



CAUSES OF DEFICIENCY

The causes of the revenue deficiency of \$14,278,060 are enumerated in Table 1. The references provide detailed explanations of the reasons for the deficiency. SA refers to the applicable section in the revised Settlement Proposal filed on January 25th, 2008.

Table 1 – Causes of Deficiency

CAUSE	Impact on Revenue Requirement \$000	Reference
Increase in Amortization Expense	(6,706)	B3-2-1 B3-2-2 B3-3-1 B3-3-2 B3-4-1 B3-4-2 B3-5-1 D3-1-1 SA-3.3
Increase in Revenue Offsets	3,491	C2-1-4 SA-2.3
Increase in OM&A Expenses	(12,911)	B1-3-1 D1-1-4 SA-3.1
Increase in Return on Capital	(1,585)	B1-3-1 B3-2-2 B3-3-1 B3-3-2 B3-4-1 B3-4-2 B3-5-1 SA-5.1
Change in Payment in Lieu of Taxes	1,314	D2-1-1 D2-1-2 D3-1-1 SA-3.2
Moving Low Voltage Charges to Cost of Power	556	I1-4-1 SA-8.7
Load Growth	1,563	C1-2-1 SA-2.2
Total Deficiency	(14,278)	