

## Prescribed Interest Rates

### for Approved Accounts of Gas Utilities and Electricity LDCs and Other Rate-Regulated Entities Approved by the Board

On November 28, 2006, the Ontario Energy Board approved a methodology to prescribe interest rates for regulatory accounts under the Uniform System of Accounts for natural gas utilities and electricity LDCs (EB-2006-0117). These prescribed interest rates also apply to the accounts of other rate-regulated entities if approved by the Board.

The prescribed interest rate for Board-approved deferral and variance accounts is equal to the Bankers' Acceptances three-month rate, as published on the Bank of Canada's website, plus a spread of 25 basis points.

The prescribed interest rate for the construction work in progress (CWIP) account is equal to the DEX Mid Term Corporate Bond Index Yield. This yield rate is obtained by the Ontario Energy Board under a licence from PC-Bond, a business unit of TSX Inc. Effective since July 2007, the source reference for the CWIP interest rate, the Scotia Capital Inc. All Corporates Average Weighted Yield Mid-Term has not been publicly available via the Bank of Canada's website. This bond yield has been renamed as the DEX Mid Term Corporate Bond Index.

These prescribed rates are reviewed and updated each quarter. However, no change is made to the prescribed interest rate where the difference between the updated Current quarter's Bankers' Acceptances three-months rate (plus a 25 basis points spread) or the DEX Mid Term Corporate Bond Index yield and the Previous quarter's OEB-prescribed interest rate is less than 25 basis points (i.e., the Previous quarter's OEB-prescribed interest rate is continued for the Current quarter).

For each quarter commencing Q2 2006, the prescribed interest rates are shown in the table below.

<b>Quarter by Year<sup>1</sup></b>	<b>Approved Accounts Prescribed Interest Rate (per the Bankers' Acceptances-3 months Plus 0.25 Spread)</b>	<b>CWIP Account Prescribed Interest Rate (per the DEX Mid Term Corporate Bond Index Yield <sup>2)</sup></b>
Q3 2008	3.35	5.43
Q2 2008	4.08	5.18
Q1 2008	5.14	5.18
Q4 2007	5.14	5.18
Q3 2007	4.59	5.18
Q2 2007	4.59	4.72
Q1 2007	4.59	4.72
Q4 2006	4.59	4.72
Q3 2006	4.59	5.05
Q2 2006	4.14	4.68

#### Footnotes:

1. Q1 is January to March  
Q2 is April to June  
Q3 is July to September  
Q4 is October to December

2. Source of data for Q4-2007 and after: PC-Bond, a business unit of TSX Inc. Copyright © TSX Inc. All rights reserved.

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