

**UNDERTAKING**

**Undertaking**

TO PROVIDE AN ANSWER AS TO WHETHER RATEPAYERS CONTINUE TO BE OUT OF POCKET ON A CUMULATIVE BASIS UNDER THE CWIP IN RATE BASE APPROACH.

**Response**

On a nominal basis, the rate payer will be paying cumulatively less beginning in 2024 using the Accelerated CWIP methodology.

As per Attachment 1 in Exhibit I, Tab 1. Schedule 122, rate payers will be cumulatively paying \$830.4 million until 2024 using the Accelerated CWIP methodology. In comparison, using standard AFUDC treatment, rate payers will cumulatively pay \$834.8 million until 2024 as per Attachment 2 in the same exhibit. When examined over the 50 year life time of the project, the cumulative crossover point of 12 years is relatively short. In fact, on a nominal basis, the impact of Bruce to Milton on rates using the Accelerated CWIP methodology will be nearly 10% less starting in 2013 when compared to the AFUDC alternative (\$60.3 million versus \$66.2 million).