

III. SCHEDULE SUMMARY

Q. Would you please summarize Schedule CGM-1 to your testimony?

A. Yes. Schedule CGM-1 provides the data supporting the REP/VMP Adjustment, REP Capital Investment Allowance, and net increase in annual distribution rates proposed in this reconciliation filing. In particular, Schedule CGM-1, Page 1 provides a summary of estimated rate adjustments for the Incremental VMP/REP O&M spend and REP capital investment allowance. The amounts in columns (a) through (f) represent actual data for the fiscal years 2008 through 2013. The column titled "07/01/2013" is the basis for the rate adjustment to be implemented on July 1, 2013 and shows the Company's net change of recovery from the prior year.

In summary, for FY 2013, the Company is proposing a net increase to its annual distribution rates of \$371,284 commencing July 1, 2013. This increase in rates is because the proposed net increase of \$23,319 is higher than the net refund provided to customers effective July 1, 2012 in the prior year and as approved by Order 25,377. The increase of \$371,284¹ is composed of the following: (i) \$368,955, as shown on Page 1, Column (f), Line 9; (ii) less a refund of \$47,994, as shown on Schedule CGM-2, Page 3, Line 2; (iii) less an interest refund of \$2,435, as shown on Schedule CGM-2, Page 3, Line 3; (iv) plus the FY 2012 refund of \$44,492, as shown on Schedule WRR-2, Page 3, Line 2; and (v)

¹ Although the mathematical sum of the component parts (i) through (v) of the total increase of \$371,284 shown above equals \$371,283 when added directly, the actual total in fact rounds to \$371,284. The actual calculation carried out in dollars and cents is as follows: \$368,955.43 - \$47,993.51 - \$2,434.98 + \$44,492.00 + \$8,265.00 = \$371,283.94

1 the FY 2012 interest refund of \$8,265, as shown on Schedule WRR-2, Page 3, Line 3.²

2 This resulting amount is the proposed rate adjustment effective for usage on and after

3 July 1, 2013 associated with the REP Capital Investment Allowance and the REP/VMP

4 Adjustment Provision.

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² Schedule WRR-2, Page 3 is from Docket DE 12-130, *Fiscal Year 2012 Reliability Enhancement and Vegetation Management Plan Results and Reconciliation*, and is attached as Schedule CGM-2A in Exhibit 3.

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A. Yes. Schedule CGM-1 provides the data supporting the REP/VMP Adjustment, REP Capital Investment Allowance, and net increase in annual distribution rates proposed in this reconciliation filing. In particular, Schedule CGM-1, Page 1 provides a summary of estimated rate adjustments for the Incremental VMP/REP O&M spend and REP capital investment allowance. The amounts in columns (a) through (f) represent actual data for the fiscal years 2008 through 2013. The column titled "07/01/2013" is the basis for the rate adjustment to be implemented on July 1, 2013 and shows the Company's net change of recovery from the prior year.

In summary, for FY 2013, the Company is proposing a net increase to its annual distribution rates of ~~\$318,526~~\$371,284 commencing July 1, 2013. This increase in rates is because the proposed net increase of \$23,319 is higher than the net refund provided to customers effective July 1, 2012 in the prior year and as approved by Order 25,377. The increase of ~~\$318,526~~\$371,284¹ is composed of the following: (i) \$368,955, as shown on Page 1, Column (f), Line 9; (ii) less a refund of \$47,994, as shown on Schedule CGM-2, Page 3, Line 2; ~~and~~ (iii) less an interest refund of \$2,435, as shown on Schedule CGM-2, Page 3, Line 3; (iv) plus the FY 2012 refund of \$44,492, as shown on Schedule WRR-2,

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1 | Page 3, Line 2; and (v) the FY 2012 interest refund of \$8,265, as shown on Schedule
2 | WRR-2, Page 3, Line 3.² This resulting amount is the proposed rate adjustment effective
3 | for usage on and after July 1, 2013 associated with the REP Capital Investment
4 | Allowance and the REP/VMP Adjustment Provision.
5 |

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