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Sent: February 3, 2010 2:53 PM
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Cc: Pankaj Sardana; Darryl Seal; Colin McLorg; Glen Winn; Vellone, John; Jack Lenartowicz
Subject: THESL 2010 EDR - Updates

Board Staff and Intervenors of Record:

I attach updates to THESL's prefiled evidence. The first two updates reflect Conference Board of Canada changes to Canadian Interest and Exchange Rate Forecasts (December 2009). The prefiled evidence included this Conference Board information dated March 2009. The third update pertains to Gains on Sale of Named Properties (Ex. I1, Tab 1, Sch.1 page 5). This update increases the revenue offset to customers from $1.4 million (in the August filing) to $4.05 million. As directed by the Board, we will provide our submissions on the Gain on Sale issue in argument.

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Medium and Long-Term Debt Costs - 2010

	Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7
1	Description	Issue Date	Maturity	Principal ($)	Coupon Rate	Effective Days	Carrying Cost ($)
2	$980M City Note	May 6, 2003	May 6, 2013	490,115,467	5.36%	365	26,270,189
3	$180M Debenture	May 6, 2003	May 6, 2013	180,000,000	6.16%	365	11,088,000
4	1st tranche City Note Replacement	Nov 14, 2007	Nov 2017	245,057,739	5.20%	365	12,743,002
5	2nd tranche City Note Replacement	Nov 13, 2009	Nov 2019	245,057,739	4.54%	365	11,125,621
6	Capex Debt Issue	June 1, 2010	June 2040	200,000,000	5.79%	214	6,789,370
7	Financing Costs[1]						695,698
8	Avg of Monthly Debt Outstanding			1,277,491,219	5.38%		68,711,881

Notes:
1. Includes amortized issue costs

Canadian Interest and Exchange Rate Forecasts

Table 1. Quarterly Forecast

	Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7
1	Year	3-Month T-Bills (%)	90-Day Commercial Paper (%)	1-3 Year Govt Bonds (%)	3-10 Year Govt Bonds (%)	10+ Year Govt Bonds (%)	Exchange Rate ($Cdn/US)
2	2006:1(A)	3.66	3.82	3.92	4.07	4.22	1.155
3	2006:2(A)	4.15	4.34	4.30	4.45	4.60	1.122
4	2006:3(A)	4.15	4.33	4.05	4.09	4.25	1.121
5	2006:4(A)	4.17	4.32	4.00	3.99	4.13	1.139
6	2007:1(A)	4.17	4.34	4.03	4.03	4.18	1.172
7	2007:2(A)	4.29	4.45	4.46	4.42	4.41	1.098
8	2007:3 (A)	4.23	4.94	4.40	4.42	4.49	1.045
9	2007:4 (A)	3.92	4.78	3.99	4.07	4.26	0.982
10	2008:1 (A)	2.91	3.79	2.98	3.41	4.07	1.004
11	2008:2 (A)	2.71	3.19	3.02	3.36	4.05	1.010
12	2008:3 (A)	2.27	3.32	2.93	3.36	4.11	1.042
13	2008:4 (A)	1.67	2.62	1.69	2.63	3.92	1.212
14	2009:1 (A)	0.71	1.19	1.25	2.20	3.69	1.245
15	2009:2 (A)	0.23	0.61	1.06	2.46	3.93	1.167
16	2009:3	0.23	0.41	1.28	2.77	3.98	1.097
17	2009:4	0.22	0.42	1.24	3.05	4.01	1.055
18	2010:1	0.20	0.43	1.20	2.99	3.96	1.051
19	2010:2	0.26	0.52	1.12	2.80	**3.75**	1.048
20	2010:3	0.71	1.01	1.35	2.87	**3.73**	1.045
21	2010:4	1.48	1.84	1.82	3.16	3.89	1.042

Table 2: Annual Averages

	Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7
1	Year	3-Month T-Bills (%)	90-Day Commercial Paper (%)	1-3 Year Govt Bonds (%)	3-10 Year Govt Bonds (%)	10+ Year Govt Bonds (%)	Exchange Rate ($Cdn/US)
2	2006(A)	4.03	4.20	4.07	4.15	4.30	1.134
3	2007 (A)	4.15	4.63	4.22	4.24	4.34	1.074
4	2008 (A)	2.39	3.23	2.66	3.19	4.04	1.067
5	2009	0.35	0.66	1.21	2.62	3.90	1.141
6	2010	0.66	0.95	1.37	2.95	3.83	1.047

Source: Conference Board of Canada, Dec 2009

ACTUAL AND FORECAST NET AFTER-TAX GAINS ON SALE OF NAMED PROPERTIES

PROPERTY	STATUS	Net After-Tax Gain on Sale Amount $000s
3706 Bathurst Street	**Sold**	$354.1
124 Birmingham Avenue	**Sold**	$323.6
522 Rustic Road	**Sold**	$185.8
228 Wilson Avenue	**Sold**	$786.3
Sub Total - Actual		**$1,649.8**
175 Goddard Street	**Forecast to be sold in 2010**	$2,400.0
Total Actual + Forecast		**$4,049.8**
211 Sterling Road	**Not forecast to be sold in 2010**	
28 Underwriters Road	**Not for sale**	