

## Exhibit JP-1(b)\*\*

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

<b>2013 Return on Common Equity</b>		8.91%
<b>50% Change in Long Canada Bond Yields</b>		
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%
<b>50% Change in Utility Bond Spread</b>		
Current Spread	1.45%	
Base Spread	1.45%	
	<u>0.00%</u>	
Change in Utility Bond Spread adjusted by 50%		<u>0.00%</u>
<b>2014 Estimated Return on Common Equity</b>		<u>9.06%</u>
<b>Numerical Reduction in ROE</b>		<u>-0.15%</u>
<b>Allowed 2014 ROE (No change due to deadband)</b>		<u>8.91%</u>

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

Note: Deadband of +/- 25 basis points.