

ONTARIO ENERGY ASSOCIATION (OEA)

Answer to Undertaking from
 School Energy Coalition (SEC)

Undertaking:

Tr: 6

To rerun the analysis for each of the proxy groups and for all three approaches, the DCF, the CAPM, and the risk premium, to remove the companies with any material amounts of regulated generation.

Response:

Please see J3.2, Attachment 1 for Concentric's ROE analyses, modified to exclude companies that own any material amounts of regulated generation.

As the majority of the companies in Concentric's North American Combined proxy group owned some regulated generation, this reduced the size of proxy groups. For example, the North American Combined proxy group was reduced from 25 to 10 companies. The U.S. Electric proxy group was reduced from 15 to 2 companies. Concentric notes that smaller proxy groups produce results that are less reliable and less statistically robust.

A summary of results, and a comparison to as-filed results, can be found below. These results continue to support Concentric's original recommendation of a 10% ROE.

Three-Model Average	Canadian	U.S. Electric	U.S. Gas	North American Electric	North American Gas	North American Combined
As-Filed Results	9.7%	10.3%	10.0%	10.0%	10.0%	10.1%
# Comps.	6	15	4	19	8	25
J3.2 Results*	9.9%	10.1%	10.0%	9.7%	10.1%	10.0%
# Comps.	4	2	4	4	7	10

* Excludes companies owning generation assets (i.e., integrated electric companies)

ONTARIO ENERGY ASSOCIATION (OEA)

Answer to Undertaking from
School Energy Coalition (SEC)

Undertaking:

Tr: 29

To show how the flotation cost adder is calculated

Response:

Please see J3.3, Attachment 1 for an example of how the DCF model is adjusted to account for flotation costs. The flotation cost percentage in Cell K10 can be modified to test the effect on the DCF results of using various percentages of flotation costs.

ONTARIO ENERGY ASSOCIATION (OEA)

Answer to Undertaking from
School Energy Coalition (SEC)

Undertaking:

Tr: 37

To file the Enbridge treasury study.

Response:

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

DISCRETE TREASURY COMMON EQUITY ISSUANCE SINCE 2017

Issuer	Pricing Date	Base Deal Size	Total Deal Size	Discount	Underriting Fee	All-in Cost ⁽¹⁾
(name)	(date)	(C\$ mm)	(C\$ mm)	(%)	(%)	(%)
Enbridge	5-Sep-23	\$ 4,000.2	\$ 4,600.2	7.18%	3.25%	10.20%
TC Energy	4-Aug-22	\$ 1,803.4	\$ 1,803.4	3.24%	3.50%	6.60%
Brookfield Infrastructure (Corp + Partners)	10-Nov-21	\$ 749.5	\$ 861.9	3.50%	4%	7.40%
Fortis	25-Nov-19	\$ 600.2	\$ 690.3	1.02%	4.00%	5.00%
Duke Energy	18-Nov-19	\$ 2,854.1	\$ 3,282.3	2.48%	0.53%	3.00%
Brookfield Infrastructure Partners	11-Jul-19	\$ 653.6	\$ 751.7	3.29%	4.00%	7.20%
Sempra Energy	10-Jul-18	\$ 1,454.3	\$ 1,672.5	3.03%	1.65%	4.60%
Duke Energy	6-Mar-18	\$ 1,786.5	\$ 2,054.5	1.13%	1.24%	2.40%
Sempra Energy	4-Jan-18	\$ 3,121.8	\$ 3,590.0	0.39%	1.80%	2.20%
Enbridge	29-Nov-17	\$ 1,500.2	\$ 1,500.2	2.45%	Non-Brokered	2.50%
Brookfield Infrastructure Partners	11-Sep-17	\$ 847.7	\$ 847.7	3.96%	4.00%	7.80%
Hydro One	8-May-17	\$ 2,790.0	\$ 2,790.0	3.24%	2.00%	5.20%
Fortis	1-Mar-17	\$ 500.0	\$ 500.0	3.32%	Non-Brokered	3.30%
Average		\$ 1,743.2	\$ 1,918.8	2.94%	2.72%	5.18%
Median		\$ 1,500.2	\$ 1,672.5	3.24%	3.25%	5.00%

Source: Bloomberg (subscription), company filings (public)

Note: Excludes convertible debenture and preferred share offerings. Also excludes select private placements with undisclosed fees. If there was a concurrent private placement accompanying a public offering, the private placement is excluded from the deal size figures

1. Excludes legal fees or other misc. expenses associated with the discrete equity issuance. All-in cost relative to the unaffected share price.

AT-THE-MARKET OFFERINGS SINCE 2017

Issuer	Announcement Date	Maximum Issuance Amount	Discount	Disclosed Commission	Calculated All-In Cost⁽¹⁾
(name)	(date)	(C\$ mm)	(%)	(%)	(%)
Enbridge	15-May-24	\$ 2,750.0	--	Up to 2%	0.8%
Southern Co	3-May-24	\$ 5,190.4	--	Up to 1%	n.a.
American Electric Power	16-Nov-23	\$ 2,338.4	--	Up to 2%	n.a.
Emera	14-Nov-23	\$ 600.0	--	Up to 2%	0.8%
Fortis	19-Sep-23	\$ 500.0	--	Exactly 1%	1.0%
Enterprise Products Partners	15-Sep-23	\$ 3,433.3	--	Up to 2%	n.a.
Duke Energy	10-Nov-22	\$ 1,998.6	--	Up to 2%	n.a.
Southern Co	5-Nov-21	\$ 3,930.2	--	Up to 1%	n.a.
NextDecade	27-Aug-21	\$ 63.1	--	Up to 2%	n.a.
Emera	12-Aug-21	\$ 600.0	--	Up to 2%	1.0%
Enterprise Products Partners	16-Dec-20	\$ 3,234.8	--	Up to 2%	n.a.
TC Energy	7-Dec-20	\$ 1,000.0	--	Up to 2%	n.a.
American Electric Power	6-Nov-20	\$ 1,305.0	--	Up to 2%	n.a.
Enterprise Products Partners	24-Jun-20	\$ 681.9	--	Up to 2%	n.a.
Duke Energy	8-Nov-19	\$ 1,984.2	--	Up to 2%	n.a.
Emera	11-Jul-19	\$ 600.0	--	Up to 2%	1.6%
Fortis	10-Dec-18	\$ 500.0	--	Up to 2%	1.4%
Southern Co	10-Aug-18	\$ 3,075.4	--	Up to 1%	0.9%
TC Energy (Amended Version of 2017 ATM)	28-Jun-18	\$ 2,000.0	--	Up to 2%	0.9%
Fortis	26-Mar-18	\$ 500.0	--	Up to 2%	n.a.
Duke Energy	20-Feb-18	\$ 1,264.8	--	Up to 2%	n.a.
Enterprise Products Partners	1-Dec-17	\$ 3,220.1	--	Up to 2%	n.a.
Energy Transfer	21-Mar-17	\$ 1,335.2	--	Up to 2%	n.a.
Average		\$ 1,830.7			1.0%
Median		\$ 1,335.2			1.0%

Source: Bloomberg (subscription), company filings (public)

1. Calculated as per MD&As as the difference between reported gross and net proceeds. If exact commission is disclosed and no sales have been made under the ATM, assumed all-in cost equal to the exact commission. Otherwise if either a) no sales have been reported under the program or b) gross proceeds are unclear (common in US ATMs), this figure is shown as n.a.

As it is a rounded number, this figure is estimated in all circumstances.

CURRENT / RECENT CANADIAN TREASURY DIVIDEND REINVESTMENT PLANS

Issuer	Current Dividend Yield	DRIP Participation Rate (LFY Basis)	Implied Annual Treasury Amount⁽¹⁾	DRIP Discount (Effective Cost)
<small>(name)</small>	<small>(%)</small>	<small>(%)</small>	<small>(C\$ m)</small>	
Emera	5.8%	35.8%	\$ 296.5	2.0%
Fortis	3.9%	36.8%	\$ 429.9	2.0%
TC Energy	6.4%	33.0%	\$ 1,314.7	2.0%
Average		35.2%	\$ 680.4	2.0%
Median		35.8%	\$ 429.9	2.0%

Source: Bloomberg (subscription), company filings (public)

Note: Enbridge's DRIP, terminated in 2018, had a 2% discount (effective cost). U.S. DRIP program details required for effective cost calculation are not publicly available.

1. Calculated as the current annualized dividend multiplied by the DRIP participation rate.

ONTARIO ENERGY ASSOCIATION (OEA)

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

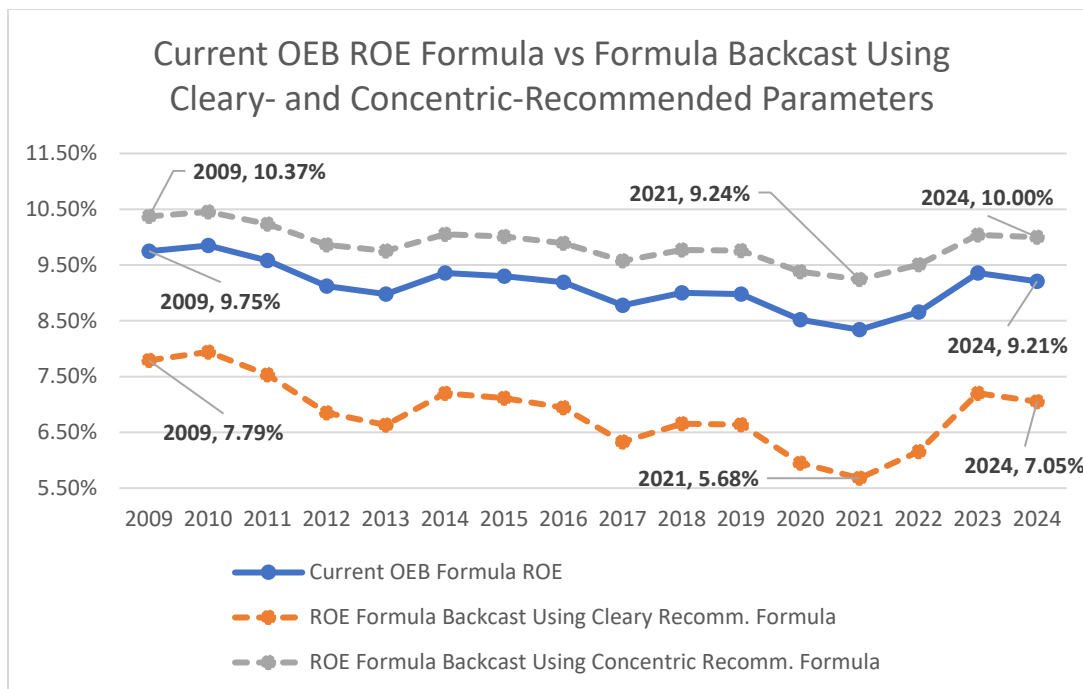
Undertaking:

Tr: 96

To add to the backcasting graph to include the Concentric line, from lowest to highest.

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								<u>Backcast Using Cleary Formula Recommendation (7.05% ROE in 2024, 0.75 Adjustment Factors, 3.30% Base LCBF, & 1.38% Base Util</u>	<u>Backcast Using Concentric Formula Recommendation (10.00% ROE in 2024, 0.40 LCBF Adj. Factor, 0.33 Util Bond Spread Adj. Factor, 3.36%</u>			
Base	9.75%	4.25%	1.42%												
									Current OEB Formula ROE	ROE Formula Backcast Using Cleary Formula	30 year GoC Bond Forecast	A-30 yr Utility Bond Yield spread vs 30 Yr GoC Bond	ROE Formula Backcast Using Concentric Formula	30 year GoC Bond Forecast	A-30 yr Utility Bond Yield spread vs 30 Yr GoC Bond
	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										
						2009	9.75%	7.79%	4.25%	1.42%	10.37%	4.25%	1.42%		
2010	9.85%	3.90%	0.56%	4.46%	1.41%	2010	9.85%	7.94%	4.46%	1.41%	10.45%	4.46%	1.41%		
2011	9.58%	3.50%	0.43%	3.93%	1.39%	2011	9.58%	7.53%	3.93%	1.39%	10.23%	3.93%	1.39%		
2012	9.12%	2.35%	0.58%	2.93%	1.48%	2012	9.12%	6.85%	2.93%	1.48%	9.86%	2.93%	1.48%		
2013	8.98%	2.15%	0.57%	2.72%	1.40%	2013	8.98%	6.63%	2.72%	1.40%	9.75%	2.72%	1.40%		
2014	9.36%	2.90%	0.50%	3.40%	1.48%	2014	9.36%	7.20%	3.40%	1.48%	10.05%	3.40%	1.48%		
2015	9.30%	2.85%	0.53%	3.38%	1.39%	2015	9.30%	7.11%	3.38%	1.39%	10.01%	3.38%	1.39%		
2016	9.19%	1.95%	0.76%	2.71%	1.83%	2016	9.19%	6.94%	2.71%	1.83%	9.89%	2.71%	1.83%		
2017	8.78%	1.40%	0.64%	2.04%	1.68%	2017	8.78%	6.33%	2.04%	1.68%	9.57%	2.04%	1.68%		
2018	9.00%	2.40%	0.36%	2.76%	1.40%	2018	9.00%	6.66%	2.76%	1.40%	9.77%	2.76%	1.40%		
2019	8.98%	2.70%	0.01%	2.71%	1.42%	2019	8.98%	6.64%	2.71%	1.42%	9.76%	2.71%	1.42%		
2020	8.52%	1.50%	0.20%	1.70%	1.52%	2020	8.52%	5.95%	1.70%	1.52%	9.38%	1.70%	1.52%		
2021	8.34%	0.85%	0.52%	1.37%	1.48%	2021	8.34%	5.68%	1.37%	1.48%	9.24%	1.37%	1.48%		
2022	8.66%	1.60%	0.54%	2.14%	1.35%	2022	8.66%	6.16%	2.14%	1.35%	9.51%	2.14%	1.35%		
2023	9.36%	3.30%	-0.07%	3.23%	1.65%	2023	9.36%	7.20%	3.23%	1.65%	10.04%	3.23%	1.65%		
2024	9.21%	3.25%	-0.20%	3.05%	1.53%	2024	9.21%	7.05%	3.30%	1.38%	10.00%	3.36%	1.37%		

ONTARIO ENERGY ASSOCIATION (OEA)

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

Undertaking:

Tr: 161

To reproduce the response to part (c) with reference to Concentric's proxy group in this proceeding

Response:

Please see Attachment 1.

Ontario Energy Association (OEA)

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

INTERROGATORYReference:

On page 46, Concentric provides its Canadian proxy group in Figure 4 as copied below:

Figure 4: Canadian Proxy Group

Company	Ticker
AltaGas Limited	ALA
Canadian Utilities Limited	CU
Emera, Inc.	EMA
Enbridge, Inc.	ENB
Fortis, Inc.	FTS
Hydro One Ltd.	H

2024 Alberta Utilities Commission Proceeding 27084, Determination of the Cost-of Capital Parameters in 2024 and Beyond, November 10, 2022 (GCOC), memo to all parties, Appendix A – Finalized screening criteria,” (27084-X0256 2022-11-10 Appendix A - Finalized screening criteria):

The following publicly traded Canadian utility holding companies are included in the comparator group, regardless of the screening criteria:

- *Algonquin Power & Utilities Corp.*
- *Canadian Utilities Ltd.*
- *Emera Inc.*
- *Fortis Inc.*
- *Hydro One Ltd.*

2024 Alberta Utilities Commission Proceeding 27084, Determination of the Cost-of Capital Parameters in 2024 and Beyond, Generic cost of capital issues list and other matters” (27084-X0255 2022-11-10 AUC letter - GCOC issues list and other matters), page 4 (bold added for emphasis):

15. While consensus was successfully reached on the majority of items discussed at the technical conference, certain matters remained outstanding and required further submissions from all parties, which the Commission received on November 2, 2022. The Commission has

reviewed these submissions and provides a ruling on each unresolved item below:

*(a) Inclusion of TC Energy Corporation and Enbridge Inc. – The Commission has determined that **the comparator group will not include TC Energy Corporation and Enbridge Inc.** Integration of these companies would be inconsistent with the Commission’s prior approach for determining ROE.¹⁶ **Furthermore, the associated business risk, form of regulation and comparability of the two companies is not representative of that for regulated transmission and distribution utilities under the Commission’s jurisdiction.** The majority of parties took a similar position in their November 2, 2022, submissions.*

¹⁶ Decision 22570-D01-2018: 2018 Generic Cost of Capital, Proceeding 22570, August 2, 2018, paragraph 273.

Question(s):

- a) Please confirm that the five Canadian utilities included in the AUC’s Canadian proxy group listed above were determined to be reasonable comparable Canadian utilities during the 2024 Alberta Generic Cost of Capital Proceedings.
- b) Please confirm that during the 2024 Alberta GCOC Proceedings Mr. Coyne of Concentric opposed the inclusion of AltaGas Limited (a BBB- rated utility) as a reasonable Canadian utility comparator.
- c) Please confirm that at the time of the Alberta GCOC proceeding, relative to the AUC’s approved proxy group as noted in the above references, AltaGas Limited had:
 - i) the highest growth estimate of 8.98% versus group average of 5.27% (which includes AltaGas’ high growth rate);
 - ii) the second highest DCF Constant-Growth Ke estimate used by Concentric for its Canadian proxy group of 13.22% versus group average of 10.56% (which includes AltaGas’ high Ke estimate);
 - iii) the highest beta estimate used by Concentric for its Canadian proxy group of 1.16 versus group average of 0.84 (which includes AltaGas’ high beta estimate); and
 - iv) the highest CAPM (Historical MRP) Ke estimate used by Concentric for its Canadian proxy group of 11.39% versus group average of 9.36% (which includes AltaGas’ high Ke estimate).

- d) Please explain why AltaGas is now included by Concentric in its Canadian Proxy Group for the purposes of its evidence in this proceeding.
- e) Please confirm that at the time of the 2024 Alberta GCOC proceeding, relative to the AUC's approved proxy group as noted in the above references, Enbridge Inc. had:
- i) the highest expected dividend yield of 7.77% versus group average of 5.28% (which includes Enbridge's extremely high dividend yield);
 - ii) the second highest DCF Constant-Growth Ke estimate used by Concentric for its Canadian proxy group of 12.56% versus group average of 10.56% (which includes Enbridge's high Ke estimate);
 - iii) the second highest Beta estimate used by Concentric for its Canadian proxy group of 0.89 versus group average of 0.84 (which includes Enbridge's high beta estimate); and
 - iv) the second highest CAPM (Historical MRP) Ke estimate used by Concentric for its Canadian proxy group of 9.69% versus group average of 9.36% (which includes Enbridge's high Ke estimate).
- f) Please confirm that if Concentric excluded AltaGas Limited and Enbridge Inc. from its Canadian proxy group in this proceeding, that:
- i) The average constant-growth DCF Ke estimate would decline 1.17% from 10.56% to 9.39%.
 - ii) The average CAPM (historical MRP) Ke estimate would decline 0.58% from 9.36% to 8.78%.

If not confirmed, please explain.

Response:

- a) Confirmed.
- b) Concentric adopted the North American proxy group as determined by the Alberta Utilities Commission and provided to the parties in Appendix B to its November 10, 2022 letter describing the final issues list in Proceeding 27084. The AUC's proxy group did not include AltaGas Ltd.
- c) Concentric does not agree with characterization of the growth rates and beta estimates as "high" or "extremely high" as stated in the question.
- i. Confirmed.
 - ii. Confirmed as to the Ke estimate for AltaGas Ltd. using the Constant

Growth DCF model. This Ke estimate of 13.22% is the highest for the Canadian proxy group companies, not the second highest.

iii. Confirmed.

iv. Confirmed.

d) AltaGas Ltd. was included in Concentric's Canadian proxy group, North American Gas proxy group, and North American combined proxy group in this proceeding because the company meets the criteria for inclusion in the Canadian proxy group as described on page 45 of Concentric's report, Exhibit M2. Specifically, AltaGas Ltd. has an investment grade credit rating of BBB-. The AUC's North American proxy group only included those companies with a credit rating of BBB+ or higher, which led to the exclusion of AltaGas. Concentric adopted the AUC's North American proxy group in our evidence in the GCOC proceeding in Alberta in 2023.

e) Concentric does not agree with characterization of the dividend yields and beta estimates as "high" or "extremely high" as stated in the question.

i. Confirmed.

ii. Confirmed.

iii. Confirmed.

iv. Confirmed.

f) Confirmed. Concentric notes that the values cited in (i) do not include the 50-bps flotation cost adjustment, while the values in (ii) do. In addition, we note that the constant-growth DCF results did not inform our final recommendation; the multi-stage DCF results did. In addition, our recommendation was based on the North American Combined proxy group, not the Canadian proxy group.

ONTARIO ENERGY ASSOCIATION (OEA)

Answer to Undertaking from
Consumers Council of Canada (CCC)

Undertaking:

Tr: 29

To file the calculations that support CCC-6, part (f).

Response:

Please see J4.1, Attachment 1 for the workpaper supporting the response to CCC-6, part (f), and specifically Worksheet Tab “CEA 7.3 Hist CAPM – Raw”

In preparing this response, Concentric discovered an error in copying the Canadian CAPM result into the summary table that was provided in the response to CCC-6, part (f). The corrected table is provided below. The Canadian CAPM result using raw betas and a historical MRP is 8.85%, not 8.55% as shown in the filed response. The other numbers are unchanged, and no other calculations are affected.

Proxy Group	Historical MRP
Canadian	8.85%
U.S. Electric	10.39%
U.S. Gas	9.46%
North American Electric	9.88%
North American Gas	9.47%
North American Combined	9.87%

ONTARIO ENERGY ASSOCIATION (OEA)

Answer to Undertaking from
Consumers Council of Canada (CCC)

Undertaking:

Tr: 33

Similar to undertaking J3.2, to rerun the analysis to exclude also companies in the peer group that own material amounts of regulated generation and/or derive 10 percent or more of their operating income from unregulated operations.

Response:

Please see J4.2, Attachment 1 for Concentric’s ROE analyses, modified to exclude companies that own regulated generation, as well as companies with more than 10% of operating income from unregulated operations.

As with the analysis developed for J3.2, the two criteria for exclusion reduce the sizes of the proxy groups significantly. For example, the Canadian and U.S. Electric proxy groups were left with only two companies. The North American Combined proxy group only had seven companies. Concentric notes that using smaller proxy groups produces less statistically reliable results, and runs contrary to the recent BCUC and AUC decisions that include these companies.

A summary of results, and a comparison to as-filed results, can be found below:

Three-Model Average	Canadian	U.S. Electric	U.S. Gas	North American Electric	North American Gas	North American Combined
As-Filed Results	9.7%	10.3%	10.0%	10.0%	10.0%	10.1%
# Comps.	6	15	4	19	8	25
J4.2 Results*	9.2%	10.1%	9.8%	9.7%	9.8%	9.7%
# Comps.	2	2	3	4	4	7

* Excludes companies owning generation assets (i.e., integrated electric companies), as well as companies with more than 10% of operating income from unregulated operations.

ONTARIO ENERGY ASSOCIATION (OEA)

Answer to Undertaking from
Consumers Council of Canada (CCC)

Undertaking:

Tr: 37

To provide a list of the Nexus peer companies that would not have made the list of US proxy electric companies, with an explanation.

Response:

Please see J4.3, Attachment 1 for a list of the companies that were included in Nexus Economics proxy group, but which were excluded from Concentric's North American combined proxy group. Column F of the worksheet named "Concentric Screen of Nexus Grp." shows the reason(s) why each company was excluded.

Concentric observes that 18 of the 43 companies in Nexus Economics' proxy group were included in Concentric's North American combined proxy group. One of the main reasons for this difference is that Concentric started with the Value Line universe of electric and gas utilities, while Nexus Economics used SIC codes and NAICS codes.

ONTARIO ENERGY ASSOCIATION (OEA)

Answer to Undertaking from
Consumers Council of Canada (CCC)

Undertaking:

Tr: 43

To define what “renewable”, “non-traditional generation”, “environmental compliance”, “delivery infrastructure”, and “transmission costs” categories are, reflecting in terms of cost recovery.

Response:

Attachment 2 to the response to Exhibit N-M2-CCC-4 included ratemaking details and regulatory mechanisms for the operating companies held by the proxy group companies listed in Exhibit CEA-2. The ratemaking details and regulatory mechanisms categories are sourced from S&P Global/Regulatory Research Associates (“RRA”). In the table below, Concentric has provided RRA’s definition of the categories of “Renewable,” “Non-Traditional Generation,” “Environmental Compliance,” “Delivery Infrastructure,” and “Transmission Costs” as follows. For completeness, Concentric has included RRA’s definitions of the “Electric fuel/Gas Commodity/Purchased Power,” “Decoupling (Full, Partial),” and “Conservation Program Expense” categories as well.

Ratemaking Mechanism(s)	RRA Definition
<ul style="list-style-type: none"> - Electric fuel/Gas Commodity/Purchased Power 	Fuel Adjustment Clause, or FAC is a single- issue ratemaking process whereby a utility is permitted to implement periodic rate adjustments to reflect changes in its cost of fuel. The utility is generally authorized to defer incremental variations in its fuel costs to offset any effect on earnings from the variation. The deferred amount is then recovered from, or refunded to, ratepayers in the next FAC rate adjustment. In some circumstances, the FAC includes a forward-looking component that is subject to true up provisions. In addition to fuel costs, most jurisdictions allow to include the utilities’ purchased power expense in the FAC.
<ul style="list-style-type: none"> - Decoupling (Full, Partial) 	A decoupling mechanism enables utilities to offset the effect on revenues of fluctuations in sales caused by customer participation in energy efficiency programs, deviations from “normal” temperature patterns or economic conditions. RRA considers a decoupling mechanism that adjusts for these

	<p>factors to be a “full” decoupling mechanism and designates those that address only one or two of these factors as “partial” decoupling mechanisms. RRA also assigns a partial decoupling tag to those mechanisms that include rate caps or other limitations.</p>
<ul style="list-style-type: none"> - Conservation Program Expense - Renewables/ Non-Traditional Generation - Environmental compliance - Transmission costs 	<p>State utility commissions have approved adjustment clauses for recovery of environmental compliance, energy efficiency and conservation program expenses, transmission charges allocated to the utility by the Federal Energy Regulatory Commission and investments associated with meeting renewable resource requirements. Such mechanisms have also been approved to pass through to customers all or a portion of the margins that the company receives from selling excess power or pipeline capacity in the open market through off-system sales.</p>
<ul style="list-style-type: none"> - Delivery infrastructure - Capital Cost Recovery 	<p>Commissions have approved mechanisms that permit the costs associated with the construction of new generation or delivery infrastructure to be used, effectively including these items in rate base without the need for a full rate case. In some instances, these mechanisms may even provide the utilities a cash return on construction work in progress.</p>

ONTARIO ENERGY ASSOCIATION (OEA)

Answer to Undertaking from
Commissioner Sardana

Undertaking:

Tr: 100

To verify and, if necessary, update the numbers in figure 30 of the Concentric report.

Response:

Concentric confirms that the numbers contained in Figure 30 of the Concentric Report are correct and no update is required. Please see Attachment 1, provided in Excel format.