

Calculation of Amortization to meet Financial Ratio Targets

CALCULATION WITH SUGGESTED CHANGES AS OF 3/27/08

		Total Company	Juris Alloc
1	Additional Net Balance Sheet Investment	(numeric value for this case only)	94,500,000
2	Rate Base	Schedule D	670,433,470
3	Jurisdictional Allocation for Capital		0.837404
4	Total Capital	12/31 Consolidated BS	764,933,470
5	Equity	Schedule H1	50.82% 388,739,189
6	Trust Preferred	Schedule H1	4.58% 35,033,953
7	Long-term Debt	Schedule H1	44.61% 341,236,821
8	Cost of Debt	Schedule H4	6.80%
9	Interest Expense	L7 * L8 (+\$2,125,000 (TOPRs))	25,329,104
10	Revenue	plus staff rate case \$10.3m	353,642,502
11	Other Electric Operating Revenue		3,010,138
12	Operating Revenue	L10 + L11	356,652,640
13	Operating and Maintenance Expense	Cons income stmt	217,470,936
14	Depreciation		35,721,512
15	Amortization		13,504,374
16	Interest on Customer Deposits		593,870
17	Taxes Other than Income Taxes		13,106,455
18	Federal and State Income Taxes		19,201,605
19	Total Electric Operating Exp	Sum of L. 13-18	299,598,752
20	Operating Income - Electric	L12 - L19	57,053,888
21	less: Interest Expense	L9	-26,427,527
22	Depreciation	L14	35,721,512
23	Amortization	L 15	13,504,374
24	Deferred Taxes	Schedule J	-3,309,636
25	Funds from Operations (FFO)	Sum of L20-24	76,542,611

26	Additional Financial Information Needed for Calculation of Ratios		
27	Capitalized Lease Obligations	EDE Accounts 227 + 243	479,951 401,913
28	Short-term Debt Balance	EDE Form 10-Q, p. 8	33,040,000 27,667,828
29	Short-term Debt Interest	EDE Accounts 417.891 + 431.400	2,940,317 2,462,233
30	Cash Interest Paid	Information Supplied by EDE	35,781,815 29,963,835
31	AFUDC Debt (capitalized interest)	EDE Form 10-Q, p. 4	4,732,378 3,962,913
32	Adjustments Made by Rating Agencies for Off-Balance Sheet Obligations		
33	Debt Adj for Off-Balance Sheet Obligs		
34	Operating Lease Debt Equivalent	Information Supplied by EDE/S&P	2,937,000 2,459,456
35	Purchase Power Debt Equivalent	Information Supplied by EDE	86,546,000 72,473,967
36	Total OBS Debt Adjustment	L34 + L35	89,483,000 74,933,423
37	Operating Lease Deprec Adjustment	Information Supplied by EDE/S&P	1,255,000 1,050,942
38	Interest Adjustments for Off-Balance Sheet Obligations		
39	Present Value of Operating Leases	L34 * 10%	293,700 245,946
40	Purchase Power Debt Equivalent	L35 * 10%	8,654,600 7,247,397
41	Total OBS Interest Adjustment	L39 + L40	8,948,300 7,493,342
42	Ratio Calculations		
43	Adjusted Interest Expense	L9 + L29 + L41	35,284,679
44	Adjusted Total Debt 12/31/07	1/2 of L6 + L7 + L27 + L28 + L36	461,756,961
45	Adjusted Total Debt 12/31/06	Same as L65, but for prior year	443,934,000
46	Adjusted Total Capital	L4 + L27 + L28 + L36	867,936,634
47	Adj. FFO Interest Coverage	(L25 + L37 + L43)/L43	3.20
48	Adj. FFO as a % of Ending Debt	(L25 + L37)/L44	0.1680
49	Adj. Total Debt to Total Capital	L44/L46	0.5320
50	Changes Required to Meet Ratio Targets		
51	Adj. FFO Interest Coverage Target	Target	3.20
52	FFO Adjustment to Meet Target	(L51 - L47) * L43	32,740
53	Interest Adjustment to Meet Target	L25 * (1/L51 - 1) - 1/L47 - 1)	-14,680
54	Adj. FFO as a % of Average Total Debt	Target	0.195
55	FFO Adjustment to Meet Target	(L54 - L48) * (Avg of L44 + L45)	12,208,799
56	Debt Adjustment to Meet Target	L25 * (1/L54 - 1/L48)	-62,976,626
57	Adj. Total Debt to Total Capital Target	Target	56.50%
58	Debt Adjustment to Meet Target	(L57 - L49) * L46	28,627,237
59	Total Capital Adjustment to Meet Target	L44/L57 - L46	-50,667,676
60	Amortization and Revenue Needed to Meet Targeted Ratios		
61	FFO Adj Needed to Meet Target Ratios	Maximum of L52, L55 or zero	12,208,799
62	Effective Income Tax Rate	Schedule G3	0.3839
63	Deferred Income Taxes	L61 * L62/(1 - L62)	-7,607,021
64	Total Amortization Req for FFO Adj	L61 - L63	19,815,820