

- 1 **Q. (Reference CA-NP-106)**
2 **a) What would be the rate impact on customers in the Street and Area Lighting**
3 **class if rates were set to recover 100% of costs?**
4 **b) If the additional revenue from setting Street and Area Lighting rates to recover**
5 **100% of the cost of supply were used to reduce the revenue to be collected from**
6 **the General Service Rate 2.1 customer class, what impact would it have on the**
7 **revenue to cost ratio and rate increase for this class?**
8
9 **A.** a) If the Street and Area Lighting class were set to recover 100% of its costs, the *pro*
10 *forma* revenue impact would be an increase of \$0.5 million with a *pro forma* rate
11 impact for the Street and Area Lighting rate class of 2.8%.¹
12
13 b) The *pro forma* additional revenue of \$0.5 million applied against revenue to be
14 collected from the General Service Rate 2.1 customer class would decrease the
15 General Service Rate 2.1 rate by approximately 0.4%.² This scenario would reduce
16 the *pro forma* revenue to cost ratio for General Service 2.1 rate class to 107.4%.³

¹ See 2025/2026 General Rate Application, Volume 2, Section 4, Cost of Service Study, Schedule 1.5, page 1 of 1, line 5: $(16,604 - 16,133) / 2026$ existing customer billing rate of \$16,842 = 2.8%.

² See 2025/2026 General Rate Application, Volume 2, Section 4, Cost of Service Study, Schedule 1.5, page 1 of 1, line 5: $(16,604 - 16,133) / 2026$ existing customer billing rate of \$111,305 = 0.4%.

³ See 2025/2026 General Rate Application, Volume 2, Section 4, Cost of Service Study, Schedule 1.5, page 1 of 1, line 2: $\$108,521 - (16,604 - 16,133) = \$108,050 / 100,575 = 107.4\%$.