UNDERTAKING JT3.3

Undertaking

TO HAVE CONCENTRIC ANSWER WHETHER THEY HAVE CONCLUDED FROM THEIR REPORT AND FROM THIS ANSWER THAT GROUP 2 ACCOUNTS ARE INHERENTLY RISKIER THAN GROUP 1 ACCOUNTS.

Response

The following response was prepared by Concentric Energy Advisors:

As indicated in the response to Ex. L-C1-01-SEC-041 and Ex. L-C1-01-Staff-067(b), Group 2 accounts require a prudence review by the OEB before the utility is allowed to recover the costs recorded in these deferral and variance accounts, while Group 1 accounts do not. On that basis and all else being equal, Concentric believes that Group 2 accounts inherently carry relatively greater risk of recovery for a utility than Group 1 accounts.