

UNDERTAKING

Undertaking

TO PROVIDE AN EXPLANATION AS TO WHY CERTAIN LDCs' FIXED CHARGE FALLS UNDER THE MITIGATION PLAN.

Response

The change in certain LDC's fixed charge is not part of the mitigation plan. The reason for the change is as Mr. Roger stated in Volume 6 Transcript, July 18, 2008, page 165, lines 6 to 13. Due to billing system limitations, for the acquired LDCs that have some customers being reclassified to Urban Residential and some customers reclassified to R1 Residential, all customers will be moved for 2008 into the Urban Residential path.

In Exhibit G1, Tab 8, Schedule 2 Table 1, the 2008 mitigated fixed charges proposed for Arnprior, Brockville, Carleton Place, Dryden, GBE, Lindsay, Perth, Quinte West, Smith Falls, Thorold and Whitchurch Stouffville are lower than the 2008 initial fixed charges. These are the Acquired LDCs that have some customers being moved to Urban Residential and some customers being moved to R1 Residential. The 2008 mitigated fixed charges are the same fixed charges shown at the bottom of page 9, in the same Table as the fixed charges proposed for Acquired LDCs with Customers Classified as Urban.