

Hydro One Networks Inc.

7th Floor, South Tower
483 Bay Street
Toronto, Ontario M5G 2P5
www.HydroOne.com

Tel: (416) 345-5240
Fax: (416) 345-5866
cell: (416) 903-5240
oded.hubert@HydroOne.com

Oded Hubert

Vice President
Regulatory Affairs



BY COURIER

June 17, 2015

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
Suite 2700,
2300 Yonge Street
Toronto, ON M4P 1E4

Dear Ms. Walli:

EB-2013-0421 – Hydro One Networks Inc. Section 92 – Supply to Essex County Transmission Reinforcement Project – Hydro One Networks Technical Conference Presentations and Responses to Undertakings

I am attaching two copies of Hydro One Networks' responses to the Technical Conference Undertakings in the above-noted proceeding.

We are also attaching the presentations made during the June 5th Technical Conference.

Electronic copies of these Undertakings and Presentations have been filed using the Board's Regulatory Electronic Submission System.

Sincerely,

ORIGINAL SIGNED BY ODED HUBERT

Oded Hubert

Att.

c/ Intervenors of Record (EB-2013-0421)

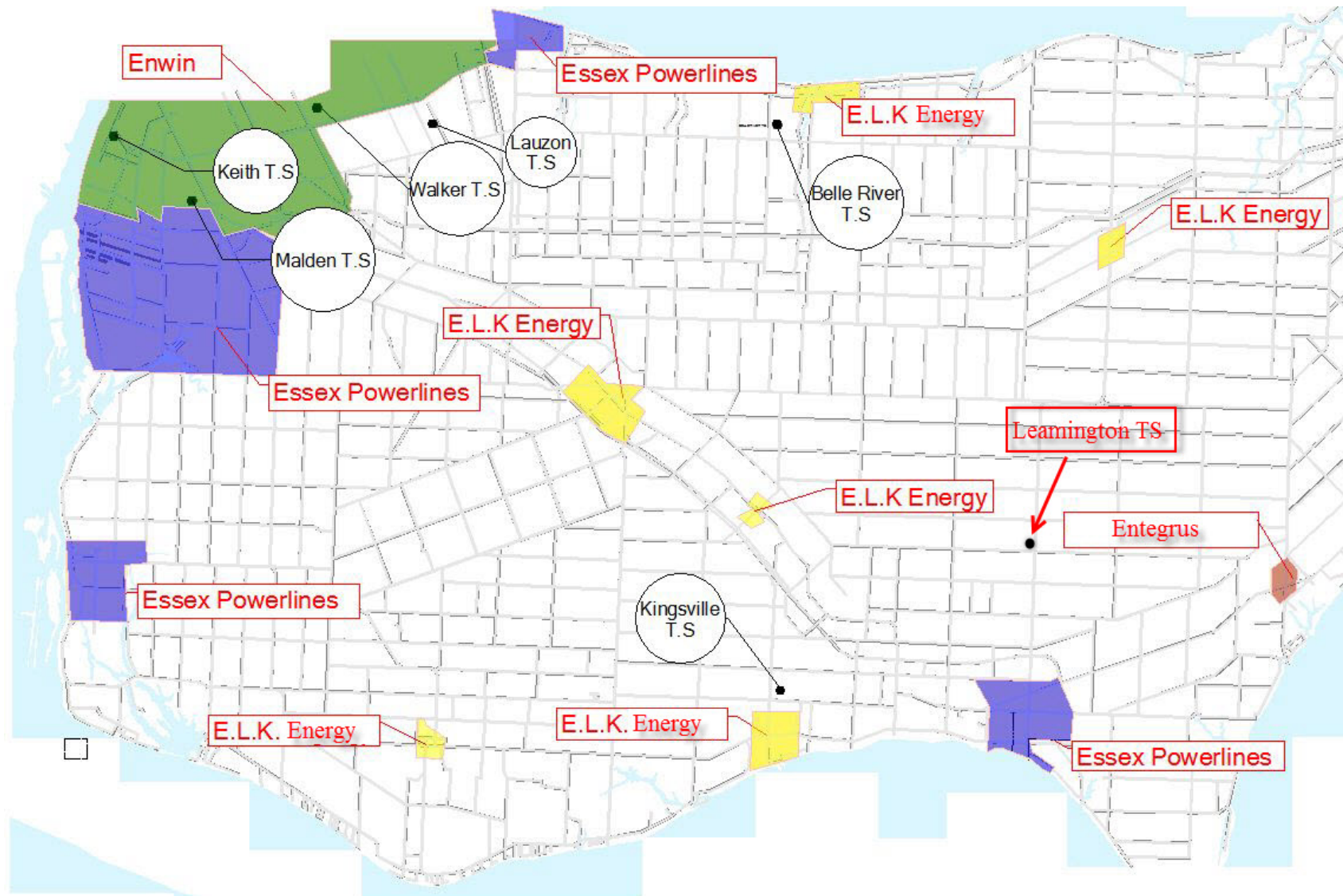
UNDERTAKING JT1.1

Undertaking

“To provide the service territories for Entegrus Powerlines Inc., E.L.K. Energy Inc., and Essex Powerlines Corporation.”

Response

Please see the map below which includes the service territories of E.L.K. Energy Inc., Essex Powerlines Corporation and Entegrus Powerlines Inc., designated as yellow, blue and red, respectively. Also shown are EnWin’s service territory (marked in green), and Hydro One’s transformer stations in the area, including the site of the proposed Leamington TS. The surrounding unmarked area is Hydro One Distribution’s service territory.



UNDERTAKING JT1.2

Undertaking

“To provide illustrative Hydro One distribution rate impacts of the SECTR cost allocations and distribution rates, which will be paid by each of Entegrus, E.L.K., and Essex Powerlines.”

Response

The three utilities belong to the sub-transmission (ST) rate class.

Table 1 of Exhibit I-P2, Tab 2, Schedule 9d) provides a current estimate of the capital contribution that Hydro One Distribution would be required to make, if it did not allocate costs to new ST customers. That contribution would be \$34.3 million (\$32.3M plus the \$2M unallocated contribution). This amount would translate to an increase of approximately 0.13% in year 1, and approximately 0.24% per annum subsequently, in Hydro One Distribution’s ST rates that would be passed on to the E3 distributors.

If the new large ST customers materialize as shown and forecast in Table 2 of Exhibit I-P2, Tab 2, Schedule 9d), then Hydro One Distribution’s capital contribution would be reduced to \$19.5 million (\$18.3M plus \$1.2M unallocated). This represents an increase in Hydro One Distribution’s ST rates of approximately 0.07% in year 1, and approximately 0.14% per annum subsequently.

UNDERTAKING JT1.3

Undertaking

“To provide the actual load forecast files that were submitted that form the basis of the summary and to articulate any adjustments that were made.”

Response

Tables 1.0 through 3.0 below provide the 2013 and 2014 load forecasts as submitted and with adjustments for E.L.K. Energy Inc., Entegrus Powerlines Inc. and Essex Powerlines Corporation, respectively, with an explanation of the adjustments for each.

TABLE 1.0
E.L.K. ENERGY INC. LOAD FORECASTS
(MW)

Year	Submitted to Hydro One in 2013	Used in Initial DCF Calculation (Sept., 2014)	Submitted to Hydro One in 2014	Used in Revised DCF Calculation (April, 2015)
2014	32.88	32.88	31.47	31.47
2015	33.37	33.37	31.47	31.47
2016	33.87	35.34	31.47	31.47
2017	34.38	35.87	31.47	31.47
2018	34.89	36.41	31.47	31.47
2019	35.42	36.95	31.47	31.47
2020	35.95	37.51	31.47	31.47
2021	36.49	38.07	31.47	31.47
2022	37.03	38.64	31.47	31.47
2023	37.59	39.22	31.47	31.47
2024	38.15	39.81	31.47	31.47
2025	38.73	40.41	31.47	31.47
2026	39.31	41.01	31.47	31.47
2027	39.90	41.63	31.47	31.47
2028	40.50	42.25	31.47	31.47
2029	41.10	42.89	31.47	31.47
2030	41.72	43.53	31.47	31.47
2031	42.34	44.18	31.47	31.47
2032	42.98	44.85	31.47	31.47
2033	43.62	45.52	31.47	31.47
2034	44.28	46.20	31.47	31.47
2035	44.94	46.89	31.47	31.47
2036	45.62	47.60	31.47	31.47
2037	46.30	48.31	31.47	31.47
2038	47.00	49.04	31.47	31.47
2039	N/A	49.77	31.47	31.47
2040	N/A	50.52	31.47	31.47
2041	N/A	51.28	31.47	31.47
2042	N/A	N/A	N/A	31.47
2043	N/A	N/A	N/A	31.47

A Summary of Adjustments to E.L.K. Energy Inc.'s Forecasts

a) 2013 Forecast

E.L.K. Energy's initial forecast, which Hydro One received in June, 2013, forecasted E.L.K.'s 2014 load as 32.9 MW, with an organic growth of 1.5% per year until 2038. Hydro One, to develop a 2016 load forecast, added an increase of 1.47 MW of load to address anticipated growth in new connections once Leamington TS was in-service (as then planned), in addition to the 1.5% organic growth for that year. This revised 2016 forecast formed the base for the years 2017 to 2041, with E.L.K.'s organic growth of 1.5% per year added. The resulting forecast was the basis for the initial capital contribution estimate provided to E.L.K. Energy Inc. in September, 2014.

b) 2014 Forecast

E.L.K. Energy submitted a revised forecast in March, 2014, which predicted a 2014 load of 31.5 MW, with zero growth until 2041. Hydro One used E.L.K. Energy's forecast as submitted, continuing with zero growth for 2042 and 2043, to arrive at the load forecast used in Hydro One's April 23, 2015 economic evaluation and resulting revised capital contribution estimate, which is described in Hydro One's Exhibit IP-2, Tab 2, Schedule 9.

TABLE 2.0
ENTEGRUS POWERLINE INC. LOAD FORECASTS
(MW)

Year	Submitted to Hydro One in 2013	Used in Initial DCF Calculation (Sept., 2014)	Submitted to Hydro One in 2014	Used in Revised DCF Calculation (April, 2015)
2014	N/A	2.67	2.66	2.66
2015	N/A	2.70	2.58	2.58
2016	N/A	2.85	2.60	2.60
2017	N/A	2.88	2.62	2.62
2018	N/A	2.91	2.64	2.64
2019	N/A	2.95	2.66	2.66
2020	N/A	2.98	2.58	2.58
2021	N/A	3.01	2.60	2.60
2022	N/A	3.04	2.62	2.62
2023	N/A	3.08	2.64	2.64
2024	N/A	3.11	2.66	2.66

2025	N/A	3.15	2.68	2.68
2026	N/A	3.18	2.70	2.70
2027	N/A	3.22	2.72	2.72
2028	N/A	3.25	2.74	2.74
2029	N/A	3.29	2.76	2.76
2030	N/A	3.32	2.78	2.78
2031	N/A	3.36	2.80	2.80
2032	N/A	3.40	2.82	2.82
2033	N/A	3.43	2.85	2.85
2034	N/A	3.47	2.87	2.87
2035	N/A	3.51	2.89	2.89
2036	N/A	3.55	2.91	2.91
2037	N/A	3.59	2.93	2.93
2038	N/A	3.63	2.95	2.95
2039	N/A	3.67	2.98	2.98
2040	N/A	3.71	3.00	3.00
2041	N/A	3.75	3.02	3.02
2042	N/A	N/A	N/A	3.04
2043	N/A	N/A	N/A	3.07

A Summary of Adjustments to Entegrus Powerlines Inc.'s Forecasts

a) 2013 Forecast

Entegrus Powerlines did not submit a load forecast in 2013, in response to Hydro One's requests. Therefore, to calculate Entegrus's initial capital contribution, Hydro One used Entegrus's historical 2013 load of 2.6 MW, with a load increase of 80 kW in 2014. 150 kW were added in 2016 to address anticipated growth in new connections once Leamington TS was in-service (as then planned). Organic growth of 1.1% per year was added for the remaining period to develop the forecast to 2041. The resulting forecast then formed the basis for the initial capital contribution estimate provided to Entegrus Powerlines Inc. in September, 2014.

b) 2014 Forecast

Entegrus submitted a load forecast in March, 2014. Hydro One adopted this forecast with no adjustments, except to use Entegrus' own 2041 growth rate of 0.75% to develop the forecast for 2042 and 2043. This forecast was then used in Hydro One's April 23, 2015 economic evaluation and resulting revised capital contribution estimate, which is described in Hydro One's Exhibit IP-2, Tab 2, Schedule 9.

TABLE 3.0
ESSEX POWERLINES CORPORATION'S LOAD FORECASTS
(MW)

Year	Submitted to Hydro One in 2013	Used in Initial DCF Calculation (Sept., 2014)	Submitted to Hydro One in 2014	Used in Revised DCF Calculation (April, 2015)
2014	32.5	32.50	28.2	35.54
2015	32.5	32.50	28.2	35.49
2016	32.5	33.91	28.2	35.43
2017	33	33.90	28.1	35.39
2018	33	33.90	28.1	35.34
2019	33	33.90	28	35.29
2020	N/A	33.86	28	35.25
2021	N/A	33.82	28	35.21
2022	N/A	33.79	27.9	35.18
2023	N/A	33.75	27.9	35.14
2024	N/A	33.72	27.9	35.11
2025	N/A	33.69	27.9	35.07
2026	N/A	33.65	27.8	35.04
2027	N/A	33.62	27.8	35.01
2028	N/A	33.59	27.8	34.98
2029	N/A	33.57	27.8	34.95
2030	N/A	33.54	27.7	34.93
2031	N/A	33.51	27.7	34.9
2032	N/A	33.49	27.7	34.87
2033	N/A	33.46	27.7	34.85
2034	N/A	33.44	27.7	34.83
2035	N/A	33.41	27.6	34.8
2036	N/A	33.39	27.6	34.78
2037	N/A	33.37	27.6	34.76
2038	N/A	33.35	27.6	34.74
2039	N/A	33.33	N/A	34.72
2040	N/A	33.30	N/A	34.69
2041	N/A	33.28	N/A	34.67
2042	N/A	N/A	N/A	34.65
2043	N/A	N/A	N/A	34.63

A Summary of Adjustments to Essex Powerlines Corporation's Forecasts

a) 2013 Forecast

Essex Powerlines' initial forecast, received by Hydro One on Oct 28, 2013, was based on a 2013 peak load of 32 MW, with 500 kW increases in 2014 and 2017, and zero growth in other years to 2019. Essex Powerlines was asked to update the forecast to include the period 2020 to 2043, but Hydro One was unable to confirm whether another forecast was submitted before the forecast received in January, 2014.

For the purposes of determining the initial capital contribution estimate, Hydro One used an historical peak load of 32 MW, maintaining Essex's increase of 500 kW in 2014. Then 1.4 MW were added in 2016 to address anticipated growth in new connections once Leamington TS was in-service (as then planned), and zero growth maintained from 2017 to 2019. From 2020 to 2041, negative growth rates between -0.11% in 2020 and -0.06% in 2041 were applied to the 2019 load forecast. The resulting forecast then formed the basis for the initial capital contribution estimate provided to Essex Powerlines Corporation in September, 2014.

b) 2014 Forecast

Essex Powerlines' revised forecast, which was received in January, 2014 (and which was the same as the March, 2014 forecast described in Hydro One's Exhibit IP-2, Tab 2, Schedule 9, part (c)), predicted 28 MW of load in 2014, with negative growth to 2038. The growth rate varied from -0.16% in 2014 to -0.06% in 2038, with an average growth of -0.1%.

However, Hydro One noted that Essex's submitted 2013 historical peak load of 32 MW was 3.6 MW below Hydro One's recorded actual historical data for that year. Hydro One, therefore, used Essex's submitted 2015 growth rate of -0.16% against their actual 2013 peak of 35.6 MW to revise the distributor's forecast for 2014 upward to 35.54 MW. From 2015 to 2038, Hydro One applied Essex's submitted growth rates to the revised 2014 forecast, and the 2038 growth rate to develop the forecast from 2039 to 2043. This forecast was used in Hydro One's April 23, 2015 economic evaluation and resulting revised capital contribution estimate, which is described in Hydro One's Exhibit IP-2, Tab 2, Schedule 9.

UNDERTAKING JT1.4

Undertaking

“To provide details on over what period of the time the LDC growth rate average was.”

Response

This question referred to Exhibit I-P2, Tab 2, Schedule 9c), which provided a summary table of the E3C utilities’ submitted 2013 peak MW, each utility’s 2013 peak based on historical data and each utility’s average growth rate.

In response to the question, a 25-year load forecast was used, from 2014 to 2043 (the 25-year forecasts used in the development of the utilities’ capital contributions were provided in Tables 23 – 28 of that same Exhibit).

UNDERTAKING JT1.5

Undertaking

“To think about establishing goal posts.”

Response

Hydro One interprets this question as a request for a process to help beneficiaries understand the outer range of contributions which could be required from them, given the changes in inputs which could affect these contributions.

The proposed cost allocation methodology at the distribution level for upstream transmission investments is based on the economic evaluation approach set out in the Transmission System Code (“TSC”). Hydro One Distribution will perform true-ups on all its CCRAs with distributors in relation to this project. True-ups will apply the same methodology as was used to carry out the distributor’s initial economic evaluation.

Shifts in the updated economic evaluation outcome are influenced by updates to two key inputs:

- Distributor’s Load Forecast -- based on the actual load up to the true-up point and on an updated load forecast for the remainder of the economic evaluation period.
- Distributor’s Attributed Project Costs – based on an allocation of the project costs in proportion to the distributor’s share of the total contracted capacity of all distributors.

By looking at the extreme ends of the range of potential outcomes for each key input, one can establish the potential outer limits of the economic evaluation results. These limits can be viewed as the capital contribution allocation “goal posts”.

These goal posts are dependent upon changing load and contracted capacity of participants. The main goal post scenarios are as follows:

- Scenario A assumes that the distributor is able to utilize 100% of its contracted capacity from the in-service date and that other participants’ contracted capacity does not change.
- Scenario B assumes that 0% of the distributor’s contracted capacity is utilized from the in-service date and that other participants’ contracted capacity does not change.
- Scenario C assumes that the distributor is able to utilize 100% of its contracted capacity from the in-service date and that other participants enter into contracts for 100% of the remaining capacity created by the SECTR project.

- Scenario D assumes that 0% of the distributor's contracted capacity is utilized from the in-service date and that other participants enter into contracts for 100% of the remaining capacity created by the SECTR project.

It is worth noting that this response addresses potential true-up outcomes for a distributor after signing a CCRA. It does not address a situation where a distributor finds that it requires additional capacity beyond what was originally contracted, nor the resulting economic consequences. For an example of a distributor contracting for additional capacity after in-service, please see Undertaking response JT 1.11.

Hydro One utilized E.L.K data to create specific examples of the four scenarios. Please refer to Attachment 1 to this Undertaking for the details.

Scenario A: E.L.K achieves 100% of its forecast. E.L.K.'s current load forecast for the entire 25 year economic horizon has no growth, resulting in 5.3 MW of incremental load at a Peak Load Index ("PLI") of 75% (average monthly peak of 4 MW). This contracted capacity represented 6.3% of the total contracted capacity and E.L.K. was assigned 6.3% of both Line and Transformation capital costs. The resulting required capital contributions were \$1.8M for the Line pool and \$0.2M for the Transformation pool. (Note: a full summary of all the capital contribution allocation calculations aligned with this scenario was previously provided as Exhibit I-P2, Tab 2, Schedule 9d, Attachment 1).

Scenario B: If E.L.K experienced a dramatic downward shift in load, and the resulting incremental load dropped to zero, the contracted capacity and allocated costs would not change. The required capital contributions would increase to \$2.3M for the Line pool and \$1.8M for the Transformation pool.

Scenario C: If other participants contracted for all the excess capacity created by the SECTR project, E.L.K's contracted capacity would remain unchanged but would represent only 4.4% of the total contracted capacity, and the allocated costs would also be reduced accordingly. In this situation, required capital contributions would decrease to \$1.2M for the Line pool and no capital contribution would be required for the Transformation pool.

Scenario D: If other participants contracted for all the excess capacity created by the SECTR project, E.L.K's contracted capacity would remain unchanged but would represent only 4.4% of the total. If ELK experienced a dramatic downward shift in load, and the resulting incremental load dropped to zero, the required capital contributions would be \$1.6M for the Line pool and \$0.9M for the Transformation pool.

A summary of the results of these scenarios is provided in the table below.

1 **Summary of Illustrative E.L.K. Scenarios**

	Contract Capacity of Other Participants	Load Forecast Utilization of E.L.K. Contract Capacity (%)	Line Pool Capital Contribution Allocation (\$M)	Transformation Pool Capital Contribution Allocation (\$M)	Total Capital Contribution Allocation (\$M)
Scenario A	Min	100%	\$1.8	\$0.2	\$2.0
Scenario B	Min	0%	\$2.3	\$1.8	\$4.1
Scenario C	Max	100%	\$1.2	\$ -	\$1.2
Scenario D	Max	0%	\$1.6	\$0.9	\$2.5

2

3 For illustrative simplicity, these E.L.K. scenarios were limited to economic evaluations
4 calculated as of the in-service date. In addition, periodic true-up calculations will be
5 performed after the in-service date, with the economic evaluations and any resulting
6 capital contribution reflecting the time value of money. For an example of a true-up
7 which occurs ten years after the in-service, please see Undertaking response JT 1.11.

Scenario A and Scenario B: Allocation of Line Costs

Distributor Capacity	Contracted Capacity (MW)	% of Contracted Capacity
Other SECTR Participants	78.6	93.7%
E.L.K.	5.3	6.3%
TOTAL	83.9	100.0%

Project Costs		
Capital Expenditures	\$	33.3
Removal Costs	\$	1.8
Total Costs	\$	35.1

Allocation of Project Costs by Distributor Capacity	Other SECTR Participants	E.L.K.	Total Costs
% of Contracted Capacity	93.7%	6.3%	100.0%
Capital Expenditures	\$ 31.2	\$ 2.1	\$ 33.3
Removal Costs	\$ 1.6	\$ 0.1	\$ 1.8
Total	\$ 32.9	\$ 2.2	\$ 35.1

Scenario A and Scenario B: Allocation of Transformation Costs

Distributor Capacity	Contracted Capacity (MW)	% of Contracted Capacity
Other SECTR Participants	78.6	93.7%
E.L.K.	5.3	6.3%
TOTAL	83.9	100.0%

Project Costs		
Capital Expenditures	\$	20.2
Removal Costs	\$	-
Total Costs	\$	20.2

Allocation of Project Costs by Distributor Capacity	Other SECTR Participants	E.L.K.	Total Costs
% of Contracted Capacity	93.7%	6.3%	100.0%
Capital Expenditures	\$ 18.9	\$ 1.3	\$ 20.2
Removal Costs	\$ -	\$ -	\$ -
Total	\$ 18.9	\$ 1.3	\$ 20.2

Scenario A: E.L.K. incremental load utilizing 100% of Contracted Capacity Line Pool Page 1

<div> <div>Date:13-Apr-15</div> <div>Project #:17503</div> </div>		<div>SUMMARY OF CONTRIBUTION CALCULATIONS</div> <div>Line Pool - Estimated cost</div>												
<div> <div>Facility Name:</div> <div>Supply to Essex County Transmission Reinforcement</div> </div>														
<div> <div>Description:</div> <div>Capital Contribution Allocation</div> </div>														
<div> <div>Customer:</div> <div>E.L.K.</div> </div>														
		<div> <div>In-Service Date</div> <div> <div>←-----</div> <div>Project year ended - annualized from In-Service Date</div> <div>-----→</div> </div> </div>												
		Form	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31
		Year	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
			0	1	2	3	4	5	6	7	8	9	10	11
Revenue & Expense Forecast														
Load Forecast (MW)				4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Load adjustments (MW)				0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Tari # Applied (\$/KWHorth)				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Incremental Revenue - \$M				0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Removal Costs - \$M			(0.1)											
On-going OM&A Costs - \$M			0.0	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Municipal Tax - \$M				(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Net Revenue/(Costs) before taxes - \$M			(0.1)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income Taxes				0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating Cash Flow (after taxes) - \$M			(0.1)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		Cumulative PV @												
		5.83%												
PV Operating Cash Flow (after taxes) - \$M		(A)	0.4	(0.1)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital Expenditures - \$M														
Upfront - capital cost before overheads & AFUDC			(2.1)											
- Overheads			0.0											
- AFUDC			0.0											
Total upfront capital expenditures			(2.1)											
On-going capital expenditures				0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
PV On-going capital expenditures			0.0											
Total capital expenditures - \$M			(2.1)											
Capital Expenditures - \$M														
PV CCA Residual Tax Shield - \$M			0.0											
PV Working Capital - \$M			(0.0)											
PV Capital (after taxes) - \$M		(B)	(2.1)	(2.1)										
Cumulative PV Cash Flow (after taxes) - \$M (A) + (B)			(1.7)	(2.1)	(2.1)	(2.0)	(2.0)	(2.0)	(1.9)	(1.9)	(1.9)	(1.9)	(1.8)	(1.8)
Discounted Cash Flow Summary														
Economic Study Horizon - Years:		25												
Discount Rate - %		5.83%												
		Before	After	Impact										
		Cont	Cont											
		\$M	\$M	\$M										
PV Incremental Revenue		0.5	0.5											
PV OM&A Costs		(0.1)	(0.1)											
PV Municipal Tax		(0.1)	(0.1)											
PV Income Taxes		(0.1)	(0.1)	(0.0)										
PV CCA Tax Shield		0.2	0.0	(0.2)										
PV Capital - Upfront		(2.1)	(2.1)											
Add: PV Capital Contribution Allocation		0.0	1.8	1.8										
PV Capital - On-going		0.0	0.0											
PV Working Capital		(0.0)	(0.0)											
PV Surplus / (Shortfall)		(1.7)	0.0	1.7										
Profitability Index*		0.2	1.0											
Notes:														
*PV of total cash flow, excluding net capital expenditure & on-going capital & proceeds on disposal // PV of net capital expenditure & on-going capital & proceeds on disposal														

Scenario A: E.L.K. incremental load utilizing 100% of Contracted Capacity Line Pool Page 2

<div> <div>Date:13-Apr-15</div> <div>Project #17503</div> </div>		<div>SUMMARY OF CONTRIBUTION CALCULATIONS</div> <div>Line Pool - Estimated cost</div>												
<div> <div>Facility Name:Supply to Essex County Transmission Reinforcement</div> <div>Description:Capital Contribution Allocation</div> <div>Customer:E.L.K.</div> </div>														
		<div> <div> <div>Month</div> <div>Year</div> </div> <div> <div><-----</div> <div>Project year ended - annualized from In-Service Date</div> <div>-----></div> </div> <div> <div>Mar-31</div> <div>Mar-31</div> <div>Mar-31</div> <div>Mar-31</div> <div>Mar-31</div> <div>Mar-31</div> <div>Mar-31</div> <div>Mar-31</div> <div>Mar-31</div> <div>Mar-31</div> <div>Mar-31</div> <div>Mar-31</div> <div>Mar-31</div> <div>Mar-31</div> </div> <div> <div>2031</div> <div>2032</div> <div>2033</div> <div>2034</div> <div>2035</div> <div>2036</div> <div>2037</div> <div>2038</div> <div>2039</div> <div>2040</div> <div>2041</div> <div>2042</div> <div>2043</div> </div> <div> <div>13</div> <div>14</div> <div>15</div> <div>16</div> <div>17</div> <div>18</div> <div>19</div> <div>20</div> <div>21</div> <div>22</div> <div>23</div> <div>24</div> <div>25</div> </div> </div>												
Revenue & Expense Forecast														
Load Forecast (MW)		4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Load adjustments (MW)		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Tariff Applied (\$/kW/Month)		4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Incremental Revenue - \$M		0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86
Removal Costs - \$M		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
On-going OM&A Costs - \$M		(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Municipal Tax - \$M		(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Net Revenue/(Costs) before taxes - \$M		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income Taxes		0.0	0.0	0.0	0.0	0.0	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Operating Cash Flow (after taxes) - \$M		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
PV Operating Cash Flow (after taxes) - \$M (A)		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital Expenditures - \$M														
Upfront - capital cost before overheads & AFUDC														
- Overheads														
- AFUDC														
Total upfront capital expenditures														
On-going capital expenditures		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
PV On-going capital expenditures														
Total capital expenditures - \$M														
Capital Expenditures - \$M														
PV CCA Residual Tax Shield - \$M														
PV Working Capital - \$M														
PV Capital (after taxes) - \$M (B)														
Cumulative PV Cash Flow (after taxes) - \$M (A) + (B)		(1.8)	(1.8)	(1.8)	(1.7)	(1.7)	(1.7)	(1.7)	(1.7)	(1.7)	(1.7)	(1.7)	(1.7)	(1.7)

Scenario A: E.L.K. incremental load utilizing 100% of Contracted Capacity Transformation Pool Page 1

Date: 13-Apr-15		SUMMARY OF CONTRIBUTION CALCULATIONS												
Project # 17503		Transformation Pool - Estimated cost												
Facility Name: Supply to Essex County Transmission Reinforcement														
Description: Capital Contribution Allocation														
Customer: E.L.K.														

Scenario A: E.L.K. incremental load utilizing 100% of Contracted Capacity Transformation Pool Page 2

Date: 13-Apr-15		SUMMARY OF CONTRIBUTION CALCULATIONS													
Project # 17503		Transformation Pool - Estimated cost													
Facility Name: Supply to Essex County Transmission Reinforcement															
Description: Capital Contribution Allocation															
Customer: E.L.K.															

Scenario B: E.L.K Line Pool with no incremental load page 1

Date: 9-Jun-15 Project #: 17503		SUMMARY OF CONTRIBUTION CALCULATIONS Line Pool - Estimated cost												
Facility Name: Supply to Essex County Transmission Reinforcement Description: Capital Contribution Allocation Customer: E.L.K.														
		In-Service Date: Mar-31 2018 Project year ended - annualized from In-Service Date: Mar-31 2018 to Mar-31 2030												
		Month: Mar-31 2018 Year: 2018												
		Revenue & Expense Forecast												
		Load Forecast (MW) 0.0 Load adjustments (MW) 0.0 Tariff Applied (\$/kW/Month) 0.86												
		Incremental Revenue - \$M 0.0 Removal Costs - \$M (0.1) On-going OM&A Costs - \$M 0.0 Municipal Tax - \$M (0.0)												
		Net Revenue/(Costs) before taxes - \$M (0.1) Income Taxes 0.0 Operating Cash Flow (after taxes) - \$M (0.1)												
		Cumulative PV @ 5.83% PV Operating Cash Flow (after taxes) - \$M (A) 0.0												
		Capital Expenditures - \$M Upfront - capital cost before overheads & AFUDC (2.1) - Overheads 0.0 - AFUDC 0.0 Total upfront capital expenditures (2.1) On-going capital expenditures 0.0 PV On-going capital expenditures 0.0 Total capital expenditures - \$M (2.1)												
		Capital Expenditures - \$M 0.0 PV CCA Residual Tax Shield - \$M 0.0 PV Working Capital - \$M (0.0)												
		PV Capital (after taxes) - \$M (B) (2.1) Cumulative PV Cash Flow (after taxes) - \$M (A) + (B) (2.1)												
		Discounted Cash Flow Summary												
		Economic Study Horizon - Years: 25 Discount Rate - %: 5.83%												
		Before Cont \$M After Cont \$M Impact \$M												
		PV Incremental Revenue 0.0 PV OM&A Costs (0.1) PV Municipal Tax (0.1) PV Income Taxes 0.1 PV CCA Tax Shield 0.2 PV Capital - Upfront (2.1) Add: PV Capital Contribution Allocation 0.0 PV Capital - On-going 0.0 PV Working Capital (0.0) PV Surplus / (Shortfall) (2.1)												
		Profitability Index* 0.0												
		Notes: *PV of total cash flow, excluding net capital expenditure & on-going capital & proceeds on disposal / PV of net capital expenditure & on-going capital & proceeds on disposal												

Scenario B: E.L.K Line Pool with no incremental Load page 2

<div> <div>Date: 9-Jun-15</div> <div>Project # 17503</div> </div>		<div> <div>SUMMARY OF CONTRIBUTION CALCULATIONS</div> <div>Line Pool - Estimated cost</div> </div>													
<div> <div>Facility Name: Supply to Essex County Transmission Reinforcement</div> <div>Description: Capital Contribution Allocation</div> <div>Customer: E.L.K.</div> </div>															
		<div> <div>Month</div> <div>Year</div> <div><----- Project year ended - annualized from In-Service Date -----></div> <div> <div>Mar-31</div> <div>Mar-31</div> <div>Mar-31</div> <div>Mar-31</div> <div>Mar-31</div> <div>Mar-31</div> <div>Mar-31</div> <div>Mar-31</div> <div>Mar-31</div> <div>Mar-31</div> <div>Mar-31</div> <div>Mar-31</div> <div>Mar-31</div> <div>Mar-31</div> <div>Mar-31</div> </div> <div> <div>2031</div> <div>2032</div> <div>2033</div> <div>2034</div> <div>2035</div> <div>2036</div> <div>2037</div> <div>2038</div> <div>2039</div> <div>2040</div> <div>2041</div> <div>2042</div> <div>2043</div> </div> <div> <div>13</div> <div>14</div> <div>15</div> <div>16</div> <div>17</div> <div>18</div> <div>19</div> <div>20</div> <div>21</div> <div>22</div> <div>23</div> <div>24</div> <div>25</div> </div> </div>													
Revenue & Expense Forecast															
Load Forecast (MW)		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Load adjustments (MW)		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Tariff Applied (\$/kW/Month)		0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86
Incremental Revenue - \$M		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Removal Costs - \$M															
On-going OM&A Costs - \$M		(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Municipal Tax - \$M		(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Net Revenue/(Costs) before taxes - \$M		(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Income Taxes		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating Cash Flow (after taxes) - \$M		0.0	0.0	0.0	0.0	0.0	0.0	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
PV Operating Cash Flow (after taxes) - \$M (A)		<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>(0.0)</u>	<u>(0.0)</u>	<u>(0.0)</u>	<u>(0.0)</u>	<u>(0.0)</u>	<u>(0.0)</u>	<u>(0.0)</u>	<u>(0.0)</u>
Capital Expenditures - \$M															
Upfront - capital cost before overheads & AFUDC															
- Overheads															
- AFUDC															
Total upfront capital expenditures															
On-going capital expenditures		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
PV On-going capital expenditures															
Total capital expenditures - \$M															
Capital Expenditures - \$M															
PV CCA Residual Tax Shield - \$M															
PV Working Capital - \$M															
PV Capital (after taxes) - \$M (B)															
Cumulative PV Cash Flow (after taxes) - \$M (A) + (B)		<u>(2.1)</u>	<u>(2.1)</u>	<u>(2.1)</u>	<u>(2.1)</u>	<u>(2.1)</u>	<u>(2.1)</u>	<u>(2.1)</u>	<u>(2.1)</u>	<u>(2.1)</u>	<u>(2.1)</u>	<u>(2.1)</u>	<u>(2.1)</u>	<u>(2.1)</u>	<u>(2.1)</u>

Scenario B: E.L.K Transformation Pool with no incremental load page 1

Date: 9-Jun-15		SUMMARY OF CONTRIBUTION CALCULATIONS													
Project # 17503		Transformation Pool - Estimated cost													
Facility Name: Supply to Essex County Transmission Reinforcement															
Description: Capital Contribution Allocation															
Customer: E.L.K.															

Scenario B: E.L.K Transformation Pool with no incremental load page 2

Date: 9-Jun-15		SUMMARY OF CONTRIBUTION CALCULATIONS												
Project # 17503		Transformation Pool - Estimated cost												
Facility Name:		Supply to Essex County Transmission Reinforcement												
Description:		Capital Contribution Allocation												
Customer:		E.L.K.												
		Project year ended - annualized from In-Service Date												
Month		Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31
Year		2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
		13	14	15	16	17	18	19	20	21	22	23	24	25
Revenue & Expense Forecast														
Load Forecast (MW)		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Load adjustments (MW)		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Tariff Applied (\$/kW/Month)		2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Incremental Revenue - \$M		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Removal Costs - \$M														
On-going OM&A Costs - \$M		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Municipal Tax - \$M		(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Net Revenue/(Costs) before taxes - \$M		(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Income Taxes		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating Cash Flow (after taxes) - \$M		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(0.0)
PV Operating Cash Flow (after taxes) - \$M (A)		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(0.0)
Capital Expenditures - \$M														
Upfront - capital cost before overheads & AFUDC														
- Overheads														
- AFUDC														
Total upfront capital expenditures														
On-going capital expenditures		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
PV On-going capital expenditures														
Total capital expenditures - \$M														
Capital Expenditures - \$M														
PV CCA Residual Tax Shield - \$M														
PV Working Capital - \$M														
PV Capital (after taxes) - \$M (B)														
Cumulative PV Cash Flow (after taxes) - \$M (A) + (B)		(1.1)	(1.1)	(1.1)	(1.1)	(1.1)	(1.1)	(1.1)	(1.1)	(1.1)	(1.1)	(1.1)	(1.1)	(1.1)

Scenario C and Scenario D: Other Participants contract 100% of remaining SECTR Capacity. Allocation of Line Costs

Distributor Capacity	Contracted Capacity (MW)	% of Contracted Capacity
Other SECTR Participants	114.7	95.6%
E.L.K.	5.3	4.4%
TOTAL	120.0	100.0%

Project Costs	
Capital Expenditures	\$ 33.3
Removal Costs	\$ 1.8
Total Costs	\$ 35.1

Allocation of Project Costs by Distributor Capacity	Other SECTR Participants	E.L.K.	Total Costs
% of Contracted Capacity	95.6%	4.4%	100.0%
Capital Expenditures	\$ 31.9	\$ 1.5	\$ 33.3
Removal Costs	\$ 1.7	\$ 0.1	\$ 1.8
Total	\$ 33.5	\$ 1.5	\$ 35.1

Scenario C and Scenario D: Other Participants Contract 100% of remaining SECTR Capacity. Allocation of Transformation Costs

Distributor Capacity	Contracted Capacity (MW)	% of Contracted Capacity
Other SECTR Participants	114.7	95.6%
E.L.K.	5.3	4.4%
TOTAL	120.0	100.0%

Project Costs	
Capital Expenditures	\$ 20.2
Removal Costs	\$ -
Total Costs	\$ 20.2

Allocation of Project Costs by Distributor Capacity	Other SECTR Participants	E.L.K.	Total Costs
% of Contracted Capacity	95.6%	4.4%	100.0%
Capital Expenditures	\$ 19.3	\$ 0.9	\$ 20.2
Removal Costs	\$ -	\$ -	\$ -
Total	\$ 19.3	\$ 0.9	\$ 20.2

Scenario C: E.L.K Line Pool with Other Participants contract 100% of Remaining Capacity page 1

Date:	9-Jun-16
Project #	17503

SUMMARY OF CONTRIBUTION CALCULATIONS
Line Pool - Estimated cost

Facility Name:	Supply to Essex County Transmission Reinforcement
Description:	Capital Contribution Allocation
Customer:	E.L.K.

		In-Service Date	Project year ended - annualized from In-Service Date												
	Month	Date	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	
	Year		2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
			0	1	2	3	4	5	6	7	8	9	10	11	12
Revenue & Expense Forecast															
Load Forecast (MW)				4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Load adjustments (MW)				0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Tariff Applied (\$/kW/Month)				0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86
Incremental Revenue - \$M				0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Removal Costs - \$M			(0.1)												
On-going OM&A Costs - \$M			0.0	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Municipal Tax - \$M				(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Net Revenue/(Costs) before taxes - \$M			(0.1)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income Taxes				0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating Cash Flow (after taxes) - \$M				(0.1)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		Cumulative PV @													
		5.83%													
PV Operating Cash Flow (after taxes) - \$M	(A)	0.4	(0.1)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital Expenditures - \$M															
Upfront - capital cost before overheads & AFUDC			(1.5)												
- Overheads			0.0												
- AFUDC			0.0												
Total upfront capital expenditures			(1.5)												
On-going capital expenditures				0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
PV On-going capital expenditures				0.0											
Total capital expenditures - \$M			(1.5)												
Capital Expenditures - \$M															
PV CCA Residual Tax Shield - \$M			0.0												
PV Working Capital - \$M			(0.0)												
PV Capital (after taxes) - \$M	(B)	(1.5)	(1.5)												
Cumulative PV Cash Flow (after taxes) - \$M (A) + (B)		(1.0)	(1.5)	(1.5)	(1.4)	(1.4)	(1.4)	(1.4)	(1.3)	(1.3)	(1.3)	(1.3)	(1.2)	(1.2)	(1.2)

Discounted Cash Flow Summary

Economic Study Horizon - Years:

25

Discount Rate - %

5.83%

	Before Cont	After Cont	Impact
	\$M	\$M	\$M
PV Incremental Revenue	0.5	0.5	
PV OM&A Costs	(0.1)	(0.1)	
PV Municipal Tax	(0.1)	(0.1)	
PV Income Taxes	(0.1)	(0.1)	(0.0)
PV CCA Tax Shield	0.2	0.0	(0.1)
PV Capital - Upfront	(1.5)	(1.5)	
Add: PV Capital Contribution Allocation	0.0	1.2	1.2
PV Capital - On-going	0.0	0.0	
PV Working Capital	(0.0)	(0.0)	
PV Surplus / (Shortfall)	(1.0)	(0.0)	1.0
Profitability Index*	0.3	1.0	

Notes:

*PV of total cash flow, excluding net capital expenditure & on-going capital & proceeds on disposal / PV of net capital expenditure & on-going capital & proceeds on disposal

Scenario C: E.L.K Line Pool with Other Participants contract 100% of Remaining Capacity page 2

Date: 9-Jun-15		SUMMARY OF CONTRIBUTION CALCULATIONS													
Project # 17503		Line Pool - Estimated cost													
Facility Name:		Supply to Essex County Transmission Reinforcement													
Description:		Capital Contribution Allocation													
Customer:		E.L.K.													

Scenario C: E.L.K Transformation Pool with Other Participants contract 100% of Remaining Capacity page 1

Date: 9-Jun-15		SUMMARY OF CONTRIBUTION CALCULATIONS											
Project # 17503		Transformation Pool - Estimated cost											
Facility Name: Supply to Essex County Transmission Reinforcement													
Description: Capital Contribution Allocation													
Customer: E.L.K.													

Scenario C: E.L.K Transformation Pool with Other Participants contract 100% of Remaining Capacity page 2

<div>Date: 9-Jun-15</div> <div>Project # 17503</div>		SUMMARY OF CONTRIBUTION CALCULATIONS Transformation Pool - Estimated cost												
Facility Name:		Supply to Essex County Transmission Reinforcement												
Description:		Capital Contribution Allocation												
Customer:		E.L.K.												

Scenario D: E.L.K Line Pool with Other Participants contract 100% of Remaining Capacity, No Incremental Load page 1

Date: 15-Jun-15		SUMMARY OF CONTRIBUTION CALCULATIONS												
Project # 17503		Line Pool - Estimated cost												
Facility Name: Supply to Essex County Transmission Reinforcement														
Description: Capital Contribution Allocation														
Customer: E.L.K.														
		</												

Scenario D: E.L.K Line Pool with Other Participants contract 100% of Remaining Capacity, No Incremental Load page 2

<div> <div>Date:15-Jun-15</div> <div>Project #17503</div> </div>		<div>SUMMARY OF CONTRIBUTION CALCULATIONS</div> <div>Line Pool - Estimated cost</div>												
<div> <div>Facility Name:Supply to Essex County Transmission Reinforcement</div> <div>Description:Capital Contribution Allocation</div> <div>Customer:E.L.K.</div> </div>														
		<div> <div> <div>Month</div> <div>Year</div> </div> <div> <div><-----</div> <div>Project year ended - annualized from In-Service Date</div> <div>-----></div> </div> <div> <div>Mar-31</div> <div>Mar-31</div> <div>Mar-31</div> <div>Mar-31</div> <div>Mar-31</div> <div>Mar-31</div> <div>Mar-31</div> <div>Mar-31</div> <div>Mar-31</div> <div>Mar-31</div> <div>Mar-31</div> <div>Mar-31</div> <div>Mar-31</div> <div>Mar-31</div> </div> <div> <div>2031</div> <div>2032</div> <div>2033</div> <div>2034</div> <div>2035</div> <div>2036</div> <div>2037</div> <div>2038</div> <div>2039</div> <div>2040</div> <div>2041</div> <div>2042</div> <div>2043</div> </div> <div> <div>13</div> <div>14</div> <div>15</div> <div>16</div> <div>17</div> <div>18</div> <div>19</div> <div>20</div> <div>21</div> <div>22</div> <div>23</div> <div>24</div> <div>25</div> </div> </div>												
Revenue & Expense Forecast														
Load Forecast (MW)		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Load adjustments (MW)		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Tariff Applied (\$/kW/Month)		0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86
Incremental Revenue - \$M		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Removal Costs - \$M														
On-going OM&A Costs - \$M		(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Municipal Tax - \$M		(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Net Revenue/(Costs) before taxes - \$M		(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Income Taxes		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating Cash Flow (after taxes) - \$M		0.0	0.0	0.0	0.0	0.0	0.0	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
PV Operating Cash Flow (after taxes) - \$M (A)		0.0	0.0	0.0	0.0	0.0	0.0	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Capital Expenditures - \$M														
Upfront - capital cost before overheads & AFUDC														
- Overheads														
- AFUDC														
Total upfront capital expenditures														
On-going capital expenditures		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
PV On-going capital expenditures														
Total capital expenditures - \$M														
Capital Expenditures - \$M														
PV CCA Residual Tax Shield - \$M														
PV Working Capital - \$M														
PV Capital (after taxes) - \$M (B)														
Cumulative PV Cash Flow (after taxes) - \$M (A) + (B)		(1.4)	(1.4)	(1.4)	(1.4)	(1.4)	(1.4)	(1.4)	(1.4)	(1.4)	(1.4)	(1.4)	(1.4)	(1.4)

Scenario D: E.L.K Transformation Pool with Other Participants contract 100% of Remaining Capacity, No Incremental Load page 1

Date: 15-Jun-15		SUMMARY OF CONTRIBUTION CALCULATIONS											
Project # 17503		Transformation Pool - Estimated cost											
Facility Name: Supply to Essex County Transmission Reinforcement													
Description: Capital Contribution Allocation													
Customer: E.L.K.													

Scenario D: E.L.K Transformation Pool with Other Participants contract 100% of Remaining Capacity, No Incremental Load page 2

<div> <div>Date:15-Jun-15</div> <div>Project #17503</div> </div>		<div>SUMMARY OF CONTRIBUTION CALCULATIONS</div> <div>Transformation Pool - Estimated cost</div>												
<div> <div>Facility Name:Supply to Essex County Transmission Reinforcement</div> <div>Description:Capital Contribution Allocation</div> <div>Customer:E.L.K.</div> </div>														
		<div> <div> <div>Month</div> <div>Year</div> </div> <div> <div><-----</div> <div>Project year ended - annualized from In-Service Date</div> <div>-----></div> </div> <div> <div>Mar-31</div> <div>Mar-31</div> <div>Mar-31</div> <div>Mar-31</div> <div>Mar-31</div> <div>Mar-31</div> <div>Mar-31</div> <div>Mar-31</div> <div>Mar-31</div> <div>Mar-31</div> <div>Mar-31</div> <div>Mar-31</div> <div>Mar-31</div> <div>Mar-31</div> </div> <div> <div>2031</div> <div>2032</div> <div>2033</div> <div>2034</div> <div>2035</div> <div>2036</div> <div>2037</div> <div>2038</div> <div>2039</div> <div>2040</div> <div>2041</div> <div>2042</div> <div>2043</div> </div> <div> <div>13</div> <div>14</div> <div>15</div> <div>16</div> <div>17</div> <div>18</div> <div>19</div> <div>20</div> <div>21</div> <div>22</div> <div>23</div> <div>24</div> <div>25</div> </div> </div>												
Revenue & Expense Forecast														
Load Forecast (MW)		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Load adjustments (MW)		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Tariff Applied (\$/kW/Month)		2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Incremental Revenue - \$M		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Removal Costs - \$M														
On-going OM&A Costs - \$M		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Municipal Tax - \$M		(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Net Revenue/(Costs) before taxes - \$M		(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Income Taxes		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating Cash Flow (after taxes) - \$M		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
PV Operating Cash Flow (after taxes) - \$M (A)		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(0.0)
Capital Expenditures - \$M														
Upfront - capital cost before overheads & AFUDC														
- Overheads														
- AFUDC														
Total upfront capital expenditures														
On-going capital expenditures		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
PV On-going capital expenditures														
Total capital expenditures - \$M														
Capital Expenditures - \$M														
PV CCA Residual Tax Shield - \$M														
PV Working Capital - \$M														
PV Capital (after taxes) - \$M (B)														
Cumulative PV Cash Flow (after taxes) - \$M (A) + (B)		(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)

UNDERTAKING JT1.6

Undertaking

“To file the Essex Energy report.”

Response

This request was for a load forecast report within a letter titled “Load Forecasting - Leamington/Kingsville Growth” provided by Essex Energy Corporation to Hydro One in June, 2012. Hydro One has requested, but not yet received permission from Essex Energy Corporation to file this report, but will do so if that permission is received.

UNDERTAKING JT1.7

Undertaking

“To provide examples of situations in the past where in an economic evaluation HONI has included revenues from load that was transferred from an old overloaded location to a new location.”

Response

The following are two examples where costs and revenues relating to the overload at an existing facility were part of the economic evaluation for the new facility. In the first example, the existing load exceeded the station’s total normal supply capacity; and in the second example, the existing load exceeded the supply line’s total normal supply capacity.

Woodstock East Transmission Line Upgrade Project (EB-2009-0079)

Overload at the existing Woodstock TS was included in the economic evaluation for the new Commerce Way TS to evaluate the capital contribution required from the connecting transmission customers.

Midtown Project (EB-2009-0425)

Overload on the existing supply line was included in the economic evaluation for the new supply line to evaluate the capital contribution required from the connecting transmission customer.

UNDERTAKING JT1.8

Undertaking

“To provide a map of the feeders coming out of Leamington TS, with an identification of which of those feeders are going to be transferred over to Leamington TS.”

Response

Hydro One interprets this question as a request for a map with the proposed distribution feeder configuration in the area, identifying new feeders and existing feeders which will be transferred to the Leamington TS.

Following is a map with a representation of Hydro One’s current distribution plan for the Leamington area. The new Leamington TS is marked in the upper middle section of the map and Kingsville TS, at the lower left edge. The plan at Leamington involves “breaking-up” the existing Kingsville TS M2, 3, 4, 6, 8, 9 and 10 distribution feeders into smaller sections, and building new line to connect some of these feeder sections to various new feeders from Leamington TS. As a result, some of the Kingsville feeders will be completely transferred to Leamington TS, some partially, some not at all.

The following Kingsville feeders, shown in blue on the map, will be completely transferred to Leamington TS:

- M3 (becomes part of the Leamington M5, M6, M7 feeders),
- M8 (becomes part of the Leamington M8 feeder),
- M9 (becomes part of the Leamington M3, M4 feeders), and
- M10 (becomes part of the Leamington M1, M2, M7 feeders).

The following Kingsville feeders shown in green, will be partially transferred to Leamington TS (i.e., some of their load will remain on Kingsville TS):

- M2 (becomes part of the Leamington M6, M7 feeders),
- M6 (becomes part of the Leamington M4, M5, M6 feeders) and
- M4 (becomes part of the Leamington M6 feeder).

The Kingsville feeders M1, M7 and M5, shown in orange, will not be transferred to Leamington TS.

All of the above are 27.6 kV. (The existing 8 kV lines, which are unaffected by this project, have been removed from the map, for greater clarity).

It should be understood that this distribution configuration is still preliminary as there may be some changes to the location of feeders before CCRAs are executed.

6



UNDERTAKING JT1.9

Undertaking

“To clarify the question before answering it.” [Please refer to pages 194-195 of the Transcript of the Technical Conference]

Response

Hydro One has clarified the undertaking with Ms. Zarnett to be as follows:

How does the distribution of the Kingsville load below 120 MW among the distributors affect the calculation of the allocation of the load in excess of 120 MW to the distributors for the purposes of the economic evaluation and capital contribution calculations and what is the basis of the distribution of the Kingsville load below 120 MW among the distributors?

The 120 MW was allocated for economic purposes based on the 2018 non-coincident peak load forecast of the individual distributors. For example, if a distributor had 10% of the sum of the non-coincident load forecast, it would get 10% of the 120 MW current capacity. New ST customer load is excluded since they these customers would connect only after Leamington TS comes into service. The allocation of 120 MW is shown as current capacity in Exhibit I-P2, Tab 2, Schedule 9, Attachment 1, Tables 23 to 26 as follows: 62.2 MW (Hydro One Distribution, Table 23); 29.4 MW (Essex Power Lines, Table 24); 26.2 MW (ELK, Table 25); and 2.2 MW (Entegrus, Table 26).

The allocation of load in excess of 120 MW is shown as contracted capacity up to 2043 in Exhibit I-P2, Tab 2, Schedule 9, Attachment 1, Table 1, which include both new load and overload. This allocation is based on the extent to which each distributor’s non-coincident load forecast exceeds its current capacity.

UNDERTAKING JT1.10

Undertaking

“To make best efforts to provide the information with the distribution-related costs with the Division TSR, similar to coming up with the 19.3 for SECTR.”

Response

Hydro One interprets this request as as “best efforts to provide the distribution-related costs associated with the Division TS (the non-preferred alternative to the Leamington TS), which are similar to those comprising \$19.3M of distribution costs related to the Leamington TS project.”

In response, Hydro One’s distribution costs for the Division TS alternative would be approximately \$10M.

UNDERTAKING JT1.11

Undertaking

“To provide an example how a future benefiting customer’s financial contribution would be calculated for a new transmission customer and a new sub-transmission customer of Hydro One, going down ten years.”

Response

Hydro One has provided an example of a future new 5MW sub-transmission customer connecting within Hydro One Distribution’s service territory in Year 10. For this example it is assumed that:

- a) the new ST has 5MW of load every year from year 10 at a PLI of 1.0
- b) Hydro One Distribution would be required to contract a further 5MW of capacity from Hydro One Transmission.

The scenario further assumes that all the initial participants contracted capacity and costs are equal to amounts filed in Exhibit I-P2, Tab 2, Schedule 9c).

Additional forecasted 5MW ST load applied to economic evaluation supporting the capital contribution required to be paid to Hydro One Transmission would trigger a total \$1.7M refund from Hydro One Transmission as per 6.5.3 of the TSC. Details of this calculation can be reviewed on Table 3 and 15 in Appendix 1.

Transmission Capital Contribution Required (\$M)	Line Payment (Refund)	Transformation Payment (Refund)	Total
Initial Capital Contribution from Distribution to Transmission (Exhibit B, Tab 4, Schedule 3)	31.2	8.2	39.4
10 Year True Up Refund	(0.5)	(1.2)	(1.7)
Total	30.7	7.0	37.7

The next step would be to recalculate, at the distribution level, portions of this capital contribution to all distributors operating in Hydro One Distribution’s service area. The costs would require a reallocation due to Hydro One Distribution requiring an additional

5 MW of SECTR capacity. Please refer to Table 4 in Appendix 1 for the reallocation of Line Costs and Table 16 in Appendix 1 for the reallocation of Transformation Costs. The resulting true up payment/refund to each of the embedded distributors follows.

Allocation to Distributors (\$M)	Line Payment / (Refund) \$M	Transformation Payment / (Refund) \$M	Total Payment / (Refund) \$M
Hydro One Distribution ¹	0.0	(1.0)	(1.0)
Essex Power	(0.3)	(0.1)	(0.4)
E.L.K.	(0.2)	(0.1)	(0.3)
Entegrus	(0.0)	(0.0)	(0.1)

Hydro One Distribution would then further apportion its share of the adjusted capital contribution within its own service area between the original new ST customers, the new 5 MW ST customer and its ratepayers and other STs. Please refer to Table 10 in Appendix 1 for the reallocation of Hydro One Distribution's portion of Line Costs and Table 22 in Appendix 1 for the reallocation of Hydro One Distribution's portion of Transformation Costs. The resulting allocation would result in a payment from the new 5MW ST customer and refunds to both Hydro One Distribution's ratepayers and the original new ST customers.

Allocation to Hydro One Distribution's New STs	Line Payment / (Refund) \$M	Transformation Payment / (Refund) \$M	Payment / (Refund) \$M
New ST Customers	(1.5)	(0.9)	(2.4)
New 5MW HONI ST in Year 10	3.2	1.0	4.2

¹ The refund calculations for Hydro One Distribution assume that any capital contribution allocation variances are applied to the distribution pool of the upstream distributor allocating the capital contribution (i.e., Hydro One Distribution in this case). See Exhibit I-P2-2-9, pg. 4 of 45.

1 If a new Transmission customer directly connected to the Leamington TS and utilized
2 5MW of capacity, the capital contribution refund provision in section 6.3.17 (b) of the
3 TSC would apply. However, Hydro One notes that section 6.3.17A of the TSC, which
4 sets out the methodology for such refund calculations, may not be consistent with certain
5 aspects of the economic evaluation methodology in Appendix 5 of the TSC and may also
6 result in cross-subsidization among customers. Therefore, to maintain consistency and to
7 avoid cross-subsidization, Hydro One is proposing that it would treat all customers
8 identically, and apply the proposed methodology to all participants. For the Tx
9 Connection Customer, the contribution would be mathematically equivalent contribution
10 to one that connects within embedded territory and result in refunds for all other project
11 participants.

Table 1: Summary of Capital Contribution from Distributors

Capital contribution required to be paid to Hydro One Transmission

	In-service		New 5MW HONI ST in Year 10	
	Line Payment (Refund)	Transformation Payment (Refund)	Line Payment (Refund) ¹	Transformation Payment (Refund) ²
Capital Contribution to Transmission (\$M)	31.2	8.2	(0.5)	(1.2)

Allocation between Distributors

	In-service		New 5MW HONI ST in Year 10	
	Contracted Capacity (MW)	% of Contracted Capacity	Contracted Capacity (MW)	% of Contracted Capacity
Distributor Capacity				
Hydro One Distribution	71.8	85.6%	76.8	86.4%
Essex Power	5.9	7.1%	5.9	6.7%
E.L.K.	5.3	6.3%	5.3	5.9%
Entegrus	0.9	1.0%	0.9	1.0%
TOTAL	83.9	100.0%	88.9	100.0%

	In-service		New 5MW HONI ST in Year 10	
	Line ³	Transformation ⁴	Line ⁵	Transformation ⁶
Attributed Project Costs (Input to Economic Evaluation) (\$M)				
Hydro One Distribution	30.0	17.3	30.3	17.5
Essex Power	2.5	1.4	2.3	1.3
E.L.K.	2.2	1.3	2.1	1.2
Entegrus	0.4	0.2	0.3	0.2
TOTAL	35.1	20.2	35.1	20.2

	In-service		New 5MW HONI ST in Year 10	
	Line ⁷	Transformation ⁸	Line Payment (Refund) ⁹	Transformation Payment (Refund) ¹⁰
Capital Contribution (\$M) - Allocation based upon Economic Evaluation				
Hydro One Distribution	26.3	6.0	1.4	(0.9)
Essex Power	2.2	0.5	(0.3)	(0.1)
E.L.K.	1.8	0.2	(0.2)	(0.1)
Entegrus	0.3	0.1	(0.0)	(0.0)
TOTAL	30.7	6.8	0.9	(1.1)

¹ JT 1.11 Table 3

² JT 1.11 Table 15

³ I-P2-2-9 -1 Table 2

⁴ I-P2-2-9 -1 Table 13

⁵ JT 1.11 Table 4

⁶ JT 1.11 Table 16

⁷ I-P2-2-9 -1 Table 7

⁸ I-P2-2-9 -1 Table 18

⁹ JT 1.11 Table 9

¹⁰ JT 1.11 Table 21

Table 2: Summary of Capital Contribution from Hydro One New ST Customers

Hydro One's Apportion its share of the adjusted capital contribution

In-service			New 5MW HONI ST in Year 10	
Distributor Capacity	Contracted Capacity (MW)	% of Contracted Capacity	Contracted Capacity (MW)	% of Contracted Capacity
Hydro One Distribution Ratepayers	36.1	50.2%	36.1	47.0%
New ST Customers	35.8	49.8%	35.8	46.5%
New 5MW HONI ST in Year 10	0.0	0.0%	5.0	6.5%
TOTAL	71.8	100.0%	76.8	100.0%

In-service			New 5MW HONI ST in Year 10	
Attributed Project Costs (Input to Economic Evaluation) (\$M)	Line ¹	Transformation ²	Line ³	Transformation ⁴
Hydro One Distribution Ratepayers	15.1	8.7	14.2	8.2
New ST Customers	15.0	8.6	14.1	8.1
New 5MW HONI ST in Year 10	0.0	0.0	2.0	1.1
TOTAL	30.0	17.3	30.3	17.5

In-service			New 5MW HONI ST in Year 10	
Capital Contribution (\$M) - Allocation based upon Economic Evaluation	Line ⁵	Transformation ⁶	Line Payment (Refund) ⁷	Transformation Payment (Refund) ⁸
Hydro One Distribution Ratepayers	13.8	4.5	(1.6)	(0.9)
New ST Customers	12.1	0.6	(1.5)	(0.9)
New 5MW HONI ST in Year 10	0.0	0.0	3.2	1.0
TOTAL	26.0	5.1	0.1	(0.8)

¹ I-P2-2-9 -1 Table 8

² I-P2-2-9 -1 Table 19

³ JT 1.11 Table 10

⁴ JT 1.11 Table 22

⁵ I-P2-2-9 -1 Table 11

⁶ I-P2-2-9 -1 Table 22

⁷ JT 1.11 Table 14

⁸ JT 1.11 Table 26

Table 3: Line Pool Capital Contribution Contribution from Hydro One Distribution to Transmission Page 1

Date: 9-Jun-15		SUMMARY OF CONTRIBUTION CALCULATIONS												
Project # 17503		Line Pool - 2nd true-up												
Facility Name: Supply to Essex County Transmission Reinforcement														
Description: Line Pool Capital Contribution														
Customer: Hydro One Distribution														

Table 3: Line Pool Capital Contribution Contribution from Hydro One Distribution to Transmission Page 2

Date: 9-Jun-15		SUMMARY OF CONTRIBUTION CALCULATIONS													
Project # 17503		Line Pool - 2nd true-up													
Facility Name: Supply to Essex County Transmission Reinforcement															
Description: Line Pool Capital Contribution															
Customer: Hydro One Distribution															

Table 3: Line Pool Capital Contribution Contribution from Hydro One Distribution to Transmission Page 3

Capital Contributions		PV of Cont \$M	Previous Cont Payments \$M	Current Cont / (Credit) \$M
	Date			
Initial economic evaluation	2018	31.2	31.2	
1st true-up	2023	0.0	0.0	
2nd true-up	2028	(0.3)		(0.5)
Total		30.9	31.2	(0.5)

Table 4: Allocation of Line Project Costs to Distributors

Distributor Capacity	Contracted Capacity (MW)	% of Contracted Capacity
Hydro One Distribution	76.8	86.4%
Essex Power	5.9	6.7%
E.L.K.	5.3	5.9%
Entegrus	0.9	1.0%
TOTAL	88.9	100.0%

Project Costs	
Capital Expenditures	\$ 33.3
Removal Costs	\$ 1.8
Total Costs	\$ 35.1

Allocation of Project Costs by Distributor Capacity	Hydro One Distribution	Essex Powerlines	E.L.K.	Entegrus	Total Costs
% of Contracted Capacity	86.4%	6.7%	5.9%	1.0%	100.0%
Capital Expenditures	\$ 28.8	\$ 2.2	\$ 2.0	\$ 0.3	\$ 33.3
Removal Costs	\$ 1.5	\$ 0.1	\$ 0.1	\$ 0.0	\$ 1.8
Total	\$ 30.3	\$ 2.3	\$ 2.1	\$ 0.3	\$ 35.1

Table 5: Line Pool Economic Contribution from Hydro One Distribution Page 1

Date:		9-Jun-15	
Project #		17503	

SUMMARY OF CONTRIBUTION CALCULATIONS															
Line Pool - 2nd true-up															
Facility Name:		Supply to Essex County Transmission Reinforcement													
Description:		Capital Contribution Allocation													
Customer:		Hydro One Distribution													

		In-Service		Project year ended - annualized from In-Service Date											
	Month	Date	<-----	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31
	Year	2018		2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
		0		1	2	3	4	5	6	7	8	9	10	11	12
Revenue & Expense Forecast															
	Load Forecast (MW)			29.0	29.9	30.9	31.8	32.7	33.7	34.6	35.6	36.5	41.8	42.8	43.7
	Load adjustments (MW)			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Tariff Applied (\$/kW/Month)			29.0	29.9	30.9	31.8	32.7	33.7	34.6	35.6	36.5	41.8	42.8	43.7
				0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86
Incremental Revenue - \$M				0.3	0.3	0.3	0.3	0.3	0.3	0.4	0.4	0.4	0.4	0.4	0.5
	Removal Costs - \$M		(1.5)												
	On-going OM&A Costs - \$M		0.0	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
	Municipal Tax - \$M			(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
Net Revenue/(Costs) before taxes - \$M			(1.5)	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.3
	Income Taxes			0.4	0.2	0.4	0.3	0.3	0.3	0.2	0.2	0.2	0.1	0.1	0.1
Operating Cash Flow (after taxes) - \$M				(1.1)	0.3	0.5	0.5	0.5	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Cumulative PV @ 5.83%															
PV Operating Cash Flow (after taxes) - \$M	(A)	4.5		(1.1)	0.3	0.5	0.4	0.4	0.4	0.3	0.3	0.3	0.2	0.2	0.2
Capital Expenditures - \$M															
	Upfront - capital cost before overheads & AFUDC		(28.8)												
	- Overheads		0.0												
	- AFUDC		0.0												
	Total upfront capital expenditures		(28.8)												
	On-going capital expenditures			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	PV On-going capital expenditures			0.0											
Total capital expenditures - \$M			(28.8)												
Capital Expenditures - \$M															
PV CCA Residual Tax Shield - \$M			0.1												
PV Working Capital - \$M			(0.0)												
PV Capital (after taxes) - \$M	(B)	(28.7)	(28.7)												
Cumulative PV Cash Flow (after taxes) - \$M (A) + (B)		(24.2)	(29.8)	(29.5)	(29.0)	(28.6)	(28.2)	(27.8)	(27.5)	(27.2)	(26.9)	(26.7)	(26.4)	(26.2)	(26.0)

Discounted Cash Flow Summary			
Economic Study Horizon - Years:	25		
Discount Rate - %	5.83%		
	Before Cont	After Cont	Impact
	\$M	\$M	\$M
PV Incremental Revenue	5.5	5.5	
PV OM&A Costs	(1.7)	(1.7)	
PV Municipal Tax	(1.6)	(1.6)	
PV Income Taxes	(0.6)	(0.6)	0.0
PV CCA Tax Shield	3.0	0.2	(2.9)
PV Capital - Upfront	(28.8)	(28.8)	
Add: PV Capital Contribution Allocation	0.0	27.1	27.1
PV Capital - On-going	0.0	0.0	
PV Working Capital	(0.0)	(0.0)	
PV Surplus / (Shortfall)	(24.2)	0.0	24.2
Profitability Index*	0.2	1.0	
Notes:			
*PV of total cash flow, excluding net capital expenditure & on-going capital & proceeds on disposal / PV of net capital expenditure & on-going capital & proceeds on disposal			

Table 5: Line Pool Economic Contribution from Hydro One Distribution Page 2

Date: 9-Jun-15		SUMMARY OF CONTRIBUTION CALCULATIONS												
Project # 17503		Line Pool - 2nd true-up												
Facility Name:		Supply to Essex County Transmission Reinforcement												
Description:		Capital Contribution Allocation												
Customer:		Hydro One Distribution												
		Project year ended - annualized from In-Service Date												
Month		Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31
Year		2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
		13	14	15	16	17	18	19	20	21	22	23	24	25
Revenue & Expense Forecast														
Load Forecast (MW)		44.7	45.6	46.6	47.6	48.6	49.6	50.4	51.4	52.4	53.5	54.5	55.5	56.6
Load adjustments (MW)		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Tariff Applied (\$/kW/Month)		44.7	45.6	46.6	47.6	48.6	49.6	50.4	51.4	52.4	53.5	54.5	55.5	56.6
		0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86
Incremental Revenue - \$M		0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.6	0.6	0.6	0.6
Removal Costs - \$M														
On-going OM&A Costs - \$M		(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Municipal Tax - \$M		(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
Net Revenue/(Costs) before taxes - \$M		0.3	0.3	0.3	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Income Taxes		0.1	0.1	0.0	0.0	0.0	0.0	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.1)	(0.1)
Operating Cash Flow (after taxes) - \$M		0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
PV Operating Cash Flow (after taxes) - \$M (A)		0.2	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Capital Expenditures - \$M														
Upfront - capital cost before overheads & AFUDC														
- Overheads														
- AFUDC														
Total upfront capital expenditures														
On-going capital expenditures		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
PV On-going capital expenditures														
Total capital expenditures - \$M														
Capital Expenditures - \$M														
PV CCA Residual Tax Shield - \$M														
PV Working Capital - \$M														
PV Capital (after taxes) - \$M (B)														
Cumulative PV Cash Flow (after taxes) - \$M (A) + (B)		(25.8)	(25.6)	(25.5)	(25.3)	(25.1)	(25.0)	(24.9)	(24.8)	(24.6)	(24.5)	(24.4)	(24.3)	(24.2)

Table 5: Line Pool Economic Contribution from Hydro One Distribution Page 3

Capital Contributions		PV of Cont \$M	Previous Cont Payments \$M	Current Cont / (Credit) \$M
	Date			
Initial economic evaluation	2018	26.3	26.3	
1st true-up	2023	0.0	0.0	
2nd true-up	2028	0.8		1.4
Total		27.1	26.3	1.4

Table 6: Line Pool Economic Contribution from Essex Powerlines Page 1

Date:		9-Jun-15		SUMMARY OF CONTRIBUTION CALCULATIONS											
Project #:		17503		Line Pool - 2nd true-up											
Facility Name:				Supply to Essex County Transmission Reinforcement											
Description:				Capital Contribution Allocation											
Customer:				Essex Powerlines											
				</											

Table 6: Line Pool Economic Contribution from Essex Powerlines Page 2

Date: 9-Jun-15		SUMMARY OF CONTRIBUTION CALCULATIONS												
Project # 17503		Line Pool - 2nd true-up												
Facility Name:		Supply to Essex County Transmission Reinforcement												
Description:		Capital Contribution Allocation												
Customer:		Essex Powerlines												
		Project year ended - annualized from In-Service Date												
Month		Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31
Year		2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
		13	14	15	16	17	18	19	20	21	22	23	24	25
Revenue & Expense Forecast														
Load Forecast (MW)		3.7	3.7	3.7	3.6	3.6	3.6	3.6	3.6	3.6	3.5	3.5	3.5	3.5
Load adjustments (MW)		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Tariff Applied (\$/kW/Month)		3.7	3.7	3.7	3.6	3.6	3.6	3.6	3.6	3.6	3.5	3.5	3.5	3.5
		0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86
Incremental Revenue - \$M		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Removal Costs - \$M														
On-going OM&A Costs - \$M		(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Municipal Tax - \$M		(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Net Revenue/(Costs) before taxes - \$M		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income Taxes		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Operating Cash Flow (after taxes) - \$M		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
PV Operating Cash Flow (after taxes) - \$M (A)		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital Expenditures - \$M														
Upfront - capital cost before overheads & AFUDC														
- Overheads														
- AFUDC														
Total upfront capital expenditures														
On-going capital expenditures		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
PV On-going capital expenditures														
Total capital expenditures - \$M														
Capital Expenditures - \$M														
PV CCA Residual Tax Shield - \$M														
PV Working Capital - \$M														
PV Capital (after taxes) - \$M (B)														
Cumulative PV Cash Flow (after taxes) - \$M (A) + (B)		(1.9)	(1.9)	(1.9)	(1.9)	(1.9)	(1.8)	(1.8)	(1.8)	(1.8)	(1.8)	(1.8)	(1.8)	(1.8)

Table 6: Line Pool Economic Contribution from Essex Powerlines Page 3

Capital Contributions		PV of Cont \$M	Previous Cont Payments \$M	Current Cont / (Credit) \$M
	Date			
Initial economic evaluation	2018	2.2	2.2	
1st true-up	2023	0.0	0.0	
2nd true-up	2028	(0.1)		(0.3)
Total		2.0	2.2	(0.3)

Table 7: Line Pool Economic Contribution from E.L.K. Page 1

Date: 9-Jun-15		SUMMARY OF CONTRIBUTION CALCULATIONS												
Project # 17503		Line Pool - 2nd true-up												
Facility Name: Supply to Essex County Transmission Reinforcement														
Description: Capital Contribution Allocation														
Customer: E.L.K.														
</														

Table 7: Line Pool Economic Contribution from E.L.K. Page 2

Date: 9-Jun-15 Project #: 17503		SUMMARY OF CONTRIBUTION CALCULATIONS Line Pool - 2nd true-up													
Facility Name: Supply to Essex County Transmission Reinforcement Description: Capital Contribution Allocation Customer: E.L.K.															
		Project year ended - annualized from In-Service Date													
		Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31
		2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	
		13	14	15	16	17	18	19	20	21	22	23	24	25	
Revenue & Expense Forecast															
Load Forecast (MW)		4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	
Load adjustments (MW)		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Tariff Applied (\$/kW/Month)		0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86	
Incremental Revenue - \$M		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Removal Costs - \$M															
On-going OM&A Costs - \$M		(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	
Municipal Tax - \$M		(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	
Net Revenue/(Costs) before taxes - \$M		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Income Taxes		0.0	0.0	0.0	0.0	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	
Operating Cash Flow (after taxes) - \$M		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
PV Operating Cash Flow (after taxes) - \$M (A)		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Capital Expenditures - \$M															
Upfront - capital cost before overheads & AFUDC															
- Overheads															
- AFUDC															
Total upfront capital expenditures															
On-going capital expenditures		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
PV On-going capital expenditures															
Total capital expenditures - \$M															
Capital Expenditures - \$M															
PV CCA Residual Tax Shield - \$M															
PV Working Capital - \$M															
PV Capital (after taxes) - \$M (B)															
Cumulative PV Cash Flow (after taxes) - \$M (A) + (B)		(1.7)	(1.6)	(1.6)	(1.6)	(1.6)	(1.6)	(1.6)	(1.6)	(1.6)	(1.6)	(1.6)	(1.5)	(1.5)	

Table 7: Line Pool Economic Contribution from E.L.K. Page 3

Capital Contributions		PV of Cont \$M	Previous Cont Payments \$M	Current Cont / (Credit) \$M
	Date			
Initial economic evaluation	2018	1.8	1.8	
1st true-up	2023	0.0	0.0	
2nd true-up	2028	(0.1)		(0.2)
Total		1.7	1.8	(0.2)

Table 8: Line Pool Economic Contribution from Entegrus Page 1

Date: 9-Jun-15		SUMMARY OF CONTRIBUTION CALCULATIONS												
Project # 17503		Line Pool - 2nd true-up												
Facility Name: Supply to Essex County Transmission Reinforcement														
Description: Capital Contribution Allocation														
Customer: Entegrus														

Table 8: Line Pool Economic Contribution from Entegrus Page 2

Date: 9-Jun-15 Project #: 17503		SUMMARY OF CONTRIBUTION CALCULATIONS Line Pool - 2nd true-up													
Facility Name: Supply to Essex County Transmission Reinforcement Description: Capital Contribution Allocation Customer: Entegrus															
		Project year ended - annualized from In-Service Date													
		Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31
		2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	
		13	14	15	16	17	18	19	20	21	22	23	24	25	
Revenue & Expense Forecast															
Load Forecast (MW)		0.4	0.5	0.5	0.5	0.5	0.5	0.5	0.6	0.6	0.6	0.6	0.6	0.6	
Load adjustments (MW)		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Tariff Applied (\$/kW/Month)		0.4	0.5	0.5	0.5	0.5	0.5	0.5	0.6	0.6	0.6	0.6	0.6	0.6	
Incremental Revenue - \$M		0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86	
Removal Costs - \$M		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
On-going OM&A Costs - \$M		(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	
Municipal Tax - \$M		(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	
Net Revenue/(Costs) before taxes - \$M		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Income Taxes		0.0	0.0	0.0	0.0	0.0	0.0	0.0	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	
Operating Cash Flow (after taxes) - \$M		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
PV Operating Cash Flow (after taxes) - \$M (A)		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Capital Expenditures - \$M															
Upfront - capital cost before overheads & AFUDC															
- Overheads															
- AFUDC															
Total upfront capital expenditures															
On-going capital expenditures		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
PV On-going capital expenditures															
Total capital expenditures - \$M															
Capital Expenditures - \$M															
PV CCA Residual Tax Shield - \$M															
PV Working Capital - \$M															
PV Capital (after taxes) - \$M (B)															
Cumulative PV Cash Flow (after taxes) - \$M (A) + (B)		(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	

Table 8: Line Pool Economic Contribution from Entegrus Page 3

Capital Contributions		PV of Cont \$M	Previous Cont Payments \$M	Current Cont / (Credit) \$M
	Date			
Initial economic evaluation	2018	0.3	0.3	
1st true-up	2023	0.0	0.0	
2nd true-up	2028	(0.0)		(0.0)
Total		0.3	0.3	(0.0)

Table 9: Allocation of Line Contribution to Distributors (\$M)

Hydro One Distribution Capital Contribution to Hydro One Transmission	\$	30.9
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Distributor	Capital Contribution Allocation	Allocation Percentage
Hydro One Distribution	\$ 27.1 ¹	87.5%
Essex Powerlines	\$ 2.0 ²	6.5%
E.L.K.	\$ 1.7 ³	5.6%
Entegrus	\$ 0.3 ⁴	1.0%
Total	\$ 31.1	100.6%

^{1.} JT 1.11 Table 5

^{2.} JT 1.11 Table 6

^{3.} JT 1.11 Table 7

^{4.} JT 1.11 Table 8

Table 10: Line Pool Cost Allocation to New ST Customers (\$M)

Customer Capacity	Contracted Capacity (MW)	% of Contracted Capacity
Hydro One Distribution Ratepayers	36.1	47.0%
New ST Customers	35.8	46.5%
Year 10 ST	5.0	6.5%
TOTAL	76.8	100.0%

Allocation of Project Costs to Hydro One Distribution		
Capital Expenditures	\$	28.8
Removal Costs	\$	1.5
Total Costs	\$	30.3

Allocation of Hydro One Distribution Project Costs by Customer Capacity	Hydro One Distribution Ratepayers	New ST Customers	Year 10 ST	Total
% of Contracted Capacity	47.0%	46.5%	6.5%	100.0%
Capital Expenditures	\$ 13.5	\$ 13.4	\$ 1.9	\$ 28.8
Removal Costs	\$ 0.7	\$ 0.7	\$ 0.1	\$ 1.5
Total	\$ 14.2	\$ 14.1	\$ 2.0	\$ 30.3

Table 11: Line Pool Economic Contribution from New ST Customers Page 1

<div> <div>Date:10-Jun-15</div> <div>Project #17503</div> </div>		<div>SUMMARY OF CONTRIBUTION CALCULATIONS</div> <div>Line Pool - 2nd true-up</div>												
<div> <div>Facility Name:</div> <div>Description:</div> <div>Customer:</div> </div>		<div>Supply to Essex County Transmission Reinforcement</div> <div>Capital Contribution Allocation</div> <div>New ST Customers</div>												
		<div> <div>In-Service Date</div> <div>Project year ended - annualized from In-Service Date</div> </div>												
		<div> <div>Month</div> <div>Year</div> <div>Mar-31</div> <div>Mar-31</div> <div>Mar-31</div> <div>Mar-31</div> <div>Mar-31</div> <div>Mar-31</div> <div>Mar-31</div> <div>Mar-31</div> <div>Mar-31</div> <div>Mar-31</div> <div>Mar-31</div> <div>Mar-31</div> <div>Mar-31</div> </div>												
		<div> <div>0</div> <div>1</div> <div>2</div> <div>3</div> <div>4</div> <div>5</div> <div>6</div> <div>7</div> <div>8</div> <div>9</div> <div>10</div> <div>11</div> <div>12</div> </div>												
Revenue & Expense Forecast														
Load Forecast (MW)		27.127.427.828.128.528.829.229.529.930.230.630.9												
Load adjustments (MW)		0.00.00.00.00.00.00.00.00.00.00.00.0												
Tariff Applied (\$/kW/Month)		27.127.427.828.128.528.829.229.529.930.230.630.9												
Incremental Revenue - \$M		0.860.860.860.860.860.860.860.860.860.860.860.860.86												
Removal Costs - \$M		0.30.30.30.30.30.30.30.30.30.30.3												
On-going OM&A Costs - \$M		(0.7)(0.0)(0.0)(0.0)(0.0)(0.0)(0.0)(0.0)(0.0)(0.0)(0.0)(0.0)(0.0)												
Municipal Tax - \$M		0.0(0.0)(0.0)(0.0)(0.0)(0.0)(0.0)(0.0)(0.0)(0.0)(0.0)(0.0)(0.0)												
Net Revenue/(Costs) before taxes - \$M		(0.7)0.20.20.20.20.20.20.20.20.20.20.30.3												
Income Taxes		0.20.00.10.10.10.10.10.10.10.00.00.0												
Operating Cash Flow (after taxes) - \$M		(0.5)0.30.30.30.30.30.30.30.30.30.30.3												
PV Operating Cash Flow (after taxes) - \$M (A)		<div> <div>Cumulative PV @</div> <div>5.83%</div> <div>3.3</div> </div>												
Capital Expenditures - \$M														
Upfront - capital cost before overheads & AFUDC		(13.4)												
- Overheads		0.0												
- AFUDC		0.0												
Total upfront capital expenditures		(13.4)												
On-going capital expenditures		0.00.00.00.00.00.00.00.00.00.00.00.0												
PV On-going capital expenditures		0.0												
Total capital expenditures - \$M		(13.4)												
Capital Expenditures - \$M														
PV CCA Residual Tax Shield - \$M		0.0												
PV Working Capital - \$M		(0.0)												
PV Capital (after taxes) - \$M (B)		(13.4)(13.4)												
Cumulative PV Cash Flow (after taxes) - \$M (A) + (B)		(10.1)(13.9)(13.6)(13.3)(13.0)(12.8)(12.5)(12.3)(12.1)(11.9)(11.7)(11.6)(11.4)(11.3)												
Discounted Cash Flow Summary														
Economic Study Horizon - Years:		25												
Discount Rate - %		5.83%												
		<div> <div>Before Cont</div> <div>After Cont</div> <div>Impact</div> </div>												
		<div> <div>\$M</div> <div>\$M</div> <div>\$M</div> </div>												
PV Incremental Revenue		4.2												
PV OM&A Costs		(0.8)												
PV Municipal Tax		(0.8)												
PV Income Taxes		(0.7)												
PV CCA Tax Shield		1.4												
PV Capital - Upfront		(13.4)(13.4)												
Add: PV Capital Contribution Allocation		0.011.3												
PV Capital - On-going		0.0												
PV Working Capital		(0.0)												
PV Surplus / (Shortfall)		(10.1)(0.0)10.1												
Profitability Index*		0.21.0												
Notes:														
		*PV of total cash flow, excluding net capital expenditure & on-going capital & proceeds on disposal / PV of net capital expenditure & on-going capital & proceeds on disposal												

Table 11: Line Pool Economic Contribution from New ST Customers Page 2

Date: 10-Jun-15 Project #: 17503		SUMMARY OF CONTRIBUTION CALCULATIONS Line Pool - 2nd true-up												
Facility Name: Supply to Essex County Transmission Reinforcement Description: Capital Contribution Allocation Customer: New ST Customers														
		Project year ended - annualized from In-Service Date												
Month Year		Mar-31 2031 13	Mar-31 2032 14	Mar-31 2033 15	Mar-31 2034 16	Mar-31 2035 17	Mar-31 2036 18	Mar-31 2037 19	Mar-31 2038 20	Mar-31 2039 21	Mar-31 2040 22	Mar-31 2041 23	Mar-31 2042 24	Mar-31 2043 25
Revenue & Expense Forecast														
Load Forecast (MW)		31.3	31.6	32.0	32.3	32.7	33.0	33.4	33.7	34.1	34.4	34.8	35.1	35.5
Load adjustments (MW)		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Tariff Applied (\$/kW/Month)		31.3	31.6	32.0	32.3	32.7	33.0	33.4	33.7	34.1	34.4	34.8	35.1	35.5
		0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86
Incremental Revenue - \$M		0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.4	0.4	0.4	0.4	0.4
Removal Costs - \$M														
On-going OM&A Costs - \$M		(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Municipal Tax - \$M		(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
Net Revenue/(Costs) before taxes - \$M		0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Income Taxes		0.0	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.1)
Operating Cash Flow (after taxes) - \$M		0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.2	0.2	0.2	0.2	0.2
PV Operating Cash Flow (after taxes) - \$M (A)		0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Capital Expenditures - \$M														
Upfront - capital cost before overheads & AFUDC														
- Overheads														
- AFUDC														
Total upfront capital expenditures														
On-going capital expenditures		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
PV On-going capital expenditures														
Total capital expenditures - \$M														
Capital Expenditures - \$M														
PV CCA Residual Tax Shield - \$M														
PV Working Capital - \$M														
PV Capital (after taxes) - \$M (B)														
Cumulative PV Cash Flow (after taxes) - \$M (A) + (B)		(11.1)	(11.0)	(10.9)	(10.8)	(10.7)	(10.6)	(10.5)	(10.4)	(10.3)	(10.3)	(10.2)	(10.1)	(10.1)

Table 11: Line Pool Economic Contribution from New ST Customers Page 3

Capital Contributions		PV of Cont \$M	Previous Cont Payments \$M	Current Cont / (Credit) \$M
	Date			
Initial economic evaluation	2018	12.1	12.1	
1st true-up	2023	0.0	0.0	
2nd true-up	2028	(0.9)		(1.5)
Total		11.3	12.1	(1.5)

Table 12: Line Pool Economic Contribution from Hydro One Distribution Ratepayers Page 1

Date: 9-Jun-15		SUMMARY OF CONTRIBUTION CALCULATIONS											
Project # 17503		Line Pool - 2nd true-up											
Facility Name:		Supply to Essex County Transmission Reinforcement											
Description:		Capital Contribution Allocation											
Customer:		Hydro One Distribution Ratepayers											

Table 12: Line Pool Economic Contribution from Hydro One Distribution Ratepayers Page 2

Date: 9-Jun-15		SUMMARY OF CONTRIBUTION CALCULATIONS												
Project # 17503		Line Pool - 2nd true-up												
Facility Name:		Supply to Essex County Transmission Reinforcement												
Description:		Capital Contribution Allocation												
Customer:		Hydro One Distribution Ratepayers												
		Project year ended - annualized from In-Service Date												
Month		Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31
Year		2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
		13	14	15	16	17	18	19	20	21	22	23	24	25
Revenue & Expense Forecast														
Load Forecast (MW)		18.9	19.6	20.4	21.2	22.0	22.8	23.5	24.3	25.1	25.9	26.8	27.6	28.5
Load adjustments (MW)		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Tariff Applied (\$/kW/Month)		18.9	19.6	20.4	21.2	22.0	22.8	23.5	24.3	25.1	25.9	26.8	27.6	28.5
		0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86
Incremental Revenue - \$M		0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.3
Removal Costs - \$M		(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
On-going OM&A Costs - \$M		(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
Municipal Tax - \$M		0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Net Revenue/(Costs) before taxes - \$M		0.0	0.0	0.0	0.0	0.0	0.0	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Income Taxes		0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Operating Cash Flow (after taxes) - \$M		0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0
PV Operating Cash Flow (after taxes) - \$M (A)		0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0
Capital Expenditures - \$M														
Upfront - capital cost before overheads & AFUDC														
- Overheads														
- AFUDC														
Total upfront capital expenditures														
On-going capital expenditures		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
PV On-going capital expenditures														
Total capital expenditures - \$M														
Capital Expenditures - \$M														
PV CCA Residual Tax Shield - \$M														
PV Working Capital - \$M														
PV Capital (after taxes) - \$M (B)														
Cumulative PV Cash Flow (after taxes) - \$M (A) + (B)		(12.3)	(12.2)	(12.2)	(12.1)	(12.0)	(11.9)	(11.9)	(11.8)	(11.8)	(11.7)	(11.7)	(11.6)	(11.6)

Table 12: Line Pool Economic Contribution from Hydro One Distribution Ratepayers Page 3

Capital Contributions		PV of Cont \$M	Previous Cont Payments \$M	Current Cont / (Credit) \$M
	Date			
Initial economic evaluation	2018	13.8	13.8	
1st true-up	2023	0.0	0.0	
2nd true-up	2028	(0.9)		(1.6)
Total		12.9	13.8	(1.6)

Table 13: Line Pool Economic Contribution from Year 10 ST Page 1

Date: 9-Jun-15		SUMMARY OF CONTRIBUTION CALCULATIONS												
Project # 17503		Line Pool - 2nd true-up												
Facility Name: Supply to Essex County Transmission Reinforcement														
Description: Capital Contribution Allocation														
Customer: Year 10 ST														

Table 13: Line Pool Economic Contribution from Year 10 ST Page 2

Date: 9-Jun-15		SUMMARY OF CONTRIBUTION CALCULATIONS												
Project # 17503		Line Pool - 2nd true-up												
Facility Name:		Supply to Essex County Transmission Reinforcement												
Description:		Capital Contribution Allocation												
Customer:		Year 10 ST												
		Project year ended - annualized from In-Service Date												
Month		Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31
Year		2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
		13	14	15	16	17	18	19	20	21	22	23	24	25
Revenue & Expense Forecast														
Load Forecast (MW)		5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Load adjustments (MW)		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Tariff Applied (\$/kW/Month)		5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Incremental Revenue - \$M		0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86
Removal Costs - \$M		0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
On-going OM&A Costs - \$M		(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Municipal Tax - \$M		(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Net Revenue/(Costs) before taxes - \$M		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income Taxes		(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Operating Cash Flow (after taxes) - \$M		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
PV Operating Cash Flow (after taxes) - \$M (A)		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital Expenditures - \$M														
Upfront - capital cost before overheads & AFUDC														
- Overheads														
- AFUDC														
Total upfront capital expenditures														
On-going capital expenditures		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
PV On-going capital expenditures														
Total capital expenditures - \$M														
Capital Expenditures - \$M														
PV CCA Residual Tax Shield - \$M														
PV Working Capital - \$M														
PV Capital (after taxes) - \$M (B)														
Cumulative PV Cash Flow (after taxes) - \$M (A) + (B)		(1.8)	(1.7)	(1.7)	(1.7)	(1.7)	(1.7)	(1.7)	(1.6)	(1.6)	(1.6)	(1.6)	(1.6)	(1.6)

Table 13: Line Pool Economic Contribution from Year 10 ST Page 3

Capital Contributions				
	Date	PV of Cont \$M	Previous Cont Payments \$M	Current Cont / (Credit) \$M
Initial economic evaluation	2018	0.0	0.0	
1st true-up	2023	0.0	0.0	
2nd true-up	2028	1.8		3.2
Total		1.8	0.0	3.2

Table 14: Allocation of Line Contribution to New ST Customers (\$M)

Hydro One Distribution Lines Capital Contribution Allocation			\$	27.1
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Customer	Capital Contribution Allocation	Allocation Percentage
Hydro One Distribution Ratepayers	\$ 12.9 ¹	47.7%
New ST Customers	\$ 11.3 ²	41.6%
Year 10 ST	\$ 1.8 ³	6.6%
Total	\$ 26.0	96.0%

^{1.} JT 1.11 Table 12

^{2.} JT 1.11 Table 11

^{3.} JT 1.11 Table 13

Table 15: Transformation Pool Capital Contribution Contribution from Hydro One Distribution to Transmission Page 1

			SUMMARY OF CONTRIBUTION CALCULATIONS												
Date:	9-Jun-15		Transformation Pool - 2nd true-up												
Project #	17503														
Facility Name:			Supply to Essex County Transmission Reinforcement												
Description:			Transformation Pool Capital Contribution w/ 10 Year ST												
Customer:			Hydro One Distribution												

Table 15: Transformation Pool Capital Contribution Contribution from Hydro One Distribution to Transmission Page 2

Date:		9-Jun-15		SUMMARY OF CONTRIBUTION CALCULATIONS Transformation Pool - 2nd true-up											
Project #		17503													
Facility Name:		Supply to Essex County Transmission Reinforcement													
Description:		Transformation Pool Capital Contribution w/ 10 Year ST													
Customer:		Hydro One Distribution													
		Project year ended - annualized from In-Service Date													
Month		Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31
Year		2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	
		13	14	15	16	17	18	19	20	21	22	23	24	25	
Revenue & Expense Forecast															
Load Forecast (MW)		49.7	50.6	51.6	52.6	53.7	54.6	55.5	56.5	57.6	58.6	59.6	60.7	61.8	
Load adjustments (MW)		5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	
Tariff Applied (\$/kW/Month)		54.7	55.6	56.6	57.6	58.7	59.6	60.5	61.5	62.6	63.6	64.6	65.7	66.8	
		2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	
Incremental Revenue - \$M		1.3	1.3	1.4	1.4	1.4	1.4	1.5	1.5	1.5	1.5	1.6	1.6	1.6	
Removal Costs - \$M															
On-going OM&A Costs - \$M		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Municipal Tax - \$M		(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	
Net Revenue/(Costs) before taxes - \$M		1.2	1.2	1.3	1.3	1.3	1.3	1.4	1.4	1.4	1.4	1.5	1.5	1.5	
Income Taxes		(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	
Operating Cash Flow (after taxes) - \$M		1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.2	1.2	
PV Operating Cash Flow (after taxes) - \$M (A)		0.5	0.5	0.5	0.4	0.4	0.4	0.4	0.4	0.4	0.3	0.3	0.3	0.3	
Capital Expenditures - \$M															
Upfront - capital cost before overheads & AFUDC															
- Overheads															
- AFUDC															
Total upfront capital expenditures															
On-going capital expenditures		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
PV On-going capital expenditures															
Total capital expenditures - \$M															
Capital Expenditures - \$M															
PV CCA Residual Tax Shield - \$M															
PV Working Capital - \$M															
PV Capital (after taxes) - \$M (B)															
Cumulative PV Cash Flow (after taxes) - \$M (A) + (B)		(11.0)	(10.5)	(10.0)	(9.6)	(9.2)	(8.8)	(8.4)	(8.0)	(7.7)	(7.3)	(7.0)	(6.7)	(6.4)	

Table 15: Transformation Pool Capital Contribution Contribution from Hydro One Distribution to Transmission Page 3

Capital Contributions		PV of Cont \$M	Previous Cont Payments \$M	Current Cont / (Credit) \$M
	Date			
Initial economic evaluation	2018	8.2	8.2	
1st true-up	2023	0.0	0.0	
2nd true-up	2028	(0.7)		(1.2)
Total		7.5	8.2	(1.2)

Table 16: Allocation of Transformation Project Costs to Distributors

Distributor Capacity	Contracted Capacity (MW)	% of Contracted Capacity
Hydro One Distribution	76.8	86.4%
Essex Power	5.9	6.7%
E.L.K.	5.3	5.9%
Entegrus	0.9	1.0%
TOTAL	88.9	100.0%

Project Costs	
Capital Expenditures	\$ 20.2
Removal Costs	\$ -
Total Costs	\$ 20.2

Allocation of Project Costs by Distributor Capacity	Hydro One Distribution	Essex Powerlines	E.L.K.	Entegrus	Total Costs
% of Contracted Capacity	86.4%	6.7%	5.9%	1.0%	100.0%
Capital Expenditures	\$ 17.5	\$ 1.3	\$ 1.2	\$ 0.2	\$ 20.2
Removal Costs	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 17.5	\$ 1.3	\$ 1.2	\$ 0.2	\$ 20.2

Table 17: Transformation Pool Economic Contribution from Hydro One Distribution Page 1

Date: 9-Jun-15		SUMMARY OF CONTRIBUTION CALCULATIONS													
Project # 17503		Transformation Pool - 2nd true-up													
Facility Name: Supply to Essex County Transmission Reinforcement															
Description: Capital Contribution Allocation with Year 10 10MW ST Customer															
Customer: Hydro One Distribution															

Table 17: Transformation Pool Economic Contribution from Hydro One Distribution Page 2

Date: 9-Jun-15		SUMMARY OF CONTRIBUTION CALCULATIONS												
Project # 17503		Transformation Pool - 2nd true-up												
Facility Name:		Supply to Essex County Transmission Reinforcement												
Description:		Capital Contribution Allocation with Year 10 10MW ST Customer												
Customer:		Hydro One Distribution												
		Project year ended - annualized from In-Service Date												
Month		Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31
Year		2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
		13	14	15	16	17	18	19	20	21	22	23	24	25
Revenue & Expense Forecast														
Load Forecast (MW)		52.0	53.1	54.2	55.4	56.5	57.6	58.6	59.8	61.0	62.2	63.3	64.5	65.8
Load adjustments (MW)		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Tariff Applied (\$/kW/Month)		52.0	53.1	54.2	55.4	56.5	57.6	58.6	59.8	61.0	62.2	63.3	64.5	65.8
		2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Incremental Revenue - \$M		1.2	1.3	1.3	1.3	1.4	1.4	1.4	1.4	1.5	1.5	1.5	1.5	1.6
Removal Costs - \$M														
On-going OM&A Costs - \$M		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Municipal Tax - \$M		(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
Net Revenue/(Costs) before taxes - \$M		1.2	1.2	1.2	1.3	1.3	1.3	1.3	1.4	1.4	1.4	1.4	1.5	1.5
Income Taxes		(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)
Operating Cash Flow (after taxes) - \$M		1.0	1.0	1.0	1.0	1.0	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.2
PV Operating Cash Flow (after taxes) - \$M (A)		0.5	0.5	0.4	0.4	0.4	0.4	0.4	0.4	0.3	0.3	0.3	0.3	0.3
Capital Expenditures - \$M														
Upfront - capital cost before overheads & AFUDC														
- Overheads														
- AFUDC														
Total upfront capital expenditures														
On-going capital expenditures		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
PV On-going capital expenditures														
Total capital expenditures - \$M														
Capital Expenditures - \$M														
PV CCA Residual Tax Shield - \$M														
PV Working Capital - \$M														
PV Capital (after taxes) - \$M (B)														
Cumulative PV Cash Flow (after taxes) - \$M (A) + (B)		(9.1)	(8.7)	(8.2)	(7.8)	(7.4)	(7.0)	(6.6)	(6.3)	(5.9)	(5.6)	(5.3)	(5.0)	(4.7)

Table 17: Transformation Pool Economic Contribution from Hydro One Distribution Page 3

Capital Contributions		PV of Cont \$M	Previous Cont Payments \$M	Current Cont / (Credit) \$M
	Date			
Initial economic evaluation	2018	6.0	6.0	
1st true-up	2023	0.0	0.0	
2nd true-up	2028	(0.5)		(0.9)
Total		5.5	6.0	(0.9)

Table 18: Transformation Pool Economic Contribution from Essex Powerlines Page 1

Date: 9-Jun-15		SUMMARY OF CONTRIBUTION CALCULATIONS												
Project # 17503		Transformation Pool - 2nd true-up												
Facility Name:		Supply to Essex County Transmission Reinforcement												
Description:		Capital Contribution Allocation with new Year 10 ST												
Customer:		Essex Powelines												
		In-Service												
		Date												
		<----- Project year ended - annualized from In-Service Date ----->												
		Mar-31												
		2018												
		2019												
		2020												
		2021												
		2022												
		2023												
		2024												
		2025												
		2026												
		2027												
		2028												
		2029												
		2030												
		0 1 2 3 4 5 6 7 8 9 10 11 12												
Revenue & Expense Forecast														
Load Forecast (MW)		4.0 3.9 3.9 3.9 3.9 3.8 3.8 3.8 3.7 3.7												
Load adjustments (MW)		0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0												
Tariff Applied (\$/kW/Month)		4.0 3.9 3.9 3.9 3.9 3.8 3.8 3.8 3.7 3.7												
		2.00 2.00 2.00 2.00 2.00 2.00 2.00 2.00 2.00 2.00												
Incremental Revenue - \$M		0.1 0.1 0.1 0.1 0.1 0.1 0.1 0.1 0.1 0.1												
Removal Costs - \$M		0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0												
On-going OM&A Costs - \$M		0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0												
Municipal Tax - \$M		(0.0) (0.0) (0.0) (0.0) (0.0) (0.0) (0.0) (0.0) (0.0) (0.0)												
Net Revenue/(Costs) before taxes - \$M		0.0 0.1 0.1 0.1 0.1 0.1 0.1 0.1 0.1 0.1												
Income Taxes		0.0 (0.0) 0.0 0.0 (0.0) (0.0) (0.0) (0.0) (0.0) (0.0)												
Operating Cash Flow (after taxes) - \$M		0.0 0.1 0.1 0.1 0.1 0.1 0.1 0.1 0.1 0.1												
		Cumulative PV @ 5.83%												
PV Operating Cash Flow (after taxes) - \$M (A)		1.0 0.0 0.1 0.1 0.1 0.1 0.1 0.1 0.1 0.0 0.0 0.0 0.0												
Capital Expenditures - \$M														
Upfront - capital cost before overheads & AFUDC		(1.3)												
- Overheads		0.0												
- AFUDC		0.0												
Total upfront capital expenditures		(1.3)												
On-going capital expenditures		0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0												
PV On-going capital expenditures		0.0												
Total capital expenditures - \$M		(1.3)												
Capital Expenditures - \$M														
PV CCA Residual Tax Shield - \$M		0.0												
PV Working Capital - \$M		0.0												
PV Capital (after taxes) - \$M (B)		(1.3) (1.3)												
Cumulative PV Cash Flow (after taxes) - \$M (A) + (B)		(0.3) (1.3) (1.2) (1.1) (1.0) (1.0) (0.9) (0.8) (0.8) (0.7) (0.7) (0.7) (0.6)												
Discounted Cash Flow Summary														
Economic Study Horizon - Years: 25														
Discount Rate - % 5.83%														
Before Cont After Cont Impact														
\$M \$M \$M														
PV Incremental Revenue 1.2 1.2														
PV OM&A Costs 0.0 0.0														
PV Municipal Tax (0.1) (0.1)														
PV Income Taxes (0.3) (0.3)														
PV CCA Tax Shield 0.2 0.1 (0.1)														
PV Capital - Upfront (1.3) (1.3)														
Add: PV Capital Contribution Allocation 0.0 0.4 0.4														
PV Capital - On-going 0.0 0.0														
PV Working Capital 0.0 0.0														
PV Surplus / (Shortfall) (0.3) 0.0 0.3														
Profitability Index* 0.8 1.0														
Notes:														
*PV of total cash flow, excluding net capital expenditure & on-going capital & proceeds on disposal / PV of net capital expenditure & on-going capital & proceeds on disposal														

Table 18: Transformation Pool Economic Contribution from Essex Powerlines Page 2

Date: 9-Jun-15 Project #: 17503		SUMMARY OF CONTRIBUTION CALCULATIONS Transformation Pool - 2nd true-up												
Facility Name: Supply to Essex County Transmission Reinforcement Description: Capital Contribution Allocation with new Year 10 ST Customer: Essex Powerlines														
		Project year ended - annualized from In-Service Date												
Month Year		Mar-31 2031	Mar-31 2032	Mar-31 2033	Mar-31 2034	Mar-31 2035	Mar-31 2036	Mar-31 2037	Mar-31 2038	Mar-31 2039	Mar-31 2040	Mar-31 2041	Mar-31 2042	Mar-31 2043
		13	14	15	16	17	18	19	20	21	22	23	24	25
Revenue & Expense Forecast														
Load Forecast (MW)		3.7	3.7	3.7	3.6	3.6	3.6	3.6	3.6	3.6	3.5	3.5	3.5	3.5
Load adjustments (MW)		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Tariff Applied (\$/kW/Month)		3.7	3.7	3.7	3.6	3.6	3.6	3.6	3.6	3.6	3.5	3.5	3.5	3.5
		2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Incremental Revenue - \$M		0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Removal Costs - \$M														
On-going OM&A Costs - \$M		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Municipal Tax - \$M		(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Net Revenue/(Costs) before taxes - \$M		0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Income Taxes		(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Operating Cash Flow (after taxes) - \$M		0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
PV Operating Cash Flow (after taxes) - \$M (A)		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital Expenditures - \$M														
Upfront - capital cost before overheads & AFUDC														
- Overheads														
- AFUDC														
Total upfront capital expenditures														
On-going capital expenditures		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
PV On-going capital expenditures														
Total capital expenditures - \$M														
Capital Expenditures - \$M														
PV CCA Residual Tax Shield - \$M														
PV Working Capital - \$M														
PV Capital (after taxes) - \$M (B)														
Cumulative PV Cash Flow (after taxes) - \$M (A) + (B)		(0.6)	(0.6)	(0.5)	(0.5)	(0.5)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.3)	(0.3)	(0.3)

Table 18: Transformation Pool Economic Contribution from Essex Powerlines Page 3

Capital Contributions		PV of Cont \$M	Previous Cont Payments \$M	Current Cont / (Credit) \$M
	Date			
Initial economic evaluation	2018	0.5	0.5	
1st true-up	2023	0.0	0.0	
2nd true-up	2028	(0.1)		(0.1)
Total		0.4	0.5	(0.1)

Date: 9-Jun-15		SUMMARY OF CONTRIBUTION CALCULATIONS												
Project # 17503		Transformation Pool - 2nd true-up												
Facility Name: Supply to Essex County Transmission Reinforcement														
Description: Capital Contribution Allocation with Year 10 - 10MW ST														
Customer: E.L.K.														
In-Service														
Date <----- Project year ended - annualized from In-Service Date ----->														
Month Mar-31 Mar-31 Mar-31 Mar-31 Mar-31 Mar-31 Mar-31 Mar-31 Mar-31 Mar-31 Mar-31 Mar-31 Mar-31 Mar-31 Mar-31														
Year 2018 2019 2020 2021 2022 2023 2024 2025 2026 2027 2028 2029 2030														
0 1 2 3 4 5 6 7 8 9 10 11 12														
Revenue & Expense Forecast														
Load Forecast (MW) 4.0 4.0 4.0 4.0 4.0 4.0 4.0 4.0 4.0 4.0 4.0 4.0 4.0														
Load adjustments (MW) 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0														
Tariff Applied (\$/kW/Month) 4.0 4.0 4.0 4.0 4.0 4.0 4.0 4.0 4.0 4.0 4.0 4.0 4.0														
Incremental Revenue - \$M 2.00 2.00 2.00 2.00 2.00 2.00 2.00 2.00 2.00 2.00 2.00 2.00 2.00														
Removal Costs - \$M 0.0 0.1 0.1 0.1 0.1 0.1 0.1 0.1 0.1 0.1 0.1 0.1 0.1														
On-going OM&A Costs - \$M 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0														
Municipal Tax - \$M (0.0) (0.0) (0.0) (0.0) (0.0) (0.0) (0.0) (0.0) (0.0) (0.0) (0.0) (0.0) (0.0)														
Net Revenue/(Costs) before taxes - \$M 0.0 0.1 0.1 0.1 0.1 0.1 0.1 0.1 0.1 0.1 0.1 0.1 0.1														
Income Taxes 0.0 (0.0) (0.0) (0.0) (0.0) (0.0) (0.0) (0.0) (0.0) (0.0) (0.0) (0.0) (0.0)														
Operating Cash Flow (after taxes) - \$M 0.0 0.1 0.1 0.1 0.1 0.1 0.1 0.1 0.1 0.1 0.1 0.1 0.1														
Cumulative PV @ 5.83%														
PV Operating Cash Flow (after taxes) - \$M (A) 1.1 0.0 0.1 0.1 0.1 0.1 0.1 0.1 0.1 0.1 0.0 0.0 0.0														
Capital Expenditures - \$M														
Upfront - capital cost before overheads & AFUDC (1.2)														
- Overheads 0.0														
- AFUDC 0.0														
Total upfront capital expenditures (1.2)														
On-going capital expenditures 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0														
PV On-going capital expenditures 0.0														
Total capital expenditures - \$M (1.2)														
Capital Expenditures - \$M														
PV CCA Residual Tax Shield - \$M 0.0														
PV Working Capital - \$M 0.0														
PV Capital (after taxes) - \$M (B) (1.2) (1.2)														
Cumulative PV Cash Flow (after taxes) - \$M (A) + (B) (0.1) (1.2) (1.1) (1.0) (1.0) (0.9) (0.8) (0.8) (0.7) (0.7) (0.6) (0.6) (0.5) (0.5)														
Discounted Cash Flow Summary														
Economic Study Horizon - Years: 25														
Discount Rate - % 5.83%														
Before Cont After Cont Impact														
\$M \$M \$M														
PV Incremental Revenue 1.3 1.3														
PV OM&A Costs 0.0 0.0														
PV Municipal Tax (0.1) (0.1)														
PV Income Taxes (0.3) (0.3) 0.0														
PV CCA Tax Shield 0.2 0.2 (0.0)														
PV Capital - Upfront (1.2) (1.2)														
Add: PV Capital Contribution Allocation 0.0 0.2 0.2														
PV Capital - On-going 0.0 0.0														
PV Working Capital 0.0 0.0														
PV Surplus / (Shortfall) (0.1) 0.0 0.1														
Profitability Index* 0.9 1.0														
Notes:														
*PV of total cash flow, excluding net capital expenditure & on-going capital & proceeds on disposal / PV of net capital expenditure & on-going capital & proceeds on disposal														

Table 19: Transformation Pool Economic Contribution from E.L.K. Page 2

Date: 9-Jun-15		SUMMARY OF CONTRIBUTION CALCULATIONS													
Project # 17503		Transformation Pool - 2nd true-up													
Facility Name:		Supply to Essex County Transmission Reinforcement													
Description:		Capital Contribution Allocation with Year 10 - 10MW ST													
Customer:		E.L.K.													
Month		Project year ended - annualized from In-Service Date													
Year		Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31
		2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2043
		13	14	15	16	17	18	19	20	21	22	23	24	25	
Revenue & Expense Forecast															
Load Forecast (MW)		4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Load adjustments (MW)		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Tariff Applied (\$/kW/Month)		4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Incremental Revenue - \$M		2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Removal Costs - \$M		0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
On-going OM&A Costs - \$M		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Municipal Tax - \$M		(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Net Revenue/(Costs) before taxes - \$M		0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Income Taxes		(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Operating Cash Flow (after taxes) - \$M		0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
PV Operating Cash Flow (after taxes) - \$M (A)		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital Expenditures - \$M															
Upfront - capital cost before overheads & AFUDC															
- Overheads															
- AFUDC															
Total upfront capital expenditures															
On-going capital expenditures		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
PV On-going capital expenditures															
Total capital expenditures - \$M															
Capital Expenditures - \$M															
PV CCA Residual Tax Shield - \$M															
PV Working Capital - \$M															
PV Capital (after taxes) - \$M (B)															
Cumulative PV Cash Flow (after taxes) - \$M (A) + (B)		(0.4)	(0.4)	(0.4)	(0.3)	(0.3)	(0.3)	(0.3)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.1)

Table 19: Transformation Pool Economic Contribution from E.L.K. Page 3

Capital Contributions		PV of Cont \$M	Previous Cont Payments \$M	Current Cont / (Credit) \$M
	Date			
Initial economic evaluation	2018	0.2	0.2	
1st true-up	2023	0.0	0.0	
2nd true-up	2028	(0.1)		(0.1)
Total		0.2	0.2	(0.1)

Table 20: Transformation Pool Economic Contribution from Entegrus Page 1

Date: 9-Jun-15		SUMMARY OF CONTRIBUTION CALCULATIONS													
Project # 17503		Transformation Pool - 2nd true-up													
Facility Name: Supply to Essex County Transmission Reinforcement															
Description: Capital Contribution Allocation with new Year 10 new ST															
Customer: Entegrus															
		</													

Table 20: Transformation Pool Economic Contribution from Entegrus Page 2

Date: 9-Jun-15 Project #: 17503		SUMMARY OF CONTRIBUTION CALCULATIONS Transformation Pool - 2nd true-up												
Facility Name: Supply to Essex County Transmission Reinforcement Description: Capital Contribution Allocation with new Year 10 new ST Customer: Entegrus														
		<----- Project year ended - annualized from In-Service Date ----->												
Month Year		Mar-31 2031 13	Mar-31 2032 14	Mar-31 2033 15	Mar-31 2034 16	Mar-31 2035 17	Mar-31 2036 18	Mar-31 2037 19	Mar-31 2038 20	Mar-31 2039 21	Mar-31 2040 22	Mar-31 2041 23	Mar-31 2042 24	Mar-31 2043 25
Revenue & Expense Forecast														
Load Forecast (MW)		0.4	0.5	0.5	0.5	0.5	0.5	0.5	0.6	0.6	0.6	0.6	0.6	0.6
Load adjustments (MW)		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Tariff Applied (\$/kW/Month)		2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Incremental Revenue - \$M		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Removal Costs - \$M														
On-going OM&A Costs - \$M		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Municipal Tax - \$M		(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Net Revenue/(Costs) before taxes - \$M		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income Taxes		(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Operating Cash Flow (after taxes) - \$M		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
PV Operating Cash Flow (after taxes) - \$M (A)		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital Expenditures - \$M														
Upfront - capital cost before overheads & AFUDC														
- Overheads														
- AFUDC														
Total upfront capital expenditures														
On-going capital expenditures		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
PV On-going capital expenditures														
Total capital expenditures - \$M														
Capital Expenditures - \$M														
PV CCA Residual Tax Shield - \$M														
PV Working Capital - \$M														
PV Capital (after taxes) - \$M (B)														
Cumulative PV Cash Flow (after taxes) - \$M (A) + (B)		(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)

Table 20: Transformation Pool Economic Contribution from Entegrus Page 3

Capital Contributions		PV of Cont \$M	Previous Cont Payments \$M	Current Cont / (Credit) \$M
	Date			
Initial economic evaluation	2018	0.1	0.1	
1st true-up	2023	0.0	0.0	
2nd true-up	2028	(0.0)		(0.0)
Total		0.1	0.1	(0.0)

Table 21: Allocation of Transformation Contribution to Distributors (\$M)

Hydro One Distribution Capital Contribution to Hydro One Transmission	\$	7.5
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Distributor	Capital Contribution Allocation	Allocation Percentage
Hydro One Distribution	\$ 5.5 ¹	73.4%
Essex Powerlines	\$ 0.4 ²	4.9%
E.L.K.	\$ 0.2 ³	2.1%
Entegrus	\$ 0.1 ⁴	1.2%
Total	\$ 6.1	81.7%

^{1.} JT 1.11 Table 17

^{2.} JT 1.11 Table 18

^{3.} JT 1.11 Table 19

^{4.} JT 1.11 Table 20

Table 22: Transformation Pool Cost Allocation to New ST Customers (\$M)

Customer Capacity	Contracted Capacity (MW)	% of Contracted Capacity
Hydro One Distribution Ratepayers	36.1	47.0%
New ST Customers	35.8	46.5%
Year 10 ST	5.0	6.5%
TOTAL	76.8	100.0%

Allocation of Project Costs to Hydro One Distribution		
Capital Expenditures	\$	17.5
Removal Costs	\$	-
Total Costs	\$	17.5

Allocation of Hydro One Distribution Project Costs by Customer Capacity	Hydro One Distribution Ratepayers	New ST Customers	Year 10 ST	Total
% of Contracted Capacity	47.0%	46.5%	6.5%	100.0%
Capital Expenditures	\$ 8.2	\$ 8.1	\$ 1.1	\$ 17.5
Removal Costs	\$ -	\$ -	\$ -	\$ -
Total	\$ 8.2	\$ 8.1	\$ 1.1	\$ 17.5

Table 23: Transformation Pool Economic Contribution from New ST Customers Page 1

Date: 9-Jun-15		SUMMARY OF CONTRIBUTION CALCULATIONS											
Project # 17503		Transformation Pool - 2nd true-up											
Facility Name: Supply to Essex County Transmission Reinforcement													
Description: Capital Contribution Allocation with Year 10 ST													
Customer: New ST Customers													
In-Service Date													
Project year ended - annualized from In-Service Date													
Month Year													
Mar-31 2018 Mar-31 2019 Mar-31 2020 Mar-31 2021 Mar-31 2022 Mar-31 2023 Mar-31 2024 Mar-31 2025 Mar-31 2026 Mar-31 2027 Mar-31 2028 Mar-31 2029 Mar-31 2030													
Revenue & Expense Forecast													
Load Forecast (MW) 27.1 27.4 27.8 28.1 28.5 28.8 29.2 29.5 29.9 30.2 30.6 30.9													
Load adjustments (MW) 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0													
Tariff Applied (\$/kW/Month) 27.1 27.4 27.8 28.1 28.5 28.8 29.2 29.5 29.9 30.2 30.6 30.9													
Incremental Revenue - \$M 2.00 2.00 2.00 2.00 2.00 2.00 2.00 2.00 2.00 2.00 2.00 2.00													
Removal Costs - \$M 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0													
On-going OM&A Costs - \$M 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0													
Municipal Tax - \$M (0.0) (0.0) (0.0) (0.0) (0.0) (0.0) (0.0) (0.0) (0.0) (0.0) (0.0) (0.0)													
Net Revenue/(Costs) before taxes - \$M 0.0 0.6 0.6 0.6 0.6 0.6 0.7 0.7 0.7 0.7 0.7 0.7													
Income Taxes 0.0 (0.1) (0.0) (0.0) (0.0) (0.0) (0.1) (0.1) (0.1) (0.1) (0.1) (0.1)													
Operating Cash Flow (after taxes) - \$M 0.0 0.5 0.6 0.6 0.6 0.6 0.6 0.6 0.6 0.6 0.6 0.6													
Cumulative PV @ 5.83%													
PV Operating Cash Flow (after taxes) - \$M (A) 8.0 0.0 0.5 0.6 0.5 0.5 0.5 0.4 0.4 0.4 0.4 0.3 0.3 0.3													
Capital Expenditures - \$M													
Upfront - capital cost before overheads & AFUDC (8.1)													
Overheads 0.0													
AFUDC 0.0													
Total upfront capital expenditures (8.1)													
On-going capital expenditures 0.0													
PV On-going capital expenditures 0.0													
Total capital expenditures - \$M (8.1)													
Capital Expenditures - \$M													
PV CCA Residual Tax Shield - \$M 0.0													
PV Working Capital - \$M 0.0													
PV Capital (after taxes) - \$M (B) (8.1) (8.1)													
Cumulative PV Cash Flow (after taxes) - \$M (A) + (B) (0.1) (8.1) (7.6) (7.0) (6.5) (6.0) (5.5) (5.1) (4.7) (4.3) (3.9) (3.6) (3.2) (2.9)													
Discounted Cash Flow Summary													
Economic Study Horizon - Years: 25													
Discount Rate - % 5.83%													
Before Cont After Cont Impact													
\$M \$M \$M													
PV Incremental Revenue 9.7 9.7													
PV OM&A Costs 0.0 0.0													
PV Municipal Tax (0.5) (0.5)													
PV Income Taxes (2.5) (2.5) (0.0)													
PV CCA Tax Shield 1.2 1.2 (0.0)													
PV Capital - Upfront (8.1) (8.1)													
Add: PV Capital Contribution Allocation 0.0 (8.1) (8.0) 0.1													
PV Capital - On-going 0.0 0.0													
PV Working Capital 0.0 0.0													
PV Surplus / (Shortfall) (0.1) 0.0 0.1													
Profitability Index* 1.0 1.0													
Notes:													
*PV of total cash flow, excluding net capital expenditure & on-going capital & proceeds on disposal / PV of net capital expenditure & on-going capital & proceeds on disposal													

Table 23: Transformation Pool Economic Contribution from New ST Customers Page 3

Capital Contributions		PV of Cont \$M	Previous Cont Payments \$M	Current Cont / (Credit) \$M
	Date			
Initial economic evaluation	2018	0.6	0.6	
1st true-up	2023	0.0	0.0	
2nd true-up	2028	(0.5)		(0.9)
Total		0.1	0.6	(0.9)

Table 24: Transformation Pool Economic Contribution from Hydro One Distribution Ratepayers Page 1

Date: 9-Jun-15		SUMMARY OF CONTRIBUTION CALCULATIONS													
Project # 17503		Transformation Pool - 2nd true-up													
Facility Name:		Supply to Essex County Transmission Reinforcement													
Description:		Capital Contribution Allocation with New Year 10 ST													
Customer:		Hydro One Distribution Ratepayer													
		In-Service Date													
		Project year ended - annualized from In-Service Date													
		Month	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31
		Year	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
			0	1	2	3	4	5	6	7	8	9	10	11	12
Revenue & Expense Forecast															
Load Forecast (MW)				9.8	10.5	11.3	12.0	12.8	13.5	14.3	15.0	15.8	16.6	17.3	18.1
Load adjustments (MW)				0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Tariff Applied (\$/kW/Month)				9.8	10.5	11.3	12.0	12.8	13.5	14.3	15.0	15.8	16.6	17.3	18.1
				2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Incremental Revenue - \$M				0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.4	0.4	0.4	0.4	0.4
Removal Costs - \$M			0.0												
On-going OM&A Costs - \$M			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Municipal Tax - \$M				(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Net Revenue/(Costs) before taxes - \$M			0.0	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.4	0.4	0.4
Income Taxes			0.0	0.0	0.1	0.1	0.1	0.1	0.0	0.0	0.0	(0.0)	(0.0)	(0.0)	(0.0)
Operating Cash Flow (after taxes) - \$M			0.0	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.4	0.4	0.4
		Cumulative PV @													
		5.83%													
PV Operating Cash Flow (after taxes) - \$M (A)		4.8	0.0	0.2	0.3	0.3	0.3	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Capital Expenditures - \$M															
Upfront - capital cost before overheads & AFUDC			(8.2)												
- Overheads			0.0												
- AFUDC			0.0												
Total upfront capital expenditures			(8.2)												
On-going capital expenditures				0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
PV On-going capital expenditures			0.0												
Total capital expenditures - \$M			(8.2)												
Capital Expenditures - \$M															
PV CCA Residual Tax Shield - \$M			0.0												
PV Working Capital - \$M			0.0												
PV Capital (after taxes) - \$M (B)		(8.2)	(8.2)												
Cumulative PV Cash Flow (after taxes) - \$M (A) + (B)		(3.4)	(8.2)	(7.9)	(7.6)	(7.4)	(7.1)	(6.8)	(6.6)	(6.4)	(6.2)	(5.9)	(5.7)	(5.5)	(5.3)
Discounted Cash Flow Summary															
Economic Study Horizon - Years:		25													
Discount Rate - %		5.83%													
		Before Cont	After Cont												
		\$M	\$M												
PV Incremental Revenue		5.4	5.4												
PV OM&A Costs		0.0	0.0												
PV Municipal Tax		(0.5)	(0.5)												
PV Income Taxes		(1.3)	(1.3)												
PV CCA Tax Shield		1.2	0.6												
PV Capital - Upfront		(8.2)	(8.2)												
Add: PV Capital Contribution Allocation		0.0	4.0												
PV Capital - On-going		0.0	0.0												
PV Working Capital		0.0	0.0												
PV Surplus / (Shortfall)		(3.4)	0.0												
Profitability Index*		0.6	1.0												
Notes:															
*PV of total cash flow, excluding net capital expenditure & on-going capital & proceeds on disposal / PV of net capital expenditure & on-going capital & proceeds on disposal															

Table 24: Transformation Pool Economic Contribution from Hydro One Distribution Ratepayers Page 2

Date: 9-Jun-15		SUMMARY OF CONTRIBUTION CALCULATIONS												
Project # 17503		Transformation Pool - 2nd true-up												
Facility Name:		Supply to Essex County Transmission Reinforcement												
Description:		Capital Contribution Allocation with New Year 10 ST												
Customer:		Hydro One Distribution Ratepayer												

Table 24: Transformation Pool Economic Contribution from Hydro One Distribution Ratepayers Page 3

Capital Contributions		PV of Cont \$M	Previous Cont Payments \$M	Current Cont / (Credit) \$M
	Date			
Initial economic evaluation	2018	4.5	4.5	
1st true-up	2023	0.0	0.0	
2nd true-up	2028	(0.5)		(0.9)
Total		4.0	4.5	(0.9)

Date:	9-Jun-15
Project #	17503

SUMMARY OF CONTRIBUTION CALCULATIONS Transformation Pool - 2nd true-up															
Facility Name:	<u>Supply to Essex County Transmission Reinforcement</u>														
Description:	<u>Capital Contribution Allocation with Year 10 ST</u>														
Customer:	<u>Year 10 1MW ST Customer</u>														

In-Service Date	<-----	Project year ended - annualized from In-Service Date												----->	
Month	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31
Year	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030		
	0	1	2	3	4	5	6	7	8	9	10	11	12		
Revenue & Expense Forecast															
Load Forecast (MW)		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	5.0	5.0	5.0		
Load adjustments (MW)		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Tariff Applied (\$/kW/Month)		2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00		
Incremental Revenue - \$M		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1		
Removal Costs - \$M	0.0														
On-going OM&A Costs - \$M	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Municipal Tax - \$M	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)		
Net Revenue/(Costs) before taxes - \$M	0.0	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	0.1	0.1	0.1		
Income Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(0.0)	(0.0)		
Operating Cash Flow (after taxes) - \$M	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1		
Cumulative PV @ 5.83%															
PV Operating Cash Flow (after taxes) - \$M (A)	0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.0	
Capital Expenditures - \$M															
Upfront - capital cost before overheads & AFUDC	(1.1)														
- Overheads	0.0														
- AFUDC	0.0														
Total upfront capital expenditures	(1.1)														
On-going capital expenditures		0.0	0.0	0.0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
PV On-going capital expenditures	0.0														
Total capital expenditures - \$M	(1.1)														
Capital Expenditures - \$M															
PV CCA Residual Tax Shield - \$M	0.0														
PV Working Capital - \$M	0.0														
PV Capital (after taxes) - \$M (B)	(1.1)	(1.1)													
Cumulative PV Cash Flow (after taxes) - \$M (A) + (B)	(0.5)	(1.1)	(1.1)	(1.1)	(1.1)	(1.1)	(1.1)	(1.1)	(1.1)	(1.0)	(1.0)	(1.0)	(0.9)	(0.9)	

Discounted Cash Flow Summary			
Economic Study Horizon - Years:	25		
Discount Rate - %	5.83%		
	Before Cont	After Cont	Impact
	\$M	\$M	\$M
PV Incremental Revenue	0.8	0.8	
PV OM&A Costs	0.0	0.0	
PV Municipal Tax	(0.1)	(0.1)	
PV Income Taxes	(0.2)	(0.2)	(0.0)
PV CCA Tax Shield	0.2	0.1	(0.1)
PV Capital - Upfront	(1.1)	(1.1)	
Add: PV Capital Contribution Allocation	0.0	0.5	0.5
PV Capital - On-going	0.0	0.0	
PV Working Capital	0.0	0.0	
PV Surplus / (Shortfall)	(0.5)	0.0	0.5
Profitability Index*	0.6	1.0	

Notes:
*PV of total cash flow, excluding net capital expenditure & on-going capital & proceeds on disposal / PV of net capital expenditure & on-going capital & proceeds on disposal

Table 25: Transformation Pool Economic Contribution from Year 10 ST Page 2

Date: 9-Jun-15		SUMMARY OF CONTRIBUTION CALCULATIONS												
Project # 17503		Transformation Pool - 2nd true-up												
Facility Name:		Supply to Essex County Transmission Reinforcement												
Description:		Capital Contribution Allocation with Year 10 ST												
Customer:		Year 10 1MW ST Customer												
		Project year ended - annualized from In-Service Date												
Month	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31	Mar-31
Year	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2043
	13	14	15	16	17	18	19	20	21	22	23	24	25	
Revenue & Expense Forecast														
Load Forecast (MW)	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Load adjustments (MW)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Tariff Applied (\$/kW/Month)	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Incremental Revenue - \$M	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Removal Costs - \$M														
On-going OM&A Costs - \$M	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Municipal Tax - \$M	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Net Revenue/(Costs) before taxes - \$M	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Income Taxes	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Operating Cash Flow (after taxes) - \$M	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
PV Operating Cash Flow (after taxes) - \$M (A)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital Expenditures - \$M														
Upfront - capital cost before overheads & AFUDC														
- Overheads														
- AFUDC														
Total upfront capital expenditures														
On-going capital expenditures	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
PV On-going capital expenditures														
Total capital expenditures - \$M														
Capital Expenditures - \$M														
PV CCA Residual Tax Shield - \$M														
PV Working Capital - \$M														
PV Capital (after taxes) - \$M (B)														
Cumulative PV Cash Flow (after taxes) - \$M (A) + (B)	(0.8)	(0.8)	(0.8)	(0.7)	(0.7)	(0.6)	(0.6)	(0.6)	(0.6)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)

Table 25: Transformation Pool Economic Contribution from Year 10 ST Page 3

Capital Contributions		PV of Cont \$M	Previous Cont Payments \$M	Current Cont / (Credit) \$M
	Date			
Initial economic evaluation	2018	0.0	0.0	
1st true-up	2023	0.0	0.0	
2nd true-up	2028	0.5		1.0
Total		0.5	0.0	1.0

Table 26: Allocation of Transformation Contribution to New ST Customers (\$M)

Hydro One Distribution Transformation Capital Contribution Allocation	\$	5.5
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Customer	Capital Contribution Allocation	Allocation Percentage
Hydro One Distribution Ratepayers	\$ 4.0 ¹	71.7%
New ST Customers	\$ 0.1 ²	2.3%
Year 10 ST	\$ 0.5 ³	
Total	\$ 4.6	74.1%

¹ JT 1.11 Table 24

² JT 1.11 Table 23

³ JT 1.11 Table 25

:

UNDERTAKING JT1.12

Undertaking

“To provide information regarding what the new connection folks have in the way of application.”

Response

Hydro One understands this as a request for a status update on the customers seeking connection to Hydro One’s distribution system, who were listed in Exhibit I-P2, Tab 1, Schedule 4.

This exhibit identified 34 customers with a total summer peak capacity of 20.5 MW having requested connection between March, 2011 and October, 2014. At this time, one of the original 34 customers with a summer peak demand of 400 kW has confirmed that it will not be proceeding with a connection, but one additional customer with a requested summer peak demand of 1.55 MW, applied for connection in May, 2015.

These changes maintain the number of active applications at 34, with a new total summer peak demand of 21.65 MW.



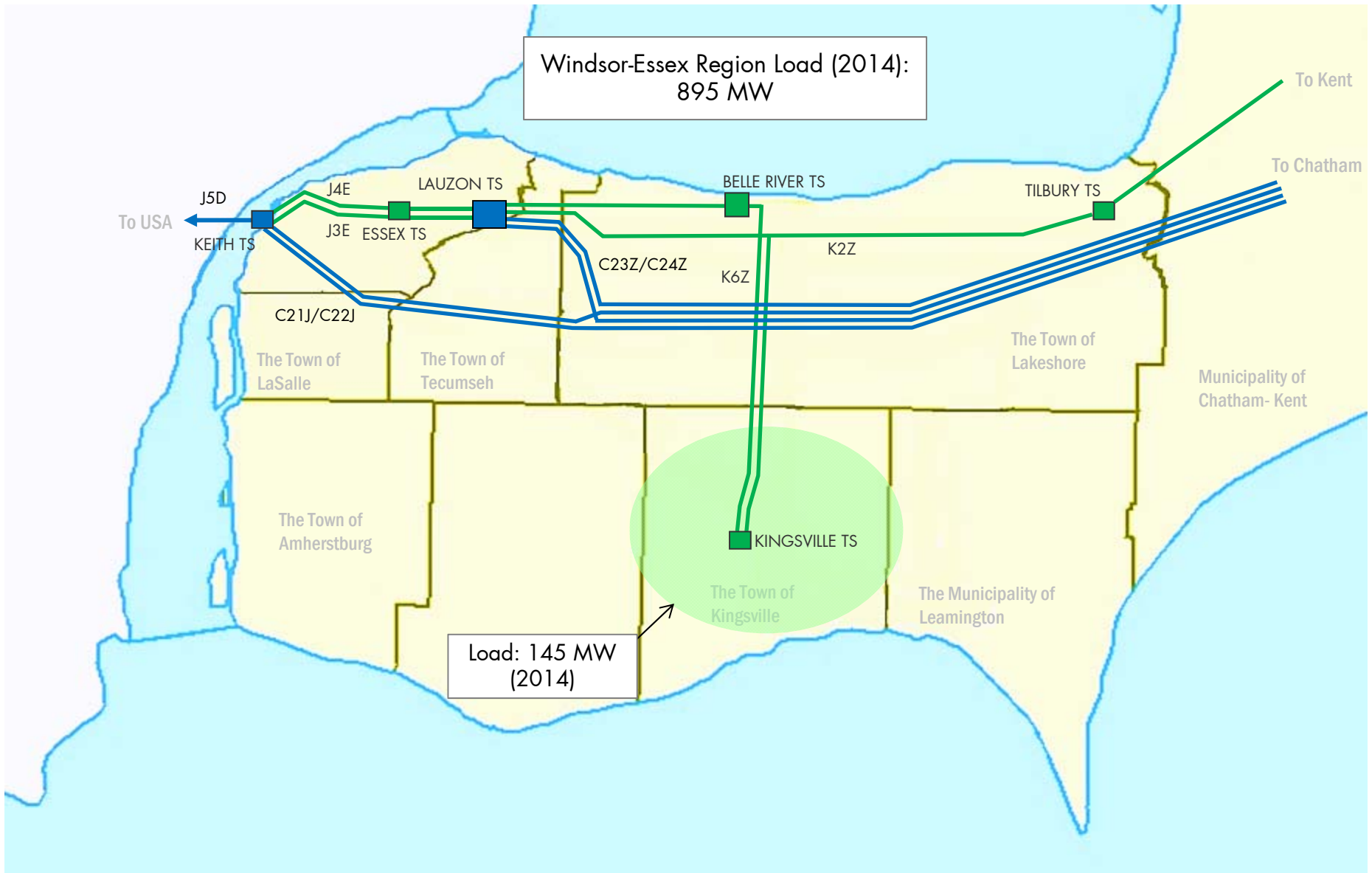
Supply to Essex County Transmission Reinforcement (SECTR) Project – Technical Conference

June 5, 2015

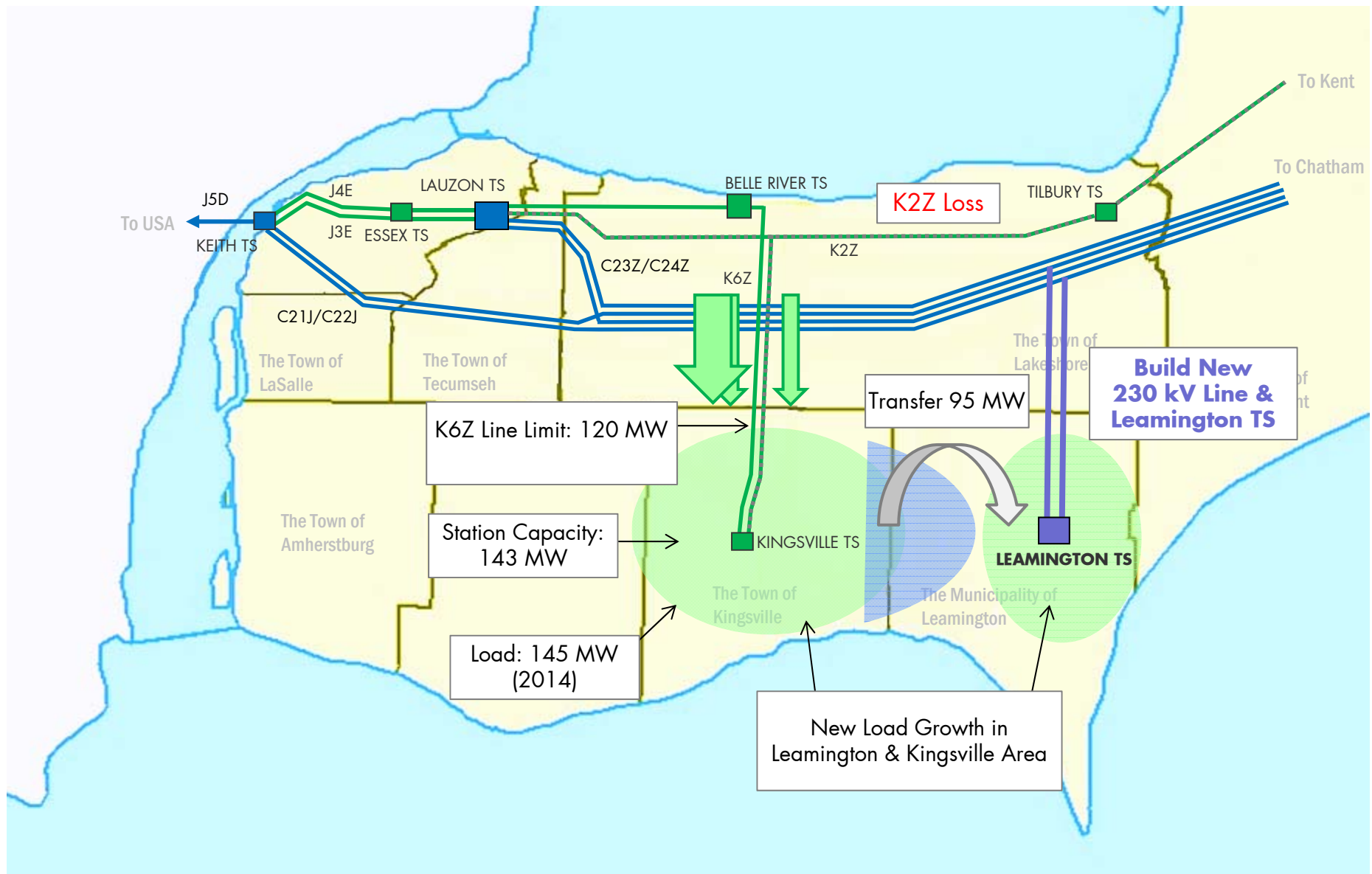
Bing Young

Director, System Planning

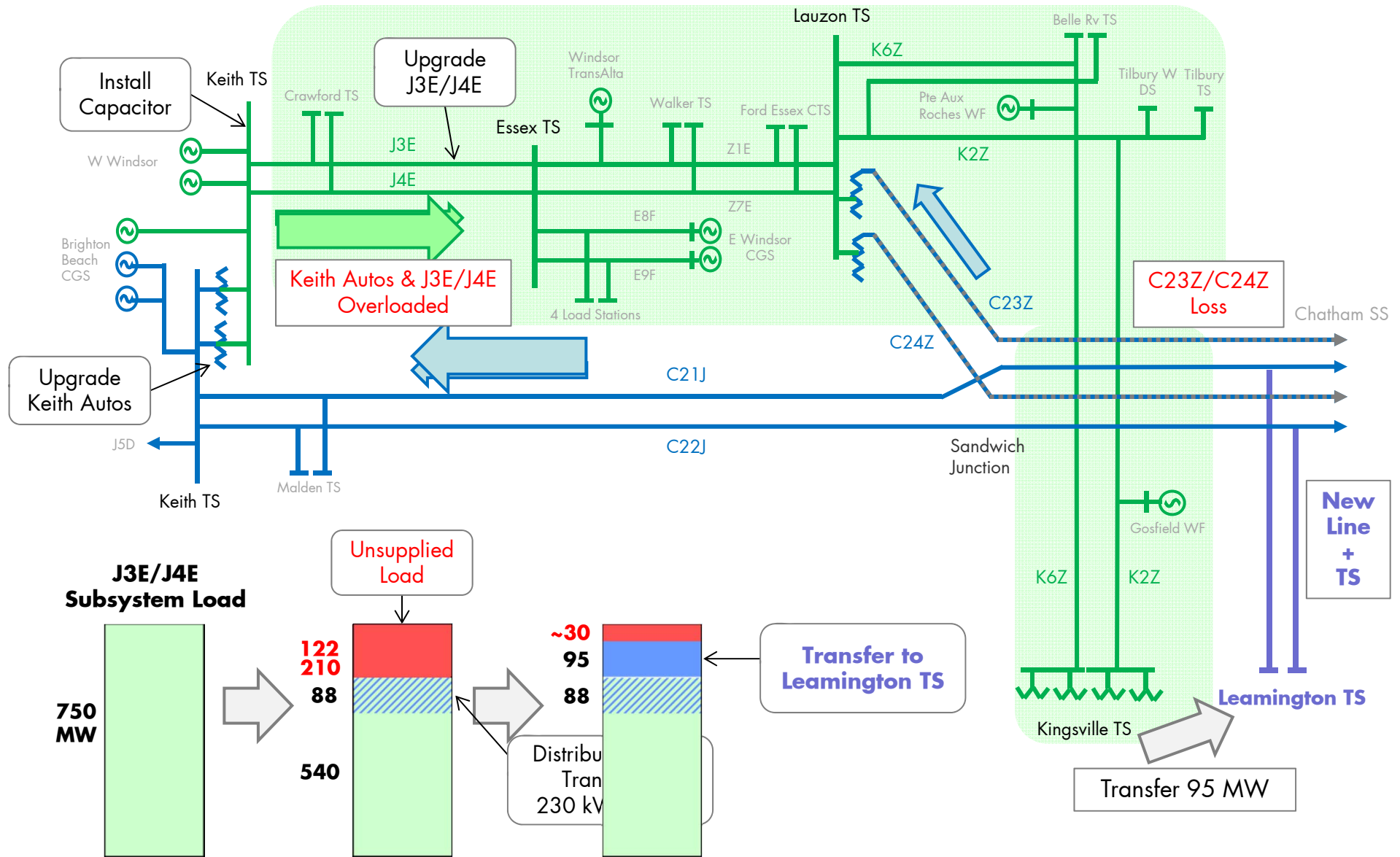
Overview of Windsor-Essex Region



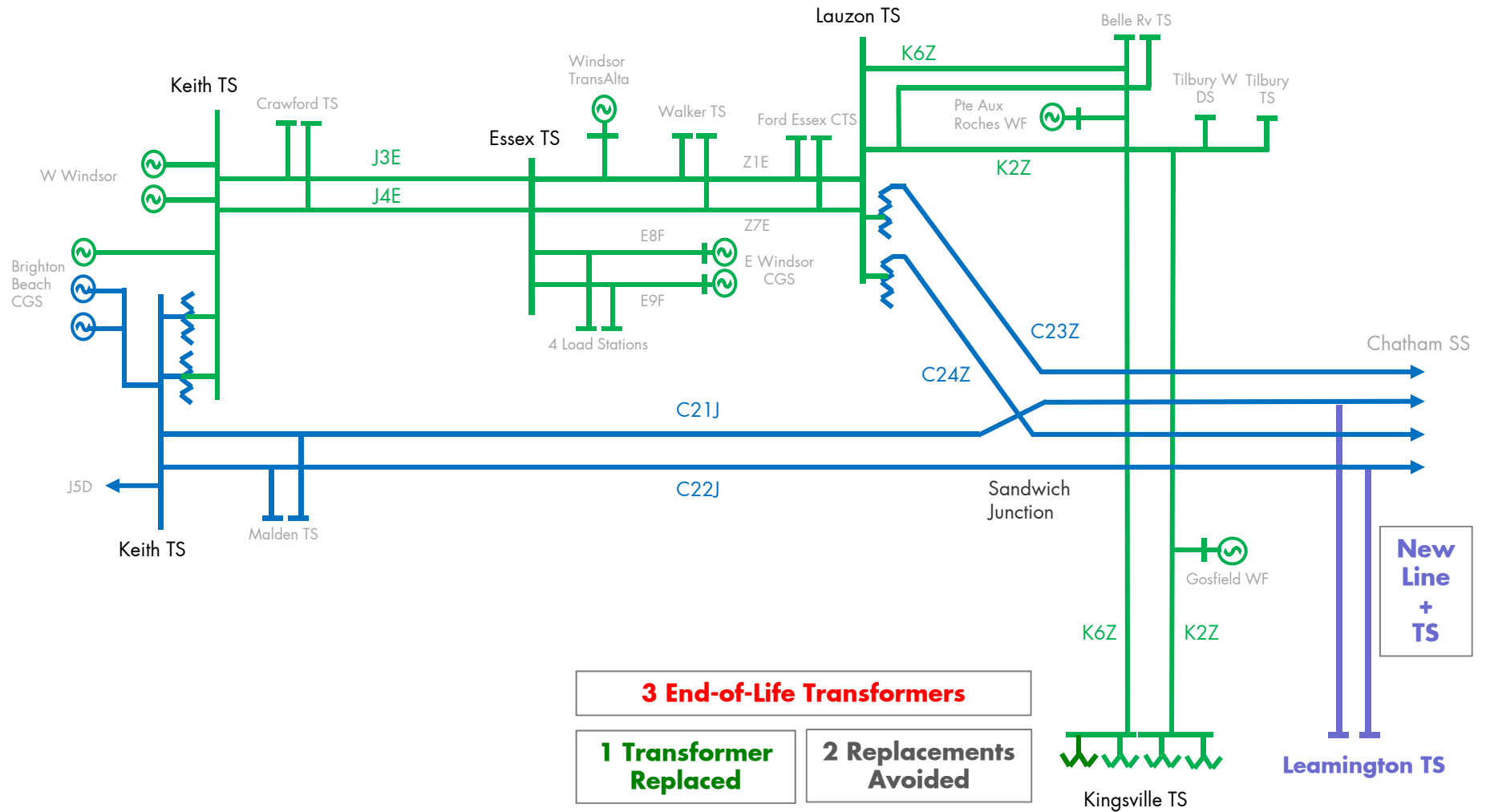
Kingsville-Leamington Area Capacity Needs



J3E/J4E Subsystem Load Restoration Needs



New and Replacement Facilities



Thank you

EB-2013-0421 – Hydro One Networks' Section 92 – Supply to Essex County Transmission Reinforcement Project

Independent Electricity System Operator (IESO)
Technical Conference Presentation

Presentation Outline

- IESO's Role in this Proceeding
- Two Regional Planning Needs in the Windsor-Essex Area
- Addressing the Two Needs Individually and Together
- IESO's Proposed Cost Allocation

IESO's Role in this Proceeding

- Board proposed TSC amendments (S. 6.3.8) in 2013 suggested the IESO undertake an assessment of the appropriate allocation between customers and the pool
- IESO and OPA agreed the OPA was the appropriate party to undertake the assessment, with input from the IESO
 - The two organizations merged on January 1, 2015

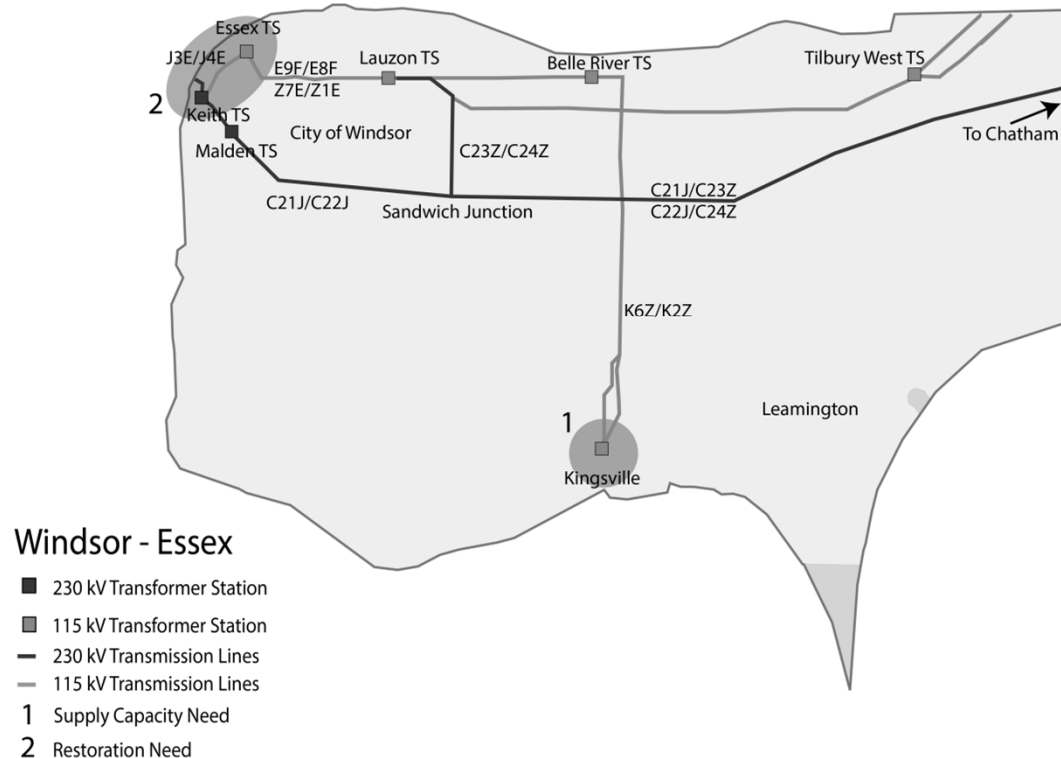
Two Regional Planning Needs in Windsor-Essex

1) Supply Capacity Need

Need for additional supply capacity in the Kingsville-Leamington area to supply forecast growth in electricity demand

2) Restoration Need

Need for additional restoration capability on the 115 kV system (the J3E-J4E subsystem) to comply with the ORTAC



Addressing the Two Needs Individually

- SECTR is the lowest cost alternative to address the supply capacity need
 - Leamington TS plus 13 km connection line
 - Cost to customers would be \$77.4 million
- A package of three investments to increase the restoration capability of the J3E/J4E transmission path is the lowest cost solution to address the restoration need in isolation
 - Package consists of upgraded transformers, reconductoring and reactive power compensation
 - Cost to the pool would be \$22.5 million
 - Situation would arise if the restoration need were addressed in advance of the supply capacity need

SECTR Addresses Both Needs

- SECTR project addresses the supply capacity need as well as the restoration need
 - A '2 for 1' solution
- Avoids \$22.5 million network facility investment for the J3E/J4E transmission upgrade
 - The restoration need will be addressed by SECTR



IESO's Proposed Cost Allocation

- SECTR is not a “*transmitter-owned connection facility that exceeds the capacity needs of the triggering load customer(s)*” as envisioned in the proposed 6.3.8A
- IESO's proposed transmission cost allocation is consistent with the Board's shift in emphasis to the beneficiary pays principle
 - Proposed 6.3.8A reflects the shift to a beneficiary pays approach

IESO's Proposed Cost Allocation cont.

- Proposes that savings from the avoided pool investment should be shared between the pool and the customer
- Proposes to apportion the benefit between customers and the pool
 - Total cost of individually addressing the two needs is approximately **\$99.9 million**
 - $\$22.5 \text{ M} + \$77.4 \text{ M} = \$99.9 \text{ M}$
 - Percentage allocated to local customers:
 $\$77.4 \text{ M} / \$99.9 \text{ M} = \mathbf{77.5\%}$
 - Percentage allocated to pool: $\$22.5 / \$99.9 \text{ M} = \mathbf{22.5\%}$

Summary of Transmission Level Cost Allocation

- Applying the 77.5% and 22.5% breakdown to the SECTR project cost of \$77.4 M:
 - Allocation to local customers = $77.5\% \times \$77.4 \text{ M} = \text{\$60 M}$
 - Allocation to pool = $22.5\% \times \$77.4 \text{ M} = \text{\$17.4 M}$



Both SECTR and the J3E/J4E Upgrade Provide Additional System Benefit

- Reduce constraints on generation connected at Keith TS (i.e. congestion relief)
 - Benefits all transmission ratepayers
- Not a driving need for the project, but would be addressed by the \$22.5M investment (J3E/J4E transmission upgrade)
- Cost vs. benefit: Cost is \$22.5 M although value may be much higher

TSC – Connection Cost Responsibility

Rule Changes & Transition Period

- Previously, customers pay only for costs above “otherwise planned” costs [section 6.3.6]— i.e., system benefits
- Section 6.3.6 technically removed in 2013, but rule changes not finalized (EB-2011-0043 proceeding still active)
- In the interim, H1 continues to rely on previous rules—until new rules are put in place.

SECTR Cost Allocation Method

- Is based on the beneficiary pays principle that underlies the Supplementary Proposed Amendments
- Three cost allocation approaches described in Interrogatory I-P2, Tab 2, Sched 7:
 - A. Customer pays in excess of Pool's avoided cost
 - B. Proportional benefit (SECTR Proposal)
 - C. Pool pays in excess of Customer's avoided cost

Approach B: Pool & Customer Pays

Proportional Benefit – Proposed (Without Kingsville Cost Reduction)

<u>Cost Responsibility</u> <i>in \$ million, excluding HST</i>	Cost of Work (per B-4-2)	Cost Responsibility		Capital Contribution
		Customers	Pool	
Transmission Line Facilities	45.3	35.1	10.2	31.2
Station Facilities	32.1	24.9	7.2	12.9
Total	77.4	60.0	17.4	44.1

↑
77.5%

↑
22.5%

Approach B: Pool & Customer Pays

Proportional Benefit - Proposed

With Kingsville Cost Reduction (\$6M)

<u>Cost Responsibility</u> <i>in \$ million, excluding HST</i>	Cost of Work (per B-4-2)	Cost Responsibility		Capital Contribution
		Customers	Pool	
Transmission Line Facilities	45.3	35.1	10.2	31.2
Station Facilities	32.1	20.2	11.9	8.2
Total	77.4	55.3	22.1	39.4

Station Facilities: \$32.1M
 Kingsville Cost reduction : - 6.0M

 \$26.1M x 77.5% = 20.2

Approach A: Customer Pays in Excess of Pool's Avoided Cost

<u>Cost Responsibility</u> <i>in \$ million, excluding HST</i>	Cost of Work (per B-4-2)	Cost Responsibility		Capital Contribution
		Customers	Pool	
Transmission Line Facilities	45.3	32.1	13.2 ¹	28.1
Station Facilities	32.1	16.8	15.3 ²	4.6
Total	77.4	48.9	28.5	32.7

¹ \$13.2 million = \$22.5 million pool avoided cost x line-to-total cost ratio = 22.5 x (45.3 / 77.4)

² \$15.3 million = \$22.5 million pool avoided cost x station-to-total cost ratio plus \$6 million Kingsville cost reduction
= 22.5 x (32.1 / 77.4) + 6

J3E/J4E Transmission Path Upgrades:	\$22.5M
Kingsville Cost Reduction:	6.0M
	<hr/>
Total Avoided Pool Cost:	\$28.5M

Approach C: Pool Pays in Excess of Customer's Avoided Cost

<u>Cost Responsibility</u> <i>in \$ million, excluding HST</i>	Cost of Work (per B-4-2)	Cost Responsibility		Capital Contribution
		Customers	Pool	
Transmission Line Facilities	45.3	45.3	0.0	41.8
Station Facilities	32.1	32.1	0.0	20.6
Total	77.4	77.4	0	62.4

Capital Contribution Summary for the 3 Cost Allocation Approaches (\$M)

Transmission Facility	A Customer Pays in Excess of Pool's Avoided Cost	B Pool & Customers Pays Proportional Benefit	C Pool Pays in Excess of Customer's Avoided Cost
Lines	28.1	31.2	41.8
Station	4.6	8.2	20.6
Total	32.7	39.4	62.4



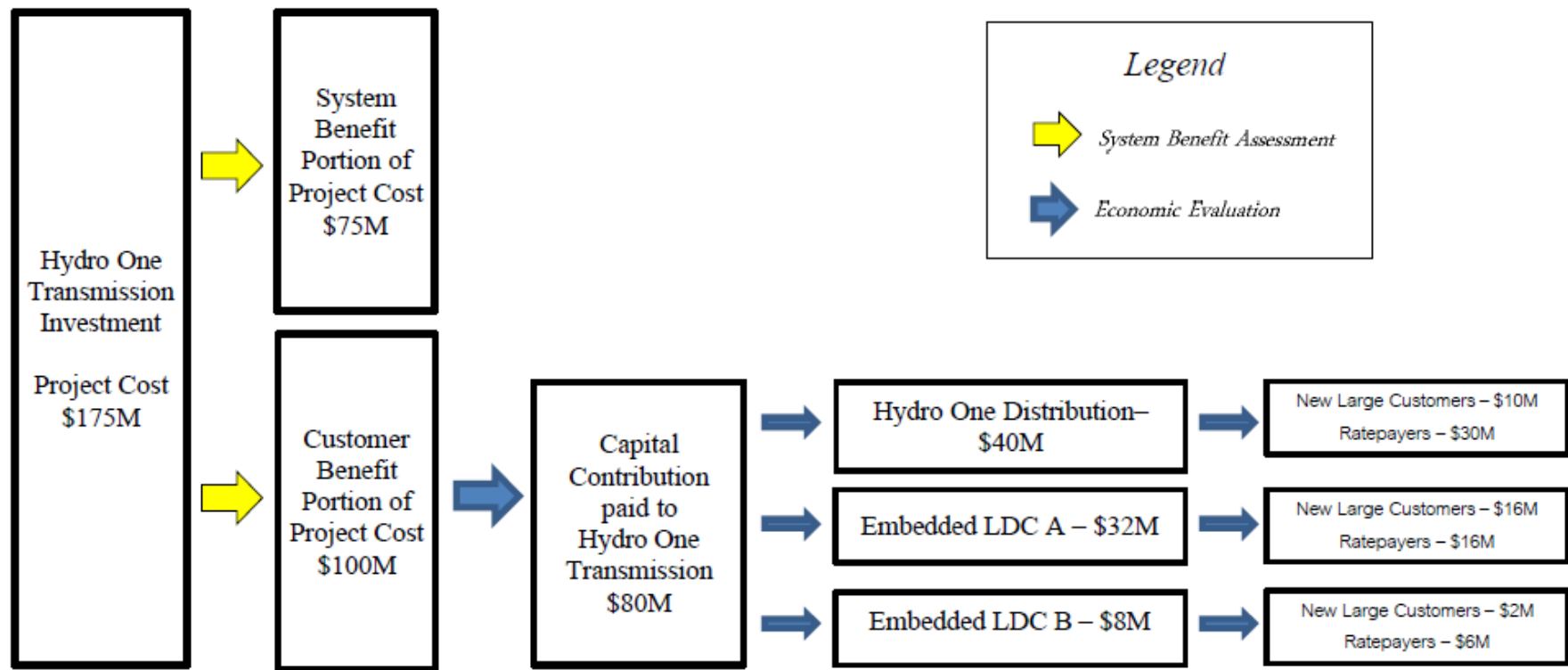
SECTR PROPOSAL

Summary of Proposed Cost Allocation Approach

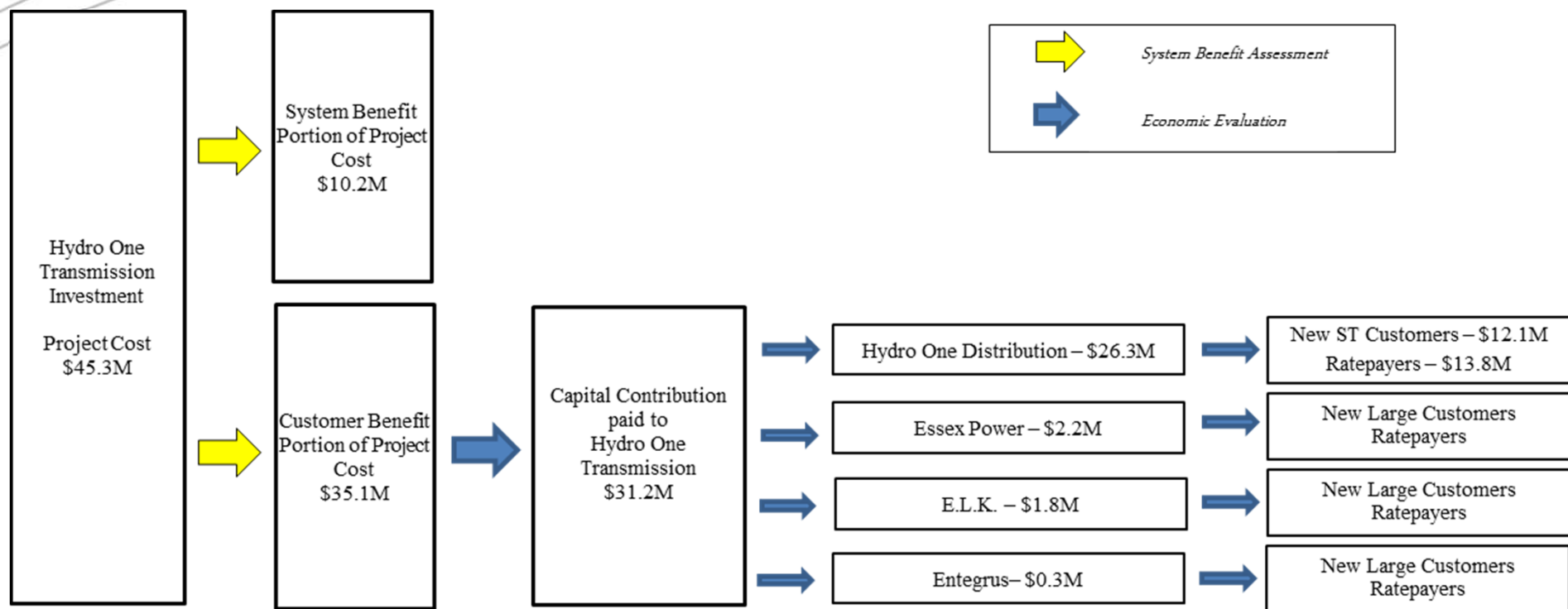


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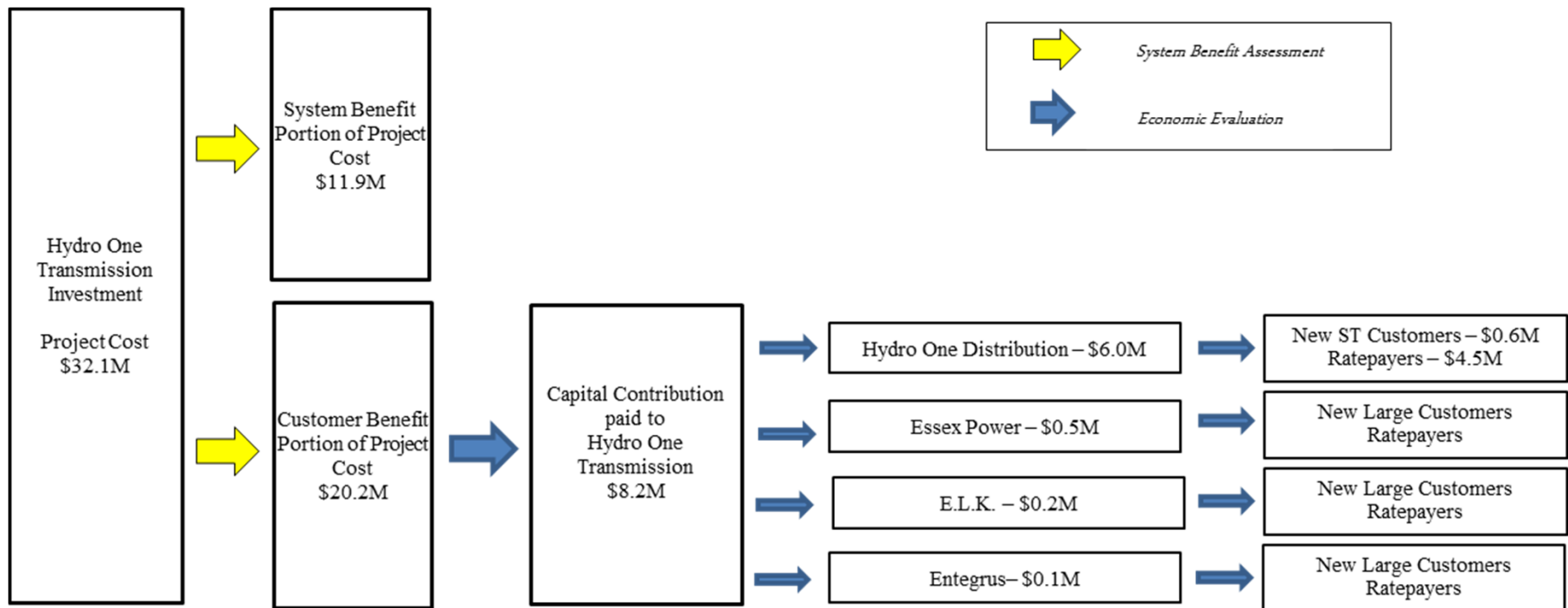
Flow of Costs Diagram (Illustrative Only)



Line Pool Allocation



Transformation Pool Allocation



Allocation to Customers



<u>Capital Contribution (\$M)</u>	Line Pool	Transformation Pool	Total
Distribution to Transmission	31.2	8.2	39.4

<u>Allocation to Distributors (\$M)</u>	Line Pool	Transformation Pool	Total
Hydro One Distribution	26.3	6.0	32.3
Essex Powerlines	2.2	0.5	2.7
E.L.K.	1.8	0.2	2.0
Entegrus	0.3	0.1	0.4
Total Allocation	30.7	6.8	37.4
Unallocated Capital Contribution	0.5	1.4	2.0
Total	31.2	8.2	39.4

<u>Hydro One Distribution New ST Customers Allocation (\$M)</u>	Line Pool	Transformation Pool	Total
New ST Customers	12.1	0.6	12.7

No New ST Customers Scenario

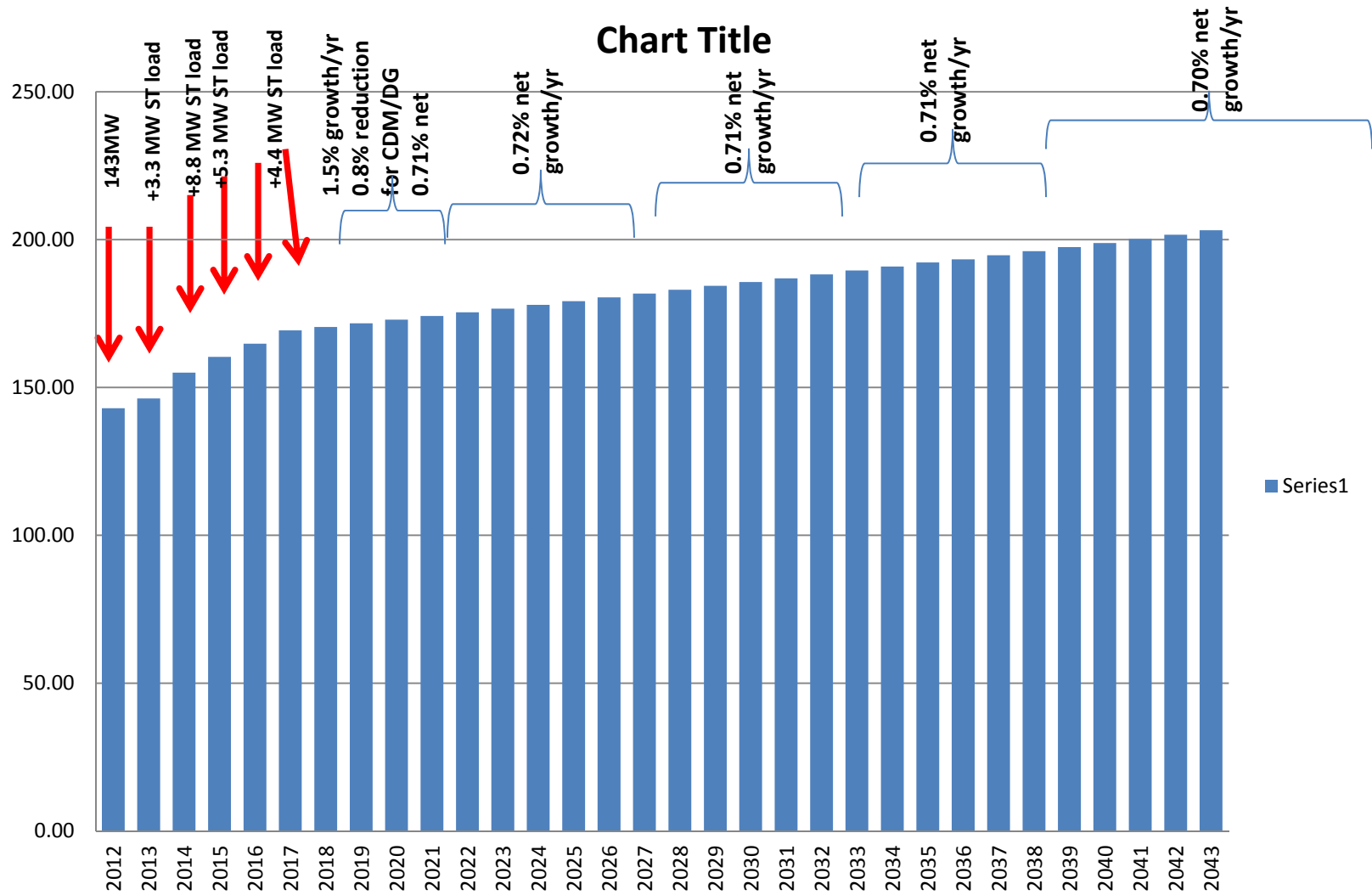


<u>Capital Contribution Allocation</u>	Total w/No ST Customers	Capital Contribution Allocation w/ST Customers
Hydro One Distribution	36.7	32.3
Essex Powerlines	5.7	2.7
ELK Hydro	4.8	2.0
Entegrus	0.9	0.4
Total	48.1	37.4

Load Forecast

- Top-down approach beginning with historical loads from the Kingsville feeders
- Application of the forecast large connections from the Essex Energy Report
- Econometric view of load increases over the longer term
- Net loads were grossed up by considering DG and CDM impacts
- Net load view of this on next slide

Hydro One's Load Forecast for SECTR



Load Forecast/Cost Allocation Chronology

- 2012 top-down approach described in previous slide
- 2013 - First set of load forecasts received from the E3C utilities that were generally aligned with the top-down approach.
- Jan. 2014 – Hydro One submitted the SECTR application.
- March 2014 – Hydro One received a second set of forecasts from the E3C LDCs, which were lower than the 2013 numbers.
- Aug. 2014 – Hydro One provided capital contribution estimates to the E3C LDCs which had been developed using the 2013 forecast, not the later one.

Load Forecast/Cost Allocation Chronology

- November, 2014 – The E3C LDCs intervened in this proceeding, quoting concerns about the size of the capital contributions.
- April 2015 – In response to an E3C interrogatory (Exhibit 1-P2-2-9), Hydro One provided a second set of capital contribution estimates to the E3C LDCs based on their most recent (i.e., March, 2014) load forecast; capital contributions dropped largely due to the decrease in the new forecasts used.

In Summary



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- Two needs in the Windsor-Essex area:
 - Customer Need: New capacity to meet growth in Kingsville-Leamington area
 - System Need: Meeting the ORTAC restoration requirement
- Instead of two separate projects, one project (SECTR) can address both System and Customer needs
- H1/IESO has proposed a Proportional Benefit cost allocation consistent with beneficiary pays principle
- H1 has proposed an approach to allocate upstream transmission costs among Distributors and their major customers
- Reviewed TSC rules, load forecast assumptions and allocation costs based on the proposed approaches.
 - Actual cost allocations and contributions will be established in CCRA's based on customer commitment, finalized customer load forecasts and actual project costs (T&D)