

1 **Q. Please provide all sources and workpapers used in calculating the average**
2 **embedded energy costs shown on Table 5 in Mr. Henderson's Evidence, page 15,**
3 **Comparison of Energy Charges to Embedded Energy Costs.**
4

5 A. The calculation of the average embedded energy costs shown on Table 5 in Mr.
6 Henderson's Evidence, is based on information provided in the 2001 Cost of Service
7 Study, which has been filed as Exhibit LCH-2.
8

9 The total embedded energy cost by class is determined from the total energy cost shown
10 in Exhibit LCH-2, page 9 of 40, Column A, divided by the energy sales shown in Exhibit
11 LCH-2, page 11 of 40, Column A.
12

13 Attachment A shows how the total unit embedded energy cost is split between purchased
14 power and other energy costs.

**Split of Unit Embedded Energy Costs
Between Purchase Power and Other**

Split of Unit Embedded Energy Costs between Purchase Power and Other

Class of Service	Rate	Unit Energy Costs ¹ ¢/kWh	% Purchased Power ²	Purchased Power	Other Energy
				Energy Cost ¢/kWh	Cost ¢/kWh
Domestic	1.1	2.01	86.2%	1.74	0.27
G.S., 0 - 10 kW	2.1	2.01	86.2%	1.74	0.27
G.S., 10 - 100 kW (110 kVA)	2.2	2.01	86.2%	1.74	0.27
G.S., 110 - 1000 kVA	2.3	2.01	86.2%	1.74	0.27
G.S., 1000 kVA and Over	2.4	1.98	86.2%	1.71	0.27

NOTES:

1 - Taken From Exhibit LCH-2, Page 11 of 40

2. % Energy Costs Related to Purchase Power see below:

Purchase Power Costs	\$ 80,876,000	Exhibit LCH-2 Page 2 of 40, Column C Line 1
Total Energy Costs	\$ 93,790,000	Exhibit LCH-2 Page 2 of 40, Column C, Line 12
% Energy Costs Related to Purchase Power	86.2%	