

1 rate increase and resulting revenue requirements for these classes, the rate increase to be  
 2 applied to the remaining classes can be calculated.

3 Figure 8 demonstrates the calculation of modifying the multiplier. For example,  
 4 under this proposal, if the rate increase reduced by 1% to 4.65%, then the absolute %  
 5 change from 5.65% is 22.18%.<sup>1</sup> Either 50% or 100% of this change could be added to the  
 6 initial 136% multiplier. Using 50% of the change or 44.9%, the modified multiplier is  
 7 145.7%. Similarly, using 100% of the change would result in a modified multiplier of  
 8 154.8%. Either of these modified multipliers can then be applied to the jurisdictional  
 9 increase of 4.65% used in this example for the residential, lighting and CCN classes. For  
 10 instance, using the 145.7% and 154.8% modified multiplier, the resulting increase would be  
 11 6.7482% and 7.1532% respectively for these classes. After completing the step of  
 12 allocating the revenue requirement increases using either of these multipliers to the  
 13 residential, lighting and CCN classes, the next step would consist of calculating the rate  
 14 increase to be used for the remaining classes – this can be done by dividing the remaining  
 15 revenue requirement by the sum of present revenues of classes who would be subject to  
 16 this calculated rate such as small general service, LGS, LPS and thermal service..

17 **Figure 8: Modification of Multiplier with Jurisdictional Rate Decreases**

Average Increase	Percent Change from Company Proposal	50% of Change	Change in Multiplier for Res, Ltg, CCN at 50% of Change	Change in Multiplier for Res, Ltg, CCN at 100% of Change
5.65%			136%	136%
4.65%	22%	11%	147%	158%
3.65%	55%	27%	163%	191%

18 <sup>1</sup>  $(\frac{7.314.65\%}{8.315.65\%} - 1) \times -1$

# Attachment 1

Average Increase	Percent Change from Company Proposal	50% of Change	Change in Multiplier for Res, Ltg, CCN at 50% of Change	Change in Multiplier for Res, Ltg, CCN at 100% of Change
5.65%			136%	136%
4.65%	18%	9%	145%	154%
3.65%	35%	18%	154%	171%

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