

**Exhibit A-1 Power Cost Rate**

Row		Test Year		
3	Regulatory Assets (Variable)	\$282,429,058		
4	Transmission Rate Base (Fixed)	120,648,501		
5	Production Rate Base (Fixed)	468,816,565		
6		871,894,124		
7	Net of tax rate of return	6.39%		
8				
9				
			<b>Test Yr</b>	<b>Rate Year</b>
			<b>\$/MWh</b>	
10	Regulatory Asset Recovery (on Row 3)	\$27,764,949	\$1.438	(c)
11	Fixed Asset Recovery Other (on Row 4)	11,860,676	0.614	(a)
12	Fixed Asset Recovery-Prod Factored (on Row 5)	46,088,275	2.387	(a)
13	501-Steam Fuel	41,131,848	2.130	(c)
14	555-Purchased power	510,137,062	26.420	(c)
15	557-Other Power Exp	12,292,153	0.637	(a)
16	547-Fuel	159,225,327	8.246	(c)
17	565-Wheeling	41,793,080	2.164	(c)
18	Variable Transmission Income	-3,724,830	-0.193	(c)
19	Hydro and Other Pwr.	51,388,582	2.661	(a)
20	447-Sales to Others	-55,157,632	-2.857	(c)
	456-Subaccounts 00012 & 00018	-319,170	-0.017	(c)
21	and 00035 & 00036			
22	Transmission Exp - 500KV	485,960	0.025	(a)
				492,266
23a	Depreciation-Production (FERCs 403)	42,049,713	2.178	(a)
23b	Amortization-Production (FERCs 407)	25,618,655	1.327	(c)
24	Depreciation-Transmission	5,107,346	0.265	(a)
25	Property Taxes-Production	9,011,873	0.467	(a)
26	Property Taxes-Transmission	4,748,192	0.246	(a)
27	Subtotal & Baseline Rate	\$929,502,057	<b>48.138</b>	(b)
28	Revenue Sensitive Items	0.9551219		
29	Subtotal & Baseline Rate - Grossed Up	\$973,176,363		
30	Test Year Load (MWH's)	19,308,876		<-- includes Firm Wholesale
31			<u>Before Rev. Sensitive Items</u>	<u>After Rev. Sensitive Items</u>
	Power Cost in Rates with			
	Revenue Sensitive Items (the			
32	adjusted baseline		50.400	
33	sum of (a) = Fixed Rate Component	9.480	9.925	
34	(b) = Power Cost Rate	48.138	50.400	
35	sum of (c) = Variable Power Rate	38.658	40.474	
36				
37				
38	* Regulatory Assets are Tenaska, Encogen Fuel Buyout, BEP and White River Relicensing and Plant Cos			