

# 2011/2012 Transmission Rate Application

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## Preliminary Revenue Requirement

March 2 , 2010

Stefanie Stocco

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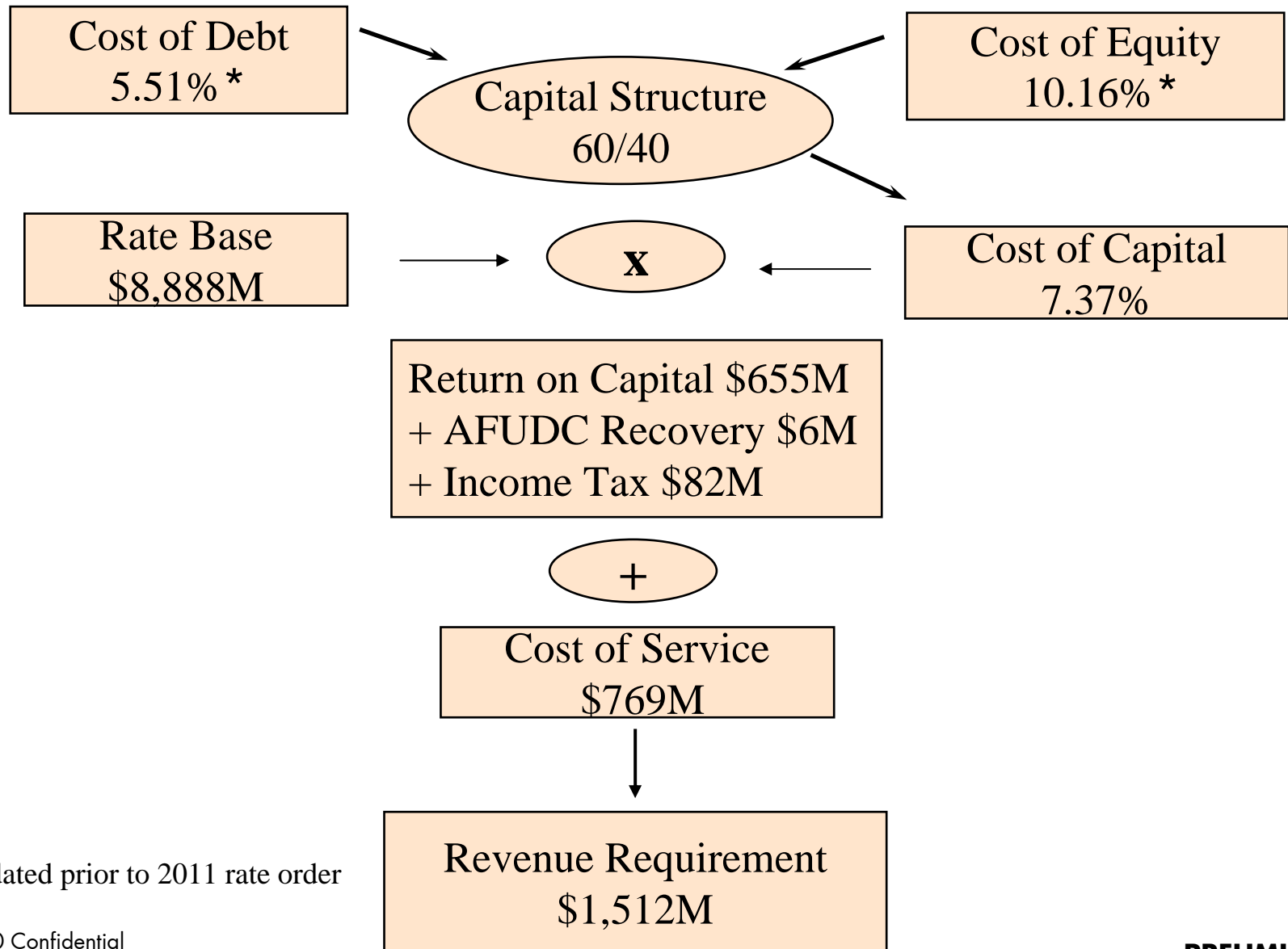
Manager, Regulatory  
Finance



# Presentation Overview

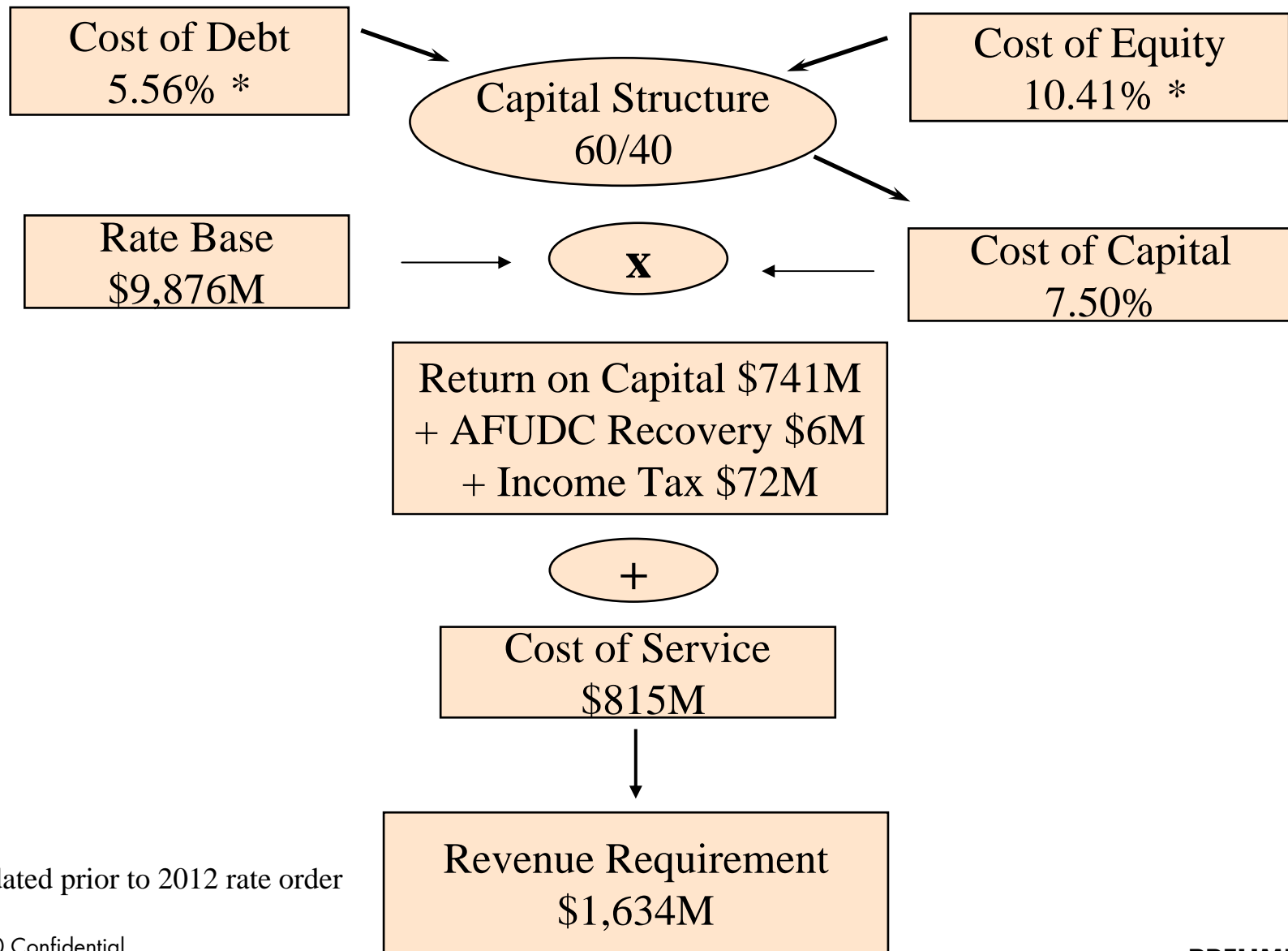
- Overview of preliminary revenue requirement
  - 2011, 2012
- Calculation of rates revenue requirement
- Regulatory asset recovery

# 2011 Preliminary Revenue Requirement



\* To be updated prior to 2011 rate order

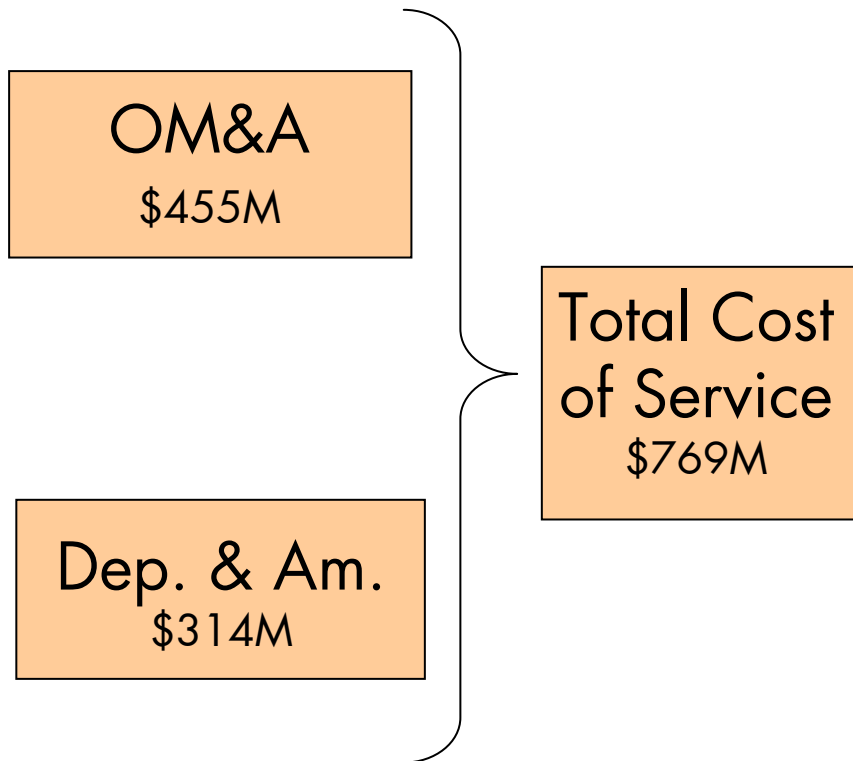
# 2012 Preliminary Revenue Requirement



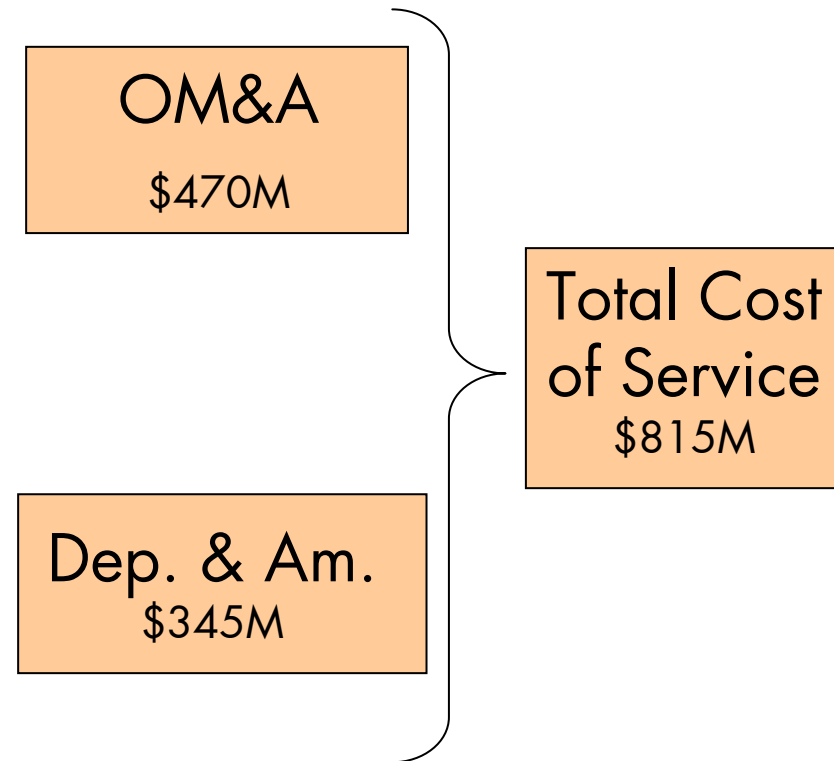
\* To be updated prior to 2012 rate order

# Key Elements

## 2011 Cost of Service



## 2012 Cost of Service



# Preliminary Revenue Requirement

<i>\$Millions</i>	<b>10 Forecast</b>	<b>11</b>	<b>12</b>
OM&A	426	455	470
Capital Tax	6	0	0
Dep. & Am.	281	314	345
Income Tax	54	82	72
Return On Debt	256	300	336
Return on Equity	298	361	411
Preliminary Revenue Req.	1,321	1,512	1,634
Rate Base	7,636*	8,888	9,876
Capex	1,152	1,260	1,255

\* Board-approved.

# Transmission Preliminary Revenue Requirement

	<b>2011 [\$M]</b>	<b>2012 [\$M]</b>
<b>Total Revenue Requirement</b>	1,512	1,634
<b>Less:</b>	(52)	(32)
<b>Credits</b>		
<b>Plus:</b>	12	13
<b>LVSG</b>		
<b>Rates Revenue Requirement</b>	1,472	1,615

# Regulatory Asset Recovery

Regulatory Assets as of December 31, 2009, plus  
forecasted interest

– Export Service Revenue	(\$5M)
– External Revenue	(\$8M)
– Pre-IPSP Development Costs	\$ 2M
– Pension Cost Diff.	<u>\$ 3M</u>
TOTAL CUSTOMER REFUND	(\$7M)

Negative balances refunded over a 1-year period



# Transmission Revenue Requirement

## Questions?

### **DISCLOSURE NOTE:**

#### **FORWARD LOOKING STATEMENTS AND INFORMATION**

We have included forward-looking statements in this report that are subject to risks, uncertainties and assumptions. Such information represents our current views based on information as at the date of this report. Any statement contained in this document that is not current or historical is a forward-looking statement. We have based these forward-looking statements on historical experience, current conditions and various assumptions believed to be reasonable in the circumstances. Actual results could differ materially from those projected in the forward-looking statements. Because of these risks, uncertainties and assumptions, undue reliance should not be placed on these forward-looking statements. Except to the extent required by applicable securities laws and regulations, we undertake no obligation to update or revise any of these forward-looking statements, whether to reflect new information, future events or otherwise.