

# FY 2018 CRAC and RDC

## Key changes to the CRAC and DDC for FY 2018 and FY 2019:

- The Dividend Distribution Clause (DDC) now allows use of reserves for debt retirement or other high value purposes. This mechanism is now termed the **Reserves Distribution Clause (RDC)**
- CRAC and RDC mechanisms established for Transmission
- CRAC and RDC thresholds are set based on Days' Cash metrics
- Agency RDC thresholds established. For an RDC to trigger, **both** the business line and Agency must be above their RDC thresholds.

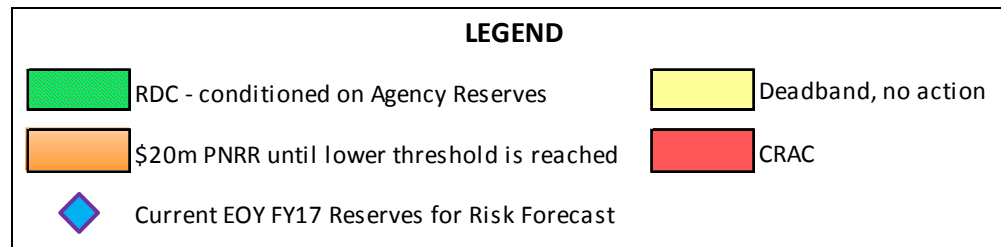
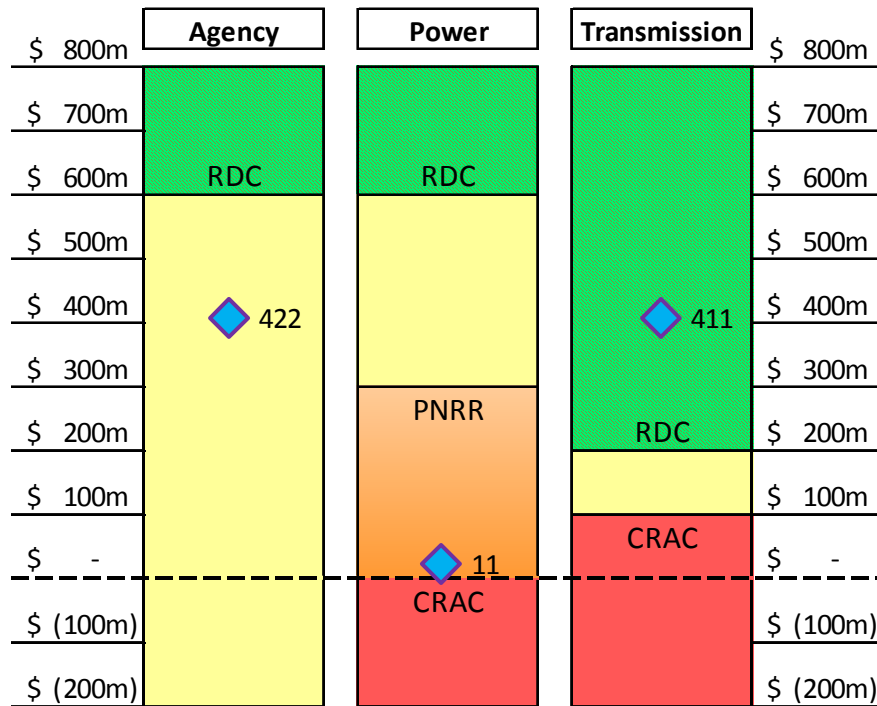
# FY 2018 CRAC and RDC Thresholds

Thresholds in terms of Reserves for Risk\* (\$ in millions):

	CRAC	RDC
Power	\$0	\$609
Transmission	\$99	\$199
Agency	n/a	\$606

*\*Actual Thresholds are set at the ACNR equivalent of the above Reserves for Risk values*

# Reserves for Risk Forecast vs. Thresholds



# FY 2018 Power CRAC and RDC

*This Q3 Forecast is the basis for determining if the CRAC and RDC adjust rates for FY 2018.*

*Calculations are in terms of ACNR, not reserves for risk.*

*Per the ACNR methodology, there were no calibrating events in FY 2017.*

## **Power CRAC:**

- Power is \$10 million above the Power CRAC threshold.
  - Power ACNR is \$259 million. Threshold in terms of ACNR is \$249 million.
- The Power CRAC does not trigger for FY 2018 rates.

## **Power RDC:**

- Power is approx. \$600 million below the Power RDC Threshold.
- The Power RDC does not trigger for FY 2018 rates.

# FY 2018 Transmission CRAC and RDC

*This Q3 Forecast is the basis for determining if the CRAC and RDC adjust rates for FY 2018*

## **Transmission CRAC:**

- Transmission is approx. \$300 million above the Transmission CRAC threshold.
- The Transmission CRAC does not trigger for FY 2018 rates.

## **Transmission RDC:**

- Transmission is approx. \$200 million above the Transmission RDC Threshold.
- The Agency is approx. \$200 million below the Agency RDC Threshold.
- The RDC requires that **both** Transmission and the Agency are above their respective RDC thresholds for the RDC to trigger. Therefore, the Transmission RDC does not trigger for FY 2018 rates.