

- 1 **Q. Explain the methodology used to normalize revenue and purchased power expense.**
2 **(L. Henderson, p. 8). Reconcile the 2001 Cost of Service purchased power of**
3 **\$180,235,000 in Exhibit LCH-2, p. 2 of 40 with the 2001 purchased power of**
4 **\$202,479, 000 in Exhibit BVP-1, p. 1 of 9.**
5
6 **A. The methodology used to normalize revenue and purchased power expense is explained**
7 **in Section 1 of Exhibit BVP-22 (pages 2 to 5).**
8
9 The Cost of Service purchase power expense is exclusive of the Rural Deficit of
10 \$22,243,999. Please refer to Exhibit LCH-2, p. 3 of 40 (line 1, notes to Schedule 1.1).