Reference: Section 3: Finance

Q. Provide the reduction in the proposed 2022 and 2023 revenue requirement and the impact on customer rates if the return on equity is set at 8.25%, 8.5%, 8.75%, 9.0%, 9.25% and 9.5% with no other change from the proposals in the Application.

A. Table 1 provides the *pro forma* impacts on proposed 2022 and 2023 revenue requirements and proposed customer rates for the return on equity ("ROE") scenarios requested.[1]

Table 1:
2022 and 2023 *Pro Forma*
Revenue Requirement and Customer Rate Impacts

ROE (%)	2022 PF ($millions)	2023 PF ($millions)	Customer Rates (%)
9.50	(2.0)	(2.6)	(0.4)
9.25	(3.8)	(4.9)	(0.7)
9.00	(5.5)	(7.1)	(1.0)
8.75	(7.3)	(9.4)	(1.3)
8.50	(9.0)	(11.6)	(1.6)
8.25	(10.7)	(13.8)	(1.9)

[1] Each *pro forma* scenario assumes all *2022/2023 General Rate Application* proposals are approved other than the proposed increase in the ROE. The estimates include the direct impact on the 2022 Revenue Shortfall deferral and amortization calculations. For example, the customer rate impact of reducing the ROE from 9.80% to 8.50% of (1.6%) would reflect: (i) the effect of the change in ROE of (1.5%); and (ii) the effect of the estimated change in the 2022 Revenue Shortfall calculation of (0.1%).