

**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 <sup>1</sup>	Including Elasticity	Changes	Proposed	Rate Change (%)
<b>Return on Rate Base<sup>2</sup></b>	66,447	251	66,698	12,685	79,383	2.3
<b>Other Costs</b>						
Power Supply Costs <sup>3</sup>	355,737	(3,795)	351,942	-	351,942	-
Operating Costs <sup>4</sup>	51,059	-	51,059	1,130	52,189	0.2
Pension	5,701	-	5,701	-	5,701	-
Additional OPEBs Expense <sup>5</sup>	-	-	-	5,930	5,930	1.0
Amortize Depreciation Deferral	3,861	-	3,861	-	3,861	-
Depreciation	43,338	-	43,338	3	43,341	-
Income Taxes <sup>6</sup>	13,132	120	13,252	7,915	21,167	1.4
<b>2010 Revenue Requirement</b>	539,275	(3,424)	535,851	27,663	563,514	
<b>Deductions</b>						
Other Revenue <sup>7</sup>	(13,800)	-	(13,800)	128	(13,672)	0.0
2005 Unbilled Revenue	(4,618)	-	(4,618)	-	(4,618)	-
Other Adjustments <sup>8</sup>	88	-	88	-	88	-
	(18,330)	-	(18,330)	128	(18,202)	
Energy Supply Cost Variance Adjustment	(6,128)	-	(6,128)	6,128	-	1.1
<b>2008 Revenue Requirement from Rates</b>	514,817	(3,424)	511,393	33,919	545,312	
<b>RSA<sup>1</sup></b>	40,882	(293)	40,589	-	40,589	-
<b>MTA<sup>1</sup></b>	13,032	(88)	12,944	796	13,740	0.1
<b>Billed to Customers<sup>1</sup></b>	568,731	(3,805)	564,926	34,715	599,641	<b>6.1</b>

<sup>1</sup> See Volume 1, Exhibit 10.

<sup>2</sup> See Volume 1, Exhibit 7.

<sup>3</sup> See Volume 1, Tab 4, Section 4.3.2, page 4-4, Table 4-2.

<sup>4</sup> See Volume 1, Tab 4, Section 4.3.2, page 4-4, Table 4-3.

<sup>5</sup> See Volume 1, Exhibit 7.

<sup>6</sup> See Volume 1, Tab 4, Section 4.3.2, page 4-5, Table 4-5.

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

<sup>8</sup> See Volume 1, Exhibit 7.