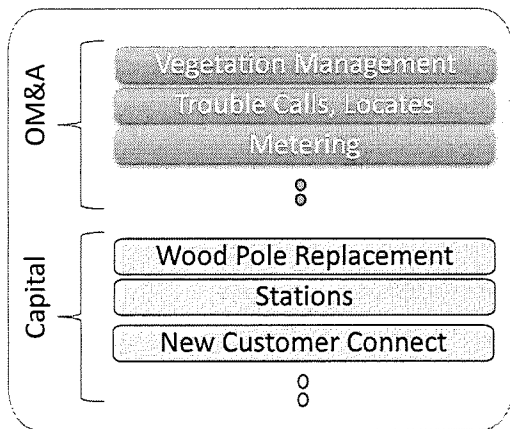


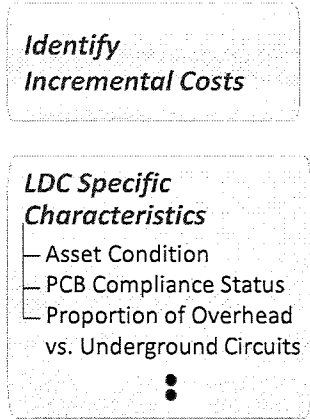
HYDRO ONE FORECAST METHODOLOGY OVERVIEW

LDC Specific Adjustments and Demographic Categorization to Generate the Average Cost per Demographic

Hydro One Investment Areas



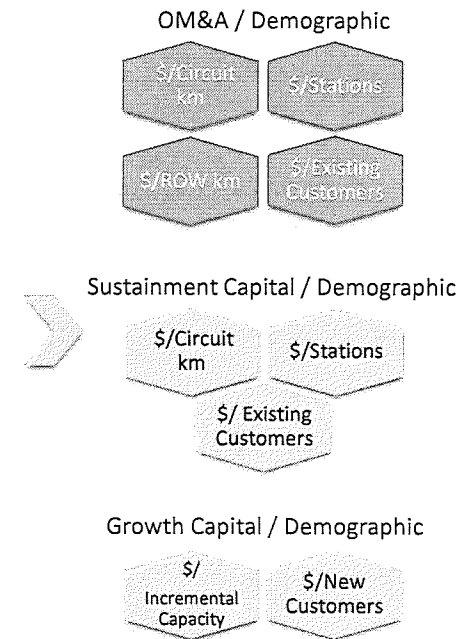
Adjustments



Categorize by Demographic

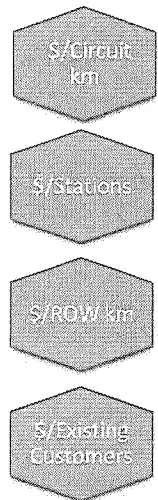
Demographic	OM&A	Sustainment Capital	Growth Capital
Circuit km	✓	✓	
Stations	✓	✓	
ROW km	✓		
Existing Customers	✓	✓	
Incremental Capacity			✓
New Customers			✓

Average \$ / Demographic



Determine Scaled Cost to Derive Cost per Customer

Average \$ / Demographic



LDC Demographics

Circuit km

of Stations

ROW km

of Existing Customers

Scaled Cost to Operate the LDC

Operations OM&A

\$

\$

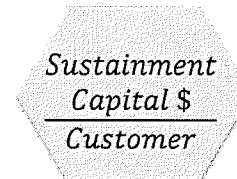
\$

\$



Operations
OMA \$
Customer

A similar process was applied to derive



Establish 10 Year Incremental Hydro One Forecast Line Items

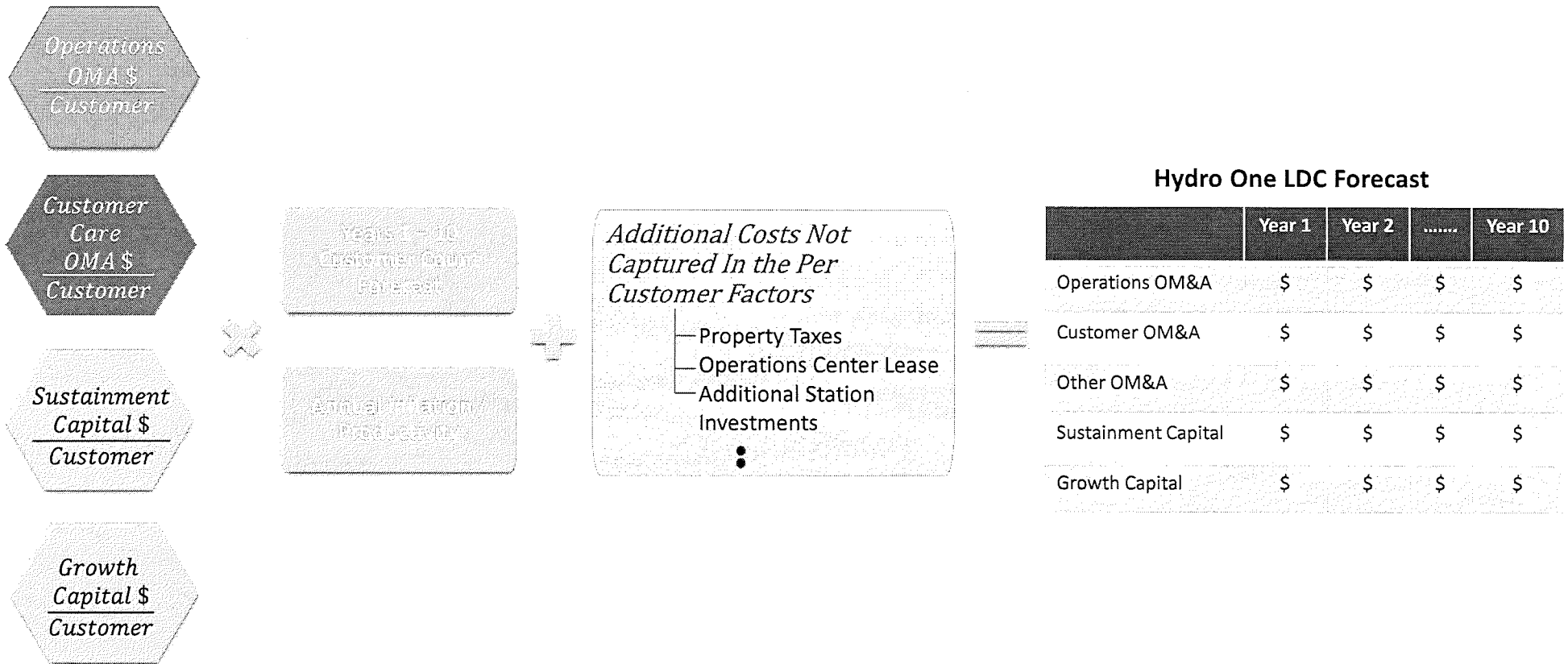


TABLE 1: HYDRO ONE FORECASTS

Hydro One Forecast (OPDC)

\$M	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
OM&A	4.1	2.0	2.1	1.7	1.7	1.7	1.8	1.8	1.8	1.9
Capital	3.4	2.4	2.4	2.5	2.6	2.8	2.8	2.9	2.9	3.0

Hydro One Forecast (PDI)

\$M	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
OM&A	8.7	4.5	4.3	3.8	3.9	3.9	4.0	4.1	4.2	4.2
Capital	6.0	7.5	5.4	5.1	5.7	7.1	5.4	5.6	5.7	5.9

