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Joanne Richardson

Director – Major Projects and Partnerships Regulatory Affairs

BY EMAIL, RESS AND COURIER

February 18, 2020

Ms. Christine E. Long Board Secretary Ontario Energy Board Suite 2700, 2300 Yonge Street P.O. Box 2319 Toronto, ON M4P 1E4

Dear Ms. Long,

EB-2018-0117 – Hydro One Networks Inc.'s Section 92 – Barrie Area Transmission Upgrade Project – Corrections to Transcripts and Undertaking Responses

Hydro One Networks Inc. ("Hydro One") is filing Transcript Corrections for the Technical Conference held on February 11, 2020. These can be found in the attached Excel worksheet. Also attached are Hydro One's responses to Undertakings JT 1.5, JT1.6 and JT 1.10 from the Technical Conference in the above-referenced hearing.

The balance of the undertakings noted from the Technical Conference will be provided by InnPower.

An electronic copy of this has been filed through the Ontario Energy Board's Regulatory Electronic Submission System (RESS).

Sincerely,

ORIGINAL SIGNED BY JOANNE RICHARDSON

Joanne Richardson

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UNDERTAKING – JT1.5

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Reference:

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Interrogatory:

To provide a five-year historical and 15-year forecast of the Barrie TS and Midhurst TS coincident peak load.

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Response:

Table 1, below, shows 5-year coincident historical peak, and 10-year coincident forecast for Midhurst TS and Barrie TS.

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The forecasts provided below are based on the most recent information available that will be used to perform the Needs Assessment for 2nd round of Regional Planning for the South Georgian Bay Muskoka Region, which is currently underway. The forecast that is developed for the Needs Assessment is a 10-year forecast and is the most up-to-date information available. This updated forecast continues to support the need for additional capacity at Barrie TS. An up-to-date 15-year forecast will not be available until the next IRRP process is completed by the IESO.

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Table 1. Historical and Forecast¹ Coincident Peak Load for Midhurst TS and Barrie TS

| | | пізіоп | cai Coi | icideiii | | | | | |
|---------------------|------|--------|---------|----------|---------|---------|------|------|----|
| | 2015 | 2016 | 2017 | 2018 | 2019 | | | | |
| Barrie TS Load (MW) | 72 | 96 | 68 | 105 | 105 | | | | |
| Midhurst TS (MW) | 197 | 186 | 197 | 209 | 164 | | | | |
| Total Load (MW) | 269 | 282 | 265 | 314 | 269 | | | | |
| | | | | Co | inciden | t Forec | ast² | | |
| | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 20 |
| Barrio TS Load (MW) | 73 | 70 | QQ | 99 | 100 | 110 | 128 | 140 | 1 |

Historical Coincident

Barrie 15 Load (WW) Midhurst TS (MW) Total Load (MW)

Table 1 above provides the coincident peak of both stations combined, however that is not representative of each individual station's expected peak load. In Table 2 below, Hydro One has provided the non-coincident 10-year forecast³ to demonstrate that the future peak loading of those two stations (non-coincident peaks) is significantly higher than the loading provided in the coincident forecast in Table 1. The difference in the Table 1 and Table 2 results are due to Midhurst TS and Barrie TS peaking at different times of the year. Table 2, below, shows the 10-year non-coincident forecast for both Midhurst TS and Barrie TS.

Table 2. 10-year Non-coincident Forecast for Midhurst TS and Barrie TS

| | | | | Non- | Coincid | ent Fore | ecast | | | |
|---------------------|------|------|------|------|---------|----------|-------|------|------|------|
| | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 |
| Barrie TS Load (MW) | 83 | 89 | 98 | 109 | 120 | 129 | 139 | 150 | 160 | 170 |
| Midhurst TS (MW) | 238 | 244 | 249 | 254 | 259 | 265 | 270 | 276 | 282 | 289 |
| Total Load (MW) | 321 | 333 | 347 | 363 | 379 | 394 | 409 | 426 | 442 | 459 |

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¹ The most recent forecast, as of February 13, 2020, developed for Hydro One's Need Assessment as noted above, includes only 10-years.

² The forecast from 2020 onward assumes the Alectra load transfer from Barrie TS to Midhurst TS, as mentioned in Exhibit I, Tab 1, Schedule 1 part (b), has occurred.

³ Sourced from the Needs Assessment for 2nd round of Regional Planning for the South Georgian Bay Muskoka Region (same source of data as Table 1 above).

UNDERTAKING – JT1.6

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Reference:

Ex B-9-1

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Interrogatory:

To show the derivation of the capital contribution broken down between sustainment and incremental.

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Response:

There is no capital allocated to the benefiting customers for sustainment activities (i.e. the like for like replacement option) and therefore no capital contribution is required for sustainment. The benefiting customer is only cost responsible for the incremental capital required to provide the incremental capacity as well as the cost of advancing the replacement of end of life assets.

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The Net Present Value ("NPV") of the total project is a combination of expenditures for sustainment, expenditures for incremental capacity and the impact of capital contributions by the customer. The following tables summarize the potential views of the project expenditures.

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Table 1 below provides the NPV of the total expenditures of the project, both capital and removals, prior to the impact of capital contribution. Details for each rate pool are provided in Appendix A (Reports 1 to 3) to this undertaking.

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Table 1: Net Present Value of Project without Capital Contributions

| \$M | Exhibit B-7-1 Capital Costs | Removal Costs | Total Pool Cost | Net Present Value |
|--|--------------------------------|------------------|--------------------|----------------------|
| Line Connection Pool (line work) | 22.9 | 0.5 | 23.4 | (13.8) |
| Transformation Connection Pool (Barrie TS) | 35.1 | 1.7 | 36.7 | (24.3) |
| Network Pool (Essa TS) | 28.4 | 2.4 | 30.9 | (0.5) |
| TOTAL | 86.4 | 4.6 | 91.0 | |

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Table 2 below provides the NPV of the total expenditures of the project, both capital and removals, including the impact of the capital contribution. Details for each rate pool are provided in Appendix A (Reports 4 to 6) of this undertaking.

Table 2: Net Present Value of Total Project Expenditures with Capital Contributions

| \$M | Total Pool Cost | Capital Contribution | Net Present Value |
|--|------------------------|-------------------------|----------------------|
| Line Connection Pool (line work) | 23.4 | 13.1 | (2.9) |
| Transformation Connection Pool (Barrie TS) | 36.7 | 2.6 | (22.1) |
| Network Pool (Essa TS) | 30.9 | - | (0.5) |
| TOTAL | 91.0 | 15.7 | |

Table 3 below provides the NPV of the capital expenditures of the project that were allocated to the customer to provide the incremental capacity as well as advancing the replacement of end of life assets, both capital and removals, including the impact of capital contribution. Details for each rate pool are provided in the Appendix A (Reports 7 to 9) of this undertaking.

Table 3: Net Present Value of Customer Responsible Project Expenditures with Capital Contributions

| \$M | Incremental Expenditure | Removal Costs | Total Customer Cost | Capital Contribution | Net Present Value |
|--|----------------------------|------------------|---------------------------|-------------------------|-------------------------|
| Line Connection | | | Responsibility | | |
| Pool (Line work) | 19.6 | 0.4 | 20.0 | 13.1 | - |
| Transformation Connection Pool (Barrie TS) | 10.7 | 0.5 | 11.2 | 2.6 | - |
| Network Pool(Essa TS) | 9.6 | 0.9 | 10.5 | - | \$17.1 |
| TOTAL | 39.9 | 1.8 | 41.7 | 15.7 | |

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Appendix A to JT1.6

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JT1.6 Report 1: Line Pool NPV with Total Project Expenditures and No Capital Contributions Page 1

| | | | In-Service | | | | | | | | | | | | |
|--|---------------------|---|---------------------------------------|---|---|--|--|------------------------------------|--|---|------------------------------------|------------------------------------|--|--|--|
| | | Month Year | Date Nov-25 2021 | Nov-25 2022 | Project year end Nov-25 2023 | ded - annualized Nov-25 2024 3 | from In-Service Nov-25 2025 4 | Date Nov-25 2026 5 | -> Nov-25 <u>2027</u> 6 | Nov-25 2028 | Nov-25 2029 | Nov-25 2030 | Nov-25 2031 | Nov-25 2032 | Nov-25 2033 |
| Revenue & Expense Forecast Load Forecast (MW) Load adjustments (MW) Tariff Applied (\$/kW/Month) Incremental Revenue - \$M | | | | 11.8 <u>0.0</u> 11.8 <u>0.96</u> 0.1 | 19.0 <u>0.0</u> 19.0 <u>0.96</u> 0.2 | 25.9 <u>0.0</u> 25.9 <u>0.96</u> 0.3 | 32.0 <u>0.0</u> 32.0 <u>0.96</u> 0.4 | 38.5 0.0 38.5 0.96 0.4 | 46.1 <u>0.0</u> 46.1 <u>0.96</u> 0.5 | 52.9 <u>0.0</u> 52.9 <u>0.96</u> 0.6 | 59.4 0.0 59.4 0.96 0.7 | 65.3 0.0 65.3 0.96 0.7 | 71.1 <u>0.0</u> 71.1 <u>0.96</u> 0.8 | 76.1 <u>0.0</u> 76.1 <u>0.96</u> 0.9 | 76.9 0.0 76.9 0.96 |
| Removal Costs - \$M On-going OM&A Costs - \$M Municipal Tax - \$M Net Revenue/(Costs) before taxes - \$M Income Taxes Operating Cash Flow (after taxes) - \$M | | Cumulative PV @ | (0.5) 0.0 (0.5) 0.1 (0.4) | 0.0 (<u>0.1)</u> 0.0 <u>0.7</u> <u>0.8</u> | 0.0 (<u>0.1)</u> 0.1 <u>0.4</u> <u>0.5</u> | 0.0 (0.1) 0.2 0.3 0.5 | 0.0 (0.1) 0.3 0.3 0.6 | 0.0 (0.1) 0.4 0.2 0.6 | 0.0 (0.1) 0.4 0.2 0.6 | 0.0 (<u>0.1)</u> 0.5 <u>0.1</u> <u>0.7</u> | 0.0 (0.1) 0.6 0.1 0.7 | 0.0 (0.1) 0.7 0.1 0.7 | 0.0 (0.1) 0.7 0.0 0.8 | 0.0 (<u>0.1)</u> 0.8 (<u>0.0)</u> <u>0.8</u> | 0.0 (<u>0.1</u> 0.8 (<u>0.0</u> |
| PV Operating Cash Flow (after taxes) - \$M | (A) | 5.59% 8.9 | (0.4) | 0.7 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.4 | 0.4 |
| Capital Expenditures - \$M Upfront - capital cost before overhead: - Overheads - AFUDC Total upfront capital expenditures On-going capital expenditures PV On-going capital expenditures Total capital expenditures Total capital expenditures - \$M Capital Expenditures - \$M | s & AFUDC | | (19.3) (2.7) (0.9) (22.9) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| PV CCA Residual Tax Shield - \$M PV Working Capital - \$M PV Capital (after taxes) - \$M Cumulative PV Cash Flow (after taxes) - \$M (A) | (B) + (B) | (22.8) | 0.1 <u>0.0</u> (22.8) (23.1) | (22.4) | (21.9) | (21.4) | (21.0) | (20.5) | (20.0) | (19.6) | <u>(19.1)</u> | (18.7) | (18.2) | (17.8) | (17.4 |
| | | Discounted Cash Flow | v Summarv | | | | | [| Other Assumpt | tions | | | | | |
| Economic Study Horizon - Years: | | 25 | , | | | | | | | | | | | | |
| Discount Rate - % | | 5.59% | | | | | | l | n-Service Date: | | | 25-Nov-21 | | | |
| | | \$M | | | | | | F | Payback Year: | | - | 2046 | | | |
| PV Incremental Revenue PV OM&A Costs PV Municipal Tax PV Income Taxes PV CCA Tax Shield PV Capital - Upfront Add: PV Capital - On-going PV Working Capital PV Surplus / (Shortfall) | | 8.9 (0.5) (1.2) (1.9) 3.8 2.9) (22.9) 0.0 0.0 (13.8) | | | | | | 1 | No. of years req | uired for paybac | *: _ | 25 | | | |
| Profitability Index* Notes: "PV of total cash flow, excluding net capital expenditure & on-going to the content of the conten | ng capital & procee | 0.4 ds on disposal / PV of net capital | expenditure & on-going of | capital & proceeds | on disposal | | | | | | | | | | |
| | | | | | | | | | | | | | | | |

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JT1.6 Report 1: Line Pool NPV with Total Project Expenditures and No Capital Contributions Page 2

| | | | | | | from In-Service | | | No. of | No. of | N 05 | N 05 | N 05 | N 05 |
|---|---------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | Month Year | Nov-25 <u>2034</u> | Nov-25 2035 | Nov-25 2036 | Nov-25 2037 | Nov-25 2038 | Nov-25 2039 | Nov-25 2040 | Nov-25 2041 | Nov-25 2042 | Nov-25 2043 | Nov-25 2044 | Nov-25 2045 | Nov-25 2046 |
| D | | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 |
| Revenue & Expense Forecast | | | | | | | | | | | | | | |
| Load Forecast (MW) | | 77.4 | 77.8 | 78.2 | 78.7 | 79.1 | 79.5 | 80.0 | 80.4 | 80.8 | 81.2 | 81.7 | 82.1 | 82. |
| Load adjustments (MW) | | 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. |
| Tariff Applied (\$/kW/Month) | | 77.4 | 77.8 | 78.2 | 78.7 | 79.1 | 79.5 | 80.0 | 80.4 | 80.8 | 81.2 | 81.7 | 82.1 | 82. |
| 11 (| | 0.96 | 0.96 | 0.96 | 0.96 | 0.96 | 0.96 | 0.96 | 0.96 | 0.96 | 0.96 | 0.96 | 0.96 | 0.9 |
| Incremental Revenue - \$M | | 0.9 | 0.9 | 0.9 | 0.9 | 0.9 | 0.9 | 0.9 | 0.9 | 0.9 | 0.9 | 0.9 | 0.9 | 0. |
| Removal Costs - \$M | | | | | | | | | | | | | | |
| On-going OM&A Costs - \$M | | 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. |
| Municipal Tax - \$M | | (0.1) | (0.1) | (0.1) | (0.1) | (0.1) | (0.1) | (0.1) | (0.1) | (0.1) | (0.1) | (0.1) | (0.1) | <u>(0.</u> |
| Net Revenue/(Costs) before taxes - \$M | | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.9 | 0.9 | 0. |
| Income Taxes | | (0.0) | (0.1) | (0.1) | (0.1) | (0.1) | (0.1) | (0.1) | (0.1) | (0.1) | (0.1) | (0.2) | (0.2) | (0. <u>0.</u> |
| Operating Cash Flow (after taxes) - \$M | | <u>0.8</u> | <u>0.7</u> | <u>0.</u> |
| PV Operating Cash Flow (after taxes) - \$M (A) | | <u>0.4</u> | <u>0.4</u> | <u>0.3</u> | <u>0.3</u> | <u>0.3</u> | <u>0.3</u> | <u>0.3</u> | <u>0.2</u> | <u>0.2</u> | <u>0.2</u> | <u>0.2</u> | <u>0.2</u> | <u>0.</u> |
| Capital Expenditures - \$M | | | | | | | | | | | | | | |
| Upfront - capital cost before overheads & AFUDC | | | | | | | | | | | | | | |
| - Overheads | | | | | | | | | | | | | | |
| - AFUDC | | | | | | | | | | | | | | |
| Total upfront capital expenditures | | | | | | | | | | | | | | |
| On-going capital expenditures | | 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. |
| PV On-going capital expenditures | | | | | | | | | | | | | | |
| Total capital expenditures - \$M | | | | | | | | | | | | | | |
| Capital Expenditures - \$M | | | | | | | | | | | | | | |
| PV CCA Residual Tax Shield - \$M | | | | | | | | | | | | | | |
| PV Working Capital - \$M | | | | | | | | | | | | | | |
| PV Capital (after taxes) - \$M (B) | | | | | | | | | | | | | | |
| Cumulative PV Cash Flow (after taxes) - \$M (A) + (B) | | (17.0) | (16.6) | (16.3) | (16.0) | (15.7) | (15.4) | (15.1) | (14.9) | (14.6) | (14.4) | (14.2) | (14.0) | (13. |

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JT1.6 Report 2: Transformation Pool NPV with Total Project Expenditures and No Capital Contributions Page 1

| | | In-Service | | Deele et | land annually of | f !- O ! | D-4- | | | | | | | |
|---|---|---|------------------------------------|------------------------------------|---|--|------------------------------------|--|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|--|
| | Month Year | Date Nov-25 <u>2021</u> | Nov-25 2022 | Project year end Nov-25 2023 | led - annualized Nov-25 2024 3 | from In-Service Nov-25 2025 4 | Nov-25 2026 5 | -> Nov-25 <u>2027</u> 6 | Nov-25 2028 | Nov-25 2029 | Nov-25 2030 | Nov-25 2031 | Nov-25 2032 | Nov-25 2033 |
| Revenue & Expense Forecast Load Forecast (MW) Load adjustments (MW) Tariff Applied (\$/kW/Month) Incremental Revenue - \$M | | | 11.8 0.0 11.8 2.30 0.3 | 19.0 0.0 19.0 2.30 0.5 | 25.9 0.0 25.9 2.30 0.7 | 29.1 0.0 29.1 2.30 0.8 | 29.4 0.0 29.4 2.30 0.8 | 29.4 0.0 29.4 2.30 0.8 | 29.4 0.0 29.4 2.30 0.8 | 29.4 0.0 29.4 2.30 0.8 | 29.4 0.0 29.4 2.30 0.8 | 29.4 0.0 29.4 2.30 0.8 | 29.4 0.0 29.4 2.30 0.8 | 29.4 <u>0.0</u> 29.4 <u>2.30</u> 0.8 |
| Removal Costs - \$M On-going OM& Costs - \$M Municipal Tax - \$M Net Revenue/(Costs) before taxes - \$M Income Taxes Operating Cash Flow (after taxes) - \$M | Cumulative PV @ | (1.7) 0.0 (1.7) <u>0.4</u> (1.2) | 0.0 (0.1) 0.2 1.1 1.3 | 0.0 (0.1) 0.4 0.6 0.9 | 0.0 (0.1) 0.6 0.4 1.0 | 0.0 (0.1) 0.7 <u>0.4</u> 1.0 | 0.0 (0.1) 0.7 0.3 1.0 | 0.0 (<u>0.1)</u> 0.7 <u>0.3</u> 1.0 | 0.0 (0.1) 0.7 0.3 0.9 | 0.0 (0.1) 0.7 0.2 0.9 | 0.0 (0.1) 0.7 0.2 0.9 | 0.0 (0.1) 0.7 0.2 0.8 | 0.0 (0.1) 0.7 0.1 0.8 | 0.0 (0. 0.: 0.: |
| PV Operating Cash Flow (after taxes) - \$M (A) | 5.59% 10.6 | (1.2) | 1.2 | 0.9 | 0.9 | 0.9 | 0.8 | <u>0.7</u> | <u>0.7</u> | 0.6 | 0.5 | 0.5 | 0.5 | 0.4 |
| Capital Expenditures - \$M Upfront - capital cost before overheads & AFUE - Overheads - AFUEC Total upfront capital expenditures On-going capital expenditures PV On-going capital expenditures Total capital expenditures Total capital expenditures - \$M Capital Expenditures - \$M | oc | (30.3) (3.6) (1.3) (35.1) 0.0 (35.1) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| PV CCA Residual Tax Shield - \$M PV Working Capital - \$M PV Capital (after taxes) - \$M (B) Cumulative PV Cash Flow (after taxes) - \$M (A) + (B) | (34.9) | 0.2 <u>0.0</u> (34.9) (36.1) | (34.9) | (34.0) | (33.1) | (32.3) | (31.5) | (30.8) | (30.1) | (29.5) | (29.0) | (28.5) | (28.0) | (27.6 |
| | | • | | | | | | | | | | | | |
| Economic Study Horizon - Years: | Discounted Cash Flow 25 | Summary | | | | | ľ | Other Assumpt | ions | | | | | |
| Discount Rate - % | 5.59% | | | | | | ı | n-Service Date: | | | 25-Nov-21 | | | |
| | \$M | | | | | | F | Payback Year: | | _ | 2046 | | | |
| PV Incremental Revenue PV OM&A Costs PV Municipal Tax PV Income Taxes PV CCA Tax Shield PV Capital - Upfront Add: PV Capital - On-going PV Working Capital PV Surplus / (Shortfall) | 10.2 (1.7) (1.8) (1.8) (35.1) 0.0 (35.1) 0.0 (24.3) | | | | | | r | lo. of years requ | uired for paybac | k: _ | 25 | | | |
| Profitability Index* Notes: "PV of total cash flow, excluding net capital expenditure & on-going capital & | 0.3 s proceeds on disposal / PV of net capital 6 | expenditure & on-going o | apital & proceeds o | on disposal | | | | | | | | | | |

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JT1.6 Report 2: Transformation Pool NPV with Total Project Expenditures and No Capital Contributions Page 2

| | | Nov-25 | F Nov-25 | Project year ende Nov-25 | Nov-25 | Nov-25 | Date Nov-25 | Nov-25 | Nov-25 | Nov-25 | Nov-25 | Nov-25 | Nov-25 | Nov-25 |
|---|---------------|------------|--------------------------|-----------------------------|------------|--------|----------------|------------|------------|--------|--------|--------|------------|-----------|
| | Month Year | 2034 | 2035 | 2036 | 2037 | 2038 | 2039 | 2040 | 2041 | 2042 | 2043 | 2044 | 2045 | 2046 |
| Revenue & Expense Forecast | | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 |
| Load Forecast (MW) | | 29.4 | 29.4 | 29.4 | 29.4 | 29.4 | 29.4 | 29.4 | 29.4 | 29.4 | 29.4 | 29.4 | 29.4 | 29 |
| Load adjustments (MW) | | 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 |
| Load adjustitions (WW) | | 29.4 | 29.4 | 29.4 | 29.4 | 29.4 | 29.4 | 29.4 | 29.4 | 29.4 | 29.4 | 29.4 | 29.4 | 29 |
| Tariff Applied (\$/kW/Month) | | 2.30 | 2.30 | 2.30 | 2.30 | 2.30 | 2.30 | 2.30 | 2.30 | 2.30 | 2.30 | 2.30 | 2.30 | 2.3 |
| Incremental Revenue - \$M | | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0 |
| Removal Costs - \$M | | | | | | | | | | | | | | - |
| On-going OM&A Costs - \$M | | 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 |
| Municipal Tax - \$M | | (0.1) | (0.1) | (0.1) | (0.1) | (0.1) | (0.1) | (0.1) | (0.1) | (0.1) | (0.1) | (0.1) | (0.1) | (0 |
| Net Revenue/(Costs) before taxes - \$M | | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 | 0. |
| Income Taxes | | 0.1 | 0.1 | 0.0 | 0.0 | 0.0 | (0.0) | (0.0) | (0.0) | (0.0) | (0.1) | (0.1) | (0.1) | (0. |
| Operating Cash Flow (after taxes) - \$M | | <u>0.8</u> | <u>0.1</u> <u>0.7</u> | <u>0.7</u> | <u>0.7</u> | 0.7 | <u>0.7</u> | <u>0.7</u> | <u>0.6</u> | 0.6 | 0.6 | 0.6 | <u>0.6</u> | <u>0</u> |
| PV Operating Cash Flow (after taxes) - \$M (A) | | 0.4 | 0.4 | 0.3 | <u>0.3</u> | 0.3 | 0.3 | <u>0.2</u> | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | <u>0.</u> |
| Capital Expenditures - \$M | | | | | | | | | | | | | | |
| Upfront - capital cost before overheads & AFUDC | | | | | | | | | | | | | | |
| - Overheads | | | | | | | | | | | | | | |
| - AFUDC | | | | | | | | | | | | | | |
| Total upfront capital expenditures | | | | | | | | | | | | | | |
| On-going capital expenditures | | 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 |
| PV On-going capital expenditures | | | | | | | | | | | | | | |
| Total capital expenditures - \$M | | | | | | | | | | | | | | |
| Capital Expenditures - \$M | | | | | | | | | | | | | | |
| PV CCA Residual Tax Shield - \$M | | | | | | | | | | | | | | |
| PV Working Capital - \$M | | | | | | | | | | | | | | |
| PV Capital (after taxes) - \$M (B) | | | | | | | | | | | | | | |
| Cumulative PV Cash Flow (after taxes) - \$M (A) + (B) | | (27.2) | (26.9) | (26.5) | (26.2) | (26.0) | (25.7) | (25.5) | (25.2) | (25.0) | (24.8) | (24.7) | (24.5) | (24 |

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| I and the second | | In-Service | | D14 | | f I- Oi | D-1- | | | | | | | |
|--|---|-------------------------------|-------------------|------------------------------------|---------------------|--|---------------------------------------|--|----------------|---------------------|-------------------|----------------|----------------|----------------|
| | Month Year | Date Nov-25 <u>2021</u> | Nov-25 2022 | Project year end Nov-25 2023 | Nov-25 2024 3 | from In-Service Nov-25 2025 4 | Nov-25 2026 5 | -> Nov-25 <u>2027</u> | Nov-25 2028 | Nov-25 2029 8 | Nov-25 2030 | Nov-25 2031 | Nov-25 2032 | Nov-25 2033 |
| Revenue & Expense Forecast Load Forecast (MW) | | o | 11.8 | 19.0 | 3 25.9 | ⁴ 32.0 | 38.5 | 6 46.1 | 7 52.9 | 8 59.4 | 9 65.3 | 10 71.1 | 76.1 | 12 76 |
| Load adjustments (MW) | | | 0.0 11.8 | 0.0 19.0 | 0.0 25.9 | 0.0 32.0 | 0.0 38.5 | 0.0 46.1 | 0.0 52.9 | 0.0 59.4 | 0.0 65.3 | 0.0 71.1 | 0.0 76.1 | 0 76 |
| Tariff Applied (\$/kW/Month) | | | 3.83 | 3.83 | 3.83 | 3.83 | 3.83 | 3.83 | 3.83 | 3.83 | 3.83 | 3.83 | 3.83 | 3.8 |
| Incremental Revenue - \$M Removal Costs - \$M | | (2.4) | 0.5 | 0.9 | 1.2 | 1.5 | 1.8 | 2.1 | 2.4 | 2.7 | 3.0 | 3.3 | 3.5 | 3 |
| On-going OM&A Costs - \$M | | 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 |
| Municipal Tax - \$M | | | (0.1) | (0.1) | (0.1) | (0.1) | (0.1) | (0.1) | (0.1) | (0.1) | (0.1) | (0.1) | (0.1) | (0 |
| Net Revenue/(Costs) before taxes - \$M Income Taxes | | (2.4) <u>0.6</u> | 0.4 <u>0.8</u> | 0.8 <u>0.3</u> | 1.1 <u>0.2</u> | 1.4 <u>0.1</u> | 1.7 (0.0) | 2.0 (0.2) | 2.3 (0.3) | 2.6 (0.4) | 2.9 (0.5) | 3.2 (0.6) | 3.4 (0.6) | 3 (C |
| Operating Cash Flow (after taxes) - \$M | | (1.8) | 1.2 | 1.1 | 1.3 | 1.5 | 1.6 | 1.9 | 2.1 | 2.2 | 2.4 | 2.6 | 2.7 | 2 |
| | Cumulative PV @ | | | | | · · · · · · · · · · · · · · · · · · · | · · · · · · · · · · · · · · · · · · · | | | | | | | _ |
| PV Operating Cash Flow (after taxes) - \$M (A) | 5.59% 27.8 | (1.8) | <u>1.2</u> | <u>1.0</u> | 1.1 | <u>1.2</u> | <u>1.3</u> | <u>1.4</u> | <u>1.4</u> | <u>1.5</u> | 1.5 | <u>1.5</u> | 1.5 | 1 |
| Capital Expenditures - \$M | | | | | | | | | | | | | | |
| Upfront - capital cost before overheads & AF - Overheads | FUDC | (24.8) | | | | | | | | | | | | |
| - AFUDC Total upfront capital expenditures | | (0.9) (28.4) | | | | | | | | | | | | |
| On-going capital expenditures | | (==:.) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 |
| PV On-going capital expenditures | | 0.0 | | | | | | | | | | | | |
| Total capital expenditures - \$M Capital Expenditures - \$M | | (28.4) | | | | | | | | | | | | |
| PV CCA Residual Tax Shield - \$M | | 0.1 | | | | | | | | | | | | |
| PV Working Capital - \$M PV Capital (after taxes) - \$M (B) | (28.3) | <u>0.0</u> (28.3) | | | | | | | | | | | | |
| Cumulative PV Cash Flow (after taxes) - \$M (A) + (B) | | (30.1) | (00.0) | | | | (24.3) | (22.9) | (21.5) | (00.0) | | | (15.3) | (13. |
| |) (0.2) | (30.1) | (28.9) | (27.9) | (26.8) | (25.6) | 124.01 | | لقبلها | (20.0) | (18.4) | (16.9) | (15.5) | |
| | , 1931 | (30.11 | [28.9] | (27.9) | (26.8) | (25.6) | (24.3) | 144.21 | [21:3] | (20.0) | (18.4) | (16.9) | (13.3) | |
| | Discounted Cash | | 128.91 | (27.9) | (26.8) | (25.6) | · · · | Other Assumpt | | (20.0) | (18.4) | (16.9) | (13.3) | 1100 |
| Economic Study Horizon - Years: | Discounted Cash | | (28.9) | (27.9) | (26.8) | (25.6) | · · · | | | (20.0) | (18.4) | (16.9) | (192) | .12. |
| Economic Study Horizon - Years: Discount Rate - % | Discounted Cash | | [28.9] | (27.9) | (26.8) | (25.6) | | | | 120.01 | 25-Nov-21 | (16.9) | (199) | 1191 |
| · | Discounted Cash | | 128.91 | (27.9) | (26.8) | (25.6) | ı | Other Assumpt | | 120.01 | | (16.9) | [13.5] | |
| Discount Rate - % PV Incremental Revenue | Discounted Cash 25 5.59% ———————————————————————————————————— | | 128.91 | (27.9) | (26.8) | 125.61 | c h | Other Assumption-Service Date: Payback Year: | ions | | 25-Nov-21 2046 | (16.9) | [133] | |
| Discount Rate - % PV Incremental Revenue PV OM&A Costs PV Municipal Tax | Discounted Cash 25 5.59% SM 35.5 (2.4) (1.5) | | 128.31 | (27.9) | (26.8) | (25.6) | c h | Other Assumption | ions | | 25-Nov-21 | (16.9) | 1723 | |
| Discount Rate - % PV Incremental Revenue PV OM&A Costs PV Municipal Tax PV Income Taxes | Discounted Cash 25 5.59% \$M 35.5 (2.4) (1.5) (8.4) | | 128.31 | (27.9) | (26.8) | (25.6) | c h | Other Assumption-Service Date: Payback Year: | ions | | 25-Nov-21 2046 | (16.9) | 1723 | |
| Discount Rate - % PV Incremental Revenue PV OM&A Costs PV Municipal Tax PV Income Taves PV CA Tax Shield PV Capital - Upfront | Discounted Cash 25 5.59% SM 35.5 (2.4) (1.5) (8.4) 4.7 (28.4) | | 128.31 | (27.9) | (26.8) | (25.6) | c h | Other Assumption-Service Date: Payback Year: | ions | | 25-Nov-21 2046 | (16.9) | 1723 | |
| PV Incremental Revenue PV OM&A Costs PV Municipal Tax PV Income Taxes PV CCA Tax Shield PV Capital - Upfront Add: PV Capital Contribution | Discounted Cash 25 5.59% SM 35.5 (2.4) (1.6) (1.6) 4.7 (28.4) 0.0 (28.4) | | 128.31 | (27.9) | (26.8) | (25.6) | c h | Other Assumption-Service Date: Payback Year: | ions | | 25-Nov-21 2046 | (16.9) | 1723 | |
| PV Incremental Revenue PV OM&A Costs PV Municipal Tax PV Income Taxes PV CCA Tax Shield PV Capital - Upfront Add: PV Capital - On-going PV Working Capital PV Working Capital | SM 35.5 (2.4) (1.5) (8.4) 4.7 (28.4) 0.0 (28.4) 0.0 | | 126.31 | (27.9) | (26.8) | (25.6) | c h | Other Assumption-Service Date: Payback Year: | ions | | 25-Nov-21 2046 | (16.9) | 133 | |
| Discount Rate - % PV Incremental Revenue PV OM&A Costs PV Municipal Tox PV Municipal Tox PV CA Tax Shield PV Capital - Upfront Add: PV Capital - On-going | Discounted Cash 25 5.59% SM 35.5 (2.4) (1.5) (8.4) 4.7 (28.4) 0.0 (28.4) | | 128.31 | (27.9) | (26.8) | (25.6) | c h | Other Assumption-Service Date: Payback Year: | ions | | 25-Nov-21 2046 | (16.9) | 133 | |
| Discount Rate - % PV Incremental Revenue PV OM&A Costs PV Municipal Tax PV Income Taxes PV CA Tax Shield PV Capital - Upfront Add: PV Capital - On-quing PV Capital - On-quing PV Working Capital PV Surplus / (Shortfall) PV Surplus / (Shortfall) | SM 35.5 (2.4) (1.5) (8.4) 4.7 (28.4) 0.0 (28.4) 0.0 | | 126.23 | (27.9) | (25.8) | (25.6) | c h | Other Assumption-Service Date: Payback Year: | ions | | 25-Nov-21 2046 | (16.9) | 133 | |
| PV Incremental Revenue PV OM&A Costs PV Municipal Tax PV Income Taxes PV CCA Tax Shield PV Capital - Upfront Add: PV Capital - On-going PV Working Capital PV Surplus / (Shortfall) | Discounted Cash 25 5.59% SM 35.5 (2.4) (1.5) (8.4) 4.7 (28.4) 0.0 (28.4) 0.0 (0.5) 1.0 | Flow Summary | | | (25.8) | (25.6) | c h | Other Assumption-Service Date: Payback Year: | ions | | 25-Nov-21 2046 | (16.3) | 1333 | |
| PV Incremental Revenue PV OMSA Costs PV Municipal Tax PV Municipal Tax PV Increme Taxes PV Increme Taxes PV Capital - Upfront Add: PV Capital - Upfront Add: PV Capital - On-going PV Surplus / (Shortfall) Pv Surplus / (Shortfall) Profitability Index* Notes: | Discounted Cash 25 5.59% SM 35.5 (2.4) (1.5) (8.4) 4.7 (28.4) 0.0 (28.4) 0.0 (0.5) 1.0 | Flow Summary | | | (25.8) | (25.6) | c h | Other Assumption-Service Date: Payback Year: | ions | | 25-Nov-21 2046 | (16.9) | 1333 | |

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| | | | | | | from In-Service | | | | | | | | |
|---|---------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | Month Year | Nov-25 2034 | Nov-25 2035 | Nov-25 2036 | Nov-25 2037 | Nov-25 2038 | Nov-25 2039 | Nov-25 2040 | Nov-25 2041 | Nov-25 2042 | Nov-25 2043 | Nov-25 2044 | Nov-25 2045 | Nov-25 2046 |
| | | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 |
| Revenue & Expense Forecast | | | | | | | | | | | | | | |
| Load Forecast (MW) | | 77.4 | 77.8 | 78.2 | 78.7 | 79.1 | 79.5 | 80.0 | 80.4 | 80.8 | 81.2 | 81.7 | 82.1 | 82 |
| Load adjustments (MW) | | 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 |
| Tariff Applied (\$/kW/Month) | | 77.4 3.83 | 77.8 | 78.2 3.83 | 78.7 3.83 | 79.1 | 79.5 | 80.0 | 80.4 | 80.8 | 81.2 | 81.7 | 82.1 3.83 | 82 |
| Incremental Revenue - \$M | | 3.6 | 3.83 3.6 | 3.6 | 3.6 | 3.83 3.6 | 3.83 3.7 | 3.83 3.7 | 3.83 3.7 | 3.83 3.7 | 3.83 3.7 | 3.83 3.8 | 3.8 | <u>3.8</u> 3 |
| Removal Costs - \$M | | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.1 | 3.1 | 3.1 | 3.1 | 3.7 | 3.0 | 3.0 | 3. |
| On-going OM&A Costs - \$M | | 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. |
| Municipal Tax - \$M | | (0.1) | (0.1) | (0.1) | (0.1) | (0.1) | (0.1) | (0.1) | (0.1) | (0.1) | (0.1) | (0.1) | (0.1) | |
| Net Revenue/(Costs) before taxes - \$M | | 3.4 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.7 | <u>(0.</u> 3. |
| Income Taxes | | (0.7) | (0.7) | (0.7) | (0.8) | (0.8) | (0.8) | (0.8) | (0.8) | (0.8) | (0.9) | (0.9) | (0.9) | |
| Operating Cash Flow (after taxes) - \$M | | <u>2.7</u> | <u>2.7</u> | <u>2.7</u> | 2.7 | 2.7 | <u>2.7</u> | 2.7 | <u>2.8</u> | 2.8 | 2.8 | <u>2.8</u> | 2.8 | (0. 2 |
| PV Operating Cash Flow (after taxes) - \$M (A) | | <u>1.4</u> | <u>1.3</u> | <u>1.2</u> | <u>1.2</u> | <u>1.1</u> | <u>1.1</u> | <u>1.0</u> | <u>1.0</u> | <u>0.9</u> | <u>0.9</u> | <u>0.8</u> | <u>0.8</u> | <u>0</u> |
| Capital Expenditures - \$M | | | | | | | | | | | | | | |
| Upfront - capital cost before overheads & AFUDC | | | | | | | | | | | | | | |
| - Overheads | | | | | | | | | | | | | | |
| - AFUDC | | | | | | | | | | | | | | |
| Total upfront capital expenditures | | | | | | | | | | | | | | |
| On-going capital expenditures | | 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 |
| PV On-going capital expenditures | | | | | | | | | | | | | | |
| Total capital expenditures - \$M | | | | | | | | | | | | | | |
| Capital Expenditures - \$M | | | | | | | | | | | | | | |
| PV CCA Residual Tax Shield - \$M | | | | | | | | | | | | | | |
| PV Working Capital - \$M | | | | | | | | | | | | | | |
| PV Capital (after taxes) - \$M (B) | | | | | | | | | | | | | | |
| Cumulative PV Cash Flow (after taxes) - \$M (A) + (B) | | (12.5) | (11.2) | <u>(9.9)</u> | (8.7) | (7.6) | (6.6) | (5.6) | (4.6) | (3.7) | (2.9) | (2.0) | (1.3) | <u>(0.</u> |

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| | | In-Service Date | | Project year ende | nd - annualized | from In-Service | Date | _ | | | | | | |
|---|---|---------------------------------|--------------------|--------------------|--------------------|---------------------|--------------------|---------------------|---------------------|---------------------|---------------------|--------------------|--------------------|--------------------|
| | Month Year | Nov-25 2021 | Nov-25 2022 | Nov-25 2023 | Nov-25 2024 | Nov-25 2025 4 | Nov-25 2026 | Nov-25 2027 6 | Nov-25 2028 7 | Nov-25 2029 8 | Nov-25 2030 9 | Nov-25 2031 | Nov-25 2032 | Nov-25 2033 |
| Revenue & Expense Forecast | | U | | | | | | | | | | | | |
| Load Forecast (MW) | | | 11.8 | 19.0 | 25.9 | 32.0 | 38.5 | 46.1 | 52.9 | 59.4 | 65.3 | 71.1 | 76.1 | 76.9 |
| Load adjustments (MW) | | | <u>0.0</u> 11.8 | <u>0.0</u> 19.0 | <u>0.0</u> 25.9 | <u>0.0</u> 32.0 | <u>0.0</u> 38.5 | <u>0.0</u> 46.1 | <u>0.0</u> 52.9 | <u>0.0</u> 59.4 | <u>0.0</u> 65.3 | <u>0.0</u> 71.1 | <u>0.0</u> 76.1 | <u>0.0</u> 76.9 |
| Tariff Applied (\$/kW/Month) | | | 0.96 | 0.96 | 0.96 | 0.96 | 0.96 | 0.96 | 0.96 | 0.96 | 0.96 | 0.96 | 0.96 | 0.96 |
| Incremental Revenue - \$M | | | 0.1 | 0.2 | 0.3 | 0.4 | 0.4 | 0.5 | 0.6 | 0.7 | 0.7 | 0.8 | 0.9 | 0.9 |
| Removal Costs - \$M | | (0.5) | | | | | | | | | | | | |
| On-going OM&A Costs - \$M | | 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 |
| Municipal Tax - \$M Net Revenue/(Costs) before taxes - \$M | | (0.5) | (0.1) 0.0 | (0.1) 0.1 | (0.1) 0.2 | (0.1) 0.3 | (0.1) 0.4 | (0.1) 0.4 | (0.1) 0.5 | (0.1) 0.6 | (0.1) 0.7 | (0.1) 0.7 | (0.1) 0.8 | (0.1 0.8 |
| Income Taxes | | (0.5) <u>0.1</u> | 0.0 | 0.1 0.1 | 0.2 <u>0.1</u> | 0.3 <u>0.1</u> | 0.4 | 0.4 | (0.0) | (0.0) | (0.1) | (0.1) | (0.1) | 0.8 (0.1 |
| Operating Cash Flow (after taxes) - \$M | | (0.4) | 0.3 | 0.3 | 0.3 | 0.4 | 0.4 | 0.5 | 0.5 | 0.5 | 0.6 | 0.6 | 0.7 | 0.7 |
| | Cumulative PV @ | | | | | | | | | | | | | |
| PV Operating Cash Flow (after taxes) - \$M | 5.59% 6.8 | (0.4) | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 |
| | | | | | | | | | | | | | | |
| Capital Expenditures - \$M Upfront - capital cost before overheads & | AELIDO | (19.3) | | | | | | | | | | | | |
| - Overheads | AFODC | (2.7) | | | | | | | | | | | | |
| - AFUDC | | (0.9) | | | | | | | | | | | | |
| Total upfront capital expenditures | | (22.9) | | | | | | | | | | | | |
| On-going capital expenditures | | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| PV On-going capital expenditures | | (22.9) | | | | | | | | | | | | |
| Total capital expenditures - \$M Capital Expenditures - \$M | | (22.9) | | | | | | | | | | | | |
| PV CCA Residual Tax Shield - \$M | | 0.0 | | | | | | | | | | | | |
| PV Working Capital - \$M | | 0.0 0.0 | | | | | | | | | | | | |
| - · | B) (9.8) | (<u>9.8)</u> | | | | | | | | | | | | |
| Cumulative PV Cash Flow (after taxes) - \$M (A) + (| | (10.1) | (9.8) | (9.6) | (9.3) | (9.0) | (8.7) | (8.3) | (8.0) | (7.6) | (7.2) | (6.8) | (6.5) | (6.1) |
| | | | | | | | - | | | | | | | |
| | Discounted Cash F | low Summary | | | | | c | Other Assumpt | ions | | | | | |
| Economic Study Horizon - Years: | 25 | | | | | | | | | | | | | |
| Discount Rate - % | 5.59% | | | | | | li | n-Service Date: | | | 25-Nov-21 | | | |
| | | | | | | | | | | | 2046 | | | |
| | M2 | | | | | | | | | | | | | |
| | \$M | | | | | | ľ | ayback Year: | | _ | | | | |
| PV Incremental Revenue | 8.9 | | | | | | | | ired for navbac | - | | | | |
| PV Incremental Revenue PV OM&A Costs PV Municipal Tax | • | | | | | | | ayback Year: | uired for paybac | -k: _ | 25 | | | |
| PV OM&A Costs PV Municipal Tax PV Income Taxes | 8.9 (0.5) (1.2) (1.9) | | | | | | | | uired for paybac | ek: | | | | |
| PV OM&A Costs PV Municipal Tax PV Income Taxes PV CCA Tax Shield | 8.9 (0.5) (1.2) (1.9) | | | | | | | | uired for paybac | ik: | | | | |
| PV OM&A Costs PV Municipal Tax PV Income Taxes PV CCA Tax Shield PV Capital - Upfront | 8.9 (0.5) (1.2) (1.9) 1.6 | | | | | | | | uired for paybac | -k: _ | | | | |
| PV OM&A Costs PV Municipal Tax PV Income Taxes PV CCA Tax Shield PV Capital - Upfront Add: PV Capital - On-going PV Capital - On-going | 8.9 (0.5) (1.2) (1.9) 1.6 (22.9) 13.1 (9.8) 0.0 | | | | | | | | uired for paybac | | | | | |
| PV OMBA Costs PV Municipal Tax PV Income Taxes PV Income Taxes PV CCA Tax Shield PV Capital - Upfront Add: PV Capital Contribution PV Capital - On-going PV Working Capital | 8.9 (0.5) (1.2) (1.9) (1.9) 1.6 (22.9) 13.1 (9.8) 0.0 | | | | | | | | uired for paybac | | | | | |
| PV OM&A Costs PV Municipal Tax PV Income Taxes PV Income Taxes PV CCA Tax Shield PV Capital - Upfront Add: PV Capital Contribution PV Capital - On-going PV Working Capital PV Surplus / (Shortfall) | (22.9) 13.1 (22.9) (22.9) (22.9) (22.9) (23.9) | | | | | | | | uired for paybac | -k: _ | | | | |
| PV OM&A Costs PV Municipal Tax PV Income Taxes PV Income Taxes PV CCA Tax Shield PV Capital - Upfront Add: PV Capital Contribution PV Capital - On-going PV Working Capital PV Surplus / (Shortfall) Profitability Index* | 8.9 (0.5) (1.2) (1.9) (1.9) 1.6 (22.9) 13.1 (9.8) 0.0 | | | | | | | | uired for paybac | | | | | |
| PV OMBA Costs PV Municipal Tax PV Income Taxes PV Income Taxes PV CCA Tax Shield PV Capital - Upfront Add: PV Capital Contribution PV Capital - On-going PV Working Capital PV Surplus / (Shortfall) Profitability Index* Notes: | 8.9 (0.5) (1.2) (1.9) 1.6 (22.9) 13.1 (9.8) 0.0 (2.9) 0.7 | | | | | | | | uired for paybac | -k: _ | | | | |
| PV OM&A Costs PV Municipal Tax PV Income Taxes PV Income Taxes PV CCA Tax Shield PV Capital - Upfront Add: PV Capital Contribution PV Capital - On-going PV Working Capital PV Surplus / (Shortfall) Profitability Index* | 8.9 (0.5) (1.2) (1.9) 1.6 (22.9) 13.1 (9.8) 0.0 (2.9) 0.7 | nital expenditure & on-going c | apital & proceeds | on disposal | | | | | uired for paybac | k: | | | | |
| PV OMBA Costs PV Municipal Tax PV Income Taxes PV Income Taxes PV CCA Tax Shield PV Capital - Upfront Add: PV Capital Contribution PV Capital - On-going PV Working Capital PV Surplus / (Shortfall) Profitability Index* Notes: | 8.9 (0.5) (1.2) (1.9) 1.6 (22.9) 13.1 (9.8) 0.0 (2.9) 0.7 | olital expenditure & on-going c | apital & proceeds | on disposal | | | | | uired for paybac | :k: | | | | |

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| | | | | | | from In-Service | | | | | | | | |
|--|---------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|----------------------------|-----------------------|----------------------------|----------------------------|-----------------------|-----------------------|-----------------------|
| | Month Year | Nov-25 2034 | Nov-25 2035 | Nov-25 2036 | Nov-25 2037 | Nov-25 2038 | Nov-25 <u>2039</u> | Nov-25 <u>2040</u> | Nov-25 2041 | Nov-25 2042 | Nov-25 2043 | Nov-25 2044 | Nov-25 2045 | Nov-25 2046 |
| D 0 E E | | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 |
| Revenue & Expense Forecast | | | | 70.0 | | 70.4 | | | 20.4 | | 24.2 | o | 20.4 | |
| Load Forecast (MW) | | 77.4 | 77.8 | 78.2 | 78.7 | 79.1 | 79.5 | 80.0 | 80.4 | 80.8 | 81.2 | 81.7 | 82.1 | 82 |
| Load adjustments (MW) | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | <u>0.0</u> | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 |
| Tariff Applied (\$/kW/Month) | | 77.4 | 77.8 0.96 | 78.2 0.96 | 78.7 0.96 | 79.1 0.96 | 79.5 0.96 | 80.0 0.96 | 80.4 0.96 | 80.8 | 81.2 <u>0.96</u> | 81.7 | 82.1 | 82 |
| Incremental Revenue - \$M | | <u>0.96</u> 0.9 | 0.90 | 0.90 | 0.90 | 0.90 | 0.90 | 0.90 | 0.90 | 0.96 0.9 | 0.90 | 0.96 0.9 | 0.96 0.9 | <u>0.9</u> 0 |
| Removal Costs - \$M | | 0.9 | 0.9 | 0.9 | 0.9 | 0.9 | 0.9 | 0.9 | 0.9 | 0.9 | 0.9 | 0.9 | 0.9 | U |
| | | 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 |
| On-going OM&A Costs - \$M Municipal Tax - \$M | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 (0.1) | 0.0 | 0.0 | 0 |
| Municipar тах - จูเพ Net Revenue/(Costs) before taxes - \$M | | (0.1) 0.8 | (0.1) 0.8 | (0.1) 0.8 | 0.8 | (0.1) 0.9 | (0.1) 0.9 | <u>(0</u> 0 |
| Income Taxes | | | (0.1) | (0.2) | (0.2) | (0.2) | (0.2) | (0.2) | (0.2) | (0.2) | (0.2) | (0.2) | (0.2) | (0 |
| Operating Cash Flow (after taxes) - \$M | | (0.1) 0.7 | (0.1) 0.7 | (0.2) 0.7 | (0.2) 0.7 | (0.2) 0.7 | 0.7 | <u>(0.2)</u> <u>0.7</u> | 0.7 | <u>(0.2)</u> <u>0.7</u> | <u>(0.2)</u> <u>0.7</u> | (0.2) 0.7 | 0.7 | (<u>0</u> |
| oporating outsition (alter taxes) viii | | <u>0.11</u> | <u>u.r.</u> | <u>0.1</u> | <u>0.1</u> | <u>v</u> | <u>0.1</u> | <u>0.1</u> | <u>0.1</u> | <u>0.1</u> | <u>0.1</u> | <u>0.1-</u> | <u>0.1-</u> | <u>=</u> |
| PV Operating Cash Flow (after taxes) - \$M (A) | | <u>0.3</u> | <u>0.3</u> | <u>0.3</u> | <u>0.3</u> | <u>0.3</u> | <u>0.3</u> | <u>0.2</u> | <u>0.2</u> | <u>0.2</u> | <u>0.2</u> | <u>0.2</u> | <u>0.2</u> | <u>0</u> |
| Capital Expenditures - \$M | | | | | | | | | | | | | | |
| Upfront - capital cost before overheads & AFUDC | | | | | | | | | | | | | | |
| - Overheads | | | | | | | | | | | | | | |
| - AFUDC | | | | | | | | | | | | | | |
| Total upfront capital expenditures | | | | | | | | | | | | | | |
| On-going capital expenditures | | 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 |
| PV On-going capital expenditures | | | | | | | | | | | | | | |
| Total capital expenditures - \$M | | | | | | | | | | | | | | |
| Capital Expenditures - \$M | | | | | | | | | | | | | | |
| PV CCA Residual Tax Shield - \$M | | | | | | | | | | | | | | |
| PV Working Capital - \$M | | | | | | | | | | | | | | |
| PV Capital (after taxes) - \$M (B) | | | | | | | | | | | | | | |
| Cumulative PV Cash Flow (after taxes) - \$M (A) + (B) | | (5.8) | (5.5) | (5.2) | (4.9) | (4.6) | (4.4) | (4.1) | (3.9) | (3.7) | (3.5) | (3.3) | (3.1) | (2 |

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JT1.6 Report 5: Transformation Pool NPV with Total Project Expenditures including Capital Contributions Page 1

| | | | In-Service | | | | | | | | | | | | |
|--|-------------------------|--------------------------------|------------------------------|-------------------|----------------------------|----------------------------|---------------------------|----------------|------------------|------------------|-------------|-------------|-------------|-------------|-------------|
| | | Month | Date - Nov-25 | Nov-25 | Project year end Nov-25 | led - annualized Nov-25 | from In-Service Nov-25 | Date Nov-25 | -> Nov-25 | Nov-25 | Nov-25 | Nov-25 | Nov-25 | Nov-25 | Nov-25 |
| | | Year | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 |
| Revenue & Expense Forecast | | | O | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
| Load Forecast (MW) | | | | 11.8 | 19.0 | 25.9 | 29.1 | 29.4 | 29.4 | 29.4 | 29.4 | 29.4 | 29.4 | 29.4 | 29.4 |
| Load adjustments (MW) | | | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| TW A II- d (\$4.50/\$4db) | | | | 11.8 | 19.0 | 25.9 | 29.1 | 29.4 | 29.4 | 29.4 | 29.4 | 29.4 | 29.4 | 29.4 | 29.4 |
| Tariff Applied (\$/kW/Month) Incremental Revenue - \$M | | | | 2.30 0.3 | 2.30 0.5 | 2.30 0.7 | 2.30 0.8 | 2.30 0.8 | 2.30 0.8 | 2.30 0.8 | 2.30 0.8 | 2.30 0.8 | 2.30 0.8 | 2.30 0.8 | 2.30 0.8 |
| Removal Costs - \$M | | | (1.7) | 0.3 | 0.5 | 0.7 | 0.8 | 0.8 | 0.8 | 0.6 | 0.8 | 0.8 | 0.6 | 0.0 | 0.8 |
| On-going OM&A Costs - \$M | | | 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 |
| Municipal Tax - \$M | | | | (0.1) | (0.1) | (0.1) | (0.1) | (0.1) | (0.1) | (0.1) | (0.1) | (0.1) | (0.1) | (0.1) | (0.1 0.7 |
| Net Revenue/(Costs) before taxes - \$M | | | (1.7) | 0.2 | 0.4 | 0.6 | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 | |
| Income Taxes | | | 0.4 | 1.0 | 0.5 | 0.4 | 0.3 | 0.3 | 0.3 | 0.2 | 0.2 | 0.2 | 0.1 | 0.1 | 0.1 |
| Operating Cash Flow (after taxes) - \$M | | Cumulative PV @ | (1.2) | 1.2 | 0.9 | 1.0 | 1.0 | 1.0 | 0.9 | 0.9 | 0.9 | 8.0 | 0.8 | 0.8 | 0.8 |
| PV Operating Cash Flow (after taxes) - \$M | (A) | 5.59% | (1.2) | <u>1.1</u> | <u>0.8</u> | 0.9 | 0.8 | 0.8 | <u>0.7</u> | 0.6 | <u>0.6</u> | <u>0.5</u> | <u>0.5</u> | <u>0.4</u> | 0.4 |
| | () | | | | | | | _ | | | | | | _ | |
| Capital Expenditures - \$M | | | | | | | | | | | | | | | |
| Upfront - capital cost before overheads - Overheads | & AFUDC | | (30.3) | | | | | | | | | | | | |
| - Overneads - AFUDC | | | (1.3) | | | | | | | | | | | | |
| Total upfront capital expenditures | | | (35.1) | | | | | | | | | | | | |
| On-going capital expenditures | | | , | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| PV On-going capital expenditures | | | 0.0 | | | | | | | | | | | | |
| Total capital expenditures - \$M Capital Expenditures - \$M | | | (35.1) | | | | | | | | | | | | |
| PV CCA Residual Tax Shield - \$M | | | 0.2 | | | | | | | | | | | | |
| PV Working Capital - \$M | | | 0.0 | | | | | | | | | | | | |
| PV Capital (after taxes) - \$M | (B) | (32.3) | (32.3) | | | | | | | | | | | | |
| Cumulative PV Cash Flow (after taxes) - \$M (A) | | (22.1) | (33.5) | (32.4) | (31.6) | (30.7) | (29.9) | (29.1) | (28.4) | (27.8) | (27.2) | (26.7) | (26.2) | (25.8) | (25.4) |
| | - (-) | | | | | | | | | | | | | | |
| | D | iscounted Cash Flo | w Summary | | | | | C | Other Assumpt | tions | | | | | |
| Economic Study Horizon - Years: | | 25 | | | | | | | | | | | | | |
| Discount Rate - % | | 5.59% | | | | | | h | n-Service Date: | | | 25-Nov-21 | | | |
| | | | | | | | | | | | | | | | |
| | | \$M | | | | | | F | Payback Year: | | - | 2046 | | | |
| PV Incremental Revenue | | 10.2 | | | | | | | | | | | | | |
| PV OM&A Costs PV Municipal Tax | | (1.7) (1.8) | | | | | | ľ | No. of years req | uired for paybac | | 25 | | | |
| PV Income Taxes | | (1.8) | | | | | | | | | | | | | |
| PV CCA Tax Shield | | 5.3 | | | | | | | | | | | | | |
| PV Capital - Upfront Add: PV Capital Contribution | (35.1) 2.6 | (32.4) | | | | | | | | | | | | | |
| PV Capital - On-going | 2.0 | 0.0 | | | | | | | | | | | | | |
| PV Working Capital | | 0.0 | | | | | | | | | | | | | |
| PV Surplus / (Shortfall) | | (22.1) | | | | | | | | | | | | | |
| Profitability Index* | | 0.3 | | | | | | | | | | | | | |
| Notes: "PV of total cash flow, excluding net capital expenditure & on-going | g capital & proceeds of | on disposal / PV of net canit: | al expenditure & on-going of | apital & proceeds | on disposal | | | | | | | | | | |
| and the second s | 5 | | ,gung | , | | | | | | | | | | | |
| | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | |

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JT1.6 Report 5: Transformation Pool NPV with Total Project Expenditures including Capital Contributions Page 2

| | | | | | | from In-Service | | | | | | | | |
|---|---------------|-----------------------|--------------------------|--------------------------|--------------------------|-----------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|----------------|
| | Month Year | Nov-25 2034 | Nov-25 2035 | Nov-25 2036 | Nov-25 2037 | Nov-25 2038 | Nov-25 2039 | Nov-25 2040 | Nov-25 2041 | Nov-25 2042 | Nov-25 2043 | Nov-25 2044 | Nov-25 2045 | Nov-25 2046 |
| | | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 |
| Revenue & Expense Forecast | | | | | | | | | | | | | | |
| Load Forecast (MW) | | 29.4 | 29.4 | 29.4 | 29.4 | 29.4 | 29.4 | 29.4 | 29.4 | 29.4 | 29.4 | 29.4 | 29.4 | 29 |
| Load adjustments (MW) | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | |
| Tariff Applied (\$/kW/Month) | | 29.4 | 29.4 | 29.4 | 29.4 | 29.4 | 29.4 | 29.4 | 29.4 | 29.4 | 29.4 | 29.4 | 29.4 | 29 |
| ncremental Revenue - \$M | | 2.30 0.8 | 2.30 0.8 | 2.30 0.8 | 2.30 0.8 | 2.30 0.8 | 2.30 0.8 | 2.30 0.8 | 2.30 0.8 | 2.30 0.8 | 2.30 0.8 | 2.30 0.8 | 2.30 0.8 | 2 |
| | | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | (|
| Removal Costs - \$M | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | |
| On-going OM&A Costs - \$M | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | (|
| Municipal Tax - \$M Net Revenue/(Costs) before taxes - \$M | | (0.1) 0.7 | (0.1) 0.7 | (0.1) 0.7 | (0.1) 0.7 | (0.1) 0.7 | (0.1) 0.7 | (0.1) 0.7 | (0.1) 0.7 | (0.1) 0.7 | (0.1) 0.7 | (0.1) 0.7 | (0.1) 0.7 | <u>((</u> |
| Income Taxes | | | | | | • | | | | | | | • | |
| Departing Cash Flow (after taxes) - \$M | | <u>0.1</u> | <u>0.0</u> <u>0.7</u> | <u>0.0</u> <u>0.7</u> | <u>0.0</u> <u>0.7</u> | (0.0) 0.7 | (0.0) 0.7 | (0.0) | (0.0) | (0.1) | (0.1) 0.6 | (0.1) | (0.1) 0.6 | ((|
| operating dash flow (after taxes) - \$\pi_{\text{in}}\$ | | <u>0.7</u> | <u>0.7</u> | <u>0.7</u> | <u>u.r</u> | <u>0.1</u> | <u>0.1</u> | <u>0.6</u> | <u>0.6</u> | <u>0.6</u> | <u>0.0</u> | <u>0.6</u> | <u>v.o</u> | <u>[</u> |
| PV Operating Cash Flow (after taxes) - \$M (A) | | <u>0.4</u> | <u>0.3</u> | <u>0.3</u> | <u>0.3</u> | <u>0.3</u> | <u>0.3</u> | <u>0.2</u> | <u>0.2</u> | <u>0.2</u> | <u>0.2</u> | <u>0.2</u> | <u>0.2</u> | <u>[</u> |
| apital Expenditures - \$M | | | | | | | | | | | | | | |
| Upfront - capital cost before overheads & AFUDC | | | | | | | | | | | | | | |
| - Overheads | | | | | | | | | | | | | | |
| - AFUDC | | | | | | | | | | | | | | |
| Total upfront capital expenditures | | | | | | | | | | | | | | |
| On-going capital expenditures | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | |
| PV On-going capital expenditures | | | | | | | | | | | | | | |
| Total capital expenditures - \$M | | | | | | | | | | | | | | |
| Capital Expenditures - \$M | | | | | | | | | | | | | | |
| PV CCA Residual Tax Shield - \$M | | | | | | | | | | | | | | |
| PV Working Capital - \$M | | | | | | | | | | | | | | |
| V Capital (after taxes) - \$M (B) | | | | | | | | | | | | | | |
| Cumulative PV Cash Flow (after taxes) - \$M (A) + (B) | | (25.0) | (24.6) | (24.3) | (24.0) | (23.7) | (23.5) | (23.3) | (23.0) | (22.8) | (22.6) | (22.5) | (22.3) | (22 |

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| | | Date - | | | | from in-Service | | -> | | | | | | |
|---|---|---------------------------|---------------------|----------------|----------------|-----------------|----------------|---------------------|----------------------|----------------|----------------|----------------|----------------|----------------|
| | Month Year | Nov-25 2021 | Nov-25 2022 | Nov-25 2023 | Nov-25 2024 | Nov-25 2025 | Nov-25 2026 | Nov-25 2027 6 | Nov -25 2028 7 | Nov-25 2029 | Nov-25 2030 | Nov-25 2031 | Nov-25 2032 | Nov-25 2033 |
| Revenue & Expense Forecast | | | | | | | | | | | | | | |
| Load Forecast (MW) | | | 11.8 | 19.0 | 25.9 | 32.0 | 38.5 | 46.1 | 52.9 | 59.4 | 65.3 | 71.1 | 76.1 | 76 |
| Load adjustments (MW) | | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 2 |
| | | | 11.8 | 19.0 | 25.9 | 32.0 | 38.5 | 46.1 | 52.9 | 59.4 | 65.3 | 71.1 | 76.1 | 76 |
| Tariff Applied (\$/k W/Month) | | | 3.83 | 3.83 | 3.83 | 3.83 | 3.83 | 3.83 | 3.83 | 3.83 | 3.83 | 3.83 | 3.83 | 3.8 |
| ncremental Revenue - \$M | | | 0.5 | 0.9 | 1.2 | 1.5 | 1.8 | 2.1 | 2.4 | 2.7 | 3.0 | 3.3 | 3.5 | 3 |
| Removal Costs - \$M | | (2.4) | | | | | | | | | | | | _ |
| On-going OM&A Costs - \$M | | 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 |
| Municipal Tax - \$M | | 2.0 | (0.1) 0.4 | (0.1) 0.8 | (0.1) 1.1 | (0.1) 1.4 | (0.1) 1.7 | (0.1) 2.0 | (0.1) 2.3 | (0.1) 2.6 | (0.1) 2.9 | (0.1) 3.2 | (0.1) 3.4 | <u>(0</u> 3 |
| Net Revenue/(Costs) before taxes - \$M Income Taxes | | (2.4) | 0.4 | 0.8 | 0.2 | 1.4 0.1 | (0.0) | (0.2) | (0.3) | (0.4) | (0.5) | (0.6) | (0.6) | (0 |
| Operating Cash Flow (after taxes) - \$M | | | | | | | | | | | | | | 2 |
| Sheistild casii Liow (site) axes) - 2m | Cumulative PV @ | (8.n) | 1.2 | 1.1 | 1.3 | 1.5 | 1.6 | 1.9 | 2.1 | 2.2 | 2.4 | 2.6 | 2.7 | - |
| | 5.59% | | | | | | | | | | | | | |
| PV Operating Cash Flow (after taxes) - \$M (A) | 27.8 | (1.8) | 1.2 | 1.0 | 1.1 | 1.2 | 1.3 | 1.4 | 1.4 | 1.5 | 1.5 | 1.5 | 1.5 | 1 |
| | 27.0 | يعن | 1.2 | 1.9 | 1.1 | 1.4 | 144 | 1.4 | 1.4 | 1.2 | 1.2 | 1.3 | 1.3 | 1 |
| Capital Expenditures - \$M | | | | | | | | | | | | | | |
| Upfront - capital cost before overheads & AFUI | DC | (24.8) | | | | | | | | | | | | |
| - Overheads - AFUDC | | (2.7) | | | | | | | | | | | | |
| - APUDC Total up front capital expenditures | | (0.9) (28.4) | | | | | | | | | | | | |
| | | (20.4) | | | | | | | | | | | | _ |
| On-going capital expenditures | | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 |
| PV On-going capital expenditures Total capital expenditures - \$M | | (28.4) | | | | | | | | | | | | |
| Capital Expenditures - \$M | | (20.4) | | | | | | | | | | | | |
| PV CCA Residual Tax Shleid - \$M | | 0.1 | | | | | | | | | | | | |
| PV VVorking Capital - \$M | | 0.0 | | | | | | | | | | | | |
| PV Capital (after taxes) - \$M (B) | (28.3) | (28.3) | | | | | | | | | | | | |
| | | | | | | | | | | | | | | |
| Curnulative PV Cash Flow (after tax es) - \$M (A) + (B) | (0.5) | (30.1) | (28.9) | (27.9) | (26.8) | (25.6) | (24.3) | (22.9) | (21.5) | (20.0) | (18.4) | (16.9) | (15.3) | (13. |
| | Discounted Cash Flo | w Summary | | | | | c | Other Assumpt | tons | | | | | |
| Economic Study Horizon - Years: | 25 | | | | | | | | | | | | | |
| Discount Rate - % | 5.59% | | | | | | 1 | n-Service Date: | | | 25-Nov-21 | | | |
| | | | | | | | | | | | | | | |
| | \$M | | | | | | F | Pay back Year: | | _ | 2046 | | | |
| PV Incremental Revenue | 35.5 | | | | | | | | | | | | | |
| PV OM&A Costs | (2.4) | | | | | | | No. of years req | ulred for paybac | ik: | 25 | | | |
| PV Municipal Tax | (1.5) | | | | | | | | | _ | | | | |
| PV Income Taxes | (8.4) | | | | | | - 1 | | | | | | | |
| PV CCA Tax Shield PV Capital - Upfront | (28.4) | | | | | | - 1 | | | | | | | |
| Add: PV Capital Contribution | 0.0 (28.4) | | | | | | - 1 | | | | | | | |
| PV Capital - On-going | 0.0 | | | | | | | | | | | | | |
| PV Working Capital | 0.0 | | | | | | - 1 | | | | | | | |
| PV Surplus / (Shortfall) | (0.5) | | | | | | | | | | | | | |
| Proftability Index* | 1.0 | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | |
| Notes : PV offotal cash flow, excluding net capital expenditure & on-going cadital A | & proceeds on disposal /PV of net capital | expenditure & on-order of | radital & proceeds: | on disposal | | | I | | | | | | | |
| Notes: PV oftotal cash flow, excluding net capital expenditure & on-going capital & | & proceeds on disposal / PV of net capita | expenditure & on-going of | capital & proceeds | on disposal | | | | | | | | | | |

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| | | | | | ed - annualized | | | | | | | | | |
|---|---------------|-----------------------|-----------------------|-----------------------|-----------------------|----------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | Month Year | Nov-25 2034 | Nov-25 <u>2035</u> | Nov-25 <u>2036</u> | Nov-25 <u>2037</u> | Nov-25 2038 | Nov-25 <u>2039</u> | Nov-25 <u>2040</u> | Nov-25 <u>2041</u> | Nov-25 <u>2042</u> | Nov-25 2043 | Nov-25 <u>2044</u> | Nov-25 2045 | Nov-25 2046 |
| Revenue & Expense Forecast | | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 |
| Load Forecast (MW) | | 77.4 | 77.8 | 78.2 | 78.7 | 79.1 | 79.5 | 80.0 | 80.4 | 80.8 | 81.2 | 81.7 | 82.1 | 82. |
| Load adjustments (MW) | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | <u>0.</u> |
| Load adjustments (MW) | | 77.4 | 77.8 | 78.2 | 78.7 | 79.1 | 79.5 | 80.0 | 80.4 | 80.8 | 81.2 | 81.7 | 82.1 | 82. |
| Tariff Applied (\$/kW/Month) | | 3.83 | 3.83 | 3.83 | 3.83 | 3.83 | 3.83 | 3.83 | 3.83 | 3.83 | 3.83 | 3.83 | 3.83 | 3.8 |
| Incremental Revenue - \$M | | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.7 | 3.7 | 3.7 | 3.7 | 3.7 | 3.8 | 3.8 | 3. |
| Removal Costs - \$M | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.0 | 0.0 | 0. |
| On-going OM&A Costs - \$M | | 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. |
| Municipal Tax - \$M | | (0.1) | (0.1) | (0.1) | (0.1) | (0.1) | (0.1) | (0.1) | (0.1) | (0.1) | (0.1) | (0.1) | (0.1) | (0. |
| Net Revenue/(Costs) before taxes - \$M | | 3.4 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.7 | 3. |
| Income Taxes | | (0.7) | (0.7) | (0.7) | (0.8) | (0.8) | (0.8) | (0.8) | (0.8) | (0.8) | (0.9) | (0.9) | (0.9) | (0. |
| Operating Cash Flow (after taxes) - \$M | | <u>2.7</u> | <u>2.7</u> | <u>2.7</u> | 2.7 | 2.7 | 2.7 | <u>2.7</u> | <u>2.8</u> | <u>2.8</u> | <u>2.8</u> | <u>2.8</u> | <u>2.8</u> | <u>2</u> |
| PV Operating Cash Flow (after taxes) - \$M (A) | | <u>1.4</u> | <u>1.3</u> | <u>1.2</u> | <u>1.2</u> | <u>1.1</u> | <u>1.1</u> | <u>1.0</u> | <u>1.0</u> | <u>0.9</u> | <u>0.9</u> | <u>0.8</u> | <u>0.8</u> | <u>0.</u> |
| Capital Expenditures - \$M | | = | _ | _ | = | _ | _ | | | | _ | | _ | - |
| Upfront - capital cost before overheads & AFUDC | | | | | | | | | | | | | | |
| - Overheads | | | | | | | | | | | | | | |
| - AFUDC | | | | | | | | | | | | | | |
| Total upfront capital expenditures | | | | | | | | | | | | | | |
| On-going capital expenditures | | 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. |
| PV On-going capital expenditures | | | | | | | | | | | | | | |
| Total capital expenditures - \$M | | | | | | | | | | | | | | |
| Capital Expenditures - \$M | | | | | | | | | | | | | | |
| PV CCA Residual Tax Shield - \$M | | | | | | | | | | | | | | |
| PV Working Capital - \$M | | | | | | | | | | | | | | |
| PV Capital (after taxes) - \$M (B) | | | | | | | | | | | | | | |
| Cumulative PV Cash Flow (after taxes) - \$M (A) + (B) | | (12.5) | (11.2) | (9.9) | (8.7) | (7.6) | (6.6) | (5.6) | (4.6) | (3.7) | (2.9) | (2.0) | (1.3) | <u>(0.</u> |

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| | | | In-Service | | | | | 5 | | | | | | | |
|--|----------------------|--------------------------|---------------------------|--------------------|----------------------------|----------------------------|---------------------------|----------------|-------------------|-----------------|--------------|--------------|--------------|--------------|-------------|
| | | Month | Date - Nov-25 | < Nov-25 | Project year end Nov-25 | led - annualized Nov-25 | from In-Service Nov-25 | Date Nov-25 | -> Nov-25 | Nov-25 | Nov-25 | Nov-25 | Nov-25 | Nov-25 | Nov-25 |
| | | Year | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 |
| Revenue & Expense Forecast | | | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
| Load Forecast (MW) | | | | 11.8 | 19.0 | 25.9 | 32.0 | 38.5 | 46.1 | 52.9 | 59.4 | 65.3 | 71.1 | 76.1 | 76. |
| Load adjustments (MW) | | | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0. |
| Tariff Applied (\$/kW/Month) | | | | 11.8 0.96 | 19.0 0.96 | 25.9 0.96 | 32.0 0.96 | 38.5 0.96 | 46.1 | 52.9 0.96 | 59.4 0.96 | 65.3 0.96 | 71.1 0.96 | 76.1 0.96 | 76. 0.9 |
| Incremental Revenue - \$M | | | | 0.96 | 0.96 | 0.96 | 0.96 | 0.96 | 0.96 | 0.96 | 0.96 | 0.96 | 0.96 | 0.98 | 0.9 |
| Removal Costs - \$M | | | (0.4) | 0.1 | 0.2 | 0.5 | 0.4 | 0.4 | 0.5 | 0.0 | 0.7 | 0.7 | 0.0 | 0.5 | 0. |
| On-going OM&A Costs - \$M | | | 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. |
| Municipal Tax - \$M | | | | (0.1) | (0.1) | (0.1) | (0.1) | (0.1) | (0.1) | (0.1) | (0.1) | (0.1) | (0.1) | (0.1) | (O. |
| Net Revenue/(Costs) before taxes - \$M | | | (0.4) | 0.1 | 0.1 | 0.2 | 0.3 | 0.4 | 0.5 | 0.5 | 0.6 | 0.7 | 0.7 | 0.8 | 0. |
| Income Taxes Operating Cash Flow (after taxes) - \$M | | | 0.1 (0.3) | 0.2 0.3 | 0.1 0.2 | 0.1 0.3 | 0.0 0.3 | (0.0) 0.4 | (0.0) 0.4 | (0.1) 0.5 | (0.1) 0.5 | (0.1) 0.6 | (0.1) 0.6 | (0.2) 0.6 | (O. O. |
| Operating Cash Flow (after taxes) - \$im | Cumula | itive PV @ | (0.3) | 0.3 | 0.2 | 0.3 | 0.3 | 0.4 | 0.4 | 0.5 | 0.5 | 0.6 | 0.6 | 0.6 | 0. |
| PV Operating Cash Flow (after taxes) - \$M (A) | 5. | .59% 6.5 | (0.3) | 0.2 | 0.2 | 0.2 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.4 | 0.4 | 0.4 | <u>o.</u> : |
| | | | 10.07 | <u> </u> | <u> </u> | <u>5.2</u> | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> | <u>5</u> | <u>5</u> | <u>5.4</u> | <u> </u> |
| Capital Expenditures - \$M Upfront - capital cost before overheads & AFUI | 000 | | (16.5) | | | | | | | | | | | | |
| - Overheads | DC | | (2.3) | | | | | | | | | | | | |
| - AFUDC | | | (0.8) | | | | | | | | | | | | |
| Total upfront capital expenditures | | | (19.6) | | | | | | | | | | | | |
| On-going capital expenditures | | | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| PV On-going capital expenditures | | | 0.0 | | | | | | | | | | | | |
| Total capital expenditures - \$M Capital Expenditures - \$M | | | (19.6) | | | | | | | | | | | | |
| PV CCA Residual Tax Shield - \$M | | | 0.0 | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | |
| PV Working Capital - \$M | | 0.5 | 0.0 | | | | | | | | | | | | |
| PV Capital (after taxes) - \$M (B) | | 6.5) | (6.5) | | | | | | | | | | | | |
| Cumulative PV Cash Flow (after taxes) - \$M (A) + (B) | 2 | 0.0 | (6.8) | (6.6) | (6.4) | <u>(6.1)</u> | (5.9) | (5.6) | (5.3) | (4.9) | (4.6) | (4.2) | (3.9) | (3.5) | (3.2 |
| | Discour | nted Cash Flow | / Summary | | | | | Ī. | Other Assumpt | tions | | | | | |
| Economic Study Horizon - Years: | : | 25 | | | | | | | | | | | | | |
| Discount Rate - % | 5. | 59% | | | | | | l. | n-Service Date: | | | 25-Nov-21 | | | |
| | Ве | efore | | | | | | | | | | | | | |
| | | \$M | | | | | | | Payback Year: | | | 2046 | | | |
| PV Incremental Revenue | | 8.9 | | | | | | | ., | | - | | | | |
| PV OM&A Costs | | (0.4) | | | | | | l, | No. of years requ | uired for payba | ck: | 25 | | | |
| PV Municipal Tax | | (1.0) | | | | | | | , | | _ | | | | |
| PV Income Taxes PV CCA Tax Shield | | (2.0) | | | | | | | | | | | | | |
| PV CCA Tax Shield PV Capital - Upfront | (19.6) | 1.1 | | | | | | | | | | | | | |
| Add: PV Capital Contribution | 13.1 | (6.5) | | | | | | | | | | | | | |
| PV Capital - On-going PV Working Capital | | 0.0 | | | | | | | | | | | | | |
| PV Working Capital PV Surplus / (Shortfall) | | 0.0 | | | | | | | | | | | | | |
| Profitability Index* | | 1.0 | | | | | | | | | | | | | |
| Notes: | | | | | | | | | | | | | | | |
| *PV of total cash flow, excluding net capital expenditure & on-going capital 8 | & proceeds on dispos | al / PV of net capital e | expenditure & on-going of | capital & proceeds | on disposal | | | | | | | | | | |
| | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | |

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| | | | | | | from In-Service | | | N 05 | N 05 | | N 05 | N 05 | N 05 |
|---|---------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | Month Year | Nov-25 <u>2034</u> | Nov-25 2035 | Nov-25 2036 | Nov-25 2037 | Nov-25 2038 | Nov-25 2039 | Nov-25 2040 | Nov-25 2041 | Nov-25 2042 | Nov-25 2043 | Nov-25 2044 | Nov-25 2045 | Nov-25 2046 |
| | | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 |
| Revenue & Expense Forecast | | | | | | | | | | | | | | |
| Load Forecast (MW) | | 77.4 | 77.8 | 78.2 | 78.7 | 79.1 | 79.5 | 80.0 | 80.4 | 80.8 | 81.2 | 81.7 | 82.1 | 8 |
| Load adjustments (MW) | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | |
| | | 77.4 | 77.8 | 78.2 | 78.7 | 79.1 | 79.5 | 80.0 | 80.4 | 80.8 | 81.2 | 81.7 | 82.1 | 8 |
| Tariff Applied (\$/kW/Month) | | 0.96 | 0.96 | 0.96 | 0.96 | 0.96 | 0.96 | 0.96 | 0.96 | 0.96 | 0.96 | 0.96 | 0.96 | ! |
| ncremental Revenue - \$M | | 0.9 | 0.9 | 0.9 | 0.9 | 0.9 | 0.9 | 0.9 | 0.9 | 0.9 | 0.9 | 0.9 | 0.9 | |
| Removal Costs - \$M | | | | | | | | | | | | | | |
| On-going OM&A Costs - \$M | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | |
| Municipal Tax - \$M | | (0.1) | (0.1) | (0.1) | (0.1) | (0.1) | (0.1) | (0.1) | (0.1) | (0.1) | (0.1) | (0.1) | (0.1) | |
| let Revenue/(Costs) before taxes - \$M | | 0.8 | 0.8 | 0.8 | 0.8 | 8.0 | 0.8 | 0.8 | 0.8 | 0.9 | 0.9 | 0.9 | 0.9 | |
| Income Taxes | | (0.2) | (0.2) | (0.2) | (0.2) | (0.2) | (0.2) | (0.2) | (0.2) | (0.2) | (0.2) | (0.2) | (0.2) | |
| Operating Cash Flow (after taxes) - \$M | | <u>0.6</u> | <u>0.7</u> | <u>0.7</u> | <u>0.7</u> | <u>0.7</u> | <u>0.7</u> | |
| PV Operating Cash Flow (after taxes) - \$M (A) | | <u>0.3</u> | <u>0.3</u> | <u>0.3</u> | <u>0.3</u> | <u>0.3</u> | <u>0.3</u> | <u>0.2</u> | <u>0.2</u> | <u>0.2</u> | <u>0.2</u> | <u>0.2</u> | <u>0.2</u> | |
| apital Expenditures - \$M | | | | | | | | | | | | | | |
| Upfront - capital cost before overheads & AFUDC | | | | | | | | | | | | | | |
| - Overheads | | | | | | | | | | | | | | |
| - AFUDC | | | | | | | | | | | | | | |
| Total upfront capital expenditures | | | | | | | | | | | | | | |
| On-going capital expenditures | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | |
| PV On-going capital expenditures | | | | | | | | | | | | | | |
| Total capital expenditures - \$M | | | | | | | | | | | | | | |
| Capital Expenditures - \$M | | | | | | | | | | | | | | |
| V CCA Residual Tax Shield - \$M | | | | | | | | | | | | | | |
| V Working Capital - \$M | | | | | | | | | | | | | | |
| V Capital (after taxes) - \$M (B) | | | | | | | | | | | | | | |
| | | | | | (1.9) | (1.7) | (1.4) | (1.2) | | | | | | |

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| Ì | | | In-Service | | | | | | | | | | | | |
|---|----------------------|--|-----------------------------|---------------------|--|--|--|---------------------|----------------------------------|---------------------|---------------------|----------------|----------------|----------------|----------------|
| | | Month Year | Date < Nov-25 2021 | Nov-25 2022 | Project year ende Nov-25 2023 2 | ed - annualized Nov-25 2024 3 | from In-Service Nov-25 2025 4 | Nov-25 2026 5 | -> Nov-25 <u>2027</u> 6 | Nov-25 2028 7 | Nov-25 2029 8 | Nov-25 2030 | Nov-25 2031 | Nov-25 2032 | Nov-25 2033 |
| Revenue & Expense Forecast | | | · · | | | | | | | | | | | | |
| Load Forecast (MW) | | | | 11.8 | 19.0 | 25.9 | 29.1 | 29.4 | 29.4 | 29.4 | 29.4 | 29.4 | 29.4 | 29.4 | 29 |
| Load adjustments (MW) | | | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | <u>C</u> |
| Tariff Applied (\$/kW/Month) | | | | 11.8 2.30 | 19.0 2.30 | 25.9 2.30 | 29.1 2.30 | 29.4 2.30 | 29.4 2.30 | 29.4 2.30 | 29.4 2.30 | 29.4 2.30 | 29.4 2.30 | 29.4 2.30 | 29 2.3 |
| Incremental Revenue - \$M | | | | 0.3 | 0.5 | 0.7 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0 |
| Removal Costs - \$M | | | (0.5) | | | | | | | | | | | | - |
| On-going OM&A Costs - \$M | | | 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 |
| Municipal Tax - \$M | | | | (0.0) | (0.0) | (0.0) | (0.0) | (0.0) | (0.0) | (0.0) | (0.0) | (0.0) | (0.0) | (0.0) | <u>(C</u> |
| Net Revenue/(Costs) before taxes - \$M | | | (0.5) | 0.3 | 0.5 | 0.7 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0 |
| Income Taxes Operating Cash Flow (after taxes) - \$M | | | 0.1 (0.4) | 0.2 0.5 | 0.0 0.5 | (0.0) 0.6 | (0.1) 0.7 | (0.1) 0.7 | (0.1) 0.7 | (0.1) 0.7 | (0.1) 0.7 | (0.1) 0.7 | (0.1) 0.6 | (0.1) 0.6 | <u>(0</u> |
| Operating Cash Flow (after taxes) - \$iii | | Cumulative PV @ | (0.4) | 0.5 | 0.5 | 0.6 | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 | 0.6 | 0.6 | 0 |
| PV Operating Cash Flow (after taxes) - \$M | (A) | 5.59% 8.0 | (0.4) | 0.5 | 0.5 | 0.6 | 0.6 | 0.5 | 0.5 | 0.5 | 0.4 | 0.4 | 0.4 | 0.4 | 0 |
| Capital Expenditures - \$M | | | | | | | | | | | | | | | _ |
| Upfront - capital cost before overheads | & AFUDC | | (9.2) | | | | | | | | | | | | |
| - Overheads | | | (1.1) | | | | | | | | | | | | |
| - AFUDC | | | (0.4) | | | | | | | | | | | | |
| Total upfront capital expenditures | | | (10.7) | | | | | | | | | | | | |
| On-going capital expenditures | | | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| PV On-going capital expenditures Total capital expenditures - \$M | | | (10.7) | | | | | | | | | | | | |
| Capital Expenditures - \$M | | | (10.7) | | | | | | | | | | | | |
| PV CCA Residual Tax Shield - \$M | | | 0.0 | | | | | | | | | | | | |
| PV Working Capital - \$M | | | 0.0 | | | | | | | | | | | | |
| PV Capital (after taxes) - \$M | (B) | (8.0) | (8.0) | | | | | | | | | | | | |
| | | | · | | | | | | | | | | | | |
| Cumulative PV Cash Flow (after taxes) - \$M (A) | + (B) | 0.0 | (8.4) | (8.0) | (7.5) | (6.9) | (6.4) | (5.8) | (5.3) | (4.9) | (4.4) | (4.0) | (3.6) | (3.3) | (2.5 |
| | D | iscounted Cash Fl | ow Summary | | | | | c | Other Assumpt | ions | | | | | |
| Economic Study Horizon - Years: | | 25 | | | | | | | | | | | | | |
| Discount Rate - % | | 5.59% | | | | | | 1 | n-Service Date: | | | 25-Nov-21 | | | |
| | | Before Cont | | | | | | | | | | | | | |
| | | \$M | | | | | | F | Payback Year: | | _ | 2046 | | | |
| PV Incremental Revenue | | 10.2 | | | | | | 1_ | | | | | | | |
| | | (0.5) | | | | | | r | No. of years req | uired for paybac | - K: | 25 | | | |
| PV OM&A Costs | | | | | | | | | | | | | | | |
| PV OM&A Costs PV Municipal Tax PV Income Taxes | | (0.6) (2.4) | | | | | | l l | | | | | | | |
| PV OM&A Costs PV Municipal Tax PV Income Taxes PV CCA Tax Shield | (40.7) | | | | | | | | | | | | | | |
| PV OM&A Costs PV Municipal Tax PV Income Taxes PV CCA Tax Shield PV Capital - Upfront | (10.7) 2.6 | (2.4) | | | | | | | | | | | | | |
| PV OM&A Costs PV Municipal Tax PV Income Taxes PV CCA Tax Shelid PV Capital - Upfront Add: PV Capital Contribution PV Capital - On-going | (10.7) 2.6 | (2.4) 1.3 (8.1) 0.0 | | | | | | | | | | | | | |
| PV OM&A Costs PV Municipal Tax PV Income Taxes PV CCA Tax Shield PV Capital - Upfront Add: PV Capital Contribution | | (2.4) 1.3 (8.1) | | | | | | | | | | | | | |
| PV OMBA Costs PV Municipal Tax PV Income Taxes PV Income Taxes PV CCA Tax Shield PV Capital - Upfront Add: PV Capital - Upfront Add: PV Capital Contribution PV Capital - On-going PV Working Capital | | (2.4) 1.3 (8.1) 0.0 0.0 | | | | | | | | | | | | | |
| PV OM&A Costs PV Municipal Tax PV Income Taxes PV Income Taxes PV CCA Tax Shield PV Capital - Upfront Add: PV Capital - On-going PV Capital - On-going PV Working Capital PV Surplus / (Shortfall) Profitability Index* Notes: | 2.6 | (2.4) 1.3 (8.1) 0.0 0.0 (0.0) | | | | | | | | | | | | | |
| PV OM&A Costs PV Municipal Tax PV Income Taxes PV Income Taxes PV CCA Tax Shield PV Capital - Upfront Add: PV Capital - Upfront Add: PV Capital - On-going PV Working Capital PV Surplus / (Shortfall) Profitability Index* | 2.6 | (2.4) 1.3 (8.1) 0.0 0.0 (0.0) | al expenditure & on-going c | apital & proceeds o | on disposal | | | | | | | | | | |
| PV OM&A Costs PV Municipal Tax PV Income Taxes PV Income Taxes PV CCA Tax Shield PV Capital - Upfront PV Capital - On-going PV Capital - On-going PV Cotapital - On-going PV Surplus / (Shortfall) Profitability Index* Notes: | 2.6 | (2.4) 1.3 (8.1) 0.0 0.0 (0.0) | al expenditure & on-going c | apital & proceeds c | on disposal | | | | | | | | | | |

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| | Month | Nov-25 | Nov-25 | Nov-25 | led - annualized Nov-25 | Nov-25 | Nov-25 |
|---|-------|--------------------|--------------------|--------------------|----------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|----------------|
| | Year | 2034 | 2035 | 2036 | 2037 | 2038 | 2039 | 2040 | 2041 | 2042 | 2043 | 2044 | 2045 | 2046 |
| Revenue & Expense Forecast | | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 |
| • | | 29.4 | 29.4 | 29.4 | 29.4 | 20.4 | 29.4 | 29.4 | 29.4 | 20.4 | 20.4 | 20.4 | 29.4 | 20 |
| Load Forecast (MW) | | | | | | 29.4 | | | | 29.4 | 29.4 | 29.4 | | 29 |
| Load adjustments (MW) | | <u>0.0</u> 29.4 | <u>0.0</u> 29.4 | <u>0.0</u> 29.4 | <u>0.0</u> 29.4 | <u>0.0</u> 29.4 | <u>0.0</u> 29.4 | <u>0.0</u> 29.4 | <u>0.0</u> 29.4 | <u>0.0</u> 29.4 | <u>0.0</u> 29.4 | <u>0.0</u> 29.4 | <u>0.0</u> 29.4 | <u>0</u> 29 |
| Tariff Applied (\$/kW/Month) | | 29.4 2.30 | 29.4 2.30 | 29.4 2.30 | 29.4 | 29.4 | 29.4 | 29.4 2.30 | 29.4 2.30 | 29.4 2.30 | 29.4 2.30 | 29.4 2.30 | 29.4 2.30 | |
| Incremental Revenue - \$M | | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | <u>2.3</u> |
| Removal Costs - \$M | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | U |
| On-going OM&A Costs - \$M | | 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 |
| Municipal Tax - \$M | | (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 |
| Net Revenue/(Costs) before taxes - \$M | | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 70 |
| Income Taxes | | (0.1) | (0.1) | (0.2) | (0.2) | (0.2) | (0.2) | (0.2) | (0.2) | (0.2) | (0.2) | (0.2) | (0.2) | <u>(0</u> |
| Operating Cash Flow (after taxes) - \$M | | <u>0.6</u> | 0.6 | <u>0.6</u> | 0.6 | 0.6 | 0.6 | 0.6 | <u>0.6</u> | <u>0.6</u> | <u>0.6</u> | <u>0.6</u> | <u>0.6</u> | 0 |
| | | _ | _ | _ | _ | | _ | | _ | _ | _ | _ | _ | |
| PV Operating Cash Flow (after taxes) - \$M (A) | | <u>0.3</u> | <u>0.3</u> | <u>0.3</u> | <u>0.3</u> | <u>0.2</u> | <u>0</u> |
| Capital Expenditures - \$M | | | | | | | | | | | | | | |
| Upfront - capital cost before overheads & AFUDC | | | | | | | | | | | | | | |
| - Overheads | | | | | | | | | | | | | | |
| - AFUDC | | | | | | | | | | | | | | |
| Total upfront capital expenditures | | | | | | | | | | | | | | |
| On-going capital expenditures | | 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 |
| PV On-going capital expenditures | | | | | | | | | | | | | | |
| Total capital expenditures - \$M | | | | | | | | | | | | | | |
| Capital Expenditures - \$M | | | | | | | | | | | | | | |
| PV CCA Residual Tax Shield - \$M | | | | | | | | | | | | | | |
| PV Working Capital - \$M | | | | | | | | | | | | | | |
| PV Capital (after taxes) - \$M (B) | | | | | | | | | | | | | | |
| Cumulative PV Cash Flow (after taxes) - \$M (A) + (B) | | (2.6) | (2.3) | (2.0) | (1.8) | <u>(1.5)</u> | (1.3) | <u>(1.1)</u> | (0.9) | (0.7) | (0.5) | (0.3) | (0.2) | <u>0</u> |

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JT1.6 Report 9: Network Pool NPV with Customer Cost Responsibility Project Expenditures including Capital Contributions Page 1

| | | In-Service | | B | | | D-1- | | | | | | | |
|--|--|-----------------------------|--------------------|----------------------------|----------------------------|---------------------------|----------------|------------------|-----------------|--------------|-----------|--------|--------|--------|
| | Month | Date - Nov-25 | < Nov-25 | Project year end Nov-25 | led - annualized Nov-25 | from In-Service Nov-25 | Date Nov-25 | > Nov-25 | Nov-25 | Nov-25 | Nov-25 | Nov-25 | Nov-25 | Nov-25 |
| | Year | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 |
| Revenue & Expense Forecast | | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
| Load Forecast (MW) | | | 11.8 | 19.0 | 25.9 | 32.0 | 38.5 | 46.1 | 52.9 | 59.4 | 65.3 | 71.1 | 76.1 | 76. |
| Load adjustments (MW) | | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0. |
| () | | | 11.8 | 19.0 | 25.9 | 32.0 | 38.5 | 46.1 | 52.9 | 59.4 | 65.3 | 71.1 | 76.1 | 76. |
| Tariff Applied (\$/kW/Month) | | | 3.83 | 3.83 | 3.83 | 3.83 | 3.83 | 3.83 | 3.83 | 3.83 | 3.83 | 3.83 | 3.83 | 3.8 |
| Incremental Revenue - \$M | | | 0.5 | 0.9 | 1.2 | 1.5 | 1.8 | 2.1 | 2.4 | 2.7 | 3.0 | 3.3 | 3.5 | 3. |
| Removal Costs - \$M | | (0.9) | | | | | | | | | | | | |
| On-going OM&A Costs - \$M | | 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. |
| Municipal Tax - \$M | | | (0.0) | (0.0) | (0.0) | (0.0) | (0.0) | (0.0) | (0.0) | (0.0) | (0.0) | (0.0) | (0.0) | (0. |
| Net Revenue/(Costs) before taxes - \$M | | (0.9) | 0.5 | 0.8 | 1.2 | 1.4 | 1.7 | 2.1 | 2.4 | 2.7 | 3.0 | 3.2 | 3.5 | 3. |
| Income Taxes | | 0.2 | 0.2 | (0.0) | (0.1) | (0.2) | (0.3) | (0.4) | (0.5) | (0.6) | (0.7) | (0.8) | (0.8) | (0. |
| Operating Cash Flow (after taxes) - \$M | | (0.7) | 0.7 | 0.8 | 1.0 | 1.2 | 1.4 | 1.7 | 1.9 | 2.1 | 2.3 | 2.5 | 2.6 | 2. |
| | Cumulative PV @ | | _ | | | _ | _ | _ | | _ | _ | | | |
| | 5.59% | | | | | | | | | | | | | |
| PV Operating Cash Flow (after taxes) - \$M (A) | 26.6 | (0.7) | 0.7 | 0.7 | 0.9 | 1.0 | 1.1 | 1.2 | 1.3 | 1.4 | 1.4 | 1.5 | 1.5 | 1.4 |
| Capital Expenditures - \$M | | | | | | | | | | | | | | |
| Upfront - capital cost before overheads & AFUDC | ; | (8.2) | | | | | | | | | | | | |
| - Overheads | | (1.0) | | | | | | | | | | | | |
| - AFUDC | | (0.3) | | | | | | | | | | | | |
| Total upfront capital expenditures | | (9.6) | | | | | | | | | | | | |
| On-going capital expenditures | | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| PV On-going capital expenditures | | 0.0 | | | | | | | | | | | | |
| Total capital expenditures - \$M | | (9.6) | | | | | | | | | | | | |
| Capital Expenditures - \$M | | | | | | | | | | | | | | |
| PV CCA Residual Tax Shield - \$M | | 0.0 | | | | | | | | | | | | |
| PV Working Capital - \$M | | 0.0 | | | | | | | | | | | | |
| PV Capital (after taxes) - \$M (B) | (9.5) | (9.5) | | | | | | | | | | | | |
| | 17.1 | | | | | , | | | | | | | | |
| Cumulative PV Cash Flow (after taxes) - \$M (A) + (B) | 17.1 | (10.2) | (9.5) | (8.8) | (7.9) | <u>(6.9)</u> | (5.8) | (4.6) | (3.3) | <u>(1.9)</u> | (0.4) | 1.0 | 2.5 | 3.9 |
| | Discounted Cash Flo | w Summary | | | | | Ī | Other Assump | tions | | | | | |
| Economic Study Horizon - Years: | 25 | | | | | | | | | | | | | |
| Discount Rate - % | 5.59% | | | | | | | n-Service Date: | | | 25-Nov-21 | | | |
| Discount Rate - % | 5.59% | | | | | | | n-Service Date: | | | 25-NOV-21 | | | |
| | | | | | | | | | | | | | | |
| | \$M | | | | | | | Payback Year: | | _ | 2031 | | | |
| PV Incremental Revenue | 35.5 | | | | | | | | | | | | | |
| PV OM&A Costs | (0.9) | | | | | | | No. of years req | uired for payba | ck: | 10 | | | |
| PV Municipal Tax | (0.5) | | | | | | | | | | | | | |
| PV Income Taxes | (9.0) | | | | | | | | | | | | | |
| PV CCA Tax Shield PV Capital - Upfront | (9.6) | | | | | | l | | | | | | | |
| Add: PV Capital Contribution | 0.0 (9.6) | | | | | | l | | | | | | | |
| PV Capital - On-going | 0.0 | | | | | | l | | | | | | | |
| PV Working Capital | 0.0 | | | | | | | | | | | | | |
| PV Surplus / (Shortfall) | 17.1 | | | | | | | | | | | | | |
| Profitability Index* | 2.8 | | | | | | | | | | | | | |
| Notes: | | | | | | | | | | | | | | |
| *PV of total cash flow, excluding net capital expenditure & on-going capital & p | roceeds on disposal / PV of net capita | l expenditure & on-going of | capital & proceeds | on disposal | | | | | | | | | | |
| | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | |
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| | | | | | | from In-Service | | - | | | | | | |
|---|---------------|-----------------------|----------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | Month Year | Nov-25 <u>2034</u> | Nov-25 2035 | Nov-25 2036 | Nov-25 2037 | Nov-25 2038 | Nov-25 2039 | Nov-25 2040 | Nov-25 2041 | Nov-25 <u>2042</u> | Nov-25 2043 | Nov-25 2044 | Nov-25 2045 | Nov-25 2046 |
| | | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 |
| Revenue & Expense Forecast | | | | | | | | | | | | | | |
| Load Forecast (MW) | | 77.4 | 77.8 | 78.2 | 78.7 | 79.1 | 79.5 | 80.0 | 80.4 | 80.8 | 81.2 | 81.7 | 82.1 | 82 |
| Load adjustments (MW) | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | <u>(</u> |
| | | 77.4 | 77.8 | 78.2 | 78.7 | 79.1 | 79.5 | 80.0 | 80.4 | 80.8 | 81.2 | 81.7 | 82.1 | 82 |
| Tariff Applied (\$/kW/Month) | | 3.83 | 3.83 | 3.83 | 3.83 | 3.83 | 3.83 | 3.83 | 3.83 | 3.83 | 3.83 | 3.83 | 3.83 | 3.8 |
| ncremental Revenue - \$M | | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.7 | 3.7 | 3.7 | 3.7 | 3.7 | 3.8 | 3.8 | 3 |
| Removal Costs - \$M | | | | | | | | | | | | | | |
| On-going OM&A Costs - \$M | | 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 |
| Municipal Tax - \$M | | (0.0) | (0.0) | (0.0) | (0.0) | (0.0) | (0.0) | (0.0) | (0.0) | (0.0) | (0.0) | (0.0) | (0.0) | <u>(C</u> |
| Net Revenue/(Costs) before taxes - \$M | | 3.5 | 3.5 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.7 | 3.7 | 3.7 | 3.7 | 3.7 | 3 |
| Income Taxes | | (0.9) | (0.9) | (0.9) | (0.9) | (0.9) | (0.9) | (0.9) | (0.9) | (0.9) | (0.9) | (1.0) | (1.0) | <u>(1</u> |
| Operating Cash Flow (after taxes) - \$M | | <u>2.7</u> | <u>2.7</u> | <u>2.7</u> | <u>2.7</u> | <u>2.7</u> | <u>2.7</u> | <u>2.7</u> | <u>2.7</u> | <u>2.7</u> | <u>2.7</u> | <u>2.8</u> | <u>2.8</u> | 2 |
| PV Operating Cash Flow (after taxes) - \$M (A) | | <u>1.3</u> | <u>1.3</u> | <u>1.2</u> | <u>1.2</u> | <u>1.1</u> | <u>1.0</u> | <u>1.0</u> | <u>0.9</u> | <u>0.9</u> | <u>0.9</u> | <u>0.8</u> | <u>0.8</u> | <u>0</u> |
| Capital Expenditures - \$M | | | | | | | | | | | | | | |
| Upfront - capital cost before overheads & AFUDC | | | | | | | | | | | | | | |
| - Overheads | | | | | | | | | | | | | | |
| - AFUDC | | | | | | | | | | | | | | |
| Total upfront capital expenditures | | | | | | | | | | | | | | |
| On-going capital expenditures | | 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 |
| PV On-going capital expenditures | | | | | | | | | | | | | | |
| Total capital expenditures - \$M | | | | | | | | | | | | | | |
| Capital Expenditures - \$M | | | | | | | | | | | | | | |
| PV CCA Residual Tax Shield - \$M | | | | | | | | | | | | | | |
| PV Working Capital - \$M | | | | | | | | | | | | | | |
| PV Capital (after taxes) - \$M (B) | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | |

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UNDERTAKING – JT1.10

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Reference:

Interrogatory:

To provide a clarification on implications to revenues in rates application, as showing in slide presentation.

Response:

As stated in the technical hearing¹, Hydro One did not forecast any distributor utilizing TSC 6.3.19 nor forecast any associated interest revenue in its' Transmission Rate application (EB-2019-0082). Hydro One filed its Transmission Rate application prior to the release of the TSC amendments. Hydro One is still unable to forecast the number of potential distributors and the revenue impact that the new code amendment will have on its operations. In the 2020-2022 rate application, in Exhibit B, Tab 1, Schedule 1, TSP Section 3.3., page 15 of 20, over \$250M of capital contributions are forecast to be received by Hydro One from third parties during 2020 and 2021, the majority of these payments are now expected to be impacted by this new TSC provision.

Distributors utilizing this new TSC code amendment provision will have two major impacts to Hydro One's revenues vs. those included in rate applications. First, deferred capital contributions would increase Hydro One's net capital and rate base beyond the amount disclosed in the application. For example, instead of recovering the expected \$250M capital contribution, Hydro One could potentially only initially recover \$50M (if Distributors', at their discretion, utilize the TSC code amendments). This would result in Hydro One under-recovering on the asset (i.e. Hydro One could have revenue requirement determined on \$250M less in-service assets). Furthermore, the payment of the installment of the capital contribution itself may also be deemed as revenue by the Canadian Revenue Agency, this could exacerbate the negative impact of corporate income tax recovery on Hydro One Transmission rate payers.

Second, the interest payment payable to Hydro One from deferring distributors at the prescribed interest rate (in accordance with section 6.3.19) would increase the category

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¹ Technical Conference Transcript pages 95-97

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Other Revenue that is included at forecast values in Hydro One's rate application that is 1 used to lower the total revenue requirement charged to ratepayers. However, this revenue may be subject to recapture through another variance account, Other External Revenues Variance Account, which includes Miscellaneous Revenues including customer shortfall payments and other miscellaneous revenue. Therefore, Hydro One is requesting that the Ontario Energy Board explicitly exclude interest revenue earned due to deferred capital contributions from the Other External Revenue Variance Account calculation, so that any payments from distributors would not be returned to rate payers at a later rate hearing as part of another account in a subsequent rate application. This is to ensure that Hydro One earns the full return on these amounts, per the new TSC code amendments and that there is no double-counting of payments returned to ratepayers. Alternatively, if the OEB does not approve the exclusion of this interest revenue from the Other External Revenue Variance Account, Hydro One requests that the amounts should be excluded from the calculation in the Capital Contribution Recovery Differential Account.

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The requested Capital Contribution Recovery Differential Account is designed to minimize these impacts. Therefore, if the proposed Capital Contribution Recovery Differential Account is not approved, and the above mentioned exemption from the Other External Revenue Variance Account is not granted, this would effectively deny Hydro One any recovery, not even the CWIP rate as prescribed by the TSC code amendments. This means that Hydro One would be required to incur all financing costs for the asset until the deferral period is complete and the deferring distributor has fully paid their required capital contribution. As such, denial of this account will result in Hydro One shareholder bearing the cost of financing a transmission asset.

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As stated by Mr. Frost at the recent February 11th Technical Conference (page 84) the:

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"sole purpose of this account is to capture the variance between what Hydro One is allowed to recover from InnPower (deferring distributor) according to section 6.3.19 and the amount required to continue to attract the full return on rate base."

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This proposed account is in alignment with the OEB's statements in the August 23, 2018 Notice of Revised Proposal to Amend a Code (EB-2016-0003). Hydro One is requesting that the Capital Contribution Recovery Differential Account be used generically going forward, to account for any other distributors that may elect to utilize this code provision.

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To confirm, Hydro One does not intend to seek recovery from rate payers for the deferred capital contribution once paid. It is expected that the balance of the deferred capital contribution will be reduced as InnPower or any other distributor utilizing this provision pays the required capital contribution installments. Hydro One only intends to seek

recovery over the period that it is financing the capital contribution for any distributor.

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To further clarify the implications of this account, Hydro One has included an example of the mechanics of the account and the potential interplay between the OEB approved

9 "Other External Revenues Variance Account".

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1 Illustrative Example

- 2 Provided below is a simplified example of the accounting entries that would be made per
- the methodology as proposed in Exhibit B, Tab 9, Schedule 1. All capital expenditures
- are assumed to be Towers and Fixtures (in reality, stations, conductors, transformers etc.
- would also be impacted). This example assumes that the distributor utilizes the 15-year
- deferral period and aligns with Exhibit B, Tab 9, Schedule 1, Attachment 1, Table A,
- 7 page 3 of 6.

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Creation of Asset at In-service

- DR. 1720 Towers and Fixtures \$86.4M
- 11 CR. 2055 Construction Work in Progress Electric \$86.4M
- 12 (To recognize the Project's total cost of in-servicing)

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- 14 DR 1110 Loan to Distributor \$15.7M*²
- 15 CR. 1720 Towers and Fixtures \$15.7M
- 16 (To recognize the total value of the capital contribution payable by the customer)

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- DR. 1508 Other Regulatory Assets Sub account "Distributor Contribution" \$15.7M
- 19 CR. 1508 Other Regulatory Assets Sub account "Distributor Contribution Contra"
- 20 \$15.7M
- 21 (Tracking of the distributor's capital contribution)

22 23

Annual Entries

24 (At the date of time of in-service and ever anniversary thereafter for 15 payments):

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- DR. 1005 Cash (Installment Payment from Distributor) \$1.0M
- 27 CR. 1110 Loan to Distributor \$1.0M
- 28 (Reduction of Customers Loan after payment)
- 29 DR. 1508 Other Regulatory Assets Sub account "Distributor Contribution Contra"
- 30 \$1.0M
- 31 CR. 1508 Other Regulatory Assets Sub account "Distributor Contribution" \$1.0M
- 32 (Tracking account annual entry)

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² Does not add due to rounding. Expected annual payment is \$1,046k with the deferred capital contribution to be initially set at \$14,638k

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DR. 1508 Other Regulatory Assets - Sub Account "Capital Contribution Recovery

2 Differential Account" \$0.73M

3 CR. 4110 Transmission Services Revenue \$0.7M

4 (Annual recognition of the Hydro One shortfall between the approved Cost of Capital and

5 the OEB prescribed CWIP rate actually paid by the customer)

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The annual amount recorded in the Capital Contribution Recovery Differential Account is the difference between the required revenue to recover cost of capital to Hydro One (\$0.9M³) for financing the deferred capital contribution and required corporate tax gross up (\$0.2M³) on Account Deferral Capital Contribution (Capital Asset) minus 4405 Interest and Dividend Income which is received from the distributors (\$0.4M³) in

accordance with TSC 6.3.19.

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If the income from interest payments from deferring distributors (shown above in the example as the \$0.4M recorded in 4405 Interest and Dividend Income) is not excluded from Other External Revenues Variance Account, this will result in a double payment to rate payers if it is also utilized to lower the accrual in the Capital Contribution Recovery

18 Differential Account.

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³ Values from B-9-1 Attachment 1, Table A, Year 2 Column

EB-2018-0117 - Transcript Corrections

| Page | Line | Witness | Correction |
|------|----------|-------------------|---|
| 8 | 2 | Robert Reinmuller | "1515" changed to "115" |
| 9 | 6 | Wade Frost | TSE changed to TSC |
| 11 | 8 | Wade Frost | TSE changed to TSC |
| 12 | 16 | Wade Frost | TSE changed to TSC |
| 14 | 10 | Wade Frost | "assign" changed to "sign" |
| 42 | 25 | Robert Chow | "LICO" changed to "like for like" |
| | | | where witness said "end of service life" they meant "expected service life". It needs to be |
| 61 | 10 to 25 | Robert Reinmuller | updated to read the way the witness intended. |
| 61 | 28 | Robert Reinmuller | "end of service life" changed to "end of life" |
| | | | where witness said "end of service life" they meant "expected service life". It needs to be |
| 62 | 3 to 12 | Robert Reinmuller | updated to read the way the witness intended. |
| 63 | 1 | Robert Reinmuller | EB-2019-0092 changed to EB-2019-0082 |
| 82 | 5 | Wade Frost | \$482,000 changed to \$282,000 |