

November 26, 2012

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 - EB-2012-0300 - Revisions to 2013 Revenue Requirement and Updates to Account Balances and Disposition Amounts

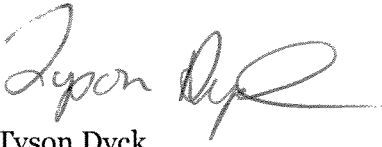
We are counsel to Great Lakes Power Transmission LP ("GLPT"). This letter is in response to Board staff's request that GLPT revise its 2013 Revenue Requirement Work Form and provide various 2013 account balances and disposition amounts.

GLPT filed its 2013 Revenue Requirement Work Form with the Board as part of GLPT's Settlement Agreement in EB-2012-0300. In its Decision and Order in that proceeding (the "Decision and Order"), the Board stated that, as a result of the Settlement Agreement, GLPT's 2013 Transmission Revenue Requirement will be adjusted to include future updates to the Board's Cost of Capital parameters for the rate year beginning January 1, 2013. Subsequently, on November 15, 2012, the Board issued Cost of Capital Parameter Updates for 2013 Cost of Service Applications with Rates Effective January 1, 2013 (the "Cost of Capital Update"). Further to the Decision and Order, and to reflect the Cost of Capital Update, GLPT has prepared a revised 2013 Revenue Requirement Work Form, which is attached hereto as Appendix A. Also attached as Appendix B is a brief summary calculating the revenue requirement for UTR for 2013.

Board staff also requested that GLPT provide the account balances and the disposition amounts for use in the 2013 UTR calculation. Those balances and amounts are set out in the table in Appendix C.

Should you have any questions or concerns, please do not hesitate to contact me.

Yours truly,

A handwritten signature in black ink, appearing to read "Tyson Dyck". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Tyson Dyck

Tel 416.865.8136

Fax 416.865.7380

tdyck@torys.com

cc: N. Mikhail, Board Staff
S. Seabrook, GLPT LP
C. Keizer, Torys LLP

APPENDIX A

REVISED 2013 REVENUE REQUIREMENT WORK FORM



REVENUE REQUIREMENT WORK FORM

Name of LDC: (1)

File Number:

Rate Year:

Version: 2.11

Table of Content

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

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

File Number:

Rate Year: 2013

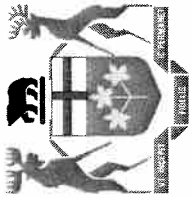
Data Input (1)

	Initial Application	Adjustments	(7)	Adjustments	Per Board Decision
1 Rate Base					
Gross Fixed Assets (average)	\$241,080,832	(\$1,450,089)	\$ 239,630,743		\$239,630,743
Accumulated Depreciation (average)	(\$13,265,420) (5)	\$49,435	-\$ 13,215,985		(\$13,215,985)
Allowance for Working Capital:					
Controllable Expenses	\$10,715,748	(\$615,748)	\$ 10,100,000		\$10,100,000
Cost of Power	\$ -				\$0
Working Capital Rate (%)	4.10%		4.35%		4.35%
2 Utility Income					
Operating Revenues:					
Distribution Revenue at Current Rates	\$36,060,024	\$0	\$36,060,024	\$0	\$36,060,024
Distribution Revenue at Proposed Rates	\$39,127,669	(\$748,514)	\$38,379,155	(\$277,602)	\$38,101,553
Other Revenue:					
Specific Service Charges					
Late Payment Charges					
Other Distribution Revenue					
Other Income and Deductions	\$40,081	\$0	\$40,081	\$0	\$40,081
Operating Expenses:					
OM+A Expenses	\$10,715,748	(\$615,748)	\$ 10,100,000		\$10,100,000
Depreciation/Amortization	\$9,185,224	(\$32,957)	\$ 9,152,267		\$9,152,267
Property taxes	\$243,040	\$ -	\$ 243,040		\$243,040
Capital taxes	\$0		\$0		\$0
Other expenses					
3 Taxes/PILs					
Taxable Income:					
Adjustments required to arrive at taxable income	(\$3,674,747) (3)		(\$3,605,247)		(\$3,605,247)
Utility Income Taxes and Rates:					
Income taxes (not grossed up)	\$1,242,457		\$1,247,275		\$1,191,968
Income taxes (grossed up)	\$1,690,418		\$1,696,972		\$1,621,725
Capital Taxes	\$ - (6)		\$ - (6)		\$ - (6)
Federal tax (%)	15.00%		15.00%		15.00%
Provincial tax (%)	11.50%		11.50%		11.50%
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%
Preferred Shares Capitalization Ratio (%)	100.0%		100.0%		100.0%
Cost of Capital					
Long-term debt Cost Rate (%)	6.87%		6.87%		6.87%
Short-term debt Cost Rate (%)	2.01%		2.01%		2.08%
Common Equity Cost Rate (%)	9.16%		9.16%		8.93%
Preferred 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 column allows for the application update reflecting the end of discovery or Argument-in-Chief. Also, the outcome of any Settlement Process can be reflected.



Ontario

REVENUE REQUIREMENT WORK FORM
 Name of LDC: Great Lakes Power Transmission LP
 File Number:
 Rate Year: 2013

Version: 2.11

		Rate Base			
Line No.	Particulars	Initial Application	Adjustments	Adjustments	Per Board Decision
1	Gross Fixed Assets (average) (3)	\$241,080,832	(\$1,450,089)		\$239,630,743
2	Accumulated Depreciation (average) (3)	(\$13,265,420)	\$49,435		(\$13,215,985)
3	Net Fixed Assets (average) (3)	\$227,815,412	(\$1,400,654)		\$226,414,758
4	Allowance for Working Capital (1)	\$439,600	\$ -		\$439,600
5	Total Rate Base	\$228,255,012	(\$1,400,654)	\$ -	\$226,854,358

		Allowance for Working Capital - Derivation			
Line No.	Particulars	Initial Application	Adjustments	Adjustments	Per Board Decision
6	Controllable Expenses	\$10,715,748	(\$615,748)		\$10,100,000
7	Cost of Power	\$ -	\$ -		\$ -
8	Working Capital Base	\$10,715,748	(\$615,748)		\$10,100,000
9	Working Capital Rate % (2)	4.10%	0.25%	0.00%	4.35%
10	Working Capital Allowance	\$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.



Ontario

REVENUE REQUIREMENT WORK FORM
 Name of LDC: Great Lakes Power Transmission LP
 File Number:
 Rate Year: 2013

Version: 2.11

		Utility Income				
Line No.	Particulars	Initial Application	Adjustments		Adjustments	Per Board Decision
Operating Revenues:						
1	Distribution Revenue (at Proposed Rates)	\$39,127,669	(\$748,514)	\$38,379,155	(\$277,602)	\$38,101,553
2	Other Revenue	\$40,081	(\$80,162)	\$40,081	\$-	\$40,081
3	Total Operating Revenues	\$39,167,750	(\$828,676)	\$38,419,236	(\$277,602)	\$38,141,634
Operating Expenses:						
4	OM+A Expenses	\$10,715,748	(\$615,748)	\$10,100,000	\$-	\$10,100,000
5	Depreciation/Amortization	\$9,185,224	(\$32,957)	\$9,152,267	\$-	\$9,152,267
6	Property taxes	\$243,040	\$-	\$243,040	\$-	\$243,040
7	Capital taxes	\$-	\$-	\$-	\$-	\$-
8	Other expense	\$-	\$-	\$-	\$-	\$-
9	Subtotal (lines 4 to 8)	\$20,144,012	(\$648,705)	\$19,495,307	\$-	\$19,495,307
10	Deemed Interest Expense	\$8,970,057	(\$55,043)	\$8,915,013	\$6,352	\$8,921,365
11	Total Expenses (lines 9 to 10)	\$29,114,069	(\$703,748)	\$28,410,320	\$6,352	\$28,416,672
12	Utility income before income taxes	\$10,053,681	(\$124,928)	\$10,008,916	(\$283,954)	\$9,724,962
13	Income taxes (grossed-up)	\$1,690,418	\$6,555	\$1,696,972	(\$75,248)	\$1,621,725
14	Utility net income	\$8,363,264	(\$131,482)	\$8,311,943	(\$208,706)	\$8,103,237
Notes						
(1)	Other Revenues / Revenue Offsets					
	Specific Service Charges	\$-		\$-		\$-
	Late Payment Charges	\$-		\$-		\$-
	Other Distribution Revenue	\$-		\$-		\$-
	Other Income and Deductions	\$40,081	\$-	\$40,081	\$-	\$40,081
	Total Revenue Offsets	\$40,081	\$-	\$40,081	\$-	\$40,081



REVENUE REQUIREMENT WORK FORM

Version: 2.11

Name of LDC: Great Lakes Power Transmission LP

File Number:

Rate Year: 2013

Ontario

Taxes/PILs

Line No.	Particulars	Application		Per Board Decision
<u>Determination of Taxable Income</u>				
1	Utility net income before taxes	\$8,363,264	\$8,311,944	\$8,103,238
2	Adjustments required to arrive at taxable utility income	(\$3,674,747)	(\$3,605,247)	(\$3,605,247)
3	Taxable income	<u>\$4,688,517</u>	<u>\$4,706,697</u>	<u>\$4,497,991</u>
<u>Calculation of Utility income Taxes</u>				
4	Income taxes	\$1,242,457	\$1,247,275	\$1,191,968
5	Capital taxes	\$ - (1)	\$ - (1)	\$ - (1)
6	Total taxes	<u>\$1,242,457</u>	<u>\$1,247,275</u>	<u>\$1,191,968</u>
7	Gross-up of Income Taxes	<u>\$447,961</u>	<u>\$449,698</u>	<u>\$429,757</u>
8	Grossed-up Income Taxes	<u>\$1,690,418</u>	<u>\$1,696,972</u>	<u>\$1,621,725</u>
9	PILs / tax Allowance (Grossed-up Income taxes + Capital taxes)	<u>\$1,690,418</u>	<u>\$1,696,972</u>	<u>\$1,621,725</u>
10	Other tax Credits	\$ -	\$ -	\$ -
<u>Tax Rates</u>				
11	Federal tax (%)	15.00%	15.00%	15.00%
12	Provincial tax (%)	11.50%	11.50%	11.50%
13	Total tax rate (%)	<u>26.50%</u>	<u>26.50%</u>	<u>26.50%</u>

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

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	56.00%	\$127,038,440	6.87%	\$8,732,622
2	Short-term Debt	4.00%	\$9,074,174	2.01%	\$182,391
3	Total Debt	60.00%	\$136,112,615	6.55%	\$8,915,013
Equity					
4	Common Equity	40.00%	\$90,741,743	9.16%	\$8,311,944
5	Preferred Shares	0.00%	\$ -	0.00%	\$ -
6	Total Equity	40.00%	\$90,741,743	9.16%	\$8,311,944
7	Total	100.00%	\$226,854,358	7.59%	\$17,226,957

Per Board Decision					
		(%)	(\$)	(%)	(\$)
Debt					
8	Long-term Debt	56.00%	\$127,038,440	6.87%	\$8,732,622
9	Short-term Debt	4.00%	\$9,074,174	2.08%	\$188,743
10	Total Debt	60.00%	\$136,112,615	6.55%	\$8,921,365
Equity					
11	Common Equity	40.00%	\$90,741,743	8.93%	\$8,103,238
12	Preferred Shares	0.00%	\$ -	0.00%	\$ -
13	Total Equity	40.00%	\$90,741,743	8.93%	\$8,103,238
14	Total	100.00%	\$226,854,358	7.50%	\$17,024,603

Notes

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



REVENUE REQUIREMENT WORK FORM
 Name of LDC: Great Lakes Power Transmission LP
 File Number:
 Rate Year: 2013

Version: 2.11

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		\$2,319,131		\$2,041,529
2	Distribution Revenue	\$36,060,024	\$36,060,024	\$36,060,024	\$36,060,024	\$36,060,024	\$36,060,024
3	Other Operating Revenue	\$40,081	\$40,081	\$40,081	\$40,081	\$40,081	\$40,081
	Offsets - net						
4	Total Revenue	\$36,100,105	\$39,167,750	\$36,100,105	\$38,419,236	\$36,100,105	\$38,141,634
5	Operating Expenses	\$20,144,012	\$20,144,012	\$19,495,307	\$19,495,307	\$19,495,307	\$19,495,307
6	Deemed Interest Expense	\$8,970,057	\$8,970,057	\$8,915,013	\$8,915,013	\$8,921,365	\$8,921,365
	Total Cost and Expenses	\$29,114,069	\$29,114,069	\$28,410,320	\$28,410,320	\$28,416,672	\$28,416,672
7	Utility Income Before Income Taxes	\$6,986,036	\$10,053,681	\$7,689,785	\$10,008,916	\$7,683,433	\$9,724,962
8	Tax Adjustments to Accounting Income per 2009 PILs	(\$3,674,747)	(\$3,674,747)	(\$3,605,247)	(\$3,605,247)	(\$3,605,247)	(\$3,605,247)
9	Taxable Income	\$3,311,289	\$6,378,934	\$4,084,538	\$6,403,669	\$4,078,186	\$6,119,715
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	\$1,082,402	\$1,696,972	\$1,080,719	\$1,621,724
12	Income Tax Credits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13	Utility Net Income	\$6,108,545	\$8,363,264	\$6,607,382	\$8,311,943	\$6,602,714	\$8,103,237
14	Utility Rate Base	\$228,255,012	\$228,255,012	\$226,854,358	\$226,854,358	\$226,854,358	\$226,854,358
	Deemed Equity Portion of Rate Base	\$91,302,005	\$91,302,005	\$90,741,743	\$90,741,743	\$90,741,743	\$90,741,743
15	Income/Equity Rate Base (%)	6.69%	9.16%	7.28%	9.16%	7.28%	8.93%
16	Target Return - Equity on Rate Base	9.16%	9.16%	9.16%	9.16%	8.93%	8.93%
17	Sufficiency/Deficiency in Return on Equity	-2.47%	0.00%	-1.88%	0.00%	-1.65%	0.00%
18	Indicated Rate of Return	6.61%	7.59%	6.84%	7.59%	6.84%	7.50%
19	Requested Rate of Return on Rate Base	7.59%	7.59%	7.59%	7.59%	7.50%	7.50%
20	Sufficiency/Deficiency in Rate of Return	-0.99%	0.00%	-0.75%	0.00%	-0.66%	0.00%
21	Target Return on Equity	\$8,363,264	\$8,363,264	\$8,311,944	\$8,311,944	\$8,103,238	\$8,103,238
22	Revenue Deficiency/(Sufficiency)	\$2,254,719	\$0	\$1,704,561	(\$0)	\$1,500,524	(\$0)
23	Gross Revenue Deficiency/(Sufficiency)	\$3,067,645 (1)		\$2,319,131 (1)		\$2,041,529 (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

Revenue Requirement

Line No.	Particulars	Application		Per Board Decision
1	OM&A Expenses	\$10,715,748		\$10,100,000
2	Amortization/Depreciation	\$9,185,224		\$9,152,267
3	Property Taxes	\$243,040		\$243,040
4	Capital Taxes	\$ -		\$ -
5	Income Taxes (Grossed up)	\$1,690,418		\$1,621,725
6	Other Expenses	\$ -		
7	Return			
	Deemed Interest Expense	\$8,970,057		\$8,921,365
	Return on Deemed Equity	\$8,363,264		\$8,103,238
8	Distribution Revenue Requirement before Revenues	\$39,167,750		\$38,419,236
9	Distribution revenue	\$39,127,669		\$38,101,553
10	Other revenue	\$40,081		\$40,081
11	Total revenue	\$39,167,750		\$38,419,236
12	Difference (Total Revenue Less Distribution Revenue Requirement before Revenues)	\$0 (1)		(\$0) (1)

Notes

(1) Line 11 - Line 8



APPENDIX B

SPREADSHEET REGARDING DEFERRAL ACCOUNTS

EB-2012-0300 Great Lakes Power Transmission (GLPT)

Reference: OEB Decision and Order dated Nov 1, 2012

Approved Charge Determinant (MW)			
	Network	Line Connection	Transformation Connection
	3,445.341	2,461.434	455.652

A	Approved 2013 Rev Req	38,101,553
----------	------------------------------	-------------------

Rates Rev Req for UTR effective Jan 1 2013	
A	Approved 2013 rev req
B	Less D&VA annual disposition
C = A+B	2013 Rates Rev Req =

	38,101,553
	(745,186)
	37,356,367

APPENDIX C

2013 ACCOUNT BALANCES AND DISPOSITION AMOUNTS

GLPT Deferral & Variance Accounts - 2013 UTR (\$'s)						
Account Number	Account Description	Forecast Balance Dec 31, 2012	2013 Transactions	Disbursal Principle Sought	Forecast 2013 Carrying Charges	Forecast Balance for Disbursal
1508	IFRS Transition Costs	\$285,953	\$0	\$285,953	\$2,102	\$288,055
1508	Green Energy Deferral	255,218	-	255,218	1,876	257,094
1508	OEB Cost Assessment Variances	21,760	-	21,760	160	21,920
1508	Legal Claim (Comstock)	1,958,522	-	-	N/A	-
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)	(1,163,498)	-	(1,163,498)	(8,552)	(1,172,049)
1595	Five Year Liability Amount (3 Yr Remaining)	(1,918,645)	-	(1,918,645)	(14,102)	(1,932,747)
Total Deferral Accounts		(\$567,242)	\$297,494	(\$2,228,270)	(\$7,289)	(\$2,235,559)
Annual Disposal - 3 year payback - Subtract from GLPT's Rev Req for annual UTR in 2013						(\$745,186)