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December 4, 2014

VIA RESS AND COURIER

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319, 2300 Yonge Street, 27th Floor
Toronto ON M4P 1E4

Dear Ms. Walli:

**RE: EB-2014-0330 – B2M LP Filing for Interim Rates
Revised Exhibit A – Annualized Revenue Requirement for 2015**

We are writing to you on behalf of B2M Limited Partnership (B2M LP). Further to our correspondence dated October 24, 2014, B2M LP encloses a Revised Exhibit A (Annualized Revenue Requirement for 2015) to its application. The requested Revenue Requirement is \$40,550,724. As noted at paragraph 3.2 of the Application, these revisions reflect revised cost of capital components as well as directions provided to Hydro One Networks Inc. ("HONI") as determined by the Board on December 2, 2014 in its EB-2014-0140 proceeding (Transcript Volume 1 at page 28). B2M LP has been advised that HONI has reviewed and confirmed the accuracy of the Revised Exhibit A. These amounts will be included in the draft rate order HONI will file on December 9, 2014 in accordance with the Board's December 2, 2014 Decision.

B2M LP notes that obtaining its initial interim rate approval is a condition precedent to the closing of the transaction amongst HONI and SON LP Co. Fulfillment of this condition affects advancement of SON LP Co.'s financing occurring before year end. Lending institutions have now advised that all conditions precedent must be obtained before December 12, 2014 in order for financing to advance and thus allowing the transaction to close by year end.

In light of these circumstances, we wish to request and express our appreciation for all efforts that can be taken to have this matter considered on an expedited basis.

Yours truly,

McCarthy Tétrault LLP
Per. 

Gordon M. Nettleton

GMN/mpf

cc: Michael Penstone, B2M GP Inc.
Colin J. Salter, Pape Salter Teillet LLP

B2M Limited Partnership
Annualized Revenue Requirement for 2015

(\$ Millions)			Annualized 2015 (\$Mn)
Line No.	Particulars		
	Cost of Service		
1	Operating, Maintenance & Administrative		853,266
2	Depreciation & Amortization		6,797,120
3	Total Return on Capital		34,548,831
4	Income Taxes		(1,648,492)
5			
6	Total Revenue Requirement		<u>40,550,724</u>
7			
8			
9	Annualized Rate Base for 2015 ¹		523,951,222
10			
11	Return on Capital ²		
12	Return on Long Term Debt	4.98%	14,605,990
13	Return on Short Term Debt	2.16%	451,856
14	Return on Equity	9.30%	19,490,985
15	Total Return on Capital		<u>34,548,831</u>
16			
17	Calculation of Income Taxes ³		
18	Return on Equity		19,490,985
19	Add: Depreciation		6,797,120
20	Less: Capital Cost Allowance		<u>(30,860,338)</u>
21	Taxable Income		(4,572,233)
22	Simple Tax on Income	26.50%	<u>(1,211,642)</u>
23	Net Income Taxes after Gross-Up		<u>(1,648,492)</u>

Notes:

- 1 See Exhibit C for further details on Rate Base composition
- 2 Returns on Capital are taken from the Cost of Capital Parameter Update issued by the Board on November 20, 2014
- 3 The tax calculations are performed using HONI methodology and variables. The circumstances for B2M LP will be included in a subsequent filing.