

1 **Q. In reference to the evidence of Lorne Henderson, page 23, lines 6 to 7 - “The**
2 **proposed rates, excluding Municipal Tax and Rate Stabilization Adjustments, are**
3 **shown in detail in Exhibit LCH-5.” - How are the Municipal Tax and Rate**
4 **Stabilization Adjustments applied to customer bills? Provide a copy of a sample**
5 **customer bill.**

6
7 A. The Municipal Tax Adjustment (MTA) and the Rate Stabilization Adjustment (RSA) are
8 calculated annually and, following approval by the Board, are used to adjust the
9 Company’s base electric rates effective July 1st each year. The adjustments to the
10 appropriate components of base electrical rates (energy, demand, and customer charges)
11 produce the “final rates” that are applied to customers’ energy consumption to calculate
12 monthly electric bills.

13
14 Attachment A illustrates the application of the RSA and MTA adjustments approved by
15 the Board effective July 1st, 2002 to the Company’s base rates approved by the Board in
16 Order No. P.U. 22 (2002-2003) to be effective September 1st, 2002. These “final rates”
17 are the rates that appear on customers’ bills and are the rates indicated in the *Schedule of*
18 *Rates Rules & Regulations* provided in response to Request for Information CA-211.

19
20 Attachment B is a sample bill for a Domestic customer showing the presentation of the
21 “final rates” on the bill.