APPENDIX 1 TO PART 301—ASC UTILITY FILING TEMPLATE

**BONNEVILLE POWER ADMINISTRATION**

**ASC Utility Filing Template**

**2008 Average System Cost Methodology**

**UTILITY NAME:**
**End of Year Report Period:**
**ASC Filing Date:**

***Schedule 1: Plant Investment / Rate Base***

| Account Description | FERC Form 1 Page Number | FERC Form 1 Account Numbers | Functionalization Method Default | Functionalization Method Optional | Total | Production | Transmission | Distribution/ Other |
|---|---|---|---|---|---|---|---|---|
| **Intangible Plant:** | | | | | | | | |
| Intangible Plant - Organization | 204-207 | 301 | DIST | | - | - | - | - |
| Intangible Plant - Franchises and Consents | 204-207 | 302 | DIRECT | PTD | - | - | - | - |
| Intangible Plant - Miscellaneous | 204-207 | 303 | DIRECT | DIST | - | - | - | - |
| **Total Intangible Plant** | | | | | $ - | $ - | $ - | $ - |
| **Production Plant:** | | | | | | | | |
| Steam Production | 204-207 | 310-317 | PROD | | 0 | - | - | - |
| Nuclear Production | 204-207 | 320-326 | PROD | | 0 | - | - | - |
| Hydraulic Production | 204-207 | 330-337 | PROD | | 0 | - | - | - |
| Other Production | 204-207 | 340-347 | PROD | | 0 | - | - | - |
| **Total Production Plant** | | | | | $ - | $ - | $ - | $ - |
| **Transmission Plant: (i)** | | | | | | | | |
| Transmission Plant | 204-207 | 350-359.1 | TRANS | | 0 | - | - | - |
| **Total Transmission Plant** | | | | | $ - | $ - | $ - | $ - |
| **Distribution Plant:** | | | | | | | | |
| Distribution Plant | 204-207 | 360-374 | DIST | | 0 | - | - | - |
| **Total Distribution Plant** | | | | | $ - | $ - | $ - | $ - |
| **General Plant:** | | | | | | | | |
| Land and Land Rights | 204-207 | 389 | PTD | | 0 | - | - | - |
| Structures and Improvements | 204-207 | 390 | PTD | | 0 | - | - | - |
| Furniture and Equipment | 204-207 | 391 | LABOR | | 0 | - | - | - |
| Transportation Equipment | 204-207 | 392 | TD | | 0 | - | - | - |
| Stores Equipment | 204-207 | 393 | PTD | | 0 | - | - | - |
| Tools and Garage Equipment | 204-207 | 394 | PTD | | 0 | - | - | - |
| Laboratory Equipment | 204-207 | 395 | PTD | | 0 | - | - | - |
| Power Operated Equipment | 204-207 | 396 | TD | | 0 | - | - | - |
| Communication Equipment | 204-207 | 397 | PTD | | 0 | - | - | - |
| Miscellaneous Equipment | 204-207 | 398 | PTD | | 0 | - | - | - |
| Other Tangible Property | 204-207 | 399 | DIRECT | PTD | 0 | - | - | - |
| Asset Retirement Costs for General Plant | 204-208 | 399.1 | PTD | | 0 | - | - | - |
| **Total General Plant** | | | | | $ - | $ - | $ - | $ - |
| **Total Electric Plant In-Service** *(Total Intangible + Total Production + Total Transmission + Total Distribution + Total General)* | | | | | $ - | $ - | $ - | $ - |

Schedule 1



AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

# BONNEVILLE POWER ADMINISTRATION

**ASC Utility Filing Template**

**2008 Average System Cost Methodology**

**UTILITY NAME:**
**End of Year Report Period:**
**ASC Filing Date:**

***Schedule 1: Plant Investment / Rate Base***

| Account Description | FERC Form 1 Page Number | FERC Form 1 Account Numbers | Functionalization Method Default | Functionalization Method Optional | Total | Production | Transmission | Distribution/ Other |
|---|---|---|---|---|---|---|---|---|
| **LESS:** | | | | | | | | |
| **Depreciation and Amortization Reserve** | | | | | | 0 | | |
| Steam Production Plant | 219 | 108 | PROD | | 0 | - | - | - |
| Nuclear Production Plant | 219 | 108 | PROD | | 0 | - | - | - |
| Hydraulic Production Plant | 219 | 108 | PROD | | 0 | - | - | - |
| Other Production Plant | 219 | 108 | PROD | | 0 | - | - | - |
| Transmission Plant (i) | 219 | 108 | TRANS | | 0 | - | - | - |
| Distribution Plant | 219 | 108 | DIST | | 0 | - | - | - |
| General Plant | 219 | 108 | GP | | 0 | - | - | - |
| Amortization of Intangible Plant - Account 301 | 200 | 111 | DIST | | 0 | - | - | - |
| Amortization of Intangible Plant - Account 302 | 200 | 111 | DIRECT | PTD | - | - | - | - |
| Amortization of Intangible Plant - Account 303 | 200 | 111 | DIRECT | DIST | - | - | - | - |
| Mining Plant Depreciation | 219 | 108 | PROD | | 0 | - | - | - |
| Amortization of Plant Held for Future Use | 200 | 111 | DIST | | 0 | - | - | - |
| Capital Lease - Common Plant | 219 | 108 | DIRECT | | 0 | | | |
| Leasehold Improvements | 200-201 | 108 | DIRECT | DIST | 0 | - | - | - |
| In-Service: Depreciation of Common Plant (a) | 200-201 | 108 | DIRECT | | 0 | - | - | - |
| Amortization of Other Utility Plant (a) | 200-201 | 111 | DIRECT | DIST | 0 | - | - | - |
| Amortization of Acquisition Adjustments | 200-201 | 115 | DIRECT | | 0 | - | - | - |
| **Depreciation and Amortization Reserve (Other)** | | | DIRECT | | | | | |
| **Total Depreciation and Amortization Reserve** | | | | | $ - | $ - | $ - | $ - |
| **Total Net Plant** *(Total Electric Plant In-Service) - (Total Depreciation & Amortization)* | | | | | $ - | $ - | $ - | $ - |

Schedule 1

# BONNEVILLE POWER ADMINISTRATION

**ASC Utility Filing Template**

**2008 Average System Cost Methodology**

**UTILITY NAME:**
**End of Year Report Period:**
**ASC Filing Date:**

***Schedule I: Plant Investment / Rate Base***

| Account Description | FERC Form 1 Page Number | FERC Form 1 Account Numbers | Functionalization Method Default | Functionalization Method Optional | Total | Production | Transmission | Distribution/ Other |
|---|---|---|---|---|---|---|---|---|
| **Assets and Other Debits (Comparative Balance Sheet)** | | | | | | | | |
| **Cash Working Capital (f)** | Calculation: | | | | | | | |
| **Utility Plant** | | | | | | | | |
| (Utility Plant) Held For Future Use | 200-201 | 105 | DIST | | 0 | - | - | - |
| (Utility Plant) Completed Construction - Not Classified | 200-201 | 106 | PTD | | 0 | - | - | - |
| Nuclear Fuel | | 120.2-120.6 | PROD | | | - | - | - |
| Construction Work in Progress (CWIP) | 200-201 | 107 & 120.1 | DIST | | 0 | - | - | - |
| Common Plant | 356 & 356.1 | | DIRECT | | 0 | - | - | - |
| Acquisition Adjustments (Electric) | 200-201 | 114 | DIRECT | DIST | 0 | - | - | - |
| **Total** | | | | | $ - | $ - | $ - | $ - |
| **Other Property and Investments** | | | | | | | | |
| Investment in Associated Companies | 110-111 | 123.1 | DIST | DIST | 0 | - | - | - |
| Other Investment | 110-111 | 124 | DIST | | 0 | - | - | - |
| Long-Term Portion of Derivative Assets | 110-111 | 175 | DIST | | 0 | - | - | - |
| Long-Term Portion of Derivative Assets - Hedges | 110-111 | 176 | DIST | | 0 | - | - | - |
| **Total** | | | | | $ - | $ - | $ - | $ - |
| **Current and Accrued Assets** | | | | | | | | |
| Fuel Stock | 110-111 | 151 | PROD | | 0 | - | - | - |
| Fuel Stock Expenses Undistributed | 110-111 | 152 | PROD | | 0 | - | - | - |
| Plant Materials and Operating Supplies | 110-111 | 154 | PTD | | 0 | - | - | - |
| Merchandise (Major Only) | 110-112 | 155 | DIST | | 0 | - | - | - |
| Other Materials and Supplies (Major only) | 110-111 | 156 | DIST | | 0 | - | - | - |
| EPA Allowance Inventory | 110-112 | 158.1 | PROD | | 0 | - | - | - |
| EPA Allowances Withheld | 110-112 | 158.2 | PROD | | 0 | - | - | - |
| Stores Expense Undistributed | 110-111 | 163 | PTD | | 0 | - | - | - |
| Prepayments | 110-111 | 165 | PTD | | 0 | - | - | - |
| Derivative Instrument Assets | 110-111 | 175 | DIST | | 0 | - | - | - |
| *(Less)* Long-Term Portion of Derivative Assets | 110-112 | 175 | DIST | | 0 | - | - | - |
| Derivative Instrument Assets - Hedges | 110-111 | 176 | DIST | | 0 | - | - | - |
| *(Less)* Long-Term Portion of Derivative Assets - Hedges | 110-112 | 176 | DIST | | 0 | - | - | - |
| **Total** | | | | | $ - | $ - | $ - | $ - |

Schedule I

# BONNEVILLE POWER ADMINISTRATION

**ASC Utility Filing Template**

**2008 Average System Cost Methodology**

**UTILITY NAME:**
**End of Year Report Period:**
**ASC Filing Date:**

***Schedule 1: Plant Investment / Rate Base***

| Account Description | FERC Form 1 Page Number | FERC Form 1 Account Numbers | Functionalization Method Default | Functionalization Method Optional | Total | Production | Transmission | Distribution/ Other |
|---|---|---|---|---|---|---|---|---|
| **Deferred Debits** | | | | | | | | |
| Unamortized Debt Expenses | 110-111 | 181 | PTDG | | 0 | - | - | - |
| Extraordinary Property Losses | 110-111 | 182.1 | DIRECT | DIST | 0 | - | - | - |
| Unrecovered Plant and Regulatory Study Costs | 110-111 | 182.2 | DIRECT | DIST | 0 | - | - | - |
| Other Regulatory Assets | 110-111 | 182.3 | DIRECT | DIST | 0 | - | - | - |
| Preliminary Survey and Investigation Charges (Electric) | 110-111 | 183 | DIST | | 0 | - | - | - |
| Preliminary Natural Gas Survey and Investigation Charges | 110-111 | 183.1 | DIST | | 0 | - | - | - |
| Other Preliminary Survey and Investigation Charges | 110-111 | 183.2 | DIST | | 0 | - | - | - |
| Clearing Accounts | 110-111 | 184 | DIST | | 0 | - | - | - |
| Temporary Facilities | 110-111 | 185 | PTDG | | 0 | - | - | - |
| Miscellaneous Deferred Debits | 110-111 | 186 | DIRECT | DIST | 0 | - | - | - |
| Deferred Losses from Disposition of Utility Plant | 110-111 | 187 | DIRECT | | 0 | | | |
| Research, Development, and Demonstration Expenditures | 110-111 | 188 | DIST | | 0 | - | - | - |
| Unamortized Loss on Reacquired Debt | 110-111 | 189 | PTDG | | 0 | - | - | - |
| Accumulated Deferred Income Taxes | 110-111 | 190 | DIST | | 0 | - | - | - |
| **Total** | | | | | $ - | $ - | $ - | $ - |
| **Total Assets and Other Debits** | | | | | $ - | $ - | $ - | $ - |

Schedule 1

# BONNEVILLE POWER ADMINISTRATION

**ASC Utility Filing Template**

**2008 Average System Cost Methodology**

UTILITY NAME:
End of Year Report Period:
ASC Filing Date:

***Schedule 1: Plant Investment / Rate Base***

| Account Description | FERC Form 1 Page Number | FERC Form 1 Account Numbers | Functionalization Method Default | Functionalization Method Optional | Total | Production | Transmission | Distribution/ Other |
|---|---|---|---|---|---|---|---|---|
| **Liabilities and Other Credits (Comparative Balance Sheet)** | | | | | | | | |
| **Current and Accrued Liabilities** | | | | | | | | |
| Derivative Instrument Liabilities | 112-113 | 244 | DIST | | 0 | - | - | - |
| *(less)* Long-Term Portion of Derivative Instrument Liabilities | 112-114 | 244 | DIST | | 0 | - | - | - |
| Derivative Instrument Liabilities - Hedges | 112-115 | 245 | DIST | | 0 | - | - | - |
| *(less)* Long-Term Portion of Derivative Instrument Liabilities - Hedges | 112-114 | 245 | DIST | | 0 | - | - | - |
| **Total** | | | | | $ - | $ - | $ - | $ - |
| **Deferred Credits** | | | | | | | | |
| Customer Advances for Construction | 112-113 | 252 | DIST | | 0 | - | - | - |
| Other Deferred Credits | 112-113 | 253 | DIRECT | DIST | 0 | - | - | - |
| Other Regulatory Liabilities | 112-113 | 254 | DIRECT | DIST | 0 | - | - | - |
| Accumulated Deferred Investment Tax Credits | 112-113 | 255 | DIST | | 0 | - | - | - |
| Deferred Gains from Disposition of Utility Plant | 112-113 | 256 | DIRECT | | 0 | | | |
| Unamortized Gain on Reacquired Debt | 112-113 | 257 | PTDG | | 0 | - | - | - |
| Accumulated Deferred Income Taxes-Accel. Abort. | 112-113 | 281 | DIST | | 0 | - | - | - |
| Accumulated Deferred Income Taxes-Property | 112-113 | 282 | DIST | | 0 | - | - | - |
| Accumulated Deferred Income Taxes-Other | 112-113 | 283 | DIST | | 0 | - | - | - |
| **Total** | | | | | $ - | $ - | $ - | $ - |
| **Total Liabilities and Other Credits** | | | | | $ - | $ - | $ - | $ - |
| **Total Rate Base** | | | | | $ - | $ - | $ - | $ - |

*Total Net Plant + (Assets and Others Debits) - (Liabilities and Other Credits)*

Schedule 1

**BONNEVILLE POWER ADMINISTRATION**
**ASC Utility Filing Template**
**2008 Average System Cost Methodology**

| | |
|---|---|
| **UTILITY NAME:** | |
| **End of Year Report Period:** | |
| **ASC Filing Date:** | |

***Schedule 1A: Cash Working Capital (f)***

| Account Description | Total | Production | Transmission | Distribution/ Other |
|---|---|---|---|---|
| **Cash Working Capital Calculation:** | | | | |
| Total Production O&M | - | - | - | - |
| Total Transmission O&M (i) | - | - | - | - |
| Total Distribution O&M | - | - | - | - |
| Total Customer & Sales | - | - | - | - |
| Total Administrative and General O&M | - | - | - | - |
| Less Purchased Power, Public Purpose Charge, REP Reversal, Fuel Costs | - | - | - | - |
| **Revised Total O&M Expenses** | $ - | $ - | $ - | $ - |
| **One-Eighth Revised Total O&M Expenses** | | | | |
| **Allowable Functionalized Cash Working Capital** | $ - | $ - | $ - | $ - |

Schedule 1A

**BONNEVILLE POWER ADMINISTRATION**

**ASC Utility Filing Template**

**2008 Average System Cost Methodology**

**UTILITY NAME:**
**End of Year Report Period:**
**ASC Filing Date:**

***Schedule 2: Capital Structure and Rate of Return (b)***

**SUMMARY** *(for use by ASC Forecast Model)*

**Single-Jurisdiction Investor-Owned Utility Return Calculation:**
**Multi-Jurisdiction Investor-Owned Utility Return Calculation:**
**Consumer-Owned Utility Return Calculation:**
**Rate of Return :**

**Single-Jurisdiction Investor-Owned Utility Return Calculation**

**Step 1: Weighted Cost of Capital from Most Recent State Commission Rate Order**
*Note: Multi-jurisdictional utilities must begin on Page 2*
*Publicly-owned utilities must begin on Page 4*

| | Capitalization Structure | | Effective Cost | |
|---|---|---|---|---|
| **Component** | **Amount** | **Percent** | **Embedded** | **Weighted** |
| Debt | | | | |
| Preferred Equity | | | | |
| Common Equity | | | | |
| **Weighted Cost of Capital** | $ - | | | |

**Step 2: Gross Up Equity Return for Federal Income Taxes**

**Federal Income Tax Rate (Currently 35%)** 35%
**Federal Income Tax Factor**
*((ROR – (Embedded Cost of Debt * (Debt / (Total Capital))) * ((Federal Tax Rate / (1- Federal Tax Rate))*

**Federal Income Tax Adjusted Weighted Cost of Capital**
*(Weighted Cost of Capital Plus Federal Income Tax Factor)*

**Step 3: Calculate Return on Rate Base**

| | Total | Production | Transmission | Other |
|---|---|---|---|---|
| Total Rate Base from Schedule 1 | $ - | $ - | $ - | $ - |
| Federal Income Tax Adjusted Weighted Cost of Capital | | | | |
| **Federal Income Tax Adjusted Return on Rate Base** | | | | |

*(Total Rate Base * Federal Income Tax Adjusted Weighted Cost of Capital)*

Schedule 2

**BONNEVILLE POWER ADMINISTRATION**

**ASC Utility Filing Template**

**2008 Average System Cost Methodology**

UTILITY NAME:
End of Year Report Period:
ASC Filing Date:

***Schedule 2: Capital Structure and Rate of Return (b)***

**Multi-Jurisdiction Investor-Owned Utility Return Calculation**

**Step 1:**

**Weighted Cost of Capital from Most Recent State Commission Rate Order in Jurisdiction 1**

| | Capitalization Structure | | Effective Cost | | Jurisdictional | Effective Cost - | |
|---|---|---|---|---|---|---|---|
| Component | Amount | Percent | Embedded | Weighted | Allocation | Weighted | State Allocation |
| Debt | | | | | 0 | | |
| Preferred Equity | | | | | | | |
| Common Equity | | | | | | | |
| Weighted Cost of Capital | $ - | | | | | | |

**Weighted Cost of Capital from Most Recent State Commission Rate Order in Jurisdiction 2**

| Component | Amount | Percent | Embedded | Weighted | | | |
|---|---|---|---|---|---|---|---|
| Debt | | | | | 0 | | |
| Preferred Equity | | | | | | | |
| Common Equity | | | | | | | |
| Weighted Cost of Capital | $ - | | | | | | |

**Weighted Cost of Capital from Most Recent State Commission Rate Order in Jurisdiction 3**

| Component | Amount | Percent | Embedded | Weighted | | | |
|---|---|---|---|---|---|---|---|
| Debt | | | | | 0 | | |
| Preferred Equity | | | | | | | |
| Common Equity | | | | | | | |
| Weighted Cost of Capital | $ - | | | | | | |

| Jurisdiction | Rate Base | Weighted cost | % | Weighted Return | | |
|---|---|---|---|---|---|---|
| | | | | | | |
| | | | | | | |
| | | | | | | |
| Total | | | | | | |

Schedule 2

**BONNEVILLE POWER ADMINISTRATION**

**ASC Utility Filing Template**

**2008 Average System Cost Methodology**

**UTILITY NAME:**
**End of Year Report Period:**
**ASC Filing Date:**

***Schedule 2: Capital Structure and Rate of Return (b)***

**Multi-Jurisdiction Investor-Owned Utility Return Calculation** *(continued)*

**Step 2: Gross Up Equity Return for Federal Income Taxes**

**Federal Income Tax Rate (Currently 35%)** **35%**

**Federal Income Tax Factor**

*{(ROR (Embedded Cost of Debt * (Debt / (Total Capital))) * {(Federal Tax Rate / (1- Federal Tax Rate)}*

Federal Income Tax Adjusted Weighted Cost of Capital

*(Weighted Cost of Capital Plus Federal Income Tax Factor)*

**Step 3: Calculate Return on Rate Base**

| | Total | Production | Transmission | Other |
|---|---|---|---|---|
| Total Rate Base from Schedule 1 | $ - | $ - | $ - | $ - |
| Federal Income Tax Adjusted Weighted Cost of Capital | | | | |
| **Federal Income Tax Adjusted Return on Rate Base** | | | | |

*(Total Rate Base * Federal Income Tax Adjusted Weighted Cost of Capital)*

Schedule 2

**BONNEVILLE POWER ADMINISTRATION**

**ASC Utility Filing Template**

**2008 Average System Cost Methodology**

| | |
|---|---|
| UTILITY NAME: | |
| End of Year Report Period: | |
| ASC Filing Date: | |

***Schedule 2: Capital Structure and Rate of Return (b)***

**Consumer-Owned Utility Return Calculation**

**Step 1: Weighted Cost of Debt**

| Debt Issue | Original Amount | Year Issued | Year Due | Interest Rate | Interest Expense |
|---|---|---|---|---|---|
| | | | | | $ - |
| | | | | | $ - |
| | | | | | $ - |
| | | | | | $ - |
| | | | | | $ - |
| | | | | | $ - |
| | | | | | $ - |
| | | | | | $ - |
| | | | | | $ - |
| Weighted Cost of Debt | $ - | | | | $ - |

**Step 2: Calculate Return on Rate Base**

| | Total | Production | Transmission | Other |
|---|---|---|---|---|
| Total Rate Base from Schedule 1 | $ - | $ - | $ - | $ - |
| Weighted Cost of Debt | | | | |
| Return on Rate Base | | | | |

Schedule 2

**BONNEVILLE POWER ADMINISTRATION**
**ASC Utility Filing Template**
**2008 Average System Cost Methodology**

**UTILITY NAME:**
**End of Year Report Period:**
**ASC Filing Date:**

***Schedule 3: Expenses***

| Account Description | Form 1 Page Number | Form 1 Account Numbers | Functionalization Method Default | Functionalization Method Optional | Total | Production | Transmission | Distribution/ Other |
|---|---|---|---|---|---|---|---|---|
| **Power Production Expenses:** | | | | | | | | |
| **Steam Power Generation** | | | | | | | | |
| Steam Power - Fuel | 320-323 | 501 | PROD | | | - | - | - |
| Steam Power - Operations (Excluding 501 - Fuel) | 320-323 | 500-509 | PROD | | | - | - | - |
| Steam Power - Maintenance | 320-323 | 510-515 | PROD | | | - | - | - |
| **Nuclear Power Generation** | | | | | | | | |
| Nuclear - Fuel | 320-323 | 518 | PROD | | | - | - | - |
| Nuclear - Operation ( Excluding 518 - Fuel) | 320-323 | 517-525 | PROD | | | - | - | - |
| Nuclear - Maintenance | 320-323 | 528-532 | PROD | | | - | - | - |
| **Hydraulic Power Generation** | | | | | | | | |
| Hydraulic - Operation | 320-323 | 535-540.1 | PROD | | | - | - | - |
| Hydraulic - Maintenance | 320-323 | 541-545.1 | PROD | | | - | - | - |
| **Other Power Generation** | | | | | | | | |
| Other Power - Fuel | 320-323 | 547 | PROD | | | - | - | - |
| Other Power - Operations (Excluding 547 - Fuel) | 320-323 | 546-550.1 | PROD | | | - | - | - |
| Other Power - Maintenance | 320-323 | 551-554.1 | PROD | | | - | - | - |
| **Other Power Supply Expenses** | | | | | | | | |
| Purchased Power (Excluding REP Reversal) | 326 | 555 | PROD | | | - | - | - |
| System Control and Load Dispatching | 320-323 | 556 | PROD | | | - | - | - |
| Other Expenses | 320-323 | 557 | PROD | | | - | - | - |
| BPA REP Reversal | 327 | 555 | PROD | | | - | - | - |
| Public Purpose Charges (h) | | | DIRECT | | | | | |
| **Total Production Expense** | | | | | $ - | $ - | $ - | $ - |
| **Transmission Expenses: (i)** | | | | | | | | |
| Transmission of Electricity by Others (Wheeling) | 320-323 | 565 | TRANS | | | - | - | - |
| Total Operations less Wheeling | 320-323 | 560-567.1 | TRANS | | | - | - | - |
| Total Maintenance | 320-323 | 568-574 | TRANS | | | - | - | - |
| **Total Transmission Expense** | | | | | $ - | $ - | $ - | $ - |

Schedule 3

**BONNEVILLE POWER ADMINISTRATION**
**ASC Utility Filing Template**
**2008 Average System Cost Methodology**

UTILITY NAME:
End of Year Report Period:
ASC Filing Date:

***Schedule 3: Expenses***

| Account Description | Form 1 Page Number | Form 1 Account Numbers | Functionalization Method Default | Functionalization Method Optional | Total | Production | Transmission | Distribution/ Other |
|---|---|---|---|---|---|---|---|---|
| **Distribution Expense:** | | | | | | | | |
| Total Operations | 320-323 | 580-589 | DIST | | | - | - | - |
| Total Maintenance | 320-323 | 590-598 | DIST | | | - | - | - |
| **Total Distribution Expense** | | | | | $ - | $ - | $ - | $ - |
| **Customer and Sales Expenses:** | | | | | | | | |
| Total Customer Accounts | 320-323 | 901-905 | DIST | | | - | - | - |
| Customer Service and Information | 320-323 | 906-907 | DIST | | | - | - | - |
| Customer Assistance Expenses (Major only) | 320-323 | 908 | DIST | | | | | |
| Customer Service and Information | 320-323 | 909-910 | DIST | | | - | - | - |
| Total Sales Expense | 320-323 | 911-917 | DIST | | | - | - | - |
| **Total Customer and Sales Expenses** | | | | | $ - | $ - | $ - | $ - |
| **Administration and General Expense:** | | | | | | | | |
| **Operation** | | | | | | | | |
| Administration and General Salaries | 320-323 | 920 | LABOR | | | - | - | - |
| Office Supplies & Expenses | 320-323 | 921 | LABOR | | | - | - | - |
| (Less) Administration Expenses Transferred - Credit | 320-323 | 922 | LABOR | | | - | - | - |
| Outside Services Employed | 320-323 | 923 | LABOR | | | - | - | - |
| Property Insurance | 320-323 | 924 | PTDG | | | - | - | - |
| Injuries and Damages | 320-323 | 925 | LABOR | | | - | - | - |
| Employee Pensions & Benefits | 320-323 | 926 | LABOR | | | - | - | - |
| Franchise Requirements | 320-323 | 927 | DIST | | | - | - | - |
| Regulatory Commission Expenses | 320-323 | 928 | DIST | | | - | - | - |
| (Less) Duplicate Charges - Credit | 320-323 | 929 | PTDG | | | - | - | - |
| General Advertising Expenses | 320-323 | 930.1 | DIST | | | - | - | - |
| Miscellaneous General Expenses | 320-323 | 930.2 | DIST | | | - | - | - |
| Rents | 320-323 | 931 | DIST | | | - | - | - |
| Transportation Expenses (Non Major) | 320-324 | 933 | DIST | | | - | - | - |
| **Maintenance** | | | | | | | | |
| Maintenance of General Plant | 320-323 | 935 | GPM | | | - | - | - |
| **Total Administration and General Expenses** | | | | | | $ - | $ - | $ - |

Schedule 3

**BONNEVILLE POWER ADMINISTRATION**
**ASC Utility Filing Template**
**2008 Average System Cost Methodology**

**UTILITY NAME:**
**End of Year Report Period:**
**ASC Filing Date:**

***Schedule 3: Expenses***

| Account Description | Form 1 Page Number | Form 1 Account Numbers | Functionalization Method Default | Functionalization Method Optional | Total | Production | Transmission | Distribution/ Other |
|---|---|---|---|---|---|---|---|---|
| **Total Operations and Maintenance** | | | | | $ - | $ - | $ - | $ - |
| *(Total Expenses: Production + Transmission + Distribution + Customer and Sales +Total Administration and General Expenses)* | | | | | | | | |
| **Depreciation and Amortization:** | | | | | | | | |
| Amortization of Intangible Plant - Account 301 | 336 | 404 | DIST | | | - | - | - |
| Amortization of Intangible Plant - Account 302 | 336 | 404 | DIRECT | PTD | | - | - | - |
| Amortization of Intangible Plant - Account 303 | 336 | 404 | DIRECT | DIST | | - | - | - |
| Steam Production Plant | 336 | 403 | PROD | | | - | - | - |
| Nuclear Production Plant | 336 | 403 | PROD | | | - | - | - |
| Hydraulic Production Plant - Conventional | 336 | 403 | PROD | | | - | - | - |
| Hydraulic Production Plant - Pumped Storage | 336 | 403 | PROD | | | - | - | - |
| Other Production Plant | 336 | 403 | PROD | | | - | - | - |
| Transmission Plant (i) | 336 | 403 | TRANS | | | - | - | - |
| Distribution Plant | 336 | 403 | DIST | | | - | - | - |
| General Plant | 336 | 403 | GP | | | - | - | - |
| Common Plant - Electric | 336 | 403 | DIRECT | | | | | |
| Common Plant - Electric | 336 | 404 | DIRECT | | | | | |
| Depreciation Expense for Asset Retirement Costs | 336 | 403.1 | DIRECT | | | | | |
| Amortization of Limited Term Electric Plant | 336 | 404 | DIRECT | | | | | |
| Amortization of Plant Acquisition Adjustments (Electric) | 200-201 | 406 | DIRECT | | | | | |
| **Total Depreciation and Amortization** | | | | | $ - | $ - | $ - | $ - |
| **Total Operating Expenses** | | | | | $ - | $ - | $ - | $ - |
| *(Total O&M + Total Depreciation & Amortization)* | | | | | | | | |

Schedule 3

**BONNEVILLE POWER ADMINISTRATION**

**ASC Utility Filing Template**

**2008 Average System Cost Methodology**

**UTILITY NAME:**
**End of Year Report Period:**
**ASC Filing Date:**

***Schedule 3A Items: Taxes***

| Account Description | FERC Form 1 Page Number | FERC Form 1 Account Numbers | Funct. Method | Total | Production | Transmission | Distribution/ Other |
|---|---|---|---|---|---|---|---|
| **FEDERAL** | | | | | | | |
| Income Tax | 262 | 409.1 | DIST | | - | - | - |
| Employment Tax | 262 | 408.1 | LABOR | | - | - | - |
| Other Federal Taxes | 262 | 408.1 | DIST | | - | - | - |
| **TOTAL FEDERAL** | | | | $ - | $ - | $ - | $ - |
| **STATE AND OTHER** | | | | | | | |
| Property or In-Lieu (c) | 262 | 408.1 | PTDG | | - | - | - |
| Unemployment | 262 | 408.1 | LABOR | | - | - | - |
| State Income, B&O, et. | 262 | 409.1 | DIST | | - | - | - |
| Franchise Fees | 262 | 408.1 | DIST | | - | - | - |
| Regulatory Commission | 262 | 408.1 | DIST | | - | - | - |
| City/Municipal | 262 | 408.1 | DIST | | - | - | - |
| Other | 262 | 408.1 | DIST | | - | - | - |
| **TOTAL STATE AND OTHER TAXES** | | | | $ - | $ - | $ - | $ - |
| **TOTAL TAXES** | | | | $ - | $ - | $ - | $ - |

Schedule 3A

**BONNEVILLE POWER ADMINSTRATION**
**ASC Utility Filing Template**
**2008 Average System Cost Methodology**

UTILITY NAME:
End of Year Report Period:
ASC Filing Date:

| FERC Form 1 | | Purchased Power - Base Period | | Purchased Power - Base Period Minus 1 | | Purchased Power - Base Period Minus 2 | |
|---|---|---|---|---|---|---|---|
| Statistical Classification | Page Number | Settlement Total | MWh Purchased | Settlement Total | MWh Purchased | Settlement Total | MWh Purchased |
| RQ | 326-327 | | | | | | |
| LF | 326-327 | | | | | | |
| IF | 326-327 | | | | | | |
| SF | 326-327 | | | | | | |
| LU | 326-327 | | | | | | |
| IU | 326-327 | | | | | | |
| OS | 326-327 | | | | | | |
| EX | 326-327 | | | | | | |
| NA | 326-327 | | | | | | |
| AD | 326-327 | | | | | | |
| TOTAL | | $ - | - | $ - | - | $ - | - |

| FERC Form 1 | | Sales for Resale - Base Period | | Sales for Resale - Base Period Minus 1 | | Sales for Resale - Base Period Minus 2 | |
|---|---|---|---|---|---|---|---|
| Statistical Classification | Page Number | Settlement Total | MWh Sold | Settlement Total | MWh Sold | Settlement Total | MWh Sold |
| RQ | 310-311 | | | | | | |
| LF | 310-311 | | | | | | |
| IF | 310-311 | | | | | | |
| SF | 310-311 | | | | | | |
| LU | 310-311 | | | | | | |
| IU | 310-311 | | | | | | |
| OS | 310-311 | | | | | | |
| EX | 310-311 | | | | | | |
| NA | 310-311 | | | | | | |
| AD | 310-311 | | | | | | |
| TOTAL | | $ - | - | $ - | - | $ - | - |

3 YEAR
PP OSS Worksheet

**BONNEVILLE POWER ADMINISTRATION**
**ASC Utility Filing Template**
**2008 Average System Cost Methodology**

**UTILITY NAME:**
**End of Year Report Period:**
**ASC Filing Date:**

***Schedule 3B Other Included Items***

| Account Description | FERC Form 1 Page Number | FERC Form 1 Account Numbers | Functionalization Method Default | Functionalization Method Optional | Total | Production | Transmission | Distribution/ Other |
|---|---|---|---|---|---|---|---|---|
| **Other Included Items:** | | | | | | | | |
| Regulatory Credits | 114 | 407.4 | DIRECT | PROD | | - | - | - |
| *(Less)* Regulatory Debits | 114 | 407.3 | DIRECT | DIST | | - | - | - |
| Gain from Disposition of Utility Plant | 114 | 411.6 | DIRECT | PROD | | - | - | - |
| *(Less)* Loss from Disposition of Utility Plant | 114 | 411.7 | DIRECT | DIST | | - | - | - |
| Gain from Disposition of Allowances | 114 | 411.8 | PROD | | | - | - | - |
| *(Less)* Loss from Disposition of Allowances | 114 | 411.9 | PROD | | | - | - | - |
| Miscellaneous Nonoperating Income | 114 | 421 | DIRECT | PROD | | - | - | - |
| **Total Other Included Items** | | | | | $ - | $ - | $ - | $ - |
| **Sales for Resale:** | | | | | | | | |
| Sales for Resale | 310 | 447 | PROD | | | - | - | - |
| **Total Sales for Resale** | | | | | $ - | $ - | $ - | $ - |
| **Other Revenues:** | | | | | | | | |
| Forfeited Discounts | 300 | 450 | DIST | | | - | - | - |
| Miscellaneous Service Revenues | 300 | 451 | DIST | | | - | - | - |
| Sales of Water and Water Power | 300 | 453 | PROD | | | - | - | - |
| Rent from Electric Property | 300 | 454 | TD | | | - | - | - |
| Interdepartmental Rents | 300 | 455 | DIST | | | - | - | - |
| Other Electric Revenues | 300 | 456 | DIRECT | PROD | | - | - | - |
| Revenues from Transmission of Electricity of Others (i) | 330 | 456.1 | TRANS | | | - | - | - |
| **Total Other Revenues** | | | | | $ - | $ - | $ - | $ - |
| **Total Other Included Items** *(Total Other + Total Sales for Resale + Total Other Revenue)* | | | | | $ - | $ - | $ - | $ - |

Schedule 3B

**BONNEVILLE POWER ADMINISTRATION**

**ASC Utility Filing Template**

**2008 Average System Cost Methodology**

**UTILITY NAME:**
**End of Year Report Period:**
**ASC Filing Date:**

***Schedule 4: Average System Cost***

| | Total | Production | Transmission | Distribution/Other |
|---|---|---|---|---|
| **Total Operating Expenses** *(From Schedule 3)* | $ | $ | $ | $ |
| **Federal Income Tax Adjusted Return on Rate Base** *(From Schedule 2)* | $ | $ | $ | $ |
| **State and Other Taxes** *(From Schedule 3a)* | $ | $ | $ | $ |
| **Total Other Included Items** *(From Schedule 3b)* | $ | $ | $ | $ |
| **Total Cost** *(Total Operating Expenses + Return on Rate Base + State and Other Taxes - Total Other Included Items)* | $ | $ | $ | $ |

Schedule 4

**BONNEVILLE POWER ADMINISTRATION**

**ASC Utility Filing Template**

**2008 Average System Cost Methodology**

| | |
|---|---|
| **UTILITY NAME:** | |
| **End of Year Report Period:** | |
| **ASC Filing Date:** | |

***Schedule 4: Average System Cost***

| | | |
|---|---|---|
| **Contract System Cost** | | |
| Production | $ - | |
| Transmission | $ - | NLSL Fully Alloc. Cost ($/MWh) |
| (Less) New Large Single Load Costs (d) | $ - | |
| **Total Contract System Cost** | $ - | |
| **Contract System Load (MWh)** | | |
| Total Retail Load | | |
| (Less) New Large Single Load | | |
| Total Retail Load (Net of NLSL) (d) | 0 | Distribution Losses (%) |
| Distribution Loss (f) | 0 | 0 |
| **Total Contract System Load** | 0 | |
| **Average System Cost $/MWh** | $0 | |

Schedule 4

**BONNEVILLE POWER ADMINISTRATION**
**ASC Utility Filing Template**
**2008 Average System Cost Methodology**

**UTILITY NAME:**
**End of Year Report Period:**
**ASC Filing Date:**

***Distribution of Salaries and Wages (For Labor Ratio Calculation)***

| Description | Form 1 Page Number | Amount |
|---|---|---|
| **Electric** | | |
| **Operation** | | |
| Production | 354-355 | |
| Transmission | 354-355 | |
| Distribution | 354-355 | |
| Customer Accounts | 354-355 | |
| Customer Service and Information | 354-355 | |
| Sales | 354-355 | |
| Administrative and General | 354-355 | |
| **TOTAL Operation** | | $0 |
| **Maintenance** | | |
| Production | 354-355 | |
| Transmission | 354-355 | |
| Distribution | 354-355 | |
| Administrative and General | 354-355 | |
| **TOTAL Maintenance** | | $0 |
| **Operation and Maintenance** | | |
| Production (Total of lines 16 and 26) | 354-355 | 0 |
| Transmission (Total of lines 17 and 27) | 354-355 | 0 |
| Distribution (Total of lines 18 and 28) | 354-355 | 0 |
| Customer Accounts (From line 20) | 354-355 | 0 |
| Customer Service and Information (From line 20) | 354-355 | 0 |
| Sales (From line 21) | 354-355 | 0 |
| Administrative and General (Total of lines 22 and 29) | 354-355 | 0 |
| **TOTAL Operation and Maintenance** | | $0 |

Salaries

**BONNEVILLE POWER ADMINISTRATION**
**ASC Utility Filing Template**
**2008 Average System Cost Methodology**

**UTILITY NAME:**
**End of Year Report Period:**
**ASC Filing Date:**

***Ratio Table***

**Labor Ratio Input:**

| | Ratio Used | Total | Production | Transmission | Distribution |
|---|---|---|---|---|---|
| Production | PROD | $ - | $ - | $ - | $ - |
| Transmission | TRANS | - | - | - | - |
| Distribution | DIST | - | - | - | - |
| Customer Accounts | DIST | - | - | - | - |
| Customer Service and Informational | DIST | - | | | |
| Sales | DIST | - | - | - | - |
| Administrative & General | PTD | - | - | - | - |
| **Total Labor** | | $ - | $ - | $ - | $ - |
| **LABOR RATIO** | | 0% | 0% | 0% | 0% |

| GP | **General Plant Ratio** | Ratio Used | Total | Production | Transmission | Distribution |
|---|---|---|---|---|---|---|
| | Land and Land Rights | PTD | $ - | $ - | $ - | $ - |
| | Structures and Improvements | PTD | - | - | - | - |
| | Furniture and Equipment | LABOR | - | - | - | - |
| | Transportation Equipment | TD | - | - | - | - |
| | Stores Equipment | PTD | - | - | - | - |
| | Tools and Garage Equipment | PTD | - | - | - | - |
| | Laboratory Equipment | PTD | - | - | - | - |
| | Power Operated Equipment | TD | - | - | - | - |
| | Communication Equipment | PTD | - | - | - | - |
| | Miscellaneous Equipment | PTD | - | - | - | - |
| | Other Tangible Property | DIRECT | - | - | - | - |
| | Asset Retirement Costs for General Plant | PTD | - | - | - | - |
| | TOTAL | | $ - | $ - | $ - | $ - |
| | **GENERAL PLANT RATIO** | | 0% | 0% | 0% | 0% |

**BONNEVILLE POWER ADMINISTRATION**
**ASC Utility Filing Template**
**2008 Average System Cost Methodology**

**UTILITY NAME:**
**End of Year Report Period:**
**ASC Filing Date:**

***Ratio Table***

| | | Ratio Used | Total | Production | Transmission | Distribution |
|---|---|---|---|---|---|---|
| PTD | **Production, Transmission, Distribution Ratio** | | | | | |
| | Steam Production | PROD | $ - | $ - | $ - | $ - |
| | Nuclear Production | PROD | - | - | - | - |
| | Hydraulic Production | PROD | - | - | - | - |
| | Other Production | PROD | - | - | - | - |
| | Total Production Plant | | - | - | - | - |
| | Transmission Plant | TRANS | - | - | - | - |
| | Total Distribution Plant | DIST | - | - | - | - |
| | TOTAL | | $ - | $ - | $ - | $ - |
| | **PTD RATIO** | | 0% | 0% | 0% | 0% |

| | | Ratio Used | Total | Production | Transmission | Distribution |
|---|---|---|---|---|---|---|
| PTDG | **Production, Transmission, Distribution and General Plant Rati** | | | | | |
| | PTD Total | | $ - | $ - | $ - | $ - |
| | Intangible Plant - Organization | DIST | - | - | - | - |
| | Intangible Plant - Franchises and Consents | DIRECT | - | - | - | - |
| | Intangible Plant - Miscellaneous | DIRECT | - | - | - | - |
| | General Plant Total | | - | - | - | - |
| | TOTAL | | $ - | $ - | $ - | $ - |
| | **PTDG RATIO** | | 0% | 0% | 0% | 0% |

| | | Ratio Used | Total | Production | Transmission | Distribution |
|---|---|---|---|---|---|---|
| TD | **Transmission and Distribution Plant Ratio** | | | | | |
| | Total Transmission Plant | TRANS | $ - | $ - | $ - | $ - |
| | Total Distribution Plant | DIST | - | - | - | - |
| | TOTAL | | $ - | $ - | $ - | $ - |
| | **TD RATIO** | | 0% | 0% | 0% | 0% |

Ratios

**BONNEVILLE POWER ADMINISTRATION**
**ASC Utility Filing Template**
**2008 Average System Cost Methodology**

| | |
|---|---|
| UTILITY NAME: | |
| End of Year Report Period: | |
| ASC Filing Date: | |

***Ratio Table***

| GPM | Maintenance of General Plant Ratio | Ratio Used | Total | Production | Transmission | Distribution |
|---|---|---|---|---|---|---|
| | Structures and Improvements | PTD | $ - | $ - | $ - | $ - |
| | Furniture and Equipment | LABOR | - | - | - | - |
| | Communication Equipment | PTD | - | - | - | - |
| | Miscellaneous Equipment | PTD | - | - | - | - |
| | TOTAL | | $ - | $ - | $ - | $ - |
| | GPM RATIO | | 0% | 0% | 0% | 0% |

**SUMMARY RATIO TABLE**

| | | | | |
|---|---|---|---|---|
| **Direct to Distribution** | DIST | 0.00% | 0.00% | 100.00% |
| **Direct to Production** | PROD | 100.00% | 0.00% | 0.00% |
| **Direct to Transmission** | TRANS | 0.00% | 100.00% | 0.00% |
| **Direct Allocation** | DIRECT | 0.00% | 0.00% | 0.00% |
| **General Plant** | GP | 0.00% | 0.00% | 0.00% |
| **Maintenance of General Plant** | GPM | 0.00% | 0.00% | 0.00% |
| **Labor Ratios** | LABOR | 0.00% | 0.00% | 0.00% |
| **Production, Transmission, Distribution** | PTD | 0.00% | 0.00% | 0.00% |
| **Production, Transmission, Distribution, General** | PTDG | 0.00% | 0.00% | 0.00% |
| **Transmission, Distribution** | TD | 0.00% | 0.00% | 0.00% |

## IX. AVERAGE SYSTEM COST METHODOLOGY APPENDIX 1 ENDNOTES

a/ Contract System Costs must reflect the costs and the revenues arising from conservation and/or retail rate schedules.

b/ The overall rate of return (ROR) to be applied to a Utility's Exchange Period rate base as shown in Appendix 1 must be equal to its weighted cost of capital (WCC), including debt, preferred stock and equity, from its most recently approved Regulatory Body Rate Order. For multi-Jurisdictional Utilities, a Utility will first determine the WCC for each Jurisdiction. The Utility will then determine a region-wide WCC based on applying the WCC times the Regulatory Body approved rate base from the same rate order used for the WCC.

The return on equity (ROE) used in the WCC calculation will then be grossed up for Federal income taxes at the marginal Federal income tax rate using the following formula to determine the percentage increase in the ROE used for ASC determination:

FIT Adder = {(WCC – (Cost of Debt * (Debt / (Total Capital))} * {(Federal Tax Rate / (1-Federal Tax Rate)}

The sum of the FIT Adder plus the ROE equals the Federal income tax adjusted ROE (TAROE). The TAROE will replace the ROE in the WCC calculation to determine a Federal income tax adjusted weighted cost of capital (TAWCC). The TAWCC will be multiplied by the total rate base from Schedule 1 to determine the return component on Schedule 2.

For Utilities that do not use depreciation for Jurisdictional rate setting, the return will be equal to the weighted cost of debt times the rate base included in the ASC filing.

c/ A tax-exempt Utility may include in-lieu taxes up to an amount that is comparable, for each unit of government paid in-lieu taxes, with taxes that would have been paid by a non-tax exempt utility to that unit of government. In no event will the Utility's regional total be greater than the actual amount paid or the amount used to determine the total revenue requirement. In-lieu taxes must be functionalized according to the PTDG ratio.

d/ The cost of additional resources sufficient to serve any New Large Single Load (NLSL) that was not contracted for, or committed to, prior to September 1, 1979, is to be determined as follows:

(1) To the extent that any NLSLs are served by dedicated resources at the cost of those resources, including applicable transmission;

(2) In the amount that NLSLs are not served by dedicated resources, at Bonneville's New Resources (NR) rates as established from time to time pursuant to section 7(f) of the Northwest Power Act, and as applicable to the Utility, and applicable Bonneville transmission charges if transmission costs are excluded in the determination of Bonneville's NR rate, to the extent those costs are recovered by the Utility's retail rates in the applicable Jurisdiction; and

(3) To the extent that NLSLs are not served by dedicated resources plus the Utility's purchases at the NR rate, the costs of the excess load will be determined by multiplying the kilowatt-hours not served under paragraphs (d)(1) and (d)(2) above, by the cost (annual fixed plus variable cost, including an appropriate portion of general plant, administrative and general expense and other items not directly assignable) per kilowatt-hour of all resources and long term power purchases (five years or more in duration), as allowed in the regulatory Jurisdiction to establish retail rates during the Exchange Period, exclusive of the following resources and purchases: (a) purchases at the NR rate; (b) purchases at the PF Exchange rate, pursuant to section 5(c) of the Northwest Power Act; (c) resources sold to Bonneville, pursuant to section 6(c)(1) of the Northwest Power Act; (d) dedicated resources specified in endnote d(1) of this Methodology; (e) resources and purchases committed to the Utility's load as of September 1, 1979, under a power requirements contract or that would have been so committed had the Utility entered into such a contract; and (f) experimental or demonstration units or purchases therefrom. Transmission needed to carry power from such generation resources or power purchases must be priced at the average cost of transmission during the Exchange Period.

The paragraphs (d)(1) through (d)(3) will determine the Base Period cost of resources used to serve NLSLs. Bonneville will escalate the Base Period cost of resources used to serve NLSLs to the Exchange Period using the following steps:

i. Escalate the components of the Base Period fully allocated resource costs to the Exchange Period using the general method for escalation of all Base Period costs.

ii. Adjust the projected resource costs by the projected transmission costs.

iii. Add the fully allocated costs for major resource additions/retirements to the Exchange Period fully allocated costs.

iv. The cost to serve NLSLs will change when the ASC changes due to resource additions/retirements.

v. The Exchange Period NLSL load will equal the Base Period NLSL load.

e/ The losses will be the distribution energy losses occurring between the transmission portion of the Utility's system and the meters measuring firm energy load. The distribution loss can be measured using one of the following 3 methods:

*Method 1, Distribution Loss Study:* Losses will be established according to a study (engineering, statistical and other) that is submitted to Bonneville by the Utility that will be subject to review by Bonneville. This study must be in sufficient detail so as to accurately identify average distribution losses associated with the Utility's total load, excluded loads, and the residential load. Distribution losses must include losses associated with distribution substations, primary distribution facilities, distribution transformers, secondary distribution facilities and service drops.

*Method 2, Revenue Grade Meters:* If a Utility does not have a loss study, but it has sufficient revenue grade meters in its distribution system, Bonneville will permit the Utility to directly measure its distribution losses subject to Bonneville review and approval. A Utility that does not possess the capability to directly measure its distribution losses will be required to submit a distribution loss study every seven years.

*Method 3, Default:* If a Utility does not have a current loss study or grade meters, Bonneville will accept the following method for determining a Utility's distribution loss factor.

i. Calculate a 5-year average total system loss factor, using data from the Base Period plus the preceding 4 years. IOUs will use data from the FERC Form 1. COUs will use a comparable data source.

ii. From this 5-year total system loss factor, subtract the loss factor for Bonneville's transmission system.

iii. The resulting loss factor will be deemed to be the exchanging Utility's distribution loss factor for calculating Contract System Load and exchange loads under the REP.

f/ Cash working capital (CWC) is a ratemaking convention that is not included in the FERC Form 1, but is part of all electric utility rate filings as a component of rate base. For determining the allowable amount of cash working capital in rate base for a Utility, Bonneville will allow no more than 1/8 of the functionalized costs of total production expenses, transmission expenses and Administrative and General expenses less purchased power, fuel costs, and Public Purpose Charge.

g/ Conservation costs are costs of energy audits and actual or planned load reduction resulting from direct application of a conservation measure (Northwest Power Act, section 3(19)(B)) by means of physical improvements, alterations, devices, or other installations that are measurable in units. Conservation costs funded by the Utility will be functionalized to Production in the Utility's Average System Cost. Conservation costs incurred to promote changes in consumer behavior including costs attributable to brochures, advertising, pamphlets, leaflets, and similar items will be functionalized by Direct Analysis with a default to Distribution/Other. Conservation surcharges imposed pursuant to section 4(f)(2) of the Northwest Power Act or other similar surcharges or penalties imposed on a Utility for failure to meet required conservation efforts will also be functionalized to Distribution/Other. Conservation and associated costs must be generally consistent with the Northwest Power and Conservation Council's resource plan as determined by Bonneville's Administrator.

h/ Public Purpose Charges collected by Utilities and distributed to independent third party non-profit organizations or state and local entities (recipient organizations) for the purposes of acquiring conservation and renewable resources shall be determined on a utility-by-utility basis through Direct Analysis. The ASC Methodology will only allow the costs of conservation and renewable resource development, acquisition and implementation. Allowable costs include costs

associated with energy audits and advertising and promotion of conservation and renewable resources.

In order to be included in Contract System Costs, the renewable resources acquired by the recipient must be included in the Utility's Integrated Resource Plan or similar document and, in the case of dispatchable resources, must be included in the Utility's resource stack. Bonneville will treat expenditures of Public Purchase Charge funds similar to Utility conservation costs.

i/ If a Utility has a ruling from its Regulatory Body that separates its transmission and distribution lines using the Commission's seven factor test contained in Order 888, as amended by Order 890, and its FERC Form 1 filing is consistent with the Regulatory Body's order, the Utility will include the transmission-related costs and wheeling revenues directly from its FERC Form 1 filing. However, if a Utility is not required to file a FERC Form 1, or it has not received an order from its Regulatory Body separating its lines between transmission and distribution, then it must perform a Direct Analysis on its transmission costs and wheeling revenues. The Direct Analysis must allocate transmission costs and wheeling revenues so that only the costs and revenues of transmission lines rated at 115kV or above are included as transmission. Alternatively, the Direct Analysis may use the Commission's seven factor test for separating transmission and distribution lines to determine the costs attributable to transmission.

j/ All revenues associated with the production and transmission function of a Utility will be functionalized to production or transmission respectively.