

October 18, 2024

VIA RESS

Ms. Nancy Marconi
Registrar
Ontario Energy Board
2300 Yonge Street
27th Floor, Box 2319
Toronto, ON M4P 1E4
Email: registrar@oeb.ca

Dear Ms. Marconi;

Re: EB-2024-0006 – Alectra Utilities Corporation (“Alectra Utilities”) 2025 Electricity Distribution (“EDR”) Rate Application – Alectra Utilities’ Interrogatory Responses

Alectra Utilities Corporation (“Alectra”) is the Applicant in the above-referenced proceeding. In accordance with the Ontario Energy Board’s (“OEB”) Procedural Order No. 1 dated September 24, 2024, parties were required to submit interrogatories on the Applicant’s evidence by October 4, 2024, with the Applicant’s responses due October 18, 2024.

Enclosed are Alectra’s responses to interrogatories from OEB Staff and Vulnerable Energy Consumers Coalition (“VECC”).

The responses are being filed electronically through the OEB’s RESS system. Included with the electronic filing are live Excel models for the following responses:

- | | |
|-----------|--|
| 1-Staff-3 | ESM Calculation |
| 1-Staff-4 | Rate Generator Models for all rate zones |
| VECC-1 | 2017 to 2021 ROE Excl Adjustment |

Should you have any questions, please do not hesitate to contact the undersigned.

Yours truly,



Natalie Yeates
Director, Regulatory Affairs and Reporting
natalie.yeates@alectrautilities.com

cc: Charles Keizer, Torys LLP
All parties in EB-2024-0006

1-Staff-1

Capitalization Policy

Reference 1: 2025 IRM Rate Generator Model, Enersource Rate Zone (ERZ) – Current Tariff Schedule, Tab 2

Reference 2: Manager Summary Exhibit 2, Tab 1, Schedule 2, p. 7

In Reference 1, the Tariff schedule in Tab 2 indicates that Alectra Utilities' ERZ had access to required funding for its projects which included the underground asset renewal from 2017 to 2024 Incentive Rate Mechanism (IRM) year.

In Reference 2, Alectra Utilities states that the decrease in the ERZ of \$22.4 million is mainly due to lower investment in underground asset renewal and lower line capacity.

Question(s):

- a) Alectra Utilities in the previous applications for funding always justified the importance of required investment in critical assets such as the underground asset. Please provide reasoning for the decrease in investment in the underground assets in 2023 despite receiving all the required funding since 2017?**

Response:

- 1 Alectra Utilities did not receive Incremental Capital Module ("ICM") funding for underground cable
2 renewal projects since 2017. The OEB approved ICM funding for underground cable renewal
3 projects in Alectra Utilities' 2023 ICM application (EB-2022-0013). In that application, the OEB
4 approved total funding of \$1.9MM compared to the requested \$8.7MM in incremental capital.
5 Actual costs incurred in 2023 for the approved ICM projects was \$2.2MM. In the Tariff schedule
6 in Reference 1, only the 'Rate Rider for Recovery of Incremental Capital (2023) pertains to funding
7 for underground asset renewal.
8
9 The actual vs forecast analysis provided at Exhibit 2, Tab 1, Schedule 2, p.7 (Reference 2) is a
10 comparison of the Distribution Plant Capital Forecast included in Alectra Utilities' 2020-2024
11 Distribution System Plan ("DSP"), compared to actual Distribution Plant Capital in 2023. In the
12 OEB's Decision and Rate Order in Alectra Utilities' 2021 EDR Application, the OEB directed
13 Alectra Utilities to quantify the differences between 'actual to forecast' allocations and explain the

1 key drivers, particularly if the differences are material.¹ The 'forecast' referred to in the Decision
2 was underpinned by the capital expenditures in Alectra Utilities' 2020-2024 DSP filed in its 2020
3 EDR Application (EB-2019-0018). In its' 2024 ICM Application, Alectra Utilities provided evidence
4 on how it has managed its capital investments during the period covered by the DSP, including
5 the deferral of some investments in underground system renewal.²

¹ Decision and Rate Order, EB-2020-0002, December 17, 2020, p.52.

² EB-2023-0004, Exhibit 3, Tab 1, Schedule 1, pp.1; 4-6

1-Staff-2

Threshold Test

Reference: 2025 IRM rate Generator Model PowerStream Rate Zone (PRZ), Guelph Rate Zone (GRZ), Horizon Rate Zone (HRZ) Tab 4, Cells C29-33

Alectra Utilities requested the disposition of its Group 1 balances in all rate zones. OEB staff notes that Alectra Utilities calculated its Threshold Test in the PRZ, HRZ, and GRZ to be \$0.0006, \$0.0003, and \$0.0008, respectively, which did not meet the Threshold Test.

Question(s):

- a) Please explain the reasoning for requesting the disposition of Group 1 balances despite not meeting the Threshold Test in the PRZ, HRZ, and GRZ.**

Response:

- 1 Consistent with a Letter from the Board to Licensed Electricity Distributors re: *Process for 2015*
2 *Incentive Regulation Mechanism ("IRM") Distribution Rate Applications*, dated July 25, 2014,
3 distributors may also elect to dispose of Group 1 account balances below the threshold. This is
4 also consistent with Alectra Utilities' election to dispose of Group 1 balances below the threshold
5 for the Brampton, Enersource, Guelph and PowerStream rate zones in Alectra Utilities' 2022 IRM
6 application (EB-2021-0005). In that proceeding, the OEB approved disposition of the Group 1
7 balances.
8
9 Although the balances are below the threshold, the impact of the riders is not negligible.
10 Therefore, Alectra Utilities elects to request disposition of its Group 1 account balances for all rate
11 zones in this application.

1-Staff-3

Earnings Sharing Mechanism (ESM) – Returns On Equity (ROE)

Reference: Manager's Summary, Exhibit 2, Tab 1, Schedule 9, pg. 2-3

In the reference, Alectra Utilities states that to determine the 2023 ROE in HRZ, BRZ, PRZ and ERZ, the weighting factors were derived using 2017 and 2018 ROE data from respective annual reporting and record-keeping requirements (RRR) filings for Alectra Utilities and Guelph Hydro, as shown in Table 1 and 2.

In addition, Alectra Utilities also states that the Achieved ROE % for HRZ, BRZ, PRZ, ERZ, and GRZ reconciles to the RRR 2.1.5.6 ROE submissions for 2017 and 2018.

Table 1: 2017 RRR 2.1.5.6 ROE Summary¹

Description	HRZ, BRZ, PRZ & ERZ	GRZ	Alectra Utilities Consolidated	Weighting Factors for HRZ, BRZ, PRZ & ERZ
Adjusted Regulated Net Income(A)	92,065,394	5,839,597	97,904,991	0.9404
Rate Base (RB)	2,731,011,247	150,463,475	2,881,474,722	0.9478
Regulated Deemed Equity(40% of RB) (B)	1,092,404,499	60,185,390	1,152,589,889	0.9478
Archived ROE % (A/B)	8.43%	9.70%	8.49%	

¹ Manager's Summary, Exhibit 2, Tab 1, Schedule 9, pg. 3

Table 2: 2018 RRR 2.1.5.6 ROE Summary²

Description	HRZ, BRZ, PRZ & ERZ	GRZ	Alectra Utilities Consolidated	Weighting Factors for HRZ, BRZ, PRZ & ERZ
Adjusted Regulated Net Income(A)	88,414,588	5,072,739	93,487,327	0.9457
Rate Base (RB)	2,885,572,416	154,944,539	3,040,516,955	0.9490
Regulated Deemed Equity(40% of RB) (B)	1,154,228,966	61,977,816	1,216,206,782	0.9490
Archived ROE % (A/B)	7.66%	8.18%	7.69%	

Question(s):

- a) Has there been any subsequent reconciliation of the HRZ, BRZ, PRZ, ERZ, and GRZ Achieved ROE to RRR 2.1.5.6 submissions after 2018? If yes, please provide a copy. If not, please explain why.
- b) For the ESM, Alectra Utilities states that it evaluated a deemed ROE for Horizon, Brampton, PowerStream, and Enersource RZs, excluding Guelph of 8.94% in determining that the ESM is not triggered. Please provide calculations showing how the Achieved ROE % for Alectra Utilities (excluding Guelph) and Guelph demonstrates Alectra Utilities' conclusion that the ESM is not triggered.

Response:

- 1 a) Alectra Utilities has not prepared subsequent reconciliations of the HRZ, BRZ, PRZ, ERZ, and
- 2 GRZ Achieved ROE to RRR 2.1.5.6 submissions after 2018. Achieved ROE RRR 2.1.5.6
- 3 submissions have been filed for Alectra Consolidated (all five RZs) after the Alectra Utilities
- 4 and Guelph Hydro merger effective January 1, 2019. The 2017 and 2018 Achieved ROE data
- 5 used to derive weighting factors presented in Table 61 of the evidence corresponds to the

² Manager's Summary, Exhibit 2, Tab 1, Schedule 9, pg. 3

RRR 2.1.5.6 ROE submissions filed separately by Alectra Utilities (4 RZs) and Guelph Hydro in the respective years.

- b) The weighting factors were derived using 2017 and 2018 ROE data from the respective annual RRR filings for Alectra Utilities and Guelph Hydro, as the ROE calculations for Alectra and Guelph were reported separately in those years. Alectra Utilities calculated the 2023 Achieved ROE % (excluding Guelph) by applying the 2017 and 2018 weighting factors for the 4 RZs to the 2023 consolidated financial results. Table 1 below, which is also provided as Attachment 1 to this response, demonstrates the methodology used to calculate the 2023 Achieved ROE % (excluding Guelph) and Guelph ROE (i.e., the difference between Alectra Consolidated ROE and AUC 4 RZs).

The Achieved ROE (excluding Guelph) is either 145 basis points (using 2017 weighting factors) or 141 basis points (using 2018 weighting factors) below a Deemed ROE of 8.94%. As a consolidated entity, Alectra Utilities (all five RZs) itself did not over earn in 2023. Further, as mentioned above, under the allocation approaches used to determine ROE for the 4 RZs, Alectra Utilities' earnings were not 300 basis points above the Deemed ROE, and as a result the ESM is not triggered.

Table 1 – 2023 Achieved ROE %

2023 RRR ROE 2.1.5.6	Consolidated (i)	2017 Weighting Factor AUC 4 RZs (ii)	Achieved ROE AUC 4 RZs (iii) = (i) * (ii)	Achieved ROE GRZ (iv) = (i) - (iii)
Adjusted Regulated Net Income (A)	109,567,604	0.9404	103,032,384	6,535,220
Rate Base	3,629,115,487	0.9478	3,439,612,062	189,503,424
Regulated Deemed Equity (40% of RB) (B)	1,451,646,195	0.9478	1,375,844,825	75,801,370
Achieved ROE % (A/B)	7.55%		7.49%	8.62%
Deemed ROE	8.95%		8.94%	9.19%
Difference	-1.40%		-1.45%	-0.57%

2023 RRR ROE 2.1.5.6	Consolidated (i)	2018 Weighting Factor AUC 4 RZs (ii)	Achieved ROE AUC 4 RZs (iii) = (i) * (ii)	Achieved ROE GRZ (iv) = (i) - (iii)
Adjusted Regulated Net Income (A)	109,567,604	0.9457	103,622,329	5,945,274
Rate Base	3,629,115,487	0.9490	3,444,176,006	184,939,481
Regulated Deemed Equity (40% of RB) (B)	1,451,646,195	0.9490	1,377,670,402	73,975,792
Achieved ROE % (A/B)	7.55%		7.52%	8.04%
Deemed ROE	8.95%		8.94%	9.19%
Difference	-1.40%		-1.41%	-1.15%

1-Staff-3

Attachment 1 ESM Calculation

Alectra Utilities
1-Staff-3

2023 RRR ROE 2.1.5.6		2017 Weighting Factor AUC 4 RZs (ii)	Achieved ROE AUC 4 RZs (iii) = (i) * (ii)	Achieved ROE GRZ (iv) = (i) - (iii)
Consolidated (i)				
Adjusted Regulated Net Income (A)	109,567,604	0.9404	103,032,384	6,535,220
Rate Base	3,629,115,487	0.9478	3,439,612,062	189,503,424
Regulated Deemed Equity (40% of RB) (B)	1,451,646,195	0.9478	1,375,844,825	75,801,370
Achieved ROE % (A/B)	7.55%		7.49%	8.62%
Deemed ROE	8.95%		8.94%	9.19%
Difference	-1.40%		-1.45%	-0.57%

2023 RRR ROE 2.1.5.6		2018 Weighting Factor AUC 4 RZs (ii)	Achieved ROE AUC 4 RZs (iii) = (i) * (ii)	Achieved ROE GRZ (iv) = (i) - (iii)
Consolidated (i)				
Adjusted Regulated Net Income (A)	109,567,604	0.9457	103,622,329	5,945,274
Rate Base	3,629,115,487	0.9490	3,444,176,006	184,939,481
Regulated Deemed Equity (40% of RB) (B)	1,451,646,195	0.9490	1,377,670,402	73,975,792
Achieved ROE % (A/B)	7.55%		7.52%	8.04%
Deemed ROE	8.95%		8.94%	9.19%
Difference	-1.40%		-1.41%	-1.15%

Summary of Weighting Factors

2017 RRR ROE 2.1.5.6	AUC 4 RZs	Guelph	Alectra Consolidated	Weighting Factor AUC 4 RZs
Adjusted Regulated Net Income (A)	92,065,394	5,839,597	97,904,991	0.9404
Rate Base (RB)	2,731,011,247	150,463,475	2,881,474,722	0.9478
Regulated Deemed Equity (40% of RB) (B)	1,092,404,499	60,185,390	1,152,589,889	0.9478
Achieved ROE % (A/B)	8.43%	9.70%	8.49%	

2018 RRR ROE 2.1.5.6	AUC 4 RZs	Guelph	Alectra Consolidated	Weighting Factor AUC 4 RZs
Adjusted Regulated Net Income (A)	88,414,588	5,072,739	93,487,327	0.9457
Rate Base (RB)	2,885,572,416	154,944,539	3,040,516,955	0.9490
Regulated Deemed Equity (40% of RB) (B)	1,154,228,966	61,977,816	1,216,206,782	0.9490
Achieved ROE % (A/B)	7.66%	8.18%	7.69%	

Summary for Deemed ROE

Weighted Average Deemed ROE Calculation	Deemed Equity Portion of Rate Base (\$)	Weighting Factor	Deemed ROE
ERZ	249,399,133	0.22	8.93%
BRZ	161,847,409	0.14	9.30%
GRZ	60,556,692	0.06	9.19%
PRZ	433,122,065	0.38	8.78%
HRZ	222,279,180	0.20	8.98%
Alectra Weighted Deemed ROE (5 RZs)			8.95%

Weighted Average Deemed ROE Calculation	Deemed Equity Portion of Rate Base (\$)	Weighting Factor	Deemed ROE
ERZ	249,399,133	0.23	8.93%
BRZ	161,847,409	0.15	9.30%
PRZ	433,122,065	0.41	8.78%
HRZ	222,279,180	0.21	8.98%
Alectra Weighted Deemed ROE (4 RZs)			8.94%

1-Staff-4

Reference: Rate Generator Model, Tab 3, Continuity Schedule

On September 13, 2024, the OEB published the 2024 Quarter 4 prescribed accounting interest rates applicable to the carrying charges of deferral, variance and construction work in progress (CWIP) accounts of natural gas utilities, electricity distributors and other rate-regulated entities.

Question(s):

- a) Please update Tab 3 (Continuity Schedule) as necessary to reflect the Q4 2024 OEB-prescribed interest rate of 4.40%.**

Response:

- 1 a) Alectra Utilities has updated Tab 3 (Continuity Schedule) to reflect the Q4 2024 OEB-
- 2 prescribed interest rate of 4.40%. The updated Rate Generator Models are filed as 1-Staff-
- 3 4_Attach 1_RGM HRZ, 1-Staff-4_Attach 2_RGM BRZ, 1-Staff-4_Attach 3_RGM PRZ, 1-Staff-
- 4 4_Attach 4_RGM ERZ, and 1-Staff-4_Attach 5_RGM GRZ.

1-Staff-4

**Attachment 1
RGM HRZ**

Please see live excel version of Attachment 1

1-Staff-4

**Attachment 2
RGM BRZ**

Please see live excel version of Attachment 2

1-Staff-4

**Attachment 3
RGM PRZ**

Please see live excel version of Attachment 3

1-Staff-4

**Attachment 4
RGM ERZ**

Please see live excel version of Attachment 4

1-Staff-4

**Attachment 5
RGM GRZ**

Please see live excel version of Attachment 5

1-Staff-5

Reference 1: Attachment 22 RGCRP BRZ, Attachment 23 RGCRP PRZ, Attachment 24 RGCRP ERZ

Reference 2: EB-2020-0002, IRR for ERZ-Staff-30, PRZ-Staff-42

Reference 3: EB-2022-0185, RGCRP BRZ Excel Model, RGCRP PRZ Excel Model, RGCRP ERZ Excel Model

In response to OEB staff interrogatories for its 2021 request for RGCRP funding approval, Alectra Utilities confirmed that it does not expect any future RGCRP capital additions in 2022-2026 for ERZ, BRZ, and PRZ. OEB staff notes that the RGCRP funding request for 2025 is the same as what was provided in the previously approved 2023 RGCRP Models in Reference 3.

Question(s):

- a) Please confirm OEB staff's understanding that the RGCRP funding requests for 2025 for ERZ, BRZ and PRZ remain unchanged from the 2023 IRM model because there were no capital additions in 2025. If this is not the case, please explain.

Response:

- 1 a) Alectra Utilities confirms that the 2025 RGCRP funding amounts for the Brampton,
- 2 PowerStream and Enersource RZs remain unchanged from what was previously approved by
- 3 the OEB in the 2023 rate proceeding. Specifically, Alectra Utilities is requesting RGCRP
- 4 funding of \$125,149 in the BRZ, \$234,307 in the PRZ and \$130,810 in the ERZ for 2025.

1-Staff-6

Reference 1: Attachment 27 ESM Calculation

Reference 2: Manager Summary, Exhibit 2 / Tab 1 / Schedule 9

To determine the 2023 ROE for the Horizon, Brampton, PowerStream and Enersource RZs only, Alectra Utilities derived weighting factors to be applied to Alectra Consolidated (all five RZs) ROE data. The weighting factors were derived using 2017 and 2018 ROE data from the respective annual RRR filings for Alectra Utilities and Guelph Hydro. Since the Alectra Utilities and Guelph Hydro merger was effective January 1, 2019, Alectra Utilities (4 RZs) and Guelph Hydro filed separate RRR 2.1.5.6 ROE calculations for 2017 and 2018.

OEB staff has copied the table for the weighted average deemed ROE calculation for the 5 rate zones from Reference 1 but is unable to recreate the amounts under the deemed equity portion of the rate base for each rate zone.

Weighted Average Deemed ROE Calculation	Deemed Equity Portion of Rate Base (\$)	Weighting Factor	Deemed ROE
ERZ	249,399,133	0.22	8.93%
BRZ	161,847,409	0.14	9.30%
GRZ	60,556,692	0.05	9.19%
PRZ	433,122,065	0.38	8.78%
HRZ	222,279,180	0.20	8.98%
Alectra Weighted Deemed ROE (5 RZs)			8.95%

Question(s):

- a) Please provide supporting calculations of how the deemed equity portion of rate base (\$) for each rate zone was calculated.
 - i) Please confirm whether this calculation was utilized and approved in the past. If it was approved in the past, please provide the reference.
- b) The weighting factors of the 5 rate zones add to 0.99 where OEB staff expects the factors to add to 1.00. Please update the evidence as necessary.
 - i) If this should not be the case, please explain why.

Response:

- a) The amounts under the deemed equity portion of rate base are the last OEB-approved Total Equity amounts calculated in 'Tab 7. Cost of Capital' of the Revenue Requirement Workform ("RRWF") for each legacy utility.
- i) Alectra Utilities confirms the calculation of the deemed equity portion of rate base was approved as part of each legacy utility's last rebasing application. The references for the supporting calculations (i.e., the RRWFs) are listed in Table 1.

Table 1 – File Reference for Deemed Equity Portion of Rate base (\$)

Rate Zone	Rate Application	Case Number	File Reference
ERZ	2013 COS	EB-2012-0033	Enersource_DRO_reply_2013_RRWF_V3_20130111.xls
BRZ	2015 COS	EB-2014-0083	HOBNI 2015_Rev_Reqt_Work_Form_V4_xlsm_20141223.xlsm
GRZ	2016 COS	EB-2015-0073	Guelph_Settlement_Updated_Rev_Reqt_Work_Form_20151020.xls
PRZ	2017 COS	EB-2015-0003	C_PowerStream_RRWF 2017_20161102.xlsm
HRZ	2019 CIR Annual Update	EB-2018-0016	Alectra_DRO_Attach 2_Revenue Requirement Work Form 2019_HRZ_20190107.xlsm

- b) The weighting factors of the 5 rate zones add to 0.99 due to rounding to two decimal places in the presentation of Table 62 within the application. However, Alectra Utilities did not round the weighting factors calculated in Attachment 27 live Excel, which total to 1.00. Alectra Utilities has revised Table 62 of the application to present the weighting factors rounded to two decimals and total to 1.00.

1 **Revised Table 62 – Alectra Utilities Deemed ROE (5 RZs)**

Weighted Average Deemed ROE Calculation	Deemed Equity Portion of Rate Base (\$)	Weighting Factor	Deemed ROE
ERZ	249,399,133	0.22	8.93%
BRZ	161,847,409	0.14	9.30%
GRZ	60,556,692	0.06	9.19%
PRZ	433,122,065	0.38	8.78%
HRZ	222,279,180	0.20	8.98%
Alectra Weighted Deemed ROE (5 RZs)			8.95%

- 2
- 3 i) Please see Alectra Utilities' response to part b).

VECC-1

Reference: Exhibit 2, Tab 1, Schedule 9

Earnings Sharing Mechanism

Alectra indicates that the 2023 achieved ROE excludes the net OM&A merger savings adjustments that were included in the calculation of the ROE in years 1 to 5.

- a) Please explain the adjustments and provide details.**
- b) Please provide the ROE calculation in years 1 to 5 excluding the adjustment.**

Response:

a) The ESM considers the earning of Alectra Utilities in years six to ten (i.e., 2022 to 2026) of the deferred rebasing period as a consolidated entity. Specifically, in year six to ten, Alectra Utilities will exclude the net OM&A merger savings adjustment in its calculation of ROE. In effect, this will ensure that the calculated ROE includes the savings Alectra Utilities achieved as a result of the consolidation, consistent with ESM requirement in the MAADs Policy.

As the ESM is only effective beyond the initial five-year deferral period, 2017 to 2021 RRR ROE included an adjustment for net OM&A merger savings. The net OM&A merger adjustment reflects the net of merger related OM&A costs and savings. Net merger related OM&A savings were driven primarily by the integration of back-office functions and include payroll and non-payroll savings, such as rating agency evaluations, consulting support and IT support for corporate systems.

b) The ROE calculation in years 1 to 5 excluding the adjustment is provided as Attachment VECC-1_Attach 1_2017 to 2021 ROE_Excl Adjustment, and is summarized in Table 1, below.

Table 1 – 2017 to 2021 ROE

ROE	2017	2018	2019	2020	2021
With Adjustment ¹	8.49%	7.69%	7.21%	4.80%	6.18%
Without Adjustment	8.36%	9.16%	8.67%	6.55%	7.96%
Difference	0.13%	(1.47%)	(1.46%)	(1.75%)	(1.78%)

1. Reconciles to the ROE filed in RRR 2.1.5.6 for 2017 to 2021 and the ROE included in Alectra Utilities' OEB Scorecard

VECC-1

Attachment 1 2017 to 2021 ROE Excl Adjustment

REGULATED RETURN ON EQUITY (ROE)		2017 RRR	2018 RRR	2019 RRR	2020 RRR	2021 RRR
REGULATED NET INCOME						
Regulated Net Income (Loss)		\$84,227,313.32	\$146,982,615.49	\$124,479,033.58	\$111,696,164.20	\$136,260,733.51
Adjustment Items:						
Non-rate regulated items and other adjustments (Appendix 1)		\$11,148,597.57	-\$19,701,138.30	-\$1,138,084.06	-\$859,808.71	-\$12,963,792.25
M&A Adjustment		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Unrealized (gains)/losses on interest rate swaps		\$0.00	\$0.00			\$0.00
Actuarial (gains)/losses on OPEB and/or Pensions not approved by the OEB		\$558,893.00	\$0.00			\$0.00
Non-recoverable donations (Appendix 2)		\$0.00	\$199.96	\$76,678.47	-\$26,828.16	\$8,869.00
Net interest/carrying charges from DVAs (Appendix 3)		\$551,366.35	\$998,698.70	-\$730,818.74	-\$530,631.29	-\$240,065.91
Interest adjustment for deemed debt (Appendix 4)		-\$8,225,559.17	-\$12,072,773.06	-\$11,279,753.28	-\$17,521,571.66	-\$20,147,481.13
Adjusted regulated net income before tax adjustments		\$88,260,611.07	\$116,207,602.79	\$111,407,055.97	\$92,757,324.38	\$102,918,263.21
Add back: Future/deferred taxes expense		\$11,614,882.59	\$6,957,586.26	\$1,161,063.06	-\$4,785,348.71	\$5,238,106.00
Add back: Current income tax expense		-\$1,906,850.47	\$9,342,796.64	\$662,004.61	\$1,961,773.63	\$12,753,724.96
Deduct: Current income tax expense for regulated ROE purposes (Appendix 6)		\$1,557,664.76	\$21,214,650.52	1,960,002	1,737,004	12,963,575
Adjusted Regulated Net Income		\$96,410,978.43	\$111,293,335.17	\$111,270,121.98	\$88,196,745.14	\$107,946,519.20
WORKING CAPITAL ALLOWANCE						
Rate base:						
Cost of Power		\$2,683,423,707.61	\$2,817,080,827.83	2,929,963,659.59	3,337,659,474.66	2,872,600,609.17
Operating expenses before any applicable adjustments		\$248,131,870.23	\$252,229,653.20	\$267,717,308.48	277,159,418.49	273,447,734.66
Other Adjustments - Net Merger (synergies)/costs		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Adjusted Operating Expense		\$248,131,870.23	\$252,229,653.20	\$267,717,308.48	\$277,159,418.49	\$273,447,734.66
Total Cost of Power and Operating Expenses		\$2,931,555,577.84	\$3,069,310,481.03	\$3,197,680,968.07	\$3,614,818,893.15	\$3,146,048,343.83
Working capital allowance %		10.44%	10.43%	10.50%	10.50%	10.50%
Total working capital allowance (\$)		\$305,919,732.71	\$320,272,580.80	\$335,756,501.65	\$379,555,983.78	\$330,335,076.10
RATE BASE						
Opening balance - regulated PP&E (NBV) (Appendix 5)		\$2,507,833,117.80	\$2,643,710,226.55	\$2,791,807,423.40	\$2,956,433,376.15	\$3,018,896,431.70
Adjusted closing balance - regulated PP&E (NBV) (Appendix 5)		\$2,643,710,226.55	\$2,791,807,423.40	\$2,956,433,376.15	\$3,018,896,431.70	\$3,103,769,307.60
Average regulated PP&E		\$2,575,771,672.18	\$2,717,758,824.98	\$2,874,120,399.78	\$2,987,664,903.93	\$3,061,332,869.65
Total Rate Base		\$2,881,691,404.88	\$3,038,031,405.78	\$3,209,876,901.42	\$3,367,220,887.71	\$3,391,667,945.75
			5.4%	5.7%	4.9%	0.7%
4% Regulated deemed short-term debt % and \$		\$115,267,656.20	\$121,521,256.23	\$128,395,076.06	\$134,688,835.51	\$135,666,717.83
56% Regulated deemed long-term debt % and \$		\$1,613,747,186.74	\$1,701,297,587.23	\$1,797,531,064.80	\$1,885,643,697.12	\$1,899,334,049.62
40% Regulated deemed equity % and \$		\$1,152,676,561.95	\$1,215,212,562.31	\$1,283,950,760.57	\$1,346,888,355.08	\$1,356,667,178.30
REGULATED RATE OF RETURN ON DEEMED EQUITY						
Achieved ROE%		8.36%	9.16%	8.67%	6.55%	7.96%
Deemed ROE%		8.91%	8.95%	8.95%	8.95%	8.95%
Difference - maximum deadband 3%		-0.55%	0.21%	-0.28%	-2.40%	-0.99%