

1 **Q. Re: 2016 Revenue Shortfall, section 4.4.3, page 4-44 and Ex. 8**

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3 **Question: Please confirm that the table showing 2017 return on rate base in Exhibit**  
4 **8 includes the recovery of the 2016 revenue shortfall through the amortization**  
5 **proposed in section 4.4.3.**

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7 **A.** It is not confirmed.

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9 The proposed 2017 return on rate base is the Company's forecast cost to finance its 2017  
10 forecast average rate base.<sup>1</sup> This differs from a regulatory amortization of a deferred cost  
11 recovery.<sup>2</sup>

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<sup>1</sup> See Exhibit 7: 2016 and 2017 Revenue Requirements, Page 2 of 2, line 10.

<sup>2</sup> See Exhibit 7: 2016 and 2017 Revenue Requirements, Page 2 of 2, line 5.