

1 **Q. What is the impact on the 2005 financial results of this unexpected additional**
2 **interest revenue arising from the tax settlement?**

3
4 A. The refund interest will impact 2005 financial results by increasing miscellaneous non
5 consumer revenue by \$2.1 million¹, which in turn will increase earnings by
6 approximately \$1.4 million. The impact of the refund interest on the Company's rates of
7 return for 2005 are provided in Table 1.
8

Table 1
Rates of Return
2005

	Forecast (including refund interest)	Pro Forma (excluding refund interest)
Rate of Return on Rate Base ²	8.57%	8.38%
Rate of Return on Regulated Common Equity	9.61%	9.20%

¹ As referred to in Request for Information PUB 10.0 NP.

² The Company's rate of return on rate base used to set customer rates for 2005, as approved by the Board in Order No. P.U. 50 (2004), is 8.68% in a range of 8.50% to 8.86%.