

1 Q. Re: Wells, page 3: Please explain the phrase “for rate setting purposes” at
2 the bottom of the page. Is Granite Canal treated differently in 2004 for other
3 accounting or regulatory purposes?
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6 A. In 2004, Granite Canal is not treated differently for other accounting or
7 regulatory purposes than it is for rate setting purposes. The use of the
8 phrase "for rate setting purposes" on this page was in recognition that the
9 costs of new power purchases and the costs of the Granite Canal project
10 were not factored into rates in 2003.