EXHIBIT 10: TRANSITION TO MIFRS

Ontario Energy Board (OEB) Interrogatories

OEB #56

References:

i. Appendix 2-B, December 31, 2012 MIFRS;
ii. Appendix 2-CG, Depreciation & Amortization Expense, MIFRS 2012

Under MIFRS, the ending net book value of $205,596,724 ($386,546,051 less $180,949,327) as of December 31, 2011 for the Plant & Property Equipment (PP&E) in Appendix 2-B differs from the net book value as of January 1, 2012 of $215,885,605 for the PP&E in Appendix- CG by $10,288,881.

a) Please account for and explain the difference of $10,288,881.

b) Did London Hydro exclude the assets still on the books but which have been fully amortized or depreciated as per Note 5 in Appendix 2-CG?

c) If the answer is yes to part "b", please state the $ amount.

d) Please state which is the correct January 1, 2012 beginning balance under MIFRS for Appendix 2-B and Appendix 2-CG.

Response OEB #56

a) The difference of $10,288,881 between the opening net book value of capital assets at January 1, 2012 as presented in OEB Appendix 2-B and OEB Appendix 2-CG is associated with the presentation of work-in-progress, renewable generation assets and smart meters as displayed below:

	Cost	Accumulated Amortization	Net Book Value
MIFRS, NBV January 1, 2012 per 2012 continuity schedule (OEB Appendix 2-B)	386,546,051	(180,949,327)	205,596,724
Differences between OEB Appendix 2-B and 2-CG			
Work-in-progress	(10,617,840)		(10,617,840)
Renewable generation assets	(935,237)	31,821	(903,416)
Smart meter assets transferred from OEB deferral account 1555	24,403,497	(2,593,363)	21,810,134
Rounding			3
	12,850,420	(2,561,542)	**10,288,881**
MIFRS, NBV January 1, 2012 per OEB Appendix 2-CG	399,396,471	(183,510,869)	215,885,605

b) Amounts provided in column (a) of OEB Appendix 2-CG for the MIFRS opening net book value as at January 1, 2012 represent the net book value of capital assets under CGAAP at January 1, 2012. Fully depreciated assets under CGAAP are excluded since such items would inherently have a net book value of nil.

These CGAAP balances at January 1, 2012 listed under column (a) do include those assets that had a net book value at January 1, 2012 under CGAAP, but which had no remaining life once the new adopted MIFRS life spans were applied effective January 1, 2012. As addressed in Exhibit 10, the CGAAP net book value of assets with no remaining life under new MIFRS life spans amounted to $4,745,148.

CGAAP net book value at January 1, 2012 has been provided in column (a) to assist in providing a trail between CGAAP to MIFRS and a better tie to asset continuity schedules. The impact of the increase to 2012 depreciation expense as a result of the assets with no remaining life being expensed under MIFRS ($4,745,148) is captured under column (k) which lists 2012 depreciation expense.

c) Not applicable.

d) Both OEB Appendix 2-B and 2-CG report the opening net book value of capital assets under CGAAP. Any differences relate to the presentation of work-in-progress, renewable generation assets and smart meters as noted above. Accordingly, both schedules are correct.

OEB #57

References:

i. Exh 10: Appendix 10 B, page 5;
ii. EB 2008-0408 Report of the Board, Transition to IFRS, page 20, S. 6

In the Report of the Board, Transition to IFRS, the Board stated:

> *"Treatment of asset impairment*
>
> *Where for financial reporting purposes under IFRS a utility has recorded an asset impairment loss, for rate application filings such losses shall be reclassified to PP&E and identified separately to allow consideration of whether and how such amounts are to be reflected in rates."*

London Hydro stated in its capitalization policy:

> *"Where the amount by which the asset's carrying amount or net book value exceeds its recoverable amount, the impairment loss is recognized in profit or loss."*

a) Are there any projected asset impairment losses for 2013?

b) Please confirm if London Hydro has asset impairment losses reclassified to PP&E in 2013 in its current COS rate application.

c) Please specify the amount in part a and indicate the type of assets and the rationale for the projected asset impairment loss?

d) Please state London Hydro's proposed accounting treatment for the asset impairment of loss under MIFRS.

e) Is London Hydro's capitalization policy on impairment loss following the Board's guidelines for 2013? If not, please explain.

Response OEB #57

a) There is no asset impairment losses projected for 2013. To clarify, no amount has been included in the 2013 COS rate application under Rate Base, OM&A or Depreciation.

b) London Hydro confirms that there are no asset impairment losses reclassified to PP&E.

c) Not applicable.

d) Not applicable.

e) London Hydro's capitalization policy as referenced under Exhibit 10, Appendix 10B pertains to external reporting under IFRS. This policy does not discuss reporting under MIFRS in accordance with Board's guidelines for 2013.

When London Hydro does encounter an asset impairment loss, and when reporting the same under MIFRS for rate making purposes, London Hydro will follow Board guidelines applicable at that time.

OEB #58

References

i. Exh 10, page 21 Pension & Other Post-Employment Benefits;
ii. Addendum to Report of the Board: Implementing International Financial Reporting Standards (IFRS) in an Incentive Rate Mechanism Environment dated June 13, 2011 (EB 2008-0408), pp. 23- 24

London Hydro's IFRS transitional adjustment for Pension and Other Post-Employment Benefits ("P&OPEB") is $1,844,800, representing the difference in the Company's liability under IFRS in comparison to that calculated under CGAAP as at January 1, 2012. The transitional adjustment represents unamortized actuarial losses and an unrecognized liability associated with future benefits relating to service awards, which is not a requirement under CGAAP but is a new requirement under IFRS.

This transitional adjustment has no impact on revenue requirement as filed in this Application and no carrying charges have been applied to this amount. Since IFRS has not yet been fully implemented, this transitional adjustment is being made as a place holder only until such time as transition to IFRS has been completed.

a) Please confirm that London Hydro is asking for a deferral and variance account per Addendum to Report of the Board: Implementing International Financial Reporting Standards (IFRS) in an Incentive Rate Mechanism Environment dated June 13, 2011 (EB 2008-0408), pp. 23- 24.

b) What is London Hydro's proposed accounting treatment for P&OEB transitional adjustment when the transition to IFRS has been completed?

Response OEB #58

a) London Hydro confirms that it is asking for a deferral and variance account as per the Addendum to EB 2008-0408 dated June 13, 2011, pp. 23-24 which states that "Individual utilities that can demonstrate the likelihood of large variances can seek an individual variance account from the Board."

As mentioned in the COS rate application and above, although London Hydro has not yet transitioned to IFRS, this deferral account is being requested as a place holder for its forthcoming transitional P&OPEB adjustment which will be made when transition to IFRS is in fact complete.

b) The Company has chosen to defer IFRS implementation to the new mandated transition date of January 1, 2014. In view of the foregoing, London Hydro has not yet developed a proposed accounting treatment associated with the P&OPEB adjustment for rate-setting purposes.

Once London Hydro has transitioned to IFRS and has made this P&OPEB adjustment to the opening balance sheet, it will provide a proposed accounting treatment that is consistent with that used by LDC's as the industry standard at that time.

OEB #62

References:

i. *Appendix 2-EB;*
ii. *Appendices 2-B: 2011 CGAAP, 2012 CGAAP and 2012 MIFRS Capital Assets Continuity Schedules;*
iii. *Appendix 2-CF;*
iv. *Exh 5, Table 5-3, p. 7;*
v. *Revenue Requirement Work Form (RRWF):*
   - *Revenue Requirement Tab,*
   - *Cost of Capital (CoC)Tab and*
   - *Rate Base and Working Capital Tab*

In Appendix 2-EB, London Hydro used as the opening net PP&E for both CGAAP & MIFRS, the gross fixed assets as of January 1, 2012 of $386,546,051 instead of the net book value of the regulatory assets of $205,596,723 ($386,546,051 less $180,949,329).

In addition the opening balances of the gross fixed assets under Appendix 2-B ($386,546,051) and Appendix 2-CF ($399,396,471) which are both under CGAAP, are different.

a) *Please explain why London Hydro is using gross fixed assets for PP&E and not the net book value as of January 1, 2012 in Appendix 2-EB?*

b) *Please explain why the opening balances as of January 1, 2012 in Appendix 2-B and Appendix 2-CF are different?*

c) *Which is the correct January 1, 2012 balance for the net fixed assets under CGAAP?*

d) *Should there be any adjustments required, please update all related evidence.*

e) *Appendix 2-EB shows a weighted average cost of capital (WACC) of 11.42% while Table 5-3 and the CoC Tab in the RRWF show a different WACC of 6.86%.Please explain why the WACC in Appendix 2-EB is different from the WACC in the RRWF, Cost of Capital (CoC) Tab and Table 5-3.*

f) *Please state what is the correct WACC (% and $) for London Hydro. Please link the correct WACC to Table 5-3, RRWF- CoC Tab, Revenue Requirement Tab (Return line) and Appendix 2-EB.*

g) *If any adjustments are required, please update all evidence (e.g. Appendix 2-EB, Table 5-3, revenue requirement, rate base, depreciation, etc.) impacted by the adjustments.*

Response OEB #62

a) An amended Appendix 2-EB has been provided which reports opening PP&E at net book value rather than cost. The original Appendix submitted was inadvertently linked to the cost of PP&E rather than net book value. Please note that this amendment has not changed the calculated closing balance in the deferral account of $471,922.

b) The difference of $12,850,420 between the opening cost of capital assets at January 1, 2012 as presented in OEB Appendix 2-B and OEB Appendix 2-CF is associated with the presentation of work-in-progress, renewable generation assets and smart meters as displayed below:

	Cost	Accumulated Amortization	Net Book Value
CGAAP, NBV January 1, 2012 per 2012 continuity schedule (OEB Appendix 2-B)	386,546,051	(180,949,327)	205,596,724
Differences between OEB Appendix 2-B and 2-CF			
Work-in-progress	(10,617,840)		(10,617,840)
Renewable generation assets	(935,237)	31,821	(903,416)
Smart meter assets transferred from OEB deferral account 1555	24,403,497	(2,593,363)	21,810,134
Rounding			3
	12,850,420	(2,561,542)	10,288,881
CGAAP, NBV January 1, 2012 per OEB Appendix 2-CF	399,396,471	(183,510,869)	215,885,605

c) For rate-making purposes, the correct net fixed assets balance January 1, 2012 under CGAAP is $215,885,605 as displayed above and in Appendix 2-CF. Both OEB Appendix 2-B and 2-CF report the opening net book value of capital assets under CGAAP. Any differences relate to the presentation of work-in-progress, renewable generation assets and smart meters as noted above.

d) Not applicable.

e) The weighted average cost of capital (WACC) provided in the amended Appendix 2-EB has been revised from 11.42% to 6.86% as per Exhibit 5, Table 5-3. The original Appendix submitted inadvertently reported London Hydro's Working Capital Allowance requirement percentage of 11.42%.

f) The correct weighted average cost of capital (WACC) for London Hydro is 6.86% as presented in Exhibit 5, Table 5-3.

g) Appendix 2-EB has been amended to correct the weighted average cost of capital (WACC) from that originally reported (11.42%) to 6.86%. This corrects the amount originally reported for the Adjustment to Return on Rate Base associated with Deferred PP&E from that originally reported of $53,893 to $32,354. Please note that this revision has no impact on the 1575 IFRS-CGAAP Transitional PP&E deferral account or revenue requirement for the 2013 Test Year since Appendix 2-EB was not referenced when calculating revenue requirements as calculated in the RRWF.

OEB #63

References:

i. Modified IFRS Webinar, Examples 1 & 2 related to PP&E Deferral Account;
ii. Appendix 2-CH;
iii. Revenue Requirement Work Form (RRWF):
   - Revenue Requirement Tab,
   - Cost of Capital (CoC)Tab and
   - Rate Base and Working Capital Tab

In the Modified IFRS Webinar (specifically Examples 1 & 2 related to PP&E Deferral Account) , the total difference in the closing net PP&E, CGAAP vs. MIFRS is split into 2 parts: the amortization portion and the return on rate base. Please refer to the flow of data in Appendix 2-EB to the RRWF, Revenue Requirement Tab and Appendix 2-CH provided in the webinar. The amortization portion of the PP&E is included in the total "Amortization/Depreciation" line and the return on rate base of the of the PP&E is shown under a separate item in the "Return" line in the RRWF, Revenue Requirement Tab. Note that the total amortization/depreciation comes from Appendix 2-CH (test year MIFRS).

Appendix 2-EB showed $117,981 as the amortization and the return on rate base $53,893, a total of $171,874 as the amount included in revenue requirement on rebasing.

In the RRWF: Revenue Requirement Tab filed, London Hydro presented under the line "Return" the amortization of $117,981 and not the return on rate base of $53,983.

For the amortization, London Hydro included $117,981 in the total amortization of $15,906,000 at the bottom of Appendix 2-CH under the column K "2013 Depreciation per Appendix 2-B, Fixed Assets". Note that the $15,906,000 flows through the RRWF, Revenue Requirement Tab under the line "Amortization/Depreciation (Refer to the example in the MIFRS webinar). Currently the total amortization stands at $15,788,219 instead of $15,906,000, a difference of $117,781.

a) *Please explain why London Hydro showed $117,981 (amortization portion) instead of $53,893 (return portion) under the line "Return" in RRWF, Revenue Requirement Tab and did not follow the guidelines in the MIFRS webinar.*

b) *Please confirm that the $117,981 amortization is included in Appendix 2-CH 2013, MIFRS Depreciation & Amortization Expenses.*

c) *Please explain why the total depreciation/amortization line in RRWF-RR Tab of $15,788,219 differs from the total 2013 total depreciation of $15,906,200 found in Appendix 2-CH and Appendix 2-B under 2013 MIFRS.*

d) *If adjustments are required under parts h to j above, please update all related evidence to reflect the correct amounts and appropriate presentation.*

A review of the RRWF, Rate Base Tab showed that the Gross Fixed Assets (Average) line amount is $421,406,711.

e) *Please explain how London Hydro derived $421,406,711.*

f) *Please tie $421,406,711 to Appendix 2-B, 2013 Fixed Assets Continuity Schedule under MIFRS.*

g) *If $421,406,711 amount in the RRWF does not tie with the amount in Appendix 2-B 2013 Fixed Assets Continuity Schedule under MIFRS, please explain.*

h) *What should be the correct amount in the Gross Fixed Assets (Average) line in RRWF, Rate Base and Working Capital Tab.*

i) *If any adjustments are required, please update all related evidence.*

Response OEB #63

a) The RRWF has been amended so that the Adjustment to Return on Rate Base associated with Deferred PP&E balance as a result of transition from CGAAP to MIFRS is provided in the amount of $32,354 as per the amended Appendix 2-EB. The amount originally reported represented the amortization of the IFRS-CGAAP Transitional amount, due to a misunderstanding of the presentation requirements.

b) London Hydro confirms that the amortization of the IFRS-CGAAP Transitional amount over a period of 4 years in the annual amount of $117,981 is included in Appendix 2-CH. This amount has been rounded to $118,000 is reported at the bottom of the Appendix on the line item described as “Depreciation expense from amortization of Account 1575”.

c) The RRWF has been amended so that depreciation expense is provided in the amount of $15,906,200, which now corresponds to that provided in Appendix 2-CH and Appendix 2-B. The original amount reported excluded the amortization of the IFRS-CGAAP Transitional amount since this amount was inadvertently reported under the line item for Adjustment to Return on Rate Base associated with Deferred PP&E balance as a result of transition from CGAAP to MIFRS.

d) The RRWF has been amended to present the amortization of the IFRS-CGAAP Transitional amount and Adjustment to Return on Rate Base associated with the Deferred PP&E balance as a result of transition from CGAAP to MIFRS appropriately. In addition, as mentioned above, Appendix 2-EB has been amended so as to report the Adjustment to Return on Rate Base associated with Deferred PP&E balance appropriately as $32,354 rather than $53,893.

e) The RRWF has been amended to present Gross Fixed Assets (average) in the amount of $420,934,789 rather than $421,406,711. The original amount reported included the

IFRS-CGAAP Transitional amount in the amount of $471,922. The previous and current presentation is summarized as follows:

MIFRS, Gross Fixed Assets December 31, 2012 (Table 10-4)	413,940,268
MIFRS, Gross Fixed Assets December 31, 2013 (Table 10-4)	427,929,311
	841,869,579
	/2
Average	420,934,789
IFRS-CGAAP Transitional amount	471,922
Gross Fixed Assets (average) as originally reported	421,406,711
Less: IFRS-CGAAP Transitional amount	(471,922)
Gross Fixed Assets (average) per amended RRWF	420,934,789

f) As mentioned above, the original amount reported as Gross Fixed Assets (average) in the RRWF included the IFRS-CGAAP Transitional amount, which has now been corrected. The average of gross fixed assets reported in the RRWF as originally filed and that reported in the amended version provided can be summarized as follows:

	Cost Dec 31, 2012	Cost Dec 31, 2013	Average
MIFRS, Gross Fixed Assets January 1, 2012 per 2012 continuity schedule (OEB Appendix 2-B)	428,343,345	443,392,388	
Differences between OEB Appendix 2-B and RRWF Gross Fixed Assets			
Work-in-progress	(10,617,840)	(10,617,840)	
Renewable generation assets	(3,785,237)	(4,845,237)	
	(14,403,077)	(15,463,077)	
MIFRS, NBV January 1, 2012 per OEB Appendix 2-CG	413,940,268	427,929,311	841,869,579
			/2
			420,934,789
IFRS-CGAAP Transitional amount			471,922
Gross Fixed Assets (average) as originally reported			421,406,711
Less: IFRS-CGAAP Transitional amount			(471,922)
Gross Fixed Assets (average) per amended RRWF			420,934,789

g) Please see the schedule above under item f) which ties Appendix 2-B to Gross Fixed Assets (average) reported in the RRWF.

h) The Gross Fixed Assets (average) line in the RRWF as originally filed should have read $420,934,789. This presentation has now been corrected as noted above.

i) As mentioned above, Appendix 2-EB and the RRWF have been amended.

London Property Management Association (LPMA) Interrogatories

LPMA #42

Ref: OEB #58

a) *The response to part (b) of the question states that London Hydro has chosen to defer IFRS implementation to the new mandated transition date of January 1, 2014. In view of this, is London Hydro, therefore , requesting that the Board approve just and reasonable rates for 2013 based on CGAAP and not MIFRS?*

b) *If the response to part (a) above is that the revenue requirement for the test year is to be calculated based on CGAAP, please confirm that London Hydro:*

   i. *Does not required the P&OEB account for 2013;*

   ii. *Does not require the PP&E deferral account (1575) for 2013;*

   iii. *Will have a higher CCA deduction for 2013; and*

   iv. *Will continue to use existing depreciation rates for 2012 and the new depreciation rates for 2013 for the calculation of the test year rate base;*

c) *Please provide any other impacts, other than those in part (b) above, if the revenue requirement is based on CGAAP.*

d) *Based on the use of CGAAP to determine the revenue requirement for the 2013 test year, please provide a revised Revenue Requirement Work Form that shows the calculation of the requested revenue requirement.*

e) *Please provide revised tables, as shown on pages 34 and 35 of Exhibit 8 that reflect the CGAAP based revenue requirement from part (d) above.*

Response LPMA #42

a) As discussed in London Hydro's response to LPMA #2, London Hydro is required to file the application under MIFRS even though the Company has decided to accept the deferral of IFRS for Financial Statement purposes.

b) Much of this question is therefore not applicable ("N/A")

   i. N/A

   ii. N/A

   iii. N/A

   iv. London Hydro made the decision (based on a letter from the OEB dated July 17, 2012), to adopt the IFRS amortization rates and burdens as of January 1, 2012. This decision was made after the initial Application had been submitted, so all amounts reported under CGAAP initially are based on the old burden rates and useful lives.

      One of the reasons London Hydro made this change is so that the PP&E values for financial statement purposes mirrored the amounts utilized for OEB purposes and no future reconciliations would be required between the two values.

c) N/A

d) N/A

e) N/A

LPMA #43

Ref: OEB #62 & Appendix 2-EB

a) *Please confirm that Appendix 2-EB provided as part of the response to OEB #62 reflects the addition of smart meter assets in 2012 as part of the opening net PP&E shown in the appendix of $215,885,605 and as shown in the response to part (b) of the interrogatory.*

b) *Please confirm that the additions and deletions shown in Appendix 2-EB reflect the additions of the smart meters.*

c) *Based on the response to parts (a) and (b), please explain why smart meters appear to be counted twice in the calculation.*

Response LPMA #43

a) London Hydro confirms that the opening net PP&E displayed in Appendix 2-EB submitted pursuant to OEB #62 in the amount of $215,885,605 includes the net book value of smart meters as at December 31, 2011.

b) London Hydro confirms that additions as displayed in Appendix 2-EB also includes smart meters.

c) An amended Appendix 2-EB has been provided which corrects the cost of additions to exclude smart meters transferred in from deferral accounts, since this amount has also been reported in the opening net PP&E as noted above. The previous Appendix 2-EB submitted for OEB #62 inadvertently included smart meters in the opening balance as well as in the cost of additions.

   Please note that this amendment has not changed the calculated closing balance in the deferral account of $471,922.

LPMA #44

Ref: Exhibit 10, page 4

Please provide an updated Table 10-1 that adds a column that shows the derivation of the total base revenue based on CGAAP in the 2013 test year, but utilizing the new depreciation rates proposed for the test year.

Response LPMA #44

As requested, column B below has been added to Table 10-1 from Exhibit 10 representing base revenue requirement for the 2013 Test Year under CGAAP, but utilizing MIFRS life spans as follows:

2013 MIFRS - Impact on Revenue Requirement *(in thousands)*					
	CGAAP (old life spans) A	CGAAP (new life spans) B	Impact (B - C)	MIFRS C	Impact (C - A)
Operations and Maintenance	33,509	33,349	(160)	33,845	336
Amortization	20,664	15,788	(4,876)	15,788	(4,876)
Interest	8,574	8,655	81	8,648	74
PILs	2,732	937	(1,795)	934	(1,798)
Return on equity	9,751	9,842	91	9,835	84
	75,230	68,571	(6,659)	69,050	(6,180)
Revenue offsets	(3,398)	(3,398)	-	(3,398)	-
	71,832	65,173		65,652	(6,180)
Amortization of 1575 PP&E deferral account	-	118	118	118	118
Total Base Revenue	**71,832**	**65,291**	**(6,541)**	**65,770**	**(6,062)**

School Energy Coalition (SEC) Interrogatories

SEC #41

Ref: [Ex. 10, App. 10B and 10D]

Please provide a detailed table showing the particular categories of expense that were capitalized in 2011 (i.e. included in direct capitalization or included in the overhead), and indicating those that will not be capitalized in the Test Year. Please be as specific as possible.

Response SEC #41

Below is a listing of capital expenditures for 2011 by expense category and with burden / overhead items segregated onto separate lines. As addressed in Exhibit 10, London Hydro has only three types of overhead expenditures which are for labour, the Stores Department and the Fleet Department. These overheads are listed below under 'Labour burdens', 'Stores overhead' and 'Vehicles and equipment'.

Expense Category	2011 Actual (in 000's)	MIFRS impact
Direct labour	3,969	no impact
Labour burdens	2,145	no impact
Asset acquisitions	2,067	no impact
Purchased services	10,447	no impact
Materials and supplies *(excluding stores overhead)*	8,380	no impact
Stores overhead	641	decreased to direct costs only (ie: $496k reduction for 2013)
Vehicles and equipment	1,294	lower depreciation under MIFRS, therefore lower vehicle overhead in 2013
Cost recoveries	(932)	no impact
Total spending, before capital contributions	28,011	

Please note that the list above represents capital spending during 2011 and not amounts capitalized as additions to fixed assets in 2011. London Hydro's capital asset records are maintained by asset type (ie: poles, conductor, transformers) and not by the nature of their expenditure (ie: labour, materials, trucking). London Hydro's capital spending information is maintained at this level however and, accordingly, this information was used to accommodate this response.

SEC #42

Ref: [IR 10-OEB-58]

Please confirm, in light of the stated decision to "defer IFRS implementation to the new mandated transition date of January 1, 2014":

a) *The Applicant will proceed with changes to overhead capitalization, depreciation rates, and fleet allocation as originally planned, and as a result there are no planned changes to capital or operating costs for the Test Year.*

b) *The Applicant will adjust the opening balances for January 1, 2013 for PP&E, and therefore proceed with its proposal to clear the PP&E Deferral Account as planned.*

c) *The change to the OCI for post-employment benefits will not be made in 2013, and as a result the request for a deferral account for this change is being withdrawn, with a new such request to be made by way of an application for an accounting order between now and 2014.*

d) *As a result of (a) and (b) above, aside from the post-employment benefits impact, all material impacts of the transition to MIFRS are still being reflected in 2013 revenue requirement.*

Response SEC #42

Preamble to this response: As discussed under LPMA #2, although there has been a further deferral to allow the adoption of IFRS for financial reporting purposes until 2014, no such deferral has been provided by the OEB for rate making purposes, therefore our 2013 Application has been submitted using MIFRS values.

Also, as discussed in LPMA #42, London Hydro made the decision (based on a letter from the OEB dated July 17, 2012), to adopt the MIFRS amortization rates and overhead burdens for external financial reporting purposes effective January 1, 2012.

a) London Hydro confirms that new MIFRS overhead rates and life spans have been revised and implemented effective January 1, 2012 for both rate-making and external financial reporting purposes under CGAAP. Accordingly, there are no plans to revise to capital or operating costs for the proposed 2013 Test Year.

b) London Hydro confirms that new MIFRS life spans and overhead rates have been implemented effective January 1, 2012 and, therefore, will proceed with the proposed clearing of the 1575 PP&E Deferral Account over a four year period commencing in 2013.

c) London Hydro will be required to adjust its post-employment benefits liability balance as at January 1, 2013 in order to accommodate transition to IFRS January 1, 2014. This adjustment amount will not be known until transition to IFRS is farther along in the process (ie: spring 2014). However, as discussed in Exhibit 10, London Hydro is requesting the creation of a P&OPEB deferral account for the purpose of recording this transitional adjustment at that time.

d) London Hydro confirms that new MIFRS overhead rates and life spans have been used in the calculation of revenue requirement for the 2013 Test Year.

Energy Probe (EP) Interrogatories

No Questions

Vulnerable Energy Consumers Coalition (VECC) Interrogatories

No Questions

All Respectfully Submitted