

- Q. At. 12, line 8, Dr. Kalymon refers to “unforecasted cost efficiencies”. Please identify each example of unforecast cost efficiencies referred to, and when these events occurred.
- A. **The unforecasted cost efficiencies referred to in the statement occurred after the time of the last hearing by the Board. These are cost efficiencies which are documented in the company’s submission as, for example, related to personnel levels, which were not anticipated in the cost estimates submitted at the last hearing. Such cost efficiencies contributed to the company’s ability to over-earn its targeted return on equity since the last hearing.**