

Toronto

November 20, 2020

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Our Matter Number: 1144209

Montréal

Calgary

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Ottawa

Ms. Christine Long
Registrar
Ontario Energy Board
27th Floor
2300 Yonge Street
Toronto, ON M4P 1E4

Vancouver

New York

Dear Ms. Long:

**Five Nations Energy Inc. - 2021 Uniform Transmission Rates (“UTRs”)
Foregone Revenue Calculation (2020) (EB-2020-0251)**

We are counsel to Five Nations Energy Inc. (“FNEI”). This letter is in response to the OEB’s letter of November 9, 2020 requesting that all transmitters submit their 2020 foregone revenue (and accrued interest) calculations, with both one- and two-year disposition scenarios.

The calculation of FNEI’s 2020 foregone revenue is set out in Appendix “A” to this letter. The methodology used is consistent with the calculation methodology previously used in FNEI’s July 29, 2020 submission to the Board. FNEI’s interest calculations for the two disposition scenarios is set out in Appendix “B” to this letter.

The following table summarizes the impacts to FNEI’s 2021 and 2022 transmission revenue requirements under the two disposition scenarios:

Disposition Period	Foregone Revenue			Incremental Revenue Requirement		
	Principal	Interest	Total	2021	2022	Total
12-month	\$306,309	\$2,244	\$308,553	\$308,553	\$0	\$308,553
24-month	\$306,309	\$3,120	\$309,429	\$154,714	\$154,714	\$309,429

FNEI has had the opportunity to review the submission made by Canadian Niagara Power Inc. (“CNPI”) of today’s date. FNEI’s preference is also for a one-year disposition period, for the reasons set out in CNPI’s letter.

Please contact me should you have any questions.

Yours very truly,



Richard J. King

RK:hi
Enclosures

c: P. Chilton and R. Reimer (FNEI)
F. D’Andrea and J. Richardson (HONI)
G. Beharriell (CNPI)
M. Price (OEB)

Appendix "A"

FNEI 2020 Foregone Revenue Calculation November 2020

2020 UTR Charge Determinants - All Transmitters (MW)

Charge Determinant	January	February	March	April	May	June	July	August	September	October	November	December	Annual Total
Network	20,177	19,938	19,241	17,746	18,908	21,348	22,348	21,850	20,196	18,170	19,305	20,276	239,503
Line Connection	19,321	19,179	20,075	18,376	17,135	18,543	20,362	21,774	21,157	19,725	18,024	18,715	232,386
Transformation Connection	16,370	16,309	15,658	14,410	15,724	17,314	18,551	17,899	17,009	14,652	15,543	16,847	196,286

2020 Interim UTRs

	\$/kw-month	FNEI Allocator
Network	3.92	0.00465
Line Connection	0.97	0.00486
Transformation Connection	2.33	0.00486

1. 2020 Revenue at 2020 Interim Rates and 2020 Load Forecast

	January	February	March	April	May	June	July	August	September	October	November	December	Annual Total
Network	\$ 367,786	\$ 363,430	\$ 350,725	\$ 323,474	\$ 344,655	\$ 389,131	\$ 407,359	\$ 398,282	\$ 368,133	\$ 331,203	\$ 351,892	\$ 369,591	\$ 4,365,661
Line Connection	\$ 91,083	\$ 90,414	\$ 94,638	\$ 86,628	\$ 80,778	\$ 87,415	\$ 95,991	\$ 102,647	\$ 99,738	\$ 92,988	\$ 84,969	\$ 88,226	\$ 1,095,514
Transformation Connection	\$ 185,371	\$ 184,680	\$ 177,308	\$ 163,176	\$ 178,055	\$ 196,060	\$ 210,068	\$ 202,685	\$ 192,607	\$ 165,916	\$ 176,006	\$ 190,772	\$ 2,222,703
Total	\$ 644,240	\$ 638,523	\$ 622,671	\$ 573,278	\$ 603,488	\$ 672,607	\$ 713,418	\$ 703,613	\$ 660,478	\$ 590,107	\$ 612,866	\$ 648,589	\$ 7,683,878

2020 Proposed UTR

	\$/kw-month	FNEI Allocator
Network	4.3	0.00465
Line Connection	0.81	0.00487
Transformation Connection	2.39	0.00487

2. 2020 Revenue at 2020 Proposed UTR Rates and 2020 Load Forecast

	January	February	March	April	May	June	July	August	September	October	November	December	Annual Total
Network	\$ 403,439	\$ 398,660	\$ 384,724	\$ 354,831	\$ 378,065	\$ 426,853	\$ 446,848	\$ 436,891	\$ 403,819	\$ 363,309	\$ 386,003	\$ 405,419	\$ 4,788,862
Line Connection	\$ 76,216	\$ 75,655	\$ 79,190	\$ 72,488	\$ 67,592	\$ 73,147	\$ 80,322	\$ 85,892	\$ 83,458	\$ 77,809	\$ 71,099	\$ 73,825	\$ 916,693
Transformation Connection	\$ 190,535	\$ 189,825	\$ 182,248	\$ 167,722	\$ 183,016	\$ 201,523	\$ 215,921	\$ 208,332	\$ 197,973	\$ 170,539	\$ 180,910	\$ 196,087	\$ 2,284,632
Total	\$ 670,190	\$ 664,141	\$ 646,162	\$ 595,041	\$ 628,674	\$ 701,523	\$ 743,091	\$ 731,114	\$ 685,250	\$ 611,657	\$ 638,012	\$ 675,331	\$ 7,990,187

2020 Foregone Revenue (2-1)

	January	February	March	April	May	June	July	August	September	October	November	December	Annual Total
Network	\$ 35,653	\$ 35,230	\$ 33,999	\$ 31,357	\$ 33,410	\$ 37,722	\$ 39,489	\$ 38,609	\$ 35,686	\$ 32,106	\$ 34,112	\$ 35,828	\$ 423,202
Line Connection	\$ (14,868)	\$ (14,758)	\$ (15,448)	\$ (14,140)	\$ (13,185)	\$ (14,269)	\$ (15,669)	\$ (16,755)	\$ (16,280)	\$ (15,178)	\$ (13,869)	\$ (14,401)	\$ (178,821)
Transformation Connection	\$ 5,165	\$ 5,145	\$ 4,940	\$ 4,546	\$ 4,961	\$ 5,463	\$ 5,853	\$ 5,647	\$ 5,366	\$ 4,623	\$ 4,904	\$ 5,315	\$ 61,928
Total	\$ 25,950	\$ 25,618	\$ 23,491	\$ 21,763	\$ 25,186	\$ 28,916	\$ 29,673	\$ 27,501	\$ 24,772	\$ 21,551	\$ 25,146	\$ 26,742	\$ 306,309

Appendix "B"

FNEI OEB Submission November 10, 2020
2020 Foregone Revenue Recovery & Interest Calculation

Suggested Disposition Scenario 1: 12 Months (2021)

	2020												2021											
	January	February	March	April	May	June	July	August	September	October	November	December	January	February	March	April	May	June	July	August	September	October	November	December
Opening Principal Balance:	\$ -	\$ 25,950	\$ 51,568	\$ 75,059	\$ 96,822	\$ 122,008	\$ 150,924	\$ 180,597	\$ 208,098	\$ 232,870	\$ 254,421	\$ 279,567	\$ 306,309	\$ 280,783	\$ 255,258	\$ 229,732	\$ 204,206	\$ 178,680	\$ 153,155	\$ 127,629	\$ 102,103	\$ 76,577	\$ 51,052	\$ 25,526
Add Foregone Revenue:	\$ 25,950	\$ 25,618	\$ 23,491	\$ 21,763	\$ 25,186	\$ 28,916	\$ 29,673	\$ 27,501	\$ 24,772	\$ 21,551	\$ 25,146	\$ 26,742												
Foregone Revenue Recovery:													\$ (25,526)	\$ (25,526)	\$ (25,526)	\$ (25,526)	\$ (25,526)	\$ (25,526)	\$ (25,526)	\$ (25,526)	\$ (25,526)	\$ (25,526)	\$ (25,526)	\$ (25,526)
Closing Principal Balance:	\$ 25,950	\$ 51,568	\$ 75,059	\$ 96,822	\$ 122,008	\$ 150,924	\$ 180,597	\$ 208,098	\$ 232,870	\$ 254,421	\$ 279,567	\$ 306,309	\$ 280,783	\$ 255,258	\$ 229,732	\$ 204,206	\$ 178,680	\$ 153,155	\$ 127,629	\$ 102,103	\$ 76,577	\$ 51,052	\$ 25,526	\$ -
	Total Foregone Revenue Additions: \$ 306,309																							
	Total Foregone Revenue Recoveries: \$ (306,309)																							
Interest Calculation																								
OEB Approved Rate:	2.18%	2.18%	2.18%	2.18%	2.18%	2.18%	0.57%	0.57%	0.57%	0.57%	0.57%	0.57%	0.57%	0.57%	0.57%	0.57%	0.57%	0.57%	0.57%	0.57%	0.57%	0.57%	0.57%	0.57%
Number of Days/Month:	31	29	31	30	31	30	31	31	30	31	30	31	31	29	31	30	31	30	31	31	30	31	30	31
Opening Interest Balance:	\$ -	\$ -	\$ 44.95	\$ 140.42	\$ 274.91	\$ 454.18	\$ 672.79	\$ 745.86	\$ 833.28	\$ 930.78	\$ 1,043.51	\$ 1,162.71	\$ 1,298.05	\$ 1,259.30	\$ 1,199.43	\$ 1,135.97	\$ 1,056.57	\$ 968.40	\$ 865.08	\$ 752.19	\$ 626.94	\$ 487.75	\$ 337.79	\$ 174.67
Interest Addition:	\$ -	\$ 44.95	\$ 95.48	\$ 134.49	\$ 179.27	\$ 218.61	\$ 73.06	\$ 87.43	\$ 97.49	\$ 112.73	\$ 119.19	\$ 135.34	\$ 148.29	\$ 127.16	\$ 123.57	\$ 107.63	\$ 98.86	\$ 83.71	\$ 74.14	\$ 61.79	\$ 47.83	\$ 37.07	\$ 23.92	\$ 12.36
Interest Recovery:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (187.03)	\$ (187.03)	\$ (187.03)	\$ (187.03)	\$ (187.03)	\$ (187.03)	\$ (187.03)	\$ (187.03)	\$ (187.03)	\$ (187.03)	\$ (187.03)	\$ (187.03)
Closing Interest Balance:	\$ -	\$ 44.95	\$ 140.42	\$ 274.91	\$ 454.18	\$ 672.79	\$ 745.86	\$ 833.28	\$ 930.78	\$ 1,043.51	\$ 1,162.71	\$ 1,298.05	\$ 1,259.30	\$ 1,199.43	\$ 1,135.97	\$ 1,056.57	\$ 968.40	\$ 865.08	\$ 752.19	\$ 626.94	\$ 487.75	\$ 337.79	\$ 174.67	\$ (0.00)
	Total Interest Additions: \$ 2,244																							
	Total Interest Recoveries: \$ (2,244)																							

Suggested Disposition Scenario 2: 24 Months (2021-2022)

	2020												2021												2022																	
	January	February	March	April	May	June	July	August	September	October	November	December	January	February	March	April	May	June	July	August	September	October	November	December	January	February	March	April	May	June	July	August	September	October	November	December						
Opening Principal Balance:	\$ -	\$ 25,950	\$ 51,568	\$ 75,059	\$ 96,822	\$ 122,008	\$ 150,924	\$ 180,597	\$ 208,098	\$ 232,870	\$ 254,421	\$ 279,567	\$ 306,309	\$ 293,546	\$ 280,783	\$ 268,020	\$ 255,258	\$ 242,495	\$ 229,732	\$ 216,969	\$ 204,206	\$ 191,443	\$ 178,680	\$ 165,917	\$ 153,155	\$ 140,392	\$ 127,629	\$ 114,866	\$ 102,103	\$ 89,340	\$ 76,577	\$ 63,814	\$ 51,052	\$ 38,289	\$ 25,526	\$ 12,763						
Add Foregone Revenue:	\$ 25,950	\$ 25,618	\$ 23,491	\$ 21,763	\$ 25,186	\$ 28,916	\$ 29,673	\$ 27,501	\$ 24,772	\$ 21,551	\$ 25,146	\$ 26,742													\$ (12,763)	\$ (12,763)	\$ (12,763)	\$ (12,763)	\$ (12,763)	\$ (12,763)	\$ (12,763)	\$ (12,763)	\$ (12,763)	\$ (12,763)	\$ (12,763)	\$ (12,763)						
Foregone Revenue Recovery:													\$ (12,763)	\$ (12,763)	\$ (12,763)	\$ (12,763)	\$ (12,763)	\$ (12,763)	\$ (12,763)	\$ (12,763)	\$ (12,763)	\$ (12,763)	\$ (12,763)	\$ (12,763)	\$ (12,763)	\$ (12,763)	\$ (12,763)	\$ (12,763)	\$ (12,763)	\$ (12,763)	\$ (12,763)	\$ (12,763)	\$ (12,763)	\$ (12,763)	\$ (12,763)	\$ (12,763)						
Closing Principal Balance:	\$ 25,950	\$ 51,568	\$ 75,059	\$ 96,822	\$ 122,008	\$ 150,924	\$ 180,597	\$ 208,098	\$ 232,870	\$ 254,421	\$ 279,567	\$ 306,309	\$ 293,546	\$ 280,783	\$ 268,020	\$ 255,258	\$ 242,495	\$ 229,732	\$ 216,969	\$ 204,206	\$ 191,443	\$ 178,680	\$ 165,917	\$ 153,155	\$ 140,392	\$ 127,629	\$ 114,866	\$ 102,103	\$ 89,340	\$ 76,577	\$ 63,814	\$ 51,052	\$ 38,289	\$ 25,526	\$ 12,763	\$ (0)						
	Total Foregone Revenue Additions: \$ 306,309																																									
	Total Foregone Revenue Recoveries: \$(306,309)																																									
Interest Calculation																																										
OEB Approved Rate:	2.18%	2.18%	2.18%	2.18%	2.18%	2.18%	0.57%	0.57%	0.57%	0.57%	0.57%	0.57%	0.57%	0.57%	0.57%	0.57%	0.57%	0.57%	0.57%	0.57%	0.57%	0.57%	0.57%	0.57%	0.57%	0.57%	0.57%	0.57%	0.57%	0.57%	0.57%	0.57%	0.57%	0.57%	0.57%	0.57%	0.57%					
Number of Days/Month:	31	29	31	30	31	30	31	31	30	31	30	31	31	29	31	30	31	30	31	31	30	31	30	31	31	29	31	30	31	30	31	31	30	31	30	31	31	30	31	31	30	31
Opening Interest Balance:	\$ -	\$ -	\$ 44.95	\$ 140.42	\$ 274.91	\$ 454.18	\$ 672.79	\$ 745.86	\$ 833.28	\$ 930.78	\$ 1,043.51	\$ 1,162.71	\$ 1,298.05	\$ 1,316.35	\$ 1,319.30	\$ 1,325.24	\$ 1,320.81	\$ 1,314.40	\$ 1,298.01	\$ 1,279.24	\$ 1,254.29	\$ 1,219.97	\$ 1,182.66	\$ 1,136.38	\$ 1,086.71	\$ 1,030.86	\$ 964.45	\$ 896.25	\$ 820.08	\$ 739.52	\$ 651.38	\$ 558.46	\$ 459.37	\$ 353.30	\$ 241.84	\$ 123.81						
Interest Addition:	\$ -	\$ 44.95	\$ 95.48	\$ 134.49	\$ 179.27	\$ 218.61	\$ 73.06	\$ 87.43	\$ 97.49	\$ 112.73	\$ 119.19	\$ 135.34	\$ 148.29	\$ 132.94	\$ 135.93	\$ 125.57	\$ 123.57	\$ 113.61	\$ 111.22	\$ 105.04	\$ 95.67	\$ 92.68	\$ 83.71	\$ 80.32	\$ 74.14	\$ 63.58	\$ 61.79	\$ 53.81	\$ 49.43	\$ 41.86	\$ 37.07	\$ 30.89	\$ 23.92	\$ 18.54	\$ 11.96	\$ 6.18						
Interest Recovery:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (129.99)	\$ (129.99)	\$ (129.99)	\$ (129.99)	\$ (129.99)	\$ (129.99)	\$ (129.99)	\$ (129.99)	\$ (129.99)	\$ (129.99)	\$ (129.99)	\$ (129.99)	\$ (129.99)	\$ (129.99)	\$ (129.99)	\$ (129.99)	\$ (129.99)	\$ (129.99)	\$ (129.99)	\$ (129.99)	\$ (129.99)	\$ (129.99)	\$ (129.99)	\$ (129.99)	\$ (129.99)	\$ (129.99)	\$ (129.99)	\$ (129.99)	\$ (129.99)	
Closing Interest Balance:	\$ -	\$ 44.95	\$ 140.42	\$ 274.91	\$ 454.18	\$ 672.79	\$ 745.86	\$ 833.28	\$ 930.78	\$ 1,043.51	\$ 1,162.71	\$ 1,298.05	\$ 1,316.35	\$ 1,319.30	\$ 1,325.24	\$ 1,320.81	\$ 1,314.40	\$ 1,298.01	\$ 1,279.24	\$ 1,254.29	\$ 1,219.97	\$ 1,182.66	\$ 1,136.38	\$ 1,086.71	\$ 1,030.86	\$ 964.45	\$ 896.25	\$ 820.08	\$ 739.52	\$ 651.38	\$ 558.46	\$ 459.37	\$ 353.30	\$ 241.84	\$ 123.81	\$ 0.00						
	Total Interest Additions: \$ 3,120																																									
	Total Interest Recoveries: \$ (3,120)																																									

Recovery Period	Foregone Revenue			Incremental Revenue Requirement		
	Principal	Interest	Total	2021	2022	Total
12-month	\$306,309	\$2,244	\$308,553	\$308,553	\$0	\$308,553
24-month	\$306,309	\$3,120	\$309,429	\$154,714	\$154,714	\$309,429