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January 16, 2018

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BY E-MAIL AND COURIER
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Ontario Energy Board
P.O. Box 2319
2300 Yonge Street
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Toronto, ON M4P 1E4

Attention: Ms. Kirsten Walli, Board Secretary

Dear Sirs/Mesdames:

Five Nations Energy Inc. (FNEI) – Transmission Rates (EB-2016-0231)
Draft Revenue Requirement and Charge Determinant Order (RESPONSE)

Pursuant to Board Order issued on December 14, 2017, attached is a revised draft revenue requirement and charge determinant order that incorporates the Board Staff comments of January 11, 2018. There are only two changes from the draft revised order filed by FNEI on January 9th, as follows:

- The sum of FNEI's 2018 revenue requirement and 2017 foregone revenue noted at page 3 of the explanatory memorandum has been revised from \$9,638,455 to \$9,827,155; and
- Schedule E-1 has been amended to add the \$9,827,155 amount and its allocation among the transmission rate pools.

Please contact the undersigned with any questions or comments.

Sincerely,



Richard J. King

- c: J. Sidlofsky and L. Gluck (OEB)
B. Yauch and R. Higgin (Energy Probe)
P. Chilton and R. Reimer (FNEI)

**Draft Revenue Requirement and Charge Determinant Order
(EB-2016-0231)
Explanatory Memorandum**

On December 14, 2017, the Ontario Energy Board (“OEB”) released its decision (“**Decision**”) on the application by Five Nations Energy Inc. (“FNEI”) for approval of a proposed electricity transmission revenue requirement for 2016, and an associated incentive rate-setting plan (“**IR Plan**”). In its Decision, the OEB denied FNEI’s proposal for an effective date of January 1, 2016 (for an updated revenue requirement), and FNEI’s proposed IR Plan.

The OEB directed FNEI to file a draft revenue requirement and charge determinant order (with supporting schedules) that calculates FNEI’s revenue requirement for 2017 and 2018, based on the OEB’s determinations in the Decision, by January 5, 2018. The OEB also directed FNEI to calculate its 2017 foregone revenue, determined as the difference between FNEI’s revenue at existing rates and the 2017 approved revenue requirement.

This Explanatory Memorandum explains how FNEI has implemented the Board’s determinations in its Decision, with the specific calculations shown in the supporting Schedules.

Determination of Rate Base – 2017 and 2018 (Schedule A)

FNEI’s 2017 rate base is calculated by reducing its actual 2016 rate base by \$408,500, to reflect a disallowance of 10% of the construction cost of FNEI’s head office building (Decision, sections 3.10 and 3.11). Schedule A shows the revised rate base calculations, utilizing the model sheets that formed part of FNEI’s initial evidence. Specifically, Schedule A contains the following:

- Schedule A-1: A revised Numerical Summary of Rate Base table, based on Exhibit 3/1/1, Appendix 1 of FNEI’s original evidence, which was subsequently updated in April 2017 via FNEI’s IR response to Board Staff #18(e). The updated utility rate base (inclusive of working capital allowance) in the IR response was \$35,867,600. The revised Numerical Summary of Rate Base incorporates the \$408,500 reduction in 2016, and shows a utility rate base of \$35,474,500 at the end of 2016. This is FNEI’s calculated rate base for 2017. Pursuant to section 3.11 of the OEB’s Decision, this rate base amount will also be used for 2018.
- Schedule A-2: Revised detailed spreadsheets supporting the Numerical Summary of Rate Base, based on Exhibit 3/1/9 of FNEI’s original evidence, which was also updated as part of FNEI’s IR response in April 2017.

- Schedule A-3: A revised Allowance for Working Capital calculation, based on Exhibit 3/1/10 of FNEI's original evidence. The revised calculation is based on a lower OM&A expense, but utilizes the Board-approved amount of 3.55% (Decision, section 3.12). The result is that the Allowance for Working Capital remains \$150,000.

Determination of Revenue Requirement – 2017 and 2018 (Schedule B)

FNEI's proposed 2016 revenue requirement of \$7.84 million has been reduced to \$7.799 million for 2017 and increased to \$7.988 million for 2018, based on the following adjustments by the OEB:

- OM&A (2017): FNEI's proposed 2016 OM&A expenses have been reduced by \$0.11 million, which reflects: (a) the addition of \$0.03 million for actual 2016 land use fees; (b) a reduction of \$0.13 million to reflect actual compensation costs at December 31, 2016 (deferred hiring of personnel); (c) the addition of \$0.05 million for an apprentice station technician (half-year); (d) the reduction of half of FNEI's one-time salary increase; and (e) the removal of FNEI's conservation budget. This results in an approved 2017 OM&A budget of \$4.23 million.
- OM&A (2018): FNEI's approved 2018 OM&A budget is calculated by adjusting the approved 2017 OM&A budget upwards by \$0.15 million to account for the addition of full-year salaries for two new employees. This results in an approved 2018 OM&A budget of \$4.38 million.

Schedule B-1 shows the OM&A budget calculations for 2017 and 2018, taken directly from section 3.15 of the Board's Decision.

- Cost of Capital (2017): FNEI's proposed cost of capital for 2016 has been reduced to \$2.286 million for 2017, as a result of: (a) the reduction in rate base (disallowance for new office building); and (b) a lower 2017 OEB-approved ROE (compared to the 2016 ROE used in the original application).
- Cost of Capital (2018): FNEI's proposed cost of capital for 2016 has been reduced to \$2.325 million for 2018. Although FNEI's rate base is held steady for 2018 (per the Board's Decision), the marginally higher short-term debt rate and return on equity rate in 2018 (as compared to 2017) results in the modest increase as compared to 2017.

Schedule B-2 shows the cost of capital calculations for 2017 and 2018, based on Table 7-1-1 B in FNEI's original evidence (i.e., Exhibit 7/1/1, page 3).

- Depreciation Expense (2017 and 2018): FNEI's proposed 2016 depreciation expense of \$1.45 million has been reduced modestly to account for the rate base

reduction (disallowance for new office building) (Decision, section 3.16). For 2017 and 2018, this results in a depreciation expense of \$1.433 million.

Schedule B-3 shows the monthly and annual depreciation expense for the office building. It is assumed that a 10% reduction in the capital cost of the building would result in a 10% reduction in the depreciation expense. This amount is calculated and then deducted from the OEB-approved starting annual depreciation expense of \$1.45 million.

- Transmission Revenue Requirement (2017 and 2018): Based on the adjustments above, the utility revenue requirement (inclusive of offsetting other revenue of \$0.146 million) is \$7,799,400 for 2017 and \$7,988,100 for 2018.

Schedule B-4 shows the calculation of FNEI's revenue requirements for 2017 and 2018.

Determination of Foregone Revenue – 2017 (Schedule C)

In its Decision, the OEB approved the recovery of foregone revenue for the period between January 1, 2017 and December 31, 2017. FNEI has determined its foregone revenue in 2017 to be \$1,839,055, based on: (a) the difference between FNEI's revenue in 2017 at the existing Ontario transmission rates and FNEI's 2017 approved revenue requirement; and (b) a further reduction of \$45,000 to give effect to the Board's determination in respect of the incremental input tax credit (Decision, section 3.4). For the purposes of making this calculation, FNEI utilized 11 months of actual transmission revenues received in 2017, and estimated the amount for December 2017. The OEB indicated in its Decision that this approach would be acceptable (Decision, section 3.23).

The OEB has indicated that this foregone revenue requirement would be included in its determination of 2018 UTRs. If added to FNEI's calculated 2018 revenue requirement, the quantum of the two amounts (FNEI's 2018 revenue requirement and the foregone 2017 revenue amount) to be recouped through the 2018 UTRs would be \$9,827,155.

Schedule C-1 shows the calculation of the foregone revenue amount of \$1,839,055. Schedule C-2 contains the IESO Physical Invoices to FNEI (certain information redacted) for the months of January to November 2017 (inclusive), for the purposes of supporting the foregone revenue calculation.

Schedule C-3 shows how FNEI estimated the December 2017 revenues. As noted in the Schedule, 2017 revenues were lower when compared to 2016 transmission revenues (between 2% and 6% per month). For the purposes of estimating December 2017 revenues, FNEI took its 2016 transmission revenues (of \$513,586.38) and multiplied it by 94.43% (the % reduction in 2017 transmission revenues for the first 11 months of 2017, as compared to the first 11 months of 2016).

Determination of Charge Determinants – 2017 and 2018 (Schedule D)

In its Decision, the Board approved FNEI's charge determinants, for both 2017 and 2018, based on the 2014-2016 average peak demand figures.

Schedule D-1 shows the charge determinants as approved in the Board Decision.

Allocation of Revenue Requirement to Rate Pools – 2017 and 2018 (Schedule E)

Schedule E-1 allocates the calculated 2017 and 2018 revenue requirements for FNEI into the three transmission rate pools, based on the most recent allocation factors (per Schedule B to the OEB's December 20, 2017 decision in EB-2016-0160 (Hydro One Networks Inc. 2018 Transmission Revenue Requirements and Charge Determinants)). This Schedule also shows FNEI's foregone revenue allocated to the three transmission rate pools.

SCHEDULE A

SCHEDULE A-1
Numerical Summary of Rate Base

FIVE NATIONS ENERGY INC.

Numerical Summary of Rate Base
(\$000's)

	Board Approved EB-2009-0387	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<u>Property, Plant & Equipment</u>								
Asset Values at Cost	33,226.0	33,123.7	33,450.1	34,253.3	35,767.0	39,164.5	41,634.1	47,211.4
Accumulated Depreciation	<u>5,045.8</u>	<u>5,038.5</u>	<u>6,211.0</u>	<u>7,402.9</u>	<u>8,265.7</u>	<u>9,306.6</u>	<u>10,537.0</u>	<u>11,887.0</u>
Net Book Value	28,180.2	28,085.2	27,239.1	26,850.4	27,501.2	29,858.0	31,097.0	35,324.4
<u>Allowance for Working Capital</u>								
Working Cash Allowance	<u>503.2</u>	<u>462.3</u>	<u>484.4</u>	<u>456.9</u>	<u>495.0</u>	<u>513.9</u>	<u>561.2</u>	<u>150.0</u>
Total Working Capital	<u>503.2</u>	<u>462.3</u>	<u>484.4</u>	<u>456.9</u>	<u>495.0</u>	<u>513.9</u>	<u>561.2</u>	<u>150.0</u>
Utility Rate Base	28,683.5	28,547.5	27,723.5	27,307.3	27,996.2	30,371.9	31,658.2	35,474.5

	<u>Variance 2010 vs. B.A.</u>	<u>Variance 2011 vs. 2010</u>	<u>Variance 2012 vs. 2011</u>	<u>Variance 2013 vs. 2012</u>	<u>Variance 2014 vs. 2013</u>	<u>Variance 2015 vs. 2014</u>	<u>Variance 2016 vs. 2015</u>
<u>Property, Plant & Equipment</u>							
Asset Values at Cost	(102.3)	326.4	803.2	1,513.7	3,397.6	2,469.5	5,577.4
Accumulated Depreciation	(7.3)	<u>1,172.4</u>	<u>1,191.9</u>	<u>862.9</u>	<u>1,040.9</u>	<u>1,230.4</u>	<u>1,350.0</u>
Net Book Value	(95.0)	(846.1)	(388.7)	650.8	2,356.7	1,239.1	4,227.4
<u>Allowance for Working Capital</u>							
Working Cash Allowance	(41.0)	<u>22.1</u>	<u>(27.5)</u>	<u>38.1</u>	<u>18.9</u>	<u>47.3</u>	<u>(411.2)</u>
Total Working Capital	(41.0)	<u>22.1</u>	<u>(27.5)</u>	<u>38.1</u>	<u>18.9</u>	<u>47.3</u>	<u>(411.2)</u>
Utility Rate Base	(136.0)	(824.0)	(416.2)	688.9	2,375.6	1,286.4	3,816.2

SCHEDULE A

SCHEDULE A-2
Revised Detailed Rate Base Spreadsheets

FIVE NATIONS ENERGY INC.

Property, Plant & Equipment - Average of Opening & Closing Balances - 2016
(\$000's)

<u>Asset Class</u>	<u>Gross Property Plant & Equip.</u>	<u>Accumulated Depreciation</u>	<u>Net Plant</u>
1608 - Franchises & Consents	0.0	0.0	0.0
1705 - Land	0.0	0.0	0.0
1706 - Land Rights	0.0	0.0	0.0
1708 - Buildings and Fixtures	4,431.4	1,021.1	3,410.3
1710 - Leasehold Improvements	0.0	0.0	0.0
1715 - Station Equipment	31,518.1	7,517.2	24,000.9
1720 - Towers and Fixtures	0.0	0.0	0.0
1725 - Poles and Fixtures	50,928.4	16,833.2	34,095.1
1730 - Overhead Conductors & Devices	20,441.0	5,844.8	14,596.2
1735 - Underground Conduit	0.0	0.0	0.0
1740 - Underground Conductors & Devices	0.0	0.0	0.0
1745 - Road and Trails	0.0	0.0	0.0
1905 - Land	250.6	0.0	250.6
1906 - Land Rights	0.0	0.0	0.0
1908 - Buildings and Fixtures	4,689.8	634.2	4,055.7
1910 - Leasehold Improvements	0.0	0.0	0.0
1915 - Office Furniture & Equipment	62.1	50.4	11.7
1920 - Computer Equipment - Hardware	100.5	79.2	21.3
1925 - Computer Software	10.0	9.4	0.6
1930 - Transportation Equipment	664.6	277.4	387.2
1935 - Stores Equipment	0.0	0.0	0.0
1940 - Tools, Shop and Garage Equipment	486.6	402.2	84.3
1945 - Measurement and Testing Equipment	0.0	0.0	0.0
1950 - Power Operated Equipment	399.5	95.8	303.6
1955 - Communication Equipment	0.0	0.0	0.0
1960 - Miscellaneous Equipment	0.0	0.0	0.0
1970 - Load Management Controls - Customer Premises	0.0	0.0	0.0
1975 - Load Management Controls - Utility Premises	0.0	0.0	0.0
1980 - System Supervisory Equipment	0.0	0.0	0.0
1990 - Other Tangible Property	0.0	0.0	0.0
1995 - Contributions and Grants - Credit	(66,771.1)	(20,877.8)	(45,893.3)
2005 - Property Under Capital Leases	0.0	0.0	0.0
2010 - Electric Plant Purchased or Sold	0.0	0.0	0.0
2050 - Completed Construction Not Classified - Electric	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Total Assets	47,211.4	11,887.0	35,324.4

FIVE NATIONS ENERGY INC.

Property, Plant & Equipment - 2016
(\$000's)

<u>Asset Values at Cost</u>	<u>Jan.</u>	<u>Feb.</u>	<u>Mar.</u>	<u>Apr.</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>Aug.</u>	<u>Sep.</u>	<u>Oct.</u>	<u>Nov.</u>	<u>Dec.</u>	<u>Average</u>
1608 - Franchises & Consents	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1705 - Land	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1706 - Land Rights	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1708 - Buildings and Fixtures	4,431.4	4,431.4	4,431.4	4,431.4	4,431.4	4,431.4	4,431.4	4,431.4	4,431.4	4,431.4	4,431.4	4,431.4	4,431.4
1710 - Leasehold Improvements	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1715 - Station Equipment	30,338.4	30,593.3	30,991.1	31,088.8	31,137.1	31,277.3	31,653.8	31,963.3	32,184.2	32,224.3	32,352.6	32,412.6	31,518.1
1720 - Towers and Fixtures	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1725 - Poles and Fixtures	50,926.5	50,928.5	50,928.5	50,928.5	50,928.5	50,928.5	50,928.5	50,928.5	50,928.5	50,928.5	50,928.5	50,928.5	50,928.4
1730 - Overhead Conductors & Devices	20,440.4	20,440.4	20,441.2	20,441.2	20,441.2	20,441.2	20,441.2	20,441.2	20,441.2	20,441.2	20,441.2	20,441.1	20,441.0
1735 - Underground Conduit	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1740 - Underground Conductors & Devices	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1745 - Road and Trails	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1905 - Land	250.6	250.6	250.6	250.6	250.6	250.6	250.6	250.6	250.6	250.6	250.6	250.6	250.6
1906 - Land Rights	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1908 - Buildings and Fixtures	4,685.4	4,685.4	4,685.4	4,685.4	4,685.4	4,689.5	4,689.5	4,689.5	4,689.5	4,689.5	4,701.6	4,702.5	4,689.8
1910 - Leasehold Improvements	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1915 - Office Furniture & Equipment	62.0	62.0	62.0	62.0	62.0	62.0	62.0	62.0	62.0	62.0	62.0	63.7	62.1
1920 - Computer Equipment - Hardware	94.2	97.4	97.4	99.0	99.0	100.3	103.0	103.0	103.0	103.0	103.0	103.0	100.5
1925 - Computer Software	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
1930 - Transportation Equipment	659.7	662.4	665.3	665.3	665.3	665.3	665.3	665.3	665.3	665.3	665.3	665.3	664.6
1935 - Stores Equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1940 - Tools, Shop and Garage Equipment	477.6	479.1	486.9	487.0	487.0	487.0	487.9	487.9	487.9	490.1	490.1	490.5	486.6
1945 - Measurement and Testing Equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1950 - Power Operated Equipment	366.2	366.2	366.2	366.2	371.4	371.4	371.4	371.4	371.4	371.4	548.4	551.8	399.5
1955 - Communication Equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1960 - Miscellaneous Equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1970 - Load Management Controls - Customer Premises	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1975 - Load Management Controls - Utility Premises	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1980 - System Supervisory Equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1990 - Other Tangible Property	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1995 - Contributions and Grants - Credit	(66,768.6)	(66,768.6)	(66,768.6)	(66,768.6)	(66,768.6)	(66,768.6)	(66,768.6)	(66,768.6)	(66,768.6)	(66,768.6)	(66,768.6)	(66,798.6)	(66,771.1)
2005 - Property Under Capital Leases	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2010 - Electric Plant Purchased or Sold	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2050 - Completed Construction Not Classified - Electric	<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>
Total Assets	45,973.7	46,238.0	46,647.4	46,746.7	46,800.3	46,945.8	47,326.0	47,635.5	47,856.5	47,898.7	48,216.1	48,252.5	47,211.4

FIVE NATIONS ENERGY INC.

Property, Plant & Equipment - 2016
(\$000's)

<u>Accumulated Depreciation</u>	<u>Jan.</u>	<u>Feb.</u>	<u>Mar.</u>	<u>Apr.</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>Aug.</u>	<u>Sep.</u>	<u>Oct.</u>	<u>Nov.</u>	<u>Dec.</u>	<u>Average</u>
1608 - Franchises & Consents	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1705 - Land	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1706 - Land Rights	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1708 - Buildings and Fixtures	961.4	972.3	983.1	994.0	1,004.8	1,015.7	1,026.5	1,037.4	1,048.2	1,059.1	1,069.9	1,080.8	1,021.1
1710 - Leasehold Improvements	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1715 - Station Equipment	7,089.6	7,165.3	7,241.1	7,318.5	7,395.8	7,473.2	7,553.2	7,633.1	7,713.0	7,792.9	7,872.9	7,957.2	7,517.2
1720 - Towers and Fixtures	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1725 - Poles and Fixtures	16,244.8	16,351.8	16,458.8	16,565.8	16,672.8	16,779.7	16,886.7	16,993.7	17,100.7	17,207.7	17,314.6	17,421.6	16,833.2
1730 - Overhead Conductors & Devices	5,671.4	5,702.9	5,734.5	5,766.0	5,797.5	5,829.0	5,860.6	5,892.1	5,923.6	5,955.1	5,986.7	6,018.2	5,844.8
1735 - Underground Conduit	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1740 - Underground Conductors & Devices	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1745 - Road and Trails	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1905 - Land	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1906 - Land Rights	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1908 - Buildings and Fixtures	549.5	565.1	580.8	596.5	612.1	627.8	643.4	659.1	674.7	690.4	706.0	704.6	634.2
1910 - Leasehold Improvements	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1915 - Office Furniture & Equipment	49.3	49.5	49.7	49.9	50.1	50.3	50.5	50.6	50.8	51.0	51.2	51.4	50.4
1920 - Computer Equipment - Hardware	72.9	73.9	74.9	76.0	77.1	78.3	79.6	80.9	82.2	83.5	84.8	85.8	79.2
1925 - Computer Software	9.1	9.1	9.2	9.2	9.3	9.3	9.4	9.4	9.5	9.5	9.6	9.7	9.4
1930 - Transportation Equipment	254.0	261.2	245.6	253.5	261.5	269.4	277.4	285.3	293.3	301.2	309.2	317.1	277.4
1935 - Stores Equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1940 - Tools, Shop and Garage Equipment	380.7	385.4	389.5	392.1	394.7	397.3	402.2	407.1	412.1	417.0	421.9	426.9	402.2
1945 - Measurement and Testing Equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1950 - Power Operated Equipment	79.4	82.0	84.6	87.6	90.7	93.8	96.9	100.1	103.2	106.4	109.5	115.7	95.8
1955 - Communication Equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1960 - Miscellaneous Equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1970 - Load Management Controls - Customer Premises	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1975 - Load Management Controls - Utility Premises	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1980 - System Supervisory Equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1990 - Other Tangible Property	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1995 - Contributions and Grants - Credit	(20,121.5)	(20,259.0)	(20,396.5)	(20,534.0)	(20,671.5)	(20,809.0)	(20,946.5)	(21,084.0)	(21,221.5)	(21,359.0)	(21,496.5)	(21,634.0)	(20,877.8)
2005 - Property Under Capital Leases	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2010 - Electric Plant Purchased or Sold	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2050 - Completed Construction Not Classified - Electric	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Accumulated Depreciation	11,240.5	11,359.5	11,455.2	11,575.1	11,695.0	11,814.8	11,939.8	12,064.8	12,189.8	12,314.8	12,439.7	12,554.9	11,887.0

FIVE NATIONS ENERGY INC.

Property, Plant & Equipment - 2016
(\$000's)

<u>Net Fixed Asset Values</u>	<u>Jan.</u>	<u>Feb.</u>	<u>Mar.</u>	<u>Apr.</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>Aug.</u>	<u>Sep.</u>	<u>Oct.</u>	<u>Nov.</u>	<u>Dec.</u>	<u>Average</u>
1608 - Franchises & Consents	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1705 - Land	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1706 - Land Rights	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1708 - Buildings and Fixtures	3,470.0	3,459.1	3,448.3	3,437.4	3,426.6	3,415.7	3,404.9	3,394.0	3,383.2	3,372.3	3,361.5	3,350.6	3,410.3
1710 - Leasehold Improvements	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1715 - Station Equipment	23,248.8	23,427.9	23,750.1	23,770.4	23,741.3	23,804.0	24,100.6	24,330.2	24,471.2	24,431.3	24,479.8	24,455.4	24,000.9
1720 - Towers and Fixtures	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1725 - Poles and Fixtures	34,681.7	34,576.7	34,469.7	34,362.8	34,255.8	34,148.8	34,041.8	33,934.8	33,827.9	33,720.9	33,613.9	33,506.9	34,095.1
1730 - Overhead Conductors & Devices	14,769.0	14,737.4	14,706.7	14,675.2	14,643.6	14,612.1	14,580.6	14,549.1	14,517.5	14,486.0	14,454.5	14,422.9	14,596.2
1735 - Underground Conduit	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1740 - Underground Conductors & Devices	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1745 - Road and Trails	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1905 - Land	250.6	250.6	250.6	250.6	250.6	250.6	250.6	250.6	250.6	250.6	250.6	250.6	250.6
1906 - Land Rights	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1908 - Buildings and Fixtures	4,135.9	4,120.3	4,104.5	4,088.9	4,073.2	4,061.7	4,046.0	4,030.4	4,014.7	3,999.1	3,995.5	3,997.9	4,055.7
1910 - Leasehold Improvements	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1915 - Office Furniture & Equipment	12.7	12.5	12.3	12.1	11.9	11.7	11.5	11.3	11.1	10.9	10.7	12.2	11.7
1920 - Computer Equipment - Hardware	21.3	23.5	22.5	22.9	21.8	22.0	23.5	22.2	20.9	19.6	18.2	17.2	21.3
1925 - Computer Software	0.9	0.9	0.8	0.8	0.7	0.7	0.6	0.5	0.5	0.4	0.4	0.3	0.6
1930 - Transportation Equipment	405.7	401.2	419.8	411.8	403.9	395.9	388.0	380.0	372.1	364.1	356.2	348.2	387.2
1935 - Stores Equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1940 - Tools, Shop and Garage Equipment	96.9	93.7	97.3	94.8	92.2	89.6	85.7	80.8	75.9	73.1	68.2	63.6	84.3
1945 - Measurement and Testing Equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1950 - Power Operated Equipment	286.8	284.2	281.6	278.5	280.7	277.6	274.5	271.4	268.2	265.1	438.9	436.1	303.6
1955 - Communication Equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1960 - Miscellaneous Equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1970 - Load Management Controls - Customer Premises	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1975 - Load Management Controls - Utility Premises	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1980 - System Supervisory Equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1990 - Other Tangible Property	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1995 - Contributions and Grants - Credit	(46,647.1)	(46,509.6)	(46,372.1)	(46,234.6)	(46,097.1)	(45,959.6)	(45,822.1)	(45,684.6)	(45,547.1)	(45,409.6)	(45,272.1)	(45,164.6)	(45,893.3)
2005 - Property Under Capital Leases	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2010 - Electric Plant Purchased or Sold	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2050 - Completed Construction Not Classified - Electric	<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>
Net Fixed Assets	34,733.2	34,878.5	35,192.2	35,171.6	35,105.3	35,131.0	35,386.2	35,570.7	35,666.7	35,583.9	35,776.4	35,697.5	35,324.4

SCHEDULE A

SCHEDULE A-3
Allowance for Working Capital Calculation

FIVE NATIONS ENERGY INC.

Allowance for Working Capital - 2016
(\$000's)

<u>Expense Category</u>	<u>Annual Expense</u>	
Operations, Maintenance & Admin	4,226.0 x 3.55%	<u>150.0</u>
Total Working Capital Allowance		150.0

SCHEDULE B

SCHEDULE B-1 OM&A Budget Calculations for 2017 & 2018

Calculation of Approved 2017 and 2018 OM&A Budgets

OM&A category	Calculation (\$M)
2016 Proposed OM&A budget	\$4.34
Addition for actual land use fees exceeding budget	+0.03
Reduction to reflect actual compensation costs at Dec. 31, 2016	-0.13
Addition of apprentice station technician (1/2 year as hired in July 2017)	+0.05
Reduction of half the 10% one-time salary increase	-0.03
Removal of conservation budget	-0.03
Approved 2017 OM&A budget	\$4.23
Addition for full-year salary for both new employees	+0.15
Approved 2018 OM&A budget	\$4.38

* Taken from EOB Decision, p. 22.

SCHEDULE B

SCHEDULE B-2
Cost of Capital Calculations for 2017 & 2018

FNEI Calculated Cost of Capital for 2017

	Capital Component (\$000s)	Capital Component (%)	Interest Rate (%)	Return Component (%)	Cost of Capital (\$000s)
Long-Term Debt	19,865.7	56.0%	5.11%	2.862%	1,015.14
Short-Term Debt	1,419.0	4.0%	1.76%	0.070%	24.97
Deemed Equity	14,189.9	40.0%	8.78%	3.512%	1,245.87
Rate Base	35,474.5	100%	-	6.444%	2,285.98

FNEI Calculated Cost of Capital for 2018

	Capital Component (\$000s)	Capital Component (%)	Interest Rate (%)	Return Component (%)	Cost of Capital (\$000s)
Long-Term Debt	19,865.7	56.0%	5.11%	2.862%	1,015.14
Short-Term Debt	1,419.0	4.0%	2.29%	0.092%	32.50
Deemed Equity	14,189.9	40.0%	9.00%	3.600%	1,277.09
Rate Base	35,474.5	100%	-	6.554%	2,324.73

SCHEDULE B

SCHEDULE B-3
Revised Depreciation Calculation

Revised Depreciation Calculation

Date	Comment	Credits
Accum.Amort-Office Building		
1/31/2016	Amortization for January	14,286.45
2/29/2016	Amortization for February	14,286.45
3/31/2016	Amortization for March	14,286.46
4/30/2016	Amortization for April 2016	14,286.45
5/31/2016	Amortization for May 2016	14,286.45
6/30/2016	Amortization for June 2016	14,286.45
7/31/2016	Amortization for June 2016	14,286.45
8/31/2016	Amortization for August 2016	14,286.45
9/30/2016	Amortization for September 2016	14,286.45
10/31/2016	Amortization for October 2016	14,286.45
11/30/2016	Amortization for November 2016	14,286.45
12/31/2016	Amortization for Dcember 2016	14,286.45
		<hr/>
		171,437.41
	10% Reduction	17,143.74
Starting Depreciation Amount (Actual)		1,450,000.00
		17,143.74
Revised Amount		1,432,856.26

SCHEDULE B

SCHEDULE B-4
Transmission Revenue Requirement

Calculation of Transmission Revenue Requirement – 2017 and 2018

(\$'000s)

	EB-2016-0231 Application	2017 Calculated	2018 Calculated
OM&A	4,336.0	4,226.0	4,376.0
Depreciation	1,293.3	1,433.4	1,433.4
Cost of Debt	1,044.7	1,040.1	1,047.6
ROE	1,315.1	1,245.9	1,277.1
SUB-TOTAL	7,989.2	7,945.4	8,134.1
Less: Other Revenue	150.0	146.0	146.0
TOTAL	\$7,839.2	\$7,799.4	\$7,988.1

SCHEDULE C

SCHEDULE C-1
2017 Foregone Revenue Calculation

Filed: January 16, 2018
Draft Order
EB-2016-0231
Schedule C-1

Actual Transmission Revenues for 2017

Date	Comment	Credits	Balance
1/31/2017	Independent Elec. Market Operator	500,702.11	500,702.11
2/28/2017	Independent Elec. Market Operator	483,870.87	984,572.98
3/31/2017	Independent Elec. Market Operator	480,393.02	1,464,966.00
4/30/2017	Independent Elec. Market Operator	455,286.02	1,920,252.02
5/31/2017	Independent Elec. Market Operator	452,833.73	2,373,085.75
6/30/2017	Independent Elec. Market Operator	533,729.33	2,906,815.08
7/31/2017	Independent Elec. Market Operator	533,862.12	3,440,677.20
8/31/2017	Independent Elec. Market Operator	527,595.07	3,968,272.27
9/30/2017	Independent Elec. Market Operator	563,235.25	4,531,507.52
10/31/2017	Independent Elec. Market Operator	444,743.68	4,976,251.20
11/30/2017	Independent Elec. Market Operator	453,124.64	5,429,375.84
12/31/2017	Estimated Revenue for December 2017 (Calc Tab)	484,969.05	5,914,344.89
		5,914,344.89	

2017 Calculated Revenue Requirement = \$7,799,400

Less: \$5,914,345

Less: \$46,000

FOREGONE REVENUE AMOUNT = \$1,839,055

SCHEDULE C

**SCHEDULE C-2
2017 IESO Invoices**

**Independent Electricity System Operator
PHYSICAL INVOICE**

Independent Electricity System Operator
Station A, Box 4474
Toronto, ON
M5W 4E5

HST: 870513959RT0002

Issue / Re-Issue Date: 14-FEB-2017

FIVE NATIONS ENERGY INC
70-C Mountjoy St. N.
Suite 421
Timmins, ON P4N 4V7
Canada

Invoice: PI00018120
Invoice Date: 14-FEB-2017
MP ID: 105831
MP GST/HST: 873715973RT0001

Please send payment by WIRE or EFT to:

Bank Name: Bank Acc Type:
Bank ID Number: Bank Transit Number:
Bank Account Number:

For all inquiries contact:
IESO Account Representative
Tel: 905-403-6900
Toll Free: 1-888-448-7777

Comments:

Charges for settlement statements issued: From 01-JAN-2017 To 31-JAN-2017

Charge Type	Description	Amount
600	NETWORK SERVICE CREDIT	(\$293,335.44)
601	LINE CONNECTION SERVICE CREDIT	(\$69,751.09)
602	TRANSFORMATION CONNECTION SERVICE CREDIT	(\$137,615.58)
900	GST/HST CREDIT	(\$65,091.35)
950	GST/HST DEBIT	\$0.08
Invoice Total:		\$CAD (565,793.38)

Do Not Send Payment

This invoice also constitutes a debit/credit note for GST/HST purposes

**Independent Electricity System Operator
PHYSICAL INVOICE**

Independent Electricity System Operator
Station A, Box 4474
Toronto, ON
M5W 4E5

HST: 870513959RT0002

Issue / Re-Issue Date: 14-MAR-2017

FIVE NATIONS ENERGY INC
70-C Mountjoy St. N.
Suite 421
Timmins, ON P4N 4V7
Canada

Invoice: PI00018414
Invoice Date: 14-MAR-2017
MP ID: 105831
MP GST/HST: 873715973RT0001

Please send payment by WIRE or EFT to:

Bank Name: Bank Acc Type:
Bank ID Number: Bank Transit Number:
Bank Account Number:

For all inquiries contact:
IESO Account Representative
Tel: 905-403-6900
Toll Free: 1-888-448-7777

Comments:

Charges for settlement statements issued: From 01-FEB-2017 To 28-FEB-2017

Charge Type	Description	Amount
600	NETWORK SERVICE CREDIT	(\$284,570.73)
601	LINE CONNECTION SERVICE CREDIT	(\$67,356.30)
602	TRANSFORMATION CONNECTION SERVICE CREDIT	(\$131,943.84)
900	GST/HST CREDIT	(\$62,903.23)
Invoice Total:		\$CAD (546,774.10)

Do Not Send Payment

This invoice also constitutes a debit/credit note for GST/HST purposes

**Independent Electricity System Operator
PHYSICAL INVOICE**

Independent Electricity System Operator
Station A, Box 4474
Toronto, ON
M5W 4E5

HST: 870513959RT0002

Issue / Re-Issue Date: 18-APR-2017

FIVE NATIONS ENERGY INC
70-C Mountjoy St. N.
Suite 421
Timmins, ON P4N 4V7
Canada

Invoice: PI00018707
Invoice Date: 18-APR-2017
MP ID: 105831
MP GST/HST: 873715973RT0001

Please send payment by WIRE or EFT to:

Bank Name: Bank Acc Type:
Bank ID Number: Bank Transit Number:
Bank Account Number:

For all inquiries contact:
IESO Account Representative
Tel: 905-403-6900
Toll Free: 1-888-448-7777

Comments: The Ontario government is providing eligible consumers with a rebate on their electricity costs equal to the provincial portion of HST.

Charges for settlement statements issued: From 01-MAR-2017 To 31-MAR-2017

Charge Type	Description	Amount
600	NETWORK SERVICE CREDIT	(\$281,225.30)
601	LINE CONNECTION SERVICE CREDIT	(\$67,240.37)
602	TRANSFORMATION CONNECTION SERVICE CREDIT	(\$131,927.35)
900	GST/HST CREDIT	(\$62,451.10)
Invoice Total:		\$CAD (542,844.12)

Do Not Send Payment

This invoice also constitutes a debit/credit note for GST/HST purposes

**Independent Electricity System Operator
PHYSICAL INVOICE**

Independent Electricity System Operator
Station A, Box 4474
Toronto, ON
M5W 4E5

HST: 870513959RT0002
Issue / Re-Issue Date: 12-MAY-2017

FIVE NATIONS ENERGY INC
70-C Mountjoy St. N.
Suite 421
Timmins, ON P4N 4V7
Canada

Invoice: PI00019015
Invoice Date: 12-MAY-2017
MP ID: 105831
MP GST/HST: 873715973RT0001

Please send payment by WIRE or EFT to:

Bank Name: Bank Acc Type:
Bank ID Number: Bank Transit Number:
Bank Account Number:

For all inquiries contact:
IESO Account Representative
Tel: **905-403-6900**
Toll Free: **1-888-448-7777**

Comments: The Ontario government is providing eligible consumers with a rebate on their electricity costs equal to the provincial portion of HST.

Charges for settlement statements issued: From 01-APR-2017 To 30-APR-2017

Charge Type	Description	Amount
600	NETWORK SERVICE CREDIT	(\$254,453.64)
601	LINE CONNECTION SERVICE CREDIT	(\$68,192.30)
602	TRANSFORMATION CONNECTION SERVICE CREDIT	(\$132,640.08)
900	GST/HST CREDIT	(\$59,187.19)
Invoice Total:		\$CAD (514,473.21)

Do Not Send Payment

This invoice also constitutes a debit/credit note for GST/HST purposes

**Independent Electricity System Operator
PHYSICAL INVOICE**

Independent Electricity System Operator
Station A, Box 4474
Toronto, ON
M5W 4E5

HST: 870513959RT0002
Issue / Re-Issue Date: 14-JUN-2017

FIVE NATIONS ENERGY INC
70-C Mountjoy St. N.
Suite 421
Timmins, ON P4N 4V7
Canada

Invoice: PI00019320
Invoice Date: 14-JUN-2017
MP ID: 105831
MP GST/HST: 873715973RT0001

Please send payment by WIRE or EFT to:

Bank Name: Bank Acc Type:
Bank ID Number: Bank Transit Number:
Bank Account Number:

For all inquiries contact:
IESO Account Representative
Tel: 905-403-6900
Toll Free: 1-888-448-7777

Comments: The Ontario government is providing eligible consumers with a rebate on their electricity costs equal to the provincial portion of HST.

Charges for settlement statements issued: From 01-MAY-2017 To 31-MAY-2017

Charge Type	Description	Amount
600	NETWORK SERVICE CREDIT	(\$264,868.99)
601	LINE CONNECTION SERVICE CREDIT	(\$64,233.64)
602	TRANSFORMATION CONNECTION SERVICE CREDIT	(\$123,731.10)
900	GST/HST CREDIT	(\$58,871.13)
950	GST/HST DEBIT	\$2.76

Invoice Total: \$CAD (511,702.10)

Do Not Send Payment

This invoice also constitutes a debit/credit note for GST/HST purposes

**Independent Electricity System Operator
PHYSICAL INVOICE**

Independent Electricity System Operator
Station A, Box 4474
Toronto, ON
M5W 4E5

HST: 870513959RT0002
Issue / Re-Issue Date: 17-JUL-2017

FIVE NATIONS ENERGY INC
70-C Mountjoy St. N.
Suite 421
Timmins, ON P4N 4V7
Canada

Invoice: PI00019628
Invoice Date: 17-JUL-2017
MP ID: 105831
MP GST/HST: 873715973RT0001

Please send payment by WIRE or EFT to:

Bank Name: Bank Acc Type:
Bank ID Number: Bank Transit Number:
Bank Account Number:

For all inquiries contact:
IESO Account Representative
Tel: 905-403-6900
Toll Free: 1-888-448-7777

Comments:

Charges for settlement statements issued: From 01-JUN-2017 To 30-JUN-2017

Charge Type	Description	Amount
600	NETWORK SERVICE CREDIT	(\$312,710.05)
601	LINE CONNECTION SERVICE CREDIT	(\$74,493.43)
602	TRANSFORMATION CONNECTION SERVICE CREDIT	(\$146,525.85)
900	GST/HST CREDIT	(\$69,384.83)
Invoice Total:		\$CAD (603,114.16)

Do Not Send Payment

This invoice also constitutes a debit/credit note for GST/HST purposes

**Independent Electricity System Operator
PHYSICAL INVOICE**

Independent Electricity System Operator
Station A, Box 4474
Toronto, ON
M5W 4E5

HST: 870513959RT0002
Issue / Re-Issue Date: 15-AUG-2017

FIVE NATIONS ENERGY INC
70-C Mountjoy St. N.
Suite 421
Timmins, ON P4N 4V7
Canada

Invoice: PI00019932
Invoice Date: 15-AUG-2017
MP ID: 105831
MP GST/HST: 873715973RT0001

Please send payment by WIRE or EFT to:

Bank Name: Bank Acc Type:
Bank ID Number: Bank Transit Number:
Bank Account Number:

For all inquiries contact:
IESO Account Representative
Tel: 905-403-6900
Toll Free: 1-888-448-7777

Comments:

Charges for settlement statements issued: From 01-JUL-2017 To 31-JUL-2017

Charge Type	Description	Amount
600	NETWORK SERVICE CREDIT	(\$310,017.67)
601	LINE CONNECTION SERVICE CREDIT	(\$75,743.87)
602	TRANSFORMATION CONNECTION SERVICE CREDIT	(\$148,100.58)
900	GST/HST CREDIT	(\$69,402.08)
Invoice Total:		\$CAD (603,264.20)

Do Not Send Payment

This invoice also constitutes a debit/credit note for GST/HST purposes

**Independent Electricity System Operator
PHYSICAL INVOICE**

Independent Electricity System Operator
Station A, Box 4474
Toronto, ON
M5W 4E5

HST: 870513959RT0002

Issue / Re-Issue Date: 15-SEP-2017

FIVE NATIONS ENERGY INC
70-C Mountjoy St. N.
Suite 421
Timmins, ON P4N 4V7
Canada

Invoice: PI00020236
Invoice Date: 15-SEP-2017
MP ID: 105831
MP GST/HST: 873715973RT0001

Please send payment by WIRE or EFT to:

Bank Name: Bank Acc Type:
Bank ID Number: Bank Transit Number:
Bank Account Number:

For all inquiries contact:
IESO Account Representative
Tel: 905-403-6900
Toll Free: 1-888-448-7777

Comments:

Charges for settlement statements issued: From 01-AUG-2017 To 31-AUG-2017

Charge Type	Description	Amount
600	NETWORK SERVICE CREDIT	(\$309,523.43)
601	LINE CONNECTION SERVICE CREDIT	(\$73,707.89)
602	TRANSFORMATION CONNECTION SERVICE CREDIT	(\$144,363.75)
900	GST/HST CREDIT	(\$68,589.37)
950	GST/HST DEBIT	\$2.01
Invoice Total:		\$CAD (596,182.43)

Do Not Send Payment

This invoice also constitutes a debit/credit note for GST/HST purposes

**Independent Electricity System Operator
PHYSICAL INVOICE**

Independent Electricity System Operator
Station A, Box 4474
Toronto, ON
M5W 4E5

HST: 870513959RT0002
Issue / Re-Issue Date: 16-OCT-2017

FIVE NATIONS ENERGY INC
70-C Mountjoy St. N.
Suite 421
Timmins, ON P4N 4V7
Canada

Invoice: PI00020544
Invoice Date: 16-OCT-2017
MP ID: 105831
MP GST/HST: 873715973RT0001

Please send payment by WIRE or EFT to:

Bank Name: Bank Acc Type:
Bank ID Number: Bank Transit Number:
Bank Account Number:

For all inquiries contact:
IESO Account Representative
Tel: 905-403-6900
Toll Free: 1-888-448-7777

Comments:

Charges for settlement statements issued: From 01-SEP-2017 To 30-SEP-2017

Charge Type	Description	Amount
600	NETWORK SERVICE CREDIT	(\$326,738.25)
601	LINE CONNECTION SERVICE CREDIT	(\$79,298.36)
602	TRANSFORMATION CONNECTION SERVICE CREDIT	(\$157,198.64)
900	GST/HST CREDIT	(\$73,275.24)
950	GST/HST DEBIT	\$54.66
Invoice Total:		\$CAD (636,455.83)

Do Not Send Payment

This invoice also constitutes a debit/credit note for GST/HST purposes

**Independent Electricity System Operator
PHYSICAL INVOICE**

Independent Electricity System Operator
Station A, Box 4474
Toronto, ON
M5W 4E5

HST: 870513959RT0002
Issue / Re-Issue Date: 15-NOV-2017

FIVE NATIONS ENERGY INC
70-C Mountjoy St. N.
Suite 421
Timmins, ON P4N 4V7
Canada

Invoice: PI00020860
Invoice Date: 15-NOV-2017
MP ID: 105831
MP GST/HST: 873715973RT0001

Please send payment by WIRE or EFT to:

Bank Name: Bank Acc Type:
Bank ID Number: Bank Transit Number:
Bank Account Number:

For all inquiries contact:
IESO Account Representative
Tel: 905-403-6900
Toll Free: 1-888-448-7777

Comments:

Charges for settlement statements issued: From 01-OCT-2017 To 31-OCT-2017

Charge Type	Description	Amount
600	NETWORK SERVICE CREDIT	(\$259,924.23)
601	LINE CONNECTION SERVICE CREDIT	(\$62,579.46)
602	TRANSFORMATION CONNECTION SERVICE CREDIT	(\$122,239.99)
900	GST/HST CREDIT	(\$57,816.69)
Invoice Total:		\$CAD (502,560.37)

Do Not Send Payment

This invoice also constitutes a debit/credit note for GST/HST purposes

**Independent Electricity System Operator
PHYSICAL INVOICE**

Independent Electricity System Operator
Station A, Box 4474
Toronto, ON
M5W 4E5

HST: 870513959RT0002
Issue / Re-Issue Date: 14-DEC-2017

FIVE NATIONS ENERGY INC
70-C Mountjoy St. N.
Suite 421
Timmins, ON P4N 4V7
Canada

Invoice: PI00021167
Invoice Date: 14-DEC-2017
MP ID: 105831
MP GST/HST: 873715973RT0001

Please send payment by WIRE or EFT to:

Bank Name: Bank Acc Type:
Bank ID Number: Bank Transit Number:
Bank Account Number:

For all inquiries contact:
IESO Account Representative
Tel: 905-403-6900
Toll Free: 1-888-448-7777

Comments:

Charges for settlement statements issued: From 01-NOV-2017 To 30-NOV-2017

Charge Type	Description	Amount
600	NETWORK SERVICE CREDIT	(\$161,321.37)
601	LINE CONNECTION SERVICE CREDIT	(\$76,328.47)
602	TRANSFORMATION CONNECTION SERVICE CREDIT	(\$215,474.80)
900	GST/HST CREDIT	(\$58,918.67)
950	GST/HST DEBIT	\$12.47
Invoice Total:		\$CAD (512,030.84)

Do Not Send Payment

This invoice also constitutes a debit/credit note for GST/HST purposes

SCHEDULE C

SCHEDULE C-3
Estimation of December 2017 Revenues

Filed: January 16, 2018

Draft Order

EB-2016-0231

Schedule C-3

Forecast of December 2017 Transmission Revenues (based on 2016)

Date	Comment	Credits	2016 Balance	2017 Balance	% Difference
1/31/2016	Independent Elec. Market Operator	510,268.22	510,268.22	500,702.11	98.13%
2/29/2016	Independent Elec. Market Operator	509,866.60	1,020,134.82	984,572.98	96.51%
3/31/2016	Independent Elec. Market Operator	494,913.33	1,515,048.15	1,464,966.00	96.69%
4/30/2016	Independent Elec. Market Operator	464,846.14	1,979,894.29	1,920,252.02	96.99%
5/31/2016	Independent Elec. Market Operator	504,455.76	2,484,350.05	2,373,085.75	95.52%
6/30/2016	Independent Elec. Market Operator	562,949.25	3,047,299.30	2,906,815.08	95.39%
7/31/2016	Independent Elec. Market Operator	587,591.64	3,634,890.94	3,440,677.20	94.66%
8/31/2016	Independent Elec. Market Operator	597,367.43	4,232,258.37	3,968,272.27	93.76%
9/30/2016	Independent Elec. Market Operator	589,219.02	4,821,477.39	4,531,507.52	93.99%
10/31/2016	Independent Elec. Market Operator	454,126.54	5,275,603.93	4,976,251.20	94.33%
11/30/2016	Independent Elec. Market Operator	474,151.63	5,749,755.56	5,429,375.84	94.43%
12/31/2016	Independent Elec. Market Operator	<u>513,586.38</u>	6,263,341.94	484,969.05	Estimate*
			6,263,341.94		

*December 2017 = December 2016 revenue (\$513,586.38) multiplied by 94.43% (with rounding).

SCHEDULE D

SCHEDULE D-1
Charge Determinants 2017 & 2018

Filed: January 16, 2018
Draft Order
EB-2016-0231
Schedule D-1

FNEI Charge Determinants for 2017 and 2018

(MW)	Currently Approved	2017 and 2018
Network	187.12	230.41
Line Connection	213.46	248.86
Transformation	76.19	73.04

SCHEDULE E

SCHEDULE E-1

Allocation of Revenue Requirement to Transmission Rate Pools

FNEI 2017 and 2018 Revenue Requirement by Rate Pool
FNEI 2017 Foregone Revenue by Rate Pool

	Transmission Rate Pools			Total Revenue Requirement
	Network Pool	Line Connection	Transformation	
HONI 2018 Rev. Rqmt.	\$831.5 million	\$219.3 million	\$459.9 million	\$1,510.7 million
HONI Allocation Factor	0.550407	0.145164	0.304428	1.000000
FNEI 2017 Rev. Rqmt.	\$4,292,844	\$1,132,192	\$2,374,356	\$7,799,400
FNEI 2018 Rev. Rqmt.	\$4,396,706	\$1,159,585	\$2,431,801	\$7,988,100
FNEI 2017 Foregone Revenue	\$1,012,229	\$266,965	\$559,860	\$1,839,055
Amount to be included in 2018 UTRs	\$5,408,935	\$1,426,550	\$2,991,661	\$9,827,155