

TR-13-PA\_Response

		With RFC 18% escalator (***)		Without RFC 18% escalator (***)	
		<u>Resulting Rate</u>	<u>Avg Monthly Customer Bill</u>	<u>Resulting Rate</u>	<u>Avg Monthly Customer Bill</u>
		<u>Increase</u>	<u>Increase</u>	<u>Increase</u>	<u>Increase</u>
<b>Total Plan Cost</b>					
at 100% subscription	\$ 22,800,242	4.59%		3.90%	
at RFC 80% confidence level	\$ 16,300,000	3.28%	\$ 2.48	2.79%	\$ 2.11
at PGW subscription	\$ 13,687,483	2.76%	\$ 2.08	2.34%	\$ 1.77
<b>Colton with no WRAP offset</b>	\$ 13,001,869	2.62%	\$ 1.98	2.23%	\$ 1.68
<b>Colton with RFC WRAP offset (\$2.7 mm)</b>	\$ 10,301,869	2.08%	\$ 1.57	1.76%	\$ 1.33
<b>Colton with full WRAP offset</b>	\$ 9,001,869	1.81%	\$ 1.37	1.54%	\$ 1.16
<b>Each \$1,000,000 (up or down)</b>	\$ 1,000,000	0.20%	\$ 0.15	0.17%	\$ 0.13

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The underlying formula in RFC's spreadsheet contains an unexplained 18% cost escalator. The RFC spreadsheet PA-RDC-60, in other words, calculates the "Resulting Rate Increase" and then divides that result by 0.85 (the same effect as multiplying the result by 1.18). Accordingly, the numbers above show the bill impact WITH the unrevealed RFC bill impact escalator and WITHOUT the unrevealed RFC bill impact escalator. This information to TR-13 is being provided in both PDF and Excel formats. The 0.85 can be seen by clicking the Excel cells headings "With RFC 18% escalator" and "Resulting Rate Increase," which was transferred over from PA-R

sheet, at  
which has  
both  
his response  
under Row C,  
DC-60.