

Additional Clarifying Questions For Supplemental Testimony

A.11-05-001 et al.

1. What is the financial impact on rate payers of a change in the Cost of Capital? (i.e., how much does a 100 basis point reduction in the Cost of Capital impact the average bill? How does this compare with the bills implied by the utilities General Rate Case?)
2. What is the financial impact of changes in Cost of Capital to the operating company and how does this impact the parent company? (i.e., how does a 100 basis point decline in Cost of Capital affect the profitability of the utilities and the parent organization? What secondary impacts are there from such a reduction?)
3. How does the trend in actual return on capital compare against past levels of authorized cost of capital? Please explain with at least 5 years of data? (Note – ten years of data would be preferred) How does this actual return compare with the actual return experienced by comparable firms in the sector?