

FOR ILLUSTRATIVE PURPOSES ONLY

COMPANY NAME
REVENUE REQUIREMENT RECONCILIATION
Supporting Schedule

Schedule 26

Col (1)	Col (2)	Col (3)	Col (4)	Col (5)	Col (6)	Col (7)
<u>Amounts</u>	<u>Net of Tax Overall Cost of Capital</u>	<u>Required AOI (1)*(2)</u>	<u>1-FIT Rate</u>	<u>Subtotal (3)*(4)</u>	<u>Gross-up Factor</u>	<u>Revenue Requirement (5)/(6)</u>

Per Books Revenue Deficiency

Capital Structure Items:

ROE from 11.5% to 10.5% (midpoint of range)

Capital Structure Changes

Total Capital Structure Changes

Rate Base Update:

Rate Base Update

Customer Growth

Late Payment Revenues

Depreciation Expense

Property Tax Expense

Liberalized Depreciation

Liberalized Depreciation - New Rates

Clover Allocation Factor

Accumulated Depreciation- Current Rates

Total Rate Base Update

Other Rate Base Adjustments:

Deferred Fuel at 100%

Contra-AFC Correction

Cash Working Capital on Sch. D and E

Total Other Rate Base Adjustments

Payroll, Benefits and Payroll Taxes:

Employee Payroll

Fringe Benefits

Incentive Pay

OPEB Expense

Payroll Taxes

Total Payroll, Benefits and Payroll Taxes

Storm Damage:

Storm Damage Expense & Related OT

Storm Damage Payroll Taxes

Total Storm Damage

Other Revenue Adjustments:

Transmission Service Revenues

Wholesale Contract Renegotiations

Total Other Revenue Adjustments

Other Miscellaneous Adjustments:

FIT on per books ITC

FIT on other Interest and Preferred Dividends

Computer Leases

Obsolete Inventory Amortization

Nonoperating Expenses

Fuel Handling Expense

West Virginia State Income Taxes

Interest on Customer Deposits

Advertising Expense

Miscellaneous

Charitable Donations

Total Other Miscellaneous Adjustments

Company Proposed Revenue Requirement