Q. **(Application Volume 1, page 3-59) It is stated "*Implementation of customer rates beginning on March 1, 2022 based on the proposed 2023 revenue requirement would result in a $1,262,000 shortfall in recovering the proposed 2022 revenue requirement*." Please provide this calculation.**

A. See Attachment A for a calculation of the 2022 Revenue Shortfall.

2022 Revenue Shortfall

2022 Revenue Shortfall Calculation
($000s)

2022 Revenue Requirement from Rates After Elasticity[1]		4,281
2022 Revenue Shortfall[2]		1,262
Revenue Requirement including Elasticity Effects	**A**	**5,543**
2022 Existing Revenue from Rates (March 1 – December 31)[3]		547,402
Average Customer Rate Increase[4]		0.782%
Additional 2022 revenue based on 0.782% increase	**B**	**4,281**
Estimate of 2022 Revenue Shortfall	**C = A - B**	**1,262**

1 See the *2022/2023 General Rate Application, Volume 1, Application, Company Evidence and Exhibits, Exhibit 9*, page 1 of 2.

2 See the *2022/2023 General Rate Application, Volume 1, Application, Company Evidence and Exhibits, Section 4.3.2: Costs and Depreciation*, page 4-5.

3 2022 Existing revenue from rates from March 1 to December 31 including revenue elasticity impacts of $479,000.

4 Average rate increase based on effective date of March 1, 2022. Actual 2022 rate increase will vary by class. Calculated as $4,281,000/$547,402,000 where $547,402,000 is 2022 existing rate revenues from March to December including elasticity effects of $479,000.