Toronto Hydro Corporation

Report Date: April 26, 2006
Press Released: April 26, 2006
Previous Report: May 3, 2005

Matthew Kolodzie, CFA, P.Eng./Nick Dinkha, CFA
416-593-5577 x2296/x2314
mkolodzie@dbrs.com

RATING

Rating	Trend	Rating Action	Debt Rated
R-1 (low)	Stable	Confirmed	Commercial Paper
A	Stable	Confirmed	Senior Unsecured Debentures & MTNs

(All figures in Canadian dollars, unless otherwise noted.) Note: Toronto Hydro Corporation currently does not have a Commercial Paper program.

RATING HISTORY

	Current	2005	2004	2003	2002	2001
Commercial Paper	R-1 (low)	R-1 (low)	R-1 (low)	R-1 (low)	R-1 (low)	NR
Senior Unsecured Debentures & MTNs	A	A	A (low)	A (low)	A	

RATING UPDATE

Toronto Hydro Corporation's ("Toronto Hydro" or the "Company") financial profile remains Stable, reflecting its regulated electricity distribution operations in Toronto, Ontario, which currently comprises about 85% of its consolidated EBIT. In addition, the Company's business risk profile will improve going forward as non-regulated operations will comprise a diminishing proportion of consolidated earnings and cash flow, as existing retail electricity contracts expire by the end of 2006 and are not renewed.

Dominion Bond Rating Service ("DBRS") notes that earnings and cash flow are expected to decrease over the next two years as a result of two key factors: (1) The Company's lucrative retail electricity contracts expire by the end of 2006 as noted above, and (2) A 9.5% rate decrease will be implemented on May 1, 2006. As such, Toronto Hydro is expected to generate a manageable cash flow deficit over the near term as earnings decline and capital expenditures increase to the $200 million to $250 million range as it focuses on system upgrades and the installation of smart meters. The shortfall will be funded with Toronto Hydro's significant cash balance. Beginning in 2008, however, EBIT should stabilize and experience modest growth from both customer growth in the franchise area and rate base growth.

DBRS highlights the following risk associated with the Ontario Energy Board's ("OEB") April 12, 2006, rate decision on Toronto Hydro-Electric System Limited's ("THESL") distribution rates. In its decision, the OEB reduced the interest rate on THESL's promissory note held by its parent, Toronto Hydro, to 5% from 6.8% to reflect the current interest-rate environment. The key risk with this OEB decision is if the City of Toronto (the "City") does not allow Toronto Hydro to reduce its interest payments on the promissory note issued by Toronto Hydro to the City, which is effectively the same debt stream as the THESL debt held by Toronto Hydro, to reflect the deemed 5% interest rate. Should this transpire, the Company's earnings would be negatively impacted by about $17 million, as would cash flow-to-debt and interest coverage ratios.

The outlook for the Company's rating remains stable, barring any unfavourable decisions by the regulator, unexpected intervention by the provincial government, or the Company making a significant investment in an unregulated or uncontracted business, which is unlikely. DBRS expects that Toronto Hydro's leverage will not exceed 60% of total capitalization, which would allow the Company to maintain adequate interest coverage for a predominately regulated electricity distribution company and support the current ratings. (Continued on page 2)

RATING CONSIDERATIONS

Strengths:

- Regulated electricity distribution provides long-term stability to earnings and cash flows
- Favourable franchise area
- Financially strong and supportive parent
- Certain non-regulated operations earn high margins

Challenges:

- Political risk and regulatory uncertainty
- Low regulatory returns
- Earnings sensitive to volume of electricity sold
- Lack of access to public equity markets
- Exposure to commodity price risk in non-regulated operations

FINANCIAL INFORMATION

	For the year ended December 31				
	2005	2004	2003	2002	2001
Fixed-charges coverage (times)	2.72	2.78	2.87	2.00	1.45
Total debt-to-capital	58.8%	59.5%	61.0%	64.3%	62.8%
Net debt-to-capital	47.2%	49.9%	54.1%	63.7%	62.3%
Cash flow/total debt	18.7%	18.3%	21.1%	17.8%	12.2%
Cash flow/capital expenditures (times)	1.56	2.01	2.27	1.63	0.84
Net income (bef. extras.) ($ millions)	87.4	96.3	101.9	70.7	21.8
Operating cash flow ($ millions)	224.8	220.8	253.9	212.0	126.4
Return on average equity	10.5%	12.1%	14.2%	11.1%	3.7%
Electricity throughputs (million kWh)	26,372	25,636	25,733	26,305	25,722

THE COMPANY

Toronto Hydro Corporation is a holding company with the following subsidiaries: Toronto Hydro-Electric System Limited (the "THESL"), a regulated electricity distributor; Toronto Hydro Energy Services Inc. ("Energy Services"), an unregulated wholesaler and retailer of electricity and other energy services; Toronto Hydro Telecom Inc., fibre-optic leasing; 1455948 Ontario Inc., a clearing company; and Toronto Hydro Street Lighting Inc. Toronto Hydro's sole shareholder is the City of Toronto, rated AA by DBRS.

Rating Update (Continued)

DBRS highlights two uncertainties/risks going forward for regulated electricity distributors in Ontario, which limit the ratings on these entities: (1) The regulatory framework beyond 2006 remains uncertain. However, DBRS expects that the OEB will maintain a supportive regulatory framework for electricity distributors, which would likely include full cost-of-service recovery, a market-based rate of return, and a performance-based incentive mechanism. (2) Political intervention remains a key risk, especially in light of rising electricity commodity prices and anticipated increases in transmission and distribution rates over the medium to longer term. The risk is that the government could interfere with the OEB's rate-making process or cap rates, as has happened in the past. However, DBRS considers this risk to be lower under the current government than under the previous government, given that the current government has made a strong commitment to passing on the full cost of electricity to consumers.

Regulation

Toronto Hydro's electricity distribution operations are regulated by the OEB under the *Electricity Act, 1998* (the "Electricity Act"), with the following noteworthy amendments:

- The *Electricity Pricing, Conservation and Supply Act, 2002* ("Bill 210") – December 9, 2002.
- The *Ontario Energy Board Amendment Act (Electricity Pricing), 2003* ("Bill 4") – December 18, 2003.
- The *Electricity Restructuring Act, 2004* ("Bill 100") – December 9, 2004.

Under the Electricity Act:

- Toronto Hydro's local distribution company (LDC) has a deemed capital structure of 65%/35% debt/equity.
- The allowed return on equity (ROE) for all LDCs was set at 9.88% and the deemed debt rate on Toronto Hydro's LDC promissory note was set at 6.8%.
  – Distribution rates were to be increased incrementally over three years to achieve the allowed ROE by 2004, but they were capped under Bill 210 before the final increase to reach 9.88% was implemented.
- With each increase, distribution rates were adjusted under a performance-based regulation mechanism, which included a performance improvement factor, an inflation adjustment, and an additional adjustment for the recovery of one-time costs.

Among other things, Bill 210 brought about a rate cap for all Ontario LDCs, which was the primary factor leading to the downgrade of Toronto Hydro in early 2003.

- In addition to eliminating the final increase to reach an ROE of 9.88%, the recovery of certain transitional and regulatory costs was also put on hold.

Bill 4 reversed some of the negative aspects of Bill 210:

- Effective April 1, 2004, the OEB permitted the LDC to recover regulatory assets and variance accounts over a four-year period, which is equivalent to approximately $71 million for 2005-2007.
- Effective April 1, 2005, all LDCs were entitled to recover the third and final phase of their rate increases to earn a 9.88% ROE, which is equivalent to approximately $39.8 million per year for Toronto Hydro.
  – However, in accordance with Bill 4, revenues earned during the first year of this rate increase must be utilized for conservation and demand management (CDM).
  – Beginning April 1, 2006, with the expiry of the one-year CDM program, the LDCs began to receive the full benefit of this rate increase.
- Bill 100 was essentially neutral for LDCs, but it provided a framework for the Ontario market that is intended to bring stability to the industry over the medium to longer term.

On November 11, 2005, the OEB set the allowable ROE for all Ontario LDCs at 9.00%. On April 12, 2006, the OEB issued its rate decision on Toronto Hydro's 2006 rate application, with new distribution rates becoming effective on May 1, 2006. The result is an overall distribution rate decrease of 9.5%. DBRS notes that Toronto Hydro had requested a rate decrease of 5.6%, which is substantiated by making significant efficiency gains since its amalgamation (in 1998) and since the last time that rates were designed (1999 rate base) and a lower ROE. The difference between the 5.6% requested and the 9.5% granted by the OEB is associated with the deemed debt rate being reduced to 5% from 6.8%. The following are highlights of this rate decision:

- Approved rate base of $1,884 million (up marginally from $1,836 million).
- Debt/equity remains at 65%/35%.
- The allowable ROE for 2006 has been set at 9.00% (down from 9.88% in 2005), which applies to all LDCs.
- Approved debt rate of 5.0% on the deemed debt.

RATING CONSIDERATIONS

Strengths: (1) Regulated electricity distribution provides relatively stable earnings and cash flow. Currently, regulated electricity distribution accounts for approximately 85% of Toronto Hydro's consolidated EBIT and consolidated assets (in 2005). Going forward, regulated distribution will account for more than 90% of consolidated EBIT as the Company's retail electricity contracts expire. Toronto Hydro receives roughly 26% of its distribution revenues from the fixed monthly connection fee with the remaining 74% from variable volume throughput. In addition, Toronto Hydro's higher-risk non-regulated operations continue to be a decreasing proportion of consolidated operations. The Company continues to wind down the contracts associated with its retail electricity activities and will no longer be in this business beyond the end of 2006. Exiting the retail electricity business reduces the Company's exposure to electricity commodity price risk and counterparty risk associated with the bilateral contracts.
(2) Toronto Hydro has a favourable franchise area, with a well-diversified customer base and a high per capita income. Toronto Hydro is the second-largest electricity distributor in the province of Ontario (next to Hydro One Inc.). The Company's well-diversified customer base of more than 677,000 customers consumes roughly 19% of the more than 150 terawatt hours (TWh) consumed in the province. Almost 96% of Toronto Hydro's electricity sales are to residential and general service customers, which have relatively stable demand year over year, as these customers are less sensitive to economic cycles than are large industrial customers. Instead, sales to these customers are influenced more by temperature variances, which can result in a modest level of year-over-year earnings variability.
(3) The Company has a financially strong parent in the City (rated AA by DBRS). As the sole shareholder of the Company, DBRS expects the City would protect its investment and is a potential source of support. The City provides a clear operating mandate focused on efficiency, profitability, and being relatively risk averse.
(4) Lower-risk non-regulated operations, such as water heater rentals and Toronto Hydro Telecom Inc. (leasing of existing dark fibre-optic cable), earn high margins and require minimal capital expenditures.

Challenges: (1) Political risk and regulatory uncertainty are the most significant challenges for LDCs in Ontario. However, under the current provincial government's regime, much has been done to bring confidence and stability back to Ontario's electricity industry. Bill 4 eliminated the majority of the negative impacts that Bill 210 had on the cash flows of LDCs while Bill 100 supports the long-term viability of the industry as a whole. The OEB's rate structure for implementation on May 1, 2006, is essentially credit neutral for electricity distribution companies. However, some uncertainty exists regarding the regulatory framework beyond 2006. The most significant risk over the near term is the possibility of further political intervention should the cost of electricity to consumers increase too quickly. In general, higher prices will arise from: (a) the costs associated with new generation capacity being added within the province, which is expected to be largely higher-marginal-cost gas-fired capacity; (b) higher distribution costs following rebasing of LDC rate bases; and (c) recovery of the approximately $4 billion in transmission upgrades in the province over the next ten years. Should prices increase too quickly, especially around election time, there is a risk that the government would intervene in the rate-setting process. However, DBRS considers this risk to be lower under the current government than under the previous government, given that the current government has made a strong commitment to passing on the full cost of electricity to consumers.
(2) The ROE of 9% for Ontario LDCs is low in comparison with similar regulated utilities in the U.S., which are typically in the 10% to 12% range. As such, cash flow and coverage ratios for Toronto Hydro and other Ontario LDCs will typically be lower than for similarly regulated utilities in the United States. However, this ROE is in line with the lower rates of return typically granted to regulated utilities in Canada.
(3) Earnings and cash flow for electricity distribution companies are partially dependent on the volume of electricity sold. Seasonality, economic cyclicality, and year-over-year changes in weather patterns directly impact the volume of electricity sold and, hence, revenue earned from electricity sales. However, Toronto Hydro's well diversified and growing customer base helps mitigate most of these risks.
(4) Toronto Hydro does not have access to the capital markets for common equity. This limits the Company's financial flexibility, especially its ability to make a strategic acquisition or invest in a significant capital project. In addition, key debt ratios and balance sheet strength would come under pressure if internally generated cash flows were insufficient to fund capital expenditures or finance growth. However, the Company currently has a significant cash balance that could be used to fund any foreseeable shortfall. Alternatively, Toronto Hydro could reduce its dividend payments to its municipal shareholder.
(5) Non-regulated operations (telecommunications, water heater rentals, and electricity retailing) are higher risk than regulated electricity distribution. However, Toronto Hydro's exposure to non-regulated operations (roughly 15% of consolidated EBIT in 2005) will decline over the medium term since the Company is winding down its retail electricity marketing operations.

EARNINGS, FINANCIAL PROFILE, AND OUTLOOK

Earnings	For the year ended December 31				
($ millions)	2005	2004	2003	2002	2001
Net operating revenues	551.0	560.4	555.0	468.6	355.7
Operating costs	324.9	320.8	312.9	322.2	293.4
EBITDA	361.1	374.4	371.1	277.8	179.8
EBIT	226.1	239.6	242.1	146.4	62.2
Gross interest expense	83.1	83.8	81.9	71.3	42.9
Payments in lieu of income taxes	69.7	71.8	69.9	6.5	(1.3)
Net income before non-recurring items	87.4	96.3	101.9	70.7	21.8
Non-recurring items and discontinued ops.	5.0	1.0	(3.6)	(14.8)	(10.4)
Net income	92.4	97.3	98.4	56.0	11.4

Cash-Flow Statement	For the year ended December 31				
($ millions)	2005	2004	2003	2002	2001
Net income (before non-recurring)	87.4	96.3	101.9	70.7	21.8
Depreciation and amortization	135.0	134.8	129.0	131.5	117.6
Other non-cash adjustments	2.4	(10.4)	23.0	9.8	(13.0)
Cash Flow From Operations	224.8	220.8	253.9	212.0	126.4
Dividends paid	(68.0)	(49.2)	(5.0)	-	-
Capital expenditures	(144.0)	(109.6)	(112.0)	(129.7)	(150.9)
Free Cash Before Changes in Working Capital	12.8	61.9	136.9	82.3	(24.5)
Changes in working capital	100.2	1.6	112.4	(170.8)	7.3
Net Free Cash Flow	113.0	63.6	249.3	(88.5)	(17.2)
Non-recurring/discontinued	5.0	1.0	0.4	(13.3)	(11.9)
Regulatory assets	20.5	15.0	(4.0)	(51.0)	(11.9)
Acquisitions/dispositions and other	(54.9)	5.4	1.5	7.0	(8.2)
Customer deposits and lease payments	(21.9)	3.9	6.0	5.9	0.0
Change in debt: new/(repayments)	-	-	9.1	154.0	49.5
Net Change in Cash	61.7	89.0	262.3	14.0	0.3
Key Financial Ratios					
Total debt-to-captial	58.8%	59.5%	61.0%	64.3%	62.8%
Net debt-to-capital	47.2%	49.9%	54.1%	63.7%	62.3%
EBITDA interest coverage (times)	4.34	4.47	4.53	3.90	4.19
Fixed-charges coverage (times)	2.72	2.78	2.87	2.00	1.45
Cash flow/total debt	18.7%	18.3%	21.1%	17.8%	12.2%

Summary:

- The earnings decrease in 2005 was mainly a result of the expiry of a material portion of Toronto Hydro's existing retail electricity contracts.
  - The decrease was lower than expected mainly due to higher-than-expected distribution revenues from favourable weather conditions.
- Operating cash flow has remained adequate to fully fund capital expenditures and dividends to its shareholder.
  - DBRS notes that, in 2005, dividends to the City included a $19.3 million one-time extraordinary payment.
- The large increase in working capital was mainly due to the timing of the Company receiving a customer rebate from the Independent Electricity System Operator (IESO) at the end of December 2005 and having yet to rebate it back to its customers.
- In December, the Company purchased the City's portfolio of street and expressway lighting assets for $60 million, which was funded with cash.
- The Company's financial profile has remained fairly stable over the past three years and continues to support the current rating.
  - Cash flow-to-debt and interest coverage ratios have remained stable while the net debt-to-capital ratio has improved materially, mainly as a result of a significant growth in the Company's cash balance.

Outlook:

- The Company's regulated electricity distribution operations together with its strong franchise area will continue to provide a high degree of certainty to revenues and stability to earnings and cash flows over the longer term.
- However, EBIT is expected to decline again in 2006 and fall below $190 million in 2007 as the Company's remaining retail electricity sales contracts will have expired and the latest rate decrease takes effect.

  - DBRS notes that Toronto Hydro will have fully exited the retail electricity marketing business by the end of 2006 (when all of its existing retail contracts will have expired), which will leave Toronto Hydro with a more favourable business risk profile.
  - The rate decrease is primarily a result of a lower operating cost structure as Toronto Hydro reaps the benefits of efficiencies following amalgamation.
- The key risk with the OEB's decision to reduce the interest rate on the promissory note is if the City does not allow Toronto Hydro to reduce its interest payments on the promissory note to reflect the deemed 5% interest rate, the Company's earnings would be negatively impacted by about $17 million annually.
- It is anticipated that Toronto Hydro will generate a manageable cash flow deficit (free cash flow before changes in working capital) over the near term as earnings decrease as noted above and capital expenditures increase in 2006. The shortfall will be funded with the Company's significant cash balance.
  - Capital expenditures are expected to be in the $200 million to $250 million range over the next five years as the Company focuses on distribution system upgrades.
  - Toronto Hydro's dividend policy is to pay out the greater of $25 million or 50% of consolidated net income, to its shareholder.
- Beginning in 2008, EBIT should stabilize and begin to experience modest growth from both customer growth and rate base growth. At the same time, cash flow should grow to a level that is sufficient to fully fund capital expenditures and the majority of dividends requirements. DBRS expects that any shortfall would continue to be funded with the Company's significant cash balance or through managing its dividends in order to maintain a reasonable capital structure.
- Toronto Hydro's remaining non-regulated operations are relatively low-risk and are expected to generate favourable returns.
  - Its water heater rental business is expected to become more profitable as margins are slowly increased over the next few years (existing customers pay lower prices compared with other jurisdictions).
  - Its telecommunications business earns high margins and requires very little capital as most of the infrastructure is already in place.
- The Company's leverage is not expected to exceed 60% debt-to-capitalization. As such, cash flow-to-debt and interest coverage ratios are expected to remain reasonable for a predominately regulated distribution utility and continue to support the Company's "A" rating.

Long-Term Debt Maturities and Bank Lines

Summary:

Long-Term Debt

- On May 7, 2003, the Company issued its inaugural $225 million ten-year senior unsecured debentures at a fixed rate of 6.11% per annum.
- The Company has a $980.2 million promissory note with the City at a fixed rate of 6.8% per annum that ranks pari passu with the senior unsecured debentures.
  - In March 2006, the City exercised its option to extend the maturity of the promissory note until 2013.
- The Company issued a $1-billion medium-term note (MTN) shelf prospectus in January 2006. The primary intent of this MTN shelf is for the eventual refinancing of the City's promissory note. However, this shelf could also be used to fund future acquisitions and for general corporate purposes.

Credit Facility

- The Company currently has a syndicated revolving credit facility of $500 million, which is available for working capital purposes and of which $175 million is available in the form of letters of credit to support prudential requirements. At December 31, 2005, no borrowings for working capital purposes were outstanding and letters of credit in the amount of $90.2 million had been issued on this facility.
- DBRS notes that Toronto Hydro currently does not have a commercial paper program.

Outlook:

- On a steady state basis (i.e., barring any significant investment in generation or acquisition), it is unlikely that Toronto Hydro will need to access its recently implemented MTN shelf in the near term unless the City decides to accelerate the repayment of its promissory note.
  - The Company will use its significant cash balance to fund its anticipated free cash deficit over the near term.

Toronto Hydro Corporation

Balance Sheet
($ millions)

Assets	2005	2004	2003	Liabilities and Equity	2005	2004	2003
	As at December 31				As at December 31		
Cash + short-term investments	448.4	386.6	297.7	Short-term debt	330.0	330.0	330.0
A/R + unbilled revenue	445.9	429.7	437.3	A/P + accruals	423.8	330.8	341.2
Inventories	18.2	19.9	23.1	Elec. mark-to-market	86.9	14.3	-
Electricity mark-to-market	113.3	26.8	-	Other current liab.	100.6	26.5	17.0
Prepaids and other	35.4	8.9	5.8	**Current Liabilities**	941.2	701.6	688.2
Current Assets	1,061.1	871.9	763.9	Customer deposits	2.9	46.0	42.5
Net fixed assets	1,624.7	1,547.6	1,565.3	Long-term debt	875.2	875.2	875.2
Future income tax asset	22.3	22.3	17.6	Employment benefits	125.4	118.1	112.2
Regulatory assets	63.8	73.9	86.0	Other liabilities	28.6	22.2	9.8
Electricity mark-to-market	0.0	22.3	-	Elec. mark-to-market	-	7.1	-
Intangibles & other assets	47.4	53.7	64.9	Shareholders' equity	845.9	821.4	769.7
Total	2,819.3	2,591.7	2,497.7	**Total**	2,819.3	2,591.7	2,497.7

Ratio Analysis

	For the year ended December 31							
Liquidity Ratios	2005	2004	2003	2002	2001	2000	1999	1998
Current ratio	1.13	1.24	1.11	1.07	1.06	1.27	1.52	1.92
Accum. depreciation/gross fixed assets	49.3%	48.6%	46.3%	44.1%	42.2%	40.4%	38.7%	36.7%
Total debt-to-capital	58.8%	59.5%	61.0%	64.3%	62.8%	63.6%	63.1%	4.4%
Net debt-to-capital	47.2%	49.9%	54.1%	63.7%	62.3%	63.1%	61.0%	-6.6%
Cash flow/total debt	18.7%	18.3%	21.1%	17.8%	12.2%	10.5%	12.4%	192.0%
Debt/EBITDA	3.34	3.22	3.25	4.29	5.78	7.22	8.22	0.53
Cash flow/capital expenditures (1)	1.56	2.01	2.27	1.63	0.84	0.63	0.77	1.10
Average coupon on long-term debt	6.67%	6.67%	6.67%	6.80%	4.27%	6.80%	6.80%	7.48%
Deemed equity	35%	35%	35%	35%	35%	35%	35%	-
Common dividend payout ratio	77.8%	51.1%	4.9%	-	-	-	-	-
Coverage Ratios								
EBIT interest coverage	2.72	2.86	2.96	2.05	1.45	0.74	4.02	6.47
EBITDA interest coverage	4.34	4.47	4.53	3.90	4.19	4.06	35.97	21.06
Fixed-charges coverage	2.72	2.78	2.87	2.00	1.45	0.74	4.02	6.47
Profitability/Operating Efficiency								
Operating margin	41.0%	42.7%	43.6%	31.2%	17.5%	7.9%	4.3%	14.1%
Net margin (before extras.)	15.9%	17.2%	18.4%	15.1%	6.1%	-1.9%	5.4%	15.8%
Return on average equity (before extras.)	10.5%	12.1%	14.2%	11.1%	3.7%	-1.1%	1.5%	3.0%
GWh sold/employee	15.9	15.5	16.3	16.7	15.1	13.0	12.9	12.5
Customers/employee	407	406	424	423	389	337	336	332
OM&A/avg. customer	271.0	265.6	263.1	276.5	253.2	255.2	275.2	242.5
Operating costs (2)/avg. customer ($)	471.0	466.6	456.5	474.8	431.7	426.7	436.8	394.1
Rate base ($ millions)	1,836	1,836	1,836	1,836	1,836	1,836	1,836	-
Electricity Throughputs								
Residential	5,724	5,412	5,408	5,626	5,407	5,426	5,437	5,270
General service	17,957	17,502	17,627	17,696	17,295	17,298	17,266	16,935
Large users	2,563	2,594	2,570	2,855	2,893	2,592	2,531	2,399
Street lighting	128	128	128	128	127	106	105	114
Total (million kWh)	26,372	25,636	25,733	26,305	25,722	25,422	25,340	24,718
Growth in electricity throughputs	2.9%	-0.4%	-2.2%	2.3%	1.2%	0.3%	2.5%	-0.3%
Customers								
Residential	597,469	594,976	590,109	586,714	582,669	578,460	578,029	576,702
General service	79,162	78,150	78,517	78,177	78,229	78,455	79,711	79,596
Large users	47	47	47	46	47	46	41	41
Street lighting	1	1	1	1	1	1	1	1
Total	676,679	673,174	668,674	664,938	660,946	656,962	657,782	656,340
Growth in customer base	0.5%	0.7%	0.6%	0.6%	0.6%	-0.1%	0.2%	0.1%
Unit Revenues and Costs (cents per kWh throughput)								
Avg. gross revenues	9.86	8.31	9.32	9.09	8.02	7.47	7.41	7.50
Power costs	7.98	6.50	7.52	7.45	6.80	6.37	6.31	6.34
Average net revenues from distribution	1.88	1.81	1.80	1.63	1.22	1.11	1.10	1.15
Ancilliary revenues	0.25	0.38	0.36	0.15	0.16	0.14	0.12	0.11
Average net revenues	2.13	2.19	2.16	1.78	1.38	1.25	1.23	1.26
OM&A	0.71	0.70	0.68	0.70	0.65	0.66	0.71	0.64
Income taxes	0.27	0.28	0.27	0.02	(0.01)	0.00	0.00	0.00
Fixed costs (deprec., interest, gov't levies)	0.82	0.84	0.81	0.79	0.65	0.61	0.45	0.42
Total costs (excl. power costs)	1.80	1.81	1.76	1.51	1.30	1.27	1.16	1.06
Net margin (including ancillary)	0.34	0.38	0.40	0.27	0.08	(0.02)	0.07	0.20

(1) Net of customer contributions. (2) Excludes municipal and property taxes.