

**UNDERTAKING**

**Undertaking**

TO RERUN THE TABLES CONTAINED IN EXHIBIT E1, TAB 1, SCHEDULE 1 TO SHOW THE IMPACT ON ROE OF THE COST OF CAPITAL REPORT ISSUED DECEMBER 11, 2009.

**Response**

The impact of the Cost of Capital Report issued on December 11, 2009 is as follows:

		2010	2011
ROE	As per filing	8.11%	9.09%
	Update per December 11, 2009 report	9.75%	10.13%
	Increase	1.64%	1.04%
Revenue Requirement	As per filing	1,150	1,264
	Update per December 11, 2009 report	1,194	1,293
	Increase	44	29
Dx Rates	As per filing	9.7%	13.3%
	Update per December 11, 2009 report	14.1%	11.6%
	Increase/Decrease	4.4%	(1.7%)
Total Bill	As per filing	3.2%	4.7%
	Update per December 11, 2009 report	4.4%	3.9%

The tables in Exhibit E1-1-1 updated to reflect the December 11, 2009 Cost of Capital Report are as follows:

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

<b>Line No</b>	<b>Description</b>	<b>Year 2008 OEB Approved</b>	<b>Year 2010</b>	<b>Difference</b>
1	OM&A	466	560	94
2	Depreciation	230	259	29
3	Capital Taxes	8	4	(4)
4	Income Taxes	35	27	(8)
5	Return	289	344	55
	<b>Total Revenue Requirement</b>	<b>1,028</b>	<b>1,194</b>	<b>166</b>
6	Deduct External Revenues	(42)	(48)	(6)
	<b>Revenue Requirement less External Revenues</b>	<b>986</b>	1,146	160

**Table 3**  
**Components of Change to Revenue Requirement**

<b>Previously OEB-Approved (2008) vs. Proposed (2010)Description</b>	<b>Amount (\$ millions)</b>
Increase in OM&A	94
Impact of increased rate base	83
Increase in asset removal costs	10
Increased external revenue	(6)
Tax timing differences and other	(5)
Higher ROE	23
Impact of lower capital tax rate	(8)
Lower cost of debt	(8)
Impact of lower income tax rate	(2)
Other (includes OPEB)	(22)
<b>Total Change</b>	<b>160</b>

**Table 4**  
**Comparison of Rates Revenue Requirements 2010 vs. 2011 (\$ Millions)**

<b>Line no.</b>	<b>Description</b>	<b>Year 2010</b>	<b>Year 2011</b>	<b>Difference</b>
1	OM&A	560	575	15
2	Depreciation	259	291	32
3	Capital Taxes	4	0	(4)
4	Income Taxes	27	48	21
5	Return	344	379	35
	<b>Total Revenue Requirement</b>	<b>1,194</b>	<b>1,293</b>	<b>99</b>
6	Deduct External Revenues	(48)	(48)	0
	<b>Revenue Requirement less External Revenues</b>	<b>1,146</b>	<b>1,245</b>	<b>99</b>

**Table 5**  
**Components of Change to Rates Revenue Requirement:**  
**Proposed 2010 vs. Proposed 2011**

<b>Description</b>	<b>Amount (\$millions)</b>
Impact of increased rate base	48
Tax timing differences and other	26
Higher ROE	8
Increased OM&A	15
Higher cost of debt	5
Impact of lower income tax rates	(5)
Impact of lower capital tax rates	(4)
Other	6
<b>Total change</b>	<b>99</b>