

**UNDERTAKING NO. JT1.1:**

**TO UPDATE TABLE 5 AT PAGE 27 OF THE APPLICATION TO INCLUDE 2021 RELIABILITY INFORMATION.**

The following table presents the 2021 reliability metrics for Brantford Power and Energy+:

<b>2021 Reliability</b>	<b>SAIDI</b>	<b>SAIFI</b>
Brantford Power	0.85	1.40
Energy+	0.65	1.19

**UNDERTAKING NO. JT1.2:**

**TO PROVIDE THE UNDERLYING DATA FOR 2020 AND 2021 SUPPORTING TABLES 6, 7, AND 8 AT PAGE 30 OF THE APPLICATION**

The Applicants have attached an Excel workbook named “LDC\_Amalco\_Undertaking\_Tables.xlsx” with the undertaking responses. Please refer to the tab labeled “JT1.2” for the 2020 actuals and 2021 projections supporting table 6, 7 and 8.

**UNDERTAKING NO. JT1.3:**

**(A) TO PROVIDE EXPLANATIONS FOR THE DATA IN THE SPREADSHEETS FOR TABLE 6, 7, AND 8; (B) TO PROVIDE A BREAKDOWN OF THE SAVINGS BY CATEGORIES AS LISTED; TO PROVIDE FIGURES THAT RECONCILE TABLE 6 AND TABLE 10.**

The Applicants have attached an Excel workbook named “LDC\_Amalco\_Undertaking\_Tables.xlsx” with the undertaking responses. Please refer to the tab labeled “JT1.3” for: a) the calculations and assumptions supporting table 6, 7 and 8; and b) a breakdown of the synergies and integration costs on rows 16 to 34 that reconcile table 6 and table 10.

**UNDERTAKING NO. JT1.4:**

**TO PROVIDE AN EXCEL SPREADSHEET SHOWING THE CALCULATIONS IN FIGURES 1, 2, AND 3 AT PAGES 31 AND 32**

The Applicants have attached an Excel workbook named “LDC\_Amalco\_Undertaking\_Tables.xlsx” with the undertaking responses. Please refer to the tab labeled “JT1.4” for the calculations in figures 1, 2 and 3.

**UNDERTAKING NO. JT1.5:**

**FOR THE TOTAL BASE DISTRIBUTION CHARGES SHOWN IN FIGURE 12 AT PAGE 48, TO PROVIDE A COMPARISON OF CURRENT 2022 APPROVED DISTRIBUTION RATES BROKEN DOWN BY EACH COMPONENT**

The Applicants have attached an Excel workbook named “LDC\_Amalco\_Undertaking\_Tables.xlsx” with the undertaking responses. Please refer to the tab labeled “JT1.5” for a comparison of current 2022 approved distribution rates broken down by each component.

**UNDERTAKING NO. JT1.6:**

**BPI AND ENERGY+ PROVIDE AN ANALYSIS FOR EACH OF THE YEARS BEGINNING IN 2027 TO THE END OF THE DEFERRED REBASING PERIOD OF THE AMOUNT IT EXPECTS TO BOOK INTO THE ACCOUNT, AND HOW IT IS MAKING THE CALCULATION**

The Applicants have attached an Excel workbook named “LDC\_Amalco\_Undertaking\_Tables.xlsx” with the undertaking responses. Please refer to the tab labeled “JT1.6” for an analysis of the expected amounts to be booked to Account 1592 - PILs and Tax Variances– CCA Changes. The Applicants propose that the mechanism for Account 1592 only be applicable to the Brantford Power service territory.

**UNDERTAKING NO. JT1.7**

**ENERGY+ AND BPI TO PROVIDE FIGURES FOR REGULATORY COSTS FROM THE MOST RECENT COST-OF-SERVICE APPLICATIONS**

The following table presents the one-time regulatory costs from the most recent cost of service applications:

<b>App. 2-M Regulatory Costs</b>	<b>One-Time Costs</b>	<b>1/5 Amortization per Year</b>
Brantford Power	\$355,635	\$71,127
Energy+	\$850,995	\$170,199
Total	\$1,206,630	\$241,326

**UNDERTAKING NO. JT1.8:**

**BPI AND ENERGY+ TO PROVIDE CUSTOMER COUNT FORECASTS TO 2032, WERE THEY TO CONTINUE AS NON-MERGED UTILITIES**

The customer count forecasts to Year 11 (2032) were provided in response to JT1.4. Please see rows 68 to 70 of the referenced Excel sheet.

**UNDERTAKING NO. JT1.9:**

**TO PROVIDE A LIST OF EXPECTED FILINGS TO BE MADE EACH YEAR**

The applicants expect to apply OEB policies applicable in each year, as appropriate, and as may be updated by the OEB.

Annual filings currently anticipated by the Applicants, would include the following based on current OEB policies and requirements:

1. Annual PCIR Application – filing requirements based on the current Chapter 3 Filing Guide for Incentive Rate-Setting Applications and currently include:
  - o Distribution rates by service area based on Price-Cap IR;
  - o Disposition of Group 1 Deferral and Variance Accounts, subject to materiality thresholds and other criteria as established by the OEB;
  - o Adjustments to other rates (flow-through costs) including retail transmission rates, and retailer service rates;
  - o Lost Revenue Adjustment Mechanism Variance Account; and
  - o Incremental Capital Module (“ICM”), if applicable.
2. Annual RRR Filing for LDC Amalco in respect of each fiscal year;
3. Quarterly RRR Filing for LDC Amalco in respect of each fiscal year;
4. Scorecard, including Management Discussion and Analysis.

The Applicants note that the above list of expected annual filings does not include the filing requirements in the year of rate rebasing of LDC Amalco, nor does it include any other applications, filing requirements or information requests that may arise during the deferred rebasing period.

**UNDERTAKING NO. JT1.10:**

**TO PROVIDE A LIST OF ELIGIBLE RETIREMENTS IN THE NEXT TEN YEARS AND THEIR AREAS OF RESPONSIBILITY.**

The following table lists the eligible retirements by area of responsibility in the next ten years:

<b>Area of Responsibility</b>	<b>Currently Eligible</b>	<b>Eligible Within Next 5 Years</b>	<b>Eligible &gt; 5 Years</b>	<b>Total</b>
Administration	0	1	1	2
Billing	0	2	0	2
Customer Care	4	2	1	7
Engineering	1	2	1	4
Executive	3	1	1	5
Finance	0	1	1	2
ITS	0	1	0	1
Operations	3	2	5	10
<b>Total</b>	<b>11</b>	<b>12</b>	<b>10</b>	<b>33</b>

**UNDERTAKING NO. JT1.11:**

**TO PROVIDE A DISTRIBUTION LICENCE APPLICATION FOR LDC AMALCO.**

The Applicants have attached a PDF file named "LDC\_Amalco\_Distribution\_Licence\_Application" with the undertaking responses.

The Applicants would note that, for purposes of Section 16 Information about Key Individuals in the Distribution Licence Application, the Applicants have included the incumbents in the key administrative and operation roles from each of Energy+ and BPI.

The "key individuals" of LDC Amalco have not yet been appointed and will be formally appointed upon closing of the transaction. Mr. Ian Miles has been named the President and CEO of LDC Amalco.

**UNDERTAKING NO. JT1.12:**

**BPI AND ENERGY+ TO PROVIDE A DRAFT ACCOUNTING ORDER**

The Applicants would propose the following Draft Accounting Order with respect to the Earnings Sharing Mechanism:

**Draft Accounting Order – 1508 Other Regulatory Asset – Sub-account Earnings Sharing Variance Account**

In accordance with the Handbook to Electricity Distributor and Transmitter Consolidations, LDC Amalco proposes the establishment of a new variance account “1508 Other Regulatory Asset – Sub-account Earnings Sharing Variance Account” to record the 50% sharing with customers of the amount, if any, of the achieved regulated earnings of LDC Amalco that are greater than 300 basis points above the allowed regulated rate of return for Years 6 to 10 of the rebasing deferral period.

The assessment of earnings will commence with the availability of the Year 6 audited financial results and will continue to be reviewed and computed on an annual basis. Excess earnings beyond 300 basis points of the consolidated entity’s allowed regulated rate of return (“allowed ROE”) will be shared 50:50 with all customers annually.

The regulatory net income and regulated return on equity (“ROE”) would be computed based on LDC Amalco’s annual audited financial results, adjusted for any revenue and expenses that are not otherwise included for regulatory purposes, consistent with the Board’s current established regulated ROE model under the Board’s Reporting and Record Keeping requirements. Under this methodology, the actual regulated ROE is calculated by dividing adjusted regulatory net income by the deemed equity component of rate base.

LDC Amalco’s allowed ROE would be computed based on the approved ROE percentages for each of Brantford Power Inc. and Energy+ Inc. from their last cost of service (2022 and 2019 respectively), weighted by the deemed equity component of rate base for Brantford Power and Energy+, as reported in the respective 2021 annual RRR filing.

The following outlines the proposed accounting entries for this deferral account:

Debit	Account 4395 Rate-Payer Benefit Including Interest
Credit	Account 1508 Other Regulatory Assets-Sub-account Earnings Sharing Variance Account

To record the 50% sharing with customers of the amount, if any, of the achieved regulated earnings of LDC Amalco that are greater than 300 basis points above the allowed regulated rate of return for Years 6 to 10 of the rebasing deferral period.

Debit	Account 4395 Rate-Payer Benefit Including Interest
Credit	Account 1508 Other Regulatory Assets-Sub-account Earnings Sharing Variance Account

To record interest accrued on the principal balance of the Earnings Sharing Variance Account.