

Q. Re: p.23, Table 6 Provide the same information for 2003 & 2004; and recalculate the variable unit cost including early retirement costs in operating expenses for 1998 – 2004.

A. Table 1 below provides unit revenue and unit cost data for the period 1998 to forecast 2004.

Variable Unit Cost data in Table 6 on Page 23 of the *Finance & Accounting Evidence* excludes early retirement costs. Variable Unit Cost data in Table 1 below has been recalculated to include early retirement costs, as requested.

Table 1 Unit Revenue and Costs (cents per kWh)							
	Actual				Forecast		
	1998	1999	2000	2001	2002	2003	2004
Average Gross Unit Revenue ¹	7.50	7.55	7.59	7.56	7.62	7.83	7.87
Energy and Fixed Unit Cost ²	5.52	5.53	5.61	5.64	5.75	5.87	5.89
Variable Unit Cost ³	1.19	1.17	1.15	1.13	1.09	1.10	1.11

¹ Average Gross Unit Revenue = Revenue from Rates (before any adjustment for excess earnings)/Energy Sales

² Energy and Fixed Unit Cost = (Purchased Power + Depreciation + Net Interest)/Energy Sales

³ Variable Unit Cost = Operating Expenses (including early retirement costs)/Energy Sales