

P.S.C.U. Docket No. 07-057-13  
Data Request 3.03  
Requested by AARP  
Date of QGC Response July 8, 2008

AARP 3.03 Refer to the Cost-of-Service Study 07-057-13U-Model Filed Dec 2008.xls provided as answer update in Mdr A.06. Please explain why the increase in rate revenues between current revenue of \$166,398,104 (cell G35 of Tab Rate Design) and proposed revenue of \$191,451,156 (cell K 35 of Tab Rate Design) amounting to \$25,053,052 exceeds the revenue deficiency of \$21,848,013 in tab COS Sum cellG81. Please reconcile the two values arithmetically.

1.

Answer: The \$191,451,156 is the proposed revenue including the CET. The \$166,398,104 is the projected revenues calculated at current rates. The allowed revenues calculated under the conservation enabling tariff are not included in the \$166,398,104. The reason the deficiency is higher in the Rate Design tab than in the COS Sum tab is that in the COS Summary the revenues include the CET. In the Rate Design, the rates need to be calculated to collect the total COS and the CET allowed amounts will be recalculated to match the new rates.

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