

Analysis of Revenue Parity for PSE Rate Classes based on PSE Cost-of-Service Study
Test Year Twelve Months Ended June 30, 2001

Category Reference	Description	ID #	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)
			Total	Summary Class	Summary Class	Summary Class	Summary Class	Summary Class	Summary Class	Summary Class	Summary Class	Summary Class
			Allocation	Res Svc	Sec Svc 24	Sec Svc 25/29	Sec Svc 26	Pri Svc	Wheeling Retail	High Voltage	Lighting Svc	Firm Resale
4	Total Operating Expense	JAH-2,p.2	1,245,467,465	684,089,194	155,351,614	173,252,337	100,523,781	94,551,025	4,325,841	21,131,118	11,245,497	997,058
5	PSE Requested Return On Net Investment	JAH-2,p.2	278,782,224	163,520,990	33,865,486	33,388,897	18,541,373	19,317,900	2,880,977	3,428,198	3,376,053	462,350
6	Total Cost of Service	(4+5)	1,524,249,689	847,610,184	189,217,100	206,641,234	119,065,154	113,868,925	7,206,818	24,559,316	14,621,550	1,459,408
7	Total Operating Revenue	JAH-2,p.2	1,382,466,897	741,554,778	172,306,476	210,920,758	114,894,154	100,247,797	8,007,197	21,475,091	11,592,212	1,468,435
8	Operating Income Deficiency	(6-7)	141,782,792	106,055,406	16,910,624	(4,279,524)	4,171,000	13,621,128	(800,379)	3,084,225	3,029,338	(9,027)
9	Adjusted for Conversion Factor	JAH-2,p.2	228,349,747	170,808,635	27,235,581	(6,892,432)	6,717,647	21,937,649	(1,289,058)	4,967,330	4,878,932	(14,538)
10	Firm Sales of Electricity	JAH-2,p.2	1,313,044,585	703,799,354	163,677,401	202,206,632	109,659,508	94,918,287	6,587,689	19,500,350	11,262,729	1,432,636
11	PSE Revenue Required From Rates	(9+10)	1,541,394,332	874,607,989	190,912,982	195,314,200	116,377,155	116,855,936	5,298,631	24,467,680	16,141,661	1,418,098
12	Revenue to Revenue Requirement	(10/11)	85.2%	80.5%	85.7%	103.5%	94.2%	81.2%	124.3%	79.7%	69.8%	101.0%
13	Revenue Parity Ratios	restate 12	100.0%	94.5%	100.6%	121.5%	110.6%	95.4%	145.9%	93.6%	81.9%	118.6%
14	Annualized MWH (for interim charge)	JAH wrkprs	19,254,591	9,734,839	2,443,201	2,970,440	1,805,710	1,775,155		450,820	74,426	
15	PSE interim surcharge proposal	\$ 14.568										
16	PSE interim surcharge revenue (ann.)	(15 x 14)	280,500,882	141,817,135	35,592,552	43,273,370	26,305,583	25,860,458	-	6,567,546	1,084,238	-
17	Percentage increase (on appl. sched.)		21.5%	20.2%	21.7%	21.4%	24.0%	27.2%	0.0%	33.7%	9.6%	0.0%
18	Firm Sales + PSE surcharge (ann.)	(10+16)	1,593,545,467	845,616,489	199,269,953	245,480,002	135,965,091	120,778,745	6,587,689	26,067,896	12,346,967	1,432,636
19	New Revenue to Revenue Req	(18/11)	103.4%	96.7%	104.4%	125.7%	116.8%	103.4%	124.3%	106.5%	76.5%	101.0%
20	Revenue Parity Ratios w/PSE surchrg	restate 19	100.0%	93.5%	101.0%	121.6%	113.0%	100.0%	120.3%	103.1%	74.0%	97.7%
21	KCH interim: PSE Genrl ratios to avg	KCH-2	100%	118%	96%	50%	66%	112%	NA	107%	150%	NA
22	KCH intrm inc. @PSE intrm rev (ann.)	21 x 21(A)	21.5%	25.4%	20.6%	10.7%	14.2%	24.1%	NA	23.0%	32.2%	NA
23	KCH surchrg spread @PSE rev(ann.)	(23 x 10) check	280,500,882 280,551,448	178,503,410	33,773,463	21,731,067	15,556,284	22,871,233	-	4,484,787	3,631,203	-
24	Firm Sales + KCH surchrg sprd (ann.)	(23+10)	1,593,545,467	882,302,764	197,450,864	223,937,699	125,215,792	117,789,520	6,587,689	23,985,137	14,893,932	1,432,636
25	KCH:New Revenue to Revenue Req	(24/11)	103.4%	100.9%	103.4%	114.7%	107.6%	100.8%	124.3%	98.0%	92.3%	101.0%
26	Revenue Parity Ratios w/KCH surchrg	restate 25	100.0%	97.6%	100.0%	110.9%	104.1%	97.5%	120.3%	94.8%	89.3%	97.7%