

1 Q. **Overview**

2 Page 1.20, lines 6-10 – What percent of the proposed rate increases is due to each
 3 of return, depreciation, fuels and other?

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6 A. Table 1 summarizes the percent impact of return, depreciation, fuels and other on
 7 the proposed rate increases.

Table 1 Incremental Revenue Requirement 2019 TY vs. 2015 TY

Component	\$ (millions)	% Change
Capital Growth		
Return ¹	37.4	42%
Depreciation	28.6	33%
	66.0	75%
Fuels	28.5	32%
Other		
Operating Costs	12.6	14%
Other	3.0	3%
Reduction in Weighted Average Cost of Capital ¹	(21.9)	-25%
Total Other	(6.3)	-7%
Total Fuels and Other	22.2	25%
Incremental Revenue Requirement	88.2	100%

Notes:

1. The incremental return accounts for 17% of the increase in revenue requirement. (Increase of 42% due to capital growth and decrease of 25% due to a reduction in the Weighted Average Cost of Capital).