

Table 1				
Reconciliation of Revenue Requirement from Basic Rates (\$ thousands)				
	2023 Forecast	2024 Forecast	2025 Forecast	Total
Revenue Requirement as filed (1)	233,068	245,356	256,992	735,415
Adjustments:				
Revised Return (2)	(1,131)	(1,220)	(1,270)	(3,621)
Energy supply costs (3)	(1,085)	(277)	(222)	(1,584)
ECAM (4)	(277)	823	211	757
Depreciation (5)	(82)	(98)	(98)	(278)
Finance charges (6)	23	(4)	6	26
Income taxes (7)	(508)	(548)	(570)	(1,627)
Other Revenue (8)	406	32	14	452
Revenue Requirement per Negotiated Settlement	230,414	244,064	255,063	729,541

(1) - GRA Table 6-1, page 91.

(2) - Revised from 9.95% to 9.35%.

(3) - Provincial debt repayment revised post GRA and delayed effective date from March 1, 2023 to May 1, 2023 to include in revenue requirement.

(4) - See ECAM Deferral sheet for supporting calculations.

(5) - Amortization of balance in regulatory deferral account for Provincial Debt Repayment adjusted to reflect revised payment schedule received from PEIEC after GRA was filed and two additional months (March & April 2023) of collecting rate rider instead of including in revenue requirement.

(6) - Lower ROE (i.e., lower revenue) reduces cash balance which requires higher short-term borrowings.

(7) - Primarily due to lower revenue, which is due to a lower ROE, along with the tax effect of the other smaller changes (i.e., energy supply costs, depreciation and finance charges).

(8) - Two months (March & April) of additional amortization of 2020 Revenue Shortfall recorded as debit to other revenue in 2023, other minor timing differences.

Provincial Debt Repayment Balance (\$)					
GRA	(Over) Under Collected	Table 5-32			286,060
			<u>Monthly Payment</u>	<u># Months</u>	<u>Total</u>
Remittances	GRA Forecast		431,874	8.5	3,670,931
	Revised		402,443	10.5	4,225,654
					554,723
			<u>kWh Sales</u>	<u>Rate Rider</u>	
Collections	Mar-23		63,138,379		
	Apr-23		117,135,819		
	May-23		55,070,238		
			235,344,436	0.0036	(847,240)
		Adjustment - October 2021 Collections to prorate seasonal customers			(3,301)
Revised (Over) Under Collection as of May 2023					<u>(9,757)</u>
Revenue Requirement					
Amortization of (Over) Under Collection (\$)					
		<u>Monthly</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
GRA Forecast		7,946	79,461	95,353	95,353
Revised Forecast		(287)	(2,296)	(3,444)	(3,444)
Total Change in Revenue Requirement			(81,757)	(98,797)	(98,797)
Revenue Requirement					
Energy Costs					
2023 GRA Forecast	March - December 2023	431,874	9.5	4,102,805	
Revised	May - December 2023	402,443	7.5	<u>3,018,324</u>	
2023 Change in Revenue Requirement					(1,084,481)
2024 GRA Forecast	Janaury - February 2024	431,874	2	863,748	
	March - December 2024	454,743	10	<u>4,547,425</u>	
				5,411,174	
Revised	Janaury - March 2024	402,443	3	1,207,330	
	April - December 2024	436,259	9	<u>3,926,333</u>	
				5,133,663	
2024 Change in Revenue Requirement					(277,511)
2025 GRA Forecast	January - December 2025	454,743	12	5,456,910	
Revised	January - December 2026	436,259	12	<u>5,235,111</u>	
2025 Change in Revenue Requirement					(221,799)

Revenue Requirement (\$)										
	GRA Proposed			Negotiated Settlement			Difference from GRA Proposed			
	2023 Forecast	2024 Forecast	2025 Forecast	2023 Forecast	2024 Forecast	2025 Forecast	2023 Forecast	2024 Forecast	2025 Forecast	
Energy Supply Costs	148,886	155,484	158,798	147,801	155,207	158,576	(1,085)	(277)	(222)	Provincial Debt Repayments
ECAM Deferral Adjustment	(4,219)	(3,746)	(729)	(4,496)	(2,923)	(518)	(277)	823	211	ECAM
Transmission and Distribution	21,394	22,699	23,815	21,394	22,699	23,815	-	-	-	
General and Administrative	13,185	13,559	13,972	13,185	13,559	13,972	-	-	-	
Depreciation	29,094	30,785	32,816	29,012	30,687	32,718	(82)	(98)	(98)	Provincial Debt Repayments
Finance Charges	13,797	14,277	14,593	13,821	14,273	14,599	23	(4)	6	
Income Taxes	8,459	8,994	9,538	7,951	8,446	8,968	(508)	(548)	(570)	Tax savings on lower return
Return	18,660	19,850	21,066	17,529	18,630	19,796	(1,131)	(1,220)	(1,270)	Reduced from 9.95 to 9.35%
Total Revenue Requirement	249,256	261,902	273,869	246,196	260,578	271,926	(3,060)	(1,324)	(1,943)	
Rate of Return Adjustment			-			-	-		-	
Other Revenue	(16,188)	(16,546)	(16,877)	(15,782)	(16,514)	(16,863)	406	32	14	Other Revenue
Revenue Requirement From Basic Rates	233,068	245,356	256,992	230,414	244,064	255,063	(2,654)	(1,292)	(1,929)	

* Excluding Fortis Inc. Costs

** Remaining balance of \$365,300 will be collected in January & February 2022

*** Before Disallowable Costs

ECAM Deferral Adjustment

2023				
NPP January to February	291,305,949	92.44	26,928,322	
NPP March to December	1,207,408,521	90.60	109,391,212	
GRA Energy Costs included in Basic Rates	1,498,714,470		136,319,534	
NPP January to April	535,949,707	92.44	49,543,191	
NPP May to December	962,764,763	90.50	87,130,211	
Tentative Agreement Energy Costs included in Basic Rates	1,498,714,470		136,673,402	353,868
Delay in Implementing Order UE21-05 - Costs forecast to revenue requirement for March & April deferred to ECAM				<u>(630,664)</u>
TOTAL Change to ECAM Deferral 2023				(276,796)
2024				
NPP January to February	299,206,411	90.60	27,108,101	
NPP March to December	<u>1,218,216,662</u>	93.70	<u>114,146,901</u>	
GRA Energy Costs included in Basic Rates	1,517,423,073		141,255,002	
NPP January to February	299,206,411	90.50	27,078,180	
NPP March to December	<u>1,218,216,662</u>	94.40	<u>114,999,653</u>	
Tentative Agreement Energy Costs included in Basic Rates	1,517,423,073		142,077,833	822,831
TOTAL Change to ECAM Deferral 2024				822,831
2025				
NPP January to February	300,645,543	93.70	28,170,487	
NPP March to December	<u>1,236,993,986</u>	96.12	<u>118,899,862</u>	
GRA Energy Costs included in Basic Rates	1,537,639,529		147,070,349	
NPP January to February	300,645,543	94.40	28,380,939	
NPP March to December	<u>1,236,993,986</u>	96.12	<u>118,899,862</u>	
Tentative Agreement Energy Costs included in Basic Rates	1,537,639,529		147,280,801	210,452
TOTAL Change to ECAM Deferral 2025				210,452

Forecast ECAM Deferral Balance '(\$000s)	2023	2024	2025
Forecast Opening Balance of ECAM, January 1	6,791	4,068	2,080
Gross Energy Costs	147,801	155,207	158,576
Less: Costs Excluded from ECAM	<u>(6,632)</u>	<u>(10,205)</u>	<u>(10,777)</u>
Energy Costs Attributable to ECAM	141,169	145,002	147,799
Charged in Basic Rates Through ECAM Base Rate	<u>(136,673)</u>	<u>(142,078)</u>	<u>(147,281)</u>
Balance of Energy Costs Charged to ECAM	4,496	2,924	518
ECAM Collections Thru Rate Rider	<u>(7,218)</u>	<u>(4,913)</u>	<u>(2,486)</u>
Closing ECAM Balance, December 31	4,068	2,080	112

ECAM Collection Rate per kWh	2023	2024	2025
Forecast ECAM Opening Balance	6,791	4,068	2,080
Forecast Sales over Collection Period (GWh)*	1,152.9	1,416.7	1,436.1
Collection Rate per kWh effective May 1, 2023 and March 1, 2024 & 2025	0.00589	0.00287	0.00145

* Collection period May 1, 2023 - February 28, 2024, March 1, 2024 - February 28, 2025 and March 1, 2025 - February 28, 2026

Forecast ECAM Collections Thru ECAM Rate (\$)	2023	2024	2025
Forecast Sales in kWh - January 1 - April 30, 2023, January 1 - February 28, 2024 & 2025	523,496,625	284,612,772	289,043,279
Collection Rate	<u>0.00402</u>	<u>0.00589</u>	<u>0.00287</u>
Total ECAM Collected - January 1 - April 30, 2023, January 1 - February 28, 2024 & 2025	2,104,456	1,676,369	829,554
Forecast Sales in kWh - May 1 - December 31, 2023, March 1 - December 31, 2024 & 2025	868,252,356	1,127,632,487	1,142,043,705
Collection Rate	<u>0.00589</u>	<u>0.00287</u>	<u>0.00145</u>
Total ECAM Collected - May 1 - December 31, 2023, March 1 - December 31, 2024 & 2025	<u>5,114,006</u>	<u>3,236,305</u>	<u>1,655,963</u>
Total ECAM Collected - January 1 to December 31	7,218,463	4,912,674	2,485,518

Revenue Shortfall/RORA	GRA	Revised	Change
2020 Revenue Shortfall	2,078,646	2,472,248	393,602 Two months additional amortization March and April 2023.
RORA Under (Over) Refunded	<u>(52,949)</u>	<u>(223,338)</u>	(170,389) Two months additional refund to customers at existing refund rate for March and April 2023 consumption.
Total Amount to be Refunded	2,025,697	2,248,910	
Forecast kWh sales over refund period:			
March 1, 2023 - February 28, 2024	1,396,277,700		
May 1, 2023 - February 28, 2024		1,152,865,100	
Refund Rate	0.00145	0.00195	

EE & C Plan Collections	GRA	Revised
Forecast kWh sales		
March 1, 2022 - February 28, 2023	1,395,847,900	
May 1, 2022 - April 30, 2023		1,639,260,472
Approved Rate Rider	<u>0.0013</u>	<u>0.0013</u>
Forecast Collections	1,814,600	2,131,000
Proposed Funding Required for PEIEC EE&C Plan - 2022	<u>(869,000)</u>	<u>(869,000)</u>
Forecast Over Collection to be Applied to 2023 & 2025	945,600	1,262,000
Proposed to Apply to 2023 Funding Required for PEIEC EE&C Plan	(868,000)	(868,000)
Proposed to Apply to 2024 Funding Required for PEIEC EE&C Plan	<u>(77,600)</u>	<u>(394,000)</u>
Balance of Over Collection reduced to Nil	-	-

EE & C Riders - Revised	2023	2024	2025
Forecast Funding Required	868,000	868,000	1,732,000
Over Collections Applied	<u>(868,000)</u>	<u>(394,000)</u>	<u>-</u>
Balance to be Collected through Rate Rider	-	474,000	1,732,000
Forecast Energy Sales (May 1, 2023 - February 28, 2024, March 1 - Febru	1,152,865,100	1,416,675,800	1,436,087,300
Collection Rate Required	-	0.00033	0.00121

TABLE 5-10**Other Revenue**

	GRA			Revised			Change		
	2023	2024	2025	2023	2024	2025	2023	2024	2025
OATT Revenue	\$ 13,888	\$ 14,077	\$ 14,278	\$ 13,888	\$ 14,077	\$ 14,278	\$ -	\$ -	\$ -
Miscellaneous Revenue	2,694	2,469	2,599	2,681	2,437	2,585	(13)	(32)	(14)
2020 Revenue Shortfall	(394)			(787)			(393)	-	-
Total	\$ 16,188	\$ 16,546	\$ 16,877	\$ 15,782	\$ 16,514	\$ 16,863	\$ (406)	\$ (32)	\$ (14)

Impact on Annual Cost						
March 1 to February 28						
	GRA Proposed Rates			Negotiated Settlement Proposed Rates		
	2023/2024	2024/2025	2025/2026	2023/2024	2024/2025	2025/2026
Annual Cost for Benchmark Rural Residential Customer (650kWh per Month/7,800 kWh per Year)						
Before Tax Cost	\$1,562.89 3.0%	\$1,609.78 3.0%	\$1,658.67 3.0%	\$1,555.83 2.6%	\$ 1,596.25 2.6%	\$ 1,639.09 2.7%
Total Cost	\$1,673.34 3.0%	\$1,722.58 2.9%	\$1,773.91 3.0%	\$1,665.92 2.5%	\$ 1,708.37 2.5%	\$ 1,753.35 2.6%
Annual Cost for Benchmark Urban Residential Customer (650kWh per Month/7,800 kWh per Year)						
Before Tax Cost	\$1,534.68 3.1%	\$ 1,581.58 3.1%	\$ 1,630.47 3.1%	\$1,527.63 2.6%	\$1,568.05 2.6%	\$1,610.89 2.7%
Total Cost	\$ 1,640.90 3.0%	\$ 1,690.15 3.0%	\$ 1,741.48 3.0%	\$ 1,633.49 2.6%	\$ 1,675.94 2.6%	\$ 1,720.92 2.7%
Annual Cost for Benchmark General Service Customer (10,000kWh/50KW per Month / 120,000 kWh/600KW per Year)						
Before Tax Cost	\$ 24,508.91 3.0%	\$ 25,248.99 3.0%	\$ 26,001.74 3.0%	\$ 24,411.94 2.6%	\$ 25,046.84 2.6%	\$ 25,712.54 2.7%
Total Cost	\$ 28,185.25 3.0%	\$ 29,036.34 3.0%	\$ 29,902.00 3.0%	\$ 28,073.73 2.6%	\$ 28,803.86 2.6%	\$ 29,569.42 2.7%

Negotiated Settlement Proposed Rates						
Composition of Total Energy Charge per kWh by Rate Class Effective May 1, 2023 and March 1, 2024 & 2025						
Energy Charge per kWh - Revenue Requirement (A)						
	2022	2023F	2024F	2025F	Cumulative Change over 2018 Rates	Average Annual Variance
Residential - First Block	\$ 0.1450	\$ 0.1554	\$ 0.1602	\$ 0.1663	14.7%	4.9%
Residential - Second Block	\$ 0.1146	\$ 0.1229	\$ 0.1267	\$ 0.1315	14.7%	4.9%
General Service - First Block	\$ 0.1789	\$ 0.1919	\$ 0.1978	\$ 0.2053	14.8%	4.9%
General Service - Second Block	\$ 0.1159	\$ 0.1243	\$ 0.1281	\$ 0.1329	14.7%	4.9%
Small Industrial - First Block	\$ 0.1752	\$ 0.1878	\$ 0.1936	\$ 0.2009	14.7%	4.9%
Small Industrial - Second Block	\$ 0.0868	\$ 0.0931	\$ 0.0959	\$ 0.0995	14.6%	4.9%
Large Industrial	\$ 0.0698	\$ 0.0770	\$ 0.0797	\$ 0.0830	18.9%	6.3%

Energy Charges per kWh - Other Amounts (B)					
	2022	2023F	2024F	2025F	Cumulative Change over 2018 Rates
ECAM Charge per kWh	\$ 0.0040	\$ 0.0059	\$ 0.0029	\$ 0.0015	-63.93%
RORA/2020 Revenue Deferral Refund per kWh	\$ (0.0007)	\$ (0.0020)	\$ -	\$ -	n/a
Provincial Costs Recoverable per kWh	\$ 0.0036	\$ -	\$ -	\$ -	n/a
Provincial Energy Efficiency Program per kWh	\$ 0.0013	\$ -	\$ 0.0003	\$ 0.0012	-6.92%
Total Energy Charge per kWh Excluding Basic Revenue	\$ 0.0082	\$ 0.0039	\$ 0.0032	\$ 0.0027	-67.07%

Total Energy Charge per kWh (A+B) - Option - Proposed 2020 Revenue Shortfall Deferral						
	2022	2023F	2024F	2025F	Cumulative Change over 2018 Rates	Average Annual Variance
Residential - First Block	\$ 0.1532	\$ 0.1593	\$ 0.1634	\$ 0.1690	10.3%	3.4%
Residential - Second Block	\$ 0.1228	\$ 0.1268	\$ 0.1299	\$ 0.1342	9.3%	3.1%
General Service - First Block	\$ 0.1871	\$ 0.1958	\$ 0.2010	\$ 0.2080	11.2%	3.7%
General Service - Second Block	\$ 0.1241	\$ 0.1282	\$ 0.1313	\$ 0.1356	9.3%	3.1%
Small Industrial - First Block	\$ 0.1834	\$ 0.1917	\$ 0.1968	\$ 0.2036	11.0%	3.7%
Small Industrial - Second Block	\$ 0.0950	\$ 0.0970	\$ 0.0991	\$ 0.1022	7.6%	2.5%
Large Industrial	\$ 0.0780	\$ 0.0809	\$ 0.0829	\$ 0.0857	9.9%	3.3%

* Rate changes effective March 1.

Annual and Average Rate Base (\$000, except %)									
Components	GRA Proposed			Negotiated Settlement			Difference from GRA Proposed		
	2023 Forecast	2024 Forecast	2025 Forecast	2023 Forecast	2024 Forecast	2025 Forecast	2023 Forecast	2024 Forecast	2025 Forecast
Fixed Assets	518,341	556,280	608,664	518,341	556,280	608,664	-	-	-
Additions to Rate Base:									
CTGS Reserve Variance	8,538	6,403	4,269	8,538	6,403	4,269	-	-	-
ECAM – post 2003	4,482	3,282	482	4,069	2,080	113	(413)	(1,202)	(369)
Intangible Assets	4,300	4,450	4,600	4,300	4,450	4,600	-	-	-
Other Post-Employment Benefits	1,622	1,484	1,347	1,622	1,484	1,347	-	-	-
Weather Normalization Reserve	1,789	1,789	1,789	1,789	1,789	1,789	-	-	-
Deferred Charges	1,325	1,137	948	1,111	1,021	931	(214)	(116)	(17)
Deferred Financing	1,191	1,567	1,837	1,191	1,567	1,837	-	-	-
Subtotal of Additions to Rate Base	23,247	20,112	15,272	22,620	18,794	14,886	(627)	(1,318)	(386)
Deductions from Rate Base:									
Future Income Tax	(35,826)	(42,055)	(48,828)	(35,318)	(40,998)	(47,202)	508	1,057	1,626
Contributions	(26,091)	(34,578)	(41,352)	(26,091)	(34,578)	(41,352)	-	-	-
Employee Future Benefits	(7,224)	(7,382)	(7,541)	(7,224)	(7,382)	(7,541)	-	-	-
RORA Refund	-	-	-	(555)	1	1	(555)	1	1
Subtotal of Deductions from Rate Base	(69,141)	(84,015)	(97,721)	(69,188)	(82,957)	(96,094)	(47)	1,058	1,627
Working Capital:									
Inventory	3,000	3,000	3,000	3,000	3,000	3,000	-	-	-
Operating Expenses x 3.6%	6,605	6,903	7,077	6,566	6,893	7,069	(39.30)	(10.30)	(7.90)
Income Taxes Paid x 3.6%	90	90	90	90	90	90	-	-	-
Subtotal of Working Capital	9,695	9,993	10,167	9,656	9,983	10,159	(39.3)	(10.3)	(7.9)
Annual Rate Base	482,142	502,370	536,382	481,429	502,100	537,615	(713)	(270)	1,233
Average Rate Base	471,023	492,256	519,376	470,666	491,764	519,858	(357)	(492)	482
Year over Year Variance[2]	5.5%	4.5%	5.5%	5.4%	4.5%	5.7%	-0.1%	0.0%	0.2%

Calculation of Return on Average Rate Base (\$) & (%)									
	GRA Proposed			Negotiated Settlement			Difference from GRA Proposed		
	2023 Forecast	2024 Forecast	2025 Forecast	2023 Forecast	2024 Forecast	2025 Forecast	2023 Forecast	2024 Forecast	2025 Forecast
Total Revenue Requirement	249,256	261,902	273,869	246,197	260,577	271,926	(3,059)	(1,325)	(1,943)
Energy Supply Costs	(148,886)	(155,484)	(158,798)	(147,801)	(155,207)	(158,576)	1,085	277	222
ECAM Deferral Adjustment	4,219	3,746	729	4,496	2,923	518	277	(823)	(211)
Transmission and Distribution	(21,394)	(22,699)	(23,815)	(21,394)	(22,699)	(23,815)	-	-	-
General and Administrative	(13,185)	(13,559)	(13,972)	(13,185)	(13,559)	(13,972)	-	-	-
Depreciation	(29,094)	(30,785)	(32,816)	(29,012)	(30,687)	(32,718)	82	98	98
Amortization of Financing Costs	(22)	(24)	(31)	(22)	(24)	(31)	-	-	-
Income Taxes	(8,459)	(8,994)	(9,538)	(7,951)	(8,446)	(8,968)	-	-	-
Total Earnings on Rate Base	32,435	34,103	35,628	31,328	32,878	34,365	(1,107)	(1,225)	(1,263)
Average Rate Base	471,023	492,256	519,376	470,666	491,764	519,858	(357)	(492)	482
Return on Average Rate Base	6.9%	6.9%	6.9%	6.7%	6.7%	6.6%	-0.2%	-0.2%	-0.2%