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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**

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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

## UNDERTAKING – JT1.5

### **Reference:**

### **Interrogatory:**

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

### **Response:**

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

The forecasts provided below are based on the most recent information available that will be used to perform the Needs Assessment for 2<sup>nd</sup> 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.

**Table 1. Historical and Forecast<sup>1</sup> Coincident Peak Load for Midhurst TS and Barrie TS**

	Historical Coincident									
	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					
	Coincident Forecast <sup>2</sup>									
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Barrie TS Load (MW)	73	79	88	99	109	119	128	140	150	161
Midhurst TS (MW)	218	223	228	232	236	241	246	250	255	261
Total Load (MW)	292	302	315	331	346	359	374	390	406	421

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 forecast<sup>3</sup> 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-Coincident Forecast									
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
<b>Barrie TS Load (MW)</b>	83	89	98	109	120	129	139	150	160	170
<b>Midhurst TS (MW)</b>	238	244	249	254	259	265	270	276	282	289
<b>Total Load (MW)</b>	321	333	347	363	379	394	409	426	442	459

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

<sup>2</sup> 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.

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

## UNDERTAKING – JT1.6

### **Reference:**

Ex B-9-1

### **Interrogatory:**

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

### **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.

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.

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.

**Table 1: Net Present Value of Project without Capital Contributions**

<b>\$M</b>	<b>Exhibit B-7-1 Capital Costs</b>	<b>Removal Costs</b>	<b>Total Pool Cost</b>	<b>Net Present Value</b>
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)
<b>TOTAL</b>	<b>86.4</b>	<b>4.6</b>	<b>91.0</b>	

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)
<b>TOTAL</b>	<b>91.0</b>	<b>15.7</b>	

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 Responsibility	Capital Contribution	Net Present Value
Line Connection 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
<b>TOTAL</b>	<b>39.9</b>	<b>1.8</b>	<b>41.7</b>	<b>15.7</b>	

**Appendix A to JT1.6**

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

		In-Service		Project year ended - annualized from In-Service Date											
Month Year		Date Nov-25 2021	<----- Nov-25 2022	Nov-25 2023	Nov-25 2024	Nov-25 2025	Nov-25 2026	Nov-25 2027	Nov-25 2028	Nov-25 2029	Nov-25 2030	Nov-25 2031	Nov-25 2032	Nov-25 2033	
		0	1	2	3	4	5	6	7	8	9	10	11	12	
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	76.9	
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)			11.8	19.0	25.9	32.0	38.5	46.1	52.9	59.4	65.3	71.1	76.1	76.9	
			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		(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	
Net Revenue/(Costs) before taxes - \$M		(0.5)	0.0	0.1	0.2	0.3	0.4	0.5	0.6	0.7	0.7	0.8	0.9	0.9	
Income Taxes		0.1	0.7	0.4	0.3	0.3	0.2	0.2	0.1	0.1	0.1	0.0	(0.0)	(0.0)	
Operating Cash Flow (after taxes) - \$M		(0.4)	0.8	0.5	0.5	0.6	0.6	0.6	0.7	0.7	0.7	0.8	0.8	0.8	
		Cumulative PV @ 5.59%													
PV Operating Cash Flow (after taxes) - \$M	(A)	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	
Capital Expenditures - \$M															
Upfront - capital cost before overheads & AFUDC		(19.3)													
- Overheads		(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			0.0												
Total capital expenditures - \$M		(22.9)													
Capital Expenditures - \$M															
PV CCA Residual Tax Shield - \$M		0.1													
PV Working Capital - \$M		0.0													
PV Capital (after taxes) - \$M	(B)	(22.8)	(22.8)												
Cumulative PV Cash Flow (after taxes) - \$M	(A) + (B)	(13.8)	(23.1)	(22.4)	(21.9)	(21.4)	(21.0)	(20.5)	(20.0)	(19.6)	(19.1)	(18.7)	(18.2)	(17.8)	

Discounted Cash Flow Summary			Other Assumptions		
Economic Study Horizon - Years: 25			In-Service Date: 25-Nov-21		
Discount Rate - % 5.59%			Payback Year: 2046		
			No. of years required for payback: 25		
PV Incremental Revenue 8.9					
PV OM&A Costs (0.5)					
PV Municipal Tax (1.2)					
PV Income Taxes (1.9)					
PV CCA Tax Shield 3.8					
PV Capital - Upfront (22.9)					
Add: PV Capital Contribution 0.0 (22.9)					
PV Capital - On-going 0.0					
PV Working Capital 0.0					
PV Surplus / (Shortfall) (13.8)					
Profitability Index* 0.4					
Notes:					
*PV of total cash flow, excluding net capital expenditure & on-going capital & proceeds on disposal / PV of net capital expenditure & on-going capital & proceeds on disposal					

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

	Month Year	Project year ended - annualized from In-Service Date ----->												
		Nov-25 <u>2034</u>	Nov-25 <u>2035</u>	Nov-25 <u>2036</u>	Nov-25 <u>2037</u>	Nov-25 <u>2038</u>	Nov-25 <u>2039</u>	Nov-25 <u>2040</u>	Nov-25 <u>2041</u>	Nov-25 <u>2042</u>	Nov-25 <u>2043</u>	Nov-25 <u>2044</u>	Nov-25 <u>2045</u>	Nov-25 <u>2046</u>
		13	14	15	16	17	18	19	20	21	22	23	24	25
<b>Revenue &amp; Expense Forecast</b>														
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	82.5
Load adjustments (MW)		<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
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	82.5
		<u>0.96</u>	<u>0.96</u>	<u>0.96</u>	<u>0.96</u>	<u>0.96</u>	<u>0.96</u>	<u>0.96</u>	<u>0.96</u>	<u>0.96</u>	<u>0.96</u>	<u>0.96</u>	<u>0.96</u>	<u>0.96</u>
<b>Incremental Revenue - \$M</b>		<u>0.9</u>	<u>0.9</u>	<u>0.9</u>	<u>0.9</u>	<u>0.9</u>	<u>0.9</u>	<u>0.9</u>	<u>0.9</u>	<u>0.9</u>	<u>0.9</u>	<u>0.9</u>	<u>0.9</u>	<u>0.9</u>
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	0.0
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)	(0.1)
<b>Net Revenue/(Costs) before taxes - \$M</b>		<u>0.8</u>	<u>0.8</u>	<u>0.8</u>	<u>0.8</u>	<u>0.8</u>	<u>0.8</u>	<u>0.8</u>	<u>0.8</u>	<u>0.8</u>	<u>0.8</u>	<u>0.9</u>	<u>0.9</u>	<u>0.9</u>
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)	(0.2)
<b>Operating Cash Flow (after taxes) - \$M</b>		<u>0.8</u>	<u>0.7</u>	<u>0.7</u>	<u>0.7</u>	<u>0.7</u>	<u>0.7</u>	<u>0.7</u>	<u>0.7</u>	<u>0.7</u>	<u>0.7</u>	<u>0.7</u>	<u>0.7</u>	<u>0.7</u>
<b>PV Operating Cash Flow (after taxes) - \$M</b>	(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>0.2</u>
<b>Capital Expenditures - \$M</b>														
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	0.0
PV On-going capital expenditures														
<b>Total capital expenditures - \$M</b>														
<b>Capital Expenditures - \$M</b>														
<b>PV CCA Residual Tax Shield - \$M</b>														
<b>PV Working Capital - \$M</b>														
<b>PV Capital (after taxes) - \$M</b>	(B)													
<b>Cumulative PV Cash Flow (after taxes) - \$M (A) + (B)</b>		<u>(17.0)</u>	<u>(16.6)</u>	<u>(16.3)</u>	<u>(16.0)</u>	<u>(15.7)</u>	<u>(15.4)</u>	<u>(15.1)</u>	<u>(14.9)</u>	<u>(14.6)</u>	<u>(14.4)</u>	<u>(14.2)</u>	<u>(14.0)</u>	<u>(13.8)</u>



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

		In-Service Date													
		Project year ended - annualized from In-Service Date													
	Month Year	Date Nov-25 2021	<----- Nov-25 2022	Nov-25 2023	Nov-25 2024	Nov-25 2025	Nov-25 2026	Nov-25 2027	Nov-25 2028	Nov-25 2029	Nov-25 2030	Nov-25 2031	Nov-25 2032	Nov-25 2033	
Revenue & Expense Forecast															
				11.8	19.0	25.9	29.1	29.4	29.4	29.4	29.4	29.4	29.4	29.4	29.4
				0.0	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	29.1	29.4	29.4	29.4	29.4	29.4	29.4	29.4	29.4
				2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30
Incremental Revenue - \$M															
			(1.7)												
			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
				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	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															
			(1.7)	0.2	0.4	0.6	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7
			0.4	1.1	0.6	0.4	0.4	0.3	0.3	0.3	0.2	0.2	0.2	0.1	0.1
Operating Cash Flow (after taxes) - \$M															
			(1.2)	1.3	0.9	1.0	1.0	1.0	0.9	0.9	0.9	0.8	0.8	0.8	0.8

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

		Project year ended - annualized from In-Service Date												
	Month Year	Nov-25 <u>2034</u>	Nov-25 <u>2035</u>	Nov-25 <u>2036</u>	Nov-25 <u>2037</u>	Nov-25 <u>2038</u>	Nov-25 <u>2039</u>	Nov-25 <u>2040</u>	Nov-25 <u>2041</u>	Nov-25 <u>2042</u>	Nov-25 <u>2043</u>	Nov-25 <u>2044</u>	Nov-25 <u>2045</u>	Nov-25 <u>2046</u>
		13	14	15	16	17	18	19	20	21	22	23	24	25
<b>Revenue &amp; Expense Forecast</b>														
	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	29.4
	Load adjustments (MW)	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
		29.4	29.4	29.4	29.4	29.4	29.4	29.4	29.4	29.4	29.4	29.4	29.4	29.4
	Tariff Applied (\$/kW/Month)	<u>2.30</u>	<u>2.30</u>	<u>2.30</u>	<u>2.30</u>	<u>2.30</u>	<u>2.30</u>	<u>2.30</u>	<u>2.30</u>	<u>2.30</u>	<u>2.30</u>	<u>2.30</u>	<u>2.30</u>	<u>2.30</u>
<b>Incremental Revenue - \$M</b>		0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
	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	0.0
	Municipal Tax - \$M	<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>(0.1)</u>	<u>(0.1)</u>	<u>(0.1)</u>	<u>(0.1)</u>	<u>(0.1)</u>	<u>(0.1)</u>
<b>Net Revenue/(Costs) before taxes - \$M</b>		0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7
	Income Taxes	<u>0.1</u>	<u>0.1</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>(0.0)</u>	<u>(0.0)</u>	<u>(0.0)</u>	<u>(0.0)</u>	<u>(0.1)</u>	<u>(0.1)</u>	<u>(0.1)</u>	<u>(0.1)</u>
<b>Operating Cash Flow (after taxes) - \$M</b>		<u>0.8</u>	<u>0.7</u>	<u>0.7</u>	<u>0.7</u>	<u>0.7</u>	<u>0.7</u>	<u>0.7</u>	<u>0.6</u>	<u>0.6</u>	<u>0.6</u>	<u>0.6</u>	<u>0.6</u>	<u>0.6</u>
<b>PV Operating Cash Flow (after taxes) - \$M (A)</b>		<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>0.2</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>
<b>Capital Expenditures - \$M</b>														
	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	0.0
	PV On-going capital expenditures													
<b>Total capital expenditures - \$M</b>														
<b>Capital Expenditures - \$M</b>														
<b>PV CCA Residual Tax Shield - \$M</b>														
<b>PV Working Capital - \$M</b>														
<b>PV Capital (after taxes) - \$M (B)</b>														
<b>Cumulative PV Cash Flow (after taxes) - \$M (A) + (B)</b>		<u>(27.2)</u>	<u>(26.9)</u>	<u>(26.5)</u>	<u>(26.2)</u>	<u>(26.0)</u>	<u>(25.7)</u>	<u>(25.5)</u>	<u>(25.2)</u>	<u>(25.0)</u>	<u>(24.8)</u>	<u>(24.7)</u>	<u>(24.5)</u>	<u>(24.3)</u>

**JT1.6 Report 3: Network Pool NPV with Total Project Expenditures and No Capital Contributions Page 1**

		In-Service Date													
		Date		Project year ended - annualized from In-Service Date											
		Month	Nov-25	Nov-25	Nov-25	Nov-25	Nov-25	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
			0	1	2	3	4	5	6	7	8	9	10	11	12
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	76.9
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)				11.8	19.0	25.9	32.0	38.5	46.1	52.9	59.4	65.3	71.1	76.1	76.9
				3.83	3.83	3.83	3.83	3.83	3.83	3.83	3.83	3.83	3.83	3.83	3.83
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	3.5
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
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)
Net Revenue/(Costs) before taxes - \$M				(2.4)	0.4	0.8	1.1	1.4	1.7	2.0	2.3	2.6	2.9	3.2	3.4
Income Taxes				0.6	0.8	0.2	0.1	(0.0)	(0.2)	(0.3)	(0.4)	(0.5)	(0.6)	(0.6)	(0.7)
Operating Cash Flow (after taxes) - \$M				(1.8)	1.2	1.1	1.3	1.5	1.8	2.1	2.2	2.4	2.6	2.7	2.7
Cumulative PV @ 5.59%				27.8											
PV Operating Cash Flow (after taxes) - \$M (A)				(1.8)	1.2	1.0	1.1	1.2	1.3	1.4	1.4	1.5	1.5	1.5	1.5
Capital Expenditures - \$M															
Upfront - capital cost before overheads & AFUDC				(24.8)											
- Overheads				(2.7)											
- AFUDC				(0.9)											
Total upfront capital expenditures				(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
PV On-going capital expenditures				0.0											
Total capital expenditures - \$M				(28.4)											
Capital Expenditures - \$M															
PV CCA Residual Tax Shield - \$M				0.1											
PV Working Capital - \$M				0.0											
PV Capital (after taxes) - \$M (B)				(28.3)											
Cumulative PV Cash Flow (after taxes) - \$M (A) + (B)				(0.5)	(28.9)	(27.9)	(26.8)	(25.6)	(24.3)	(22.9)	(21.5)	(20.0)	(18.4)	(16.9)	(15.3)

Discounted Cash Flow Summary			Other Assumptions	
Economic Study Horizon - Years:	25		In-Service Date: 25-Nov-21	
Discount Rate - %	5.59%		Payback Year: 2046	
	\$M		No. of years required for payback: 25	
PV Incremental Revenue	35.5			
PV OM&A Costs	(2.4)			
PV Municipal Tax	(1.5)			
PV Income Taxes	(8.4)			
PV CCA Tax Shield	4.7			
PV Capital - Upfront	(28.4)			
Add: PV Capital Contribution	0.0	(28.4)		
PV Capital - On-going	0.0			
PV Working Capital	0.0			
PV Surplus / (Shortfall)		(0.5)		
Profitability Index*	1.0			
Notes:				
*PV of total cash flow, excluding net capital expenditure & on-going capital & proceeds on disposal / PV of net capital expenditure & on-going capital & proceeds on disposal				

**JT1.6 Report 3: Network Pool NPV with Total Project Expenditures and No Capital Contributions Page 2**

Month Year	Project year ended - annualized from In-Service Date												
	<----->												
	Nov-25 <u>2034</u>	Nov-25 <u>2035</u>	Nov-25 <u>2036</u>	Nov-25 <u>2037</u>	Nov-25 <u>2038</u>	Nov-25 <u>2039</u>	Nov-25 <u>2040</u>	Nov-25 <u>2041</u>	Nov-25 <u>2042</u>	Nov-25 <u>2043</u>	Nov-25 <u>2044</u>	Nov-25 <u>2045</u>	Nov-25 <u>2046</u>
	13	14	15	16	17	18	19	20	21	22	23	24	25
<b>Revenue &amp; Expense Forecast</b>													
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	82.5
Load adjustments (MW)	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Tariff Applied (\$/kW/Month)	<u>3.83</u>	<u>3.83</u>	<u>3.83</u>	<u>3.83</u>	<u>3.83</u>	<u>3.83</u>	<u>3.83</u>	<u>3.83</u>	<u>3.83</u>	<u>3.83</u>	<u>3.83</u>	<u>3.83</u>	<u>3.83</u>
<b>Incremental Revenue - \$M</b>	3.6	3.6	3.6	3.6	3.6	3.7	3.7	3.7	3.7	3.7	3.8	3.8	3.8
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	0.0
Municipal Tax - \$M	<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>(0.1)</u>	<u>(0.1)</u>	<u>(0.1)</u>	<u>(0.1)</u>	<u>(0.1)</u>	<u>(0.1)</u>
<b>Net Revenue/(Costs) before taxes - \$M</b>	3.4	3.5	3.5	3.5	3.5	3.5	3.6	3.6	3.6	3.6	3.6	3.7	3.7
Income Taxes	<u>(0.7)</u>	<u>(0.7)</u>	<u>(0.7)</u>	<u>(0.8)</u>	<u>(0.8)</u>	<u>(0.8)</u>	<u>(0.8)</u>	<u>(0.8)</u>	<u>(0.8)</u>	<u>(0.9)</u>	<u>(0.9)</u>	<u>(0.9)</u>	<u>(0.9)</u>
<b>Operating Cash Flow (after taxes) - \$M</b>	<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>	<u>2.8</u>	<u>2.8</u>	<u>2.8</u>	<u>2.8</u>
<b>PV Operating Cash Flow (after taxes) - \$M</b>	<b>(A)</b>	<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>0.7</u>
<b>Capital Expenditures - \$M</b>													
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	0.0
PV On-going capital expenditures													
<b>Total capital expenditures - \$M</b>													
<b>Capital Expenditures - \$M</b>													
<b>PV CCA Residual Tax Shield - \$M</b>													
<b>PV Working Capital - \$M</b>													
<b>PV Capital (after taxes) - \$M</b>	<b>(B)</b>												
<b>Cumulative PV Cash Flow (after taxes) - \$M</b>	<b>(A) + (B)</b>	<u>(12.5)</u>	<u>(11.2)</u>	<u>(9.9)</u>	<u>(8.7)</u>	<u>(7.6)</u>	<u>(6.6)</u>	<u>(5.6)</u>	<u>(4.6)</u>	<u>(3.7)</u>	<u>(2.9)</u>	<u>(2.0)</u>	<u>(0.5)</u>

**JT1.6 Report 4: Line Pool NPV with Total Project Expenditures including Capital Contributions Page 1**

		In-Service Date													
		Date		Project year ended - annualized from In-Service Date											
		Month	Nov-25	Nov-25	Nov-25	Nov-25	Nov-25	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
			0	1	2	3	4	5	6	7	8	9	10	11	12
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	76.9
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)				11.8	19.0	25.9	32.0	38.5	46.1	52.9	59.4	65.3	71.1	76.1	76.9
				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
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)
Net Revenue/(Costs) before taxes - \$M				(0.5)	0.0	0.1	0.2	0.3	0.4	0.5	0.6	0.7	0.7	0.8	0.8
Income Taxes				0.1	0.3	0.1	0.1	0.1	0.0	0.0	(0.0)	(0.1)	(0.1)	(0.1)	(0.1)
Operating Cash Flow (after taxes) - \$M				(0.4)	0.3	0.3	0.3	0.4	0.4	0.5	0.6	0.6	0.6	0.7	0.7
Cumulative PV @ 5.59%				6.8											
PV Operating Cash Flow (after taxes) - \$M (A)				(0.4)	0.3	0.3	0.3	0.3	0.3	0.3	0.4	0.4	0.4	0.4	0.4
Capital Expenditures - \$M															
Upfront - capital cost before overheads & AFUDC				(19.3)											
- Overheads				(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
PV On-going capital expenditures				0.0											
Total capital expenditures - \$M				(22.9)											
Capital Expenditures - \$M															
PV CCA Residual Tax Shield - \$M				0.0											
PV Working Capital - \$M				0.0											
PV Capital (after taxes) - \$M (B)				(9.8)											
Cumulative PV Cash Flow (after taxes) - \$M (A) + (B)				(2.9)	(9.8)	(9.6)	(9.3)	(9.0)	(8.7)	(8.3)	(8.0)	(7.6)	(7.2)	(6.8)	(6.5)

Discounted Cash Flow Summary			Other Assumptions		
Economic Study Horizon - Years:	25		In-Service Date:	25-Nov-21	
Discount Rate - %	5.59%		Payback Year:	2046	
	\$M		No. of years required for payback:	25	
PV Incremental Revenue	8.9				
PV OM&A Costs	(0.5)				
PV Municipal Tax	(1.2)				
PV Income Taxes	(1.9)				
PV CCA Tax Shield	1.6				
PV Capital - Upfront	(22.9)				
Add: PV Capital Contribution	13.1	(9.8)			
PV Capital - On-going	0.0				
PV Working Capital	0.0				
PV Surplus / (Shortfall)	(2.9)				
Profitability Index*	0.7				
Notes:					
*PV of total cash flow, excluding net capital expenditure & on-going capital & proceeds on disposal / PV of net capital expenditure & on-going capital & proceeds on disposal					

**JT1.6 Report 4: Line Pool NPV with Total Project Expenditures including Capital Contributions Page 2**

Month Year	Project year ended - annualized from In-Service Date													
	Nov-25 <u>2034</u>	Nov-25 <u>2035</u>	Nov-25 <u>2036</u>	Nov-25 <u>2037</u>	Nov-25 <u>2038</u>	Nov-25 <u>2039</u>	Nov-25 <u>2040</u>	Nov-25 <u>2041</u>	Nov-25 <u>2042</u>	Nov-25 <u>2043</u>	Nov-25 <u>2044</u>	Nov-25 <u>2045</u>	Nov-25 <u>2046</u>	
	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	82.5	
Load adjustments (MW)	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	
Tariff Applied (\$/kW/Month)	<u>77.4</u>	<u>77.8</u>	<u>78.2</u>	<u>78.7</u>	<u>79.1</u>	<u>79.5</u>	<u>80.0</u>	<u>80.4</u>	<u>80.8</u>	<u>81.2</u>	<u>81.7</u>	<u>82.1</u>	<u>82.5</u>	
Incremental Revenue - \$M	<u>0.9</u>	<u>0.9</u>	<u>0.9</u>	<u>0.9</u>	<u>0.9</u>	<u>0.9</u>	<u>0.9</u>	<u>0.9</u>	<u>0.9</u>	<u>0.9</u>	<u>0.9</u>	<u>0.9</u>	<u>0.9</u>	
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	0.0	
Municipal Tax - \$M	<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>(0.1)</u>	<u>(0.1)</u>	<u>(0.1)</u>	<u>(0.1)</u>	<u>(0.1)</u>	<u>(0.1)</u>	
Net Revenue/(Costs) before taxes - \$M	<u>0.8</u>	<u>0.8</u>	<u>0.8</u>	<u>0.8</u>	<u>0.8</u>	<u>0.8</u>	<u>0.8</u>	<u>0.8</u>	<u>0.8</u>	<u>0.8</u>	<u>0.9</u>	<u>0.9</u>	<u>0.9</u>	
Income Taxes	<u>(0.1)</u>	<u>(0.1)</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>(0.2)</u>	<u>(0.2)</u>	<u>(0.2)</u>	<u>(0.2)</u>	<u>(0.2)</u>	
Operating Cash Flow (after taxes) - \$M	<u>0.7</u>	<u>0.7</u>	<u>0.7</u>	<u>0.7</u>	<u>0.7</u>	<u>0.7</u>	<u>0.7</u>	<u>0.7</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>	<u>0.2</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	0.0	
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)	<u>(5.8)</u>	<u>(5.5)</u>	<u>(5.2)</u>	<u>(4.9)</u>	<u>(4.6)</u>	<u>(4.4)</u>	<u>(4.1)</u>	<u>(3.9)</u>	<u>(3.7)</u>	<u>(3.5)</u>	<u>(3.3)</u>	<u>(3.1)</u>	<u>(2.9)</u>	

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

		In-Service Date													
		Project year ended - annualized from In-Service Date													
Month	Year	Nov-25 2021	Nov-25 2022	Nov-25 2023	Nov-25 2024	Nov-25 2025	Nov-25 2026	Nov-25 2027	Nov-25 2028	Nov-25 2029	Nov-25 2030	Nov-25 2031	Nov-25 2032	Nov-25 2033	
		0	1	2	3	4	5	6	7	8	9	10	11	12	
Revenue & Expense Forecast															
			11.8	19.0	25.9	29.1	29.4	29.4	29.4	29.4	29.4	29.4	29.4	29.4	
			0.0	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	29.1	29.4	29.4	29.4	29.4	29.4	29.4	29.4	29.4	
			2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	
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	0.8	
			(1.7)												
			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
			(0.1)	(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															
			(1.7)	0.2	0.4	0.6	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	
			0.4	1.0	0.5	0.4	0.3	0.3	0.3	0.2	0.2	0.1	0.1	0.1	
Operating Cash Flow (after taxes) - \$M															
			(1.2)	1.2	0.9	1.0	1.0	0.9	0.9	0.9	0.8	0.8	0.8	0.8	
			Cumulative PV @												
			5.59%												
PV Operating Cash Flow (after taxes) - \$M (A)															
			10.1	1.2	0.8	0.9	0.8	0.8	0.7	0.6	0.6	0.5	0.5	0.4	
Capital Expenditures - \$M															
			(30.3)												
			(3.6)												
			(1.3)												
			(35.1)												
				0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Capital Expenditures - \$M															
			0.2												
PV CCA Residual Tax Shield - \$M															
			0.0												
PV Working Capital - \$M															
			(32.3)												
Cumulative PV Cash Flow (after taxes) - \$M (A) + (B)															
			(22.1)	(33.5)	(32.4)	(31.6)	(30.7)	(29.9)	(29.1)	(28.4)	(27.8)	(27.2)	(26.7)	(25.8)	

Discounted Cash Flow Summary		Other Assumptions	
Economic Study Horizon - Years:	25	In-Service Date: 25-Nov-21	
Discount Rate - %	5.59%	Payback Year: 2046	
	\$M	No. of years required for payback: 25	
PV Incremental Revenue	10.2		
PV OM&A Costs	(1.7)		
PV Municipal Tax	(1.8)		
PV Income Taxes	(1.8)		
PV CCA Tax Shield	5.3		
PV Capital - Upfront	(35.1)		
Add: PV Capital Contribution	2.6	(32.4)	
PV Capital - On-going		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 capital & proceeds on disposal / PV of net capital expenditure & on-going capital & proceeds on disposal			

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

Month Year	Project year ended - annualized from In-Service Date ----->												
	Nov-25 <u>2034</u>	Nov-25 <u>2035</u>	Nov-25 <u>2036</u>	Nov-25 <u>2037</u>	Nov-25 <u>2038</u>	Nov-25 <u>2039</u>	Nov-25 <u>2040</u>	Nov-25 <u>2041</u>	Nov-25 <u>2042</u>	Nov-25 <u>2043</u>	Nov-25 <u>2044</u>	Nov-25 <u>2045</u>	Nov-25 <u>2046</u>
	13	14	15	16	17	18	19	20	21	22	23	24	25
<b>Revenue &amp; Expense Forecast</b>													
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	29.4
Load adjustments (MW)	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
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	29.4
	<u>2.30</u>	<u>2.30</u>	<u>2.30</u>	<u>2.30</u>	<u>2.30</u>	<u>2.30</u>	<u>2.30</u>	<u>2.30</u>	<u>2.30</u>	<u>2.30</u>	<u>2.30</u>	<u>2.30</u>	<u>2.30</u>
<b>Incremental Revenue - \$M</b>	<u>0.8</u>	<u>0.8</u>	<u>0.8</u>	<u>0.8</u>	<u>0.8</u>	<u>0.8</u>	<u>0.8</u>	<u>0.8</u>	<u>0.8</u>	<u>0.8</u>	<u>0.8</u>	<u>0.8</u>	<u>0.8</u>
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	0.0
Municipal Tax - \$M	<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>(0.1)</u>	<u>(0.1)</u>	<u>(0.1)</u>	<u>(0.1)</u>	<u>(0.1)</u>	<u>(0.1)</u>
<b>Net Revenue/(Costs) before taxes - \$M</b>	<u>0.7</u>	<u>0.7</u>	<u>0.7</u>	<u>0.7</u>	<u>0.7</u>	<u>0.7</u>	<u>0.7</u>	<u>0.7</u>	<u>0.7</u>	<u>0.7</u>	<u>0.7</u>	<u>0.7</u>	<u>0.7</u>
Income Taxes	<u>0.1</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>(0.0)</u>	<u>(0.0)</u>	<u>(0.0)</u>	<u>(0.0)</u>	<u>(0.1)</u>	<u>(0.1)</u>	<u>(0.1)</u>	<u>(0.1)</u>	<u>(0.1)</u>
<b>Operating Cash Flow (after taxes) - \$M</b>	<u>0.7</u>	<u>0.7</u>	<u>0.7</u>	<u>0.7</u>	<u>0.7</u>	<u>0.7</u>	<u>0.6</u>	<u>0.6</u>	<u>0.6</u>	<u>0.6</u>	<u>0.6</u>	<u>0.6</u>	<u>0.6</u>
<b>PV Operating Cash Flow (after taxes) - \$M (A)</b>	<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>0.2</u>
<b>Capital Expenditures - \$M</b>													
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	0.0
PV On-going capital expenditures													
<b>Total capital expenditures - \$M</b>													
<b>Capital Expenditures - \$M</b>													
<b>PV CCA Residual Tax Shield - \$M</b>													
<b>PV Working Capital - \$M</b>													
<b>PV Capital (after taxes) - \$M (B)</b>													
<b>Cumulative PV Cash Flow (after taxes) - \$M (A) + (B)</b>	<u>(25.0)</u>	<u>(24.6)</u>	<u>(24.3)</u>	<u>(24.0)</u>	<u>(23.7)</u>	<u>(23.5)</u>	<u>(23.3)</u>	<u>(23.0)</u>	<u>(22.8)</u>	<u>(22.6)</u>	<u>(22.5)</u>	<u>(22.3)</u>	<u>(22.1)</u>



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

			In-Service Date Nov-25 2021	← Nov-25 2022 1	Project year ended - annualized from In-Service Date Nov-25 2023 2	Nov-25 2024 3	Nov-25 2025 4	Nov-25 2026 5	→ Nov-25 2027 6	Nov-25 2028 7	Nov-25 2029 8	Nov-25 2030 9	Nov-25 2031 10	Nov-25 2032 11	Nov-25 2033 12
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	76.9
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 (\$/kWh/Month)				11.8	19.0	25.9	32.0	38.5	46.1	52.9	59.4	65.3	71.1	76.1	76.9
				<u>3.83</u>	<u>3.83</u>	<u>3.83</u>	<u>3.83</u>	<u>3.83</u>	<u>3.83</u>	<u>3.83</u>	<u>3.83</u>	<u>3.83</u>	<u>3.83</u>	<u>3.83</u>	<u>3.83</u>
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	3.5
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	0.0
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			(2.4)	0.4	0.8	1.1	1.4	1.7	2.0	2.3	2.6	2.9	3.2	3.4	3.4
Income Taxes			0.6	0.8	0.3	0.2	0.1	(0.0)	(0.2)	(0.3)	(0.4)	(0.5)	(0.6)	(0.6)	(0.7)
Operating Cash Flow (after taxes) - \$M			(1.8)	1.2	1.1	1.3	1.5	1.6	1.8	2.1	2.2	2.4	2.6	2.7	2.7
		Cumulative PV @													
		5.59%													
PV Operating Cash Flow (after taxes) - \$M	(A)	<u>27.8</u>		(1.8)	1.2	1.0	1.1	1.2	1.3	1.4	1.4	1.5	1.5	1.5	1.5
Capital Expenditures - \$M															
Uplift - capital cost before overheads & AFUDC			(24.8)												
- Overheads			(2.7)												
- AFUDC			(0.9)												
Total upfront capital expenditures			(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	0.0
PV On-going capital expenditures			<u>0.0</u>												
Total capital expenditures - \$M			(28.4)												
Capital Expenditures - \$M															
PV CCA Residual Tax Shield - \$M			0.1												
PV Working Capital - \$M			<u>0.0</u>												
PV Capital (after taxes) - \$M	(B)	<u>(28.3)</u>	(28.3)												
Cumulative PV Cash Flow (after taxes) - \$M (A) - (B)		<u>(0.5)</u>	(28.1)	(28.9)	(27.9)	(26.8)	(25.6)	(24.3)	(22.9)	(21.5)	(20.0)	(18.4)	(16.9)	(15.3)	(13.9)
Discounted Cash Flow Summary															
Economic Study Horizon - Years:	25														
Discount Rate - %	5.59%														
		\$M													
PV Incremental Revenue		35.5													
PV OM&A Costs		(2.4)													
PV Municipal Tax		(1.5)													
PV Income Taxes		(8.4)													
PV CCA Tax Shield		4.7													
PV Capital - Uplift		(28.4)													
Add: PV Capital Contribution		<u>0.0</u>	(28.4)												
PV Capital - On-going			0.0												
PV Working Capital			<u>0.0</u>												
PV Surplus / (Shortfall)		<u>(0.5)</u>													
Profitability Index*		1.0													
Notes:															
*PV of total cash flow, excluding net capital expenditure & on-going capital & proceeds on disposal / PV of net capital expenditure & on-going capital & proceeds on disposal															
Other Assumptions															
In-Service Date:													25-Nov-21		
Pay back Year:													2046		
No. of years required for payback:													25		

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

		Project year ended - annualized from In-Service Date												
Month		Nov-25	Nov-25	Nov-25	Nov-25	Nov-25	Nov-25	Nov-25	Nov-25	Nov-25	Nov-25	Nov-25	Nov-25	
Year		2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	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	82.5
	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	0.0
		77.4	77.8	78.2	78.7	79.1	79.5	80.0	80.4	80.8	81.2	81.7	82.1	82.5
	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	3.83
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	3.8
	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	0.0
	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)	(0.1)
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	3.7
	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)	(0.9)
Operating Cash Flow (after taxes) - \$M		2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.8	2.8	2.8	2.8	2.8	2.8
PV Operating Cash Flow (after taxes) - \$M (A)		1.4	1.3	1.2	1.2	1.1	1.1	1.0	1.0	0.9	0.9	0.8	0.8	0.7
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	0.0
	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)	(0.5)

**JT1.6 Report 7: Line Pool NPV with Customer Cost Responsibility Project Expenditures including Capital Contributions**  
**Page 1**

		In-Service Date													
		Date		Project year ended - annualized from In-Service Date											
Month	Year	Nov-25	Nov-25	Nov-25	Nov-25	Nov-25	Nov-25	Nov-25	Nov-25	Nov-25	Nov-25	Nov-25	Nov-25	Nov-25	Nov-25
		2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
		0	1	2	3	4	5	6	7	8	9	10	11	12	
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	76.9	
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)			11.8	19.0	25.9	32.0	38.5	46.1	52.9	59.4	65.3	71.1	76.1	76.9	
Incremental Revenue - \$M			0.96	0.96	0.96	0.96	0.96	0.96	0.96	0.96	0.96	0.96	0.96	0.96	
Removal Costs - \$M			(0.4)	0.1	0.2	0.3	0.4	0.4	0.5	0.6	0.7	0.7	0.8	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	
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)	
Net Revenue/(Costs) before taxes - \$M			(0.4)	0.1	0.1	0.2	0.3	0.4	0.5	0.6	0.7	0.7	0.8	0.8	
Income Taxes			9.1	9.2	9.1	9.2	9.0	(9.0)	(9.1)	(9.1)	(9.1)	(9.1)	(9.2)	(9.2)	
Operating Cash Flow (after taxes) - \$M			(9.3)	9.3	9.2	9.3	9.3	9.4	9.4	9.5	9.5	9.6	9.6	9.6	
			Cumulative PV @												
			5.59%												
PV Operating Cash Flow (after taxes) - \$M		(A)	6.5	(9.3)	9.2	9.2	9.2	9.3	9.3	9.3	9.3	9.3	9.4	9.4	9.3
Capital Expenditures - \$M															
Upfront - capital cost before overheads & AFUDC			(16.5)												
- Overheads			(2.3)												
- AFUDC			(9.8)												
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	
PV On-going capital expenditures				0.0											
Total capital expenditures - \$M				(19.6)											
Capital Expenditures - \$M															
PV CCA Residual Tax Shield - \$M				0.0											
PV Working Capital - \$M				0.0											
PV Capital (after taxes) - \$M		(B)	(6.5)	(6.5)											
Cumulative PV Cash Flow (after taxes) - \$M		(A) + (B)	9.9	(6.8)	(6.6)	(6.4)	(6.1)	(5.9)	(5.6)	(5.3)	(4.9)	(4.6)	(4.2)	(3.9)	(3.2)

Discounted Cash Flow Summary		Other Assumptions	
Economic Study Horizon - Years:	25	In-Service Date:	25-Nov-21
Discount Rate - %	5.59%	Payback Year:	2046
	Before Cont	No. of years required for payback:	25
	\$M		
PV Incremental Revenue	8.9		
PV OM&A Costs	(0.4)		
PV Municipal Tax	(1.0)		
PV Income Taxes	(2.0)		
PV CCA Tax Shield	1.1		
PV Capital - Upfront	(19.6)		
Add: PV Capital Contribution	13.1		
PV Capital - On-going	0.0		
PV Working Capital	0.0		
PV Surplus / (Shortfall)	0.0		
Profitability Index*	1.0		
Notes:			
*PV of total cash flow, excluding net capital expenditure & on-going capital & proceeds on disposal / PV of net capital expenditure & on-going capital & proceeds on disposal			

**JT1.6 Report 7: Line Pool NPV with Customer Cost Responsibility Project Expenditures including Capital Contributions**  
**Page 2**

Month Year	Project year ended - annualized from In-Service Date ----->												
	Nov-25 <u>2034</u>	Nov-25 <u>2035</u>	Nov-25 <u>2036</u>	Nov-25 <u>2037</u>	Nov-25 <u>2038</u>	Nov-25 <u>2039</u>	Nov-25 <u>2040</u>	Nov-25 <u>2041</u>	Nov-25 <u>2042</u>	Nov-25 <u>2043</u>	Nov-25 <u>2044</u>	Nov-25 <u>2045</u>	Nov-25 <u>2046</u>
	13	14	15	16	17	18	19	20	21	22	23	24	25
<b>Revenue &amp; Expense Forecast</b>													
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	82.5
Load adjustments (MW)	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
	77.4	77.8	78.2	78.7	79.1	79.5	80.0	80.4	80.8	81.2	81.7	82.1	82.5
Tariff Applied (\$/kW/Month)	<u>0.96</u>	<u>0.96</u>	<u>0.96</u>	<u>0.96</u>	<u>0.96</u>	<u>0.96</u>	<u>0.96</u>	<u>0.96</u>	<u>0.96</u>	<u>0.96</u>	<u>0.96</u>	<u>0.96</u>	<u>0.96</u>
<b>Incremental Revenue - \$M</b>	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9
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	0.0
Municipal Tax - \$M	<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>(0.1)</u>	<u>(0.1)</u>	<u>(0.1)</u>	<u>(0.1)</u>	<u>(0.1)</u>	<u>(0.1)</u>
<b>Net Revenue/(Costs) before taxes - \$M</b>	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.9	0.9	0.9	0.9	0.9
Income Taxes	<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>(0.2)</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>
<b>Operating Cash Flow (after taxes) - \$M</b>	<u>0.6</u>	<u>0.6</u>	<u>0.6</u>	<u>0.6</u>	<u>0.6</u>	<u>0.6</u>	<u>0.6</u>	<u>0.7</u>	<u>0.7</u>	<u>0.7</u>	<u>0.7</u>	<u>0.7</u>	<u>0.7</u>
<b>PV Operating Cash Flow (after taxes) - \$M (A)</b>	<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>0.2</u>
<b>Capital Expenditures - \$M</b>													
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	0.0
PV On-going capital expenditures													
<b>Total capital expenditures - \$M</b>													
<b>Capital Expenditures - \$M</b>													
<b>PV CCA Residual Tax Shield - \$M</b>													
<b>PV Working Capital - \$M</b>													
<b>PV Capital (after taxes) - \$M (B)</b>													
<b>Cumulative PV Cash Flow (after taxes) - \$M (A) + (B)</b>	<u>(2.8)</u>	<u>(2.5)</u>	<u>(2.2)</u>	<u>(1.9)</u>	<u>(1.7)</u>	<u>(1.4)</u>	<u>(1.2)</u>	<u>(1.0)</u>	<u>(0.8)</u>	<u>(0.5)</u>	<u>(0.4)</u>	<u>(0.2)</u>	<u>0.0</u>

## JT1.6 Report 8: Transformation Pool NPV with Customer Cost Responsibility Project Expenditures including Capital Contributions Page 1

		In-Service Date													
		Date	<-----	Project year ended - annualized from In-Service Date										>----->	
Month	Year	Nov-25	Nov-25	Nov-25	Nov-25	Nov-25	Nov-25	Nov-25	Nov-25	Nov-25	Nov-25	Nov-25	Nov-25	Nov-25	
		2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	
		0	1	2	3	4	5	6	7	8	9	10	11	12	
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	29.4	
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	
Tariff Applied (\$/kW/Month)			11.8	19.0	25.9	29.1	29.4	29.4	29.4	29.4	29.4	29.4	29.4	29.4	
			2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	
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	0.8	
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	
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)	
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	
Income Taxes			0.1	0.2	0.0	(0.0)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	
Operating Cash Flow (after taxes) - \$M			(0.4)	0.5	0.6	0.7	0.7	0.7	0.7	0.7	0.7	0.6	0.6	0.6	
		Cumulative PV @													
		5.59%													
PV Operating Cash Flow (after taxes) - \$M	(A)	8.0	(0.4)	0.5	0.5	0.6	0.6	0.5	0.5	0.5	0.4	0.4	0.4	0.3	
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	
PV On-going capital expenditures				0.0											
Total capital expenditures - \$M				(10.7)											
Capital Expenditures - \$M															
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)	(2.9)	

Discounted Cash Flow Summary			Other Assumptions	
Economic Study Horizon - Years:	25		In-Service Date:	25-Nov-21
Discount Rate - %	5.59%		Payback Year:	2046
	Before Cont		No. of years required for payback:	25
	\$M			
PV Incremental Revenue	10.2			
PV OM&A Costs	(0.5)			
PV Municipal Tax	(0.6)			
PV Income Taxes	(2.4)			
PV CCA Tax Shield	1.3			
PV Capital - Upfront	(10.7)			
Add: PV Capital Contribution	2.6	(8.1)		
PV Capital - On-going		0.0		
PV Working Capital		0.0		
PV Surplus / (Shortfall)		(0.0)		
Profitability Index*	1.0			

Notes:

\*PV of total cash flow, excluding net capital expenditure & on-going capital & proceeds on disposal / PV of net capital expenditure & on-going capital & proceeds on disposal

**JT1.6 Report 8: Transformation Pool NPV with Customer Cost Responsibility Project Expenditures including Capital Contributions Page 2**

		Project year ended - annualized from In-Service Date												
	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	29.4
	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	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	29.4
		2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30
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	0.8
	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	0.0
	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)	(0.0)
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	0.8
	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)	(0.2)
Operating Cash Flow (after taxes) - \$M		0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6
PV Operating Cash Flow (after taxes) - \$M (A)		0.3	0.3	0.3	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
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	0.0
	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)	(1.5)	(1.3)	(1.1)	(0.9)	(0.7)	(0.5)	(0.3)	(0.2)	0.0

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

### Page 1

		In-Service		Project year ended - annualized from In-Service Date												
Month		Date	<-----	Nov-25	Nov-25	Nov-25	Nov-25	Nov-25	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	2033	2033
		0	1	2	3	4	5	6	7	8	9	10	11	12		
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	76.9		
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)			11.8	19.0	25.9	32.0	38.5	46.1	52.9	59.4	65.3	71.1	76.1	76.9		
			3.83	3.83	3.83	3.83	3.83	3.83	3.83	3.83	3.83	3.83	3.83	3.83		
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	3.5		
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	0.0		
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)		
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	3.5		
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)	(0.8)		
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	2.6		
			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		
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)												
Cumulative PV Cash Flow (after taxes) - \$M		(A) + (B)	17.1	(10.2)	(9.5)	(8.8)	(7.9)	(6.9)	(5.8)	(4.6)	(3.3)	(1.9)	(0.4)	1.0	2.5	3.9

Discounted Cash Flow Summary		Other Assumptions	
Economic Study Horizon - Years:	25	In-Service Date:	25-Nov-21
Discount Rate - %	5.59%	Payback Year:	2031
	\$M	No. of years required for payback:	10
PV Incremental Revenue	35.5		
PV OM&A Costs	(0.9)		
PV Municipal Tax	(0.5)		
PV Income Taxes	(9.0)		
PV CCA Tax Shield	1.6		
PV Capital - Upfront	(9.6)		
Add: PV Capital Contribution	0.0		
PV Capital - On-going	0.0		
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 & proceeds on disposal / PV of net capital expenditure & on-going capital & proceeds on disposal

**JT1.6 Report 9: Network Pool NPV with Customer Cost Responsibility Project Expenditures including Capital Contributions**  
**Page 2**

Month Year	Project year ended - annualized from In-Service Date													
	<----->													
	Nov-25	Nov-25	Nov-25	Nov-25	Nov-25	Nov-25	Nov-25	Nov-25	Nov-25	Nov-25	Nov-25	Nov-25	Nov-25	
	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	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	82.5	
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	0.0	
	77.4	77.8	78.2	78.7	79.1	79.5	80.0	80.4	80.8	81.2	81.7	82.1	82.5	
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	3.83	
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	3.8	
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	0.0	
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)	(0.0)	
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	3.8	
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)	(1.0)	
Operating Cash Flow (after taxes) - \$M	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.8	2.8	2.8	
PV Operating Cash Flow (after taxes) - \$M (A)	1.3	1.3	1.2	1.2	1.1	1.0	1.0	0.9	0.9	0.9	0.8	0.8	0.7	
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	0.0	
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)	5.3	6.6	7.8	8.9	10.0	11.1	12.1	13.0	13.9	14.8	15.6	16.3	17.1	



## UNDERTAKING – JT1.10

### Reference:

### Interrogatory:

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

### Response:

As stated in the technical hearing<sup>1</sup>, 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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<sup>1</sup> Technical Conference Transcript pages 95-97

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

15  
16 The requested Capital Contribution Recovery Differential Account is designed to  
17 minimize these impacts. Therefore, if the proposed Capital Contribution Recovery  
18 Differential Account is not approved, and the above mentioned exemption from the Other  
19 External Revenue Variance Account is not granted, this would effectively deny Hydro  
20 One any recovery, not even the CWIP rate as prescribed by the TSC code amendments.  
21 This means that Hydro One would be required to incur all financing costs for the asset  
22 until the deferral period is complete and the deferring distributor has fully paid their  
23 required capital contribution. As such, denial of this account will result in Hydro One  
24 shareholder bearing the cost of financing a transmission asset.

25  
26 As stated by Mr. Frost at the recent February 11<sup>th</sup> Technical Conference (page 84) the:

27  
28 *"sole purpose of this account is to capture the variance*  
29 *between what Hydro One is allowed to recover from*  
30 *InnPower (deferring distributor) according to section*  
31 *6.3.19 and the amount required to continue to attract the*  
32 *full return on rate base."*  
33

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

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

6  
7 To further clarify the implications of this account, Hydro One has included an example of  
8 the mechanics of the account and the potential interplay between the OEB approved  
9 “Other External Revenues Variance Account”.

**Illustrative Example**

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, page 3 of 6.

**Creation of Asset at In-service**

DR. 1720 Towers and Fixtures \$86.4M

CR. 2055 Construction Work in Progress – Electric \$86.4M

(To recognize the Project’s total cost of in-servicing)

DR 1110 - Loan to Distributor \$15.7M\*<sup>2</sup>

CR. 1720 Towers and Fixtures \$15.7M

(To recognize the total value of the capital contribution payable by the customer)

DR. 1508 Other Regulatory Assets – Sub account “Distributor Contribution” \$15.7M

CR. 1508 Other Regulatory Assets – Sub account “Distributor Contribution Contra” \$15.7M

(Tracking of the distributor’s capital contribution)

**Annual Entries**

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

DR. 1005 Cash (Installment Payment from Distributor) \$1.0M

CR. 1110 Loan to Distributor \$1.0M

(Reduction of Customers Loan after payment)

DR. 1508 Other Regulatory Assets – Sub account “Distributor Contribution Contra” \$1.0M

CR. 1508 Other Regulatory Assets – Sub account “Distributor Contribution” \$1.0M

(Tracking account annual entry)

---

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

1 DR. 1508 Other Regulatory Assets – Sub Account “Capital Contribution Recovery  
2 Differential Account” \$0.7<sup>3</sup>M  
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)  
6

7 The annual amount recorded in the Capital Contribution Recovery Differential Account  
8 is the difference between the required revenue to recover cost of capital to Hydro One  
9 (\$0.9M<sup>3</sup>) for financing the deferred capital contribution and required corporate tax gross  
10 up (\$0.2M<sup>3</sup>) on Account Deferral Capital Contribution (Capital Asset) minus 4405  
11 Interest and Dividend Income which is received from the distributors (\$0.4M<sup>3</sup>) in  
12 accordance with TSC 6.3.19.  
13

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

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<sup>3</sup> 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"
61	10 to 25	Robert Reinmuller	where witness said "end of service life" they meant "expected service life". It needs to be updated to read the way the witness intended.
61	28	Robert Reinmuller	"end of service life" changed to "end of life"
62	3 to 12	Robert Reinmuller	where witness said "end of service life" they meant "expected service life". It needs to be 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