

**UNDERTAKING**

**Undertaking**

TO CONDUCT AN ANALYSIS TO DETERMINE WHAT IMPACT WOULD ARISE  
FROM CHANGING THE GST FIGURE FROM 6% TO 5%

**Response**

As all GST is offset by a tax credit, there is no effect on Revenue Requirement resulting from a change to the GST rate except for working capital. The 2008 working capital total of \$297M as referenced in interrogatory H-1-9 is comprised of \$273.2M in cash working capital and \$23.3M in materials and supplies as noted in Table 1 of Exhibit D1, Tab 1, Schedule 1. A GST change only impacts the \$273.2M in cash working capital amounts. Cash working capital is reduced by \$1.1M with a GST of 5%, as referenced in interrogatory H-1-11.

The impact of the GST changing from 6% to 5% is a relatively immaterial decrease of \$0.1M to the 2008 requested revenue requirement. The applicant has already agreed to update the Revenue Requirement for tax changes occurring since filing.