

## **RATE BASE RATE OF RETURN**



- 1 Table 1 provides the following rate base rate of return, for the historic years 2001  
2 and 2002, for the 2003 base year and the 2004 projected year that result from the  
3 Régie’s decision and the modifications and corrections the Régie requested.

<b>Rate of Return Based on Distributor Pricing</b>				
	<b>Historical Year</b>		<b>Base Year</b>	<b>Projected Year</b>
	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
<b>Weighted debt rate</b>	<b>6.498%</b>	<b>5.801%</b>	<b>5.341%</b>	<b>5.112%</b>
Average debt rate	9.997%	8.925%	8.127%	7.865%
Authorized capital structure	65%	65%	65%	65%
<b>Shareholder’s equity weighted rate</b>	<b>3.292%</b>	<b>3.292%</b>	<b>3.049%</b>	<b>3.049%</b>
Authorized return on equity	9.405%	9.405%	8.712%	8712%
Authorized capital structure	35%	35%	35%	35%
<b>Return on the Rate base</b>	<b>9.790%</b>	<b>9.093%</b>	<b>8.390%</b>	<b>8.161%</b>

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5 On this basis, the Distributor requests that the Régie approves a rate of return of  
6 8,161% on the rate base for the 2004 projected year.