

UNDERTAKING

Undertaking

TO PROVIDE IMPACT OF UPDATING THE DEBT PORTION OF THE COST OF CAPITAL, AS WELL AS THE OTHER PARTS.

Response

The impact of updating for actual interest rates and the updated ROE is provided below.

	<u>2010</u>	<u>2011</u>
<u>Long-Term Debt</u>		
With 2009 issuance projections – as per EB-2009-0096	5.717%	5.715%
With 2009 actual issuances	5.673%	5.676%
Change	<u>(0.044%)</u>	<u>(0.039%)</u>
<u>Revenue Requirement (in \$M)</u>		
Per EB-2009-0096	1,149.6	1,263.5
With 2009 actual debt issuances	1,148.4	1,262.3
Change	<u>(1.2)</u>	<u>(1.1)</u>
<u>Short Term Debt</u>		
Per EB-2009-0096	1.190%	2.760%
Updated for ST Debt Forecast per COC Report	1.934%	3.990%
Change	<u>0.744%</u>	<u>1.230%</u>
<u>Revenue Requirement (in \$M)</u>		
Per EB-2009-0096	1,149.6	1,263.5
Updated for ST Debt Forecast per COC Report	1,151.0	1,266.0
Change	<u>1.4</u>	<u>2.5</u>
<u>ROE (\$M)</u>		
- Per J4.4	44	29

The combined impact of the above changes is provided in the updated Table 2 below.

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2
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Table 2
Comparison of Revenue Requirements: 2008 vs. 2010 vs. 2011 (\$ Millions)

Line No	Description	Year 2008 OEB Approved	Year 2010	Year 2011
1	OM&A	466	560	575
2	Depreciation	230	259	291
3	Capital Taxes	8	4	0
4	Income Taxes	35	27	48
5	Return	289	346	381
	Total Revenue Requirement	1,028	1,196	1,295
6	Deduct External Revenues	(42)	(48)	(48)
	Revenue Requirement less External Revenues	986	1,148	1,247

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