

1 **Section 3: Finance/Fair Return**

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3 **Q. (Section 3, page 3-35) Please revise Table 3-13 by removing income taxes, and**
4 **depreciation and finance charges from fixed costs and including each as a separate**
5 **category. Also, please include 2023 and add a column for “Change (2002-2023).”**
6

7 **A.** Table 1 provides the requested information.

Table 1:
Revenue and Costs
2002, 2012, 2022 and 2023
(¢ per kWh)

	2002	2012	2022	2023	Change (2002-2023)
Revenue	7.76	10.31	12.60	12.97	67%
Purchased Power Costs ¹	4.42	6.73	8.29	8.64	95%
Income Taxes	0.34	0.25	0.34	0.34	0%
Depreciation ²	0.75	0.79	1.22	1.26	70%
Finance Charges	0.56	0.63	0.61	0.64	14%
Remaining Fixed Costs ³	0.09	0.32	0.12	0.03	(63%)
Operating Costs	0.98	0.96	1.19	1.25	28%

¹ In 2002, purchased power costs totaled approximately \$211 million. In 2022, these costs increased to approximately \$480 million. In 2023, these costs were approximately \$512 million.

² Reflects the Company’s continued investment in the electricity system. Depreciation rates in effect for 2023 were approved by the Board in Order No. P.U. 3 (2022).

³ Total fixed costs less the requested amounts removed.