

| <u>Line</u> | <u>Description</u> | <u>Amount</u> |
|-------------|---|-----------------------|
| | (a) | (b) |
| 1 | Investment To Be Financed (Average Rate Base) | \$ 557,307,014 |
| 2 | Weighted Cost of Debt | <u>2.519%</u> |
| 3 | Synchronized Interest Expense | 14,038,564 |
| 4 | Interest Expense as filed | <u>6,990,243</u> |
| 5 | Difference In Interest Expense | 7,048,321 |
| 6 | Federal Income Tax Adjustment (35%) | \$ (2,466,912) |

SOURCES:

Column b, line 1: PJS-2 Sch 1, column d, line 31
Column b, line 2: BLC-1 Sch 1, line 1
Column b, line 3: line 1 * line 2
Column b, line 4: Statement K, column c, line 63
Column b, line 5: line 3 less line 4
Column b, line 6: - line 5 * 35%