

**RÉPONSE D'HYDRO-QUÉBEC DISTRIBUTION  
À L'ENGAGEMENT NUMÉRO 2**



**Engagement n° 2 (demandé par le RNCREQ)**

Confirmer le calcul permettant d'obtenir le facteur  $C_n$  dans le tableau 2 de la présentation de Concentric (HQD-22, document 2).

**Réponse de Concentric à l'engagement n° 2 :**

1 Toronto Hydro's  $C_n$  factor, as shown on page 11 on Concentric's presentation, is  
 2 calculated as the increase in the capital related revenue requirement (« Capital-  
 3 related RR» or « CRRR »). This increase is measured as a percentage of the  
 4 previous year's total revenue requirement. In Table 2 shown below, the 2016  $C_n$   
 5 factor is calculated as:

$$(456.3 - 430.5) / 633.1 = 4.07$$

6  
 7 The tables shown in Concentric's presentation HQD-22, document 2 (B-0208), are  
 8 taken directly from Toronto Hydro's Draft Rate Order Filing, filed 2016 Feb 29 at  
 9 page 6 of 10 as part of docket EB-2014-0116.

**Table 2 – Annual  $C_n$  Factor**

	2015	2016	2017	2018	2019
Interest	79.3	87.7	95.4	99.9	104.3
ROE	120.2	133.0	144.7	151.6	158.2
Depreciation	206.0	218.7	242.2	257.7	275.0
PILs/Taxes	25.0	16.9	24.3	40.2	45.7
Capital-related RR	430.5	456.3	506.6	549.4	583.2
OM&A	243.9	247.6	251.3	255.1	258.9
Revenue Offsets	(41.3)	(41.9)	(42.5)	(43.2)	(43.8)
Total RR	633.1	662.0	715.4	761.4	798.3
$C_n$		4.07	7.60	5.99	4.43