Q. **Please provide support for the statement on page 21, lines 6 to 8 of Mr. Brockman's Pre-filed Evidence that in Canada, there is a propensity to have rate adjustment mechanisms to deal with purchased power cost volatility among distribution investor-owned utilities. Please provide a list of utilities that have such mechanisms along with a description of the mechanism.**

A. Listed below are the Utilities in Canada that have adjustment mechanism for purchase power expense along with a description of the mechanism.

Aquila Networks BC

Approximately 50 % of Aquila Networks BC energy requirements are self-generated. The remaining energy requirements are acquired through purchase power contracts. The two predominant sources of purchases are the Brilliant Power Project and B.C. Hydro. Payments for purchases from the Brilliant Power Project are based on an energy-only charge.

Approximately 25% of total power purchases are provided by BC Hydro under a demand/energy rate. Forecasts of purchase power costs are used to set rates. Variances from forecast are split between Customers and the Company as part of performance based regulation on a 65 / 35% split respectively.

EPCOR AB

EPCOR provides a Regulated Rate Option (RRO) for the City of Edmonton and Aquila Networks Canada AB. The bulk of the years load requirements have been purchased in advance but a small portion is procured monthly. The RRO energy charges may be increased or decreased on a quarterly basis if the total change in the energy charge exceeds 5%.

ENMAX AB

ENMAX provides services to the City of Calgary and surrounding areas. Under the Regulated Rate Option (RRO) tariff, the following adjustment ensures recovery of variances in purchased power costs related to price volatility.

Energy Market Charge/Refund. –. The current RRO tariff is based on ENMAX's forecast of market prices for electricity in 2003. The RRO tariff is based on a forecast of fixed contract purchases and spot market purchases (hourly rates). Cost variances from forecast are either collected or rebated quarterly through an energy market charge/refund mechanism.

Ontario Utilities

The provincial government's Bill 210, *Electricity Pricing, Conservation and Supply Act* caps the price charged for the generating cost of electricity at 4.3 ¢ per kilowatt-hour for all residential customers and for commercial customers whose consumption is 250,000 kilowatt-hours per year or less. This price cap will remain in effect until April 2006. Investor-owned utilities receive an adjustment each month from the Provincial Government to reflect the difference between the 4.3 ¢ /kWh cap and the actual price paid to the independent market operator.

Maritime Electric

Maritime Electric has an Energy Adjustment Mechanism that allows the utility to recover from its customers 90% of its expense variance associated with purchasing and producing electricity. Under this mechanism, 90% of all costs associated with purchasing and producing electricity above or below $0.05/kWh are deferred, and recovered from or returned to customers.