

1 VI. WASHINGTON REVENUE REQUIREMENT DETERMINATION

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3 Q. Has Staff made a determination of the Company's Washington revenue
4 requirement in this case?

5 A. Yes. That determination and references to the supporting data are
6 contained in the testimony of Thomas E. Schooley. (Exhibit No. ___ (TES-
7 1T)). Mr. Schooley calculates an overall Washington revenue requirement
8 increase for the Company of ~~\$7,123,979~~ \$5,931,751. This an overall
9 increase of approximately ~~3.5%~~ 2.9%.

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11 Q. What overall cost of capital did Staff determine was proper in this case?

12 A. As Mr. Steven G. Hill explains in detail in his testimony, (Testimony of
13 Steven G. Hill, Exhibit No. ___ (SGH-1T)), the Company's equity cost of
14 capital is 9.375%. When combined with other Company debt and an
15 appropriate capital structure that includes 47.08% equity, this results in an
16 overall cost of capital for the Company of 7.716%.

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