Reference: Section 1: Introduction

Q. Volume 1, page 1-9, lines 6-9. Provide the calculation of the 2.7% decrease in revenue required attributable to the reconciliation of the supply costs and forecast energy sales.

A. Table 1 provides the calculation of the 2.7% decrease in the revenue required from customer rates resulting from the rebalancing of test year supply costs and revenue from energy sales.

Table 1:
Rebalancing Supply Costs and Energy Sales

	Amount ($millions)	**Change (%)**
Rebalancing Supply Costs[1]	(24.6)	(3.4)
Rebalancing Revenue from Energy Sales[2]	4.7	0.7
Total[3]	**(19.9)**	**(2.7)**

[1] Due to the rebasing of the Energy Supply Cost Variance and Demand Management Incentive into test year revenue requirement. See the *2022/2023 General Rate Application, Volume 1, Application, Company Evidence and Exhibits, Exhibit 7: 2022 and 2023 Revenue Requirements*, page 2 of 2, lines 17 and 18 [($26.7) million + $2.1 million = ($24.6) million].

[2] Due to the decline in revenue from energy sales since the Company's last general rate application.

[3] The percentage change is calculated by dividing the ($19.9) million total change by revenue from existing customer rates of $726.7 million [($19.9) million ÷ $726.7 million = 0.027]. See the *2022/2023 General Rate Application, Volume 1, Application, Company Evidence and Exhibits, Exhibit 10: Average Customer Billing Impacts, Column C* for the revenue from existing customer rates figure.