Appendix A
Commission Determination - Revenue Requirement Calculations

Island/Mainland - Revenue Requirement Calculation

Net Pro Forma Rate Base - Prudent Assets	$	1,825,863
Weighted Cost of Capital		8.11%
Operating Income Return - Prudent Assets	$	148,078
Rate Base Deemed Imprudent	$	4,355,706
Weighted Cost of Debt		3.02%
Return on Imprudent Projects	$	131,542
Total Return on RB	$	279,620
Pro Forma Net Operating Income (Loss)	$	(131,192)
Operating Income Deficiency (Excess)	$	410,812
Revenue Conversion Factor		74.32%
Additional Revenue Requirement	**$**	**552,790**

Peninsula - Revenue Requirement Calculation

Net Pro Forma Rate Base - Prudent Assets	$	1,373,421
Weighted Cost of Capital		8.11%
Operating Income Return - Prudent Assets	$	111,384
Rate Base Deemed Imprudent	$	2,156,258
Weighted Cost of Debt		3.02%
Return on Imprudent Projects	$	65,119
Total Return on RB	$	176,503
Pro Forma Net Operating Income (Loss)	$	(77,242)
Operating Income Deficiency (Excess)	$	253,746
Revenue Conversion Factor		74.32%
Additional Revenue Requirement	**$**	**341,441**

Pelican Point - Revenue Requirement Calculation

Net Pro Forma Rate Base - Prudent Assets	$	783,713
Weighted Cost of Capital		8.11%
Operating Income Return - Prudent Assets	$	63,559
Rate Base Deemed Imprudent	$	19,843
Weighted Cost of Debt		3.02%
Return on Imprudent Projects	$	599
Total Return on RB	$	64,158
Pro Forma Net Operating Income (Loss)	$	(139,444)
Operating Income Deficiency (Excess)	$	203,602
Revenue Conversion Factor		74.32%
Additional Revenue Requirement	**$**	**273,968**

Total Additional Annual Revenue Requirement	**$**	**1,168,199**
Percentage Increase		49.1%