

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.

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

- 4
- 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.