Toronto Hydro-Electric System Limited

EB-2009-0139

Exhibit E1

Tab 4 Schedule 1

Filed: 2009 Aug 28

Updated: 2009 Nov 30

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Cost of Capital

	Col. 1	Col. 2	Col. 3	Col. 4	Col. 5
1		2010 Test Year			
					Return
2		Principal	Component	Cost Rate	Component
3			(%)	(%)	(%)
4	Medium and Long-Term Debt	1,210.7	56.0	5.37	3.01 /\
5	Short Term Debt	86.5	4.0	1.33	0.05
6		1,297.2	60.0		3.06
7					
8	Preferred Shares	0.0	-	-	-
9	Common Equity	864.8	40.0	8.01	3.20
10		2,162.0	100.0		6.26 /l

Notes:

1) Cost of Equity and Short-Term debt based on 2009 approved rates. To be updated according to Cost of Capital guidelines