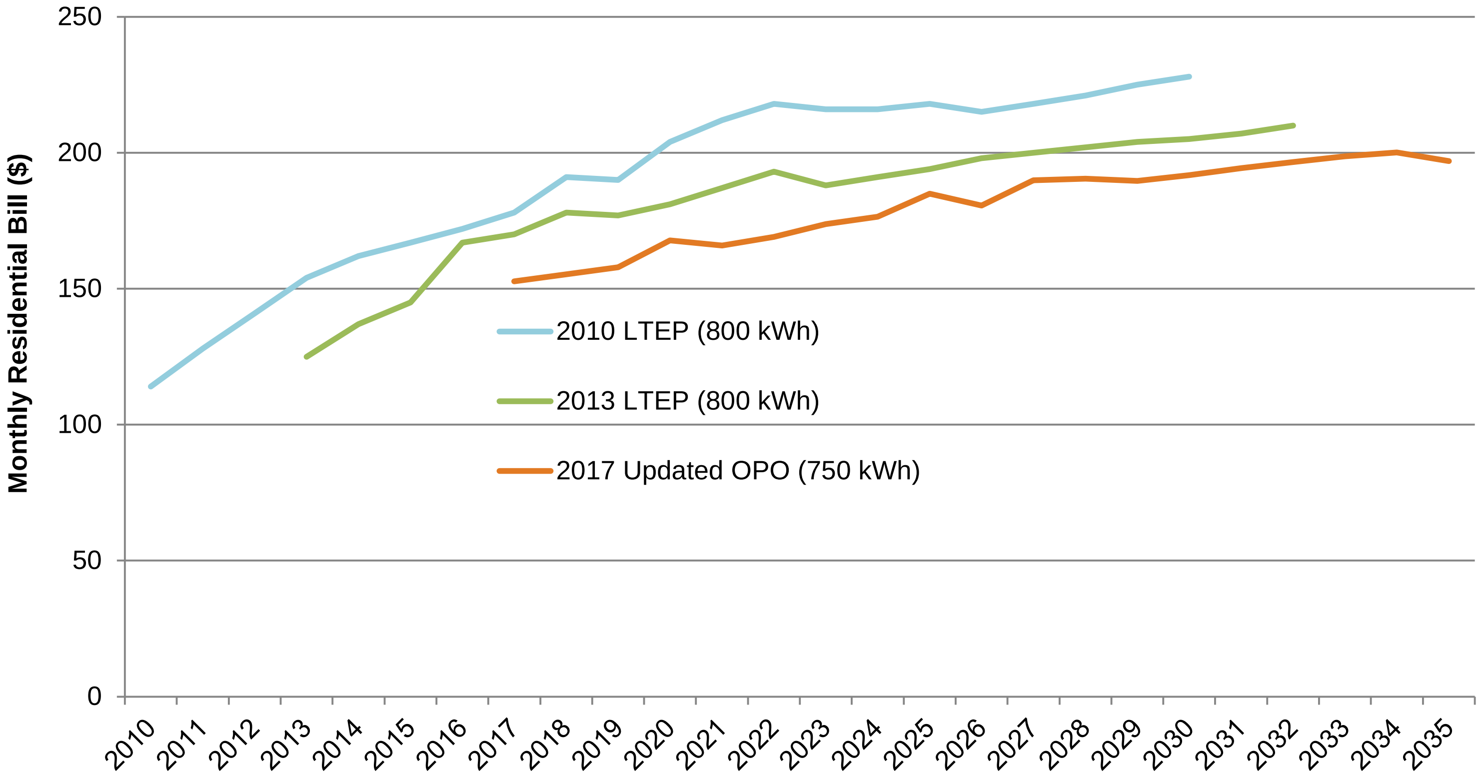
Existing Rate Mitigation Actions To Bend The Cost Curve (cont'd)

- The chart below shows how electricity rate forecasts have trended down over time.

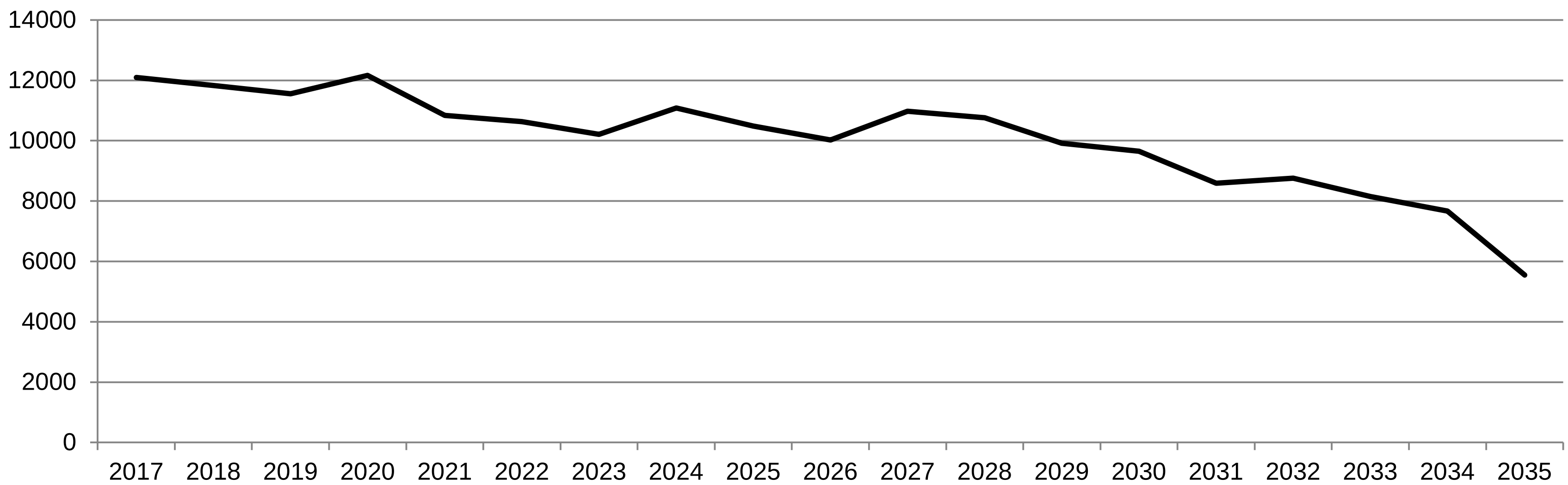


Sources: *2010 LTEP (800 kWh/month); 2013 LTEP (800 kWh/month); Revised Ontario Planning Outlook (750 kWh/month as of February 2017) which includes: ICI expansion, RRRP update, 8% rebate, HQ agreement, suspension of LRP II and EFWSOP.*

GA Smoothing – Global Adjustment Forecast

- The amount of Global Adjustment (GA) is forecast to decrease through the forecast period. Several factors contribute to the decline of GA, including:
  - Expiry of electricity generation contracts;
  - Cost of existing contracts reduced due to Inflation; and
  - Higher wholesale electricity prices due to higher natural gas/carbon prices, higher demand and reduced nuclear generating capacity.

Forecast Global Adjustment Cost (nominal $ million)



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