

		UTR Network Revenue Requirement						
ETS Allocated Revenue Requirement (\$M)	Volume (GWh)	Rate (\$/MWh)	Hydro One Total (\$M)	Ontario Total (\$M)	Escalation Factor	Ontario ETS Revenue Requirement (\$M)	Ontario ETS Rate (\$/MWh)	
A	B	C=A/B	D	E	F=E/D	G=A X F	H=G/B	
\$22.1	18,800.0	\$1.17	\$977.6	\$1,041.9	106.6%	\$23.5	\$1.25	

Note: All revenue requirement amounts are based on Hydro One's proposed 2020 revenue requirement, as shown in Exhibit I2, Tab 4, Schedule 1, Table 1.

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- c) The 2015 Elenchus cost allocation model was updated using the latest available data, which consists of:
- Fixed Assets dedicated to Exports (interconnections) as of 2017 year-end;
 - 12 CP Allocator based on the total of the 2018 monthly IESO domestic and export peak data;
 - Hydro One's actual 2018 export volume (MWh); and
 - IESO's average domestic volume (MWh) from 2016-2018 (inclusive).

1 f) Is Hydro One proposing to maintain in its current application the outputs of the cost
2 allocation model that was agreed to by the parties in EB-2014-0140? If no, why not?
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4 **Response:**

5 a) to e) No. The items referenced (i.e. revenue requirement, external revenues, OM&A
6 expenditures, overhead capitalization rate, rate base) are all inputs to the
7 determination of revenue requirement over the 2020 to 2022 period that need to be
8 reviewed and approved by the OEB in this proceeding.
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10 f) No. The allocation of costs to the transmission rate pools must be updated to reflect
11 the revenue requirement and rate base proposed for the 2020 to 2022 period.

1 For the purpose of determining the revenue to cost ratio, the estimated revenues are
2 calculated by multiplying the ETS export volume of 18,800,000 MWh by the ETS
3 Rate. The table below shows the estimated 2020 export revenue resulting from the
4 assumed ETS rate in parts (a) to (d) and the resulting revenue to cost ratios.

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Response	ETS Rate (\$/MWh)	Volume (MWh)	Estimated Revenues	Ontario ETS Revenue Requirement (Cost)*	Revenue to Cost Ratio
	A	B	C = A X B	D	E = C/D
Part a	1.85	18,800,000	\$34,780,000	\$23,532,133	1.48
Part b	1.05	18,800,000	\$19,740,000	\$23,532,133	0.84
Part c	1.25	18,800,000	\$23,500,000	\$23,532,133	1.00
Part d	1.45	18,800,000	\$27,260,000	\$23,532,133	1.16

* Note: 2020 Ontario ETS Revenue Requirement provided in Exhibit I, Tab 3, Schedule APPrO-1 part (c)

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e) The forecast level of exports in 2020, used to derive the results to parts (a) to (d)
8 above, is based on the actual 2018 export volume.

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1 **ETS Rate of \$1.05/MWh**

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Table 1: Typical Medium Density (R1) Residential Customer Bill Impacts

	Typical R1 Residential Customer		
	400 kWh	750 kWh	1,800 kWh
Total Bill as of May 1, 2018 ¹	\$83.40	\$121.75	\$236.81
RTSR included in 2017 R1 Customer's Bill (based on 2016 UTR)	\$4.78	\$8.96	\$21.50
<i>Estimated 2019 Monthly RTSR⁴</i>	\$5.10	\$9.56	\$22.95
2019 increase in Monthly Bill	\$0.13	\$0.24	\$0.58
<i>2019 increase as a % of total bill</i>	<i>0.2%</i>	<i>0.2%</i>	<i>0.2%</i>
<i>Estimated 2020 Monthly RTSR⁵</i>	\$5.57	\$10.44	\$25.05
2020 increase in Monthly Bill	\$0.47	\$0.88	\$2.10
<i>2020 increase as a % of total bill</i>	<i>0.6%</i>	<i>0.7%</i>	<i>0.9%</i>

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Table 2: Typical General Service Energy less than 50 kW Customer Bill Impacts

	GSe Customer Monthly Bill		
	1,000 kWh	2,000 kWh	15,000 kWh
Total Bill as of May 1, 2018 ¹	\$198.93	\$367.73	\$2,562.20
RTSR included in 2017 GSe Customer's Bill (based on 2016 UTR)	\$10.63	\$21.26	\$159.47
<i>Estimated 2019 Monthly RTSR⁴</i>	\$11.35	\$22.69	\$170.21
2019 increase in Monthly Bill	\$0.29	\$0.58	\$4.33
<i>2019 increase as a % of total bill</i>	<i>0.1%</i>	<i>0.2%</i>	<i>0.2%</i>
<i>Estimated 2020 Monthly RTSR⁵</i>	\$12.39	\$24.77	\$185.81
2020 increase in Monthly Bill	\$1.04	\$2.08	\$15.60
<i>2020 increase as a % of total bill</i>	<i>0.5%</i>	<i>0.6%</i>	<i>0.6%</i>

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ETS Rate of \$1.25/MWh

Table 3: Typical Medium Density (R1) Residential Customer Bill Impacts

	Typical R1 Residential Customer		
	400 kWh	750 kWh	1,800 kWh
Total Bill as of May 1, 2018 ¹	\$83.40	\$121.75	\$236.81
RTSR included in 2017 R1 Customer's Bill (based on 2016 UTR)	\$4.78	\$8.96	\$21.50
<i>Estimated 2019 Monthly RTSR⁴</i>	\$5.10	\$9.56	\$22.95
2019 increase in Monthly Bill	\$0.13	\$0.24	\$0.58
<i>2019 increase as a % of total bill</i>	<i>0.2%</i>	<i>0.2%</i>	<i>0.2%</i>
<i>Estimated 2020 Monthly RTSR⁵</i>	\$5.55	\$10.41	\$25.00
2020 increase in Monthly Bill	\$0.46	\$0.85	\$2.05
<i>2020 increase as a % of total bill</i>	<i>0.5%</i>	<i>0.7%</i>	<i>0.9%</i>

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Table 4: Typical General Service Energy less than 50 kW Customer Bill Impacts

	GSe Customer Monthly Bill		
	1,000 kWh	2,000 kWh	15,000 kWh
Total Bill as of May 1, 2018 ¹	\$198.93	\$367.73	\$2,562.20
RTSR included in 2017 GSe Customer's Bill (based on 2016 UTR)	\$10.63	\$21.26	\$159.47
<i>Estimated 2019 Monthly RTSR⁴</i>	\$11.35	\$22.69	\$170.21
2019 increase in Monthly Bill	\$0.29	\$0.58	\$4.33
<i>2019 increase as a % of total bill</i>	<i>0.1%</i>	<i>0.2%</i>	<i>0.2%</i>
<i>Estimated 2020 Monthly RTSR⁵</i>	\$12.36	\$24.72	\$185.41
2020 increase in Monthly Bill	\$1.01	\$2.03	\$15.20
<i>2020 increase as a % of total bill</i>	<i>0.5%</i>	<i>0.5%</i>	<i>0.6%</i>

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ETS Rate of \$1.45/MWh

Table 5: Typical Medium Density (R1) Residential Customer Bill Impacts

	Typical R1 Residential Customer		
	400 kWh	750 kWh	1,800 kWh
Total Bill as of May 1, 2018 ¹	\$83.40	\$121.75	\$236.81
RTSR included in 2017 R1 Customer's Bill (based on 2016 UTR)	\$4.78	\$8.96	\$21.50
<i>Estimated 2019 Monthly RTSR⁴</i>	\$5.10	\$9.56	\$22.95
2019 increase in Monthly Bill	\$0.13	\$0.24	\$0.58
<i>2019 increase as a % of total bill</i>	<i>0.2%</i>	<i>0.2%</i>	<i>0.2%</i>
<i>Estimated 2020 Monthly RTSR⁵</i>	\$5.54	\$10.39	\$24.94
2020 increase in Monthly Bill	\$0.44	\$0.83	\$1.99
<i>2020 increase as a % of total bill</i>	<i>0.5%</i>	<i>0.7%</i>	<i>0.8%</i>

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Table 6: Typical General Service Energy less than 50 kW Customer Bill Impacts

	GSe Customer Monthly Bill		
	1,000 kWh	2,000 kWh	15,000 kWh
Total Bill as of May 1, 2018 ¹	\$198.93	\$367.73	\$2,562.20
RTSR included in 2017 GSe Customer's Bill (based on 2016 UTR)	\$10.63	\$21.26	\$159.47
<i>Estimated 2019 Monthly RTSR⁴</i>	\$11.35	\$22.69	\$170.21
2019 increase in Monthly Bill	\$0.29	\$0.58	\$4.33
<i>2019 increase as a % of total bill</i>	<i>0.1%</i>	<i>0.2%</i>	<i>0.2%</i>
<i>Estimated 2020 Monthly RTSR⁵</i>	\$12.33	\$24.67	\$185.00
2020 increase in Monthly Bill	\$0.99	\$1.97	\$14.79
<i>2020 increase as a % of total bill</i>	<i>0.5%</i>	<i>0.5%</i>	<i>0.6%</i>

1 b) The table below provides a summary of the 2020 Bill Impacts for Medium Density
2 (R1) Residential Customer and General Service Energy less than 50 kW Customer
3 customers at typical consumption levels.
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	Medium Density (R1) Residential Customer @ 750 kWh		General Service Energy less than 50 kW Customer @ 2,000 kWh	
	Change in Total Bill	Change in Total Bill	Change in Total Bill	Change in Total Bill
ETS Rate: \$1.05/MWh	\$0.88	0.72%	\$2.08	0.56%
ETS Rate: \$1.25/MWh	\$0.85	0.70%	\$2.03	0.55%
ETS Rate: \$1.45/MWh	\$0.83	0.68%	\$1.97	0.53%
ETS Rate: \$1.85/MWh	\$0.79	0.64%	\$1.86	0.51%

