

PEAK CREDIT METHOD FOR 2001 COST OF SERVICE STUDY
 Peak Credit uses the UE-920499 Methodology

General Rate Case Filing
 Exhibit No. _____ JAH-3

Combined Cycle Plant (Nominal \$)

Year	Capital Cost \$/MWH Yr	Fixed O&M \$/MWH	Variable O&M \$/MWH	Gas \$/MMBTU	Gas \$/MWH	Total \$/MWH
2002	\$15.41	1.53	2.04	\$3.30	22.54	41.52
2003	\$15.41	1.56	2.08	\$3.64	22.54	41.59
2004	\$15.41	1.59	2.12	\$3.73	24.86	43.98
2005	\$15.41	1.62	2.16	\$3.83	25.51	44.70
2006	\$15.41	1.65	2.2	\$3.93	26.19	45.45
2007	\$15.41	1.68	2.24	\$4.04	26.88	46.21
2008	\$15.41	1.71	2.28	\$4.14	27.58	46.98
2009	\$15.41	1.74	2.33	\$4.25	28.31	47.79
2010	\$15.41	1.77	2.38	\$4.36	29.06	48.62
2011	\$15.41	1.81	2.43	\$4.48	29.82	49.47
2012	\$15.41	1.85	2.48	\$4.59	30.59	50.33
2013	\$15.41	1.89	2.53	\$4.71	31.39	51.22
2014	\$15.41	1.93	2.58	\$4.83	32.20	52.12
2015	\$15.41	1.97	2.63	\$4.96	33.03	53.04
2016	\$15.41	2.01	2.68	\$5.09	33.89	53.99
2017	\$15.41	2.05	2.73	\$5.22	34.77	54.96
2018	\$15.41	2.09	2.78	\$5.35	35.67	55.95
2019	\$15.41	2.13	2.84	\$5.49	36.60	56.98
2020	\$15.41	2.17	2.9	\$5.64	37.54	58.02
2021	\$15.41	2.21	2.96	\$5.78	38.52	59.10
2022	\$15.41	2.25	3.02	\$5.93	39.52	60.20
2023	\$15.41	2.30	3.08	\$6.09	40.54	61.33
2024	\$15.41	2.35	3.14	\$6.24	41.60	62.50
2025	\$15.41	2.40	3.20	\$6.41	42.68	63.69
2026	\$15.41	2.45	3.26	\$6.57	43.78	64.90
2027	\$15.41	2.5	3.33	\$6.74	44.92	66.16
2028	\$15.41	2.55	3.4	\$6.92	46.09	67.45
2029	\$15.41	2.6	3.47	\$7.10	47.28	68.76
2030	\$15.41	2.65	3.54	\$7.28	48.51	70.11
2031	\$15.41	2.7	3.61	\$7.47	49.77	71.49

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Combustion Turbine

Year	Capital Cost \$/kW Yr	Fixed O&M \$/kW Yr	Variable O&M \$/kW Yr	Fuel Oil \$/MMBTU	Fuel Oil \$/kW Yr	Gas \$/kW Yr	Total \$/kW Yr	Peak Credit \$/kW Yr
2002	\$68.11	5.61	1.02	\$4.23	2.27	5.30	82.31	50.98
2003	\$68.11	5.72	1.04	\$4.02	2.15	5.84	82.87	51.49
2004	\$68.11	5.83	1.06	\$3.85	2.06	6.00	83.06	51.64
2005	\$68.11	5.95	1.08	\$3.67	1.97	6.16	83.26	51.79
2006	\$68.11	6.07	1.1	\$3.76	2.01	6.32	83.61	52.09
2007	\$68.11	6.19	1.12	\$3.85	2.06	6.49	83.97	52.39
2008	\$68.11	6.31	1.14	\$3.94	2.11	6.66	84.33	52.70
2009	\$68.11	6.44	1.16	\$4.03	2.16	6.83	84.70	53.02
2010	\$68.11	6.57	1.18	\$4.13	2.21	7.01	85.08	53.34
2011	\$68.11	6.7	1.2	\$4.24	2.27	7.19	85.47	53.68
2012	\$68.11	6.83	1.22	\$4.36	2.33	7.38	85.87	54.02
2013	\$68.11	6.97	1.24	\$4.48	2.40	7.57	86.29	54.38
2014	\$68.11	7.11	1.26	\$4.60	2.47	7.77	86.71	54.74
2015	\$68.11	7.25	1.29	\$4.73	2.53	7.97	87.15	55.12
2016	\$68.11	7.40	1.32	\$4.86	2.60	8.17	87.61	55.52
2017	\$68.11	7.55	1.35	\$4.99	2.67	8.39	88.07	55.91
2018	\$68.11	7.7	1.38	\$5.13	2.75	8.60	88.54	56.32
2019	\$68.11	7.85	1.41	\$5.27	2.82	8.83	89.02	56.74
2020	\$68.11	8.01	1.44	\$5.41	2.90	9.06	89.51	57.16
2021	\$68.11	8.17	1.47	\$5.52	2.96	9.29	90.00	57.58
2022	\$68.11	8.33	1.5	\$5.63	3.02	9.53	90.49	58.00
2023	\$68.11	8.5	1.53	\$5.74	3.08	9.78	91.00	58.44
2024	\$68.11	8.67	1.56	\$5.86	3.14	10.03	91.51	58.88
2025	\$68.11	8.84	1.59	\$5.97	3.20	10.29	92.03	59.33
2026	\$68.11	9.02	1.62	\$6.09	3.26	10.56	92.58	59.80
2027	\$68.11	9.2	1.65	\$6.22	3.33	10.84	93.12	60.27
2028	\$68.11	9.38	1.68	\$6.34	3.40	11.12	93.68	60.75
2029	\$68.11	9.57	1.71	\$6.47	3.46	11.41	94.26	61.25
2030	\$68.11	9.76	1.74	\$6.60	3.53	11.70	94.85	61.75
2031	\$68.11	9.96	1.77	\$6.73	3.60	12.01	95.45	62.27

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	Combustion Turbine	Peak CT	CC CT	Peak Credit
Levelized Cost \$/mWh			53.99	
Levelized Cost \$/kW Yr	94.29	59.20	378.36	16%

Assumptions

1 Fixed Charge Rate CC:	14.40%			
2 Fixed Charge Rate CT:	14.40%			
2 Hours/Year CT Peak Operatio	200	Oil (hours):	50	
3 CCCT Capacity Factor:	80%			
4 Weighted Cost of Capital CC:	10.47%			
4 Weighted Cost of Capital CT:	10.47%			
5 1/2 of Capital & Fixed O&M For CT Used For Peak Credit Cost				
6 Fixed & variable O&M, gas, and fuel escalation rate beyond 2015:			2.80%	

	Capital \$/kW	Fixed O&M \$/kW/yr	Var O&M \$/ MWH	Heat Rate BTU/kWh
7 Combined Cycle Combustion Turbine Plant	\$750	\$10.50	2.0	6,834
8 Simple Cycle Combustion Turbine Plant	\$473	\$5.50	5	10,712
9 Reserve margin	15%			

Capital Component	Ratio	Cost	Wght Cost
Debt	52.74%	7.57%	3.99%
Trust Preferred	0.00%	7.78%	0.00%
Preferred Stock	2.26%	7.78%	0.18%
Common Equity	45.00%	14.00%	6.30%
TOTAL	100.00%		10.47%