

ONTARIO ENERGY ASSOCIATION (OEA)

Answer to Undertaking from
Association of Major Power Consumers of Ontario (AMPCO)/Industrial Gas Users
Association (IGUA)

Undertaking:

Tr: 121

To file a live spreadsheet version of the backcasting document.

Response:

Please see Attachment 1 in Excel format.

ONTARIO ENERGY ASSOCIATION (OEA)

Answer to Undertaking from
 School Energy Coalition (SEC)

Undertaking:

Tr: 163

To clarify whether or not there is a difference from an investor standpoint in companies that own large fleets of generation versus those that are pure T&D company and is there a difference for companies that own nuclear assets versus those that don't.

Response:

Concentric modified its Multi-Stage DCF analysis and its CAPM analysis for the companies in the North American combined proxy group to exclude companies that own electric generation assets.

The following table demonstrates that there is not a material change in the average results for the North American combined proxy group, which decrease from 10.1% to 10.0%. Please see the attachment for the data supporting these calculations.

ROE Results - Three-Model Average - Ex. Generation							
	Canadian	U.S. Electric	U.S. Gas	North American Electric	North American Gas	North American Combined	North American Combined Excluding All Gen
Multi-Stage DCF	10.38%	9.87%	9.60%	9.83%	10.21%	9.95%	10.00%
CAPM - Historical MRP	9.36%	10.62%	10.00%	10.23%	9.89%	10.22%	10.05%
Risk Premium - Long-Term Projected Bond	9.44%	10.36%	10.30%	9.90%	9.87%	10.03%	10.03%
MEAN	9.7%	10.3%	10.0%	10.0%	10.0%	10.1%	10.0%

In Decision 27084-D02-2023, the Alberta Utilities Commission made the following determination with regard to the inclusion of companies that own generation assets in the proxy group:

102. The Commission is not persuaded by the argument that certain of the representative utilities in the comparator group lack comparability due to the involvement of their parent corporations in generation, retail or other unregulated business sectors. Concerns of this nature were addressed by the screening criterion, which excluded

utilities from the comparator group if less than 80 per cent of their assets are tied to rate-regulated activities.

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Answer to Undertaking from
Commissioner Sardana

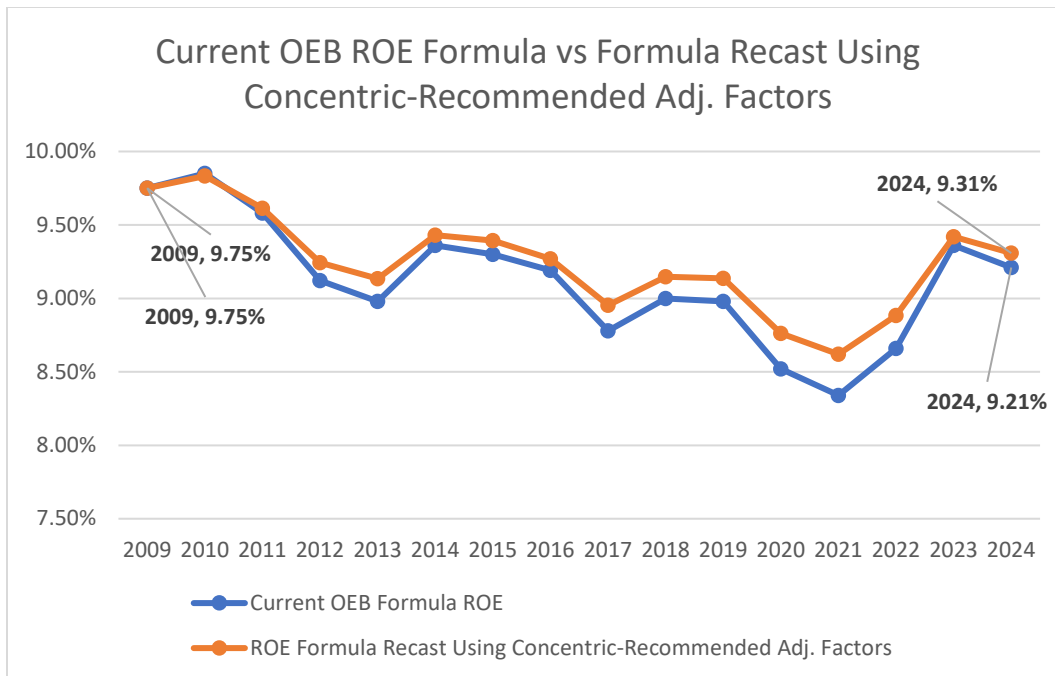
Undertaking:

Tr: 190

Concentric to provide a backcast of data using its adjusted coefficients going back to 2009.

Response:

Please see Attachment 1 and Attachment 2, provided in Excel format.



Base 2009 30 yr Canada Bond rate
 Base 2009 Utility 30 yr Bond Spread vs. 30 yr. gov't

Recast Using Concentric-Recommended Adj. Factors Only (Everything the Same, Except Use 0.40 LCBF Adj. Factor and 0.33 Util Bond Spread Adj. Factor)

Base	9.75%	4.25%	1.42%
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	Current OEB Formula ROE	10 year GoC Bond Forecast	10/30 yr GoC Bond spread	30 year GoC Bond Forecast	A-30 yr Utility Bond Yield spread vs 30 Yr GoC Bond	Current OEB Formula ROE	ROE Formula Recast Using Concentric-Recommended Adj. Factors	30 year GoC Bond Forecast	A-30 yr Utility Bond Yield spread vs 30 Yr GoC Bond	
						2009	9.75%	9.75%	4.25%	1.42%
2010	9.85%	3.90%	0.56%	4.46%	1.41%	2010	9.85%	9.83%	4.46%	1.41%
2011	9.58%	3.50%	0.43%	3.93%	1.39%	2011	9.58%	9.61%	3.93%	1.39%
2012	9.12%	2.35%	0.58%	2.93%	1.48%	2012	9.12%	9.24%	2.93%	1.48%
2013	8.98%	2.15%	0.57%	2.72%	1.40%	2013	8.98%	9.13%	2.72%	1.40%
2014	9.36%	2.90%	0.50%	3.40%	1.48%	2014	9.36%	9.43%	3.40%	1.48%
2015	9.30%	2.85%	0.53%	3.38%	1.39%	2015	9.30%	9.39%	3.38%	1.39%
2016	9.19%	1.95%	0.76%	2.71%	1.83%	2016	9.19%	9.27%	2.71%	1.83%
2017	8.78%	1.40%	0.64%	2.04%	1.68%	2017	8.78%	8.95%	2.04%	1.68%
2018	9.00%	2.40%	0.36%	2.76%	1.40%	2018	9.00%	9.15%	2.76%	1.40%
2019	8.98%	2.70%	0.01%	2.71%	1.42%	2019	8.98%	9.14%	2.71%	1.42%
2020	8.52%	1.50%	0.20%	1.70%	1.52%	2020	8.52%	8.76%	1.70%	1.52%
2021	8.34%	0.85%	0.52%	1.37%	1.48%	2021	8.34%	8.62%	1.37%	1.48%
2022	8.66%	1.60%	0.54%	2.14%	1.35%	2022	8.66%	8.88%	2.14%	1.35%
2023	9.36%	3.30%	-0.07%	3.23%	1.65%	2023	9.36%	9.42%	3.23%	1.65%
2024	9.21%	3.25%	-0.20%	3.05%	1.53%	2024	9.21%	9.31%	3.05%	1.53%