

COST OF CAPITAL  
2017 UPDATED FORECAST

Line No.		Col. 1	Col. 2	Col. 3	Col. 4
		Principal Excl. CC/CIS (\$Millions)	Component %	Cost Rate %	Return Component %
1.	Long and Medium-Term Debt	3,739.6	62.28	4.83	3.008
2.	Short-Term Debt	<u>3.2</u>	<u>0.05</u>	1.23	<u>0.001</u>
3.		3,742.8	62.33		3.009
4.	Preference Shares	100.0	1.67	2.24	0.037
5.	Common Equity	<u>2,161.6</u>	<u>36.00</u>	8.77	<u>3.157</u>
6.		<u><u>6,004.4</u></u>	<u><u>100.00</u></u>		<u><u>6.203</u></u>
7.	Rate Base	(\$Millions)			6,004.4
8.	Utility Income	(\$Millions)			351.1
9.	Indicated Rate of Return				5.847
10.	Deficiency in Rate of Return				(0.356)
11.	Net Deficiency	(\$Millions)			(21.4)
12.	Gross Deficiency	(\$Millions)	(excl. CC/CIS)		(29.1)
13.	Customer Care/CIS Deficiency	(\$Millions)	(\$126.6 vs \$122.4)		(4.2)
14.	Total Gross Revenue Deficiency	(\$Millions)			(33.3)
15.	Revenue at Existing Rates	(\$Millions)			2,725.3
16.	Allowed Revenue	(\$Millions)			2,758.6
17.	Gross Revenue Deficiency	(\$Millions)			(33.3)

Witness: R. Small

CALCULATION OF COST RATES  
 FOR CAPITAL STRUCTURE COMPONENTS  
2017 UPDATED FORECAST

Line No.	Col. 1	Col. 2	Col. 3
	Average of Monthly Averages		Carrying Cost
	(\$Millions)		(\$Millions)
<u>Long and Medium-Term Debt</u>			
1.	Debt Summary	3,771.7	182.2
2.	Unamortized Finance Costs	(32.1)	-
3.	(Profit)/Loss on Redemption	-	-
4.		<u>3,739.6</u>	<u>182.2</u>
5.	Calculated Cost Rate	<u>4.83%</u>	
<u>Short-Term Debt</u>			
6.	Calculated Cost Rate	<u>1.23%</u>	
<u>Preference Shares</u>			
7.	Preference Share Summary	100.0	2.2
8.	Unamortized Finance Costs	-	-
9.	(Profit)/Loss on Redemption	-	-
10.		<u>100.0</u>	<u>2.2</u>
11.	Calculated Cost Rate	<u>2.24%</u>	
<u>Common Equity</u>			
12.	Board Formula ROE	<u>8.77%</u>	

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