

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>	8.78	<u>3.161</u>
6.		<u><u>6,004.4</u></u>	<u><u>100.00</u></u>		<u><u>6.207</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				(0.360)
11.	Net Deficiency	(\$Millions)			(21.6)
12.	Gross Deficiency	(\$Millions)	(excl. CC/CIS)		(29.4)
13.	Customer Care/CIS Deficiency	(\$Millions)	(\$126.6 vs \$122.4)		(4.2)
14.	Total Gross Revenue Deficiency	(\$Millions)			(33.6)
15.	Revenue at Existing Rates	(\$Millions)			2,725.3
16.	Allowed Revenue	(\$Millions)			2,758.9
17.	Gross Revenue Deficiency	(\$Millions)			(33.6)

CALCULATION OF COST RATES
FOR CAPITAL STRUCTURE COMPONENTS
2017 UPDATED FORECAST

Line No.	Col. 1 Average of Monthly Averages (\$Millions)	Col. 2	Col. 3 Carrying Cost (\$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>8.78%</u>	