

WEIGHTED AVERAGE COST OF LONG-TERM DEBT

<u>ITEM</u>	<u>DATE SOLD</u>	<u>FACE AMOUNT</u>	<u>FINANCING COSTS</u>	<u>NET PROCEEDS RATIO</u>	<u>OUTSTANDING AMOUNT</u>	<u>COST RATE BASED UPON NET PROCEED</u>	<u>ANNUAL COST</u>
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Total Amount Outstanding

Weighted Average Cost Rate

A. Item:

The various "type" of short-term debt that the Applicant may recommend as a component for ratemaking purposes.

B. Cost Rate:

The cost recommended for each item of the short-term debt items.

C. Amount Outstanding:

As with long-term debt, the amount outstanding is the amount that remains on the books of account at the time that is used to estimate the cost of short-term debt for ratemaking purposes.

D. Annual Cost:

The Cost Rate times the amount outstanding generates the Annual Cost.

E. Weighted Average Cost:

This rate is generated by taking the sum of the annual cost divided by the amount outstanding.