = 4		Cu = 0.84ksf r = 0.21ksf
		35		-35.0							
		36		-36.0	2-10	SS	100	0			
		37		-37.0							
		38		-38.0					S = 5.3		Cu = 1ksf r = 0.189ksf
		39		-39.0					S = 5.3		Cu = 1ksf r = 0.189ksf
		40		-40.0	2-11a	SS	100	1			

Drilled By: Marathon Drilling

Drill Method: Hollow Stem Auger/Split Spoon

Drill Date: November 3, 2011

Sample Type
AS - Auger Sample
SS - Spilt Spoon
ST - Thin Walled Shelby Tube
BS - Block Sample
NQ- Rock Core
W - Water Content
W_p - Plastic Limit
W_l - Liquid Limit
X Field Vane, S - Sensitivity
- Lab Vane
w - Wash
o - SPT(Standard Penetration Test)
O - DCPT (Dyanamic Cone Penetration)

Datum:

Station #:

Sheet: 2 of 3

▼ Freestanding groundwater measured in monitoring well. Depth to cave measured on completion of drilling.

Borehole Log: BH2

Project No: G11310
Project: Great Lakes Power, Third Line Egress Renovations
Site Location: Third Line, Sault Ste. Marie
Client: PowerTel Utilities Contractors Limited

Logged By: W. Tabaczuk
Compiled By: L. DiAngelo
Reviewed By: M. Corriveau

Well	Strata Plot (ft)	Depth (ft)	DESCRIPTION	Elevation (ft)	Sample Number	Sample Type	Recovery (%)	Blows / 1 ft	Dynamic Penetration Resistance / Undrained Shear Strength (Cu, ksf)	Water Content (%)	Remarks / Grain Size % (Gr Sa Si Cl)
		41	Silty clay, reddish brown, very soft, moist to wet, low plasticity, varved	-41.0	2-11b	SS	100	1			W_l = 25.7% W_p = 17.0%
		42	Till, silt, trace to some gravel, trace clay, grey, dense, damp to moist	-42.0							
		43	γ' = 0.071 kcf Ø' = 36° Kh = 260 kcf	-43.0							
		44		-44.0							
		45		-45.0							
		46	Sandy, dense to very dense below 46 ft depth	-46.0	2-12	SS	80	40			5 38 45 12
		47		-47.0							
		48		-48.0							
		49		-49.0							
		50		-50.0							
		51	End of Borehole	-51.0	2-13	SS	40	>100			
		52	Split spoon bouncing on probable boulder	-52.0							
		53		-53.0							
		54		-54.0							
		55		-55.0							
		56		-56.0							
		57		-57.0							
		58		-58.0							
		59		-59.0							
		60		-60.0							

Dynamic Penetration Resistance: 10 20 30 40 50 60 70 80 90
Undrained Shear Strength (Cu, ksf): 0.5 1 1.5 2 2.5 3 3.5 4 4.5
Water Content (%): 10 30 50 70

Drilled By: Marathon Drilling

Drill Method: Hollow Stem Auger/Split Spoon

Drill Date: November 3, 2011

Sample Type
AS - Auger Sample
SS - Spilt Spoon
ST - Thin Walled Shelby Tube
BS - Block Sample
NQ- Rock Core
W - Water Content
W_p - Plastic Limit
W_l - Liquid Limit
X Field Vane, S - Sensitivity
- Lab Vane
w - Wash
o - SPT(Standard Penetration Test)
O - DCPT (Dyanamic Cone Penetration)

Datum:

Station #:

Sheet: 3 of 3

▼ Freestanding groundwater measured in monitoring well. Depth to cave measured on completion of drilling.

Borehole Log: BH3

Project No: G11310
Project: Great Lakes Power, Third Line Egress Renovations
Site Location: Third Line, Sault Ste. Marie
Client: PowerTel Utilities Contractors Limited

Logged By: W. Tabaczuk
Compiled By: L. DiAngelo
Reviewed By: M. Corriveau

Well	Strata Plot (ft)	Depth (ft)	DESCRIPTION	Elevation (ft)	Sample Number	Sample Type	Recovery (%)	Blows / 1 ft	Dynamic Penetration Resistance (10 20 30 40 50 60 70 80 90) / Undrained Shear Strength (Cu, ksf) (0.5 1 1.5 2 2.5 3 3.5 4 4.5)	Water Content (%) (10 30 50 70)	Remarks / Grain Size % (Gr Sa Si Cl)
		0	Geodetic Ground Elevation	0.0							
		0	Silt, trace to some sand, trace clay, trace organics (rootlets), reddish brown, loose, dry to damp, fine to medium grained sand		3-1	AS	NA	NA			
		1		-1.0							
		2		-2.0							
		3		-3.0							
		4		-4.0	3-2	SS	80	7			
		5	Silty clay, reddish brown, soft to very soft, damp to moist, low plasticity, varved	-5.0							
		6		-6.0	3-3	SS	100	1			4 59 37
		7	γ' = 0.052 kcf C = 1 ksf Kh = 180 kcf E_{50} = 0.01	-7.0							
		8		-8.0	3-4	SS	100	1			
		9		-9.0							
		10		-10.0							
		11		-11.0	3-5	ST					68 32 W_l = 28.0% W_p = 19.0%
		12		-12.0							
		13		-13.0					S = 6		Cu = 1ksf r = 0.168ksf
		14		-14.0					S = 4.4		Cu = 0.924ksf r = 0.21ksf
		15	Clay and silt, grey, soft to very soft, moist to wet, low plasticity, varved	-15.0							
		16		-16.0	3-6	SS	100	1			
		17	γ' = 0.052 kcf C = 1 ksf Kh = 180 kcf E_{50} = 0.01	-17.0							
		18		-18.0							
		19		-19.0							
		20		-20.0							

Drilled By: Marathon Drilling

Drill Method: Hollow Stem Auger/Split Spoon

Drill Date: November 4, 2011

Sample Type
AS - Auger Sample
SS - Spilt Spoon
ST - Thin Walled Shelby Tube
BS - Block Sample
NQ- Rock Core
W - Water Content
W_p - Plastic Limit
W_l - Liquid Limit
X Field Vane, S - Sensitivity
- Lab Vane
w - Wash
o - SPT(Standard Penetration Test)
O - DCPT (Dyanamic Cone Penetration)

Datum:

Station #:

Sheet: 1 of 4

▼ Freestanding groundwater measured in monitoring well. Depth to cave measured on completion of drilling.

Borehole Log: BH3

Project No: G11310
Project: Great Lakes Power, Third Line Egress Renovations
Site Location: Third Line, Sault Ste. Marie
Client: PowerTel Utilities Contractors Limited

Logged By: W. Tabaczuk
Compiled By: L. DiAngelo
Reviewed By: M. Corriveau

Depth (ft)	Description	Elevation (ft)	Sample Number	Sample Type	Recovery (%)	Blows / 1 ft	Undrained Shear Strength (Cu, ksf)	Water Content (%)	Remarks / Grain Size %
20–25	Clay and silt, grey, soft to very soft, low plasticity, moist to wet, varved γ' = 0.052 kcf C = 1 ksf Kh = 180 kcf E_{50} = 0.01	-20.0 to -25.0	3-7	SS	60	1			
25–30	Silt, some clay, grey, very loose, moist to wet γ' = 0.052 kcf Ø' = 26° Kh = 150 kcf	-25.0 to -30.0	3-8	SS	75	2			Gr 88 Sa 12
30–35	Silty clay, grey, very soft, moist to wet, low plasticity, varved γ' = 0.043 kcf C = 1 ksf Kh = 85 kcf E_{50} = 0.015 High plasticity at 35 ft depth	-30.0 to -35.0	3-9	SS	65	0	S = 4 S = 2.4		Cu = 1ksf r = 0.252ksf Cu = 1.05ksf r = 0.441ksf Cave depth = 35ft
35–40		-35.0 to -40.0	3-10	SS	100	0	S = 4 S = 4.3		W_l = 58.1% W_p = 23.0% Cu = 0.84ksf r = 0.21ksf Cu = 1.09ksf r = 0.252ksf

Drilled By: Marathon Drilling

Drill Method: Hollow Stem Auger/Split Spoon

Drill Date: November 4, 2011

Sample Type
AS - Auger Sample
SS - Spilt Spoon
ST - Thin Walled Shelby Tube
BS - Block Sample
NQ- Rock Core
W - Water Content
W_p - Plastic Limit
W_l - Liquid Limit
X Field Vane, S - Sensitivity
- Lab Vane
w - Wash
o - SPT(Standard Penetration Test)
O - DCPT (Dyanamic Cone Penetration)

Datum:

Station #:

Sheet: 2 of 4

▼ Freestanding groundwater measured in monitoring well. Depth to cave measured on completion of drilling.

Borehole Log: BH3

Project No: G11310
Project: Great Lakes Power, Third Line Egress Renovations
Site Location: Third Line, Sault Ste. Marie
Client: PowerTel Utilities Contractors Limited

Logged By: W. Tabaczuk
Compiled By: L. DiAngelo
Reviewed By: M. Corriveau

Well	Strata Plot (ft)	Depth (ft)	DESCRIPTION	Elevation (ft)	Sample Number	Sample Type	Recovery (%)	Blows / 1 ft	Dynamic Penetration Resistance / Undrained Shear Strength (Cu, ksf)	Water Content (%)	Remarks / Grain Size %
		41	Silty clay, grey, very soft, moist to wet, low plasticity, varved γ' = 0.043 kcf C = 1 ksf Kh = 85kcf E_{50} = 0.015	-41.0	3-11	SS	100	0			
		42		-42.0							
		43		-43.0					S = 4.3		Cu = 1.09ksf r = 0.252ksf
		44		-44.0					S = 4.5		Cu = 1.05ksf r = 0.231ksf
		45		-45.0							
		46		-46.0	3-12	SS	100	0			W_l = 29.3% W_p = 18.3%
		47		-47.0							
		48		-48.0							
		49		-49.0							
		50		-50.0							
		51		-51.0	3-13	SS	100	0			
		52		-52.0							
		53		-53.0							
		54		-54.0							
		55		-55.0							
		56		-56.0	3-14	SS	100	0			
		57		-57.0							
		58		-58.0							
		59		-59.0							
		60		-60.0							

Drilled By: Marathon Drilling

Drill Method: Hollow Stem Auger/Split Spoon

Drill Date: November 4, 2011

Sample Type
AS - Auger Sample
SS - Spilt Spoon
ST - Thin Walled Shelby Tube
BS - Block Sample
NQ- Rock Core
W - Water Content
W_p - Plastic Limit
W_l - Liquid Limit
X Field Vane, S - Sensitivity
- Lab Vane
w - Wash
o - SPT(Standard Penetration Test)
O - DCPT (Dyanamic Cone Penetration)

Datum:

Station #:

Sheet: 3 of 4

▼ Freestanding groundwater measured in monitoring well. Depth to cave measured on completion of drilling.

Borehole Log: BH3

Project No: G11310
Project: Great Lakes Power, Third Line Egress Renovations
Site Location: Third Line, Sault Ste. Marie
Client: PowerTel Utilities Contractors Limited

Logged By: W. Tabaczuk
Compiled By: L. DiAngelo
Reviewed By: M. Corriveau

Well	Strata Plot (ft)	Depth (ft)	DESCRIPTION	Elevation (ft)	Sample Number	Sample Type	Recovery (%)	Blows / 1 ft
		61	Till, silt, trace to some sand, trace to some gravel, trace clay, grey, compact, moist to wet, fine to medium grained γ' = 0.071 kcf Ø' = 36° Kh = 260 kcf	-61.0	3-15	SS	65	21
		62		-62.0				
		63		-63.0				
		64		-64.0				
		65		-65.0				
		66		-66.0	3-16	SS	70	28
		67	End of Borehole	-67.0				
		68		-68.0				
		69		-69.0				
		70		-70.0				
		71		-71.0				
		72		-72.0				
		73		-73.0				
		74		-74.0				
		75		-75.0				
		76		-76.0				
		77		-77.0				
		78		-78.0				
		79		-79.0				
		80		-80.0				

Dynamic Penetration Resistance: 10 20 30 40 50 60 70 80 90
Undrained Shear Strength (Cu, ksf): 0.5 1 1.5 2 2.5 3 3.5 4 4.5
Water Content (%): 10 30 50 70
Remarks
Grain Size %: Gr Sa Si Cl

Drilled By: Marathon Drilling
Drill Method: Hollow Stem Auger/Split Spoon
Drill Date: November 4, 2011

Sample Type
AS - Auger Sample
SS - Spilt Spoon
ST - Thin Walled Shelby Tube
BS - Block Sample
NQ- Rock Core
W - Water Content
W_P - Plastic Limit
W_l - Liquid Limit
X Field Vane, S - Sensitivity
- Lab Vane
w - Wash
o - SPT(Standard Penetration Test)
O - DCPT (Dyanamic Cone Penetration)

Datum:
Station #:
Sheet: 4 of 4

▼ Freestanding groundwater measured in monitoring well. Depth to cave measured on completion of drilling.

Borehole Log: BH5

Project No: G11310
Project: Great Lakes Power, Third Line Egress Renovations
Site Location: Third Line, Sault Ste. Marie
Client: PowerTel Utilities Contractors Limited

Logged By: W. Tabaczuk
Compiled By: L. DiAngelo
Reviewed By: M. Corriveau

Well	Strata Plot (ft)	Depth (ft)	DESCRIPTION	Elevation (ft)	Sample Number	Sample Type	Recovery (%)	Blows / 1 ft	Dynamic Penetration Resistance (10 20 30 40 50 60 70 80 90) / Undrained Shear Strength (Cu, ksf) (0.5 1 1.5 2 2.5 3 3.5 4 4.5)	Water Content (%) (10 30 50 70)	Remarks / Grain Size % (Gr Sa Si Cl)
			Geodetic Ground Elevation	0.0							
		0	Silt, some sand, trace to some clay, trace organics (rootlets), brown, loose to very loose, damp		5-1	AS	NA	NA			
		1		-1.0							
		2	No organics below 2.5 ft depth	-2.0							
		3		-3.0	5-2	SS	90	9			
		4		-4.0							
		5		-5.0							
		6		-6.0	5-3	SS	90	4			1 87 12
		7	Clayey silt, reddish brown, soft, brown, damp, low plasticity, varved	-7.0							
		8		-8.0	5-4	SS	100	2			
		9		-9.0							
		10	Silty clay, reddish brown, soft, damp to moist, low plasticity, varved	-10.0							
		11	$\gamma' = 0.052$ kcf C = 1 ksf Kh = 180 kcf $E_{50} = 0.01$	-11.0	5-5	SS	90	1			
		12		-12.0							
		13		-13.0							
		14		-14.0							
		15	Silt, trace to some clay, grey, loose, damp to moist	-15.0							
		16	$\gamma' = 0.052$ kcf Ø' = 26° Kh = 150 kcf	-16.0	5-6	SS	90	6			
		17		-17.0							
		18		-18.0							
		19		-19.0							
		20		-20.0							Depth to Cave = 20 ft

Drilled By: Marathon Drilling

Drill Method: Hollow Stem Auger/Split Spoon

Drill Date: November 6, 2011

Sample Type
AS - Auger Sample
SS - Spilt Spoon
ST - Thin Walled Shelby Tube
BS - Block Sample
NQ- Rock Core
W - Water Content
W_P - Plastic Limit
W_L - Liquid Limit
X Field Vane, S - Sensitivity
- Lab Vane
w - Wash
o - SPT(Standard Penetration Test)
O - DCPT (Dyanamic Cone Penetration)

Datum:

Station #:

Sheet: 1 of 3

▼ Freestanding groundwater measured in monitoring well. Depth to cave measured on completion of drilling.

Borehole Log: BH5

Project No: G11310
Project: Great Lakes Power, Third Line Egress Renovations
Site Location: Third Line, Sault Ste. Marie
Client: PowerTel Utilities Contractors Limited

Logged By: W. Tabaczuk
Compiled By: L. DiAngelo
Reviewed By: M. Corriveau

Well	Strata Plot (ft)	Depth (ft)	DESCRIPTION	Elevation (ft)	Sample Number	Sample Type	Recovery (%)	Blows / 1 ft	Dynamic Penetration Resistance / Undrained Shear Strength (Cu, ksf)	Water Content (%)	Remarks / Grain Size % (Gr Sa Si Cl)
		21	Silt, trace to some clay, grey, loose, moist to wet γ' = 0.052 kcf Ø' = 26° Kh = 150 kcf	-21.0	5-7	SS	45	5			
		22		-22.0							
		23		-23.0							
		24		-24.0							
		25		-25.0							
		26		-26.0	5-8	SS	50	3			
		27		-27.0							
		28		-28.0							
		29		-29.0							
		30	Silty clay, greyish brown, very soft, moist to wet, low plasticity, varved γ' = 0.043 kcf C = 1 ksf Kh = 85 kcf E_{50} = 0.015	-30.0	5-9	SS	100	0			62 38
		31		-31.0							
		32		-32.0							
		33		-33.0							
		34		-34.0							
		35		-35.0							
		36		-36.0	5-10	ST					
		37		-37.0							
		38		-38.0					S = 4		Cu = 1ksf r = 0.252ksf
		39		-39.0					S = 4.9		Cu = 0.924ksf r = 0.189ksf
		40		-40.0							

Dynamic Penetration Resistance: 10 20 30 40 50 60 70 80 90
Undrained Shear Strength (Cu, ksf): 0.5 1 1.5 2 2.5 3 3.5 4 4.5
Water Content (%): 10 30 50 70

Drilled By: Marathon Drilling

Drill Method: Hollow Stem Auger/Split Spoon

Drill Date: November 6, 2011

Sample Type
AS - Auger Sample
SS - Spilt Spoon
ST - Thin Walled Shelby Tube
BS - Block Sample
NQ- Rock Core
W - Water Content
W_P - Plastic Limit
W_L - Liquid Limit
X Field Vane, S - Sensitivity
- Lab Vane
w - Wash
o - SPT(Standard Penetration Test)
O - DCPT (Dyanamic Cone Penetration)

Datum:

Station #:

Sheet: 2 of 3

▼ Freestanding groundwater measured in monitoring well. Depth to cave measured on completion of drilling.

Borehole Log: BH5

Project No: G11310
Project: Great Lakes Power, Third Line Egress Renovations
Site Location: Third Line, Sault Ste. Marie
Client: PowerTel Utilities Contractors Limited

Logged By: W. Tabaczuk
Compiled By: L. DiAngelo
Reviewed By: M. Corriveau

Well	Strata Plot (ft)	Depth (ft)	DESCRIPTION	Elevation (ft)	Sample Number	Sample Type	Recovery (%)	Blows / 1 ft	Remarks / Grain Size %
		41	Silty clay, greyish brown, very soft, moist to wet, low plasticity, varved γ' = 0.043 kcf C = 1 ksf Kh = 85 kcf E_{50} = 0.015	-41.0	5-11	SS	100	0	58 42 W_l = 29.3% W_p = 18.1%
		42		-42.0					
		43		-43.0					
		44		-44.0					
		45		-45.0					
		46		-46.0	5-12	SS	100	0	
		47		-47.0					
		48		-48.0					
		49		-49.0					
		50		-50.0					
		51		-51.0	5-13	SS	100	1	W_l = 33.8% W_p = 20.8%
		52		-52.0					
		53		-53.0					
		54		-54.0					
		55	Grey below 55ft depth	-55.0					
		56		-56.0	5-14	SS	100	0	
		57	Till, silt, trace to some gravel, trace to some sand, trace clay, grey, very dense, moist to wet, varved γ' = 0.071 kcf Ø' = 36° Kh = 260 kcf	-57.0					
		58		-58.0					
		59	Spilt spoon bouncing on probable	-59.0					
		60	End of Borehole	-60.0	5-15	SS	25	>100	

Dynamic Penetration Resistance: 10 20 30 40 50 60 70 80 90
Undrained Shear Strength (Cu, ksf): 0.5 1 1.5 2 2.5 3 3.5 4 4.5
Water Content (%): 10 30 50 70

Drilled By: Marathon Drilling

Drill Method: Hollow Stem Auger/Split Spoon

Drill Date: November 6, 2011

Sample Type
AS - Auger Sample
SS - Spilt Spoon
ST - Thin Walled Shelby Tube
BS - Block Sample
NQ- Rock Core
W - Water Content
W_p - Plastic Limit
W_l - Liquid Limit
X Field Vane, S - Sensitivity
- Lab Vane
w - Wash
o - SPT(Standard Penetration Test)
O - DCPT (Dyanamic Cone Penetration)

Datum:

Station #:

Sheet: 3 of 3

▼ Freestanding groundwater measured in monitoring well. Depth to cave measured on completion of drilling.

Draft Borehole Log: DCPT-1

Project No: **G11310**
Project: **Great Lakes Power, Third Line Egress Renovations**
Site Location: **Third Line, Sault Ste. Marie**
Client: **PowerTel Utilities Contractors Limited**

Logged By: **W. Tabaczuk**
Compiled By: **L. DiAngelo**
Reviewed By: **M. Corriveau**

SUBSURFACE PROFILE					SAMPLE							Remarks
Well	Strata Plot (ft)	Depth (ft)	DESCRIPTION	Elevation (ft)	Sample Number	Sample Type	Recovery (%)	Blows / 1 ft	Dynamic Penetration Resistance (10 20 30 40 50 60 70 80 90) / Undrained Shear Strength (Cu, ksf) (0.5 1 1.5 2 2.5 3 3.5 4 4.5)	Water Content (%) (10 30 50 70)	Grain Size % Gr Sa Si Cl	
		0	Geodetic Ground Elevation	0.0								
		0	Assumed silt		1-1	DCPT		1				
		1		-1.0	1-2	DCPT		4				
		2		-2.0	1-3	DCPT		10				
		3		-3.0	1-4	DCPT		15				
		4		-4.0	1-5	DCPT		13				
		5		-5.0	1-6	DCPT		9				
		6		-6.0	1-7	DCPT		14				
		7		-7.0	1-8	DCPT		11				
		8		-8.0	1-9	DCPT		14				
		9		-9.0	1-10	DCPT		16				
		10	Assumed clayey silt	-10.0	1-11	DCPT		15				
		11		-11.0	1-12	DCPT		14				
		12		-12.0	1-13	DCPT		12				Estimated Groundwater from rods at 12ft
		13		-13.0	1-14	DCPT		12				
		14		-14.0	1-15	DCPT		13				
		15		-15.0	1-16	DCPT		17				
		16		-16.0	1-17	DCPT		18				
		17		-17.0	1-18	DCPT		17				
		18		-18.0	1-19	DCPT		17				
		19		-19.0	1-20	DCPT		21				
		20		-20.0	1-21	DCPT		17				

Drilled By: **Marathon Drilling**

Drill Method: **Dynamic Cone**

Drill Date: **Nov. 7, 2011**

Sample Type
AS - Auger Sample
SS - Spilt Spoon
TWS - Thin Walled Shelby Tube
BS - Block Sample
NQ- Rock Core
W - Water Content
W_p - Plastic Content
W_l - Liquid Limit
X Field Vane, S - Sensitivity
- Lab Vane
w - Wash
o - SPT(Standard Penetration Test)
O - DCPT (Dyanamic Cone Penetration)

Datum:

Station #:

Sheet: **1 of 3**

▼ Freestanding groundwater measured in monitoring well. Depth to cave measured on completion of drilling.

Draft Borehole Log: DCPT-1

Project No: G11310
Project: Great Lakes Power, Third Line Egress Renovations
Site Location: Third Line, Sault Ste. Marie
Client: PowerTel Utilities Contractors Limited

Logged By: W. Tabaczuk
Compiled By: L. DiAngelo
Reviewed By: M. Corriveau

Well	Strata Plot (ft)	Depth (ft)	DESCRIPTION	Elevation (ft)	Sample Number	Sample Type	Recovery (%)	Blows / 1 ft
		21	Assumed clayey silt	-21.0	1-22	DCPT		13
		22		-22.0	1-23	DCPT		13
		23		-23.0	1-24	DCPT		13
		24		-24.0	1-25	DCPT		12
		25		-25.0	1-26	DCPT		13
		26		-26.0	1-27	DCPT		12
		27	Assumed silty clay	-27.0	1-28	DCPT		10
		28		-28.0	1-29	DCPT		12
		29		-29.0	1-30	DCPT		12
		30		-30.0	1-31	DCPT		12
		31		-31.0	1-32	DCPT		13
		32		-32.0	1-33	DCPT		11
		33		-33.0	1-34	DCPT		14
		34		-34.0	1-35	DCPT		14
		35		-35.0	1-36	DCPT		15
		36		-36.0	1-37	DCPT		14
		37		-37.0	1-38	DCPT		14
		38		-38.0	1-39	DCPT		15
		39		-39.0	1-40	DCPT		16
		40		-40.0	1-41	DCPT		16

Dynamic Penetration Resistance: 10 20 30 40 50 60 70 80 90
Undrained Shear Strength (Cu, ksf): 0.5 1 1.5 2 2.5 3 3.5 4 4.5
Water Content (%): 10 30 50 70
Remarks
Grain Size % Gr Sa Si Cl

Drilled By: Marathon Drilling

Drill Method: Dynamic Cone

Drill Date: Nov. 7, 2011

Sample Type
AS - Auger Sample
SS - Spilt Spoon
TWS - Thin Walled Shelby Tube
BS - Block Sample
NQ- Rock Core
W - Water Content
W_p - Plastic Content
W_l - Liquid Limit
X Field Vane, S - Sensitivity
- Lab Vane
w - Wash
o - SPT(Standard Penetration Test)
O - DCPT (Dyanamic Cone Penetration)

Datum:

Station #:

Sheet: 2 of 3

▼ Freestanding groundwater measured in monitoring well. Depth to cave measured on completion of drilling.

Draft Borehole Log: DCPT-1

Project No: G11310
Project: Great Lakes Power, Third Line Egress Renovations
Site Location: Third Line, Sault Ste. Marie
Client: PowerTel Utilities Contractors Limited

Logged By: W. Tabaczuk
Compiled By: L. DiAngelo
Reviewed By: M. Corriveau

Well	Strata Plot (ft)	Depth (ft)	DESCRIPTION	Elevation (ft)	Sample Number	Sample Type	Recovery (%)	Blows / 1 ft
		41	Assumed silty clay	-41.0	1-42	DCPT		16
		42		-42.0	1-43	DCPT		15
		43		-43.0	1-44	DCPT		16
		44		-44.0	1-45	DCPT		15
		45		-45.0	1-46	DCPT		16
		46		-46.0	1-47	DCPT		16
		47		-47.0	1-48	DCPT		17
		48		-48.0	1-49	DCPT		18
		49		-49.0	1-50	DCPT		18
		50		-50.0	1-51	DCPT		20
		51	Assumed till	-51.0	1-52	DCPT		49
		52		-52.0	1-53	DCPT		52
		53		-53.0	1-54	DCPT		81
		54		-54.0	1-55	DCPT		50
		55		-55.0	1-56	DCPT		47
		56		-56.0	1-57	DCPT		51
		57		-57.0	1-58	DCPT		>100
		58	End of DCPT Bouncing	-58.0				
		59		-59.0				
		60		-60.0				

Dynamic Penetration Resistance: 10 20 30 40 50 60 70 80 90
Undrained Shear Strength (Cu, ksf): 0.5 1 1.5 2 2.5 3 3.5 4 4.5
Water Content (%): 10 30 50 70

Remarks

Grain Size %
Gr Sa Si Cl

Drilled By: Marathon Drilling

Drill Method: Dynamic Cone

Drill Date: Nov. 7, 2011

Sample Type
AS - Auger Sample
SS - Spilt Spoon
TWS - Thin Walled Shelby Tube
BS - Block Sample
NQ- Rock Core
W - Water Content
W_p - Plastic Content
W_l - Liquid Limit
X Field Vane, S - Sensitivity
- Lab Vane
w - Wash
o - SPT(Standard Penetration Test)
O - DCPT (Dyanamic Cone Penetration)

Datum:

Station #:

Sheet: 3 of 3

▼ Freestanding groundwater measured in monitoring well. Depth to cave measured on completion of drilling.

Draft Borehole Log: DCPT-2

Project No: G11310
Project: Great Lakes Power, Third Line Egress Renovations
Site Location: Third Line, Sault Ste. Marie
Client: PowerTel Utilities Contractors Limited

Logged By: W. Tabaczuk
Compiled By: L. DiAngelo
Reviewed By: M. Corriveau

Well	Strata Plot (ft)	Depth (ft)	DESCRIPTION	Elevation (ft)	Sample Number	Sample Type	Recovery (%)	Blows / 1 ft	Dynamic Penetration Resistance (10 20 30 40 50 60 70 80 90) / Undrained Shear Strength (Cu, ksf) (0.5 1 1.5 2 2.5 3 3.5 4 4.5)	Water Content (%) (10 30 50 70)	Remarks / Grain Size % Gr Sa Si Cl
			Geodetic Ground Elevation	0.0							
		0	Assumed silt		2-1	DCPT		1			
		1		-1.0	2-2	DCPT		4			
		2		-2.0	2-3	DCPT		7			
		3		-3.0	2-4	DCPT		10			
		4		-4.0	2-5	DCPT		6			
		5		-5.0	2-6	DCPT		12			
		6		-6.0	2-7	DCPT		15			Estimated groundwater from rods at 6ft
		7		-7.0	2-8	DCPT		14			
		8		-8.0	2-9	DCPT		14			
		9		-9.0	2-10	DCPT		16			
		10	Assumed clayey silt	-10.0	2-11	DCPT		19			
		11		-11.0	2-12	DCPT		16			
		12		-12.0	2-13	DCPT		14			
		13		-13.0	2-14	DCPT		15			
		14		-14.0	2-15	DCPT		16			
		15	Assumed silt	-15.0	2-16	DCPT		15			
		16		-16.0	2-17	DCPT		19			
		17		-17.0	2-18	DCPT		17			
		18		-18.0	2-19	DCPT		15			
		19		-19.0	2-20	DCPT		17			
		20		-20.0	2-21	DCPT		20			

Drilled By: Marathon Drilling

Drill Method: Dynamic Cone

Drill Date: Nov. 7, 2011

Sample Type
AS - Auger Sample
SS - Spilt Spoon
TWS - Thin Walled Shelby Tube
BS - Block Sample
NQ- Rock Core
W - Water Content
W_p - Plastic Content
W_l - Liquid Limit
X Field Vane, S - Sensitivity
- Lab Vane
w - Wash
o - SPT(Standard Penetration Test)
O - DCPT (Dyanamic Cone Penetration)

Datum:

Station #:

Sheet: 1 of 3

▼ Freestanding groundwater measured in monitoring well. Depth to cave measured on completion of drilling.

Draft Borehole Log: DCPT-2

Project No: G11310
Project: Great Lakes Power, Third Line Egress Renovations
Site Location: Third Line, Sault Ste. Marie
Client: PowerTel Utilities Contractors Limited

Logged By: W. Tabaczuk
Compiled By: L. DiAngelo
Reviewed By: M. Corriveau

Well	Strata Plot (ft)	Depth (ft)	DESCRIPTION	Elevation (ft)	Sample Number	Sample Type	Recovery (%)	Blows / 1 ft
		21	Assumed silt	-21.0	2-22	DCPT		13
		22		-22.0	2-23	DCPT		11
		23		-23.0	2-24	DCPT		12
		24		-24.0	2-25	DCPT		11
		25		-25.0	2-26	DCPT		11
		26		-26.0	2-27	DCPT		10
		27		-27.0	2-28	DCPT		12
		28		-28.0	2-29	DCPT		10
		29		-29.0	2-30	DCPT		11
		30	Assumed silty clay	-30.0	2-31	DCPT		10
		31		-31.0	2-32	DCPT		10
		32		-32.0	2-33	DCPT		10
		33		-33.0	2-34	DCPT		10
		34		-34.0	2-35	DCPT		10
		35		-35.0	2-36	DCPT		11
		36		-36.0	2-37	DCPT		11
		37		-37.0	2-38	DCPT		12
		38		-38.0	2-39	DCPT		12
		39		-39.0	2-40	DCPT		13
		40		-40.0	2-41	DCPT		15

Dynamic Penetration Resistance: 10 20 30 40 50 60 70 80 90
Undrained Shear Strength (Cu, ksf): 0.5 1 1.5 2 2.5 3 3.5 4 4.5
Water Content (%): 10 30 50 70
Remarks
Grain Size % Gr Sa Si Cl

Drilled By: Marathon Drilling
Drill Method: Dynamic Cone
Drill Date: Nov. 7, 2011

Sample Type
AS - Auger Sample
SS - Spilt Spoon
TWS - Thin Walled Shelby Tube
BS - Block Sample
NQ- Rock Core
W - Water Content
W_p - Plastic Content
W_l - Liquid Limit
X Field Vane, S - Sensitivity
- Lab Vane
w - Wash
o - SPT(Standard Penetration Test)
O - DCPT (Dyanamic Cone Penetration)

Datum:
Station #:
Sheet: 2 of 3

▼ Freestanding groundwater measured in monitoring well. Depth to cave measured on completion of drilling.

Draft Borehole Log: DCPT-2

Project No: G11310
Project: Great Lakes Power, Third Line Egress Renovations
Site Location: Third Line, Sault Ste. Marie
Client: PowerTel Utilities Contractors Limited

Logged By: W. Tabaczuk
Compiled By: L. DiAngelo
Reviewed By: M. Corriveau

Well	Strata Plot (ft)	Depth (ft)	DESCRIPTION	Elevation (ft)	Sample Number	Sample Type	Recovery (%)	Blows / 1 ft
		41	Assumed silty clay	-41.0	2-42	DCPT		13
		42		-42.0	2-43	DCPT		17
		43		-43.0	2-44	DCPT		15
		44		-44.0	2-45	DCPT		18
		45		-45.0	2-46	DCPT		18
		46		-46.0	2-47	DCPT		17
		47		-47.0	2-48	DCPT		18
		48		-48.0	2-49	DCPT		20
		49		-49.0	2-50	DCPT		20
		50		-50.0	2-51	DCPT		21
		51		-51.0	2-52	DCPT		21
		52		-52.0	2-53	DCPT		23
		53	Assumed till	-53.0	2-54	DCPT		37
			End of DCPT					
		54		-54.0				
		55		-55.0				
		56		-56.0				
		57		-57.0				
		58		-58.0				
		59		-59.0				
		60		-60.0				

Dynamic Penetration Resistance: 10 20 30 40 50 60 70 80 90
Undrained Shear Strength (Cu, ksf): 0.5 1 1.5 2 2.5 3 3.5 4 4.5
Water Content (%): 10 30 50 70
Remarks
Grain Size % Gr Sa Si Cl

Drilled By: Marathon Drilling
Drill Method: Dynamic Cone
Drill Date: Nov. 7, 2011

Sample Type
AS - Auger Sample
SS - Spilt Spoon
TWS - Thin Walled Shelby Tube
BS - Block Sample
NQ- Rock Core
W - Water Content
W_p - Plastic Content
W_l - Liquid Limit
X Field Vane, S - Sensitivity
- Lab Vane
w - Wash
o - SPT(Standard Penetration Test)
O - DCPT (Dyanamic Cone Penetration)

Datum:
Station #:
Sheet: 3 of 3

▼ Freestanding groundwater measured in monitoring well. Depth to cave measured on completion of drilling.

Draft Borehole Log: DCPT-3

Project No: **G11310**
Project: **Great Lakes Power, Third Line Egress Renovations**
Site Location: **Third Line, Sault Ste. Marie**
Client: **PowerTel Utilities Contractors Limited**

Logged By: **W. Tabaczuk**
Compiled By: **L. DiAngelo**
Reviewed By: **M. Corriveau**

SUBSURFACE PROFILE					SAMPLE						Remarks
Well	Strata Plot (ft)	Depth (ft)	DESCRIPTION	Elevation (ft)	Sample Number	Sample Type	Recovery (%)	Blows / 1 ft	Dynamic Penetration Resistance (10 20 30 40 50 60 70 80 90) / Undrained Shear Strength (Cu, ksf) (0.5 1 1.5 2 2.5 3 3.5 4 4.5)	Water Content (%) (10 30 50 70)	Grain Size % Gr Sa Si Cl
		0	Geodetic Ground Elevation	0.0							
		0	Assumed silt		3-1	DCPT		0			
		1		-1.0	3-2	DCPT		2			Estimated groundwater from rods at 1ft
		2		-2.0	3-3	DCPT		9			
		3		-3.0	3-4	DCPT		13			
		4		-4.0	3-5	DCPT		16			
		5		-5.0	3-6	DCPT		20			
		6		-6.0	3-7	DCPT		22			
		7		-7.0	3-8	DCPT		19			
		8	Assumed clayey silt	-8.0	3-9	DCPT		13			
		9		-9.0	3-10	DCPT		10			
		10		-10.0	3-11	DCPT		12			
		11		-11.0	3-12	DCPT		16			
		12		-12.0	3-13	DCPT		17			
		13		-13.0	3-14	DCPT		17			
		14		-14.0	3-15	DCPT		13			
		15		-15.0	3-16	DCPT		19			
		16		-16.0	3-17	DCPT		17			
		17		-17.0	3-18	DCPT		17			
		18		-18.0	3-19	DCPT		13			
		19		-19.0	3-20	DCPT		12			
		20		-20.0	3-21	DCPT		11			

Drilled By: **Marathon Drilling**

Drill Method: **Dynamic Cone**

Drill Date: **Nov. 7, 2011**

Sample Type
AS - Auger Sample
SS - Spilt Spoon
TWS - Thin Walled Shelby Tube
BS - Block Sample
NQ- Rock Core
W - Water Content
W_p - Plastic Content
W_l - Liquid Limit
X Field Vane, S - Sensitivity
- Lab Vane
w - Wash
o - SPT(Standard Penetration Test)
O - DCPT (Dyanamic Cone Penetration)

Datum:

Station #:

Sheet: **1 of 3**

▼ Freestanding groundwater measured in monitoring well. Depth to cave measured on completion of drilling.

Draft Borehole Log: DCPT-3

Project No: G11310
Project: Great Lakes Power, Third Line Egress Renovations
Site Location: Third Line, Sault Ste. Marie
Client: PowerTel Utilities Contractors Limited

Logged By: W. Tabaczuk
Compiled By: L. DiAngelo
Reviewed By: M. Corriveau

Well	Strata Plot (ft)	Depth (ft)	DESCRIPTION	Elevation (ft)	Sample Number	Sample Type	Recovery (%)	Blows / 1 ft
			Assumed silty clay					
		21		-21.0	3-22	DCPT		13
		22		-22.0	3-23	DCPT		12
		23		-23.0	3-24	DCPT		14
		24		-24.0	3-25	DCPT		12
		25		-25.0	3-26	DCPT		14
		26		-26.0	3-27	DCPT		15
		27		-27.0	3-28	DCPT		14
		28		-28.0	3-29	DCPT		16
		29		-29.0	3-30	DCPT		14
		30		-30.0	3-31	DCPT		16
		31		-31.0	3-32	DCPT		17
		32		-32.0	3-33	DCPT		17
		33		-33.0	3-34	DCPT		18
		34		-34.0	3-35	DCPT		14
		35		-35.0	3-36	DCPT		18
		36		-36.0	3-37	DCPT		15
		37		-37.0	3-38	DCPT		18
		38		-38.0	3-39	DCPT		18
		39		-39.0	3-40	DCPT		14
		40		-40.0	3-41	DCPT		19

Dynamic Penetration Resistance: 10 20 30 40 50 60 70 80 90
Undrained Shear Strength (Cu, ksf): 0.5 1 1.5 2 2.5 3 3.5 4 4.5
Water Content (%): 10 30 50 70
Remarks
Grain Size % Gr Sa Si Cl

Drilled By: Marathon Drilling
Drill Method: Dynamic Cone
Drill Date: Nov. 7, 2011

Sample Type
AS - Auger Sample
SS - Spilt Spoon
TWS - Thin Walled Shelby Tube
BS - Block Sample
NQ- Rock Core
W - Water Content
W_p - Plastic Content
W_l - Liquid Limit
X Field Vane, S - Sensitivity
- Lab Vane
w - Wash
o - SPT(Standard Penetration Test)
O - DCPT (Dyanamic Cone Penetration)

Datum:
Station #:
Sheet: 2 of 3

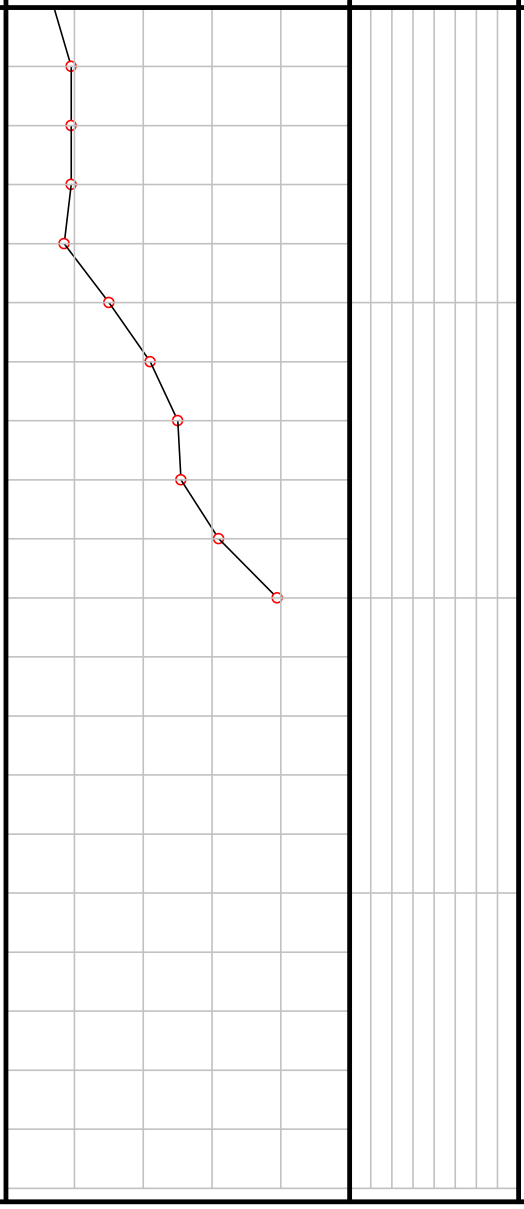
▼ Freestanding groundwater measured in monitoring well. Depth to cave measured on completion of drilling.

Draft Borehole Log: DCPT-3

Project No: G11310
Project: Great Lakes Power, Third Line Egress Renovations
Site Location: Third Line, Sault Ste. Marie
Client: PowerTel Utilities Contractors Limited

Logged By: W. Tabaczuk
Compiled By: L. DiAngelo
Reviewed By: M. Corriveau

Well	Strata Plot (ft)	Depth (ft)	DESCRIPTION	Elevation (ft)	Sample Number	Sample Type	Recovery (%)	Blows / 1 ft
		41	Assumed silty clay	-41.0	3-42	DCPT		19
		42		-42.0	3-43	DCPT		19
		43		-43.0	3-44	DCPT		17
		44	Assumed till	-44.0	3-45	DCPT		30
		45		-45.0	3-46	DCPT		42
		46		-46.0	3-47	DCPT		50
		47		-47.0	3-48	DCPT		51
		48		-48.0	3-49	DCPT		62
		49		-49.0	3-50	DCPT		79
		50		-50.0	3-51	DCPT		78
		51	End of DCPT	-51.0				
		52		-52.0				
		53		-53.0				
		54		-54.0				
		55		-55.0				
		56		-56.0				
		57		-57.0				
		58		-58.0				
		59		-59.0				
		60		-60.0				



Remarks

Grain Size
%
Gr Sa Si Cl

Drilled By: Marathon Drilling

Drill Method: Dynamic Cone

Drill Date: Nov. 7, 2011

Sample Type
AS - Auger Sample
SS - Spilt Spoon
TWS - Thin Walled Shelby Tube
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W - Water Content
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X Field Vane, S - Sensitivity
- Lab Vane
w - Wash
o - SPT(Standard Penetration Test)
O - DCPT (Dyanamic Cone Penetration)

Datum:

Station #:

Sheet: 3 of 3

▼ Freestanding groundwater measured in monitoring well. Depth to cave measured on completion of drilling.

Appendix B MRW's Laboratory Analytical Reports for Soil Samples

Consulting Engineers
MRW
M.R. WRIGHT & ASSOCIATES CO. LTD.
SAULT STE. MARIE • ONTARIO

Testing Lab

71 Black Road - Unit 3
Sault Ste. Marie, ON
P6B 0A3
Phone: (705) 945-5090
Fax: (705) 945-5092
Email: d.stadnisky@mrweng.ca

MOISTURE CONTENT TEST

PROJECT NO: G11310

DATE SAMPLED: November 5, 2011

PROJECT: GLP, 3rd Line Egress Renovation

SOURCE: BH1

Sample Location	SA #	Wet Weight	Dry Weight	TARE	Moisture Content	
SS 1-3, 5' to 7'		696.9	605.6	190.4	18.0%	
SS 1-4, 7.5' to 9.5'		659.7	492.4	214.2	37.6%	
SS 1-5, 10' to 12'	5828	1178.9	886.6	166.9	28.9%	
SS 1-6, 15' to 17'	5829	1145.9	988.3	289.3	18.4%	
SS 1-7, 20' to 22'		842.0	696.4	192.9	22.4%	
SS 1-9, 30' to 32'		1201.2	978.4	241.9	23.2%	
SS 1-10, 35' to 37'		1215.1	963.5	201.8	24.8%	
SS 1-13, 50' to 52'		1874.9	1482.2	546.7	29.6%	
SS 1-15, 60' to 62'	5830	1169.2	921.4	197.6	25.5%	
SS 1-16, 65' to 67'		1769.7	1579.1	270.3	12.7%	

REMARKS:

CLIENT: PowerTel Utilities Contractors Ltd.
COPIES TO: PowerTel Utilities Contractors Ltd.

DATE TESTED: November 10, 2011 Technician J. Garside

WE HEREBY CERTIFY TESTING PROCEDURES IN ACCORDANCE WITH ASTM C566 FOR THAT PORTION OF TESTING PERFORMED BY THIS COMPANY.

Consulting Engineers
MRW
M.R. WRIGHT & ASSOCIATES CO. LTD.
SAULT STE. MARIE • ONTARIO

Testing Lab

71 Black Road - Unit 3
Sault Ste. Marie, ON
P6B 0A3
Phone: (705) 945-5090
Fax: (705) 945-5092
Email: d.stadnisky@mrweng.ca

MOISTURE CONTENT TEST

PROJECT NO: G11310

DATE SAMPLED: November 5, 2011

PROJECT: GLP, 3rd Line Egress Renovation

SOURCE: BH2

Sample Location	SA #	Wet Weight	Dry Weight	TARE	Moisture Content	
SS 2-5, 10' to 12'	5831	1251.4	1065.3	369.8	21.1%	
SS 2-6, 15' to 17'		1737.2	1447.3	528.1	24.0%	
SS 2-7, 20' to 22'		1676.8	1248.7	389.9	33.3%	
SS 2-9, 30' to 32'	5832	1405.0	1006.6	179.8	32.5%	
SS 2-10, 35' to 37'		1694.8	1274.1	375.6	31.9%	
SS 2-11A, 40' to 41'		1595.9	1279.6	521.2	29.4%	
SS 2-12, 45' to 47'	5833	1753.6	1629.6	388.9	9.1%	

REMARKS:

CLIENT: PowerTel Utilities Contractors Ltd.
COPIES TO: PowerTel Utilities Contractors Ltd.

DATE TESTED: November 10, 2011 Technician J. Garside

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Sault Ste. Marie, ON
P6B 0A3
Phone: (705) 945-5090
Fax: (705) 945-5092
Email: d.stadnisky@mrweng.ca

MOISTURE CONTENT TEST

PROJECT NO: G11310

DATE SAMPLED: November 5, 2011

PROJECT: GLP, 3rd Line Egress Renovation

SOURCE: BH3

Sample Location	SA #	Wet Weight	Dry Weight	TARE	Moisture Content	
SS 3-3, 5' to 7'	5834	1476.1	1106.8	190.4	28.7%	
SS 3-4, 7.5' to 9.5'		1202.6	898.5	214.2	30.8%	
TWS 3-5, 10' to 12'	5835	1624.8	1342.9	400.8	23.0%	
SS 3-6, 15' to 17'		865.3	671.9	198.1	29.0%	
SS 3-8, 25' to 27'	5836	950.2	859.0	545.8	22.6%	
SS 3-10, 35' to 37'		1454.6	989.7	192.9	36.8%	
SS 3-12, 45' to 47'		1601.4	1205.6	242.0	29.1%	
SS 3-13, 50' to 52'		1205.2	920.5	209.4	28.6%	
SS 3-14, 55' to 57'		1615.0	1235.9	270.3	28.2%	

REMARKS:

CLIENT: PowerTel Utilities Contractors Ltd.
COPIES TO: PowerTel Utilities Contractors Ltd.

DATE TESTED: November 10, 2011 Technician J. Garside

WE HEREBY CERTIFY TESTING PROCEDURES IN ACCORDANCE WITH ASTM C566 FOR THAT PORTION OF TESTING PERFORMED BY THIS COMPANY.

Consulting Engineers
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Testing Lab

71 Black Road - Unit 3
Sault Ste. Marie, ON
P6B 0A3
Phone: (705) 945-5090
Fax: (705) 945-5092
Email: d.stadnisky@mrweng.ca

MOISTURE CONTENT TEST

PROJECT NO: G11310

DATE SAMPLED: November 5, 2011

PROJECT: GLP, Third Line Egress Renovations Project

SOURCE: BH5

Sample Location	SA #	Wet Weight	Dry Weight	TARE	Moisture Content	
SS 5-3, 4.5' to 6.5'	5837	1588.6	1333.2	518.8	23.9%	
SS 5-5, 9.5' to 11.5'		1382.7	1082.5	528.7	35.2%	
SS 5-6, 14.5' to 16.5'		1172.7	1004.2	375.7	21.1%	
SS 5-7, 19.5' to 21.5'		1439.3	1169.1	530.2	29.7%	
SS 5-8, 24.5' to 26.5'		1245.9	1054.1	389.9	22.4%	
SS 5-9, 29.5' to 31.5'	5838	1734.8	1435.0	528.0	24.8%	
SS 5-11, 39.5' to 41.5'	5839	1700.8	1306.8	391.3	30.1%	
SS 5-12, 44.5' to 46.5'		982.7	844.6	530.1	30.5%	
SS 5-13, 49.5' to 51.5'		871.8	746.1	412.0	27.3%	
SS 5-14, 54.5' to 56.5'		1971.7	1586.4	536.1	26.8%	

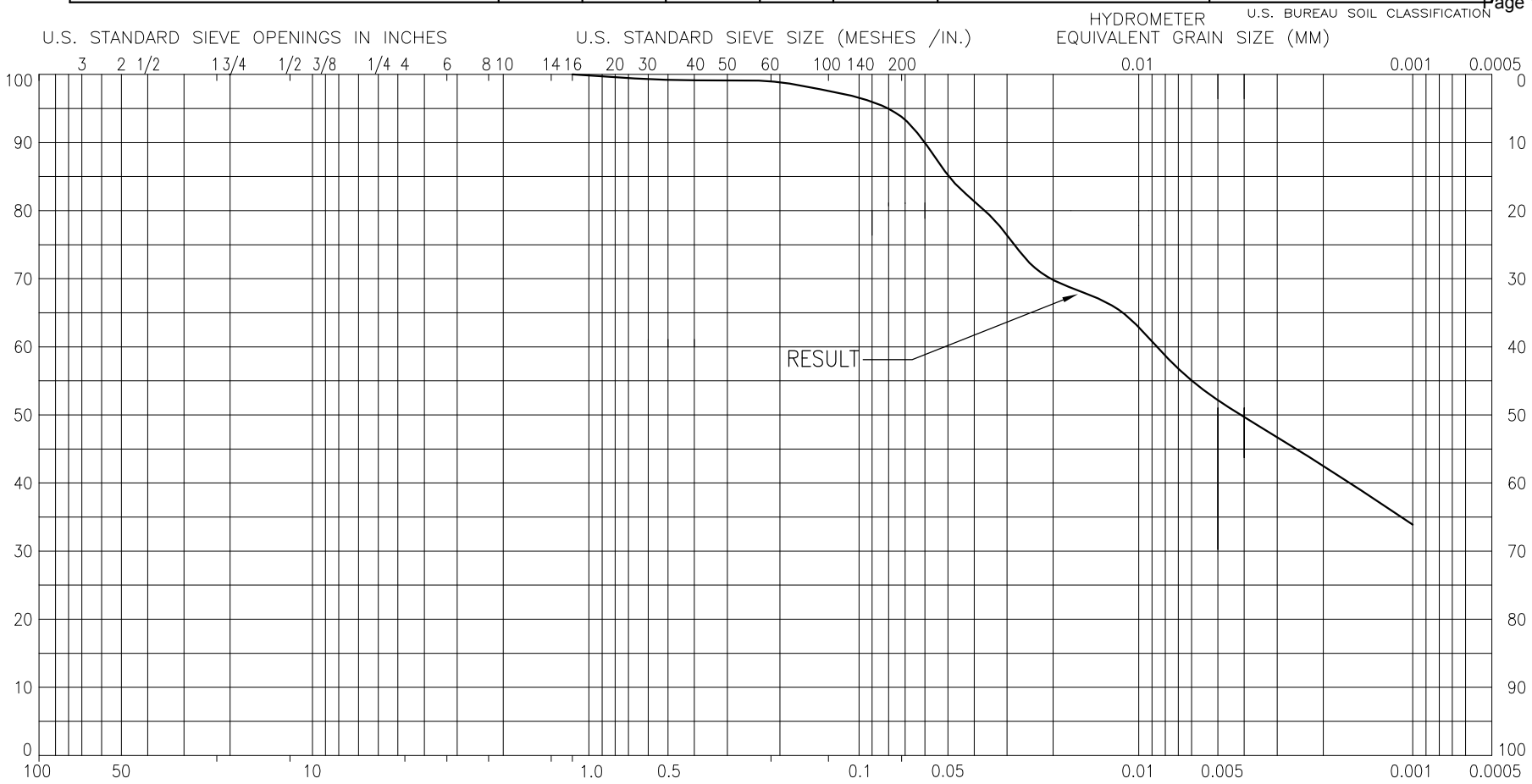
REMARKS:

CLIENT: PowerTel Utilities Contractors Ltd.
COPIES TO: PowerTel Utilities Contractors Ltd.

DATE TESTED: November 10, 2011 Technician J. Garside

WE HEREBY CERTIFY TESTING PROCEDURES IN ACCORDANCE WITH ASTM C566 FOR THAT PORTION OF TESTING PERFORMED BY THIS COMPANY.

GRAVEL	FINE GRAVEL	SAND				SILT	CLAY
		COARSE	MEDIUM	FINE	VERY FINE		



GRAVEL		SAND			CLAY & SILT
COARSE	FINE	COARSE	MEDIUM	FINE	

UNIFIED CLASSIFICATION

GRAIN SIZE DISTRIBUTION

Consulting Engineers
MRW
M. R. WRIGHT & ASSOCIATES CO. LTD.
SAULT STE. MARIE, ONTARIO

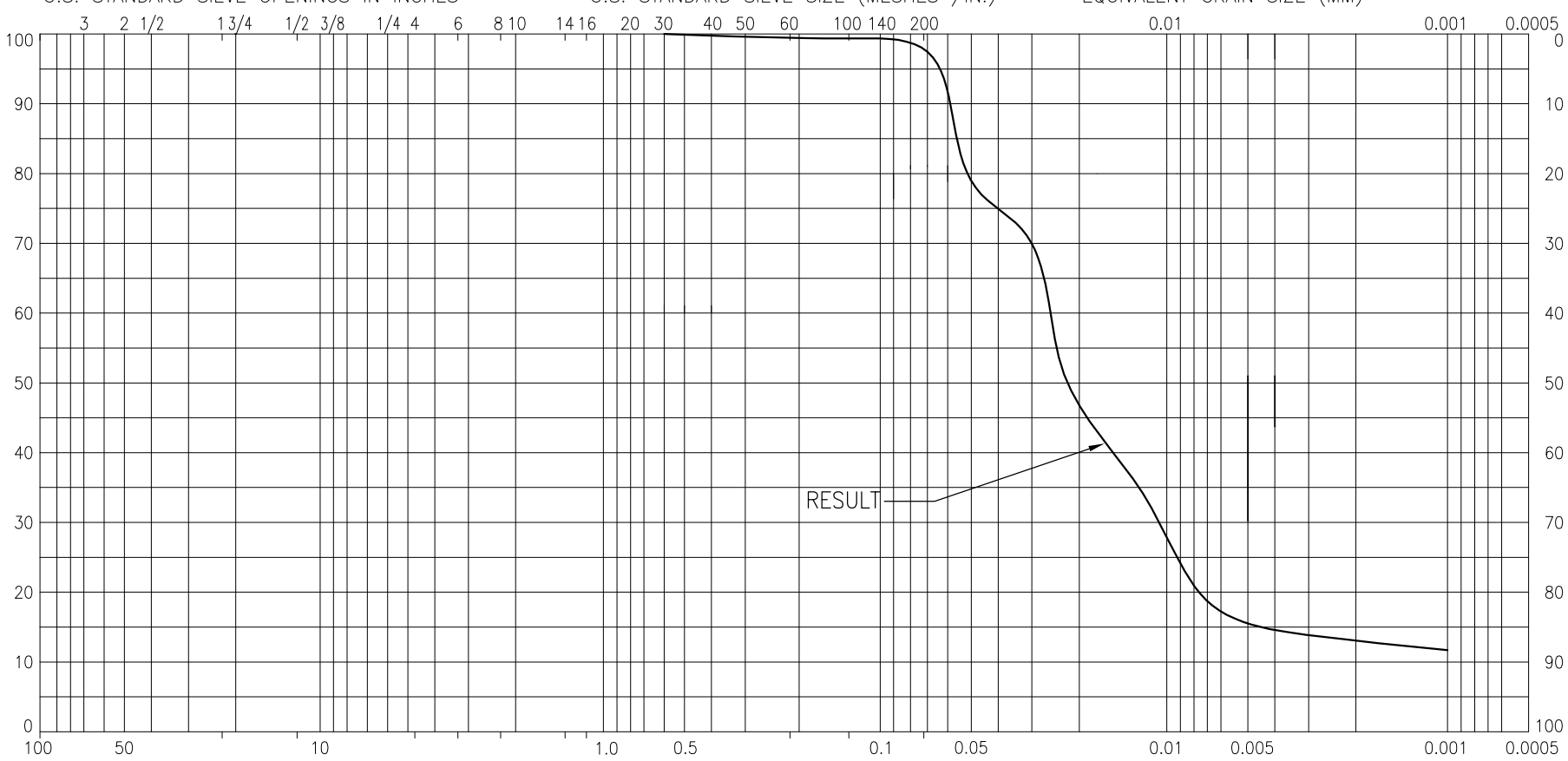
TESTING LAB

71 Black Road – Unit 3
Sault Ste. Marie, Ontario P6B 0A3
Phone: 1–(705)–945–5090
Fax: 1–(705)–945–5092
email: d.stadnisky@mrweng.ca

PROJECT: GLP, Third Line Egress Renovations Project			GRAIN SIZE DISTRIBUTION No. SA 5828
SAMPLED FROM: SS 1–5, 10' to 12'	SAMPLED BY: W. Tabaczuk	OF: M.R. WRIGHT AND ASSOC.	
TESTED BY: D. Stadnisky	DATE TESTED: Novmeber 15, 2011	CONTRACT No: G11310	

GRAVEL	FINE GRAVEL	SAND				SILT	CLAY
		COARSE	MEDIUM	FINE	VERY FINE		

U.S. BUREAU SOIL CLASSIFICATION



GRAVEL		SAND			CLAY & SILT
COARSE	FINE	COARSE	MEDIUM	FINE	

UNIFIED CLASSIFICATION

GRAIN SIZE DISTRIBUTION

Consulting Engineers
MRW
M. R. WRIGHT & ASSOCIATES CO. LTD.
SAULT STE. MARIE, ONTARIO

TESTING LAB

71 Black Road – Unit 3
Sault Ste. Marie, Ontario P6B 0A3
Phone: 1–(705)–945–5090
Fax: 1–(705)–945–5092
email: d.stadnisky@mrweng.ca

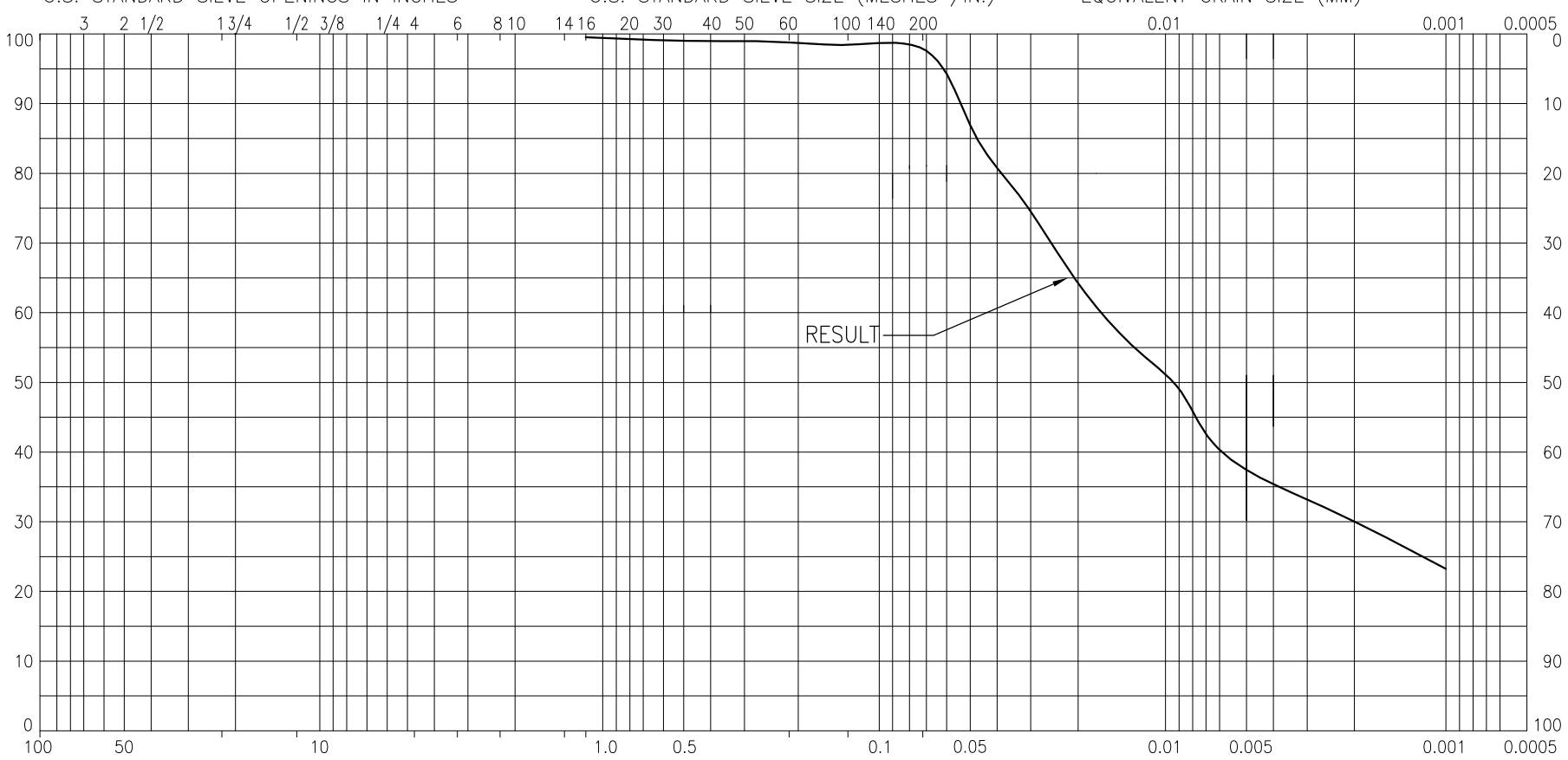
PROJECT: GLP, Third Line Egress Renovations Project — GRAIN SIZE DISTRIBUTION No. SA 5829

SAMPLED FROM: SS 1–6, 15' to 17' — SAMPLED BY: W. Tabaczuk — OF: M.R. WRIGHT AND ASSOC.

TESTED BY: D. Stadnisky — DATE TESTED: Novmeber 15, 2011 — CONTRACT No: G11310

GRAVEL	FINE GRAVEL	SAND				SILT	CLAY
		COARSE	MEDIUM	FINE	VERY FINE		

U.S. BUREAU SOIL CLASSIFICATION



GRAVEL		SAND			CLAY & SILT
COARSE	FINE	COARSE	MEDIUM	FINE	

UNIFIED CLASSIFICATION

GRAIN SIZE DISTRIBUTION

Consulting Engineers
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TESTING LAB

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Sault Ste. Marie, Ontario P6B 0A3
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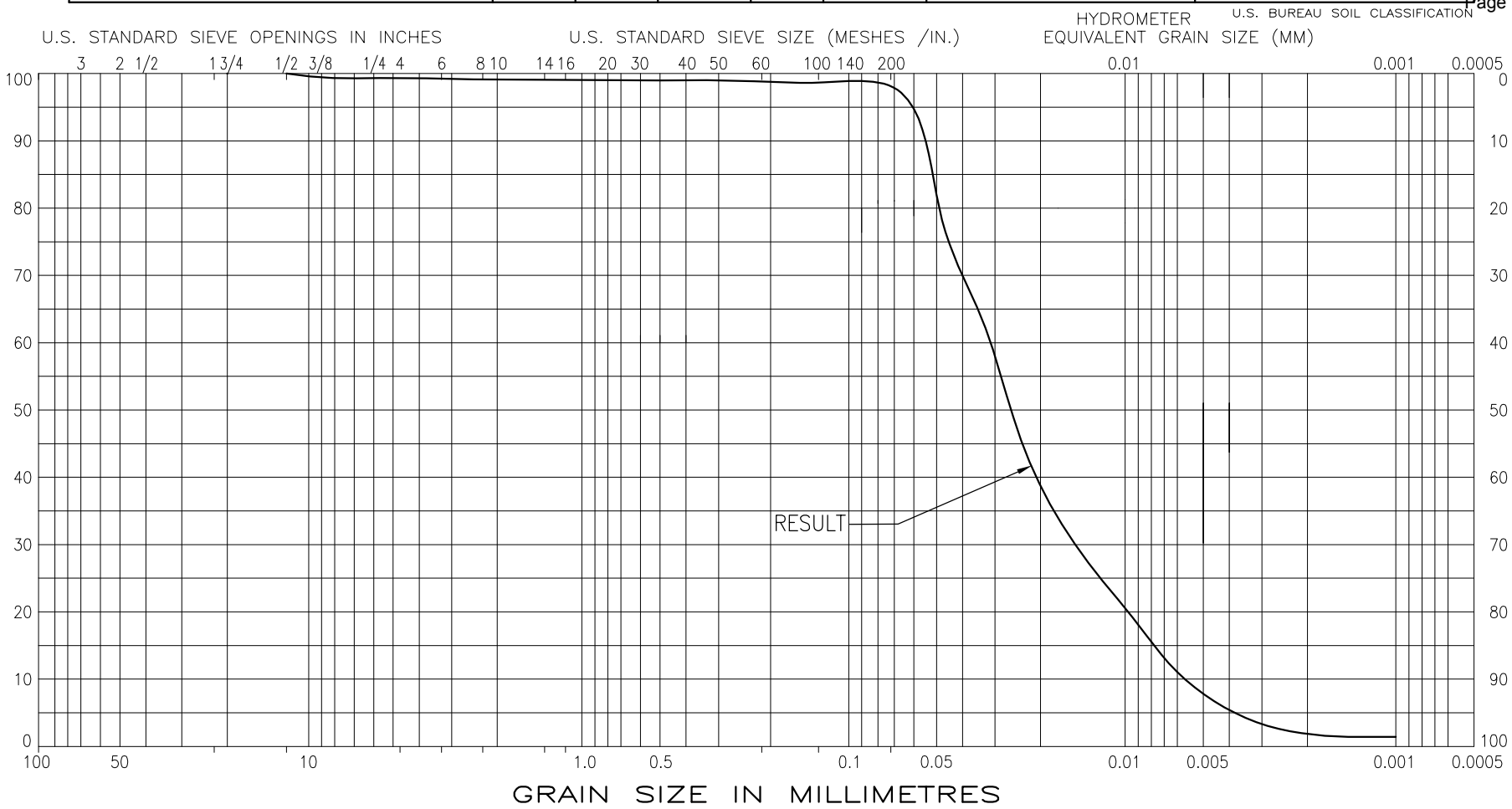
Fax: 1–(705)–945–5092
email: d.stadnisky@mrweng.ca

PROJECT: GLP, Third Line Egress Renovations Project — GRAIN SIZE DISTRIBUTION No. SA 5830

SAMPLED FROM: SS 1–15, 60' to 62' — SAMPLED BY: W. Tabaczuk — OF: M.R. WRIGHT AND ASSOC.

TESTED BY: D. Stadnisky — DATE TESTED: Novmeber 15, 2011 — CONTRACT No: G11310

GRAVEL	FINE GRAVEL	SAND				SILT	CLAY
		COARSE	MEDIUM	FINE	VERY FINE		



GRAVEL		SAND			CLAY & SILT
COARSE	FINE	COARSE	MEDIUM	FINE	

UNIFIED CLASSIFICATION

GRAIN SIZE DISTRIBUTION

Consulting Engineers
MRW
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TESTING LAB

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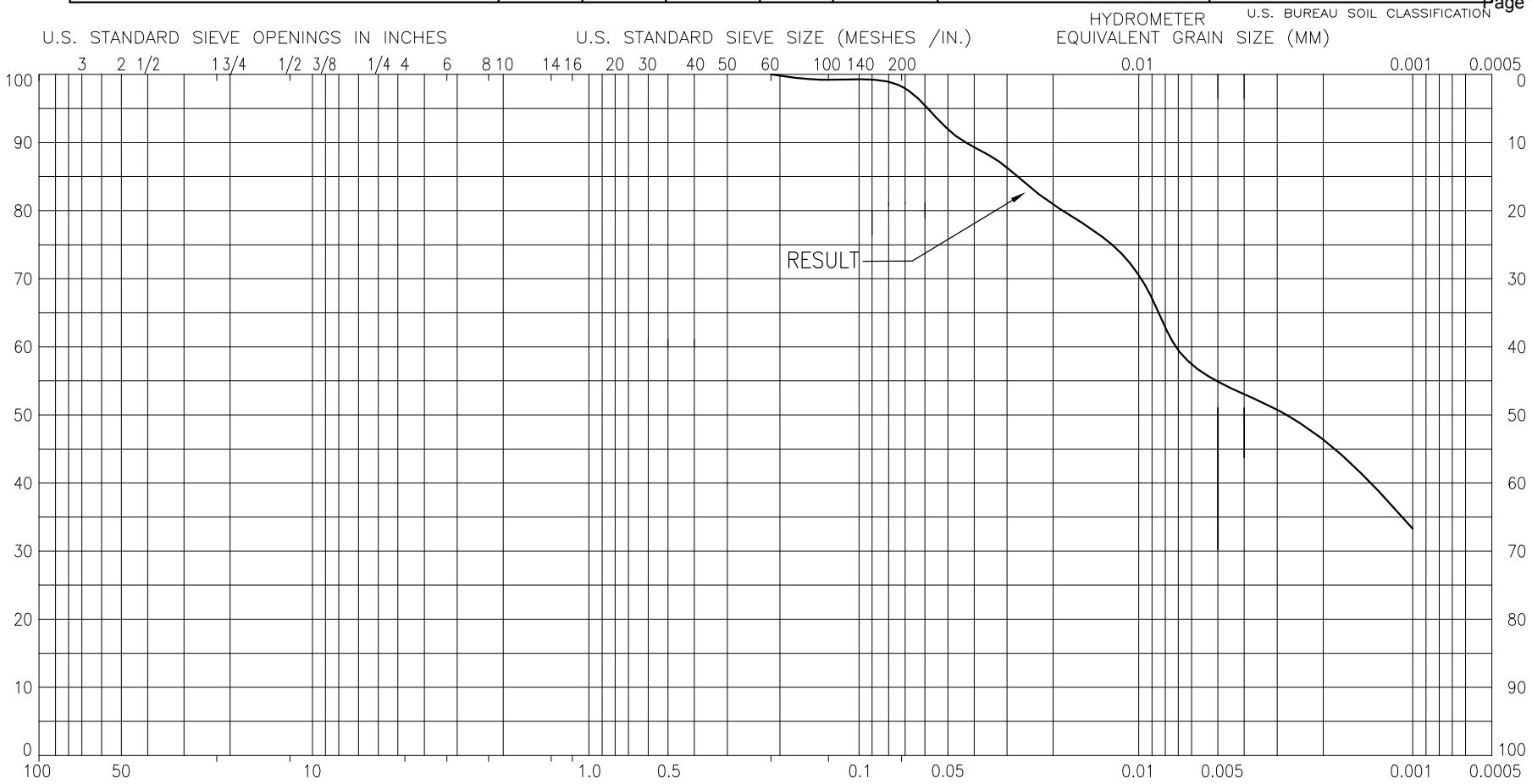
Sault Ste. Marie, Ontario P6B 0A3
Phone: 1–(705)–945–5090
Fax: 1–(705)–945–5092
email: d.stadnisky@mrweng.ca

PROJECT: GLP, Third Line Egress Renovations Project — GRAIN SIZE DISTRIBUTION No. SA 5831

SAMPLED FROM: SS 2–5, 10' to 12' — SAMPLED BY: W. Tabaczuk — OF: M.R. WRIGHT AND ASSOC.

TESTED BY: D. Stadnisky — DATE TESTED: Novmeber 15, 2011 — CONTRACT No: G11310

GRAVEL	FINE GRAVEL	SAND				SILT	CLAY
		COARSE	MEDIUM	FINE	VERY FINE		



GRAVEL		SAND			CLAY & SILT
COARSE	FINE	COARSE	MEDIUM	FINE	

UNIFIED CLASSIFICATION

GRAIN SIZE DISTRIBUTION

Consulting Engineers
MRW
M. R. WRIGHT & ASSOCIATES CO. LTD.
SAULT STE. MARIE, ONTARIO

TESTING LAB

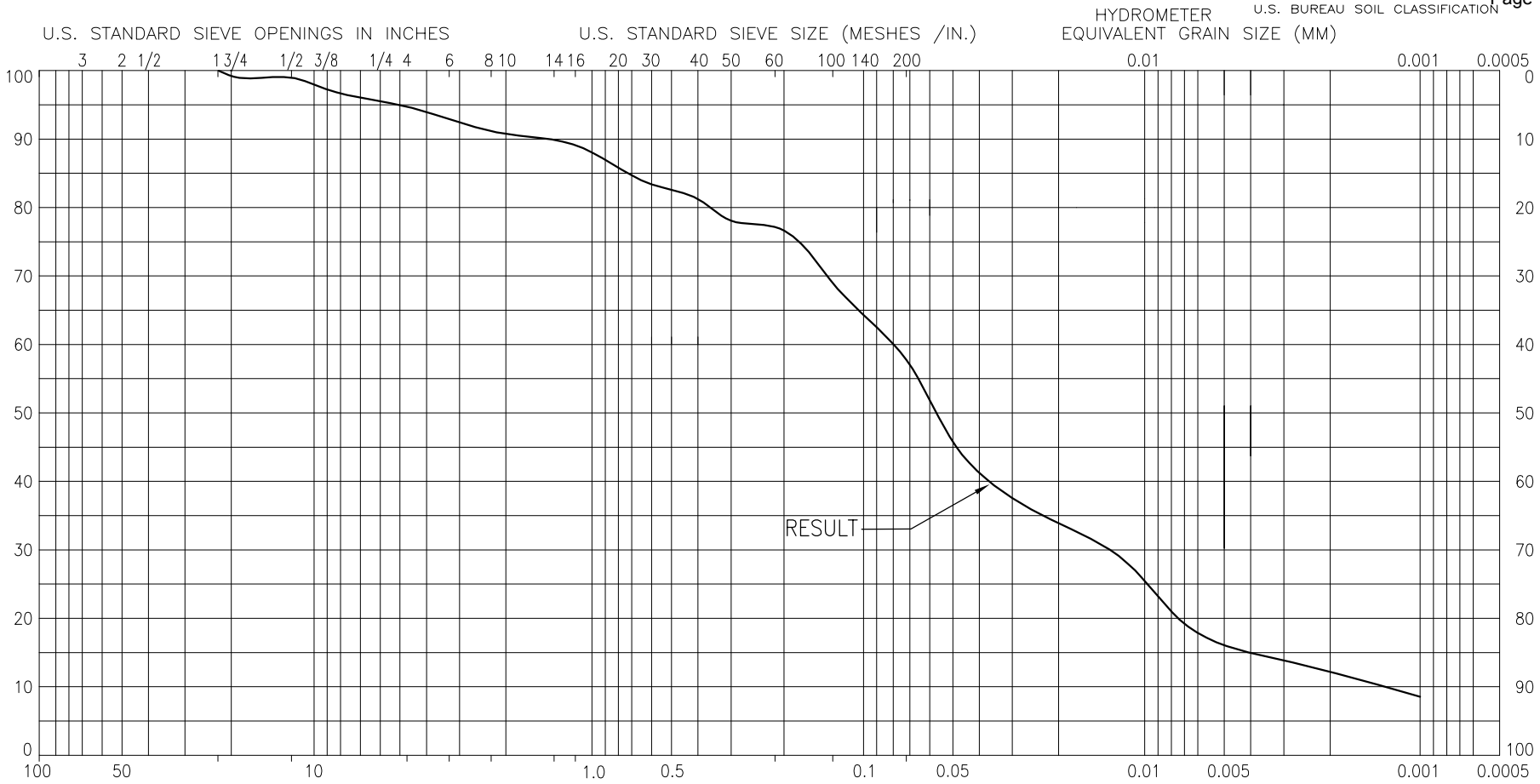
71 Black Road – Unit 3
Sault Ste. Marie, Ontario P6B 0A3
Phone: 1–(705)–945–5090
Fax: 1–(705)–945–5092
email: d.stadnisky@mrweng.ca

PROJECT: GLP, Third Line Egress Renovations Project — GRAIN SIZE DISTRIBUTION No. SA 5832

SAMPLED FROM: SS 2–9, 30' to 32' — SAMPLED BY: W. Tabaczuk — OF: M.R. WRIGHT AND ASSOC.

TESTED BY: D. Stadnisky — DATE TESTED: Novmeber 15, 2011 — CONTRACT No: G11310

GRAVEL	FINE GRAVEL	SAND				SILT	CLAY
		COARSE	MEDIUM	FINE	VERY FINE		



GRAVEL		SAND			CLAY & SILT
COARSE	FINE	COARSE	MEDIUM	FINE	

UNIFIED CLASSIFICATION

GRAIN SIZE DISTRIBUTION

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TESTING LAB

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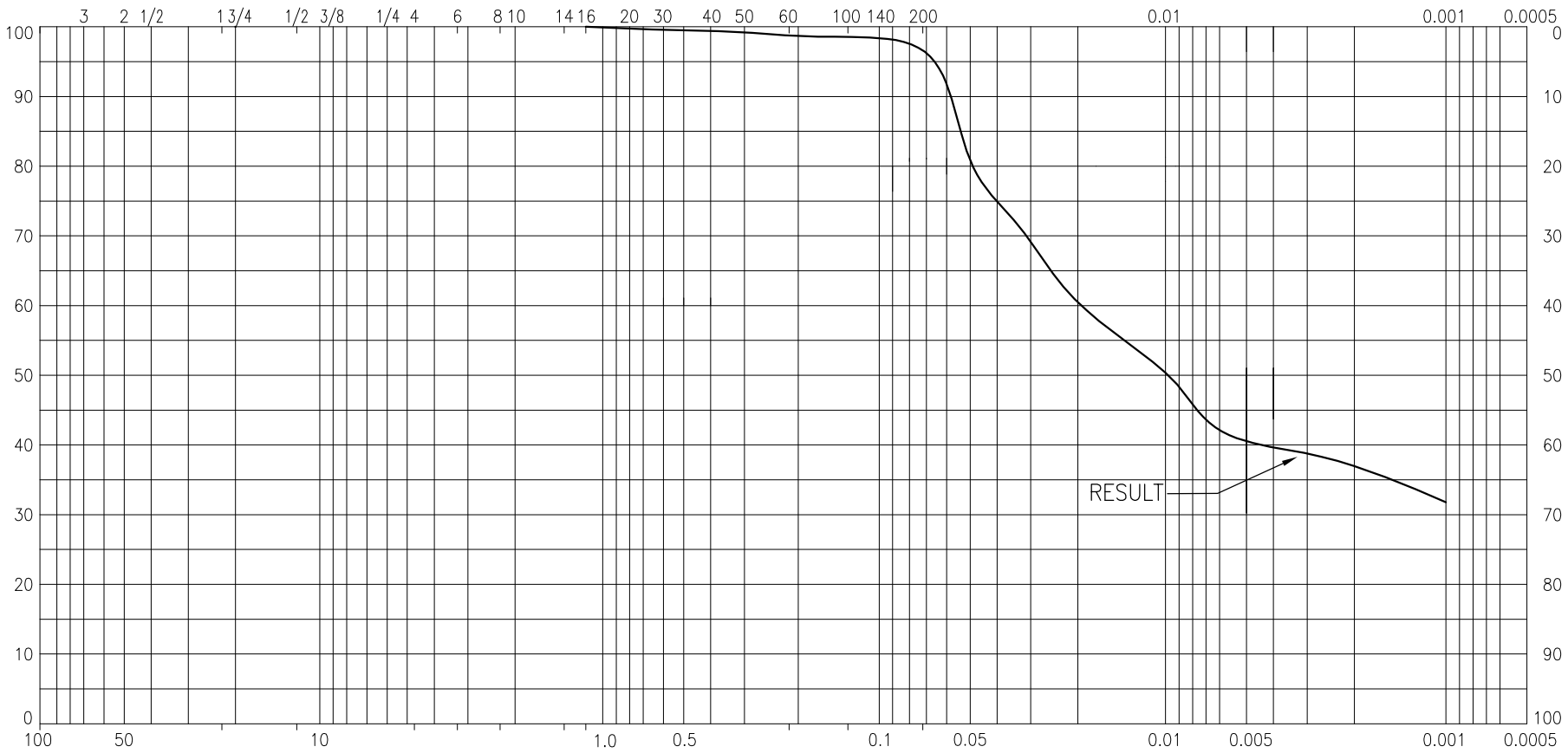
Sault Ste. Marie, Ontario P6B 0A3
Phone: 1–(705)–945–5090
Fax: 1–(705)–945–5092
email: d.stadnisky@mrweng.ca

PROJECT: GLP, Third Line Egress Renovations Project — GRAIN SIZE DISTRIBUTION No. SA 5833

SAMPLED FROM: SS 2–12, 45' to 47' — SAMPLED BY: W. Tabaczuk — OF: M.R. WRIGHT AND ASSOC.

TESTED BY: D. Stadnisky — DATE TESTED: Novmeber 15, 2011 — CONTRACT No: G11310

GRAVEL	FINE GRAVEL	SAND				SILT	CLAY
		COARSE	MEDIUM	FINE	VERY FINE		



GRAVEL		SAND			CLAY & SILT
COARSE	FINE	COARSE	MEDIUM	FINE	

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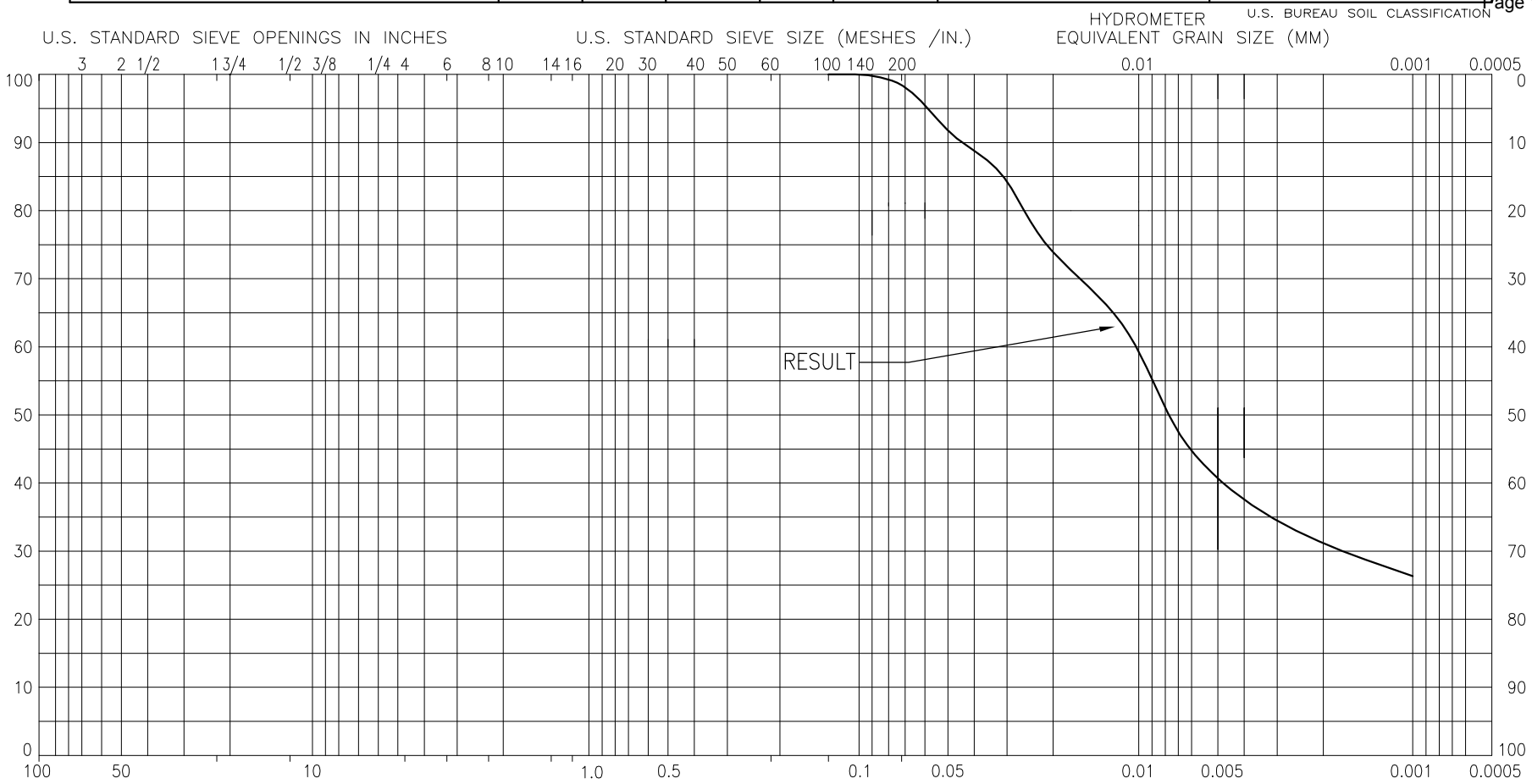
email: d.stadnisky@mrweng.ca

PROJECT: GLP, Third Line Egress Renovations Project			GRAIN SIZE DISTRIBUTION No. SA 5834
SAMPLED FROM: SS 3–3, 5' to 7'	SAMPLED BY: W. Tabaczuk	OF: M.R. WRIGHT AND ASSOC.	
TESTED BY: D. Stadnisky	DATE TESTED: Novmeber 15, 2011	CONTRACT No: G11310	

GRAVEL	FINE GRAVEL	SAND				SILT	CLAY
		COARSE	MEDIUM	FINE	VERY FINE		



GRAVEL		SAND			CLAY & SILT
COARSE	FINE	COARSE	MEDIUM	FINE	

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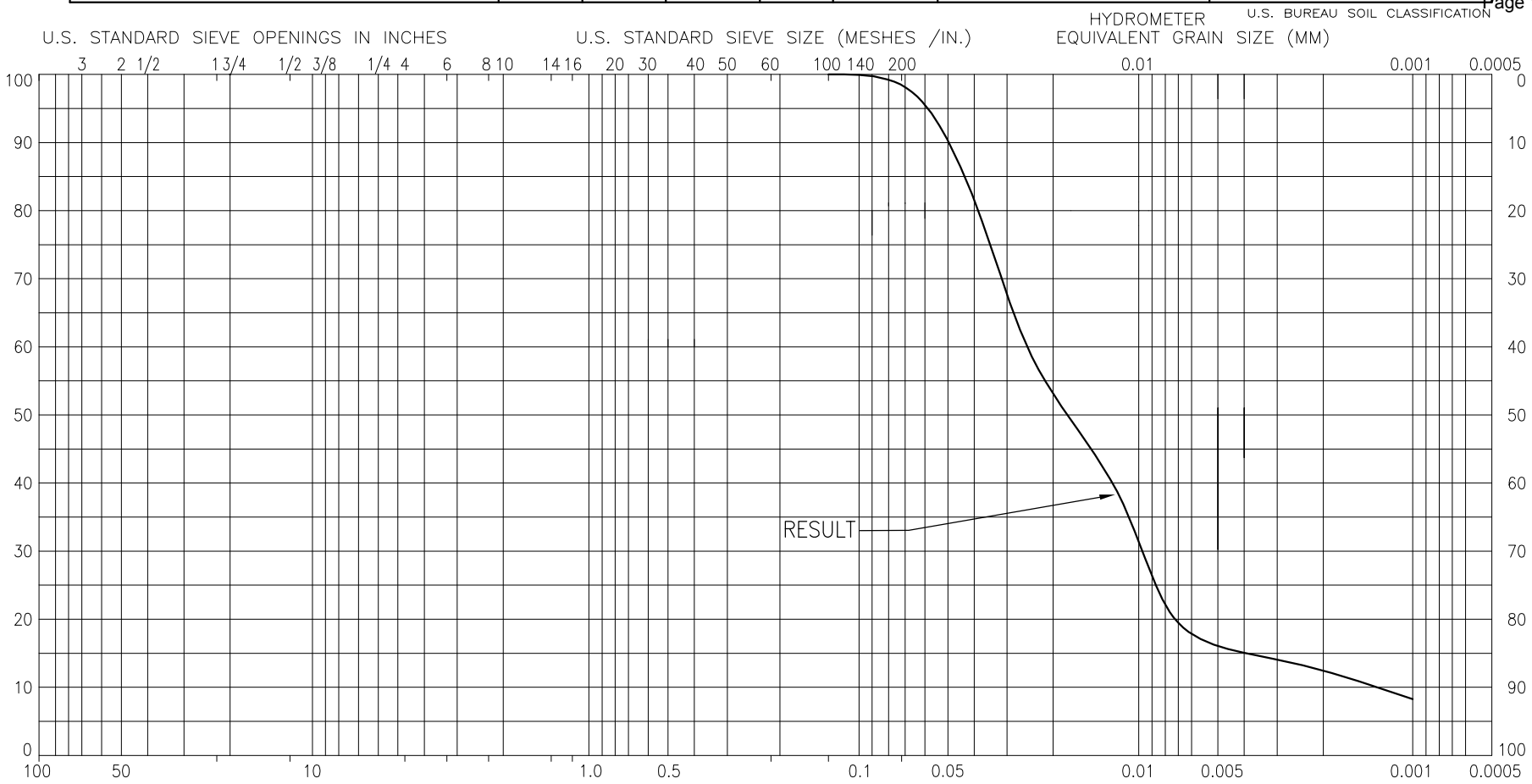
email: d.stadnisky@mrweng.ca

PROJECT: GLP, Third Line Egress Renovations Project — GRAIN SIZE DISTRIBUTION No. SA 5835

SAMPLED FROM: TWS 3–5, 10' to 12' — SAMPLED BY: W. Tabaczuk — OF: M.R. WRIGHT AND ASSOC.

TESTED BY: D. Stadnisky — DATE TESTED: Novmeber 15, 2011 — CONTRACT No: G11310

GRAVEL	FINE GRAVEL	SAND				SILT	CLAY
		COARSE	MEDIUM	FINE	VERY FINE		



GRAVEL		SAND			CLAY & SILT
COARSE	FINE	COARSE	MEDIUM	FINE	

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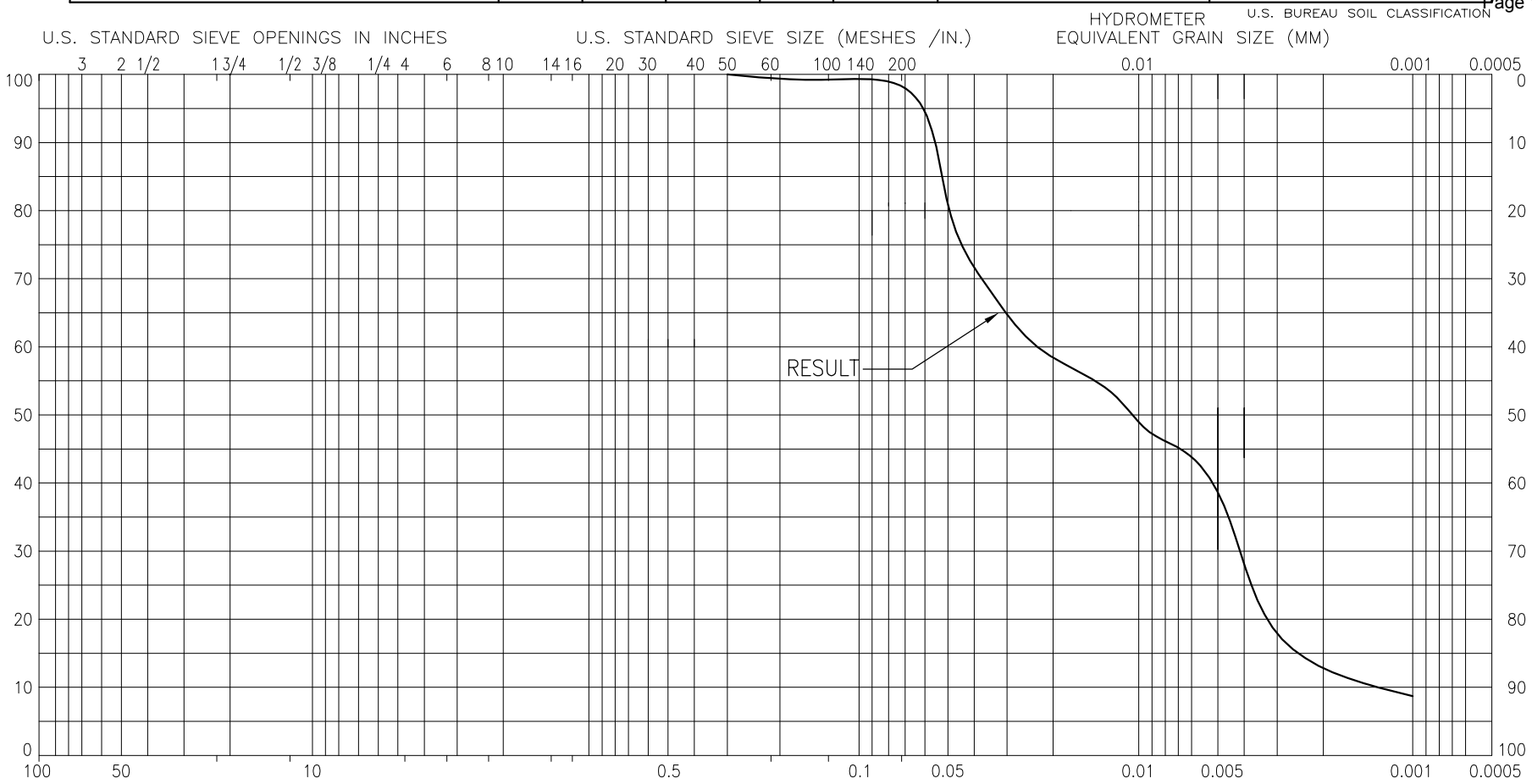
email: d.stadnisky@mrweng.ca

PROJECT: GLP, Third Line Egress Renovations Project			GRAIN SIZE DISTRIBUTION No. SA 5836
SAMPLED FROM: SS 3–8, 25' to 27'	SAMPLED BY: W. Tabaczuk	OF: M.R. WRIGHT AND ASSOC.	
TESTED BY: D. Stadnisky	DATE TESTED: Novmeber 15, 2011	CONTRACT No: G11310	

GRAVEL	FINE GRAVEL	SAND				SILT	CLAY
		COARSE	MEDIUM	FINE	VERY FINE		



GRAVEL		SAND			CLAY & SILT
COARSE	FINE	COARSE	MEDIUM	FINE	

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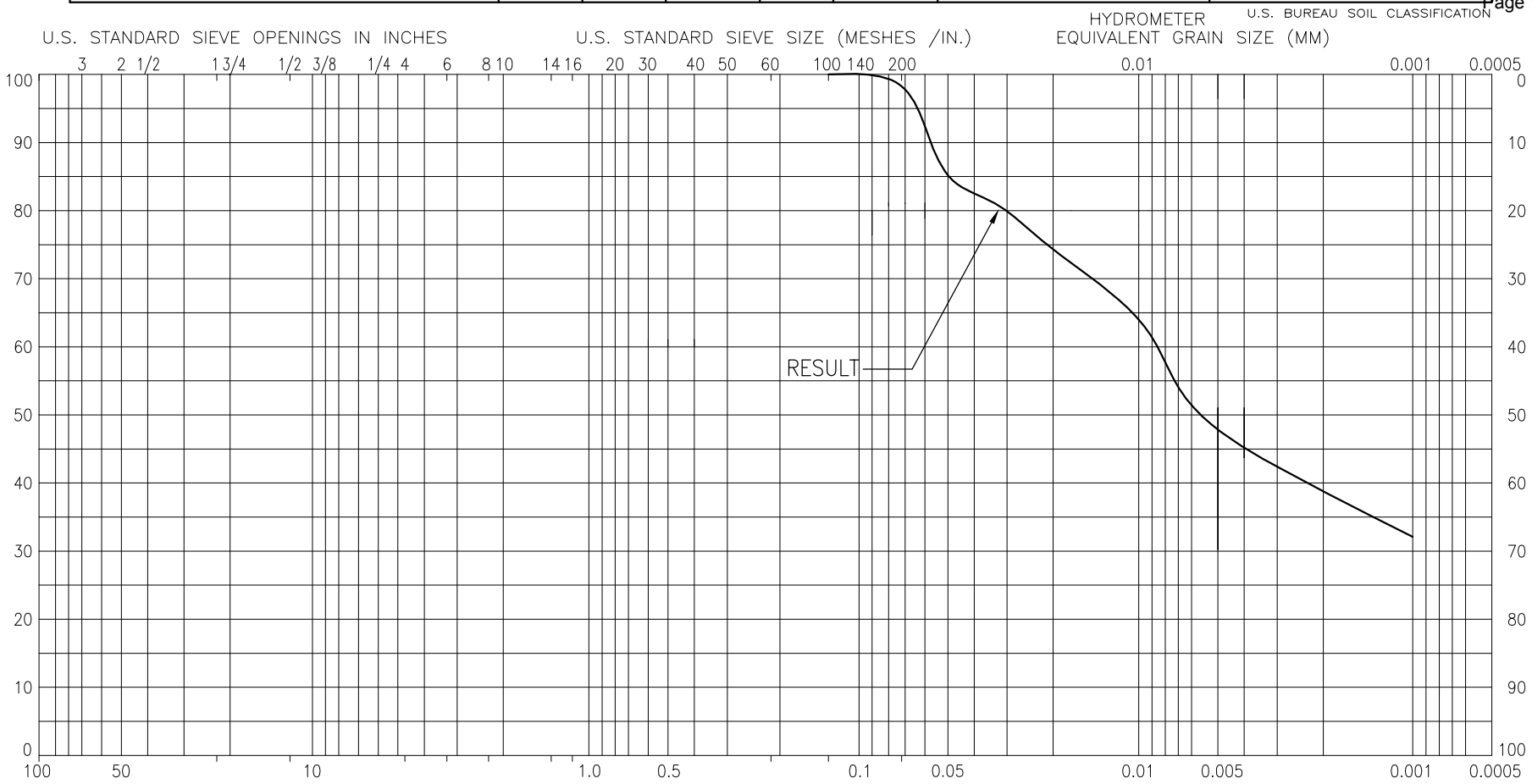
email: d.stadnisky@mrweng.ca

PROJECT: GLP, 3rd Line Egress Renovation			GRAIN SIZE DISTRIBUTION No. SA 5837
SAMPLED FROM: SS 5–3, 4.5' to 6.5'	SAMPLED BY: W. Tabaczuk	OF: M.R. WRIGHT AND ASSOC.	
TESTED BY: D. Stadnisky	DATE TESTED: Novmeber 15, 2011	CONTRACT No: G11310	

GRAVEL	FINE GRAVEL	SAND				SILT	CLAY
		COARSE	MEDIUM	FINE	VERY FINE		



GRAVEL		SAND			CLAY & SILT
COARSE	FINE	COARSE	MEDIUM	FINE	

UNIFIED CLASSIFICATION

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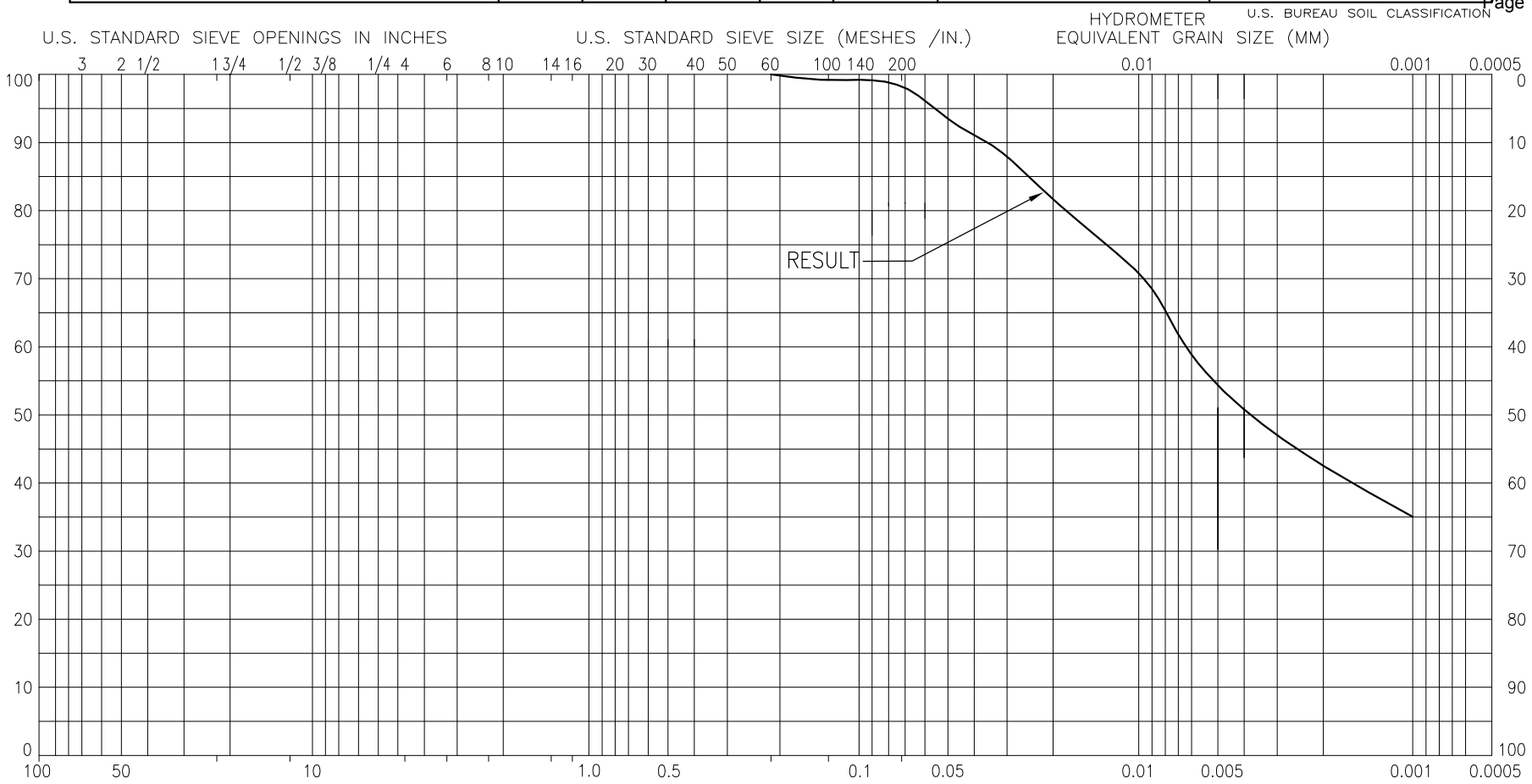
Fax: 1–(705)–945–5092
email: d.stadnisky@mrweng.ca

PROJECT: GLP, Third Line Egress Renovations Project — GRAIN SIZE DISTRIBUTION No. SA 5838

SAMPLED FROM: SS 5–9, 29.5' to 31.5' — SAMPLED BY: W. Tabaczuk — OF: M.R. WRIGHT AND ASSOC.

TESTED BY: D. Stadnisky — DATE TESTED: Novmeber 15, 2011 — CONTRACT No: G11310

GRAVEL	FINE GRAVEL	SAND				SILT	CLAY
		COARSE	MEDIUM	FINE	VERY FINE		



GRAVEL		SAND			CLAY & SILT
COARSE	FINE	COARSE	MEDIUM	FINE	

UNIFIED CLASSIFICATION

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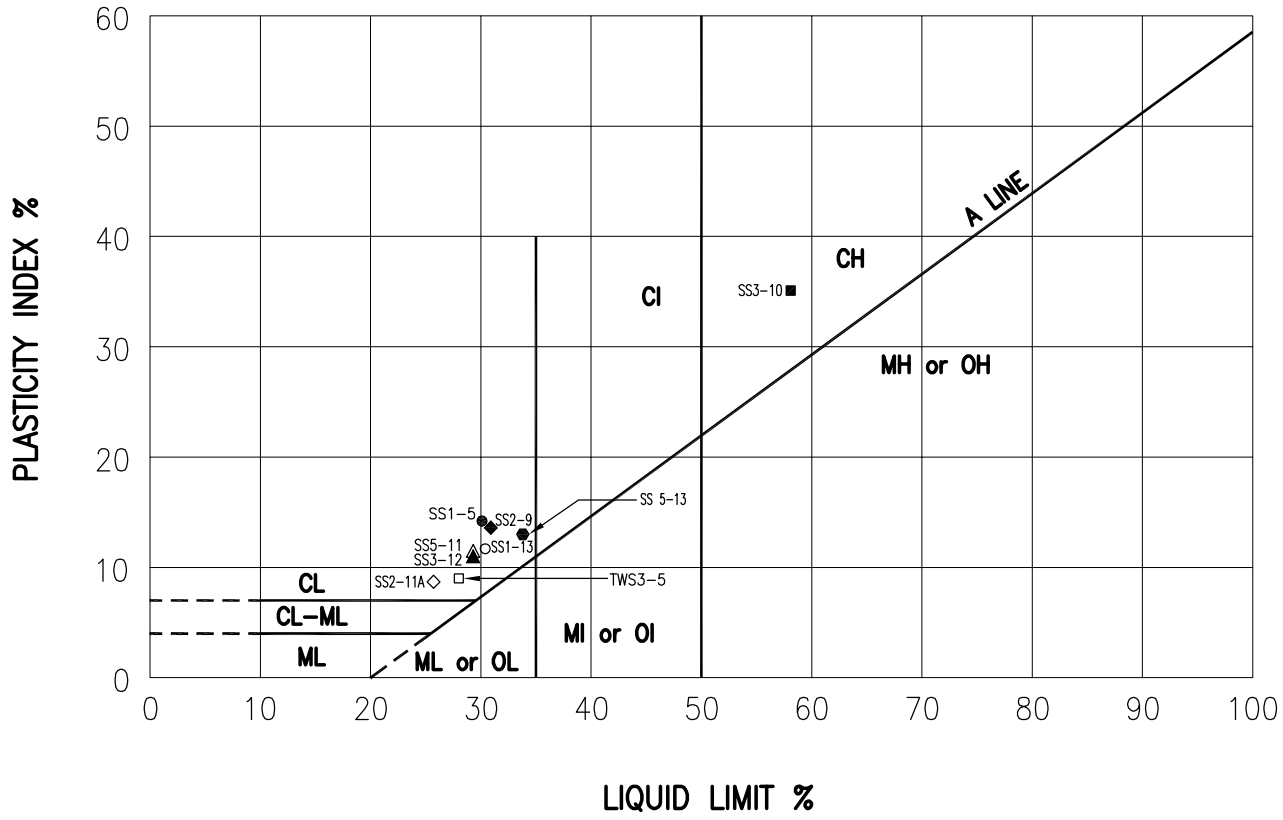
Fax: 1–(705)–945–5092
email: d.stadnisky@mrweng.ca

PROJECT: GLP, Third Line Egress Renovations Project — GRAIN SIZE DISTRIBUTION No. SA 5839

SAMPLED FROM: SS 5–11, 39.5' to 41.5' — SAMPLED BY: W. Tabaczuk — OF: M.R. WRIGHT AND ASSOC.

TESTED BY: D. Stadnisky — DATE TESTED: Novmeber 15, 2011 — CONTRACT No: G11310



SYMBOL	SAMPLE LOCATION	SAMPLE NUMBER	DEPTH RANGE (ft)	LIQUID LIMIT (%)	PLASTIC LIMIT (%)	PLASTICITY INDEX (%)	MOISTURE CONTENT (%)
●	BH1	SS 1-5	10-12	30.1	15.9	14.2	28.9
○	BH1	SS 1-13	50-52	30.4	18.7	11.7	29.6
◆	BH2	SS 2-9	30-32	30.9	17.3	13.6	32.5
◇	BH2	SS 2-11A	40-41	25.7	17.0	8.7	29.4
□	BH3	TWS 3-5	10-12	28.0	19.0	9.0	23.0
■	BH3	SS 3-10	35-37	58.1	23.0	35.1	36.8
▲	BH3	SS 3-12	45-47	29.3	18.3	11.0	29.1
△	BH5	SS 5-11	39.5-41.5	29.3	18.1	11.2	30.1
⬣	BH5	SS 5-13	49.5-51.5	33.8	20.8	13.0	27.3

TECHNICIAN:	M.CORRIVEAU
DRAWN BY:	D.MOODY
DATE CREATED:	11/28/2011
REVISION #:	
REVISION DATE:	

Consulting Engineers
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PLASTICITY CHART
GLP, THIRD LINE EGRESS
RENOVATION PROJECT
SAULT STE. MARIE, ON
MRW PROJECT G11310

CLIENT: POWERTEL

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Testing Lab

71 Black Road - Unit 3
Sault Ste. Marie, ON
P6B 1A3
Phone: (705) 945-5090
Fax: (705) 945-5092
Email:

UNIT WEIGHT

PROJECT NO: G11310

DATE SAMPLED: November 5, 2011

PROJECT: GLP, Third Line Egress Renovations Project

SOURCE: BH1, BH2 & BH3

Sample Location	Soil Type	Unit Weight (lbs/ft^3)	Moisture Content		
SS 1-3, 5' to 7'	Silt	113	18.0%		
SS 1-4, 7.5' to 9.5'	Clayey Silt	94.0	37.6%		
SS 1-5, 10' to 12'	Silty Clay	119.0	28.9%		
SS 1-7, 20' to 22'	Silt	120.5	22.4%		
SS 1-10, 35' to 37'	Silty Clay	116.5	24.8%		
SS 1-15, 60' to 62'	Silty Clay	115.0	25.5%		
SS 2-9, 30' to 32'	Silty Clay	107.0	32.5%		
SS 3-6, 15' to 17'	Clay & Silt	111.7	29.0%		

REMARKS:Testing was performed on disturbed soil samples and subject to an according degree of error

CLIENT: PowerTel Utilities Contractors Ltd.
COPIES TO: PowerTel Utilities Contractors Ltd.

DATE TESTED: November 18, 2011 Technician D. Stadnisky

WE HEREBY CERTIFY TESTING PROCEDURES IN ACCORDANCE WITH CAN/CSA-A23.2-M94 FOR THAT PORTION OF TESTING PERFORMED BY THIS COMPANY.

Appendix C Testmark's Laboratory Analytical Reports for Soil Samples

TESTMARK Laboratories Ltd.

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M.R. Wright & Associates | Work Order: 142041

This report has been approved by:



Rita Rienguette, Chem. Eng. Tech.
Organic Section Head



Mary King, Ph.D.
Inorganic Section Head

M.R. Wright & Associates | Work Order: 142041

Sample Data:

Sample Name: SAND - BH1 - 2 **Date: 11/05/11** **Matrix: Soil** **Lab #: 383769**

Anions Soil				
Parameter	**MDL**	**Result**	**Units**	**QAQCID**
Bromide	0.5	<0.5	µg/g	20111115.R5F
Chloride	1	18.7	µg/g	20111115.R5F
Fluoride	0.05	<0.05	µg/g	20111115.R5F
Nitrate (as N)	0.15	0.26	µg/g	20111115.R5F
Nitrite (as N)	0.1	<0.1	µg/g	20111115.R5F
Phosphate	1.5	<1.5	µg/g	20111115.R5F
Sulfate	1	2.3	µg/g	20111115.R5F

Moisture				
Parameter	**MDL**	**Result**	**Units**	**QAQCID**
% Moisture	0.1	16.5	%	20111114.R99A

pHSOIL				
Parameter	**MDL**	**Result**	**Units**	**QAQCID**
pH	N/A	4.77	pH	20111115.R2B

Resistivity Soil				
Parameter	**MDL**	**Result**	**Units**	**QAQCID**
Resistivity	N/A	75757	ohm-cm	20111115.R12B

Sample Name: SILT - BH1 - 3 **Date: 11/05/11** **Matrix: Soil** **Lab #: 383770**

Anions Soil				
Parameter	**MDL**	**Result**	**Units**	**QAQCID**
Bromide	0.5	<0.5	µg/g	20111115.R5F
Chloride	1	29.6	µg/g	20111115.R5F
Fluoride	0.05	<0.05	µg/g	20111115.R5F
Nitrate (as N)	0.15	0.49	µg/g	20111115.R5F
Nitrite (as N)	0.1	<0.1	µg/g	20111115.R5F
Phosphate	1.5	<1.5	µg/g	20111115.R5F
Sulfate	1	1.9	µg/g	20111115.R5F

Moisture				
Parameter	**MDL**	**Result**	**Units**	**QAQCID**
% Moisture	0.1	17.1	%	20111114.R99A

pHSOIL				
Parameter	**MDL**	**Result**	**Units**	**QAQCID**
pH	N/A	7.44	pH	20111115.R2B

Resistivity Soil				
Parameter	**MDL**	**Result**	**Units**	**QAQCID**
Resistivity	N/A	25188	ohm-cm	20111115.R12B

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M.R. Wright & Associates | Work Order: 142041

Sample Name: SILTY CLAY - BH1 - 11 **Date: 11/05/11** **Matrix: Soil** **Lab #: 383771**

Anions Soil				
Parameter	**MDL**	**Result**	**Units**	**QAQCID**
Bromide	0.5	<0.5	µg/g	20111115.R5F
Chloride	1	27.3	µg/g	20111115.R5F
Fluoride	0.05	<0.05	µg/g	20111115.R5F
Nitrate (as N)	0.15	0.38	µg/g	20111115.R5F
Nitrite (as N)	0.1	<0.1	µg/g	20111115.R5F
Phosphate	1.5	<1.5	µg/g	20111115.R5F
Sulfate	1	7	µg/g	20111115.R5F

Moisture				
Parameter	**MDL**	**Result**	**Units**	**QAQCID**
% Moisture	0.1	21.9	%	20111114.R99A

pHSOIL				
Parameter	**MDL**	**Result**	**Units**	**QAQCID**
pH	N/A	8.06	pH	20111115.R2B
pH (Dup)	N/A	8.14	pH	20111115.R2B

Resistivity Soil				
Parameter	**MDL**	**Result**	**Units**	**QAQCID**
Resistivity	N/A	16233	ohm-cm	20111115.R12B

Sample Name: SILT BH2 - 4 **Date: 11/03/11** **Matrix: Soil** **Lab #: 383772**

Anions Soil				
Parameter	**MDL**	**Result**	**Units**	**QAQCID**
Bromide	0.5	<0.5	µg/g	20111115.R5F
Chloride	1	98.9	µg/g	20111115.R5F
Fluoride	0.05	0.38	µg/g	20111115.R5F
Nitrate (as N)	0.15	0.53	µg/g	20111115.R5F
Nitrite (as N)	0.1	<0.1	µg/g	20111115.R5F
Phosphate	1.5	<1.5	µg/g	20111115.R5F
Sulfate	1	53.9	µg/g	20111115.R5F

Moisture				
Parameter	**MDL**	**Result**	**Units**	**QAQCID**
% Moisture	0.1	21.6	%	20111114.R99A

pHSOIL				
Parameter	**MDL**	**Result**	**Units**	**QAQCID**
pH	N/A	6.93	pH	20111115.R2B

Resistivity Soil				
Parameter	**MDL**	**Result**	**Units**	**QAQCID**
Resistivity	N/A	6968	ohm-cm	20111115.R12B

Sample Name: CLAY SILT BH3 - 8 **Date: 11/04/11** **Matrix: Soil** **Lab #: 383773**

Anions Soil				
Parameter	**MDL**	**Result**	**Units**	**QAQCID**
Bromide	0.5	<0.5	µg/g	20111115.R5F

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M.R. Wright & Associates | Work Order: 142041

Sample Name: CLAY SILT BH3 - 8 **Date: 11/04/11** **Matrix: Soil** **Lab #: 383773**

Anions Soil				
Parameter	**MDL**	**Result**	**Units**	**QAQCID**
Chloride	1	25.8	µg/g	20111115.R5F
Fluoride	0.05	<0.05	µg/g	20111115.R5F
Nitrate (as N)	0.15	0.36	µg/g	20111115.R5F
Nitrite (as N)	0.1	<0.1	µg/g	20111115.R5F
Phosphate	1.5	<1.5	µg/g	20111115.R5F
Sulfate	1	6.6	µg/g	20111115.R5F

Moisture				
Parameter	**MDL**	**Result**	**Units**	**QAQCID**
% Moisture	0.1	22.3	%	20111114.R99A

pHSOIL				
Parameter	**MDL**	**Result**	**Units**	**QAQCID**
pH	N/A	8.02	pH	20111115.R2B

Resistivity Soil				
Parameter	**MDL**	**Result**	**Units**	**QAQCID**
Resistivity	N/A	13736	ohm-cm	20111115.R12B

Sample Name: CLAY SILT BH5 - 4 **Date: 11/06/11** **Matrix: Soil** **Lab #: 383774**

Anions Soil				
Parameter	**MDL**	**Result**	**Units**	**QAQCID**
Bromide	0.5	<0.5	µg/g	20111115.R5F
Chloride	1	38.5	µg/g	20111115.R5F
Fluoride	0.05	0.41	µg/g	20111115.R5F
Nitrate (as N)	0.15	0.67	µg/g	20111115.R5F
Nitrite (as N)	0.1	<0.1	µg/g	20111115.R5F
Phosphate	1.5	<1.5	µg/g	20111115.R5F
Sulfate	1	6.4	µg/g	20111115.R5F

Moisture				
Parameter	**MDL**	**Result**	**Units**	**QAQCID**
% Moisture	0.1	31.2	%	20111114.R99A

pHSOIL				
Parameter	**MDL**	**Result**	**Units**	**QAQCID**
pH	N/A	8.29	pH	20111115.R2B

Resistivity Soil				
Parameter	**MDL**	**Result**	**Units**	**QAQCID**
Resistivity	N/A	25125	ohm-cm	20111115.R12B

Sample Name: SILTY CLAY BH5 - 12 **Date: 11/06/11** **Matrix: Soil** **Lab #: 383775**

Anions Soil				
Parameter	**MDL**	**Result**	**Units**	**QAQCID**
Bromide	0.5	<0.5	µg/g	20111115.R5F
Chloride	1	38.4	µg/g	20111115.R5F
Fluoride	0.05	0.38	µg/g	20111115.R5F

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M.R. Wright & Associates | Work Order: 142041

Sample Name: SILTY CLAY BH5 - 12 **Date: 11/06/11** **Matrix: Soil** **Lab #: 383775**

Anions Soil				
Parameter	**MDL**	**Result**	**Units**	**QAQCID**
Nitrate (as N)	0.15	0.65	µg/g	20111115.R5F
Nitrite (as N)	0.1	<0.1	µg/g	20111115.R5F
Phosphate	1.5	<1.5	µg/g	20111115.R5F
Sulfate	1	5.3	µg/g	20111115.R5F

Moisture				
Parameter	**MDL**	**Result**	**Units**	**QAQCID**
% Moisture	0.1	28	%	20111114.R99A

pHSOIL				
Parameter	**MDL**	**Result**	**Units**	**QAQCID**
pH	N/A	8.36	pH	20111115.R2B

Resistivity Soil				
Parameter	**MDL**	**Result**	**Units**	**QAQCID**
Resistivity	N/A	19305	ohm-cm	20111115.R12B

Sample Name: DUP-1 **Date: 11/06/11** **Matrix: Soil** **Lab #: 383776**

Anions Soil				
Parameter	**MDL**	**Result**	**Units**	**QAQCID**
Bromide	0.5	<0.5	µg/g	20111115.R5F
Chloride	1	34.5	µg/g	20111115.R5F
Fluoride	0.05	0.47	µg/g	20111115.R5F
Nitrate (as N)	0.15	0.68	µg/g	20111115.R5F
Nitrite (as N)	0.1	<0.1	µg/g	20111115.R5F
Phosphate	1.5	<1.5	µg/g	20111115.R5F
Sulfate	1	10	µg/g	20111115.R5F

Moisture				
Parameter	**MDL**	**Result**	**Units**	**QAQCID**
% Moisture	0.1	28.2	%	20111114.R99A

pHSOIL				
Parameter	**MDL**	**Result**	**Units**	**QAQCID**
pH	N/A	8.09	pH	20111115.R2B

Resistivity Soil				
Parameter	**MDL**	**Result**	**Units**	**QAQCID**
Resistivity	N/A	26385	ohm-cm	20111115.R12B

MDL *Method detection limit or minimum reporting limit.*
% Rec *Surrogate compounds are added to the sample in some cases and the recovery is reported as a percent recovered.*
QAQCID *This is a unique reference to the quality control data set used to generate the reported value.*
Data reported for organic analysis in soil samples are corrected for moisture content
Matrix *If the matrix is a leachate, the sample was extracted according to regulation 558.*
INT *Interferences*
TNTC *Too numerous to count*
ND *Not detected*

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Quality Control Data:

Anions Soil

Lab Control Sample 1						
Parameter	**MDL**	**Units**	**UCL**	**Result**	**LCL**	**QAQCID**
Bromide	N/A	%	130	103	70	20111115.R5F
Chloride	N/A	%	130	98	70	20111115.R5F
Fluoride	N/A	%	130	100	70	20111115.R5F
Nitrate (as N)	N/A	%	130	92	70	20111115.R5F
Nitrite (as N)	N/A	%	130	96	70	20111115.R5F
Phosphate	N/A	%	130	90	70	20111115.R5F
Sulfate	N/A	%	130	98	70	20111115.R5F

Lab Control Sample 2						
Parameter	**MDL**	**Units**	**UCL**	**Result**	**LCL**	**QAQCID**
Bromide	N/A	%	130	102	70	20111115.R5F
Chloride	N/A	%	130	103	70	20111115.R5F
Fluoride	N/A	%	130	100	70	20111115.R5F
Nitrate (as N)	N/A	%	130	99	70	20111115.R5F
Nitrite (as N)	N/A	%	130	99	70	20111115.R5F
Phosphate	N/A	%	130	91	70	20111115.R5F
Sulfate	N/A	%	130	97	70	20111115.R5F

Method Blank						
Parameter	**MDL**	**Units**	**UCL**	**Result**	**LCL**	**QAQCID**
Bromide	0.5	mg/kg	1	<0.5	<0.5	20111115.R5F
Chloride	1	mg/kg	2	<1	<1	20111115.R5F
Fluoride	0.05	mg/kg	0.1	<0.05	<0.05	20111115.R5F
Nitrate (as N)	0.5	mg/kg	<0.5	<0.5	<0.5	20111115.R5F
Nitrite (as N)	0.25	mg/kg	<0.25	<0.25	<0.25	20111115.R5F
Phosphate	1.5	mg/kg	3	<1.5	<1.5	20111115.R5F
Sulfate	1	mg/kg	2	<1	<1	20111115.R5F

pHSOIL

Lab Control Sample						
Parameter	**MDL**	**Units**	**UCL**	**Result**	**LCL**	**QAQCID**
pH	N/A	pH	7.15	6.97	6.85	20111115.R2B

UCL Upper Control Limit
LCL Lower Control Limit

Appendix D Report Limitations and Guidelines for Use

REPORT LIMITATIONS AND GUIDELINES FOR USE

This information has been provided to help manage risks with respect to the use of this report.

GEOTECHNICAL SERVICES ARE PERFORMED FOR SPECIFIC PURPOSES, PERSONS AND PROJECTS

This geotechnical report has been prepared for the exclusive use of the client, their authorized agents, and other members of the design team. It is not intended for use by others, and the information contained herein is not applicable to other Sites, or for purposes other than those specified in the report.

M.R. Wright & Associates Company Limited (MRW) cannot be held responsible for reliance on the information contained in this report, by persons other than the client or 'authorized' agent without prior written approval.

SUBSURFACE CONDITIONS CAN CHANGE

This geotechnical investigation report is based on existing conditions at the time the study was performed, and our opinion of soil conditions are strictly based on soil samples collected at specific test hole locations. The findings and conclusions of our reports may be affected by the passage of time, by manmade events such as construction on or adjacent to the Site, or by natural events such as floods, earthquakes, slope instability or groundwater fluctuations.

LIMITATIONS TO PROFESSIONAL OPINIONS

Interpretations of subsurface conditions are based on field observations from test pits that were spaced to capture a 'representative' snap shot of subsurface conditions. Site exploration identifies subsurface conditions only at points of sampling. MRW reviews field and laboratory data and then applies our professional judgment to formulate an opinion of subsurface conditions throughout the Site. Actual subsurface conditions may differ, between sampling locations, from those indicated in this report.

LIMITATIONS OF RECOMMENDATIONS

Subsurface soil conditions should be verified by a qualified geotechnical engineer during construction. MRW should be notified if any discrepancies to this report or unusual conditions are found during construction.

Sufficient monitoring, testing and consultation should be provided by MRW during construction and/or excavation activities, to confirm that the conditions encountered are consistent with those indicated by the test pit investigation, and to provide recommendations for design changes should the conditions revealed during the work differ from those anticipated. In addition, monitoring, testing and consultation by MRW should be completed to evaluate whether or not earthwork activities are completed in accordance with our recommendations. Retaining MRW for construction observation for this project is the most effective method of managing the risks associated with unanticipated conditions. However, please be advised that any construction/excavation observations by MRW is over and above the mandate of this geotechnical investigation and therefore, additional fees would apply.

MISINTERPRETATION OF GEOTECHNICAL ENGINEERING REPORT

Misinterpretation of our report by other design team members can result in costly problems. You could lower that risk by having MRW confer with appropriate members of the design team after submitting the report. Also retain MRW to review pertinent elements of the design team's plans and specifications. Contractors can also misinterpret a geotechnical engineering or geologic report. Reduce that risk by having MRW participate in pre-bid and preconstruction conferences, and by providing construction observation. Please be advised that retaining MRW to participation in any 'other' activities associated with this project is over and above the mandate of this geotechnical investigation and therefore, additional fees would apply.

CONTRACTORS RESPONSIBILITY FOR SITE SAFETY

This geotechnical report is not intended to direct the contractor's procedures, methods, schedule or management of the work Site. The contractor is solely responsible for job Site safety and for managing construction operations to minimize risks to on-Site personnel and to adjacent properties. It is ultimately the contractor's responsibility that the Ontario Occupational Health and Safety Act is adhered to, and Site conditions satisfy all 'other' acts, regulations and/or legislation that may be mandated by federal, provincial and/or municipal authorities.

SUBSURFACE SOIL AND/OR GROUNDWATER CONTAMINATION

This report is geotechnical in nature and was not performed in accordance with any environmental guidelines. As such, any environmental comments are very preliminary in nature and based solely on field observations. Accordingly, the scope of services do not include any interpretations, recommendations, findings, or conclusions regarding the, assessment, prevention or abatement of contaminants, and no conclusions or inferences should be drawn regarding contamination, as they may relate to this project. The term "contamination" includes, but is not limited to, molds, fungi, spores, bacteria, viruses, PCBs, petroleum hydrocarbons, inorganics, pesticides/insecticides, volatile organic compounds, polycyclic aromatic hydrocarbons and/or any of their byproducts.

The total amount of all claims the Client may have against MRW or any present or former partners, executive officers, directors, stockholders or employees thereof under this engagement, including but not limited to claims for negligence, negligent misrepresentation and breach of contract, shall be strictly limited to the amount of MRW's professional fees for this assignment. No claim may be brought against MRW in contract or in tort more than two (2) years after the Services were completed or terminated under this agreement. Completion of services shall be deemed to be the last date on any invoice issued by MRW for services provided and as such will constitute the stature of limitations.

Appendix E Abbreviations, Terminology and Principal Symbols used in Report and Test Hole Log

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ABBREVIATIONS, TERMINOLOGY & PRINCIPAL SYMBOLS USED IN REPORT AND TEST HOLE LOGS

Borehole & Test Pit Logs

Sampling Method

AS	Auger Sample	**w**	Washed Sample
SS	Split Spoon Sample	**HQ**	Rock Core (63.5 mm diam.)
ST	Thin Walled Shelby Tube	**NQ**	Rock Core (47.5 mm diam.)
BS	Block Sample	**BQ**	Rock Core (36.5 mm diam.)

In-Situ Soil Testing

Standard Penetration Test (SPT), "N" value is the number of blows required to drive a 51 mm outside diameter spilt barrel sampler into the soil a distance of 300 mm with a 63.5 kg weight free falling a distance of 760 mm after an initial penetration of 150 mm has been achieved. The SPT, "N" value is a qualitative term used to interpret the compactness condition of cohesionless soils and is used only as a very approximation to estimate the consistency and undrained shear strength of cohesive soils.

Dynamic Cone Penetration Test (DCPT) is the number of blows required to drive a cone with a 60 degree apex attached to "A" size drill rods continuously into the soil for each 300 mm penetration with a 63.5 kg weight free falling a distance of 760 mm.

Cone Penetration Test (CPT) is an electronic cone point with a 10 cm^2 base area with a 60 degree apex pushed through the soil at a penetration rate of 2 cm/s.

Field Vane Test (FVT) consists of a vane blade, a set of rods and torque measuring apparatus used to determine the undrained shear strength of cohesive soils.

Soil Descriptions

The soil descriptions and classifications are based on an expanded Unified Soil Classification System (USCS). The USCS classifies soils on the basis of engineering properties. The system divides soils into three major categories; coarse grained, fine grained and highly organic soils. The soil is then subdivided based on either gradation or plasticity characteristics. The classification excludes particles larger than 75 mm. To aid in quantifying material amounts by weight within the respective grain size fractions the following terms have been included to expand the USCS:

Soil Classification		Terminology	Proportion
Clay	<0.002 mm		
Silt	0.002 to 0.06 mm	“trace”, trace sand, etc.	1% to 10%
Sand	0.075 to 4.75 mm	“some”, some sand, etc.	10% to 20%
Gravel	4.75 to 75 mm	adjective, sandy, gravelly, etc.	20% to 35%
Cobbles	75 to 200 mm	and, and gravel, and silt, etc.	>35%
Boulders	>200 mm	noun, Sand, Gravel, Silt, etc.	>35% and main fraction

Notes:

- Soil properties, such as strength, gradation, plasticity, structure, etcetera, dictate the soils engineering behaviour over grain size fractions;
- With the exception of soil samples tested for grain size distribution or plasticity, all soil samples have been classified based on visual and tactile observations. The accuracy of visual and tactile observation is not sufficient to differentiate between changes in soil classification or precise grain size and is therefore an approximate description.

The following table outlines the qualitative terms used to describe the compactness condition of cohesionless soil:

Cohesionless Soil	
Compactness Condition	**SPT N-Index (blows per 300 mm)**
Very Loose	0 to 4
Loose	4 to 10
Compact	10 to 30
Dense	30 to 50
Very Dense	> 50

The following table outlines the qualitative terms used to describe the consistency of cohesive soils related to undrained shear strength and SPT, N-Index:

Cohesive Soil		
Consistency	**Undrained Shear Strength (kPa)**	**SPT N-Index (blows per 300 mm)**
Very soft	<12	<2
Soft	12 to 25	2 to 4
Firm	25 to 50	4 to 8
Stiff	50 to 100	8 to 15
Very Stiff	100 to 200	15 to 30
Hard	>200	>30

Note: Utilizing the SPT, N-Index value to correlate the consistency and undrained shear strength of cohesive soils is only very approximate and needs to be used with caution.

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Soil & Rock Physical Properties

General

W	Natural water content or moisture content within soil sample
γ	Unit weight
γ'	Effective unit weight
γ_d	Dry unit weight
γ_{sat}	Saturated unit weight
ρ	Density
ρ_s	Density of solid particles
ρ_w	Density of Water
ρ_d	Dry density
ρ_{sat}	Saturated density
e	Void ratio
n	Porosity
S_r	Degree of saturation
E_{50}	Strain at 50% maximum stress (cohesive soil)

Consistency

w_L	Liquid limit
w_P	Plastic limit
I_P	Plasticity index
w_s	Shrinkage limit
I_L	Liquidity index
I_c	Consistency index
e_{max}	Void ratio in loosest state
e_{min}	Void ratio in densest state
I_D	Density index (formerly relative density)

Shear Strength

c_u, s_u	Undrained shear strength parameter (total stress)
c'_d	Drained shear strength parameter (effective stress)
r	Remolded shear strength
τ_p	Peak residual shear strength
τ_r	Residual shear strength
ø'	Angle of interface friction, coefficient of friction = tan ø'

Consolidation (One Dimensional)

C_c	Compression index (normally consolidated range)
C_r	Recompression index (over consolidated range)
C_s	Swelling index
m_v	Coefficient of volume change
c_v	Coefficient of consolidation
T_v	Time factor (vertical direction)
U	Degree of consolidation
σ'_o	Overburden pressure
σ'_p	Preconsolidation pressure (most probable)
OCR	Overconsolidation ratio

w:\mrw-correspondence\general\forms\geotechnical list of abbreviations.rtf.doc

Permeability

The following table outlines the terms used to describe the degree of permeability of soil and common soil types associated with the permeability rates:

Permeability (k cm/s)	Degree of Permeability	Common Associated Soil Type
$>10^{-1}$	Very High	Clean Gravel
10^{-1} to 10^{-3}	High	Clean Sand, Clean Sand and Gravel
10^{-3} to 10^{-5}	Medium	Fine Sand to Silty Sand
10^{-5} to 10^{-7}	Low	Silt and Clayey Silt (low plasticity)
$<10^{-7}$	Practically Impermeable	Silty Clay (medium to high plasticity)

Rock Coring

Rock Quality Designation (RQD) is an indirect measure of the number of fractures within a rock mass, Deere et al. (1967). It is the sum of sound pieces of rock core equal to or greater than 100 mm recovered from the core run, divided by the total length of the core run, expressed as a percentage. If the core section is broken due to mechanical or handling, the pieces are fitted together and if 100 mm or greater included in the total sum.

RQD is calculated as follows:

$$\text{RQD (\%)} = \frac{\Sigma \text{ Length of core pieces} > 100 \text{ mm} \times 100}{\text{Total length of core run}}$$

The following is the Classification of Rock with Respect to RQD Value:

RQD Classification	RQD Value (%)
Very poor quality	<25
Poor quality	25 to 50
Fair quality	50 to 75
Good quality	75 to 90
Excellent quality	90 to 100

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50 YEARS 1961-2011

INNOVATIVE *Engineering* SOLUTIONS

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Exhibit 2, Tab 1, Schedule 2

Capital Expenditures Table

CAPITAL EXPENDITURES TABLE

In order to assist the Board in assessing GLPT's current situation, GLPT has provided *Table 2-1-2 A* below. The table breaks GLPT's capital expenditures down to the categories of Development, Connection and Sustainment. GLPT has adopted the definitions for these categories from Chapter 4 of the Board's *Filing Requirements for Transmission and Distribution Applications*, dated May 17, 2012.

Table 2-1-2 A – Capital Expenditures Table

($000's)	2010 Actual	2011 Approved	2011 Actual	2012 Approved	2012 Forecast	2013 Test Year	2014 Test Year
Development CapEx	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Connection CapEx	-	-	-	-	-	-	-
Sustainment CapEx	4,868.7	6,030.6	7,227.5	29,336.6	33,428.0	4,486.7	4,344.8
Total CapEx	**$4,868.7**	**$6,030.6**	**$7,227.5**	**$29,336.6**	**$33,428.0**	**$4,486.7**	**$4,344.8**
Depreciation	**$7,356.0**	**$7,720.5**	**$7,538.9**	**$8,408.5**	**$8,439.4**	**$9,185.2**	**$9,229.8**

Exhibit 2, Tab 2, Schedule 1

Rate Base - Summary and Continuity Statements

RATE BASE - SUMMARY AND CONTINUITY STATEMENTS

As **Appendix "A",** GLPT has attached rate base continuity schedules in the format of Appendix 2-B from the Board's June 22, 2011 Filing Requirements.

The tables in the appendix cover the following periods:

1. 2010 Actual – CGAAP
2. 2011 Actual – CGAAP
3. 2012 Forecast – CGAAP
4. 2012 Forecast – IFRS
5. 2013 Test Year – IFRS
6. 2014 Test Year – IFRS

The 2012 year is provided under both CGAAP and IFRS due to differences that arise in both depreciation expense and in the net asset disposal amounts between the two standards. GLPT does not anticipate any differences will arise related to capitalization of overhead costs because GLPT's capitalization policy under CGAAP is aligned with IFRS.

GLPT requires the 2012 figures under CGAAP because its 2012 general purpose financial statements will be based on CGAAP and will therefore reflect the continuity that existed from the 2010 and 2011 actual Property, Plant and Equipment ("PP&E") and rate base values.

GLPT requires the 2012 figures to be calculated under IFRS because its IFRS changeover date is January 1, 2013, and the transition date (first day of comparative year) is therefore January 1, 2012. As a result, GLPT's 2013 and 2014 rate base values are calculated

under IFRS using the transition date of January 1, 2012 as the starting point for continuity purposes.

As indicated in the tables, GLPT's January 1, 2012 net book value under CGAAP is equal to the January 1, 2012 net book value under IFRS. This is as a result of GLPT electing to use the deemed cost exemption, which allows an adopting entity to deem its carrying value (net book value) as its cost upon transition to IFRS, while resetting accumulated depreciation to $0. As a result of componentizing its assets with the assistance of BDO Canada LLP, GLPT re-allocated some asset values among its various classes while keeping its overall net book value equal to the December 31, 2011 value.

The variance between the 2012 closing net book value under CGAAP (which was used to calculate GLPT's rate base for the 2012 test year) and the 2012 closing net book value under IFRS (which will be used in the calculation of GLPT's rate base for the 2013 test year) is equal to $297,495, where the CGAAP net book value is higher[1] by this amount. Therefore, GLPT is seeking recovery of this amount through USofA account 1575 – IFRS-CGAAP Transitional PP&E Amounts. This account, including the calculation of the amount, is described in further detail at Exhibit 9, Tab 1, Schedule 5 of this application.

[1] As described in Exhibit 4, Tab 2, Schedule 6, as a result of the componentization required by IFRS, there is a slight increase in GLPT's 2012 depreciation expense as compared to what it is under CGAAP. While the useful lives of GLPT's poles and conductors were generally extended, the average useful life of its station equipment has declined slightly.

APPENDIX "A"

Fixed Asset Continuity Schedule

Appendix 2-B of Filing Requirements

Fixed Asset Continuity Schedule
2010 Actual

			Cost				Accumulated Depreciation				Net Book Value	
CCA Class	OEB	Description	Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Closing Balance
N/A	1705	Land	929,048	-	-	929,048	-	-	-	-	929,048	929,048
47	1715	Station Equipment	150,509,347	2,698,011	-	153,207,358	(38,536,067)	(3,745,078)	-	(42,281,144)	111,973,280	110,926,213
47	1720	Towers and Fixtures	23,683,888	-	-	23,683,888	(8,791,961)	(589,247)	-	(9,381,208)	14,891,927	14,302,680
47	1725	Poles and Fixtures	59,777,295	660,256	-	60,437,551	(13,158,275)	(1,470,249)	-	(14,628,525)	46,619,020	45,809,026
47	1730	Overhead Conductors & Devices	43,440,390	84,237	-	43,524,627	(9,733,577)	(1,042,937)	-	(10,776,513)	33,706,813	32,748,114
47	1740	Underground Conductors & Devices	160,387	-	-	160,387	(160,387)	-	-	(160,387)	(0)	(0)
47	1745	Road and Trails	966,915	-	-	966,915	(421,557)	(16,444)	-	(438,002)	545,358	528,914
47	1908	Buildings and Fixtures	35,677	265,362	-	301,039	(8,540)	(2,553)	-	(11,093)	27,137	289,946
13	1910	Leasehold Improvements	-	150,029	-	150,029	-	(1,231)		(1,231)	-	148,798
8	1915	Office Furniture & Equipment	203,609	35,981	-	239,590	(11,611)	(20,855)	-	(32,466)	191,998	207,124
50	1920	Computer Equipment - Hardware	1,664,656	132,100	(7,355)	1,789,401	(1,181,733)	(202,488)	6,616	(1,377,604)	482,923	411,797
50	1925	Computer Software	1,450,503	465,182	-	1,915,685	(774,389)	(169,270)	-	(943,659)	676,114	972,026
10	1930	Transportation Equipment	856,327	166,600	-	1,022,927	(534,124)	(114,050)	-	(648,175)	322,203	374,753
8	1940	Tools, Shop and Garage Equipment	15,012	185,599	-	200,611	(8,257)	(3,048)	-	(11,304)	6,755	189,307
8	1955	Communication Equipment	1,480,268	25,374	-	1,505,642	(1,397,905)	(13,957)	-	(1,411,862)	82,363	93,780
8	1960	Miscellaneous Equipment	16,944	-	-	16,944	(10,551)	(1,694)	-	(12,245)	6,393	4,699
47	1990	Other Tangible Property	757,041	-	-	757,041	(757,041)	-	-	(757,041)		-
		Subtotal	**285,947,308**	**4,868,731**	**(7,355)**	**290,808,683**	**(75,485,975)**	**(7,393,101)**	**6,616**	**(82,872,460)**	**210,461,333**	**207,936,224**
47	1715	Station Equipment	(1,485,600)	-	-	(1,485,600)	167,130	37,140	-	204,270	(1,318,470)	(1,281,330)
		Total	**284,461,708**	**4,868,731**	**(7,355)**	**289,323,083**	**(75,318,845)**	**(7,355,961)**	**6,616**	**(82,668,190)**	**209,142,863**	**206,654,894**

Fixed Asset Continuity Schedule
2011 Actual

			Cost				Accumulated Depreciation				Net Book Value	
CCA Class	OEB	Description	Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Closing Balance
N/A	1705	Land	929,048	-	-	929,048	-	-	-	-	929,048	929,048
47	1715	Station Equipment	153,207,358	4,288,831	-	157,496,189	(42,281,144)	(3,781,203)	-	(46,062,347)	110,926,213	111,433,842
47	1720	Towers and Fixtures	23,683,888	-	-	23,683,888	(9,381,208)	(589,247)	-	(9,970,455)	14,302,680	13,713,433
47	1725	Poles and Fixtures	60,437,551	135,042	-	60,572,593	(14,628,525)	(1,475,279)	-	(16,103,804)	45,809,026	44,468,789
47	1730	Overhead Conductors & Devices	43,524,627	82,924	-	43,607,552	(10,776,513)	(1,039,208)	-	(11,815,721)	32,748,114	31,791,831
47	1740	Underground Conductors & Devices	160,387	-	-	160,387	(160,387)	-	-	(160,387)	(0)	(0)
47	1745	Road and Trails	966,915	-	-	966,915	(438,002)	(16,444)	-	(454,446)	528,914	512,469
47	1908	Buildings and Fixtures	301,039	165,233	-	466,272	(11,093)	(14,144)	-	(25,237)	289,946	441,035
13	1910	Leasehold Improvements	150,029	562,328	-	712,357	(1,231)	(17,350)		(18,581)	148,798	693,776
8	1915	Office Furniture & Equipment	239,590	243,791	(8,667)	474,714	(32,466)	(27,447)	2,167	(57,746)	207,124	416,968
50	1920	Computer Equipment - Hardware	1,789,401	236,516	-	2,025,917	(1,377,604)	(177,659)	-	(1,555,263)	411,797	470,654
50	1925	Computer Software	1,915,685	654,912	-	2,570,597	(943,659)	(255,973)	-	(1,199,633)	972,026	1,370,964
10	1930	Transportation Equipment	1,022,927	268,231	(87,564)	1,203,594	(648,175)	(138,663)	87,564	(699,274)	374,753	504,321
8	1940	Tools, Shop and Garage Equipment	200,611	28,988	-	229,599	(11,304)	(21,080)	-	(32,384)	189,307	197,215
8	1955	Communication Equipment	1,505,642	536,494	-	2,042,136	(1,411,862)	(19,445)	-	(1,431,307)	93,780	610,828
8	1960	Miscellaneous Equipment	16,944	24,189	-	41,133	(12,245)	(2,876)	-	(15,121)	4,699	26,012
47	1990	Other Tangible Property	757,041	-	-	757,041	(757,041)	-	-	(757,041)		-
		Subtotal	**290,808,683**	**7,227,480**	**(96,231)**	**297,939,932**	**(82,872,460)**	**(7,576,019)**	**89,731**	**(90,358,748)**	**207,936,224**	**207,581,185**
47	1715	Station Equipment	(1,485,600)	-	-	(1,485,600)	204,270	37,140	-	241,410	(1,281,330)	(1,244,190)
		Total	**289,323,083**	**7,227,480**	**(96,231)**	**296,454,332**	**(82,668,190)**	**(7,538,879)**	**89,731**	**(90,117,338)**	**206,654,894**	**206,336,995**

Fixed Asset Continuity Schedule
2012 Forecast (CGAAP)

			Cost				Accumulated Depreciation				Net Book Value	
CCA Class	OEB	Description	Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Closing Balance
N/A	1705	Land	929,048	-	-	929,048	-	-	-	-	929,048	929,048
47	1715	Station Equipment	157,496,189	25,911,428	(1,898,058)	181,509,558	(46,062,347)	(4,282,774)	1,040,331	(49,304,790)	111,433,842	132,204,769
47	1720	Towers and Fixtures	23,683,888	-	-	23,683,888	(9,970,455)	(589,247)	-	(10,559,702)	13,713,433	13,124,186
47	1725	Poles and Fixtures	60,572,593	4,860,394	(7,900)	65,425,087	(16,103,804)	(1,539,024)	3,654	(17,639,174)	44,468,789	47,785,913
47	1730	Overhead Conductors & Devices	43,607,552	1,500,000	(2,596)	45,104,956	(11,815,721)	(1,070,967)	1,201	(12,885,487)	31,791,831	32,219,469
47	1740	Underground Conductors & Devices	160,387	-	-	160,387	(160,387)	-	-	(160,387)	(0)	(0)
47	1745	Road and Trails	966,915	-	-	966,915	(454,446)	(16,444)	-	(470,890)	512,469	496,025
47	1908	Buildings and Fixtures	466,272	-	-	466,272	(25,237)	(18,559)	-	(43,797)	441,035	422,476
13	1910	Leasehold Improvements	712,357	255,000	-	967,357	(18,581)	(48,228)		(66,809)	693,776	900,548
8	1915	Office Furniture & Equipment	474,714	-	-	474,714	(57,746)	(47,471)	-	(105,217)	416,968	369,497
50	1920	Computer Equipment - Hardware	2,025,917	151,000	-	2,176,917	(1,555,263)	(179,539)	-	(1,734,802)	470,654	442,115
50	1925	Computer Software	2,570,597	471,759	-	3,042,356	(1,199,633)	(417,467)	-	(1,617,100)	1,370,964	1,425,256
10	1930	Transportation Equipment	1,203,594	62,000	-	1,265,594	(699,274)	(163,358)	-	(862,631)	504,321	402,963
8	1940	Tools, Shop and Garage Equipment	229,599	-	-	229,599	(32,384)	(22,960)	-	(55,344)	197,215	174,255
8	1955	Communication Equipment	2,042,136	216,412	-	2,258,547	(1,431,307)	(76,416)	-	(1,507,724)	610,828	750,824
8	1960	Miscellaneous Equipment	41,133	-	-	41,133	(15,121)	(4,113)	-	(19,234)	26,012	21,899
47	1990	Other Tangible Property	757,041	-	-	757,041	(757,041)	-	-	(757,041)		-
		Subtotal	**297,939,932**	**33,427,992**	**(1,908,554)**	**329,459,370**	**(90,358,748)**	**(8,476,569)**	**1,045,186**	**(97,790,130)**	**207,581,185**	**231,669,241**
47	1715	Station Equipment	(1,485,600)	-	-	(1,485,600)	241,410	37,140	-	278,550	(1,244,190)	(1,207,050)
		Total	**296,454,332**	**33,427,992**	**(1,908,554)**	**327,973,770**	**(90,117,338)**	**(8,439,429)**	**1,045,186**	**(97,511,580)**	**206,336,995**	**230,462,191**

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Fixed Asset Continuity Schedule
2012 Forecast (IFRS)

			Cost				Accumulated Depreciation				Net Book Value	
CCA Class	OEB	Description	Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Closing Balance
N/A	1705	Land	929,048	-	-	929,048	-	-	-	-	929,048	929,048
47	1715	Station Equipment	110,011,382	25,926,428	(921,843)	135,015,967	-	(4,843,390)	57,662	(4,785,728)	110,011,382	130,230,240
47	1720	Towers and Fixtures	-	-	-	-	-	-	-	-	-	-
47	1725	Poles and Fixtures	55,895,610	4,845,394	(4,246)	60,736,758	-	(2,102,719)	-	(2,102,719)	55,895,610	58,634,038
47	1730	Overhead Conductors & Devices	34,886,405	1,500,000	(1,395)	36,385,010	-	(753,473)	-	(753,473)	34,886,405	35,631,537
47	1740	Underground Conductors & Devices	33,081	-	-	33,081	-	(3,308)	-	(3,308)	33,081	29,772
47	1908	Buildings and Fixtures	256,150	-	-	256,150	-	(11,091)	-	(11,091)	256,150	245,059
13	1910	Leasehold Improvements	657,322	255,000	-	912,322	-	(52,082)	-	(52,082)	657,322	860,240
8	1915	Office Furniture & Equipment	355,191	-	-	355,191	-	(35,762)	-	(35,762)	355,191	319,429
50	1920	Computer Equipment - Hardware	421,149	151,000	-	572,149	-	(168,784)	-	(168,784)	421,149	403,365
10	1930	Transportation Equipment	444,600	62,000	-	506,600	-	(185,016)	-	(185,016)	444,600	321,584
8	1940	Tools, Shop and Garage Equipment	153,499	-	-	153,499	-	(20,172)	-	(20,172)	153,499	133,327
8	1955	Communication Equipment	977,933	216,412	-	1,194,345	-	(103,227)	-	(103,227)	977,933	1,091,117
8	1960	Miscellaneous Equipment	24,708	-	-	24,708	-	(4,185)	-	(4,185)	24,708	20,523
		Intangibles:										
47	1745	Road and Trails	409,194	-	-	409,194	-	-	-	-	409,194	409,194
50	1925	Computer Software	2,125,915	471,759	-	2,597,674	-	(479,162)	-	(479,162)	2,125,915	2,118,511
		Subtotal	**207,581,186**	**33,427,992**	**(927,484)**	**240,081,695**	**-**	**(8,762,372)**	**57,662**	**(8,704,710)**	**207,581,186**	**231,376,985**
47	1715	Station Equipment	(1,244,190)	-	-	(1,244,190)	-	31,902	-	31,902	(1,244,190)	(1,212,288)
		Total	**206,336,996**	**33,427,992**	**(927,484)**	**238,837,505**	**-**	**(8,730,470)**	**57,662**	**(8,672,808)**	**206,336,996**	**230,164,697**

Fixed Asset Continuity Schedule
2013 Test Year (IFRS)

			Cost				Accumulated Depreciation				Net Book Value	
CCA Class	OEB	Description	Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Closing Balance
N/A	1705	Land	929,048	-	-	929,048	-	-	-	-	929,048	929,048
47	1715	Station Equipment	135,015,967	1,969,996	-	136,985,963	(4,785,728)	(5,216,379)	-	(10,002,107)	130,230,239	126,983,856
47	1720	Towers and Fixtures	-	-	-	-	-	-	-	-	-	-
47	1725	Poles and Fixtures	60,736,758	1,710,387	-	62,447,144	(2,102,719)	(2,157,181)	-	(4,259,900)	58,634,038	58,187,244
47	1730	Overhead Conductors & Devices	36,385,010	-	-	36,385,010	(753,473)	(765,961)	-	(1,519,434)	35,631,537	34,865,576
47	1740	Underground Conductors & Devices	33,081	-	-	33,081	(3,308)	(3,308)	-	(6,616)	29,772	26,464
47	1908	Buildings and Fixtures	256,150	170,000	-	426,150	(11,091)	(14,489)	-	(25,581)	245,059	400,570
13	1910	Leasehold Improvements	912,322	-	-	912,322	(52,082)	(58,457)	-	(110,539)	860,240	801,783
8	1915	Office Furniture & Equipment	355,191	-	-	355,191	(35,762)	(35,803)	-	(71,565)	319,429	283,625
50	1920	Computer Equipment - Hardware	572,149	215,375	-	787,524	(168,784)	(181,091)	-	(349,875)	403,365	437,649
10	1930	Transportation Equipment	506,600	240,000	-	746,600	(185,016)	(145,357)	-	(330,373)	321,584	416,227
8	1940	Tools, Shop and Garage Equipment	153,499	-	-	153,499	(20,172)	(18,602)	-	(38,774)	133,327	114,725
8	1955	Communication Equipment	1,194,345	180,900	-	1,375,245	(103,227)	(109,031)	-	(212,258)	1,091,117	1,162,987
8	1960	Miscellaneous Equipment	24,708	-	-	24,708	(4,185)	(2,565)	-	(6,751)	20,523	17,957
		Intangibles:										
47	1745	Road and Trails	409,194	-	-	409,194	-	-	-	-	409,194	409,194
50	1925	Computer Software	2,597,674	-	-	2,597,674	(479,162)	(508,902)	-	(988,065)	2,118,511	1,609,609
		Subtotal	**240,081,694**	**4,486,658**	**-**	**244,568,352**	**(8,704,710)**	**(9,217,127)**	**-**	**(17,921,837)**	**231,376,984**	**226,646,515**
47	1715	Station Equipment	(1,244,190)	-	-	(1,244,190)	31,902	31,902	-	63,805	(1,212,288)	(1,180,385)
		Total	**238,837,503**	**4,486,658**	**-**	**243,324,162**	**(8,672,808)**	**(9,185,224)**	**-**	**(17,858,032)**	**230,164,697**	**225,466,130**

Fixed Asset Continuity Schedule
2014 Test Year (IFRS)

			Cost				Accumulated Depreciation				Net Book Value	
CCA Class	OEB	Description	Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Closing Balance
N/A	1705	Land	929,048	-	-	929,048	-	-	-	-	929,048	929,048
47	1715	Station Equipment	136,985,963	514,200	-	137,500,163	(10,002,107)	(5,263,566)	-	(15,265,673)	126,983,856	122,234,490
47	1720	Towers and Fixtures	-	-	-	-	-	-	-	-	-	-
47	1725	Poles and Fixtures	62,447,144	3,183,457	-	65,630,601	(4,259,900)	(2,228,914)	-	(6,488,814)	58,187,244	59,141,787
47	1730	Overhead Conductors & Devices	36,385,010	-	-	36,385,010	(1,519,434)	(765,961)	-	(2,285,395)	34,865,576	34,099,615
47	1740	Underground Conductors & Devices	33,081	-	-	33,081	(6,616)	(3,308)	-	(9,924)	26,464	23,156
47	1908	Buildings and Fixtures	426,150	172,857	-	599,007	(25,581)	(21,346)	-	(46,927)	400,570	552,080
13	1910	Leasehold Improvements	912,322	-	-	912,322	(110,539)	(58,457)	-	(168,996)	801,783	743,326
8	1915	Office Furniture & Equipment	355,191	-	-	355,191	(71,565)	(35,803)	-	(107,369)	283,625	247,822
50	1920	Computer Equipment - Hardware	787,524	223,660	-	1,011,184	(349,875)	(177,180)	-	(527,055)	437,649	484,129
10	1930	Transportation Equipment	746,600	200,000	-	946,600	(330,373)	(173,332)	-	(503,705)	416,227	442,895
8	1940	Tools, Shop and Garage Equipment	153,499	-	-	153,499	(38,774)	(18,602)	-	(57,375)	114,725	96,124
8	1955	Communication Equipment	1,375,245	50,600	-	1,425,845	(212,258)	(114,889)	-	(327,146)	1,162,987	1,098,698
8	1960	Miscellaneous Equipment	24,708	-	-	24,708	(6,751)	(2,565)	-	(9,316)	17,957	15,392
		Intangibles:										
47	1745	Road and Trails	409,194	-	-	409,194	-	-	-	-	409,194	409,194
50	1925	Computer Software	2,597,674	-	-	2,597,674	(988,065)	(397,820)	-	(1,385,885)	1,609,609	1,211,789
		Subtotal	**244,568,352**	**4,344,774**	**-**	**248,913,126**	**(17,921,837)**	**(9,261,744)**	**-**	**(27,183,580)**	**226,646,515**	**221,729,546**
47	1715	Station Equipment	(1,244,190)	-	-	(1,244,190)	63,805	31,902	-	95,707	(1,180,385)	(1,148,483)
		Total	**243,324,162**	**4,344,774**	**-**	**247,668,936**	**(17,858,032)**	**(9,229,841)**	**-**	**(27,087,874)**	**225,466,130**	**220,581,063**

Exhibit 2, Tab 2, Schedule 2

Customer Additions and System Expansions

CUSTOMER ADDITIONS AND SYSTEM EXPANSIONS

In May 2012, one of GLPT's seven directly connected customers was disconnected from the provincial grid as a result of shutting down operations. GLPT anticipates no other customer additions, changes or system expansions in the 2013 or 2014 test years.

Exhibit 2, Tab 3, Schedule 1

Accumulated Depreciation

ACCUMULATED DEPRECIATION

As described in Exhibit 2, Tab 2, Schedule 1, for PP&E and rate base continuity, GLPT has provided information under both CGAAP and IFRS. *Table 2-3-1 A* below demonstrates GLPT's accumulated depreciation continuity from January 1, 2010 to December 31, 2012 under CGAAP. *Table 2-3-1 B* below demonstrates GLPT's accumulated depreciation continuity from January 1, 2012 (GLPT's IFRS transition date) to December 31, 2014. As a result of GLPT electing to use the deemed cost exemption upon adopting IFRS, GLPT's accumulated depreciation is reset to $0 at the IFRS transition date, and the existing carrying value (net book value) of GLPT's PP&E is deemed as cost.

As described in further detail in Exhibit 9, Tab 1, Schedule 5, GLPT will use account 1575 to track the CGAAP-IFRS differences in PP&E driven by depreciation and disposal amounts for 2012.

Table 2-3-1 A – Accumulated Depreciation Continuity - CGAAP

CGAAP											
($000's)		2010 Opening Accumulated	2010 Annual	2010	2011 Opening Accumulated	2011 Annual	2011	2011 Closing Accumulated	Forecasted 2012 Annual	Forecasted 2012	2012 Closing Accumulated
USofA	Description	Depreciation	Depreciation	Disposals	Depreciation	Depreciation	Disposals	Depreciation	Depreciation	Disposals	Depreciation
1705	Land	-	-	-	-	-	-	-	-	-	-
1715	Station Equipment	$38,536.1	$3,745.1	-	$42,281.1	$3,781.2	-	$46,062.3	$4,282.8	$1,040.3	$49,304.8
1720	Towers and Fixtures	8,792.0	589.2	-	9,381.21	589.2	-	9,970.5	589.2	-	10,559.7
1725	Poles and Fixtures	13,158.3	1,470.2	-	14,628.52	1,475.3	-	16,103.8	1,539.0	3.7	17,639.2
1730	Overhead Conductors & Devices	9,733.6	1,042.9	-	10,776.51	1,039.2	-	11,815.7	1,071.0	1.2	12,885.5
1740	Underground Conductors & Devices	160.4	-	-	160.39	-	-	160.4	-	-	160.4
1745	Road and Trails	421.6	16.4	-	438.00	16.4	-	454.4	16.4	-	470.9
1908	Buildings and Fixtures	8.5	2.6	-	11.09	14.1	-	25.2	18.6	-	43.8
1910	Leasehold Improvements	-	1.2	-	1.23	17.4	-	18.6	48.2	-	66.8
1915	Office Furniture & Equipment	11.6	20.9	-	32.47	27.4	$2.2	57.7	47.5	-	105.2
1920	Computer Equipment - Hardware	1,181.7	202.5	$6.6	1,377.60	177.7	-	1,555.3	179.5	-	1,734.8
1925	Computer Software	774.4	169.3	-	943.66	256.0	-	1,199.6	417.5	-	1,617.1
1930	Transportation Equipment	534.1	114.1	-	648.17	138.7	87.6	699.3	163.4	-	862.6
1940	Tools, Shop and Garage Equipment	8.3	3.0	-	11.30	21.1	-	32.4	23.0	-	55.3
1955	Communication Equipment	1,397.9	14.0	-	1,411.86	19.4	-	1,431.3	76.4	-	1,507.7
1960	Miscellaneous Equipment	10.6	1.7	-	12.25	2.9	-	15.1	4.1	-	19.2
1990	Other Tangible Property	757.0	-	-	757.04	-	-	757.0	-	-	757.0
	Less: Disallowed 2005 Addition	(167.1)	(37.14)	-	(204.27)	(37.1)	-	(241.4)	(37.1)	-	(278.6)
	Totals	**$75,318.8**	**$7,356.0**	**$6.6**	**$82,668.2**	**$7,538.9**	**$89.7**	**$90,117.3**	**$8,439.4**	**$1,045.2**	**$97,511.6**

Table 2-3-1 B – Accumulated Depreciation Continuity - IFRS

IFRS											
($000's)		2012 Forecast Opening Accumulated Depreciation	Forecasted 2012 Annual Depreciation	Forecasted 2012 Disposals	2013 Forecast Opening Accumulated Depreciation	Forecasted 2013 Annual Depreciation	Forecasted 2013 Disposals	2014 Forecast Opening Accumulated Depreciation	Forecasted 2014 Annual Depreciation	Forecasted 2014 Disposals	2014 Forecast Closing Accumulated Depreciation
USofA	Description										
1705	Land	-	-	-	-	-	-	-	-	-	-
1715	Station Equipment	-	$4,843.4	$57.7	$4,785.7	$5,216.4	-	$10,002.1	$5,263.6	-	$15,265.7
1720	Towers and Fixtures	-	-	-	-	-	-	-	-	-	-
1725	Poles and Fixtures	-	2,102.7	-	2,102.7	2,157.2	-	4,259.9	2,228.9	-	6,488.8
1730	Overhead Conductors & Devices	-	753.5	-	753.5	766.0	-	1,519.4	766.0	-	2,285.4
1740	Underground Conductors & Devices	-	3.3	-	3.3	3.3	-	6.6	3.3	-	9.9
1908	Buildings and Fixtures	-	11.1	-	11.1	14.5	-	25.6	21.3	-	46.9
1910	Leasehold Improvements	-	52.1	-	52.1	58.5	-	110.5	58.5	-	169.0
1915	Office Furniture & Equipment	-	35.8	-	35.8	35.8	-	71.6	35.8	-	107.4
1920	Computer Equipment - Hardware	-	168.8	-	168.8	181.1	-	349.9	177.2	-	527.1
1930	Transportation Equipment	-	185.0	-	185.0	145.4	-	330.4	173.3	-	503.7
1940	Tools, Shop and Garage Equipment	-	20.2	-	20.2	18.6	-	38.8	18.6	-	57.4
1955	Communication Equipment	-	103.2	-	103.2	109.0	-	212.3	114.9	-	327.1
1960	Miscellaneous Equipment	-	4.2	-	4.2	2.6	-	6.8	2.6	-	9.3
1990	Other Tangible Property	-	-	-	-	-	-	-	-	-	-
Intangible Assets:											
1745	Road and Trails	-	-	-	-	-	-	-	-	-	-
1925	Computer Software	-	479.2	-	479.2	508.9	-	988.1	397.8	-	1,385.9
	Less: Disallowed 2005 Addition	-	(31.90)	-	(31.9)	(31.90)	-	(63.8)	(31.90)	-	(95.7)
	Totals	**$0.0**	**$8,730.5**	**$57.7**	**$8,672.8**	**$9,185.2**	**$0.0**	**$17,858.0**	**$9,229.8**	**$0.0**	**$27,087.9**

Exhibit 2, Tab 4, Schedule 1

Working Capital Allowance

WORKING CAPITAL ALLOWANCE

1.0 Summary

GLPT's total working capital requirements for 2013 and 2014 are $439,600 and $459,400 respectively. This is made up of a working capital amount calculated through a lead lag study prepared by Navigant Consulting Inc. ("NCI") in 2010, plus an allowance for materials and supplies inventory which forms a part of GLPT's working capital but did not form a part of NCI's lead lag study. The breakdown is summarized below in *Table 2-4-1 A.*

Table 2-4-1 A – Working Capital Requirements of GLPT

($000's)	2013	2014
Lead Lag Working Capital	$89.6	$109.4
Materials and Supplies	350.0	350.0
Total Working Capital Requirement	**$439.6**	**$459.4**

2.0 Lead Lag Study

In 2010, GLPT retained NCI to undertake a lead lag study for the purposes of updating the calculation of GLPT's working capital for its 2011/2012 rate application. GLPT has had no significant changes to its operations since the report was prepared, and as a result, GLPT has adopted the methodology from the report to calculate a working capital requirement for the 2013 and 2014 test years.

Results from the study applied to GLPT's proposed capital and OM&A expenses for 2013 and 2014 indicate that working capital amounts of $89,600 and $109,400 will be required by GLPT in each year, respectively. These amounts represent approximately 0.8% and 1.0% of proposed OM&A Expenses in 2013 and 2014, respectively. The following summary tables have been adopted from NCI's updated report and demonstrate the calculation of GLPT's working capital requirements for 2013 and 2014.

Table 2-4-1 B – 2013 Working Capital Calculation

Description	2013 Amounts $s	Revenue Lag Time Days	Expense Lead Time Days	Net Lag Days	Working Capital Factor	Working Capital Requirements $s	(Less) GST/HST	Net Working Capital Requirements $s
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
Payroll and Benefits	5,599,903	35.84	15.94	19.90	5.45%	305,282		
Rents and Leases	698,019	35.84	45.35	(9.51)	-2.61%	(18,195)		
Office Supplies	226,964	35.84	20.98	14.86	4.07%	9,240		
Outside Services	3,760,554	35.84	32.42	3.42	0.94%	35,191		
Property Insurance	257,750	35.84	(156.17)	192.01	52.61%	135,590		
Regulatory Expenses	170,061	35.84	(70.67)	106.50	29.18%	49,623		
Property Taxes	243,000	35.84	(107.41)	143.25	39.25%	95,367		
Total	10,956,251	35.84				612,099	(522,453)	**89,646**

Table 2-4-1 C – 2014 Working Capital Calculation

Description	2014 Amounts $s	Revenue Lag Time Days	Expense Lead Time Days	Net Lag Days	Working Capital Factor	Working Capital Requirements $s	(Less) GST/HST	Net Working Capital Requirements $s
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
Payroll and Benefits	5,774,873	35.84	15.94	19.90	5.44%	313,961		
Rents and Leases	608,863	35.84	45.35	(9.51)	-2.60%	(15,827)		
Office Supplies	234,000	35.84	20.98	14.86	4.06%	9,501		
Outside Services	4,322,967	35.84	32.42	3.42	0.93%	40,343		
Property Insurance	265,740	35.84	(156.17)	192.01	52.46%	139,411		
Regulatory Expenses	175,333	35.84	(70.67)	106.50	29.10%	51,021		
Property Taxes	246,600	35.84	(107.41)	143.25	39.14%	96,516		
Total	11,628,377	35.84				634,926	(525,513)	**109,412**

Table 2-4-1 D – 2013-2014 HST Calculation

Description	2013 $s	2014 $s	Lag or Lead Days	2013 GST/HST Factor	2014 GST/HST Factor	2013 GST/HST Working Capital	2014 GST/HST Working Capital
GST/HST Rate	13.00%	13.00%					
Revenues	39,100,000	39,700,000	(46.21)	-12.66%	-12.62%	(643,452)	(651,541)
Rents and Leases	698,019	608,863	45.29	12.41%	12.37%	11,260	9,795
Office Supplies	226,964	234,000	45.65	12.51%	12.47%	3,690	3,794
Outside Services	3,760,554	4,322,967	37.10	10.16%	10.14%	49,684	56,959
Regulatory Expenses	257,750	265,740	58.14	15.93%	15.89%	5,338	5,488
Capital Expenditures	3,862,242	3,794,206	37.10	10.16%	10.14%	51,028	49,992
Total						**(522,453)**	**(525,513)**

3.0 Materials and Supplies Inventory

Beginning in 2010, GLPT began owning and maintaining a materials and supplies inventory to support reliability and operability of the transmission system. Prior to 2010, and as a part of Great Lakes Power Limited ("GLPL"), GLPT used the materials and supplies inventory that was shared with the distribution business of GLPL. In 2010, GLPT, as a stand-alone and independent business, took on and maintained its own inventory for accounting purposes and for operational purposes. This assists GLPT in maximizing reliability and customer satisfaction, as having the appropriate materials on hand at the appropriate times is critical to meet those objectives.

Inventory consists primarily of routine materials and supplies inventory, with relatively low value and high turnover. GLPT's inventory levels are forecast to be approximately $350,000 in each of 2013 and 2014, with minor variations expected throughout each year as inventory is turned over. This is an increase of approximately $100,000 over the 2011

and 2012 rate years. The increase in inventory is related to stocking of additional parts related primarily to poles, structures and line assets.

Exhibit 2, Tab 5, Schedule 1

Asset Management and Capital Budgeting

ASSET MANAGEMENT AND CAPITAL BUDGETING

1.0 GLPT's Approach to Asset Management

GLPT's approach to asset management involves managing existing infrastructure and optimizing the replacement of assets.

1.1 Managing Existing Infrastructure

As part of managing existing infrastructure, GLPT deploys a comprehensive maintenance program which includes a variety of activities for inspecting and maintaining its lines and stations.

1.1.1 Lines

For transmission lines, visual inspections are carried out either by GLPT crews or by external consultants. GLPT crews conduct patrol inspections of transmission lines annually to assess condition and to identify structural problems and hazards. Because GLPT's transmission lines are primarily located in rural areas of northern Ontario, where the terrain is rugged and the vegetation is dense, specialized equipment or expertise is required. Analyses may also be performed by external consultants to provide additional detailed information on structures, conductors and insulators.

Where these inspections identify immediate deficiencies or potential hazards, GLPT undertakes the appropriate corrective maintenance to resolve the identified issue.

The information collected through inspections is used for long term maintenance planning and to identify trends in asset conditions.

GLPT collects real-time data from lines on a continuous basis using its Supervisory Control and Data Acquisition system ("SCADA"). The data collected through SCADA relates to power flow, fault data and power quality, and supplements the information collected through the inspection activities identified above.

GLPT also makes use of recently acquired LiDAR data that provides detailed information on transmission lines, structures and vegetation as well as a GIS system that supports the collection and maintenance of information regarding the transmission circuits. These tools provide vital field information to front line crews to allow for a more efficient, effective and safe program.

1.1.2 Stations

For transmission stations, a range of inspection and maintenance activities are carried out by GLPT. These include visual inspections, functional tests, infra-red inspections, oil sampling and dissolved gas analysis ("DGA"). These activities are conducted primarily by GLPT crews. However, where specialized equipment or expertise is required (for example infra-red inspections), those activities are conducted by external consultants. A more detailed list of activities and their frequencies are set out in *Table 2-5-1* A below. The preventative maintenance activities listed in the table are based on good utility practice and manufacturer specifications.

Table 2-5-1 A – Frequency of Maintenance Activities

Equipment	1 Month	6 Months	1 Year	2 Years	4 Years	6 Years	Overhauls (Based on duty)
Power, SS and grounding transformers		Visual inspection, operate fans and heaters				Insulation, winding resistance, ratio, Doble, check and calibrate temp/gas alarms and trips, connections, arresters, DGA	
ULTC & Voltage Regulators		Visual inspection, operate +/- 1 tap, record counter reading	Full range operation			Oil filtering	Contact inspection
Breaker – Vacuum		Visual inspection, check heaters, AC/DC, etc.	Operate via SCADA	Functional tests, timing, contact resistance, Doble, lubrication. Metalclad only		Functional tests, timing, contact resistance, Doble, lubrication	

Equipment	1 Month	6 Months	1 Year	2 Years	4 Years	6 Years	Overhauls (Based on duty)
Breaker – SF6		Visual inspection, check gas pressure, heaters, AC/DC, etc.	Operate via SCADA			Functional tests, timing, contact resistance, Doble, lubrication	Contact inspection based on duty
Breaker – Bulk oil		Visual inspection, draining water, operate compressor, check heaters, AC/DC,	Operate via SCADA		Functional tests, timing, pressure relief valve, contact resistance, Doble, lubrication		Contact inspection based on duty
Breaker – Min. oil		Visual inspection, check gas and oil levels, heaters, AC/DC, etc.	Operate via SCADA	Functional tests, timing, contact resistance, Doble, lubrication. Metalclad only.		Functional tests, timing, contact resistance, Doble, lubrication	Contact inspection based on duty

Equipment	1 Month	6 Months	1 Year	2 Years	4 Years	6 Years	Overhauls (Based on duty)
Circuit Switcher		Visual inspection, check mech box heater, AC/DC	Operate via SCADA			Functional tests, contact resistance, Doble, lubrication	
Disconnect Switch		Visual inspection, check mech box heater, AC/DC				Contact resistance and pressure, insulation, connections, adjustment, lubrication	
Motorized Operated Air Break		Visual inspection, check mech box heater, AC/DC	Operate via SCADA			Contact resistance and pressure, insulation, connections, adjustment, lubrication , doble	
Batteries / chargers	Visual inspection, check voltage, record SG of pilot cell	Top up electrolyte if applicable, equalize	Capacity test, intercell and internal resistance, SG on all cells, calibrate charger				
Current Transformers		Visual inspection				DGA, Doble, ratio, connections	
PT's and CVT's		Visual inspection				DGA, Doble, ratio, capacitance, connections	

Equipment	1 Month	6 Months	1 Year	2 Years	4 Years	6 Years	Overhauls (Based on duty)
Capacitors		Visual inspection	Capacitance, df, connections				
Reactors		Visual inspection				Reactance test, connections	
Infrared			Annual Station Infrared Scans.				
Oil Containment	Visual – check Imbiber, take sample,		Annual Imbiber Inspection/Overhaul			Leak testing, Verify integrity of the system.	
Stations - General	Visual Inspection Grounding, Fencing, security, structures, foundations, vegetation, wildlife, housekeeping	Visual Inspection Grounding, Fencing, security, structures, foundations, vegetation, wildlife, housekeeping				Grounding assessments, civil assessments	

The information gathered from the activities described in the table is documented and reviewed. Where immediate deficiencies or potential hazards are identified, GLPT undertakes the appropriate corrective maintenance to resolve the identified issue. Where corrective maintenance is not required, the information is retained in order to support GLPT's long term station maintenance planning and to assist in the identification of asset condition trends.

GLPT also collects real-time system data on a continuous basis using SCADA. The data collected through SCADA relates to power flow, fault data and power quality, and supplements the information collected through the inspection and maintenance activities identified above.

1.1.3 Station Asset Condition Assessments

In addition to the activities undertaken specifically for lines and stations, GLPT annually carries out asset condition assessments using internal staff. Periodically, GLPT retains external consultants to undertake additional asset condition assessments. Once complete, these condition assessments are incorporated into the Asset Management program and provide information for GLPT to make well informed decisions regarding the maintenance and capital programs.

1.2 Optimizing Asset Replacement

In order to optimize GLPT's asset replacement strategy, the maintenance and condition assessment program documentation is reviewed and assessed. The combination of the inspection and maintenance reports, coupled with the internal condition assessments, as well as third party analyses and SCADA information allow GLPT's engineering staff to effectively determine which facilities require capital improvements. This becomes GLPT's list of capital expenditure

proposals. The capital expenditure proposals are analyzed using the information collected through all of the above-noted sources and are reviewed in conjunction with the criteria described below in order to assist in the prioritization of projects. The prioritization of projects is based on:

- Health and Safety:
  - Exposure to the public and employees;
  - likelihood of an event occurring; and
  - consequences of an event.
- Environment:
  - Exposure to the public and employees;
  - likelihood of an event occurring; and
  - consequences of an event.
- Reliability:
  - customer delivery point reliability statistics;
  - unsupplied energy statistics; and
  - specific system events (i.e. faults, equipment overloading, etc.).
- Regulatory:
  - applicable standards as per the TSC;
  - compliance with mandated requirements, such as:
    - ⇨ cyber security;
    - ⇨ environmental protection (i.e. oil containment); and
    - ⇨ vegetation management (i.e. NERC FAC-003).

- Resourcing:
  - resource adequacy – equipment and human;
  - market conditions – contractors and raw materials; and
  - timelines and budget constraints.
- Synergies:
  - location relative to other projects (i.e. coordination of crews for multiple projects within close proximity reduces costs).
- Stakeholder Feedback:
  - suggestions and feedback from annual customer meetings.

Once prioritized and approved, the list of proposals becomes GLPT's capital program portfolio.

EXHIBIT 3 - OPERATING REVENUE

Exhibit 3, Tab 1, Schedule 1

Operating Revenue

OPERATING REVENUE

1.0 Revenues

GLPT's operating revenue consists of transmission services revenue earned in the normal course of business. This revenue is received monthly from the Independent Electricity System Operator ("IESO") 14 business days after the end of the month in which it was earned.

A numerical summary of GLPT's revenue for the period of 2010 actual to the 2013 and 2014 test years is set out below. Variances in operating revenue are driven by changing revenue requirement in each year, and by variations in provincial peak loads from year to year.

Table 3-1-1 A – Numerical Summary of Operating Revenue

USofA	Description	2010 Actual	2011 Actual	2012 Approved	2012 Forecast	2013 Test Year	2014 Test Year
4110	Transmission Services Revenue	**$33,397.6**	**$35,694.3**	**$36,060.0**	**$36,060.0**	**$36,060.0**	**$36,060.0**
	Year-over-year Variance		**$2,296.7**	**$365.8**	**$0.0**	**$0.0**	**$0.0**

GLPT's 2010 actual revenue is based on the UTR and revenue allocators for transmitters approved in EB-2008-0272. GLPT's 2011 actual revenue is based on the UTR and revenue allocators for transmitters approved in EB-2010-0002. GLPT's 2012 forecast revenue is based on the revenue requirement approved by the Board for GLPT in EB-2010-0291.

In calculating a 2012, 2013 and 2014 revenue forecast, GLPT has assumed the actual provincial peak volumes will be equal to the approved provincial charge determinant forecast, resulting in forecasted revenue for each year being equal to approved 2012 revenue requirement. The resultant revenue forecast is the revenue that GLPT would expect to receive in each year if there is no change in GLPT's current revenue requirement. This is equal to GLPT's Board-Approved revenue requirement from EB-2010-0291. The forecast demonstrates the deficiency that GLPT would expect to incur in 2013 and 2014 with no change in revenue requirement.

Table 3-1-1 B – 2013 Test Year Revenue Deficiency

2013 GLPT Revenue Forecast ($)	**$36,060,024**
2013 Test Year Revenue Requirement	**39,127,669**
Gross Revenue Deficiency/(Sufficiency)	**$3,067,645**

Table 3-1-1 C – 2014 Test Year Revenue Deficiency

2014 GLPT Revenue Forecast ($)	**$36,060,024**
2014 Test Year Revenue Requirement	**39,908,324**
Gross Revenue Deficiency/(Sufficiency)	**$3,848,300**

Exhibit 3, Tab 1, Schedule 2

Other Revenue

OTHER INCOME

1.0 Other Income

GLPT's other income consists of:

- Net Rent from Electric Property;
- Revenues and Expenses from Merchandising, Jobbing, Etc.;
- Gains and Losses on Disposition of Utility and Other Property; and
- Interest and Dividend Income.

The table below outlines the trend of other income between periods of 2010 actual to the 2013 and 2014 test year figures.

Table 3-1-2 A – Summary of Other Income

($000's) USofA	Description	2010 Actual	2011 Actual	2012 Approved	2012 Forecast	2013 Test Year	2014 Test Year
4210	Net Rent from Electric Property	(20.8)	(20.8)	(20.8)	(20.8)	(20.8)	(20.8)
4325	Revenues from Merchandising, Jobbing, Etc.	(309.2)	(120.8)	(75.0)	(75.0)	(75.0)	(75.0)
4330	Expenses of Merchandising, Jobbing, Etc.	317.3	106.6	75.0	75.0	75.0	75.0
4355	Gain on Disposition of Utility and Other Property	(4.8)	(9.3)	-	-	-	-
4360	Loss on Disposition of Utility and Other Property	0.7	-	-	-	-	-
4405	Interest and Dividend Income						
	Interest on bank balance	(22.3)	(28.0)	(10.3)	(18.7)	(19.3)	(19.9)
	Total Other Income	**($39.0)**	**($72.3)**	**($31.1)**	**($39.5)**	**($40.1)**	**($40.7)**
	Year-over-year Variance		**($33.2)**	**$41.2**	**($8.4)**	**($0.6)**	**($0.6)**

Net Rent from Electric Property represents the net funds GLPT will collect in each year related to fibre optic cable attachments on its transmission structures. GLPT anticipates the net annual rent to be approximately $20,800 in each of 2013 and 2014 test years.

With respect to Merchandising and Jobbing, these revenues and expenses are expected to net to zero in each of the test years. The amounts represent the costs and expenses of fully recoverable services provided by GLPT to other parties. GLPT does not actively pursue merchandising and jobbing activities, but will provide them under circumstances when they are required (for example, to act as an emergency responder).

With respect to Interest and Dividend Income, it is anticipated that GLPT will earn approximately $19,300 in 2013 and $19,900 in 2014 related to interest earned on cash held in GLPT's bank account.

EXHIBIT 4 - OPERATING COSTS

Exhibit 4, Tab 1, Schedule 1

Summary of Operating Costs

SUMMARY OF OPERATING COSTS

1.0 Overview of GLPT's Operating Costs

GLPT's operating costs for the 2013 and 2014 test years include operations, maintenance and administration ("OM&A"); depreciation and amortization; income taxes; and property taxes. GLPT has included information on 2010 Ontario Capital Tax in table 4-1-1 A. However, as a result of the elimination of this tax effective July 1, 2010, GLPT has not provided a section in this application to discuss this particular tax item.

A summary of GLPT's operating costs is set out in the table below:

Table 4-1-1 A – Summary of Operating Costs

($000's)	2010 Actual	2011 Approved	2011 Actual	2012 Approved	2012 Forecast	2013 Test Year	2014 Test Year
Operations, Maintenance & Administration	$9,491.0	$9,225.0	$9,325.6	$9,455.6	$9,455.6	$10,715.7	$11,173.4
Depreciation & Amortization	7,356.0	7,720.5	7,538.9	8,408.5	8,439.4	9,185.2	9,229.8
Income Taxes	1,002.8	1,352.0	1,627.4	1,336.8	1,258.9	1,690.4	1,991.3
Capital Taxes	145.6	-	-	-	-	-	-
Property Taxes	246.8	264.7	236.9	271.3	239.6	243.0	246.6
Total Operating Costs	**$18,242.2**	**$18,562.1**	**$18,728.7**	**$19,472.2**	**$19,393.6**	**$21,834.4**	**$22,641.0**

Additional information for each item in the table can found be as follows:

- *OM&A* – Exhibit 4, Tab 2, Schedule 1,
- *Depreciation & Amortization* – Exhibit 4, Tab 2, Schedule 6,

- *Income Taxes* – Exhibit 4, Tab 3, Schedule 2, and

- *Property Taxes* – Exhibit 4, Tab 3, Schedules 3

Exhibit 4, Tab 2, Schedule 1

OM&A Overview

OM&A OVERVIEW

1.0 Summary

This evidence provides an overview of GLPT's operations, maintenance and administration ("OM&A") expenditures. GLPT's proposed OM&A expenditures for the 2013 and 2014 test years will allow for the continued safe, reliable, cost-efficient and environmentally friendly operation of the transmission system. OM&A increases sought by GLPT are $1,260,100 for 2013 and $457,600 for 2014, which include inflation and operational cost increases as a result of identified changes in operation.

GLPT has determined these expenditure levels through its OM&A budgeting process and asset management program. GLPT's OM&A budgeting process is further discussed at Exhibit 1, Tab 2, Schedule 2 and its approach to asset management is further discussed at Exhibit 2, Tab 5, Schedule 1. Based upon this process, GLPT is seeking OM&A of $10,715,700 for 2013 and $11,173,400 for 2014.

GLPT has engaged First Quartile Consulting ("1QC") to provide a benchmarking study to compare the requested 2013 and 2014 OM&A expenditures against other transmission providers in North America. The 1QC benchmarking study indicates that, in comparison to its peers, GLPT generally falls below average on a cost per gross asset basis.

A summary of GLPT's OM&A expenses is presented in *Table 4-2-1 A*, below.

Table 4-2-1 A - Summary of OM&A Expenses

($000's)	2010 Actual	2011 Approved	2011 Actual	2012 Approved	2012 Forecast	2013 Test Year	2014 Test Year
Total OM&A	$9,491.0	$9,225.0	$9,325.6	$9,455.6	$9,455.6	$10,715.7	$11,173.4
Variance		($266.0)	$100.6	$130.1	$0.0	$1,260.1	$457.6

GLPT's OM&A activities include but are not limited to the following:

- *Operations* includes activities relating to inspection, general engineering, testing, system control and work planning.

- *Maintenance* relates to preventative maintenance activities and corrective maintenance. Preventative maintenance includes maintenance carried out on a cyclical basis for structures and devices to avoid failure. Corrective maintenance is activity relating to the repair and replacement of equipment that either has failed or is about to fail.

- *Administration* relates to activities which include accounting, general administration, health and safety, information technology and regulatory activities.

GLPT's OM&A expenses are summarized by functional area in *Table 4-2-1 B*, below (OM&A year-over-year comparisons are set out in **Appendix "A"** to this schedule):

Table 4-2-1 B – OM&A Expenses by Functional Areas

($000's)	2010 Actual	2011 Approved	2011 Actual	2012 Approved	2012 Forecast	2013 Test Year	2014 Test Year
Operations	$3,446.9	$3,919.7	$3,821.7	$4,017.7	$3,856.1	$4,351.1	$4,457.7
Maintenance	2,153.3	2,084.8	2,014.9	2,136.9	2,265.3	2,489.6	2,553.0
Administration	3,890.8	3,220.5	3,488.9	3,301.0	3,334.3	3,875.0	4,162.7
Total OM&A	**$9,491.0**	**$9,225.0**	**$9,325.6**	**$9,455.6**	**$9,455.6**	**$10,715.7**	**$11,173.4**

GLPT's 2011 and 2012 OM&A cost envelopes approved by the Board in EB-2010-0291 were based on a "top down" approach. This "top down" approach used GLPT's 2010 approved OM&A as the starting point, and then factored in a 2.5% inflationary increase of total OM&A for each of 2011 and 2012 (creating the OM&A envelope for those years). This inflationary increase was applied given that over 95% of GLPT's OM&A expenditures occur because of third party contracts, materials and supplies or internal labour, all of which are subject to either inflation or wage and benefit changes.

For the purposes of this rate application, GLPT has revisited its 2012 OM&A forecast in order to ensure the 2012 approved OM&A is allocated in a manner to reflect GLPT's mandate of operating a safe, reliable, cost-efficient and environmentally friendly transmission system. This approach is a reallocation, not an increase, of GLPT's 2012 OM&A envelope. GLPT first considered needs and requirements of the organization through a complete review of work plans and staffing requirements. It then re-allocated the 2012 OM&A envelope among its various USofA OM&A accounts to ensure that resources are allocated appropriately to address GLPT's needs and requirements without

sacrificing safety, reliability or the environment. Using this approach, GLPT was able to create a more accurate 2012 OM&A allocation to its USofA accounts by using historical information from 2010 and 2011 that was not available when GLPT's initial 2012 OM&A envelope was approved.

Consistent with the "top down" approach, GLPT then used the 2012 OM&A re-allocation as the baseline for its 2013 and 2014 budgets. GLPT applied to this baseline an inflation factor of 3.1%, which is based on the rate used in GLPT's collective agreement (attached at Exhibit 4, Tab 2, Schedule 3, Appendix B) and equal to the percentage change in all-items CPI for Ontario[1] for the twelve months ending December 31, 2011. This accounts for increases in OM&A of $322,200 and $335,960 for 2013 and 2014, respectively.

Applying the 3.1% change in CPI ensures the cost required to run operations in 2012 are accounted for in terms of 2013 and 2014 dollars. However, it does not ensure that GLPT's approved 2013 and 2014 OM&A will be sufficient to cover any operational changes anticipated for those years that are not covered by the inflationary increase. As discussed further in Exhibit 4, Tab 2, Schedule 2, these operational changes drive costs over and above any inflationary increase. In particular, the cost drivers are in addition to and not captured by the "top down" inflationary increases factored into the 2013 and 2014 forecasts above.

Further to this, GLPT undertook a review of its operations to identify any such operational changes that are expected to take place in 2013 or 2014, and that would not

[1] http://www.statcan.gc.ca/tables-tableaux/sum-som/l01/cst01/econ09g-eng.htm

be covered by applying the inflationary increases described above. In order to identify these operational changes, GLPT used information gathered through its asset management plan to confirm budgeted maintenance expenditures for the 2013 and 2014 test years. GLPT's asset management plan involves gathering information from various sources, including through inspections, testing and asset condition assessments, and is further described at Exhibit 2, Tab 5, Schedule 1.

All operational changes that GLPT identified as prudent and reasonable for 2013 and 2014, and that would not be covered by the inflationary increases for each of those years, were quantified and incorporated into the appropriate OM&A category. These operational changes, which will result in either one-time or ongoing costs, account for increases in OM&A of $937,900 and $121,650 for 2013 and 2014, respectively. A variance analysis detailing the net changes from the 2012 forecast to the 2013 and 2014 test years can be found at Exhibit 4, Tab 2, Schedule 2.

2.0 OM&A Cost Drivers

An account-by-account summary of GLPT's OM&A costs for 2010 through the 2013 and 2014 test years is provided in *Table 4-2-1 C*.

Table 4-2-1 C – OM&A Costs by Uniform System of Accounts

($000's) USofA	Description	2010 Actual	2011 Approved	2011 Actual	2012 Approved	2012 Forecast	2013 Test Year	2014 Test Year
	Transmission Expenses - Operation							
4805	Operation Supervision and Engineering	$417.5	$381.1	$612.4	$390.6	$521.1	$727.5	$811.9
4810	Load Dispatching	1,317.5	1,530.7	1,393.5	1,569.0	1,341.0	1,432.7	1,361.2
4815	Station Buildings and Fixtures Expense	774.1	832.0	854.8	852.8	871.8	894.7	912.2
4820	Transformer Station Equipment - Labour	212.3	375.3	207.6	384.7	261.3	269.4	277.8
4825	Transformer Station Equipment - Supplies and Exp.	57.0	84.2	120.5	86.3	99.7	102.7	105.9
4830	Overhead Line Expenses	219.6	160.9	171.4	164.9	216.2	222.9	229.8
4845	Miscellaneous Transmission Expenses	393.3	472.6	404.2	484.4	475.2	629.3	684.9
4850	Rents	55.7	82.9	57.4	85.0	69.8	71.9	74.2
	Transmission Expenses - Maintenance							
4910	Mtce of Transformer Station Buildings and Fixtures	61.3	94.1	78.0	96.5	71.8	79.2	81.7
4916	Mtce of Transformer Station Equipment	742.4	441.6	513.5	452.6	642.0	810.8	719.0
4930	Mtce of Poles, Towers, and Fixtures	-	19.0	11.1	19.4	11.7	12.1	115.5
4935	Mtce of Overhead Conductors and Devices	51.0	187.4	140.4	192.1	163.5	168.6	173.8
4940	Mtce of Overhead Lines - Right of Way	1,169.6	1,230.0	1,217.1	1,260.8	1,262.4	1,301.5	1,341.9
4945	Mtce of Overhead Lines - Roads and Trails Repairs	128.9	112.8	54.8	115.6	113.9	117.5	121.1
	Administrative and General Expenses							
5605	Executive Salaries and Expenses	630.9	836.4	940.2	957.3	771.0	1,048.3	1,311.9
5615	General Administrative Salaries and Expenses	897.3	948.8	1,510.1	972.6	1,188.8	1,309.7	1,350.3
5620	Office Supplies and Expenses	219.9	175.0	189.3	179.4	230.1	237.3	244.6
5630	Outside Services Employed	1,727.7	821.6	421.8	742.1	670.0	790.8	751.7
5635	Property Insurance	196.7	216.8	182.0	222.2	250.0	257.8	265.7
5655	Regulatory Expenses	159.6	160.9	187.5	164.9	164.9	170.1	175.3
5665	Miscellaneous General Expenses	39.7	37.4	38.2	38.3	38.3	39.5	40.8
5680	Electrical Safety Authority Fees	19.1	23.6	19.7	24.2	21.0	21.7	22.3
	Subtotal Operations	3,446.9	3,919.7	3,821.7	4,017.7	3,856.1	4,351.1	4,457.7
	Subtotal Maintenance	2,153.3	2,084.8	2,014.9	2,136.9	2,265.3	2,489.6	2,553.0
	Subtotal A&G	3,890.8	3,220.5	3,488.9	3,301.0	3,334.3	3,875.0	4,162.7
	Total OM&A	**$9,491.0**	**$9,225.0**	**$9,325.6**	**$9,455.6**	**$9,455.6**	**$10,715.7**	**$11,173.4**

3.0 Benchmarking

In EB-2009-0408 and in EB-2010-0291, GLPT provided the Board with a benchmarking report prepared by 1QC. GLPT engaged 1QC to update the benchmarking report for its 2013 and 2014 test years, the results of which can be found at **Appendix "B"** to this schedule. 1QC was engaged to analyze the costs of operation of the GLPT transmission system, in comparison with those of other transmission providers in North America. There are very few true "peers" for comparison, since GLPT is somewhat unique in terms

of its size, rural geographic location, and dense vegetation. Nevertheless, it is important to gain some understanding of the relative costs of operation of the system in comparison to other transmission providers, in order to determine reasonable rates for operating the company. 1QC used the data from a panel of companies who have provided that data during detailed annual benchmark studies of North American transmission utilities as a basis for comparison against GLPT. 1QC's overall conclusion is based on the primary comparison; GLPT falls significantly below average on a cost per gross asset basis. 1QC's specific conclusions are as follows:

1. GLPT compares favourably against the panel of companies on the total of Operations and Maintenance ("O&M") and Administrative and General ("A&G") expenses, ranking very close to the first quartile of the panel, well below the median.

2. GLPT's A&G costs fluctuate basically in a band between the median and the lowest-cost quartile of the group.

3. For O&M costs without A&G costs, GLPT is among the lowest cost providers in the group, within the first quartile for all years but one in the comparison.

As confirmed by the independent benchmarking report prepared by 1QC, GLPT continues to operate a cost-efficient transmission system while maintaining safety, reliability and the environment.

4.0 Regulatory Costs

An overview of regulatory costs for test years 2013 and 2014 is set out in **Appendix "C"**.

5.0 OM&A Costs per FTE

The OM&A costs per FTE for test years 2013 and 2014 are set out in **Appendix "D"**.

APPENDIX "A"

Summary of OM&A Expenses

Appendix 2-E of Filing Requirements

Table 1: OM&A Year over Year Comparisons

($000's)	2010 Actual	2011 Actual	Variance $000's	Variance %
Operations	3,446.9	3,821.7	374.8	10.9%
Maintenance	2,153.3	2,014.9	(138.4)	-6.4%
Administration & General	3,890.8	3,488.9	(401.9)	-10.3%
Total OM&A Expenses	**9,491.0**	**9,325.6**	**(165.5)**	-1.7%

($000's)	2011 Actual	2012 Forecast	Variance $000's	Variance %
Operations	3,821.7	3,856.1	34.3	0.9%
Maintenance	2,014.9	2,265.3	250.4	12.4%
Administration & General	3,488.9	3,334.3	(154.6)	-4.4%
Total OM&A Expenses	**9,325.6**	**9,455.6**	**130.1**	1.4%

($000's)	2012 Forecast	2013 Test Year	Variance $000's	Variance %
Operations	3,856.1	4,351.1	495.1	12.8%
Maintenance	2,265.3	2,489.6	224.3	9.9%
Administration & General	3,334.3	3,875.0	540.8	16.2%
Total OM&A Expenses	**9,455.6**	**10,715.7**	**1,260.1**	13.3%

($000's)	2013 Test Year	2014 Test Year	Variance $000's	Variance %
Operations	4,351.1	4,457.7	106.6	2.4%
Maintenance	2,489.6	2,553.0	63.4	2.5%
Administration & General	3,875.0	4,162.7	287.7	7.4%
Total OM&A Expenses	**10,715.7**	**11,173.4**	**457.6**	4.3%

Note: Total OM&A Expenses in 2013 and 2014 factor in a 3.1% inflationary increase.

Table 2: Additional Total OM&A Expense Comparative Information Table

Required Total OM&A Comparison	Comparative Year $000's	Test Year $000's	Variance $000's	%
2013 Test Year versus 2011 Actuals	9,325.6	10,715.7	1,390.2	14.9%
2014 Test Year versus 2011 Actuals	9,325.6	11,173.4	1,847.8	19.8%
2013 Test Year versus 2012 Board Approved	9,455.6	10,715.7	1,260.1	13.3%
2014 Test Year versus 2012 Board Approved	9,455.6	11,173.4	1,717.7	18.2%
Simple average of variance % for all actual years				4.3%
Compound annual growth rate for actual years				6.2%

APPENDIX "B"

First Quartile Consulting Benchmarking Report

GREAT LAKES POWER TRANSMISSION OPERATION COST ANALYSIS

PREPARED BY:
FIRST QUARTILE CONSULTING, LLC

JUNE 21, 2012

FIRST QUARTILE CONSULTING

INTRODUCTION

Great Lakes Power Transmission LP (GLPT) is a transmission owner and operator serving a portion of northern Ontario, Canada. GLPT was established as part of a series of reorganizations of Great Lakes Power Limited (GLPL) in which GLPT became the owner and operator of GLPL's transmission business. Prior to these reorganizations GLPL ran the transmission business financially separate from its generation and distribution businesses and operationally in conjunction with the distribution business. This is the third application of GLPT as a stand-alone transmitter, i.e., both financially and operationally.

First Quartile Consulting (1QC) was engaged to analyze the costs of operation of the GLPT transmission system, in comparison with those of other transmission providers in North America. There are very few true "peers" for comparison, since GLPT is somewhat unique in terms of its size, rural geographic location, and dense vegetation. Nevertheless, it is important to gain some understanding of the relative costs of operation of the system in comparison to other transmission providers, in order to determine reasonable rates for operating the company. 1QC used the data from a panel of companies who have provided that data during detailed annual benchmark studies of North American transmission utilities as a basis for comparison against GLPT, augmented by information filed by the companies with FERC.

ANALYSIS APPROACH

1QC performed a set of analyses to determine how GLPT compared against a panel of companies with regard to Transmission Line, Transmission Substation and related Administrative and General (A&G) expenses. The primary basis for the comparison was a data set of Transmission Lines & Substations O&M expenses which is gathered during the annual 1QC transmission & distribution benchmark study. That study doesn't collect A&G costs as part of the standard comparisons.

The definitions used for separation of direct O&M costs versus A&G costs in the 1QC study are those used in the FERC uniform system of accounts. Canadian utilities typically capture the A&G costs together with the O&M costs, and report them as OM&A.

To address the need to include A&G costs in the comparison, we gathered A&G expense data back to 2007 from available FERC reports. These A&G expenses as reported are for the whole utility operation. Therefore, it was necessary to make an allocation of A&G expenses for just transmission lines & substations. A very straightforward calculation was used to allocate A&G to transmission: (transmission O&M expense / (transmission + distribution + customer service expense)) * total A&G expense = transmission portion of A&G expense.

GLPT's Transmission lines & substations O&M expenses and its O&M + A&G expenses were compared against the 1QC panel. To perform a valid comparison, it was necessary to normalize the data to account for the different sizes of the companies. For the primary normalizing factor we chose total transmission lines & substations assets. Through analysis over the years, we have determined that total assets is the appropriate normalization factor for transmission spending and that it is possible to accurately predict a company's O&M expenses based upon the value of the assets they have. See **Appendix A** for a more complete explanation of the selection of normalizing factor.

Beginning in 2013, a change in Canadian accounting rules has required GLPT to adopt the International Financial Reporting Standards (IFRS), which caused GLPT to adjust the value of its asset base, effectively writing down the value of its gross assets by the amount of the accumulated depreciation at the end of 2012. Because we use gross assets for the normalizing factor in the analysis, this change makes a significant difference in the outcome of the analysis. For the purposes of the analysis, we have adjusted the figures for GLPT to include the value of the accumulated depreciation as of the end of 2012 as part of the asset value figures for 2013 and 2014. This has the effect of making the comparisons between GLPT and the other members of the comparison panel essentially "fair".

RESULTS AND CONCLUSIONS

Based upon our primary comparisons, GLPT falls significantly below average on a cost per asset basis. In Figures 1 to 3 below, the mean and quartiles are calculated without GLPT's data. They are based solely on our panel of companies, so that GLPT is being compared against a data set without influencing it. In the bar charts to the right of the line charts, the companies in our comparison panel are shown individually. GLPT is not included on those charts.

Note that the values for years 2012 to 2014 are projected based upon 2007 to 2011 actual data for all companies other than GLPT. For all of the graphs, only companies for which A&G data was available were used.

In Figure 1 below, showing GLPT compared against the panel of companies on the total of O&M and A&G, GLPT compares favorably against the panel, ranking very close to the first quartile of the panel, well below the median.

Figure 1

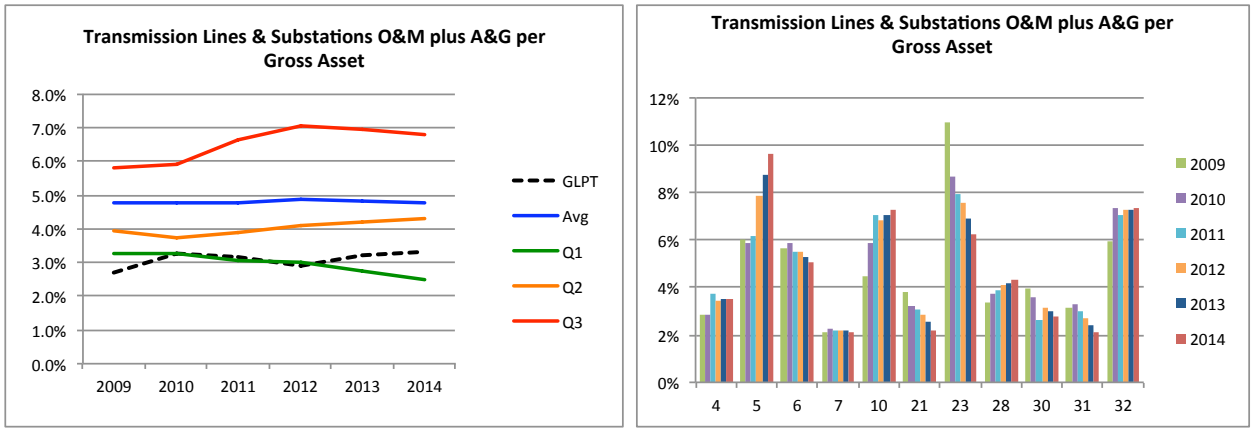


Figure 2 shows just the A&G cost per asset. GLPT's A&G costs fluctuate in a band around the lowest-cost quartile of the group, and remain well below the median for all years.

Figure 2

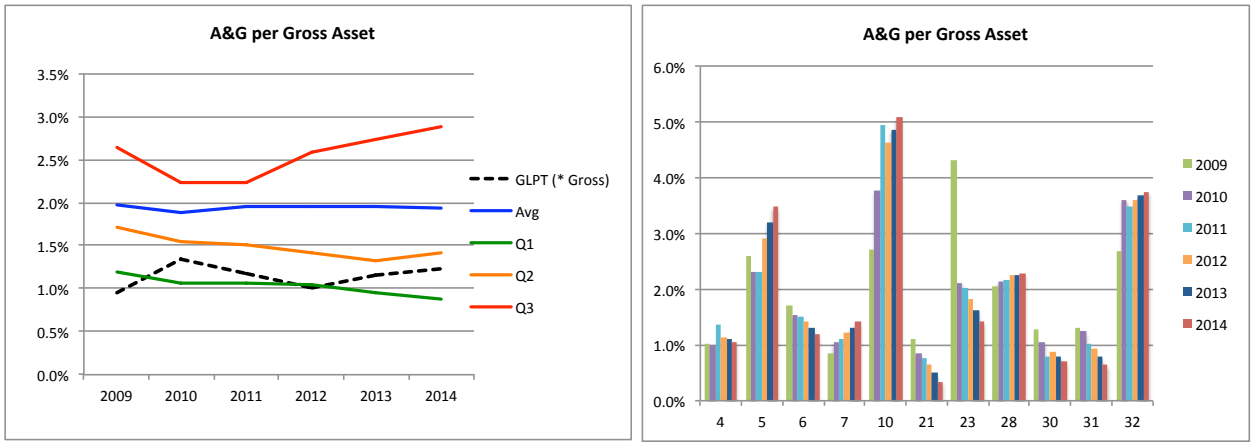
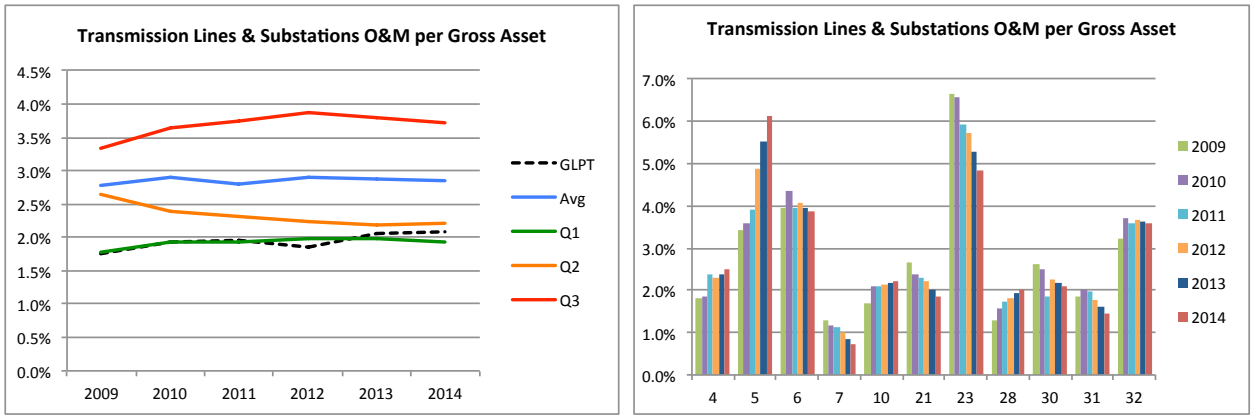


Figure 3 below shows the O&M costs without the A&G costs. GLPT is among the lowest cost providers in the group, within the first quartile for all years but one in the comparison.

Figure 3



For other comparisons, we also normalized spending based upon customers and circuit kilometers. Neither of these comparisons is recommended and the results are about as expected for GLPT, which is a small transmission operator. In studying the relationship between O&M spending and various normalizing variables, we have conducted regression analyses in which the r^2 value for the relationship is calculated. A value of 1.0 represents a perfect correlation. The r^2 value for assets is .71, for circuit kilometers is .50, and for customers is .26. Appendix A provides a more complete description of this analysis.

Figure 4

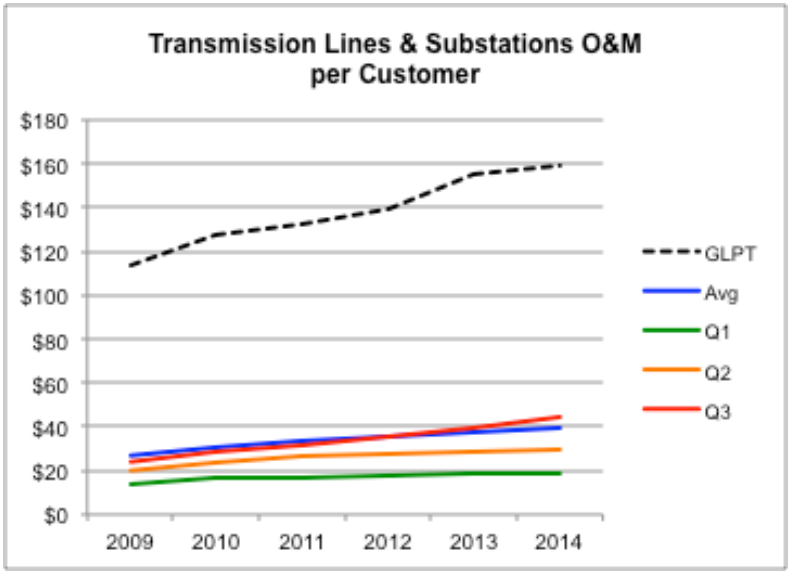
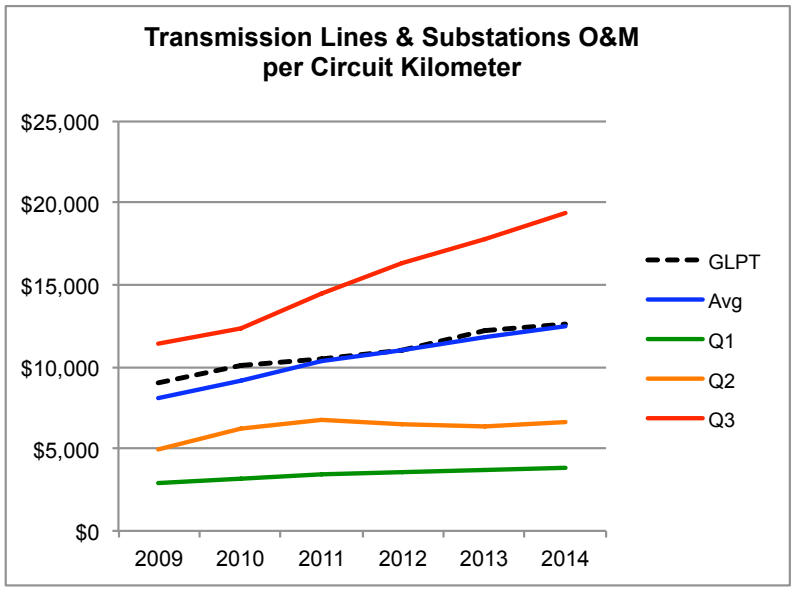


Figure 5



Two other possible normalizing factors (denominators) (kWh transmitted and megawatt miles) were excluded because of lack of data, but neither has been demonstrated to be better than assets at predicting transmission & substation O&M spending.

APPENDIX A: WHY "ASSETS" IS THE APPROPRIATE DENOMINATOR.

Over a span of more than 20 years of executing benchmark studies of electric transmission and distribution operations in North American utilities, the consultants at 1QC have performed a variety of analyses of the resulting data. One question of enduring interest is how to normalize the data from different companies in order to make both fair and understandable comparisons. Through a number of different analyses and reporting efforts, it has become clear that with an appropriate normalizing factor, it is possible to make fair comparisons, and that it is also possible to explain the results in ways that make them useful to regulators and companies.

For many years, the studies have been consistent in terms of identifying the normalizing factor that produces the best predictor of operating costs in transmission and distribution. Using simple and more complex linear regressions, our consultants have tested the relationship between the normalizing factor and the resulting O&M costs. Given the difference in the functions of transmission and distribution, separate studies have been performed for transmission and distribution (and indeed for substation operations). The exact regression results change from year to year, but the basic conclusions have been consistent.

During 2010, 1QC re-ran the analysis to verify that the basic conclusions hadn't changed. The results of that analysis are presented below.

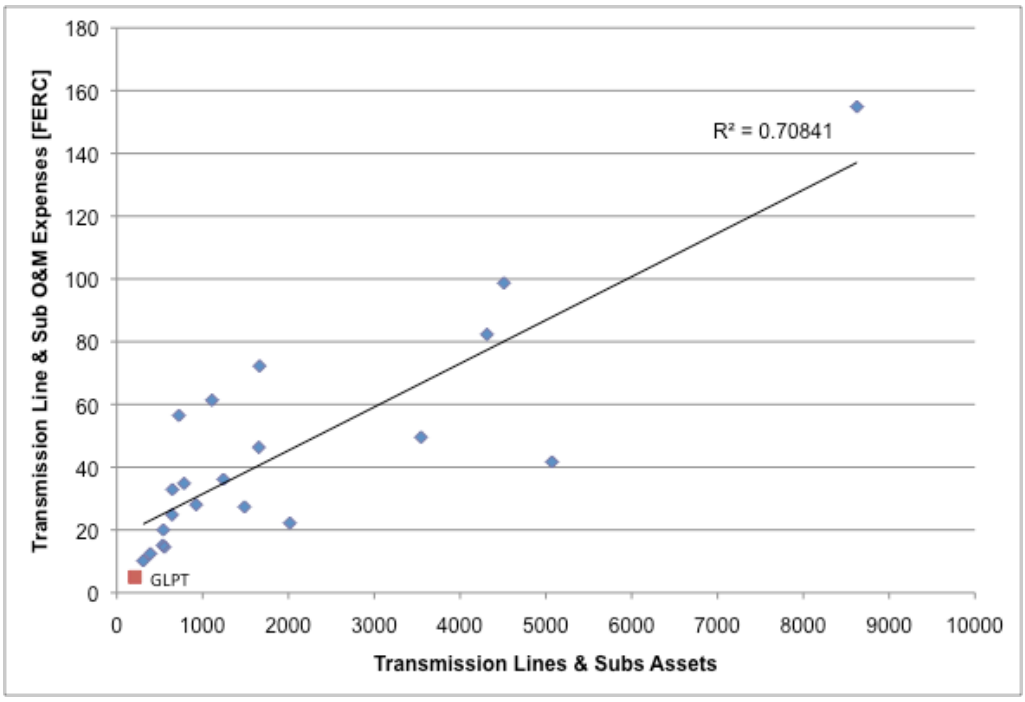
To determine the appropriate denominators (normalizing factors) to use for analysis, we compare the dependent variable, in this case O&M spending, to various independent variables: customers, circuit kilometers, and assets. We look for a strong correlation between the two variables. For transmission lines and substations O&M spending, the strongest correlation exists between spending and assets. The relationship between spending and customers or circuit km is much weaker. The table below shows R^2 correlation coefficient values for the dependent and independent variables. The table was generated without A&G expenses because of the method used for estimating A&G expenses. It was necessary to determine the correct normalizing factor from our most current valid data set.

	Transmission Lines & Subs Assets	Transmission Circuit Kilometers	Customers
Transmission Line & Sub O&M Expenses (FERC)	0.708	0.502	0.257

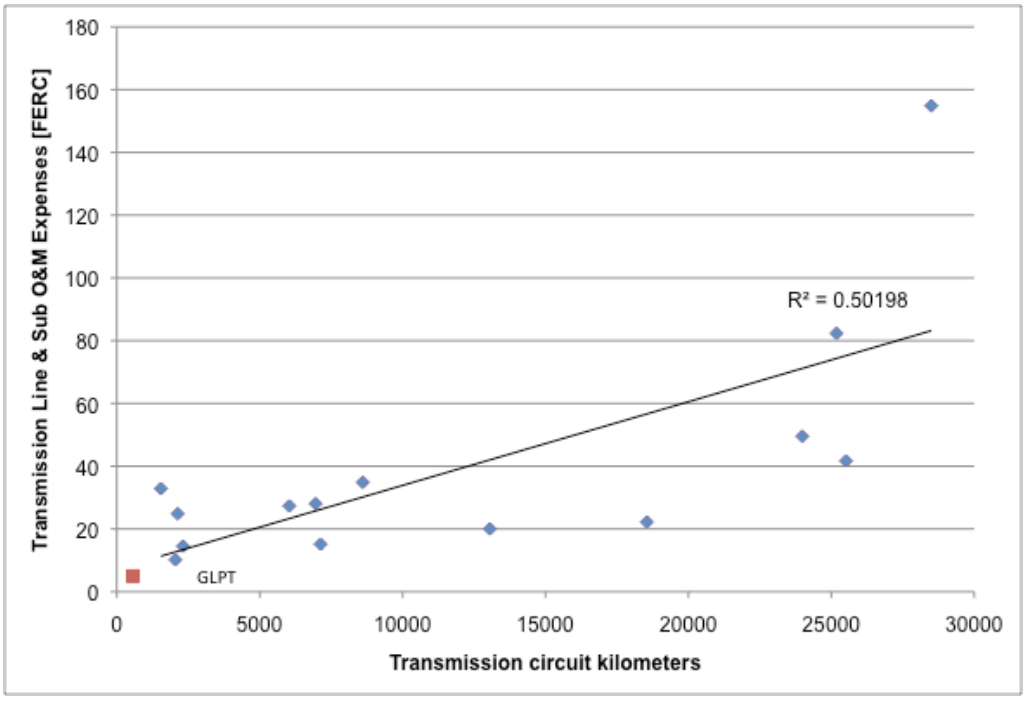
In summary, we have found assets to be the appropriate denominator because it appears to have a higher predictive value when there are big differences in customer density among companies in the comparison panel.

Transmission operators do not really have end-use customers, which is one reason customers is such a weak normalizing factor. Kilometers is also weak because the costs of operating substations are included in the dependent variable and substations are not accounted for when kilometers is used as a normalizing factor.

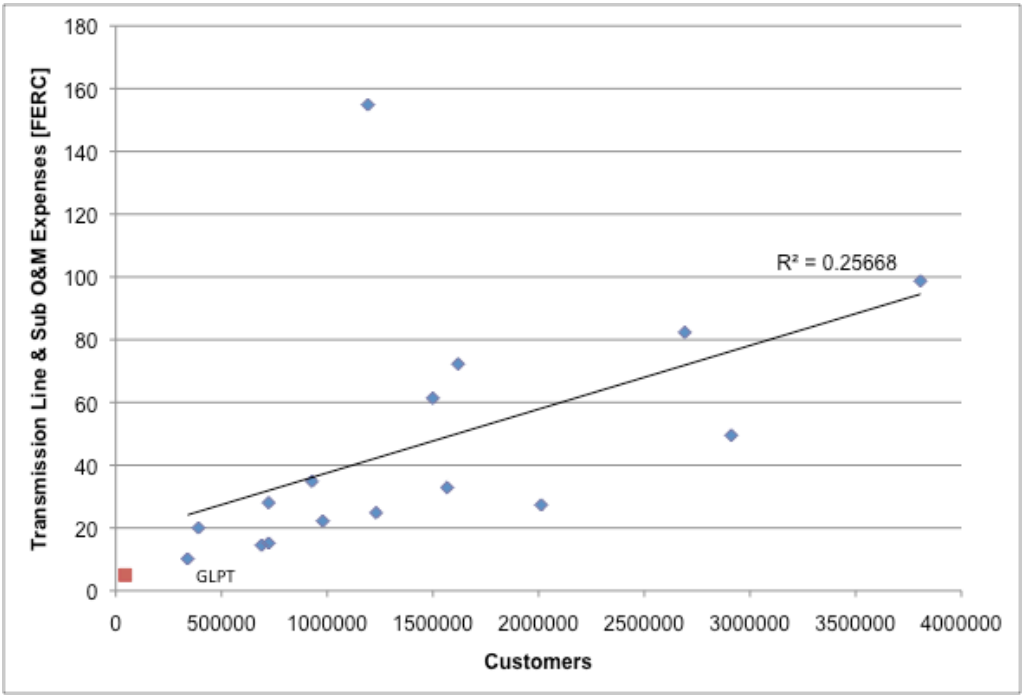
Shown below are the individual graphs from which the R^2 values are derived. In each graph, GLPT has been added to the graph to show where they fall compared to the other companies, but they are not included in the calculation of the correlation coefficient. It was appropriate to determine the correlation coefficients independently of GLPT's data, since by performing the analysis this way, GLPT's data isn't influencing the findings.



Other correlation charts between expenses and normalizing factors:



Note that the outlier on the circuit kilometers graph is on the regression line when assets are used. This is particularly noteworthy because this company has some of the same characteristics of GLPT, namely low customer density. The density issue is also illustrated on the graph below.



APPENDIX B: DEMOGRAPHICS OF THE COMPARISON PANEL

ID	CHARACTERISTICS	GEOGRAPHIC LOCATIONS	VOLTAGES/KM	TERRAIN	NUMBER OF CUSTOMERS	INDUSTRIAL CUSTOMERS	% Ind'l
4	Combined D&T	Southeast US	69kV : 684km, 100kV class : 3398km, 300kV Class and above : 1956km,	flat, dense trees	2,011,174	6,951	0.346%
5	Combined D&T	MidAtlantic US		flat, dense trees	1,225,305	389	0.032%
6	Combined D&T	MidAtlantic US	69kV : 177km, 100kV class : 211km, 200kV Class : 853km, 400kV Class and above : 302	flat, dense trees	1,555,343	3,081	0.198%
7	Combined D&T	Southwest US	69kV : 4740km, 100kV class : 11128km, 300kV Class and above : 8116km,	flat, few trees	3,077,913	182,018	5.914%
10	Combined D&T	MidWest US	69kV : 1131km, 100kV class : 2428km, 300kV Class and above : 748km	flat, some trees	510,296	2,342	0.459%
21	Combined D&T	MidAtlantic US		flat, dense trees	3,800,000	9,324	0.245%
23	Combined D&T	MidWest US	69kV : 1857km, 100kV class : 3481km, 200kV Class : 668km, 300kV Class and above : 1736km	flat, some trees	683,615	4,842	0.708%
28	Combined D&T	Southwest US	<69kV : 735km, 100kV class : 606km, 300kV Class and above : 1830km, 400kV Class and above : 853km	flat, few trees	401,263	631	0.157%
30	Combined D&T	Northwest US	<69kV : 203km, 100kV class :2755km, 200kV Class : 506km, 400kV Class and above : 825km	flat, dense trees	1,072,828	3,710	0.346%
31	Combined D&T	MidWest US	100kV class :248km, 200kV Class : 4816km, 400kV Class and above : 4390km	flat, dense trees	3,818,690	1,988	0.052%
32	Combined D&T	Northwest US	100kV class :808km, 200kV Class : 900km, 300kV Class : 612, 400kV Class and above : 353km	flat, dense trees	820,266	265	0.032%

APPENDIX C: INDIVIDUAL BAR CHARTS FOR COMPARISON PANEL

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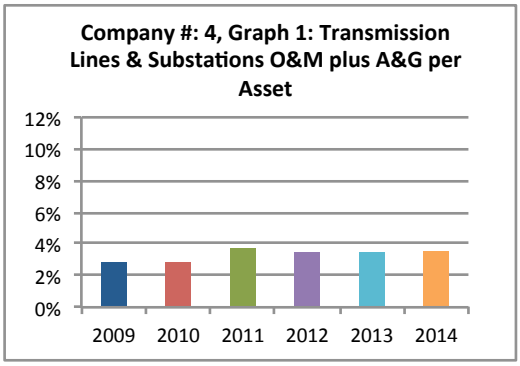
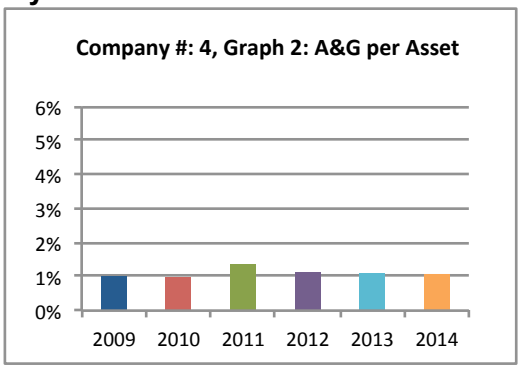
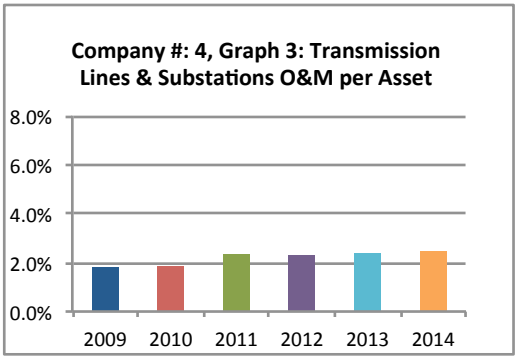
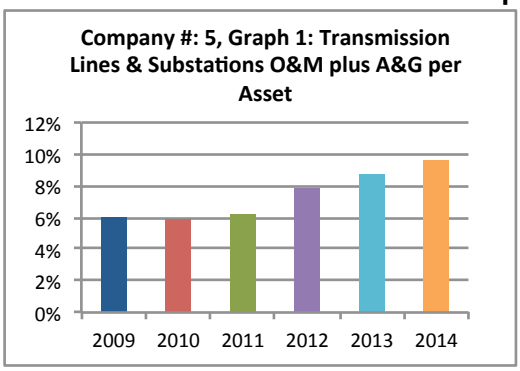
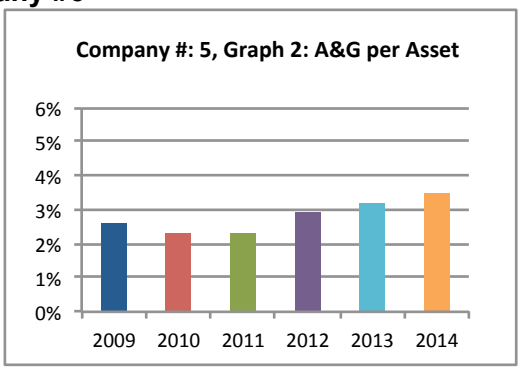


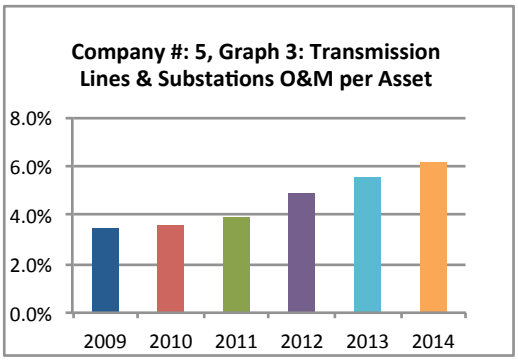




Company #5







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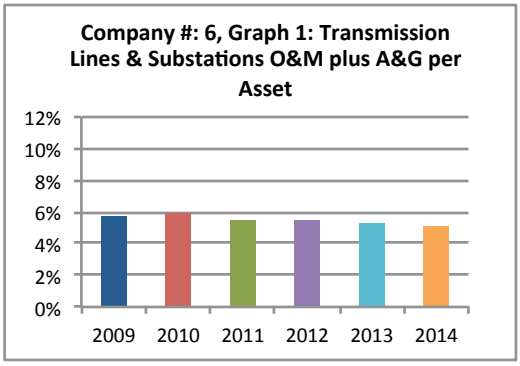

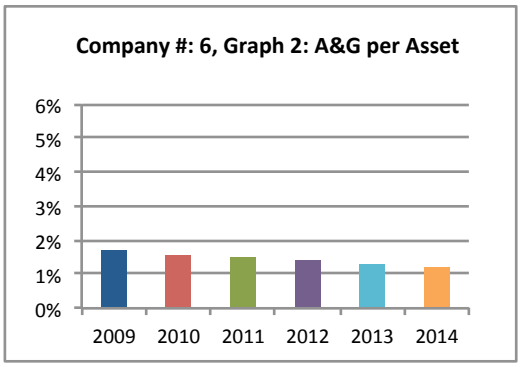

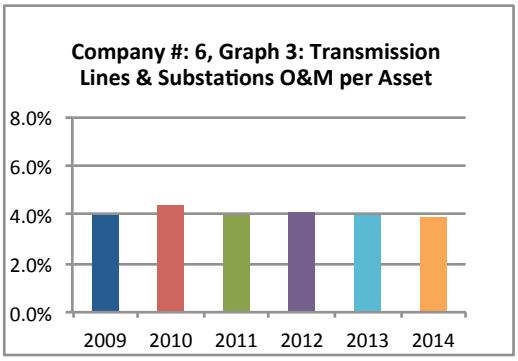

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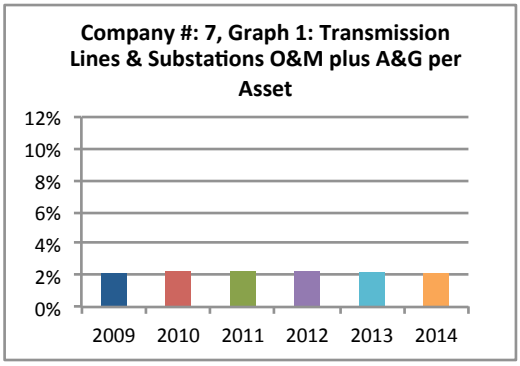

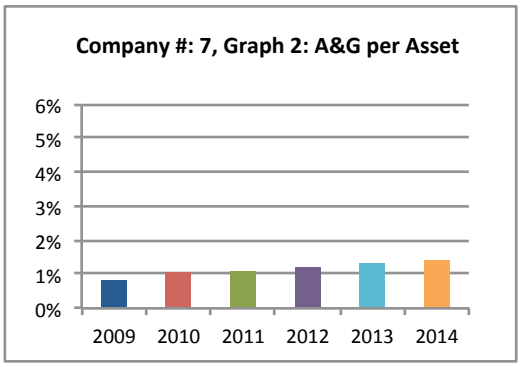

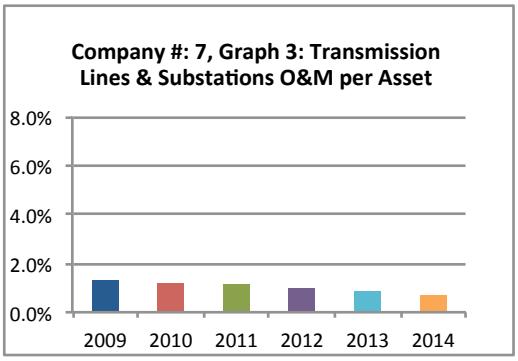

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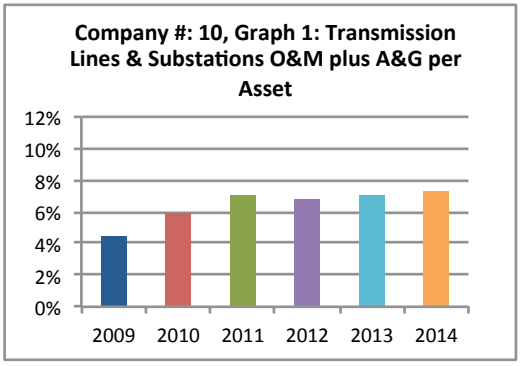
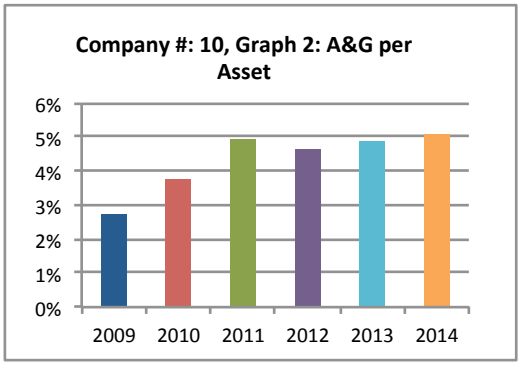
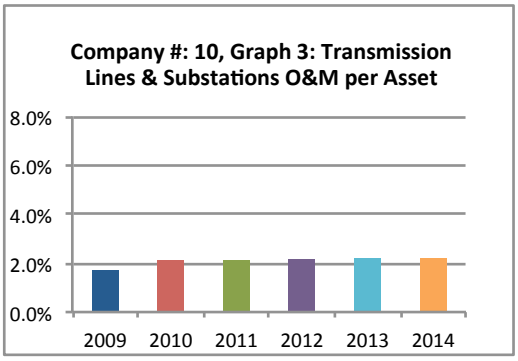
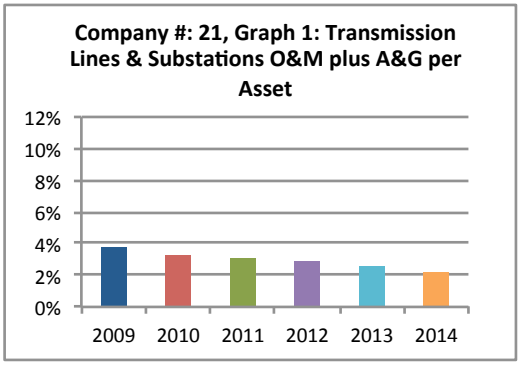
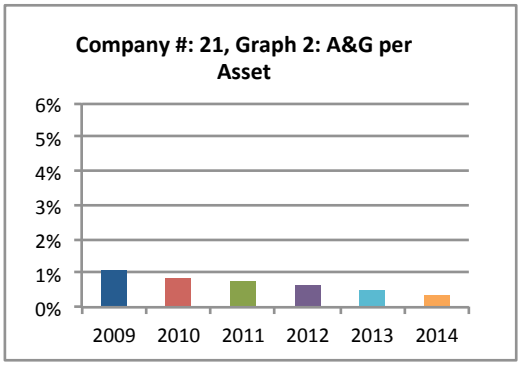


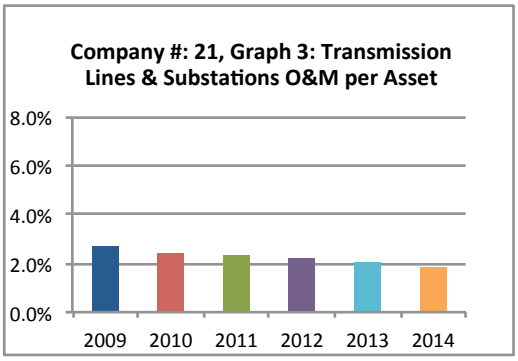




Company #21







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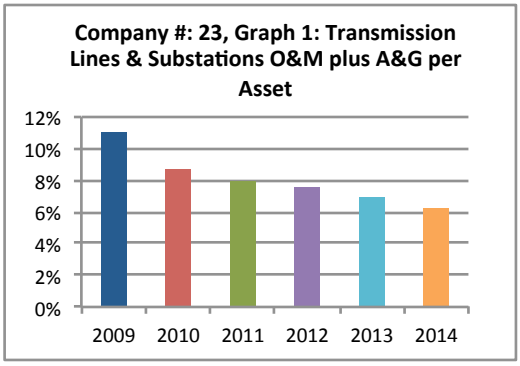

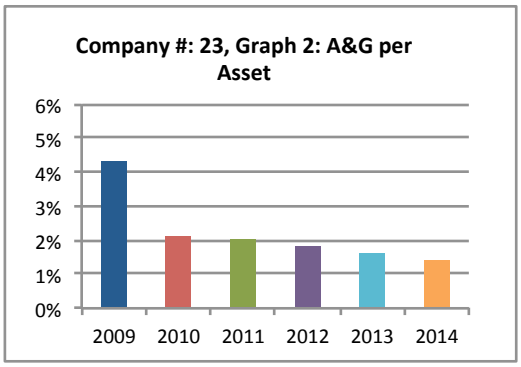

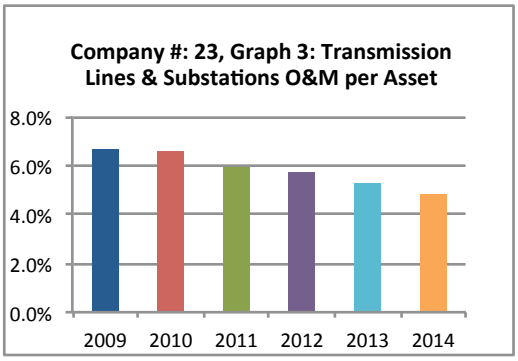

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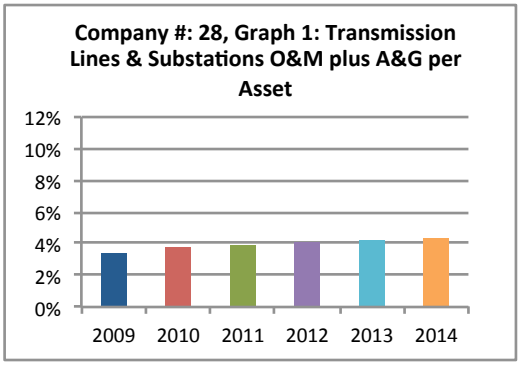

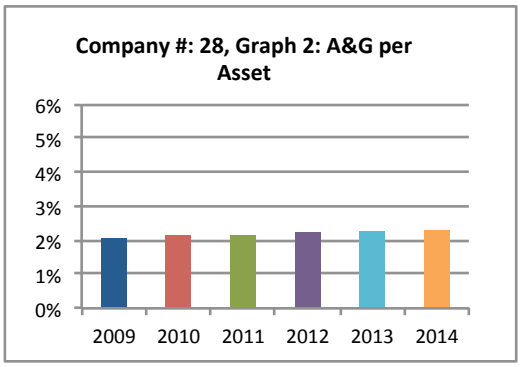

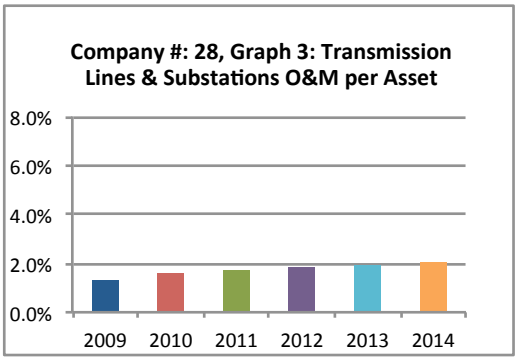

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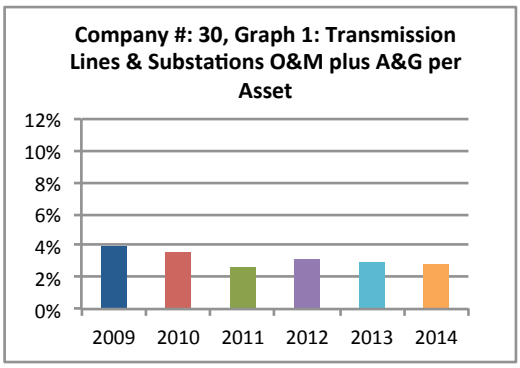

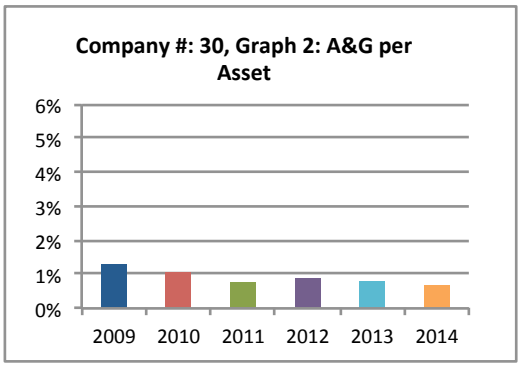

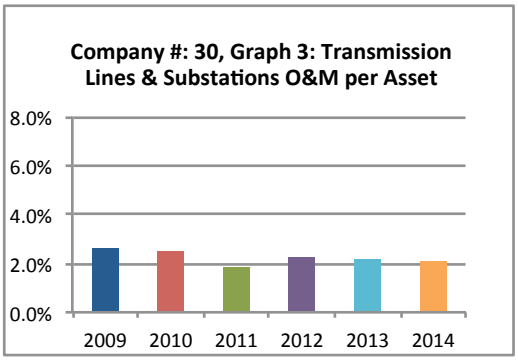

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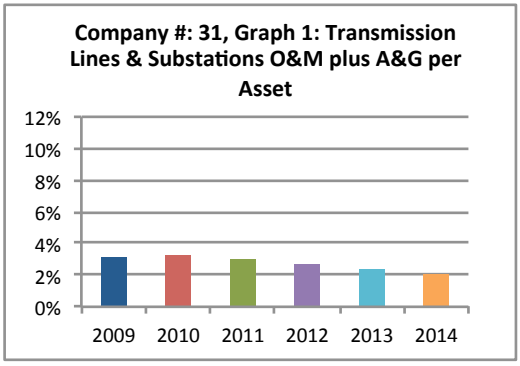

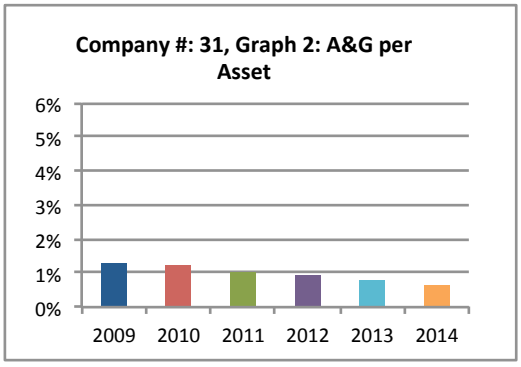

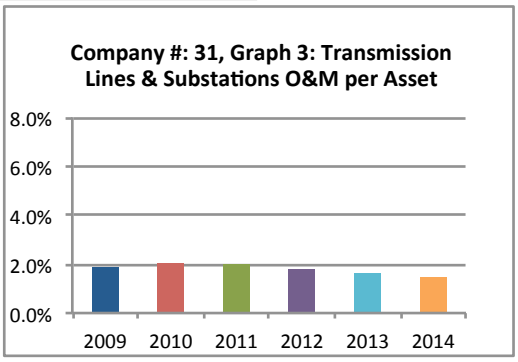

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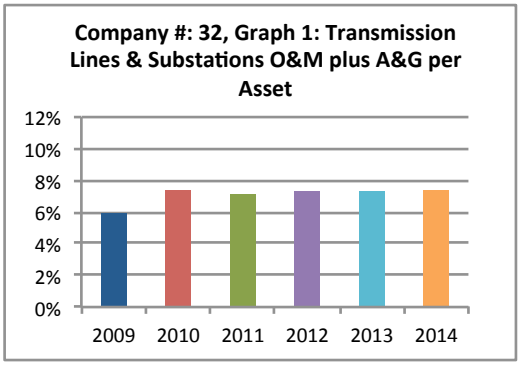
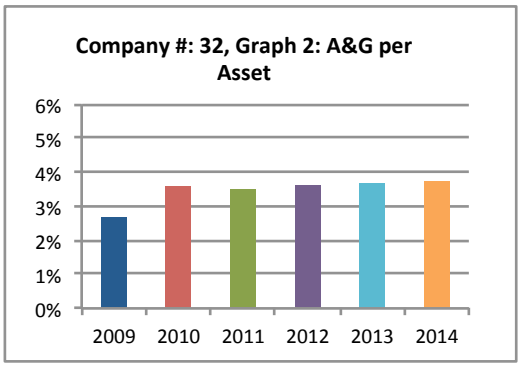
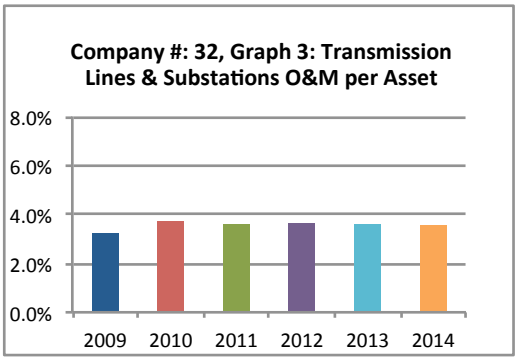

Company #: 32, Graph 1: Transmission Lines & Substations O&M plus A&G per Asset
12%
10%
8%
6%
4%
2%
0%
2009
2010
2011
2012
2013
2014


Company #: 32, Graph 2: A&G per Asset
6%
5%
4%
3%
2%
1%
0%
2009
2010
2011
2012
2013
2014


Company #: 32, Graph 3: Transmission Lines & Substations O&M per Asset
8.0%
6.0%
4.0%
2.0%
0.0%
2009
2010
2011
2012
2013
2014

APPENDIX "C"

Regulatory Cost Schedule

Appendix 2-H of Filing Requirements

Table 1 – 2013 Test Year and 2014 Test Year Regulatory Costs

Regulatory Cost Category	USoA Account	USoA Account Balance	Ongoing or One-time Cost?	Test Year 2013 Forecast	Test Year 2014 Forecast	% Change in Test Year vs. Bridge Year
1. OEB Annual Assessment	5655	$175,300	Ongoing	$113,735	$117,261	3.1%
2. OEB Hearing Assessments (applicant initiated)	5655	$175,300	Ongoing	$0	$0	n/a
3. OEB Section 30 Costs (OEB initiated)	5655	$175,300	Ongoing	$0	$0	n/a
4. Expert Witness cost for regulatory matters	5630	$751,726	Ongoing	$0	$0	n/a
5. Legal costs for regulatory matters	5630	$751,726	Ongoing	$69,850	$175,115	150.7%
6. Consultant costs for regulatory matters	5630	$751,726	Ongoing	$25,775	$26,574	3.1%
7. Operating expenses associated with staff resources allocated to regulatory matters ***	n/a	n/a	n/a	n/a	n/a	n/a
8. Operating expenses associated with other resources allocated to regulatory mattters ***	n/a	n/a	n/a	n/a	n/a	n/a
9. Other regulatory agency fees or assessments - **Canadian Electricity Association**	5655	$175,300	Ongoing	$56,326	$58,072	3.1%
10. Any other costs for regulatory matters	n/a	n/a	n/a	n/a	n/a	n/a
11. Intervenor Costs	5630	$751,726	Ongoing	$25,775	$26,574	3.1%

APPENDIX "D"

OM&A Cost per FTE

Appendix 2-I of Filing Requirements

	2010 Actual	2011 Actual	2012 Approved	2012 Forecast	2013 Test Year	2014 Test Year
Total OM&A ($000's)	$9,491.0	$9,325.6	$9,455.6	$9,455.6	$10,715.7	$11,173.4
Number of FTE's	48.6	50.7	53.7	52.4	52.4	53.4
OM&A Cost per FTE ($000's)	**$195.3**	**$184.0**	**$176.1**	**$180.5**	**$204.6**	**$209.2**

Exhibit 4, Tab 2, Schedule 2

OM&A Variance Analysis

OM&A VARIANCE ANALYSIS

1.0 Background

On May 21, 2010, the Board approved the Settlement Agreement proposed by the parties in GLPT's EB-2009-0408 application for 2010 rates. In that Settlement Agreement, the parties agreed that GLPT's OM&A expenses for the 2010 test year should be $9,000,000. Further to that, GLPT agreed that in filing its 2011/2012 rate application, it would not seek OM&A increases in excess of 2.5% per year for each of 2011 and 2012.

On February 2, 2011, the Board approved the Settlement Agreement proposed by the parties in GLPT's EB-2010-0291 rate application for 2011 and 2012 rates. In that Application, GLPT proposed OM&A increases that were not in excess of 2.5% per year for each of 2011 and 2012. GLPT has worked within its OM&A envelope for 2010, 2011 and 2012. However, for the 2013 and 2014 test years, GLPT has used an inflation rate of 3.1% and incorporated certain new, incremental costs that it will incur and that it seeks to include in its operating costs for purposes of rates.

2.0 Test Year Approach

As described in GLPT's Budget Overview found at Exhibit 1, Tab 2, Schedule 2, for the purpose of this application, GLPT has revised its 2012 OM&A forecast (on an account by account basis) by re-allocating its Board Approved 2012 OM&A envelope to address GLPT's needs and requirements without sacrificing safety, reliability or the environment. From there, GLPT

applied a two step process to create its 2013 and 2014 OM&A budgets. As discussed in Exhibit 1, Tab 2, Schedule 2, the first step was to apply an inflation factor to the 2012 approved OM&A envelope ("top-down" approach). GLPT applied an inflation factor of 3.1%, , which is based on the rate used in GLPT's collective agreement (attached at Exhibit 4, Tab 2, Schedule 3, Appendix B) and equal to the percentage change in all-items CPI for Ontario[1] for the twelve months ending December 31, 2011. The inflation factor was applied given that over 95% of GLPT's OM&A expenditures occur because of third party contracts, materials and supplies or internal labour, all of which are subject to either inflation or wage and benefit changes. In the second step, GLPT undertook a review of its operations to identify any operational changes that are anticipated for 2013 or 2014 that would not be covered by the inflationary increases described above, but that GLPT must prudently undertake to ensure that it can continue to operate a safe, reliable and cost-efficient transmission system. Any operational change identified by GLPT was quantified and incorporated into the appropriate OM&A category for the appropriate year.

Given the approach taken by GLPT on defining its 2013 and 2014 OM&A, GLPT has provided a variance analysis on an account by account basis bridging from GLPT's 2012 OM&A forecast (premised on its approved 2012 OM&A envelope) to the 2013 and 2014 test year totals sought in this application. The analysis identifies and describes all operational and administrative changes expected to take place between 2012 and 2014 that drive OM&A costs over and above the inflationary increase described above.

[1] http://www.statcan.gc.ca/tables-tableaux/sum-som/l01/cst01/econ09g-eng.htm

In each table below, GLPT has included a cost driver labeled “Inflation & Other”, which is representative of the 3.1% CPI increase for each year.

Account 4805 – Operation Supervision & Engineering

OM&A	2012 Forecast	2013 Test Year	2014 Test Year
Previous Year Total	$521.101	$521.101	$727.455
Cost Driver 1 - Internal Labour Allocations		110.401	
Cost Driver 2 - Consulting & Contracts		79.799	61.860
Cost Driver 3 - Inflation & Other		16.154	22.551
Current Year Total	**$521.101**	**$727.455**	**$811.866**

Cost Driver 1 – Internal Labour Allocations

It is forecast that GLPT's internal labour allocated to OM&A will increase from 2012 to 2013 primarily as a result of a shift in work programs and increased maintenance and asset management planning. In 2012, labour costs are forecast to be charged to the Third Line Redevelopment and SCADA Replacement capital projects as a result of time being spent by engineering and project management staff. GLPT designated internal staff to work on these capital projects. This resulted in a decrease in Account 4805 in 2012 relative to 2011. However, with the completion of these projects in the latter part of 2012, GLPT's internal staff will be dedicating more time in 2013 and 2014 to activities related to asset management, maintenance planning, risk management and protection and control. As a result, it is forecast that GLPT's internal labour allocated to OM&A will increase.

Cost Driver 2 – Consulting & Contracts

2012 Forecast – 2013 Test Year:

In 2013, GLPT is forecasting that it will incur incremental costs of approximately $20,000 related to various external consultants and contractors for new substation software support. In addition, GLPT will incur costs of approximately $60,000 related to payments to various standards bodies and professional groups such as the Centre for Energy Advancement through Technological Innovation ("CEATI") and the Institute of Electrical and Electronics Engineers ("IEEE").

2013 Test Year – 2014 Test Year:

In 2014, GLPT plans to engage a third party consultant to update its transmission line/structure plan and profile drawings which have not been updated since 2004. It is anticipated that this will be at a cost of approximately $41,000. In addition, GLPT expects to undertake a server upgrade in 2014 which will require an upgrade to its asset information repository at a cost of approximately $21,000.

Account 4810 – Load Dispatching

OM&A	2012 Forecast	2013 Test Year	2014 Test Year
Previous Year Total	$1,341.019	$1,341.019	$1,432.691
Cost Driver 1 - Labour Capitalization		88.724	
Cost Driver 2 - Compliance Program		108.255	(82.480)
Cost Driver 3 - Succession Planning			113.410
Cost Driver 4 - SCADA Lease		(146.880)	(146.880)
Cost Driver 5 - Inflation & Other		41.574	44.414
Current Year Total	**$1,341.019**	**$1,432.691**	**$1,361.154**

Cost Driver 1 – Internal Labour – Capitalization

In 2012, GLPT is forecasting that labour costs will be charged to the SCADA Replacement capital project as a result of time being spent by staff of the system control room. GLPT was able to designate operators to work on this capital project while minimizing overtime by managing and shifting its work programs for 2012. This resulted in a decrease in Account 4810 in 2012 relative to 2011. However, with the completion of the SCADA Replacement project in the latter part of 2012, it is anticipated that costs will return to normal levels in the 2013 and 2014 test years, when GLPT's operators will return to typical operational work programs for the

test years. As a result, costs in this account are projected to increase over the levels in the 2012 forecast.

Cost Driver 2 – Compliance Program

There are a number of changes taking place in the electricity industry in Ontario that affect GLPT and its compliance program. These changes include, among other things updates to various Critical Infrastructure Protection ("CIP") standards, governed by the North American Electric Reliability Corporation ("NERC") as well as other reporting requirements related to compliance with existing NERC standards. GLPT will engage a third party consultant in 2013 to complete a review of all existing and upcoming standards (with the exception of the Bulk Electric System definitional change, described in Exhibit 9, Tab 2, Schedule 1) and further develop a comprehensive compliance program. While GLPT is currently managing its compliance among various members of its management team and existing staff, the comprehensive compliance program will provide a single reference and a single resource for ensuring compliance with all standards (particularly those related to NERC). It is anticipated that GLPT will have the program completed in 2013, at which point GLPT's management team and existing staff will take ownership of the program and be responsible for its execution. Costs in 2014 will only be related to maintenance of the new program and fees related to compliance audits.

Cost Driver 3 – Succession Planning

GLPT's System Control Centre is operated by two Senior Operators, five First Operators and one Second Operator. Four of these operators will be eligible for retirement in the next three to five years. As a result, GLPT will be required to hire and train new staff members to work in the System Control Centre as a succession plan over the next several years. GLPT is forecasting that it will hire one new Second Operator in 2014 as the start of this succession plan. Upon completion of training, development and appropriate overlap for the role, it is anticipated that GLPT's employee count and costs will return to historical levels, and any incremental costs created as a result of succession planning will be eliminated.

Cost Driver 4 – SCADA Lease

GLPT is forecasting that its SCADA Replacement project will be completed in the fourth quarter of 2012. Upon completion of the project, the new SCADA system will be required to run in parallel with the existing SCADA system (which is currently leased from Great Lakes Power Limited ("GLPL")) for a period of approximately six months (for further information, see Exhibit 4, Tab 2, Schedule 4). It is forecast that the existing equipment will not be required by GLPT beyond June 30, 2013, and as a result it is forecast that the SCADA lease will expire at that time. The elimination of the SCADA lease costs results in a full cost savings of approximately $290,000, of which half will be realized in 2013 and half will be realized in 2014. Additional information on the existing SCADA system can be found at Exhibit 4, Tab 2, Schedule 4.

Account 4815 – Station Buildings and Fixtures Expense

OM&A	2012 Forecast	2013 Test Year	2014 Test Year
Previous Year Total	$871.842	$871.842	$894.745
Cost Driver 1 - Snowplowing		(4.124)	(10.310)
Cost Driver 2 - Inflation & Other		27.027	27.737
Current Year Total	**$871.842**	**$894.745**	**$912.172**

Cost Driver 1 – Snowplowing & Mackay Road Maintenance

In order to access MacKay TS, GLPT must travel approximately 14 kilometers off of Highway 17N, north of Sault Ste. Marie. The road is used only by GLPT to access the transmission station and by GLPL to access various generating stations in the area. All costs related to maintaining this road, including during both summer and winter, are shared between GLPL and GLPT. It is forecast that the costs related to the maintenance of the road will decrease in 2013 and 2014 compared to 2012 as a result of a decrease in summer maintenance activities.

Account 4820 – Transformer Station Equipment – Operation Labour,

Account 4825 – Transformer Station Equipment – Operation Supplies and Expenses,

Account 4916 – Maintenance of Transformer Station Equipment

OM&A	2012 Forecast	2013 Test Year	2014 Test Year
Previous Year Total	$1,002.916	$1,002.916	$1,182.934
Cost Driver 1 - Program Changes		35.518	
Cost Driver 2 - Major Maintenance		113.410	(113.410)
Cost Driver 3 - Inflation & Other		31.090	33.155
Current Year Total	**$1,002.916**	**$1,182.934**	**$1,102.680**

The nature of the activities in these three accounts is quite similar and, therefore, in order to assist the Board in understanding the variances in these accounts, GLPT has combined them and described the variances as though they were derived in a single account.

Cost Driver 1 – Program Trends

GLPT continues to execute its station maintenance program through the use of both internal staff and contractor staff, as required. GLPT maintains its core level of internal employees to complete its baseline maintenance program while using contractors for certain types of maintenance to allow for flexibility within the program. This enhances GLPT's ability to cost-effectively maintain its assets so as to maximize their useful life and meet all reliability

requirements. It is forecast that the program costs related to station maintenance will increase in 2013 and remain stable in 2014 due to the fact that GLPT needs to incorporate the following newly installed equipment into its maintenance program, which will result in upward pressure on the maintenance budget:

- Maintenance required for the new fire suppression systems;
- Maintenance required for the new HVAC units for the new SCADA server room;
- Maintenance required for the new Air Conditioning unit for the business system server room;
- Maintenance required for the new control building at Third Line TS (HVAC equipment, battery room ventilation, roof maintenance, snow clearing, cleaning, lighting maintenance etc.);
- Magpie Lighting arrester counter readings; and
- Station Service Voltage Regulators at Mackay and Anjigami TS.

For additional information on GLPT's asset management plan, including maintenance activities and their frequencies, please refer to Exhibit 2, Tab 5, Schedule 1.

Cost Driver 2 – Major Maintenance

In 2013 GLPT is planning to undertake a major maintenance project at its Echo River transmission station to overhaul the existing 230 kV transformer. It was discovered that the 'headboard' that supports the insulators carrying the conductors from the internal transformer

windings to the tap changer selector switches had leakage. The tap changer compartment produces gassing and pressure on each tap change and can cause gas to be forced into the main transformer tank. Along with the gas, other contaminants such as carbon and metallic particles can also travel into the main tank and, over time, can result in failure of the transformer. The overhaul will involve removing and degasifying the existing oil, fixing the headboard leak, and testing, including sweep frequency, ratio, megger and doble testing. GLPT will complete the project in conjunction with its regular maintenance cycle and at the same time complete a small capital upgrade that is required. The cost of the capital upgrade is not included in the OM&A cost driver described. In this regard, GLPT will take advantage of resources mobilized at the station in 2013. The cost is a one-time expenditure, and as a result it is removed from GLPT's 2014 OM&A forecast.

Account 4830 – Overhead Line Expense

Account 4930 – Maintenance of Poles, Towers and Fixtures

Account 4935 – Maintenance of Overhead Conductors and Devices

OM&A	2012 Forecast	2013 Test Year	2014 Test Year
Previous Year Total	$391.351	$391.351	$403.483
Cost Driver 1 - Major Maintenance			103.100
Cost Driver 2 - Inflation & Other		12.132	12.508
Current Year Total	**$391.351**	**$403.483**	**$519.091**

The nature of the activities in these three accounts is quite similar and, therefore, in order to assist the Board in understanding the variances in these accounts, GLPT has combined them and described the variances as though they were derived in a single account.

Cost Driver 1 – Major Maintenance

Approximately 90% of the structures in GLPT's transmission system are wood structures. The presence of woodpecker damage causes reduced strength of these types of wood utility poles by increasing the potential for exposure to insects and the elements (see pictures below). To date GLPT has repaired woodpecker damage on an as needed basis. Going forward, however, given the significant number of wood poles in GLPT's system that will soon require repair work, it is appropriate that GLPT implement a robust maintenance program to address this type of damage.

Therefore, in 2014 GLPT plans to begin a program to repair damage to wood poles caused by woodpeckers at a forecasted incremental cost of approximately $100,000 per year. This maintenance extends the life of the poles by reducing the potential for exposure to insects and the elements.

Photograph of woodpecker damage:



Account 4845 – Miscellaneous Transmission Expense

OM&A	2012 Forecast	2013 Test Year	2014 Test Year
Previous Year Total	$475.208	$475.208	$629.279
Cost Driver 1 - Internal Labour		35.518	
Cost Driver 2 - Contracts & Software		67.737	
Cost Driver 3 - Fibre Lease		36.085	36.085
Cost Driver 4 - Inflation & Other		14.731	19.508
Current Year Total	**$475.208**	**$629.279**	**$684.872**

Cost Driver 1 – Internal Labour

GLPT's protections and controls technologists allocate time and expenses to this account for time spent maintaining GLPT's existing communications assets, including the existing and new SCADA systems. GLPT was able to designate its technologists to work on this capital project while minimizing overtime by managing and shifting its work programs for 2012. This resulted in a decrease in Account 4845 in 2012 relative to 2011. However, with the completion of the SCADA Replacement project in the latter part of 2012, it is not anticipated that this will continue into the 2013 and 2014 test years, and GLPT's technologists will return to typical operational work programs for the test years. Time spent on maintaining the new SCADA system after the completion of the project will be classified as OM&A expenses on a go-forward basis. The

decrease in time allocated to capital is offset in part by a decrease in overtime forecast for 2013 and 2014.

Cost Driver 2 – Contracts & Software

GLPT is responsible for all operating and maintenance expenses associated with the existing SCADA system, as well as for the new SCADA system. While GLPT will reduce maintenance costs with the replacement of the older SCADA system, the maintenance costs related to the new system will create upward pressure on OM&A, particularly for services provided by third parties, such as software updates and support. This upward pressure more than offsets the cost decrease related to reduced maintenance. As a result, contract costs are expected to increase by approximately $67,000 related to preventative maintenance provided by third parties for the new SCADA system in 2013 and remain consistent for 2014.

Cost Driver 3 – Fibre Lease

GLPT currently uses a fibre optic communication system that is used to transmit SCADA data, telephone communications, corporate business data, protective relay signals, telemetry, truck radio voice circuits and IESO metering information. The system uses fibre optic laser technology to transmit control and voice signals between transmission stations. The fibre optic system is very reliable and mitigates the problems associated with transmitting communications and data signals through the high voltage environment of GLPT's transmission system. Pursuant to an agreement dated June 30, 2009, GLPT obtained a licence from GLPL to use the system for a three year term, with an option for a one-year renewal term upon expiry of the agreement.

GLPT intends to extend the agreement under the existing terms and conditions for one year from July 1, 2012 to June 30, 2013. However, the existing fibre network owned by GLPL will be upgraded over that term to help ensure the reliability of the IESO controlled grid. The upgrades relate to the replacement of end-of-life and obsolete equipment. Therefore, upon renewal on July 1, 2013, GLPT's lease costs are forecast to increase by an annual amount of approximately $72,000. Half of this amount has been reflected as an incremental cost in 2013, and half in 2014.

GLPT intends to continue to extend the agreement through the test period. In 2014, as per the lease agreement, GLPT's proportionate share of the depreciation cost of the fibre optic system will be approximately $140,000. Assuming a useful life for accounting purposes of 15 years, and a cost of capital rate of 7.5%, GLPT's current annual cost of $140,000 is representative of a rate base amount of approximately $1,000,000.[2] Therefore, to the extent that the cost of installing a new fibre optic system is greater than $1,000,000, it is more cost-efficient to continue to lease the existing system. GLPT conservatively estimates that the cost of replacement would be in excess of $5,000,000. Therefore, GLPT's cost in extending the agreement through the test period is still competitive relative to the cost that would otherwise be incurred if GLPT elected to install its own fibre optic system.

[2] $1,000,000 / 15 years + $1,000,000 * 7.5% = $141,667.

Account 4850 – Rents

OM&A	2012 Forecast	2013 Test Year	2014 Test Year
Previous Year Total	$69.776	$69.776	$71.939
Cost Driver 1 - Inflation & Other		2.163	2.230
Current Year Total	**$69.776**	**$71.939**	**$74.169**

GLPT does not anticipate any material variances within this account.

Account 4910 – Maintenance of Transformer Station Buildings and Fixtures

OM&A	2012 Forecast	2013 Test Year	2014 Test Year
Previous Year Total	$71.836	$71.836	$79.218
Cost Driver 1 - Generator Maintenance		5.155	
Cost Driver 2 - Inflation & Other		2.227	2.456
Current Year Total	**$71.836**	**$79.218**	**$81.674**

Cost Driver 1 – Generator Maintenance

In 2011 GLPT purchased and installed a new emergency dual fuel generator at its office complex in Sault Ste. Marie. The generator provides emergency back up power to critical communication and business information systems as well as the SCADA systems operated by the GLPT System Control Centre. The generator is available to provide power to ancillary services that facilitate system restoration and to critical business infrastructure that facilitate business continuity in the event of a power failure. The incremental annual preventative maintenance costs related to the new generator are forecast to be approximately $5,000 on an annual basis.

Account 4940 – Maintenance of Overhead Lines – Right of Way

OM&A	2012 Forecast	2013 Test Year	2014 Test Year
Previous Year Total	$1,262.379	$1,262.379	$1,301.513
Cost Driver 1 - Inflation & Other		39.134	40.347
Current Year Total	**$1,262.379**	**$1,301.513**	**$1,341.860**

GLPT intends to continue its six year Right of Way maintenance cycle with no material variances forecast for 2013 or 2014.

Account 4945 – Maintenance of Overhead Lines – Roads & Trails

OM&A	2012 Forecast	2013 Test Year	2014 Test Year
Previous Year Total	$113.940	$113.940	$117.472
Cost Driver 1 - Inflation & Other		3.532	3.642
Current Year Total	**$113.940**	**$117.472**	**$121.114**

GLPT intends to continue its existing roads and trails maintenance cycle with no material variances forecast for 2013 or 2014.

Account 5605 – Executive Salaries and Expenses

OM&A	2012 Forecast	2013 Test Year	2014 Test Year
Previous Year Total	$771.010	$771.010	$1,048.279
Cost Driver 1 - Corporate Cost Allocation		263.517	
Cost Driver 2 - Labour & Related		547.833	
Cost Driver 3 - East-West Tie Allocation		(557.983)	231.121
Cost Driver 4 - Inflation & Other		23.902	32.497
Current Year Total	**$771.010**	**$1,048.279**	**$1,311.897**

Cost Driver 1 – Corporate Cost Allocation

In GLPT's 2010 rate application (EB-2009-0408), $298,571 in corporate cost allocation was sought as a part of OM&A. However, the settlement agreement approved by the Board in that proceeding did not explicitly specify which OM&A amounts were included in rates.

In the 2011 and 2012 test years GLPT once again sought recovery of the costs associated with these corporate services; however in this application GLPT proposed a phase-in approach to mitigate impacts on OM&A in 2011 and 2012. GLPT proposed to include approximately one third of the total allocation in each year, or $100,000 and $200,000 for 2011 and 2012, respectively. GLPT's proposed OM&A was approved as part of a settlement in that proceeding

and recovered in rates. In 2012 it is forecast that GLPT will bear its share of the corporate cost allocation to the extent that it is included in approved revenue requirement (i.e., $200,000).

GLPT revisited its cost allocation methodology. As described in more detail in Exhibit 4, Tab 2, Schedule 4, GLPT engaged Navigant Consulting Ltd. ("Navigant") to perform an analysis of the allocation of corporate costs associated with services provided to GLPT from affiliated companies. Navigant's analysis was based upon allocation approaches commonly used by regulated utilities. The analysis indicates that a corporate cost allocation to GLPT of $469,717 for 2013 and $484,278 for 2014 is reasonable.[3] This finding was supported by a benchmarking analysis completed by Navigant which compared the relative level of the corporate cost allocations for GLPT to other similar utilities in Ontario. Based on this analysis the proportionate share of corporate cost allocation for GLPT is less than one-half the weighted average for the comparable peer group of utilities in Ontario.

Cost Driver 2 – Labour & Related Costs

GLPT has a wide range of business needs, including obligations to outside stakeholders, capital investment requirements, regulatory responsibilities, human resources management, financial management, legal, environmental, health and safety and IT. The management team in place at GLPT is appropriately structured to provide effective and efficient management for this wide range of business activities that are necessary for running an Ontario-based transmission utility that is responsible for a system that supports the bulk electric system in the province. The costs

[3] Even when the 3.1% inflationary increase is factored into the amount that is already included in revenue requirement, there remains an incremental cost to GLPT in the test years, as displayed in the table for Account 5605.

associated with the senior management team are prudent and reasonable and therefore should be included in GLPT's OM&A.

As described in the EB-2010-0291 proceeding, GLPT's management team spent a portion of its time on development-related activities in 2010, 2011 and 2012, and in doing so allocated some of its time and expenses to GLPT's green energy deferral account, approved in EB-2009-0409. Subject to the offsetting amounts described below, in this application GLPT's 2013 and 2014 OM&A expenses would reflect the full cost of GLPT's senior management team, as the management team in place is appropriate for GLPT and the costs are being incurred prudently.

Cost Driver 3 – East-West Tie Line

As noted above, GLPT's management team allocated costs to its green energy deferral account in 2010, 2011 and 2012. These costs were related to the East-West Tie Line proceeding (EB-2011-0140). As described in Exhibit 9, Tab 4, Schedule 1, these costs are the responsibility of EWT LP, and as a result they have been removed from GLPT's approved deferral account and will be recovered by GLPT from EWT LP.

EWT LP will bear the full responsibility for these costs. Therefore, to the extent that GLPT expects time and expenses to be allocated to this project in the 2013 and 2014 test years, GLPT has reduced its core OM&A to reflect the costs being recovered from EWT LP.

GLPT's assumption for the 2013 test year is that a significant amount of its senior employees' time will be spent on the EWT Line project. Specifically, GLPT expects that its Vice President /

General Manager, Vice-President, Regulatory and Legal, and its Director of Administration will allocate approximately one third of their time, while its Vice President, Project Development will allocate 100% of available time to EWT Line activities. In addition, GLPT anticipates that there are incremental travel, consulting and administrative costs of approximately $100,000 that will be allocated to EWT LP. The collective impact of these allocations results in a net reduction to 2013 core OM&A of approximately $550,000. This offsets the senior management costs included in OM&A.

GLPT is anticipating that in 2014, the services of its Vice President / General Manager, Vice-President, Regulatory and Legal, and its Director of Administration will no longer be required for the EWT Line initiative. GLPT is forecasting that these employees will return their attention to GLPT in full. This results in an increase in GLPT's OM&A for 2014 over 2013 created by a decrease in the level of costs forecast to be allocated to EWT LP. In light of the decrease in costs forecast to be allocated to EWT LP in 2014, the net impact on GLPT's 2014 core OM&A is a reduction of approximately $340,000, which leaves a net increase to OM&A.

As described in Exhibit 9, Tab 2, Schedule 1, GLPT is seeking approval for a variance account to capture any variances that arise related to cost allocations to East-West Tie Line initiatives. Specifically, to the extent that GLPT allocates more or less than $550,000 and $340,000 to EWT LP in 2013 and 2014, respectively, GLPT would record the variance in the proposed account. The forecasted allocation is a material amount of GLPT's core OM&A for each year, and GLPT submits that the costs to be incurred are prudent costs. Therefore, to the extent that the actual allocation is greater than or less than the forecast, GLPT submits that a variance account would

appropriately protect the interests of both GLPT and Ontario's transmission ratepayers.

Account 5615 – General Administrative Salaries

OM&A	2012 Forecast	2013 Test Year	2014 Test Year
Previous Year Total	$1,188.812	$1,188.812	$1,309.692
Cost Driver 1 - IT Admin		84.027	
Cost Driver 2 - Inflation & Other		36.853	40.600
Current Year Total	**$1,188.812**	**$1,309.692**	**$1,350.292**

Cost Driver 1 – Information Technology Administration

In the 2013 Test Year GLPT is forecasting an increase in IT administration costs related to the following items:

- $19,000 for technical support related to GLPT's new Geographic Information System ("GIS") which is used to support GLPT's vegetation management program, assist with property matters, and store critical information on assets throughout GLPT's transmission system, among other things.
- $19,000 related to a new firewall program required to support and protect GLPT's new SCADA system.
- $46,000 related to increases in various licencing and maintenance costs, including:
    - licencing for other software programs such as Autocad, NGS IQ and Repliweb, among others,
    - maintenance of GLPT's telephone system,
    - antivirus software,
    - hardware maintenance on GLPT's servers, and

- increased firewall monitoring.

Account 5620 – Office Supplies and Expenses

OM&A	2012 Forecast	2013 Test Year	2014 Test Year
Previous Year Total	$230.140	$230.140	$237.274
Cost Driver 1 - Inflation & Other		7.134	7.356
Current Year Total	**$230.140**	**$237.274**	**$244.630**

GLPT does not anticipate any material variances within this account.

Account 5630 – Outside Services Employed

OM&A	2012 Forecast	2013 Test Year	2014 Test Year
Previous Year Total	$669.996	$669.996	$790.773
Cost Driver 1 - Rate Application		(103.100)	103.100
Cost Driver 2 - Admin Programs		48.457	(7.217)
Cost Driver 3 - Covenant Requirements		154.650	(159.444)
Cost Driver 4 - Inflation & Other		20.770	24.514
Current Year Total	**$669.996**	**$790.773**	**$751.726**

Cost Driver 1 – Regulatory Applications

GLPT anticipates that regulatory activity will decrease in 2013 compared to 2012 as a result of limited regulatory activity planned for the year. It is forecast that GLPT will incur costs in 2014 that are similar to the 2012 levels for the preparation of a 2015 rate application.

Cost Driver 2 – Administrative Programs

In 2013 GLPT is forecasting that costs will increase as a result of two main cost drivers. The first cost driver is related to professional services required to maintain and service the new GIS system. While GLPT will provide as much support as possible internally, some external support will be required related to upgrades, troubleshooting, patching and updating code. GLPT is

forecasting that it will spend approximately $35,000 related to these types of activities in each test year.

The second cost driver is explained in greater detail in GLPT's Confidential Filing.

Cost Driver 3 – Covenant Requirements

In accordance with GLPT's Deed of Trust dated March 12, 2008 governing its outstanding debt, GLPT must furnish "on each five year anniversary of this indenture, a copy of a current report assessing the overall condition of the Power Assets with such report being addressed to the bondholders and prepared by a nationally recognized and accredited engineering and consulting firm with expertise and experience in reviewing assets of a nature similar to the Power Assets."

GLPT is forecasting that costs will be incurred in 2013 to produce such a report for March 12, 2013. It is forecast that these costs will only be incurred every five years, and as a result are not included in GLPT's forecast OM&A for 2014.

Account 5635 – Property Insurance

OM&A	2012 Forecast	2013 Test Year	2014 Test Year
Previous Year Total	$250.000	$250.000	$257.750
Cost Driver 1 - Inflation & Other		7.750	7.990
Current Year Total	**$250.000**	**$257.750**	**$265.740**

GLPT does not anticipate any material variances within this account.

Account 5655 – Regulatory Expenses

OM&A	2012 Forecast	2013 Test Year	2014 Test Year
Previous Year Total	$164.948	$164.948	$170.061
Cost Driver 1 - Inflation & Other		5.113	5.272
Current Year Total	**$164.948**	**$170.061**	**$175.333**

GLPT does not anticipate any material variances within this account.

Account 5665 – Miscellaneous General Expense

OM&A	2012 Forecast	2013 Test Year	2014 Test Year
Previous Year Total	$38.348	$38.348	$39.537
Cost Driver 1 - Inflation & Other		1.189	1.226
Current Year Total	**$38.348**	**$39.537**	**$40.762**

GLPT does not anticipate any material variances within this account.

Account 5680 – Electrical Safety Authority Fees

OM&A	2012 Forecast	2013 Test Year	2014 Test Year
Previous Year Total	$21.000	$21.000	$21.651
Cost Driver 1 - Inflation & Other		0.651	0.671
Current Year Total	**$21.000**	**$21.651**	**$22.322**

GLPT does not anticipate any material variances within this account.

Exhibit 4, Tab 2, Schedule 3

Employee Compensation

EMPLOYEE COMPENSATION

In accordance with the Filing Requirements, GLPT has provided the following table outlining employee compensation for the period of 2010 actual to the 2013 and 2014 test years. **Appendix "A"** of this schedule outlines GLPT's approach to employee incentive pay. **Appendix "B"** of this schedule is GLPT's current collective agreement with the Power Workers' Union. GLPT's current collective agreement expires on December 31, 2012. Negotiations with the Power Workers' Union are planned to take place in Q3-Q4 of 2012 to establish a new agreement to be effective January 1, 2013.

As indicated in *Table 4-2-3 A*, with the exception of one added staff member that is being added in 2014 for succession planning, GLPT is not forecasting any growth in its total employee count. GLPT has established a core team of employees to operate and manage its transmission system and will continue to maintain its workforce through training, development and succession planning.

Table 4-2-3 A – Employee Compensation (part 1 of 2)

	2010 Actual	2011 Actual	2012 Approved	2012 Forecast	2013 Test Year	2014 Test Year
Number of FTE's (Incl. Part Time)						
Union	24.2	24.5	28.2	25.6	25.6	26.6
Non-Union	24.4	26.1	25.5	26.8	26.8	26.8
Total	**48.6**	**50.7**	**53.7**	**52.4**	**52.4**	**53.4**
Number of Part Time Employees						
Union	0.7	0.3	0.5	-	-	-
Non-Union	3.7	1.9	0.5	1.8	1.8	1.8
Total	**4.3**	**2.3**	**1.0**	**1.8**	**1.8**	**1.8**
Total Salary & Wages ($000's)						
Union	$1,841.7	$1,940.6	$2,169.6	$2,082.1	$2,146.7	$2,296.5
Non-Union (Excludes Incentive Pay)	$1,860.4	$1,977.6	$2,034.0	$2,072.7	$2,137.0	$2,203.2
Total	**$3,702.1**	**$3,918.2**	**$4,203.6**	**$4,154.9**	**$4,283.7**	**$4,499.7**
Current Benefits ($000's)						
Union	$306.4	$287.6	$361.1	$317.3	$335.6	$361.6
Non-Union	$285.6	$310.9	$341.2	$348.9	$359.7	$370.8
Total	**$592.0**	**$598.5**	**$702.3**	**$666.1**	**$695.2**	**$732.4**
Accrued Pension & Post-Retirement Benefits ($000's)						
Union	$502.3	$528.7	$440.0	$459.7	$473.9	$508.7
Non-Union	$382.6	$425.6	$344.0	$457.7	$471.9	$486.5
Total	**$884.9**	**$954.3**	**$784.0**	**$917.3**	**$945.8**	**$995.2**
Total Benefits ($000's)						
Union	$808.7	$816.4	$801.1	$776.9	$809.5	$870.3
Non-Union	$668.3	$736.5	$685.2	$806.5	$831.5	$857.3
Total	**$1,477.0**	**$1,552.9**	**$1,486.3**	**$1,583.5**	**$1,641.0**	**$1,727.6**
Total Compensation ($000's) (Salary, Wages & Benefits)						
Union	$2,650.4	$2,757.0	$2,970.7	$2,859.1	$2,956.2	$3,166.9
Non-Union (Includes Incentive Pay)	$2,791.4	$3,073.1	$2,966.7	$3,150.7	$3,248.4	$3,349.1
Total	**$5,441.8**	**$5,830.1**	**$5,937.4**	**$6,009.8**	**$6,204.5**	**$6,515.9**

Table 4-2-3 A – Employee Compensation (part 2 of 2)

	2010 Actual	2011 Actual	2012 Approved	2012 Forecast	2013 Test Year	2014 Test Year
Compensation - Average Yearly Base Wages ($000's)						
Union	$72.5	$74.2	$73.0	$75.7	$78.1	$80.4
Non-Union (Excludes Incentive Pay)	$76.3	$75.7	$79.8	$77.3	$79.7	$82.2
Compensation - Average Yearly Overtime ($000's)						
Union	$7.1	$9.4	$8.9	$9.4	$9.7	$9.8
Non-Union	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Compensation - Average Incentive Pay ($000's)						
Union	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Non-Union	$10.8	$13.7	$9.7	$10.1	$10.4	$10.8
Compensation - Average Yearly Benefits ($000's)						
Union	$33.4	$33.3	$30.2	$30.4	$31.6	$32.7
Non-Union	$27.4	$28.2	$26.9	$30.1	$31.0	$32.0
Grand Total						
Total Compensation	**$5,441.8**	**$5,830.1**	**$5,937.4**	**$6,009.8**	**$6,204.5**	**$6,515.9**
Total Compensation charged to OM&A	**$4,958.8**	**$5,049.5**	**$5,234.1**	**$5,214.1**	**$5,599.9**	**$5,892.5**
Total Compensation Capitalized	**$483.1**	**$780.6**	**$703.4**	**$795.7**	**$604.6**	**$623.4**

APPENDIX "A"

EMPLOYEE INCENTIVE PLAN EXPENSE

1.0 Description

All permanent, non-union employees with at least three months of service participate in GLPT's variable pay program. The target incentive compensation ranges from 5% to 25% of base salary. Depending on performance results, the incentive compensation paid out can range from zero to two times the target incentive compensation. As an example, an employee with a target incentive pay of 10% may receive actual incentive pay ranging anywhere from 0% to 20% of base salary, depending upon performance in the year. It is GLPT's goal that over the course of an employee's employment with GLPT, the employee will on average meet their target level of performance. As such, GLPT forecasts its incentive pay expense in the test years assuming that each employee will achieve but not exceed the target. To the extent GLPT employees achieve higher than the budgeted incentive pay, this is at the shareholder's direct expense. GLPT believes that its performance incentives are tight but attainable.

2.0 Performance Measures

The employee incentive plan is based on three key performance criteria. The key performance criteria include GLPT corporate performance (40%), working group performance (40%) and individual performance (20%).

2.1 GLPT Corporate Performance

GLPT corporate performance objectives are determined at the beginning of the year based on the annual operating plan and is tied directly to Net Operating Income ("NOI"). The extent to which GLPT meets its performance objectives will determine the incentive paid under the GLPT corporate performance criteria.

2.2 Working Group Performance

Working group performance objectives are based against specific goals that are relevant to each working group. Working groups are determined based on duties and functions within the organization and the duties and functions of the organization as a whole. The common working group performance objectives include:

Health and Safety

- Zero high-risk incidents and zero lost time injuries related to gravity, electrical and mechanical;
- Maintain an effective health & safety management system; and
- Continue to reinforce and promote safe work practices and management team commitment to health and safety, within the organization and the public.

In addition to the intrinsic, self-evident value of health and safety, this is to the benefit of the ratepayer as safety incidents affect productivity and work completion and also can be costly in respect of work stoppage, investigation, legal review and rehabilitation.

Environment

- Maintain an effective environmental management system;
- Continue to reinforce and promote strong environmental practices and maintain a management team commitment to public safety and environmental stewardship within the organization and the public; and
- Zero high risk incidents (e.g., no spills or species endangerment).

This benefits ratepayers by avoiding costs from spills and other environmental issues.

Operations, Maintenance and Administration Costs

- All planned work accomplished within established OM&A budget.

Capital Budget

- Ensure projects are managed on scope, schedule and budget; and
- Ensure that all capital projects are completed as per plan with respect to budget and scope. Project actual spending not to exceed + or – 10% variance to budget.

This benefits ratepayers by increasing the reliability and performance of the transmission system.

2.3 Individual Performance

Individual performance measures an individual's contribution to the achievement of the objectives of their working group and GLPT. The individual contribution is assessed in terms of results achieved by the employee against individual goals, as well as competencies demonstrated in meeting these deliverables. Key competencies include create value, foster teamwork, deliver results, make a difference, and provide leadership.

GLPT's Annual Incentive Compensation Plan expense for 2010 through the 2013 and 2014 test years can be found in *Table 4-2-3 A* above.

APPENDIX "B"

COLLECTIVE AGREEMENT

AGREEMENT entered into this 18th day of February 2010 (to take effect January 1, 2010)

Between

GREAT LAKES POWER LIMITED(GLPL)/GREAT LAKES POWER TRANSMISSION LP(GLPT)

(hereinafter called the "Company")

- and -

POWER WORKERS' UNION
CUPE LOCAL 1000

(hereinafter called the "Union")

Article 1 RECOGNITION

1.1 The Company recognizes the Power Workers' Union – CUPE Local 1000 as the bargaining agent for all employees except foreman, persons above the rank of foreman, office staff and construction staff. The Company shall recognize and bargain with the regular committees as established by this agreement.

Article 2 RELATIONSHIP

2.1 It is recognized that the business of the Company is continuous and that the employees must be prepared to assist in maintaining service at all hours of the day or night, if available.

2.2 No employee shall be discriminated against by the Company or by the Union because he/she is or is not a member of the Union, because of Union activities or because of exercising his/her right provided by law or by this agreement.

2.3 The Company recognizes the need to keep employees informed of planned technological changes that would impact significantly on jobs. The Company also recognizes the need to consider re-deployment and retraining as preferred alternatives when introducing new technology.

2.4 Senior employees are expected to give assistance in training junior employees.

2.5 The Company and the employees covenant that they will co-operate to the fullest extent in carrying out the terms of this agreement. This will be accomplished by the process outlined in Article 17.

2.6 Human Rights

The Company will maintain a non-discrimination policy and actively pursue a non-discriminatory work environment.

Article 3 MANAGEMENT RIGHTS

3.1 The Company has and shall retain the exclusive right and power to manage its business and direct its working force including, but without limiting the generality of the foregoing, the right to hire,

suspend, discharge for just cause, promote, demote and discipline any employee, subject to the terms of this agreement.

Article 4 UNION SECURITY

4.1 All employees, as a condition of employment, who have completed thirty (30) days employment, will be required to authorize deductions from pay in an amount equal to the current monthly union dues as determined by the Union.

4.2 During the term of this agreement, the Company agrees to deduct regular union dues from the wages of each employee in the bargaining unit. The current monthly dues will be deducted in equal amounts from each pay received in the calendar month, and shall be remitted to the Financial Officer of the Union within ten (10) working days of the final monthly deduction.

4.3 Notwithstanding Clause 4.2, in consideration of deductions of dues by the Company, the Union agrees to indemnify and save harmless the Company against any claim or liability arising out of or resulting from the collection of these dues.

4.4 Employees excluded from the bargaining unit shall not perform work normally done by employees within the bargaining unit unless such work is an emergency and regular employees are not available, or for testing purposes, or for instruction or training purposes.

4.5 When the Company schedules a meeting with an employee to discuss work performance, the employee has the right to request a Union representative to attend.

4.6 Annually, the supervisor will review the employee file for letters of reprimand and the supervisor will determine whether the current behaviour warrants removal of the letter, if not a meeting will be arranged where the employee may have a Union representative in attendance and a plan shall be established with the employee's co-operation which, if followed, will ultimately result in removal of the letter.

Article 5 EMPLOYEE CATEGORIES

5.1 Definition of Employees

Temporary Employee: is an employee who is hired for a specific purpose and for a limited duration (up to nine (9) months). An extension of a maximum of an additional three (3) months will be by mutual consent of the Company and the Union. The Company may terminate his/her employment at any time by giving at least one (1) week's notice.

It is understood and agreed that only Article 4, Article 7, Article 8, and Article 21 and those benefits required by law shall apply to temporary employees.

Temporary employees will be hired at a job class which reflects the job to be done and the required skills/knowledge of the individual hired. A temporary employee may, with employer approval, be put into a job class category up to Class B in any Power Workers' Union – CUPE Local 1000 job class as outlined in this Collective Agreement.

At nine (9) months when a temporary job is to continue as per Article 5.1 or the Company's decision in other cases, the following will occur:

(a) The incumbent of a temporary position will be offered health benefit coverage equivalent to Blue Choice Hospital Health Plan. The Company will pay ninety per cent (90%) of the premium.

(b) Seniority will be established and will accumulate as from the date of hire i.e. in the event a temporary is hired into a regular job in the Company, he/she will bring seniority equivalent to the number of months of continuous service as a temporary prior to accepting the regular posting.

The Principle Steward will be notified prior to temporary employees being hired detailing the work they will be performing and the duration of the assignment.

Probationary Employee: is an employee who is hired to determine his/her suitability for employment. An employee shall be considered probationary for **six (6)** continuous calendar months. If the employee is retained, his/her seniority shall commence from his/her original date of employment.

Regular Employee: is an employee of the Company who has successfully completed the probationary period.

5.2 Seniority shall be defined as the length of service a regular employee has established with the Company from the day the employee last entered the employ of the Company. An employee shall lose seniority rating under any of the following conditions:

(1) the employee resigns and is not rehired within ten (10) working days;

(2) the employee is discharged and not reinstated;

(3) the employee is laid off for a period exceeding eighteen (18) calendar months;

(4) the employee fails to return to work after layoff within fourteen (14) calendar days after being notified by registered mail to do so. If such failure to return is caused by sickness certified by a duly qualified medical practitioner, the time for return while prevented by illness shall be extended for a further period not to exceed a maximum of six (6) calendar months;

(5) the employee retires.

5.3 When an employee is placed on LTD his/her vacation and recognized holiday pay shall be prorated on the basis of time worked thereafter.

An employee, receiving benefits from the Workers' Safety and Insurance Board for illness or injury arising out of the duties of their job, shall also receive an additional payment from the Company which will be the lesser of ten per cent (10%) of the employee's normal wage or the amount necessary that, when combined with the pre-tax equivalent of the compensation payments, will bring the total equivalent gross payments from the two sources to one hundred per cent (100%) of the employee's normal wage. The Union will work with the Company and the injured worker to achieve the earliest reasonable return to work for the injured worker.

When an employee is receiving WSIB benefits for a period greater than one (1) year, his/her vacation and recognized holiday pay shall be prorated on the basis of time worked thereafter.

Article 6 STRIKES AND LOCKOUTS

6.1 There shall be no lockout by the Company and no interruption, work stoppage, strike, sit-down, or picketing of the operation of the Company's system by an employee or employees during the life of this agreement.

6.2 The Company agrees that hourly rated employees will not be required to cross picket lines except to perform duties required for the operation of the Company's system and the maintenance of machinery and equipment within the Company's system and under no circumstances will an individual employee or group of employees be required to use force in the crossing of a picket line.

Article 7 GRIEVANCE AND ARBITRATION PROCEDURE

7.1 Disagreements relating to the interpretation, application, administration or alleged violations of this agreement shall be considered fit matter for grievance and shall be promptly dealt with in the following manner:

All grievances and replies to grievances must be set out in writing in all steps and shall be addressed through normal line management.

Step 1

The alleged grievance must be submitted in writing to the supervisor responsible for his/her area and department within fifteen (15) working days of the event which gave rise to the grievance or, in the case of a monetary item, within fifteen (15) working days of receipt of the employee's pay. Within five (5) working days of submitting the alleged grievance, the employee, assisted by a steward, shall take up the matter with the supervisor responsible for his/her area. Failing settlement within five (5) working days of Step 1, the grievance may be processed within the next ten (10) working days to Step 2. Step 1 may be eliminated with reference to any grievance for discharge or suspension.

Step 2

Within ten (10) working days of notifying the Vice President/General Manager of the Company or his/her alternate of invoking Step 2, the grievance committee of the Union shall meet with the Vice President/General Manager or his/her alternate. The reply of the Company to the grievance at Step 2 will be made to the grievor and the Principle Steward or his/her alternate within ten (10) working days of the meeting. Failing settlement at Step 2, within thirty (30) calendar days from the date of the reply of the Vice President/General Manager, or his/her alternate, the grievance may be processed to arbitration as defined in the current Labour Relations Act of Ontario.

7.2 Permission will be granted to stewards to deal with grievances arising in their own work areas. Time spent by the steward investigating and settling such grievances will be without loss of normal earnings. A steward will not absent himself/herself from his/her normal work area without permission of the supervisor in charge.

7.3 The Company shall grant leave without loss of normal earnings to employees who are members of a grievance committee acting under Step 2 of the grievance procedure and to employees when attending a meeting called by the Company. When a steward who is working away from his/her normal work area attends a meeting called by the Company or attends a meeting under this procedure, the Company will provide transportation, if available, or will pay mileage in order for the said steward to attend such meetings.

7.4 Grievances affecting more than one employee, or any grievance brought forward by the Company, or where differences arise between the Company and the Union concerning the interpretation

or general application of this agreement which may be considered as policy matters, shall be submitted in writing by either party within seven (7) working days of the alleged occurrence and shall be dealt with in the manner provided in the grievance procedure commencing at Step 2. It is the intention of the parties that the filing of policy grievances by an employee or employees shall not be used to bypass the regular grievance procedure.

7.5 Local Union officers, stewards, and committee members who are employees of the Company, shall have the right to originate a grievance for an employee on behalf of employees concerned, in the manner prescribed in the grievance procedure. The grievors involved shall be listed on the grievance form.

7.6 The parties agree that all grievances shall be submitted to single panel arbitration. The arbitrator shall be selected from a pool of arbitrators that are mutually agreed to by the parties. It is agreed by the parties that the arbitrator shall not have the power to alter or to change any of the provisions of this agreement, or to substitute any new provisions for any existing provisions or to provide a decision which is inconsistent with the terms of this agreement, providing that they are not in conflict with any legislation affecting the parties.

7.7 The Union shall have the right at any time to have the assistance of representatives of the Power Workers' Union - CUPE Local 1000 when dealing or negotiating with the Company.

Article 8 WORK SCHEDULES AND WAGE PROVISIONS RELATING THERETO

PART 1 – GENERATION EMPLOYEES

8.1 Hours of Work

(a) Sault Ste. Marie Employees

Normal Hours of Work

To work eight (8) hours per day, five (5) days per week, Monday through Friday, so as to work forty (40) hours per week, 0800 hours to 1630 hours with one-half (1/2) hour allowance for lunch between 1200 hours and 1300 hours, but can be adjusted through department consensus and Company approval. When an adjustment is in effect, the Company reserves the right to return to normal hours, providing they give seven (7) calendar days notice. Failure to give the appropriate notice to the employee's will require applicable premium rate to be paid for all regular hours worked until such seven (7) days has elapsed after the original notice has been given.

Optional Hours of Work – Maintenance Employees

To work ten (10) hours per day on a seven (7) day shift schedule so as to work on average forty (40) hours per week.

The hours of work shall normally be from 0700 hours to 1730 hours with one-half (1/2) hour allowance for lunch between 1200 and 1300 hours.

(b) Wawa Employees

Normal Hours of Work

To work eight (8) hours per day, five (5) days per week, Monday through Friday, so as to work forty (40) hours per week, 0800 hours to 1630 hours, with one-half (1/2) hour for lunch between 1200 hours and 1300 hours, but can be adjusted through department consensus and Company approval. When an adjustment is in effect, the Company reserves the right to return to normal hours, providing they give seven (7) calendar days notice. Failure to give the appropriate notice to the employee's will require applicable premium rate to be paid for all regular hours worked until such seven (7) days has elapsed after the original notice has been given.

Optional Hours of Work – Wawa Employees

To work ten (10) hours per day, four (4) consecutive days per week, Monday through Friday. The hours of work shall normally be from 0700 hours to 1730 hours with one-half (1/2) hour for lunch between 1200 hours and 1300 hours.

(c) Special Shifts When Necessary (Temporary Employees Only)

Temporary employees will work the established shift at straight time, up to forty (40) hours per week, after which the rates in 8.2 apply.

(d) Shift Schedule for Planned Generation Maintenance, Planned Major Maintenance and Associated Work

A shift schedule may be established at the discretion of the Company (Sault Hydro, Wawa Hydro) for planned generation maintenance, and associated work. The following provisions shall apply to every such shift schedule:

(i) An outage schedule shall be posted annually giving the dates and proposed locations of work when the schedule will apply. Applicable rates shall apply as per Article 8.1 normal hours of work and Article 8.2 overtime. The employees will be given an opportunity to volunteer to work the outage schedule. Employees shall be assigned as necessary to obtain required crew compliment. Employees shall be assigned to the schedule with a minimum of twenty-one (21) days notice. It is recognized that employees beginning or ending a scheduled vacation period will not normally be included on the weekends preceding or following their vacation period.

(ii) Every employee will normally be required to work a maximum of five (5) weeks on the maintenance schedule. If an outage is cancelled with more than two (2) weeks notice the normal hours of work shall be resumed. If an outage is cancelled with less then (2) weeks notice, then the outage shall count as one of the five (5) required outages. The affected employees shall be given the option to work as scheduled or revert to the normal hours of work.

(iii) Each employee on the outage schedule will be scheduled to receive forty (40) hours of pensionable time per week so as to average approximately two thousand and eighty (2,080) pensionable hours per year.

(iv) Consecutive days off shall be scheduled during the normal work week (Monday to Friday) for each employee on the shift schedule.

(v) At the Company's request, employees who voluntarily work on time off scheduled in Article 8.1 (d) (iv) shall be paid at straight time-overtime, for the normal working hours (as defined in Article 8.1). Employees required to work due to a forced outage shall be paid at rates specified in Article 8.2.

(vi) The shift cycle may consist of shifts of eight (8) hours over five (5) consecutive days, ten (10) hours over four (4) consecutive days, or twelve (12) hours per day so as to average forty (40) hours per week, at the discretion of the Company in consultation with the affected employees.

(e) Other Employees (Day Workers)

Normal Hours of Work

To work eight (8) hours per day, five (5) days per week, Monday through Friday, so as to work forty (40) hours per week, 0800 hours to 1630 hours with one-half (1/2) hour allowance for lunch between 1200 hours and 1300 hours, but can be adjusted through department consensus and Company approval. When an adjustment is in effect, the Company reserves the right to return to normal hours, providing they give seven (7) calendar days notice. Failure to give the appropriate notice to the employee's will require applicable premium rate to be paid for all regular hours worked until such seven (7) days has elapsed after the original notice has been given.

PART 2 – TRANSMISSION EMPLOYEES

(a) Normal Hours of Work

To work eight (8) hours per day, five (5) days per week, Monday through Friday, so as to work forty (40) hours per week, 0800 to 1630 hours, with one-half (1/2) hour for lunch between 1200 hours and 1300 hours but can be adjusted through department consensus with Company approval. When an adjustment is in effect, the Company reserves the right to return to normal hours, providing they give seven (7) calendar days notice. Failure to give the appropriate notice to the employee's will require applicable premium rate to be paid for all regular hours worked until such seven (7) days has elapsed after the original notice has been given.

(b) Exceptions to Normal Hours of Work

1. Equipment Mechanics

To work eight (8) hours per day, five (5) days per week, from Monday to Saturday, so as to work forty (40) hours per week, between the hours of 0700 hours and 1530 hours with one-half (1/2) hour for lunch but, can be adjusted through department consensus with superintendent approval.

One person shift – Tuesday through Friday – 1300 to 2130 and, Saturday – 0700 to 1530 so as to work forty (40) hours per week, based on seniority.

2. Optional Hours of Work

To work ten (10) hours per day, four (4) consecutive days per week, Monday through Friday, with one-half (1/2) hour for lunch between 1200 hours and 1300 hours. Hours of work will be scheduled between the hours of 0700 to 1730 hours or 0800 to 1830 hours, so as to work on average forty (40) hours per week. These optional hours may be implemented when mutually agreed by impacted staff and the supervisor. Optional hours will be implemented when there is a supporting business case and no negative customer impact.

(c) System Control Employees

(i) 7 day week

The Company requires certain employees to work rotating shifts on a seven (7) day per week schedule in its system control operations. The Company will provide seven (7) days notice to affected employees when it is required to transfer the employee from/to the seven (7) day operation shift schedule or any change to the existing shift schedule. Rotational opportunities, such as training and project work, will be identified on the shift schedule and can be established outside the current schedule. Failure to give the appropriate notice to the employee will require applicable premium rate to be paid for all regular hours worked until such seven (7) days has elapsed after the original notice has been given.

A twelve (12) month schedule will be posted thirty (30) days prior to its starting date. The schedule will average forty (40) hours per week and will indicate the days, hours of work (shift) and position for each employee. The regular schedule will be prepared so that each employee's time is balanced to zero plus or minus eight (8) hours.

Rotational opportunities may exist within the department and assignments will be considered on a voluntary basis. The employee will be compensated at the appropriate rate. These rotational opportunities will be limited to ninety (90) days and not intended to fill a vacancy.

Normal Hours of Work

To work eight (8) hours per day so as to work forty (40) hours per week with, where possible, two (2) consecutive days off after completion of forty (40) hours but, can be adjusted through department consensus and Company approval.

The shift shall normally be:

Day Shift	-	0800 hours to 1600 hours
Afternoon Shift	-	1600 hours to 2400 hours
Midnight Shift	-	2400 hours to 0800 hours

Current Schedule (Senior Operators/Second Operator Performing Outage Coordinator Duties)

To work ten (10) hours per day on a seven (7) day shift schedule so as to work on average forty (40) hours per week.

Day Shift	-	0700 hours to 1700 hours

Current Schedule (First and Second Operators)

To work twelve (12) hours per day on a seven (7) day shift schedule so as to work on average forty (40) hours per week.

Day Shift	-	0800 hours to 2000 hours
Night Shift	-	2000 hours to 0800 hours

(ii) Other Employees (Day Workers)

Normal Hours of Work

To work eight (8) hours per day, five (5) days per week, Monday through Friday, so as to work (40) hours per week, 0800 hours to 1630 hours with one-half (1/2) hour allowance for lunch between 1200 hours and 1300 hours, but can be adjusted through department consensus and Company approval. When an adjustment is in effect, the Company reserves the right to return to normal hours, providing they give seven (7) calendar days notice. Failure to give the appropriate notice to the employee's will require applicable premium rate to be paid for all regular hours worked until such seven (7) days has elapsed after the original notice has been given.

8.1.1 Employees will be entitled to two (2) fifteen (15) minute paid breaks per day.

8.2 Overtime

All time worked continuous with and in excess of the current schedule shall be at the rate of time and three quarters - except between the hours of 1800 hours and 0700 hours, when double time will apply. Double time rates will apply for all hours worked on an employee's regularly scheduled second and subsequent days off.

Effective January 1, 2011, all time worked continuous with and in excess of the current schedule shall be at the rate of double time.

Overtime will be offered to Regular Employee's of their respective Company before temporary employees or contract workers unless the work is a continuation of the original assignment and the regular employees are qualified to do the work.

8.2.1 Rest Time

Employees should come to work adequately rested so they can perform their duties effectively and safely.

Effective May 18, 2007 - Day workers who work more than four (4) hours during the period between 2200 and the next regular scheduled shift shall be allowed a rest period of five (5) hours with compensation at the basic hourly rate. Double time rates will apply until a rest period is taken.

Employees may use vacation, banked time or unpaid leave for the remainder of the regular scheduled shift subject to supervisory approval.

8.3 On Call

8.3.1 Each employee when requested shall be available for "On Call" duty. These employees shall share this duty on a rotation basis. When "on call", the employee shall make himself/herself available within telephone or radio communication whether at his/her home or in the immediate proximity to his/her work centre in order that he/she may proceed, upon instruction, and without delay, to work as directed.

8.3.2 "On Call" duty for a regular work day shall commence at the normal quitting time on the day scheduled for "on call" duty and shall extend until normal starting time on the following day.

8.3.3 "On Call" duty for a weekend shall commence at normal quitting time on the last regular working day of each week and terminate at normal starting time on the first regular working day of the week next following.

8.3.4 "On Call" duty shall also include any holiday occurring on a Tuesday, Wednesday or Thursday and shall commence at normal quitting time on the day prior and extend until normal starting time on the day following that holiday.

8.3.5 An "On Call" schedule will be reviewed with the employees concerned and posted.

8.3.6 In addition to regular overtime pay, for any time worked and holiday pay, where applicable, an employee shall receive for all scheduled "on call" hours:

Effective January 1, 2010 - $ 1.95 per hour
Effective January 1, 2011 - $ 2.00 per hour
Effective January 1, 2012 - $ 2.05 per hour

8.3.7 Every effort will be made to so arrange a schedule that employees leaving or returning from vacation shall not be required to be "on call".

8.3.8 When the Company requests changes to the posted "on call" schedule the employee required to take additional on call periods will be paid double the "on call" rate for the additional coverage.

8.3.9 Generation, Sault Ste. Marie Maintenance employees scheduled for "on call" on a statutory holiday, will be permitted to work at regular hourly rate and take an alternate day off at a mutually agreed upon time by the employee and the supervisor.

8.4 Minimum Call-Out

Employees called out to work other than their normal hours shall be paid at the applicable premium rate with a minimum of four (4) hours' pay.

8.5 Shift Differential

When employees are required to work shifts, they shall receive a shift bonus as follows:

(a) Eight (8) Hour Shifts

Effective January 1, 2010 – one dollar and six cents ($1.06) per hour on evening shift, one dollar and eighteen cents ($1.18) per hour on night shift, presently established as 2400 hours to 0800 hours.

Effective January 1, 2011 – one dollar and sixteen cents ($1.16) per hour on evening shift, and one dollar and twenty-eight cents ($1.28) per hour on night shift, presently established as 2400 hours to 0800 hours.

Effective January 1, 2012 – one dollar and twenty-six cents ($1.26) per hour on evening shift, and one dollar and thirty-eight cents ($1.38) per hours on night shift, presently established as 2400 hours to 0800 hours.

(b) Twelve (12) Hour Shifts

Employees who are scheduled to work extended hours and who work midnights from 1900 hours to 0700 hours will receive a shift bonus as follows:

Effective January 1, 2010 one dollar and forty cents ($1.40) per schedule hour.

Effective January 1, 2011 one dollar and fifty cents ($1.50) per schedule hour.

Effective January 1, 2012 one dollar and sixty cents ($1.60) per schedule hour.

8.6 Temporary Group Leaders

8.6.1 When an employee is requested and agrees to be a temporary Group Leader or performs contract monitoring for a period of one (1) or more working days he/she will be paid at a Group Leader job class A, B, C, or minimum job class 17. The rate paid depends on the employee's experience and/or size and complexity of the project, as determined by the Company. In the event no one agrees, the Company will appoint an employee. Temporary Group Leader positions will be posted for projects exceeding four (4) weeks in duration with the appropriate wage rate identified. For clarity, contract monitoring may be completed by bargaining unit or non-bargaining unit employees. If intended to be filled by bargaining unit employees such contract monitoring projects exceeding four (4) weeks in duration will be posted with the appropriate wage rate identified.

8.6.2 A roster will be posted each year where employees will be given the opportunity to apply for temporary Group Leader positions of a duration of four (4) weeks or less. The Company will draw from this list to fill these positions as they arise.

8.7 Relief Supervisor

8.7.1 When an employee acts as a Relief Supervisor, he/she shall be paid a differential of five per cent (5%) of his/her normal rate converted to cents per hour in addition to his/her normal rate. It is understood that the appointment of a Relief Supervisor from the Union membership will be avoided whenever possible if it adversely affects the "on call" schedule or availability of personnel.

Article 9 RECOGNIZED HOLIDAYS

9.1 Statutory holidays for temporary employees and employees serving a probationary period will be prorated based on regular hours worked in the four (4) weeks proceeding the statutory holiday. After the completion of a three (3) months' probationary period employees will be paid for the following holidays, or if the day falls on a Sunday, for the day observed as the holiday, unless off on an approved leave of absence: New Year's Day, Good Friday, Victoria Day, Canada Day, Civic Holiday, Labour Day, Thanksgiving Day, Remembrance Day, Christmas Day, Boxing Day and Easter Monday and effective January 1, 2011, Family Day.

9.2 All time worked on any of the above named holidays will be paid at the rate of double-time in addition to the normal day's pay for all employees.

9.3 The Company reserves the right to determine the size of crew necessary for any or all of these holidays. Forty-eight (48) hours' notice will be given to the necessary crew except in the case of an emergency breakdown.

Article 10 VACATIONS

10.1

(a) All employees will receive vacation with pay on the following schedule;

After one (1) years' employment	- 2 weeks
After three (3) years' employment	- 3 weeks

After ten (10) years' employment	- 4 weeks
After fifteen (15) years' employment	- 5 weeks
After twenty (20) years' employment	- 6 weeks
After twenty-six (26) years' employment	- 6 weeks plus one day
After twenty-seven (27) years' employment	- 6 weeks plus two days
After twenty-eight (28) years' employment	- 6 weeks plus three days
After twenty-nine (29) years' employment	- 6 weeks plus four days
After thirty (30) years' employment	- 7 weeks

(b) With the mutual consent of the employee and his/her supervisor, employees will be allowed forty (40) hours leave of absence annually at their request for additional time off. It is understood that such requests for leave of absence will normally be granted. Such time off will be without pay and may be used at the employee's discretion with a minimum of one-half (1/2) of a shift off.

(c) Banked Time provisions will apply to all employees of the Company.

Employees who work overtime shall have the option of the following to a maximum of eighty (80) hours of banked time. Normally this eighty (80) hours will not be in addition to the forty (40) hours leave of absence in Article 10.1(b).

Being paid the overtime hours at the appropriate premium rates or banking the overtime at the appropriate premium rates to be taken as paid time off taken at a mutually agreeable time.

10.2 Vacations are not to be taken in periods of more than two (2) weeks at one time unless special arrangements are made.

10.3 Employees will have the month of January in each year to submit suggested vacations. Within two (2) weeks, the Company will post a vacation schedule for those employees covered by this agreement. Every effort will be made to allow employees to have at least two (2) weeks' vacation between June 1st and September 1st. The Company will attempt to grant preference of remaining vacation time as requested by the employees but the final decision regarding vacation schedules rests with the Company.

10.4 It is recognized that employees will not carry over vacations from one calendar year to the next. However, employees who are entitled to three (3) or more weeks' vacation, may be allowed to carry over one or two weeks' vacation respectively, when a special excursion is planned and approved by the Company. This privilege will not be extended to any employee more frequently than once every five (5) years.

Article 11 SICK LEAVE

11.1 The Company agrees to pay eighty-five per cent (85%) of an employee's normal earnings for the first three (3) days of sick leave providing, if requested by his/her immediate supervisor, the employee submits with his/her application for sick benefit a certificate of a qualified doctor certifying to his/her illness. After three (3) days of sick leave an employee will receive eighty per cent (80%) of normal weekly earnings rounded up to the nearest one dollar ($1.00) provided he/she has satisfied Great-West Life requirements for the short term weekly benefits insurance.

11.2 If an employee is absent and requires a Doctor's certificate the Company will reimburse the employee for the cost of the Doctor's certificate upon proof of payment.

Article 12 PENSION AND INSURANCE

12.1 The existing pension plan (GLPL Pension Registration No. 0338053 and GLPT Pension Registration No. 1212844), revised in accordance with changes negotiated for this agreement, shall continue in effect. Regular employees hired after January 1, 1991 shall become a member of the appplicable Plan after three (3) months of continuous service. Credited service for pension purposes shall commence at that date.

12.2 The existing Group Insurance benefits as set out in the GLPL Group Plan 321032 and in the GLPT Group Plan 162565 with the Great-West Life Assurance Company and in the GLPL Group Plan 0087887-001 and in the GLPT Group Plan 0048956-001 with RBC Insurance Company revised in accordance with changes negotiated for this agreement, shall continue in effect.

12.2.1 Under the above noted insurance plan or similar plan (equivalent or better), the following basic benefits will be provided:

(1) Life Insurance

(2) Weekly Indemnity

(3) Long Term Disability

(4) Vision Care

(5) Dental Plan

(6) Extended Health Care and Drug Plan

LTD eligibility is as defined in the Group Plan with the RBC Insurance Company.

12.3 The Company agrees to pay one hundred per cent (100%) of the premium costs of the benefits plans listed in 12.2.1 above and one hundred per cent (100%) of the Employer Health Tax, with the exception of the orthodontics plan and major restorative plan where the Company will pay fifty per cent (50%) of the cost up to one thousand five hundred dollars ($1,500) in each plan in each year. If the insurance carrier is changed from Great West Life the new plan will be equal to or better.

12.4 Benefits For Retirees

Eligible members participate in the applicable Group Benefit Plan for Retirees 321032A (GLPL) or 162565 (GLPT) with Great West Life based on the following:

Eligibility criteria for retiree benefits for existing bargaining unit employees employed as of January 1, 2010 is any member who on the date of retirement is represented by the union and who have a minimum age 55 years and a minimum of two (2) years of continuous service.

Eligibility criteria for retiree benefits for bargaining unit employees hired on or after January 1, 2010 is any member who on the date of retirement is represented by the union and who have a minimum age of 55 years and a minimum of fourteen (14) years of continuous service.

Members who have retired according to the provisions of this Agreement will be eligible to participate in the applicable Group Benefit Plan for GLPL Retirees 321032A or Group Benefit Plan for GLPT Retirees 162565 with Great-West Life based on the terms and conditions specified in the plans:

i) Life Insurance three thousand dollars ($3,000) (basic only);

ii) Pay-direct Drug Insurance;
iii) Health Insurance.

Further, they will be eligible for re-imbursement directly from the applicable Company as follows:
i) Basic Dental Services;
ii) One set of dentures;
iii) Vision Care Expense up to a maximum of four hundred dollars ($400.00) effective January 1, 2009 for two (2) consecutive calendar years.

12.5 The deductions from each employee will be calculated for single and married employees as separate groups, but will include a proportion of Union pensioners' premium pro rated over all active Union members.

12.6 Changes in the amount deducted will only be made periodically when changes in premiums or benefits warrant such changes, and will only be made following discussions with Union representatives. The employer will share information on experienced rated decrease in premiums incurred with employee group.

12.7 With the exception of (i) of this clause, after thirty-six (36) months on long term disability, if the employee is unable to return to work he/she shall lose seniority and be removed from the payroll. At this time, continuation of healthguard coverage shall be made available at the Company's expense.

(i) If the employee has fourteen (14) years' service when the thirty-six (36) months on long term disability is reached, the employee may either stay on LTD until age fifty-five (55) and then retire under the disability retirement option of the retirement plan or stay on LTD and be removed from the payroll.

12.8 It is acknowledged and agreed that additional benefits granted by the Company in this agreement satisfy the requirements of the refund provisions of the rebate section of the Employment Insurance Premium Reduction Program.

Article 13 JOB POSTING AND SELECTION

13.1 In making reductions, additions, or replacements to the work force, or in making promotions or demotions, seniority, ability and proficiency will be the governing factors, but where ability and proficiency are relatively equal, seniority with the Company from the last date of hire will govern. All such vacancies or additions, except for vacation relief, casual or emergency work, shall be posted on the bulletin boards within ten (10) working days of becoming vacant for at least seven (7) calendar days, with such vacancies being posted in all areas on the same day. No applications for the positions posted will be accepted after the seventh day posting. Group Leader positions will be posted and selected within the Business Unit. If there are no successful applicants within the Business Unit the posting and selection provisions shall be extended to the Company.

An employee may decline promotion at any time without affecting his/her seniority or promotional rights.

13.1.1 Subject to all the provisions of this article, any employee who will be absent for more than seven (7) calendar days on an approved leave of absence of thirty (30) days or less may lodge in writing with his/her immediate Company supervisor a request to be considered for specified vacancies that arise during his/her period of absence. This request will constitute sufficient reason for him/her to be considered as any other applicant.

13.1.2 The names of the successful applicants shall be posted on the bulletin board for at least five (5) calendar days within ten (10) working days following the last day of posting on the bulletin board.

13.2 An employee established in the bargaining unit who is promoted or transferred outside the bargaining unit for a period of more than one (1) year, but remains in the employ of the Company, may be reassigned to the bargaining unit, and shall retain overall seniority for vacation, pension, and benefit purposes but shall be deemed to be a new employee on the Union seniority list.

13.3 An employee established in the bargaining unit who is promoted or transferred outside the bargaining unit for a period of less than one (1) year, but remains in the employ of the Company, may be reassigned to the bargaining unit and shall retain his/her seniority from the date of his/her employment.

13.4 The Company shall notify the Union of all persons so promoted or transferred.

13.5 Where an applicant does not receive a position applied for, he/she shall, upon request to his/her supervisor, be counselled as to what steps should be taken to be more likely to succeed in future applications.

Article 14 LAYOFF AND RECALL

14.1 In the event of a layoff, employees in the bargaining unit shall be laid off in the reverse order of their seniority, provided the Company can retain a staff qualified to perform the work available. Employees shall be recalled on the basis of their seniority, provided they are qualified to do the work available.

14.2 Notice Period

The Company will notify the Union at least sixty (60) days prior to the effective date of layoff of designated employees. The Company and the Union will meet and discuss alternatives.

The Company will give the employees who are to be laid off as much advance notice as possible and in no case less than six (6) weeks.

Article 15 LEAVE OF ABSENCE

15.1 General

15.1.1 All employees are required to give as much notice as possible to their immediate supervisor when, due to illness or otherwise, they are unable to report for work. Any employee absenting himself/herself from work without providing reasonable cause shall be subject to disciplinary action.

Any employee absenting himself/herself from work without providing reasonable cause, for more than two (2) consecutive work days, may be subject to dismissal.

15.1.2 If the Union requires a Union representative to be released from their normal duties to perform Union business, the Union will compensate the Company in the following manner:

(i) absences less than or equal to five (5) days - the employee's normal rate of pay;

(ii) all absences after five (5) days - normal rate of pay plus benefits totalling forty-two per cent (42%) will be reimbursed.

On giving sixteen (16) days notice to the Company such absences will be accommodated insofar as the regular operation of the department in which he/she is employed will permit.

Normally absences for the Principal Steward will not exceed twenty (20) days per year and ten (10) days per year to the Stewards.

Where delegates have incurred expenses in order to attend a Union Convention and, because of a Company emergency, are unable to attend the Convention, the Company shall reimburse the two (2) delegates for non-recoverable expenses.

15.1.3 An employee of the Company who is elected or selected for a position with the Union or any body with which the Union is affiliated or who is elected to public office, must make application for a leave of absence in writing at least three (3) weeks in advance of such leave. Approval will not be unjustly withheld; however, only one employee at any one time will be granted a leave of absence under this paragraph.

15.1.4 A personal leave of absence without pay in addition to leave provided under 10.1 (b) may be granted by the Company. The employee shall direct his/her written request for such leave to his/her immediate supervisor. A written reply shall be given.

15.1.5 In the case of any leave of absence without pay which exceeds thirty (30) days, the employee's seniority will be frozen for the duration of the leave of absence at the level attained prior to the leave of absence. In this case, all costs (employee and Company) of the normal indemnities will be payable by the employee. Any vacation credits will be pro rated on the time actually worked.

15.1.6 Employees called to Her Majesty's service or enlisting during a period when Canada is at war, shall be reinstated upon their return with all privileges and seniority ratings they had when leaving the service of the Company.

15.1.7 When in the Company's judgement the circumstances warrant such action a leave of absence with pay will be granted to a maximum of three (3) days per calendar year.

This leave is based upon reasons of personal emergency, such as severe illness in the immediate family which would necessitate remaining away from work until adequate arrangements could be made for outside help or in cases where an employee is faced with the effects of a severe storm, fire or flood.

15.2 Bereavement Leave

15.2.1 Effective *upon ratification*, whenever a death occurs to a member of the immediate family of an employee, the Company will compensate the employee for any time lost from work up to a maximum of four (4) consecutive work days which include the day of the funeral. The Company agrees to consider the granting of up to two (2) additional days with pay for traveling time, provided cause is shown for the need of this time. Compensation shall be at the regular hourly rate of the employee for a normal work day. The term "immediate family", for the purpose of this paragraph, to be considered to include only the following:

(i) the spouse, parents, sister, brother, child, grandchildren, mother-in-law or father-in-law, or grandparents of the employee.

(ii) a relative or foster children residing in the household of the employee.

15.2.2 Whenever a death occurs to a member of the family who is not considered as immediate family, the Company will compensate the employee for one (1) day of lost time in order to attend the funeral. For purposes of this clause, family other than immediate shall be interpreted to mean: brother-in-law, sister-in-law, spouses' grandparents, aunt or uncle, son-in-law, daughter-in-law, niece or nephew.

15.3 Jury and/or Witness Duty

The difference in wages between an employee's straight time wage, excluding premium pay, and the fee allowed will be paid by the Company to any employee required to serve on a jury or to be a court witness in the District of Algoma. Exceptions to this case shall be taken to the Company for consideration.

Article 16 ALLOWANCES

16.1 Travel

16.1.1 The Company will supply transportation, at its own discretion either in Company vehicles or by public transportation, for employees carrying out their normal duties when travelling between work centres. Time spent in travelling will be paid for at the applicable rate when an employee is required to travel between work centres. Employees will travel from their work centres to and from the job on the Company's time. The words "work centre" shall, for the purpose of this clause, be where the employee is normally reporting for work.

16.1.2 Employees working away from their regular work centre during the week will be allowed to return to that centre on Company time for the weekend, unless they are required for weekend work.

16.1.3 Except in the case of an emergency, when employees are required to be away from home overnight, every effort will be made to give at least forty-eight (48) hours' notice of such requirement.

16.1.4 Any employee covered by this agreement whose work requires him/her to be away overnight from where he/she normally resides, will be provided with room and board with a maximum of two (2) to a room when in permanent crew quarters.

16.1.5 Separate quarters shall be made available for all Operating and Maintenance crews when required to work at outlying stations, except in the case of an emergency.

The Company will provide recreational facilities (to be agreed upon by the Company and representatives of the Union) at permanent quarters established for work crews working outside the Sault area where space in these quarters is available.

16.1.6 Compensation for travel outside of normal working hours to receive training shall be paid as follows:

(i) Travel to training that is required by legislation or deemed mandatory by the Company is paid at applicable rates.

(ii) Travel to courses held within the Algoma District which have been identified by the supervisor and employee as developmental will be paid at straight time, up to a maximum of four (4) return trips per year and at applicable rates after four (4) trips per year.

(iii) Travel to courses held outside of the District of Algoma which have been identified by the supervisor and employee as developmental shall not be paid.

In all cases the employer pays for the course, course materials, meals and accommodations.

Developmental training is defined as all training with the exception of that which is legislated or deemed mandatory by the Company.

16.2 Tools and Clothing

16.2.1 The Company will supply regulation rubber gloves for all employees who are required to work on or near live lines or apparatus.

16.2.2 All employees will supply the personal tools of their trade. When equivalent conversion tools (metric, etc.) are required on Company work, they will be supplied by the Company. The Company will supply all other appropriate tools and equipment, also overalls and work gloves when, in the opinion of the Company, such are needed. Worn out or broken personal tools will be replaced by the Company at no cost to the employee when the broken or worn out tools are turned in for replacement.

Notwithstanding the above paragraph, employees hired after January 1, 1994 will supply the personal tools of the trade, both metric and standard sizes.

16.2.3 The Company will reimburse the employee for one hundred per cent (100%) of the cost of a pair of an approved electric shock resistant safety boots or shoes per year upon presentation of proof of purchase. The type of boot or shoe purchased must be appropriate for the nature of the work in which the employee is involved. Additional pairs may be purchased and will be equally subsidized upon demonstration of need and proof of purchase.

16.3 Employees forced to transfer within the Company will be reimbursed for their moving expenses to a maximum of five thousand dollars ($5,000).

16.4 Where an employee covered by this agreement is required to work/live under extreme conditions which include; no running water, lack of proper toilet facilities, limited road access and no electricity he/she will be paid a weekly allowance of one and one-half (1-1/2) hours pay per day (Job Class 17). The Company will endeavour to minimize the number of times employees are required to work under such conditions.

16.5 If mutually agreeable in lieu of actual meal expenses associated with an overnight stay, away from their normal work centre, an employee may elect a board allowance of sixty dollars ($60.00) per day effective May 18, 2007, seventy dollars ($70.00) per day effective January 1, 2008. The sixty dollars ($60.00) value is based on a breakfast allowance of ten dollars ($10.00) a lunch allowance of twenty dollars ($20.00) and a dinner allowance of thirty dollars ($30.00). The seventy dollars ($70.00) value is based on a breakfast allowance of fifteen dollars ($15.00) a lunch allowance of twenty dollars ($20.00) and a dinner allowance of thirty-five dollars ($35.00). On the first day away from their normal work center the meal expense will be prorated to include lunch and dinner and on the day the employee returns home to include breakfast and lunch unless the employee works past 1800 hours then the dinner allowance would apply.

16.6 If mutually agreeable in lieu of a hotel an employee may elect a room allowance of $50.00 per day.

Article 17 WORKING RELATIONS COMMITTEES

The Company and the Power Workers' Union – CUPE Local 1000 have agreed to work together to improve relationships and organizational effectiveness through co-operation and a commitment to excellence. In this way employees can influence the decision making process in matters concerning our future. In working together we will demonstrate fair and equitable treatment to all employees.

We will adhere to the following Guiding Principles:

- Foster an open, honest forum of information exchange
- Encourage and respect differing opinions
- Actively promote decisions formed by consensus
- Respect rights and privileges of all parties
- Focus on decisions that are good for people and good for business
- Focus on our future rather than our past

17.1 Stewards: The Company will recognize eight (8) stewards.

17.2 Grievance Committee: The Company will recognize a Committee of not more than four (4) employees.

17.3 Negotiating Committee: The Company will recognize a Negotiating Committee of not more than five (5) employees as well as a representative(s) of the Power Workers' Union and an executive member of the Union.

The five (5) employees on the Negotiating Committee will be paid their regular hourly rate for time spent in negotiating a collective agreement during normal working hours up to a maximum of forty (40) hours per employee.

It is understood that negotiation means time up to but not including conciliation and mediation.

17.4 The Working Relation Committee shall be kept informed of the names and addresses of all officers, stewards and committee members of the Union. The Company will advise the Principal Steward of the Union of the names of the Company personnel to be notified with reference to the grievance procedure.

17.5 Senior Company representatives (2) and utility representatives (2) will constitute a working group which will meet regularly so that issues that do occur are resolved quickly and a positive relationship is established to minimize future issues. The working group will act as a sounding board for Company policies which might affect Union members. This will not circumvent the normal supervisory role in solving day-to-day issues.

Article 18 SAFETY RELATED CLAUSES

The parties are committed to the health and safety of all employees as demonstrated in the Company Joint Health and Safety Policies and Safety Work Management Systems.

18.1 Time will be scheduled during regular working hours for all employees to maintain their Company mandated safety training. Those employees not on duty will be paid applicable premium rates when instructed by the Company to attend such training sessions.

18.2 The Union and the Company agree to observe the provincial health and safety regulations and the safety regulations prescribed and published by the Company from time-to-time. The Union will co-operate with the Company in encouraging employees to observe the safety regulations, and to work in a safe manner. The Company agrees to discuss and review safety concerns as they occur with the union safety representatives. The union safety representatives shall assist, make recommendations to and co-operate with the Company to ensure the Safety Procedures and Programs are implemented. The Company will involve union health and safety representatives and/or other union members as required in System Safety Accident Investigations.

18.3 The Company will consult with the Union and supply safety clothing when, in the opinion of the Company, such is needed.

Article 19 CONTRACTING OUT

19.1 The Company will endeavour to provide involved staff with information on available work packages which have been bid by contractors and will consider crew ideas on cost savings, safety and customer services as well as staff interest before deciding to contract out or do internally. The following four (4) items will be discussed:

1. Estimated value of the work
2. Scope of the work
3. Location of the work
4. Estimated date of Commencement and Duration of the work

The Company will regularly inform the Principal Steward about these discussions.

19.2 The Company agrees that during the term of the current agreement with Power Workers' Union-CUPE Local 1000 no regular employee of the Company shall be laid off or demoted as a result of the contracting out of work by the Company.

Article 20 GENERAL

20.1 Inclement Weather

When, in the opinion of the person in charge, weather conditions are such that, except in the case of an emergency, outside work should not be performed, employees reporting for work at their normal starting time at their work centres, will be paid their normal wages for the first day, and one-half (1/2) of their normal wages for any additional days for time not worked.

20.2 Where the Company requests an employee to acquire and/or retain a driver's licence for which a medical examination or driving test is a requirement, the Company shall pay for the cost of the examination and any travel time involved for such testing.

Article 21 WAGES AND CLASSIFICATIONS

21.1 Wage rates shall be paid as they appear in the following sections of the agreement and shall be for pay purposes only.

21.2 EMPLOYEE CLASSIFICATIONS

Senior Operator 26

System Control First Operator
- Class A 24
- Class B (training/orientation) 21

System Control Second Operator
- Class A 20
- Class B - Fourth Year 18
- Class C - Third Year 14
- Class D - Second Year 10
- Class E - First Year 4

Group Leader
- Class A (Year 3) ..... 5 steps above the highest rate supervised
- Class B (Year 2)..... 3 steps above the highest rate supervised
- Class C (Year 1) ..... 2 steps above the highest rate supervised

The minimum job class for a Group Leader will be job class 17.

Trades Technicians
- Class A1 18
- Class A2 17
- Class A3 16
- Class B - Fourth Year 13
- Class C - Third Year 12
- Class D - Second Year 9
- Class E - First Year 3

Electronic Technologist / P&C Technologist
- Class A 20
- Class B - Fourth Year 16
- Class C - Third Year 13
- Class D - Second Year 10
- Class E - First Year 9

Planner 19

Customer Service Representative, Tool Repair Person, Forester
- Class A 14
- Class B - Fourth Year 12
- Class C - Third Year 10
- Class D - Second Year 7
- Class E - First Year 6

Forester Designate A3 16

Stores Clerk
- Class A 10
- Class B - Fourth Year 7
- Class C - Third Year 5

Class D - Second Year 4
Class E - First Year 3

Station Maintainer
Class A 11
Class B - Fourth Year 7
Class C - Third Year 5
Class D - Second Year 4
Class E - First Year 3

Meter Data Clerk
Class A 11
Class B 6
Class C …… 3

Meter Service Provider Technical Assistant 14

Civil Maintainer
Class A 6
Class B - Second Year 4
Class C - First Year..... 2

Labourer 2

21.3 Job Classes

Job Class	2010	2011	2012
1	20.31	20.82	21.34
2	21.24	21.77	22.31
3	22.30	22.86	23.43
4	23.23	23.81	24.41
5	24.22	24.83	25.45
6	25.13	25.76	26.40
7	26.16	26.81	27.48
8	26.66	27.33	28.01
9	27.11	27.79	28.48
10	28.12	28.82	29.54
11	28.59	29.30	30.03
12	29.08	29.81	30.56
13	30.00	30.75	31.52
14	31.01	31.79	32.58
15	31.89	32.69	33.51
16	32.73	33.55	34.39
17	33.49	34.33	35.19
18	34.20	35.06	35.94
19	34.99	35.86	36.76
20	35.77	36.66	37.58
21	36.49	37.40	38.34

22	36.86	37.78	38.72
23	37.25	38.18	39.13
24	37.98	38.93	39.90
25	38.68	39.65	40.64
26	39.41	40.40	41.41
Student 1	16.74	17.16	17.59
Student 2	17.18	17.61	18.05

21.4 Cost of Living Adjustment

If the average monthly CPI for Ontario for the twelve (12) months ending December 31, 2011 is greater than the average monthly CPI for Ontario for the twelve (12) months ending December 31, 2010, a one time lump sum payment will be made prior to March 31, 2012 based on the following table:

PERCENTAGE CHANGE IN CPI	PAYMENT AS A PER CENT OF GROSS EARNINGS
<3.00	0.00
>=3.00<3.50	0.50
>=3.50<4.00	1.00
>=4.00<4.50	1.50
>=4.50	2.00

Similarly, if the average monthly CPI for Ontario for the twelve (12) months ending December 31, 2012 is greater than the average monthly CPI for Ontario for the twelve (12) months ending December 31, 2011, a one time lump sum payment will be made prior to March 31, 2013 based on the following table:

PERCENTAGE CHANGE IN CPI	PAYMENT AS A PER CENT OF GROSS EARNINGS
<3.00	0.00
>=3.00<3.50	0.50
>=3.50<4.00	1.00
>=4.00<4.50	1.50
>=4.50	2.00

21.5 All employees covered by this agreement will be paid every second Thursday by 1500 hours by direct deposit to a bank account, but in the event the Thursday on which payday falls is a holiday, employees shall receive their pay the previous day. Cheque stubs will be forwarded to the employee's Work Centre.

21.6 When major changes are proposed to be made in any classification, or new classifications are requested by the Company, during the term of this agreement, wage rates and hours of work for the change shall be subject to negotiation.

Article 22 CLASSIFICATION CHANGES AND PROGRESSIONS

22.1 The wage rates, progression schedules, classifications and categories of employees covered by this agreement shall be those shown in Article 21.

22.1.1 All employees moving through an annual progression grid will have their performance monitored on an ongoing basis and documented at least annually by the employee's supervisor. Where an employee's performance is not satisfactory he/she shall be informed of the areas of work that are deficient. Progressions will be based on the recommendation of the employee's supervisor. When progression is withheld, the Company shall meet with the employee, who may request the presence of his/her steward, or another Union representative, and shall give the employee the reason for withholding progression. Two (2) months thereafter his/her general performance will be reviewed and if found satisfactory, the employee shall be granted the progression.

22.1.2 If his/her progress and general performance are still unsatisfactory, the employee shall:

(1) in the case of a new employee in the first training classification, be terminated;

(2) in the case of an employee above the starting classification in any category, remain in such class for at least one (1) year and then may again request a reclassification and recommendation from his/her supervisor;

(3) in the case of an employee who was previously transferred from another category, revert to his/her former job if it is available. If it is not available, he/she may be transferred to other available work, providing he/she is qualified. Failing this, his/her employment may be terminated.

Article 23 DURATION OF AGREEMENT

23.1 This agreement shall remain in effect from January 1, 2010 to December 31, 2012 and from year to year thereafter unless either party gives notice in writing to the other party not more than ninety (90) days and not less than thirty (30) days prior to December 31st in any year of their desire to alter same.

23.2 Working conditions during the term of this Agreement shall be outlined in this Agreement and any Mid-Term Agreement.

A Mid-Term is a modification of the Collective Agreement executed by the parties in the following format during the term of the Collective Agreement.

Mid-Term Agreement

Title _____

Number _____

Date _____

It is jointly agreed that the following Mid-Term shall form part of the Collective Agreement between the parties.

SIGNED ON BEHALF OF:

GREAT LAKES POWER TRANSMISSION LP

Vice President & General Manager

GREAT LAKES POWER LIMITED

General Manager

POWER WORKERS' UNION
CUPE LOCAL 1000

Principal Steward

Steward

Steward

Steward

Steward

Steward

Vice-President, Power Workers' Union

Exhibit 4, Tab 2, Schedule 4

Shared Services & Corporate Cost Allocation

SHARED SERVICES & CORPORATE COST ALLOCATION

1.0 Current Shared Services

The services and assets that will be shared between GLPT and Great Lakes Power Limited ("GLPL") in the 2013 and 2014 test years are the following:

- The office complex;
- System Control and Data Acquisition ("SCADA") equipment;
- Fibre optic systems; and
- Radio systems.

The cost sharing mechanisms and contracts for each of these shared assets and services are the same as those approved in EB-2009-0408 and EB-2010-0291.

The proportional cost of these shared assets and services that is borne by GLPT is broken out in *Table 4-2-4 A* below. A discussion of how these services will be shared in the 2013 and 2014 test years follows.

Attached at **Appendix 'A'** to this schedule are the Board's Shared Services tables for 2013 and 2014.

Table 4-2-4 A – Current Shared Services

($000's)		2010 Actual	2011 Actual	2012 Approved	2012 Forecast	2013 Test Year	2014 Test Year
Office Complex							
Rent		$167.8	$153.4	$167.6	$167.6	$172.8	$178.2
Operations & Maintenance		367.4	504.4	384.6	384.6	401.7	414.2
SCADA equipment licence	**	274.1	280.6	280.6	280.6	140.3	-
Fibre Optic System licence	**						
Depreciation		63.2	63.2	63.2	63.2	100.2	138.3
Operations & Maintenance		82.5	82.5	84.6	84.6	87.2	89.9
Radio System costs	**	11.8	30.2	31.0	31.0	32.0	33.0
Total Shared		**$966.7**	**$1,114.4**	**$1,011.7**	**$1,011.7**	**$934.2**	**$853.5**

**5% of the SCADA, Fibre and Radio costs displayed in the table are billed to Algoma Power Inc.

2.0 Office Complex

The annual rent that GLPT pays GLPL is in the middle of the range of fair market rentals for triple net leases as assessed by an independent appraiser. GLPT's net rental cost of the building and property is forecast to be $172,800 for 2013 and $178,200 for 2014, with the increases due to inflation. If GLPT's share of the estimated net book value of the property were included in GLPT's rate base (approximately $2.6 million), the estimated overall cost to rate payers would be over $260,000 in each of 2013 and 2014 (assuming a depreciation rate of 2.5% and a cost of capital rate of 7.5%). Accordingly, the lease structure that GLPT has been utilizing and will continue to utilize in the 2013 and 2014 test years is consistent with prudent planning and has resulted in demonstrable avoided costs.

GLPT estimates its share of operations and maintenance costs of the building to be $401,700 and $414,200 for the 2013 and 2014 test years, respectively.

3.0 SCADA Equipment

Pursuant to an agreement dated June 30, 2009, GLPT licences SCADA equipment from GLPL for a three year term, at a cost of 50% of the total depreciation cost of the existing equipment, with no return on capital investment. While the agreement was set to expire on June 30, 2012, GLPT has extended the agreement for one additional year to allow for appropriate parallel operation with the new SCADA system that is scheduled to be complete and in service in early Q4-2012 and will run parallel until June 30, 2013. Parallel operation for this time period is prudent and good utility practice because it helps ensure that the new equipment is operating properly (with all controls working and the telemetered values being properly reported) before the existing equipment is retired. The depreciation cost charged to GLPT is approximately $23,400 per month, or $280,600 annually. The assets are depreciated based on useful lives ranging from 5 years to 40 years, depending on the nature of the asset. However, the majority of the assets are depreciated at a rate that is 10 years or less. GLPT is fully responsible for maintenance costs of the SCADA equipment, as if it were the owner. GLPT is currently implementing a SCADA system and, as described above, GLPT will no longer require use of the existing SCADA equipment by the middle of 2013, and will no longer need to lease the equipment from GLPL. GLPT's SCADA lease cost is forecast to be $140,300 for 2013 (representing six months) and $0 for 2014.

4.0 Fibre Optic System

Pursuant to an agreement dated June 30, 2009, GLPT has obtained a licence from GLPL for use of a fibre optic system for a three year term, set to expire on June 30, 2012; GLPT intends to extend the agreement through the test period. The annual cost currently charged to GLPT is approximately $5,300 per month, or $63,200 annually, representing approximately 41% of the depreciation cost of the system. As described in the variance analysis for Account 4845, found in Exhibit 4, Tab 2, Schedule 2, the existing fibre network will be upgraded during 2012 and 2013, and as a result it is anticipated that GLPT's share of the depreciation expense will increase by $35,000 (plus inflation) in each of 2013 and 2014, reflecting a July 1, 2013 effective date of the cost increase. In addition to the depreciation cost, GLPT is responsible for 41% of the operating and maintenance costs associated with the fibre optic system.[1] Pursuant to the agreement, the costs are managed by GLPL and billed to GLPT on a quarterly basis, and are forecast to be $84,600 for 2012, $87,200 for 2013 and $89,900 for 2014. Given that there remains no market to acquire the necessary fibre optic system capacity, and that it is not cost-effective for GLPT to build its own system (see Exhibit 4, Tab 2, Schedule 2), the cost-based approach used here is compliant with the ARC.[2]

[1] The 41% is based on 12 of the 29 system junglemux nodes being dedicated to GLPT.

[2] As indicated in Exhibit 4, Tab 2, Schedule 2, assuming a useful life for accounting purposes of 15 years, and a cost of capital rate of 7.5%, GLPT's current annual cost of $140,000 is representative of a rate base amount of approximately $1,000,000. GLPT conservatively estimates that the cost of replacement would be in excess of $5,000,000.

Pursuant to an Agreement for Licensed Attachment dated July 1, 2009, GLPT granted GLPL access to its poles and other equipment, and permission to affix and maintain attachments to such poles and other equipment, in a manner and for an annual rental consistent with Board Decision No. RP-2003-0249. The annual revenue that GLPT will receive for this pole rental in the test years is estimated to be $35,200 for each of 2013 and 2014. Because this represents a fibre optic cost for GLPL, 41% of the $35,200 is billed back from GLPL to GLPT in accordance with the fibre optic agreement. Therefore, GLPT's annual net benefit is reduced by 41%, leaving a total of $20,800. This net benefit is captured as net rent from electric property in Exhibit 3, Tab 1, Schedule 2 of this Application, but for illustrative purposes has also been included in *Table 4-2-4 A* as an offset to the Fibre Optic System's operating costs in each year displayed in the table.

As indicated above, the existing fibre network shared between GLPT and GLPL will be upgraded in the test period. However, these upgrades will have no impact on the existing Agreement for Licensed Attachment, as there will be no change in the number of attachments on GLPT's transmission structures.

5.0 Radio Systems

Pursuant to an agreement dated June 30, 2009, GLPT is licensing radio system assets to GLPL for a three year term, which term is automatically renewable for subsequent one year terms unless GLPL at its option terminates. While the agreement expires on June 30, 2012, GLPT anticipates that the agreement will continue to be extended through the end of the test period. The system is situated in a remote area and is used by both GLPT

and GLPL in the normal course of each company's business communications. Due to the cost of constructing and maintaining these assets in their remote location, it would not make economic sense for either company to duplicate the existing radio system.

GLPL pays GLPT a licence fee which is cost based and based on the percentage of radios in use on the overall system. The total annual depreciation cost for the radio system is approximately $13,000, of which approximately half is passed on to GLPL. In addition, approximately $50,000 in operating and maintenance costs are incurred at radio tower sites, of which half again is passed on to GLPL.

6.0 Corporate Cost Allocation

6.1 Proposed Corporate Cost Allocation

In 2012, GLPT revisited its approach to corporate cost allocation. Navigant Consulting, Ltd. ("Navigant") was retained by GLPT to perform an analysis of the allocation of corporate costs associated with services shared between GLPT and affiliates. Navigant's report can be found at **Appendix 'B'** to this schedule. The agreement for services can be found in **Appendix 'C'**. The agreement for services utilizes a cost-based pricing approach.

In Navigant's report, the services shared between GLPT and its affiliates are: Corporate Shared Services, which includes Information Technology, Equity Resourcing, Tax, Human Resources and Finance, and Executive Oversight Services.

Navigant's analysis was based upon allocation approaches commonly used by regulated utilities and recognized that Brookfield-related entities takes either an Owner/Operator or Shareholder role in the management of its various investments, depending on the ownership structure. The analysis indicates that a corporate cost allocation to GLPT of $469,717 for 2013 and $484,278 for 2014 is reasonable.

Navigant also performed a benchmarking analysis comparing the relative level of the corporate cost allocations for GLPT to other similar privately held utilities in Ontario. Based on this analysis the corporate cost allocation recommended by Navigant is proportionately below other electric utilities in Ontario. GLPT's corporate cost allocation represents 1.33% of total revenue requirement, whereas the average for other comparable peer utilities in Ontario is 3.53%. This benchmarking exercise further reinforces the findings of 1QC, described in Exhibit 4, Tab 2, Schedule 1, which indicate that on an overall OM&A basis, GLPT falls significantly below average on a cost per asset basis.

APPENDIX "A"

Shared Services Tables

Appendix 2-L of Filing Requirements

Shared Services - 2012 Forecast

Entity Incurring Cost	Service Offered	Pricing Methodology	Allocation Driver	Total Cost Incurred ($000's)	GLPT Allocation ($000's)	% Allocation
GLPT	Office Complex					
	Rent	Market-Based	Sq. Footage	$330.9	$167.6	50.7%
	O&M	Cost-Based	Sq. Footage	$736.1	$384.6	52.2%
GLPL	SCADA Equipment licence	Cost-Based	50% Depr.	$561.3	$280.6	50.0%
GLPL	Fibre Optic System					
	Depreciation	Cost-Based	41% Depr.	$154.1	$63.2	41.0%
	O&M	Cost-Based	41% OM&A	$206.3	$84.6	41.0%
GLPT	Radio System	Cost-Based	50% of Costs	$62.0	$31.0	50.0%

Shared Services - 2013 Test Year

Entity Incurring Cost	Service Offered	Pricing Methodology	Allocation Driver	Total Cost Incurred ($000's)	GLPT Allocation ($000's)	% Allocation
GLPT	Office Complex					
	Rent	Market-Based	Sq. Footage	$341.2	$172.8	50.7%
	O&M	Cost-Based	Sq. Footage	$769.3	$401.7	52.2%
GLPL	SCADA Equipment licence	Cost-Based	50% Depr.	$561.3	$140.3	25.0%
GLPL	Fibre Optic System					
	Depreciation	Cost-Based	41% Depr.	$244.3	$100.2	41.0%
	O&M	Cost-Based	41% OM&A	$212.7	$87.2	41.0%
GLPT	Radio System	Cost-Based	50% of Costs	$64.0	$32.0	50.0%

Shared Services - 2014 Test Year

Entity Incurring Cost	Service Offered	Pricing Methodology	Allocation Driver	Total Cost Incurred ($000's)	GLPT Allocation ($000's)	% Allocation
GLPT	Office Complex					
	Rent	Market-Based	Sq. Footage	$351.7	$178.2	50.7%
	O&M	Cost-Based	Sq. Footage	$793.1	$414.2	52.2%
GLPL	SCADA Equipment licence	Cost-Based	50% Depr.	$561.3	$0.0	0.0%
GLPL	Fibre Optic System					
	Depreciation	Cost-Based	41% Depr.	$337.2	$138.3	41.0%
	O&M	Cost-Based	41% OM&A	$219.3	$89.9	41.0%
GLPT	Radio System	Cost-Based	50% of Costs	$65.9	$33.0	50.0%

APPENDIX "B"

Navigant Report on Corporate Cost Allocation

NAVIGANT

Corporate
Cost Allocation Analysis

Prepared for:

Great Lakes Power
Transmission

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June 13, 2012



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Executive Summary

Scope of Study

Navigant Consulting, Ltd. (Navigant) has been retained by Great Lakes Power Transmission (GLPT) to perform an analysis of the allocation of corporate costs associated with services provided to GLPT from affiliated companies. The analysis has been prepared in anticipation of GLPT's 2013/2014 transmission rate application to the Ontario Energy Board (OEB).

Background and Overview

GLPT is part of the Brookfield Asset Management (BAM) family of companies, BAM is an asset management company that owns and operates assets with a focus on property, renewable power and infrastructure. GLPT is a limited partnership held within the infrastructure group of assets and is held by its limited partner, Brookfield Infrastructure Holdings (Canada) Inc. (BIH) and its general partner Great Lakes Power Transmission Inc. BIH is in turn held by other entities under BAM. Hereafter these organizations will be referred to as "Brookfield". Brookfield provides various services for the "Electric Utility Group" which is comprised of 5 investments that are wholly or partially owned by Brookfield as described in Appendix A.

The Corporate Shared Services provided to GLPT from Brookfield fall into two categories. The first category of services is Corporate Shared Services which includes Information Technology, Equity Resourcing, Tax, Human Resources and Finance. The Electric Utility Group budget for Corporate Shared services in this category for 2013 is $1,321,005 and for 2014 is $1,361,956. The second category is Executive Oversight which has a budget of $1,485,706 for 2013 and $1,531,763 for 2014 for the Electric Utility Group. The combined budget for the Corporate Shared Services for the Electric Utility Group for the year 2013 is $2,806,711 and $2,893,719 for 2014.

Study Results

Brookfield's provision of Corporate Shared Services is considered an affiliated transaction and is therefore governed by the rules articulated in the OEB's Affiliates Relations Code (ARC). Our analysis is based upon allocation approaches commonly used by regulated utilities with respect to Corporate Shared Services. In addition, there is also recognition of whether Brookfield takes either an Owner/Operator or Shareholder role in the management of its various investments, as well as consideration of the proportion of ownership by Brookfield. The results of this study indicate that a corporate cost allocation to GLPT of $469,717 for 2013 and $484,278 for 2014 is reasonable.

Benchmarking Analysis

Navigant has also performed a benchmarking analysis comparing the relative level of the corporate cost allocations for GLPT to other similar utilities in Ontario. Based on this analysis the corporate cost allocation recommended by Navigant is proportionately below other electric utilities in Ontario. GLPT's corporate cost allocation represents 1.33% of total revenue requirement, whereas the average for other comparable peer utilities in Ontario is 3.53%. Details of this analysis are included in Section 5 of this report.

1. Requirements of the Affiliate Relationships Code

The OEB issued the ARC which provides the rules and standards of conduct which electric distributors and transmitters must follow when entering into transactions with affiliate enterprises. Brookfield's provision of Corporate Shared Services and Executive Oversight is considered an affiliated transaction and therefore governed by the rules articulated in the ARC.

Requirements under the ARC

The pricing that a utility and an affiliated enterprise can provide services to each other is specified in the ARC.

Requirements When a Regulated Company Sells Products or Services

Under OEB regulation, affiliate transactions fall into two categories - affiliate services and shared corporate services. Affiliate services are outsourced services that are to be acquired from affiliates on the same basis as the market if a market exists, and on a fully allocated cost basis if there is no market. Shared corporate services include services, such as management services, shared with an affiliate and to be provided to GLPT on a fully-allocated cost basis.

Corporate Shared Services

Corporate Shared Services are defined as "…business functions that provide shared strategic management and policy support to the corporate group of which the utility is a member, relating to legal, regulatory, procurement services, building or real estate support services, information management services, information technology services, corporate administration, finance, tax, treasury, pensions, risk management, audit services, corporate planning, human resources, health and safety, communications, investor relations, trustee, or public affairs…"[1] Shared Corporate Services are not required to satisfy a market test, but require a fully allocated cost calculation to be performed when apportioning these costs between the regulated utility and the affiliate.

Application of the ARC to GLPT

All services that are considered in this report that are provided by Brookfield to GLPT fall into the category of Corporate Shared Services. Therefore, no market test is required.

[1] Ontario Energy Board – Affiliate Relationships Code for Electricity Distributors and Transmitters, revised March 2010.

2. Electric Utility Group Budgets for 2013 and 2014

Navigant was provided the budget for the Electric Utility Group of Brookfield for the years 2013 and 2014. Table 1 below details this information.

Table 1 - Electric Utility Group Corporate Budget

Expense Category	2013 Budget	2014 Budget
Information Technology	$18,558	$19,133
Equity Resourcing	$111,348	$114,800
Tax	$37,116	$38,267
Human Resources	$18,558	$19,133
Finance	$1,135,425	$1,170,623
sub-total	$1,321,005	$1,361,956
Executive Oversight	$1,485,706	$1,531,763
Total	$2,806,711	$2,893,719

Navigant proposes to place the Electric Utility Group Corporate Budget into two categories on the basis of the allocation approach used as described in Section 3 and Section 4 below. The first category is Corporate Shared Services which includes the Information Technologies, Equity Resourcing, Tax, Human Resources and Finance budgets. A direct allocation, such as assets or revenues has been used for this category where a linkage can reasonably be made between the expense category and the allocator used. The second category is Executive Oversight which includes the costs of enterprise leadership of the firm and management of the various investments.

3. Approaches to Allocate Corporate Shared Service Expense to Great Lake Power Transmission

Navigant used a two-step approach to determining the allocation of costs to GLPT. The first step allocated Corporate Shared Services to each electric utility which Brookfield takes an active role in managing. In the second step, the costs associated with Executive Oversight were allocated to each investment.

Shared Services are comprised of several functions including: Human Resources; Information Technology; Finance; Tax; and Equity Resourcing. Unlike organizations embracing a centralized structure which provides services from a centralized service organization to various operating divisions, Brookfield essentially allows each entity to operate autonomously. Therefore, in many cases the support provided by the centralized functions falls into the category of policy and oversight. Furthermore, the investments making up the Electric Utility Group are located in different countries located throughout North and South America. The geographic diversity of the various investments would tend to favor an autonomous operating arrangement. Navigant has therefore chosen a variety of allocators commonly used in utility cost allocation to apportion the Shared Services costs to each member of the Electric Utility Group. The Shared Services cost apportionment also varies depending on the level to which Brookfield participates in the active day-to-day management. In the case of Transelec, Brookfield participates at a shareholder level, and does not manage day-to-day activities to the same extent as with other members of the Electric Utility Group. As such, no costs associated with Shared Services have been allocated to Transelec; however, there is an allocation for Executive Oversight as described in Section 4 below. Corporate Shared Services costs have been allocated to the other four Electric Utility Group members; GLPT, Cross Sound Cable, WETT and EBSA.

Allocators

In order to allocate the Brookfield Shared Services costs to each of the Electric Utility Group investments, three (3) allocators have been developed. The allocations are based on data supplied by GLPT and are summarized below:

Table 2 - Description of Allocators

Allocator	Description
Revenue Allocation	Gross Revenues
Asset Allocation	Assets
Employee Allocation	Number of Employees

In order to reflect Brookfield's level of involvement in the day-to-day management in the utility investments, each of the allocators includes an adjustment for Brookfield's ownership percentage as noted in Table 5 of Appendix A. This adjustment reduces the allocation in proportion to the ownership percentage for situations where Brookfield is actively involved in the management, but has less than a 100% ownership interest. In the case of Transelec where Brookfield has only shareholder responsibility, the allocation is zero.

Allocation of Corporate Shared Service Costs

The allocator used for each of the shared service functions is described below.

Information Technology

Information Technology services include internet and other IT related issues which have been allocated to each investment based upon revenues, (calculated as GLPT specific revenue divided by total revenue of all companies within the Electric Utility Group), adjusted for ownership and management. The revenue allocator has been used for IT expenses because typically IT services and revenues tend to be highly correlated due to the complexity of financial reporting and the number of users supported. GLPT's percentage allocation is 13%, resulting in a shared services cost amount of $2,354 in 2013 and $ 2,427 in 2014.

Equity Resourcing

This service includes shareholder communication for the purpose of securing and maintaining equity. As described above, revenues (adjusted for ownership and management) have been used to allocate this cost to each of the investments, with the allocation to GLPT being 13%. The resulting amount allocated to GLPT is $14,124 in 2013 and $14,562 in 2014.

Tax

The Tax function includes assistance with rate applications and the preparation of partnership tax returns. The allocator used for the Tax function costs is assets adjusted for ownership and management (calculated as GLPT assets divided by total assets of all companies within the Electric Utility Group). This allocator is considered reasonable given that the investments in assets are related to both rate applications and partnerships agreements. On this basis, the allocation to GLPT is 16%, or $ 5,875 and $ 6,057 in 2013 and 2014 respectively.

Human Resources

Expenses associated with Human Resource support, which includes access to specialty services related to pension and labour issues, has been allocated based upon the number of employees adjusted for ownership and management (calculated as GLPT employees divided by the total employees of all companies within the Electric Utility Group). Given that this expense is related to personnel and labour issues, the employee allocator has been used. The resulting allocation is 8% or $1,445 in 2013 and $ 1,520 in 2014.

Finance

The Finance function includes assistance in specialty corporate accounting, financing activities and deed of trust management. Assets, adjusted for ownership and management by Brookfield, have been used to allocate this function to each of the investments given that the Finance Function activities are most typically related to investments in assets. The resulting allocation to GLPT is 16%, or $179,730 in 2013 and $ 185,302 in 2014.

Resulting Allocation to GLPT

Table 3 provides a summary of the allocator and percentage, as well as the resulting Shared Service allocation amount to GLPT by function for 2013 and 2014.

Table 3 - Allocation of Shared Service Costs to GLPT

Category	Allocator	Percentage Allocation to GLPT	2013 Allocated Corporate Shared Service Costs to GLPT	2014 Allocated Corporate Shared Service Costs to GLPT
Information Technology	Revenue	13	$2,354	$2,427
Equity Resourcing	Revenue	13	$14,124	$14,562
Tax	Assets	16	$5,875	$6,057
Human Resources	Employees	8	$1,474	$1,520
Finance	Assets	16	$179,730	$185,302
Total			$203,558	$209,868

4. Approaches to Allocate Executive Oversight Expense to GLPT

Executive Oversight Expenses are associated with the enterprise leadership of the Electric Utility Group at Brookfield. The Electric Utility Group budgeted cost for this function for is $1,485, 706 in 2013 and $1,531,763 in 2014.

Navigant has used a two-step process to allocate Executive Oversight Expenses to each member of the Electric Utility Group. Recognizing that a certain minimum level of effort is required by Brookfield regardless of the size of the investment, the first step is to allocate a portion of the total Executive Oversight Expenses to this category, labeled by Navigant as *Fixed Executive Oversight.* The balance of the Executive Oversight Expenses, labeled *Variable Executive Oversight*, is for costs driven by the size of the investment and whether or not Brookfield takes an active role in the day-today management or is relegated to the role of a shareholder. The second step in the process is to allocate these two expense categories to each member of the Electric Utility Group.

Fixed Executive Oversight

Fixed executive oversight includes activities such as quarterly reporting, monthly meetings, policy development and initiatives, equity market communications and other reporting related responsibilities. Navigant estimates that 50% of the Executive Oversight Expenses ($742,853 in 2013, $765,882 in 2014) are Fixed Executive Oversight based on discussions with Brookfield management. These expenses have been distributed equally across the 5 utilities as the reporting requirements are the same for each member of the Electric Utility Group. On this basis the allocation to GLPT is $148,571 in 2013 and $ 153,176 in 2014.

Variable Executive Oversight

Variable Executive Oversight Expense ($742,853 in 2013, $765,882 in 2014) was allocated to each member of the Electric Utility Group, which are actively managed by Brookfield, based upon assets and adjusted for ownership interest. Navigant proposes this allocator based on the logic that the level of investment is a representative measure of management's involvement. The Variable Oversight Expense was allocated to each enterprise in which Brookfield takes an active role in the management using the ratio of the each investment to the sum of all actively managed investments. The level of Variable Executive Oversight Expense allocated to GLPT is $117,589 in 2013 and $ 121,234 in 2014.

Resulting Allocation to GLPT

The resulting allocation of Executive Oversight Expense to GLPT for 2013 is $266,159 and for 2014 is $274,410.

5. Benchmarking of Results to Other Ontario Utilities

Navigant benchmarked the Corporate Shared Services of other electric utilities in Ontario who are privately held. The utilities in the sample included:

1. Algoma Power Inc.;
2. CNPI - Eastern Ontario Power;
3. CNPI - Port Colborne;
4. CNPI - Fort Erie;
5. CNPI-Transmission.

The benchmarking analysis compared the level of Corporate Shared Services cost allocated to each utility to the total revenue requirement approved by the OEB in that utility's last rate request. Table 4 below summarizes our findings:

Table 4 - Benchmarking of Corporate Shared Service Costs Transferred to Ontario Electric Utilities

Utility	OEB Docket No.	Corporate Shared Service Costs	Total Revenue Requirement	Corporate Shared Service Costs as a Percentage of the Revenue Requirement
Algoma Power Inc.	EB-2009-0278	$428,538	$20,452,136	2.10%
CNPI – Eastern Ontario Power	EB-2008-0222	$99,000	$2,359,136	2.80%
CNPI – Port Colborne	EB-2008-0224	$199,000	$5,969,947	3.30%
CNPI – Fort Erie	EB-2008-0223	$346,000	$9,827,418	3.50%
CNPI - Transmission	EB-2011-2068	$454,444	$4,612,444	9.90%
Average of Peers		$1,526,982	$43,221,684	3.53%
Great Lakes Power Transmission	2013 Budget	$469,717	$35,247,807	1.33%

Great Lakes Power Transmission is requesting a level of Corporate Shared Service costs which is less than one-half the weighted average of the other utilities. Furthermore, the percentage level of Corporate Shared Service costs requested by GLPT is the lowest of the peer group.

6. Conclusions

Navigant has completed an evaluation of Shared Services functions and allocated those costs to each member of the Electric Utility Group based on three recognized metrics; gross revenues, assets, and number of employees. The allocations include an adjustment for the level of management activity and proportion of ownership. The result of this analysis is a shared services allocation to GLPT of $ 203,588 in 2013, and $209.868 in 2014.

The Executive Oversight allocation was classified as 50% fixed and 50% variable. The fixed proportion was allocated equally to each member of the Electric Utility Group, and the variable proportion was allocated on the basis of investment (i.e. asset allocation) adjusted for ownership interest. The total Executive Oversight allocation to GLPT is $266,159 and $274,410 in 2013 and 2014 respectively.

Lastly, the total affiliated costs allocated to GLPT appear reasonable given the results of the benchmarking analysis completed by Navigant which compares the proportionate share of Corporate Shared Service costs to revenue requirement. The proportionate share for GLPT is less than one-half the weighted average for the comparable peer group of utilities.

Appendix A. Corporate Structure of Brookfield

Brookfield Utility Investments

The Brookfield Electric Utility Group is primarily comprised of investments by Brookfield Asset Management (BAM) through Brookfield Infrastructure Partners (BIP), which in turn has an ownership interest in a number of utility ventures identified as the Electric Utility Group. The Electric Utility Group investments include:

Great Lakes Power Transmission

Great Lakes Power Transmission (GLPT) is the largest privately owned transmitter in Ontario with 561 km of 44kV to 230 kV transmission lines in northern Ontario. The connection to southern Ontario provided by these assets is an integral component to the Ontario transmission system. GLPT has assets of approximately $230M and revenues of approximately $35M. GLPT is actively managed and is controlled 100% by Brookfield.

Cross Sound Cable

Cross-Sound Cable Company, LLC is a 24 mile (39km) long submarine cable high voltage direct current ("HVDC") electrical transmission company providing 330MW's of electrical transmission capacity to customers in New England and Long Island. The Cross Sound Cable is operated under a contract with the Long Island Power Authority and is regulated under the authority of the US Federal Energy Regulatory Commission. Cross Sound Cable has assets of $198 million and revenues of $23 million. Brookfield manages and owns 100% of the assets and is actively involved in the management of this Company.

Transelec

Transelec is the largest transmission system in Chile with approximately 8,200 km of transmission lines that serve 98% of the population. Transelec has assets of approximately $5.0 billion and revenues $398 million. Brookfield Infrastructure Partners holds an 18% interest in Transelec. The Brookfield ownership interest is best characterized as a shareholder only relationship with no active management responsibilities.

Wind Energy Transmission of Texas

Wind Energy Transmission of Texas (WETT) is a 600 km of 345 kV transmission lines and includes five substations. The $750 million asset is currently under construction and is expected to be in service by 2013. Brookfield is a 50% partner in WETT and will jointly manage the operation of the company on this basis.

EBSA, Colombia

EBSA is an electricity distribution franchise in the Boyacá and Santander provinces in Colombia, approximately 150 km north of Bogota. EBSA holds assets of $650 million and earns revenues of $175 million. Brookfield actively manages and controls 100% of EBSA.

Differences in Ownership Structures and the Implications for Allocation of Corporate Costs

Brookfield's ownership structures differ between the various Electric Utility Group investments. In some cases Brookfield actively participates in the management and oversight of day-to-day operations. Great Lakes Power Transmission is an example of such an investment where there is oversight of the day-to-day operations. Although many of the administrative services are delivered by internal staff at GLPT, policy oversight is established by Brookfield.

In contrast, Brookfield also takes passive interest in certain investments where there involvement is limited to being a shareholder with no active management responsibilities. Transelec is an example of a passive investment where Brookfield does not take an active role in the management of the asset, and thus does not devote resources to oversee their day-to-day operations.

Table 5 below provides a listing of each project and the ownership arrangement.

Table 5 - Summary of Ownership Structures

Investment	Ownership Percentage	Management Activity	Ownership
Transelec	18%	Shareholder Responsibility Only	Shareholder
Great Lakes Transmission	100%	Active Role in Management	Owner / Operator
Cross Sound Cable	100%	Active Role in Management	Owner / Operator
WETT	50%	Partner	Partnership
EBSA	100%	Active Role in Management	Owner / Operator

APPENDIX "C"

Services Agreement for Corporate Cost Allocation

SERVICES AGREEMENT

BETWEEN

BROOKFIELD INFRASTRUCTURE HOLDINGS (CANADA) INC.

AND

GREAT LAKES POWER TRANSMISSION LP

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SCHEDULE "A"

SERVICES AGREEMENT

THIS AGREEMENT is made as of January 1, 2012

BETWEEN:

Great Lakes Power Transmission LP by its general partner Great Lakes Power Transmission Inc. (the "Partnership"),

– and –

Brookfield Infrastructure Holdings (Canada) Inc. (the "Service Provider").

THIS AGREEMENT WITNESSES that, in consideration of the covenants and agreements herein contained, the parties hereto agree as follows:

ARTICLE 1 – GENERAL

1.01 Services

Subject to the terms and conditions hereof, at the Partnership's request, the Service Provider shall provide, or arrange for an affiliate of the Service Provider to provide, any one or more of the following services to the Partnership:

(a) electric utility operation and executive management services;

(b) information technology including the provision and management of systems, system and hardware support services, major and minor repairs, development and policies and procedures, and monitoring of information technology developments;

(c) shareholder communication for the purpose of securing and maintaining equity;

(d) human resources administration including development of policies and procedures, union relations and negotiations, personnel file management and management of employee benefit plans;

(e) financial management including cash administration, investments and debt management, treasury services, internal audit services, and development of financial and account policies and procedures;

(f) tax administration, filing and payment, including compliance, regulatory reporting and filing, planning, audit reviews, transfer of tax liabilities and the payments, filing of tax reports, and exposure management;

(g) environmental compliance monitoring including the development of policies and procedures, training (awareness and procedures), regulatory reporting, government liaison and site inspections;

(h) health and safety compliance monitoring including the development of policies and procedures, training (awareness and procedures), regulatory reporting, government liaison and site inspections;

(i) legal and secretarial services; and

(j) such other services as may from time to time be agreed upon between the parties.

1.02 Term of Agreement

The provision of services by the Service Provider to the Partnership hereunder shall commence as of January 1, 2012 and shall continue until January 1, 2017 unless terminated by the parties hereto as set forth in Article 5 hereof.

ARTICLE 2 – REMUNERATION OF SERVICE PROVIDER

2.01 Fee for Services and Cost Mechanism

In respect of fee for services, the Partnership shall pay to the Service Provider for the services provided under the Agreement a fee reflecting cost.

2.02 Expenses

The Service Provider shall be responsible for all day to day expenses incurred in connection with the services to be provided pursuant to Section 1.01 hereof. However, the Partnership shall reimburse the Service Provider for all extraordinary expenses actually and properly incurred by the Service Provider in the performance of the services hereunder provided that such expenses shall be paid in accordance with the normal practices of the Partnership in force from time to time.

2.03 Invoices

Payment shall be made to the Service Provider with respect to the fees and expenses referred to in Sections 2.01 and 2.02 within 10 days from receipt by the Partnership of proper invoices and vouchers, all of which shall be submitted by the Service Provider to the Partnership quarterly during the term of this Agreement.

2.04 Cost Allocation Methodology

In respect of shared costs, costs shall be allocated based upon an appropriate cost allocation methodology to be determined by the parties. The cost allocation methodology shall be reviewed by the parties at the option of either party, or at least every five years. The allocation factors that comprise the methodology shall be reviewed and updated by the parties annually.

ARTICLE 3 – COVENANTS OF SERVICE PROVIDER

3.01 Services

The Service Provider, or any affiliate of the Service Provider providing services hereunder, shall render performance of the services hereunder to the best of the ability of such person and in a competent and professional manner.

3.02 Time of Services

The Service Provider shall devote such of its time and attention to the business of the Partnership as may be agreed to by the Service Provider and the Partnership. The time of services to be provided hereunder by the Service Provider shall be as agreed to from time to time by the Partnership and the Service Provider. Subject to the obligations of the Service Provider hereunder, the Service Provider shall be free to offer such services to any other person.

3.03 Licenses and Permits

The Service Provider, or any affiliate of the Service Provider providing services hereunder, shall be responsible for obtaining all necessary licenses and permits and for complying with all applicable federal, provincial and municipal laws, codes and regulations in connection with the provision of the services hereunder, and the Service Provider or affiliate thereof shall, when requested, provide the Partnership with adequate evidence of his compliance with this Section 3.03.

3.04 Rules and Regulations

The Service Provider, or any affiliate of the Service Provider providing services hereunder, shall (subject to applicable exemptions) comply, while on the premises used by the Partnership, with all the rules and regulations of the Partnership from time to time in force which are brought to its notice or of which it could reasonably be aware, and the applicable provisions of the *Electricity Act, 1998* (Ontario) and the regulations thereunder, the *Ontario Energy Board Act, 1998* (Ontario) and the regulations thereunder, applicable licenses from the Ontario Energy Board, IESO market rules, the Affiliate Relationships Code, the Transmission System Code and such other applicable codes, rules and regulations, which from time to time shall come into force.

3.05 Regulatory Compliance

The Service Provider shall ensure that any order or measure made or taken by the Ontario Energy Board:

(i) that is brought to its attention or of which it becomes aware;

(ii) that is directed at or affects the Partnership; and

(iii) that, in order to be implemented or complied with, is dependent in whole or in part upon any service or task that the Service Provider is obligated to perform hereunder;

shall be fully implemented or complied with to the extent of obligations hereunder. In connection with this section, the Partnership agrees that it will promptly notify the Service Provider of any order or measure of the Ontario Energy Board directed at or affecting the Partnership.

Nothing in this Agreement will prevent the Partnership from taking any steps, including without limitation using the Partnership's own resources or those of a third party, that are necessary to implement or comply with the applicable Ontario Energy Board license, or any other applicable provisions of the applicable legislation, regulations and market rules, or any order or measure made or taken by the Ontario Energy Board.

3.06 Indemnity

The Partnership shall indemnify and save the Service Provider harmless from and against all claims, actions, losses, expenses, costs or damages of every nature and kind whatsoever which the Service Provider or its officers, employees or agents may suffer as a result of the performance or non-performance of this Agreement, except to the extent such claims, actions, losses, expenses, costs or damages result from the fraud, negligence or willful misconduct of the Service Provider.

3.07 Non-disclosure and Confidentiality

The Service Provider shall not (either during the term of this Agreement or at any time thereafter) disclose any information relating to the private or confidential affairs of the Partnership or relating to any secrets of the Partnership to any person other than with the consent of the Partnership.

3.08 Access to Confidential Information

All confidential information must be protected. Access to a utility's information services shall include appropriate computer data management and data access protocols. In the event that a utility shares employees with a generating affiliate, such employees shall be bound to maintain the confidentiality of information provided for herein, except as otherwise required by applicable law.

3.09 Monitoring Services

The Service Provider shall provide to the Partnership all information that the Partnership requires so that the Partnership can monitor the provision of its applicable licensed services provided by the Service Provider. The Service Provider will also provide information as requested by the Partnership, which is required for the Partnership in fulfillments of its applicable Ontario Energy Board license.

ARTICLE 4 – TERMINATION

4.01 Termination by Partnership or Service Provider for Cause

The Partnership or the Service Provider may terminate this Agreement at any time in the event of the failure of the other party to comply with any of the provisions hereunder upon such other party being notified in writing by the party alleging such failure and failing to remedy such failure within 30 days of receiving such notice.

4.02 Termination by Partnership or Service Provider on Notice

The Partnership or the Service Provider may terminate this Agreement upon the giving of 60 days written notice to the other party. Notwithstanding the foregoing, the Partnership may terminate this Agreement immediately upon paying to the Service Provider 60 days' fee for services in lieu of such notice.

4.03 Provisions which Operate Following Termination

Notwithstanding any termination of this Agreement for any reason whatsoever and with or without cause, the provisions of Sections 3.06, 3.07 and 3.08 and any other provisions of this Agreement necessary to give efficacy thereto shall continue in full force and effect following any such termination.

ARTICLE 5 – ARBITRATION

5.01 Arbitration of Disputes

Any disputes arising between the parties relating to the interpretation of any provision of this Agreement or other matters which under the provisions of this Agreement are to be referred to arbitration shall be settled by arbitration in accordance with the provisions of Section 5.02.

5.02 Appointment of Arbitrator and Arbitration Procedures

(a) In the event of disagreement, litigation or dispute with respect to the interpretation, application or execution of one or the other of the provisions of this Agreement the parties hereto renounce their right to institute legal proceedings and undertake to submit such disagreement, litigation or dispute to the final decision pursuant to Arbitration in accordance with Schedule "A" hereto.

(b) The fees and disbursements of the arbitrator shall be shared equally by the parties to this Agreement.

(c) The arbitration provided for in this Agreement is subject to the provisions of the *Arbitration Act* (Ontario), to the extent that such provisions are not incompatible herewith.

ARTICLE 6 – INTERPRETATION AND ENFORCEMENT

6.01 Sections and Headings

The division of this Agreement into Articles and Sections and the insertion of headings are for the convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms "this Agreement", "hereof", "hereunder" and similar expressions refer to this Agreement and not to any particular Article, Section or other portion hereof and include any agreement or instrument supplemental or ancillary hereto. Unless something in the subject matter or context is inconsistent therewith, references herein to Articles and Sections are to Articles and Sections of this Agreement.

6.02 Extended Meanings

In this Agreement words importing the singular number only include the plural and vice versa, words importing any gender include all genders and words importing persons include individuals, partnerships, associations, trusts, unincorporated organizations and corporations and vice versa.

6.03 Benefit of Agreement

This Agreement shall enure to the benefit of and be binding upon successors and assigns of the Service Provider and the Partnership, respectively.

6.04 Entire Agreement

This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and cancels and supersedes any prior understandings and agreements between the parties hereto with respect thereto. There are no representations, warranties, forms, conditions, undertakings or collateral agreements, express implied or statutory between the parties other than as expressly set forth in this Agreement.

6.05 Amendments and Waivers

No amendment to this Agreement shall be valid or binding unless set forth in writing and duly executed by both of the parties hereto. No waiver of any breach of any term or provision of this Agreement shall be effective or binding unless made in writing and signed by the party purporting to give the same and, unless otherwise provided in the written waiver, shall be limited to the specific breach waived.

6.06 Assignment

Except as may be expressly provided in this Agreement, neither party hereto may assign his or its rights or obligations under this Agreement without the prior written consent of the other party hereto.

6.07 Severability

If any provision of this Agreement is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability shall attach only to such provision or part thereof and the remaining part of such provision and all other provisions hereof shall continue in full force and effect.

6.08 Notices

Any demand, notice or other communication to be made or given in connection with this Agreement shall be made or given in writing and may be made or given by personal delivery or by registered mail addressed to the recipient as follows:

To the Partnership:

Great Lakes Power Transmission LP
2 Sackville Road, Suite B
Sault Ste. Marie, Ontario P6B 6J6
Attention: Andy McPhee
Fax: (705) 941-5600

To the Service Provider:

Brookfield Infrastructure Holdings (Canada) Inc.
Brookfield Place, Suite 300
181 Bay Street
Toronto, Ontario M5J 2T3
Attention: Michael Botha
Fax: (416) 363-2856

or such other address or individual as may be designated by notice by either party to the other. Any demand, notice or other communication made or given by personal delivery shall be conclusively deemed to have been given on the day of actual delivery thereof and, if made or given by registered mail, on the 5th day, other than a Saturday, Sunday or statutory holiday in the province of the Service Provider, following the deposit thereof in the mail. If the party giving any demand, notice or other communication knows or ought reasonably to know of any difficulties with the postal system which might affect the delivery of the mail, any such demand, notice or other communication shall not be mailed but shall be made or given by personal delivery.

6.09 Further Assurances

Each party must from time to time execute and deliver all such further documents and instruments and do all acts and things as the other party may reasonably require to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement.

6.10 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario, and the laws of Canada applicable therein.

6.11 Counterparts

This Agreement may be signed in counterparts.

6.12 Attornment

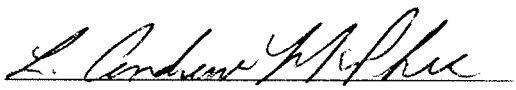
For the purpose of all legal proceedings this Agreement shall be deemed to have been performed in the Province of Ontario and, subject to Article 5 of this Agreement, the courts of the Province of Ontario shall have jurisdiction to entertain any action arising under this Agreement.

REMAINDER OF PAGE INTENTIONALLY LEFT BLANK

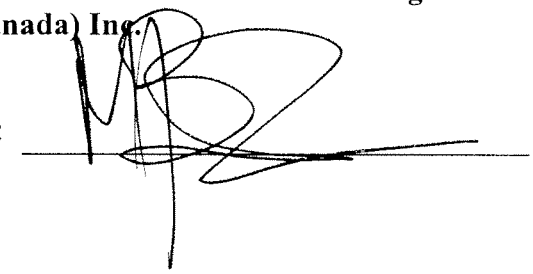
IN WITNESS WHEREOF the parties have executed this Agreement.

Great Lakes Power Transmission Inc. on behalf of Great Lakes Power Transmission LP

Per: 

Per: 

Brookfield Infrastructure Holdings (Canada) Inc.

Per: 

SCHEDULE "A"

ARBITRATION

Any dispute between the parties hereto, or any matter to be submitted to arbitration hereunder, whether arising during the period of this Agreement or at any time thereafter which touches upon the validity, construction, meaning, performance or effect of this Agreement or the rights and liabilities of the parties hereto or any matter arising out of or connected with this Agreement shall be subject to arbitration pursuant to the *Arbitration Act* (Ontario) and as provided in this Schedule A and the decision shall be final and binding as between the parties hereto and shall not be subject to appeal.

Any arbitration to be carried out under this Schedule A shall be subject to the following provisions, namely:

The party desiring arbitration shall nominate one (1) arbitrator and shall notify the other party hereto of such nomination. Such notice shall set forth a brief description of the matter submitted for arbitration and, if appropriate, the paragraph hereof pursuant to which such matter is so submitted. Such other party shall within thirty (30) days after receiving such notice nominate an arbitrator and the two (2) arbitrators shall select a chairman of the arbitral tribunal to act jointly with them. If the said arbitrators shall be unable to agree in the selection of such chairman, the chairman shall be designated by a Judge of the Superior Court of Justice or any successor thereto upon an application. The arbitration shall take place in the City of Toronto, and the chairman shall fix the time and place in the City of Toronto for the purpose of hearing such evidence and representations as either of the parties may present and, subject to provisions hereto, the decision of the arbitrators and chairman or any of two (2) of them in writing shall be binding upon the parties both in respect of procedure and the conduct of the parties during the proceedings and the final determination of the issues herein. Said arbitrators and chairman shall, after hearing any evidence and representations that the parties may submit, make their decision and reduce the same to writing and deliver one (1) copy thereof to each of the parties hereto. The majority of the chairman and arbitrators may determine any matters of procedure for the arbitration not specified herein.

If the party hereto receiving the notice of the nomination of an arbitrator by the party desiring arbitration fails within the thirty (30) days to nominate an arbitrator, then the arbitrator nominated by the party desiring arbitration may proceed alone to determine the dispute in such manner and at such time as he shall think fit and his decision shall, subject to the provisions hereof, be binding upon the parties.

Notwithstanding the foregoing, any arbitration may be carried out by a single arbitrator if the parties hereto so agree, in which event the provisions of this paragraph shall apply, mutatis mutandis.

Exhibit 4, Tab 2, Schedule 5

Purchase of Non-Affiliate Services

PURCHASE OF NON-AFFILIATE SERVICES

1.0 Overview

In the course of operating its transmission business, GLPT relies on the purchase of services from non-affiliated companies. Services purchased by GLPT from non-affiliated companies include but are not limited to: vegetation management services, audit services, equipment and material testing, janitorial services, electrical support, construction activities, training services, legal services, pension administration, building maintenance, snowplowing and engineering support services. GLPT's procurement procedure is attached at **Appendix 'A'** to this schedule, and summarized below.

2.0 Contractor Pre-Qualification

Where GLPT believes there may be safety or environmental concerns associated with a project or a particular type of work, GLPT will carry out a contractor pre-qualification process. A safe and healthy workplace is an important part of GLPT's work environment. As such, GLPT takes a number of steps to ensure that contractors, particularly those carrying out physical work on behalf of the company, demonstrate a level of dedication to health and safety that is consistent with GLPT's own commitment to health and safety. This process, which GLPT refers to as its contractor pre-qualification process, is described in detail below:

1. Interested contractors are sent an application form,

2. The contractor completes the application form and returns it to GLPT along with any additional information requested. Information requested includes business history, safe work performance, health and safety policies and information, and environmental policies and information.

3. GLPT evaluates the information supplied and requests additional information as required. GLPT determines whether the contractor is qualified to work for GLPT, depending on the level of risk that is associated with the work sought by the contractor.

4. Annually, contractors are requested to update certain information in the application form. Some examples of information requiring updates include Workplace Safety & Insurance Board experience ratings, training completed, and Ministry of Labour orders.

APPENDIX "A"

GLPT Procurement Procedure

Great Lakes Power Transmission LP

Procurement Procedure

March 25, 2011

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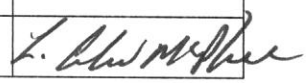
1 Overview

This procedure provides internal Management and control over the process of procuring goods and services. The procedure stipulates that the procurement of goods and services will be in accordance with the procedure framework (Section 3), the requirement is for competitive bids whenever commercially practicable (Section 4.2), all participants will conduct themselves in an ethical and fiscally principled manner (Section 2), and, that each control point must be approved in accordance with the Spending Approval Procedure.

1.1 Revision History

Version	Reason for version	Author	Date Approved	Approver	Signature
1.0	Initial Publication	M. McCracken	June 18, 2010	D. Fecteau	DF
1.0	Initial Publication	D. Fecteau	June 18, 2010	A. McPhee	AM
1.1	Minor Updates	D. Fecteau	March 5, 2011	A. McPhee	

1.2 Review Period

This procedure is to be reviewed annually to ensure continued relevancy and accuracy.

1.3 Responsibilities

1.3.1 Owner

The Owner of this procedure is the Vice President and General Manager

1.3.2 Manager

The Manager of this procedure is the Director of Administration

1.3.3 Compliance

Employees are required to comply with the procurement procedure; Managers are responsible for ensuring that employees within his or her department are aware of the procurement procedure.

Managers are also responsible for ensuring that expenditures within their department are for an approved budgeted line item, the expenditure does not exceed the approved budget, and it is charged to the proper Work Order (WO) prior to the issuance of a PO.

1.4 Target Audience

The procurement procedures are for all operational and administration staff\consultants at Great Lakes Power Transmission (GLPT).

1.5 Conflict Escalation

The Purchasing Department will work with Requestor but also departmental Managers to resolve any disagreement(s)/dispute(s) with regards to this procedure. In the event of an outstanding disagreement between or with the above parties, the procedure Owner represents the final escalation point.

2 Principles

The following principles shall be taken into account during any procurement of goods or services by GLPT:

Health and Safety: GLPT continuously strives to achieve excellence in safety performance and be recognized as industry leaders in accident prevention. Our overall objective is to achieve zero high risk safety incidents and zero lost time injuries for all employees, Contractors, and the public that are within close proximity of our facilities. Procurement of goods and services shall comply with GLPT Contractor safety Management which is detailed in the Safety Procedures.

Environmental Issues: GLPT accepts the responsibility entrusted to us to manage natural resources in ways to ensure sustainable development and public safety. Procurement of goods and services shall comply with GLPT Contractor environmental Management which is detailed in the Environment Procedures.

Accountability: Expenditures must be made in accordance with sound business practices and applicable requisitioning and approval practices of GLPT at the time of initiation of procurement process.

Honesty/Integrity: Maintaining an unimpeachable standard of integrity in all their business relationships both inside and outside the organization;

Ethical and Transparent: Acquiring goods and services through the consistent application of transparent processes, and professional standards of business ethics in accordance with the GLPT – Code of Business Conduct and Ethics. In addition, employees and consultants shall not use their authority for personal gain and shall reject any business practices that are improper.

Discrimination and Harassment: No employee shall knowingly participate in acts of discrimination or harassment towards any person that he or she has business relations with.

Business Gifts and Hospitality: Employees and consultants shall preserve the image and integrity of themselves and of GLPT; business gifts other than items of small intrinsic value should not be accepted.

Competition: Remaining conscious of the advantages of maintaining a continuing relationship with a Supplier. Any arrangement which might prevent the effective operation of fair competition must be avoided.

Conflict of Interest: Employees and consultants shall avoid situations where personal interest which may infringe, or might reasonably be deemed by others to infringe, on a member's impartiality in any matter relevant to his or her procurement related duties.

Such instances should be immediately declared to the Vice President and General Manager before entering into any agreement. Recommendations will be made by the Vice President and General Manager on how to avoid, neutralize, or mitigate the risks based on the specifics of the situation.

Confidentiality: Take all reasonable steps to ensure that we comply with all confidentiality obligations. The confidentiality of information received in the course of duty must be respected and should not be used for personal gain or to the advantage of the Supplier; information given in the course of duty should be true and fair and not designed to mislead.

Conformity to the Laws: Employees and consultants must comply with all of the laws in which we practice; the rules and regulations of GLPT and the Ontario Energy Board; any professional institutions that we might be a member of; and our contractual obligations.

3 Procedure Framework

The purpose of this procedure is to describe the processes to be followed for the acquisition/lease of goods and services. The acquisition/lease of goods and services are classified into two categories. Category one consists of Operations, Regular Maintenance, and Administration (OM&A). Category two consists of Capital or Major Maintenance (MM) projects.

This procedure document does not outline the authorization levels for approval of category two projects or spending approval limits for both categories one and two expenditures. (Please refer to the Spending Approval Procedure). This procedure outlines the steps to be followed **after** satisfying all requirements of the Spending Approval Procedure.

3.1 Objectives

The objective of this procedure is to ensure that all stakeholders (GLPT Operations, Partners, and Ratepayers) needs are adequately assessed and acquisition/lease of goods and services are properly justified prior to purchase. The intent of this procedure is to: ensure operations have the tools required to operate a safe, reliable, environmentally responsible and efficient transmission system, ensure (where appropriate) acquisitions/lease of services are acquired through a competitive procurement process (Section 4.2), and ensure appropriate internal controls and audit

trails are maintained. To ensure GLPT meets this objective the following specific objectives will be adhered to:

- The Purchasing Department is to be utilized as much as possible, in order to allow others to focus efforts on specific departmental tasks. This will ensure enhanced operational efficiency and support the internal controls and audit trails. The Purchasing Department will liaise with the requester and existing/potential Suppliers.

- Obtaining quotes or proposals from multiple Suppliers is preferable to single sourcing when possible. Single sourcing (Section 4.2.6) may be necessary and suitable in certain circumstances, and when the risks associated with single sourcing can be mitigated.

- Qualification and selection of Suppliers will be conducted based on certain criteria. Selection criteria include but are not limited to any of the following.

  - Health and safety considerations
  - Environmental considerations
  - Prequalification of Suppliers (All Suppliers should be prequalified[1])
  - Price variations
  - Community support and strategic business relationships
  - Past procurement experience
  - Available information about Suppliers
  - Timeframe for selection
  - Nature of goods/services being procured
  - Availability of Suppliers

- Decisions made in the selection of Suppliers and service providers must be adequately documented.

- Documentation is required for each purchase to ensure purchasing files are consistently maintained with all required information. This will also facilitate the maintenance of an inventory database, and proper tracking and accounting for disposals of assets.

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[1] It will be the responsibility of the requesting/approving individual to determine if the prequalification program is required, as this requirement will not be enforced upon Vendors, service providers, or Contractors who do not pose safety or environmental concerns.

When there is uncertainty as to the requirement of a prequalification, consultation with the Health, Safety and Environmental Specialist will be required to reach a conclusion.

- Expenditures on goods and services are not to be broken down arbitrarily into smaller amounts to circumvent the documented authorization limits.

This Procedure document covers major purchases completed via Purchase Orders (PO), Standing Purchase Orders (SPO), and direct invoicing, as well as minor purchases completed via Procurement Cards (ProCard) and Fleet Cards.

3.2 Major Purchase

For all external purchases of goods and services, which are not ProCard purchases, a PO or SPO must be issued for the item or service through the Purchasing Department. The only exceptions are in the case of emergencies and where a Purchase Requisition and sourcing are not feasible or applicable; such expenditures include but are not limited to payroll, utility bills, insurance, property taxes, regulatory fees, fuel, etc.

3.2.1 Purchase Orders

A Purchase Requisition form is to be completed. This will include an estimated value for the purchase, a Work Order (WO) number and approval from a manager (subject to the "Spending Approval Procedure" limits). The estimated value of the expenditure will be calculated as follows:

> The estimated value of the purchase of goods and services excludes taxes. For a lease it will be the sum of rental/lease payments over the contracted or expected term and, if applicable, would include the purchase option at the end of the rental/lease period, and the residual value payment, including any expected renewal periods. If a contingent obligation is associated with the lease, the estimated value of the contingency must be included as part of the total expenditure for approval purposes.

The Purchase Requisition will be sent to the Purchasing Department to be sourced. Multiple quotes will be obtained when possible/reasonable (Section 4.2). When not possible or reasonable, formal documentation of sourcing methodology is necessary on the Purchase Requisition. Examples include instances where the Requestor has already sourced a highly specialized product/service, or the nature of the product/service is such there are no other Vendors available. The documentation will serve to verify to stakeholders that value for money is being ensured and to assist with audit purposes.

The documentation related to the quotes will be retained with the Purchase Requisition for audit purposes.

The quoted price should be within 10% of the estimated value, where it is not, the Purchaser will communicate with the approving manager prior to creating a PO.

When the Purchaser is satisfied that the above requirements have been met he/she will create a PO.

3.2.2 Standing Purchase Orders

When certain goods are repeatedly purchased, or services are retained throughout the year, a SPO will be more efficient and preferred over repeatedly following the PO procedures noted above in section 3.2.1.

Requirements are equivalent to those requirements set out above in 3.2.1 for a regular PO, excluding the need for sourcing once a SPO has been established.

Annual review of SPO's is required. This will be in the form of an analysis outlining the sourcing decisions.

3.2.3 Direct Invoicing

As noted above in section 3.2 invoices that are not on PO's include but are not limited to payroll, utility bills, insurance, property taxes, regulatory fees and expenses, etc. Direct invoicing is acceptable in cases where a Purchase Requisition and sourcing are not feasible. In addition direct invoicing is acceptable in cases of Emergency.

Approval of all direct invoicing will be evident by a manager's signature on invoice.

3.3 Minor Purchases

Because of the nature of ProCard and Fleet Card purchases, a Purchase Requisition and PO is not required. However, a WO must be created or assigned prior to the reconciliation process which is completed by accounting. All receipts MUST be included with the monthly reconciliation as set out in the detailed ProCard Guidelines. In the event that a receipt is not available, authorization will be required and approval is left to the discretion of the manager.

Receipts assist in the fulfillment of Inventory requirements; all tools, equipment and furniture greater than $200 are to be capitalized and recorded in inventory databases, as required in the separate Inventory Database Procedures.

Purchases under a ProCard are categorized as Travel/Conferences/Seminars, Low Dollar Items (under $200) or Emergencies. Purchases under a Fleet Card are categorized as fuel or minor vehicle maintenance costs (under $200).

3.3.1 Travel/Conferences/Seminars

The P-Card is to be used for approved GLPT travel expenses, approved GLPT conferences, or approved seminars.

3.3.2 Low Dollar Items

For purchases of goods and services (those not exceeding $200, all taxes included), it is efficient to use the procurement card with no requirement to utilize the Purchasing Department; however managerial approval must be obtained after the purchase. This is evident through the Manager's review and approval of the reconciliation. The P-Card may also be used to purchase Emergency items (see below). For in-depth instructions on the utilization of the P-Card, please refer to the procedures outlined in the Purchasing Card Program Guideline.

Expenditures are not to be broken down arbitrarily into smaller amounts to circumvent the limit. Purchases of goods and services which fall outside of these requirements will require formal detailed documentation of the special situation, with evidence of a manager's review. All purchases of goods and services will be monitored and subject to periodic reviews.

3.3.3 Emergency

Advance approvals are not required for Emergency expenditures. However, the Emergency details must be noted through the monthly P-Card or Fleet Card reconciliation process.

3.3.4 Fuel and Minor Vehicle Maintenance

Fleet Cards are to be used for fuel and minor vehicle maintenance costs (costs < $200). A Fleet Card is found in each company vehicle for this purpose.

4 Contracts and Competitive Procurement

4.1 Contracts

Contracts can be utilized for any of the above purchasing options. Contracts may be preferred for services that have increased health safety and environmental concerns or for large purchases. A contract is not required when the costs associated with the process of obtaining a contract do not provide sufficient business justification. The ultimate determination for whether a contract is required will be the responsibility of the requester.

When certain goods are repeatedly purchased, or services are retained throughout the year a contract may be preferred by the Requestor/Purchaser or the Vendor. All contracts and agreements must be submitted to the Director of Administration and the Vice President and General Manager for approval.

The Contract Specialist is to be utilized when questions arise as to the need or requirement of a contract. The Contract Specialist should be consulted in the initial stages of implementing a contract and he/she will assist with the formal documentation.

Contracts are to be reviewed annually.

4.2 Competitive Procurement

It will be the responsibility of the Purchasing Department to ensure the following procedures for competitive procurement are followed.

4.2.1 Purchases up to $5,000

Can be executed on a non-competitive basis and the decision as to whether to source and seek multiple verbal quotations rests with the Purchasing Department.

4.2.2 Purchases $5,000 up to $25,000

To be considered as competitive the procurement of goods or services should be based on at least three bids, which may be oral or written, but the details must be attached to the Purchase Requisition. Typical information may include:

- Vendor's name,
- Vendor phone number,
- contact person's name and number;
- prices quoted, and,
- date.

If less than three quotes are received, an explanation is to be provided and attached to the Purchase Requisition.

4.2.3 Purchases $25,000 up to $250,000

To be considered as competitive the procurement of goods or services should be based on at least three written quotes which must be attached to the Purchase Requisition. The Requestor may choose to RFP if deemed appropriate. If less than three quotes are received, the Purchaser or Requestor is to provide an explanation and attach it to the Purchase Requisition.

4.2.4 Purchases Over $250,000 [formal RFP process required]

To be considered competitive the procurement of goods or services should be solicited through a formal written Request for Proposal (RFP) with the scope developed by the Requestor as appropriate for the type of goods and services, that can be either:

- solicited among three or more potential Vendors that might reasonably be expected to be appropriately qualified; or,
- solicited to at least two Vendors selected on the basis of formal written qualifications, documented GLPT Vendor evaluation reviews, or,

successful and positive experiences related to previous GLPT requirements or projects.

If less than three quotes are received, an explanation is to be provided and attached to the Purchase Requisition.

4.2.5 Award to Non-Lowest Bid

Award of the bid to a materially non-lowest price Supplier or service provider is justified from time to time but it must continue to adhere to the approved spending limits on the Purchase Requisition.

Non-Lowest Bid justifications shall objectively and quantifiably address some or all of the following factors:

- Quality/safety or schedule reasons,
- Total value or life-cycle costs,
- Experience (general or site specific),
- Continuity of service or expertise previously engaged, and/or
- Compatibility with existing equipment, systems, and/or protocols.

Justifications must be re-approved annually and/or on a project by project basis as applicable to the nature and value of the goods or service and in accordance with the Spending Approval Procedure.

Similarly, if the lowest price bid is >25% lower than the next highest bid, the requestor must provide an explanation which includes:

- Confirmation that the scope was the same for all Vendors;
- Confirmation that the winning bidder is capable of delivering the goods and services according to the scope, quality, schedule and without safety, environmental or operational risk.

4.2.6 Exemption from Requirement for Competitive Procurement

On occasion a purchase of larger dollar value goods or services may be exempt from the requirement for competitive procurement (as defined in sections 4.2.1 – 4.2.4). To be exempt from the competitive requirement, Requestor will be required to provide a Sole Source justification, approved in accordance with the Spending Approval Procedure and with a minimum of a Vice President and General Manager or their designates approval. Sole Source justifications shall objectively address either of the following factors:

- Urgency of the need (and why there was insufficient time to perform a competitive sourcing),
- The need for equipment goods or services.
- Steps taken to mitigate financial exposure inherent in sole sourcing.

Sole Source Justifications are to be documented on or attached to the Purchase Requisition, and must be re-approved annually and/or on a project by project basis as applicable to the nature and value of the goods or service.

5 Definitions

Asset - Defined in accordance with CICA Handbook.

Assets have three essential characteristics:

(a) They embody a future benefit that involves a capacity, singly or in combination with other assets, in the case of profit-oriented enterprises, to contribute directly or indirectly to future net cash flows;

(b) The entity can control access to the benefit; and

(c) The transaction or event giving rise to the entity's right to, or control of, the benefit has already occurred.

Capital Spending – Defined in accordance with the CICA Handbook.

Cost is the amount of consideration given up to acquire, construct, develop, or better an item of property, plant and equipment and includes all costs directly attributable to the acquisition, construction, development or betterment of the asset including installing it at the location and in the condition necessary for its intended use.

Purchases which extend the life or improve the reliability of existing assets. The total cost of Capital purchases includes all direct and/or indirect costs.

Contractors – Any person, consultant, or business performing a services or offering goods to GLPT who is not a GLPT employee.

ELKE – Work Management software.

Emergency - Purchases required to avoid or shorten an unexpected or actual outage, or to complete a project that the delay of which is expected to result in increased costs.

Financial Work Order (FWO) – Spending approval form for Capital or Major Maintenance with a total cost of less than $250,000.

Investment Request Form (IRF) – Spending approval form for Capital or Major Maintenance projects with a total cost that is greater than $250,000.

Major Maintenance – Purchases which include significant maintenance projects undertaken to maintain the reliability and efficiency of operations but do not extend the

useful life of the asset. All Major Maintenance expenses are recorded as a Major Maintenance expense on the income statement.

Management/Managers – Refers to all GLPT Management including supervisors, superintendents, business controller, Managers and the Vice President and General Manager.

Property, Plant and Equipment – Defined in accordance with the CICA Handbook.

Identifiable tangible assets that meet all of the following criteria:

(i) are held for use in the production or supply of goods and services, for rental to others, for administrative purposes or for the development, construction, maintenance or repair of other property, plant and equipment;

(ii) have been acquired, constructed or developed with the intention of being used on a continuing basis; and

(iii) are not intended for sale in the ordinary course of business.

Purchase Order (PO) – A commercial document issued by a buyer to a seller, indicating types, quantities, and agreed prices for products or services the seller will provide to the buyer. Sending a PO to a Supplier constitutes a legal offer to buy products or services.

Purchase Requisition (See Appendix #1) – A request submitted to the Purchasing Department to obtain quotes from various Suppliers. Must be completed and approved prior to committing to a purchase, must also reference a WO. This appendix can be found on the GLPT intranet at http://w6/its/itpolicies.nsf

Purchaser – The person responsible for fulfilling a Purchase Requisition which includes sourcing and creating PO.

Purchasing Department – The group of employees responsible for overseeing the acquisition of goods/service.

Requestor – The person who has formally requested a good or service on behalf of GLPT.

Standing Purchase Order (SPO) – A long term (1 year) commitment to a Supplier for material against which short-term releases will be generated to satisfy requirements.

Supplier – Party providing a good or service to GLPT

Vendor – Supplier of goods or services

Work Order (WO) – A number assigned from the ELKE system to every item or service acquired. This number may already be in place if a purchase is for a project in progress, or it may be new if the item is the first purchase of a project or stand alone item.

6 References

-Purchasing Card Program Guideline

-Fleet Card Program Guideline

-Spending Approval Procedure

-Capital Asset Management Procedures including Inventory Database Procedures (Currently in development)

Exhibit 4, Tab 2, Schedule 6

Depreciation and Amortization

DEPRECIATION AND AMORTIZATION

1.0 CGAAP Depreciation 2010-2012

GLPT's depreciation values up to and including 2012 are calculated under Canadian Generally Accepted Accounting Principles ("CGAAP"). For these years, GLPT uses straight-line depreciation calculations based on the depreciable gross book value of each asset. The rates utilized by GLPT, shown in the table below, are the same as those approved in EB-2010-0291, with one exception. As a result of GLPT leasing its office complex, any upgrades to the complex are recorded as leasehold improvements (USofA account 1910), and depreciated over an appropriate useful life, depending on the nature of the upgrade.

Table 4-2-6 A – CGAAP Depreciation Rates

USofA	Description	Depr. Rate
1705	Land	0.00%
1715	Station Equipment	2.50%
1720	Towers and Fixtures	2.50%
1725	Poles and Fixtures	2.50%
1730	Overhead Conductors & Devices	2.50%
1740	Underground Conductors & Devices	4.00%
1745	Road and Trails	2.50%
1908	Buildings and Fixtures	4.00%
1910	Leasehold Improvements	5%-20%
1915	Office Furniture & Equipment	10.00%
1920	Computer Equipment - Hardware	20.00%
1925	Computer Software	20.00%
1930	Transportation Equipment	20.00%
1940	Tools, Shop and Garage Equipment	10.00%
1955	Communication Equipment	10.00%
1960	Miscellaneous Equipment	10.00%
1990	Other Tangible Property	2.50%

Table 4-2-6 B below outlines GLPT's depreciation expense by asset class for years 2010 to 2012 using CGAAP

Table 4-2-6 B – CGAAP Depreciation Expense by Asset Class 2010 – 2012

($000's) USofA	Description	2010 Actual	2011 Actual	2012 Approved CGAAP	2012 Forecast CGAAP
1705	Land	-	-	-	-
1715	Station Equipment	$3,745.1	$3,781.2	$4,302.9	$4,282.8
1720	Towers and Fixtures	589.2	589.2	589.2	589.2
1725	Poles and Fixtures	1,470.2	1,475.3	1,460.5	1,539.0
1730	Overhead Conductors & Devices	1,042.9	1,039.2	1,040.3	1,071.0
1740	Underground Conductors & Devices	-	-	-	-
1745	Road and Trails	16.4	16.4	20.2	16.4
1908	Buildings and Fixtures	2.6	14.1	47.4	18.6
1910	Leasehold Improvements	1.2	17.4	-	48.2
1915	Office Furniture & Equipment	20.9	27.4	20.4	47.5
1920	Computer Equipment - Hardware	202.5	177.7	213.7	179.5
1925	Computer Software	169.3	256.0	495.9	417.5
1930	Transportation Equipment	114.1	138.7	177.8	163.4
1940	Tools, Shop and Garage Equipment	3.0	21.1	1.5	23.0
1955	Communication Equipment	14.0	19.4	74.1	76.4
1960	Miscellaneous Equipment	1.7	2.9	1.7	4.1
1990	Other Tangible Property	-	-	-	-
	Less: Disallowed 2005 Addition	(37.1)	(37.1)	(37.1)	(37.1)
	Total Annual Depreciation:	**$7,356.0**	**$7,538.9**	**$8,408.5**	**$8,439.4**

Table 4-2-6 C demonstrates continuity for depreciation amounts for each of the years 2010 to 2012 using CGAAP.

Table 4-2-6 C – Continuity of CGAAP Accumulated Depreciation 2010-2012

CGAAP											
($000's)		2010 Opening Accumulated	2010 Annual		2011 Opening Accumulated	2011 Annual	2011 Disposals &	2011 Closing Accumulated	Forecasted 2012 Annual	Forecasted 2012	2012 Closing Accumulated
USofA	Description	Depreciation	Depreciation	2010 Disposals	Depreciation	Depreciation	Adjustments	Depreciation	Depreciation	Disposals	Depreciation
1705	Land	-	-	-	-	-	-	-	-	-	-
1715	Station Equipment	$38,536.1	$3,745.1	$0.0	$42,281.1	$3,781.2	$0.0	$46,062.3	$4,282.8	$1,040.3	$49,304.8
1720	Towers and Fixtures	8,792.0	589.2	-	9,381.21	589.2	-	9,970.5	589.2	-	10,559.7
1725	Poles and Fixtures	13,158.3	1,470.2	-	14,628.52	1,475.3	-	16,103.8	1,539.0	3.7	17,639.2
1730	Overhead Conductors & Devices	9,733.6	1,042.9	-	10,776.51	1,039.2	-	11,815.7	1,071.0	1.2	12,885.5
1740	Underground Conductors & Devices	160.4	-	-	160.39	-	-	160.4	-	-	160.4
1745	Road and Trails	421.6	16.4	-	438.00	16.4	-	454.4	16.4	-	470.9
1908	Buildings and Fixtures	8.5	2.6	-	11.09	14.1	-	25.2	18.6	-	43.8
1910	Leasehold Improvements	-	1.2	-	1.23	17.4	-	18.6	48.2	-	66.8
1915	Office Furniture & Equipment	11.6	20.9	-	32.47	27.4	2.2	57.7	47.5	-	105.2
1920	Computer Equipment - Hardware	1,181.7	202.5	6.6	1,377.60	177.7	-	1,555.3	179.5	-	1,734.8
1925	Computer Software	774.4	169.3	-	943.66	256.0	-	1,199.6	417.5	-	1,617.1
1930	Transportation Equipment	534.1	114.1	-	648.17	138.7	87.6	699.3	163.4	-	862.6
1940	Tools, Shop and Garage Equipment	8.3	3.0	-	11.30	21.1	-	32.4	23.0	-	55.3
1955	Communication Equipment	1,397.9	14.0	-	1,411.86	19.4	-	1,431.3	76.4	-	1,507.7
1960	Miscellaneous Equipment	10.6	1.7	-	12.25	2.9	-	15.1	4.1	-	19.2
1990	Other Tangible Property	757.0	-	-	757.04	-	-	757.0	-	-	757.0
	Less: Disallowed 2005 Addition	(167.1)	(37.14)	-	(204.27)	(37.1)	-	(241.4)	(37.1)	-	(278.6)
	Totals	**$75,318.8**	**$7,356.0**	**$6.6**	**$82,668.2**	**$7,538.9**	**$89.7**	**$90,117.3**	**$8,439.4**	**$1,045.2**	**$97,511.6**

2.0 IFRS Depreciation 2012-2014

As described in detail in Exhibit 1, Tab 2, Schedule 3, GLPT is adopting IFRS with a changeover date of January 1, 2013. In this application, GLPT is seeking a revenue requirement for 2013 and 2014 based on the Board's Modified IFRS. As a result, GLPT's depreciation values for the 2013 and 2014 test years are based on Modified IFRS.

As stated above, GLPT's IFRS changeover date is January 1, 2013, and as a result GLPT is required to re-state the value of its property, plant and equipment in accordance with IFRS as at the transition date, January 1, 2012. GLPT will elect to use the rate-regulated deemed cost exemption and restate the carrying value of its assets as its deemed cost at the transition date, resetting the accumulated depreciation value to zero as at that date. As a result, on January 1, 2012, the IFRS carrying amount (cost) of GLPT's property, plant and equipment will be equal to the previous CGAAP carrying amount (net book value) of these items at December 31, 2011.

In 2011, GLPT engaged BDO Canada LLP ("BDO") to review its asset sub-ledger and provide a breakdown of its assets on a componentized basis that is in compliance with IFRS. BDO, with the assistance of the Asset Depreciation Study for the Ontario Energy Board prepared by Kinectrics Inc. on July 8, 2010 (the "Kinectrics Study"), worked with GLPT's operations and finance staff to define the various components that exist within GLPT's system and assign useful lives to those components.

On a go-forward basis, GLPT is using the componentized fixed asset sub-ledger as its source for depreciation calculations under IFRS. GLPT will continue to use a straight-line depreciation

method based on the depreciable assigned cost value of each asset. The rates and useful lives utilized by GLPT, shown in the table below, are consistent with the rates and useful lives indicated in the Kinectrics Study.

Table 4-2-6 D – IFRS Components & Depreciation Rates

USofA	Component Description	Useful Life	Depr. Rate
1705	Land	Indefinite	0.00%
1715	Buildings	50	2.00%
1715	Civil Works	50	2.00%
1715	Major Electrical Equipment	45	2.22%
1715	Ancillary Electrical Equipment	30	3.33%
1715	CIRS	35	2.86%
1715	Transformers	45	2.22%
1715	Station Supervisory Equipment (software)	20	5.00%
1715	Station Supervisory Equipment (software)	15	6.67%
1715	Station Supervisory Equipment (Access Controls)	10	10.00%
1715	Station Supervisory Equipment (Hardware)	5	20.00%
1730	Overhead Conductor	60	1.67%
1740	Underground Conductors	40	2.50%
1908	Structures and Improvements	25	4.00%
1910	Leasehold Improvements - 5 year	5-20	5%-20%
1915	Office Building and Equipment	10	10.00%
1920	Computer Hardware	5	20.00%
1930	Transportation Equipment	5	20.00%
1940	Tools and Work Equipment	10	10.00%
1955	Communication Equipment (Fibre optic)	30	3.33%
1955	Communication Equipment (terminal equipment)	15	6.67%
1960	Miscellaneous Equipment	10	10.00%
1720 / 1725	Poles, Towers and Fixtures (wood)	45	2.22%
1720 / 1725	Poles, Towers and Fixtures (composite)	60	1.67%
1720 / 1725	Poles, Towers and Fixtures (steel)	60	1.67%
	Intangibles:		
1745	Intangibles - Clearing Rights of Way	Indefinite	0.00%
1925	Intangibles (Long Term Software)	15	6.67%
1925	Intangibles (Short Term Software)	5	20.00%
1925	Intangibles (Access Controls)	10	10.00%

Table 4-2-6 E below outlines GLPT's depreciation expense by asset class for the years 2012, 2013 and 2014 under IFRS.

Table 4-2-6 E - IFRS Depreciation Expense by Asset Class 2012 – 2014

($000's) USofA	Description	2012 Forecast IFRS	2013 Test Year IFRS	2014 Test Year IFRS
1705	Land	-	-	-
1715	Station Equipment	4,843.4	5,216.4	5,263.6
1720	Towers and Fixtures	-	-	-
1725	Poles and Fixtures	2,102.7	2,157.2	2,228.9
1730	Overhead Conductors & Devices	753.5	766.0	766.0
1740	Underground Conductors & Devices	3.3	3.3	3.3
1908	Buildings and Fixtures	11.1	14.5	21.3
1910	Leasehold Improvements	52.1	58.5	58.5
1915	Office Furniture & Equipment	35.8	35.8	35.8
1920	Computer Equipment - Hardware	168.8	181.1	177.2
1930	Transportation Equipment	185.0	145.4	173.3
1940	Tools, Shop and Garage Equipment	20.2	18.6	18.6
1955	Communication Equipment	103.2	109.0	114.9
1960	Miscellaneous Equipment	4.2	2.6	2.6
1990	Other Tangible Property	-	-	-
Intangible Assets:				
1745	Road and Trails	-	-	-
1925	Computer Software	479.2	508.9	397.8
	Less: Disallowed 2005 Addition	(31.9)	(31.9)	(31.9)
	Total Annual Depreciation:	**$8,730.5**	**$9,185.2**	**$9,229.8**

Table 4-2-6 F demonstrates continuity for IFRS depreciation amounts for each of the years 2012 through the 2013 and 2014 test years.

Table 4-2-6 F – Continuity of IFRS Accumulated Depreciation 2012-2014

IFRS											
($000's)		2012 Forecast Opening Accumulated Depreciation	Forecasted 2012 Annual Depreciation	Forecasted 2012 Disposals	2013 Forecast Opening Accumulated Depreciation	Forecasted 2013 Annual Depreciation	Forecasted 2013 Disposals	2014 Forecast Opening Accumulated Depreciation	Forecasted 2014 Annual Depreciation	Forecasted 2014 Disposals	2014 Forecast Closing Accumulated Depreciation
USofA	Description										
1705	Land	-	-	-	-	-	-	-	-	-	-
1715	Station Equipment	-	$4,843.4	$57.7	$4,785.7	$5,216.4	-	$10,002.1	$5,263.6	-	$15,265.7
1720	Towers and Fixtures	-	-	-	-	-	-	-	-	-	-
1725	Poles and Fixtures	-	2,102.7	-	2,102.7	2,157.2	-	4,259.9	2,228.9	-	6,488.8
1730	Overhead Conductors & Devices	-	753.5	-	753.5	766.0	-	1,519.4	766.0	-	2,285.4
1740	Underground Conductors & Devices	-	3.3	-	3.3	3.3	-	6.6	3.3	-	9.9
1908	Buildings and Fixtures	-	11.1	-	11.1	14.5	-	25.6	21.3	-	46.9
1910	Leasehold Improvements	-	52.1	-	52.1	58.5	-	110.5	58.5	-	169.0
1915	Office Furniture & Equipment	-	35.8	-	35.8	35.8	-	71.6	35.8	-	107.4
1920	Computer Equipment - Hardware	-	168.8	-	168.8	181.1	-	349.9	177.2	-	527.1
1930	Transportation Equipment	-	185.0	-	185.0	145.4	-	330.4	173.3	-	503.7
1940	Tools, Shop and Garage Equipment	-	20.2	-	20.2	18.6	-	38.8	18.6	-	57.4
1955	Communication Equipment	-	103.2	-	103.2	109.0	-	212.3	114.9	-	327.1
1960	Miscellaneous Equipment	-	4.2	-	4.2	2.6	-	6.8	2.6	-	9.3
1990	Other Tangible Property	-	-	-	-	-	-	-	-	-	-
Intangible Assets:											
1745	Road and Trails	-	-	-	-	-	-	-	-	-	-
1925	Computer Software	-	479.2	-	479.2	508.9	-	988.1	397.8	-	1,385.9
	Less: Disallowed 2005 Addition	-	(31.90)	-	(31.9)	(31.90)	-	(63.8)	(31.90)	-	(95.7)
	Totals	**$0.0**	**$8,730.5**	**$57.7**	**$8,672.8**	**$9,185.2**	**$0.0**	**$17,858.0**	**$9,229.8**	**$0.0**	**$27,087.9**

3.0 Depreciation Expense 2010-2014

Table 4-2-6 G below outlines GLPT's depreciation expense by asset class for years 2010 to 2012 under CGAAP and 2012 to 2014 under IFRS.

Table 4-2-6 G - Depreciation Expense by Asset Class 2010 – 2014

($000's) USofA	Description	2010 Actual	2011 Actual	2012 Approved CGAAP	2012 Forecast CGAAP	2012 Forecast IFRS	2013 Test Year IFRS	2014 Test Year IFRS
1705	Land	-	-	-	-	-	-	-
1715	Station Equipment	3,745.1	3,781.2	$4,302.9	4,282.8	4,843.4	5,216.4	5,263.6
1720	Towers and Fixtures	589.2	589.2	589.2	589.2	-	-	-
1725	Poles and Fixtures	1,470.2	1,475.3	1,460.5	1,539.0	2,102.7	2,157.2	2,228.9
1730	Overhead Conductors & Devices	1,042.9	1,039.2	1,040.3	1,071.0	753.5	766.0	766.0
1740	Underground Conductors & Devices	-	-	-	-	3.3	3.3	3.3
1908	Buildings and Fixtures	2.6	14.1	47.4	18.6	11.1	14.5	21.3
1910	Leasehold Improvements	1.2	17.4	-	48.2	52.1	58.5	58.5
1915	Office Furniture & Equipment	20.9	27.4	20.4	47.5	35.8	35.8	35.8
1920	Computer Equipment - Hardware	202.5	177.7	213.7	179.5	168.8	181.1	177.2
1930	Transportation Equipment	114.1	138.7	177.8	163.4	185.0	145.4	173.3
1940	Tools, Shop and Garage Equipment	3.0	21.1	1.5	23.0	20.2	18.6	18.6
1955	Communication Equipment	14.0	19.4	74.1	76.4	103.2	109.0	114.9
1960	Miscellaneous Equipment	1.7	2.9	1.7	4.1	4.2	2.6	2.6
1990	Other Tangible Property	-	-	-	-	-	-	-
Intangible Assets:								
1745	Road and Trails	16.4	16.4	20.2	16.4	-	-	-
1925	Computer Software	169.3	256.0	495.9	417.5	479.2	508.9	397.8
	Less: Disallowed 2005 Addition	(37.1)	(37.1)	(37.1)	(37.1)	(31.9)	(31.9)	(31.9)
	Total Annual Depreciation:	**$7,356.0**	**$7,538.9**	**$8,408.5**	**$8,439.4**	**$8,730.5**	**$9,185.2**	**$9,229.8**

As a result of the componentization required by IFRS, there is a slight increase in GLPT's 2012, 2013 and 2014 depreciation expenses as compared to what it would have been under CGAAP. While the useful lives of GLPT's poles and conductors were generally extended, the average useful life of its station equipment has declined slightly.

Exhibit 4, Tab 3, Schedule 1

Tax Overview

TAX OVERVIEW

Income tax for regulatory purposes for the period of 2010 actual to the 2013 and 2014 test years, inclusive, is discussed in Exhibit 4, Tab 3, Schedule 2 and summarized in *Table 4-3-1 A*, below.

GLPT has included information on 2010 Ontario Capital Tax in the table. However, as a result of the elimination of this tax effective July 1, 2010, GLPT has not provided a section in this application to discuss this particular tax item.

Property tax expenses for the period of 2010 actual to the 2013 and 2014 test years, inclusive, are discussed in Exhibit 4, Tab 3, Schedule 3 and summarized in *Table 4-3-1 A*, below.

Table 4-3-1 A – Summary of Income, Capital and Property Taxes

($000's)	2010 Actual	2011 Actual	2012 Approved	2012 Forecast	2013 Test Year	2014 Test Year
Income Tax	$1,002.8	$1,627.4	$1,262.8	$1,267.2	$1,690.4	$1,991.3
Capital Tax	145.5	-	-	-	-	-
Property Tax	246.8	236.9	271.3	239.6	243.0	246.6
Total Tax	**$1,395.1**	**$1,864.3**	**$1,534.0**	**$1,506.8**	**$1,933.5**	**$2,237.8**

Exhibit 4, Tab 3, Schedule 2

Income Tax

INCOME TAX

1.0 1.0 Introduction

Income tax for regulatory purposes for the period of 2010 actual to the 2013 and 2014 test years, inclusive, is as calculated in *Table 4-3-2 E* below, and summarized in *Table 4-3-2 A* below.

Table 4-3-2 A - Summary of Income Tax Expense

($000's)	2010 Actual	2011 Actual	2012 Approved	2012 Forecast	2013 Test Year	2014 Test Year
Federal Corporate Tax	$582.3	$950.5	$721.6	$717.3	$956.8	$1,127.1
Provincial Corporate Tax	420.5	676.9	541.2	549.9	733.6	864.1
Total Income Tax	**$1,002.8**	**$1,627.4**	**$1,262.8**	**$1,267.2**	**$1,690.4**	**$1,991.3**

The facts and assumptions underlying the calculation of income tax are:

- The income tax calculation reflects only current taxes payable;
- Applicable income tax rates are set out in *Table 4-3-2 B* below;
- Tax expense is calculated using the "stand alone" principle; and
- Capital cost allowance for regulatory purposes is calculated based on the assumption that the maximum capital cost allowance is taken to reduce income tax payable in each year.

Each of these facts and assumptions is discussed below.

2.0 Current Taxes

No provision is made for future income taxes that result from timing differences between the tax basis of assets and liabilities and their carrying amounts for accounting purposes. Accordingly, the taxes payable method will result in the income tax payable being different from the amount that would have been recorded, had the combined Canadian Federal and Ontario statutory income tax rate been applied to the regulatory net income before tax. For regulatory purposes, future taxes have been excluded from revenue requirement. When unrecorded future income taxes become payable, it is expected that they will be included in the rates approved by the Board and recovered from customers at that time.

3.0 Tax Rates

GLPT has used the relevant tax rates described in *Table 4-3-2 B* to calculate income tax for the purposes of this application. Prior to the release of the provincial budget in 2012, the Ontario Corporate Tax rate was scheduled to decline from 11.50% to 11.00% effective July 1, 2012. However, the rate is scheduled to remain at 11.50% until 2017, and as a result GLPT has used 11.50% for the Ontario Corporate Tax rate for the 2013 and 2014 test years. As described in Exhibit 9 of this application, GLPT has used USofA account 1592 to capture the impact on 2012 revenue requirement resulting from the 2012 rate remaining at 11.50%. In EB-2010-0291, GLPT had incorporated a rate of 11.00% for the period of July 1 – December 31, 2012 in its tax calculation (for an effective 2012 rate of 11.25%), and as a result of the rate remaining at 11.50% for the full year, GLPT is experiencing a deficiency in its income tax allowance for 2012.

Table 4-3-2 B - Summary of Income Tax Rates

($000's)	2010 Actual	2011 Actual	2012 Approved	2012 Forecast	2013 Test Year	2014 Test Year
Federal Corporate Tax	18.00%	16.50%	15.00%	15.00%	15.00%	15.00%
Provincial Corporate Tax	13.00%	11.75%	11.25%	11.50%	11.50%	11.50%
Total Income Tax	**31.00%**	**28.25%**	**26.25%**	**26.50%**	**26.50%**	**26.50%**

4.0 Stand Alone Principle

As per the Board's decision in EB-2009-0408, GLPT, while a limited partnership, has calculated income tax for purposes of this rate application on a stand alone basis as though GLPT was a stand alone corporate entity operating in Canada within the Province of Ontario.

~~2.0~~ 5.0 Capital Cost Allowance

Capital Cost Allowance ("CCA") used for calculating income tax for regulatory purposes is set out in Exhibit 4, Tab 3, Schedule 5 and can be summarized as follows:

Table 4-3-2 C - Summary of Annual CCA Claims

($000's)	2010 Actual	2011 Actual	2012 Approved	2012 Forecast	2013 Test Year	2014 Test Year
Capital Cost Allowance (CCA)	**$11,798.7**	**$11,559.5**	**$12,422.5**	**$12,396.8**	**$12,855.2**	**$12,145.6**

6.0 Financing Fees

Financing fees incurred by GLPT in 2008 are deductible for tax purposes over a five-year period. This deduction is reflected in the calculation of income taxes payable, and is equal to $4,800 for 2013. As of January 1, 2014 there will be no further financing fees available for deduction.

3.0 7.0 Interest

Table 4-3-2 D below outlines the total interest expense deducted in GLPT's tax calculation. For additional details on the interest expense used, please refer to Exhibit 4, Tab 3, Schedule 5.

Table 4-3-2 D – Interest Expense

($000's)	2010 Actual	2011 Actual	2012 Approved	2012 Forecast	2013 Test Year	2014 Test Year
Deemed Interest Expense	$7,842.1	$8,173.1	$8,524.9	$8,611.2	$8,970.1	$8,869.2

4.0 8.0 Income Tax Calculation

GLPT's income taxes are calculated in *Table 4-3-2 E* below.

Table 4-3-2 E – Income Tax Calculation

($000's)	Reference (Ex-Tab-Sch)	2010 Actual	2011 Actual	2012 Approved	2012 Forecast	2013 Test Year Current	2013 Test Year Proposed	2014 Test Year Current	2014 Test Year Proposed
Total Revenue		$33,397.6	$35,694.3	$36,060.0	$36,060.0	$36,060.0	$39,167.7	$36,060.0	$39,949.0
Less:									
Operation, mtce and admin	4-2-1	9,491.0	9,325.6	9,455.6	9,455.6	10,715.7	10,715.7	11,173.4	11,173.4
Capital Taxes		145.5	-	-	-	-	-	-	-
Property Taxes	4-3-3	246.8	236.9	271.3	239.6	243.0	243.0	246.6	246.6
Sub-Total		23,514.3	26,131.8	26,333.1	26,364.8	25,101.2	28,209.0	24,640.1	28,529.1
Deduct:									
Interest	4-3-4	7,842.1	8,173.1	8,524.9	8,611.2	8,970.1	8,970.1	8,869.2	8,869.2
Financing fees		638.6	638.6	606.2	606.2	4.8	4.8	-	-
Capital cost allowance	4-3-5	11,798.7	11,559.5	12,422.5	12,396.8	12,855.2	12,855.2	12,145.6	12,145.6
Taxable Income		3,234.9	5,760.6	4,779.5	4,750.7	3,271.2	6,378.9	3,625.3	7,514.2
Federal Corporate Tax		582.3	950.5	716.9	712.6	490.7	956.8	543.8	1,127.1
Provincial Corporate Tax		420.5	676.9	537.7	546.3	376.2	733.6	416.9	864.1
Total Income Tax		**$1,002.8**	**$1,627.4**	**$1,254.6**	**$1,258.9**	**$866.9**	**$1,690.4**	**$960.7**	**$1,991.3**
Statutory rates		**31.00%**	**28.25%**	**26.25%**	**26.50%**	**26.50%**	**26.50%**	**26.50%**	**26.50%**

Exhibit 4, Tab 3, Schedule 3

Property Tax

PROPERTY TAX

1.0 Overview

GLPT is forecasting total property taxes for the 2013 test year to be $243,000 and 2014 test year to be $246,600. Property taxes are driven by two distinct cost drivers:

1. Payments in Lieu of Taxes to First Nations, and
2. Payments for other municipal taxes.

Table 4-3-3 A below outlines the total property taxes from 2010 actual through to the 2013 and 2014 test years.

Table 4-3-3 A – Payments in Lieu of Taxes & Property Taxes

($000's)	2010 Actual	2011 Approved	2011 Actual	2012 Approved	2012 Forecast	2013 Test Year	2014 Test Year
Payments to First Nations	$128.8	$132.0	$128.8	$135.3	$128.8	$128.8	$128.8
Other Municipal Taxes	118.0	121.0	108.1	124.0	110.8	114.2	117.8
Total Property Taxes	**$246.8**	**$253.0**	**$236.9**	**$259.3**	**$239.6**	**$243.0**	**$246.6**

2.0 Payments in Lieu of Taxes to First Nations

GLPT utilizes property located on two different First Nations properties. The aggregate amount of payments to First Nations in lieu of taxes is forecasted to be $128,800 in 2013 and $128,800 in 2014.

In the Board's decision on EB-2009-0408, it approved a variance account to track any variances between the approved payments in lieu of taxes and any new payments to First Nations in lieu of taxes that may be negotiated before GLPT's next rate application. GLPT is still negotiating with at least one First Nation group regarding payments in lieu of taxes; and, as such GLPT is requesting to maintain the variance account as discussed in Exhibit 9, Tab 1, Schedule 3. As described in that schedule, GLPT over-collected revenue in 2011 and is forecasting to over-collect revenue in 2012 based on the assumption that the payments in lieu of taxes would increase at an inflationary rate in 2011 and 2012. However, these rates did not increase above their historical level of $128,800 for either 2011 or 2012, and as a result the surplus in approved payments in lieu of taxes will be returned to ratepayers via the approved deferral account.

3.0 Payments for Other Municipal Taxes

GLPT property is subject to municipal and property taxes. GLPT's municipal taxes are forecast to be $114,200 for the 2013 test year and $117,800 for the 2014 test year, with the increases from the 2012 forecast related to inflationary impacts.

Exhibit 4, Tab 3, Schedule 4

Interest Expense

INTEREST EXPENSE

As noted in Exhibit 5, Tab 1, Schedule 1, GLPT has adopted the capital structure and the methodology outlined in the Report of the Board on the Cost of Capital for Ontario's Regulated Utilities dated December 11, 2009 (EB-2009-0084). As such, GLPT's deemed capital structure for rate making purposes is 60% debt and 40% common equity. The 60% debt component is comprised of 4% deemed short term debt and 56% long term debt.

In *Table 4-3-4 A* below, GLPT calculates the total deemed interest expense to be deducted from income in calculating income tax payable**.**

Table 4-3-4 A – Interest Expense Calculation

($000's)	2010 Approved	2010 Actual	2011 Approved	2011 Actual	2012 Approved	2012 Forecast	2013 Test Year	2014 Test Year
Rate Base	$208,999.2	$208,544.6	$207,696.0	$207,090.1	$216,774.0	$218,966.4	$228,255.1	$223,483.0
Portion Deemed as Debt	57.5%	57.5%	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%
Deemed Debt	120,174.5	119,913.1	124,617.6	124,254.0	130,064.4	131,379.8	136,953.0	134,089.8
Long Term Debt Component	53.5%	53.5%	56.0%	56.0%	56.0%	56.0%	56.0%	56.0%
Deemed Long Term Debt	111,814.6	111,571.4	116,309.7	115,970.4	121,393.4	122,621.2	127,822.8	125,150.5
Long Term Debt Rate	6.87%	6.87%	6.87%	6.87%	6.87%	6.87%	6.87%	6.87%
Short Term Debt Component	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Deemed Short Term Debt	8,360.0	8,341.8	8,307.8	8,283.6	8,671.0	8,758.7	9,130.2	8,939.3
Short Term Debt Rate	2.07%	2.07%	2.43%	2.43%	2.08%	2.08%	2.01%	2.98%
Deemed Interest Expense (Sch 5-1-1)	**$7,859.2**	**$7,842.1**	**$8,197.0**	**$8,173.1**	**$8,524.9**	**$8,611.2**	**$8,970.1**	**$8,869.2**

GLPT assumes that the deemed short term debt rates for each test year will be updated in accordance with the December 11, 2009 Cost of Capital Report, upon the final decision in this case.

Exhibit 4, Tab 3, Schedule 5

Capital Cost Allowance (“CCA”)

CAPITAL COST ALLOWANCE ("CCA")

Table 4-3-6 A – CCA – 2010

		U.C.C. December 31, 2009	Additions 2010	Disposals 2010	Interest Capitalized 2010	Total 2010 Additions Net	Forecast C.C.A. On Opening	Forecast C.C.A. On Additions	Total C.C.A. Claimed	U.C.C. December 31, 2010
CLASS 1	4%	97,255,396	-	-	-	-	3,890,216	-	3,890,216	93,365,180
CLASS 8	20%	433,878	246,954	-	-	246,954	86,776	24,695	111,471	569,361
CLASS 10	30%	323,579	166,600	-	-	166,600	97,074	24,990	122,064	368,115
CLASS 13 - 5 Year	SL	-	7,900	-	-	7,900	-	790	790	7,110
CLASS 13 - 10 Year	SL	-	2,368	-	-	2,368	-	118	118	2,250
CLASS 13 - 15 Year	SL	-	139,761	-	-	139,761	-	4,659	4,659	135,102
CLASS 13 - 20 Year	SL	-	-	-	-	-	-	-	-	-
CLASS 47	8%	85,602,727	3,704,843	-	(207,411)	3,497,432	6,848,218	139,897	6,988,115	82,112,044
CLASS 50	55%	938,440	600,305	-	-	600,305	516,142	165,084	681,226	857,519
		184,554,020	**4,868,731**	**-**	**(207,411)**	**4,661,320**	**11,438,425**	**360,234**	**11,798,659**	**177,416,682**

Table 4-3-6 B – CCA – 2011

		Forecast U.C.C. December 31, 2010	Additions 2011	Forecast Disposals 2011	Interest Capitalized 2011	Total 2011 Additions Net	Forecast C.C.A. On Opening	Forecast C.C.A. On Additions	Total C.C.A. Claimed	Forecast U.C.C. December 31, 2011
CLASS 1	4%	93,365,180	-	-	-	-	3,734,607	-	3,734,607	89,630,573
CLASS 8	20%	569,361	833,462	(6,500)	-	826,962	113,872	82,696	196,568	1,199,755
CLASS 10	30%	368,115	268,231	(9,323)	-	258,908	110,435	38,836	149,271	477,752
CLASS 13 - 5 Year	SL	7,110	-	-	-	-	1,580	-	1,580	5,530
CLASS 13 - 10 Year	SL	2,250	51,917	-	-	51,917	237	2,596	2,833	51,334
CLASS 13 - 15 Year	SL	135,102	-	-	-	-	9,317	-	9,317	125,785
CLASS 13 - 20 Year	SL	-	510,411	-	-	510,411	-	12,760	12,760	497,651
CLASS 47	8%	82,112,044	4,672,030	-	(500,251)	4,171,779	6,568,964	166,871	6,735,835	79,547,988
CLASS 50	55%	857,519	891,428	-	-	891,428	471,636	245,143	716,778	1,032,169
		177,416,682	**7,227,479**	**(15,823)**	**(500,251)**	**6,711,405**	**11,010,647**	**548,902**	**11,559,550**	**172,568,537**

Table 4-3-6 C – CCA – 2012 Forecast

		Forecast U.C.C. December 31, 2011	Forecast Additions 2012	Forecast Disposals 2012	Forecast Interest Capitalized 2012	Total 2012 Additions Net	Forecast C.C.A. On Opening	Forecast C.C.A. On Additions	Total C.C.A. Claimed	Forecast U.C.C. December 31, 2012
CLASS 1	4%	89,630,573	-	(645,564)	-	(645,564)	3,585,223	(12,911)	3,572,312	85,412,697
CLASS 8	20%	1,199,755	216,412	-	-	216,412	239,951	21,641	261,592	1,154,574
CLASS 10	30%	477,752	62,000	-	-	62,000	143,326	9,300	152,626	387,127
CLASS 13 - 5 Year	SL	5,530	-	-	-	-	1,580	-	1,580	3,950
CLASS 13 - 10 Year	SL	51,334	-	-	-	-	5,429	-	5,429	45,905
CLASS 13 - 15 Year	SL	125,785	-	-	-	-	9,317	-	9,317	116,468
CLASS 13 - 20 Year	SL	497,651	255,000	-	-	255,000	25,521	6,375	31,896	720,755
CLASS 47	8%	79,547,988	32,271,822	(217,805)	(573,500)	31,480,517	6,363,839	1,259,221	7,623,060	103,405,446
CLASS 50	55%	1,032,169	622,759	-	-	622,759	567,693	171,259	738,952	915,976
		172,568,537	**33,427,992**	**(863,369)**	**(573,500)**	**31,991,123**	**10,941,878**	**1,454,884**	**12,396,762**	**192,162,898**

Table 4-3-6 D – CCA – 2013 Forecast

		Forecast U.C.C. December 31, 2012	Forecast Additions 2013	Forecast Disposals 2013	Forecast Interest Capitalized 2013	Total 2013 Additions Net	Forecast C.C.A. On Opening	Forecast C.C.A. On Additions	Total C.C.A. Claimed	Forecast U.C.C. December 31, 2013
CLASS 1	4%	85,412,697	-	-	-	-	3,416,508	-	3,416,508	81,996,189
CLASS 8	20%	1,154,574	180,900	-	-	180,900	230,915	18,090	249,005	1,086,469
CLASS 10	30%	387,127	240,000	-	-	240,000	116,138	36,000	152,138	474,989
CLASS 13 - 5 Year	SL	3,950	-	-	-	-	1,580	-	1,580	2,370
CLASS 13 - 10 Year	SL	45,905	-	-	-	-	5,429	-	5,429	40,477
CLASS 13 - 15 Year	SL	116,468	-	-	-	-	9,317	-	9,317	107,150
CLASS 13 - 20 Year	SL	720,755	-	-	-	-	38,271	-	38,271	682,485
CLASS 47	8%	103,405,446	3,850,383	-	(163,539)	3,686,844	8,272,436	147,474	8,419,909	98,672,380
CLASS 50	55%	915,976	215,375	-	-	215,375	503,787	59,228	563,015	568,336
		192,162,898	**4,486,658**	**-**	**(163,539)**	**4,323,119**	**12,594,380**	**260,792**	**12,855,172**	**183,630,845**

Table 4-3-6 E – CCA – 2014 Forecast

		Forecast U.C.C. December 31, 2013	Forecast Additions 2014	Forecast Disposals 2014	Forecast Interest Capitalized 2014	Total 2014 Additions Net	Forecast C.C.A. On Opening	Forecast C.C.A. On Additions	Total C.C.A. Claimed	Forecast U.C.C. December 31, 2014
CLASS 1	4%	81,996,189	-	-	-	-	3,279,848	-	3,279,848	78,716,342
CLASS 8	20%	1,086,469	50,600	-	-	50,600	217,294	5,060	222,354	914,715
CLASS 10	30%	474,989	200,000	-	-	200,000	142,497	30,000	172,497	502,492
CLASS 13 - 5 Year	SL	2,370	-	-	-	-	1,580	-	1,580	790
CLASS 13 - 10 Year	SL	40,477	-	-	-	-	5,429	-	5,429	35,048
CLASS 13 - 15 Year	SL	107,150	-	-	-	-	9,317	-	9,317	97,833
CLASS 13 - 20 Year	SL	682,485	-	-	-	-	38,271	-	38,271	644,214
CLASS 47	8%	98,672,380	3,870,514	-	(160,000)	3,710,514	7,893,790	148,421	8,042,211	94,340,683
CLASS 50	55%	568,336	223,660	-	-	223,660	312,585	61,507	374,091	417,905
		183,630,845	**4,344,774**	**-**	**(160,000)**	**4,184,774**	**11,900,610**	**244,987**	**12,145,597**	**175,670,022**

EXHIBIT 5 - COST OF CAPITAL AND CAPITAL STRUCTURE

Exhibit 5, Tab 1, Schedule 1

Cost of Capital and Rate of Return

COST OF CAPITAL AND RATE OF RETURN

1.0 Cost of Capital

GLPT has adopted the capital structure and the methodology outlined in the EB-2009-0084 Report of the Board on the Cost of Capital for Ontario's Regulated Utilities dated December 11, 2009 (the "Cost of Capital Report").

2.0 Capital Structure

GLPT's deemed capital structure for rate making purposes is 60% debt and 40% common equity. This capital structure is the same as established in the Board Approved Settlement Agreement in EB-2010-0291. The 60% debt component is comprised of 4% deemed short term debt and 56% long term debt

3.0 Cost of Equity

GLPT's currently approved ROE is 9.42% for the 2012 rate year[1].

GLPT's evidence reflects ROE rates of 9.16% and 9.44% for each of the 2013 and 2014 test years, respectively. These figures are consistent with the rates proposed by Hydro One Networks Inc. ("HONI") in its 2013-2014 transmission rate application (EB-2012-0031). Prior to implementing a 2013 or 2014 revenue requirement, GLPT will update the ROE for each test year with the Board-approved figure, in accordance with the Cost of Capital Report.

[1] Per Approved Settlement Agreement in EB-2010-0291, and per the Board's Cost of Capital Parameter Update letter dated November 10, 2011.

4.0 Cost of Short Term Debt

The Board has determined that the deemed amount of short-term debt that should be factored into rate setting be fixed at 4% of rate base. Consistent with HONI's 2013-2014 rate application, GLPT's deemed short-term rate is 2.01% for 2013 and 2.98% for 2014. Similar to ROE, GLPT will update the short term debt rate for each test year in accordance with the Cost of Capital Report.

5.0 Cost of Long Term Debt

The Board has determined that the deemed amount of long-term debt that should be factored into rate setting be fixed at 56% of rate base. GLPT's long term debt rate is calculated to be 6.87% for both 2013 and 2014, consistent with the long term debt rate approved for GLPT for its 2010, 2011 and 2012 rate years. GLPT is forecasting no new debt for 2013 or 2014.

GLPT currently holds $120 million in long term debt in the form of third party, Series 1 bonds, with interest payable at a rate of 6.60%. Interest of $3,960,000 is paid semi-annually on June 16th and December 16th of each year. Principal repayments begin in December 2013 with total payments, inclusive of interest, increasing to $4,932,950 on a semi-annual basis. The remaining principal will be reimbursed through a balloon payment on maturity in June 2023.

The Board determines in the Cost of Capital Report that for embedded debt, the rate approved in prior Board decisions shall be maintained for the life of each active instrument, unless a new rate is negotiated, in which case it will be treated as new debt.

The rate on embedded debt was approved by the Board as part of EB-2009-0408 at 6.874%. GLPT has applied this effective rate to its actual debt amount of $120,000,000, as well as the notional debt amount, being the difference between the deemed long-term debt and actual long-term debt. The notional debt amount is funded via equity.

Cost of Capital Summary

GLPT's 2013 and 2014 proposed cost of capital is summarized in *Table 5-1-1 A* and *Table 5-1-1 B*, respectively.

Table 5-1-1 A – Cost of Capital – 2013

2013 Test Year	Capital Component ($000's)	Capital Component (%)	Deemed Rates (%)	Return Component (%)	Return Component ($000's)
Deemed Debt	$ 136,953.0	60.00%			
Long Term	$ 127,822.8	56.00%	6.87%	3.85%	$ 8,786.5
Short Term	$ 9,130.2	4.00%	2.01%	0.08%	$ 183.5
Deemed Equity	$ 91,302.0	40.00%	9.16%	3.66%	$ 8,363.3
Rate Base:	$ 228,255.0	100.00%		7.59%	$ 17,333.3

Table 5-1-1 B – Cost of Capital - 2014

2014 Test Year		Capital Component ($000's)	Capital Component (%)	Deemed Rates (%)	Return Component (%)		Return Component ($000's)
Deemed Debt	$	134,089.8	60.00%				
Long Term	$	125,150.5	56.00%	6.87%	3.85%	$	8,602.8
Short Term	$	8,939.3	4.00%	2.98%	0.12%	$	266.4
Deemed Equity	$	89,393.2	40.00%	9.44%	3.78%	$	8,438.7
Rate Base:	$	223,483.0	100.00%		7.74%	$	17,308.0

EXHIBIT 6 - CALCULATION OF REVENUE DEFICIENCY

Exhibit 6, Tab 1, Schedule 1

Calculation of Revenue Deficiency

CALCULATION OF REVENUE DEFICIENCY

Table 6-1-1 A – Schedule of Overall Revenue Deficiency

($000's)		2010 Actual	2011 Actual	2012 Approved	2012 Forecast	2013 Test Year - Current	2013 Test Year - Proposed	2014 Test Year - Current	2014 Test Year - Proposed
Operating Revenue		$33,397.6	$35,694.3	$36,060.0	$36,060.0	$36,060.0	$39,167.7	$36,060.0	$39,949.0
Operation, Maintenance & Admin.		9,491.0	9,325.6	9,455.6	9,455.6	10,715.7	10,715.7	11,173.4	11,173.4
Depreciation & Amortization		7,356.0	7,538.9	8,408.5	8,439.4	9,185.2	9,185.2	9,229.8	9,229.8
Property Taxes		118.0	108.1	131.3	110.8	114.2	114.2	117.8	117.8
Payments in Lieu of Taxes to First Nations		128.8	128.8	139.9	128.8	128.8	128.8	128.8	128.8
Provincial Capital Tax		145.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Costs & Expenses		17,239.4	17,101.3	18,135.4	18,134.7	20,144.0	20,144.0	20,649.8	20,649.8
Utility Income Before Taxes		16,158.2	18,592.9	17,924.7	17,925.4	15,916.0	19,023.7	15,410.2	19,299.2
Income Taxes		1,002.8	1,627.4	1,254.6	1,258.9	866.9	1,690.4	960.7	1,991.3
Utility Income	**[A]**	15,155.4	16,965.6	16,670.1	16,666.4	15,049.1	17,333.3	14,449.6	17,308.0
Utility Rate Base	**[B]**	209,183.5	207,696.0	216,774.0	218,966.4	228,255.0	228,255.0	223,483.0	223,483.0
Indicated Rate of Return	**[C]** = [A] / [B]	7.25%	8.17%	7.69%	7.61%	6.59%	7.59%	6.47%	7.74%
Approved/Requested Rate of Return	**[D]**	7.95%	7.81%	7.70%	7.70%	7.59%	7.59%	7.74%	7.74%
(Deficiency)/Sufficiency in Return	**[E]** = [C] - [D]	-0.70%	0.36%	-0.01%	-0.09%	-1.00%	0.00%	-1.28%	0.00%
Revenue (Deficiency)/Sufficiency	**[F]** = [B] * [E]	(1,474.7)	743.2	(22.9)	(195.4)	(2,284.2)	0.0	(2,858.4)	0.0
Provision for Income Taxes		(662.6)	292.6	(8.2)	(76.9)	(823.5)	0.0	(1,030.6)	0.0
Gross Revenue (Deficiency)/Sufficiency		(2,137.3)	1,035.8	(31.1)	(272.3)	(3,107.7)	0.0	(3,889.0)	0.0
Service Revenue Requirement:		**35,534.9**	**34,658.5**	**36,091.1**	**36,332.3**	**39,167.7**	**39,167.7**	**39,949.0**	**39,949.0**
Less: Revenue from Other Sources		39.0	72.3	31.1	39.5	40.1	40.1	40.7	40.7
Base Revenue Requirement:		**$35,495.9**	**$34,586.2**	**$36,060.1**	**$36,292.8**	**$39,127.7**	**$39,127.7**	**$39,908.3**	**$39,908.3**

Table 6-1-1 B – Numerical Description of Revenue Deficiency - 2013

Cost of Capital	**($000's)**	**($000's)**
2013 Rate Base	$228,255.1	
Requested Rate of Return	7.59%	$17,333.3
Cost of Service		
Operations, Maintenance & Admin	10,715.7	
Depreciation & Amortization	9,185.2	
Property Taxes	243.0	
Capital Taxes	0.0	
Income Taxes	866.9	21,010.9
Operating Revenue		
Transmission Services Revenue		(36,060.0)
Gross (Deficiency)/Sufficiency		(2,284.2)
Income Taxes on (Deficiency)/Sufficiency		(823.5)
Gross Revenue (Deficiency)/Sufficiency - 2013		(3,107.7)
Less: Revenue from Other Sources		40.1
Net (Deficiency)/Sufficiency - 2013		**($3,067.6)**

Table 6-1-1 C – Numerical Description of Revenue Deficiency - 2014

Cost of Capital	**($000's)**	**($000's)**
2014 Rate Base	$223,483.0	
Requested Rate of Return	7.74%	$17,308.0
Cost of Service		
Operations, Maintenance & Admin	11,173.4	
Depreciation & Amortization	9,229.8	
Property Taxes	246.6	
Capital Taxes	0.0	
Income Taxes	960.7	21,610.5
Operating Revenue		
Transmission Services Revenue		(36,060.0)
Gross (Deficiency)/Sufficiency		(2,858.4)
Income Taxes on (Deficiency)/Sufficiency		(1,030.6)
Gross Revenue (Deficiency)/Sufficiency - 2014		(3,889.0)
Less: Revenue from Other Sources		40.7
Net (Deficiency)/Sufficiency - 2014		**($3,848.3)**

EXHIBIT 7 - COST ALLOCATION

Exhibit 7, Tab 1, Schedule 1

Cost Allocation to Rate Pools

COST ALLOCATION TO RATE POOLS

1.0 Cost Allocation

Hydro One Networks Inc. ("HONI") filed an application (EB-2010-0002) with the Board on May 19, 2010 for approval of a revenue requirement and charge determinant forecast for 2011 and 2012 Test Years. As a part of that application, HONI provided an update to the allocation of costs among the UTR pools. As a result of the approved cost allocation, and the Board's decision in EB-2011-0268, effective January 1, 2012, GLPT's approved revenue requirement was allocated as follows:

Table 7-1-1 A – EB-2011-0268 Approved Figures

EB-2011-0268 Approved Figures	Network	Line Connection	Transformation Connection	Total
Revenue Requirement	$21,345,462	$4,658,009	$9,244,336	$35,247,807

2.0 Test Year Revenue Requirement Allocation

As described in Exhibit 9, Tab 3, Schedule 1, GLPT is requesting disbursal of several deferral and variance accounts. The collective impact of this disbursal is expected to decrease GLPT's revenue requirement by $430,210 for the 2013 test year. As a result, GLPT's revenue required from UTR in 2013 is the total base revenue requirement less $430,210. GLPT is not proposing to disburse any regulatory account balances in the 2014 test year. Consequently, GLPT has allocated the amounts demonstrated in *Table 7-1-1 B* below to the UTR pools for 2013 and 2014.

Table 7-1-1 B – Calculation of Revenue Requirement for Uniform Transmission Rates

	2013 Test Year	2014 Test Year
Base Revenue Requirement	$39,127,665	$39,908,324
Less: Annual Regulatory Liability Repayment	(430,210)	-
Revenue Requirement for Uniform Transmission Rates	**$38,697,455**	**$39,908,324**

As in EB-2009-0408 and in EB-2010-0291, GLPT has allocated its incremental revenue requirement to the transmission cost pools by applying the same proportions as was determined by the Board in EB-2010-0002. The resulting allocation of revenue requirement to each of the pools is summarized below.

Table 7-1-1 C – 2013 Revenue Requirement by Transmission Pool

2013 Test Year	Network	Line Connection	Transformation Connection	Total
Revenue Requirement	$23,434,509	$5,113,881	$10,149,065	$38,697,455

Table 7-1-1 D – 2014 Revenue Requirement by Transmission Pool

2014 Test Year	Network	Line Connection	Transformation Connection	Total
Revenue Requirement	$24,167,790	$5,273,898	$10,466,636	$39,908,324

GLPT recognizes that HONI currently has an application for 2013 and 2014 rates before the Board (EB-2012-0031). Prior to implementation of rates for 2013 and 2014, GLPT will update its allocation of revenue requirement to remain consistent with HONI's allocation of revenue requirement for each of the 2013 and 2014 test years.

EXHIBIT 8 - RATE DESIGN

Exhibit 8, Tab 1, Schedule 1

Charge Determinant Forecast

CHARGE DETERMINANT FORECAST

1.0 Methodology

GLPT has developed a charge determinant forecast for directly connected customers using the same methodology as used in its 2011-2012 rate application, EB-2010-0291. As shown in Exhibit 8, Tab 2, Schedule 1, this forecasting methodology is combined with the approved charge determinant for Ontario's other three electricity transmitters in order to derive the UTR in Ontario.

1.1 Communication with Direct Customers

1.1.1 Changes to Customer Landscape

As a licensed transmitter in Ontario, GLPT has historically had seven customers directly connected to its system that have peak demands that can be considered material. As described in EB-2010-0291, in 2010 GLPT contacted each of these seven customers requesting input on any potential load variations expected for 2011 or 2012. Since that time, one of GLPT's seven customers has been disconnected from the provincial grid, while another of the seven customers did not restart its operations in the test period as originally anticipated. As a result, peak demands for these two customers were significantly lower than forecast for the 2011 and 2012 test years, and it is forecast that they will remain at the lower levels for the 2013 and 2014 test periods.

1.1.2 Communication

Because there are only five active customers, GLPT is still of the opinion that the most effective method for developing a forward-looking forecast would be through direct communication with those customers. Statistical modeling or forecasting techniques used without direct communication with customers (where that communication is readily available) could produce inaccurate results if there are foreseeable changes known to the customer, but not factored into consumer loads in the test year. Therefore, GLPT utilized both direct communication and historical information to develop its load forecast for 2013 and 2014.

In preparation for this application, GLPT has engaged in communication with the five active customers referred to above, as well as, the inactive customer still connected to the grid in order to gather information on forward-looking load expectations. Information has also been gathered through stakeholder sessions, customer impact assessments and direct discussions. Only one directly connected customer indicated that it anticipated a change in its peak volumes for 2013 and 2014. As a result, GLPT has added 28.330 MW to the forecast charge determinants in each of the three pools described below on behalf of this anticipated change. No additional information was presented to GLPT to suggest that peak loads will vary significantly, from recent history, in 2013 and 2014.

1.2 Regression Analysis

In GLPT's 2010 rate application (EB-2009-0408), Board staff requested that GLPT perform a regression analysis on its historical load data to compare the results to the historical average method proposed in the application. GLPT engaged a consultant to

perform this analysis and found that the results were not significantly different from the results produced by GLPT in the pre-filed evidence. Any variations would have had virtually no impact on the calculation of the UTR. As a result, GLPT has elected not to engage a consultant to perform the same regression analysis on its historical data.

1.3 Use of Historical Information

FILED IN CONFIDENCE

2.0 Proposed Charge Determinants

GLPT has utilized the information from both the forward-looking customer input, as well as the historical trends to forecast the charge determinants in the table below. The table outlines GLPT's currently approved charge determinants and compares them to the GLPT charge determinants proposed in this Application.

Table 8-1-1 B – Charge Determinants – Approved vs. Proposed

	Annual Charge Determinants (MW)		
	Network	**Line Connection**	**Transformation Connection**
Approved GLPT per EB-2010-0291	3,954.620	2,937.438	985.415
GLPT proposal	3,445.341	2,461.434	455.652
Variance	(509.279)	(476.004)	(529.763)

Exhibit 8, Tab 2, Schedule 1

Calculation of Uniform Transmission Rates

CALCULATION OF UNIFORM TRANSMISSION RATES

1.0 Overview

Transmission rates in Ontario have been established on a uniform basis for all transmitters in Ontario since April 30, 2002 as per RP-2001-0034/RP-2001-0035/RP-2001-0036/RP-1999-0044. The current Ontario Transmission Rate Schedules, effective January 1, 2012 and approved as part of the Board's EB-2011-0268 Decision and Order, are filed at Exhibit 8, Tab 2, Schedule 3.

Since rates are established on a uniform basis for the province, the revenue requirement of the four transmitters in the province, HONI, Canadian Niagara Power Inc., Five Nations Energy Inc., and GLPT, must be aggregated in order to calculate the total transmission revenue requirement for the province for a test year. Therefore, any change to the revenue requirement or charge determinant of any transmitter contributes to a change in the overall provincial transmission tariffs.

The overall revenue requirement must be allocated to the UTR Pools in order for uniform rates by pool to be established.[1] The revenue requirement by Rate Pool for all transmitters is based on the shares established by HONI's Cost Allocation process.[2] Once the revenue requirement by rate pool has been established, then rates need to be established by the Board by applying the appropriate provincial charge determinants for

[1] GLPT's revenue is allocated to the Rate Pools in Exhibit 7, Tab 1, Schedule 1.
[2] HONI's cost allocation methodology was approved in EB-2010-0002, and has remained unchanged from what was approved by the Board in proceedings EB-2006-0501 and EB-2008-0272.

each pool to the associated total revenue requirement for each pool. The provincial charge determinants are the sum of all charge determinants for the four transmitters, by Rate Pool.

2.0 Current Uniform Transmission Rates

Table 8-2-1 A below demonstrates the calculation of the UTR that are in effect in 2012, with GLPT's information highlighted within the table. As noted above, the complete 2012 rate schedule can be found at Exhibit 8, Tab 2, Schedule 3.

Table 8-2-1 A – 2012 Uniform Transmission Rate Calculation

Transmitter	Revenue Requirement ($)			
	Network	Line Connection	Transformation Connection	Total
FNEI	$3,831,576	$836,127	$1,659,387	$6,327,090
CNPI	$2,793,216	$609,536	$1,209,692	$4,612,444
GLPT	$21,345,462	$4,658,009	$9,244,336	$35,247,807
H1N	$838,477,537	$182,972,674	$363,129,562	$1,384,579,773
All Transmitters	$866,447,791	$189,076,346	$375,242,977	$1,430,767,114

Transmitter	Total Annual Charge Determinants (MW)			
	Network	Line Connection	Transformation Connection	
FNEI	187.120	213.460	76.190	
CNPI	583.420	668.600	668.600	
GLPT	3,954.620	2,937.438	985.415	
H1N	238,134.047	231,433.958	200,008.248	
All Transmitters	242,859.207	235,253.456	201,738.453	

Transmitter	Uniform Rates and Revenue Allocators			
	Network	Line Connection	Transformation Connection	
Uniform Transmission Rates ($/kW-Month)	**3.57**	**0.80**	**1.86**	
	↓	↓	↓	
FNEI	0.00442	0.00442	0.00442	
CNPI	0.00322	0.00322	0.00322	
GLPT	0.02464	0.02464	0.02464	
H1N	0.96772	0.96772	0.96772	
All Transmitters	1.00000	1.00000	1.00000	

3.0 Proposed Uniform Transmission Rates

GLPT's proposed 2013 and 2014 UTR incorporate GLPT's revenue requirement and charge determinants proposed in this application, and assume the revenue requirement

and charge determinant values approved for the other transmitters in the Board's most recent Rate Order (EB-2011-0268) remain the same.[3]

Table 8-2-1 B demonstrates the calculation of GLPT's proposed UTR for 2013, while *Table 8-2-1 C* demonstrates the calculation of GLPT's proposed UTR for 2014. As indicated above, the changes in the 2013 and 2014 rates proposed in *Table 8-2-1 B* and *Table 8-2-1 C* respectively are driven only by GLPT's updated charge determinant forecast and revenue requirement.

[3] GLPT notes that HONI is currently before the Board with a 2013-2014 rate application (EB-2012-0031), however GLPT has not incorporated HONI's proposed revenue requirement or proposed charge determinants in the calculation of 2013-2014 proposed UTR.

Table 8-2-1 B – Proposed 2013 Uniform Transmission Rates

Transmitter	Revenue Requirement ($)			
	Network	Line Connection	Transformation Connection	Total
FNEI	$3,831,576	$836,127	$1,659,387	$6,327,090
CNPI	$2,793,216	$609,536	$1,209,692	$4,612,444
GLPT	$23,434,509	$5,113,881	$10,149,065	$38,697,455
H1N	$838,477,537	$182,972,674	$363,129,562	$1,384,579,773
All Transmitters	$868,536,838	$189,532,218	$376,147,706	$1,434,216,762

Transmitter	Total Annual Charge Determinants (MW)			
	Network	Line Connection	Transformation Connection	
FNEI	187.120	213.460	76.190	
CNPI	583.420	668.600	668.600	
GLPT	3,445.341	2,461.434	455.652	
H1N	238,134.047	231,433.958	200,008.248	
All Transmitters	242,349.928	234,777.452	201,208.690	

Transmitter	Uniform Rates and Revenue Allocators			
	Network	Line Connection	Transformation Connection	
Uniform Transmission Rates ($/kW-Month)	**3.58**	**0.81**	**1.87**	
	↓	↓	↓	
FNEI	0.00441	0.00441	0.00441	
CNPI	0.00322	0.00322	0.00322	
GLPT	0.02698	0.02698	0.02698	
H1N	0.96539	0.96539	0.96539	
All Transmitters	1.00000	1.00000	1.00000	

Table 8-2-1 C – Proposed 2014 Uniform Transmission Rates

Transmitter	Revenue Requirement ($)			
	Network	Line Connection	Transformation Connection	Total
FNEI	$3,831,576	$836,127	$1,659,387	$6,327,090
CNPI	$2,793,216	$609,536	$1,209,692	$4,612,444
GLPT	$24,167,790	$5,273,898	$10,466,636	$39,908,324
H1N	$838,477,537	$182,972,674	$363,129,562	$1,384,579,773
All Transmitters	$869,270,119	$189,692,235	$376,465,277	$1,435,427,631

Transmitter	Total Annual Charge Determinants (MW)			
	Network	Line Connection	Transformation Connection	
FNEI	187.120	213.460	76.190	
CNPI	583.420	668.600	668.600	
GLPT	3,445.341	2,461.434	455.652	
H1N	238,134.047	231,433.958	200,008.248	
All Transmitters	242,349.928	234,777.452	201,208.690	

Transmitter	Uniform Rates and Revenue Allocators			
	Network	Line Connection	Transformation Connection	
Uniform Transmission Rates ($/kW-Month)	**3.59**	**0.81**	**1.87**	
	↓	↓	↓	
FNEI	0.00441	0.00441	0.00441	
CNPI	0.00321	0.00321	0.00321	
GLPT	0.02780	0.02780	0.02780	
H1N	0.96458	0.96458	0.96458	
All Transmitters	1.00000	1.00000	1.00000	

GLPT has also prepared *Table 8-2-1 D* and *Table 8-2-1 E* which are replicas of *Table 8-2-1 B* and *Table 8-2-1 C*, but show only the variances created by GLPT's revenue requirement and charge determinant forecast changes. *Table 8-2-1 D* shows the increase

from the currently approved rates to the 2013 proposed rates. *Table 8-2-1 E* shows the increase from the 2013 proposed rates to the 2014 proposed rates.

Table 8-2-1 D – 2012-2013 Variance in Uniform Transmission Rates Driven By GLPT

Transmitter	Revenue Requirement ($)			
	Network	Line Connection	Transformation Connection	Total
FNEI	$0	$0	$0	$0
CNPI	$0	$0	$0	$0
GLPT	$2,089,047	$455,872	$904,729	$3,449,648
H1N	$0	$0	$0	$0
All Transmitters	$2,089,047	$455,872	$904,729	$3,449,648

Transmitter	Total Annual Charge Determinants (MW)			
	Network	Line Connection	Transformation Connection	
FNEI	-	-	-	
CNPI	-	-	-	
GLPT	(509.279)	(476.004)	(529.763)	
H1N	-	-	-	
All Transmitters	(509.279)	(476.004)	(529.763)	

Transmitter	Uniform Rates and Revenue Allocators			
	Network	Line Connection	Transformation Connection	
Uniform Transmission Rates ($/kW-Month)	**0.01**	**0.01**	**0.01**	
	↓	↓	↓	
FNEI	-0.00001	-0.00001	-0.00001	
CNPI	0.00000	0.00000	0.00000	
GLPT	0.00234	0.00234	0.00234	
H1N	-0.00233	-0.00233	-0.00233	
All Transmitters	0.00000	0.00000	0.00000	

Table 8-2-1 E – 2013-2014 Variance in Uniform Transmission Rates Driven By GLPT

Transmitter	Revenue Requirement ($)			
	Network	Line Connection	Transformation Connection	Total
FNEI	$0	$0	$0	$0
CNPI	$0	$0	$0	$0
GLPT	$733,281	$160,017	$317,571	$1,210,869
H1N	$0	$0	$0	$0
All Transmitters	$733,281	$160,017	$317,571	$1,210,869

Transmitter	Total Annual Charge Determinants (MW)			
	Network	Line Connection	Transformation Connection	
FNEI	-	-	-	
CNPI	-	-	-	
GLPT	-	-	-	
H1N	-	-	-	
All Transmitters	-	-	-	

Transmitter	Uniform Rates and Revenue Allocators			
	Network	Line Connection	Transformation Connection	
Uniform Transmission Rates ($/kW-Month)	**0.01**	**0.00**	**0.00**	
	↓	↓	↓	
FNEI	0.00000	0.00000	0.00000	
CNPI	-0.00001	-0.00001	-0.00001	
GLPT	0.00082	0.00082	0.00082	
H1N	-0.00081	-0.00081	-0.00081	
All Transmitters	0.00000	0.00000	0.00000	

3.0 Rate Impacts

As demonstrated in the table, the impact of this application on Ontario rate-payers is a $0.01 increase in the rate for each of the Network, Line Connection and Transformation Connection pools in 2013, and an additional $0.01 increase in the rate for the Network pool in 2014. Overall, GLPT's request results in a 0.24% increase in Ontario's transmission revenue requirement pool for 2013, and a 0.08% increase in Ontario's transmission revenue requirement pool for 2014.

For 2013, the rate impact is an increase of 0.013%, or approximately $0.02 per month on an average residential customer's monthly electricity bill, as calculated in *Table 8-2-1 F* below. For 2014, the rate impact is an increase of 0.005%, or approximately $0.01 per month on an average residential customer's monthly electricity bill, as calculated in *Table 8-2-1 G* below. For the purposes of this analysis, an average residential customer is one who consumes 1,000 kWh per month. The rates in the analysis are the rates for PUC Distribution Inc., effective May 1, 2012, and assume an average commodity rate of $0.08 per kWh.

Table 8-2-1 F – Bill Impact on Average Residential Customer - 2013

2013 Rate Impacts			**Per Unit**	**Per Month**
Monthly Consumption	1,000	kWh		
Electricity	per kWh		$0.080	$80.00
Monthly Service Charge	per month		8.81	8.81
Distribution Charge	per kWh		0.0154	15.40
Transmission Network Charge	***per kWh***		***0.0066***	***6.60***
RPP Admin (Standard Service Supply)	per month		0.25	0.25
Wholesale Market Services	per kWh		0.0063	6.30
Debt Retirement Charge	per kWh		0.0020	2.00
Total Monthly Bill				**$119.36**
Amount of Bill Related to Transmission Rates				$6.60
Percentage Increase in Transmission Rates - 2012 to 2013				0.24%
Monthly $ Increase Resulting from Transmission Rate Change				**$0.02**
% Bill Increase Resulting from Transmission Rate Change				**0.013%**

Rates effective May 1, 2012

Table 8-2-1 G – Bill Impact on Average Residential Customer - 2014

2014 Rate Impacts			**Per Unit**	**Per Month**
Monthly Consumption	1,000	kWh		
Electricity	per kWh		$0.080	$80.00
Monthly Service Charge	per month		$8.810	8.81
Distribution Charge	per kWh		$0.015	15.40
Transmission Network Charge	***per kWh***		$0.007	***6.60***
RPP Admin (Standard Service Supply)	per month		$0.250	0.25
Wholesale Market Services	per kWh		$0.006	6.30
Debt Retirement Charge	per kWh		$0.002	2.00
Total Monthly Bill				**$119.36**
Amount of Bill Related to Transmission Rates				$6.60
Percentage Increase in Transmission Rates - 2013 to 2014				0.08%
Monthly $ Increase Resulting from Transmission Rate Change				**$0.01**
% Bill Increase Resulting from Transmission Rate Change				**0.005%**

Rates effective May 1, 2012

Exhibit 8, Tab 2, Schedule 2

Uniform Transmission Rate Reconciliation

UNIFORM TRANSMISSION RATE RECONCILIATION

Table 8-2-2 A and *Table 8-2-2 B* below apply the provincial charge determinant forecast to the proposed rates and then to GLPT's allocation factor to reconcile the revenue forecast for GLPT for 2013 and 2014, respectively. As anticipated, the proposed UTR and Allocation Factors will eliminate GLPT's forecast deficiency in both 2013 and 2014.

Table 8-2-2 A – 2013 Rate Proof Calculation

	Network	Line Connection	Transformation Connection	
2012 Annual Charge Determinants (MW)	242,349,928	234,777,452	201,208,690	
2012 Approved Uniform Rates ($kW-Month)	$3.57	$0.80	$1.86	
2012 GLPTLP Allocation Factor	0.02464	0.02464	0.02464	
2012 GLPTLP Revenue Forecast	$21,304,504	$4,649,415	$9,221,707	$35,175,626
2013 Test Year Base Revenue Requirement				$38,697,455
Gross Revenue Deficiency/(Sufficiency)				$3,521,829
2013 Proposed Uniform Rates ($kW-Month)	$3.58	$0.81	$1.87	
2013 Proposed GLPT Allocation Factor	0.02698	0.02698	0.02698	
2013 Test Year GLPT Revenue Forecast	$23,433,124	$5,113,579	$10,148,465	$38,695,168
2013 Test Year Base Revenue Requirement				$38,697,455
Gross Revenue Deficiency/(Sufficiency)				$2,286

Table 8-2-2 B – 2014 Rate Proof Calculation

	Network	Line Connection	Transformation Connection	
2012 Annual Charge Determinants (MW)	242,349,928	234,777,452	201,208,690	
2012 Approved Uniform Rates ($kW-Month)	$3.57	$0.80	$1.86	
2012 GLPTLP Allocation Factor	0.02464	0.02464	0.02464	
2012 GLPTLP Revenue Forecast	$21,304,504	$4,649,415	$9,221,707	$35,175,626
2014 Test Year Base Revenue Requirement				$39,908,324
Gross Revenue Deficiency/(Sufficiency)				$4,732,698
2014 Proposed Uniform Rates ($kW-Month)	$3.59	$0.81	$1.87	
2014 Proposed GLPT Allocation Factor	0.02780	0.02780	0.02780	
2014 Test Year GLPT Revenue Forecast	$24,165,709	$5,273,444	$10,465,735	$39,904,888
2014 Test Year Base Revenue Requirement				$39,908,324
Gross Revenue Deficiency/(Sufficiency)				$3,436

Exhibit 8, Tab 2, Schedule 3

Ontario Transmission Rate Schedule

ONTARIO TRANSMISSION RATE SCHEDULE

Attached in **Appendix "A"** is the current Transmission Rate Schedule approved under EB-2011-0268, and issued on December 20, 2011.

APPENDIX "A"

Ontario Transmission Rate Schedule

APPENDIX B
ONTARIO UNIFORM TRANSMISSION RATE SCHEDULES
HYDRO ONE NETWORKS INC. TRANSMISSION RATE ORDER
EB-2011-0268

DECEMBER 20, 2011

ONTARIO TRANSMISSION RATE SCHEDULES

EB-2011-0268

The rate schedules contained herein shall be effective January 1, 2012.

Issued: December 20, 2011
Ontario Energy Board

TERMS AND CONDITIONS

(A) APPLICABILITY The rate schedules contained herein pertain to the transmission service applicable to: •The provision of Provincial Transmission Service (PTS) to the Transmission Customers who are defined as the entities that withdraw electricity directly from the transmission system in the province of Ontario. •The provision of Export Transmission Service (ETS) to electricity market participants that export electricity to points outside Ontario utilizing the transmission system in the province of Ontario. The Rate Schedule ETS applies to the wholesale market participants who utilize the Export Service in accordance with the Market Rules of the Ontario Electricity Market, referred to hereafter as Market Rules. These rate schedules do not apply to the distribution services provided by any distributors in Ontario, nor to the purchase of energy, hourly uplift, ancillary services or any other charges that may be applicable in electricity markets administered by the Independent Electricity System Operator (IESO) of Ontario. **(B) TRANSMISSION SYSTEM CODE** The transmission service provided under these rate schedules is in accordance with the Transmission System Code (Code) issued by the Ontario Energy Board (OEB). The Code sets out the requirements, standards, terms and conditions of the transmitter's obligation to offer to connect to, and maintain the operation of, the transmission system. The Code also sets out the requirements, standards, terms and conditions under which a Transmission Customer may connect to, and remain connected to, the transmission system. The Code stipulates that a transmitter shall connect new customers, and continue to offer transmission services to existing customers, subject to a Connection Agreement between the customer and a transmitter.

(C) TRANSMISSION DELIVERY POINT The Transmission Delivery Point is defined as the transformation station, owned by a transmission company or by the Transmission Customer, which steps down the voltage from above 50 kV to below 50 kV and which connects the customer to the transmission system. The demand registered by two or more meters at any one delivery point shall be aggregated for the purpose of assessing transmission charges at that delivery point if the corresponding distribution feeders from that delivery point, or the plants taking power from that delivery point, are owned by the same entity within the meaning of Ontario's *Business Corporations Act*. The billing demand supplied from the transmission system shall be adjusted for losses, as appropriate, to the Transmission Point of Settlement, which shall be the high voltage side of the transformer that steps down the voltage from above 50 kV to below 50 kV. **(D) TRANSMISSION SERVICE POOLS** The transmission facilities owned by the licenced transmission companies are categorized into three functional pools. The transmission lines that are used for the common benefit of all customers are categorized as Network Lines and the corresponding terminating facilities are Network Stations. These facilities make up the Network Pool. The transformation station facilities that step down the voltage from above 50 kV to below 50 kV are categorized as the Transformation Connection Pool. Other electrical facilities (i.e. that are neither Network nor Transformation) are categorized as the Line Connection Pool. All PTS customers incur charges based on the Network Service Rate (PTS-N) of Rate Schedule PTS.

TRANSMISSION RATE SCHEDULES

The PTS customers that utilize transformation connection assets owned by a licenced transmission company also incur charges based on the Transformation Connection Service Rate (PTS-T). The customer demand supplied from a transmission delivery point will not incur transformation connection service charges if a customer fully owns, or has fully contributed toward the costs of, all transformation connection assets associated with that transmission delivery point. The PTS customers that utilize lines owned by a licenced transmission company to connect to Network Station(s) also incur charges based on the Line Connection Service Rate (PTS-L). The customer demand supplied from a transmission delivery point will not incur line connection service charges if a customer fully owns, or has fully contributed toward the costs of, all line connection assets connecting that delivery point to a Network Station. Similarly, the customer demand will not incur line connection service charges for demand at a transmission delivery point located at a Network Station. **(E) MARKET RULES** The IESO will provide transmission service utilizing the facilities owned by the licenced transmission companies in Ontario in accordance with the Market Rules. The Market Rules and appropriate associated Market Manuals define the procedures and processes under which the transmission service is provided in real or operating time (on an hourly basis) as well as service billing and settlement processes for transmission service charges based on rate schedules contained herein. **(F) METERING REQUIREMENTS** In accordance with the Market Rules and the Transmission System Code, the transmission service charges payable by Transmission Customers shall be collected by the IESO. The IESO will utilize Registered Wholesale Meters and a Metering Registry in order to calculate the monthly transmission service charges payable by the Transmission Customers. Every Transmission Customer shall ensure that each metering installation in respect of which the customer has an obligation to pay transmission service charges arising from the Rate Schedule PTS shall satisfy the Wholesale Metering requirements and associated obligations specified in Chapter 6 of the Market Rules, including the appendices therein, whether or not the subject meter installation is required for settlement purposes in the IESO-administered energy market. A meter installation required for the settlement of charges in the IESO-administered energy market may be used for the settlement of transmission service charges. The Transmission Customer shall provide to the IESO data required to maintain the information for the Registered Wholesale Meters and the Metering Registry pertaining to the metering installations with respect to which the Transmission Customers have an obligation to pay transmission charges in accordance with Rate Schedule PTS. The Metering Registry for metering installations required for the calculation of transmission charges shall be maintained in accordance with Chapter 6 of the Market Rules. The Transmission Customers, or Transmission Customer Agents if designated by the Transmission Customers, associated with each Transmission Delivery Point will be identified as Metered Market Participants within the IESO's Metering Registry. The metering data recorded in the Metering Registry shall be used as the basis for the calculation of transmission charges on the settlement statement for the Transmission Customers identified as the Metered Market Participants for each Transmission Delivery Point. The Metering Registry for metering installations required for calculation of transmission charges shall also indicate whether or not the demand associated with specific Transmission Delivery Point(s) to which a Transmission Customer is connected attracts Line and/or Transformation Connection Service Charges. This information shall be consistent with the Connection Agreement between the Transmission Customer and the licenced Transmission Company that connects the customer to the IESO-Controlled Grid. (**G) EMBEDDED GENERATION** The Transmission Customers shall ensure conformance of Registered Wholesale Meters in accordance with Chapter 6 of Market Rules, including

TRANSMISSION RATE SCHEDULES

Metering Registry obligations, with respect to metering installations for embedded generation that is located behind the metering installation that measures the net demand taken from the transmission system if (a) the required approvals for such generation are obtained after October 30, 1998; and (b) the generator unit rating is 2 MW or higher for renewable generation and 1 MW or higher for non-renewable generation; and (c) the Transmission Delivery Point through which the generator is connected to the transmission system attracts Line or Transformation Connection Service charges. The term renewable generation refers to a facility that generates electricity from the following sources: wind, solar, Biomass, Bio-oil, Bio-gas, landfill gas, or water. Accordingly, the distributors that are Transmission Customers shall ensure that connection agreements between them and the generators, load customers, and embedded distributors connected to their distribution system have provisions requiring the Transmission Customer to satisfy the requirements for Registered Wholesale Meters and Metering Registry for such embedded generation even if the subject embedded generator(s) do not participate in the IESO-administered energy markets. **(H) EMBEDDED CONNECTION POINT** In accordance with Chapter 6 of the Market Rules, the IESO may permit a Metered Market Participant, as defined in the Market Rules, to register a metering installation that is located at the embedded connection point for the purpose of recording transactions in the IESO-administered markets. (The Market Rules define an embedded connection point as a point of connection between load or generation facility and distribution system). In special situations, a metering installation at the embedded connection point that is used to settle energy market charges may also be used to settle transmission service charges, if there is no metering installation at the point of connection of a distribution feeder to the Transmission Delivery Point. In above situations: •The Transmission Customer may utilize the metering installation at the embedded connection point, including all embedded generation and load connected to that point, to satisfy the requirements described in Section (F) above provided that the same metering installation is also used to satisfy the requirement for energy transactions in the IESO-administered market. •The Transmission Customer shall provide the Metering Registry information for the metering installation at the embedded connection point, including all embedded generation and load connected to that point, in accordance with the requirements described in Section (F) above so that the IESO can calculate the monthly transmission service charges payable by the Transmission Customer.

RATE SCHEDULE: PTS	PROVINCIAL TRANSMISSION SERVICE

APPLICABILITY:

The Provincial Transmission Service (PTS) is applicable to all Transmission Customers in Ontario who own facilities that are directly connected to the transmission system in Ontario and that withdraw electricity from this system.

	Monthly Rate ($ per kW)
Network Service Rate (PTS-N):	**3.57**
$ Per kW of Network Billing Demand[1,2]	
Line Connection Service Rate (PTS-L):	**0.80**
$ Per kW of Line Connection Billing Demand[1,3]	
Transformation Connection Service Rate (PTS-T):	**1.86**
$ Per kW of Transformation Connection Billing Demand[1,3,4]	

The rates quoted above shall be subject to adjustments with the approval of the Ontario Energy Board.

Notes:
1 The demand (MW) for the purpose of this rate schedule is measured as the energy consumed during the clock hour, on a "Per Transmission Delivery Point" basis. The billing demand supplied from the transmission system shall be adjusted for losses, as appropriate, to the Transmission Point of Settlement, which shall be the high voltage side of the transformer that steps down the voltage from above 50 kV to below 50 kV at the Transmission Delivery Point.
2. The Network Service Billing Demand is defined as the higher of (a) customer coincident peak demand (MW) in the hour of the month when the total hourly demand of all PTS customers is highest for the month, and (b) 85 % of the customer peak demand in any hour during the peak period 7 AM to 7 PM (local time) on weekdays, excluding the holidays as defined by IESO. The peak period hours will be between 0700 hours to 1900 hours Eastern Standard Time during winter
(i.e. during standard time) and 0600 hours to 1800 hours Eastern Standard Time during summer (i.e. during daylight savings time), in conformance with the meter time standard used by the IMO settlement systems.
3 The Billing Demand for Line and Transformation Connection Services is defined as the Non-Coincident Peak demand (MW) in any hour of the month. The customer demand in any hour is the sum of (a) the loss-adjusted demand supplied from the transmission system plus (b) the demand that is supplied by embedded generation for which the required government approvals are obtained after October 30, 1998 and which have installed capacity of 2MW or more for renewable generation and 1 MW or higher for non-renewable generation. The term renewable generation refers to a facility that generates electricity from the following sources: wind, solar, Biomass, Bio-oil, Bio-gas, landfill gas, or water. The demand supplied by embedded generation will not be adjusted for losses.
4 The Transformation Connection rate includes recovery for OEB approved Low Voltage Switchgear compensation for Toronto Hydro Electric System Limited and Hydro Ottawa Limited.

TERMS AND CONDITIONS OF SERVICE:

The attached Terms and Conditions pertaining to the Transmission Rate Schedules, the relevant provisions of the Transmission System Code, in particular the Connection Agreement as per Appendix 1 of the Transmission System Code, and the Market Rules for the Ontario Electricity Market shall apply, as contemplated therein, to services provided under this Rate Schedule.

RATE SCHEDULE: ETS	EXPORT TRANSMISSION SERVICE

APPLICABILITY:

The Export Transmission Service is applicable for the use of the transmission system in Ontario to deliver electrical energy to locations external to the Province of Ontario, irrespective of whether this energy is supplied from generating sources within or outside Ontario.

	Hourly Rate
Export Transmission Service Rate (ETS):	$2.00 / MWh

The ETS rate shall be applied to the export transactions in the Interchange Schedule Data as per the Market Rules for Ontario's Electricity Market. The ETS rate shall be subject to adjustments with the approval of the Ontario Energy Board.

TERMS AND CONDITIONS OF SERVICE:

The attached Terms and Conditions pertaining to the Transmission Rate Schedules, the relevant provisions of the Transmission System Code and the Market Rules for the Ontario Electricity Market shall apply, as contemplated therein, to service provided under this Rate Schedule.

EXHIBIT 9 - DEFERRAL AND VARIANCE ACCOUNTS

Exhibit 9, Tab 1, Schedule 1

Deferral and Variance Accounts Overview

DEFERRAL AND VARIANCE ACCOUNTS OVERVIEW

1.0 Existing Deferral and Variance Accounts

GLPT is requesting approval for continuance of the following deferral/variance accounts:

- Four sub-accounts of account 1508:
  - Costs related to a legal claim made by Comstock Canada Inc. (the "Comstock Claim");
  - Property Tax and Use and Occupation Permit Fee Variances;
  - Changes in IFRS; and
  - IFRS Gains and Losses, and
- Account 1505 related to a premature retirement of assets.

In addition, based upon the Board's Decision in EB-2009-0409, GLPT will continue to maintain in the test period sub-accounts for Infrastructure Investment, Green Energy Initiatives and Preliminary Planning Costs, within account 1508, and based upon the Accounting Procedures Handbook, GLPT will also continue to maintain in the test period account 1592 for tax variances, accounts 1574 and 1595 related to previously approved regulatory liability repayments and account 1575 related to IFRS-CGAAP Transitional PP&E Amounts.

GLPT has provided additional details in:

- Exhibit 9, Tab 1, Schedule 2 - Account 1505;
- Exhibit 9, Tab 1, Schedule 3 - Account 1508;
- Exhibit 9, Tab 1, Schedule 4 - Account 1574;

- Exhibit 9, Tab 1, Schedule 5 - Account 1575;
- Exhibit 9, Tab 1, Schedule 6 – Account 1592; and
- Exhibit 9, Tab 1, Schedule 7 - Account 1595.

2.0 Disbursal of Deferral Accounts

GLPT is requesting approval to disburse the balances in the following accounts:

- five sub-accounts of account 1508:
  - IFRS Transition Costs;
  - Infrastructure Investment, Green Energy Initiatives and Preliminary Planning Costs;
  - OEB Cost Assessment Variances;
  - Comstock Claim; and
  - Property Tax and Use and Occupation Permit Fee Variances,
- Account 1575 related to IFRS-CGAAP Transitional PP&E Amounts,
- Account 1592 related to changes in tax legislation,
- Account 1574 related to previously approved regulatory liability repayments, and
- Account 1595 related to previously approved regulatory liability repayments.

Accounts 1574 and 1592 are currently being repaid to ratepayers over a 3 year and 5 year period, respectively. The repayment periods began on January 1, 2011 with the implementation of UTR for the 2011 calendar year. Therefore, at December 31, 2012, there will be one year and three years remaining in the payback periods, respectively. Subject to the approval of the various account balances that GLPT is seeking to disburse

as part of this Application, it is GLPT's position that the most administratively efficient method to disburse the various account balances would be to aggregate the balance of all accounts, including accounts 1574 and 1595, and disburse the balance over a one year period in 2013. GLPT proposes to use account 1595 to collect the amounts and track the disbursal of the net amount. The proposed disbursal over the single year is $430,210, and includes all of GLPT's existing deferral account balances (i.e. all of the accounts listed in this section 2.0 above). With the exception of one sub-account under account 1508, all account balances would be disbursed by December 31, 2013 under GLPT's proposal. This disbursal methodology is described in more detail in Exhibit 9, Tab 3, Schedule 1.

GLPT has also provided a continuity schedule of deferral and variance accounts at Exhibit 9, Tab 4, Schedule 1.

3.0 New Deferral and Variance Accounts

GLPT is requesting approval to establish new sub-accounts within account 1508 for the following:

- recording incremental costs related to addressing an upcoming change to the definition of the Bulk Electric System ("BES");
- recording expenses relating to (i) the cost of the East-West Tie proceeding (EB-2011-0140) apportioned to GLPT by the Board to be recovered through the Ontario UTR; and (ii) the cost incurred by GLPT to support the Board through the designation process (with this sub-account effective as of January 3, 2012); and
- recording variances related to expenses allocated to East-West Tie Line initiatives

The need for these accounts and the accounting and control process is described in Exhibit 9, Tab 2, Schedule 1.

Exhibit 9, Tab 1, Schedule 2

Account 1505 - Unrecovered Plant Costs

ACCOUNT 1505 –UNRECOVERED PLANT COSTS

1.0 Retirement of Readily Identifiable Assets

In GLPT's previous application (EB-2010-0291), GLPT proposed to recover costs resulting from a premature retirement of readily identifiable assets that was forecast to occur in 2011, related to the Third Line Redevelopment project. These assets are used and useful but were forecast to be prematurely retired in 2011 as a result of the completion of the project. The total CGAAP net book value of the assets to be retired was forecast to be $910,534 at December 31, 2011, which is a material amount to GLPT. Per the settlement agreement approved by the Board in that application, the parties agreed that the Third Line Redevelopment Project would be put into service in 2012, and as a result the retirement described above was also forecast to occur in 2012. The delay of the Third Line Redevelopment Project resulted in a reduction in the forecast CGAAP net book value to $863,368, as at December 31, 2012. The parties agreed that GLPT would recover this amount over a one-year period, effective January 1, 2012. As a result, while there is activity within this sub-account in 2012, it is forecast that the December 31, 2012 balance will be $0. GLPT proposes that any carrying charge variances, plus any variance between the CGAAP net book value that is actually retired in 2012, and the actual amount collected through GLPT's 2012 revenue be tracked within this variance account for future disposition.

The Applicant is therefore seeking approval to continue to use Account 1505 of the Uniform System of Accounts for this purpose, where any residual balance will be dealt with in GLPT's next rate application.

In addition, as described in Exhibit 9, Tab 1, Schedule 5, GLPT is forecasting an amount in account 1575, IFRS-CGAAP Transitional PP&E Amounts that is reflective of the IFRS-CGAAP difference in the net book value of the assets to be retired through account 1505. As a result of componentization and newly assigned useful lives, GLPT estimates that the December 31, 2012 net book value of these assets under IFRS will be equal to $869,822. Consequently, GLPT is forecasting that the difference of $6,454 will be captured within that account.

Exhibit 9, Tab 1, Schedule 3

Account 1508 - Other Regulatory Assets

ACCOUNT 1508 – OTHER REGULATORY ASSETS

1.0 Summary

As at December 31, 2011, GLPT has seven active sub-accounts of Account 1508 – Other Regulatory Assets. The seven sub-accounts are related to:

i) IFRS Transition Costs;

ii) Infrastructure Investment, Green Energy Initiatives and Preliminary Planning Costs[1];

iii) OEB Cost Assessment Variances;

iv) Comstock Claim;

v) Property Tax and Use and Occupation Permit Fee Variances;

vi) Changes in IFRS; and

vii) IFRS Gains and Losses

2.0 IFRS Transition Costs

As indicated in the July 28, 2009 *Report of the Board on International Financial Reporting Standards*, the Board has established a deferral account to record all incremental one-time administrative costs related to the transition to IFRS. The costs in this account relate primarily to consulting costs incurred related to engaging BDO Canada LLP ("BDO") to assist GLPT in its transition to IFRS, particularly in the area of

[1] This account was approved by the OEB in its decision on EB-2009-0409, which was an application by GLPT to establish a deferral account to record expenses related to renewable generation connection, system planning, and infrastructure investment arising from the *Green Energy and Green Economy Act, 2009*.

asset componentization. In addition, the account has captured incremental labour costs, pension administration costs, as well as travel and training costs. GLPT is forecasting a balance of $285,953 in this sub-account at December 31, 2012, inclusive of carrying charges. This account balance is inclusive of costs that have already been incurred at the time of filing this application, with no new costs forecast between the filing of the application and December 31, 2012. As a result, GLPT is seeking to disburse the forecast December 31, 2012 balance, as described in Exhibit 9, Tab 3, Schedule 1. GLPT submits that the amounts captured in this account are material, and were incurred prudently. With the adoption of IFRS effective January 1, 2013, and GLPT's 2013 and 2014 revenue requirements calculated under IFRS, GLPT will no longer require use of this account after December 31, 2012.

3.0 Infrastructure Investment, Green Energy Initiatives and Preliminary Planning Costs

In EB-2009-0409, the Board approved the establishment of two sub-accounts under this deferral account; one to capture OM&A expenses and one to capture capital expenses related to renewable generation connection, system planning, and infrastructure investment arising from the *Green Energy and Green Economy Act, 2009* ("GEA") GLPT is forecasting a balance of $255,218 in the sub-account related to OM&A expenses at December 31, 2012, inclusive of carrying charges. This account balance equal to the December 31, 2011 audited balance plus carrying charges up to December 31, 2012. As described in Exhibit 9, Tab 3, Schedule 1, GLPT is seeking to recover this balance over a

one year period in 2013. GLPT has not recorded any transactions in the sub-account related to capital expenses.

After the passage of the GEA, the Minister of Energy on September 21, 2009 directed the development of twenty-one transmission projects to accommodate renewable energy projects. The Minister also directed Hydro One Networks Inc. ("HONI") to identify commercially reasonable opportunities for entry into partnership with qualified third parties/partners for the execution of the various projects in question. The direction also made provision for the opportunity for participation in projects by potentially affected Aboriginal peoples.

Also, with the passage of the GEA, Section 70(2.1)(2) of the amended OEB Act requires transmitters to prepare plans for the expansion or reinforcement of the transmission system to accommodate the connection of renewable energy generation facilities.

On November 27, 2009, GLPT applied for a deferral account for incremental costs related to the development of GLPT's transmission plan. In particular, the deferral account was in relation to certain activities that included:

- working with the Ontario Power Authority ("OPA") to determine need and to understand capability of the existing system; identifying transmission alternatives; preparing cost estimates for transmission alternatives;
- considering environmental impacts of transmission alternatives;
- engaging with local stakeholders and Aboriginal peoples over acceptability of transmission alternatives;
- performing fault level, load flow and system stability studies;

- conducting topographical and geographical surveys; and
- addressing corridor issues and working with other transmitters to co-ordinate plans.

In its application, GLPT acknowledged that the Minister had encouraged HONI to pursue partnerships in respect of various projects. GLPT expressed its intention to seek to partner with HONI in respect of the projects referenced by the Minister and other projects, including projects that might not necessarily be located in the proximity of GLPT's current transmission system.

Although the list of directed projects was later modified by the Long Term Energy Plan, the East-West Tie and the line to Pickle Lake remain among priority projects and have been considered by GLPT, as described below.

The costs sought for recovery in this application can be broken down into two categories. The first category totals approximately $141,500. Approximately $43,000 of this amount relates to the discussions with First Nations west of Sudbury with respect to transmission opportunities and the role of First Nations in regulated transmission. Approximately $98,500 of this amount relates to working with the Matawa First Nation to explore the development of transmission in the area of Pickle Lake.

In the second category of costs, GLPT incurred approximately $113,718 in incremental costs related to renewable generation connection and system planning. In particular, GLPT incurred incremental consulting costs related to reviewing/assessing of specific OPA Feed-in Tariff (“FIT”) projects. This included interfacing with FIT Applicants, the

OPA and the IESO, conducting System Impact Assessments and Customer Impact Assessments, and conducting 'circuit tests' to address questions on availability. GLPT does not have a provision in its approved revenue requirement to provide for cost recovery for these types of activities.

In accordance with the Board's Decision in EB-2009-0409, GLPT intends to continue to use this account in the test period for the purposes described in that Decision.

4.0 OEB Cost Assessment Variances

As described in EB-2009-0408, GLPT has used this sub-account to capture amounts of OEB cost assessments that were incremental to the 2010 base OEB cost embedded in revenue requirement. The base cost included in GLPT's approved 2010 revenue requirement was $105,000, while the actual cost incurred for 2010 was $126,141. The incremental costs were primarily related to the Board's hearing costs associated with the EB-2009-0408 rate proceeding, as these costs did not form a part of the $105,000 in base "cost assessment" fees. GLPT recorded the variance of $21,141 in this sub-account in 2010, and is forecasting a balance of $21,760 in this sub-account at December 31, 2012, inclusive of carrying charges. As described in Exhibit 9, Tab 3, Schedule 1, GLPT is seeking to disburse the forecast December 31, 2012 balance in 2013. In the EB-2010-0291 settlement agreement, the parties agreed that this sub-account would not be continued for the 2011 or 2012 test years. As a result, upon disbursing the balance in this sub-account, the sub-account will no longer be used by GLPT.

5.0 Comstock Claim

In its 2011-2012 rate application (EB-2010-0291), GLPT sought the Board's direction on whether costs arising from a claim from Comstock Canada Ltd. ("Comstock") in respect of a design build contract for the Transmission Reinforcement Project approved in EB-2003-0162 should be included in Construction Work in Progress or in a designated deferral account. In the settlement agreement in that application, the parties agreed that a deferral account should be established to record costs incurred and to be incurred in respect of the Comstock claim. As a result, GLPT transferred the balance of the costs from Construction Work in Progress into the deferral account. This transfer of costs was reflected in GLPT's 2010 audited financial statements, and as a result the transfer was effective as of December 31, 2010. *Table 9-1-3 A* below demonstrates the evolution of this account up to December 31, 2011.

Table 9-1-3 A – Comstock Costs

Year	Opening Balance	Carrying Charges	Carrying Charge Balance	Accruals	Accrual Balance	Closing Balance
2010	-	$0	$0	$1,660,623	$1,660,623	$1,660,623
2011	-	$24,920	$24,920	$106,634	$1,767,257	$1,792,177
			$24,920		**$1,767,257**	**$1,792,177**

As described in Exhibit 9, Tab 3, Schedule 1, GLPT is seeking to disburse the December 31, 2011 audited balance in this account of $1,792,177 over a one year period in 2013, and is seeking continuation of the account for future use, as required.

The costs incurred by GLPT up to December 31, 2011 are related to legal and witness costs associated with the proceeding thus far. The following steps have occurred: Approximately 44,000 documents have been exchanged between the parties and examinations for discovery are underway. GLPT is currently scheduling its discovery of Comstock's witness for Q3 of 2012, which will necessitate a focused review of the documentation by GLPT's legal counsel.

GLPT submits that it is acting prudently in defending its position with respect to the outstanding claim. The costs to date have been incurred to protect ratepayers and to ensure that the costs of the claim are properly evaluated. Therefore, these costs have been incurred and will continue to be incurred with the long-term protection of ratepayers in mind.

GLPT is seeking to recover a portion of the costs at this time due to the materiality of the balance in the account. The portion GLPT would be recovering is the audited balance at December 31, 2011.

6.0 Property Tax and Use and Occupation Permit Fee Variances

As described in EB-2009-0408 and EB-2010-0291, GLPT is using this sub-account to capture variances in payments in lieu of taxes paid to First Nations as compared to the base cost embedded in revenue requirement for 2010, 2011 and 2012. *Table 9-1-3 B* below demonstrates the calculation of the accrual amounts recorded in this account.

Table 9-1-3 B – Use and Occupation Permit Fee Variances

($'s)	Approved	Actual	Variance
2010	$133,200	$128,984	($4,216)
2011	136,500	128,984	(7,516)
2012	139,900	128,984	(10,916)
Totals	**$409,600**	**$386,952**	**($22,648)**

As a result of these variances, GLPT is forecasting a balance of $23,025 in this sub-account, payable to ratepayers, at December 31, 2012, inclusive of carrying charges. As described in Exhibit 9, Tab 3, Schedule 1, GLPT is seeking to disburse the forecast December 31, 2012 balance in 2013.

GLPT has reduced the base cost included in its 2013 and 2014 revenue requirement to reflect the actual cost that has been incurred in each of 2010, 2011 and 2012. However, as noted in Exhibit 4, Tab 3, Schedule 4, GLPT is still negotiating with at least one First Nation group regarding payments in lieu of taxes; and, as such GLPT is requesting to maintain this variance account for future use, as required.

7.0 Changes in IFRS

In the EB-2010-0291 settlement agreement approved by the Board on February 2, 2011, the parties agreed that the Board should authorize GLPT to establish a variance account to track and record impacts on test year revenue requirements resulting from any changes to existing IFRS standards or changes in the interpretation of such standards. With the AcSB's decision (along with the Board's support) to allow rate regulated entities to defer adoption of IFRS for an additional year (effective January 1, 2013 for GLPT), GLPT's 2012 financial statements and regulatory accounting will be accounted for using CGAAP. As a result, GLPT has not had a requirement to use this account, and therefore the account balance remains at $0.

However, with an IFRS changeover date of January 1, 2013, GLPT is requesting to maintain this variance account for future use, as required.

8.0 IFRS Gains and Losses

In the EB-2010-0291 settlement agreement approved by the Board on February 2, 2011, the parties agreed that the Board should authorize GLPT to establish a deferral account to record costs as proposed in respect of IFRS gains and losses resulting from premature asset component retirements, subject to a depreciation credit that would be calculated based on the amount of depreciation in approved revenue requirement that will not be incurred as a result of the premature retirement of the asset. With the AcSB's decision (along with the Board's support) to allow rate regulated entities to defer adoption of IFRS for an additional year (effective January 1, 2013 for GLPT), GLPT's 2012 financial statements and regulatory accounting will be accounted for using CGAAP. As a result,

GLPT has not had a requirement to use this account, and therefore the account balance remains at $0.

However, with an IFRS changeover date of January 1, 2013, GLPT is requesting to maintain this variance account for future use, as required.

Exhibit 9, Tab 1, Schedule 4

Accounts 1574 - Deferred Rate Impact Amounts

ACCOUNT 1574 – DEFERRED RATE IMPACT AMOUNTS

1.0 Deferred Rate Impact Amounts ("DRIA")

In the EB-2010-0291 settlement agreement approved by the Board on February 2, 2011, the parties agreed that the balance of account 1574, plus the revenue sufficiency related to 2011, would be returned to ratepayers over a three-year period (among other approved balances). The balance of this account at December 31, 2011 was $2,193,581. In 2012, GLPT's revenue is forecast to be reduced by $1,062,805, reflecting the return of funds to ratepayers for the year. As a result of this repayment, combined with carrying charges applied to the account, GLPT is forecasting a balance of $1,163,498 at December 31, 2012. As described in Exhibit 9, Tab 3, Schedule 1, GLPT is proposing to disburse the balance of this account over a one year period in 2013 by aggregating it with various other accounts to be disbursed. Disbursing the December 31, 2012 balance over a single year is consistent with the EB-2010-0291 settlement agreement, where the parties agreed that the entire balance would be disbursed over three years, with 2013 being the final year.

As indicated in Exhibit 1, Tab 1, Schedule 2, GLPT requests that the rates and revenue requirement proposed in this application be made effective as of January 1, 2013. GLPT also requests an accounting order to establish a sub-account within deferral account 1574 to record revenue requirement deficiencies incurred from January 1, 2013 until GLPT's proposed 2013 rates are implemented, if necessary.

Exhibit 9, Tab 1, Schedule 5

Account 1575 - IFRS-CGAAP Transitional PP&E Amounts

ACCOUNT 1575 – IFRS-CGAAP TRANSITIONAL PP&E AMOUNTS

1.0 Calculation of Account Balance

The Board has created account 1575 for utilities to record differences arising as a result of accounting policy changes caused by the transition from previous CGAAP to modified IFRS. GLPT's IFRS changeover date is January 1, 2013, with a transition date of January 1, 2012. As a result, GLPT's 2013 rate base is calculated based on IFRS, with property plant and equipment ("PP&E") values calculated under IFRS beginning January 1, 2012. The result is a difference in GLPT's net PP&E value under CGAAP vs IFRS at December 31, 2012, which serves as the opening balance for the calculation of rate base in 2013. This difference is to be recorded in account 1575 for future disposition.

The amount that GLPT is proposing to record in this account on January 1, 2013 is $297,494. The amount exists due to two PP&E variances created by the transition to IFRS at January 1, 2013: a variance in overall depreciation expense forecast for 2012, and a variance in the net book value of the assets approved for retirement and recovery through USofA account 1505. The amounts are broken down as follows:

Table 9-1-5 A – Calculation of IFRS-CGAAP PP&E Variances

Driver	Reference	2012 CGAAP Amount	2012 IFRS Amount	Variance for Account 1575
Depreciation Expense	4-2-6	$8,439,429	$8,730,470	$291,041
Account 1505 Retirement	9-1-2	863,368	869,822	6,454
Total Variance				**$297,495**

The total variance of $297,495 is equal to the December 31, 2012 variance in PP&E net book value between CGAAP and IFRS. These values are $230,462,192 and $230,164,697, respectively, and are calculated and demonstrated in the rate base continuity tables found in Exhibit 2, Tab 2, Schedule 1.

The Board has established a methodology for disbursing the balance of this account through rate base and depreciation. However, the Board's methodology deals with disbursement of this account in isolation. Therefore, for administrative efficiency, GLPT is proposing an alternative method for disposing of the balance of this account for the reasons set out in Exhibit 9, Tab 3, Schedule 1. In that schedule, GLPT is proposing to aggregate the balance of this account with its other existing deferral and variance accounts for disbursal over a one year period in 2013.

Exhibit 9, Tab 1, Schedule 6

Account 1592 - Changes In Tax Legislation

ACCOUNT 1592 – CHANGES IN TAX LEGISLATION

1.0 Calculation of Account Balance

The Board has created account 1592 to deal with changes in tax legislation and tax rules with respect to PILs and taxes. GLPT forecasts a December 31, 2012 balance (inclusive of carrying charges) of $16,473 in this account related to the Ontario corporate tax rate. In GLPT's 2012 test year application (EB-2010-0291), the Ontario corporate tax rate was forecast to decline from 11.50% to 11.00%, effective July 1, 2012. However, the 2012 Ontario budget presented on March 27, 2012 indicated that the rate reductions scheduled for 2012 and 2013 would be deferred until 2017 and 2018. As a result, the Ontario corporate tax rate is forecast to remain at 11.50% for all of 2012, as compared to the blended rate of 11.25% used in the calculation of GLPT's 2012 revenue requirement. With an effective federal rate of 15.00%, the combined federal and provincial rates are 26.50% and 26.25% for actual and approved, respectively. *Table 9-1-6 A* below demonstrates the calculation of the variance account balance.

Table 9-1-6 A – Calculation of Ontario Corporate Tax Variance

($000's)	**2012**	
Income tax per OEB decision	$1,262.8	(a)
Rate - per filing	26.25%	(b)
Rate - effective rate	26.50%	(c)
Revised income tax (before gross up)	$1,274.8	(d) = (a) x (c) / (b)
Change (before gross up)	$12.0	(e) = (d) - (a)
Change (after gross up)	**$16.4**	(f) = (e) / (1 - (c))

2.0 Balance for Disbursal

As described in Exhibit 9, Tab 3, Schedule 1, GLPT is seeking to disburse the forecasted balance of this account as at December 31, 2012 over a one year period in 2013. *Table 9-1-6 B* below outlines the progression of the balance in this account.

Table 9-1-6 B – Account 1592 Balance for Disbursal

Year	Opening Balance	Carrying Charges	Carrying Charge Balance	Accruals	Accrual Balance	Closing Balance
2012	-	$110	$110	$16,362	$16,362	$16,473
			$110		**$16,362**	**$16,473**

3.0 Continuation of Account

GLPT will continue to use this account to track the effect of legislative or regulatory changes to the tax rates or rules on the amount of costs approved by the Board as part of its 2013 and 2014 revenue requirement.

Exhibit 9, Tab 1, Schedule 7

Account 1595 - Five Year Liability Repayment

ACCOUNT 1595 – FIVE YEAR LIABILITY REPAYMENT

1.0 Five Year Liability Repayment

In the EB-2009-0408 settlement agreement approved by the Board on May 21, 2010, the parties agreed that GLPT would refund $3,063,900 to ratepayers over a five year period. The first year of the five-year period was 2011, and the audited balance of this account was $2,499,752 at December 31, 2011. In 2012, GLPT's revenue is forecast to be reduced by $612,780, reflecting the return of funds to ratepayers for the year. As a result, GLPT is forecasting a balance of $1,918,645 at December 31, 2012, inclusive of carrying charges. The EB-2009-0408 settlement agreement indicated that the funds would be returned over a five year period, being 2011 through 2015. However, as described in Exhibit 9, Tab 3, Schedule 1, GLPT is proposing to aggregate this balance with other regulatory balances, and disburse the aggregate balance over a one year period in 2013.

As indicated in Exhibit 9, Tab 3, Schedule 1, GLPT is seeking to continue use of this account for the purpose of disbursing the aggregate balance of various deferral and variance accounts.

Exhibit 9, Tab 2, Schedule 1

Proposed Deferral & Variance Accounts

PROPOSED DEFERRAL & VARIANCE ACCOUNTS

1.0 Deferral and Variance Account Requests

GLPT is requesting approval to establish new sub-accounts within account 1508 for the following:

- recording incremental costs related to addressing an upcoming change to the definition of the Bulk Electric System ("BES");
- recording expenses relating to the East West Tie proceeding (EB-2011-0140), particularly with respect to (i) the cost of the proceeding apportioned to GLPT by the Board to be recovered through the UTR; and (ii) the costs incurred by GLPT to support the Board through the designation process (with this sub-account being made effective as of January 3, 2012); and
- recording variances related to expenses allocated to East-West Tie Line initiatives.

The need for these accounts and the accounting and control process is described in further detail below.

2.0 Bulk Electric System Deferral Account

The IESO has indicated in the context of the SE-100 Stakeholder Engagement that the definition of the BES, as defined by the North American Electric Reliability Corporation ("NERC"), is expected to change and be adopted by the IESO in the test period. The definitional change may have the effect of deeming GLPT's 115 kV transmission facilities to be part of the BES for NERC/IESO regulatory purposes. This is likely to result in new security and other measures that GLPT must put in place to maintain compliance with the NERC requirements. However, given the uncertainty still

surrounding the definition change, GLPT is not able to assess the full impact that this definition change will have on its operations. Consequently, GLPT is not able to accurately forecast the cost that will be incurred in the test period to ensure compliance is maintained. GLPT will engage a third party consultant in 2013 to complete a review of the impacts associated with implementing the revised definition of the BES, and provide a plan for GLPT to address the potential impacts on a forward-looking basis. GLPT submits that the costs incurred related to addressing changes to the BES definition may be material amounts, given the cost of compliance with NERC requirements that did not previously apply to GLPT's transmission facilities. Management does not have the ability to control the expenditures due to the fact that they are driven by NERC and IESO compliance. However, as noted above, GLPT's ability to forecast the magnitude of these costs is restricted given the limited information made available by NERC and the IESO to make an educated forecast. Given this uncertainty, GLPT is seeking approval from the Board to establish a deferral account to track and record prudently incurred costs related to addressing changes to the BES definition. The costs incurred are expected to include identifying BES assets, defining the impacts, documenting new requirements, developing and executing a plan for addressing the requirements, and defining all activities required for ongoing compliance. GLPT is seeking approval of two sub-accounts under this deferral account: one to capture OM&A expenses and one to capture capital expenses.

3.0 Incumbent Transmitter Deferral Account

In EB-2012-0180, Hydro One Networks Inc. ("HONI") applied to the Board for an Accounting Order authorizing Hydro One to establish a new deferral account, "East West Tie Deferral Account", effective as of January 3, 2012, for the purpose of recording expenses relating to the East West Tie Line proceeding to designate an electricity transmitter to undertake development work and subsequent connection project-related activities for a new electricity transmission line (EB-2011-0140). According to HONI, the amounts included in this account will relate to: (i) the cost for the proceeding apportioned to HONI by the Board to be recovered through the Ontario UTR; (ii) cost incurred by HONI to support the Board through the designation process and to eventually facilitate the connection; and (iii) expenditures incurred relating to preliminary engineering and other station connection work required to accommodate the East West Tie Line.

As a licensed transmitter that recovers its revenue requirements through the UTR, GLPT was adopted as an intervenor in the EB-2012-0180 proceeding. On May 28, 2012, GLPT submitted comments in the proceeding indicating that to the extent that the Board finds it appropriate for HONI to establish the requested account for purposes of recording costs under points (i) and (ii) above, the Board should also provide for the establishment of an equivalent deferral account for GLPT, as GLPT anticipates that it may be subject to many of the same costs. Consequently, GLPT in this application requests approval to establish a new deferral account, effective as of January 3, 2012, for the purpose of recording expenses relating to the East West Tie proceeding (EB-2011-0140), particularly with

respect to (i) the cost of the proceeding apportioned to GLPT by the Board to be recovered through the Uniform Transmission Rates; and (ii) the costs incurred by GLPT to support the Board through the designation process.

4.0 East-West Tie Initiative Variance Account

As described under Cost Driver 3 under account 5605 in Exhibit 4, Tab 2, Schedule 2, certain senior employees of GLPT are forecast to be allocating time and expenses to the East West Tie Line project in the test period.

As described under Cost Driver 3 under account 5605 in Exhibit 4, Tab 2, Schedule 2, certain senior employees of GLPT are forecast to be allocating time and expenses to the East West Tie Line project in the test period. The estimated amounts to be allocated to EWT LP in 2013 and 2014 are $550,000 and $340,000, respectively. These amounts have been deducted from GLPT's core OM&A in this application, as it is forecast that these costs will be recovered from EWT LP in lieu of being collected by GLPT through the 2013 or 2014 UTR. To the extent costs are transferred to EWT LP, they will be the responsibility of EWT LP and its shareholders.

The Board has initiated the Transmission Infrastructure: East-West Tie Line (EB-2011-0140) proceeding in which EWT LP is a registered transmitter expressing interest in designation. However, there is still a significant amount of uncertainty around the designation process as it has not yet been fully defined by the Board. Therefore, GLPT is seeking approval from the Board to establish a sub-account of account 1508 to track and record variances between the forecasted amounts that have been removed from GLPT's

test year OM&A ($550,000 and $340,000), and the actual amounts transferred to EWT LP in each test year. The sub-account is necessary to track the variances; given the limited information in establishing the forecasted amounts, it would not be reasonable for the ratepayer to bear the risk that these amounts would themselves be approved without a variance account. To the extent that senior employees of GLPT allocate more time and expense to EWT LP than the forecasted amounts, the ratepayer will be reimbursed; to the extent that management spends less than forecasted, then GLPT will be reimbursed. GLPT submits that these amounts are material amounts and that they will be incurred prudently. In addition, to the extent that GLPT incurs costs that are higher or lower than those forecast in this application, these variances are outside of management's control as they are contingent upon the evolution and progress of the EB-2011-0140 designation proceeding.

4.0 Accounting and Control Process

The deferral and variance accounts requested above will be managed in the same manner as existing GLPT deferral and variance accounts. They will be updated monthly and interest will be applied consistent with Board-approved rates**.** Balances will be reported to the Board as part of the quarterly reporting process. The outstanding balances, whether in debit or credit position, will be submitted for approval by the Board as part of a future filing.

Exhibit 9, Tab 3, Schedule 1

Disbursal Of Existing Deferral And Variance Accounts

DISBURSAL OF EXISTING DEFERRAL AND VARIANCE ACCOUNTS

1.0 Existing Deferral and Variance Account Disbursals

GLPT is currently repaying two deferral account balances to ratepayers; one over a three year period (account 1574) and one over a five year period (account 1595). At December 31, 2012, there will be one year and three years remaining on the two account balances, respectively. The forecasted December 31, 2012 credit balances of these accounts are $1,163,498 and $1,918,645, respectively. Subject to the approval of the various account balances that GLPT is seeking to disburse as part of this Application, GLPT is proposing to aggregate all of these balances, and disburse the amount over a one year period in 2013.

2.0 New Deferral Account Disbursals

The subsections below deal with the individual accounts and sub-accounts that GLPT is proposing to disburse in 2013. Section 3.0 below deals with the aggregation of the accounts, the application of carrying charges for 2013, and the proposed disbursal methodology.

2.1 Account 1508 – Sub-account IFRS Transition Costs

As described in Exhibit 9, Tab 1, Schedule 3, GLPT is forecasting a debit balance of $285,953 in this sub-account at December 31, 2012, inclusive of carrying charges. GLPT

is proposing to collect this balance over a one year period in 2013 by aggregating it with the balances of GLPT's other proposed deferral and variance account disbursals.

2.2 Account 1508 – Sub-account Green Energy Costs

As described in Exhibit 9, Tab 1, Schedule 3, GLPT is forecasting a debit balance of $255,218 in this sub-account at December 31, 2012, inclusive of carrying charges. GLPT is proposing to collect this balance over a one year period in 2013 by aggregating it with the balances of GLPT's other proposed deferral and variance account disbursals.

2.3 Account 1508 – Sub-account OEB Cost Assessments

As described in Exhibit 9, Tab 1, Schedule 3, GLPT is forecasting a debit balance of $21,760 in this sub-account at December 31, 2012, inclusive of carrying charges. GLPT is proposing to collect this balance over a one year period in 2013 by aggregating it with the balances of GLPT's other proposed deferral and variance account disbursals.

2.4 Account 1508 – Sub-account Comstock Claim

As described in Exhibit 9, Tab 1, Schedule 3, there is an audited December 31, 2011 debit balance of $1,792,177 in this sub-account, inclusive of carrying charges. GLPT is proposing to collect this balance over a one year period in 2013 by aggregating it with the balances of GLPT's other proposed deferral and variance account disbursals.

2.5 Account 1508 – Sub-account Property Tax Variances

As described in Exhibit 9, Tab 1, Schedule 3, GLPT is forecasting a credit balance of $23,025 in this sub-account at December 31, 2012, inclusive of carrying charges. GLPT is proposing to collect this balance over a one year period in 2013 by aggregating it with the balances of GLPT's other proposed deferral and variance account disbursals.

2.6 Account 1575 – IFRS-CGAAP Transition PP&E Amounts

As described in Exhibit 9, Tab 1, Schedule 5, GLPT is forecasting a debit amount of $297,494 to be transferred into account 1575 upon transition to IFRS on January 1, 2013. While the Board has established a mechanism for disbursing the balance of account 1575 through rate base and depreciation expense, GLPT is proposing an alternative method for disbursing this balance for the following reasons:

1. While the balance is material to GLPT and should be tracked and recovered, it is not a significant balance as it relates to total rate base, and does not materially impact the way rate base and revenue requirement is calculated in the test years,

2. GLPT has existing deferral and variance account balances being disbursed in the test year, and as a result the balance of this account can be aggregated with the other account balances and be disbursed in a single year, and

3. GLPT has the ability to track carrying charges on this account separately, and therefore GLPT can apply carrying charges against this account at the Board-Approved rate that is equal to its approved cost of capital rate instead of the deemed rate of interest for deferral accounts

In light of the reasons set out above, GLPT is proposing to collect this balance over a one year period in 2013 by aggregating it with the balances of GLPT's other proposed deferral and variance account disbursals.[1]

2.7 Account 1592 – Changes in Tax Legislation

As described in Exhibit 9, Tab 1, Schedule 6, GLPT is forecasting a debit balance of $16,472 in this sub-account at December 31, 2012, inclusive of carrying charges. GLPT is proposing to collect this balance over a one year period in 2013 by aggregating it with the balances of GLPT's other proposed deferral and variance account disbursals.

3.0 Aggregation of Accounts

Table 9-3-1 A below demonstrates the balances of the deferral and variance accounts that GLPT is seeking to disburse over a one-year period in 2013. Positive amounts in the table are debit amounts that are receivable by GLPT, while negative amounts in the table are credit amounts that are payable by GLPT.

[1] GLPT takes the view that its proposal is the most administratively efficient way of disbursing this account balance. In the alternative, GLPT would propose to use the Board's recommended methodology for disbursal.

Table 9-3-1 A – Deferral and Variance Account Balances

($'s) Account Number	Account Description	Audited Balance Dec 31, 2011	Forecast Balance Dec 31, 2012	2013 Transactions	Disbursal Principle Sought	Forecast 2013 Carrying Charges	Forecast Balance for Disbursal
1508	IFRS Transition Costs	$276,535	$285,953	$0	$285,953	$2,102	**$288,055**
1508	Green Energy Deferral	2,932,578	255,218	-	255,218	1,876	**257,094**
1508	OEB Cost Assessment Variances	21,450	21,760	-	21,760	160	**21,920**
1508	Legal Claim (Comstock)	1,792,177	1,958,522	-	1,792,177	13,172	**1,805,349**
1508	Property Tax Variances	-	(23,025)	-	(23,025)	(169)	**(23,194)**
1575	IFRS-CGAAP Transitional PP&E Amounts	-	-	297,494	297,494	11,275	**308,769**
1592	Changes in Tax Legislation	-	16,472	-	16,472	121	**16,593**
1574	Three Year Liability Amount (1 Yr Remaining)	(2,193,581)	(1,163,498)	-	(1,163,498)	(8,552)	**(1,172,049)**
1595	Five Year Liability Amount (3 Yr Remaining)	(2,499,752)	(1,918,645)	-	(1,918,645)	(14,102)	**(1,932,747)**
	Total Deferral Accounts	**$329,408**	**($567,242)**	**$297,494**	**($436,093)**	**$5,883**	**($430,210)**

Subject to the approval of the various account balances that GLPT is seeking to disburse as part of this Application, GLPT is seeking to disburse the aggregate credit balance of $430,210 by reducing its 2013 revenue requirement to be used in the calculation of UTR. GLPT has included a 2013 carrying charge forecast using a rate of 1.47%[2] for all accounts with the exception of account 1575, to which a rate of 7.59%[3] was applied. Given the recovery period is one year, GLPT applied carrying charges on the average of the forecast opening and closing 2013 balances (in other words, carrying charges were calculated on each amount and divided by two). GLPT will continue to track carrying charges in accordance with rates approved by the Board, and any variances that exist at December 31, 2013 will be tracked and maintained for future disposition.

[2] The Board's Prescribed Interest Rate has been 1.47% from January 1, 2011 to September 30, 2012. GLPT has therefore used this rate in the 2013 forecast.
[3] Account 1575 attracts carrying charges at a rate equal to a utility's cost of capital rate. GLPT's proposed cost of capital rate is 7.59% for 2013, but is subject to an update based on the Board's 2013 cost of capital parameters.

Exhibit 9, Tab 4, Schedule 1

Continuity of Deferral and Variance Accounts

CONTINUITY OF DEFERRAL AND VARIANCE ACCOUNTS

The tables below demonstrate the continuity of GLPT's deferral and variance accounts for 2011 actual and 2012, 2013 and 2014 forecast. GLPT has reflected the proposed disbursal of its accounts, as described in Exhibit 9, Tab 3, Schedule 1.

As indicated in the 2012 portion of the continuity schedule, GLPT has transferred certain costs related to its Green Energy Deferral sub-account of account 1508 into a non-regulatory asset account. The transfer is for a total amount of $2,679,238 ($2,653,197 in principle, $26,041 in carrying charges), and primarily consists of costs incurred related to the East West Tie Line project. As indicated in reply submissions filed May 22, 2012 by Great Lakes Power Transmission EWT LP ("GLPT EWT") in the EB-2011-0140 proceeding on the East West Tie Line Project, all of the costs associated with the East West Tie Line have been maintained and accounted for separately, and recorded in this sub-account of account 1508. As further indicated in that proceeding, EWT LP will assume full responsibility of the deferral account costs related to the East West Tie Line, and as a result the balance of the costs related to the East West Tie Line are to be reversed by GLPT and transferred to EWT LP. Therefore, GLPT is not seeking recovery of any costs related to the East West Tie Line in this application.

Table 9-4-1 A – Continuity of Deferral and Variance Accounts

		2011										
Account Number	Account Description	Opening Principle as of Jan 1, 2011	Transactions in 2011	Dispositions in 2011	Transfers in 2011	Closing Principle as of Dec 31, 2011	Opening Interest as of Jan 1, 2011	Interest for 2011	Dispositions in 2011	Transfers in 2011	Closing Interest as of Dec 31, 2011	Account Balance at Dec 31, 2011
Regulatory Assets:												
1505	Unrecovered Plant (Third Line Disposal)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1508	IFRS Transition Costs	94,356	179,667	-	-	274,023	396	2,116	-	-	2,512	276,535
1508	Green Energy Deferral	1,099,605	1,801,636	-	-	2,901,241	4,694	26,644	-	-	31,337	2,932,578
1508	OEB Cost Assessment Variances	21,072	-	-	-	21,072	69	310	-	-	379	21,450
1508	Legal Claim (Comstock)	1,660,623	106,634	-	-	1,767,257	-	24,920	-	-	24,920	1,792,177
1508	Property Tax Variances	-	-	-	-	-	-	-	-	-	-	-
1508	Changes in IFRS	-	-	-	-	-	-	-	-	-	-	-
1508	IFRS Gains and Losses	-	-	-	-	-	-	-	-	-	-	-
1592	Changes in Tax Legislation	-	-	-	-	-	-	-	-	-	-	-
1595	Aggregate Regulatory Asset - 2013	-	-	-	-	-	-	-	-	-	-	-
	Subtotal Regulatory Assets	**$2,875,655**	**$2,087,937**	**$0**	**$0**	**$4,963,592**	**$5,159**	**$53,989**	**$0**	**$0**	**$59,148**	**$5,022,740**
Regulatory Liabilities:												
1574	Three Year Liability Amount	(2,516,804)	(387,940)	881,725	-	(2,023,019)	(127,253)	(43,309)	-	-	(170,562)	(2,193,581)
1595	Five Year Liability Amount	(3,063,900)	-	629,348	-	(2,434,552)	(24,435)	(40,765)	-	-	(65,199)	(2,499,752)
	Subtotal Regulatory Liabilities	**($5,580,704)**	**($387,940)**	**$1,511,072**	**$0**	**($4,457,571)**	**($151,688)**	**($84,074)**	**$0**	**$0**	**($235,761)**	**($4,693,333)**
	Net Regulatory Asset (Liability) Balance	**($2,705,048)**	**$1,699,997**	**$1,511,072**	**$0**	**$506,021**	**($146,529)**	**($30,084)**	**$0**	**$0**	**($176,613)**	**$329,408**

Table 9-4-1 A – Continuity of Deferral and Variance Accounts (cont'd)

		2012										
Account Number	Description	Opening Principle as of Jan 1, 2012	Forecast Transactions in 2012	Forecast Dispositions in 2012	Forecast Transfers in 2012	Forecast Closing Principle as of Dec 31, 2012	Opening Interest as of Jan 1, 2012	Forecast Interest for 2012	Forecast Dispositions in 2012	Forecast Transfers in 2012	Forecast Closing Interest as of Dec 31, 2012	Forecast Account Balance at Dec 31, 2012
Regulatory Assets:												
1505	Unrecovered Plant (Third Line Disposal)	$0	$863,369	($863,369)	$0	$0	$0	$0	$0	$0	$0	$0
1508	IFRS Transition Costs	274,023	5,325	-	-	279,348	2,512	4,093	-	-	6,605	285,953
1508	Green Energy Deferral	2,901,241	-	-	(2,653,197)	248,043	31,337	1,878	-	(26,041)	7,175	255,218
1508	OEB Cost Assessment Variances	21,072	-	-	-	21,072	379	310	-	-	689	21,760
1508	Legal Claim (Comstock)	1,767,257	144,297	-	-	1,911,554	24,920	22,048	-	-	46,968	1,958,522
1508	Property Tax Variances	-	(22,648)	-	-	(22,648)	-	(377)	-	-	(377)	(23,025)
1508	Changes in IFRS	-	-	-	-	-	-	-	-	-	-	-
1508	IFRS Gains and Losses	-	-	-	-	-	-	-	-	-	-	-
1575	IFRS-CGAAP Transitional PP&E Amounts	-	-	-	-	-	-	-	-	-	-	-
1592	Changes in Tax Legislation	-	16,362	-	-	16,362	-	110	-	-	110	16,472
1595	Aggregate Regulatory Asset - 2013	-	-	-	-	-	-	-	-	-	-	-
	Subtotal Regulatory Assets	**$4,963,592**	**$1,006,705**	**($863,369)**	**($2,653,197)**	**$2,453,731**	**$59,148**	**$28,062**	**$0**	**($26,041)**	**$61,170**	**$2,514,901**
Regulatory Liabilities:												
1574	Three Year Liability Amount	(2,023,019)	-	1,062,805	-	(960,214)	(170,562)	(32,722)	-	-	(203,284)	(1,163,498)
1595	Five Year Liability Amount	(2,434,552)	-	612,780	-	(1,821,772)	(65,199)	(31,673)	-	-	(96,872)	(1,918,645)
	Subtotal Regulatory Liabilities	**($4,457,571)**	**$0**	**$1,675,585**	**$0**	**($2,781,986)**	**($235,761)**	**($64,395)**	**$0**	**$0**	**($300,156)**	**($3,082,143)**
	Net Regulatory Asset (Liability) Balance	**$506,021**	**$1,006,705**	**$812,216**	**($2,653,197)**	**($328,255)**	**($176,613)**	**($36,333)**	**$0**	**($26,041)**	**($238,987)**	**($567,242)**

Table 9-4-1 A – Continuity of Deferral and Variance Accounts (cont'd)

		2013										
Account Number	Description	Opening Principle as of Jan 1, 2013	Forecast Transactions in 2013	Forecast Dispositions in 2013	Forecast Transfers in 2013	Forecast Closing Principle as of Dec 31, 2013	Opening Interest as of Jan 1, 2013	Forecast Interest for 2013	Forecast Dispositions in 2013	Forecast Transfers in 2013	Forecast Closing Interest as of Dec 31, 2013	Forecast Account Balance at Dec 31, 2013
Regulatory Assets:												
1505	Unrecovered Plant (Third Line Disposal)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1508	IFRS Transition Costs	279,348	-	-	(279,348)	-	6,605	-	-	(6,605)	-	-
1508	Green Energy Deferral	248,043	-	-	(248,043)	-	7,175	-	-	(7,175)	-	-
1508	OEB Cost Assessment Variances	21,072	-	-	(21,072)	-	689	-	-	(689)	-	-
1508	Legal Claim (Comstock)	1,911,554	150,000	-	(1,767,257)	294,297	46,968	3,000	-	(24,920)	25,048	319,345
1508	Property Tax Variances	(22,648)	-	-	22,648	-	(377)	-	-	377	-	-
1508	Changes in IFRS	-	-	-	-	-	-	-	-	-	-	-
1508	IFRS Gains and Losses	-	-	-	-	-	-	-	-	-	-	-
1575	IFRS-CGAAP Transitional PP&E Amounts	-	297,494	-	(297,494)	-	-	-	-	-	-	-
1592	Changes in Tax Legislation	16,362	-	-	(16,362)	-	110	-	-	(110)	-	-
1595	Aggregate Regulatory Asset - 2013	-	-	(2,606,928)	2,606,928	-	-	28,537	(67,659)	39,122	-	-
	Subtotal Regulatory Assets	**$2,453,731**	**$447,494**	**($2,606,928)**	**$0**	**$294,297**	**$61,170**	**$31,537**	**($67,659)**	**$0**	**$25,048**	**$319,345**
Regulatory Liabilities:												
1574	Three Year Liability Amount	(960,214)	-	960,214	-	-	(203,284)	(8,552)	211,836	-	-	-
1595	Five Year Liability Amount	(1,821,772)	-	1,821,772	-	-	(96,872)	(14,102)	110,974	-	-	-
	Subtotal Regulatory Liabilities	**($2,781,986)**	**$0**	**$2,781,986**	**$0**	**$0**	**($300,156)**	**($22,654)**	**$322,810**	**$0**	**$0**	**$0**
	Net Regulatory Asset (Liability) Balance	**($328,255)**	**$447,494**	**$175,058**	**$0**	**$294,297**	**($238,987)**	**$8,883**	**$255,152**	**$0**	**$25,048**	**$319,345**

Table 9-4-1 A – Continuity of Deferral and Variance Accounts (cont'd)

		2014										
Account Number	Description	Opening Principle as of Jan 1, 2014	Forecast Transactions in 2014	Forecast Dispositions in 2014	Forecast Transfers in 2014	Forecast Closing Principle as of Dec 31, 2014	Opening Interest as of Jan 1, 2014	Forecast Interest for 2014	Forecast Dispositions in 2014	Forecast Transfers in 2014	Forecast Closing Interest as of Dec 31, 2014	Forecast Account Balance at Dec 31, 2014
Regulatory Assets:												
1505	Unrecovered Plant (Third Line Disposal)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1508	IFRS Transition Costs	-	-	-	-	-	-	-	-	-	-	-
1508	Green Energy Deferral	-	-	-	-	-	-	-	-	-	-	-
1508	OEB Cost Assessment Variances	-	-	-	-	-	-	-	-	-	-	-
1508	Legal Claim (Comstock)	294,297	150,000	-	-	444,297	25,048	3,000	-	-	28,048	472,345
1508	Property Tax Variances	-	-	-	-	-	-	-	-	-	-	-
1508	Changes in IFRS	-	-	-	-	-	-	-	-	-	-	-
1508	IFRS Gains and Losses	-	-	-	-	-	-	-	-	-	-	-
1575	IFRS-CGAAP Transitional PP&E Amounts	-	-	-	-	-	-	-	-	-	-	-
1592	Changes in Tax Legislation	-	-	-	-	-	-	-	-	-	-	-
1595	Aggregate Regulatory Asset - 2013	-	-	-	-	-	-	-	-	-	-	-
	Subtotal Regulatory Assets	**$294,297**	**$150,000**	**$0**	**$0**	**$444,297**	**$25,048**	**$3,000**	**$0**	**$0**	**$28,048**	**$472,345**
Regulatory Liabilities:												
1574	Three Year Liability Amount	-	-	-	-	-	-	-	-	-	-	-
1595	Five Year Liability Amount	-	-	-	-	-	-	-	-	-	-	-
	Subtotal Regulatory Liabilities	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
	Net Regulatory Asset (Liability) Balance	**$294,297**	**$150,000**	**$0**	**$0**	**$444,297**	**$25,048**	**$3,000**	**$0**	**$0**	**$28,048**	**$472,345**