K3.1

EB-2016-0025

CROSS-EXAMINATION COMPENDIUM

OF THE

SCHOOL ENERGY COALITION

(Panel 2 – Operations)

envelopes and the programs that are in the business case model.

So the business case is built on having -- having the funds to undertake all of the -- you know, subject to PowerStream doing a little bit of work now on its rate decision, which is frankly a relatively small amount in terms of the capital program change relative to the business model -- the expectation is that the distribution system plans are provided for in the business case.

So there is no reprioritization in terms of whether we spend on this program in PowerStream or whether we spend on the mountain program in Hamilton. The expectation is that those programs continue, and there's nothing that we see right now that we can't continue with those programs.

So this is a hypothetical really, I think. I mean, right now the expectation is that we continue to fund the programs that are in our DSPs.

MR. SHEPHERD: So right now -- and Mr. Glicksman, you sit on this committee, I think, that does this at PowerStream -- PowerStream has several areas in Aurora, in Barrie, and its municipalities north of Toronto, and has a capital plan that is common to the entire organization, right?

MR. GLICKSMAN: Correct.

MR. SHEPHERD: And when you make decisions about spending money on capital, you prioritize based on what's the most important spending to do, right?

MR. GLICKSMAN: Correct.

you to file -- without any identifying information as to the individuals, so no names, no titles, you know, none of that stuff, but all the numbers -- the employment contracts for -- or independent contractor contracts for all 34 of the executives.

MR. CASS: Well, Jay, consistent with the previous answer, we're not going to do that.

MR. SHEPHERD: Okay. My next question is on SEC 13. Do I understand correctly -- and I may be misunderstanding this answer -- but do I understand correctly that if you go from two control rooms to one, then you are expected to save approximately an additional $4 million a year for as long as that continues until you rebase?

MR. PASTORIC: If you look to SEC 13, I believe the answer is that we're moving from four control rooms to two.

MR. SHEPHERD: I understand that.

MR. PASTORIC: In that case in year two we would have approximately $4.3 million ongoing.

MR. SHEPHERD: That is not my question. The next option is to move from two to one.

MR. PASTORIC: In the case of two to one that would be only considered in the case of night shifts where the volume of work is not sufficient.

MR. SHEPHERD: The evidence says that you are going to consider whether to move from two to one.

MR. PASTORIC: We haven't done the analysis regarding going to one during the day shift because of the volumes at this time, but it is a consideration that we may look at in achievable as a benchmark, being the 100 percent, what if we only get 75 percent? What if we only get 50 percent? To do a bit of a stress test on both the benefits to shareholders and the benefits to customers really for purposes of seeing, you know, where does the transaction make sense or not make sense.

So we did not analyze above 100 percent. Are there elements of conservatism in the forecast? You know, perhaps. I think really what we were trying to do here is to comfortably come up with a number that was achievable.

So the last thing we want to do, from a shareholder or a customer perspective, is to over-promise and under-deliver. So this is what the group felt very comfortable with taking forward.

Could savings be more than 100 percent? You know, possibly. But we don't have any evidence at this point to suggest that they will be. It's an estimate.

MS. KWAN: Okay. And my next question is on Staff 21. So part (c) says that the debt capacity available through the anticipated growth in rate base will provide cash flows sufficient to satisfy the debt requirements.

Does this mean that you intend to take on more debt to pay off the acquisition facility and the associated interest when they're due?

MR. BASILIO: Well, yes. We will have to refinance the acquisition facility. So, you know, we're paying 600 million -- you know, the purchase price is $607 million, plus or minus purchase price adjustments.

management plan is certainly final, and they operate in reference or with due reference to it.

MS. GIRVAN: Okay. And can you explain to me the relationship between the forecasts set out in those DSPs and what you are projecting for ICM relief during the plan?

MS. BUTANY-DeSOUZA: So I'm going to bifurcate your question slightly. Let me answer the second part of it first, and that's that we expect, as the entities have been operating, that we are operating under the DSPs that the Board has seen.

In terms of the forecast and the ICM model, Mr. Basilio referred to it as effectively a mathematical exercise. What you've seen in the Deloitte or business case model was about ICM eligibility, so meeting the mathematical threshold, therefore what is the difference that would be eligible for ICM from a math standpoint, so let's park for a minute the actual ICM test.

Separate and apart from that, any further discussion on the operation in respect of the DSPs would probably be a better question for panel 2.

MS. GIRVAN: Okay. So my question really is: Will we be able to see a connection between the DSPs and the ICMs?

MS. BUTANY-DeSOUZA: I would expect that at the time of making that ICM application we'll be filing in reference to Board policy and Board policy as it pertains to ICM, and certainly we need to demonstrate a linkage between distribution system plans and the associated ICM or ACM as the case may be, and that will be part of the evidence we that it's verbatim. Again I think those are questions for panel 2, if it's okay to defer until then.

But again, I like to use the term "table stakes." We wanted to ensure that there would be no reduction of the sort of activity contemplated under the status quo scenario to support the four utilities, and really that's the solid wires and pole stuff, and I'd like to use the example, just because I'm familiar with it, of some reliability issues we have in Hamilton on the mountain that relate to underground infrastructure in these -- Madam Long, you were one of the panel members in our rate case. These were the sorts of things that were really important to invest in. Those sorts of things we simply would not sacrifice or de-prioritize as a result of this transaction.

So all of that is provided for, and remains provided for in the business case.

MS. GRICE: I just recall in the PowerStream application that there were certain productivity improvements that were undertaken there related to underground cable and pole refurbishment.

I just wondered. Will you be looking at ways to roll out productivity initiatives, such as the innovative things that PowerStream is doing, to the rest of the LDCs? Is that going to be part of your DSP development?

MR. BASILIO: Again, I would like to defer sort of the more technical operational discussion for panel 2.

But what I think is -- what is important is that we're going to continue to look for productivity to the would like to further get clarifications on, we can do that on Friday, perhaps.

MS. GRICE: Okay. Great. Thank you.

MR. QUESNELLE: Thank you.

MS. GRICE: Okay. I just have one last area to talk about, and it's page 44 of my compendium. So in this interrogatory response, which is B-AMPCO-6, Table 1 provides a breakdown by party of all of the FTEs under the various categories, and then Table 3 on page 3 shows the total FTEs that are forecast beyond the original year from years one to year five. I just wanted to make sure I'm clear on what is the date for the original FTE.

MR. BASILIO: Sorry, again, if we could defer this to panel 2, on which there is an HR member --

MS. GRICE: Okay.

MR. BASILIO: -- representative.

MS. GRICE: Very good. That's the end of my questions, then.

MR. QUESNELLE: Thank you, Ms. Grice.

Mr. Shepherd, I believe you're up next.

CROSS-EXAMINATION BY MR. SHEPHERD:

MR. SHEPHERD: Thank you, Mr. Chairman. I have a compendium, which I have distributed.

MS. HELT: Yes, and we'll just provide that to -- hard copy to the panel members. We will mark the SEC compendium as K1.4.

EXHIBIT NO. K1.4: SEC CROSS-EXAMINATION COMPENDIUM FOR PANEL 1.

commitment?

MR. GLICKSMAN: We have a business case that has a number of assumptions. One of the assumptions was that we would maintain these offices. There are also assumptions in terms of synergies. There are a number of assumptions in the business case. The subject of this proceeding is that there is a no-harms test and there is a financial viability test. Even with these assumptions, the shareholders -- one assumes there is a business case, even with maintaining the three separate offices, to support the merger and purchase of Hydro One Brampton.

I think, as Mr. Pastroic has explained in the technical panel -- and can cover in panel 2 -- there -- is there -- none of the offices are big enough to have all of the staff, so this was a trade-off that is made at this time. All the shareholders agreed to do this as part of approving the business case, as they approved a number of the assumptions on the -- in the business case.

MR. BASILIO: But Mr. Shepherd, I want to come back to your assertion that this is not in the interests of the corporation, and, no, we would not agree with that. It is our belief that these offices are required. And again, panel 2 will be happy to provide you with information on the function and requirement for maintaining those offices.

MR. SHEPHERD: Mr. Basilio, if they were required, you wouldn't need to make a ten-year commitment with a veto. The only reason you need to make a ten-year commitment with a veto is because from a business point of view you would

MR. QUESNELLE: Whenever you're ready, Mr. Shepherd.
MR. SHEPHERD: Thank you, Mr. Chair.
Could I just ask a couple more questions, high-level questions about the head offices. As of right now and the way you've modelled it, you are modeling 100 percent of the head offices in rate base, right?
MR. BASILIO: Yes.
MR. SHEPHERD: And then there's some charge out to the unregulated -- for the unregulated component of their use, is that right?
MR. BASILIO: There will be, yes.
MR. SHEPHERD: And I notice that there's four LDCs and there is only three head offices, which surprised me. And so I wondered, what about Brampton. Do they have a head office building? Do they have some building?
MR. BASILIO: I believe so. Honestly, I don't know. I mean, they have a head office, but in terms of what's happening following the amalgamation, again I would defer that to panel 2.
MR. SHEPHERD: Your model, though, doesn't include a building in Brampton, does it?
MR. BASILIO: Whatever is in the Brampton rate base is in the model.
MR. SHEPHERD: So you haven't got any savings for getting rid of that?
MR. BASILIO: I can't answer specifically if there are any operational savings or not.
MR. SHEPHERD: I'll ask panel 2.

DSPs for the remaining term of those DSPs should inform capital trends --

MR. SHEPHERD: I wonder if you could look at page 9 of Mr. Aiken's compendium. This is K1.2.

MR. BASILIO: Yes.

MR. SHEPHERD: So he took you to Hydro One Brampton, 2016, incremental capital, 10.9 million; right?

MR. BASILIO: Yes.

MR. SHEPHERD: Okay. So can you go two pages previously, to page 7?

MR. BASILIO: Yes.

MR. SHEPHERD: And for 2016, the Brampton capital is 34.2.

MR. BASILIO: I see it.

MR. SHEPHERD: So incremental to that would mean that their total budget would be 45, roughly.

MR. BASILIO: I believe that's correct. But I think it's best that you ask the operations panel, panel 2.

MR. SHEPHERD: You are the one who's familiar with the model, so I'm asking you this question first. If you say -- if when I get to the question you say, "No, I don't know what I put in the model," that's fine, but that 45 is not the 40.8 that is in the model for that year. So -- and every year is like that. And every component is like that. They're way different by millions of dollars.

And that's what I'm trying to understand. Where did those numbers come from? Do you have a new plan?

MR. BASILIO: I'd have to validate. I can't validate that right now.

MR. SHEPHERD: So nothing you can say to help us there?

MR. BASILIO: I believe these are from the model.

MR. SHEPHERD: All right. Then in your calculation of the threshold -- so when you calculated how much qualifies for ICM, you said there's basically three things you need to know. You need to know how much are we going to spend, how much does the formula say is the minimum threshold, and do we qualify for ICM this year, generally, because we're on price cap. Right? So those are the three things you needed to do.

You didn't put any questions in about whether they were already part of your plan, whether they were unusual expenditures. It's just if it's over-depreciation plus the formula, you get it; right?

MS. YAMPOLSKY: That's correct. As I said, it was purely technical exercise, and that's what it...

MR. SHEPHERD: Okay. I thought I had one other clean-up question. Oh, yeah, oh, yeah. Can you go to -- I think this is also in Mr. -- well, maybe not. Forgive me. Just one second. I thought it was there. It must be here.

All right. You have...

My apologies, Mr. Chairman. I'm going to have to come back to that later, because I can't find the reference.

MR. QUESNELLE: Thank you.

MR. SHEPHERD: I want to turn to the business case model itself. So, Mr. Basilio, you said that this is less space, right? Does somebody want to answer?

MR. BASILIO: Sorry, the question again? I was just -- the question again, Mr. Shepherd? I need less space; that was the question?

MR. SHEPHERD: You reduce FTEs by 14 percent, you need less space; yes?

MR. BASILIO: Yes.

MR. SHEPHERD: You haven't included anything in your forecast for less space?

MR. BASILIO: No.

MR. SHEPHERD: So there --

MR. BASILIO: I don't believe so. That is a question for panel 2 as to whether there are synergies with respect to the totality of the facilities.

MR. SHEPHERD: Okay, well, you didn't put any in the model; right?

MR. BASILIO: Again, if the operations team considered facilities synergies, then they would be in the model, but I can't recall off the top of my head if there were --

MR. SHEPHERD: Well, I think you were asked in the technical conference, and you said, "No, we didn't reduce air-conditioning costs, and we didn't reduce" --

MR. BASILIO: I did say those things, but I thought that was in the context of the three head offices --

MR. SHEPHERD: Okay.

MR. BASILIO: -- that question, and maybe I'll just elaborate that here, that reducing a building such as that, you don't reduce a portion of the building, you have to reduce all of the building in order to get savings. I mean, air-conditioning -- because you've got, you know, six floors of office space and on each floor there are two less people, your air-conditioning costs don't go down, you know, your hydro costs really don't go down, but what does go down, and I think I did say this on the record, are things like computers, laptops, you know, those sorts of things that attach directly to employees that they need to perform their function. Licence fees to use software, those sorts of things.

MR. SHEPHERD: You are going to have a bunch of empty space; right?

MR. BASILIO: Again, I would leave that for panel 2 --

MR. SHEPHERD: Well, no --

MR. BASILIO: Well, the line of questioning -- excuse me, the line of questioning is really for panel 2, because my trying to answer this, clearly you are not getting full or comprehensive answers that I think would be of benefit to the Board. So I would like to defer that to the experts that have studied this and can provide a good answer for purpose of the evidence --

MR. SHEPHERD: And they're not going to say to me, "We don't know what's in the model. Mr. Basilio did that"?

MR. BASILIO: Well, if they do say that then they can refer it back to me and -- what I'm saying to you is if it is in the synergies -- I don't know if it's in the synergies. That's what I'm suggesting to you here, and I can't confer with panel 2 while I'm sitting here.

MR. SHEPHERD: So I'm going to ask the next two questions, but your answer is probably going to be panel 2, but then they'll have warning: What are you going to do with Mavis?

MR. BASILIO: I don't know. We're going to have -- you're going to have to ask panel 2, but I guess I might just ask about, what is the relevance of this line of questioning whether there are more -- your line of questioning seems to be whether there are more synergies, whether we have somehow underestimated the synergies, and I just want to understand the relevance of that. We have identified material synergies, material benefits -- I think, you know, what I've offered to the Board on presentation day and what I offered in my opening remarks this morning is that there are overwhelming benefits for customers resulting from this transaction, and so I don't know what another five or ten million dollars of benefits really accomplishes in terms of the no-harm test, so, you know, just, I'll leave it at that, and perhaps, I mean, somebody can consider the relevance of this line of questioning. I don't know.

MR. SHEPHERD: Sorry, didn't you say that your net present value calculations shows that the ratepayers eventually, a hundred years from now, get just as much or maybe even more than the shareholders?

MR. BASILIO: What I demonstrated -- what I think I've demonstrated in evidence is that the shareholders (sic) on average, over the first ten years, relative to the status the model was built and the sequencing is that we started with the three utilities and then we added Hydro One Brampton in, but I think -- I think I mentioned this in the technical conference -- you really can't attribute synergies to any one utility. Synergies arise as a result of a combination of a number of utilities.

So I would -- I guess my point being that really the relevant tab is 19.

MR. SHEPHERD: I'm going to ask a couple of questions about this. First, there's a line here that says "less ongoing costs". Do you see that in red?

MR. BASILIO: Yes, I do.

MR. SHEPHERD: So you have operating savings in the first five years on page 19 of $202.4 million. But then you have $35.4 million of ongoing costs. What's that?

MR. BASILIO: Perhaps you could address that to panel 2. These are -- these were essentially new costs to bring the four utilities together. There are certain areas where there are additional costs. I can't recall the specific reason off the top of my head, but panel 2 would be able to respond to that.

MR. SHEPHERD: So they are not transition costs.

MR. BASILIO: These are not transition costs, these are ongoing costs.

So, for example, you may -- as a result of -- I'll offer an example. It may be hypothetical, but as a result of us all moving to one ERP platform, now you have additional users on that new platform, and so your licencing fees to that vendor may go up, so you may have a reduction here, but an ongoing -- you know, an additional ongoing cost over here.

MR. SHEPHERD: Aren't your synergy savings net? When you have a number for the synergy savings for one ERP, isn't it, we're spending $10 million a year, the new scenario we're going to spend five. We've saved 5 million?

MR. BASILIO: Again, I offered what I thought this might be, but would ask that you ask that question of panel 2.

MR. SHEPHERD: All right. Now, the -- I understand your caveats about the inclusion of Brampton, and this is a -- this is a -- one of those issues of incrementality, right? If you add on another component, is that -- that incremental change, is that the whole thing that's caused by that additional player? So I understand that.

But just for my simple mind, it looks to me like your operating expenses -- the difference between one and the other is $19.3 million of savings. That is, there's $19.3 million more savings in the four-way merger than the three-way merger. That's the incremental component; right?

MR. BASILIO: Yes, as I mentioned, I would not view those two in that context. We started with the three for reasons of, you know, for reasons of sensitivity and whatnot, until it was clear that we had a deal with Hydro One Brampton or one was evolving. Their operations folks were involved a little bit later than the others. So really, Table 3 -- or the table on page 20 was really sort discussion.

MR. SHEPHERD: I won't be back here, I'm hoping.

All right. The next is page 18(4) in the middle community. And this requires the company to be a facilitator of economic development. And I'm not sure I understand how you reconcile that with the ratepayers' interest.

MR. BASILIO: Well I think, you know, by way of example -- and I think this would be a good question as well for panel 2 -- facilitating economic development are -- the communities we operate in are certainly important stakeholders in the utility, to the extent that we do work that corresponds to work that they, you know, they're doing that frankly benefit the communities, you know, the ratepayers and the taxpayers alike. When, you know, when roads are being torn up sometimes that's opportunity to replace electricity infrastructure.

I mean, there's a, you know, a sort of a symbiotic relationship with the communities that you operate in, and I think that, you know, that probably doesn't just apply to an LDC, but I suspect businesses generally, large businesses with large profiles generally, that operate within a community that employ -- you know, that are significant employers in the community would have this as a principle.

MR. SHEPHERD: Oh, understood. Every company should be a good corporate citizen, but that then there's a next step, and Hamilton, indeed, is an area in which this is a ten years you still need two-thirds approval. The ratepayers are paying for the head offices, but now you need two-thirds approval. So each individual municipality doesn't get to veto.

But, for example, if you decided we should have one head office in Mississauga, the municipalities that would be losing head offices can simply say no forever, right?

MR. BASILIO: They can say that. Of course, there are associated risks with those decisions, including the ongoing recoverability of the associated costs from ratepayers. And I think as well that that is a consideration. Any investment decision is going to be based on -- ongoing investment decisions is going to be based on a variety of factors, including need.

MR. SHEPHERD: But your argument is that you need all three anyway, so...

MR. BASILIO: Well, again, I suggest you defer that to panel 2 for the specifics. But our view is that those three buildings are needed. They're well justified. They're important community presences.

It is important to the communities, there is no -- you know, there's no mistaking that. These are significant presences in each community and so the shareholders are interested in that. But there is real need for those offices, as panel 2 will convey when they're crossed.

MR. SHEPHERD: On page 24, there is an individual shareholder veto, and if I understand this correctly, and tell me whether I'm right -- I'll give you an example. If punt this to panel 2, but I'm going to ask anyway and they'll be forewarned.

You have proposed a small reduction in your number of executives. And I believe -- and correct me if I'm wrong, but I believe that after you've adjusted all your executives you will still have more executives than any other LDC in the province by quite a margin; is that right?

MR. BASILIO: I think we'll pass that to panel 2.

MR. SHEPHERD: Okay. Can you tell me whether any of the executives are being retained because they have provisions in their contract that prevent you from removing their positions or removing them?

MR. BASILIO: panel 2.

MR. SHEPHERD: Okay, in looking at the savings available in this transaction, after this transaction, who considered the executive component? I mean, obviously the executives with be considering how to save money on the other staff; I get that. But somebody had to figure out, well, how many executives do we need and presumably, you didn't have the executives do that.

MR. BASILIO: panel 2, but perhaps I could provide one example. For example, you know, Mr. Glicksman, Mr. Woolf, and myself, along with Mr. Villett would have been involved in, for example, the determination of the CFO organizational structure, the organizational structure according to the CFO. And I can assure you coming out of this transaction, there is only one CFO.

MR. SHEPHERD: Who is that?

MR. BASILIO: We don't know; TBD. But beyond that, I'll pass it to panel 2.

MR. SHEPHERD: Okay. So the CFOs have talked about it and in the end, there is going to be one CFO. So why isn't there only one CEO?

MR. BASILIO: Well, I think there is just one CEO.

MR. SHEPHERD: No, there are three.

MR. BASILIO: No, there is one. Then there is a president of LDC Co., and then there is a president of what I believe is called the sustainability and innovation office.

MR. SHEPHERD: So those aren't CEOs? Because it looked to me like they are CEOs.

MR. BASILIO: They are not.

MR. SHEPHERD: All right. Let me move to another area and that is in my very careful notes. One of the things you are asking for is a transfer of your current rate orders to Mergeco; is that right?

MS. BUTANY-DeSOUZA: Yes, that's correct, or to LDC Co.

MR. SHEPHERD: That's one of the approvals this Board is being asked to provide, right?

MS. BUTANY-DeSOUZA: Yes, that's correct.

MR. SHEPHERD: And the -- can you tell us where in your evidence -- Mergeco is a new LDC that you are planning to form, right?

MS. BUTANY-DeSOUZA: Yes, that's correct.

MR. SHEPHERD: And so you are proposing that the rates

MR. BASILIO: That would be -- well, it's -- I mean, he'll be at the Holdco level, but he will have overall executive accountability for Mergeco.

MR. BRETT: Okay. So the two other appointments -- that was -- you anticipated my second question -- the other two appointments, Mr. Cananzi and Mr. -- I hope I have these right -- Mr. --

MR. BASILIO: Mr. Gregg.

MR. BRETT: -- Gregg, they will report to Mr. Bentz.

MR. BASILIO: That's correct.

MR. BRETT: And do you have any other members of the management group appointed yet?

MR. BASILIO: Again, panel 2 could confirm, but to the best of my knowledge, no.

MR. BRETT: And when would you expect that to happen?

MR. BASILIO: Please pose that question to panel 2. They have an HR representative on that panel that can respond to HR-related questions.

MR. BRETT: And he could speak to the sort of --

MR. BASILIO: Yes.

MR. BRETT: -- governance aspects of this.

MR. BASILIO: Management, sure, management, governance, yes.

MR. BRETT: Now, you have something called a "transition committee".

MR. BASILIO: Correct.

MR. BRETT: And what does that committee do and who is on it?

Total Incremental Capital, $M

	2015	2016	2017	2018	2019	2020
Enersource	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**
Recoverable Capex During ICM Filing Year	55.4	24.6	17.3	13.6	16.6	16.6
Depreciation	1.4	0.6	0.4	0.3	0.4	0.4
Incremental Capital CAPEX for ICM Calculation	$ 54	$ 24	$ 17	$ 13	$ 16	$ 16
ICM Revenue - Included in I/S - 1 Year Lag	-	3.7	5.4	6.5	7.4	8.6
PowerStream	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**
Recoverable Capex During ICM Filing Year	45.0	40.5	23.4	4.7	9.1	0.7
Depreciation	1.1	1.0	0.6	0.1	0.2	0.0
Incremental Capital CAPEX for ICM Calculation	$ 44	$ 39	$ 23	$ 5	$ 9	$ 1
ICM Revenue - Included in I/S - 1 Year Lag	0	0	0	0	0	0
Hydro One Brampton	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**
Recoverable Capex During ICM Filing Year	4.0	10.9	-	9.5	4.3	4.2
Depreciation	0.1	0.3	-	0.2	0.1	0.1
Incremental Capital CAPEX for ICM Calculation	3.9	10.6	-	9.3	4.2	4.1
ICM Revenue - Included in I/S - 1 Year Lag	-	-	0.8	0.8	1.5	1.8
Horizon	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**
Recoverable Capex During ICM Filing Year	1.5	0.3	1.5	0.4	2.0	15.7
Depreciation	0.0	0.0	0.0	0.0	0.1	0.4
Incremental Capital CAPEX for ICM Calculation	1.5	0.3	1.5	0.4	2.0	15.3
ICM Revenue - Included in I/S - 1 Year Lag	-	-	-	-	-	-
	2015	**2016**	**2017**	**2018**	**2019**	**2020**
Total Forecast ICM Revenue ($M)	-	0.0	0.0	0.0	0.0	0.0
Total Incremental Capital	103.2	74.4	41.2	27.6	31.2	36.2
Total Incremental Capital (only if ICM revenue)	54.0	34.6	16.9	22.6	20.3	35.5

Total Incremental Capital, $M

	2021	2022	2023	2024	2025
Enersource	**2021**	**2022**	**2023**	**2024**	**2025**
Recoverable Capex During ICM Filing Year	23.2	24.6	26.1	27.5	29.2
Depreciation	0.6	0.6	0.7	0.7	0.4
Incremental Capital CAPEX for ICM Calculation	$ 23	$ 24	$ 25	$ 27	$ 29
ICM Revenue - Included in I/S - 1 Year Lag	9.7	10.8	12.1	13.4	14.8
PowerStream	**2021**	**2022**	**2023**	**2024**	**2025**
Recoverable Capex During ICM Filing Year	22.3	21.6	-	-	5.0
Depreciation	0.6	0.5	-	-	0.1
Incremental Capital CAPEX for ICM Calculation	$ 22	$ 21	$ -	$ -	$ 5
ICM Revenue - Included in I/S - 1 Year Lag	-	1.0	2.0	2.0	2.0
Hydro One Brampton	**2021**	**2022**	**2023**	**2024**	**2025**
Recoverable Capex During ICM Filing Year	7.8	8.5	9.2	9.9	10.8
Depreciation	0.2	0.2	0.2	0.2	0.1
Incremental Capital CAPEX for ICM Calculation	7.6	8.3	9.0	9.7	10.7
ICM Revenue - Included in I/S - 1 Year Lag	2.1	2.5	2.9	3.4	4.0
Horizon	**2021**	**2022**	**2023**	**2024**	**2025**
Recoverable Capex During ICM Filing Year	14.8	13.5	16.2	11.1	17.2
Depreciation	0.4	0.3	0.4	0.3	0.2
Incremental Capital CAPEX for ICM Calculation	14.4	13.2	15.8	10.8	17.0
ICM Revenue - Included in I/S - 1 Year Lag	1.0	1.6	2.3	3.0	3.5
	2021	**2022**	**2023**	**2024**	**2025**
Total Forecast ICM Revenue ($M)	0.0	0.0	0.0	0.0	0.0
Total Incremental Capital	66.3	66.5	50.2	47.3	61.4
Total Incremental Capital (only if ICM revenue)	66.3	66.5	50.2	47.3	-

Requested - Property Information

Office	Address	Status	Term	Acreage	Usage	SF Admin	SF Ops	FMV Fair Market Value	Occupancy Office	Work Station	% Occupancy	Future Usage
Power Stream												
Cityview	161 Cityview Dr., Woodbridge	Owned		5.13	**Admin**	92,500		n/a	56	267	99%	**Shared Services & Non-regulated Business:** Executive, HR, H&S, Environment, Information Technology, Supply Chain, Transformation, CDM, Solar, Non-Regulated [Plus Control Room & Call Centre]
Addiscott	80 Addiscott Ave., Markham	Leased	25 yrs	12.00	Operations	20,848	86,366	n/a	23	118	95%	Continuing Operations
Patterson	55 Patterson Road, Barrie	Owned		15.80	Admin/Ops	40,832	41,000	n/a	15	102	98%	Continuing Admin and Operations
Jane	9401 Jane St, Vaughan	Leased	10 yrs	N/A	Admin	22,601		n/a	25	88	88%	[Release & Reintegrate] Currently used for office, CDM and temporary workstations for IT Projects [Synergies included in Business Plan by Supply Chain Management]
Total						**176,781**	**127,366**		**119**	**575**	**96%**	
Enersource												
Derry	2185 Derry Road, Mississauga	Owned		6.00	**Admin**	78,212	-	n/a	17	173	86%	**Corporate Office:** Executive, Finance, Regulatory, Corporate Relations, Internal Audit, Legal etc
Mavis	3240 Mavis Road, Mississauga	Owned		10.22	Operations	70,000	55,000	n/a	25	273	91%	Continuing Operations Admin space to be utilized for 3-5 years until all Admin and Control Room staff are relocated.
Total						**148,212**	**55,000**		**42**	**446**	**89%**	
Horizon												
John	55 John St. N., Hamilton	Owned		0.97	**Admin**	79,324	4,103	n/a	48	241	94%	**LDC Business:** Executive, Network Operations, Network Services/Asset Management, Customer Services and M&A Regulated Business. [Plus Control Room] [2,587 SF leased by 3rd parties]
Nebo	450 Nebo Road, Hamilton	Owned		8.16	Operations	57,500	30,553	n/a	18	62	72%	Continuing Operations
St Catharines	340 Vansickle Road, St. Catharines	Owned		10.00	Operations	33,369	16,382	n/a	12	69	88%	Continuing Operations [Plus Call Centre] [8,143 SF leased by 3rd parties]
Total						**170,193**	**51,038**		**78**	**372**	**88%**	
Hydro One Brampton												
Sandalwood	175 Sandalwood Pkwy W., Brampton	Owned		13.74	Admin/Ops	63,316	82,909	n/a	94	199	83%	Continuing Operations Admin space to be utilized for 3-5 years until all Admin and Control Room staff are relocated. Also space will be used for temporary workstations for IT Projects: CIS, ERP etc.
Total						**63,316**	**82,909**		**94**	**199**	**83%**	
SUMMARY												
PowerStream											96%	
Enersource											89%	
Horizon											88%	
Hydro One Brampton											83%	
											90%	% Occupancy is 95% with the reintegration of staff