

CONTEXT, OBJECTIVES AND ORIENTATIONS OF THE DISTRIBUTOR

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Requested R-3492-2002 - Phase 2

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Requested R-3492-2002 - Phase 2

1 LEGAL CONTEXT OF THE REQUEST

1 Before examining the present request, it is important to summarize the
2 legal context under which it is subject. To determine this, particular
3 attention should be accorded to the main conclusions of the decisions
4 made by the Régie which affect directly (D-2003-93 and D-2003-138) or
5 indirectly (D-2002-95, D-2002-115, D-2002-290, D-2003-117 and D-2003-
6 77) the present request.

7

1.1 Summary of Decision D-2003-93

8 At the time of Phase 1 submission on July 3, 2002, the Distributor
9 submitted for the approval of the Régie its cost of service for the year
10 2002-2003. More specifically, the following elements, articulated around
11 four areas, were covered:

- 12 • Area 1: regulatory principles;
- 13 • Area 2: the structure and the cost of capital;
- 14 • Area 3: the cost of service, revenue requirements and accounting
15 conventions;
- 16 • Area 4: cost allocation methodology by category of consumers as
17 well as the principle and methods for calculation of cross-
18 subsidization.

19

20 In May 2003, the Régie of energy rendered decision D-2003-93 on the
21 four areas of phase 1 previously stated. Thus, regarding the regulatory
22 principles, the Régie recognizes the principle of the projected reference
23 year, accepts that the tariff year for the Distributor starts on the 1st of April
24 and fixes the reference year from January 1st to December 31st instead of
25 April 1st to March 31st, as was proposed by the Distributor. In the case of
26 the modifications associated with the cost of supplying heritage electricity,
27 the Régie accepts the principle of the transfer ("pass-on") of cost of supply
28 but rejects it for all the other variations stated, at the end of the fiscal

1 period, between the supply costs and revenues. In the same way, the
2 principle of transfer of the transmission service costs, limited to only the
3 price effects, is welcomed favorably by the Régie. With this, the Régie
4 authorizes the creation of deferred expense accounts, one for the "pass-
5 on" on the supply and the second for the transmission service.

6

7 The Régie approves a capital structure composed of 35% of stockholders'
8 equity and 65% of debt, and fixes the rate of return on the shareholder's
9 equity at 9.4% for 2002-2003 for a rate of return on a fixed tariff base of
10 9.3%. The Régie fixes the methodology for determination of the risk free
11 rate on the basis of the Consensus Forecast data for the month preceding
12 the submission filing and expects that the Distributor provides an update
13 for this rate.

14

15 With regard to the cost of service, the Régie does not come to a
16 conclusion about the level of the charges necessary for the provision of
17 service by the Distributor, deferring this subject to phase 2. In this respect,
18 the Régie requires the Distributor, for phase 2, to produce additional
19 information on the total cost as well as on the products and services
20 related to charges for shared services. For phase 2, the Distributor must
21 provide an account to the Régie of the benchmarking activities, which it
22 undertook with a view to evaluate its efficiency and the cost of service
23 offered to its customers. The Distributor's internal suppliers must conduct
24 the same tasks with regard to the prices of the products and services
25 dispensed to Hydro-Quebec Distribution.

1 The Régie recognizes the Distributor's rate base for December 31, 2001.
2 Regarding subsequent additions, the Régie requests the Distributor to
3 provide additional details enabling it to establish the link between the
4 annual authorization for investments and the amounts entered in the rate
5 base and to give a pronouncement on the reasonability of the amounts
6 presented as additions to fixed assets.

7

8 Within the framework of theme 4, the Régie approved globally the method
9 of cost allocation by category of consumers. Certain comments and
10 specific requests from the Régie will however need to be integrated with
11 all new requests. In the matter of cross-subsidization, the Régie retains
12 the cross-subsidization index proposed by the Distributor, namely with
13 respect to the ratio of Revenue/Cost. The Régie fixes the year 2002 as the
14 reference year and introduces certain demands to be integrated in phase
15 2.

16

17 The decision D-2003-93 serves as the framework for the present request.
18 The latter takes into account the positions contained in the decision and
19 the adjustments and rate strategies of the Distributor which results from
20 this. Moreover, all the specific requests formed by the Régie are included
21 there.

22

23 Insofar as the Régie abstained from rendering a decision on the cost of
24 service and where the decision contains many instructions, modifications
25 and substantial adjustments of the evidence, the Distributor requested and
26 obtained from La Régie, the carry forward of the following subjects initially
27 announced for the phase 2¹:

¹ Decision D-2003-138

- 1 • the automatic adjustment formula for the rate of return
- 2 • modifications of rate structures and the revision of the services
- 3 fees, which in the light of the Decision D-2003-138, will be treated
- 4 in the framework of a Phase 3 and for which the submission is
- 5 scheduled for February 16, 2004
- 6 • the revision of average rebates and high voltage
- 7 • the revision of the adjustments for transmission losses
- 8 • the exit conditions and the municipal network returns.

9

10 These three last exclusions will be re-examined by the Régie at a later
11 time (D-2003-138). The Distributor, however, evaluates the possibility for
12 including the revision of average rebates and high voltage and the
13 adjustments for transmission losses within the framework of phase 3
14 concerning tariff structures. To date, the other elements excluded neither
15 form part of phase 2, nor of phase 3.

1.2 Distributor Position in the BT Tariff

1 In the same way that the Distributor conforms to the Decision D-2003-93
2 in its proposals for phase 2, it also respects the conclusions of the
3 Decisions D-2002-115 and D-2002-290 concerning the respective
4 requests for abrogation of the BT Tariff and dispensing of the use of a call
5 to tenders in order to obtain a short term supply agreement with the
6 producer for the customer requirements under the BT Tariff.

7
8 Within the framework of phase 2, the consultation process that started
9 with the customers of the BT Tariff and negotiations with Hydro-Quebec
10 Generation, being not finalized, the Distributor does not require any
11 modification to the BT Tariff structure nor calls into question its
12 maintenance. In accordance with the Decision D-2002-115, this tariff is
13 considered a consumption management tariff, and the volumes it implies
14 do not form part of the Heritage Electricity. As required by the Régie in its
15 Decision D-2002-115, the Distributor is exploring a new proposal for a
16 consumption management tariff. Within this framework, the business
17 customers subscribing to the BT Tariff are consulted in order to examine
18 the different options for consumption management on both the
19 technological and tariff levels.

20
21 At the time of the request for abrogation of the BT Tariff (R-3475-2001),
22 Hydro Quebec Generation Division had announced that it would ensure
23 the supply of the BT Tariff according to the same rules that currently exist,
24 that is to say at the price of 3.32¢/kWh until November 30, 2003. However,
25 starting December 1st 2003, Hydro-Quebec Generation will continue to
26 supply the BT Tariff electricity at a price reflecting market rates. In this
27 way, the Distributor continues the negotiations with Hydro-Quebec
28 Generation aimed at concluding a supply agreement for BT Tariff
29 customers, reflecting market conditions which will apply starting December

1 1st 2003. This agreement should be completed and submitted to the Régie
2 before August 30, 2003. However, according to the currently available
3 information, the relevant market prices for the sale of the BT Tariff are
4 about 7.5¢/kWh. Starting December 1st 2003, according to these
5 estimates, the Distributor will have to support a net cost in the order of
6 4¢/kWh (difference between the price paid to the Generator and the price
7 invoiced to the customer).

8
9 In accordance with the Decision D-2002-115, a first series of consultations
10 with business customers subscribing to the BT Tariff, which aimed at
11 evaluating the interest with regard to options in consumption
12 management, took place at the beginning of the year 2003. A second
13 series of consultations is ongoing in order to identify the preferences of the
14 customers vis-a-vis the application of a variable rate in time based on the
15 market price. However, the actual and anticipated level of market prices
16 complicates the development of a competitive, and thus commercially
17 viable, tariff option.

18
19 This is why Hydro-Quebec Distribution requests the Régie to authorize the
20 creation of a deferred expenses account in which it will record starting
21 December 1st 2003 the gaps between the BT Tariff supply cost and the
22 corresponding price invoiced to the customers of this tariff. The modalities
23 of this deferred expense account are detailed in HQD-3, Document 2.

1.3 The tariff for transmission service

1 At the present date, the transmission operator did not submit a new tariff
2 request before the Régie. The latter decision of the Régie relating to the
3 revision of the transmission tariffs was rendered on April 30, 2002 (D-
4 2002-95) and fixed the annual tariff for the transmission service for the
5 local load at \$2 313 M per year, applicable from 1st January 2001. This
6 tariff is thus maintained constant until 2004 in the present request.

7

1.4 Governmental decree of August 11, 2003

8 The decree 817-2003 dated August 11, 2003, and which is attached to
9 HQD-1, Document 2, removes as of this date the rate freeze initially fixed
10 until April 30, 2004 in the decree 829-2001. For the Distributor, the
11 adoption of this decree renders possible a revision of the tariff strategy
12 previously stated in phase 1. According to this strategy, the tariff
13 modifications would be initiated as of 1st May 2004 and only for the tariff
14 year 2004-2005.

15

16 The importance of the Distributor's deficit in spite of its efforts to increase
17 its efficiency, its intention not to use retroactive invoicing, combined with
18 the legal possibility in decree 817-2003 to increase the tariffs from 2003,
19 thus encourages the Distributor to submit to the Régie, within the
20 framework of phase 2, two tariff modifications: a first in 2003 applicable to
21 October 1st and a second in 2004, starting April 1st 2004, the starting date
22 of the tariff year for the Distributor. By doing this, Hydro-Quebec
23 Distribution can envision to regularize its financial situation as a function of
24 the regulatory practice and to gradually reach a fair and reasonable return,
25 a return that was acknowledged by the Régie in the Decision D-2003-93.

2 OBJECTIVES OF PHASE 2

1 Within the framework of the current phase, the Distributor thus requests
2 from the Régie approval of two uniform modifications to the collective
3 tariffs (except the real time tariffs), one of 3% coming into effect October
4 1st 2003 and applying to the tariff year 2003-2004, and the other of 2.98%
5 for April 1st 2004, related to the tariff year 2004-2005. For the tariff year
6 2003-2004, the Distributor requires from the Régie to render a provisional
7 decision for September 12th, 2003 that it will confirm at the time of the final
8 decision of phase 2. This delay is justified by the necessary adaptation
9 and adjustments required by the Distributor's systems of invoicing².

10

11 Within the framework of phase 2, the Distributor brings forward, and in
12 conformity with Decision D-2003-93, the following subjects:

- 13 • the rate base for the historical years 2001 and 2002, base 2003
14 and projected reference 2004 described in HQD-6, Documents 1 to
15 4;
- 16 • the fixed assets put in operation during the year 2002 as those
17 which will be put in operation during the base year 2003 and of
18 reference year 2004.
- 19 • the additions to fixed and intangible assets and the growth of the
20 rate base and fixed assets are detailed by entry in HQD-6,
21 Documents 5 to 9; including the clarifications and additional
22 information required in the Decision D-2003-93.

² It will be noted that the Distributor in phase 1 had projected a one and a half month deadline to adjust its invoicing systems in the event of a tariff increase, not implying modifications to the tariff structures.

- 1 • the authorization request for the acquisition projects or construction
2 of buildings or assets intended for the distribution of electricity
3 which have not yet been put in operation in 2004, but for which an
4 authorization is required under the terms of article 73 of the Law
5 and its regulatory application, such as more amply described in
6 HQD-6, Document 10. The evaluation of the tariff impacts over 5
7 years of the additions to the fixed assets envisaged can be found in
8 HQD-6, Document 11;
- 9 • the capital structure, the return on the rate base, the cost of
10 prospective capital and the rate of return on the shareholders'
11 capital. This latter rate was calculated to take into account the
12 determination of the risk free rate on the basis of the Consensus
13 Forecasts as prescribed in the Decision D-2003-93. The return on
14 the rate base, the cost of the integrated debt; the cost of the
15 shareholders' capital and prospective are subject to the documents
16 contained in HQD-7 evidence;
- 17 • the expenditures necessary for the performance of services that are
18 more amply detailed in HQD-5, Documents 1 to 14;
- 19 • the required revenue of the Distributor which arise from the points
20 previously mentioned and which appear in HQD-4, Documents 1
21 and 2;
- 22 • the cost allocation methodology by category of consumers is
23 modified and detailed following the Decision D-2003-93. For the
24 cost allocation of the supply cost by category of consumers for the
25 years 2003 and 2004, the Distributor applied the method
26 recognized by the Régie in the Decision D-2002-221. HQD-8,
27 Documents 1 to 4 shows the collective results of these methods;

- 1 • and finally, the request for tariff increase and the impacts on cross-
2 subsidization appears in HQD-9, Document 1;
3 • exceptionally, HQD-10 presents the additional information to
4 provide within the framework of the annual report under the terms
5 of article 75.

6

3 COST OF SERVICE

- 7 On the basis of the material previously stated, the Distributor's service
8 costs appear in the following table 1:

1

	COMPONENTS OF THE DISTRIBUTOR'S SERVICES COST				
	(in million dollars)				
	Period ending December 31				Annual Growth
	Historical years		Base year	Forecast year	
2001	2002	2003	2004		
DISTRIBUTOR'S SERVICE COST	8 601.4	8 721.2	8 924.7	9 089.7	1.9%
Purchases	6 412.3	6 537.6	6 800.9	6 940.4	2.7%
Purchases of electricity	4 099.3	4 224.6	4 487.9	4 627.4	4.1%
Transmission service	2 313.0	2 313.0	2 313.0	2 313.0	-
DISTRIBUTION COST AND CUSTOMER SERVICES	2 189.1	2 183.6	2 123.8	2 149.3	-0.6%
Operating costs	950.6	983.7	971.4	971.4	0.7%
Extraordinary expenses	-37.8	-48.2	-49.9	-24.1	-20.6%
Other charges	547.4	564.5	562.4	563.1	1.0%
External invoicing	-70.3	-53.2	-51.3	-52.0	-9.6%
Cost of Capital	799.2	736.8	691.1	690.9	-4.7%
RETURN ON THE TARIFF BASE	9.79%	9.09%	8.39%	8.16%	
Structure of capital					
Borrowed capital	65%	65%	65%	65%	
Shareholders' capital	35%	35%	35%	35%	
Rate					
Borrowed capital	10.00%	8.92%	8.22%	7.86%	
Shareholders' capital	9.40%	9.40%	8.71%	8.71%	
Tariff Base (average 13 months)	8 164.0	8 103.1	8 237.5	8 465.2	1.2%

2

3

4 2003-2004 DEMAND FORECAST

4 The forecast of the sales by category of consumers for the years 2003 and
5 2004, as established in April 2003 appears in the following table 2:

1
2
3

Table 2
SALES FORECAST FOR THE YEARS 2003 AND 2004

Calendar Years (1 Jan to 31 Dec)	Sales	
	2003 (GWh)	2004 (GWh)
Categories		
D and DM	52 856	52 651
DH	4	4
G and fixed price (T1, T2, T3)	12 167	12 248
G-9	1 051	1 072
M and MR	25 256	25 919
L and LR	47 924	48 754
H	13	13
DT	2 524	2 615
Street lighting and Sentinel	554	553
Special Contracts	20 203	20 292
BT	1 700	1 846
GD	0	0
LC	0	0
LD	7	7
LP	0	0
MR marginal	0	0
LR marginal	0	0
Autonomous networks – D and DM	160	162
Autonomous networks – G and fixed price	87	90
Autonomous networks – G-9	3	3
Autonomous networks – M	45	48
Autonomous networks – street light & Sent.	1	1
Total Heritage	162 553	164 120
Total Non-Heritage (without autonomous networks)	1 708	1 854
Total Autonomous Networks	296	304
Total Distributor	164 556	166 278

1 The forecast as established takes account of:

- 2 • Real sales from January to March 2003;
- 3 • forecast of population, Quebec economy, price of natural gas, price
- 4 for the crude oil and price of aluminum;
- 5 • maintenance of the BT Tariff.

6

7 This forecast is used as a base as much for evaluating the supply cost of
8 electricity as for the evaluation of the revenues generated by the sales of
9 electricity to the various customers.

10

5 DISTRIBUTOR'S POSITION

11 The Distributor maintains the two strategic positions brought forward at the
12 time of phase 1 in HQD-2, Document 1 of the R-3492-2002 request,
13 namely:

- 14 1. To serve the Quebec customers well and
- 15 2. Improve the profitability of the Hydro-Quebec Distribution division,
16 which is used as a basis for the installation of the Distributor's strategies.
17 Over the course of the last few years, the Distributor was able to improve
18 the quality of the service and the satisfaction of its customers without any
19 tariff increase. The Distributor intends in the future to maintain this good
20 quality/price ratio while improving the division's efficiency, by prioritizing
21 the actions that carry an increase in productivity and by continuing the
22 targeting of the investments leading to an improvement in quality of
23 service; for example project SIC.

1 The profitability improvement requires tight cost control but also an
2 increase in efficiency. The indicators of efficiency and the objective plan of
3 the Distributor, in HQD-2, Document 1, are testimony to the consensual
4 efforts. These efforts all contribute at the same time to the realization of
5 the Distributor's costs and the maintenance of service quality to the
6 Quebec customers.

7

8 The current electricity tariffs of Hydro-Quebec Distribution have been the
9 same for the last 5 years. In this context, it is difficult for the Distributor to
10 preserve the balance between customer satisfaction and the cost of the
11 services offered without increasing the tariffs. These tariff increases will
12 permit Hydro-Quebec to gradually make up the Distributor's deficit,
13 normalize its financial standing and to be able to offer a measure of
14 service quality to all of its customers.

15

6 TABLE OF EQUIVALENCE DETAILS

16 Within the framework of the decision D-2003-93, the Régie listed within
17 section 5.1 pages 188 to 195 the synopsis of the information requested
18 from the Distributor at the time of the phase 2 submission. The following
19 table presents, by area, each request of the Régie, and identifies the part
20 containing the response to this request.

1

SYNOPSIS OF THE INFORMATION REQUESTED IN PHASE 2 IN THE DECISION D-2003-93		
Reference	Requests	Part
5.1.1	AREA 1	
1	To present the Phase 2 filing on the basis of the projected reference year 2004, coinciding with the fiscal year of Hydro-Quebec and subject to the same basis as the other years on file, which include the base year (2003) and the historical years (2001 and 2002);	Subject of the entire evidence.
2	To present a reconciliation of the results of the historical years 2001 and 2002 with the audited financial statements;	HQD-10, Document 1
3	To specify which are the regulated cost centers, non-regulated and mixed on the listed cost centers regrouped by vice president presented in HQD-4, Documents 5.1, 5.2 and 5.3;	HQD-3, Document 3
4	To explain the process used, inside budgetary process, to sustain the total non-regulated investments of the Distributor to finally arrive at the amounts included for the establishment of the tariff base;	HQD-3, Document 3
5	To submit the code of conduct of Hydro-Quebec;	HQD-3, Document 3
6	To submit the revised list, if necessary, of principal inductors for the internal invoicing;	HQD-5, Doc. 5.1 to 5.4
7	To explain how the establishment of the total cost of the service of invoicing for HydroSolution for its water-heater services can lead to different results from the services of invoicing for its regulated shareholders activities as raised by the ACEF of Quebec;	HQD-3, Document 4

1

SYNOPSIS OF THE INFORMATION REQUESTED IN PHASE 2 IN THE D-2003-93 DECISION		
Dimension	Requests	Part
5.1.2	AREA 2	
8	To provide the list of the criteria retained by Hydro Quebec to establish the amount of \$1 299 M;	HQD-7, Document 2
9	Following the application of the accounting standard 1650 in January 2002, to provide a detailed list and amounts of the debts taken into account to establish the portion of the gross losses on transactions on foreign currency associated with the portion of the losses reported as undistributed profits (1 299 M \$), to indicate the amounts being deferred annually from the running balance for the period of 2002 at the settlement of the last implication determined and evaluated, an illustrative determination, the annual impact on the future cost of debt;	HQD-7, Document 2
10	To explain the correction, mentioned on page 2 of the letter of the Distributor of March 21, 2003, the Net Foreign Currency Loss entry, which goes from \$2 791 M (according to HQD-12, Document 2.2, page 17) to \$1 866 M (according to letter of March 21, 2003 of the Distributor, appendix 1, corrected table 3 of the original table in HQD-7, Document 1, page 35) for the year 2002-2003;	HQD-7, Document 2
11	To provide the 13 balance of the net foreign exchange loss reported 2002-2003 before the observation of the correction;	HQD-7, Document 2
12	To provide the cost of the integrated debt while including current liability entered in the financial statements for each year presented at the filing of Phase 2. To separately identify the entries and the separate amounts connected to the short and long-term debt, as well as the numerator and the denominator;	HQD-7, Document 2

1

SYNOPSIS OF THE INFORMATION REQUESTED IN PHASE 2 IN THE D-2003-93 DECISION		
Dimension	Requests	Part
13	To break down each entry of corrected table 3 (according to the letter of March 21, 2003 of the Distributor, appendix 1, corrected table 3 of the original table in HQD-7, Document 1, page 35) while including separately entries and amounts connected to the current liability and this while using nomenclature presented for the reference forecasted year. To provide the 13 balances for each year presented in the filing;	HQD-7, Document 2
14	To explain in the table presented in HQD-10, Document 1.3, page 5, the components of the \$15 M not to be considered in the request;	HQD-7, Document 2
15	To justify the treatment of the guarantee expenses and, determine supplementary information, to present a scenario where the debt guarantee expenses would be calculated only on the amount of the debt having been entered in the funds.	HQD-7, Document 2
5.1.3	AREA 3	
16	To provide the data comparing capitalization of fixed assets in progress according to two rates, being the average rate and the prospective rate of the capital cost. These data will have to relate to the four years presented in the Phase 2 request. To provide the arguments detailed in support of the method which they respectively propose so that the Régie can arrive at a conclusion about the subject with the completion of Phase 2.	HQD-5, Document 1
17	To provide a simulation with accompanying notes bearing on three years, according to the two following methods of corporate cost allocation: - the primary operational charges and the net fixed assets at a proportion of 50% - 50%; - the primary operational charges and investments at a proportion of 50% - 50%;	HQD-5, Document 7

1

SYNOPSIS OF THE INFORMATION REQUESTED IN PHASE 2 IN THE D-2003-93 DECISION		
Dimension	Requests	Part
18	To separately identify the method of profit-sharing associated with the results with Hydro Quebec integration;	HQD-5, Document 4
19	To produce an objective plan accompanied by an implementation schedule and a staged progress report as well as results available to date;	HQD-2, Document 1
20	To demonstrate the concrete measures taken and results obtained by the Distributor to improve its productivity and its efficiency;	HQD-2, Document 1
21	To provide an update of the study of 1999 on employee salary.	HQD-5, Document 4
22	To provide, for the shared services charges, a breakdown of the costs for the initial shared activities, including those which are necessary to establish the return, as well as the bases of invoicing used. The data will have to be detailed according to the formats of the tables provided by the Distributor in HQD-10, Document 1.1 and HQD-12, Documents 3.3.5 and 3.3.6. Data will have to relate to the years 2001, 2002, 2003 and 2004. The Régie requires also a list of inductors of costs being used for the distribution between units;	HQD-5, Doc. 5.1 to 5.4
23	To demonstrate the characteristics necessary for the purchases of services with these units and for them to ensure documentation in a customer-supplier agreement the principal parameters agreed to and the respective obligations of each party. This document will have to be submitted to the Régie in Phase 2;	HQD-5, Document 5.5

1

SYNOPSIS OF THE INFORMATION REQUESTED IN PHASE 2 IN THE D-2003-93 DECISION		
Dimension	Requests	Part
24	To provide, for the products and services provided in Provisioning and Services, Information Technology, TransÉnergie-Telecommunications, Corporate Units, Research and Development and Engineering and Construction, an adequate description of the products and services, the parameters for establishment of the total cost for each product and service, including the data on the necessary assets for the establishment of the return, the basis for invoicing used and additional important parameters agreed to in the framework agreement between customers and suppliers signed by the distributor (service prices, the volumes of products and services provided, changes of the inductors used);	HQD-5, Doc.. 5.1 to 5.4
25	To provide an objective plan including an implementation schedule and a staged objective report carried out to date with regard to price competitiveness of the products and services offered by the internal suppliers, as well as results available to date.	HQD-2, Doc.. 2
26	To explain the increase of the tax on the capital since the tariff base decreased by 0.9% between 2000-2001 and 2002-2003, whereas the total taxes, which includes the tax on the capital, increased by 19.5%.	HQD-5, Document 9
27	To present the "Administrative Subscriber Expenses", "Filing Management and Overhead Expenses" as well as "Connection Expenses" entries in addition of revenue and not in reduction of charges.	HQD-4, Document 1 and HQD-5, Document 10

1

SYNOPSIS OF THE INFORMATION REQUESTED IN PHASE 2 IN THE D-2003-93 DECISION		
Dimension	Requests	Part
28	For the fixed assets, present: - explanation and detail of the "Movements" entry ; - explanation and detail of the service rate for work and its components; - explanation and illustration of the concept of the reserve bank, as well as its link to "Materials, Fuels and Supplies" entry;	HQD-5, Document 6 and HQD-6, Document 14
29	To provide necessary information to permit the Régie to make a pronouncement on the reasonableness of the sums presented to determine additions to fixed assets;	HQD-6, Doc. 5
30	To present the forecasted tariff impact, over five years, the fixed asset and project budgets subject to the Régie as well as project budgets envisioned and not yet subject. This analysis will have to include the principal assumptions used to prepare it.	HQD-6, Document 11
31	For the "Materials, Fuels and Supply" entry, to present a more detailed and thorough proof.	HQD-6, Document 14
32	To confirm the exact of the tariff base for the Distributor for the year 2001 (from January with December 2001) calculated according to the average of 13 balances beginning from the information subject to filing.	HQD-6, Document 1
5.1.4	AREA 4	
33	For each tariff category, to establish the link between the allocated cost structure and the structure of the corresponding tariffs.	Phase 3
34	For the supply costs, to submit the data available relating to the consumption profiles of the categories of customers associated with each real time tariffs. To specify in each one of these cases, power or energy that can be interrupted, as well as the periods of interruption.	HQD-8, Doc. 1 to 4

1

SYNOPSIS OF THE INFORMATION REQUESTED IN PHASE 2 IN THE D-2003-93 DECISION		
Dimension	Requests	Part
5.1.5	ARTICLE 75	
46	State of the results of the regulated activity	HQD-10, Document 1
47	Real details on the tariff base (monthly and average of the 13 balances)	HQD-6, Doc. 1 and 2
47	Additions to the tariff base (and explanations for the variations)	HQD-6, Doc. 5 to 7
48	Comparison of the averages and the opening balances of the tariff base	HQD-6, Doc. 1 and 2
49	Calculation of the working capital	HQD-6, Document 13
50	Growth of the materials, fuel and supply account	HQD-6, Doc. 14
51	Growth of the deferred expense accounts	HQD-6, Doc.6, 7, 8, 9 and 12
52	Real debt finance rate which includes the following information: - 13 monthly balances and the 13 monthly average of the denominator according to the nomenclature on page 32 of the HQD-7, Document 1: - to indicate the method of establishment of the 13 monthly balances (for example if the debt is evaluated in every month at the current rate)	HQD-7, Document 2
53	Real rate of return on the tariff base	HQD-10, Document 3
54	Real rate of return on the shareholder's equity	HQD-10, Document 3
55	Real rate of distribution losses	HQD-10, Document 3

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