

**Ontario Energy Board (Board Staff) INTERROGATORY #77**

**Issue 5.1** Are the proposed amounts, disposition, discontinuance and continuance of Hydro One Distribution's existing deferral and variance accounts, as set out in the Custom Application, appropriate?

**Interrogatory**

**Reference:** 1. Exhibit F1/Tab1/Schedule1/pp. 7-8 Pension Cost Differential Account  
2. Exhibit F2/Tab1/Schedule3/pp. 1-5 Continuity Schedule Regulatory Accounts

- a) Please provide the calculations that support the summary level transactions recorded in the deferral account each year from 2009 through 2013.
- b) Please provide a table that shows the amounts included in rates in each year, the actual annual amounts that were recorded in the general ledger, and the difference.
- c) Please provide a total column.
- d) Please explain how the actual amounts were determined for OM&A and for the amounts capitalized in each year.

**Response**

a) b) c) Please see table provided below.

OM&A Pension Deferral Account Table:	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>Total</b>
	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>
Hydro One Networks Payments	110	140	149	159	155	713
Inergi Charge	5	5	4	1	-	15
<b>Sub-Total</b>	<b>115</b>	<b>145</b>	<b>153</b>	<b>160</b>	<b>155</b>	<b>728</b>
<b>Actual Dx OM&amp;A</b>						
Hydro One Component	36	46	50	53	50	235
Inergi Component	4	4	3	-	-	11
<b>Sub-Total (a)</b>	<b>40</b>	<b>50</b>	<b>53</b>	<b>53</b>	<b>50</b>	<b>246</b>
<b>Board Approved Dx OM&amp;A (b)</b>	<b>36</b>	<b>38</b>	<b>40</b>	<b>37</b>	<b>37</b>	<b>188</b>
<b>Annual Deferral Amount (a)-(b)</b>	<b>4</b>	<b>12</b>	<b>13</b>	<b>16</b>	<b>13</b>	<b>58</b>
<b>Cumulative Deferral Account Balance</b>	<b>4</b>	<b>16</b>	<b>29</b>	<b>45</b>	<b>58</b>	

- 1 d) As filed in EB-2013-0416, Exhibit C1, Tab 3, Schedule 3, the method of allocation to
- 2 OM&A and capital is consistent with the methodology reviewed during RP-2005-
- 3 0020/EB-2005-0378, EB-2006-0501, EB-2007-0681 and EB-2008-0272, EB-2009-
- 4 0096, EB-2010-0002 and EB-2012-0031.

**Ontario Energy Board (Board Staff) INTERROGATORY #78**

**Issue 5.1**      **Are the proposed amounts, disposition, discontinuance and continuance of Hydro One Distribution's existing deferral and variance accounts, as set out in the Custom Application, appropriate?**

**Interrogatory**

**Reference:**    **1. Exhibit F1/Tab1/Schedule1/pp. 19-20 (DSC Exemption Deferral Account)**  
                     **2. Exhibit F2/Tab1/Schedule3/pp. 1-5 (Continuity Schedule Regulatory Accounts)**

Please provide the split between OM&A and capital for the \$6.7 million requested for disposition.

**Response**

The split between OM&A and capital is as follows:

- Capital \$6.7M and OM&A \$0.0M.

**Ontario Energy Board (Board Staff) INTERROGATORY #79**

**Issue 5.1** Are the proposed amounts, disposition, discontinuance and continuance of Hydro One Distribution's existing deferral and variance accounts, as set out in the Custom Application, appropriate?

**Interrogatory**

**Reference:** 1. Exhibit F1/Tab1/Schedule1/p. 23 (Accounts, no disposition)  
2. Exhibit F2/Tab1/Schedule3/pp. 1-5 (Continuity Schedule Regulatory Accounts)

Account "DG Other – Provincial Pool" has a credit balance of \$48.8 million. Account "Express Feeders – Provincial Pool" has a credit balance of \$3.7 million. Together these two accounts represent a total refund of \$52.5 million. Hydro One has requested the Board to discontinue the funding adder.

Does Hydro One expect these credit balances to grow more negative during the period 2015-2019 or to decline? What balances does Hydro One forecast for 2019 in these two accounts?

**Response**

Hydro One will continue to record the costs eligible for direct benefit treatment for the connection of qualifying Generation Facilities through 2015 to 2019 under section 79.1 of the OEB Act and Reg. 330/09 under the Electricity Act.

Hydro One expects the 'DG Other – Provincial Pool Variance Account' credit balance to decline over the 2015-2019 period because expenditures to be incurred during the test years for DG investments will continue to be recorded in this account. The forecast balance at 2019 year end is (\$2.2) million.

Hydro One expects the 'Express Feeders – Provincial Pool Variance Account' credit balance to increase over the 2015-2019 period, because Hydro One is not planning to incur any expenditure for Express Feeder investment. The forecast balance at 2019 year-end is (\$5.9) million.

*Assumptions relating to the year-end 2019 Forecasts;*

- 1) OEB approves the cessation of the Provincial Pool DG Funding adder (currently being received by Hydro One) at year end 2014; and
- 2) The forecast balances do include interest improvement amounts, calculated on the principal balance.

**Canadian Manufacturers & Exporters (CME) INTERROGATORY #12**

**Issue 5.1** Are the proposed amounts, disposition, discontinuance and continuance of Hydro One Distribution's existing deferral and variance accounts, as set out in the Custom Application, appropriate?

**Interrogatory**

Please provide an exhibit which will show the extent to which Hydro One's revenue requirement in each of the years 2015 to 2019 is subject to deferral or variance account protection, which includes both the dollar amount of such items embedded in rates in each year and a calculation of the percentage of the components of the total revenue requirement which are effectively flow-through items of expense.

**Response**

There are two Variance and Deferral Regulatory Accounts proposed, (i.e. Pension OM&A and Income Taxes) whereby the associated components do relate to amounts that have been included in the revenue requirement requested for the test years 2015 to 2019.

The table below shows the dollar amount and the percentage of the each component that, where a variance between the Board approved and the actual amount does occur, will be subject to the recording of those variance in the proposed Regulatory Variance Account.

		2015	2016	2017	2018	2019	Reference
Revenue Requirement	\$	1,415	1,523	1,578	1,615	1,660	Exhibit E2-1-1
Pension OM&A	\$	41	45	45	44	44	Exhibit C1-3-3
	%	3%	3%	3%	3%	3%	
Income Taxes	\$	53	61	63	65	70	Exhibit C2-5-1
	%	4%	4%	4%	4%	4%	

**Energy Probe Research Foundation (EP) INTERROGATORY #40**

**Issue 5.1      Are the proposed amounts, disposition, discontinuance and continuance of Hydro One Distribution's existing deferral and variance accounts, as set out in the Custom Application, appropriate?**

**Interrogatory**

**Reference:      Exhibit F1, Tab 1, Schedule 2, Page 3**

Preamble:

Hydro One Distribution proposes to continue to record differences between the OM&A portion of actual pension costs recorded consistent with the actuarial assessment provided by the Hydro One Distribution external actuary and the estimated pension costs approved by the Board as part of 2015 to 2019 Distribution Rates. The principle cause for such differences will likely be variances in pension plan contributions driven by periodic actuarial valuations, which must be performed at a minimum every three years. As such, it is not possible for Hydro One Distribution to accurately predict its pension costs for the entire 5-year rate setting periods as it is reasonably likely that actuarial changes will occur. Such changes could be material.

Please explain why the Pension Cost Variance Account is still required for 2015-2019 given the relative stability of Pension Plan performance since the EB-2009-0096 Decision.

**Response**

Hydro One believes the reasons for the Board to approve continuation of the OM&A Pension Cost Variance account for this rate filing period (2015-2019), are the same as they were for prior rate filing periods when the account was first established (EB-2007-0681), and then given subsequent approval for continuation in EB-2009-0096. Hydro One's argument, as accepted then by the Board, was that the deferral account eliminates risk for both ratepayers and shareholder. Furthermore, Board findings in its EB-2007-0681 Decision with Reasons noted that the same account was approved for Hydro One Networks' Transmission business, and that these costs relate to personnel in the same corporate structure.

Although Hydro One has established a Management Pension Committee that provides guidance and recommendations to the Hydro One Board of Director's Audit, Finance and Investment Pension Committee and also continues to undertake many risk mitigation strategies to prudently monitor and manage the pension plan (such as regular valuations, continuous risk assessment, strategic planning and the monitoring of plan assets), residual risks still remain.

1 Hydro One maintains it has no degree of control over pension plan valuation and  
2 performance drivers such as: changes in local and global economic conditions and  
3 financial markets; future interest rates and fund performance returns; and major actuarial  
4 valuation inputs that independent Canadian actuaries are currently observing material  
5 changes in, such as mortality rate tables. These drivers have the potential to impact future  
6 actual Pension Plan valuation outcomes and required levels of future pension payments  
7 from Hydro One Networks, which are uncertain at this time, and have the potential to be  
8 volatile and material.

9  
10 Hydro One firmly believes that any perceived past 'relative stability of Pension Plan  
11 performance since EB-2009-0096' does not provide any future certainty of actual  
12 Pension Plan results going forward, nor does it indicate that future actuarial valuation  
13 assumptions will remain relatively stable.

14  
15 Hydro One maintains that it cannot reasonably or accurately forecast these residual risk  
16 factors that will impact costs during the rate filing period. Hence, the OM&A Pension  
17 Cost Deferral Account is still the appropriate regulatory mechanism to reduce volatility  
18 and risk being passed to the ratepayers and shareholder.

**Ontario Energy Board (Board Staff) INTERROGATORY #80**

**Issue 5.2**      **Is it appropriate to include in rate base, effective January 1, 2015, the following in-service assets which are presently recorded as regulatory assets:**

- a) smart meter assets as of December 31, 2013, the costs for which are recorded in variance accounts 1555 and 1556;
- b) smart grid assets as of December 31, 2013, the costs for which are recorded in account 1536; and
- c) assets to facilitate distributed generation as of December 31, 2013, the costs for which are recorded in account 1533.

**Interrogatory**

**Reference:**    **Exhibit F1/Tab1/Schedule1/p. 12**

Hydro One has explained that it has been granted an exemption to apply TOU pricing to approximately 122,000 RPP customers, and that it is reporting to the Board on the status of these customers.

- a) With the exception of these hard-to-reach customers, has Hydro One completed its installation of smart meters for all other eligible customers?
- b) If so, when was Hydro One's smart meter installation program completed?

**Response**

- a) Hydro One completed the physical installation of smart meters at the end of 2013 and continues to complete and tune the supporting communication network. The completion of the network tuning is expected by the end of 2014.
- b) Smart meter deployment was completed in December 2013.



**Ontario Energy Board (Board Staff) INTERROGATORY #81**

**Issue 5.2**      **Is it appropriate to include in rate base, effective January 1, 2015, the following in-service assets which are presently recorded as regulatory assets:**

- a) smart meter assets as of December 31, 2013, the costs for which are recorded in variance accounts 1555 and 1556;**
- b) smart grid assets as of December 31, 2013, the costs for which are recorded in account 1536; and**
- c) assets to facilitate distributed generation as of December 31, 2013, the costs for which are recorded in account 1533.**

**Interrogatory**

**Reference: Chapter 2: Filing Requirements for Electricity Distribution Rate Applications, s. 2.5.1.4**

The Board's Distribution Filing Requirements state that, if not already addressed in a previous Board decision, distributors must file as part of their 2014 application a proposed treatment for the recovery of stranded meters that is in conformity with the approach taken by the Board.

Please provide a proposed treatment for the recovery of stranded meter costs in conformity with the approach taken by the Board, as described in section 2.5.1.4 of the Distribution Filing Requirements.

**Response**

Hydro One does not have any stranded meters. This is consistent with the recommendation in the Foster Associates 2005 Distribution Depreciation Study which was used to determine Hydro One's 2006 Distribution rates approved by the Board in RP-2005-0020/EB-2005-0378, amortization of conventional meters in account 1860 was changed to 5 years to be consistent with the timeline for the Province's initiative to replace conventional meters with smart meters.

**Ontario Energy Board (Board Staff) INTERROGATORY #82**

**Issue 5.2**      **Is it appropriate to include in rate base, effective January 1, 2015, the following in-service assets which are presently recorded as regulatory assets:**

- a) smart meter assets as of December 31, 2013, the costs for which are recorded in variance accounts 1555 and 1556;
- b) smart grid assets as of December 31, 2013, the costs for which are recorded in account 1536; and
- c) assets to facilitate distributed generation as of December 31, 2013, the costs for which are recorded in account 1533.

**Interrogatory**

**Reference:**    **1. Exhibit F1/Tab1/Schedule3/Attachment 1**  
                     **2. Exhibit F1/Tab1/Schedule3/Attachment 2**  
                     **3. Exhibit F1/Tab1/Schedule 2**  
                     **4. Exhibit F1-1-3/Attachment 1/p. 6 Appendix 2-Q**

Board staff notes that Hydro One is requesting final disposition of smart meter costs as of December 31, 2014 and that Hydro One is requesting that the smart meter regulatory accounts for the 2015-2019 rate setting period be discontinued. Board staff notes that Hydro One has not included any 2014 smart meter costs in its model, although it has shown the collection of revenues. It also does not show 2014 installed meter information in Appendix 2-Q.

How does Hydro One propose to recover the costs incurred for smart meters in 2014?

**Response**

Hydro One is not proposing to recover the costs incurred for smart meters in 2014 until 2020, unless the Board orders otherwise in its final decision of this application.

**Ontario Energy Board (Board Staff) INTERROGATORY #83**

**Issue 5.2**      **Is it appropriate to include in rate base, effective January 1, 2015, the following in-service assets which are presently recorded as regulatory assets:**

- a) smart meter assets as of December 31, 2013, the costs for which are recorded in variance accounts 1555 and 1556;**
- b) smart grid assets as of December 31, 2013, the costs for which are recorded in account 1536; and**
- c) assets to facilitate distributed generation as of December 31, 2013, the costs for which are recorded in account 1533.**

**Interrogatory**

**Reference:**    **Exhibit F1-1-3/Attachment 1/p. 6 Appendix 2-Q**

Board staff notes that Hydro One has included installed smart meters for the period 2009 to 2013 in the column labelled “Other” in Appendix 2-Q. Note 1 in Appendix 2-Q requires that the distributor provide details of the “Other” meters installed.

Please provide details of “Other” meters per Note 1 in Appendix 2-Q.

**Response**

‘Other’ meters include meters installations that are > 50kW, which are also known as Demand Meters.

**Ontario Energy Board (Board Staff) INTERROGATORY #84**

**Issue 5.2** Is it appropriate to include in rate base, effective January 1, 2015, the following in-service assets which are presently recorded as regulatory assets:

- a) smart meter assets as of December 31, 2013, the costs for which are recorded in variance accounts 1555 and 1556;
- b) smart grid assets as of December 31, 2013, the costs for which are recorded in account 1536; and
- c) assets to facilitate distributed generation as of December 31, 2013, the costs for which are recorded in account 1533.

**Interrogatory**

**Reference:** Exhibit G1-5-2, Attachment 1

Board staff notes that Hydro One proposes to recover the balance in its smart meter deferral accounts from all metered customers on the basis of the number of customers in each rate class.

- a) Please specify the customer classes that have received smart meters.
- b) Please provide the average cost per meter for each class of customer for which smart meters have been installed.
- c) Please provide the rationale for recovering the total costs from all metered customers, based on the number of customers in each class, regardless of the cost of the meters installed for that class.
- d) Please provide the rationale for applying the smart meter rate rider to any class that has not received smart meters.

**Response**

- a) The classes that have received smart meters include all the residential rate classes (UR, R1, R2 and Seasonal) as well as the general service energy rate classes (GSe and UGe).

b) The average installed smart meter cost by rate class is provided below.

Rate Class	Average Installed Smart Meter Cost
UR	\$150
R1	\$150
R2	\$175
Seasonal	\$175
GSe	\$360
UGe	\$475

c) Hydro One proposes to recover the smart meter deferral account balance of \$4.6 million from all metered customers, based on the number of customers in each class, which is consistent with the approach used to calculate the Smart Meter Disposition Rider (SMDR) for disposing of the \$6.0 million in smart meter costs as approved in EB-2007-0681 and the \$16.0 million in smart meter costs as approved in EB-2009-0096. In addition to being consistent with previously approved SMDRs, the disposal of the smart meter costs on this basis is consistent with the approach used to set the current \$3.92 Smart Meter Funding Adder (SMFA), which was based on a uniform application to all customers in metered rate classes, regardless of whether the rate class received smart meters. As shown in Attachment 1 of Exhibit G1, Tab 5, Schedule 2, less than \$37,000 is being recovered from the rate classes that did not receive smart meters.

d) Please see Hydro One's response to part c).

**Ontario Energy Board (Board Staff) INTERROGATORY #85**

**Issue 5.2** Is it appropriate to include in rate base, effective January 1, 2015, the following in-service assets which are presently recorded as regulatory assets:

- a) smart meter assets as of December 31, 2013, the costs for which are recorded in variance accounts 1555 and 1556;
- b) smart grid assets as of December 31, 2013, the costs for which are recorded in account 1536; and
- c) assets to facilitate distributed generation as of December 31, 2013, the costs for which are recorded in account 1533.

**Interrogatory**

**Reference:** Exhibit F1-1-1  
Exhibit F1-1-3, Attachment 2

Board staff notes that the Variance Account balances as shown in the Revenue Requirement calculations at Exhibit F1-1-3 Attachment 2, page 3 of 13 appear to be inconsistent with the balances shown at Table 9 and Table 10 of Exhibit F1-1-1.

Please confirm the balances requested for disposition and make any necessary corrections.

**Response**

Together, Tables 9 and 10 in Exhibit F1, Tab 1, Schedule 1 represent the closing year-end balances of the Smart Meter accounts. These balances are inclusive of revenue requirement and also include the funding adder amounts collected from ratepayers and interest improvement on the principal balance.

The inconsistency between Exhibit F1, Tab 1, Schedule 1 Table 9's 2011 closing balance and the 2011 closing value shown, (\$17.4) million, in Exhibit F1, Tab 1, Schedule 3 Attachment 2, at the second last row from the bottom of the page is \$0.1 million. This is due to rounding. The correct 2011 balance is (\$17.5) million. The rounding error occurs on page 3 of Exhibit F1, Tab 1, Schedule 3 "Balance of Smart Meter Minimum Functionality" and should show as (\$17.5) million.

**Ontario Energy Board (Board Staff) INTERROGATORY #86**

**Issue 5.2** Is it appropriate to include in rate base, effective January 1, 2015, the following in-service assets which are presently recorded as regulatory assets:

- a) smart meter assets as of December 31, 2013, the costs for which are recorded in variance accounts 1555 and 1556;
- b) smart grid assets as of December 31, 2013, the costs for which are recorded in account 1536; and
- c) assets to facilitate distributed generation as of December 31, 2013, the costs for which are recorded in account 1533.

**Interrogatory**

**Reference:** Exhibit F1-1-1  
Exhibit F1-1-3, Attachment 2

Hydro One has provided its Smart Meter Model, which it says “meets the intent” of the OEB Smart Meter Model (“the Board’s Model”), which has formed the basis for Board Decisions approving smart meter costs for all other utilities to date. Board staff notes that Hydro One’s model contains certain inconsistencies with the Board’s Model. These include, but are not necessarily limited to:

- The cost detail provided is not broken down into the categories of “minimum functionality” and “beyond minimum functionality”;
- No costs are included for 2014;
- Interest rates on regulatory assets appear to be inconsistent with the approved rates contained in the Board’s Model;
- Depreciation expense for 2010 as contained in the “inputs” section for 2010 is inconsistent with the amount contained in the calculation of the Variance Account balance at page 3 of 13;
- Hydro One’s model does not contain any amounts for Depreciation expense or CCA in the inputs section for “Hardware, although there appear to be hardware capital expenses as shown in the revenue requirement calculations on page 3 of 13;
- Hydro One’s model does not calculate class-specific rate riders in the method contained in the Board’s model.

Please complete the Board approved model (including calculation of class-specific rate riders) as attached to these interrogatories (**Exhibit I, Tab 5.2, Schedule 1 Staff 86, Attachment 1**).

1 **Response**

2  
3 Hydro One's smart meter model is based on the Board-approved model, but has been  
4 customized to incorporate actual information specific to Hydro One (e.g. Hydro One's  
5 actual equity and debt costs, depreciation rates, and asset useful lifespans). The Board-  
6 approved model contains only generic information. Therefore, Hydro One respectfully  
7 submits that Hydro One's modified smart meter model contains a more accurate  
8 reflection of over/under-recovery status because it uses more relevant and accurate entity-  
9 specific information and criteria, while maintaining the underlying basic integrity of the  
10 Board-approved model.

11  
12 The disposition of the smart meter deferral account balance by rate class is detailed in the  
13 pre-filed evidence at Exhibit G1, Tab 5, Schedule 2 and further discussed in Hydro One's  
14 response to interrogatory Exhibit I, Tab 5.2, Schedule 1 Staff 84(c).



**Sustainable Infrastructure Alliance of Ontario (SIA) INTERROGATORY #52**

**Issue 5.2** Is it appropriate to include in rate base, effective January 1, 2015, the following in-service assets which are presently recorded as regulatory assets:

a) Smart meter assets as of December 31, 2013, the costs for which are recorded in variance accounts 1555 and 1556;

b) Smart grid assets as of December 31, 2013, the costs for which are recorded in account 1536; and

c) Assets to facilitate distributed generation as of December 31, 2013, the costs for which are recorded in account 1533.

**Interrogatory**

**Reference: Exhibit F1/Tab 1/Schedule 3/p.1**

HONI states that its Smart Meter model “...meets the intent of the OEB Smart Meter Model...” (Emphasis added). Is the HONI model in any mathematical way different from the OEB model?

If so, please identify these differences. (Alternatively, please confirm that the inconsistencies identified in Board Staff interrogatory 5.2-1-Staff-86 constitute a complete list of all differences)

**Response**

Please refer to Hydro One’s response to Exhibit I, Tab 5.2, Schedule 1 Staff 86.

**Canadian Manufacturers & Exporters (CME) INTERROGATORY #13**

**Issue 5.2**      **Is it appropriate to include in rate base, effective January 1, 2015, the following in-service assets which are presently recorded as regulatory assets:**

- (a) smart meter assets as of December 31, 2013, the costs for which are recorded in variance accounts 1555 and 1556;**
- (b) smart grid assets as of December 31, 2013, the costs for which are recorded in account 1536; and**
- (c) assets to facilitate distributed generation as of December 31, 2013, the costs for which are recorded in account 1533.**

**Interrogatory**

To what extent will the revenue requirement in each of the years 2015 to 2019 inclusive reduce if the Smart Meter assets, the Smart Grid assets, and the assets to facilitate distributed generation described in Issue 5.2 remain recorded as regulatory assets rather than being included in Rate Base effective January 1, 2015?

**Response**

If the assets described above were to continue being recorded as regulatory assets, Hydro One Distribution would seek recovery of this revenue requirement through a rate rider instead of through core rates; therefore, it would not change the rate increase sought in this application.

**Energy Probe Research Foundation (EP) INTERROGATORY #41**

**Issue 5.2** Is it appropriate to include in rate base, effective January 1, 2015, the following in-service assets which are presently recorded as regulatory assets:

- a) smart meter assets as of December 31, 2013, the costs for which are recorded in variance accounts 1555 and 1556;
- b) smart grid assets as of December 31, 2013, the costs for which are recorded in account 1536; and
- c) assets to facilitate distributed generation as of December 31, 2013, the costs for which are recorded in account 1533.

**Interrogatory**

**Reference:** Exhibit D1, Tab 1, Schedule 1, Page 3

- a) Please provide a Schedule that shows the recovery of Smart Grid OM&A and Rate Base and Smart Meter Rate Base Revenue Requirements in equal amounts via rate riders over the 5 year term of the MY COS.
- b) Please comment on the appropriateness of this mitigation approach or any other approaches that HO believes may be appropriate

**Response**

- a) The schedule of annual recovery of the balance for the Smart Grid and Smart Meter variance accounts over the 5 test years are provided in Table 1 and 2 below.

**Table 1 – Amount requested for disposition**

Smart Meter – Minimum Functionality Variance Account	(17.6)
Smart Meter – Exceeding Minimum Functionality Variance Account	21.7
Smart Grid Variance Account	(1.1)
Distribution Generation – Other Costs – HONI - Variance Account	(1.2)
Distribution Generation - Express Feeders – HONI - Variance Account	(0.3)
<b>Total</b>	<b>1.5</b>

Note: The amounts in Table 1 above are shown as part of Table 1 on page 2 of Exhibit F, Tab 1, Schedule 3.

**Table 2 – Schedule of annual recovery**

	2015	2016	2017	2018	2019	Total
Adjustment to Revenue Requirement	0.3	0.3	0.3	0.3	0.3	1.5

- b) Hydro One believes that the proposed recovery in equal amount over 5 years rather than in 1 year in 2015 provides stability in bill impacts for customers over the period of the distribution application.