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BY EMAIL AND RESS

April 21, 2022

Ms. Nancy Marconi
Registrar
Ontario Energy Board
Suite 2700, 2300 Yonge Street
P.O. Box 2319
Toronto, ON M4P 1E4

Dear Ms. Marconi,

EB-2022-0071 – Motion to review and vary aspects of the EB-2021-0033 Decision and Order relating to Account 1576 and Account 1592 – Account 1592, Sub-account CCA Changes

In accordance with the Decision and Order in the above noted proceeding issued on April 7, 2022, Hydro One Networks Inc. submits its updated Account 1592, Sub-account CCA Changes amounts calculated using the Actual Additions Method, with supporting calculations for each of the Acquired Utilities.

As required by this Decision, Hydro One will dispose of these updated Account 1592 Sub-Account amounts including any applicable interest in its 2023-2027 Custom IR proceeding in EB-2021-0110.

An electronic copy of the supporting Excel spreadsheet has been submitted using the OEB's Regulatory Electronic Submission System and has also been forwarded to intervenors.

Sincerely,

A handwritten signature in dark ink, appearing to read "Frank D'Andrea", written in a cursive style.

Frank D'Andrea

Accelerated CCA Calculations (Acquired Utilities)

The following estimates the accelerated CCA impact from 2019 to 2022 based on actual additions for 2019/2020/2021 and forecast additions for 2022.

Please note that as accelerated depreciation was enacted November 2018, the amounts related to 2018 would not be material as it would only be for one month of accelerated CCA. Consequently, the 2018 impact for accelerated CCA have not been included in the below.

	Norfolk	Haldimand	Woodstock	Total
2019	370,151	270,201	203,525	843,877
2020	263,905	394,108	104,668	762,681
2021	212,735	310,275	375,407	898,417
2022	289,137	363,869	252,445	905,451
Total	1,135,928	1,338,453	936,046	3,410,427
Tax Rate	26.5%	26.5%	26.5%	26.5%
Tax Effectuated	301,021	354,690	248,052	903,763
Grossed up	409,552	482,572	337,486	1,229,610

NORFOLK - ACCELERATED CCA CALCULATION

Accelerated CCA - This is multiplied by a factor of 2 as it is meant to capture the additional benefits associated with accelerated CCA (i.e. 3X accelerated depreciation - 1X regular depreciation)

Consequential CCA - As accelerated CCA reduces the tax basis, it results in lower CCA in the following years.

2019 Norfolk	A	B	C	D = B * C/2 * 2	E = A * C	F = A-D-E
Class	Opening	Additions	Rate %	Accel CCA	Consequential CCA	Ending UCC
17		29,390	8.0%	2,351		(2,351)
47		4,597,495	8.0%	367,800		(367,800)
		4,626,885		370,151	-	(370,151)

Total CCA	370,151
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2020 Norfolk	A	B	C	D = B * C/2 * 2	E = A * C	F = A-D-E
Class	Opening	Additions	Rate %	Accel CCA	Consequential CCA	Ending UCC
17	(2,351)	244,099	8.0%	19,528	(188)	(21,691)
47	(367,800)	3,424,860	8.0%	273,989	(29,424)	(612,364)
	(370,151)	3,668,958		293,517	(29,612)	(634,055)

Total CCA	263,905
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2021 Norfolk	A	B	C	D = B * C/2 * 2	E = A * C	F = A-D-E
Class	Opening	Additions	Rate %	Accel CCA	Consequential CCA	Ending UCC
17	(21,691)	186,945	8.0%	14,956	(1,735)	(34,911)
47	(612,364)	3,106,303	8.0%	248,504	(48,989)	(811,879)
	(634,055)	3,293,248		263,460	(50,724)	(846,791)

Total CCA	212,735
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2022 Norfolk	A	B	C	D = B * C/2 * 2	E = A * C	F = A-D-E
Class	Opening	Additions	Rate %	Accel CCA	Consequential CCA	Ending UCC
17	(34,911)	-	8.0%	-	(2,793)	(32,118)
47	(811,879)	4,461,002	8.0%	356,880	(64,950)	(1,103,809)
	(846,791)	4,461,002		356,880	(67,743)	(1,135,928)

Total CCA	289,137
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HALDIMAND - ACCELERATED CCA CALCULATION

Accelerated CCA - This is multiplied by a factor of 2 as it is meant to capture the additional benefits associated with accelerated CCA (i.e. 3X accelerated depreciation - 1X regular depreciation)

Consequential CCA - As accelerated CCA reduces the tax basis, it results in lower CCA in the following years.

2019 Haldimand	A	B	C	D = B * C/2 * 2	E = A * C	F = A-D-E
Class	Opening	Additions	Rate %	Accel CCA	Consequential CCA	Ending UCC
17			8.0%	-	-	-
47		3,377,515	8.0%	270,201	-	(270,201)
		3,377,515		270,201	-	(270,201)
Total CCA				270,201		

2020 Haldimand	A	B	C	D = B * C/2 * 2	E = A * C	F = A-D-E
Class	Opening	Additions	Rate %	Accel CCA	Consequential CCA	Ending UCC
17	-	10,271	8.0%	822	-	(822)
47	(270,201)	5,186,281	8.0%	414,902	(21,616)	(663,488)
	(270,201)	5,196,552		415,724	(21,616)	(664,309)
Total CCA				394,108		

2021 Haldimand	A	B	C	D = B * C/2 * 2	E = A * C	F = A-D-E
Class	Opening	Additions	Rate %	Accel CCA	Consequential CCA	Ending UCC
17	(822)	35,614	8.0%	2,849	(66)	(3,605)
47	(663,488)	4,507,135	8.0%	360,571	(53,079)	(970,979)
	(664,309)	4,542,749		363,420	(53,145)	(974,584)
Total CCA				310,275		

2022 Haldimand	A	B	C	D = B * C/2 * 2	E = A * C	F = A-D-E
Class	Opening	Additions	Rate %	Accel CCA	Consequential CCA	Ending UCC
17	(3,605)		8.0%	-	(288)	(3,317)
47	(970,979)	5,522,944	8.0%	441,836	(77,678)	(1,335,137)
	(974,584)	5,522,944		441,836	(77,967)	(1,338,453)
Total CCA				363,869		

WOODSTOCK - ACCELERATED CCA CALCULATION

Accelerated CCA - This is multiplied by a factor of 2 as it is meant to capture the additional benefits associated with accelerated CCA (i.e. 3X accelerated depreciation - 1X regular depreciation)

Consequential CCA - As accelerated CCA reduces the tax basis, it results in lower CCA in the following years.

2019 Woodstock		A	B	C	D = B * C/2 * 2	E = A * C	F = A-D-E
Class	Opening	Additions	Rate %	Accel CCA	Consequential CCA	Ending UCC	
47		2,544,068	8.0%	203,525	-	(203,525)	
	-	2,544,068		203,525		(203,525)	
Total CCA				203,525			

2020 Woodstock		A	B	C	D = B * C/2 * 2	E = A * C	F = A-D-E
Class	Opening	Additions	Rate %	Accel CCA	Consequential CCA	Ending UCC	
47	(203,525)	1,511,882	8.0%	120,951	(16,282)	(308,194)	
	(203,525)	1,511,882		120,951	(16,282)	(308,194)	
Total CCA				104,668			

2021 Woodstock		A	B	C	D = B * C/2 * 2	E = A * C	F = A-D-E
Class	Opening	Additions	Rate %	Accel CCA	Consequential CCA	Ending UCC	
47	(308,194)	5,000,780	8.0%	400,062	(24,656)	(683,601)	
	(308,194)	5,000,780		400,062	(24,656)	(683,601)	
Total CCA				375,407			

2022 Woodstock		A	B	C	D = B * C/2 * 2	E = A * C	F = A-D-E
Class	Opening	Additions	Rate %	Accel CCA	Consequential CCA	Ending UCC	
47	(683,601)	3,839,164	8.0%	307,133	(54,688)	(936,046)	
	(683,601)	3,839,164		307,133	(54,688)	(936,046)	
Total CCA				252,445			