

SEC INTEROGATORY-4

Interrogatory

[B-1, p.4] Please provide a revised version of Table Ex.B.1 with a forecast/actual of the 2023 ROE calculation.

Response

The attached table provides the 2023 forecast ROE (“Forecasted Regulatory”) based on preliminary results, subject to audit adjustments. The final 2023 ROE calculation will be available in March 2024 after audited GAAP financial statements have been completed. The final 2023 ROE will be included in the annual Reporting and Recordkeeping Requirements submission.

Consistent with the Earnings Sharing Mechanism established in EB-2020-0150, if the ROE is more than 100 basis points over the OEB approved ROE of 8.34% for the Custom IR term, it will be shared 50-50 between customers and shareholders.

**East-West Tie, Limited Partnership
 Unaudited - Return on Equity Calculation
 For the Fiscal Year ended 2023**

Line No.		Base Regulatory Revenue	Forecasted Regulatory	Unaudited US GAAP
1	Operating Revenue	(a)	(b)	(c)
2	Operation Expenses			
3	Net Operating Income			
4				
5	Gross Plant	\$776,888	\$776,888	\$937,277
6	Accum. Depreciation			
7	Utility Plant, net			
8				
9	Utility Plant, net (12/31/2022)	767,699	767,699	927,651
10	Average Rate Base			
11	Equity Funded Rate Base			
12				
13	Debt Return			
14	Equity Return			
15				
16	Return on Equity			(d)

- (a) Approved 2022 revenue requirement increased by annual IRM adjustment of 1.7%.
- (b) Forecasted 2023 regulatory revenue includes additional revenue from IESO due to higher load in 2023. Increases in revenue in future years are not guaranteed.
- (c) Unaudited 2023 US GAAP financials - Certain US GAAP accounting adjustments cause entries related to Construction Cost Variance (CCVA), COVID, and tax expense to vary from the regulatory financial statements.
- (d) Due to variances between US GAAP and Regulatory financials, unaudited US GAAP ROE is excluded.