

Requests for Information

Q. According to Table 4-8 “2010 Required Revenue Increase”, the Company is seeking an increase in revenue from rates of \$33.9 million from its customers. Please provide a breakdown of the \$33.9 million proposed increase in revenue from rates.

A. Table 1 shows a breakdown of the proposed rate change by line item.

Table 1
Components of 2010 Proposed Rate Change
(\$000s)

| | Existing | | | | | |
|--|----------------------|---------------------------------|----------------------|---------|----------|-----------------|
| | Excluding Elasticity | Elasticity Effects ¹ | Including Elasticity | Changes | Proposed | Rate Change (%) |
| Return on Rate Base² | 64,416 | 275 | 64,691 | 14,670 | 79,361 | 2.8 |
| Other Costs | | | | | | |
| Power Supply Costs ³ | 353,199 | (4,190) | 349,009 | - | 349,009 | - |
| Operating Costs ⁴ | 51,059 | - | 51,059 | 1,130 | 52,189 | 0.2 |
| Pension | 8,196 | - | 8,196 | - | 8,196 | - |
| Additional OPEBs Expense ⁵ | - | - | - | 6,841 | 6,841 | 1.3 |
| Amortize Depreciation Deferral | 3,861 | - | 3,861 | - | 3,861 | - |
| Depreciation | 43,378 | - | 43,378 | 5 | 43,383 | - |
| Income Taxes ⁶ | 12,405 | 129 | 12,534 | 8,766 | 21,300 | 1.7 |
| 2010 Revenue Requirement | 536,514 | (3,786) | 532,728 | 31,412 | 564,140 | |
| Deductions | | | | | | |
| Other Revenue ⁷ | (13,648) | - | (13,648) | (44) | (13,692) | 0.0 |
| 2005 Unbilled Revenue | (4,618) | - | (4,618) | - | (4,618) | - |
| Other Adjustments ⁸ | 87 | - | 87 | - | 87 | - |
| | (18,179) | - | (18,179) | (44) | (18,223) | |
| Energy Supply Cost Variance Adjustment | (5,346) | - | (5,346) | 5,346 | - | 1.0 |
| 2008 Revenue Requirement from Rates | 512,989 | (3,786) | 509,203 | 36,714 | 545,917 | |
| RSA¹ | 3,531 | (29) | 3,502 | - | 3,502 | - |
| MTA¹ | 12,559 | (93) | 12,466 | 893 | 13,359 | 0.2 |
| Billed to Customers¹ | 529,079 | (3,908) | 525,171 | 37,607 | 562,778 | 7.2 |

¹ See Volume 1, Exhibit 10 (1st Revision).

² See Volume 1, Exhibit 7 (1st Revision).

³ See Volume 1, Tab 4, Section 4.3.2, page 4-4, Table 4-2.

⁴ See Volume 1, Tab 4, Section 4.3.2, page 4-4, Table 4-3.

⁵ See Volume 1, Exhibit 7 (1st Revision).

⁶ See Volume 1, Tab 4, Section 4.3.2, page 4-5, Table 4-5.

⁷ See Volume 1, Tab 4, Section 4.3.4, page 4-6, Table 4-7 and footnote 21.

⁸ See Volume 1, Exhibit 7 (1st Revision).