

**Attachment 1: Response to CME Letter of September 2, 2010**

**Question**

Provide the details of the calculations that were done to produce the nuclear revenue requirement of \$5.314B and the hydroelectric revenue requirement of \$1.203B that were provided at page 154 of the August 26, 2010 Technical Conference Transcript.

**Response**

Proposed Payment Amounts - 5% ROE	Nuclear			Regulated Hydroelectric		
	2011	2012	Total	2011	2012	Total
<b>Average Rate Base</b>	4,041	4,151	4,096	3,803	3,787	3,795
<b>Energy Generated - TWh</b>	48.9	50.0	98.9	19.4	19.0	38.4
<b>Costs - \$ millions</b>						
Fuel & GRC	236	262	497	257	252	509
OM&A	2,021	2,068	4,089	128	126	254
Property Tax	16	17	33	0	0	0
Capital Tax	0	0	0	0	0	0
Depreciaton	235	256	492	66	65	131
Interest (deemed)	159	162	321	111	112	223
Income Taxes	33	56	88	(0)	(1)	(1)
Return on Equity @ 5%	59	63	122	89	89	178
	2,759	2,882	5,641	652	643	1,295
<b>Less:</b>						
Bruce Lease Revenues	(128)	(143)	(271)	-	-	-
Ancillary and Other Revenues	(32)	(24)	(56)	(45)	(46)	(91)
<b>Revenue Requirement</b>	2,599	2,715	5,314	607	597	1,203
<b>Resulting Payment Amount - \$/MWh</b>			<b>53.7</b>			<b>31.3</b>
<b>Regulatory Amortization</b>	227	233	460	(39)	(47)	(87)
<b>Proposed Deferral &amp; Variance Account Rider*</b>			5.1			(2.5)
* Regulatory Rate Riders are calculated using energy production for the 22 months March 2011-December 2012 Nuclear production = 90.3 TWh and Regulated Hydro production = 35.3 TWh						

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