

DISTRIBUTION DATE
APRIL 10, 2000

SHEET 7 - MARR (NO TAX) CALCULATIONS

NAME OF UTILITY
LICENCE NUMBER
DATE
VERSION NUMBER
NAME OF CONTACT
PHONE NUMBER

Tay Hydro Electric Distribution Co. Inc.
ED-1999-0083
27-Nov-00
0
Lillian King
705-534-7281

TARGET RATE OF RETURN CALCULATIONS AND ADJUSTED RATE CLASS SERVICE CHARGES

NOTE: ANY RATE OF RETURN UP TO 9.88% MAY BE CHOSEN.

THE EXAMPLE SHOWS A TARGET ROE OF 4.0% FOR ILLUSTRATIVE PURPOSES ONLY.
YOU CAN REPEAT THIS ANALYSIS AS MANY TIMES AS YOU WISH BY ENTERING A
DIFFERENT TARGET ROE AND NOTING THE RESULTS BEFORE EACH ITERATION. YOU
CAN THEN CHOOSE THE LEVEL YOU WISH TO USE. ONLY YOUR FINAL CHOICE NEEDS
TO BE FILED.

NOTE:

ON THIS SHEET, TARGET RATE OF RETURN IS CALCULATED WITHOUT TAXES. THIS VALUE WILL BE APPLIED TO RATES UNTIL MARKET OPENS.
A TARGET RATE OF RETURN ADJUSTED FOR TAXES IS CALCULATED FOR THE PERIOD AFTER MARKET OPENING ON THE NEXT SHEET.
THE DIFFERENCE BETWEEN THE VALUES ON THE TWO SHEETS IS THE AMOUNT RATES WILL HAVE TO INCREASE TO ALLOW FOR TAXES.
THIS AMOUNT WILL BE ALLOCATED TO THE CLASSES IN THE SAME MANNER AS THE CHANGE IN REVENUE REQUIRED WITHOUT TAXES.

SOURCE: SEE APPENDIX D OF RATE HANDBOOK FOR RATE BASE CALCULATIONS. SEE CHAPTER 3 FOR DEBT RATE AND CER.
USE 1999 YEAR END FINANCIAL STATEMENTS FOR 1999 RETURN \$.

2000 Rate Base (ie. 1999 rate base "wires only")	\$ 4,077,253.43	MARR	\$ 349,217
			\$ 115,242
CER	0.5000		
Target ROE	0.0988		
Effective Tax Rate (this is the rate deemed to be in effect by the OEB)	0.435 (tax comes into effect only when market opens)		
1-CER	0.5000		
Debt Rate	0.0725		

Change in Revenue Required MARR - (1999 RETURN \$)

MARR \$ 349,216.76

1999 return \$ 173,613.00

Change in Revenue Required = \$ 175,603.76

Deferred Amount (if any) \$ 115,241.53

Change in Revenue to Be Allocated \$ 58,534.59

	DISTRIBUTION REVENUE	SHARE OF TOTAL REVENUE REVENUE	CHANGE IN INCREMENTAL REVENUE TO BE RETURN (\$) A*B ALLOCATED	REVISED REVENUE
RESIDENTIAL CLASS REVENUE	\$ 611,723.44	0.794	\$ 46,450.02	\$ 658,173.46
SENTINEL LIGHTS REVENUE	\$ 441.96	0.001	\$ 33.56	\$ 475.52
<50 KW CLASS	\$ 101,351.98	0.131	\$ 7,695.96	\$ 109,047.95
GENERAL SERVICE NON TIME OF USE >50 KW	\$ 49,394.89	0.064	\$ 3,750.70	\$ 53,145.59
GENERAL SERVICE TIME OF USE >50 KW	\$ -	0.000	\$ -	\$ -

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INTERMEDIATE USE	\$	-	0.000	\$	-	\$	-
STREET LIGHTING CLASS REVENUE	\$	7,958.86	0.010	\$	604.34	\$	8,563.20
LARGE USER CLASS REVENUE	\$	-	0.000	\$	-	\$	-
TOTAL REVENUE	\$	770,871.14		\$	58,534.59	\$	829,405.72

NOTE: THE ALLOCATED CHANGE IN REVENUE IS SPLIT BETWEEN VARIABLE REVENUE AND SERVICE CHARGE REVENUE
BASED ON THE RELATIVE SHARES OF THE PRE-RATE OF RETURN ADJUSTMENT.

RESIDENTIAL

		VARIABLE REVENUE	SERVICE CHARGE	TOTAL DISTRIBUTION REVENUE
(A) CURRENT REVENUE REQUIREMENTS	\$	148,220.92 0.242	\$ 463,502.52 0.758	\$ 611,723.44
(B) ALLOCATED INCREMENTAL RETURN (\$)	\$	11,254.86	\$ 35,195.15	\$ 46,450.02
(C) TARGETED BASE (A) +(B)	\$	159,475.78	\$ 498,697.68	\$ 658,173.46
(D) RETAIL KWH		23,906,600		
(E) NUMBER OF CUSTOMERS			2813	
(F) DISTRIBUTION KWH RATE (\$/KWH) (C)/(D)		\$0.0067		
(G) MONTHLY SERVICE CHARGE (C)/(E)/12			\$14.7736	

SENTINEL LIGHTS

		VARIABLE REVENUE	SERVICE CHARGE	TOTAL DISTRIBUTION REVENUE
(A) CURRENT REVENUE REQUIREMENTS	\$	107.09 0.242	\$ 334.87 0.758	\$ 441.96
(B) ALLOCATED INCREMENTAL RETURN (\$)	\$	8.13	\$ 25.43	\$ 33.56
(C) TARGETED BASE (A) +(B)	\$	115.22	\$ 360.30	\$ 475.52
(D) RETAIL KW		48		
(E) NUMBER OF CONNECTIONS			29	
(F) DISTRIBUTION KW RATE (\$/KW) (C)/(D)		\$2.4195		
(G) MONTHLY SERVICE CHARGE (C)/(E)/12 (PER CONNECTION)			\$1.0353	

GENERAL SERVICE <50 KW CLASS

		VARIABLE REVENUE	SERVICE CHARGE	TOTAL DISTRIBUTION REVENUE
(A) CURRENT REVENUE REQUIREMENTS	\$	24,557.64 0.242	\$ 76,794.34 0.758	\$ 101,351.98
(B) ALLOCATED INCREMENTAL RETURN (\$)	\$	1,864.74	\$ 5,831.23	\$ 7,695.96
(C) TARGETED BASE (A) +(B)	\$	26,422.38	\$ 82,625.57	\$ 109,047.95
(D) RETAIL KWH		4,902,540		
(E) NUMBER OF CUSTOMERS			231	
(F) DISTRIBUTION KWH RATE (\$/KWH) (C)/(D)		\$0.0054		
(G) MONTHLY SERVICE CHARGE (C)/(E)/12			\$29.8072	

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GENERAL SERVICE NON-TIME OF USE >50 KW

		VARIABLE REVENUE		SERVICE CHARGE		TOTAL DISTRIBUTION REVENUE
(A) CURRENT REVENUE REQUIREMENTS	\$	11,968.41	\$	37,426.48	\$	49,394.89
		0.242		0.758		
(B) ALLOCATED INCREMENTAL RETURN (\$)	\$	908.80	\$	2,841.91	\$	3,750.70
(C) TARGETED BASE (A) +(B)	\$	12,877.21	\$	40,268.39	\$	53,145.59
(D) RETAIL KW		11,721				
(E) NUMBER OF CUSTOMERS				12		
(F) DISTRIBUTION KW RATE (\$/KW) (C)/(D)		\$1.0986				
(G) MONTHLY SERVICE CHARGE (C)/(E)/12				\$279.6416		

GENERAL SERVICE TIME OF USE > 50 KW

		VARIABLE REVENUE		SERVICE CHARGE		TOTAL DISTRIBUTION REVENUE
(A) CURRENT REVENUE REQUIREMENTS	\$	-	\$	-	\$	-
		#DIV/0!		#DIV/0!		
(B) ALLOCATED INCREMENTAL RETURN (\$)		#DIV/0!		#DIV/0!		#DIV/0!
(C) TARGETED BASE (A) +(B)		#DIV/0!		#DIV/0!		#DIV/0!
(D) RETAIL KW		0				
(E) NUMBER OF CUSTOMERS				0		
(F) DISTRIBUTION KW RATE (\$/KW) (C)/(D)		#DIV/0!				
(G) MONTHLY SERVICE CHARGE (C)/(E)/12				#DIV/0!		

INTERMEDIATE USE

		VARIABLE REVENUE		SERVICE CHARGE		TOTAL DISTRIBUTION REVENUE
(A) CURRENT REVENUE REQUIREMENTS	\$	-	\$	-	\$	-
		#DIV/0!		#DIV/0!		
(B) ALLOCATED INCREMENTAL RETURN (\$)		#DIV/0!		#DIV/0!		#DIV/0!
(C) TARGETED BASE (A) +(B)		#DIV/0!		#DIV/0!		#DIV/0!
(D) RETAIL KW		0				
(E) NUMBER OF CUSTOMERS				0		
(F) DISTRIBUTION KW RATE (\$/KW) (C)/(D)		#DIV/0!				
(G) MONTHLY SERVICE CHARGE (C)/(E)/12				#DIV/0!		

STREET LIGHTING

		VARIABLE REVENUE		SERVICE CHARGE		TOTAL DISTRIBUTION REVENUE
(A) CURRENT REVENUE REQUIREMENTS	\$	1,928.44	\$	6,030.42	\$	7,958.86
		0.242		0.758		

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(B) ALLOCATED INCREMENTAL RETURN (\$)	\$	146.43	\$	457.91	\$	604.34
(C) TARGETED BASE (A) +(B)	\$	2,074.87	\$	6,488.33	\$	8,563.20
(D) RETAIL KW		1,243				
(E) NUMBER OF CONNECTIONS				694		
(F) DISTRIBUTION KW RATE (\$/KW) (C)/(D)		\$1.6692				
(G) MONTHLY SERVICE CHARGE (C)/(E)/12 (PER CONNECTION)				\$0.7791		

LARGE USE

		VARIABLE REVENUE		SERVICE CHARGE		TOTAL DISTRIBUTION REVENUE
(A) CURRENT REVENUE REQUIREMENTS	\$	-	\$	-	\$	-
		#DIV/0!		#DIV/0!		
(B) ALLOCATED INCREMENTAL RETURN (\$)		#DIV/0!		#DIV/0!		#DIV/0!
(C) TARGETED BASE (A) +(B)		#DIV/0!		#DIV/0!		#DIV/0!
(D) RETAIL KW		0				
(E) NUMBER OF CUSTOMERS				0		
(F) DISTRIBUTION KW RATE (\$/KW) (C)/(D)		#DIV/0!				
(G) MONTHLY SERVICE CHARGE (C)/(E)/12				#DIV/0!		

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SHEET 8 - MARR (WITH TAXES) CALCULATIONS

NAME OF UTILITY	Tay Hydro Electric Distribution Co. Inc.
LICENCE NUMBER	ED-1999-0083
DATE	27-Nov-00
VERSION NUMBER	0
NAME OF CONTACT	Lillian King
PHONE NUMBER	705-534-7281

TARGET RATE OF RETURN CALCULATIONS AND ADJUSTED RATE CLASS SERVICE CHARGES

NOTE: ANY RATE OF RETURN UP TO 9.88% RATE OF RETURN MAY BE CHOSEN.

**THE EXAMPLE SHOWS A TARGET ROE OF 4.0% FOR ILLUSTRATIVE PURPOSES ONLY.
YOU CAN REPEAT THIS ANALYSIS AS MANY TIMES AS YOU WISH BY ENTERING A
DIFFERENT TARGET ROE AND NOTING THE RESULTS BEFORE EACH ITERATION. YOU
CAN THEN CHOOSE THE LEVEL YOU WISH TO USE. ONLY YOUR FINAL CHOICE NEEDS
TO BE FILED.**

NOTE:

ON THE PREVIOUS SHEET, TARGET RATE OF RETURN IS CALCULATED WITHOUT TAXES. THIS VALUE WILL BE APPLIED TO RATES UNTIL MARKET OPENS. A TARGET RATE OF RETURN ADJUSTED FOR TAXES IS CALCULATED FOR THE PERIOD AFTER MARKET OPENING ON THIS SHEET. THE DIFFERENCE BETWEEN THE VALUES ON THE TWO SHEETS IS THE AMOUNT RATES WILL HAVE TO INCREASE TO ALLOW FOR TAXES. THIS AMOUNT WILL BE ALLOCATED TO THE CLASSES IN THE SAME MANNER AS THE CHANGE IN REVENUE REQUIRED WITHOUT TAXES.

2000 Rate Base (ie. 1999 rate base "wires only")	\$	4,077,253.43	MARR	\$	504,289.50
CER		0.5000			
Target ROE		0.0988			
Effective Tax Rate (this is the rate deemed to be in effect by the OEB)		0.435 (tax comes into effect when market opens)			
1-CER		0.5000			
Debt Rate		0.0725			

Change in Revenue Required	MARR - (1999 RETURN \$)
MARR	\$ 504,289.50
1999 RETURN \$	\$ 173,613.00
Change in Revenue Required	= \$ 330,676.50

MARR WITH TAXES - MARR WITHOUT TAXES (change in revenue required due to taxes to be allocated)	\$ 155,072.74
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	DISTRIBUTION REVENUE	SHARE OF TOTAL REVENUE A	CHANGE IN REVENUE TO BE ALLOCATED B	ALLOCATED TAX REVENUE A*B	REVISED REVENUE
RESIDENTIAL CLASS REVENUE	\$ 658,173.46	0.794	\$ 123,057.70	\$	781,231.17
SENTINEL LIGHTS REVENUE	\$ 475.52	0.001	\$ 88.91	\$	564.43
<50 KW CLASS	\$ 109,047.95	0.131	\$ 20,388.53	\$	129,436.48
GENERAL SERVICE NON TIME OF USE >50 KW	\$ 53,145.59	0.064	\$ 9,936.55	\$	63,082.15
GENERAL SERVICE TIME OF USE >50 KW	\$ -	0.000	\$ -	\$	-
INTERMEDIATE USE	\$ -	0.000	\$ -	\$	-
STREET LIGHTING CLASS REVENUE	\$ 8,563.20	0.010	\$ 1,601.05	\$	10,164.25

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LARGE USER CLASS REVENUE	\$	-	0.000	\$	-	\$	-
TOTAL REVENUE	\$	829,405.72		\$	155,072.74	\$	984,478.46

NOTE: THE ALLOCATED CHANGE IN REVENUE IS SPLIT BETWEEN VARIABLE REVENUE AND SERVICE CHARGE REVENUE
BASED ON THE RELATIVE SHARES OF THE PRE-RATE OF RETURN ADJUSTMENT

RESIDENTIAL

		VARIABLE REVENUE	SERVICE CHARGE	TOTAL DISTRIBUTION REVENUE
(A) REVENUE AT MARR WITHOUT TAXES	\$	159,475.78 0.242	\$ 498,697.68 0.758	\$ 658,173.46
(B) ALLOCATED TAX REVENUE REQUIREMENT	\$	29,816.95	\$ 93,240.76	\$ 123,057.70
(C) TARGETED BASE WITH TAXES (A) +(B)	\$	189,292.73	\$ 591,938.43	\$ 781,231.17
(D) RETAIL KWH		23,906,600		
(E) NUMBER OF CUSTOMERS			2813	
(F) DISTRIBUTION KWH RATE (\$/KWH) (C)/(D)		\$0.0079		
(G) MONTHLY SERVICE CHARGE (C)/(E)/12			\$17.5358	

SENTINEL LIGHTS

		VARIABLE REVENUE	SERVICE CHARGE	TOTAL DISTRIBUTION REVENUE
(A) REVENUE AT MARR WITHOUT TAXES	\$	115.22 0.242	\$ 360.30 0.758	\$ 475.52
(B) ALLOCATED TAX REVENUE REQUIREMENT	\$	21.54	\$ 67.37	\$ 88.91
(C) TARGETED BASE WITH TAXES (A) +(B)	\$	136.76	\$ 427.67	\$ 564.43
(D) RETAIL KW		48		
(E) NUMBER OF CONNECTIONS			29	
(F) DISTRIBUTION KW RATE (\$/KW) (C)/(D)		\$2.8719		
(G) MONTHLY SERVICE CHARGE (C)/(E)/12 (PER CONNECTION)			\$1.2289	

GENERAL SERVICE <50 KW CLASS

		VARIABLE REVENUE	SERVICE CHARGE	TOTAL DISTRIBUTION REVENUE
(A) REVENUE AT MARR WITHOUT TAXES	\$	26,422.38 0.242	\$ 82,625.57 0.758	\$ 109,047.95
(B) ALLOCATED TAX REVENUE REQUIREMENT	\$	4,940.15	\$ 15,448.38	\$ 20,388.53
(C) TARGETED BASE WITH TAXES (A) +(B)	\$	31,362.53	\$ 98,073.95	\$ 129,436.48
(D) RETAIL KWH		4,902,540		
(E) NUMBER OF CUSTOMERS			231	
(F) DISTRIBUTION KWH RATE (\$/KWH) (C)/(D)		\$0.0064		
(G) MONTHLY SERVICE CHARGE (C)/(E)/12			\$35.3802	

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GENERAL SERVICE NON-TIME OF USE >50 KW

		VARIABLE REVENUE		SERVICE CHARGE		TOTAL DISTRIBUTION REVENUE
(A) REVENUE AT MARR WITHOUT TAXES	\$	12,877.21 0.242	\$	40,268.39 0.758	\$	53,145.59
(B) ALLOCATED TAX REVENUE REQUIREMENT	\$	2,407.63	\$	7,528.92	\$	9,936.55
(C) TARGETED BASE WITH TAXES (A) +(B)	\$	15,284.84	\$	47,797.31	\$	63,082.15
(D) RETAIL KW		11,721				
(E) NUMBER OF CUSTOMERS				12		
(F) DISTRIBUTION KW RATE (\$/KW) (C)/(D)		\$1.3041				
(G) MONTHLY SERVICE CHARGE (C)/(E)/12				\$331.9258		

GENERAL SERVICE TIME OF USE > 50 KW

		VARIABLE REVENUE		SERVICE CHARGE		TOTAL DISTRIBUTION REVENUE
(A) REVENUE AT MARR WITHOUT TAXES		#DIV/0! #DIV/0!		#DIV/0! #DIV/0!		#DIV/0!
(B) ALLOCATED TAX REVENUE REQUIREMENT		#DIV/0!		#DIV/0!		#DIV/0!
(C) TARGETED BASE WITH TAXES (A) +(B)		#DIV/0!		#DIV/0!		#DIV/0!
(D) RETAIL KW		0				
(E) NUMBER OF CUSTOMERS				0		
(F) DISTRIBUTION KW RATE (\$/KW) (C)/(D)		#DIV/0!				
(G) MONTHLY SERVICE CHARGE (C)/(E)/12				#DIV/0!		

INTERMEDIATE USE

		VARIABLE REVENUE		SERVICE CHARGE		TOTAL DISTRIBUTION REVENUE
(A) REVENUE AT MARR WITHOUT TAXES		#DIV/0! #DIV/0!		#DIV/0! #DIV/0!		#DIV/0!
(B) ALLOCATED TAX REVENUE REQUIREMENT		#DIV/0!		#DIV/0!		#DIV/0!
(C) TARGETED BASE WITH TAXES (A) +(B)		#DIV/0!		#DIV/0!		#DIV/0!
(D) RETAIL KW		0				
(E) NUMBER OF CUSTOMERS				0		
(F) DISTRIBUTION KW RATE (\$/KW) (C)/(D)		#DIV/0!				
(G) MONTHLY SERVICE CHARGE (C)/(E)/12				#DIV/0!		

STREET LIGHTING

		VARIABLE REVENUE		SERVICE CHARGE		TOTAL DISTRIBUTION REVENUE
(A) REVENUE AT MARR WITHOUT TAXES	\$	2,074.87 0.242	\$	6,488.33 0.758	\$	8,563.20
(B) ALLOCATED TAX REVENUE REQUIREMENT	\$	387.93	\$	1,213.11	\$	1,601.05

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(C) TARGETED BASE WITH TAXES (A) +(B)	\$	2,462.80	\$	7,701.44	\$	10,164.25
(D) RETAIL KW		1,243				
(E) NUMBER OF CONNECTIONS				694		
(F) DISTRIBUTION KW RATE (\$/KW) (C)/(D)		\$1.9813				
(G) MONTHLY SERVICE CHARGE (C)/(E)/12 (PER CONNECTION)				\$0.9248		

LARGE USE

	VARIABLE REVENUE	SERVICE CHARGE	TOTAL DISTRIBUTION REVENUE
(A) REVENUE AT MARR WITHOUT TAXES	#DIV/0! #DIV/0!	#DIV/0! #DIV/0!	#DIV/0!
(B) ALLOCATED TAX REVENUE REQUIREMENT	#DIV/0!	#DIV/0!	#DIV/0!
(C) TARGETED BASE WITH TAXES (A) +(B)	#DIV/0!	#DIV/0!	#DIV/0!
(D) RETAIL KW	0		
(E) NUMBER OF CUSTOMERS		0	
(F) DISTRIBUTION KW RATE (\$/KW) (C)/(D)	#DIV/0!		
(G) MONTHLY SERVICE CHARGE (C)/(E)/12		#DIV/0!	