

K4.2

THESL'S Proposed ICM Adders based on OEB ICM Framework

	\$ millions	2012	2013	2014	Totals	Notes
Capital Spending		283.0	579.0		862.0	[A]
Less: Threshold (including 20% deadband)		173.0	173.0		346.0	[B]
ICM Additions to Rate Base		110.0	406.0		516.0	[C] = [A] - [B]
Approximate capital recovery factor		10%	10%			
ICM Adder for 2012 Spending		11.0	11.0	11.0	33.0	
ICM Adder for 2013 Spending			40.6	40.6	81.2	
Total Revenue from ICM Adders over IRM Period					114.2	

Ontario Energy Board	
FILE No.	FB-2012-0064
EXHIBIT No.	K4.2
DATE	December 13, 2012
08/99	

THESL's Unfunded Net Fixed Assets During IRM Period

	\$ Millions	2011	2012	2013	2014	Total	Notes
2011 Approved Closing NFA		2,105.1					
2011 Approved Average NFA		2,001.5					
2012 Opening Incremental NFA		103.7					[A]
Opening Net Fixed Assets							
Pre-2012 CWIP		2,105.1	2,149.1	2,476.0	-		[B] = Prior Year's Closing Net Fixed Assets
Additions from 2012 Capital Spending		67.0	45.5	32.3	144.7		
Additions from 2013 Capital Spending		116.3	140.6	26.1	283.0		
Depreciation - pre-2012 Asset Base		-	283.8	295.3	579.1		
Depreciation - Pre-2012 CWIP		(134.7)	(122.5)	(117.1)			
Depreciation - 2012 and 2013 Additions		(1.0)	(2.7)	(3.9)			
		(3.6)	(17.7)	(31.7)			
		-	-	-			
Closing Net Fixed Assets		2,149.1	2,476.0	2,677.0			[C]
Average Net Fixed Assets		2,127.1	2,312.6	2,576.5			[D] = ([B] + [C]) / 2
Less: Net Fixed Assets funded through rates		2,015.1	2,028.8	2,042.6			[E] = [A] growing at 0.68% annually
Unfunded Net Fixed Assets		112.1	283.8	533.9			[F] = [D] - [E]
10% Proxy Revenue Attraction Factor			11.2	28.4	53.4	93.0	[G] = [F] x 10%
2012 unfunded revenue requirement			11.2	11.2	11.2		
2013 unfunded revenue requirement			-	17.2	17.2		
2014 unfunded revenue requirement			-	-	25.0	93.0	