Ontario Energy Board

Commission de l'Énergie de l'Ontario

EB-2006-0109

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 Enersource Hydro Mississauga Inc. for approval of 2006 electricity distribution rates, file number RP-2005-0020 / EB-2005-0360;

AND IN THE MATTER OF a Notice of Motion brought by Enersource Hydro Mississauga Inc. for a review of and an amendment to Decision and Order in proceeding RP-2005-0020 / EB-2005-0360.

PROCEDURAL ORDER NO. 1

Pursuant to section 78 of the *Ontario Energy Board Act, 1998*, S.O. c.15, Schedule B, Enersource Hydro Mississauga Inc. ("Enersource") filed an application for the approval of distribution rates to be effective as of May 1, 2006.

On April 12, 2006, the Board issued its RP-2005-0020 / EB-2005-0360 Decision and Order ("Decision") in connection with Enersource's application.

On June 12, 2006, Enersource submitted a Notice of Motion to Review and Vary the Decision (the "Motion").

The Motion seeks the following items of relief: (1) the recovery of a previously denied Tier 1 adjustment for unfilled vacancies; (2) the recovery of the incremental Payments in Lieu of taxes expense; and (3) adjustments to rate riders to dispose of the balances recorded in Retail Settlement Variance Accounts as of December 31, 2004.

The Notice of Motion from Enersource is attached to this Order as Appendix A.

The Board will consider the Motion from Enersource and the relief sought by way of a written hearing, and by this Procedural Order establishes the process for doing so. The Board deems as parties to this proceeding the intervenors in the RP-2005-0020 / EB-2005-0360 proceeding. A list of parties to that proceeding is attached to this Order as Appendix B.

THE BOARD THEREFORE ORDERS THAT:

1. Enersource may file additional material with the Board in support of its motion; this material shall be filed with Board and served on registered intervenors by July 28, 2006.

2. Registered intervenors in the RP-2005-0020 / EB-2005-0360 proceeding may file submissions on this matter with the Board, and if so, shall serve their submissions on Enersource and remaining intervenors on or before August 4, 2006.

3. Enersource may file reply submissions with the Board, and if so, shall serve their reply submissions on registered intervenors on or before August 11, 2006.

4. <u>All filings to the Board noted in this Order must be in the form of 8 hard copies and must be received by the Board by 4:45 p.m. on the stated dates. The Board also requires all filings to be in electronic form. Therefore, all parties must also email electronic copies of their filings to the Board Secretary at Boardsec@oeb.gov.on.ca., or otherwise make them available on CD or diskette.</u> The Board requests that all parties make every effort to provide their filings in MS Word or MS Excel format for word-processed and spreadsheet documents respectively, or at a minimum in searchable PDF format.

5. Service of documents to parties other than the Board may be effected by email only.

ISSUED at Toronto, July 24, 2006.

ONTARIO ENERGY BOARD

Original signed by

Peter H. O'Dell
Assistant Board Secretary

APPENDIX A

TO PROCEDURAL ORDER NO. 1
Notice of Motion

EB-2006-0109

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 Enersource Hydro Mississauga Inc. for an Order or Orders pursuant to section 78 of the *Ontario Energy Board Act, 1998* for 2006 distribution rates and related matters;

AND IN THE MATTER OF a Motion by Enersource Hydro Mississauga Inc. requesting a review and variance of the Board's April 12, 2006 Decision and Order issued to Enersource Hydro Mississauga Inc.

MOTION

1. Enersource Hydro Mississauga Inc. ("Enersource") is a licensed electricity distributor (ED-2003-0017).

2. Enersource filed an application dated August 2, 2005 with the Ontario Energy Board (the "Board") seeking an order authorizing or approving distribution rates. The Board assigned the application Board file number RP-2005-0020/EB-2005-0360. The Board issued its Decision and Order, dated April 12, 2006, in that matter.

3. Enersource seeks an order of the Board varying its April 12, 2006 Decision and Order. Specifically, Enersource seeks an order that permits:
   - the recovery of a previously denied Tier 1 adjustment for unfilled vacancies;
   - the recovery of the incremental Payments in Lieu of taxes expense; and
   - adjustments to rate riders to dispose of the balances recorded in Retail Settlement Variance Accounts as of December 31, 2004.

4. Enersource will file written evidence in support of this Motion.

RP-2005-0020
EB-2005-0360

Please direct all correspondence in this matter to:

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DATED June 12, 2006

R Herman

R.Herman
Chief Operating Officer
Enersource Hydro Mississauga Inc.

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2.0 Prefiled Evidence

A. Executive Summary

1. Enersource seeks an order varying the Ontario Energy Board's April 12, 2006 Decision and Order, Board filed number RP-2005-0020/EB-2005-0360. The requested variance order will authorize distribution rates effective May 1, 2006 that recover:
   - a previously disallowed Tier 1 adjustment to distribution expenses of $1.132 million, before Payments in Lieu of Taxes ("PILs");
   - associated changes to working capital and return of $0.013 million;
   - associated incremental PILs expense of $0.007 million; and
   - adjustments to rate riders to dispose of the balances recorded in Retail Settlement Variance Accounts as of December 31, 2004 and that reduce revenue by $1.357 million.

2. In its RP-2005-0020/EB-2005-0360 application, Enersource sought an order of the Board authorizing distribution rates based on a historical test year. The Board, in its Electricity Distribution Rates Handbook (the "Handbook"), provided applicants with the opportunity to make certain adjustments to the 2004 historical year data so that the 2004 historical test year more closely resembled a typical year. One category of adjustments related to unusual events that would cause 2004 data to be overstated or understated. The purpose of these Tier 1 adjustments was to ensure that an applicant did not end up over-recovering or under-recovering distribution expenses in rates. Enersource proposed various Tier 1 adjustments, including one relating to unfilled vacancies. The relevant excerpt from the prefiled evidence in that proceeding is attached as Appendix A.

3. In its decision, the Board did not accept the proposed adjustment relating to unfilled vacancies, because there was insufficient evidence available to the Board. The Board went on to say that it was open to Enersource to make a further filing. The relevant

excerpt from the Board's Decision and Order in that proceeding is attached as Appendix B.

4. Accordingly, Enersource is bringing this motion to provide additional evidence on the unfilled vacancies.

5. Enersource had incurred financial stress in 2001, 2002 and 2003 with respect to liquidity and profitability. Based on filing guidelines released by the Board in January 2004 Enersource anticipated reduced distribution rates that would impair its Net Income. Enersource management assessed its ability to minimize this potential impairment and decided to commence a cost control program that, among other things, resulted in unusually high vacancies in 2004. These vacancies were not sustainable, as the reliability and Service Quality Indicators data for 2004 and 2005 demonstrates. Without this adjustment, Enersource's recently approved 2006 rates will materially under-recover Enersource's reasonably incurred distribution expense, based on a 2004 historical test year that includes labour expense that is too low.

6. Enersource also proposes changes to rate riders that will bring the net balance recorded in three Retail Settlement Variance Accounts ("RSVA") as of December 31, 2004 to zero over two years. The net effect of the proposed changes to distribution rates and to rate riders is a bill reduction for most customers.

B. Further evidence on the proposed Tier 1 adjustment for Unfilled Vacancies

Enersource's Financial Status in 2001, 2002 and 2003

7. Enersource has experienced financial stresses since 2001. This is documented in Table 1 (all dollar amounts are in millions) below and in Standard & Poor's reports attached as Appendix C.

Table 1

	2001	2002	2003	2004
Cash, as of year end	$26.551	($ 8.062)	$52.707	$25.121
Net Income	$ 1.752	$15.027	$ 9.973	$10.490
Return on Equity	1.08%	8.48%	5.33%	6.10%
S&P rating	AA -	A +	A -	

8. In 2001, Enersource reported $1.752 million in Net Income, a 1.1% return on equity. Cash and cash equivalents were $26.551 million at the end of 2001. Standard & Poor's ("S&P") assigned the Enersource bonds a 'double A –' rating and a 'stable' outlook. In its April 24, 2001 report, S&P identified uncertainty over electricity restructuring in Ontario as a risk. The report comments that anticipated rate increases will allow Enersource to earn a market rate of return.

9. The December 31, 2002 balance sheet shows that Enersource had a bank overdraft of $8.062 million and negative cash flows. In its March 21, 2002 report, S&P lowered its rating on Enersource's debt from 'double A –' to 'single A plus' citing concerns over:

- LDCs being able to fully recover market-ready related expenditures;
- The 2004 Performance Based Rates adjustment being 'even more challenging';
- Continuing challenges related to electricity restructuring; and
- Political intervention and regulatory risk.

Enersource was placed on credit watch November 13, 2002.

10. In 2003 S&P lowered its rating from 'A+' to 'A-' and assigned Enersource a "negative" outlook in a report issued June 27, 2003. The agency cited concern over political intervention and regulatory risks. It indicated that the "negative" outlook could be revised when regulatory transparency and stability exist and if Enersource achieves its financial targets. Furthermore, the Royal Bank reduced Enersource's credit facilities from $75 million to $50 million over concerns related to credit worthiness.

2004 Corporate Stability Program

11. The Board-approved distribution rates in place January, 2004 authorized the recovery of PILs. The Board's January 15, 2004 filing guidelines for April, 2004 electricity distribution rates directed distributors to use their 2002 PILs proxy when determining new distribution rates. Based on these filing guidelines, Enersource estimated that a $4.152 million revenue shortfall and a $2.652 million shortfall in Net Income would occur.

12. Enersource filed an application for an order of the Board authorizing distribution rates effective April 1, 2004. The Board assigned this application Board file number RP-2004-0069/EB-2004-0069. The Board's Decision and Order, dated March 16, 2004, authorized rates that provided for the recovery of $10.349 million of PILs expense. This amount was $0.709 million less than Enersource's 2002 PILs proxy. Thus, the total reduction in revenue requirement amounted to $4.861 million.

13. In light of the risks and concerns identified by the credit rating agencies, and in anticipation of distribution rate reductions effective April 1, 2004, the management team concluded that a further impairment of Enersource's credit rating would likely result in reduced access to capital, higher costs of capital funding and increased costs to satisfy the IESO's prudential requirements. The management team also concluded that the impact on rate payers of these higher costs was unacceptable and that it must take action to mitigate these financial impacts in order to maintain operational and financial stability.

14. The management team was focused on its responsibilities to customers to provide safe, reliable distribution service. These considerations were key to identifying the appropriate courses of action.

15. The best course of action available to management to mitigate the anticipated revenue shortfall while continuing to provide safe, reliable distribution service to customers was to implement an extraordinary cost control and cash preservation program. The management team identified three initiatives for reducing costs and cash usage:

- labour related, through the deferral of staffing requirements;
- deferral of certain operational programs and associated contract labour costs (eg., tree trimming duties); and
- deferral of certain capital expenditures (eg., software upgrades, vehicle replacement) and associated depreciation expense.

16. Each initiative was assessed for its potential impact on customers and on the provision of service. The most significant risk was weather. Management recognized that if the summer months were typically hot then increased equipment failures would occur and Enersource's response times may deteriorate because of reduced staffing. Management also identified that overtime hours and costs might increase because some work requirements would not change while the resources available to conduct this work would be diminished.

17. Actions were taken after the impact on customer service levels was scoped and after considering the risk to operations. The avoided costs (i.e., savings) were estimated at $2.0 - $2.5 million; estimates are detailed in Appendix D attached.

18. Management could not identify a course of action that would fully offset the impact of the anticipated rate decision. Even with the cost control program there would be an impairment of Net Income.

19. The implementation of a cost control program to achieve operational and financial stability was communicated in an email from the President of the corporate parent dated January 21, 2004 and attached as Appendix E.

The Results

20. The quantifiable results of the program were avoided operating costs of $1.342 million. The result of deferred hiring amounted to $1.132 million of the avoided operating costs. These are described at Appendix D.

21. Enersource's avoided labour expense for fiscal 2004 reflects the net effect of:
- delay in filling vacancies that were incurred upon retirements or resignations;
- delay in filling newly created positions; and
- allocations (eg., to rate base due to capitalization, to affiliates).

Appendix F provides a detailed review of the vacant positions in 2004, and the duties of each position and the reasons supporting the vacancy or filling the position.

22. The labour expense of each position includes base compensation (either hourly wage rate or salary), a provision for benefits and a provision for Enersource's incentive payment plan excluding any shareholder benefit portion. Because some of these vacancies are in Technical Operations, a portion of the compensation is capitalized. The average operating expense amounts to $34,300 per position. These positions, the approved compensation of each position and the accounting of these expenditures were relied on when quantifying the impact on distribution expenses. The amounts are detailed in Table 2 below; the staff groups have been constructed to maintain confidentiality.

Table 2

Impact of delayed hiring on distribution expenses.

Staff Group	Permanent Positions	Average Annual Compensation per position	Yearly Compensation	Duration Compensation Adjustment	Capitalized or Usual Vacancy Adjustment (50%)	**Distribution Expense (Tier 1 Adjustment)**
Technical Operations	22	$ 94,467	$ 2,078,283	-$ 585,135	-$ 746,583	$ 746,565
Finance	3	$ 91,960	$ 275,880	-$ 134,596	-$ 70,643	$ 70,641
Regulatory And Legal	5	$ 106,181	$ 530,904	-$ 52,514	-$ 239,198	$ 239,192
Customer Service	3	$ 77,666	$ 232,999	-$82,591	-$ 75,205	$ 75,203
Total	33	$94,487	$ 3,118,067	-$ 854,836	-$ 1,131,629	**$1,131,601**

23. Enersource's April, 2005 distribution rates, Board file number RP-2005-0013/EB-2005-0051, were approved in a Board order dated March 18, 2005. Enersource's management team analyzed the impact of that decision and concluded that the revenue recoverable through distribution rates and the associated change in Net Income were sufficient to relieve the previously described financial pressures. Management concluded that the cost control efforts were no longer warranted in 2005. In 2005, Enersource was able to commence filling the vacancies endured throughout 2004.

Analysis of 2004 recorded overtime

24. As Enersource stated in its August 2, 2005 filing, 2004 overtime costs were low because of cool weather and because overtime was worked by salaried staff who are not eligible for overtime compensation. Salaried positions account for one third of the work force and one third of the vacancies in 2004.

25. Enersource's Performance Based Regulation ("PBR") Service Quality Indicator ("SQI") results are provided at Appendix G. This data demonstrates that Enersource has met or

exceeded the Board's required performance levels. The data also demonstrates that in 2004 Enersource's customers did not require the same level of service that they did in 2002, and subsequently in 2005. Emergency Calls and New Low Voltage Connections recorded in 2004 were much lower than those recorded in either 2002 or 2003. Requests for Underground Cable Locates were somewhat higher in 2004 than in 2002 or 2003. Telephone accessibility, written responses and appointment service levels in 2004 were all typically lower than the levels recorded in 2002 and 2003.

26. This data must be interpreted in light of the prevailing weather and customers need for distribution service. Table 3 provides weather and consumption information annually for 2002 – 2005 and demonstrates that customers required a higher level of service in 2005 versus 2004.

Table 3

Annual weather and consumption

	2002	2003	2004	2005
Peak demand kW	1,509.4	1,505.46	1,426.84	1,570.17
Average summer temp Degrees C	17.42	16.16	15.83	17.86
Maximum summer temp Degrees C	35.1	34.2	31.3	34.7
Average winter temp Degrees C	3.05	-0.76	0.63	0.22
Minimum winter temp Degrees C	-16.4	-24.6	-23.8	-22.6

27. The reduced levels of:

- Emergency Calls;
- Need to access Enersource staff either by phone or in writing; and
- Appointments

in 2004 are consistent with the cooler than usual weather that summer.

28. Enersource notes that the staff levels in 2004, while adequate for providing service during the cool summer of 2004, would have been inadequate for providing service during the

hot summer of 2005. The data in Appendix G documents increased needs of customers throughout 2005, even with the now-filled vacancies, versus 2004. For example, while Enersource crews dealt with 89 emergency calls in 2004, they dealt with 200 in 2005 – a 113% increase. Enersource's reliability statistics, also provided at Appendix G, show that total hours of interruption were 45% greater in 2005 versus 2004, and that total customer interruptions were 52% greater. Clearly, Enersource's service levels would have been much worse in 2005 if Enersource had been required to provide service with its smaller than normal 2004 actual workforce.

29. If the summer of 2004 had been as hot as summers typically are, then Enersource would have needed to fill these vacancies in 2004 and its distribution expenses would have been closer to those of a typical year.

Consequences of Denial of the Motion

30. In designing the Distribution Rate Handbook procedures, the Board recognized that a distributor has a right to recover its reasonable incurred cost of providing distribution service and to earn a reasonable return on its investment. In its application for 2006 rates, Enersource did not seek to do anything more than that. Enersource recognizes that the Board required more information in relation to the unfilled vacancies adjustment and has produced that information in this filing. The unfilled vacancies adjustment meets the Board's criteria for a Tier 1 adjustment:

- Materiality;
- Specific to the test year; and
- Casts 2004 data closer to that of a typical year

and therefore is an appropriate adjustment to make for the purpose of setting 2006 distribution rates.

C. Proposed Rate Riders

31. Enersource also proposes to adjust rate riders. The balances recorded in the RSVAs as of December 31, 2004 are provided at Appendix H.

32. Enersource is one of four distributors recovering Retail Settlement Variance Account ("RSVA") balances as at December 31, 2003 through final rate riders. In the 2006 EDR process, the Board provided direction on the treatment of rate riders to those distributors who did not have a final RSVA order. During 2004, Enersource over-recovered its wholesale market charges (account 1580) and electricity commodity charges (account 1588) while under-recovering retail costs (accounts 1518 and 1548) and one-time IESO charges (account 1582). The net over-recovery amounts to $2.714 million. Enersource proposes to adjust rate riders consistent with that direction. This adjustment will mitigate the proposed changes to distribution rates resulting from the unfilled vacancies adjustment.

33. Enersource proposes to reduce its currently approved rate riders to refund these over-recoveries, as of December 31, 2004, to customers. Enersource's treatment of these accounts would then be consistent with that of the majority of distributors in Ontario. Enersource proposes to apply the balances recorded in accounts 1584 and 1586 to the $5.0 million back billing issued by Hydro One Networks Inc. to Enersource in December 2005.

34. Enersource has maintained the Board's treatment of the recovery through rate riders of 2004 deferred OEB costs and 2004 deferred pensions costs.

35. The proposed adjustment to rate riders would refund the credit balance to customers over two years. These adjustments were calculated using the Board's 2006 RSVA model. Table 4 provides the proposed changes to rate riders.

Table 4

Proposed Rate Riders

	Approved Rate Rider	Proposed Adjustment	Proposed Rate Rider
Residential ($/kWh)	0.0031	-0.0003	0.0028
< 50 kW ($/kWh)	0.0014	-0.0003	0.0011
Small Commercial ($/kWh)	0.0015	-0.0007	0.0008
Unmetered Scattered Load	0.0015	-0.0007	0.0008
50 - 499 kW ($/kW)	0.3907	-0.0614	0.3293
500 – 4,999 kW ($/kW)	0.0140	-0.0362	-0.0222
Large User ($/kW)	0.0607	-0.0464	0.0143
Street Lighting ($/kW)	0.2885	-0.0581	0.2304

D. Proposed Rates

36. Enersource seeks a revised rate order that reflects the following adjustments:

- Increased distribution rates to recover an additional $1.132 million of distribution expenses;
- Increased return on working capital of $0.013 million;
- Increased distribution rates to recover an additional $0.007 million of PILs expense;
- To reduce rate riders to return $1.357 million of RSVA balances annually.

The net effect of these changes is a reduction to the majority of customer's bills.

37. The 2006 EDR model that underpins the distribution rates approved by the Board in its April 12 Decision and Order serves as the starting point for the adjustments. The rates for Unmetered Scattered Load have been computed consistent with the Board's RP-2005-0020/EB-2005-0529 Decision. The rates are provided in Table 5.

Table 5

RP-2005-0020/EB-2005-0360 Distribution Rates

	Variable Rate	Fixed Rate - $/month
Residential	$0.0120/kWh	11.19
< 50 kW	$0.0146/kWh	28.54
Small Commercial	$0.0253/kWh	14.14
Unmetered Scattered Load	$0.0253/kWh	13.83
50 - 499 kW	$4.3249/kW	72.18
500 – 4,999 kW	$1.6657/kW	1,221.31
Large User	$2.7524/kW	13,049.13
Street Lighting	$2.7055/kW	0.36

38. The attached excerpts from the 2006 EDR model, 2006 PILs model and RSVA model (Appendix I) reflect the proposed changes and quantifies the proposed changes to base

distribution rates for the 12 month period from May 1, 2006 to April 30, 2007. Enersource has made the following changes to the 2006 EDR model:

- Increased cell e334, e401 and e411 of worksheet ADJ 3a (Distribution Expenses – Tier 1) by a total of $1,131,601;
- Increased cell e15 of worksheet 4-2 OUTPUT from PILS MODEL by $6,941 for the changes in the PILs model;
- Updated worksheet 8-4 rate riders for the 2004 RSVA balances;
- Updated worksheet 8-5 by adding $0.31, for Smart Meters.

Enersource has made the following changes to the 2006 PILs model:

- Increased cells c13 and c16 of worksheet Input Information Page based on the 2006 EDR model;

The proposed distribution rates are provided at Table 6.

Table 6

Proposed distribution rates

	Variable Rate	Fixed Rate - $/month
Residential	$0.0121/kWh	11.31
< 50 kW	$0.0148/kWh	28.84
Small Commercial	$0.0256/kWh	14.29
Unmetered Scattered Load	$0.0256/kWh	13.98
50 - 499 kW	$4.3715/kW	72.96
500 – 4,999 kW	$1.6835/kW	1,234.56
Large User	$2.7819/kW	13,190.70
Street Lighting	$2.7346/kW	0.36

Appendix A

Excerpt from Prefiled Evidence RP-2005-0020/EB-2005-0360

(i) Unfilled Vacancies

In 2004, Enersource management instituted an austerity program in response to Net Income pressure arising from disallowed PILs recovery. This austerity program included a hiring freeze and a limit on non-essential overtime. Labour is one of a distributor's controllable costs. Labour related costs respond directly and immediately to management's control of the number of employees. As of 2005 the "frozen" positions will have been filled and the associated costs will be incurred in 2006. Enersource proposes to adjust its distribution expenses by approximately $1.132 million in order to render these costs at the level incurred in a typical year.

As a result of the austerity program, a total of 23 vacant positions required to sustain the ongoing operation of the distributor were not filled. The average duration of these vacancies was approximately 31 weeks.

These vacancies were outside Enersource's usual vacancy rate of 15 positions. Enersource is not making an adjustment for typical vacancies in recognition that at any given time for an organization the size of Enersource, vacancies will exist of this amount.

Enersource has adjusted its 2004 distribution expenses to move its understated labour related expenses closer to those of a typical year. This proposed adjustment is eligible for treatment as a Tier 1 adjustment because:

- it resulted from a specific management decision taken under unusual circumstances;
- management's decision was for a finite period, limited to the 2004 fiscal year;
- the hiring freeze is not sustainable;
- without the adjustment, Enersource's 2004 distribution expenses do not reflect its costs properly; and
- the adjustment satisfies the OEB's materiality test.

Management's decision to defer hiring staff affected the following areas:

- Technical Operations, the Apprenticeship Program specifically;

- Finance;
- Regulatory;
- Legal and Business Services;
- Clerical and Administrative support.

The hiring freeze is not sustainable. It was successful in technical operations largely due to the fact that 2004 had a cooler than usual summer, which reduced stress on the system such that maintenance costs were able to be kept down and all the OEB's Service Quality Indicators could be satisfied. Enersource's proposed rates result in bill impacts less than 5%. Historically, Enersource is among the lowest cost distributors, as demonstrated in the MEARIE 2004 Utility Performance Management Survey. This study identifies Enersource having a controllable expense per MWh sold at $3.80 in 2003. Assuming no growth in consumption for the period 2004 through 2006, the controllable costs per MWh, based on this rate application, would be $4.13. This represents a total increase of 8.14% over 3 years, or an average increase of 2.71% per annum.

An offsetting adjustment to overtime is not necessary. Despite the fact that Enersource was under-staffed by 23 positions, recorded overtime in 2004 was the lowest for the period 2002 – 2004; this is demonstrated at Schedule 6-5. The majority of overtime hours worked in Finance, Regulatory, Legal and Business Services and Clerical and Administrative support were without compensation.

difficult. The Board also notes that VECC did not propose an alternative. With regard to VECC's concerns about low income customers, the Board notes that low-income program targets are not specifically required under the Board's guidelines for incremental CDM spending. In addition, Enersource has stated that its program is open to all customers including low-income customers.

The Board notes that Enersource has performed the Total Resource Cost effectiveness screening required for approval, and the programs satisfy the Board's prudence test for CDM investments. The Board therefore accepts Enersource's CDM plan and will include the costs in 2006 rates.

Tier 1 adjustment – Unfilled Vacancies

Enersource requested that $1,131,601 be included in distribution rates in order to reflect the existence in 2004 of 23 vacant positions that are over and above the normal number of vacant positions of 15. Enersource stated that the adjustment is needed so that its actual 2004 personnel costs more closely resemble those of a typical year.

VECC argued that the adjustment should be limited to $520,000 to reflect a lower average salary, specifically that of union staff, and the difference in full time equivalent positions between 2003 and 2004 as shown on schedule 6-4 of the Handbook.

The School Energy Coalition ("SEC") argued that Enersource had not demonstrated how the unfilled vacancies and associated costs of $1,131,601 qualify as an appropriate Tier 1 adjustment and should be disallowed. SEC noted that although Enersource claimed that these vacancies are unsustainable, the utility admitted that overtime expense for the period of the hiring freeze was the lowest of the 2002-2004 period.

The Board notes Enersource's explanation that it was able to sustain normal operations at acceptable levels due to a cooler than normal summer in 2004. The Board also notes that Enersource defended the lack of additional overtime expense in the Application by stating that the majority of overtime worked was by employees not eligible for compensation for overtime. However, the Board is not persuaded by the evidence that Enersource would not operate efficiently in a typical year under current staffing levels. The Board therefore will not approve the Applicant's request for $1,131,601 for unfilled vacancies. The Applicant provided no specific details on how and where the new personnel would be used and why they are needed. It is open to the Applicant to come forward with more information supporting the need for increased staffing levels in a future filing. Accordingly, the Board has revised the EDR and PILs models to reflect the removal of the entire amount relating to the unfilled vacancy adjustment.

Loss factors

The Handbook requires distributors to calculate the distribution loss factor ("DLF") and enter the value in the appropriate cell(s) of the EDR model. The model then automatically calculates the total loss factor by applying the current supply facilities loss factor to the new DLF. It is this total loss factor which should be applied to the rate classes. Enersource applied the DLF instead of the total loss factor.

The Board finds that in the absence of more information on the nature of the data provided by Enersource, the appropriate value to be applied is the total loss factor of 1.0433 as per sheet 8-7 of the model. Accordingly, the Board has revised the EDR model to reflect this adjustment.

Deferral accounts

Enersource requested an accounting order establishing two deferral accounts to track costs associated with a new Customer Information System and costs associated with the implementation of risk management initiatives.

VECC submitted that requests for deferral accounts such as these are inconsistent with the choice of Historical Test Year for the purpose of determining 2006 rates and should be denied. SEC added that the Applicant had the option to file on a forward test year basis and to include and justify expected costs outside of its 2004 costs.

The Board agrees with VECC and SEC that such requests are not consistent with a historical test year filing and therefore denies the request to establish these deferral accounts.

Revised regulatory asset rate riders

Enersource proposed to revise its approved regulatory asset rate riders to include additional regulatory asset amounts in the form of 2004 and 2005 OEB and Pension costs, and Hydro One's post-January 1, 2004 charges. In addition, the Applicant requested that the recovery for these incremental amounts be realized in one year as

STANDARD &POOR'S RATINGSDIRECT

RESEARCH

S&PCORRECT: Prelim Rtg Assigned to Borealis Infrastructure Trust's C$500M Enersource Bnds

Publication date: 24-Apr-2001
Credit Analyst: Damian DiPerna, Toronto (1) 416-507-2561; Valerie E Blair, Toronto (1) 416-956-4870; Paul B Calder, CFA, Toronto (1) 416-956-4870

(Editor's note: In the press release published April 24, 2001, the bond type was misstated in the first paragraph. A corrected version of the release follows.)

TORONTO (Standard & Poor's CreditWire) April 24, 2001--Standard & Poor's today assigned its preliminary double-'A' minus senior secured rating to the (up to) C$500 million Borealis-Enersource series bonds to be issued by Borealis Infrastructure Trust (Borealis). The outlook is stable.

Borealis was established as a special-purpose trust by Borealis Infrastructure Trust Management Inc. to invest in and facilitate the financing of infrastructure projects by Borealis Funds Management Ltd. Borealis has entered into the trust indenture, to permit the issuance of separately secured bonds, in series, to finance such investments.

Borealis will offer the Enersource bonds, in one or more tranches over the next 25 months, to raise net proceeds to be advanced to Enersource Corp. pursuant to the credit agreement. It is expected that Enersource will use such advances to refinance indebtedness for capital expenditures and for general corporate purposes.

The rating reflects the following strengths:

-- Extremely strong business position of Enersource Hydro Mississauga, Enersource's main subsidiary, based on its regulated asset base. Enersource Hydro is the second-largest municipal electric utility in Ontario, serving 160,000 customers. About 99% of Enersource's assets are regulated based on full cost recovery, plus a fair rate of return. The company's largest expense is the purchase of power, which is a direct pass through to distribution customers. Enersource Hydro's operations are relatively new and among the most efficient in Ontario. The subsidiary is an industry leader in reliability and safety in Ontario, while its low cost operations have translated into one of the lowest distribution rates in the Province.

-- Expected robust economic growth in the City of Mississauga (part of the Regional Municipality of Peel; local currency: AAA/Stable/--, foreign currency: AA+/Stable/--) in the future, yielding a growing electricity demand profile (estimated at 3.5% annually). Mississauga is the sixth-largest city in Canada with a diversified population base of 590,000. Residential customers accounted for 23% of revenues in 2000, general service 68%, and large users 9%.

-- Sound balance sheet (60% debt to 40% equity) and good coverage ratios (EBIT interest coverage of 2.69 times (x); EBITDA interest coverage of 3.96x; cash flow to debt of 15%; and debt to EBITDA of 3.7x), after factoring in 8.1% in permitted rate increases in the next three years. Furthermore, Enersource's capital expenditure requirements in the next five years will likely average about C$40 million annually and will primarily be funded from cash flow, resulting in little change to its capitalization ratios.

-- Energy trading activity will be transacted through a nonregulated subsidiary, in which Enersource's future partners are expected to assume an equity position and will take on all price and volume risk. Enersource will only be exposed to credit risk, which is also expected to be limited.

-- Strong financial backing from Enersource's shareholders, Mississauga and Borealis.

Partially offsetting these strengths is the uncertainty surrounding the restructuring of the Ontario electric industry. Deregulation has proceeded slower than expected and has been hampered by developments in other markets and past government decisions.

Energy sales are projected to grow by about 3.5% per year based on projected growth in customers served and increased use by existing customers. A steady growth profile combined with several preapproved rate increases will result in improved revenues in the next few years. In addition to the 1.72% rate increase in December 2000, the Ontario Energy Board preapproved a 0.95% rate increase to coincide with the open-access date, providing additional cash flow to offset a requirement to begin making payments in lieu of taxes. Distribution rates are projected to increase by another 2.67% in March 2002 and 2.67% in March 2003, thus allowing Enersource to earn its market rate of return.

OUTLOOK: STABLE

The outlook reflects the expectation of a stable regulatory regime, steady earnings growth due to Enersource's growing rate base, and the positive economic outlook in the company's franchise area. Standard & Poor's assumes that rate increases will be implemented on a timely basis and that all purchased power costs will continue to be a direct flow through to distribution customers. Furthermore, the rating does not incorporate the possibility of future acquisitions, Standard & Poor's said. -- CreditWire

STANDARD & POOR'S RATINGSDIRECT

RESEARCH

Rating on Borealis Infrastructure Trust's Enersource Series Bonds Lowered to 'A+'

Publication date: 21-Mar-2002
Credit Analyst: Jenny Catalfo, Toronto (1) 416-507-2557; Damian DiPerna, Toronto (1) 416-507-2561

TORONTO (Standard & Poor's) March 21, 2002--Standard & Poor's today said it lowered its senior secured debt rating on the Borealis-Enersource series bonds issued through special-purpose vehicle Borealis Infrastructure Trust to single-'A'-plus from double-'A'-minus.

Toronto, Ont.-based Borealis was established to invest in and facilitate the financing of infrastructure projects. Mississauga, Ont.-based Enersource Corp. is an electricity distributor with C$290 million in total debt outstanding.

"The rating action reflects an increase in Enersource's consolidated business risk profile and a generally less optimistic outlook on the Ontario electricity industry restructuring," said Standard & Poor's credit analyst Jenny Catalfo.

Standard & Poor's also said the initial rating assessment assumed Enersource would take a minority equity interest in a retail energy marketing operation with the partners bearing all price and volume risk. Because a number of partners have since declined to participate, Enersource presently holds a 57% ownership interest in the joint venture with Veridian Corp. Although the company has taken steps to adequately manage the associated risks, Enersource will directly bear a proportionate share of the market price and volume risk burden.

Industry restructuring in Ontario has proceeded more slowly than planned. Performance-based regulation (PBR) revenue caps established earlier this year will be difficult for any Ontario local distribution company to meet, and the full recovery of market-ready-related expenditures is uncertain. Although the net effect on Enersource's revenue requirements during 2002, and possibly during 2003, is relatively small, Standard & Poor's expects new PBR in 2004 will be even more challenging.

The rating on the Borealis-Enersource series bonds reflects Enersource's relatively strong business and financial profiles. The company's low business risk profile is supported by electricity distribution assets that are among the lowest cost and most efficient in Canada, and supportive regulation that allows for a flow through of all power costs associated with standard service supply customers. Enersource's service franchise continues to experience very strong customer and throughput growth, which should more than offset any potential revenue volatility associated with a large exposure to cyclical commercial customers.

Enersource's challenges during the next two years are largely related to the electricity industry restructuring under way in Ontario. Political intervention and regulatory risk in the evolution toward a fully functioning competitive market environment remain concerns. In addition, event risk is a material consideration with respect to all Ontario local distribution companies, as Standard & Poor's expects there will be substantial industry consolidation during the next three to five years. Enersource might have to participate in the industry consolidation to maintain its leadership position.

Standard & Poor's expects Enersource's financial position will continue to improve during the next two years concurrent with the phase-in of the 2001 market-based rate of return revenue requirement. In addition, Standard & Poor's expects the company's business profile will not be adversely affected by any further increased participation in higher risk, nonregulated operations; political intervention; or regulatory decisions.

A complete list of the ratings is available to RatingsDirect subscribers at www.ratingsdirect.com, as well as on Standard & Poor's public Web site at www.standardandpoors.com under Ratings Actions/Newly Released Ratings.

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STANDARD & POOR'S RATINGSDIRECT

RESEARCH

Borealis-Enersource Rating Lowered on Weakened Profile, Off Watch; Outlook Negative

Publication date: 27-Jun-2003
Credit Analyst: Nicole Martin, Toronto (1) 416-507-2560; Damian DiPerna, Toronto (1) 416-507-2561

TORONTO (Standard & Poor's) June 27, 2003--Standard & Poor's Ratings Services today said it lowered its senior secured debt rating on the Borealis-Enersource series bonds issued through special purpose vehicle Borealis Infrastructure Trust to 'A-' from 'A+'. At the same time, the rating was removed from CreditWatch, where it was placed Nov. 13, 2002. The outlook is negative.

Toronto, Ont.-based Borealis was established to invest in and facilitate the financing of infrastructure projects. Mississauga, Ont.-based Enersource Corp. is an electricity distributor with C$290 million in total debt outstanding.

"The rating action reflects the continued uncertainty associated with the Ontario political and regulatory environment, as well as the financial challenges facing Ontario electricity distribution companies," said Standard & Poor's credit analyst Nicole Martin. As a result, Enersource's business and financial profiles have worsened significantly from its previous forecast.

The retail energy marketing operations have been divested and the nonregulated telecom business is 100% equity financed. Due to startup risk and the highly competitive nature of the telecom business, however, it continues to contribute to a higher consolidated business risk profile, as well as a higher level of uncertainty associated with projected nonregulated cash flows. Standard & Poor's expects the telecom business to achieve positive net earnings in 2005 as per the company's business plan.

On a consolidated basis, Standard & Poor's expects Enersource to have funds from operations (FFO) to interest coverage of about 3.4x (previously 4.0x). FFO to average total debt is expected to average about 16% (previously 20%)in the near term, which is low for the rating.

The negative outlook will remain in place for at least one to two years. It could be revised to stable when transparency and stability are restored to the regulatory environment, and Enersource's success in meeting its financial targets, for both their regulated and nonregulated telecom business, materializes.

Complete ratings information is available to subscribers of RatingsDirect, Standard & Poor's Web-based credit analysis system, at www.ratingsdirect.com. All ratings affected by this rating action can be found on Standard & Poor's public Web site at www.standardandpoors.com; under Credit Ratings in the left navigation bar, select Credit Ratings Actions.

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has established policies and procedures to maintain the confidentiality of non-public information received during the ratings process.

Ratings Services receives compensation for its ratings. Such compensation is normally paid either by the issuers of such securities or third parties participating in marketing the securities. While Standard & Poor's reserves the right to disseminate the rating, it receives no payment for doing so, except for subscriptions to its publications. Additional information about our ratings fees is available at www.standardandpoors.com/usratingsfees.

STANDARD &POOR'S RATINGSDIRECT

RESEARCH

Borealis Infrastructure Trust

Publication date: 21-Dec-2004
Primary Credit Analyst: Laurie Conheady, Toronto (1) 416-507-2518; laurie_conheady@standardandpoors.com
Secondary Credit Analyst: Nicole Martin, Toronto (1) 416-507-2560; nicole_martin@standardandpoors.com

Corporate Credit Rating

Financial policy:
Moderate
Debt maturities:
2011 C$290 mil.
Bank lines/Liquid assets:
Enersource Corp. maintains a C$50 million bank line that remains largely unused. The company also maintains a C$17 million in LOC under a separate bank line to satisfy prudential requirements with the Independent Electricity Market Operator.

Major Rating Factors

Strengths:
- Monopoly electricity distribution network
- Low-risk network operations
- High-growth service territory
- Regulated cash flows

Weaknesses:
- Increasing exposure to unregulated operations
- Moderate financial profile
- Limited access to equity markets

Rationale

The rating on the senior secured Borealis-Enersource series bonds issued by Borealis Infrastructure Trust (Enersource Mississauga tranche) reflects Enersource Corp.'s relatively low-risk monopoly electricity distribution business, regulated cash flows, and growing service territory. These strengths are offset by the political risk surrounding the electricity network business' regulatory environment, its higher risk unregulated business activities and appetite for growth, and its moderate financial profile.

Enersource is predominately an electricity network business based in Mississauga, Ont. Borealis Infrastructure Trust, also based in Ontario, is a special-purpose vehicle established to invest in, and facilitate the financing of, infrastructure projects. Borealis-Enersource series bonds issued by Borealis Infrastructure Trust are secured against the assets of Enersource and serviced from the cash flows of Enersource.

Enersource's business position benefits from the natural monopoly it holds over its service territory. The company receives regulated cash flows for the delivery of energy but assumes neither commodity price nor volume risk with the cost of energy directly passed through to end consumers. The regulated returns from its network business represent over 90% of the company's cash flows and support its debt servicing capacity. The regulatory approval process and cost-reflective pricing limit the threat of network bypass. Furthermore, the reliable network exhibits good operational efficiency with residential and commercial distribution rates among the lowest in the province. A risk to the level of regulated cash flow is the increasing push for demand-side management by the provincial government. A reduction in energy delivered, resulting from demand management initiatives without a corresponding level of compensation in regulated returns for loss of cash flows, could weaken the company's credit metrics.

Enersource's service territory is the City of Mississauga. The area benefits from solid economic growth, with annual real GDP in the municipality averaging more than 2% since 1997, and growth in electricity throughput and customer numbers each averaging about 3% in the past five years. Furthermore, the diversity of Enersource's 176,000 customers and limited customer concentration exposure shields the company from the full effect of any potential downturn in economic growth and loss of a major customer.

The uncertainty surrounding the regulation of electricity network pricing in Ontario continues to be a negative factor for the rating. Although recent decisions by the provincial government of Ontario in late 2003 and early 2004 suggest a move to a more stable and transparent regime, the transitional nature of the regime and threat of political intervention continues to present a risk to the company's electricity network business.

The company's higher risk and competitive-based data network and engineering technologies business weaken its strong business profile. Although the businesses are not expected to be a material financial drain on the company, they remain subject to recontracting risk and margin squeeze and are not as supportive of credit quality as the predictable and secured regulatory returns from the company's regulated electricity network business. Any move by the company to finance and capitalize its unregulated operations on a similar basis to that of its 60% debt funded regulated network business without appropriate risk mitigating features will increase its risk profile and further weaken the rating. Furthermore, the company's willingness to actively explore growth opportunities within the Ontario local electricity distribution company sector poses potential financial, operational, transaction, and execution risks for Enersource.

Enersource's credit metrics have weakened in recent years with funds from operations (FFO) interest and debt coverages falling to 2.9x and 13%, respectively, in fiscal 2003, from 4.1x and 22%, respectively, in fiscal 2000 and, although currently remaining weak for the rating, are expected to improve in the coming years. A decision by the provincial government to permit the recovery of deferred transition costs and energy variances (regulatory assets) will add about C$7 million to the company's annual cash flows for the next four years. The recovery of regulatory assets in addition to a permitted increase in electricity tariffs in 2005 should improve the company's financial profile with FFO interest coverage and FFO-to-average total debt expected to be more than 3.5x and 17%, respectively, in the next few years. An inability of the company to achieve its forecast credit metrics will put pressure on the rating. Leverage, as measured by total debt-to-total capital is expected to remain relatively steady at about 60% as the company partially debt funds additions to its unregulated asset base. The company's annual operating cash flows are insufficient to fully fund all capital expenditure and dividends with net cash flow (FFO less dividends) to capital expenditure are expected to fall within the range of 75%-100% in the next few years.

Liquidity.

Enersource's liquidity position is adequate. The level of liquidity is supported by cash flow from operations, as represented by forecast FFO in 2005 of over C$50 million, cash on hand of between C$25 million-C$30 million as of December 2004, and a C$50 million operating line of credit that has remained unused since the second quarter of 2003. The company's sources of liquidity are sufficient to meet its forecast capital expenditure and dividend commitments of about C$54 million in 2005. Furthermore, Enersource faces no upcoming debt maturities with its only long-term debt obligation being a C$290 million, 6.27% debenture due 2011.

Accounting.

Enersource's consolidated financial statements are prepared in accordance with Canadian GAAP. No material changes to Canadian GAAP or the accounting policies adopted by Enersource are expected in the foreseeable future that would materially alter the financial statements as presented by Enersource.

Table 1

Enersource Corp.--Peer Comparison *

Industry Sector: Electric Utility Companies--Canada

		--Average of past three fiscal years--			
	Sector median ¶	Enersource Corp.	Oakville Hydro Corp.	Hamilton Utilities Corp.	Toronto Hydro Corp.
Rating		A-	BBB+/Stable/--	A/Stable/--	A-/Stable/--
(Mil. C$)					
Sales	873.2	617.6	149.2	447.2	2,347.7
Net income from continuing operations	109.0	7.1	1.4	7.9	61.0
Funds from operations (FFO)	238.2	36.5	10.6	24.8	184.1

Capital expenditures	135.9	35.0	4.9	26.6	119.6
Total debt	1,528.8	291.9	90.1	116.5	1,165.4
Preferred stock	48.9	0.0	0.0	0.0	0.0
Total capital	3,085.9	484.3	158.0	267.5	1,832.3
Ratios					
EBIT interest coverage (x)	2.3	1.5	1.0	2.6	2.3
FFO interest coverage (x)	3.5	2.8	3.7	5.6	3.8
Return on common equity (%)	9.6	3.3	1.9	5.4	9.6
NCF/capital expenditures (%)	90.2	101.8	218.7	86.3	152.5
FFO/total debt (%)	19.1	12.3	11.8	20.5	16.6
Total debt/capital (%)	54.0	60.3	57.1	43.4	63.1

* Adjusted for off-balance-sheet obligations and capital operating leases. ¶ For the three years ended Dec. 31, 2003. NCF--Net cash flow.

Table 2

Enersource Corp.--Financial Summary *

Industry Sector: Electric Utility Companies--Canada

	--Average of past three fiscal years--		--Fiscal year ended Dec. 31st--				
Rating history			A-	A+	AA-	N.R.	N.R.
	Sector median ¶	Issuer	2003	2002	2001	2000	1999
(Mil. C$)							
Sales	873.2	617.8	629.4	658.2	566.3	507.4	489.0
Net income from continuing operations	109.0	7.1	7.1	12.2	1.9	4.8	14.1
Funds from operations (FFO)	238.2	35.5	37.9	39.9	28.8	30.5	37.2
Capital expenditures	135.9	35.0	32.9	37.9	34.1	27.2	21.0
Total debt	1,528.8	291.9	290.0	295.6	290.0	269.2	0.0
Preferred stock	48.9	0.0	0.0	0.0	0.0	0.0	0.0
Total capital	3,085.9	484.3	491.1	489.5	472.4	449.7	496.7
Ratios							
EBIT interest coverage (x)	2.3	1.5	1.7	1.7	1.1	1.5	59.3
FFO interest coverage (x)	3.5	2.8	2.9	3.0	2.5	4.1	154.7
Return on common equity (%)	9.6	3.3	3.2	6.0	0.6	1.4	3.0
NCF/capital expenditures (%)	90.2	101.8	115.2	105.5	84.6	(148.0)	176.8
FFO/total debt (%)	19.1	12.3	13.0	13.6	10.3	22.6	N.M.
Total debt/capital (%)	54.0	60.3	59.1	60.4	61.4	59.9	0.0

* Adjusted by capital operating leases. ¶ For the three years ended Dec. 31, 2003. N.R.--Not rated. N.M.--Not meaningful. NCF--Net cash flow.

Analytic services provided by Standard & Poor's Ratings Services (Ratings Services) are the result of separate activities designed to preserve the independence and objectivity of ratings opinions. The credit ratings and observations contained herein are solely statements of opinion and not statements of fact or recommendations to purchase, hold, or sell any securities or make any other investment decisions. Accordingly, any user of the information contained herein should not rely on any credit rating or other opinion contained herein in making any investment decision. Ratings are based on information received by Ratings Services. Other divisions of Standard & Poor's may have information that is not available to Ratings Services. Standard & Poor's has established policies and procedures to maintain the confidentiality of non-public information received during the ratings process.

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STANDARD &POOR'S RATINGSDIRECT

RESEARCH

Borealis Infrastructure Trust

Publication date: 31-Aug-2005
Primary Credit Analyst: Laurie Conheady, Toronto (1) 416-507-2518; laurie_conheady@standardandpoors.com
Secondary Credit Analyst: Nicole Martin, Toronto (1) 416-507-2560; nicole_martin@standardandpoors.com

Corporate Credit Rating

Financial risk profile
Moderate
Debt maturities:
2011 C$290 mil.
Bank lines/Liquid assets:
Enersource Corp. maintains an evergreen C$50 million bank line that remains largely unused. The company also maintains a LOC under a separate bank line for C$17 million to satisfy prudential requirements with the Independent Electricity System Operator.

Major Rating Factors

Strengths:
- Monopoly electricity distribution network
- Low-risk network operations
- High-growth service territory
- Regulated cash flows

Weaknesses:
- Increasing exposure to unregulated operations
- Moderate financial profile
- Limited access to equity markets

Rationale

The rating on the senior secured Borealis-Enersource series bonds issued by Borealis Infrastructure Trust (Enersource Mississauga tranche) reflects Enersource Corp.'s relatively low-risk monopoly electricity distribution business, regulated cash flows, and growing service territory. These strengths are offset by the political risk surrounding the electricity network business' regulatory environment, its higher risk unregulated business activities and appetite for growth, and its moderate financial profile.

Enersource is predominately an electricity network business based in Mississauga, Ont. Borealis Infrastructure Trust, also based in Ontario, is a special-purpose vehicle established to invest in, and facilitate the financing of, infrastructure projects. Borealis-Enersource series bonds issued by Borealis Infrastructure Trust are secured against the assets of Enersource and serviced from the cash flows of Enersource.

Enersource's business position benefits from the monopoly it holds over its electricity distribution service territory. The company receives regulated cash flows for the delivery of electricity but assumes neither price nor volume risk on the commodity delivered, with the cost of electricity directly passed through to end consumers. The network revenues are, however, subject to some volumetric risk. The regulated returns from its electricity distribution network business represent more than 90% of the company's cash flows and support its debt-servicing capacity. The regulatory approval process and cost-reflective pricing eliminate the threat of network bypass. Furthermore, the reliable network exhibits good operational efficiency, with residential and commercial distribution rates among the lowest in the province. An increasing push for demand-side management by the provincial government could present a risk to the level of regulated cash flow and, as such, a reduction in energy delivered, without a corresponding level of compensation in regulated returns for loss of cash flows, could weaken the company's credit metrics.

Enersource's service territory is the City of Mississauga. The area benefits from solid economic growth with annual real GDP in the municipality averaging more than 2% since 1997, and growth in electricity throughput and customer numbers each averaging about 3% in the past five years. Furthermore, the diversity of Enersource's 176,000 customers and limited customer concentration exposure shield the company from the full effect of any potential downturn in economic growth and loss of a major customer.

The uncertainty surrounding the regulation of electricity network pricing in Ontario continues to be a negative factor for the rating. Although significant decisions by the provincial government of Ontario in late 2003 and early 2004 regarding the electricity distribution industry are indicative of a shift toward a more stable and transparent regime, the transitional nature of the regime and potential for political intervention continue to present a degree of uncertainty to the company's electricity network business.

The company's higher risk and competitive-based data network and engineering technologies business weaken its strong business profile. Although the businesses are not expected to materially affect the consolidated operations in the short term, they remain subject to recontracting risk and margin squeeze, and are less supportive of credit quality than the predictable and secured regulatory returns from the company's regulated electricity network business. Any move by the company to finance and capitalize its unregulated operations on a similar basis to that of its 60% debt-funded regulated network business without appropriate risk-mitigating features will increase its risk profile and weaken the rating. Furthermore, the company's willingness to actively explore growth opportunities within the Ontario local electricity distribution company sector poses potential financial, operational, transaction, and execution risks for Enersource.

Although weak for the rating, Enersource's credit metrics are expected to improve in the coming years. A decision by the provincial government to permit the recovery of deferred regulatory assets (transition costs and energy variances) will add about C$7 million to the company's annual cash flows for the coming three years. The recovery of regulatory assets in addition to a permitted increase in electricity tariffs in 2005 should strengthen the company's financial profile, with funds from operations (FFO) interest coverage and FFO-to-average total debt expected to be more than 3.5x and 17%, respectively, in the next few years. In 2004, FFO interest coverage based on interest paid was 3.7x, and for the same period, FFO to average total debt was 17%. Excluding the positive impact of the recovery of regulated assets of C$5.3 million in 2004, FFO interest coverage was 3.4x. Financial results for first-half 2005 were in line with expectations. An inability of the company to achieve its forecast credit metrics will put pressure on the rating. Leverage, as measured by total debt-to-total capital, is expected to remain relatively steady at about its 2004 level of 60% as the company partially debt-funds additions to its unregulated asset base. The company's annual operating cash flows are insufficient to fully fund all capital expenditure with the ratio of net cash flow (FFO less dividends) to capital expenditure expected to fall within the range of 75%-100% in the next few years.

Liquidity

Enersource's liquidity position is adequate. The level of liquidity is supported by cash flow from operations, as represented by forecast FFO in 2005 of more than C$50 million, cash on hand of C$37.7 million as of June 30, 2005, and a C$50 million operating line of credit that has remained unused since second-quarter 2003. The company's sources of liquidity are sufficient to meet its forecast capital expenditure and dividend commitments of about C$54 million in 2005. Furthermore, Enersource faces no upcoming debt maturities, with its only long-term debt obligation being a C$290 million, 6.27% debenture due 2011.

Accounting

Enersource's consolidated financial statements are prepared in accordance with Canadian GAAP. No material changes to Canadian GAAP or the accounting policies adopted by Enersource are expected in the foreseeable future that would materially alter the financial statements as presented by Enersource. For analytical purposes Standard & Poor's Ratings Services uses cash interest paid in the calculation of interest coverage ratios rather than the lower net interest expense presented in the company's financial statements.

Table 1

Enersource Corp. -- Peer Comparison*

Industry Sector: Electric Utility Companies -- Canada

	--Average of past three fiscal years--				
	Sector median	Enersource Corp.¶	Hamilton Utilities Corp.	Toronto Hydro Corp.	Hydro Ottawa Holding Inc.
Rating	A-		A/Stable/--	A-/Stable/--	A-/Stable/--
(Mil. C$)					
Sales	901.6	656.4	419.7	2,388.4	601.0

Net income from cont. oper.	85.8	9.3	9.2	85.8	2.0
Funds from oper. (FFO)	215.0	42.2	25.6	219.7	29.1
Capital expenditures	124.7	33.9	23.6	117.1	61.6
Total debt*	1,213.0	291.9	105.5	1,214.3	240.3
Preferred stock	7.3	0.0	0.0	0.0	0.0
Total capital*	2,398.3	489.2	263.7	1,959.5	432.3
Ratios					
EBIT interest coverage (x) *	2.6	1.7	2.8	2.7	1.3
FFO interest coverage (x)*	3.3	3.4	4.2	3.7	3.0
Return on common equity (%)	10.0	4.4	8.0	12.1	0.8
NCF/capital expenditures (%)	83.6	109.5	101.2	171.5	47.0
FFO/average total debt (%)*	18.7	14.5	23.0	18.7	12.1
Total debt/total capital (%) *	52.9	59.7	40.0	62.0	55.6

*Adjusted for off-balance-sheet obligations and capital operating leases. ¶Rating reflects senior secured Borealis-Enersource series bonds issued by Borealis Infrastructure Trust (Enersource Mississauga tranche).

Table 2

Enersource Corp. -- Financial Summary*

Industry Sector: Electric Utility Companies -- Canada

	--Average of past three fiscal years--		--Fiscal year ended Dec. 31--				
Rating history¶			A-	A-	A+	AA-	N.R.
	Sector median	Issuer	2004	2003	2002	2001	2000
(Mil. C$)							
Sales	901.6	656.4	644.0	629.4	695.9	565.3	507.4
Net income from cont. oper.	85.8	9.3	11.7	7.1	9.1	1.9	4.8
Funds from oper. (FFO)	215.0	42.2	49.4	37.9	39.3	28.9	30.5
Capital expenditures	124.7	33.9	30.7	32.9	38.0	34.1	27.2
Total debt*	1,213.0	291.9	290.0	290.1	295.7	290.3	269.6
Preferred stock	7.3	0.0	0.0	0.0	0.0	0.0	0.0
Total capital*	2,398.3	489.2	486.9	491.2	489.6	472.8	450.1
Ratios							
EBIT interest coverage (x)*	2.6	1.7	2.0	1.7	1.7	1.1	1.5
FFO interest coverage (x)*	3.3	3.4	4.3	2.9	3.0	2.5	4.1
Return on common equity (%)	10.0	4.4	5.6	3.2	4.4	0.6	1.4
NCF/capital expenditures (%)	83.6	109.5	110.2	115.3	103.8	85.0	(148.0)
FFO/average total debt (%)*	18.7	14.5	17.0	13.0	13.5	10.4	22.6
Total debt/total capital (%)*	52.9	59.7	59.6	59.1	60.4	61.4	59.9

*Adjusted by capital operating leases. ¶Rating reflects senior secured Borealis-Enersource series bonds issued by Borealis Infrastructure Trust (Enersource Mississauga tranche). N.R.--Not rated.

FEBRUARY 17, 2004

Department	Operating/ Revenue	Depreciation	Capital Expenditures
Marketing & Public Affairs	$308K	--	--
Engineering & Operations	$335K	$284K	$3,535K
Customer Service	$196K	--	--
Finance	$223K	--	--
Human Resources	$110K	--	--
Health, Safety & Environment	--	--	--
IT	$100K	--	$800K
Purchasing	--	--	--
Stores	--	--	--
Facilities	$70K	--	$400K
TOTAL	$1,342K	$284K	$4,735K

Ramla Passi

From: Jo Ann Morello
Sent: Wednesday, January 21, 2004 12:26 PM
To: Ramla Passi; Anne Woschiz
Subject: FW: Constraint

-----Original Message-----
From: Gunars Ceksters
Sent: Wednesday, January 21, 2004 12:11 PM
To: Mike Angemeer; Roland Herman; Christopher Buckler; Jo Ann Morello; Barry Chuddy; Michael Matthew; Ken MacDonald; Cindy Sweet; Craig Fleming
Subject: Constraint

The employees of Enersource have now heard the message that had to be delivered on our financial situation. If certain groups on shift missed the message, please ensure that you hold a meeting and personally inform them.

The situation is severe and requires immediate attention from all of us to mitigate the impact of the income reduction that we face.

EFFECTIVE IMMEDIATELY;

ALL HIRING IS TO BE DEFERRED OR CANCELED.

NO STUDENTS ARE TO BE HIRED IN 2004

A FULL LIST OF ACTIONS TO BE PREPARED BY FINANCE FOR THE BOARD MEETING OF JANUARY 27th BASED ON THE DISCUSSION HELD SEVERAL DAYS AGO.

As I said at the town hall yesterday, we face a trough in the road. WE CAN AND WILL OVERCOME THIS!

This group must lead our company the way. I count on your continued support.

Gunars Ceksters
President & CEO
gceksters@enersource.com <mailto:gceksters@enersource.com>

enersource
Corporation

Appendix F

Position	Number of prolonged vacancies
Apprentice Linesmen	10
Apprentice Meter Technicians	2
Meter Technician	1
MV 90 Technician	1
Mapping Analyst	1
Project Engineer	1
Safety Manager	1
System Operator	2
AM/FM Labour – Contract	1
Distribution Engineer	1
Customer Service Technician	1
Customer Service Representative	1
Collections & Cash Supervisor	1
Maintenance Helper	1
Manager Financial Services	1
Financial Analyst	1
Inventory and Purchasing Analyst	1
Regulatory Accountant	2
Rates and Regulatory Analyst	1
Regulatory Affairs Advisor	1
Corporate Counsel	1
TOTAL	33

Apprentice Linesmen
Duties – construction and maintenance of overhead and underground distribution lines
Reasons to fill position – fill 10 known vacancies due to attrition
- succession planning to deal with numerous impending retirement

not filling may result in increased dependence on contractors

Meter Technician – Apprentice and Journeyman
Duties – initialize, install, maintain meters
- maintain records, drawings
- prepare reports

Reasons to fill position – remedy existing understaffing
- achieve reverification schedule

avoid potential lapse in reverification and resulting fine

MV90 Technician
Duties – retrieve, validate, estimate and edit interval meter data
- generate billing determinants
- liaise with meter department, billing department, meter readers

Reasons to fill position – to provide necessary support to billing department
– maintain ability to bill interval metered customers (50% of revenue)

Mapping Analyst
Duties – create, maintain and verify database of distribution plant
- create and revise digital workorders, schematics, map products

Reasons to fill position – maintain and improve records relied on for reliability
- supports field crews achieving safe work conditions in a timely manner

timely processing and billing work orders

Project Engineer
Duties – design, specify and estimate costs for a variety of distribution system projects
- overrhead/underground distribution system/substation construction/maintenance
- maintain drawings and documentation

Reasons to fill position – continue to operate "Grow House" program,$0.500 million rev

Safety Manager
Duties – develop and implement safety programs for Trades and technical staff
- conducts training programs
- ensure compliance with all legislation and regulations, conducts field audits

Reasons to fill position – maintain high level of safe operations
- minimize or eliminate consequences of accidents (eg., reduce number of light duty days)

System Operator
Duties – safe and reliable operation and control of the distribution system
- supervisory and work crew interface, eg., during emergencies
- schematic maintenance

Reasons to fill position – succession planning in light of impending retirements
- maintain coverage in control room

AM/FM Labour - Contract
Duties – support Planning and Control Room functions
- maintain data completeness and accuracy of SCADA, Maps, schematics

Reasons to fill position – continuity of support of documentation and engineering records
- maintain and enhance accuracy and provide timely updates
- system upgrade pending therefore desire permanent employee rather than contract staff

Distribution Engineer
Duties – design, specify and estimate jobs (eg., overhead rebuilds)
- participate in maintenance activities (eg., establish programs, provide technical supports)
- reliability reporting and analysis

Reasons to fill position – improved maintenance processes
- improved maintenance program planning will increase field crew safety

Customer Service Technician
Duties – design distribution system reinforcements
- design, specify and estimate distribution projects, new construction and rebuilds
- liaise with affected parties, consultants, contractors, other utilities

Reasons to fill position - to continue to be able to provide timely Offers to Connect
- to maintain accurate, complete and timely records

Customer Service Representative
Duties – timely collection of overdue accounts and negotiation of payment schedules
Establish creditworthiness
Handle customer inquiries re: payment notice, delinquent account
Reasons to fill position – minimize write offs to bad debts

Collections & Cash Supervisor
Duties – ensure compliance with billing procedures
- prepare reports on billing activities and procedures
- develop policies and procedures

Reasons to fill position – maintain compliance with requirements of DSC
- Orderly administration of billing policies, processes and procedures
- Minimize write offs to bad debts

Maintenance Helper
Duties – all aspects of external and internal building maintenance and repair
Reasons to fill position – current staff (1 person) cannot perform all required duties

Manager Financial Services
Duties – maintain General Ledger
- supervise and guide staff making journal entries, conducting reconciliations
- prepare financial statements and reports

Reasons to fill position – vacancy due to promotion of previous incumbent

Financial Analyst
Duties – prepare, analyze and interpret internal financial management reports
- participate in preparation of annual budget, quarterly forecast

Reasons to fill position – current staff cannot perform the duties of this position
- to be able to provide timely and accurate reports and analysis to management

Inventory & Purchasing Analyst
Duties – purchase of major materials and commodities
Plan and monitor inventory levels based on planned and unplanned jobs
Prepare and analyze tenders
Reasons to fill position – present staff complement cannot perform all required duties
- risk of not obtaining product/materials on most favourable terms or conditions

Regulatory Accountant
Duties - timely filing of data and reports to satisfy regulatory requirements
- participate in studies (eg., rates)

Reasons to fill position – to file required reports with external agencies
- to provide complete and accurate information

Rates and Regulatory Analyst
Duties – participate in and/or conduct studies (eg., rates, load research, cost of service)
- assist in the timely filing of data and reports to satisfy regulatory requirements

Reasons to fill position – to achieve compliance with OEB filing requirements and deadlines

Regulatory Affairs Advisor
Duties – monitor regulatory developments
- prepare regulatory filings, administer processing

Reasons to fill position - to achieve compliance with OEB filing requirements and deadlines
- to participate proactively in OEB and other relevant proceedings (eg., development of Handbooks, review of Code changes)

Corporate Counsel
Duties – provide legal advice
- able to deal with all aspects of commercial and corporate issues

Reasons to fill position – resolve corporate legal issues
- ongoing legal support

2004 and 2005 Service Quality Indicators

Low Voltage Connections		
2004		
	# new LV services connected	connected within 5 days
Jan	239	237
Feb	186	185
Mar	244	243
Apr	200	200
May	349	346
Jun	331	327
Jul	307	301
Aug	335	334
Sep	278	277
Oct	388	384
Nov	508	507
Dec	198	195
Total	3,563	3,536
2005		
	# new LV services connected	connected within 5 days
Jan	113	111
Feb	175	169
Mar	187	186
Apr	228	226
May	391	390
Jun	233	229
Jul	289	283
Aug	279	276
Sep	191	165
Oct	279	276
Nov	283	266
Dec	322	314
Total	2,970	2,891
2005 vs 2004 Percent change		
	# new LV services connected	connected within 5 days
Jan	-52.7%	-53.2%
Feb	-5.9%	-8.6%
Mar	-23.4%	-23.5%
Apr	14.0%	13.0%
May	12.0%	12.7%
Jun	-29.6%	-30.0%
Jul	-5.9%	-6.0%
Aug	-16.7%	-17.4%
Sep	-31.3%	-40.4%
Oct	-28.1%	-28.1%
Nov	-44.3%	-47.5%
Dec	62.6%	61.0%
Total	-16.6%	-18.2%

Telephone Accessibility		
2004		
	# answered calls	answered within 30 seconds
Jan	11,973	10,477
Feb	12,309	9,064
Mar	12,788	11,344
Apr	11,640	9,332
May	12,142	9,662
Jun	13,065	10,347
Jul	14,314	11,106
Aug	15,132	11,569
Sep	14,169	11,534
Oct	13,225	11,213
Nov	13,632	11,576
Dec	9,886	8,661
Total	154,275	125,885
2005		
	# answered calls	answered within 30 seconds
Jan	11,961	10,045
Feb	10,500	9,095
Mar	11,527	9,929
Apr	12,318	10,620
May	11,725	10,165
Jun	12,068	10,249
Jul	11,225	8,927
Aug	15,275	11,919
Sep	15,215	11,958
Oct	14,409	11,148
Nov	14,853	10,981
Dec	9,120	7,687
Total	150,196	122,723
2005 vs 2004 Percent change		
	# answered calls	answered within 30 seconds
Jan	-0.1%	-4.1%
Feb	-14.7%	0.3%
Mar	-9.9%	-12.5%
Apr	5.8%	13.8%
May	-3.4%	5.2%
Jun	-7.6%	-0.9%
Jul	-21.6%	-19.6%
Aug	0.9%	3.0%
Sep	7.4%	3.7%
Oct	9.0%	-0.6%
Nov	9.0%	-5.1%
Dec	-7.7%	-11.2%
Total	-2.6%	-2.5%

2004 and 2005 Service Quality Indicators

Written Reponses

2004

	# requests	# provided within 10 days
Jan	127	125
Feb	153	153
Mar	225	223
Apr	250	250
May	293	290
Jun	207	204
Jul	182	181
Aug	176	172
Sep	180	178
Oct	299	296
Nov	425	420
Dec	297	286
Total	2,814	2,778

2005

	# requests	# provided within 10 days
Jan	361	350
Feb	279	273
Mar	266	253
Apr	171	171
May	158	157
Jun	538	538
Jul	340	336
Aug	344	343
Sep	216	215
Oct	280	279
Nov	298	296
Dec	181	181
Total	3,432	3,392

2005 vs 2004 Percent change

	# requests	# provided within 10 days
Jan	184.3%	180.0%
Feb	82.4%	78.4%
Mar	18.2%	13.5%
Apr	-31.6%	-31.6%
May	-46.1%	-45.9%
Jun	159.9%	163.7%
Jul	86.8%	85.6%
Aug	95.5%	99.4%
Sep	20.0%	20.8%
Oct	-6.4%	-5.7%
Nov	-29.9%	-29.5%
Dec	-39.1%	-36.7%
Total	22.0%	22.1%

Appointments

2004

	Appointments	Appointments met
Jan	3	2
Feb	2	2
Mar	2	2
Apr	11	11
May	5	5
Jun	9	9
Jul	2	2
Aug	4	4
Sep	5	5
Oct	4	4
Nov	2	2
Dec	3	3
Total	52	51

2005

	Appointments	Appointments met
Jan	2	2
Feb	1	1
Mar	3	3
Apr	9	9
May	3	3
Jun	4	4
Jul	3	3
Aug	4	4
Sep	5	5
Oct	5	5
Nov	6	6
Dec	2	2
Total	47	47

2005 vs 2004 Percent change

	Appointments	Appointments met
Jan	-33.3%	0.0%
Feb	-50.0%	-50.0%
Mar	50.0%	50.0%
Apr	-18.2%	-18.2%
May	-40.0%	-40.0%
Jun	-55.6%	-55.6%
Jul	50.0%	50.0%
Aug	0.0%	0.0%
Sep	0.0%	0.0%
Oct	25.0%	25.0%
Nov	200.0%	200.0%
Dec	-33.3%	-33.3%
Total	-9.6%	-7.8%

2004 and 2005 Service Quality Indicators

Emergency Calls		
2004		
	# emergency calls	# emergency calls
Jan	7	7
Feb	3	3
Mar	4	4
Apr	4	4
May	6	6
Jun	13	13
Jul	12	12
Aug	2	2
Sep	8	8
Oct	10	10
Nov	11	11
Dec	9	9
Total	89	89
2005		
	# emergency calls	# emergency calls
Jan	23	23
Feb	20	20
Mar	9	9
Apr	12	12
May	14	14
Jun	21	21
Jul	19	19
Aug	16	16
Sep	14	14
Oct	13	13
Nov	24	24
Dec	15	15
Total	200	200
2005 vs 2004 Percent change		
	# emergency calls	# emergency calls
Jan	228.6%	228.6%
Feb	566.7%	566.7%
Mar	125.0%	125.0%
Apr	200.0%	200.0%
May	133.3%	133.3%
Jun	61.5%	61.5%
Jul	58.3%	58.3%
Aug	700.0%	700.0%
Sep	75.0%	75.0%
Oct	30.0%	30.0%
Nov	118.2%	118.2%
Dec	66.7%	66.7%
Total	124.7%	124.7%

Enersource Hydro Mississauga Inc.
Reliability Indicators
2002 - 2005

2002

	Customer Hours Interruption	Customer Interruptions	Customers	SAIDI	SAIFI	CAIDI
Jan	3219	7750	166622	0.0193	0.0465	0.4154
Feb	2849	5023	166622	0.0171	0.0301	0.5672
Mar	3144	12860	166622	0.0189	0.0772	0.2445
Apr	6815	8028	166622	0.0409	0.0482	0.8489
May	6261	11127	166622	0.0376	0.0668	0.5627
June	6489	10216	166622	0.0389	0.0613	0.6352
July	10464	9733	166622	0.0628	0.0584	1.0751
Aug	7414	9659	166622	0.0445	0.0580	0.7676
Sep	6403	10838	166622	0.0384	0.0650	0.5908
Oct	4081	6047	166622	0.0245	0.0363	0.6749
Nov	3865	5371	166622	0.0232	0.0322	0.7196
Dec	4415	10780	166622	0.0265	0.0647	0.4096
TOTAL	65419	107432	166622	0.3926	0.6448	0.6089

2003

	Customer Hours Interruption	Customer Interruptions	Customers	SAIDI	SAIFI	CAIDI
Jan	2446	7359	171763	0.0142	0.0428	0.3324
Feb	1684	3819	171763	0.0098	0.0222	0.4410
Mar	4305	6862	171763	0.0251	0.0400	0.6274
Apr	1961	1086	171763	0.0114	0.0063	1.8057
May	2296	2956	171763	0.0134	0.0172	0.7767
June	9723	20295	171763	0.0566	0.1182	0.4791
July	11184	16888	171763	0.0651	0.0983	0.6622
Aug	8358	9726	171763	0.0487	0.0566	0.8593
Sep	5424	10567	171763	0.0316	0.0615	0.5133
Oct	13454	38793	171763	0.0783	0.2259	0.3468
Nov	3900	9307	171763	0.0227	0.0542	0.4190
Dec	2221	2705	171763	0.0129	0.0157	0.8211
TOTAL	66956	130363	171763	0.3898	0.7590	0.5136

Enersource Hydro Mississauga Inc.
Reliability Indicators
2002 - 2005

2004

	Customer Hours Interruption	Customer Interruptions	Customers	SAIDI	SAIFI	CAIDI
Jan	10874	13121	175323	0.0620	0.0748	0.8287
Feb	1203	1779	175323	0.0069	0.0101	0.6762
Mar	2834	6472	175323	0.0162	0.0369	0.4379
Apr	1335	4520	175323	0.0076	0.0258	0.2954
May	5507	8969	175323	0.0314	0.0512	0.6140
June	7221	18932	175323	0.0412	0.1080	0.3814
July	5687	4870	175323	0.0324	0.0278	1.1678
Aug	6218	7972	175323	0.0355	0.0455	0.7800
Sep	4017	12623	175323	0.0229	0.0720	0.3182
Oct	1328	4416	175323	0.0076	0.0252	0.3007
Nov	1455	4571	175323	0.0083	0.0261	0.3183
Dec	16906	20888	175323	0.0964	0.1191	0.8094
TOTAL	64585	109133	175323	0.3684	0.6225	0.5918

2005

	Customer Hours Interruption	Customer Interruptions	Customers	SAIDI	SAIFI	CAIDI
Jan	3048	10674	177465	0.0172	0.0601	0.2856
Feb	2595	5208	177465	0.0146	0.0293	0.4983
Mar	1692	2459	177465	0.0095	0.0139	0.6881
Apr	4493	28813	177465	0.0253	0.1624	0.1559
May	8465	15411	177465	0.0477	0.0868	0.5493
June	12449	16530	177465	0.0701	0.0931	0.7531
July	22599	30414	177465	0.1273	0.1714	0.7430
Aug	16803	23217	177465	0.0947	0.1308	0.7237
Sep	7837	11750	177465	0.0442	0.0662	0.6670
Oct	6663	7236	177465	0.0375	0.0408	0.9208
Nov	6251	8838	177465	0.0352	0.0498	0.7073
Dec	1049	5281	177465	0.0059	0.0298	0.1986
TOTAL	93944	165831	177465	0.5294	0.9344	0.5665

Enersource Hydro Mississauga Inc.
Retail Settlement Variance Accounts
As at December 31, 2004

	At Retail	At Cost	Variance
Included in rate rider calculations:			
Account 1518 - RCVA Retail	($280,163)	$288,648	$8,485
Account 1548 - RCVA STR	($1,769)	$54,169	$52,400
Account 1580 - RSVA WMS	($49,378,834)	$49,087,483	($291,351)
Account 1582 - RSVA One-Time	$21,275	$460,984	$482,259
Account 1588 - RSVA Power	($406,842,279)	$403,876,568	($2,965,711)
	($456,481,768)	$453,767,852	($2,713,917)
Excluded from rate rider calculations:			
Account 1584 - RSVA Network	($41,628,649)	$39,858,062	($1,770,587)
Account 1586 - RSVA Connection	($36,469,399)	$33,862,366	($2,607,033)
	($78,098,048)	$73,720,428	($4,377,620)