

**RATE BASE AND RETURN ON RATE BASE
FINANCIAL SCHEDULE 2.6**

	A	B	C	D	E	F	G	H
	2011 Actual \$	2012 Actual \$	2013 Decision \$	2013 Forecast \$	2014 Forecast \$	2015 Forecast \$	2016 Forecast \$	2017 Forecast \$
RATE BASE AND RETURN ON RATE BASE								
1 Mid-Year Net Rate Base								
2 Mid-Year Plant-In-Service, net								
3 PP&E, at cost								
4 Opening	13,629,167	14,414,288	16,130,297	15,148,661	17,251,801	18,409,112	25,231,222	32,320,569
5 Closing	14,414,288	15,148,661	17,203,345	17,251,801	18,409,112	25,231,222	32,320,569	34,053,909
6 Mid-Year	14,021,728	14,781,475	16,666,821	16,200,231	17,830,457	21,820,167	28,775,896	33,187,239
7 Accumulated Depreciation								
8 Opening	(5,847,696)	(6,196,325)	(6,648,590)	(6,256,246)	(6,464,152)	(6,818,067)	(7,342,554)	(8,068,441)
9 Closing	(6,196,325)	(6,256,246)	(7,098,125)	(6,464,152)	(6,818,067)	(7,342,554)	(8,068,441)	(8,907,967)
10 Mid-Year	(6,022,011)	(6,226,286)	(6,873,358)	(6,360,199)	(6,641,110)	(7,080,311)	(7,705,498)	(8,488,204)
11 Mid-Year Plant-In-Service, net	7,999,717	8,555,189	9,793,464	9,840,032	11,189,347	14,739,857	21,070,398	24,699,035
12 Mid-Year CIAC, net								
13 CIAC, gross								
14 Opening	(4,889,462)	(5,219,593)	(5,300,149)	(5,629,957)	(5,976,125)	(6,226,595)	(6,495,436)	(6,774,762)
15 Closing	(5,219,593)	(5,629,597)	(5,531,962)	(5,976,125)	(6,226,595)	(6,495,436)	(6,774,762)	(7,064,144)
16 Mid-Year	(5,054,528)	(5,424,775)	(5,416,056)	(5,803,041)	(6,101,360)	(6,361,016)	(6,635,099)	(6,919,453)
17 Accumulated Amortization								
18 Opening	-	156,660	248,759	322,580	501,446	631,399	766,545	907,173
19 Closing	156,660	322,580	381,263	501,446	631,399	766,545	907,173	1,053,488
20 Mid-Year	78,330	239,620	315,011	412,013	566,423	698,972	836,859	980,331
21 Mid-Year CIAC, net	(4,976,198)	(5,185,155)	(5,101,045)	(5,391,028)	(5,534,938)	(5,662,044)	(5,798,240)	(5,939,123)
22 Working Capital Allowance								
23 Operating costs, excluding Inter-Corporate Service Charges	1,381,077	1,197,971	1,387,605	1,490,975	1,487,248	1,646,565	1,903,385	2,107,863
24 Less: Municipal Taxes	(241,969)	(252,436)	(245,391)	(262,084)				
25 Total Eligible Expenses	1,139,108	945,535	1,142,214	1,228,891	1,487,248	1,646,565	1,903,385	2,107,863
26 Working Capital Allowance (45 days / 365 days)	140,438	116,573	140,821	151,507	183,359	203,001	234,664	259,874
27 Mid-Year Net Rate Base	3,163,957	3,486,607	4,833,240	4,600,511	5,837,769	9,280,814	15,506,822	19,019,786
27 Return on Rate Base								
28 Deemed Capital Structure								
29 Debt	60%	60%	60%	60%	60%	60%	60%	60%
30 Equity	40%	40%	40%	40%	40%	40%	40%	40%
31 Cost Rate	5.92%	5.81%	5.84%	5.59%	5.54%	5.65%	5.86%	6.00%
32 Weighted Average Cost of Debt	10.80%	10.80%	10.80%	10.80%	9.75%	9.75%	9.75%	9.75%
33 Equity								
34 Weighted Average Cost of Capital	3.55%	3.48%	3.50%	3.36%	3.32%	3.39%	3.52%	3.60%
35 Debt	4.32%	4.32%	4.32%	4.32%	3.90%	3.90%	3.90%	3.90%
36 Equity	7.87%	7.80%	7.82%	7.68%	7.22%	7.29%	7.42%	7.50%
37 Weighted Average Cost of Capital								
38 Return on Rate Base	112,462	121,457	169,321	154,382	194,072	314,806	545,258	684,642
39 Debt	136,683	150,621	208,796	198,742	227,673	361,952	604,766	741,772
40 Equity								
41 Total Return on Rate Base	249,145	272,078	378,117	353,124	421,745	676,757	1,150,024	1,426,414