	A	B	C	D	E	F	G	H	I	J	K
1											
2	**Table 1: Earnings and ROE excluding Accounting Changes**										
3											
4						Reported Results					
5	Entity (Rate Zone)					HRZ	BRZ	ERZ	PRZ	Alectra Utilities	
6											
7	Source					Note 1	Note 2	Note 2	Note 2	Note 1	
8											
9	Regulatory Net Income before ESM DVA Entry					$ 21,180,442	$ 9,522,997	$ 17,671,118	$ 34,680,001	$ 83,054,556	
10	Deemed Equity					$ 207,057,276	$ 168,520,438	$ 316,681,764	$ 415,262,107	$ 1,107,528,050	
11	ROE %					10.23%	5.65%	5.58%	8.35%	7.50%	
12											
13						Effects of Accounting Changes					
14						HRZ	BRZ	ERZ	PRZ	Alectra Utilities	
15	Source					Note 3	Note 3	Note 3	Note 3	Note 3	
16											
17	Regulatory Net Income					$ (3,998,290)	$ 1,365,172	$ (1,386,982)	$ (144,473)	$ (4,066,720)	
18	Deemed Equity					$ (807,080)	$ 266,342	$ (267,648)	$ (32,580)	$ (1,100,095)	
19	ROE %					-1.90%	0.80%	-0.43%	-0.03%	-0.36%	
20											
21						Earnings and ROE excluding Accounting Changes					
22						HRZ	BRZ	ERZ	PRZ	Alectra Utilities	
23											
24	Regulatory Net Income before ESM DVA Entry					$ 17,182,152	$ 10,888,169	$ 16,284,136	$ 34,535,527	$ 78,987,836	
25	Deemed Equity					$ 206,250,196	$ 168,786,781	$ 316,414,116	$ 415,229,527	$ 1,106,427,955	
26	ROE %					8.33%	6.45%	5.15%	8.32%	7.14%	

Table 2: Historical Regulatory Earnings and ROE

		HRZ	BRZ	ERZ	PRZ	Total
2015	Ref:	1	1	1	1	
Regulatory Net Income (no ESM DVA Entry)		$ 19,088,000	$ 12,321,570	$ 21,311,944	$ 26,082,878	$ 78,804,392
Deemed Equity		$ 190,520,112	$ 160,817,281	$ 282,498,352	$ 392,218,673	$ 1,026,054,418
ROE%		10.00%	7.66%	7.54%	6.65%	7.68%
2016	Ref:	2	2	2	2	
Regulatory Net Income before ESM DVA Entry		$ 20,434,786	$ 12,310,771	$ 19,075,259	$ 33,600,801	$ 85,421,618
Deemed Equity		$ 202,586,220	$ 168,697,788	$ 311,076,269	$ 425,865,000	$ 1,108,225,277
ROE%		10.09%	7.30%	6.13%	7.89%	7.71%
2017	Ref:	3	3	3	3	
Regulatory Net Income before ESM DVA Entry		$ 17,182,152	$ 10,888,169	$ 16,284,136	$ 34,535,527	$ 78,889,985
Deemed Equity		$ 206,250,196	$ 168,786,781	$ 316,414,116	$ 415,229,527	$ 1,106,680,620
ROE%		8.33%	6.45%	5.15%	8.32%	7.13%
Change from 2016 to 2017						
Regulatory Net Income before ESM DVA Entry		$ (3,252,634)	$ (1,422,603)	$ (2,791,123)	$ 934,726	$ (6,531,633)
Deemed Equity		$ 3,663,976	$ 88,992	$ 5,337,847	$ (10,635,473)	$ (1,544,657)
ROE%		-1.76%	-0.85%	-0.98%	0.43%	-0.58%

References:
1 RRR Filings 2015
2 RRR Filings 2016 for BRZ/ERZ/PRZ; EB-2017-0024 Exhibit 2 Tab 1 Schedule 6 for HRZ
3 Table 1: Earnings and ROE Excluding Accounting Changes

	A	F	G	I
55				
56	**Note 1: Reconciliation to RRR 2.1.5.4 Filings**			
57				
58		Alectra	Horizon RZ	Ref.
59				
60	Net Income for ESM, after HRZ-Staff-17 Adj.	$ 81,987,281	$ 20,113,167	Note 2; IRR HRZ-Staff-17
61				
62	Deduct non-allowable Donations (non-LEAP)	$ (3,897)	$ (3,897)	Exhibit 2 Tab 1 Schedule 6 Table 20-21
63	Adjustment for DVA interest (income) expense	$ (43,834)	$ (43,834)	Exhibit 2 Tab 1 Schedule 6 Table 20-21
64	Add back ROE on Stranded Meters	$ 84,000	$ 84,000	Exhibit 2 Tab 1 Schedule 6 Table 20-21
65	Add back 1/5th of Application costs	$ 495,385	$ 495,385	Exhibit 2 Tab 1 Schedule 6 Table 20-21
66	Add Tax on non-allowable Donations (non-LEAP) (26.5%)	$ 1,033	$ 1,033	Exhibit 2 Tab 1 Schedule 6 Table 20-21
67	Add Tax on DVA Interest (income) expense (26.5%)	$ 11,616	$ 11,616	Exhibit 2 Tab 1 Schedule 6 Table 20-21
68	Add Tax on Stranded Meter Rate Rider	$ 676,509	$ 676,509	Exhibit 2 Tab 1 Schedule 6 Table 20-21
69	Deduct tax on ROE on Stranded Meters (26.5%)	$ (22,260)	$ (22,260)	Exhibit 2 Tab 1 Schedule 6 Table 20-21
70	Deduct tax on 1/5th of Application Costs (26.5%)	$ (131,277)	$ (131,277)	Exhibit 2 Tab 1 Schedule 6 Table 20-21
71				
72	**Reg. Net Income per 2.1.5.6 before ESM DVA Entry**	**$ 83,054,556**	**$ 21,180,442**	Figures to be used in Table 1 above
73				
74	ESM DVA entry accrued in 2017	$ (985,377)	$ (985,377)	Exhibit 2 Tab 1 Schedule 6 Table 20-21
75	2016 ESM DVA adjustment (booked in 2017)	$ (33,508)	$ (33,508)	Exhibit 2 Tab 1 Schedule 6 Table 20-21
76	Tax on ESM DVA entry and adjustment (26.5%)	$ 270,005	$ 270,005	Exhibit 2 Tab 1 Schedule 6 Table 20-21
77				
78	Regulatory Net Income per 2.1.5.6 after ESM Entry	$ 82,035,671	$ 20,161,557	
79				
80	**Deemed Equity**	**$ 1,107,528,050**	**$ 207,057,276**	Alectra Rep. Sub Table 1; IRR HRZ-Staff-17

	A	B	C	D	E	F	G	H	I	J	K
81											
82	**Note 2: Updated reported results per Adjustments in HRZ-Staff-17 and HRZ-Staff-21**										
83											
84	Adjustments to Regulatory Net Income and Deemed Equity:					Reported Results					
85						HRZ	BRZ	ERZ	PRZ	Alectra Utilities	
86	Originally Proposed:										
87	Regulatory Net Income (per Alectra Reply Sub. Table 1)					$ 19,807,963	$ 9,437,793	$ 17,585,874	$ 35,153,362	$ 81,984,990	
88	Deemed Equity (per Alectra Reply Sub. Table 1)					$ 207,042,402	$ 168,529,763	$ 316,699,842	$ 415,256,043	$ 1,107,528,050	
89	ROE %					9.567%	5.600%	5.553%	8.465%	7.403%	
90											
91	Adjustments per below:										
92	Regulatory Net Income					$ 305,204	$ 85,204	$ 85,244	$ (473,361)	$ 2,291	
93	Deemed Equity					$ 14,874	$ (9,325)	$ (18,078)	$ 6,064	$ (6,464)	
94											
95						Adjusted Earnings and ROE per HRZ-Staff-17					
96											
97	Regulatory Net Income					$ 20,113,167	$ 9,522,997	$ 17,671,118	$ 34,680,001	$ 81,987,281	
98	Deemed Equity					$ 207,057,276	$ 168,520,438	$ 316,681,764	$ 415,262,107	$ 1,107,521,586	
99	ROE%					9.714%	5.651%	5.580%	8.351%	7.403%	
100											
101	**Change in Regulatory Net Income**										
102											
103	Ex 2 Tab 1 Sch 6 Table 26 - Revised per HRZ-Staff-17										
104						HRZ	BRZ	ERZ	PRZ	Alectra Utilities	
105	2014-2016 RRR Average					$ 60,901,688	$ 28,658,213	$ 56,300,996	$ 86,722,101	$ 232,582,998	
106	Impact of Alectra Utilities Overhead Capitalization					$ (5,398,529)	$ 1,830,532	$ (1,866,041)	$ (194,000)	$ (5,628,038)	
107											
108	Annualized Adjustment to Overhead Capitalization					$ (5,889,304)	$ 2,196,638	$ (2,035,681)	$ (211,636)	$ (5,939,983)	
109											
110	Revised OM&A					$ 55,012,384	$ 30,854,851	$ 54,265,315	$ 86,510,465	$ 226,643,015	
111	% of total					24.27%	13.61%	23.94%	38.17%	100.00%	
112	Prorate for 2017 part year:										
113	Months					11	10	11	11		
114	Prorated					$ 50,428,018	$ 25,712,376	$ 49,743,205	$ 79,301,259	$ 205,184,859	
115	% of total					24.58%	12.53%	24.24%	38.65%	100.00%	
116											
117	% Used in Original Filing					24.44%	12.61%	24.39%	38.56%	100.00%	
118	$ Used in Original Filing					$ 55,705,300	$ 28,748,518	$ 55,590,373	$ 87,874,487	$ 227,918,678	
119	Change in OM&A (%)					0.14%	-0.08%	-0.15%	0.09%		
120	**Change in OM&A ($)**					**$ 311,955**	**$ (179,321)**	**$ (334,774)**	**$ 202,140**	**$ -**	

	A	B	C	D	E	F	G	H	I	J	K
121											
122	Change in Deemed Interest:										
123											
124	Change in Rate Base (per below)					$ 37,435	$ (23,312)	$ (45,194)	$ 15,161	$ (15,911)	
125											
126	Deemed Short-term Debt Weight (4%)					$ 1,497	$ (932)	$ (1,808)	$ 606	$ (636)	
127	Deemed Short-term Debt Rate					1.76%	2.16%	2.08%	1.76%		
128	Change in Short-term Interest					$ 26	$ (20)	$ (38)	$ 11	$ (21)	
129											
130	Deemed Long-term Debt Weight (56%)					$ 20,963	$ (13,055)	$ (25,309)	$ 8,490	$ (8,910)	
131	Deemed Long-term Debt Rate					3.47%	6.07%	5.09%	3.88%		
132	Change in Long-term Interest					$ 727	$ (792)	$ (1,288)	$ 329	$ (1,024)	
133											
134	**Change in Deemed Interest**					**$ 754**	**$ (813)**	**$ (1,326)**	**$ 340**	**$ (1,045)**	
135											
136	**Change in Current PILs from OM&A and Interest (26.5%)**					**$ (82,868)**	**$ 47,735**	**$ 89,066**	**$ (53,657)**	**$ 277**	
137											
138	**Change in Current PILs from HRZ-Staff-21***					**$ (533,522)**	**$ 47,194**	**$ 161,790**	**$ 324,538**	**$ -**	
139											
140	*HRZ-Staff-21 Reallocations to other RZ based on GP Dep. %										
141	*RZ Allocations prior to HRZ-Staff-21 not provided										
142											
143	Rounding Difference					**$ (1,523)**	**$ -**	**$ -**	**$ -**	**$ (1,523)**	
144											
145	**Total Change in Regulatory Net Income**					**$ 305,204**	**$ 85,204**	**$ 85,244**	**$ (473,361)**	**$ 2,291**	
146											
147	**Change in Deemed Equity**										
148											
149	Change in OM&A (Working Capital Base) (per above)					$ 311,955	$ (179,321)	$ (334,774)	$ 202,140	$ -	
150	Working Capital Allowance Rate					12.0%	13.0%	13.5%	7.5%		
151	Change in Working Capital Allowance/Rate Base					**$ 37,435**	**$ (23,312)**	**$ (45,194)**	**$ 15,161**	**$ (15,911)**	
152											
153	Rounding Difference					**$ (100)**	**$ -**	**$ -**	**$ -**	**$ (100)**	
154											
155	**Change in Deemed Equity (40%)**					**$ 14,874**	**$ (9,325)**	**$ (18,078)**	**$ 6,064**	**$ (6,464)**	

	A	B	C	D	E	F	G	H	I	J	K
156											
157	**Note 3: Effects of Changes in Accounting Policy**										
158											
159	**Effects of Accounting Changes on Regulatory Net Earnings (Ref: BRZ per App. Ex 2 Tab 2 Sch 7; ERZ per App. Ex 2 Tab 4 Sch 7; HRZ per HRZ-Staff-22, PRZ per G-Staff-5)**										
160											
161						HRZ	BRZ	ERZ	PRZ	Alectra	
162	Add back (deduct) OM&A					$ (5,398,529)	$ 1,830,532	$ (1,866,041)	$ (194,000)	$ (5,628,038)	
163	Deduct (add back) Depreciation					$ 67,482	$ (22,882)	$ 23,968	$ 2,000	$ 70,568	
164											
165	Impact on Net Earnings Before Interest and Tax					$ (5,331,047)	$ 1,807,650	$ (1,842,073)	$ (192,000)	$ (5,557,470)	A1
166											
167	Changes in Deemed Interest Amounts										
168											
169	Change in Rate Base (per below, B1+B2)					$ (2,017,700)	$ 665,856	$ (669,121)	$ (81,450)	$ (2,750,239)	
170											
171	Deemed Short-term Debt Weight (4%)					$ (80,708)	$ 26,634	$ (26,765)	$ (3,258)	$ (3,389)	
172	Deemed Short-term Debt Rate					1.76%	2.16%	2.08%	1.76%		
173	Change in Short-term Interest					$ (1,420)	$ 575	$ (557)	$ (57)	$ (39)	
174											
175	Deemed Long-term Debt Weight (56%)					$ (1,129,912)	$ 372,879	$ (374,708)	$ (45,612)	$ (47,440)	
176	Deemed Long-term Debt Rate					3.47%	6.07%	5.09%	3.88%		
177	Change in Long-term Interest					$ (39,208)	$ 22,634	$ (19,073)	$ (1,770)	$ 1,791	
178											
179	Impact on Earnings from Deemed Interest Change					$ (40,628)	$ 23,209	$ (19,629)	$ (1,827)	$ 1,753	A2
180											

	A	B	C	D	E	F	G	H	I	J	K
181	Capital Cost Allowance (CCA) difference (Class 47):										
182											
183	Additions (Capitalized OM&A)					$ 5,398,529	$ (1,830,532)	$ 1,866,041	$ 194,000	$ 229,509	
184	50% Net Additions					$ 2,699,265	$ (915,266)	$ 933,021	$ 97,000	$ 114,755	
185	Reduced UCC					$ 2,699,265	$ (915,266)	$ 933,021	$ 97,000	$ 114,755	
186											
187	CCA Claim (8%)*					$ 215,941	$ (73,221)	$ 74,642	$ 7,760	$ 9,180	
188											
189	Adjustments to Current PILs:										
190											
191	Increased (Reduced) net income before tax (A1)					$ (5,331,047)	$ 1,807,650	$ (1,842,073)	$ (192,000)	$ (5,557,470)	
192											
193	Adjustments to Arrive at Taxable Income:										
194	Add back incremental CCA Claim (per above*)					$ 215,941	$ (73,221)	$ 74,642	$ 7,760	$ 9,180	
195	Deduct Incremental Amortization that was added					$ (67,482)	$ 22,882	$ (23,968)	$ (2,000)	$ (70,568)	
196	Net Adjustments to Taxable Income					$ 148,459	$ (50,339)	$ 50,674	$ 5,760	$ (61,388)	
197											
198	Adjusted Taxable Income					$ (5,182,588)	$ 1,757,311	$ (1,791,399)	$ (186,240)	$ (5,618,858)	
199											
200	Tax Rate					26.5%	26.5%	26.5%	26.5%	26.5%	
201											
202	Reduced Income Taxes/Current PILs					$ (1,373,386)	$ 465,687	$ (474,721)	$ (49,354)	$ (1,488,997)	
203											
204	Impact on Earnings from Change in PILs					$ 1,373,386	$ (465,687)	$ 474,721	$ 49,354	$ 1,488,997	A3
205											
206	**Effects of Accounting Changes on Regulatory Net Earnings**					**$ (3,998,290)**	**$ 1,365,172**	**$ (1,386,982)**	**$ (144,473)**	**$ (4,066,720)**	(A1+A2+A3)

Adjustments to Rate Base	HRZ	BRZ	ERZ	PRZ	Alectra	
Adjustments to Average Net Fixed Assets:						
Remove capitalized OM&A	$ (5,398,529)	$ 1,830,532	$ (1,866,041)	$ (194,000)	$ (5,628,038)	
Add depreciation difference	$ 67,482	$ (22,882)	$ 23,968	$ 2,000	$ 70,568	
Total Adjustment to Closing Net Fixed Assets	$ (5,331,047)	$ 1,807,650	$ (1,842,073)	$ (192,000)	$ (5,557,470)	
Change in Average Net Fixed Assets (divide by 2)	$ (2,665,524)	$ 903,825	$ (921,037)	$ (96,000)	$ (2,778,735)	B1
Adjustments to Working Capital Allowance:						
Adjustments to Working Capital Base controllable expenses:						
Add capitalized OM&A	$ 5,398,529	$ (1,830,532)	$ 1,866,041	$ 194,000	$ 5,628,038	
Working Capital Rate	12%	13%	13.5%	7.5%		
Adjustment to Working Capital Allowance	$ 647,823	$ (237,969)	$ 251,916	$ 14,550	$ 28,496	B2
Effects of Accounting Changes on Rate Base	**$ (2,017,700)**	**$ 665,856**	**$ (669,121)**	**$ (81,450)**	**$ (2,750,239)**	(B1+B2)
Effects of Accounting Changes on Deemed Equity (40%)	**$ (807,080)**	**$ 266,342**	**$ (267,648)**	**$ (32,580)**	**$ (1,100,095)**	(B1+B2)*0.4

Input Rates and Source of Data	HRZ[1]	BRZ[2]	ERZ[3]	PRZ[4]
Short Term Debt Rate	1.76%	2.16%	2.08%	1.76%
Long Term Debt Rate	3.47%	6.07%	5.09%	3.88%
Working Capital Allowance Rate	12.00%	13.00%	13.50%	7.50%

Source of Data:
3 (EB-2016-0077) Horizon_4.1 Revenue Requirement Work Form 2017_V7.02_Jan19_2017; Tab 4 Rate Base and Tab 7 Cost of Capital
1 (EB-2014-0083) HOBNI 2015_Rev_Reqt_Work_Form_V4_xlsm_20141223; Tab 4 Rate Base and Tab 7 Cost of Capital
2 (EB-2012-0033) Enersource_DRO_reply_2013_RRWF_V3_20130111; Tab 4 Rate Base and Tab 7 Cost of Capital
4 (EB-2015-0003) C_PowerStream_RRWF 2017_20161102; Tab 4 Rate Base and Tab 7 Cost of Capital