

# Newmarket – Tay Power Distribution Ltd

Fall Shareholder Update  
October 2009

# Rate Filing

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- “Cost of Service” filing
  - Recover revenue requirement
  - Fair return on equity
    - Lowest regulated return since deregulation
  - Reasonable incentives for capital investment

# Filing Highlights

- For rates effective May 1, 2010
- Harmonized rates for both service area's
- Last approved rates Newmarket: May 2009; Tay: May 2006
- Combined Rate Base of 63.5 million projected
  - Combined Rate Base at deregulation of 53.5 million
- Distribution increase in revenue requirement of 2.2 million

# Where does the 2.2 Million Distribution increase come from

- 300,000 in loss in commercial revenue
- 200,000 in loss of Misc revenues
  - Interest revenue
- 350,000 in smart meter operating cost
  - Operational data storage and billing
  - Exception reporting
  - Demand side management tools for customers
  - Web presentment/printing costs/security audits
- 200,000 in smart meter depreciation to an increase in assets
- 400,000 in incremental capital depreciation due to increased capital
- 100,000 in rate of return on capital assets (New ROI to 9.85 from 8.57 – New Debt 5.87 from 6.1)
- 650,000 in OMA costs
  - Represents inflationary and increased costs since last rate filings of Newmarket and Tay