

WEIGHTED AVERAGE COST OF LONG-TERM DEBT

| <u>ITEM</u> | <u>DATE SOLD</u> | <u>FACE AMOUNT</u> | <u>FINANCING COSTS</u> | <u>NET PROCEEDS RATIO</u> | <u>OUTSTANDING AMOUNT</u> | <u>COST RATE BASED UPON NET PROCEED</u> | <u>ANNUAL COST</u> |
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Total Amount Outstanding

Weighted Average Cost Rate

**A. Item:**

The various "type" of short-term debt that the Applicant may recommend as a component for ratemaking purposes.

**B. Cost Rate:**

The cost recommended for each item of the short-term debt items.

**C. Amount Outstanding:**

As with long-term debt, the amount outstanding is the amount that remains on the books of account at the time that is used to estimate the cost of short-term debt for ratemaking purposes.

**D. Annual Cost:**

The Cost Rate times the amount outstanding generates the Annual Cost.

**E. Weighted Average Cost:**

This rate is generated by taking the sum of the annual cost divided by the amount outstanding.