

UNDERTAKING J1.6

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TR 1, p.126

To explain why the change in forecasts re: in 2016, 9.5 was the forecast, in 2017, 9.796 is the forecast.

RESPONSE

The Company's EB-2012-0459 as filed 2017 bad debt forecast was \$9.796 M, as found at Exhibit D6, Tab 2, Schedule 2 of that proceeding. As was indicated at Exhibit D6, Tab 2, Schedule 1, of EB-2012-0459, the 2017 value for "Other O&M", which included bad debt costs, was determined by applying an average annual growth rate, calculated based on forecast "Other O&M" costs between 2013 through 2016, to the 2016 forecast "Other O&M" costs.