

1 Q. **Volume III (1st Revision), Exhibit 14 and 15: 2018 and 2019 Test Year Cost of**
 2 **Service Studies**

3 For the 2019 test year, please reconcile the components of return on rate base
 4 shown in Schedule 4-II, Page 5 of 9, Lines 21-26 with the components of return on
 5 rate base shown in Exhibit 15: 2019 Cost of Service Study, Page 2 of 108, Lines 19-
 6 21.

7
 8 A. Table 1 compares the components of return on rate base shown in Schedule 4-II
 9 and Exhibit 15: 2019 Cost of Service Study. The total return on rate base for use in
 10 determining is exactly the same in both and results in the same Test Year revenue
 11 requirement.

**Table 1 Return on Rate Base Reconciliation
 (\$000s)**

	Schedule 4-II	2019 Cost of Service Study	Variance
Return on Equity			
Net Income	33,991		
Add: COS exclusions:			
Depreciation on Assets Excluded from Rate Base	1,439		
Interest Cost of Service Exclusions	4,127		
	39,557	38,826	731
Return on Debt	94,863	95,594	(731)
Return on Rate Base	134,420	134,420	-

12 The difference between the components of \$731,000, 0.544% of return on rate
 13 base or 0.031% of rate base, can be attributable to timing between the rate base
 14 calculations and forecast actuals and rounding in the calculation of the
 15 components.