BOMA-1

General

Reference(s): Exhibit 2, Tab 1, Schedule 1, Page 3 of 4.

Preamble: ***There is a direct relationship between capital investment and rate impacts. Alectra Utilities' DSP identifies rates as a top priority of customers.***

> ***Both the MAADs Application and the Alectra/Guelph MAADs Application were based on the OEB's policy that merging utilities would have both "a reasonable opportunity to use savings to at least offset the costs of a MAADs transaction" and a mechanism to fund normal and expected capital investments.***
>
> ***…***
>
> ***Alectra Utilities has been unable to fund essential capital investments within the funding approved in its first two EDR applications.***
>
> ***…***
>
> ***In particular, ICM funding is not available for "typical annual capital programs" or smaller projects that do not on their own meet an undefined, secondary materiality threshold. The cumulative cost for these types of necessary investments is significant, and the lack of funding for such work through rates is having a material impact on Alectra Utilities' distribution system.***
>
> ***…***
>
> ***The OEB's decision in EB-2017-0024 to reduce Alectra Utilities' revenue as a result of its adoption of a common capitalization policy has similarly frustrated Alectra Utilities' expectations for the rebasing deferral period.***
>
> ***…***
>
> ***This decision directly reduced the funding available for distribution-related activities, effectively rebasing this isolated aspect of the revenue requirement.***

(i) In either of the referenced applications did Alectra Utilities include a regulatory risk analysis with respect to the expectation cited above including the impact on rates?

(ii) Was a regulatory risk analysis done for internal use that was not included in the applications? If so, did either analysis consider the impact of the subsequent impact of these OEB decisions on the "no harm" analysis for either MAAD?

(iii) Please file any related analyses, including internal memoranda or communications, which illustrate the impacts of either OEB decision on Alectra Utilities' inability to fund essential capital investments within the funding approved in its first two EDR applications and its impact on rates.

(iv) Has Alectra Utilities included a regulatory risk analysis with respect to the capital policy change?

(v) Was a regulatory risk analysis done for internal use that was not included in the applications? Did this analysis consider the impact of the subsequent impact of these OEB decisions on the "no harm" analysis for either MAAD specifically with respect the associated impacts on the utility and its customers?

Response:

(i) Alectra Utilities understands that all applications to the OEB bear an amount of regulatory risk. However, Alectra Utilities had clearly articulated in the evidence provided in its MAADs Application (EB-2016-0025) that it has ongoing capital funding needs through the ten year rebasing deferral period. It also clearly articulated that it was relying on incremental capital funding each year of the ten year period. The OEB understood this expectation and confirmed in the Decision and Order that Alectra Utilities had identified that it would be making applications for incremental capital funding through the rebasing deferral period. While Alectra Utilities estimated a prospect of risk in filing the ICM applications, it also relied on the OEB policies, as articulated in the Report of the Board – Rate Making Associated with Distributor Consolidations (EB-2014-0138) (the "MAADs Policy") and then reconfirmed in the Handbook to Electricity Distributor and Transmitter Consolidations (the "MAADs Handbook") dated January 19, 2016 and the MAADs Decision that it could reasonably expect to be able to finance capital investments during the rebasing deferral period without a need to rebase earlier than otherwise anticipated[1]. Inherent in such a statement by the OEB was the implication that funding would not be denied based on a subsequent interpretation of the MAADs Policy and Handbook such that capital funding levels are so low as to require the consideration of a variation to ICM funding through the M-factor.

(ii) As identified in response to part (i) a regulatory risk analysis of not receiving ICM funding was not completed as part of the MAADs Applications.

[1] MAADs Handbook, p.17

(iii) Subsequent to the OEB's Decisions in Alectra Utilities' 2018 (EB-2017-0024) and 2019 (EB-2018-0016) EDR Applications, a risk assessment was provided to Alectra Utilities' Audit, Finance and Risk Management ("AFRM") Committee. The AFRM Reports were filed in response to CCC-1.

(iv) Alectra Utilities included a risk analysis related to the capitalization policy change in the April 2018 AFRM Report, filed in response to part (ii).

(v) Please refer to part (i).

BOMA-1

Reference

Preamble: Alectra's merger (PowerStream, Horizon, Enersource) became effective January 1, 2017. At Alectra's request, and over the strong opposition of customer groups and intervenors, the Board approved a ten year rebasing deferral. The rationale for the ten year rebasing was to enable the utilities to recover the merger costs, including capital costs. This merger transaction costs were agreed to be de minimis.

(a) Please provide Alectra's merger generated capital and OM&A savings for each of 2017, 2018, and 2019, to date, as well as forecasts for the remainder of the ten year rebasing period.

(b) Please also estimate the savings arising from the integrated Distribution System Plan ("DSP") due to more efficient capital allocation, and other efficiencies that should result from the integrated planning relative to having separate plans for each of the constituent rate zones.

Response:

a) Please see Alectra Utilities' response to G-Staff-15.

b) Alectra Utilities has identified two areas where Integrated Planning will result in efficiencies relative to having plans for each of the predecessor service areas.

Establishing Linkages between Legacy Systems

Please refer to Exhibit 4, Tab 1, Schedule 1, page 8 which identifies Alectra Utilities' plan to establish linkages between its distribution system to avoid investment in system expansion. Please see Alectra Utilities' response to G-Staff-3 b) for additional details on capital avoidance cost for system expansion.

Mitigating the need to rebuild or construct new stations

Please see Alectra Utilities' response to Exhibit 4, Tab 1, Schedule 1, page 9 which identifies Alectra Utilities' approach to: utilizing monitoring technologies; investment in oil containment systems; and strategically managing spares on a consolidated basis, in order to mitigate the need to rebuild or construct new stations. Please see Alectra Utilities' response to G-Staff – 2 (b, c and d) for additional details on cost avoidance as a result of this approach.

BOMA-2

Reference

Preamble: Alectra Utilities serves over one million customers in its seventeen communities (increase in numbers of customers) with population forecast to grow from 3.5 million in 2016 to 4.1 million in 2026 (the next rebasing year).

(a) Please provide an estimate of customer growth over the 2020-2024 plan period, broken down by rate class, and of the revenue which will be generated from those customers for the years 2020, 2021, 2022, 2023, and 2024.

(b) Please provide data on customer reliability (SAIFI/SAIDI) for Alectra and/or its rate zones over the last five years ending in 2018.

Response:

a) For a discussion on the impacts of new customers and changes in load on revenue as they apply to the DSP and related M-factor capital funding request, Please see Alectra Utilities' response to G-Staff-94.

b) For Alectra Utilities' SAIFI and SAIDI data for the operational areas from 2014-2018, please see Alectra Utilities' response to EP-4.

For Alectra Utilities' 2014-2018 SAIDI, please see Exhibit 4, Tab 1, Schedule 1, page 108, Table 5.2.3 – 5.

For Alectra Utilities' 2014-2018 SAIFI, please see Exhibit 4, Tab 1, Schedule 1, page 110, Table 5.2.3 – 7.

BOMA-3

Reference

Exhibit 1, Tab 3, Schedule 1, p6

Preamble: Alectra's base rate support average annual capital expenditures of approximately $236 million, while the DSP contemplates average annual capital expenditures of $291 million over the 2020-2024 plan period.

(a) Do these numbers include capital contributions from municipalities, government agencies (eg. Metrolinx, other provincial municipalities), and other sources? Please provide details.

(b) Do these numbers include forecast additional revenue over the plan period and beyond?

(c) Please provide details of unfunded capital projects from previous years. Amounts, details of projects, and reasons the projects were implemented without being funded.

(d) Please explain, in detail, why fourth generation IR ACM/ICM would not deal with the alleged funding requirements.

(e) Please explain why, if the M-Factor were to be approved, on a company wide basis, to allow a single DSP to be implement, it would not also be appropriate to collapse the various rate zones into a single zone, so as to avoid any disconnect between benefits and payments for those benefits for Alectra ratepayers in different rate zones. Please discuss fully.

(f) With respect to the direct-buried cable underground, example at Exhibit 2, Tab 1, Schedule 3, p3:

i) What are the proposed expenditures on underground cable in each year of the plan? How much will be spent on direct-buried cable and other underground cable?

ii) What are the total km of underground cable in Alectra?

iii) How much of that underground cable is direct-buried?

iv) Please confirm the percentage of other underground cable, and direct buried cable in very good, good, fair, poor, very poor in 2018.

(g) What will the percentages be in 2020 to 2024:

i) if the DSP proposed capex is spent?

ii) if no money is spent over term?

iii) if 50% of the account?

(h) Please define direct-buried cable, and define the other categories of underground cable, eg. cable in concrete ducts, in metal ducts, in plastic ducts, in some other kind of protective material.

(i) Please confirm that the EB-2014-0138, issued March 26, 2015, was issued before Alectra's predecessor companies merged to form Alectra.

Response:

a) All capital expenditures included in the DSP are net of capital contributions from municipalities, regions, government agencies, developers, customers and others. Table BOMA-3 provides the capital contributions projected over the 2020-2024 DSP period.

Table BOMA-3-1 – Capital Contributions Incorporated in DSP Capital Expenditures ($MM)

($MM) Category	Grouping	2020	2021	2022	2023	2024	Total
System Access	Customer Connections	(46.1)	(49.1)	(49.7)	(48.5)	(49.9)	(243.3)
System Access	Road Authority & Transit	(59.6)	(39.2)	(38.8)	(22.9)	(23.6)	(184.1)
System Access	Transmitter Related	(1.3)	0	0	0	0	(1.3)
System Service	Capacity (Stations)	(2.2)	(2.2)	(2.3)	(2.3)	(2.3)	(11.3)
	Total	(109.2)	(90.5)	(90.8)	(73.7)	(75.8)	(440.0)

b) For discussion on the impacts of new customers and changes in load on revenue as they apply to the DSP and related M-factor capital funding request, please refer to interrogatory G-Staff-94.

c) In 2018, Alectra Utilities required to execute ten unfunded projects that formed the 2018 EDR application for Incremental Capital Funding. The implementation of the ten unfunded projects resulted in $13.7MM of expenditure in 2018. As a result of proceeding with these urgent and time sensitive projects, Alectra Utilities required to defer or cancel other necessary capital work. The reasons for Alectra Utilities proceeding with the implementation of the unfunded projects are provided below.

1) Station Switchgear Replacement (ACA) 8th Line MS323

As part of the 2018 EDR Application, Alectra Utilities requested $1.4MM of incremental funding. Alectra required to proceed with the project in 2018 with an expenditure of $1.1MM. 8th Line MS323 is a 44/15 kV municipal transformer station in Bradford. 8th Line MS323 has a capacity of 10 MW and serves approximately 2,700 customers. This station also serves as backup for other stations in the service area. The switchgear at

the station included four Federal Pioneer SFA17 SF6 circuit breakers which had failure concerns known to Alectra Utilities, were at end of life, obsolete and no longer supported by the manufacturer. Alectra Utilities required to renew the equipment at the station to ensure that customers in Bradford and surrounding communities were not exposed to prolonged outages in the event of station outage.

2) Cable Replacement – (V08) - Steeles Ave and New Westminster

As part of the 2018 EDR Application, Alectra Utilities requested $2.6MM of incremental funding. Alectra required to proceed with the project in 2018 with an expenditure of $3.5MM. In joint coordination with other utilities proceeding with underground renewals in the area, Alectra Utilities required to implement the joint trenching portions of the rebuild concurrently with other utilities. Should Alectra Utilities not proceeded with the project in joint coordination with other utilities, Alectra Utilities would be at significant risk of congestion and substantially higher costs if the renewal was to be implemented at a later time.

3) Planned Circuit Breaker Replacement - Richmond Hill TS#1

As part of the 2018 EDR Application, Alectra Utilities requested $1.2MM of incremental funding. Alectra required to proceed with the project in 2018 with an expenditure of $1.0MM. Richmond TS#1 is a 230/27.6 kV station in the Town of Richmond Hill which has 150 MW of capacity that serves 40,000 customers. All twelve 27.6 kV, 1200 Ampere ABB Type HKSA SF6 feeder circuit breakers at Richmond Hill TS#1 were identified in the Asset Condition Assessment (ACA) Model as requiring replacement due to obsolescence and a history of failures. There was a failure on one of the breakers on May 31, 2016. This failure affected 15,500 customers and it took over two hours before service could be restored to all of the customers. Six of the breakers were already replaced in 2017 and there was too much risk in continued operation of the breakers. Alectra Utilities required to implement the renewal of the remaining breakers in 2018.

4) Rebuild 27.6 kV pole line on Warden Ave into 4 Circuits from 16th Ave to Major Mackenzie Drive

As part of the 2018 EDR Application, Alectra Utilities requested $1.4MM of incremental funding. Alectra required to proceed with the project in 2018 with an expenditure of $0.9MM. Please see response to G-Staff-20 (a) for a detailed explanation of reasons that required Alectra Utilities to proceed with this project in 2018.

5) Mill Street MS835 Tranformer Upgrade – Tottenham

As part of the 2018 EDR Application, Alectra Utilities requested $1.3MM of incremental funding. Alectra required to proceed with the project in 2018 with an expenditure of $1.5MM. Three residential developments were proceeding with construction and Alectra Utilities required to proceed with the upgrade at Mill Street MS835 in order to provide the required transformation capacity and adequate back-up contingency for the new developments.

6) Double Circuit existing 23M21 Circuit from Bayfield & Livingstone to Little Lake MS

As part of the 2018 EDR Application, Alectra Utilities requested $1.3MM of incremental funding. Alectra required to proceed with the project in 2018 with an expenditure of $1.4MM. The scope of this project including double circuiting the existing overhead lined conveying Feeder 23M21 with the Feeder 23M28 from Bayfield & Livingstone to Cundles & Duckworth and transferring the supply of Little Lake MS306 from 23M21 to 23M28. This project was required to be implemented in 2018 to provide capacity relief to Barrie North-East area feeders, increase contingency transfer capacity, and provide additional capacity for the new 20MVA Livingstone MS310 substation. The first phase of this project was completed in 2017 and coincided with the work at Livingstone MS.

7) Glen Erin & Montevideo – Underground Renewal

As part of the 2018 EDR Application, Alectra Utilities requested $2.0MM of incremental funding. Alectra required to proceed with a reduced scope of the project in 2018 with an expenditure of $1.1MM. Alectra Utilities continued to experience cable failures in 2017 with increasing outages in 2018. The persistent outages in the area were negatively impacting the Meadowvale Community Center. As a result of a prolonged outage, the City of Mississauga required to evacuate the Meadowvale Community Center at great disruptions to the members of the community dependent on the facilities during periods

of hot temperatures. To remediate the increasing number of outages and imminent failure of the cables, Alectra Utilities was required to proceed with essential renewal in 2018.

8) Glen Erin & Battleford - $2.1MM requested; $1.4MM in 2018

As part of the 2018 EDR Application, Alectra Utilities requested $2.1MM of incremental funding. Alectra required to proceed with the reduced scope project in 2018 with an expenditure of $1.4MM. Alectra Utilities continued to experience cable failures in 2017 with increasing outages in 2018. Similar to the underground renewal needs at Glen Erin and Montevideo, the persistent outages in the area were negatively impacting the Meadowvale Community Center. To remediate the increasing number of outages and imminent failure of the cables, Alectra Utilities was required to proceed with essential renewal in 2018.

9) Tenth Line Main Feeder

As part of the 2018 EDR Application, Alectra Utilities requested $1.1MM of incremental funding. Alectra required to proceed with the project in 2018 with an expenditure of $1.0MM. The underground feeder on Tenth Line is installed in customer rear lots and was at end of life. Alectra Utilities determined that the criticality of failure, risk of a prolonged outage and higher cost of emergency replacement required that Alectra Utilities remediate the renewal need under a planned renewal project in 2018.

10) Folkway & Erin Mills Main Feeder - L6259 to L6263

As part of the 2018 EDR Application, Alectra Utilities requested $1.0MM of incremental funding. Alectra required to proceed with the project in 2018 with an expenditure of $0.8MM. The underground feeder on Folkway & Erin Mills is installed in customer rear lots and was at end of life. Alectra Utilities determined that the criticality of failure, risk of a prolonged outage and higher cost of emergency replacement required that Alectra Utilities remediate the renewal need under a planned renewal project in 2018.

d) Please see response to SEC-11(b).

e) Pursuant to the OEB's MAADs Policy, as well as the OEB's MAADs Decision, Alectra Utilities is required to maintain its separate rate zones at least until rebasing, following which rates would only be harmonized when the differences between rate zones are immaterial.[1] This is reflected in separate tariff sheets in the rate orders for each rate zone. Moreover, as explained in G-Staff-9, any differences between benefits and payments would be addressed through the CIVA true-up process at the end of the five-year DSP period.

f) i) The proposed renewal expenditures on underground cable in each year of the Distribution System Plan period are provided in Table A10-4 in Appendix A10 of the DSP (Exhibit 4, Tab 1, Schedule 1, Appendix A10, Page 10).

Although the majority of the renewal investment in underground cable is allocated to direct-buried cable renewal, Alectra Utilities is unable to separate the investment amounts between direct-buried and other underground cable. Befitting of the construction standards at the time, Alectra Utilities' predecessors installed the first generation of underground cables, which are the target of the proposed underground cable renewal investments, using direct buried construction except in segments where road crossing was required, in which the cable was installed in duct.

ii) Alectra Utilities owns and operates 22,139 km of underground cable (Exhibit 4, Tab 1, Schedule 1, Figure 5.3.3 – 24, Page 259).

iii) Of all the underground cable owned and operated by Alectra Utilities, approximately 8,422 km is direct-buried.

iv) Table BOMA-3-2 provides the distribution of underground cable by Health Index condition category by installation methodology at Alectra Utilities as of 2018.

[1] MAADs Decision, EB-2016-0025, p. 17.

Table BOMA-3-2 – 2018 Condition of Underground Cable by Installation Methodology

Health Index Category	Direct Buried Cables (%)	In-duct Cables (%)	Health Category Total (%)
Very Poor	10.82	0.05	10.87
Poor	3.43	0.03	3.46
Fair	4.31	0.02	4.33
Good	6.55	0.04	6.59
Very Good	12.93	61.83	74.75
Total	38.04	61.96	100

g) Table BOMA-3-3 provides Alectra Utilities projections of underground cable condition under the scenarios of implementation of the plan as per the DSP, not implementing underground renewals as planned and a partial (50%) implementation of the planned underground renewal. Alectra Utilities projects that implementing the underground renewal as planned in the DSP will enable Alectra Utilities to nearly maintain the percentage of underground cable in the poor and very poor condition. Under the scenario of not implementing planned underground renewal as proposed in the DSP, the percentage of poor and very poor condition cable is projected to increase from 14.3% to 25.3%.

Table BOMA-3-3 – Projected Condition of Underground Cable at end of 2024

Health Index Category	Planned Renewal as Proposed in DSP (%)	No Planned Renewal in Underground Cables (%)	Partial (50%) Renewal of Underground Cable (%)
Very Poor	10.89	21.73	16.3
Poor	3.58	3.58	3.58
Fair	0.09	0.09	0.09
Good	6.55	7.02	7.02
Very Good	78.4	67.59	73.01

h) Alectra Utilities defines direct-buried cables as underground cables that were installed in excavated ground and then backfilled. For direct-buried underground cable installations, the cables are exposed to environmental conditions (e.g. soil, acidity, moisture, settlement, aggregate, etc.) and require to be excavated in order to be maintained or repaired. Direct-buried cables are also unprotected from dig-ins.

Alectra Utilities defined in-duct cables as underground cables that were installed in a duct-structure that is installed in excavated ground, supported by concrete or aggregate for structural strength and backfilled. Once the installation of duct is completed, the underground cables are pulled through the ducts. Underground cables installed in ducts provide several benefits over direct-buried cables including the ability to repair cable without excavation (failed cables are removed and replaced within the duct structure), protection from environmental conditions and additional protection from dig-ins.

i) Confirmed.

BOMA-4

Reference

Exhibit 2, Tab 1, Schedule 3

M-Factor – Fees for Alectra

(a) Is Alectra applying for an M-Factor customized to Alectra or an M-Factor applicable to all post-consolidation utilities that "must execute a consolidated DSP during a rebasing deferral period"? (Ibid, p6)

(b) Please explain how the M-Factor should contain a symmetrical Capital Investment Variance Account, including the feature of the account that provides that any "prudent spending above those levels will be recovered by the utility" is consistent with the purpose of the account, which is stated to be "to ensure that any under investment relative to the level of capital funded through the M-Factor is refunded to customers" (Ibid, p7).

(c) Given that Alectra intends to maintain separate rate zones for at least the duration of the deferral rebasing period, please confirm that investment flowing from the single DSP will need to be judged against the rate impacts in the host rate zone. Please explain why the adoption of an integrated DSP drives the need for the M-Factor (Ibid, p9).

Response:

(a) Please see Alectra Utilities' response to SEC-50.

(b) Please see Alectra Utilities' response to G-Staff-9 and G-Staff-5.

(c) In respect of the first part of this request, please see Alectra Utilities' response to Staff-5. In respect of the second part of this request, the adoption of an integrated DSP in itself is not what is driving the need for the M-factor. As explained in response to Staff-11 b) and c), the capital investment need identified through the consolidated DSP is consistent with the volume of ICM funding that the consolidating entities estimated would be required at the time of the consolidation transaction.

BOMA-5

Reference

Preamble: The evidence states that in recent years, Alectra has had to defer system renewal projects to accommodate large relocation projects.

Has Alectra considered the use of a deferral account to accommodate capital expenditure relocation projects in excess of an agreed threshold in rates?

Response:

Yes. Alectra Utilities proposes to establish an Externally Driven Capital Variance Account ("EDCVA"). Please refer to Exhibit 2, Tab 1, Schedule 4, pp. 4-7.

BOMA-6

Reference

Exhibit 2, Tab 1, Schedule 3

Preamble: A significant proportion of the past two ICM applications focused on different phases of the same projects (Ibid, p10)

(a) Please provide detailed evidence to support this statement, including the projects that were litigated in more than one of the proceedings listed on the page, the amount of time spent on each project in each case, and which issues relative to the projects were considered in each of the proceedings.

(b) Why does Alectra recommend the elimination of the project specific materiality threshold? (Ibid, p3).

(c) Does the examination from the M-Factor materiality threshold, shown at Exhibit 2, Tab 1, Schedule 3, p12, differ in any way from the equation for the ICM materiality threshold? If so, please provide details.

(d) Please provide the equation, using the data in Table 3 of p13 for each of the five rate zones.

(e) Please provide Alectra's incremental pre-tax income, which would correspond to a return on equity of three hundred basis points above the allowed rate of return in each of the plan years. (Ibid, p14).

(f) Please explain what is meant by the word "harmonized" at line 16, on p15.

(g) Please explain how the riders for each rate zone are calculated. Are they based on the revenue requirement impact of the projects by the M-Factors in that rate zone? Please explain fully.

Response:

a) Alectra Utilities applied for ICM funding for 5 projects in its 2019 EDR Application (EB-2018-0016). Of the five projects, two of the projects - the Road Authority York Region Rapid Transit ("YRRT") VIVA Bus Rapid Transit Y2 and the Leaking Transformer Replacement Project - were previously litigated in the 2018 EDR Application (EB-2017-0024). Alectra Utilities is not able to identify the total amount of time spent by each party on each of these particular projects during each proceeding, nor is such relevant to the current proceeding. Each project that was brought forward in a previous application was considered and examined in that proceeding, as may be seen through a review of the record in each of

those applications. Further, summaries of the main issues relating to each of these projects can be found in the OEB's decisions for each application.

In particular, the OEB addressed the YRRT project on pp 11-14 of the January 31, 2019 Decision and Order in EB-2018-0016; it addressed the Leaking Transformer Replacement Project on pp. 10-11 of the January 31, 2019 Decision and Order. In the April 6, 2018 Decision and Order in EB-2017-0024 the OEB addressed the YRRT project on pp. 34-35 and the Leaking Transformer Replacement Project on pp. 56-58.

b) The M-factor would not include a project-specific materiality threshold. The maximum M-factor eligible capital is calculated on a five-year basis, spanning the entire DSP period. By calculating maximum M-factor eligible capital on a five-year basis, the M-factor reflects the material cost of recurring, moderate-scale projects across the DSP planning period. Please also see Alectra Utilities' response to Staff-18 a).

c) No, the M-factor materiality threshold calculation is based on the OEB's ICM policy and does not differ from the ICM materiality threshold calculation.

d) Please see Alectra Utilities' response to G-Staff-8. The detailed calculations are provided in Attachments 2 to 6 of that response.

e) Alectra Utilities does not have this information available.

f) Alectra Utilities' Distribution System Plan ("DSP") is comprised of investments for each of its five rate zones. These investments have been planned and prioritized on a consolidated basis for the utility as a whole. In this sense, "harmonized" is used to reference the fact that the DSP is for the consolidated entity.

g) Yes, the M-factor rate riders are based on the revenue requirement impact of the projects by the M-Factors in that rate zone. Please see Exhibit 2-1-3, pp. 17-19, along with the detailed calculations of the rate riders which are provided response to G-Staff-8.