

Exhibit JP-1(b)**

Automatic Adjustment Formula
Proposal by Mr. MacDonaldPro Forma
2014 Estimated Return
on Common Equity

2013 Return on Common Equity		8.91%
50% Change in Long Canada Bond Yields		
Current Forecast (Increase of 75 basis points from JP-1)	3.34%	
Base Forecast	3.04%	
	<u>0.30%</u>	
Change in Long Canada Bond Yield adjusted by 50%		0.15%
50% Change in Utility Bond Spread		
Current Spread	1.45%	
Base Spread	1.45%	
	<u>0.00%</u>	
Change in Utility Bond Spread adjusted by 50%		<u>0.00%</u>
2014 Estimated Return on Common Equity		<u>9.06%</u>
Numerical Reduction in ROE		<u>-0.15%</u>
Allowed 2014 ROE (No change due to deadband)		<u>8.91%</u>

** Evidence of Jocelyn Perry, Transcript, January 13, 2013, pg. 158

Note: Deadband of +/- 25 basis points.