

1    Q.    How are Power Purchase Agreement costs allocated among rate classes? If  
2           this has changed since 2001, explain the nature of the changes.

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5    A.    The energy portion of Power Purchases is included in the Cost of Service as  
6           Production and Transmission energy, and allocated among rate classes  
7           based on rate class MWh at generation. The demand portion of Power  
8           Purchases is allocated as described in IC-67 NLH.