

Requests for Information

1 **Volume 1, Section 3 – Finance**

2
 3 **Q. Please provide a detailed breakdown of the cost increases in each line item that**
 4 **results in the average increase in current customer rates of approximately 5.3% as**
 5 **applied for in the Application together with the percentage attributable to each**
 6 **item.**

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 8 A. Table 1 shows a breakdown of the proposed rate change in the Amended Application by
 9 line item.

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Table 1
Components of 2008 Proposed Rate Change
(\$000s)

	Existing			Changes	Proposed	Rate Change (%)
	Excluding Elasticity	Elasticity Effects ¹	Including Elasticity			
Return on Rate Base²	54,215	122	54,337	13,629	67,966	2.7
Other Costs						
Power Supply Costs ³						
Purchased Power	336,819	(1,646)	335,173	-	335,173	-
Amortize Reserves/Repl. Energy	-	-	-	1,986	1,986	0.4
Operating Costs ⁴	48,533	-	48,533	(833)	47,700	(0.2)
Pension & Early Retirement Costs ⁴	3,348	-	3,348	-	3,348	-
Amortize Depreciation Deferral ⁵	-	-	-	3,862	3,862	0.8
Depreciation ⁵	41,002	-	41,002	(794)	40,208	(0.2)
Income Taxes ⁶	13,841	64	13,905	5,663	19,568	1.1
	443,543	(1,582)	441,961	9,884	451,845	
Total Costs and Return	497,758	(1,460)	496,298	23,513	519,811	
Adjustments						
Other Revenue ⁷	(11,083)	-	(11,083)	(1,039)	(12,122)	(0.2)
Non-regulated Expenses ⁷	(983)	-	(983)	-	(983)	-
Other Adjustments ⁸	-	-	-	92	92	-
	-	-	-	92	92	-
2008 Revenue	485,692	(1,460)	484,232	22,566	506,798	
Amortize Revenue Deferrals ⁹	-	-	-	(8,572)	(8,572)	(1.7)
2008 Revenue from Rates¹	485,692	(1,460)	484,232	13,994	498,226	
RSA¹	8,151	(27)	8,124	-	8,124	-
MTA¹	12,214	(36)	12,178	346	12,524	0.1
Billed to Customers¹	506,057	(1,523)	504,534	14,340	518,874	2.8

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- 1 ¹ See <> Exhibit 11 (1st Revision) of the Amended Application.
2 ² See <> Exhibit 10 (1st Revision) of the Amended Application.
3 ³ See <> page 23, Table 16 of the Amended Application.
4 ⁴ See <> page 23, Table 17 of the Amended Application.
5 ⁵ See <> page 24, Table 18 of the Amended Application.
6 ⁶ See <> page 24, Table 19 of the Amended Application.
7 ⁷ See <> page 26, Table 21 of the Amended Application.
8 ⁸ Represents interest expense on customer security deposits and amortization of capital stock issue expenses.
9 Currently, these amounts are included in revenue requirement through their inclusion in the Z factor component
10 of the rate of return on rate base and the resulting return on rate base. (See *Volume 1, Tab 3, Section 3.3.3*,
11 pages 60 and 61 of the Application). Under the asset rate base method, these amounts are excluded from the
12 return on rate base and included directly in revenue requirement.
13 ⁹ See <> page 26, Table 22 of the Amended Application.