2007 Supplemental Wholesale Power Rate Case Final Proposal

FY 2009 WHOLESALE POWER RATE DEVELOPMENT STUDY DOCUMENTATION

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List of Table Numbers and Table Names

| Table No. | Table Letter | Utility Name | Table Name | Page No. |
|--------------|-----------------|----------------------|---|-------------|
| Table 1 | | | Average System Cost \$/MWh | 1 |
| Table 2 | | | Total Contract System Cost | 2 |
| Table 3 | | | Total Contract System Load (GWh) | 3 |
| Table 4 | | | New Large Single Loads (MWh) | 4 |
| Table 4 | А | | New Large Single Load Costs | 4 |
| Table 5 | | Avista | Avista: Contract System Costs and ASC w/ New Resource Additions | 5 |
| Table 6 | | Centralia City Light | Centralia: Contract System Costs and ASC w/ New Resource Additions | 6 |
| Table 7 | | Franklin County PUD | Franklin: Contract System Costs and ASC w/ New Resource Additions | 7 |
| Table 8 | | Idaho Power | Idaho: Contract System Costs and ASC w/ New Resource Additions | 8 |
| Table 9 | | NorthWestern | NW: Contract System Costs and ASC w/ New Resource Additions | 9 |
| Table 10 | | PacifiCorp | PAC: Contract System Costs and ASC w/ New Resource Additions | 10 |
| Table 11 | | PGE | PGE: Contract System Costs and ASC w/ New Resource Additions | 11 |
| Table 12 | | Puget Sound Energy | Puget: Contract System Costs and ASC w/ New Resource Additions | 12 |
| Table 13 | | Snohomish County PUD | Snohomish: Contract System Costs and ASC w/ New Resource Additions | 13 |
| Table 14 | | | 2008 Base ASC's with Incremental ASC Deltas from New Resource Additions | 14 |
| Table 15 | A | Avista | Schedule 1: Plant Investment/Rate Base | 16 |
| Table 15 | B | Avista | Schedule 1A: Cash Working Capital | 21 |
| Table 15 | C | Avista | Schedule 2: Capital Structure and Rate of Return | 22 |
| Table 15 | D | Avista | Schedule 3: Expenses | 26 |
| Table 15 | Е | Avista | Schedule 3A Items: Taxes | 29 |
| Table 15 | F | Avista | Schedule 3B Other Included Items | 30 |
| Table 15 | G | Avista | Schedule 4: Average System Cost | 31 |
| Table 15 | Н | Avista | Distribution of Salaries and Wages (For Labor Ratio Calculation) | 33 |
| Table 15 | Ι | Avista | Ratio Table | 34 |
| Table 15 | J | Avista | Purchased Power and Off System Sales | 37 |
| Table 15 | K | Avista | Forecasted Contract System Costs & ASC with New Additions and NLSL | 38 |
| Table 16 | А | Centralia City Light | Schedule 1: Plant Investment/Rate Base | 40 |
| Table 16 | В | Centralia City Light | Schedule 1A: Cash Working Capital | 45 |
| Table 16 | С | Centralia City Light | Schedule 2: Capital Structure and Rate of Return | 46 |
| Table 16 | D | Centralia City Light | Schedule 3: Expenses | 50 |
| Table 16 | E | Centralia City Light | Schedule 3A Items: Taxes | 53 |
| Table 16 | F | Centralia City Light | Schedule 3B Other Included Items | 54 |
| Table 16 | G | Centralia City Light | Schedule 4: Average System Cost | 55 |
| Table 16 | Н | Centralia City Light | Distribution of Salaries and Wages (For Labor Ratio Calculation) | 57 |
| Table 16 | I | Centralia City Light | Ratio Table | 58 |
| Table 16 | J | Centralia City Light | Purchased Power and Off System Sales | 61 |
| Table 16 | K | Centralia City Light | Forecasted Contract System Costs & ASC with New Additions and NLSL | 62 |
| Table 17 | A | Franklin County PUD | Schedule 1: Plant Investment/Rate Base | 64 |
| Table 17 | B | Franklin County PUD | Schedule 1A: Cash Working Capital | 69 |
| Table 17 | C | Franklin County PUD | Schedule 2: Capital Structure and Rate of Return | 70 |
| Table 17 | D | Franklin County PUD | Schedule 3: Expenses | 71 |
| Table 17 | E | Franklin County PUD | Schedule 3A Items: Taxes | 74 |
| Table 17 | F | Franklin County PUD | Schedule 3B Other Included Items | 75 |
| Table 17 | G | Franklin County PUD | Schedule 4: Average System Cost | 76 |
| Table 17 | H | Franklin County PUD | Distribution of Salaries and Wages (For Labor Ratio Calculation) Ratio Table | 78 79 |
| Table 17 | I | Franklin County PUD | | 82 |
| Table 17 | J | Franklin County PUD | Purchased Power and Off System Sales | |
| Table 17 | K | Franklin County PUD | Forecasted Contract System Costs & ASC with New Additions and NLSL | 83 86 |
| Table 18 | A | Idaho Power | Schedule 1: Plant Investment/Rate Base | 91 |
| Table 18 | B C | Idaho Power | Schedule 1A: Cash Working Capital | |
| Table 18 | | Idaho Power | Schedule 2: Capital Structure and Rate of Return | 92 96 |
| Table 18 | D E | Idaho Power | Schedule 3: Expenses | 96 |
| Table 18 | | Idaho Power | Schedule 3A Items: Taxes | |
| Table 18 | F | Idaho Power | Schedule 3B Other Included Items | 100 |
| Table 18 | G | Idaho Power | Schedule 4: Average System Cost | 101 |
| Table 18 | H | Idaho Power | Distribution of Salaries and Wages (For Labor Ratio Calculation) | 103 |
| Table 18 | I | Idaho Power | Ratio Table | 104 |
| Table 18 | J | Idaho Power | Purchased Power and Off System Sales | 107 |
| Table 18 | K | Idaho Power | Forecasted Contract System Costs & ASC with New Additions and NLSL | 108 |

List of Table Numbers and Table Names

| Table No. | Table Letter | Utility Name | Table Name | Page No. |
|----------------------|-----------------|--|--|-------------|
| Table 19 | А | NorthWestern | Schedule 1: Plant Investment/Rate Base | 110 |
| Table 19 | В | NorthWestern | Schedule 1A: Cash Working Capital | 115 |
| Table 19 | С | NorthWestern | Schedule 2: Capital Structure and Rate of Return | 116 |
| Table 19 | D | NorthWestern | Schedule 3: Expenses | 117 |
| Table 19 | Е | NorthWestern | Schedule 3A Items: Taxes | 120 |
| Table 19 | F | NorthWestern | Schedule 3B Other Included Items | 121 |
| Table 19 | G | NorthWestern | Schedule 4: Average System Cost | 122 |
| Table 19 | Н | NorthWestern | Distribution of Salaries and Wages (For Labor Ratio Calculation) | 124 |
| Table 19 | Ι | NorthWestern | Ratio Table | 125 |
| Table 19 | J | NorthWestern | Purchased Power and Off System Sales | 128 |
| Table 19 | K | NorthWestern | Forecasted Contract System Costs & ASC with New Additions and NLSL | 129 |
| Table 20 | Α | PacifiCorp | Schedule 1: Plant Investment/Rate Base | 132 |
| Table 20 | B | PacifiCorp | Schedule 1A: Cash Working Capital | 137 |
| Table 20 | С | PacifiCorp | Schedule 2: Capital Structure and Rate of Return | 141 |
| Table 20 | D | PacifiCorp | Schedule 3: Expenses | 145 |
| Table 20 | E | PacifiCorp | Schedule 3A Items: Taxes | 148 |
| Table 20 | F | PacifiCorp | Schedule 3B Other Included Items | 149 |
| Table 20 | G | PacifiCorp | Schedule 4: Average System Cost | 150 |
| Table 20 | H | PacifiCorp | Distribution of Salaries and Wages (For Labor Ratio Calculation) | 152 |
| Table 20 | I | PacifiCorp | Ratio Table | 153 |
| Table 20 | J | PacifiCorp | Purchased Power and Off System Sales | 156 |
| Table 20 | K | PacifiCorp | Forecasted Contract System Costs & ASC with New Additions and NLSL | 157 |
| Table 21 | A | Portland General Electric | Schedule 1: Plant Investment/Rate Base | 160 |
| Table 21 | B | Portland General Electric | Schedule 1A: Cash Working Capital | 165 |
| Table 21 | <u>C</u> | Portland General Electric | Schedule 2: Capital Structure and Rate of Return | 166 |
| Table 21 | D E | Portland General Electric | Schedule 3: Expenses Schedule 3A Items: Taxes | 167 |
| Table 21 | F | Portland General Electric | | 170 |
| Table 21 Table 21 | F G | Portland General Electric Portland General Electric | Schedule 3B Other Included Items | 171 |
| Table 21 Table 21 | H | Portland General Electric | Schedule 4: Average System Cost Distribution of Salaries and Wages (For Labor Ratio Calculation) | 172 |
| Table 21 Table 21 | I I | Portland General Electric | Ratio Table | 174 |
| Table 21 Table 21 | J | Portland General Electric | Purchased Power and Off System Sales | 173 |
| Table 21 | K | Portland General Electric | Forecasted Contract System Costs & ASC with New Additions and NLSL | 178 |
| Table 21 Table 22 | A | Puget Sound Energy | Schedule 1: Plant Investment/Rate Base | 182 |
| Table 22 | B | Puget Sound Energy | Schedule 1.1. Flatt Investment rate Base | 182 |
| Table 22 | C | Puget Sound Energy | Schedule 174: Cash Working Capital Schedule 2: Capital Structure and Rate of Return | 187 |
| Table 22 | D | Puget Sound Energy | Schedule 2: Cupital Structure and Rate of rectain | 192 |
| Table 22 | E | Puget Sound Energy | Schedule 3A Items: Taxes | 192 |
| Table 22 | F | Puget Sound Energy | Schedule 3B Other Included Items | 195 |
| Table 22 | G | Puget Sound Energy | Schedule 4: Average System Cost | 197 |
| Table 22 | H | Puget Sound Energy | Distribution of Salaries and Wages (For Labor Ratio Calculation) | 199 |
| Table 22 | I | Puget Sound Energy | Ratio Table | 200 |
| Table 22 | J | Puget Sound Energy | Purchased Power and Off System Sales | 203 |
| Table 22 | K | Puget Sound Energy | Forecasted Contract System Costs & ASC with New Additions and NLSL | 204 |
| Table 23 | А | Snohomish County PUD | Schedule 1: Plant Investment/Rate Base | 206 |
| Table 23 | В | Snohomish County PUD | Schedule 1A: Cash Working Capital | 211 |
| Table 23 | С | Snohomish County PUD | Schedule 2: Capital Structure and Rate of Return | 212 |
| Table 23 | D | Snohomish County PUD | Schedule 3: Expenses | 216 |
| Table 23 | Е | Snohomish County PUD | Schedule 3A Items: Taxes | 219 |
| Table 23 | F | Snohomish County PUD | Schedule 3B Other Included Items | 220 |
| Table 23 | G | Snohomish County PUD | Schedule 4: Average System Cost | 221 |
| Table 23 | Н | Snohomish County PUD | Distribution of Salaries and Wages (For Labor Ratio Calculation) | 223 |
| Table 23 | Ι | Snohomish County PUD | Ratio Table | 224 |
| Table 23 | J | Snohomish County PUD | Purchased Power and Off System Sales | 227 |
| Table 23 | K | Snohomish County PUD | Forecasted Contract System Costs & ASC with New Additions and NLSL | 228 |
| Table 24 | | × | Average System Cost Forecast fof 7(b)(2) Rate Test | 229 |

List of Table Numbers and Table Names

| Table No. | Table Letter | Utility Name | Table Name | Page No. | | |
|---------------------------|---|------------------|--|-------------|--|--|
| | Avista | | WP-07 Supplemental Wholesale Power Rate Adjustment Proceeding: FY 2009 Average System Cost Report | 233 | | |
| | Central | lia City Light | WP-07 Supplemental Wholesale Power Rate Adjustment Proceeding: FY 2009 Average System Cost Report | 263 | | |
| | Franklir | n County PUD | WP-07 Supplemental Wholesale Power Rate Adjustment Proceeding: FY 2009 Average System Cost Report | 285 | | |
| Idaho Power | | ho Power | WP-07 Supplemental Wholesale Power Rate Adjustment Proceeding: FY 2009 Average System Cost Report | | | |
| | Nort | thWestern | WP-07 Supplemental Wholesale Power Rate Adjustment Proceeding: FY 2009 Average System Cost Report | | | |
| PacifiCorp | | cifiCorp | WP-07 Supplemental Wholesale Power Rate Adjustment Proceeding: FY 2009 Average System Cost Report | | | |
| Portland General Electric | | General Electric | WP-07 Supplemental Wholesale Power Rate Adjustment Proceeding: FY 2009 Average System Cost Report | 391 | | |
| | Puget Sound Energy WP-07 Supplemental Wholesale Power Rate Adjustment Proceeding: FY 2009 Average System Cost Report System Cost Report | | 423 | | | |
| | Snohomish County PUD WP-07 Supplemental Wholesale Power Rate Adjustment Proceeding: FY 2009 Average System Cost Report | | | | | |

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Average System Cost \$/MWh

| - | 4/1/2009 | 4/1/2010 | 4/1/2011 | 4/1/2012 | 4/1/2013 |
|--------------|----------|----------|----------|----------|----------|
| Avista | 50.28 | 48.42 | 48.69 | 48.47 | 48.41 |
| Centralia | 35.56 | 36.71 | 36.68 | 38.27 | 38.26 |
| Franklin | 45.74 | 47.59 | 47.24 | 50.01 | 49.62 |
| Idaho | 33.86 | 33.96 | 34.34 | 34.60 | 34.99 |
| NorthWestern | 54.84 | 55.36 | 56.06 | 56.85 | 57.72 |
| PacifiCorp | 51.82 | 49.68 | 49.47 | 48.95 | 48.56 |
| PGE | 57.53 | 56.01 | 56.43 | 56.43 | 56.59 |
| PSE | 59.71 | 59.72 | 60.36 | 60.92 | 61.56 |
| Snohomish | 38.08 | 39.63 | 39.81 | 41.76 | 41.97 |

| Total Contract System C | ost (\$ in millions) |
|--------------------------------|----------------------|
|--------------------------------|----------------------|

| _ | 4/1/2009 | 4/1/2010 | 4/1/2011 | 4/1/2012 | 4/1/2013 |
|--------------|----------|----------|----------|----------|----------|
| Avista | 481.8 | 473.5 | 484.2 | 492.3 | 500.9 |
| Centralia | 10.3 | 10.9 | 11.2 | 12.0 | 12.3 |
| Franklin | 46.8 | 49.8 | 50.3 | 54.1 | 54.6 |
| Idaho | 534.0 | 545.3 | 559.8 | 568.1 | 580.7 |
| NorthWestern | 375.4 | 391.4 | 409.3 | 428.7 | 449.5 |
| PacifiCorp | 1,153.7 | 1,115.8 | 1,122.3 | 1,121.8 | 1,124.3 |
| PGE | 1,079.8 | 1,074.7 | 1,107.1 | 1,131.8 | 1,160.3 |
| PSE | 1,374.7 | 1,386.8 | 1,411.8 | 1,434.3 | 1,458.1 |
| Snohomish | 277.4 | 292.7 | 296.5 | 313.5 | 317.4 |

Total Contract System Load (GWh)

| _ | 4/1/2009 | 4/1/2010 | 4/1/2011 | 4/1/2012 | 4/1/2013 |
|--------------|----------|----------|----------|----------|----------|
| Avista | 9,582 | 9,778 | 9,946 | 10,157 | 10,348 |
| Centralia | 291 | 298 | 305 | 313 | 321 |
| Franklin | 1,023 | 1,047 | 1,065 | 1,082 | 1,101 |
| Idaho | 15,772 | 16,059 | 16,300 | 16,422 | 16,596 |
| NorthWestern | 6,845 | 7,070 | 7,301 | 7,541 | 7,788 |
| PacifiCorp | 22,264 | 22,461 | 22,686 | 22,919 | 23,151 |
| PGE | 18,769 | 19,189 | 19,618 | 20,057 | 20,505 |
| PSE | 23,022 | 23,222 | 23,391 | 23,545 | 23,687 |
| Snohomish | 7,284 | 7,386 | 7,447 | 7,508 | 7,562 |

| New Large Si | Table 4 | | | | |
|--------------|----------------------------|-----------------------|------------|------------|----------------------|
| _ | 4/1/2009 | 4/1/2010 | 4/1/2011 | 4/1/2012 | 4/1/2013 |
| Avista | 61,449 | 61,449 | 61,449 | 61,449 | 61,449 |
| Centralia | - | - | - | - | - |
| Franklin | - | - | - | - | - |
| Idaho | 385,440 | 385,440 | 385,440 | 385,440 | 385,440 |
| NorthWestern | - | - | - | - | - |
| PacifiCorp | 342,068 | 342,068 | 342,068 | 342,068 | 342,068 |
| PGE | 328,992 | 328,992 | 328,992 | 328,992 | 328,992 |
| PSE | - | - | - | - | - |
| Snohomish | - | - | - | - | - |
| New Large S | Single Load Co 4/1/2009 | osts (\$) 4/1/2010 | 4/1/2011 | 4/1/2012 | Table 4A 4/1/2013 |
| – Avista | 4,771,005 | 4,416,922 | 4,446,260 | 4,361,813 | 4,298,313 |
| Centralia | - | - | - | - | - |
| Franklin | - | - | - | - | - |
| Idaho | 30,492,835 | 29,297,863 | 29,244,354 | 29,086,338 | 28,938,635 |
| NorthWestern | - | - | - | - | - |
| PacifiCorp | 19,865,032 | 19,078,938 | 19,052,436 | 18,876,147 | 18,726,097 |
| PGE | 24,127,751 | 22,847,185 | 22,864,160 | 22,628,883 | 22,365,495 |
| PSE | - | - | - | - | - |
| Snohomish | - | - | - | - | - |

Avista

| | 4/1/2009 | 4/1/2010 | 4/1/2011 | 4/1/2012 | 4/1/2013 |
|---|-------------|-------------|-------------|-------------|-------------|
| Contract System Cost (\$) | | | | | |
| Production | 426,553,083 | 418,576,017 | 429,968,037 | 438,593,985 | 447,787,283 |
| Transmission | 60,000,388 | 59,329,051 | 58,710,865 | 58,065,786 | 57,450,436 |
| NLSL Fully Allocated Cost (\$/MWh) | 77.64 | 71.88 | 72.36 | 70.98 | 69.95 |
| (Less) New Large Single Load Costs (d) | 4,771,005 | 4,416,922 | 4,446,260 | 4,361,813 | 4,298,313 |
| Total Contract System Cost | 481,782,465 | 473,488,147 | 484,232,641 | 492,297,957 | 500,939,406 |
| Contract System Load (MWh) | | | | | |
| Total Retail Load @ Meter | 9,163,546 | 9,349,910 | 9,508,840 | 9,709,299 | 9,890,789 |
| (Less) New Large Single Load | 61,449 | 61,449 | 61,449 | 61,449 | 61,449 |
| Total Retail Load (Net of NLSL) (d) | 9,102,097 | 9,288,461 | 9,447,391 | 9,647,850 | 9,829,340 |
| Distribution Loss (f) | 480,170 | 489,935 | 498,263 | 508,767 | 518,277 |
| Total Contract System Load | 9,582,267 | 9,778,396 | 9,945,654 | 10,156,617 | 10,347,617 |
| | | | | | |
| Average System Cost \$/MWh | 50.28 | 48.42 | 48.69 | 48.47 | 48.41 |

| Centralia | | Table 6 | | | | | | |
|---|---------------------------|------------|------------|------------|------------|--|--|--|
| | 4/1/2009 | 4/1/2010 | 4/1/2011 | 4/1/2012 | 4/1/2013 | | | |
| Contract System Cost (\$) | Contract System Cost (\$) | | | | | | | |
| Production | 8,931,977 | 9,508,022 | 9,740,887 | 10,495,488 | 10,753,858 | | | |
| Transmission | 1,410,451 | 1,434,131 | 1,461,501 | 1,489,785 | 1,519,456 | | | |
| NLSL Fully Allocated Cost (\$/MWh) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | | | |
| (Less) New Large Single Load Costs (d) | 0 | 0 | 0 | 0 | 0 | | | |
| Total Contract System Cost | 10,342,428 | 10,942,154 | 11,202,389 | 11,985,273 | 12,273,314 | | | |
| Contract System Load (MWh) | | | | | | | | |
| Total Retail Load @ Meter | 276,991 | 283,912 | 290,833 | 298,227 | 305,531 | | | |
| (Less) New Large Single Load | 0 | 0 | 0 | 0 | 0 | | | |
| Total Retail Load (Net of NLSL) (d) | 276,991 | 283,912 | 290,833 | 298,227 | 305,531 | | | |
| Distribution Loss (f) | 13,850 | 14,196 | 14,542 | 14,911 | 15,277 | | | |
| Total Contract System Load | 290,840 | 298,108 | 305,375 | 313,138 | 320,808 | | | |
| | | | | | | | | |
| Average System Cost \$/MWh | 35.56 | 36.71 | 36.68 | 38.27 | 38.26 | | | |

| Franklin | | Table 7 | | | | | | |
|---|---------------------------|------------|------------|------------|------------|--|--|--|
| | 4/1/2009 | 4/1/2010 | 4/1/2011 | 4/1/2012 | 4/1/2013 | | | |
| Contract System Cost (\$) | Contract System Cost (\$) | | | | | | | |
| Production | 46,464,644 | 49,467,433 | 49,965,516 | 53,756,643 | 54,298,688 | | | |
| Transmission | 339,921 | 334,953 | 330,161 | 325,252 | 320,254 | | | |
| NLSL Fully Allocated Cost (\$/MWh) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | | | |
| (Less) New Large Single Load Costs (d) | 0 | 0 | 0 | 0 | 0 | | | |
| Total Contract System Cost | 46,804,565 | 49,802,386 | 50,295,677 | 54,081,895 | 54,618,941 | | | |
| Contract System Load (MWh) | | | | | | | | |
| Total Retail Load @ Meter | 974,500 | 996,750 | 1,014,000 | 1,030,000 | 1,048,250 | | | |
| (Less) New Large Single Load | 0 | 0 | 0 | 0 | 0 | | | |
| Total Retail Load (Net of NLSL) (d) | 974,500 | 996,750 | 1,014,000 | 1,030,000 | 1,048,250 | | | |
| Distribution Loss (f) | 48,725 | 49,838 | 50,700 | 51,500 | 52,413 | | | |
| Total Contract System Load | 1,023,225 | 1,046,588 | 1,064,700 | 1,081,500 | 1,100,663 | | | |
| | | | | | | | | |
| Average System Cost \$/MWh | 45.74 | 47.59 | 47.24 | 50.01 | 49.62 | | | |

Idaho

| | 4/1/2009 | 4/1/2010 | 4/1/2011 | 4/1/2012 | 4/1/2013 | | | |
|---|----------------------------|-------------|-------------|-------------|-------------|--|--|--|
| Contract System Cost (\$) | Contract System Cost (\$) | | | | | | | |
| Production | 470,949,913 | 481,694,355 | 496,739,225 | 505,581,825 | 518,655,158 | | | |
| Transmission | 93,579,418 | 92,933,257 | 92,316,991 | 91,643,186 | 91,009,961 | | | |
| NLSL Fully Allocated Cost (\$/MWh) | 79.11 | 76.01 | 75.87 | 75.46 | 75.08 | | | |
| (Less) New Large Single Load Costs (d) | 30,492,835 | 29,297,863 | 29,244,354 | 29,086,338 | 28,938,635 | | | |
| Total Contract System Cost | 534,036,495 | 545,329,749 | 559,811,862 | 568,138,673 | 580,726,484 | | | |
| Contract System Load (MWh) | Contract System Load (MWh) | | | | | | | |
| Total Retail Load @ Meter | 14,990,809 | 15,256,830 | 15,481,163 | 15,593,539 | 15,755,103 | | | |
| (Less) New Large Single Load | 385,440 | 385,440 | 385,440 | 385,440 | 385,440 | | | |
| Total Retail Load (Net of NLSL) (d) | 14,605,369 | 14,871,390 | 15,095,723 | 15,208,099 | 15,369,663 | | | |
| Distribution Loss (f) | 1,166,538 | 1,187,238 | 1,204,695 | 1,213,440 | 1,226,012 | | | |
| Total Contract System Load | 15,771,907 | 16,058,628 | 16,300,418 | 16,421,539 | 16,595,675 | | | |
| | | | | | | | | |
| Average System Cost \$/MWh | 33.86 | 33.96 | 34.34 | 34.60 | 34.99 | | | |

NW

| | 4/1/2009 | 4/1/2010 | 4/1/2011 | 4/1/2012 | 4/1/2013 |
|---|-------------|-------------|-------------|-------------|-------------|
| Contract System Cost (\$) | | | | | |
| Production | 325,602,601 | 343,066,995 | 362,474,784 | 383,344,870 | 405,615,201 |
| Transmission | 49,773,010 | 48,305,130 | 46,859,814 | 45,371,968 | 43,907,962 |
| NLSL Fully Allocated Cost (\$/MWh) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| (Less) New Large Single Load Costs (d) | 0 | 0 | 0 | 0 | 0 |
| Total Contract System Cost | 375,375,611 | 391,372,125 | 409,334,598 | 428,716,838 | 449,523,163 |
| Contract System Load (MWh) | | | | | |
| Total Retail Load @ Meter | 6,334,276 | 6,542,040 | 6,756,619 | 6,978,236 | 7,207,122 |
| (Less) New Large Single Load | 0 | 0 | 0 | 0 | 0 |
| Total Retail Load (Net of NLSL) (d) | 6,334,276 | 6,542,040 | 6,756,619 | 6,978,236 | 7,207,122 |
| Distribution Loss (f) | 510,787 | 527,540 | 544,844 | 562,715 | 581,172 |
| Total Contract System Load | 6,845,062 | 7,069,580 | 7,301,463 | 7,540,951 | 7,788,294 |
| | | | | | |
| Average System Cost \$/MWh | 54.84 | 55.36 | 56.06 | 56.85 | 57.72 |

PAC

| | 4/1/2009 | 4/1/2010 | 4/1/2011 | 4/1/2012 | 4/1/2013 |
|---|---------------|---------------|---------------|---------------|---------------|
| Contract System Cost (\$) | | | | | |
| Production | 1,001,429,090 | 964,635,860 | 972,845,032 | 973,829,991 | 977,745,929 |
| Transmission | 172,107,523 | 170,231,271 | 168,517,142 | 166,841,503 | 165,247,996 |
| NLSL Fully Allocated Cost (\$/MWh) | 58.07 | 55.78 | 55.70 | 55.18 | 54.74 |
| (Less) New Large Single Load Costs (d) | 19,865,032 | 19,078,938 | 19,052,436 | 18,876,147 | 18,726,097 |
| Total Contract System Cost | 1,153,671,581 | 1,115,788,194 | 1,122,309,738 | 1,121,795,347 | 1,124,267,828 |
| Contract System Load (MWh) | | | | | |
| Total Retail Load @ Meter | 22,016,008 | 22,207,898 | 22,427,330 | 22,654,332 | 22,880,278 |
| (Less) New Large Single Load | 342,068 | 342,068 | 342,068 | 342,068 | 342,068 |
| Total Retail Load (Net of NLSL) (d) | 21,673,940 | 21,865,830 | 22,085,262 | 22,312,264 | 22,538,210 |
| Distribution Loss (f) | 590,029 | 595,172 | 601,052 | 607,136 | 613,191 |
| Total Contract System Load | 22,263,969 | 22,461,002 | 22,686,314 | 22,919,400 | 23,151,401 |
| | | | | | |
| Average System Cost \$/MWh | 51.82 | 49.68 | 49.47 | 48.95 | 48.56 |

| | 4/1/2009 | 4/1/2010 | 4/1/2011 | 4/1/2012 | 4/1/2013 |
|---|---------------|---------------|---------------|---------------|---------------|
| Contract System Cost (\$) | | | | | |
| Production | 989,569,836 | 982,643,846 | 1,014,355,729 | 1,037,931,055 | 1,065,378,501 |
| Transmission | 114,363,956 | 114,881,485 | 115,645,517 | 116,453,938 | 117,336,870 |
| NLSL Fully Allocated Cost (\$/MWh) | 73.34 | 69.45 | 69.50 | 68.78 | 67.98 |
| (Less) New Large Single Load Costs (d) | 24,127,751 | 22,847,185 | 22,864,160 | 22,628,883 | 22,365,495 |
| Total Contract System Cost | 1,079,806,041 | 1,074,678,147 | 1,107,137,086 | 1,131,756,110 | 1,160,349,876 |
| Contract System Load (MWh) | | | | | |
| Total Retail Load @ Meter | 18,238,510 | 18,639,757 | 19,049,832 | 19,468,928 | 19,897,245 |
| (Less) New Large Single Load | 328,992 | 328,992 | 328,992 | 328,992 | 328,992 |
| Total Retail Load (Net of NLSL) (d) | 17,909,518 | 18,310,765 | 18,720,840 | 19,139,936 | 19,568,253 |
| Distribution Loss (f) | 859,034 | 877,933 | 897,247 | 916,987 | 937,160 |
| Total Contract System Load | 18,768,552 | 19,188,698 | 19,618,087 | 20,056,923 | 20,505,413 |
| | | | | | |
| Average System Cost \$/MWh | 57.53 | 56.01 | 56.43 | 56.43 | 56.59 |

Puget

| | 4/1/2009 | 4/1/2010 | 4/1/2011 | 4/1/2012 | 4/1/2013 |
|---|---------------|---------------|---------------|---------------|---------------|
| Contract System Cost (\$) | | | | | |
| Production | 1,287,048,182 | 1,299,213,211 | 1,324,035,089 | 1,346,357,375 | 1,369,844,418 |
| Transmission | 87,615,204 | 87,580,901 | 87,751,169 | 87,991,341 | 88,294,956 |
| NLSL Fully Allocated Cost (\$/MWh) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| (Less) New Large Single Load Costs (d) | 0 | 0 | 0 | 0 | 0 |
| Total Contract System Cost | 1,374,663,386 | 1,386,794,112 | 1,411,786,258 | 1,434,348,715 | 1,458,139,373 |
| Contract System Load (MWh) | | | | | |
| Total Retail Load @ Meter | 21,927,453 | 22,118,040 | 22,279,295 | 22,425,579 | 22,561,132 |
| (Less) New Large Single Load | 0 | 0 | 0 | 0 | 0 |
| Total Retail Load (Net of NLSL) (d) | 21,927,453 | 22,118,040 | 22,279,295 | 22,425,579 | 22,561,132 |
| Distribution Loss (f) | 1,094,180 | 1,103,690 | 1,111,737 | 1,119,036 | 1,125,800 |
| Total Contract System Load | 23,021,633 | 23,221,730 | 23,391,032 | 23,544,615 | 23,686,933 |
| | | | | | |
| Average System Cost \$/MWh | 59.71 | 59.72 | 60.36 | 60.92 | 61.56 |

| Snohomish | | - | em Costs and AS ource Additions | C | Table 13 |
|---|-------------|-------------|------------------------------------|-------------|-------------|
| | 4/1/2009 | 4/1/2010 | 4/1/2011 | 4/1/2012 | 4/1/2013 |
| Contract System Cost (\$) | | | | | |
| Production | 239,609,815 | 254,546,263 | 257,833,058 | 274,327,600 | 277,644,989 |
| Transmission | 37,780,520 | 38,148,568 | 38,641,922 | 39,188,191 | 39,772,181 |
| NLSL Fully Allocated Cost (\$/MWh) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| (Less) New Large Single Load Costs (d) | 0 | 0 | 0 | 0 | 0 |
| Total Contract System Cost | 277,390,335 | 292,694,831 | 296,474,980 | 313,515,790 | 317,417,170 |
| Contract System Load (MWh) | | | | | |
| Total Retail Load @ Meter | 6,937,461 | 7,034,074 | 7,092,711 | 7,150,113 | 7,202,273 |
| (Less) New Large Single Load | 0 | 0 | 0 | 0 | 0 |
| Total Retail Load (Net of NLSL) (d) | 6,937,461 | 7,034,074 | 7,092,711 | 7,150,113 | 7,202,273 |
| Distribution Loss (f) | 346,873 | 351,704 | 354,636 | 357,506 | 360,114 |
| Total Contract System Load | 7,284,334 | 7,385,777 | 7,447,346 | 7,507,618 | 7,562,386 |
| | | | | | |
| Average System Cost \$/MWh | 38.08 | 39.63 | 39.81 | 41.76 | 41.97 |

2008 Base ASCs with Incremental ASC Deltas from New Resoure Additions (\$/MWh)

| | | | No Resourse | | | | | | | |
|--------------|-----------|-------------|--------------------------|---------------|---------|---------------------|--------------------|-----|---------|--|
| Avista | Base 2009 | \$ 50.28 | Additions | | | | | | | |
| Centralia | Base 2009 | \$ 35.56 | No Resourse Additions | | | | | | | |
| | | | | | | | | | | |
| Franklin | Base 2009 | \$ 45.74 | No Resourse Additions | | | | | | | |
| ldaho | Base 2009 | \$ 33.86 | No Resourse Additions | | | | | | | |
| NorthWestern | Base 2009 | \$ 54.84 | No Resourse Additions | | | | | | | |
| | | | | | | ссст | | | | |
| | | | Lake Side Capital | | | Plant | | | | |
| | | | Building | Grou | o 1 | West | Group 3 | | Group 4 | |
| PacifiCorp | Base 2009 | \$ 47.98 | \$ 0.83 | \$ | 1.26 | 6 0.33 | \$ 0.93 | \$ | 0.48 | |
| | | | | | | Selective | | | | |
| | | | Port Westward | Biglo Cany | | Water Withdrawal | Biglow Canyon 2 | | | |
| PGE | Base 2009 | \$ 50.49 | \$ 3.13 | \$ | 1.37 \$ | 6 0.60 | \$ 1.94 | L . | | |
| PSE | Base 2009 | \$ 59.71 | No Resourse Additions | | | | | | | |
| | | | No Resourse | | | | | | | |

Tables for:

Avista

WP-07-FS-BPA-13B Page 15 of 484

| | | | E POWEI | | | | | | | | | |
|---|--------------------|--|------------|--------------------|------|---|----------------------------|---------------------------------------|-----------------------|--|--|--|
| | | | | | | GREEMENT Jtility Template | | | | | | |
| | | TY NAME: | | | | | | | | | | |
| | | | | Avista l | | es | | | | | | |
| | End of Year Rep | | | <u>20</u> 5/7/2 | | | Amonded DDA - 7.0 (| 000 | | | | |
| | ASC F | iling Date: | | 5/1/2 | 2008 | | Amended BPA: 7-8-2 | | | | | |
| | | Revised Amended BPA: 8-4-2008 <u>TABLE 15A: Schedule 1: Plant Investmen</u> t / Rate Base | | | | | | | | | | |
| | FERC | FERC Form 1 | | alization | | | | | | | | |
| Account Description | Page | Account | Met | hod | | Total | Production | Transmission | Distribution / | | | |
| | Number | Numbers | Default | Optional | | | | | Other | | | |
| Intangible Plant: | - | | | | | | | | | | | |
| Intangible Plant - Organization | 204-207 | 301 | DIST | | | | - | - | - | | | |
| Intangible Plant - Franchises and Consents | 204-207 | 302 | DIRECT | PTD | | 15,259,132 | 14,889,662 | 369,470 | - | | | |
| Intangible Plant - Miscellaneous | 204-207 | 303 | DIRECT | DIST | | 4,420,269 | - | 1,517,348 | 2,902,92 | | | |
| <u>Fotal Intangible Plant</u> | | | | | \$ | 19,679,401 | \$ 14,889,662 | \$ 1,886,818 | \$ 2,902,92 | | | |
| Production Plant: | | | | | | | | | | | | |
| Steam Production | 204-207 | 310-317 | PROD | | | 378,625,101 | 378,625,101 | | _ | | | |
| Nuclear Production | 204-207 | 320-326 | PROD | | | 0 | 570,025,101 | | | | | |
| Hydraulic Production | 204-207 | 330-337 | PROD | | | 340,480,980 | 340,480,980 | | | | | |
| Other Production | 204-207 | 340-347 | PROD | | | 272,688,068 | 272,688,068 | | | | | |
| Total Production Plant | 204-207 | 540-547 | TROD | | s | 991,794,149 | \$ 991,794,149 | <u>s</u> - | <u>s</u> - | | | |
| | | | | | Ψ | ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,, | <i>• • • • • • • • • •</i> | Ψ | Ŷ | | | |
| Transmission Plant: (i) | | | | | | | | | | | | |
| Transmission Plant | 204-207 | 350-359.1 | TRANS | | | 383,823,745 | - | 383,823,745 | - | | | |
| <u> Total Transmission Plant</u> | | | | | \$ | 383,823,745 | \$ - | \$ 383,823,745 | \$ - | | | |
| Distribution Plant: | | | | | | | | | | | | |
| Distribution Plant | 204-207 | 360-374 | DIST | | | 832,094,240 | - | - | 832,094,24 | | | |
| Total Distribution Plant | | | | 1 | \$ | 832,094,240 | \$ - | \$ - | \$ 832,094,24 | | | |
| | | | | | | , , | | | | | | |
| General Plant: | 204.207 | 200 | DTD | | | 124 (01 | 5(010 | 21 (77 | 16.0 | | | |
| Land and Land Rights | 204-207 204-207 | 389 390 | PTD PTD | | | 124,681 | 56,012 | 21,677 | 46,9 | | | |
| Structures and Improvements | | | | | | 2,042,518 | 917,582 | 355,104 | 769,8 | | | |
| Furniture and Equipment | 204-207 | 391 | LABOR | | | 136,601 | 53,636 | 15,663 | 67,3 | | | |
| Transportation Equipment | 204-207 | 392 | TD | | | 8,275,752 | - | 2,612,372 | 5,663,3 | | | |
| Stores Equipment | 204-207 204-207 | 393 394 | PTD PTD | | | 120,561 2,988,365 | 54,161 1,342,495 | 20,960 519,545 | 45,4 | | | |
| Tools and Garage Equipment | | | | | | | | · · · · · · · · · · · · · · · · · · · | | | | |
| Laboratory Equipment | 204-207 204-207 | 395 396 | PTD TD | | | 3,039,673 | 1,365,545 | 528,465 | 1,145,6 13,463,8 | | | |
| Power Operated Equipment Communication Equipment | 204-207 | 396 | PTD | | | 19,674,347 28,330,864 | - 12,727,377 | 6,210,519 4,925,487 | 13,463,8 | | | |
| Miscellaneous Equipment | 204-207 | 397 | PTD PTD | | | 28,330,864 3,973 | 12,727,377 | 4,925,487 | 10,677,9 | | | |
| Other Tangible Property | 204-207 | 398 | DIRECT | PTD | | <u> </u> | 1,783 | 091 | 1,4 | | | |
| Asset Retirement Costs for General Plant | 204-207 | 399 | PTD | FID | | 0 | | - | | | | |
| | 204-200 | 577.1 | | I | | | - | | | | | |
| <u> Total General Plant</u> | | | | | \$ | 64,737,335 | | | | | | |
| Total Electric Plant In-Service | | | - | | \$ | 2,292,128,870 | \$ 1,023,202,404 | \$ 400,921,046 | \$ 868,005,42 | | | |

| | | | | | | GREEMENT Itility Template | | | |
|--|-------------------------|------------------------------|------------------------------|--------------|----------------|------------------------------|--------------------------|----------------|------------------------|
| | UTIL End of Year Rep | TY NAME: ort Period: | | Avista 20 | Utilitie 06 | S | | | |
| | | iling Date: | | 5/7/2 | | | Amended BPA: 7-8-2 | | |
| | | <u>TABLE 1</u> ; | 5A: Schedu | le 1: Plani | t Invest | t <u>me</u> nt / Rate Bas | Revised Amended BP. e | A: 8-4-2008 | |
| Account Description | FERC Page Number | Form 1 Account Numbers | Functiona Metl Default | hod | | Total | Production | Transmission | Distribution/ Other |
| LESS: | | | | | | | 6,393,551 | | |
| Depreciation and Amortization Reserve | | | | | | | | | |
| Steam Production Plant | 219 | 108 | PROD | | | 223,287,652 | 223,287,652 | - | |
| Nuclear Production Plant | 219 | 108 | PROD | | | 0 | - | - | |
| Hydraulic Production Plant | 219 | 108 | PROD | | | 79,097,867 | 79,097,867 | - | |
| Other Production Plant | 219 | 108 | PROD | | | 36,139,145 | 36,139,145 | - | |
| Transmission Plant (i) | 219 | 108 | TRANS | | | 136,875,953 | - | 136,875,953 | |
| Distribution Plant | 219 | 108 | DIST | | | 256,150,345 | - | - | 256,150 |
| General Plant | 219 | 108 | GP | | | 39,680,634 | 10,125,042 | 9,323,238 | 20,232 |
| Amortization of Intangible Plant - Account 301 | 219 | 111 | DIST | | | 0 | - | - | |
| Amortization of Intangible Plant - Account 302 | 219 | 111 | DIRECT | PTD | | 2,397,915 | 2,360,968 | 36,947 | |
| Amortization of Intangible Plant - Account 303 | 219 | 111 | DIRECT | DIST | | 4,589,483 | 1,917,082 | 1,053,532 | 1,618 |
| Mining Plant Depreciation | 219 | 108 | PROD | | | | - | - | |
| Amortization of Plant Held for Future Use | 219 | 111 | DIST | | | | - | - | |
| Capital Lease - Common Plant | 219 | 108 | DIRECT | | | | - | - | |
| Leasehold Improvements | 200-201 | 108 | DIRECT | DIST | | | - | - | |
| In-Service: Depreciation of Common Plant (a) | 200-201 | 108 | DIRECT | | | 18,092,047 | 8,127,684 | 3,145,409 | 6,818 |
| Amortization of Other Utility Plant (a) | 200-201 | 108 | DIRECT | DIST | | | - | - | |
| Amortization of Acquisition Adjustments | 200-201 | 115 | DIRECT | | | | - | - | |
| Depreciation and Amortization Reserve (Other) | | | DIRECT | | | | | | |
| Total Depreciation and Amortization Reserve | | | | | \$ | 796,311,041 | \$ 361,055,440 | \$ 150,435,079 | \$ 284,820 |
| Fotal Net Plant | | | | | \$ | 1,495,817,829 | \$ 662,146,964 | \$ 250,485,967 | \$ 583,184 |

| | PONNE | | E POWER | | TT | DATION | | | |
|---|--------------------|---------------|-----------------|--------------|----------------------|--------------------------|--------------------|---------------|-----------------------|
| | | | | | | | | | |
| | RESIDENT | IAL PU | RCHASE A | AND SALI | ES AC | GREEMENT | | | |
| | 2008 Average | System | Cost Metho | odology (A | . <mark>SC) U</mark> | Itility Template | | | |
| | | | | Avista U | [] tiliti / | 26 | | | |
| En | d of Year Report P | | | 20(| | | | | |
| | ASC Filing | | | 5/7/2 | | | Amended BPA: 7-8-2 | 2008 | |
| | , to e 1 mig | Dato | | 01112 | 000 | | Revised Amended Bl | | |
| | <u>TA</u> | <u>BLE 15</u> | A: Schedule | e 1: Plant I | Invest | <u>men</u> t / Rate Base | | 111.0 4 2000 | |
| | FERC For | m 1 | Functiona | lization | | | | | |
| Account Description | | count | Meth | | | Total | Production | Transmission | Distribution / |
| | | mbers | | Optional | | | | | Other |
| Assets and Other Debits (Comparative Balance Sheet) | | | | | | | | • | |
| Cash Working Capital (f) | | Calcul | ation | | | 29,680,030 | 18,455,918 | 3,121,012 | 8,103,101 |
| | | Calcul | ation. | | | 27,000,050 | 10,455,710 | 5,121,012 | 0,105,101 |
| 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 | | | 76,081,096 | - | - | 76,081,096 |
| Common Plant | 356 & 356.1 | | DIRECT | | | 69,962,275 | 31,483,024 | 11,893,587 | 26,585,665 |
| Acquisition Adjustments (Electric) | 200-201 | 114 | DIRECT | DIST | | 0 | - | - | - |
| Total | | | | | \$ | 146,043,371 | \$ 31,483,024 | \$ 11,893,587 | \$ 102,666,761 |
| | | | | | | | | | |
| Other Property and Investments | | | | | | | | | |
| Investment in Associated Companies | | 23.1 | DIST | DIST | | 13,903,000 | - | - | 13,903,000 |
| Other Investment | | 124 | DIST | | | 31,166,335 | - | - | 31,166,335 |
| Long-Term Portion of Derivative Assets | | 175 | DIST | | | 25,574,531 | - | - | 25,574,531 |
| Long-Term Portion of Derivative Assets - Hedges | 110-111 | 176 | DIST | | s | 0 | - \$ - | - \$ | - \$ 70,643,866 |
| Total | | | | | • | 70,643,866 | 5 - | 5 - | \$ /0,043,800 |
| Current and Accrued Assets | | | | | | | | | |
| Fuel Stock | 110-111 | 151 | PROD | | | 2,121,931 | 2,121,931 | _ | _ |
| Fuel Stock Expenses Undistributed | | 152 | PROD | | | 0 | | - | - |
| Plant Materials and Operating Supplies | | 154 | PTD | | | 14,019,070 | 6,297,937 | 2,437,298 | 5,283,835 |
| Merchandise (Major Only) | | 155 | DIST | | | 0 | - | - | - |
| Other Materials and Supplies (Major only) | | 156 | DIST | | | 0 | - | - | - |
| EPA Allowance Inventory | | 58.1 | PROD | | | 0 | - | - | - |
| EPA Allowances Withheld | | 58.2 | PROD | | | 0 | - | - | - |
| Stores Expense Undistributed | | 163 | PTD | | | 0 | - | - | - |
| Prepayments | 110-111 | 165 | PTD | | | 6,467,948 | 2,905,666 | 1,124,491 | 2,437,792 |
| Derivative Instrument Assets | 110-111 | 175 | DIST | | | 36,402,843 | - | - | 36,402,843 |
| (Less) Long-Term Portion of Derivative Assets | 110-112 | 175 | DIST | | | 25,574,531 | - | - | 25,574,531 |
| Derivative Instrument Assets - Hedges | 110-111 | 176 | DIST | | | 0 | - | - | - |
| | | | | | | | | | |
| (Less) Long-Term Portion of Derivative Assets - Hedges | 110-112 | 176 | DIST | | | 0 | - | - | - |

| | | | | | | GREEMENT tility Template | | | |
|--|------------------------|------------------------------|----------------------------|-------------------------|------------|------------------------------------|---|---------------|------------------------|
| End | d of Year Repo | iling Date: | | Avista 20 5/7/2 | 06 2008 | | Amended BPA: 7-8-2 Revised Amended BI ? | | |
| Account Description | FERC Page Number | Form 1 Account Numbers | Function Met Default | | | Total | Production | Transmission | Distribution/ Other |
| erred Debits | - | | | - | - | - | | <u> </u> | |
| Unamortized Debt Expenses | 110-111 | 181 | PTDG | | | 17,931,388 | 8,004,541 | 3,136,417 | 6,790,4 |
| 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 | | 323,816,436 | 28,097,184 | 7,749,141 | 287,970, |
| Preliminary Survey and Investigation Charges (Electric) | 110-111 | 183 | DIST | | | 8,645,616 | - | - | 8,645, |
| 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 | | | 8,046 | - | - | 8, |
| Temporary Facilities | 110-111 | 185 | PTDG | | | 0 | - | - | |
| Miscellaneous Deferred Debits | 110-111 | 186 | DIRECT | DIST | | 31,297,127 | 8,686,400 | 982,008 | 21,628, |
| 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 | | | 28,622,766 | 12,777,154 | 5,006,468 | 10,839, |
| Accumulated Deferred Income Taxes | 110-111 | 190 | DIST | | | 55,602,315 | - | - | 55,602, |
| Total | | | | | \$ | 465,923,694 | \$ 57,565,279 | \$ 16,874,034 | \$ 391,484, |

| | | TY NAME: | | Avista | | es | | | |
|--|----------------|----------------------------|----------------|-------------|--------|--------------------------|--------------------|----------------|------------------------|
| End of | Year Repo | ort Period: iling Date: | | 20 5/7/2 | | | Amended BPA: 7-8-2 | 2008 | |
| | A001 | ing Date. | | 51112 | 2000 | | Revised Amended BF | | |
| | | <u>TABLE 1</u> | 5A: Schedul | le 1: Plant | Invest | <u>men</u> t / Rate Base | 2 | | |
| | FERC | | Function | | | | | | |
| Account Description | Page Number | Account Numbers | Met Default | | | Total | Production | Transmission | Distribution/ Other |
| bilities and Other Credits (Comparative Balance Sheet) | | | | 0, | | | | | |
| Current and Accrued Liabilities | | | | | | | | | |
| Derivative Instrument Liabilities | 112-113 | 244 | DIST | | | 83,652,834 | - | - | 83,652 |
| (less) Long-Term Portion of Derivative Instrument Liabilities | 112-114 | 244 | DIST | | | 10,174,378 | - | - | 10,174 |
| Derivative Instrument Liabilities - Hedges | 112-115 | 245 | DIST | | | 5,144,457 | - | - | 5,14 |
| (less) Long-Term Portion of Derivative Instrument Liabilities - Hedges | 112-114 | 245 | DIST | | | 5,144,457 | - | - | 5,144 |
| Total | | | | | \$ | 73,478,456 | \$ - | \$ - | \$ 73,47 |
| Deferred Credits | | 1 | | | | | | | |
| Customer Advances for Construction | 112-113 | 252 | DIST | | | 1,087,069 | - | - | 1,08 |
| Other Deferred Credits | 112-113 | 253 | DIRECT | DIST | | 36,280,631 | 9,819,591 | 2,322,841 | 24,13 |
| Other Regulatory Liabilities | 112-113 | 254 | DIST | DIST | | 18,246,960 | - | - | 18,24 |
| Accumulated Deferred Investment Tax Credits | 112-113 | 255 | DIST | | | 472,344 | - | - | 47: |
| Deferred Gains from Disposition of Utility Plant | 112-113 | 256 | DIRECT | | | 0 | | | |
| Unamortized Gain on Reacquired Debt | 112-113 | 257 | PTDG | | | 3,282,969 | 1,465,512 | 574,231 | 1,243 |
| Accumulated Deferred Income Taxes-Accel. Abort. | 112-113 | 281 | DIST | | | 0 | - | - | |
| Accumulated Deferred Income Taxes-Property | 112-113 | 282 | DIST | | | 305,474,214 | - | - | 305,474 |
| Accumulated Deferred Income Taxes-Other | 112-113 | 283 | DIST | | | 211,989,043 | - | - | 211,98 |
| Total | | | | | \$ | 576,833,230 | \$ 11,285,103 | \$ 2,897,072 | \$ 562,65 |
| al Liabilities and Other Credits | | | | | \$ | 650,311,686 | \$ 11,285,103 | \$ 2,897,072 | \$ 636,12 |
| | | | | | | | | | |
| al Rate Base | | | | | \$ | 1,591,234,365 | \$ 769,691,614 | \$ 283,039,316 | \$ 538,50 |

| UTILITY NAME: End of Year Report Period: ASC Filing Date: | | | | ista Utilities 2/31/2006 5/7/2008 | | |
|---|----------------|-------------|----|---|----------------------------------|------------------------|
| TABLE 15B: Schedule 1A: Cash Worl | <u>ki</u> ng (| Capital (f) | | | Amended BPA: ' Revised Amende | |
| Account Description | | Total | J | Production | Transmission | Distribution/ Other |
| ash Working Capital Calculation: | | | | | | |
| Total Production O&M | | 431,008,791 | | 431,008,791 | - | - |
| Total Transmission O&M (i) | | 19,547,280 | | - | 19,547,280 | |
| Total Distribution O&M | | 22,569,058 | | - | - | 22,569,0 |
| Total Customer & Sales | | 25,860,122 | | 10,184,229 | - | 15,675,8 |
| Total Administrative and General O&M | | 49,517,622 | | 17,516,951 | 5,420,816 | 26,579,8 |
| Less Purchased Power, Public Purpose Charge, REP Reversal, Fuel Costs | | 311,062,630 | | 311,062,630 | - | |
| evised Total O&M Expenses | \$ | 237,440,243 | \$ | 147,647,341 | \$ 24,968,096 | \$ 64,824,8 |

| | В | ONNEVILLE | E POWER A | DMINISTRAT | ION | | |
|--|--|--|---------------|-------------------------------|-------------------------------------|--------------------|-------|
| | RE | SIDENTIAL PU | JRCHASE AN | D SALE AGREEN | IENT | | |
| | | 2008 Aver | age System Co | st Methodology | | | |
| | | | | Avista Utilities | |] | |
| | | r Report Period: ASC Filing Date: | | <u>12/31/2006</u> 5/7/2008 | | Amended BPA: 7-8-2 | 0008 |
| | TABLE 15C: Schedu | | | | | Revised Amended BI | |
| | SUMMARY (for | | | , oj 1 | | | |
| Single-Jurisdi | ction Investor-Owned | | | | | | |
| 0 | ction Investor-Owned | • | | 11.173% | | | |
| | Consumer-Owned | - | | | | | |
| | | | of Return : | 11.173% | | | |
| | | | | | | | |
| Single-Jurisdi | ction Investor-Owned | d Utility Return | Calculation | | | | |
| Note: Multi-jurisdictional utilities Publicly-owned utilities mus | t begin on Page 4 | | E.00 | | L | | |
| | Capitalization | Structure | Effe | ctive Cost | | | |
| Component | Amount | Percent | Embedded | Weighted | | | |
| • | Amount | Percent | Embedded | Weighted | | | |
| Debt | Amount | Percent | Embedded | Weighted | | | |
| Component Debt Preferred Equity Common Equity | | Percent | Embedded | Weighted | | | |
| Debt Preferred Equity | Amount Amount | Percent | Embedded | Weighted | | | |
| Debt Preferred Equity Common Equity Weighted Cost of Capital | s - | | Embedded | Weighted | | | |
| Debt Preferred Equity Common Equity Weighted Cost of Capital Step 2: Gross Up Equity Return fo | \$- or Federal Income Ta | | Embedded | Weighted | | | |
| Debt Preferred Equity Common Equity Weighted Cost of Capital Step 2: Gross Up Equity Return for Federal Income Tax Rate (Curre | \$- or Federal Income Ta | | | Weighted | | | |
| Debt Preferred Equity Common Equity Weighted Cost of Capital Step 2: Gross Up Equity Return for Federal Income Tax Rate (Curre Federal Income Tax Factor | s - or Federal Income Ta ently 35%) | xes | 35% | Weighted | | | |
| Debt Preferred Equity Common Equity | s - or Federal Income Ta ontly 35%) (Total Capital))} * {(Feder | I XES ral Tax Rate / (1- Fea | 35% | Weighted | | | |
| Debt Treferred Equity Common Equity Weighted Cost of Capital Step 2: Gross Up Equity Return for Federal Income Tax Rate (Curre Federal Income Tax Factor (ROR – (Embedded Cost of Debt * (Debt / Federal Income Tax Adjusted We | s - or Federal Income Ta ently 35%) (Total Capital))} * {(Feder ighted Cost of Capita | I XES ral Tax Rate / (1- Fea | 35% | Weighted | | | |
| Debt Debt Deferred Equity Common Equity Weighted Cost of Capital Step 2: Gross Up Equity Return for Federal Income Tax Rate (Curre Federal Income Tax Factor (ROR – (Embedded Cost of Debt * (Debt / Federal Income Tax Adjusted We Weighted Cost of Capital Plus Federal Inc | S | I XES ral Tax Rate / (1- Fea | 35% | Weighted | | | |
| bebt referred Equity 'ommon Equity Weighted Cost of Capital itep 2: Gross Up Equity Return for rederal Income Tax Rate (Curree rederal Income Tax Factor (ROR – (Embedded Cost of Debt * (Debt / rederal Income Tax Adjusted We Weighted Cost of Capital Plus Federal Inc itep 3: Calculate Return on Rate | S | I XES ral Tax Rate / (1- Fea | 35% | Total | Production | Transmission | Other |
| Veighted Cost of Capital Veighted Cost of Capital Step 2: Gross Up Equity Return for Vederal Income Tax Rate (Current Control Control Cost of Debt * (Debt / Cost of Debt * (Debt / Cost of Debt * (Debt / Cost of Capital Plus Federal Income Tax Adjusted Weighted Cost of Capital Plus Federal Income Tax Adjusted Weighted Cost of Capital Plus Federal Income Tax Adjusted Weighted Cost of Capital Plus Federal Income Tax Adjusted Income | s - or Federal Income Ta ently 35%) (Total Capital))} * {(Feder ighted Cost of Capita ome Tax Factor) Base | I XES ral Tax Rate / (1- Fea | 35% | | Production \$ 769,691,614 | | |
| Debt Debt Deferred Equity Common Equity Weighted Cost of Capital Step 2: Gross Up Equity Return for Federal Income Tax Rate (Curre Federal Income Tax Factor (ROR – (Embedded Cost of Debt * (Debt / | S | I XES ral Tax Rate / (1- Fea | 35% | Total | | | |

| Multi-Jurisdiction Invo | End of Yea <u>15C: Schedu</u> | | age System Co | ND SALE AGREEN ost Methodology Avista Utilities | IENT | | |
|--|----------------------------------|---|--------------------------|---|----------------|-------------------|------------------|
| Multi-Jurisdiction Invo | <u>15C: Schedu</u> | UTILITY NAME: r Report Period: ASC Filing Date: | | Avista Utilities | | | |
| | <u>15C: Schedu</u> | r Report Period: ASC Filing Date: | | | | | |
| Multi-Jurisdiction Invo | <u>15C: Schedu</u> | ASC Filing Date: | | | | | |
| Multi-Jurisdiction Inv | <u>15C: Schedu</u> | - | | 12/31/2006 | | | • • • • • |
| Multi-Jurisdiction Inv | | <u>le 2: Capital Stru</u> | | 5/7/2008 | | Amended BPA: 7-8- | |
| Step 1: | estor-Owned | | icture and Rat | <u>e</u> of Return (b) | | Revised Amended B | PA: 8-4-2008 |
| Step 1: | estor-Owned | L Littliter Datama | Calandation | | | | |
| • | | I Utility Keturn | | | | | |
| | nt Stata Can | mission Data O | udon in Inniad | liation 1 | | | |
| . | | | | | | | |
| | apitalization | | | ective Cost | Jurisdictional | Effectiv | |
| 1 | mount | Percent | Embedded | Weighted | Allocation | Weighted Sta | ate Allocation |
| Debt | | 49.3% | 6.49% | 3.200% | 65.83% | 2.11% | 32.454% |
| referred Equity | | 4.7% | 6.58% | 0.310% | | 0.20% | 3.09% |
| Common Equity | | 46.0% | 10.20% | 4.692% | | 3.09% | 30.28% |
| Weighted Cost of Capital \$ | - | 100.00% | | 8.202% | | 5.40% | 65.83% |
| Component Ai | mount | | | | | | |
| | mount | Percent | Embedded | Weighted | | | |
| Debt | iiouiit | Percent 55.7% | Embedded 8.43% | Weighted 4.692% | 34.17% | 1.60% | 19.016% |
| | | | | _ | 34.17% | 1.60% 0.04% | 19.016% 0.60% |
| Debt Preferred Equity Common Equity Veighted Cost of Capital | | 55.7% | 8.43% | 4.692% | 34.17% | | - |

| BONNEVILLE POWE | R ADMINISTRAT | ION | | |
|--|---|----------------|--------------------|----------------|
| RESIDENTIAL PURCHASE | C AND SALE AGREE | MENT | | |
| 2008 Average System | n Cost Methodology | | | |
| UTILITY NAME: End of Year Report Period: ASC Filing Date: | Avista Utilitie 12/31/2006 5/7/2008 | ŝ | Amended BPA: 7-8-2 | 008 |
| TABLE 15C: Schedule 2: Capital Structure and | <u>Rate</u> of Return (b) | | Revised Amended BF | PA: 8-4-2008 |
| | | 1 | | |
| Multi-Jurisdiction Investor-Owned Utility Return Calculation (co. | ntinued) | | | |
| | | | | |
| Step 2: Gross Up Equity Return for Federal Income Taxes | | | | |
| Federal Income Tax Rate(Currently 35%)35% | | _ | | |
| Federal Income Tax Factor | 2.612% |] | | |
| {(ROR – (Embedded Cost of Debt * (Debt / (Total Capital))} * {(Federal Tax Rate / (1- Federal Tax Ra | te)} | | | |
| Federal Income Tax Adjusted Weighted Cost of Capital | 11.173% | 1 | | |
| (Weighted Cost of Capital Plus Federal Income Tax Factor) | | - | | |
| Step 3: Calculate Return on Rate Base | | | | |
| Step 5. Carculate return on Rate Dase | Total | Production | Transmission | Other |
| | | | | |
| Total Rate Base from Schedule 1 | \$ 1,591,234,365 | \$ 769,691,614 | \$ 283,039,316 | \$ 538,503,436 |
| Federal Income Tax Adjusted Weighted Cost of Capital | 11.173% | 11.173% | 11.173% | 11.173% |
| Federal Income Tax Adjusted Return on Rate Base | \$177,786,149 | \$85,996,451 | \$31,623,544 | \$60,166,154 |
| (Total Rate Base * Federal Income Tax Adjusted Weighted Cost of Capital) | | | | |

| | | | | ADMINISTRAT | | | |
|--|-----------------------|---------------------------|---------------------|-------------------------|----------------|--------------------|---------------|
| | | 2008 Avera | ige System C | ost Methodology | | | |
| | | UTILITY NAME: | | Avista Utilities | | 1 | |
| | | Report Period: | | 12/31/2006 | ' | | |
| | | ASC Filing Date: | | 5/7/2008 | | Amended BPA: 7-8-2 | 008 |
| | TABLE 15C: Schedu | <u>le 2: Capital Stru</u> | <u>cture and Ra</u> | <u>te</u> of Return (b) | | Revised Amended BI | PA: 8-4-2008 |
| Con | sumer-Owned Utility l | Return Calculati | on | | | | |
| ep 1: Weighted Cost of Debt | | | | | - | | |
| | | | | | | | |
| | Original | Year | Year | Interest | Interest | 1 | |
| Debt Issue | Amount | Issued | Due | Rate | Expense | | |
| | | | | | \$- | | |
| | | | | | \$ - | | |
| | | | | | \$ - \$ - | | |
| | | | | | \$ - | | |
| | | | | | \$ - | | |
| | | | | | \$ - | | |
| | | | | | \$ - | | |
| Weighted Cost of Debt | s - | | | | <u>s</u> - | | |
| weighted Cost of Debt | ə - | | | | 3 - | 1 | |
| ep 2: Calculate Return on Rate | Base | | _ | | | | |
| | | | | Total | Production | Transmission | Other |
| otal Rate Base from Schedule 1 | | | | \$ 1,591,234,365 | \$ 769,691,614 | \$ 283,039,316 | \$ 538,503,43 |
| eighted Cost of Debt eturn on Rate Base | | | - | | | | |
| aurn on Nate Dase | | | L | | | | |
| | | | | | | | |

| | RESIDENT | IAL PURCH | IASE AND | | REEMENT | | | | |
|--|-----------------|--------------|-------------------|----------------------|----------------|-----------------|---------------------------------------|-----------------------|--|
| | | , C | ystem Cost | Methodolo | | I | | | |
| | | ITY NAME: | | Avista Ut | | | | | |
| | End of Year Rep | | | 12/31/20 | | | | | |
| | ASC I | Filing Date: | | 5/7/200 |)7 | Amended BPA: 7 | -8-2008 | | |
| | | <u>TABL</u> | <u>E 15D: Sch</u> | <u>edul</u> e 3: Exp | Denses | Revised Amended | 1 BPA: 8-4-2008 | | |
| | Foi | rm 1 | Function | alization | | | | | |
| Account Description | Page | Account | Me | thod | Total | Production | Transmission | Distribution / | |
| | Number | Numbers | Default | Optional | | | | Other | |
| ower Production Expenses: | | | | | | | | | |
| Steam Power Generation | | | | | | | | | |
| Steam Power - Fuel | 320-323 | 501 | PROD | | 25,443,765 | 25,443,765 | - | | |
| Steam Power - Operations (Excluding 501 - Fuel) | 320-323 | 500-509 | PROD | | 4,589,062 | 4,589,062 | - | | |
| Steam Power - Maintenance | 320-323 | 510-515 | PROD | | 8,150,550 | 8,150,550 | - | | |
| Nuclear Power Generation | | | | · | | | | | |
| Nuclear - Fuel | 320-323 | 518 | PROD | | 0 | - | - | | |
| Nuclear - Operation (Excluding 518 - Fuel) | 320-323 | 517-525 | PROD | | 0 | - | - | | |
| Nuclear - Maintenance | 320-323 | 528-532 | PROD | | 0 | - | - | | |
| Hydraulic Power Generation | | | | · | | | | | |
| Hydraulic - Operation | 320-323 | 535-540.1 | PROD | | 10,915,413 | 10,915,413 | - | | |
| Hydraulic - Maintenance | 320-323 | 541-545.1 | PROD | | 3,988,076 | 3,988,076 | - | | |
| Other Power Generation | | | | | | | | | |
| Other Power - Fuel | 320-323 | 547 | PROD | | 85,535,646 | 85,535,646 | - | | |
| Other Power - Operations (Excluding 547 - Fuel) | 320-323 | 546-550.1 | PROD | | 3,397,473 | 3,397,473 | - | | |
| Other Power - Maintenance | 320-323 | 551-554.1 | PROD | | 1,033,178 | 1,033,178 | - | | |
| Other Power Supply Expenses | <u>.</u> | | | | | | · · · · · · · · · · · · · · · · · · · | | |
| Purchased Power (Excluding REP Reversal) | 326 | 555 | PROD | | 200,083,219 | 200,083,219 | - | | |
| System Control and Load Dispatching | 320-323 | 556 | PROD | | 638,755 | 638,755 | - | | |
| Other Expenses | 320-323 | 557 | PROD | | 87,233,654 | 87,233,654 | - | | |
| BPA REP Reversal | 327 | 555 | PROD | | | - | - | | |
| Public Purpose Charges (h) | | | DIRECT | | | | | | |
| otal Production Expense | | | | | \$ 431,008,791 | \$ 431,008,791 | \$ - | \$ | |
| ransmission Expenses: (i) | | | | | | | | | |
| Transmission of Electricity by Others (Wheeling) | 320-323 | 565 | TRANS | | 11,881,367 | - | 11,881,367 | | |
| Total Operations less Wheeling | 320-323 | 560-567.1 | TRANS | | 4,915,570 | - | 4,915,570 | | |
| Total Maintenance | 320-323 | 568-574 | TRANS | | 2,750,343 | - | 2,750,343 | | |
| otal Transmission Expense | | | | | \$ 19,547,280 | s - | \$ 19,547,280 | \$ | |

| 2008 Average System Cost Methodology LITLITY NAME: Avenues UTILITY NAME: LITLITY NAME: LITLITY NAME: LITLITY NAME: Avenued BPA: 7-8-200 Revised Amended BPA: 7-8-200 Revised Amended BPA: 7-8-200 Call Colspan="2">Call Colspan="2" Call C | | |
|--|--|--|
| End of Year Report Period: ASC Filing Date: 12/31/2006 5/7/2007 Amended BPA: 7-8-200 Revised Amended BPA: 7/2007 Table ISD: Schedule 3: Expenses Total Operation Form 1 Page Functionalization Page Total Production Total Production Production Transpan="2">Total Maintenance Total Maintenance 1014 20-323 580-589 DIST 9.942,254 - - Total Maintenance 20-323 590-598 DIST 1.2,626,804 - - Total Customer Accounts 20-323 909-907 DIST 1.3,264,554 - - Total Customer Accounts 20-323 901-905 DIST 1.3,364,554 - - Total Customer Accounts 20-323 904-907 DIST 1.0,66,937 - Customer Accounts 20-323 904-907 DIST 1.66,937 - Total Customer Accounts 20-323 904-910 DIST 9.30,862 - | | |
| Asc Filing Date: 5/7/2007 Amended BPA: 7-8-200 Revised Amended BPA: <i>LABLE ISD: Schedule 3: Expenses</i> Total Operations Total Production Transport Distribution Expense: Total Operations Total Operations Total Advintemance Total Customer Accounts Total Customer Accounts Total Customer Accounts Total Customer Accounts 20-323 901-905 Dist 9,942,254 - Total Operations 20-323 500-598 Dist 1 S 22,60,088 C Customer Accounts 20-323 901-905 DIST 1 1 Customer Accounts 20-323 901-905 DIST 1 Customer Accounts 20-323 901-905 DIST 1 Customer Accounts 200-323 | | |

| | UTILITY NAME: Avista Utilites | | | | | | | | | | | | | |
|--|--|---|---|----------------------|------|---|---|--|---|--|--|--|--|--|
| _ | | | | Avista U 12/31/2 | | 6 | 4 | | | | | | | |
| E | End of Year Report Period: ASC Filing Date: | | | | | | Amended BPA: 7-8-2008 | | | | | | | |
| | ASC | Filing Date: | | 5/7/20 | 0/ | | | | | | | | | |
| | | <u>TABL</u> | <u>E 15D: Sch</u> | <u>nedul</u> e 3: Ex | pens | es | Revised Amendee | 1 BPA: 8-4-2008 | | | | | | |
| | Fo | rm 1 | | alization | | | | | | | | | | |
| Account Description | Page | Account | Me | thod | | Total | Production | Transmission | Distribution / | | | | | |
| | Number | Numbers | Default Optional | | | | | | Other | | | | | |
| Social Operations and Maintenance | | | | | \$ | 548,502,873 | \$ 458,709,971 | \$ 24,968,096 | \$ 64,824,80 | | | | | |
| Depreciation and Amortization: Amortization of Intangible Plant - Account 301 | 336 | 404 | DIST | | | | - | - | | | | | | |
| | | | | | | | | | | | | | | |
| | 336 | 404 | DIST | | | | - | - | - | | | | | |
| Amortization of Intangible Plant - Account 302 | 336 | 404 | DIRECT | PTD | | 337,773 | 325,457 | 12,316 | - | | | | | |
| Amortization of Intangible Plant - Account 303 | 336 | 404 | DIRECT | DIST | | 1,413,353 | 614,738 | 279,502 | 519,1 | | | | | |
| Steam Production Plant | 336 | 403 | PROD | | | 11,388,514 | 11,388,514 | - | - | | | | | |
| | 336 | 403 | PROD | | | 0 | - | - | - | | | | | |
| Nuclear Production Plant | | | | | | | | | | | | | | |
| Nuclear Production Plant Hydraulic Production Plant - Conventional | 336 | 403 | PROD | | | 6,208,520 | 6,208,520 | - | | | | | | |
| | | 403 403 | PROD PROD | | | 6,208,520 0 | 6,208,520 | - | | | | | | |
| Hydraulic Production Plant - Conventional | 336 | | | | | | 6,208,520 - 13,075,208 | | | | | | | |
| Hydraulic Production Plant - Conventional Hydraulic Production Plant - Pumped Storage | 336 336 | 403 | PROD | | | 0 | - | | | | | | | |
| Hydraulic Production Plant - Conventional Hydraulic Production Plant - Pumped Storage Other Production Plant | 336 336 336 | 403 403 | PROD PROD | | | 0 13,075,208 | - 13,075,208 | - | - | | | | | |
| Hydraulic Production Plant - Conventional Hydraulic Production Plant - Pumped Storage Other Production Plant Transmission Plant (i) | 336 336 336 336 336 | 403 403 403 | PROD PROD TRANS | | | 0 13,075,208 9,049,748 | - 13,075,208 | - | - - - - 17,457,4 1,614,4 | | | | | |
| Hydraulic Production Plant - Conventional Hydraulic Production Plant - Pumped Storage Other Production Plant Transmission Plant (i) Distribution Plant | 336 336 336 336 336 336 | 403 403 403 403 | PROD PROD TRANS DIST | | | 0 13,075,208 9,049,748 17,457,435 | - 13,075,208 | - - 9,049,748 - | - - - 17,457,4 1,614,4 | | | | | |
| Hydraulic Production Plant - Conventional Hydraulic Production Plant - Pumped Storage Other Production Plant Transmission Plant (i) Distribution Plant General Plant | 336 336 336 336 336 336 336 | 403 403 403 403 403 403 | PROD PROD TRANS DIST GP | | | 0 13,075,208 9,049,748 17,457,435 3,166,338 | - 13,075,208 - - - 807,933 | - - 9,049,748 - - 743,953 | - - - 17,457,4 | | | | | |
| Hydraulic Production Plant - Conventional Hydraulic Production Plant - Pumped Storage Other Production Plant Transmission Plant (i) Distribution Plant General Plant Common Plant - Electric | 336 336 336 336 336 336 336 336 336 | 403 403 403 403 403 403 403 | PROD PROD TRANS DIST GP DIRECT | | | 0 13,075,208 9,049,748 17,457,435 3,166,338 5,293,863 | - 13,075,208 - - - 807,933 | - - 9,049,748 - - 743,953 | - - - 17,457,4 1,614,4 | | | | | |
| Hydraulic Production Plant - Conventional Hydraulic Production Plant - Pumped Storage Other Production Plant Transmission Plant (i) Distribution Plant General Plant Common Plant - Electric Common Plant - Electric | 336 336 336 336 336 336 336 336 336 | 403 403 403 403 403 403 403 404 | PROD PROD TRANS DIST GP DIRECT DIRECT | | | 0 13,075,208 9,049,748 17,457,435 3,166,338 5,293,863 0 | - 13,075,208 - - - 807,933 | - - 9,049,748 - - 743,953 | - - - - - - - - - - - - - - - - - - - | | | | | |
| Hydraulic Production Plant - Conventional Hydraulic Production Plant - Pumped Storage Other Production Plant Transmission Plant (i) Distribution Plant General Plant Common Plant - Electric Common Plant - Electric Depreciation Expense for Asset Retirement Costs | 336 336 336 336 336 336 336 336 336 336 | 403 403 403 403 403 403 403 404 404 | PROD PROD TRANS DIST GP DIRECT DIRECT DIRECT | | | 0 13,075,208 9,049,748 17,457,435 3,166,338 5,293,863 0 0 0 | - 13,075,208 - - - 807,933 | - - 9,049,748 - - 743,953 | - - - - - - - - - - - - - - - - - - - | | | | | |

| | | | | | MINISTRA SALE AGRI | | | | | | | |
|-----------------------------|--|------------------------------|--------------------|-------------|-----------------------|--------------|--|------------|----|------------------------|--|--|
| | 2 | 008 Averag | ge System Co | ost l | Methodolog | y | | | | | | |
| End of | UTILITY NAME: Avista Utilities f Year Report Period: 12/31/2006 ASC Filing Date: 5/7/2008 TABLE 15E: Schedule 3A Items: Taxes | | | | | | Amended BPA: 7-8-2008 Revised Amended BPA: 8-4-2008 | | | | | |
| | | | <u>LE 15E: Sch</u> | <u>iedu</u> | <u>le 3A</u> Items: | Taxes | | | | | | |
| Account Description | FERC Page Number | Form 1 Account Numbers | Funct. Method | | Total | Production | Тı | ansmission | | Distribution/ Other | | |
| FEDERAL | | | | | | | | | | | | |
| Income Tax | 262 | 409.1 | DIST | | 47,345,130 | - | | - | | 47,345,13 | | |
| Employment Tax | 262 | 408.1 | LABOR | | 8,193,094 | 3,216,97 | 4 | 939,446 | | 4,036,67 | | |
| Other Federal Taxes | 262 | 408.1 | DIST | | | - | | - | | - | | |
| FOTAL FEDERAL | | | | \$ | 55,538,224 | \$ 3,216,974 | 4 \$ | 939,446 | \$ | 51,381,80 | | |
| STATE AND OTHER | | | | | | | | | | | | |
| Property or In-Lieu (c) | 262 | 408.1 | PTDG | | 21,846,838 | 9,752,39 | 1 | 3,821,276 | | 8,273,17 | | |
| Unemployment | 262 | 408.1 | LABOR | | | - | | - | | - | | |
| State Income, B&O, et. | 262 | 409.1 | DIST | | 48,758,103 | - | | - | | 48,758,10 | | |
| Franchise Fees | 262 | 408.1 | DIST | | 4,116,694 | - | | - | | 4,116,69 | | |
| Regulatory Commission | 262 | 408.1 | DIST | | 10,310 | - | | - | | 10,31 | | |
| City/Municipal | 262 | 408.1 | DIST | | 11,907 | - | | - | | 11,90 | | |
| Other | 262 | 408.1 | DIST | | 1,529,969 | - | | - | | 1,529,96 | | |
| FOTAL STATE AND OTHER TAXES | | | | \$ | 76,273,821 | \$ 9,752,39 | l \$ | 3,821,276 | \$ | 62,700,154 | | |
| FOTAL TAXES | | | | \$ | 131,812,045 | \$ 12,969,36 | 5 \$ | 4,760,722 | \$ | 114,081,95 | | |

| | BONNEV | ILLE POW | ER ADN | IINISTR A | ATI | ON | | | | | |
|---|---------------------------------------|--------------------|-------------------|--------------------|--------|-------------|----------|-------------|-----------------|---------|----------|
| | RESIDENTI | AL PURCHA | SE AND S | ALE AGRI | EEM | ENT | | | | | |
| | 2008 | Average Sys | tem Cost N | lethodology | y | | | | | | |
| | UT | ILITY NAME: | | Avista Ut | ilitie | S | 1 | | | | |
| | End of Year Report Period: 12/31/2006 | | | | | 1 | | | | | |
| | | Filing Date: | | 5/7/20 | 08 | | Ame | nded BPA: 1 | 7-8-2008 | | |
| | | | | | | | Revis | sed Amende | d BPA: 8-4-2008 | | |
| | <u> </u> | <u>ABLE 15F: S</u> | <u>chedule 3B</u> | <u>Other In</u> cl | uded | Items | | | | | |
| | FERC | Form 1 | Function | nalization | | | | | | | |
| Account Description | Page | Account | Me | thod | | | | | | Distrib | ributio |
| | Number | Numbers | Default | Optional | | Total | Pr | oduction | Transmission | Other | |
| Other Included Items: | • | · | | | | | - | | | | |
| Regulatory Credits | 114 | 407.4 | DIRECT | PROD | | 17,989,452 | | 238,789 | - | | 17,750,6 |
| (Less) Regulatory Debits | 114 | 407.3 | DIRECT | DIST | | 337,368 | | 337,368 | - | | |
| 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 | | | | - | - | | |
| Fotal Other Included Items | | | | | \$ | 17,652,084 | \$ | (98,579) | \$ - | \$ | 17,750,0 |
| Sales for Resale: | | | | | | | | | | | |
| Sales for Resale | 310 | 447 | PROD | 1 | | 175,594,638 | | 175,594,638 | - | | |
| Fotal Sales for Resale | 510 | 44/ | TROD | | \$ | 175,594,638 | \$ | 175,594,638 | <u>s</u> - | \$ | |
| <u>- otar Sales for Resale</u> | | | | | • | 175,594,050 | D | 1/3,394,030 | 3 - | Φ | |
| Other Revenues: | | | | | | | | | | | |
| Forfeited Discounts | 300 | 450 | DIST | | | - | | - | - | | |
| Miscellaneous Service Revenues | 300 | 451 | DIST | 1 | | 447,333 | | - | - | | 447, |
| Sales of Water and Water Power | 300 | 453 | PROD | | | 230,504 | | 230,504 | - | | |
| Rent from Electric Property | 300 | 454 | TD | | | 2,592,254 | | - | 818,286 | | 1,773, |
| Interdepartmental Rents | 300 | 455 | DIST | | | - | | - | - | | 4.102 |
| Other Electric Revenues | <u>300</u> 330 | 456 | DIRECT | PROD | | 53,187,494 | | 49,084,005 | - | | 4,103, |
| Revenues from Transmission of Electricity of Others (i) | 330 | 456.1 | TRANS | | | 10,539,323 | | - | 10,539,323 | | |
| <u>otal Other Revenues</u> | | | | | \$ | 66,996,908 | \$ | 49,314,509 | \$ 11,357,609 | \$ | 6,324, |
| Fotal Other Included Items | | | | | \$ | 260,243,630 | \$ | 224,810,568 | \$ 11,357,609 | \$ | 24,075, |

| 200 |)8 Ave | rage System Cos | t Me | ethodology | | | | | | | |
|--|------------|--|--------|---------------------------|----|---|-------|-----------------|--|--|--|
| UTILITY NAME: End of Year Report Period: ASC Filing Date: | | Avista Utilities 12/31/2006 5/7/2008 | | | | Amended BPA: 7-8-2008 Revised Amended BPA: 8-18-2008 | | | | | |
| | <u>TAB</u> | LE 15G: Schedul | e 4: / | <u>Averag</u> e System Co | | ised Amended Br | A: ð- | 18-2008 | | | |
| | | Total | | Production | | Transmission | Dis | tribution/Other | | | |
| Total Operating Expenses (From Schedule 3) | \$ | 615,893,625 | \$ | 493,508,560 | \$ | 35,973,983 | \$ | 86,411,081 | | | |
| Federal Income Tax Adjusted Return on Rate Base (From Schedule 2) | \$ | 177,786,149 | \$ | 85,996,451 | \$ | 31,623,544 | \$ | 60,166,154 | | | |
| State and Other Taxes From Schedule 3a) | \$ | 131,812,045 | \$ | 12,969,365 | \$ | 4,760,722 | \$ | 114,081,958 | | | |
| Fotal Other Included Items From Schedule 3b) | \$ | 260,243,630 | \$ | 224,810,568 | \$ | 11,357,609 | \$ | 24,075,453 | | | |
| Total Cost | \$ | 665,248,189 | \$ | 367,663,808 | \$ | 61,000,640 | \$ | 236,583,740 | | | |

| | age System Cost Methodology | |
|--|--|---|
| UTILITY NAME: | Avista Utilities | |
| End of Year Report Period: ASC Filing Date: | 12/31/2006 5/7/2008 Amended BPA: 7-8-2008 | 2 |
| Add I ling bate. | Revised Amended BPA: | |
| <u>TABL</u> | E 15G: Schedule 4: Average System Cost | |
| | | |
| Contract System Cost | 68.44 | |
| Production | \$ 367,663,808 | |
| Transmission | \$ 61,000,640 | |
| (Less) New Large Single Load Costs (d) | \$ 4,205,570 | |
| Total Contract System Cost | \$ 424,458,879 | |
| Contract Sectors Local (MWIL) | 6.64 | |
| Contract System Load (MWh) | 8,787,002 | |
| | 0,707,002 | |
| Total Retail Load (MWR) (Less) New Large Single Load | 61,449 | |
| Total Retail Load (Less) New Large Single Load Total Retail Load (Net of NLSL) (d) | <u>61,449</u> 8,725,553 | |
| Total Retail Load (Less) New Large Single Load | 61,449 | |

| BONNEVILLE POWER | ADMINISTRA | TION |
|--|----------------------------|----------------------------------|
| RESIDENTIAL PURCHASE | | |
| 2008 Average System | | |
| 2006 Average System | Cost Methodology | |
| | E: Avista Utilities | 1 |
| End of Year Report Period | | |
| ASC Filing Date | | Amondod DDA, 7.9.2009 |
| ASC Fling Dat | e: 5/7/2008 | Amended BPA: 7-8-2008 |
| | | Revised Amended BPA: 8-4-2008 |
| <u>TABLE 15H: Distribution of Salar</u> | <u>ries and Wages (For</u> | <u>Labor Rati</u> o Calculation) |
| | Form 1 | |
| Description | Page | Amount |
| Description | Number | |
| Electric | T turns of | |
| Operation | | |
| Production | 354-355 | 8,032,54 |
| Transmission | 354-355 | 1,996,64 |
| Distribution | 354-355 | 5,300,30 |
| Customer Accounts | 354-355 | 5,329,14 |
| Customer Service and Information | 354-355 | 300,1 |
| Sales | 354-355 | 428,00 |
| Administrative and General | 354-355 | 11,299,94 |
| TOTAL Operation | | \$32,686,83 |
| | | |
| Maintenance | | |
| Production | 354-355 | 2,494,28 |
| Transmission | 354-355 | 672,56 |
| Distribution | 354-355 | 4,558,30 |
| Administrative and General | 354-355 | |
| TOTAL Maintenance | | \$7,725,20 |
| On anothing and Maintenance | | |
| Operation and Maintenance | 254 255 | 10 506 00 |
| Production (Total of lines 16 and 26) Transmission (Total of lines 17 and 27) | <u>354-355</u> 354-355 | 10,526,82 2,669,20 |
| Distribution (Total of lines 18 and 28) | 354-355 | 2,669,20 |
| Customer Accounts (From line 20) | 354-355 | 5,329,14 |
| Customer Service and Information (From line 20) | 354-355 | 3,329,12 |
| Sales (From line 21) | 354-355 | 428,00 |
| Administrative and General (Total of lines 22 and 29) | 354-355 | 11,299,94 |
| TOTAL Operation and Maintenance | 551 555 | \$40,412,03 |

| | BONNEVILLE POV RESIDENTIAL PURCH4 2008 Average Sys | ASE AND SAL | EA | GREEMENT | | | |
|-------------|--|------------------------|-------------------------------|------------------|---------------|----------------|---------------|
| | UTILITY NAME: | | I | Avista Utilities | 6 | 1 | |
| | End of Year Report Period: | | | 12/31/2006 | · | | |
| | ASC Filing Date: | | | 5/7/2008 | | Amended BPA: 7 | -8-2008 |
| | <u><u>T</u>A</u> | <u>BLE 151</u> : Ratio | Revised Amended BPA: 8-4-2008 | | | | |
| Labor Ratio | o Input: | Ratio Used | | Total | Production | Transmission | Distribution |
| | Production | PROD | \$ | 10,526,822 | \$ 10,526,822 | \$ - | \$ - |
| | Transmission | TRANS | | 2,669,209 | - | 2,669,209 | - |
| | Distribution | DIST | | 9,858,729 | - | - | 9,858,729 |
| | Customer Accounts | DIST | | 5,329,149 | - | - | 5,329,149 |
| | Customer Service and Informational | DIRECT | | 300,182 | 264,349 | - | 35,833 |
| | Sales | DIST | | 428,000 | - | - | 428,000 |
| | Administrative & General | PTD | | 11,299,946 | 5,076,396 | 1,964,562 | 4,258,988 |
| Total Labor | | | \$ | 40,412,037 | \$ 15,867,567 | \$ 4,633,771 | \$ 19,910,699 |
| | LABOR RATIO | | | 100% | 39% | 11% | 49% |
| GP | General Plant Ratio | Ratio Used | | Total | Production | Transmission | Distribution |
| | Land and Land Rights | PTD | \$ | 124,681 | \$ 56,012 | | \$ 46,993 |
| | Structures and Improvements | PTD | | 2,042,518 | 917,582 | 355,104 | 769,832 |
| | Furniture and Equipment | LABOR | | 136,601 | 53,636 | | 67,302 |
| | Transportation Equipment | TD | | 8,275,752 | - | 2,612,372 | 5,663,380 |
| | Stores Equipment | PTD | | 120,561 | 54,161 | 20,960 | 45,440 |
| | Tools and Garage Equipment | PTD | | 2,988,365 | 1,342,495 | 519,545 | 1,126,325 |
| | Laboratory Equipment | PTD | | 3,039,673 | 1,365,545 | 528,465 | 1,145,663 |
| | Power Operated Equipment | TD | | 19,674,347 | - | 6,210,519 | 13,463,828 |
| | Communication Equipment | PTD | | 28,330,864 | 12,727,377 | 4,925,487 | 10,677,999 |
| | Miscellaneous Equipment | PTD | | 3,973 | 1,785 | 691 | 1,497 |
| | Other Tangible Property | DIRECT | | - | - | - | - |
| | Asset Retirement Costs for General Plant | PTD | | - | - | - | - |
| | TOTAL | | \$ | 64,737,335 | \$ 16,518,593 | \$ 15,210,483 | \$ 33,008,260 |
| | GENERAL PLANT RATIO | | | 100% | 26% | 23% | 51% |

| | RESIDENTIAL P | E POWER ADMIN PURCHASE AND SAL prage System Cost Met | E AGREEMENT | | | |
|------|---|--|------------------|------------------|-----------------|-----------------|
| | UTILITY | NAME: | Avista Utilities | 1 | | |
| | End of Year Report | Period: | 12/31/2006 | | | |
| | ASC Fili | ng Date: | 5/7/2008 | | Amended BPA: 7 | -8-2008 |
| | | TABLE 151: Ratio | o Table | | Revised Amendeo | 1 BPA: 8-4-2008 |
| PTD | Production, Transmission, Distribution Ratio | Ratio Used | Total | Production | Transmission | Distribution |
| | Steam Production | PROD | \$ 378,625,101 | \$ 378,625,101 | \$ - | \$ - |
| | Nuclear Production | PROD | - | - | - | - |
| | Hydraulic Production | PROD | 340,480,980 | 340,480,980 | - | - |
| | Other Production | PROD | 272,688,068 | 272,688,068 | - | - |
| | Total Production Plant | | 991,794,149 | 991,794,149 | - | - |
| | Transmission Plant | TRANS | 383,823,745 | - | 383,823,745 | - |
| | Total Distribution Plant | DIST | 832,094,240 | - | - | 832,094,240 |
| | TOTAL | | \$ 2,207,712,134 | \$ 991,794,149 | \$ 383,823,745 | \$ 832,094,240 |
| | PTD RATIO | | 100% | 45% | 17% | 38% |
| PTDG | Production, Transmission, Distribution and General Pl | ant Ratie Ratio Used | Total | Production | Transmission | Distribution |
| | PTD Total | | \$ 2,207,712,134 | \$ 991,794,149 | \$ 383,823,745 | \$ 832,094,240 |
| | Intangible Plant - Organization | DIST | - | - | - | - |
| | Intangible Plant - Franchises and Consents | DIRECT | 15,259,132 | 14,889,662 | 369,470 | - |
| | Intangible Plant - Miscellaneous | DIRECT | 4,420,269 | - | 1,517,348 | 2,902,921 |
| | General Plant Total | | 64,737,335 | 16,518,593 | 15,210,483 | 33,008,260 |
| | TOTAL | | \$ 2,292,128,870 | \$ 1,023,202,404 | \$ 400,921,046 | \$ 868,005,421 |
| | PTDG RATIO | | 100% | 45% | 17% | 38% |
| TD | Transmission and Distribution Plant Ratio | Ratio Used | Total | Production | Transmission | Distribution |
| | Total Transmission Plant | TRANS | \$ 383,823,745 | \$ - | \$ 383,823,745 | \$ - |
| | Total Distribution Plant | DIST | 832,094,240 | - | - | 832,094,240 |
| | TOTAL | | \$ 1,215,917,985 | \$ - | \$ 383,823,745 | \$ 832,094,240 |
| | TD RATIO | | 100% | 0% | 32% | 68% |

| | UTILITY NAME | | I | Avista Utilities | 5 | | | | | | |
|-----|---|------------------------|------------|------------------|----|------------|------|--------------|------|-------------|--|
| | End of Year Report Period | | 12/31/2006 | | | | | | | | |
| | ASC Filing Date | | | 5/7/2008 | | | | ended BPA: 7 | | | |
| | | | | | | | Revi | ised Amended | I BP | A: 8-4-2008 | |
| | <u><u> </u></u> | <u>(BLE 151</u> : Rati | o Ta | ble | | | | | | | |
| GPM | Maintenance of General Plant Ratio | Ratio Used | | Total |] | Production | Tr | ansmission | D | istribution | |
| | Structures and Improvements | PTD | \$ | 2,042,518 | \$ | 917,582 | \$ | 355,104 | \$ | 769,832 | |
| | Furniture and Equipment | LABOR | | 136,601 | | 53,636 | | 15,663 | | 67,302 | |
| | Communication Equipment | PTD | | 28,330,864 | | 12,727,377 | | 4,925,487 | | 10,677,99 | |
| | Miscellaneous Equipment | PTD | | 3,973 | | 1,785 | | 691 | | 1,49 | |
| | TOTAL | | \$ | 30,513,956 | \$ | 13,700,380 | \$ | 5,296,945 | \$ | 11,516,63 | |
| | GPM RATIO | | | 100% | | 45% | | 17% | | 389 | |
| | SUMMARY RATIO TABLE | | | | | | | | | | |
| | SUMMART RATIO TABLE | | | | | | | | | | |
| | Direct to Distribution | | DIS | T | | 0.00% | | 0.00% | | 100.009 | |
| | Direct to Production | | PR | OD | | 100.00% | | 0.00% | | 0.00 | |
| | Direct to Transmission | | TR. | ANS | | 0.00% | | 100.00% | | 0.00 | |
| | Direct Allocation | | DIF | RECT | | 0.00% | | 0.00% | | 0.00 | |
| | General Plant | | GP | | | 25.52% | | 23.50% | | 50.99 | |
| | Maintenance of General Plant | | GP | М | | 44.90% | | 17.36% | | 37.749 | |
| | Labor Ratios | | | BOR | | 39.26% | | 11.47% | | 49.279 | |
| | Production, Transmission, Distribution | | PTI | | | 44.92% | | 17.39% | | 37.69 | |
| | Production, Transmission, Distribution, General | | PT | DG | | 44.64% | | 17.49% | | 37.879 | |
| | Transmission, Distribution | | TD | | | 0.00% | | 31.57% | | 68.43 | |

| | | | RESIDENTIAL PU | JRCHAS | ER ADMINSTRAT E AND SALE AGREE em Cost Methodology | | | | | |
|----------------|--------------------|------------------|-----------------------|--|--|--------------------|--------------------------------------|-----------------------|------------------|--|
| | | TABLE 15J | UTILITY | NAME: | Avista U | tilities | | | | |
| | | | End of Year Report | Period: | 12/30/ | 2006 | | | | |
| | | | ASC Filin | | 5/7/2 | | Amendeo | d BPA: 7-8-2008 | | |
| | | | | | | | Revised A | Amended BPA: 8-4-2008 | 3 | |
| FERC | Form 1 | | D D I I | | | D 1 1 M 1 | | | D . 114 | |
| Statistical | Page | Purchased Powe | r - Base Period | | Purchased Power - B | ase Period Minus 1 | | Purchased Power - B | ase Period Minus | |
| Classification | Number | Settlement Total | MWh Purchased | - r | Settlement Total | MWh Purchased | | Settlement Total | MWh Purchas | |
| RQ | 326-327 | \$ 6,183 | 124 | | \$ 4,860 | 38 | | \$ 4,111 | | |
| LF | 326-327 | \$ 12,903,902 | 362,075 | | \$ 11,877,298 | 457,836 | | \$ 12,749,802 | 438 | |
| IF | 326-327 | \$ 26,191,912 | 878,284 | | \$ 26,266,566 | 882,372 | | \$ 26,271,191 | 885 | |
| SF | 326-327 | \$ 113,803,605 | 2,418,310 | | \$ 180,444,332 | 3,148,858 | | \$ 93,694,368 | 2,144 | |
| LU | 326-327 | \$ 41,336,441 | 1,627,926 | | \$ 34,971,204 | 1,494,022 | | \$ 35,078,323 | 1,447 | |
| IU | 326-327 | \$ 1,532,242 | 36,513 | | \$ 1,410,830 | 36,846 | | \$ 1,525,477 | 37 | |
| OS | 326-327 | \$ 702,316 | - | | \$ 18,276 | | | \$ 15,218 | | |
| EX | 326-327 | \$ 3,606,618 | - | | \$ 2,084,254 | | | \$ 2,535,605 | | |
| NA | 326-327 | | | | | | | | | |
| AD | 326-327 | | | | | | | | | |
| TO | TAL | \$ 200,083,219 | 5,323,232 | | \$ 257,077,620 | 6,019,972 | | \$ 171,874,095 | 4,954 | |
| | | | | L | | | | | | |
| FERC | Form 1 | Sales for Resale | - Base Period | Sales for Resale - Base Period Minus 1 | | | Sales for Resale - Base Period Minus | | | |
| Statistical | Page | | | | | | | | | |
| Classification | Number | Settlement Total | MWh Sold | | Settlement Total | MWh Sold | | Settlement Total | MWh Sold | |
| RQ | 310-311 | | | | | | | | | |
| LF | 310-311 | \$ 9,039,526 | 122,445 | | \$ 5,272,397 | 57,573 | | \$ 4,119,289 | 55 | |
| IF | 310-311 | \$ 3,449,688 | 32,833 | | \$ 990,341 | 8,128 | | \$ 1,229,175 | 10 | |
| SF | 310-311 | \$ 163,105,424 | 3,397,421 | | \$ 215,537,447 | 4,078,716 | | \$ 84,652,780 | 2,161 | |
| LU | 310-311 | | | | | | | | | |
| IU | 310-311 | | | | | | | | | |
| OS EV | 310-311 | | | | | | | | | |
| EX NA | 310-311 310-311 | | | | | | | | | |
| | | | | | | | | | | |
| AD | 310-311 | e 175 504 (20 | 2 552 600 | | © 331.000.107 | | | 0.001244 | | |
| 10 | TAL | \$ 175,594,638 | 3,552,699 | | \$ 221,800,185 | 4,144,417 | I I | \$ 90,001,244 | 2,232 | |

AVISTA - TABLE 15K

Forecasted Contract System Costs & ASC with New Additions and NLSL

| Date | 4/1/2009 7 | 4/1/2010 8 | 4/1/2011 9 | 4/1/2012 10 | 4/1/2013 11 |
|--|----------------------|--|----------------------|-----------------------|-----------------------|
| Fiscal Year Rate Period Mid-Point | 2009 TRUE | 2010 FALSE | 2011 FALSE | 2012 FALSE | 2013 FALSE |
| Contract System Cost | | | | | |
| Production | 426,553,083 | 418,576,017 | 429,968,037 | 438,593,985 | 447,787,283 |
| Transmission | 60,000,388 | 59,329,051 | 58,710,865 | 58,065,786 | 57,450,436 |
| NLSL Fully Allocated Cost (\$/MWh) | 77.64 | 71.88 | 72.36 | 70.98 | 69.95 |
| (Less) New Large Single Load Costs (d) | 4,771,005 | 4,416,922 | 4,446,260 | 4,361,813 | 4,298,313 |
| Total Contract System Cost | 481,782,465 | 473,488,147 | 484,232,641 | 492,297,957 | 500,939,406 |
| Contract System Load (MWh) | | | | | |
| Total Retail Load @ Meter | 9,163,546 | 9,349,910 | 9,508,840 | 9,709,299 | 9,890,789 |
| (Less) New Large Single Load | 61,449 | 61,449 | 61,449 | 61,449 | 61,449 |
| Total Retail Load (Net of NLSL) (d) | 9,102,097 | 9,288,461 | 9,447,391 | 9,647,850 | 9,829,340 |
| Distribution Loss (f) | 480,170 | 489,935 | 498,263 | 508,767 | 518,277 |
| Total Contract System Load | 9,582,267 | 9,778,396 | 9,945,654 | 10,156,617 | 10,347,617 |
| Average System Cost \$/MWh | 50.28 | 48.42 | 48.69 | 48.47 | 48.41 |
| | Rate | Period Mid-Po | <u>pint</u> | | |
| | | | | | |
| Date | | 4/1/09 | | | |
| Date Fiscal Year | | 4/1/09 2009 | | | |
| | | <mark>4/1/09</mark> 2009 1 | | | |
| Fiscal Year NLSL Switch | | 2009 | | | |
| Fiscal Year NLSL Switch Contract System Cost | | 2009 | | | |
| Fiscal Year NLSL Switch Contract System Cost | | 2009 1 | | | |
| Fiscal Year NLSL Switch Contract System Cost Production | | 2009 1 426,553,083 | | | |
| Fiscal Year NLSL Switch Contract System Cost Production Transmission (Less) New Large Single Load Costs (d) | | 2009 1 426,553,083 60,000,388 | | | |
| Fiscal Year NLSL Switch Contract System Cost Production Transmission (Less) New Large Single Load Costs (d) Total Contract System Cost | | 2009 1 426,553,083 60,000,388 4,771,005 | | | |
| Fiscal Year NLSL Switch Contract System Cost Production Transmission (Less) New Large Single Load Costs (d) Total Contract System Cost Contract System Load (MWh) | | 2009 1 426,553,083 60,000,388 4,771,005 481,782,465 | | | |
| Fiscal Year NLSL Switch Contract System Cost Production Transmission (Less) New Large Single Load Costs (d) Total Contract System Cost Contract System Load (MWh) Total Retail Load @ Meter | | 2009 1 426,553,083 60,000,388 4,771,005 | | | |
| Fiscal Year NLSL Switch Contract System Cost Production Transmission (Less) New Large Single Load Costs (d) Total Contract System Cost Contract System Load (MWh) Total Retail Load @ Meter (Less) New Large Single Load | | 2009 1 426,553,083 60,000,388 4,771,005 481,782,465 9,163,546 | | | |
| Fiscal Year NLSL Switch Contract System Cost Production Transmission (Less) New Large Single Load Costs (d) Total Contract System Cost Contract System Load (MWh) Total Retail Load @ Meter (Less) New Large Single Load Total Retail Load (Net of NLSL) (d) | | 2009 1 426,553,083 60,000,388 4,771,005 481,782,465 9,163,546 61,449 | | | |
| Fiscal Year NLSL Switch Contract System Cost Production Transmission (Less) New Large Single Load Costs (d) Total Contract System Cost Contract System Load (MWh) Total Retail Load @ Meter (Less) New Large Single Load | | 2009 1 426,553,083 60,000,388 4,771,005 481,782,465 9,163,546 61,449 9,102,097 | | | |

Tables for:

Centralia City Light

| | BONNEV | LLE PO | WER AD | MINIST | RAT | TION | | | | | |
|---|----------------------------|-------------|------------------|-------------|--------------|--------------------------|---------------------------|--------------|-------------------------|--|--|
| | RESIDENTIA | L PURCH | ASE AND | SALES AC | REF | EMENT | | | | | |
| | Proposed 2008 Averag | | | | | | te | | | | |
| | | | | | | | 7 | | | | |
| | | TY NAME: | (| Centralia C | v | ight | | | | | |
| | End of Year Repo | | 2006 5/7/2008 | | | | Revised 6/25/2008 REB BPA | | | | |
| | ASC F | iling Date: | | 5/1/20 | JU8 | | Amended Revised | 8/4/08 | | | |
| | <u>TABI</u> | LE 16A: Sc | hedule 1: P | lant Invest | <u>men</u> t | / Rate Base | | | | | |
| | FERC | 1 | | alization | | | | | | | |
| Account Description | Page | Account | | thod | | Total | Production | Transmission | Distribution | | |
| | Number | Numbers | Default | Optional | | | | | Other | | |
| Intangible Plant: | | | | | | | | | | | |
| Intangible Plant - Organization | 204-207 | 301 | DIST | DEED | | 1.000.000 | - | - | | | |
| Intangible Plant - Franchises and Consents | 204-207 | 302 | DIRECT | PTD | | 4,862,082 | 4,862,082 | | | | |
| Intangible Plant - Miscellaneous Total Intangible Plant | 204-207 | 303 | DIRECT | DIST | \$ | 4,862,082 | \$ 4,862,082 | S - | \$ · | | |
| i otar intangible Flant | | | | | 3 | 4,862,082 | \$ 4,862,082 | 5 - | 3 | | |
| Production Plant: | | | | | | | | | | | |
| Steam Production | 204-207 | 310-317 | PROD | | | | | - | | | |
| Nuclear Production | 204-207 | 320-326 | PROD | | | | - | - | | | |
| Hydraulic Production | 204-207 | 330-337 | PROD | | | 17,347,340 | 17,347,340 | - | | | |
| Other Production | 204-207 | 340-347 | PROD | | | | | - | | | |
| Total Production Plant | | | | | \$ | 17,347,340 | \$ 17,347,340 | \$ - | \$ · | | |
| Transmission Plant: (i) | | | | | | | | | | | |
| Transmission Plant | 204-207 | 350-359.1 | TRANS | | | 1,254,542 | - | 1,254,542 | | | |
| Total Transmission Plant | | | | | \$ | 1,254,542 | \$ - | \$ 1,254,542 | \$ | | |
| Distribution Plant: | | | | | | | • | • | | | |
| Distribution Plant | 204-207 | 360-374 | DIST | | | 19 412 707 | | | 19 412 5 | | |
| Total Distribution Plant | 204-207 | 300-374 | DIST | | \$ | 18,412,707 18,412,707 | - \$ - | - S - | 18,412,7 \$ 18,412,7 | | |
| | | | | | • | 10,412,707 | ð - | 3 - | 5 10,412, | | |
| General Plant: | | | | | | | | | | | |
| Land and Land Rights | 204-207 | 389 | PTD | | | 16,462 | 7,715 | 558 | 8, | | |
| Structures and Improvements | 204-207 | 390 | PTD | | | 380,460 | 178,307 | 12,895 | 189,2 | | |
| Furniture and Equipment | 204-207 | 391 | LABOR | | | 12,379 | 3,448 | 1,350 | 7,: | | |
| Transportation Equipment | 204-207 | 392 | TD | | | 1,237,871 | - | 78,962 | 1,158,9 | | |
| Stores Equipment | 204-207 | 393 | PTD | | | | | | | | |
| Tools and Garage Equipment | 204-207 | 394 | PTD | | | 60,531 | 28,369 | 2,052 | 30, | | |
| Laboratory Equipment | 204-207 | 395 | PTD | | | | | | | | |
| Power Operated Equipment | 204-207 | 396 | TD | | | 174,115 | - | 11,107 | 163,0 | | |
| Communication Equipment | 204-207 | 397 | PTD | | | | | | | | |
| Miscellaneous Equipment | 204-207 | 398 | PTD | | | | | | | | |
| Other Tangible Property | 204-207 | 399 | DIRECT | PTD | | | - | - | | | |
| Asset Retirement Costs for General Plant | 204-208 | 399.1 | PTD | | | | - | - | | | |
| <u> Total General Plant</u> | | | | | \$ | 1,881,818 | \$ 217,839 | \$ 106,923 | \$ 1,557,0 | | |
| <u>Fotal Electric Plant In-Service</u> | | | | | \$ | 43,758,489 | \$ 22,427,261 | \$ 1,361,465 | \$ 19,969,7 | | |
| Total Intangible + Total Production + Total Transmission + Tota | l Distribution + Total Ger | neral) | | | | | | | , , | | |

| | UTILI | | | | | | | | | | | | |
|--|------------------|---------------|--------------|-------------|----------------------|-------------|---------------------------|--------------|--------------|--|--|--|--|
| | | UTILITY NAME: | | | Centralia City Light | | | 1 | | | | | |
| | End of Year Repo | ort Period: | | 200 | | | Revised 6/25/2008 REB BPA | | | | | | |
| | ASC F | iling Date: | 5/7/200 | |)08 | | Amended Revised 8 | 8/4/08 | | | | | |
| | <u>TABI</u> | LE 16A: Scl | hedule 1: Pl | ant Investi | <u>men</u> t / | / Rate Base | | | | | | | |
| | FERC | Form 1 | Function | alization | | | | | | | | | |
| Account Description | Page | Account | Met | hod | | Total | Production | Transmission | Distribution | | | | |
| | Number | Numbers | Default | Optional | | | | | Other | | | | |
| EQ0. | | - | | | | | - | - | | | | | |
| .ESS: Depreciation and Amortization Reserve | | | | | | | | | | | | | |
| Steam Production Plant | 219 | 108 | PROD | | | | | | | | | | |
| Nuclear Production Plant | 219 | 108 | PROD | | | | | | | | | | |
| Hydraulic Production Plant | 219 | 108 | PROD | | | 5,732,720 | 5,732,720 | - | | | | | |
| Other Production Plant | 219 | 108 | PROD | | | | | | | | | | |
| Transmission Plant (i) | 219 | 108 | TRANS | | | 1,004,036 | - | 1,004,036 | | | | | |
| Distribution Plant | 219 | 108 | DIST | | | 6,426,691 | - | - | 6,426. | | | | |
| General Plant | 219 | 108 | GP | | | 735,757 | 85,171 | 41,805 | 608. | | | | |
| Amortization of Intangible Plant - Account 301 | 219 | 111 | DIST | | | | - | - | | | | | |
| Amortization of Intangible Plant - Account 302 | 219 | 111 | DIRECT | PTD | | 1,000,544 | 1,000,544 | - | | | | | |
| Amortization of Intangible Plant - Account 303 | 219 | 111 | DIRECT | DIST | | | - | - | | | | | |
| Mining Plant Depreciation | 219 | 108 | PROD | | | | - | - | | | | | |
| Amortization of Plant Held for Future Use | 219 | 111 | DIST | | | | - | - | | | | | |
| Capital Lease - Common Plant | 219 | 108 | DIRECT | | | | - | - | | | | | |
| Leasehold Improvements | 200-201 | 108 | DIRECT | DIST | | | - | - | | | | | |
| In-Service: Depreciation of Common Plant (a) | 200-201 | 108 | DIRECT | | | | - | - | | | | | |
| Amortization of Other Utility Plant (a) | 200-201 | 108 | DIRECT | DIST | | | - | - | | | | | |
| Amortization of Acquisition Adjustments | 200-201 | 115 | DIST | | | | - | - | | | | | |
| Depreciation and Amortization Reserve (Other) | | | DIRECT | | | | | | | | | | |
| Total Depreciation and Amortization Reserve | | | | | \$ | 14,899,748 | \$ 6,818,435 | \$ 1,045,841 | \$ 7,035, | | | | |
| Fotal Net Plant | | | | | S | 28,858,741 | \$ 15,608,826 | \$ 315,624 | \$ 12,934, | | | | |

| | BONNEV | ILLE PO | WER AD | MINIST | RATION | | | | |
|---|----------------|-------------------|----------------------|-------------|------------------------|-------|-------------------|--------------|---------------|
| | RESIDENTIA | | | | | | | | |
| Propo | sed 2008 Avera | | | | | nnlaf | te | | |
| 11000 | | | | | · · · · | пріа | T | | |
| _ | | TY NAME: | С | entralia C | | | | | |
| E | nd of Year Rep | | | 200 | | | Revised 6/25/2008 | | |
| | ASC F | iling Date: | | 5/7/20 | 08 | | Amended Revised | 8/4/08 | |
| | <u>TAB</u> | <u>LE 16A: Sc</u> | <u>hedule 1: Pla</u> | ant Investr | <u>nen</u> t / Rate Ba | ise | | | |
| | | Form 1 | Functiona | | | | | | |
| Account Description | Page | Account | Meth | | Total | | Production | Transmission | Distribution/ |
| | Number | Numbers | Default | Optional | | | | | Other |
| Assets and Other Debits (Comparative Balance Sheet) | | | | | | | | | |
| Cash Working Capital (f) | Calcula | tion: Automa | tic Input from | Sch 1A | 654 | 4,026 | 141,093 | 160,810 | 352,123 |
| | | | <u> </u> | | | 1 | , | | , |
| Utility Plant | | | | | | | | | |
| (Utility Plant) Held For Future Use | 200-201 | 105 | DIST | | | | - | - | - |
| (Utility Plant) Completed Construction - Not Classified | 200-201 | 106 | PTD | | | | - | - | - |
| Nuclear Fuel | | 120.2-120.6 | PROD | | | | - | - | - |
| Construction Work in Progress (CWIP) | 200-201 | 107 & 120.1 | DIST | | 4,09 | 8,931 | - | - | 4,098,93 |
| Common Plant | 356 & 356.1 | | DIRECT | | | | | | |
| Acquisition Adjustments (Electric) | 200-201 | 114 | DIST | DIST | | | - | - | - |
| Total | | | | | \$ 4,09 | 8,931 | \$ - | \$ - | \$ 4,098,93 |
| | | | | | | | | | |
| Other Property and Investments | 110.111 | 100.1 | DIGT | DIGT | | | | | |
| Investment in Associated Companies | 110-111 | 123.1 | DIST | DIST | | | - | - | - |
| Other Investment | 110-111 | 124 | DIST | | | | - | - | - |
| Long-Term Portion of Derivative Assets | 110-111 | 175 | DIST | | | | - | - | - |
| Long-Term Portion of Derivative Assets - Hedges | 110-111 | 176 | DIST | | ¢ | | - | - | - |
| Total | | | | | \$ | - | \$ - | \$ - | \$ - |
| Current and Accrued Assets | | | | | | | | | |
| Fuel Stock | 110-111 | 151 | PROD | | | | _ | _ | - |
| Fuel Stock Expenses Undistributed | 110-111 | 151 | PROD | | | | _ | | |
| Plant Materials and Operating Supplies | 110-111 | 152 | PTD | | 404 | 4,389 | 189,522 | 13,706 | 201,16 |
| Merchandise (Major Only) | 110-112 | 155 | DIST | | | ., | - | - | |
| Other Materials and Supplies (Major only) | 110-112 | 156 | DIST | | | | - | _ | - |
| EPA Allowance Inventory | 110-112 | 158.1 | PROD | | | | _ | _ | - |
| EPA Allowances Withheld | 110-112 | 158.2 | PROD | | | | _ | _ | - |
| Stores Expense Undistributed | 110-112 | 163 | PTD | | | | - | _ | - |
| Prepayments | 110-111 | 165 | PTD | | | | - | - | - |
| Derivative Instrument Assets | 110-111 | 175 | DIST | | | | - | _ | - |
| (Less) Long-Term Portion of Derivative Assets | 110-112 | 175 | DIST | | | | - | - | - |
| Derivative Instrument Assets - Hedges | 110-111 | 176 | DIST | | | | _ | _ | - |
| (Less) Long-Term Portion of Derivative Assets - Hedges | 110-112 | 176 | DIST | | | | - | - | - |
| Total | | | | | \$ 404 | 4,389 | \$ 189,522 | \$ 13,706 | \$ 201,16 |
| | | | | | | 1 | | | , |

| | RESIDENTIA 1 2008 Avera | | | | C) Utility Templa | te | | | | |
|--|----------------------------|--|-----------------|--------------------------------|--------------------------|---|----------------------|--------------|--|--|
| End | of Year Rep | TY NAME: ort Period: iling Date: | (| Centralia Ci 2006 5/7/20 | 5 | Revised 6/25/2008 REB BPA Amended Revised 8/4/08 | | | | |
| | <u>TAB</u> | LE 16A: Scl | hedule 1: P | lant Investn | <u>nen</u> t / Rate Base | | | | | |
| Account Description | FERC Page | Form 1 Account | Function Met | | Total | Production | Transmission | Distribution | | |
| | Number | Numbers | Default | Optional | | | | Other | | |
| erred Debits | | | | | | | | | | |
| Unamortized Debt Expenses | 110-111 | 181 | PTDG | | 87,488 | 44,840 | 2,722 | 39, | | |
| Extraordinary Property Losses | 110-111 | 182.1 | DIRECT | DIST | | - | - | | | |
| Unrecovered Plant and Regulatory Study Costs | 110-111 | 182.2 | DIRECT | DIST | | - | - | | | |
| Other Regulatory Assets | 110-111 | 182.3 | DIRECT | DIST | | - | - | | | |
| Preliminary Survey and Investigation Charges (Electric) | 110-111 | 183 | DIST | | | - | - | | | |
| Preliminary Natural Gas Survey and Investigation Charges | 110-111 | 183.1 | DIST | | | - | - | | | |
| Other Preliminary Survey and Investigation Charges | 110-111 | 183.2 | DIST | | | - | - | | | |
| Clearing Accounts | 110-111 | 184 | DIST | | | - | - | | | |
| Temporary Facilities | 110-111 | 185 | PTDG | D.100 | | - | - | | | |
| Miscellaneous Deferred Debits | 110-111 | 186 | DIRECT | DIST | | - | - | | | |
| Deferred Losses from Disposition of Utility Plant | 110-111 | 187 | DIRECT | | | | | | | |
| Research, Development, and Demonstration Expenditures | 110-111 | 188 | DIST | | | - | - | | | |
| Unamortized Loss on Reacquired Debt Accumulated Deferred Income Taxes | 110-111 | 189 190 | PTDG DIST | | | - | - | | | |
| Total | 110-111 | 190 | DIST | | \$ 87,488 | \$ 44,840 | <u>-</u> \$ 2,722 | \$ 39 | | |

| | | L PURCH | | | | ility Templa | te | | | |
|--|----------------|--|-----------------------|-------------------------------|----------------|--------------|----------------------|------------------|----------------------------|-----------------------|
| End of | Year Repo | TY NAME: ort Period: iling Date: | (| Centralia C 2000 5/7/20 | 5 | ght | Revised 6 Amended | | 8 REB BPA 8/4/08 | |
| | <u>TABI</u> | LE 16A: Sci | hedule 1: P | lant Investn | <u>nen</u> t / | Rate Base | | | | |
| | FERC | Form 1 | Function | | | | | | | |
| Account Description | Page Number | Account Numbers | <u>Met</u> Default | hod Optional | | Total | Produ | ction | Transmission | Distribution Other |
| abilities and Other Credits (Comparative Balance Sheet) CURRENT AND ACCRUED LIABILITIES | | | | | | | • | | • | • |
| Derivative Instrument Liabilities | 112-113 | 244 | DIST | | | | | - | - | |
| (less) Long-Term Portion of Derivative Instrument Liabilities | 112-114 | 244 | DIST | | | | | - | - | |
| Derivative Instrument Liabilities - Hedges | 112-115 | 245 | DIST | | | | | - | - | |
| (less) Long-Term Portion of Derivative Instrument Liabilities - Hedges | 112-114 | 245 | DIST | | | | | - | - | |
| Total | | | | | \$ | - | \$ | - | \$ - | \$ |
| DEFERRED CREDITS | | | | | | | | | | |
| Customer Advances for Construction | 112-113 | 252 | DIST | | | | | - | - | |
| Other Deferred Credits | 112-113 | 253 | DIRECT | DIST | | | | - | - | |
| Other Regulatory Liabilities | 112-113 | 254 | DIRECT | DIST | | | | - | - | |
| Accumulated Deferred Investment Tax Credits | 112-113 | 255 | DIST | | | | | - | - | |
| Deferred Gains from Disposition of Utility Plant | 112-113 | 256 | DIRECT | | | | | | | |
| Unamortized Gain on Reacquired Debt | 112-113 | 257 | PTDG | | | | | - | - | |
| Accumulated Deferred Income Taxes-Accel. Amort. | 112-113 | 281 | DIST | | | | | - | - | |
| Accumulated Deferred Income Taxes-Property | 112-113 | 282 | DIST | | | | | - | - | |
| Accumulated Deferred Income Taxes-Other | 112-113 | 283 | DIST | | | | | - | - | |
| Total | | | | | \$ | - | \$ | | \$ - | \$ |
| tal Liabilities and Other Credits | | | | | \$ | - | \$ | - | \$ - | \$ |
| | | | | | | 34,103,575 | | 5,984,280 | \$ 492,862 | |

| UTILITY NAME: End of Year Report Period: ASC Filing Date: | C | entralia City Lig 12/31/2006 5/7/2008 | ht | Revised 6/25/2008 REE |
|---|--------------|---|--------------|------------------------|
| <u>TABLE 16B: Schedul</u> (Automatic Input from S | | | | Amended Revised 8/4/0 |
| Account Description | Total | Production | Transmission | Distribution/ Other |
| ash Working Capital Calculation: | | | | |
| Total Production O&M | 6,501,441 | 6,501,441 | - | |
| Total Transmission O&M (i) | 1,170,940 | - | 1,170,940 | - |
| Total Distribution O&M | 1,749,923 | - | - | 1,749,923 |
| Total Customer & Sales | 418,514 | - | - | 418,514 |
| Total Administrative and General O&M | 1,059,046 | 294,963 | 115,536 | 648,547 |
| Less Purchased Power, Public Purpose Charge, REP Reversal, Fuel Costs | 5,667,659 | 5,667,659 | - | - |
| evised Total O&M Expenses | \$ 5,232,205 | \$ 1,128,745 | \$ 1,286,476 | \$ 2,816,984 |

| | BC | DNNEVILL | E POWER A | DMINISTRATI | | | | |
|---|---|---|-----------------------|--|-------------------------|------------------------------|------|-------|
| | RES | IDENTIAL P | URCHASE AN | ND SALE AGREEM | ENT | | | |
| | : | Proposed 2008 | B Average Syste | em Cost Methodolog | у | | | |
| | End of Year | UTILITY NAME Report Period SC Filing Date | 1: | Centralia City Lig 12/31/2006 5/7/2008 | ht | Revised 6/25/ Amended Rev | | PA |
| | <u>1</u> | T <u>ABLE 16C: So</u> | <u>chedule 2: Cap</u> | <u>ital Structure and Ra</u> | <u>te</u> of Return (b) | | | |
| | SUMMARY (for 1 | ise by ASC For | ecast Model) | | | | | |
| Single-Jurisd | iction Investor-Owned | Utility Return | Calculation: | | | | | |
| Multi-Jurisd | iction Investor-Owned | Utility Return | Calculation: | | | | | |
| | Consumer-Owned | Utility Return | Calculation: | 4.650% | | | | |
| | | - | e of Return : | 4.650% | | | | |
| | | | | | | | | |
| Single-Jurisd | liction Investor-Owned | Utility Return | n Calculation | | | | | |
| Note: Multi-jurisdictional utilitie | es must begin on Page 2 | | | | | | | |
| | es must begin on Page 2 st begin on Page 4 | | Effe | ective Cost | | | | |
| Note: Multi-jurisdictional utilitie Publicly-owned utilities mu | es must begin on Page 2 | | Effe Embedded | ective Cost Weighted | | | | |
| Note: Multi-jurisdictional utilitie Publicly-owned utilities mu Component | es must begin on Page 2 st begin on Page 4 Capitalization | Structure | | | | | | |
| Note: Multi-jurisdictional utilitie Publicly-owned utilities mu Component Debt Preferred Equity | es must begin on Page 2 st begin on Page 4 Capitalization | Structure | | | | | | |
| Note: Multi-jurisdictional utilitie Publicly-owned utilities mu Component Debt Preferred Equity | es must begin on Page 2 st begin on Page 4 Capitalization | Structure | | | | | | |
| Note: Multi-jurisdictional utilitie Publicly-owned utilities mu. Component Debt Preferred Equity Common Equity Weighted Cost of Capital Step 2: Gross Up Equity Return to Federal Income Tax Rate (Curr Federal Income Tax Factor | es must begin on Page 2 st begin on Page 4 Capitalization Amount \$ - for Federal Income Tax rently 35%) | Structure Percent | Embedded | | | | | |
| Publicly-owned utilities mu Component Debt Preferred Equity Common Equity | es must begin on Page 2 st begin on Page 4 Capitalization 1 Amount S for Federal Income Tax rently 35%) / (Total Capital))) * {(Federal eighted Cost of Capital) | Structure Percent | Embedded | | | | | |
| Note: Multi-jurisdictional utilitie Publicly-owned utilities mu Component Debt Preferred Equity Common Equity Weighted Cost of Capital Step 2: Gross Up Equity Return i Federal Income Tax Rate (Curr Federal Income Tax Factor ((ROR – (Embedded Cost of Debt * (Debt Federal Income Tax Adjusted W | es must begin on Page 2 st begin on Page 4 Capitalization 1 Amount S for Federal Income Tax rently 35%) / (Total Capital))} * {(Federal eighted Cost of Capital come Tax Factor) | Structure Percent | Embedded | | Production | Transmis | sion | Other |

| | Ľ | SONNEVILLE | POWER . | ADMINISTRAT | ION | | |
|--|---|------------------|---------------------------|-----------------------------------|---|----------------------|---------------|
| | RE | SIDENTIAL PU | RCHASE A | ND SALE AGREEN | IENT | | |
| | | | | tem Cost Methodolo | | | |
| | | UTILITY NAME: | | Centralia City Li | ght | 1 | |
| | | r Report Period: | | 12/31/2006 | <u>, </u> | Revised 6/25/2008 RI | EB BPA |
| | | ASC Filing Date: | | 5/7/2008 | | Amended Revised 8/4 | /08 |
| | | TABLE 16C: Sci | hedule 2: Ca | pital Structure and R | <u>ate</u> of Return (b) | | |
| Multi Invia | iction Investor-Owne | d Litility Dotum | Calculation | | | | |
| | iction investor-Owne | u Ounty Keturn | | | | | |
| Step 1: Weighted Cost of Capital from N | Aost Recent State Cor | nmission Rate O | rder in Juris | diction 1 | | | |
| | Capitalization | n Structure | Eff | fective Cost | Jurisdictional | Effective | e Cost - |
| Component | Amount | Percent | Embedded | Weighted | Allocation | Weighted Sta | te Allocation |
| Debt | | | | | | | |
| Preferred Equity | | | | | | | |
| Common Equity | | | | | | | |
| | | | | | | | |
| Weighted Cost of Capital | S - | inview Dete O | | disting 2 | | | |
| Weighted Cost of Capital Weighted Cost of Capital from M | | nmission Rate O | rder in Juris Embedded | | | | |
| Weighted Cost of Capital Weighted Cost of Capital from N Component | Aost Recent State Cor | | | diction 2 Weighted | 5.00% | | |
| | Aost Recent State Cor | | | | 5.00% | | |
| Weighted Cost of Capital Weighted Cost of Capital from M Component Debt | Aost Recent State Cor | | | | 5.00% | | |
| Weighted Cost of Capital Weighted Cost of Capital from M Component Debt Preferred Equity | Aost Recent State Cor | | | | 5.00% | | |
| Weighted Cost of Capital Weighted Cost of Capital from M Component Debt Preferred Equity Common Equity Weighted Cost of Capital Weighted Cost of Capital from M | Anost Recent State Cor Amount S - Anost Recent State Cor | Percent | Embedded | Weighted | 5.00% | | |
| Weighted Cost of Capital Weighted Cost of Capital from M Component Debt Preferred Equity Common Equity Weighted Cost of Capital Weighted Cost of Capital from M Component | Aost Recent State Cor Amount \$ - | Percent | Embedded | Weighted | | | |
| Weighted Cost of Capital Weighted Cost of Capital from M Component Debt Preferred Equity Common Equity Weighted Cost of Capital Weighted Cost of Capital from M Component Debt Component Debt Debt Debt Component Debt | Anost Recent State Cor Amount S - Anost Recent State Cor | Percent | Embedded | Weighted | 5.00% | | |
| Weighted Cost of Capital Weighted Cost of Capital from M Component Debt Preferred Equity Common Equity Weighted Cost of Capital Weighted Cost of Capital from M Component Debt Preferred Equity Debt Preferred Equity Component Debt Preferred Equity | Anost Recent State Cor Amount S - Anost Recent State Cor | Percent | Embedded | Weighted | | | |
| Weighted Cost of Capital Weighted Cost of Capital from M Component Debt Preferred Equity Common Equity Weighted Cost of Capital Weighted Cost of Capital Weighted Cost of Capital from M Component Debt Preferred Equity Component Debt Preferred Equity Common Equity | Anost Recent State Cor Amount \$ - Anost Recent State Cor Amount | Percent | Embedded | Weighted | | | |
| Weighted Cost of Capital Weighted Cost of Capital from M Component Debt Preferred Equity Common Equity Weighted Cost of Capital Weighted Cost of Capital from M Component Debt Preferred Equity Component Debt Preferred Equity | Anost Recent State Cor Amount S - Anost Recent State Cor | Percent | Embedded | Weighted | | | |
| Weighted Cost of Capital Weighted Cost of Capital from M Component Debt Preferred Equity Common Equity Weighted Cost of Capital Weighted Cost of Capital from M Component Debt Preferred Equity Component Debt Preferred Equity Component Debt Preferred Equity Common Equity | Anost Recent State Cor Amount \$ - Anost Recent State Cor Amount | Percent | Embedded | Weighted diction 3 Weighted | | | |
| Weighted Cost of Capital Weighted Cost of Capital from M Component Debt Preferred Equity Common Equity Weighted Cost of Capital Weighted Cost of Capital from M Component Debt Preferred Equity Component Debt Preferred Equity Common Equity Jurisdiction | Aost Recent State Cor Amount \$ - Aost Recent State Cor Amount S - | Percent | Embedded | Weighted | | | |
| Weighted Cost of Capital Weighted Cost of Capital from M Component Debt Preferred Equity Common Equity Weighted Cost of Capital Weighted Cost of Capital from M Component Debt Preferred Equity Component Debt Preferred Equity Component Debt Preferred Equity Common Equity Weighted Cost of Capital | Aost Recent State Cor Amount \$ - Aost Recent State Cor Amount S - | Percent | Embedded | Weighted diction 3 Weighted | | | |
| Weighted Cost of Capital Weighted Cost of Capital from M Component Debt Preferred Equity Common Equity Weighted Cost of Capital Weighted Cost of Capital from M Component Debt Preferred Equity Component Debt Preferred Equity Common Equity Ueighted Cost of Capital from M Debt Preferred Equity Common Equity Jurisdiction Idaho | Aost Recent State Cor Amount \$ - Aost Recent State Cor Amount S - | Percent | Embedded | Weighted diction 3 Weighted | | | |

| BONNEVILLE POW | ER ADMINISTRAT | ION | | |
|---|---|---------------|--|---------------|
| RESIDENTIAL PURCHAS | SE AND SALE AGREE | MENT | | |
| Proposed 2008 Average | System Cost Methodol | ogy | | |
| UTILITY NAME: End of Year Report Period: ASC Filing Date: <u>TABLE 16C: Schedule 2</u> | Centralia City L 12/31/2006 5/7/2008 : Capital Structure and I | 8 | Revised 6/25/2008 RF Amended Revised 8/4, | |
| Multi-Jurisdiction Investor-Owned Utility Return Calculation (c | ontinued) |] | | |
| 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 F | 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 | \$ 34,103,575 | \$ 15,984,280 | \$ 492,862 | \$ 17,626,433 |
| 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) | | | | |

| | | | | | ADMINISTRAT | | | |
|--------------------------------|----------|-----------------|----------------------|----------------------|----------------------|--------------------------|----------------------|--------|
| | | | | | ND SALE AGREEN | | | |
| | | F | Proposed 2008 | Average Syst | em Cost Methodolo | gy | | |
| | | U | TILITY NAME: | | Centralia City Li | ght | | |
| | | | Report Period: | | 12/31/2006 | | Revised 6/25/2008 RE | |
| | | | SC Filing Date: | | 5/7/2008 | | Amended Revised 8/4/ | 08 |
| | | <u></u> | <u>ABLE 16C: Sci</u> | <u>hedule 2: Cap</u> | ital Structure and R | <u>ate</u> of Return (b) | | |
| Cons | sumer-Ov | vned Utility Ro | eturn Calculati | ion | | | | |
| | | | | | | | | |
| ep 1: Weighted Cost of Debt | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | 0 | riginal | Year | Year | Interest | Interest | | |
| Debt Issue | | mount | Issued | Due | Rate | Expense | | |
| 999 Revenue Bonds | \$ | 7,460,000 | | | | \$ | | |
| | | | | | | s - | | |
| | | | | | | <u>s</u> - | | |
| | | | | | | <u>s</u> - | | |
| | | | | | | <u>s</u> - | | |
| | | | | | | s - | | |
| | | | | | | S - | | |
| | | | | | | \$ - | | |
| Weighted Cost of Debt | \$ | 7,460,000 | | | | \$ - | | |
| | | | | | | | | |
| ep 2: Calculate Return on Rate | Base | | | | | | | |
| cp 2. Calculate Return on Rate | Dase | | | Г | Total | Production | Transmission | Other |
| otal Rate Base from Schedule 1 | | | | | | \$ 15,984,280 | | |
| | | | | | 4.65% | 4.65% | 4.65% | 4.6 |
| eighted Cost of Debt | | | | - | \$1,585,816 | \$743,269 | \$22,918 | \$819, |

| | BONNEV RESIDENTI | - | | DMINISTH D SALE AG | | | | |
|--|---------------------|--------------|------------|-----------------------|--------------|-------------------|--------------|--------------|
| | | | | n Cost Meth | | | | |
| | UTIL | ITY NAME: | | Centralia Ci | ty Light | 1 | | |
| | End of Year Rep | ort Period: | | 12/31/2 | 006 | Revised 6/25/2008 | 8 REB BPA | |
| | ASC I | Filing Date: | | 5/7/20 | 08 | Amended Revised | 8/4/08 | |
| | | TABL | E 16D: Sci | <u>hedul</u> e 3: Ex | penses | - | | |
| | For | ·m 1 | | nalization | | | | |
| Account Description | Page | Account | | ethod | Total | Production | Transmission | Distribution |
| | Number | Numbers | Default | | | | | Other |
| Power Production Expenses: | 1,4410,001 | 110015 | 200000 | optional | | I | | 01111 |
| 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 | <u> </u> | •• | | • | | | | |
| 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 | | 742,823 | 742,823 | - | |
| Hydraulic - Maintenance | 320-323 | 541-545.1 | PROD | | 90,959 | 90,959 | - | |
| 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) | 320-323 | 555 | PROD | | 5,667,659 | 5,667,659 | - | |
| 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 | | | | | \$ 6,501,441 | \$ 6,501,441 | \$ - | \$ |
| ransmission Expenses: (i) | | | | | | | | |
| Transmission of Electricity by Others (Wheeling) | 320-323 | 565 | TRANS | | 948,236 | - | 948,236 | |
| Total Operations less Wheeling | 320-323 | 560-567.1 | TRANS | | 113,202 | - | 113,202 | |
| Total Maintenance | 320-323 | 568-574 | TRANS | | 109,502 | - | 109,502 | |
| otal Transmission Expense | | | | | \$ 1,170,940 | S - | \$ 1,170,940 | \$ |

| | rioposed | d 2008 Aver | age system | Cost Metho | ouoio | ygy | _ | | |
|---|-----------------|--------------|-------------------|---------------------|-------|---------------------------------------|-------------------|--------------|---------------|
| | | ITY NAME: | (| Centralia Ci | | ght | | | |
| | End of Year Rep | | | 12/31/2 | | | Revised 6/25/2008 | | |
| | ASC I | Filing Date: | | 5/7/20 | 08 | | Amended Revised | 8/4/08 | |
| | | <u>TABL</u> | <u>E 16D: Sch</u> | <u>edul</u> e 3: Ex | pense | es | | | |
| | For | rm 1 | Function | alization | | | | | |
| Account Description | Page | Account | Met | hod | | Total | Production | Transmission | Distribution/ |
| | Number | Numbers | Default | Optional | | | | | Other |
| Distribution Expense: | | | | | | | | | |
| Total Operations | 320-323 | 580-589 | DIST | | | 1,387,327 | - | - | 1,387,32 |
| Total Maintenance | 320-323 | 590-598 | DIST | | | 362,596 | - | - | 362,59 |
| Fotal Distribution Expense | | | | | \$ | 1,749,923 | \$ - | S - | \$ 1,749,92 |
| Customer and Sales Expenses: | | | | | | | | | |
| Total Customer Accounts | 320-323 | 901-905 | DIST | | | 299,350 | - | - | 299,3 |
| Customer Service and Information | 320-323 | 906-907 | DIST | | | 119,164 | - | - | 119,1 |
| Customer Assistance Expenses (Major only) | 320-323 | 908 | DIRECT | | | , , , , , , , , , , , , , , , , , , , | - | - | - |
| Customer Service and Information | 320-323 | 909-910 | DIST | | | | - | - | - |
| Total Sales Expense | 320-323 | 911-917 | DIST | | | | - | - | - |
| Fotal Customer and Sales Expenses | | | | | \$ | 418,514 | \$ - | S - | \$ 418,5 |
| Administration and General Expense: | | | | | | | | | |
| Operation | | | | | | | | | |
| Administration and General Salaries | 320-323 | 920 | LABOR | | | 826,091 | 230,081 | 90,122 | 505,8 |
| Office Supplies & Expenses | 320-323 | 920 | LABOR | | | 1.643 | 458 | 179 | 1,0 |
| (Less) Administration Expenses Transferred - Credit | 320-323 | 922 | LABOR | | | 1,010 | - | - | |
| Outside Services Employed | 320-323 | 923 | LABOR | | | 231,312 | 64,424 | 25,235 | 141,6 |
| 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 | DIST | | | - | - | - |
| Miscellaneous General Expenses | 320-323 | 930.2 | DIST | | | | - | - | - |
| Rents | 320-323 | 931 | DIST | | | | - | - | - |
| Transportation Expenses (Non Major) | 320-324 | 933 | DIST | | | | - | - | - |
| | I | • • • • • • | | - | | | | | |
| Maintenance of General Plant | 320-323 | 935 | GPM | | | | | | |

| E | nd of Year Rep | | (| Centralia Ci 12/31/2 | 006 | ight | Revised 6/25/2008 | | |
|---|----------------|--------------------|-------------------|-------------------------|------|------------|-------------------|---------------|---|
| | ASC | Filing Date: | | 5/7/20 | | | Amended Revised | 8/4/08 | |
| | | | <u>E 16D: Sch</u> | | pens | ses | | | |
| A securit Description | | rm 1 | | alization | | Total | Production | Transmission | |
| Account Description | Page Number | Account Numbers | Met Default | optional | | 10181 | Production | I ransmission | Distribution Other |
| Total Operations and Maintenance | Tumber | Tumbers | Default | Optional | \$ | 10,899,864 | \$ 6,796,404 | \$ 1,286,476 | \$ 2,816,9 |
| Amortization of Intangible Plant - Account 301 | 336 | 404 | DIST | | | | - | - | |
| | | | | | | | | | |
| epreciation and Amortization: | 226 | 404 | DIST | | | | | | |
| Amortization of Intangible Plant - Account 302 | 336 | 404 | DIRECT | PTD | | 121,939 | 121,939 | | |
| Amortization of Intangible Plant - Account 302 | 336 | 404 | DIRECT | DIST | | 121,757 | - | | |
| Steam Production Plant | 336 | 403 | PROD | DIST | | | | | |
| Nuclear Production Plant | 336 | 403 | PROD | | | | | - | |
| Hydraulic Production Plant - Conventional | 336 | 403 | PROD | | | 315,475 | 315,475 | | |
| Hydraulic Production Plant - Pumped Storage | 336 | 403 | PROD | | | 515,175 | - | - | |
| Other Production Plant | 336 | 403 | PROD | | | | _ | | |
| Transmission Plant (i) | 336 | 403 | TRANS | | | 12,002 | _ | 12,002 | |
| Distribution Plant | 336 | 403 | DIST | | | 429,900 | _ | - | 429, |
| | 336 | 403 | GP | | | 116,636 | 13,502 | 6,627 | .25, |
| General Plant | 336 | 403 | DIRECT | | | 110,000 | 10,002 | 0,027 | ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,, |
| General Plant Common Plant - Electric | 336 | 404 | DIRECT | | | | | | |
| | 330 | | DIRECT | | | | | | |
| Common Plant - Electric Common Plant - Electric | 336 | 403.1 | | | | | | | |
| Common Plant - Electric | | 403.1 404 | DIRECT | | | | | | |
| Common Plant - Electric Common Plant - Electric Depreciation Expense for Asset Retirement Costs | 336 | | | | | | | | |

| | BONNE | VILLE PO |)WER AI | DMINI | ISTRAT | ION | | | | | |
|-------------------------------------|----------------|--------------------|---------------------|----------|------------------|------------------|--------|---------|---------|-----------|--------------------|
| R | ESIDENT | TAL PURC | HASE ANI |) SALE | AGREE | MENT | | | | | |
| | Propose | d 2008 Ave | rage Systen | 1 Cost N | Methodol | ogy | | | | | |
| | UTILI | TY NAME: | (| Central | lia City L | ight | | 1 | | | |
| End of | Year Repo | | | | /31/2006 | | | Revised | | | |
| | ASC F | iling Date: | | 5/ | /7/2008 | | | Amended | l Revis | sed 8/4/ | /08 |
| | TABLE 1 | <u>16E: Schedi</u> | <u>ıle 3A Items</u> | : Taxes | <u>(Includir</u> | <u>ng I</u> ncom | e Taxe | rs) | | | |
| | FERC | Form 1 | Funct. | | | | | | | | |
| Account Description | Page Number | Account Numbers | Method | Г | fotal | Produ | ction | Transmi | ission | | ribution/ Other |
| | • | •• | | • | | | | • | | | |
| FEDERAL | | | | | | | | | | | |
| Income Tax (Included on Schedule 2) | 262 | 409.1 | DIST | | | | - | | - | | - |
| Employment Tax | 262 | 408.1 | LABOR | | | | - | | - | | - |
| Other Federal Taxes | 262 | 408.1 | DIST | | | | - | | - | | - |
| FOTAL FEDERAL | | | | \$ | - | \$ | - | \$ | | \$ | - |
| STATE AND OTHER | | | | | | | | | | | |
| Property | 262 | 408.1 | PTDG | | | | - | | - | | - |
| Unemployment | 262 | 408.1 | LABOR | | | | - | | - | | - |
| State Income, B&O, et. | 262 | 409.1 | DIST | | 546,959 | | - | | - | | 546,95 |
| Franchise Fees | 262 | 408.1 | DIST | | | | - | | - | | - |
| Regulatory Commission | 262 | 408.1 | DIST | | | | - | | - | | - |
| City/Municipal | 262 | 408.1 | DIST | | 899,071 | | - | | - | | 899,07 |
| Other | 262 | 408.1 | DIST | | | | - | | - | | - |
| FOTAL STATE AND OTHER TAXES | | | | \$ | 1,446,030 | \$ | - | \$ | - | \$ | 1,446,03 |
| | | | | \$ | 1,446,030 | \$ | | \$ | | \$ | 1,446,03 |

| | UTI | LITY NAME: | С | entralia Ci | ty Li | ght | | | |
|---|----------------|--------------------|------------|---------------------|-------|---------|-------------------------|--------------|--------------|
| | End of Year Re | port Period: | | 12/31/20 | 006 | | Revised 6/25/200 | 8 REB BPA | |
| | ASC | Filing Date: | | 5/7/20 | 08 | | Amended Revise | d 8/4/08 | |
| | <u>T.</u> | <u>ABLE 16F: S</u> | chedule 3B | <u>Other In</u> clu | uded | Items | | | |
| | FERC | Form 1 | Function | alization | | | | | |
| Account Description | Page | Account | Met | thod | | | | | Distribution |
| | Number | Numbers | Default | Optional | 1 | Total | Production | Transmission | 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 | | 1,779 | - | - | 1,7 |
| (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 | | | - | - | |
| Fotal Other Included Items | | | | | \$ | 1,779 | - S | \$ - | \$ 1,7 |
| | | | | | | | | | |
| Sales for Resale: | | | | 1 | | | | | |
| Sales for Resale | 310 | 447 | PROD | | | - | - | - | |
| Fotal 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 | | | 63,114 | - | 4,026 | 59,0 |
| Interdepartmental Rents | 300 | 455 | DIST | | | | - | - | |
| Other Electric Revenues | 300 | 456 | DIRECT | PROD | | 135,834 | 45,229 | - | 90,0 |
| Revenues from Transmission of Electricity of Others (i) | 330 | 456.1 | TRANS | | | | - | - | · · · · |
| otal Other Revenues | | | | | \$ | 198,948 | \$ 45,229 | \$ 4,026 | \$ 149,6 |
| otal Other Included Items | | | | | \$ | 200,727 | \$ 45,229 | \$ 4,026 | \$ 151,4 |

| 6/25/2008 |
|-------------|
| 6/25/2008 |
| 6/25/2008 |
| 6/25/2008 |
| 6/25/2008 |
| |
| |
| ution/Other |
| 3,343,391 |
| |
| 819,629 |
| |
| 1,446,030 |
| |
| 151,472 |
| |
| |
| |

| BONN | EVILLE POWER ADMINISTRATION | |
|--|---|-------------------|
| RESIDE | TIAL PURCHASE AND SALE AGREEMENT | |
| Ргорс | sed 2008 Average System Cost Methodology | |
| UTILITY NAM | E: Centralia City Light | |
| End of Year Report Perio | | |
| ASC Filing Dat | e: 5/7/2008 | Revised 6/25/2008 |
| | <u>TABLE 16G: Schedule 4: Average System Cost</u> | |
| | TABLE 100. Schedule 4. Average System Cost | |
| | | |
| Contract System Cost | | |
| Production | <u>\$ 7,945,359</u> | |
| Transmission | <u>\$ 1,323,997</u> | |
| (Less) New Large Single Load Costs (d) | | |
| Total Contract System Cost | \$ 9,269,357 | |
| Contract System Load (MWh) | | |
| Total Retail Load | 234,779 | |
| (Less) New Large Single Load | | |
| Total Retail Load (Net of NLSL) (d) | 234,779 | |
| Distribution Loss (f) | 11,739 | |
| Total Contract System Load | 246,518 | |
| Average System Cost \$/MWh | 37.60 | |
| Average System Cost of Mi will | 57.00 | |

BONNEVILLE POWER ADMINISTRATION RESIDENTIAL PURCHASE AND SALE AGREEMENT Proposed 2008 Average System Cost Methodology

| UTILITY NAME: | Centralia City Light |
|----------------------------|----------------------|
| End of Year Report Period: | 12/31/2006 |
| ASC Filing Date: | 5/7/2008 |

Revised 6/25/2008 REB BPA Amended Revised 8/4/08

TABLE 16H: Distribution of Salaries and Wages (For Labor Ratio Calculation)

| Description | Form 1 Page Number | Amount |
|--|---|------------------------------|
| Electric | | |
| Operation | | |
| Production | 354-355 | 584,419 |
| Transmission | 354-355 | 112,902 |
| Distribution | 354-355 | 969,587 |
| Customer Accounts | 354-355 | 246,266 |
| Customer Service and Information | 354-355 | 52,441 |
| Sales | 354-355 | |
| Administrative and General | 354-355 | 77,415 |
| TOTAL Operation | | \$2,043,030 |
| Production Transmission Distribution Administrative and General | 354-355 354-355 354-355 354-355 354-355 | 51,109 147,620 170,333 |
| TOTAL Maintenance | | \$369,062 |
| Operation and Maintenance | | |
| Production (Enter Total of lines 1 and 9) | 354-355 | 635,528 |
| Transmission (Enter Total of lines 2 and 10) | 354-355 | 260,522 |
| Distribution (Enter Total of lines 3 and 11) | 354-355 | 1,139,920 |
| Customer Accounts (Transcribe from line 4) | 354-355 | 246,266 |
| Customer Service and Information (Transcribe from line 5) | 354-355 | 52,441 |
| Sales (Transcribe from line 6) | 354-355 | |
| A designization and Compared (Entern Testell of lines 7 and 12) | | |
| Administrative and General (Enter Total of lines 7 and 12) | 354-355 | 77,415 |

| | | | ~ | | - | | |
|--------------------|--|--------------------------|-------|----------------|------------|-------------------|--------------|
| | UTILITY | | Cen | tralia City Li | ght | | |
| | End of Year Report F | | | 12/31/2006 | | Revised 6/25/2008 | |
| | ASC Filing | g Date: | | 5/7/2008 | | Amended Revised | 8/4/08 |
| | | <u>TABLE 161</u> : Ratio | o Tal | ble | | | |
| Labor Ratio | Input: | Ratio Used | | Total | Production | Transmission | Distribution |
| | Production | PROD | \$ | 635,528 | \$ 635,528 | \$ - | \$ - |
| | Transmission | TRANS | | 260,522 | - | 260,522 | - |
| | Distribution | DIST | | 1,139,920 | - | - | 1,139,92 |
| | Customer Accounts | DIST | | 246,266 | - | - | 246,26 |
| | Customer Service and Informational | DIRECT | | 52,441 | - | - | 52,44 |
| | Sales | DIST | | - | - | - | - |
| | Administrative & General | PTD | | 77,415 | 36,281 | 2,624 | 38,51 |
| Fotal Labor | | | \$ | 2,412,092 | \$ 671,809 | \$ 263,146 | \$ 1,477,13 |
| | LABOR RATIO | | | 100% | 28% | 11% | 61 |
| GP | General Plant Ratio | Ratio Used | | Total | Production | Transmission | Distribution |
| | Land and Land Rights | PTD | \$ | 16,462 | \$ 7,715 | | \$ 8,18 |
| | Structures and Improvements | PTD | Ψ | 380,460 | 178,307 | 12,895 | 189,25 |
| | Furniture and Equipment | LABOR | | 12,379 | 3,448 | 1,350 | 7,58 |
| | Transportation Equipment | TD | | 1,237,871 | - | 78,962 | 1,158,90 |
| | Stores Equipment | PTD | | - | - | - | - |
| | Tools and Garage Equipment | PTD | | 60,531 | 28,369 | 2,052 | 30,1 |
| | Laboratory Equipment | PTD | | - | - | - | - |
| | Power Operated Equipment | TD | | 174,115 | - | 11,107 | 163,00 |
| | Communication Equipment | PTD | | - | - | - | - |
| | Miscellaneous Equipment | PTD | | - | - | - | - |
| | Other Tangible Property | DIRECT | | - | - | - | - |
| | Asset Retirement Costs for General Plant | PTD | | - | - | - | - |
| | TOTAL | | \$ | 1,881,818 | \$ 217,839 | \$ 106,923 | \$ 1,557,05 |
| | GP RATIO | | | 100% | 12% | 6% | 83 |

| | BONNEVILLE POV RESIDENTIAL PURCH Proposed 2008 Avera | ASE AND SAL | EA | GREEMENT | | | |
|------|--|-------------------------|----------|----------------|---------------|-------------------|---------------|
| | UTILITY NAME | | Cer | tralia City Li | ght | | |
| | End of Year Report Period | | | 12/31/2006 | | Revised 6/25/2008 | - |
| | ASC Filing Date | | | 5/7/2008 | | Amended Revised | 8/4/08 |
| | <u>T</u> . | <u> 1818 161</u> : Rati | o Ta | ble | | | |
| PTD | Production, Transmission, Distribution Ratio | Ratio Used | | Total | Production | Transmission | Distribution |
| | Steam Production | PROD | \$ | - | \$ - | \$ - | \$ - |
| | Nuclear Production | PROD | | - | - | - | - |
| | Hydraulic Production | PROD | | 17,347,340 | 17,347,340 | - | - |
| | Other Production | PROD | | - | - | - | - |
| | Total Production Plant | | | 17,347,340 | 17,347,340 | - | - |
| | Transmission Plant | TRANS | | 1,254,542 | - | 1,254,542 | - |
| | Total Distribution Plant | DIST | | 18,412,707 | - | - | 18,412,707 |
| | TOTAL | | \$ | 37,014,589 | \$ 17,347,340 | \$ 1,254,542 | \$ 18,412,707 |
| | PTD RATIO | | | 100% | 47% | 3% | 50% |
| | | | | | | | |
| PTDG | Production, Transmission, Distribution and General Plant Rat | ie Ratio Used | | Total | Production | Transmission | Distribution |
| | PTD Total | | \$ | 37,014,589 | \$ 17,347,340 | \$ 1,254,542 | \$ 18,412,707 |
| | Intangible Plant - Organization | DIST | | - | - | - | - |
| | Intangible Plant - Franchises and Consents | DIRECT | | 4,862,082 | 4,862,082 | - | - |
| | Intangible Plant - Miscellaneous | DIRECT | | - | - | - | - |
| | General Plant Total | | • | 1,881,818 | 217,839 | 106,923 | 1,557,056 |
| | TOTAL | | \$ | 43,758,489 | \$ 22,427,261 | \$ 1,361,465 | \$ 19,969,763 |
| | PTDG RATIO | | | 100% | 51% | 3% | 46% |
| TD | Transmission and Distribution Plant Ratio | Ratio Used | | Total | Production | Transmission | Distribution |
| | Total Transmission Plant | TRANS | \$ | 1,254,542 | \$ - | \$ 1,254,542 | \$ - |
| | Total Distribution Plant | DIST | | 18,412,707 | - | - | 18,412,707 |
| | TOTAL | | \$ | 19,667,249 | \$ - | \$ 1,254,542 | \$ 18,412,707 |
| | TD RATIO | | | 100% | 0% | 6% | 94% |

| | BONNEVILLE POV RESIDENTIAL PURCHA Proposed 2008 Averag | ASE AND SAI | E AC | REEMENT | | | |
|-----|--|-----------------------|-----------|--|------------|--------------------------------------|--------------|
| | UTILITY NAME End of Year Report Period: ASC Filing Date: | | Cent | tralia City Li 12/31/2006 5/7/2008 | ght | Revised 6/25/2008 Amended Revised | |
| | <u>T</u> A | <u>BLE 161</u> : Rati | o Tab | le | | | |
| GPM | Maintenance of General Plant Ratio | Ratio Used | | Total | Production | Transmission | Distribution |
| | Structures and Improvements | PTD | \$ | 380,460 | \$ 178,307 | \$ 12,895 | \$ 189,258 |
| | Furniture and Equipment | LABOR | | 12,379 | 3,448 | 1,350 | 7,58 |
| | Communication Equipment | PTD | | - | - | - | - |
| | Miscellaneous Equipment | PTD | | - | - | - | - |
| | TOTAL | | \$ | 392,839 | \$ 181,755 | \$ 14,245 | \$ 196,83 |
| | GPM RATIO | | | 100% | 46% | 4% | 50% |
| | SUMMARY RATIO TABLE | | | | | | |
| | Direct to Distribution | | DIS | | 0.00% | | 100.009 |
| | Direct to Production | | PRO | | 100.00% | | 0.00 |
| | Direct to Transmission | | TRA | | 0.00% | | 0.00 |
| | Direct Allocation | | | ECT | 0.00% | | 0.00 |
| | General Plant | | GP | | 11.58% | | 82.749 |
| | Maintenance of General Plant | | GPN | | 46.27% | | 50.119 |
| | Labor Ratios | | LAB | | 27.85% | | 61.24 |
| | Production, Transmission, Distribution | | PTD | | 46.87% | | 49.749 |
| | Production, Transmission, Distribution, General | | PTD TD | G | 51.25% | | 45.649 |
| | Transmission, Distribution | | ID | | 0.00% | 6.38% | 93.629 |

| | RESIDENT | VILLE POW TAL PURCHA | SE AND SA | ALE AGREEN | IENT | TABLE 16J |
|----------|---------------------|---|--------------------------|------------------|---------------------|---------------------------|
| | | ed 2008 Average | - | | | 1 |
| End of | UTILITY NAME: | | Cent | tralia City Lig | nt | 4 |
| End of | Year Report Period: | | | 12/31/2006 | | |
| | ASC Filing Date: | | 0.000 | 5/7/2008 | | Revised 6/25/2008 REB BPA |
| <u> </u> | | Purchased Power | <u>r & Off-Sys</u> t | <u>tem Sales</u> | | Amended Revised 8/4/08 |
| | FERC I | The second se | _ | Purchase | d Power | |
| | Statistical | Page | | | | |
| | Classification | Number | Settle | ment Total | MWh Purchased | |
| | RQ | 326-327 | \$ | 5,667,659 | 181,005 | |
| | 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 | | | | 1 |
| | TOT | AL | \$ | 5,667,659 | 181,005 | |
| | | | | | <u>.</u> | - |
| | FERC I | Form 1 | | 6 L C | D 1 |] |
| | Statistical | Page | | Sales for | ^r Resale | |
| | Classification | Number | Settle | ment Total | MWh Purchased | 1 |
| | RQ | 310-311 | | | | 1 |
| | LF | 310-311 | | | | 1 |
| | IF | 310-311 | | | | 1 |
| | SF | 310-311 | | | | |
| | LU | 310-311 | | | | |
| | IU | 310-311 | | | | 1 |
| | OS | 310-311 | | | | 1 |
| | EX | 310-311 | | | | 1 |
| 1 | NA | 310-311 | | | | 1 |
| | AD | 310-311 | | | | 1 |
| | | | | | | |
| | ТОТ | 1 | \$ | _ | _ | |

CENTRALIA

TABLE 16K: Forecasted Contract system Costs & ASC with New Additions and NLSL

| Date | 4/1/2009 6 | 4/1/2010 7 | 4/1/2011 8 | 4/1/2012 9 | 4/1/2013 10 |
|---|----------------------|-----------------------------------|----------------------|----------------------|-----------------------|
| Fiscal Year Rate Period Mid-Point | 2009 TRUE | 2010 FALSE | 2011 FALSE | 2012 FALSE | 2013 FALSE |
| Contract System Cost | | | | | |
| Production | 8,931,977 | 9,508,022 | 9,740,887 | 10,495,488 | 10,753,858 |
| Transmission | 1,410,451 | 1,434,131 | 1,461,501 | 1,489,785 | 1,519,456 |
| NLSL Fully Allocated Cost (\$/MWh) | 0 | 0 | 0 | 0 | 0 |
| (Less) New Large Single Load Costs (d) Total Contract System Cost | 10,342,428 | 10,942,154 | 11,202,389 | 11,985,273 | 12,273,314 |
| Contract System Load (MWh) | | | | | |
| Total Retail Load @ Meter | 276,991 | 283,912 | 290,833 | 298,227 | 305,531 |
| (Less) New Large Single Load | 0 | 0 | 0 | 0 | 0 |
| Total Retail Load (Net of NLSL) (d) | 276,991 | 283,912 | 290,833 | 298,227 | 305,531 |
| Distribution Loss (f) | 13,850 | 14,196 | 14,542 | 14,911 | 15,277 |
| Total Contract System Load | 290,840 | 298,108 | 305,375 | 313,138 | 320,808 |
| Average System Cost \$/MWh | 35.56 | 36.71 | 36.68 | 38.27 | 38.26 |
| | Rate | Period Mid-Po | int | | |
| Date | | 4/1/09 | | | |
| Fiscal Year | | 2009 | | | |
| NLSL Switch | | 0 | | | |
| Contract System Cost Production | | 8,931,977 | | | |
| Transmission | | 1,410,451 | | | |
| (Less) New Large Single Load Costs (d) | | 1,410,401 | | | |
| Total Contract System Cost | | | | | |
| Total Contract System Cost | | 10,342,428 | | | |
| Contract System Load (MWh) | | 10,342,428 | | | |
| | | 10,342,428 276,991 | | | |
| Contract System Load (MWh) Total Retail Load @ Meter (Less) New Large Single Load | | 276,991 0 | | | |
| Contract System Load (MWh) Total Retail Load @ Meter (Less) New Large Single Load Total Retail Load (Net of NLSL) (d) | | 276,991 0 276,991 | | | |
| Contract System Load (MWh) Total Retail Load @ Meter (Less) New Large Single Load Total Retail Load (Net of NLSL) (d) Distribution Loss (f) | | 276,991 0 276,991 13,850 | | | |
| Contract System Load (MWh) Total Retail Load @ Meter (Less) New Large Single Load Total Retail Load (Net of NLSL) (d) | | 276,991 0 276,991 | | | |

Tables for:

Franklin County PUD

WP-07-FS-BPA-13B Page 63 of 484

| | BONNEV | ILLE PO | WER AD | MINISTE | AT | ION | | | | |
|---|---------------------------|-------------|-------------|-------------|-------|---------------|-----|-------------|-----------------|--------------|
| | RESIDENTIA | | ASE AND S | SALES AG | REE | MENT | | | | |
| : | 2008 Average Syst | em Cost | Methodolo | gy (ASC) | Utili | ty Template | | | | |
| | UTILI | TY NAME: | PUD N | o. 1 of Fra | ankli | in County | 1 | | | |
| | End of Year Repo | ort Period: | | 200 | | | Am | ended BPA: | 7-8-2008 | |
| | | iling Date: | | 5/7/20 | | | Rev | vised Amend | ed BPA: 8-4-200 | 8 |
| | TABLE | 17A: Sche | edule 1: Pl | ant Invest | men | nt / Rate Bas | e | | | |
| | FERC | Form 1 | Function | alization | | | | | | |
| Account Description | | Account | | | | Total | F | Production | Transmission | Distribution |
| | Number | Numbers | Default | Optional | | | | | | Other |
| ntangible 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 | | | | - | - | - |
| Fotal Intangible Plant | | | | | \$ | - | \$ | - | \$- | \$- |
| Production Plant: | | | | | | | | | | |
| Steam Production | 204-207 | 310-317 | PROD | | | | | - | - | - |
| Nuclear Production | 204-207 | 320-326 | PROD | | | | | - | - | - |
| Hydraulic Production | 204-207 | 330-337 | PROD | | | | | - | - | - |
| Other Production | 204-207 | 340-347 | PROD | | | 18,232,751 | | 18,232,751 | - | - |
| Total Production Plant | | | | | \$ | 18,232,751 | \$ | 18,232,751 | \$ - | \$- |
| Transmission Plant: (i) | | | | | | | | | | |
| Transmission Plant | 204-207 | 350-359.1 | TRANS | | | 3,971,116 | | - | 3,971,116 | - |
| Total Transmission Plant | - | | • | • | \$ | 3,971,116 | \$ | - | \$ 3,971,116 | \$- |
| Distribution Plant: | | | | | | | | | | |
| Distribution Plant | 204-207 | 360-374 | DIST | 1 | | 89,849,816 | | | | 89,849,8 |
| Total Distribution Plant | 204-207 | 300-374 | 0131 | | \$ | 89,849,816 | ¢ | | <u> </u> | \$ 89,849,8 |
| | | | | | Ψ | 03,043,010 | Ψ | | Ψ - | φ 05,045,0 |
| General Plant: | r | | | | | | | | 1 | |
| Land and Land Rights | 204-207 | 389 | PTD | | | 128,960 | | 20,984 | 4,570 | 103,4 |
| Structures and Improvements | 204-207 | 390 | PTD | | | 5,222,950 | | 849,849 | 185,098 | 4,188,0 |
| Furniture and Equipment | 204-207 | 391 | LABOR | | | 3,856,888 | | 378,758 | 43,683 | 3,434,4 |
| Transportation Equipment | 204-207 | 392 | TD | | | 2,793,281 | | - | 118,230 | 2,675,0 |
| Stores Equipment | 204-207 | 393 | PTD | | | 20,788 | | 3,383 | 737 | 16,6 |
| Tools and Garage Equipment | 204-207 | 394 | PTD | | | 730,593 | | 118,878 | 25,892 | 585,8 |
| Laboratory Equipment | 204-207 | 395 | PTD | | | 25,767 | | 4,193 | 913 | 20,6 |
| Power Operated Equipment | 204-207 | 396 | TD | | | 6,521 | | - | 276 | 6,2 |
| Communication Equipment | 204-207 | 397 | PTD | | | 8,934,819 | | 1,453,824 | 316,645 | 7,164,3 |
| Miscellaneous Equipment | 204-207 | 398 | PTD | | | 262,763 | | 42,755 | 9,312 | 210,6 |
| Other Tangible Property Asset Retirement Costs for General Plant | 204-207 | 399 | PTD | PTD | | 1,237,870 | | 201,419 | 43,869 | 992,5 |
| | 204-208 | 399.1 | PTD | | | | | - | - | |
| <u>Fotal General Plant</u> | | | | | \$ | 23,221,200 | | 3,074,043 | • | |
| Total Electric Plant In-Service | | | | | \$ | 135,274,883 | \$ | 21,306,794 | \$ 4,720,341 | \$ 109,247,7 |
| Total Intangible + Total Production + Total Transmission + To | otal Distribution + Total | General) | | | | | | | | |

| 200 | 3 Average Sys | 0031 | | | • | ly rompiato | | | |
|--|----------------|-------------------|------------|-----------|-------|-----------------------|---------------|------------------|-------------|
| | ШТШ І | TY NAME: | | o 1 of Fr | ankli | n County | | | |
| F | nd of Year Rep | | | 200 | | in occurry | Amended BPA: | 7-8-2008 | |
| - | | iling Date: | | 5/7/20 | | | Revised Amend | | 8 |
| | | - | dulo 1: Di | | | nt / Rate Base | | | |
| | | | | alization | | <u>ii</u> / Rate Dase | • | | |
| Account Description | | Form 1 Account | | hod | | Total | Production | Transmission | Distributio |
| Account Description | | Numbers | | | | TOtal | FIGUUCION | 1141151111551011 | Other |
| | Indinber | TAUNDERS | Derault | | | | | | Ouidi |
| ESS: | | | | | | | | | |
| Depreciation and Amortization Reserve | | | | | | | | | |
| Steam Production Plant | 219 | 108 | PROD | | | | _ | _ | |
| Nuclear Production Plant | 219 | 108 | PROD | | | | | | |
| Hydraulic Production Plant | 219 | 108 | PROD | | | | | | |
| Other Production Plant | 219 | 108 | PROD | | | 6,449,441 | 6,449,441 | _ | |
| Transmission Plant (i) | 219 | 108 | TRANS | | | 1,381,217 | - | 1,381,217 | |
| Distribution Plant | 219 | 108 | DIST | | | 31,873,542 | - | - | 31,873,5 |
| General Plant | 219 | 108 | GP | | | 4,407,478 | 583,466 | 142,206 | 3,681,8 |
| Amortization of Intangible Plant - Account 301 | 219 | 111 | DIST | | | , - , - | - | - | - |
| Amortization of Intangible Plant - Account 302 | 219 | 111 | DIRECT | PTD | | | - | - | - |
| Amortization of Intangible Plant - Account 303 | 219 | 111 | DIRECT | DIST | | | - | - | |
| Mining Plant Depreciation | 219 | 108 | PROD | | | | - | - | - |
| Amortization of Plant Held for Future Use | 219 | 111 | DIST | | | | - | - | - |
| Capital Lease - Common Plant | 219 | 108 | DIRECT | | | | - | - | - |
| Leasehold Improvements | 200-201 | 108 | DIRECT | DIST | | | - | - | - |
| In-Service: Depreciation of Common Plant (a) | 200-201 | 108 | DIRECT | | | | - | - | - |
| Amortization of Other Utility Plant (a) | 200-201 | 108 | DIRECT | DIST | | | - | - | |
| Amortization of Acquisition Adjustments | 200-201 | 115 | DIRECT | | | | - | - | - |
| | | | | | | | | | |
| Depreciation and Amortization Reserve (Other) | | | DIRECT | | | | | | |
| Total Depreciation and Amortization Reserve | | | | | \$ | 44,111,678 | \$ 7,032,907 | \$ 1,523,423 | \$ 35,555,3 |
| Total Net Plant | | | | | \$ | 91,163,205 | \$ 14,273,887 | \$ 3,196,918 | \$ 73,692,4 |

| | BONNEV | ILLE PO | WER ADM | INISTR | NITA | N | | | |
|--|----------------|-------------|-------------------|----------|-----------------|-----------|---------------|------------------|--------------|
| | RESIDENTIA | | SE AND SA | LES AG | REEM | ENT | | | |
| 2008 | Average Syst | tem Cost I | Nethodolog | y (ASC) | Utility | Template | | | |
| | UTILI | TY NAME: | PUD No. | 1 of Fra | anklin | County | 1 | | |
| En | d of Year Repo | | | 200 | | unity | Amended BPA: | 7-8-2008 | |
| | | iling Date: | | 5/7/20 | | | Revised Amend | | 8 |
| | | - | | | | | 4 | | |
| | | | dule 1: Plar | | t <u>ment</u> / | Rate Base | 9 | | |
| | FERC | | Functional | | | | | | |
| Account Description | | Account | | | | Fotal | Production | Transmission | Distribution |
| Assets and Other Dabits (Osmanastics Dalamas Obset | | Numbers | Default (| Optional | | | | | Other |
| Assets and Other Debits (Comparative Balance Sheet | () | | | | | | | | |
| Cash Working Capital (f) | | Calcu | lation | | | 2,050,011 | 1,052,409 | 8,048 | 989,55 |
| | | | | | | | | | |
| Utility Plant | 000.004 | 405 | DIOT | | | | | | |
| (Utility Plant) Held For Future Use (Utility Plant) Completed Construction - Not Classified | 200-201 | 105 106 | DIST PTD | | | | - | - | - |
| Nuclear Fuel | 200-201 | 120.2-120.6 | PROD | | | | - | - | - |
| Construction Work in Progress (CWIP) | 200-201 | 107 & 120.1 | DIST | | | 3,799,899 | - | - | 3,799,8 |
| Common Plant | 356 & 356.1 | 107 & 120.1 | DIRECT | | | 3,799,099 | - | - | 5,799,0 |
| Acquisition Adjustments (Electric) | 200-201 | 114 | DIRECT | DIST | | | | | |
| | 200-201 | 114 | DIRECT | DIST | \$ | 3,799,899 | | <u>-</u> \$ - | \$ 3,799,89 |
| lotai | | | | | Ψ | 0,100,000 | Ψ - | Ψ | φ 0,100,00 |
| Other Property and Investments | | | | | | | | | |
| Investment in Associated Companies | 110-111 | 123.1 | DIST | DIST | | 145,500 | - | - | 145,50 |
| Other Investment | 110-111 | 124 | DIST | | | 1,995,932 | _ | - | 1,995,93 |
| Long-Term Portion of Derivative Assets | 110-111 | 175 | DIST | | | | - | - | - |
| Long-Term Portion of Derivative Assets - Hedges | 110-111 | 176 | DIST | | | | - | - | - |
| Total | | | | | \$ | 2,141,432 | \$- | \$- | \$ 2,141,43 |
| | | | | | | | | | |
| Current and Accrued Assets | | , | | | | | | | |
| Fuel Stock | 110-111 | 151 | PROD | | | | - | - | - |
| Fuel Stock Expenses Undistributed | 110-111 | 152 | PROD | | | | - | - | - |
| Plant Materials and Operating Supplies | 110-111 | 154 | PTD | | | 3,878,323 | 631,059 | 137,445 | 3,109,8 |
| Merchandise (Major Only) | 110-112 | 155 | DIST | | | | - | - | - |
| Other Materials and Supplies (Major only) | 110-111 | 156 | DIST | | | | - | - | - |
| EPA Allowance Inventory | 110-112 | 158.1 | PROD | | | | - | - | - |
| EPA Allowances Withheld | 110-112 | 158.2 | PROD | | | | - | - | - |
| Stores Expense Undistributed | 110-111 | 163 | PTD | | | | - | - | - |
| Prepayments | 110-111 | 165 | PTD | | | 86,044 | 14,001 | 3,049 | 68,99 |
| Derivative Instrument Assets | 110-111 | 175 | DIST | | | | - | - | - |
| (Less) Long-Term Portion of Derivative Assets | 110-112 | 175 | DIST | | | | - | - | - |
| Derivative Instrument Assets - Hedges | 110-111 | 176 | DIST | | | | - | - | - |
| (Less) Long-Term Portion of Derivative Assets - Hedges | 110-112 | 176 | DIST | | | | - | - | - |
| Total | | | | | \$ | 3,964,367 | \$ 645,060 | \$ 140,495 | \$ 3,178,81 |

| | ESIDENTIA verage Sys | | | | REEMENT Itility Template | • | | | | |
|--|-------------------------|--|-----------|------------------|-----------------------------|--|--------------|-----------------------|--|--|
| End | of Year Rep | UTILITY NAME: PUD No. 1 of Franklin County of Year Report Period: 2006 ASC Filing Date: 5/7/2008 | | | | Amended BPA: 7-8-2008 Revised Amended BPA: 8-4-2008 | | | | |
| | <u>TABLE</u> | 17A: Sche | dule 1: P | lant Investr | <u>nent</u> / Rate Ba | se | | | | |
| Account Description | Page | Form 1 Account Numbers | Met | alization hod | Total | Production | Transmission | Distributior Other | | |
| erred Debits | | | | Tobuoui | | - | | | | |
| Unamortized Debt Expenses | 110-111 | 181 | PTDG | | 1,293,260 | 203,698 | 45,128 | 1,044,4 | | |
| Extraordinary Property Losses | 110-111 | 182.1 | DIRECT | DIST | | - | - | - | | |
| Unrecovered Plant and Regulatory Study Costs | 110-111 | 182.2 | DIRECT | DIST | | - | - | | | |
| Other Regulatory Assets | 110-111 | 182.3 | DIRECT | DIST | | - | - | | | |
| Preliminary Survey and Investigation Charges (Electric) | 110-111 | 183 | DIST | | | - | - | | | |
| Preliminary Natural Gas Survey and Investigation Charges | 110-111 | 183.1 | DIST | | | - | - | | | |
| Other Preliminary Survey and Investigation Charges | 110-111 | 183.2 | DIST | | | - | - | | | |
| Clearing Accounts | 110-111 | 184 | DIST | | 2,048 | - 3 | - | 2,0 | | |
| Temporary Facilities | 110-111 | 185 | PTDG | | | - | - | | | |
| Miscellaneous Deferred Debits | 110-111 | 186 | DIRECT | DIST | 1,870,14 | 5 1,870,145 | - | - | | |
| Deferred Losses from Disposition of Utility Plant | 110-111 | 187 | DIRECT | | | | | | | |
| Research, Development, and Demonstration Expenditures | 110-111 | 188 | DIST | | | - | - | | | |
| Unamortized Loss on Reacquired Debt | 110-111 | 189 | PTDG | | | - | - | | | |
| Accumulated Deferred Income Taxes | 110-111 | 190 | DIST | | | - | - | | | |
| Total | | | | | \$ 3,165,453 | 3 \$ 2,073,843 | \$ 45,128 | \$ 1,046,4 | | |
| I Assets and Other Debits | | | | | \$ 15,121,162 | 2 \$ 3,771,311 | \$ 193,670 | \$ 11,156,1 | | |

| 2008 Average System Cost UTILITY NAME End of Year Report Period ASC Filing Date <u>TABLE 17A: Sch</u> Account Description Account Description Babilities and Other Credits (Comparative Balance Sheet) | edule 1: | 0 No. 1 of Fr 200 5/7/2 | ankl 6 008 | in County | | : 7-8-2008 ded BPA: 8-4-200 | 18 |
|---|--------------------|--|------------------|-----------------------|---------------|--------------------------------|--------------|
| End of Year Report Period ASC Filing Date <u>TABLE 17A: Sch</u> Account Description Account Description Number Number Abilities and Other Credits (Comparative Balance Sheet) | edule 1: Functi | 200 5/7/20 <u>Plant Inves</u> onalization | 6 008 | | Revised Ameno | |)8 |
| ASC Filing Date TABLE 17A: Sch Account Description Account Description Account Credits (Comparative Balance Sheet) | edule 1: Functi | 5/7/20 <i>Plant Inves</i> onalization | 800 | <u>nt</u> / Rate Base | Revised Ameno | |)8 |
| TABLE 17A: Sch FERC Form 1 Account Description Page Account Number Number Number abilities and Other Credits (Comparative Balance Sheet) Number Number | edule 1: Functi | <i>Plant Inves</i> onalization | | <u>nt</u> / Rate Base | | ded BPA: 8-4-200 |)8 |
| Account Description Account Description Account Description Page Accoun Number Number Account Description Number Number Account Number Number Account Number Number Account Number Number | Functi | onalization | <u>tmer</u> | <u>nt</u> / Rate Base | 9 | | |
| Account Description Page Accoun Number Number Abilities and Other Credits (Comparative Balance Sheet) | t M | | | | | | |
| Account Description Page Accoun Number Number Abilities and Other Credits (Comparative Balance Sheet) | t M | | | | | | |
| abilities and Other Credits (Comparative Balance Sheet) | Defau | | | Total | Production | Transmission | Distributior |
| | | It Optiona | | | | | Other |
| | | - | - | | | - | - |
| Current and Accrued Liabilites | | | | | | | |
| Derivative Instrument Liabilities 112-113 244 | DIST | | | | - | - | - |
| (less) Long-Term Portion of Derivative Instrument Liabilities 112-114 244 | DIST | | | | - | - | - |
| Derivative Instrument Liabilities - Hedges 112-115 245 | DIST | | | | - | - | - |
| (less) Long-Term Portion of Derivative Instrument Liabilities - He 112-114 245 | DIST | | | | - | - | - |
| Total | | | \$ | - | \$- | \$- | \$- |
| Deferred Credits | | | _ | | | | |
| Customer Advances for Construction 112-113 252 | DIST | | | | - | - | - |
| Other Deferred Credits 112-113 253 | DIREC | | | 1,799,931 | 1,799,931 | - | - |
| Other Regulatory Liabilities 112-113 254 | DIREC | T DIST | | | - | - | - |
| Accumulated Deferred Investment Tax Credits 112-113 255 | DIST | | | | - | - | - |
| Deferred Gains from Disposition of Utility Plant 112-113 256 | DIREC | | | | | | |
| Unamortized Gain on Reacquired Debt 112-113 257 | PTDG | i | | | - | - | - |
| Accumulated Deferred Income Taxes-Accel. Amort. 112-113 281 | DIST | | | | - | - | - |
| Accumulated Deferred Income Taxes-Property 112-113 282 | DIST | | | | - | - | - |
| Accumulated Deferred Income Taxes-Other 112-113 283 | DIST | | | | - | - | - |
| Total | | | \$ | 1,799,931 | \$ 1,799,931 | \$- | \$- |
| tal Liabilities and Other Credits | | | \$ | 1,799,931 | \$ 1,799,931 | \$- | \$- |
| tal Rate Base | | | \$ | 104,484,436 | \$ 16,245,267 | ′ \$ 3,390,588 | \$ 84,848,5 |

| UTILITY NAME: | PUD No | o. 1 of Franklin | County | |
|---|----------------------------------|-------------------------|---------------------------------------|------------------------------|
| End of Year Report Period: | | 2006 | | |
| ASC Filing Date: | | 5/7/2008 | | |
| | | Amended BPA | | |
| TADIE 470: Sabadul | | | ded BPA: 8-4-20 ค | VO |
| TABLE 17B: Schedul | <u>e ta: Cash wo</u> | <u>rking</u> Capital (i | 0 | |
| Account Description | Total | Production | Transmission | Distributior Other |
| | | | | |
| sh Working Capital Calculation: | | | | Other |
| | 56,869,545 | 56,869,545 | - | - |
| sh Working Capital Calculation: | 56,869,545 19,786 | 56,869,545 - | 19,786 | |
| sh Working Capital Calculation: Total Production O&M | / / | 56,869,545 - - | - 19,786 - | - |
| sh Working Capital Calculation: Total Production O&M Total Transmission O&M (i) | 19,786 | - | · · · · · · · · · · · · · · · · · · · | - - 2,589,0 |
| sh Working Capital Calculation: Total Production O&M Total Transmission O&M (i) Total Distribution O&M | 19,786 2,589,027 | - | · · · · · · · · · · · · · · · · · · · | |
| sh Working Capital Calculation: Total Production O&M Total Transmission O&M (i) Total Distribution O&M Total Customer & Sales | 19,786 2,589,027 1,658,581 | | - | - - 2,589,0 1,658,5 |

| | | RES | | | D SALE AGREEME | NT | | |
|--|--|------------------------|--|--------------|--|---|-------------------------------------|-------|
| | E | nd of Year A | JTILITY NAME: Report Period: SC Filing Date: | PUD | No. 1 of Franklin Co 2006 5/7/2008 tal Structure and Ra | | (b) | |
| Consu | ımer-Own | ed Utility | Return Calcula | ation | | | | |
| tep 1: Weighted Cost of Debt | | | | | | Amended BF Revised Ame | PA: 7-8-2008 ended BPA: 8-4-2008 | 8 |
| | Origi | nal | Year | Year | Interest | Interest | | |
| Debt Issue | Amo | | Issued | Due | Rate | Expense | | |
| 996 Revenues & Refunding Bon | \$ | 5,100,000 | 1996 | 2012 | 5.0% - 5.5% | \$ 242,156 | | |
| | \$ 1 | 2,750,000 | 1998 | 2018 | 4.0% - 5.0% | \$ 238,040 | | |
| | | | | | | | | |
| 001 Revenue & Refunding Bond | \$ 1 | 9,460,000 | 2001 | 2021 | 3.75% - 5.625% | \$ 952,443 | | |
| 001 Revenue & Refunding Bonc 002 Revenue & Refunding Bonc | \$1 \$2 | 9,460,000 1,705,000 | 2001 2002 | 2021 2022 | 3.75% - 5.625% 4.0% - 5.625% | \$ 952,443 \$ 1,193,200 | | |
| 001 Revenue & Refunding Bonc 002 Revenue & Refunding Bonc | \$1 \$2 | | | | | | | |
| 001 Revenue & Refunding Bonc 002 Revenue & Refunding Bonc | \$1 \$2 | 1,705,000 | 2002 | 2022 | 4.0% - 5.625% | \$ 1,193,200 | | |
| 001 Revenue & Refunding Bonc 002 Revenue & Refunding Bonc | \$1 \$2 | 1,705,000 | 2002 | 2022 | 4.0% - 5.625% | \$ 1,193,200\$ 321,421 | | |
| 001 Revenue & Refunding Bonc 002 Revenue & Refunding Bonc | \$1 \$2 | 1,705,000 | 2002 | 2022 | 4.0% - 5.625% | \$ 1,193,200 \$ 321,421 \$ - | | |
| 001 Revenue & Refunding Bond 002 Revenue & Refunding Bond 003 Revenue & Refunding Bond | \$1 \$2 | 1,705,000 | 2002 | 2022 | 4.0% - 5.625% | \$ 1,193,200 \$ 321,421 \$ - \$ - | | |
| 998 Revenues & Refunding Bon 001 Revenue & Refunding Bonc 002 Revenue & Refunding Bonc 003 Revenue & Refunding Bonc | \$1 \$2 | 1,705,000 | 2002 | 2022 | 4.0% - 5.625% | \$ 1,193,200\$ 321,421 | | |
| 001 Revenue & Refunding Bonc 002 Revenue & Refunding Bonc | \$ 1 \$ 2 \$ 1 | 1,705,000 | 2002 | 2022 | 4.0% - 5.625% 2.0% - 3.25% 4.00% | \$ 1,193,200 \$ 321,421 \$ - <t< td=""><td></td><td></td></t<> | | |
| 001 Revenue & Refunding Bond 002 Revenue & Refunding Bond 003 Revenue & Refunding Bond Weighted Cost of Debt | \$ 1 \$ 2 \$ 1 \$ \$ 7 \$ 7 | 1,705,000 4,630,000 | 2002 | 2022 | 4.0% - 5.625% 2.0% - 3.25% 4.00% | 1,193,200 321,421 - < | Transmission | Other |
| 001 Revenue & Refunding Bond 002 Revenue & Refunding Bond 003 Revenue & Refunding Bond 003 Revenue & Refunding Bond Weighted Cost of Debt cep 2: Calculate Return on Rate | \$ 1 \$ 2 \$ 1 \$ \$ 7 \$ 7 | 1,705,000 4,630,000 | 2002 | 2022 | 4.0% - 5.625% 2.0% - 3.25% 4.00% | \$ 1,193,200 \$ 321,421 \$ - <t< td=""><td></td><td></td></t<> | | |
| 001 Revenue & Refunding Bond 002 Revenue & Refunding Bond 003 Revenue & Refunding Bond Weighted Cost of Debt | \$ 1 \$ 2 \$ 1 \$ \$ 7 \$ 7 | 1,705,000 4,630,000 | 2002 | 2022 | 4.0% - 5.625% 2.0% - 3.25% 4.00% | 1,193,200 321,421 - - - - - 2,947,260 Production 16,245,267 | | |

| | RESIDENT | | |) MINISTF) SALE AGI | | | | |
|--|-----------------|---------------------|------------|-------------------------|---------------|------------------------|---------------|--------------|
| | 200 |)8 Average S | system Cos | t Methodolo | gy | | | |
| | UTIL | ITY NAME: | PUD | No. 1 of Fra | nklin County | 1 | | |
| | End of Year Rep | oort Period: | | 2006 | | Amended BPA: 7 | -8-2008 | |
| | ASC | Filing Date: | | 5/7/20 | 08 | Revised Amended | BPA: 8-4-2008 | |
| | | <u>TABL</u> | E 17D: Sc. | hedule 3: Ex | penses | - | | |
| | Fo | rm 1 | Functio | nalization | | | | |
| Account Description | Page | Account | Me | ethod | Total | Production | Transmission | Distribution |
| | Number | Numbers | | Optional | | | | Other |
| ower 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 | | 657,647 | 657,647 | - | |
| Other Power - Operations (Excluding 547 - Fuel) | 320-323 | 546-550.1 | PROD | | 38,825 | 38,825 | - | |
| Other Power - Maintenance | 320-323 | 551-554.1 | PROD | | 82,251 | 82,251 | - | |
| Other Power Supply Expenses | | | | 1 | | | | |
| Purchased Power (Excluding REP Reversal) | 326 | 555 | PROD | | 48,160,321 | 48,160,321 | - | |
| System Control and Load Dispatching | 320-323 | 556 | PROD | | 594,227 | 594,227 | - | |
| Other Expenses | 320-323 | 557 | PROD | | 7,336,274 | 7,336,274 | - | |
| BPA REP Reversal | 327 | 555 | PROD | | | - | - | |
| Public Purpose Charges (a) (h) | | | DIRECT | | | | | |
| otal Production Expense | | | | | \$ 56,869,545 | \$ 56,869,545 | \$ - | \$ |
| ransmission Expenses: (i) | | | | | | | | |
| Transmission of Electricity by Others (Wheeling) | 320-323 | 565 | TRANS | | | - | - | |
| Total Operations less Wheeling | 320-323 | 560-567.1 | TRANS | 1 | 18,011 | - | 18,011 | |
| Total Maintenance | 320-323 | 568-574 | TRANS | | 1,775 | - | 1,775 | |
| otal Transmission Expense | | | | | \$ 19,786 | s - | \$ 19,786 | \$ |

| | RESIDENT | VILLE PO IAL PURCH 8 Average S | HASE AND | SALE AG | REE | | | | |
|---|-----------------|--------------------------------------|------------|--------------|-------|-----------|-----------------|--------------|---------------|
| | UTIL | ITY NAME: | PUD | No. 1 of Fra | nklir | County | 1 | | |
| | End of Year Rep | | 102 | 2006 | | county | Amended BPA: 7 | -8-2008 | |
| | | Filing Date: | | 5/7/20 | | | Revised Amended | | |
| | | - | E 17D: Sch | nedule 3: Ex | | es | 1 | | |
| | Fo | rm 1 | | nalization | | | | | |
| Account Description | Page | Account | | thod | | Total | Production | Transmission | Distribution/ |
| | Number | Numbers | Default | Optional | | | | | Other |
| Distribution Expense: | Tumber | Trumbers | Denunt | optional | | | | | Other |
| Total Operations | 320-323 | 580-589 | DIST | | | 1,267,088 | - | - | 1,267,08 |
| Total Maintenance | 320-323 | 590-598 | DIST | | | 1,321,939 | - | - | 1,321,93 |
| Total Distribution Expense | | | | | \$ | 2,589,027 | \$ - | S - | \$ 2,589,02 |
| | | | | | | · · · · | | I | |
| Customer and Sales Expenses: | | | | 1 | | | | | 1 |
| Total Customer Accounts | 320-323 | 901-905 | DIST | | | 1,577,147 | - | - | 1,577,14 |
| Customer Service and Information | 320-323 | 906-907 | DIST | | | 81,434 | - | - | 81,43 |
| Customer Assistance Expenses (Major only) | 320-323 | 908 | DIRECT | | | | | | |
| Customer Service and Information | 320-323 | 909-910 | DIST | | | | - | - | - |
| Total Sales Expense | 320-323 | 911-917 | DIST | | | | - | - | - |
| Total Customer and Sales Expenses | | | | | \$ | 1,658,581 | \$ - | S - | \$ 1,658,58 |
| Administration and General Expense: Operation | | | | | | | | | |
| Administration and General Salaries | 320-323 | 920 | LABOR | | | 1,131,840 | 111,150 | 12,819 | 1,007,87 |
| Office Supplies & Expenses | 320-323 | 921 | LABOR | | | 208,744 | 20,499 | 2,364 | 185,88 |
| (Less) Administration Expenses Transferred - Credit | 320-323 | 922 | LABOR | | | | - | - | - |
| Outside Services Employed (g) | 320-323 | 923 | LABOR | | | 239,401 | 23,510 | 2,711 | 213,18 |
| Property Insurance | 320-323 | 924 | PTDG | | | 130,843 | 20,609 | 4,566 | 105,66 |
| Injuries and Damages | 320-323 | 925 | LABOR | | | 447 | 44 | 5 | 39 |
| Employee Pensions & Benefits | 320-323 | 926 | LABOR | | | 1,953,923 | 191,881 | 22,130 | 1,739,91 |
| Franchise Requirements | 320-323 | 927 | DIST | | | | - | - | - |
| Regulatory Commission Expenses | 320-323 | 928 | DIST | | | | - | - | - |
| (Less) Duplicate Charges - Credit | 320-323 | 929 | PTDG | | | | - | - | - |
| General Advertising Expenses (g) | 320-323 | 930.1 | DIST | DIST | | | - | - | - |
| Miscellaneous General Expenses | 320-323 | 930.2 | DIST | | | 415,918 | - | - | 415,91 |
| 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 | | | | | \$ | 4,081,116 | \$ 367,693 | \$ 44,595 | \$ 3,668,82 |

| | RESIDENT | VILLE PO IAL PURCI)8 Average S | HASE AND | SALE AG | REEN | | | | |
|---|-----------------|---------------------------------------|------------|--------------|-------|------------|-----------------|--------------|---------------|
| | | ITY NAME: | • | No. 1 of Fra | | County | 1 | | |
| 1 | End of Year Rep | | 1001 | 2006 | | County | Amended BPA: 7- | -8-2008 | |
| | | Filing Date: | | 5/7/20 | | | Revised Amended | | |
| | | _ | E 17D: Sch | edule 3: Ex | | PS | | | |
| | Fo | rm 1 | | nalization | pense | | | | |
| Account Description | Page | Account | | thod | | Total | Production | Transmission | Distribution/ |
| | Number | Numbers | Default | Optional | | | | | Other |
| Fotal Operations and Maintenance | Tumber | 1 (unioers | Denunt | Optional | s | 65,218,055 | \$ 57,237,238 | \$ 64,381 | \$ 7,916,43 |
| Depreciation and Amortization: Amortization of Intangible Plant - Account 301 | 336 | 404 | DIST | | | | _ | _ | |
| - | 226 | 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 | | | 662,455 | 662,455 | - | - |
| Transmission Plant (i) | 336 | 403 | TRANS | | | 141,872 | - | 141,872 | - |
| Distribution Plant | 336 | 403 | DIST | | | 3,273,906 | - | - | 3,273,9 |
| General Plant | 336 | 403 | GP | | | 452,715 | 59,931 | 14,607 | 378,1 |
| 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 | | | | | | |
| | 200-201 | 406 | DIRECT | | | | | | |
| Amortization of Plant Acquisition Adjustments (Electric) | | | | | \$ | 4,530,948 | \$ 722,386 | \$ 156,479 | \$ 3,652,0 |
| | | | | | | | | | |
| Amortization of Plant Acquisition Adjustments (Electric) Sotal Depreciation and Amortization Sotal Operating Expenses | | | | | \$ | 69,749,003 | \$ 57,959,624 | \$ 220,860 | \$ 11,568,5 |

| | BONNE | VILLE P | OWER A | DM | INISTRA | TION | | |
|-----------------------------|-----------|-------------------|---------------------|--------------|----------------------|------------|---------------------|-------------------|
| ŀ | RESIDENT | TIAL PURC | CHASE AN | D SA | ALE AGRE | EMENT | | |
| | 20 | 08 Average | System Co | st M | ethodology | r | | |
| | UTILI | TY NAME: | PUD I | No. 1 | of Frankli | n County | 1 | |
| End of | Year Repo | ort Period: | | | 2006 | | Amended BPA | A: 7-8-2008 |
| | ASC F | ling Date: | | | 5/7/2008 | | Revised Amen | ded BPA: 8-4-2008 |
| | | <u>TABLI</u> | <u> 5 17E: Sche</u> | <u>edule</u> | <u>e 3A</u> Items: 1 | Taxes | | |
| Account Description | Page | Form 1 Account | Funct. Method | | Total | Production | Transmission | |
| | Number | Numbers | | <u> </u> | | | <u> </u> | Other |
| FEDERAL | | | | | | | | |
| Income Tax | 262 | 409.1 | DIST | | | - | - | - |
| Employment Tax | 262 | 408.1 | LABOR | | 351,768 | 34,545 | 3,984 | 313,23 |
| Other Federal Taxes | 262 | 408.1 | DIST | | | - | - | - |
| TOTAL FEDERAL | | | | \$ | 351,768 | \$ 34,545 | \$ 3,984 | \$ 313,23 |
| STATE AND OTHER | | | | | | | | |
| Property or In-Lieu (c) | 262 | 408.1 | PTDG | | | - | - | - |
| Unemployment | 262 | 408.1 | LABOR | | 67,685 | 6,647 | 767 | 60,27 |
| State Income, B&O, etc. | 262 | 409.1 | DIST | | 2,485,339 | - | - | 2,485,33 |
| Franchise Fees | 262 | 408.1 | DIST | | | - | - | - |
| Regulatory Commission | 262 | 408.1 | DIST | | | - | - | - |
| City/Municipal | 262 | 408.1 | DIST | | | - | - | - |
| Other | 262 | 408.1 | DIST | | 1,301,536 | - | - | 1,301,53 |
| TOTAL STATE AND OTHER TAXES | | | | \$ | 3,854,560 | \$ 6,647 | \$ 767 | \$ 3,847,14 |
| TOTAL TAXES | | | | \$ | 4,206,328 | \$ 41,192 | \$ 4,751 | \$ 4,160,38 |

| | RESIDENTIA | | | _ | | ENT | | | | |
|--|----------------|--------------------|----------------|---------------------|-------|------------|----------|-------------|--------------------------------------|--------------|
| | 2008 | Average Sys | tem Cost N | lethodology | y | | | | | |
| | UT | LITY NAME: | PUD N | lo. 1 of Fra | nklin | County | 1 | | | |
| | End of Year Re | port Period: | | 2006 | | č | Amer | nded BPA: ' | 7-8-2008 | |
| | | Filing Date: | | 5/7/20 | 08 | | Revis | ed Amende | ed BPA: 8-4-2008 | |
| | <u>T</u> A | <u>BLE 17F: Sc</u> | hedule 3B | <u>Other Incl</u> u | ded I | tems (j) | | | | |
| | FERC | Form 1 | Functior | alization | | | | | | |
| Account Description | Page | Account | Me | thod | | | | | | Distribution |
| • | Number | Numbers | Default | Optional | 1 | Total | Pr | oduction | Transmission | Other |
| Other Included Items: | | | | | | | <u>.</u> | | | |
| 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 DIRECT | PROD | | | | - | - | |
| Miscellaneous Nonoperating Income Fotal Other Included Items | 114 | 421 | DIRECT | PROD | | | • | - | - | |
| Total Other Included Items | | | | | \$ | - | \$ | - | \$ - | \$ · |
| Sales for Resale: | | | | | | | | | | |
| Sales for Resale | 310 | 447 | PROD | | | 14,866,154 | | 14,866,154 | - | |
| Fotal Sales for Resale | | | | | \$ | 14,866,154 | \$ | 14,866,154 | \$ - | \$ |
| Other Revenues: | | | | | | | | | | |
| Forfeited Discounts | 300 | 450 | DIST | | | 174,704 | | _ | _ | 174, |
| Miscellaneous Service Revenues | 300 | 450 | DIST | | | 4,246,779 | | | | 4,246, |
| Sales of Water and Water Power | 300 | 453 | PROD | | | .,=.0,,17 | | - | - | .,210, |
| Rent from Electric Property | 300 | 454 | TD | | | 114,985 | | - | 4,867 | 110, |
| Interdepartmental Rents | 300 | 455 | DIST | | | | | - | - | |
| Other Electric Revenues | 300 | 456 | DIRECT | PROD | | 2,685,267 | | - | - | 2,685, |
| Revenues from Transmission of Electricity of Others (i) | 330 | 456.1 | TRANS | | | 2,841 | | - | 2,841 | |
| Total Other Revenues | | | | | \$ | 7,224,576 | \$ | - | \$ 7,708 | \$ 7,216, |
| otal Other Included Items | | | | | \$ | 22,090,730 | \$ | 14,866,154 | \$ 7,708 | \$ 7,216, |
| Total Other + Total Sales for Resale + Total Other Revenue) | | | | | ¥ | | ~ | , | ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,, | .,210,0 |

| | SIDEN | TIAL PURCHA | SE / | ADMINISTRA AND SALE AGRI Cost Methodology | EEN | | | |
|---|-----------------------|-------------------|--|---|------|--------------|----|--------------------|
| UTILITY NAME End of Year Report Period ASC Filing Date | : | PUI | Amended BPA: 7-8-2008 Revised Amended BPA: 8-4-2008 | | | | | |
| | | <u>TABLE 17G:</u> | <u>Sche</u> | <u>dule 4: Averag</u> e Sy | vste | m Cost | | |
| | | Total | | Production | | Transmission | | Distribution/Other |
| Fotal Operating Expenses | \$ | 69,749,003 | \$ | 57,959,624 | \$ | 220,860 | \$ | 11,568,51 |
| From Schedule 3) | | | | | | | | |
| Federal Income Tax Adjusted Return on Rate Base | \$ | 4,181,449 | \$ | 650,133 | \$ | 135,691 | \$ | 3,395,62 |
| From Schedule 2) | | | | | | | | |
| tate and Other Taxes | \$ | 4,206,328 | \$ | 41,192 | \$ | 4,751 | \$ | 4,160,3 |
| From Schedule 3a) | | | | | | | | |
| Cotal Other Included Items | \$ | 22,090,730 | \$ | 14,866,154 | \$ | 7,708 | \$ | 7,216,8 |
| From Schedule 3b) | | | | | | | | |
| <u>Fotal Cost</u> | \$ | 56,046,050 | \$ | 43,784,794 | \$ | 353,594 | \$ | 11,907,6 |
| Total Cost (Total Operating Expenses + Return on Rate Base + State and Othe | \$ er Taxes | 1 - 1 - 1 | | | \$ | 353,594 | \$ | 11, |

| ige System Cost Methodology | |
|---|---|
| PUD No. 1 of Franklin County 2006 5/7/2008 | Amended BPA: 7-8-2008 Revised Amended BPA: 8-4-2008 |
| 2 17G: Schedule 4: Average System Cost | |
| \$ 43,784,794 \$ 353,594 \$ 44,138,388 | |
| 835,781 835,781 41,789 877,570 | |
| | PUD No. 1 of Franklin County 2006 5/7/2008 2 17G: Schedule 4: Average System Cost \$ 43,784,794 \$ 353,594 \$ 44,138,388 835,781 835,781 41,789 |

| BONNEVILLE POWER ADM | INISTRATION | | | | | | |
|--|---|--------------------|--|--|--|--|--|
| RESIDENTIAL PURCHASE AND S | | | | | | | |
| 2008 Average System Cost N | | | | | | | |
| 2000 Average System Cost N. | retilouology | | | | | | |
| UTILITY NAME: | ME: PUD No. 1 of Franklin County | | | | | | |
| End of Year Report Period: | | | | | | | |
| ASC Filing Date: | | | | | | | |
| | | 112000 | | | | | |
| TABLE 17H: Distribution of Salaries and | Wages (For Labor | Ratio Calculation) | | | | | |
| | | | | | | | |
| | Form 1 | | | | | | |
| Description | Page | Amount | | | | | |
| | Number | | | | | | |
| Electric | | | | | | | |
| Operation | | | | | | | |
| Production | 354-355 | 163,488 | | | | | |
| Transmission | 354-355 | | | | | | |
| Distribution | 354-355 | 723,908 | | | | | |
| Customer Accounts | 354-355 | 724,810 | | | | | |
| Customer Service and Information | 354-355 | 65,548 | | | | | |
| Sales | 354-355 | 1 120 0(1 | | | | | |
| Administrative and General | 354-355 | 1,130,861 | | | | | |
| TOTAL Operation | | \$2,808,615 | | | | | |
| Maintenance | | | | | | | |
| Production | 354-355 | | | | | | |
| Transmission | 354-355 | | | | | | |
| Distribution | 354-355 | 729,927 | | | | | |
| Administrative and General | 354-355 | | | | | | |
| TOTAL Maintenance | | \$729,927 | | | | | |
| Operation and Maintenance | | | | | | | |
| Operation and Maintenance | 254 255 | 1/2 400 | | | | | |
| Production (Total of lines 16 and 26) Transmission (Total of lines 17 and 27) | 354-355 354-355 | 163,488 | | | | | |
| Distribution (Total of lines 17 and 27) | 354-355 | 1,453,835 | | | | | |
| Customer Accounts (From line 20) | 354-355 | 724,810 | | | | | |
| Customer Service and Information (From line 20) | 354-355 | 65,548 | | | | | |
| Sales (From line 21) | 354-355 | (| | | | | |
| Administrative and General (Total of lines 22 and 29) | 354-355 | 1,130,861 | | | | | |
| TOTAL Operation and Maintenance | | \$3,538,542 | | | | | |

| | BONNEVILLE P RESIDENTIAL PURC 2008 Average | | EA | GREEMENT | | | |
|-------------|---|------------------|-------|-----------------------------------|--------------|--------------|-------------------|
| | UTILITY NAI End of Year Report Peri ASC Filing Da | iod: |) No. | 1 of Franklin 2006 5/7/2008 | County | | |
| | | TABLE 171: Ratio | o Tal | ble | | | |
| Labor Ratio | o Input: | Ratio Used | | Total | Production | Transmission | Distribution |
| | Production | PROD | \$ | 163,488 | \$ 163,488 | \$ - | \$- |
| | Transmission | TRANS | | - | - | - | - |
| | Distribution | DIST | | 1,453,835 | - | - | 1,453,835 |
| | Customer Accounts | DIST | | 724,810 | - | - | 724,810 |
| | Customer Service and Informational | DIRECT | | 65,548 | - | - | 65,548 |
| | Sales | DIST | | - | - | - | - |
| | Administrative & General | PTD | | 1,130,861 | 184,007 | 40,077 | 906,777 |
| Total Labor | | | \$ | 3,538,542 | \$ 347,495 | \$ 40,077 | \$ 3,150,970 |
| | LABOR RATIO | | | 100% | 10% | 1% | <mark>89</mark> % |
| GP | General Plant Ratio | Ratio Used | | Total | Production | Transmission | Distribution |
| | Land and Land Rights | PTD | \$ | 128,960 | \$ 20,984 | \$ 4,570 | \$ 103,400 |
| | Structures and Improvements | PTD | | 5,222,950 | 849,849 | 185,098 | 4,188,002 |
| | Furniture and Equipment | LABOR | | 3,856,888 | 378,758 | 43,683 | 3,434,44 |
| | Transportation Equipment | TD | | 2,793,281 | - | 118,230 | 2,675,05 |
| | Stores Equipment | PTD | | 20,788 | 3,383 | 737 | 16,66 |
| | Tools and Garage Equipment | PTD | | 730,593 | 118,878 | 25,892 | 585,823 |
| | Laboratory Equipment | PTD | | 25,767 | 4,193 | 913 | 20,66 |
| | Power Operated Equipment | TD | | 6,521 | - | 276 | 6,24 |
| | Communication Equipment | PTD | | 8,934,819 | 1,453,824 | 316,645 | 7,164,350 |
| | Miscellaneous Equipment | PTD | | 262,763 | 42,755 | 9,312 | 210,696 |
| | Other Tangible Property | DIRECT | | 1,237,870 | 201,419 | 43,869 | 992,581 |
| | Asset Retirement Costs for General Plant | PTD | | - | - | - | - |
| | TOTAL | | \$ | 23,221,200 | \$ 3,074,043 | \$ 749,225 | \$ 19,397,932 |
| | GP RATIO | | | 100% | 13% | 3% | 84% |

| | UTILITY NAME End of Year Report Period: ASC Filing Date: | |) No | 0. 1 of Franklin 2006 5/7/2008 | County | - | |
|------|--|----------------|------|--------------------------------------|---------------|--------------|--------------|
| | <u>T</u> A | BLE 17I: Ratio | o Ta | ıble | | - | |
| PTD | Production, Transmission, Distribution Ratio | Ratio Used | | Total | Production | Transmission | Distributio |
| | Steam Production | PROD | \$ | - | \$ - | \$ - | \$ |
| | Nuclear Production | PROD | | - | - | - | |
| | Hydraulic Production | PROD | | - | - | - | |
| | Other Production | PROD | | 18,232,751 | 18,232,751 | - | |
| | Total Production Plant | | | 18,232,751 | 18,232,751 | - | |
| | Transmission Plant | TRANS | | 3,971,116 | - | 3,971,116 | |
| | Total Distribution Plant | DIST | | 89,849,816 | - | - | 89,849,8 |
| | TOTAL | | \$ | 112,053,683 | \$ 18,232,751 | \$ 3,971,116 | \$ 89,849,8 |
| | PTD RATIO | | | 100% | 16% | م 4% | 8 |
| PTDG | Production, Transmission, Distribution and General Plant Ratio | Ratio Used | | Total | Production | Transmission | Distributio |
| | PTD Total | | \$ | 112,053,683 | \$ 18,232,751 | \$ 3,971,116 | \$ 89,849,8 |
| | Intangible Plant - Organization | DIST | | - | - | - | |
| | Intangible Plant - Franchises and Consents | DIRECT | | - | - | - | |
| | Intangible Plant - Miscellaneous | DIRECT | | - | - | - | |
| | General Plant Total | | | 23,221,200 | 3,074,043 | 749,225 | 19,397,9 |
| | TOTAL | | \$ | 135,274,883 | \$ 21,306,794 | \$ 4,720,341 | \$ 109,247,7 |
| | PTDG RATIO | | | 100% | 16% | 3% | 8 |
| TD | Transmission and Distribution Plant Ratio | Ratio Used | | Total | Production | Transmission | Distributio |
| | Total Transmission Plant | TRANS | \$ | 3,971,116 | \$ - | \$ 3,971,116 | \$ |
| | Total Distribution Plant | DIST | - | 89,849,816 | - | - | 89,849,8 |
| | TOTAL | | \$ | 93,820,932 | \$ - | \$ 3,971,116 | \$ 89,849,8 |
| | TD RATIO | | | 100% | 0% | | 9 |

| | | stem Cost Met | | - 87 | | | | | |
|-----|---|-----------------------|-----------|-----------------|-------|-----------|--------------|-----|------------|
| | UTILITY NAME: | | D No | . 1 of Franklin | n Cou | ınty | | | |
| I | End of Year Report Period: | | | 2006 | | | | | |
| | ASC Filing Date: | | | 5/7/2008 | | | | | |
| | <u>T</u> <u>A</u> | <u>BLE 171</u> : Rati | io Ta | ble | | | | | |
| GPM | Maintenance of General Plant Ratio | Ratio Used | | Total | P | roduction | Transmission | Dis | tribution |
| | Structures and Improvements | PTD | \$ | 5,222,950 | \$ | 849,849 | \$ 185,098 | \$ | 4,188,002 |
| | Furniture and Equipment | LABOR | | 3,856,888 | | 378,758 | 43,683 | | 3,434,447 |
| | Communication Equipment | PTD | | 8,934,819 | | 1,453,824 | 316,645 | | 7,164,350 |
| | Miscellaneous Equipment | PTD | | 262,763 | | 42,755 | 9,312 | | 210,696 |
| | TOTAL | | \$ | 18,277,420 | \$ | 2,725,187 | \$ 554,738 | \$ | 14,997,496 |
| | GPM RATIO | | | 100% | | 15% | 3% | | 82% |
| | SUMMARY RATIO TABLE | | _ | | | | | | |
| | Direct to Distribution | | DIS | T | | 0.00% | 0.00% | | 100.00% |
| | Direct to Production | | PR | | | 100.00% | 0.00% | | 0.00% |
| | Direct to Transmission | | | ANS | | 0.00% | 100.00% | | 0.00% |
| | Direct Allocation | | - | RECT | | 0.00% | 0.00% | | 0.00% |
| | General Plant | | GP | | | 13.24% | 3.23% | | 83.54% |
| | Maintenance of General Plant | | GP | M | | 14.91% | 3.04% | | 82.05% |
| | Labor Ratios | | LA | BOR | | 9.82% | 1.13% | | 89.05% |
| | Production, Transmission, Distribution | | PT | D | | 16.27% | 3.54% | | 80.18% |
| | Production, Transmission, Distribution, General | | PT | DG | | 15.75% | 3.49% | | 80.76% |
| | Transmission, Distribution | | TD | | | 0.00% | 4.23% | | 95.77% |

| | | | ONNEVILLE POWER SIDENTIAL PURCHASE A 2008 Average System (| AND SALE AGREE | | | |
|----------------|---------|-----------------|--|---------------------------|----------------------|---------------------------|--------------------|
| | | TABLE 17J | UTILITY NAME | : PUD No. 1 | of Franklin County | | |
| | | | End of Year Report Period | | 2006 | Amended BPA: 7- | 8-2008 |
| | | | ASC Filing Date | | 5/7/2008 | Revised Amended | BPA: 8-4-2008 |
| FERC | Form 1 | | D D II | | | | |
| Statistical | Page | Purchased Po | wer - Base Period | urchased Power - F | Sase Period Minus | urchased Power - H | Sase Period Min |
| Classification | Number | Settlement Tota | I MWh Purchased | Settlement Total | MWh Purchased | Settlement Total | MWh Purchas |
| RQ | 326-327 | | | | | | |
| LF | 326-327 | \$ 43,164,106 | 5 1,019,243 | | | | |
| IF | 326-327 | | | | | | |
| SF | 326-327 | \$ 4,996,215 | 5 104,264 | | | | |
| LU | 326-327 | | | | | | |
| IU | 326-327 | | | | | | |
| OS | 326-327 | | | | | | |
| EX | 326-327 | | | | | | |
| NA | 326-327 | | | | | | |
| AD | 326-327 | | | | | | |
| TO | ΓAL | \$ 48,160,321 | 1,123,507 | \$ - | - | \$ - | |
| FERC | Form 1 | | | | | | |
| Statistical | Page | | ale - Base Period | ales for Resale - B | | ales for Resale - B | |
| Classification | Number | Settlement Tota | l MWh Sold | Settlement Total | MWh Sold | Settlement Total | MWh Sold |
| RQ | 310-311 | | | | | | |
| LF | 310-311 | | | | | | |
| IF | 310-311 | | | | | | |
| SF | 310-311 | \$ 14,866,154 | 289,820 | | | | |
| LU | 310-311 | | | | | | |
| IU | 310-311 | | | | | | |
| OS EV | 310-311 | | | | | | |
| EX | 310-311 | | | | | | |
| NA | 310-311 | | | | | | |
| AD | 310-311 | | | | | | |
| TO | IAL | \$ 14,866,154 | 4 289,820 | \$ – | - | \$ – | |

FRANKLIN

TABLE 17K: Forecasted Contract System Costs & ASC with New Additions and NLSL

| Date | 4/1/2009 6 | 4/1/2010 7 | 4/1/2011 8 | 4/1/2012 9 | 4/1/2013 10 |
|--|----------------------|----------------------|----------------------|----------------------|-----------------------|
| Fiscal Year Rate Period Mid-Point | 2009 TRUE | 2010 FALSE | 2011 FALSE | 2012 FALSE | 2013 FALSE |
| Contract System Cost | | | | | |
| Production | 46,464,644 | 49,467,433 | 49,965,516 | 53,756,643 | 54,298,688 |
| Transmission | 339,921 | 334,953 | 330,161 | 325,252 | 320,254 |
| NLSL Fully Allocated Cost (\$/MWh) | | | | | |
| (Less) New Large Single Load Costs (d) | 0 | 0 | 0 | 0 | 0 |
| Total Contract System Cost | 46,804,565 | 49,802,386 | 50,295,677 | 54,081,895 | 54,618,941 |
| Contract System Load (MWh) | | | | | |
| Total Retail Load @ Meter | 974,500 | 996,750 | 1,014,000 | 1,030,000 | 1,048,250 |
| (Less) New Large Single Load | 0 | 0 | 0 | 0 | 0 |
| Total Retail Load (Net of NLSL) (d) | 974,500 | 996,750 | 1,014,000 | 1,030,000 | 1,048,250 |
| Distribution Loss (f) | 48,725 | 49,838 | 50,700 | 51,500 | 52,413 |
| Total Contract System Load | 1,023,225 | 1,046,588 | 1,064,700 | 1,081,500 | 1,100,663 |
| Average System Cost \$/MWh | 45.74 | 47.59 | 47.24 | 50.01 | 49.62 |
| | Rate | Period Mid-P | oint_ | | |
| Date | | 4/1/09 | | | |
| Fiscal Year | | 2009 | | | |
| NLSL Switch | | 1 | | | |
| Contract System Cost | | | | | |
| Production | | 46,464,644 | | | |
| Transmission | | 339,921 | | | |
| (Less) New Large Single Load Costs (d) | | 0 | | | |
| Total Contract System Cost | | 46,804,565 | | | |
| | | | | | |
| Contract System Load (MWh) | | | | | |
| Contract System Load (MWh) Total Retail Load @ Meter | | 974,500 | | | |
| | | 974,500 0 | | | |
| Total Retail Load @ Meter | | , | | | |
| Total Retail Load @ Meter (Less) New Large Single Load | | 0 | | | |
| Total Retail Load @ Meter (Less) New Large Single Load Total Retail Load (Net of NLSL) (d) | | 0 974,500 | | | |

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Tables for:

Idaho Power

WP-07-FS-BPA-13B Page 85 of 484

| | BONNEV | LLE PO | WER AD | MINIST | RAT | TION | | | | |
|--|---------------------|--------------------|--------------------|--------------|--------------|--------------------------------|----|-----------------|----------------|-------------------------------------|
| | RESIDENTIA | | | | | | | | | |
| Propo | sed 2008 Avera | | | | | | te | | | |
| 11000 | | | | | | · · · | 1 | | | |
| | | TY NAME: | Id | aho Power | | npany | | | | |
| E | nd of Year Rep | | | 200 | | | | | | |
| | ASC F | iling Date: | | 5/7/20 | 800 | | | vised 6/18/2008 | | |
| | | | | | | | An | nended Revised | 8/4/08 | |
| | <u>TAB</u> | <u>LE 18A: Sci</u> | <u>hedule 1: P</u> | lant Investi | <u>nen</u> t | / Rate Base | | | | |
| | FERC | Form 1 | | alization | | | | | | |
| Account Description | Page | Account | | thod | | Total | | Production | Transmission | Distribution/ |
| | Number | Numbers | Default | Optional | | | | | | Other |
| Intangible Plant: | | | | 1 | | | | | | |
| Intangible Plant - Organization | 204-207 | 301 | DIST | DED | | 62,160 | | - | - | 62,16 |
| Intangible Plant - Franchises and Consents | 204-207 | 302 | DIRECT | PTD | | 21,711,627 | | 15,167,410 | 6,544,217 | - |
| Intangible Plant - Miscellaneous Total Intangible Plant | 204-207 | 303 | DIRECT | DIST | Ø | 50,320,243 | 0 | 24,584,401 | 9,165,028 | 16,570,81 \$ 16,632,97 |
| <u>i otai intangibie riant</u> | | | | | \$ | 72,094,030 | \$ | 39,751,811 | \$ 15,709,245 | \$ 16,632,97 |
| Production Plant: | | | | | | | | | | |
| Steam Production | 204-207 | 310-317 | PROD | | | 838,233,513 | | 838,233,513 | - | - |
| Nuclear Production | 204-207 | 320-326 | PROD | | | | | - | - | - |
| Hydraulic Production | 204-207 | 330-337 | PROD | | | 647,622,099 | | 647,622,099 | - | - |
| Other Production | 204-207 | 340-347 | PROD | | | 106,934,506 | | 106,934,506 | - | - |
| Total Production Plant | | | | | \$ | 1,592,790,118 | \$ | 1,592,790,118 | \$ - | S - |
| Transmission Plant: (i) | | | | | | | | | | |
| Transmission Plant | 204-207 | 350-359.1 | TRANS | | | 606,947,191 | | - | 606,947,191 | - |
| Total Transmission Plant | | | | 1 | \$ | 606,947,191 | \$ | - | \$ 606,947,191 | S - |
| Dist in the Distance | | | | | | | | | | |
| Distribution Plant: Distribution Plant | 204 207 | 360-374 | DIST | | | 1 007 280 058 | | | | 1 007 290 05 |
| Total Distribution Plant | 204-207 | 360-374 | DIST | | \$ | 1,097,389,958 1,097,389,958 | s | - | - S - | 1,097,389,95 \$ 1,097,389,95 |
| | | | | | • | 1,097,389,938 | • | - | 3 - | \$ 1,097,389,95 |
| General Plant: | | | | | | | | | | |
| Land and Land Rights | 204-207 | 389 | PTD | | | 8,760,765 | | 4,232,187 | 1,612,714 | 2,915,86 |
| Structures and Improvements | 204-207 | 390 | PTD | | | 64,391,078 | | 31,106,313 | 11,853,344 | 21,431,42 |
| Furniture and Equipment | 204-207 | 391 | LABOR | | | 37,350,131 | | 13,196,540 | 5,964,399 | 18,189,19 |
| Transportation Equipment | 204-207 | 392 | TD | | | 51,050,749 | | - | 18,180,152 | 32,870,59 |
| Stores Equipment | 204-207 | 393 | PTD | | | 982,361 | | 474,563 | 180,837 | 326,90 |
| Tools and Garage Equipment | 204-207 | 394 | PTD | | | 4,222,287 | | 2,039,720 | 777,254 | 1,405,31 |
| Laboratory Equipment | 204-207 | 395 | PTD | | | 9,761,135 | | 4,715,450 | 1,796,865 | 3,248,82 |
| Power Operated Equipment | 204-207 | 396 | TD | | | 7,306,985 | | - | 2,602,158 | 4,704,82 |
| Communication Equipment | 204-207 | 397 | PTD | | | 28,196,828 | | 13,621,442 | 5,190,575 | 9,384,8 |
| Miscellaneous Equipment | 204-207 | 398 | PTD | DED | | 2,904,743 | | 1,403,235 | 534,716 | 966,79 |
| Other Tangible Property | 204-207 | 399 | DIRECT | PTD | | | | - | - | - |
| Asset Retirement Costs for General Plant | 204-208 | 399.1 | PTD | | | | | - | - | - |
| Total General Plant | | | | | \$ | 214,927,062 | \$ | 70,789,451 | \$ 48,693,013 | \$ 95,444,59 |
| Total Electric Plant In-Service | | | | | \$ | 3,584,148,359 | \$ | 1,703,331,380 | \$ 671,349,449 | \$ 1,209,467,53 |
| (Total Intangible + Total Production + Total Transmission + Total Dist | ribution + Total Ge | neral) | | | | | | | , , , , | . ,) |

| NumberNumbersDefaultOptionalOtherESS:Operciation and Amortization ReserveSteam Production Plant219108PROD420,177,111420,177,111 <th>Pr</th> <th>RESIDENTIA oposed 2008 Avera</th> <th></th> <th></th> <th></th> <th></th> <th></th> <th>e</th> <th></th> <th></th> | Pr | RESIDENTIA oposed 2008 Avera | | | | | | e | | |
|--|--|------------------------------|--------------------|--------------|------------|--------------|---------------|-----------------|----------------|------------------------|
| ASC Filing Date: 5/7/2008 Resp PA Amended Revised 8/4/08 Table 13: Schedule 1: Plant Investment / Rate Base FERC Form 1 Page Account Mumber Number Default Optional Account Description Plant Number Number Default Optional Production Plant 219 108 PROD 420,177,111 420,177,111 - 100 Steam Production Plant 219 108 PROD 420,177,111 420,177,111 - 100 Nuclear Production Plant 219 108 PROD 240,328,423 2 40,328,423 - 100 Other Production Plant 219 108 PROD 240,328,423 2 40,328,423 - 100 Other Production Plant 219 108 PROD 240,328,423 2 40,328,423 - 100 Other Production Plant 219 108 PROD 240,328,423 2 40,328,423 - 100 Other Production Plant 219 108 PROD 240,328,423 2 40,328,423 - 100 Other Production Plant 219 108 PROD 240,328,423 2 40,328,423 - 100 Other Production Plant 219 108 PROD 240,328,423 2 40,328,423 - 100 Other Production Plant 219 108 DIST 411,582,068 - 100 Amortization of Intangble Plant - Account 301 219 111 DIST - 100 Amortization of Intangble Plant - Account 301 219 111 DIST - 100 Amortization of Intangble Plant - Account 302 219 111 DIST - 100 Amortization of Intangble Plant - Account 302 219 111 DIST - 100 Amortization of Intangble Plant - Account 302 219 111 DIST - 100 Amortization of Intangble Plant - Account 302 219 111 DIST - 100 Amortization of Intangble Plant - Account 302 219 111 DIST - 100 Amortization of Intangble Plant - Account 303 219 111 DIST - 100 Amortization of Intangble Plant - Account 303 219 111 DIST - 100 Amortization of Denat Plant (a) Amortization of Other Uble Capital Lasse - Common Plant (a) Amortization of Other Uble Capital Lasse - Common Plant (a) Amortization of Other Uble Capital (a) Amortization of Acquisition Adjustments - 105 DIST (327,581) | | | | Ida | | | npany | | | |
| IBLE 12A: Schedule 1: Plant Investment / Rate Base Account Description FERC Form 1 Number Functionalization Method Total Production Transmission Distribution Other ESE: Description Distribution Colspan="2">Colspan="2"Colspan="2"Colspan="2"Colspan="2"Colspan=""2"Colspan="2"Colspan="2"Colspan | | | | | | | | | | |
| Account DescriptionPage NumberAccount NumberMethod DefaultTotalProductionTransmissionDistribution OtherESS: Depreciation and Amortization ReserveSteam Production Plant219108PROD420,177,111420,177,111 <t< th=""><th></th><th><u>TABI</u></th><th><u>LE 18A: Scl</u></th><th>hedule 1: Pl</th><th>ant Invest</th><th><u>men</u>t</th><th>/ Rate Base</th><th>Amenueu Keviseu</th><th>0/4/00</th><th></th></t<> | | <u>TABI</u> | <u>LE 18A: Scl</u> | hedule 1: Pl | ant Invest | <u>men</u> t | / Rate Base | Amenueu Keviseu | 0/4/00 | |
| ZESS: Depreciation and Amortization Reserve Steam Production Plant 219 108 PROD 420,177,111 420,177,111 - More Production Plant 219 108 PROD - - - Other Production Plant 219 108 PROD 240,328,423 240,328,423 - Other Production Plant 219 108 PROD 2,366,353 - - Transmission Plant (i) 219 108 DIST 411,582,068 - - 411,582, General Plant - 0.08 GP 83,279,714 27,429,423 18,867,518 36,982, Amortization of Intangible Plant - Account 301 219 111 DISE - - - 411,582,068 - - 411,582,068 - - 411,582,068 - - 411,582,068 - - 411,582,068 - - 411,582,068 - - 411,582,068 - - 411,582,068 - - - 111 <t< th=""><th>Account Description</th><th>Page</th><th>Account</th><th>Metl</th><th>ıod</th><th></th><th>Total</th><th>Production</th><th>Transmission</th><th>Distribution/ Other</th></t<> | Account Description | Page | Account | Metl | ıod | | Total | Production | Transmission | Distribution/ Other |
| Depreciation and Amortization Plant 219 108 PROD 420,177,11 420,177,11 - - Nuclear Production Plant 219 108 PROD - - - - Hydraulic Production Plant 219 108 PROD 240,328,423 240,328,423 - 108 DRD 210,074,912 - 210,074,912 - 210,074,912 - 411,582,068 - - 411,582,068 - - 411,582,068 - - 411,582,068 - - 411,582,068 - - - 411,582,068 - - - 108 108 108 108 108 108 108 | (FSS- | | | | | - | | | I | |
| Steam Production Plant Nuclear Production Plant 219 108 PROD 420,177,111 420,177,111 - Hydraulic Production Plant 219 108 PROD 240,328,423 240,328,423 - 111 5210 108 DIST - - 108 5210 108 5210 - - - 111582 - | | | | | | | | | | |
| Nuclear Production Plant 219 108 PROD | • | 219 | 108 | PROD | | | 420,177,111 | 420,177,111 | - | - |
| Other Production Plant 219 108 PROD 2,366,353 2,366,353 . Transmission Plant (i) Distribution Plant 219 108 TRANS 210,074,912 . 210,074,912 General Plant Amortization of Intangible Plant - Account 301 411,582,068 . . 411,582 Amortization of Intangible Plant - Account 301 219 108 GP 83,279,714 27,429,423 18,867,518 36,982 Amortization of Intangible Plant - Account 301 219 111 DIST Amortization of Intangible Plant - Account 303 219 111 DIRECT PTD . | Nuclear Production Plant | 219 | 108 | PROD | | | | - | - | |
| Transmission Plant (i) 219 108 TRANS 210,074,912 - 210,074,912 Distribution Plant 219 108 DIST 411,582,068 - - 411,582 General Plant Amortization of Intangible Plant - Account 301 219 108 GP 83,279,714 27,429,423 18,867,518 36,982 Amortization of Intangible Plant - Account 301 219 111 DIRECT PTD -< | Hydraulic Production Plant | 219 | 108 | PROD | | | 240,328,423 | 240,328,423 | - | |
| Distribution Plant219108DIST411,582,068411,582General PlantAccount 301Amortization of Intangible Plant - Account 302Amortization of Intangible Plant - Account 303Mining Plant DepreciationMining Plant DepreciationAmortization of Plant Held for Future UseCapital Lease - Common PlantLeasehold ImprovementsIn-Service: Depreciation of Other Utility Plant (a)Amortization of Acquisition Adjustments200-201108DIRECTDIST200-201108DIRECTDIST200-201108DIRECT200-201108DIRECT200-201108DIRECT200-201108DIRECT200-201108DIRECT200-201108DIRECT200-201108DIRECT200-201108DIRECT200-201108DIRECT200-201108DIRECT00000000000000000000000000 | Other Production Plant | 219 | 108 | PROD | | | 2,366,353 | 2,366,353 | - | |
| General Plant219108GP83,279,71427,429,42318,867,51836,982Amortization of Intangible Plant - Account 301Amortization of Intangible Plant - Account 302< | Transmission Plant (i) | 219 | 108 | TRANS | | | 210,074,912 | - | 210,074,912 | |
| Amortization of Intangible Plant - Account 301Amortization of Intangible Plant - Account 302Amortization of Intangible Plant - Account 303Mining Plant DepreciationAmortization of Plant Held for Future UseCapital Lease - Common PlantLeasehold ImprovementsIn-Service: Depreciation of Common Plant (a)Amortization of Other Utility Plant (a)Amortization of Acquisition AdjustmentsQuereciation and Amortization Reserve (Other) | Distribution Plant | 219 | 108 | DIST | | | 411,582,068 | - | - | 411,582 |
| Amortization of Intangible Plant - Account 302219111DIRECTPTDAmortization of Intangible Plant - Account 303219111DIRECTDISTMining Plant DepreciationAmortization of Plant Held for Future Use219111DIRECTDISTCapital Lease - Common Plant219111DIST | General Plant | 219 | 108 | GP | | | 83,279,714 | 27,429,423 | 18,867,518 | 36,982 |
| Amortization of Intangible Plant - Account 303 Mining Plant Depreciation Amortization of Plant Held for Future Use Capital Lease - Common Plant Leasehold Improvements In-Service: Depreciation of Common Plant (a) Amortization of Other Utility Plant (a) Amortization of Acquisition Adjustments219111DIRECTDIST219111DIRECTDIST <td< td=""><td>e</td><td></td><td>111</td><td>DIST</td><td></td><td></td><td></td><td>-</td><td>-</td><td></td></td<> | e | | 111 | DIST | | | | - | - | |
| Mining Plant Depreciation219108PRODAmortization of Plant Held for Future Use Capital Lease - Common Plant Leasehold Improvements219111DISTIn-Service: Depreciation of Common Plant (a) Amortization of Other Utility Plant (a) Amortization of Acquisition Adjustments200-201108DIRECTDISTepreciation and Amortization Reserve (Other)Image: Common Plant (Other Utility Plant (Other)Image: Common Plant (Other)< | | 219 | | DIRECT | PTD | | | - | - | |
| Amortization of Plant Held for Future Use Capital Lease - Common Plant Leasehold Improvements In-Service: Depreciation of Common Plant (a) Amortization of Other Utility Plant (a) Amortization Adjustments219111DIST200-201108DIRECTDIST | | | | | DIST | | | - | - | |
| Capital Lease - Common Plant Leasehold Improvements In-Service: Depreciation of Common Plant (a) Amortization of Other Utility Plant (a) Amortization Adjustments219108DirectInstructIns | | | | - | | | | - | - | |
| Leasehold Improvements In-Service: Depreciation of Common Plant (a) Amortization of Other Utility Plant (a) Amortization Adjustments200-201108DIRECTDIST200-201108DIRECTDIST38,728,95219,608,0727,118,55612,002200-201115DIST01ST38,728,95219,608,0727,118,55612,002epreciation and Amortization Reserve (Other) | | | | | | | | - | - | |
| In-Service: Depreciation of Common Plant (a)200-201108DIRECTImage: Common Plant (a)Amortization of Other Utility Plant (a)200-201108DIRECTDIST38,728,95219,608,0727,118,55612,002Amortization of Acquisition Adjustments200-201115DIST(327,581)(327Other Utility Plant (a)Other Utility Plant (a)Amortization AdjustmentsOther Utility Plant (a)Other Utility Plant (a)Amortization Reserve (Other)DIRECTDIRECTDIRECTDIRECTDIRECTOther Utility Plant (a)Other Utility Plant (b)Other Utility Plant (b)Other Ut | - | | | | | | | - | - | |
| Amortization of Other Utility Plant (a) 200-201 108 DIRECT DIST 38,728,952 19,608,072 7,118,556 12,002 Amortization of Acquisition Adjustments 200-201 115 DIST (327,581) - - (327,582) epreciation and Amortization Reserve (Other) DIRECT DIRECT Image: Contemport of the second se | | | | | DIST | | | - | - | |
| Amortization of Acquisition Adjustments 200-201 115 DIST (327,581) - - (327 epreciation and Amortization Reserve (Other) DIRECT DIRECT | · · · · · · · · · · · · · · · · · · · | | | | | | | - | - | |
| Depreciation and Amortization Reserve (Other) | • • • • • • | | | | DIST | | | 19,608,072 | 7,118,556 | |
| | Amortization of Acquisition Adjustments | 200-201 | 115 | DIST | | | (327,581) | - | - | (327. |
| Source \$ 1,406,209,952 \$ 709,909,382 \$ 236,060,986 \$ 460,239, | epreciation and Amortization Reserve (Other) | | | DIRECT | | | | | | |
| | Total Depreciation and Amortization Reserve | | | | | \$ | 1,406,209,952 | \$ 709,909,382 | \$ 236,060,986 | \$ 460,239, |

| | BONNEV | | | MINIST | RAT | ION | | | |
|---|---------------------------|---------------|----------------|------------|----------------|---------------|---|--------------|---|
| | | | | | | | | | |
| | RESIDENTIA | | | | | | | | |
| Propose | ed 2008 Avera | ge System C | Cost Method | lology (AS | C) U | tility Templa | te | | |
| | ШТШ І | TY NAME: | Ids | nho Power | Com | nany | 1 | | |
| En | d of Year Repo | | 1 | 200 | | рапу | | | |
| | | iling Date: | | 5/7/20 | | | Revised 6/18/2008 | REB BPA | |
| | | ing batter | | 011125 | 00 | | Amended Revised | | |
| | TAD | F 10 A. Cal | edula 1. Di | ant Invest | | / Data Dasa | Allthutu Keristu | 0/4/00 | |
| | | LE 18A: Sch | | | <u>nen</u> u / | / Kule Duse | | | |
| | FERC | | Functiona | | | - | | | |
| Account Description | Page | Account | Meth | | | Total | Production | Transmission | Distribution/ |
| | Number | Numbers | Default | Optional | | | | | Other |
| Assets and Other Debits (Comparative Balance Sheet) | | | | | | | | | |
| Cash Working Capital (f) | Calcula | tion: Automat | ie Innut from | Sch 1A | | 29,123,883 | 10,361,798 | 4,649,072 | 14,113,013 |
| Cash Working Capital (1) | Carcum | Ion. Tutonat | It Input it on | | | 27,123,005 | 10,501,750 | 7,017,072 | 17,110,010 |
| Utility Plant | | | | | | | | | |
| (Utility Plant) Held For Future Use | 200-201 | 105 | DIST | | | 2,809,770 | - | - | 2,809,770 |
| (Utility Plant) Completed Construction - Not Classified | 200-201 | 106 | PTD | | | ,, | - | - | - |
| Nuclear Fuel | | 120.2-120.6 | PROD | | | | - | - | - |
| Construction Work in Progress (CWIP) | 200-201 | 107 & 120.1 | DIST | | | 210,094,019 | - | - | 210,094,019 |
| Common Plant | 356 & 356.1 | | DIRECT | | | | | | |
| Acquisition Adjustments (Electric) | 200-201 | 114 | DIST | DIST | | (454,449) | - | - | (454,449 |
| Total | | · | | | \$ | 212,449,340 | \$ - | S - | \$ 212,449,340 |
| | | | | | | | | | |
| Other Property and Investments | | · | | | | | | · | |
| Investment in Associated Companies | 110-111 | 123.1 | DIST | DIST | | | - | - | - |
| Other Investment | 110-111 | 124 | DIST | | | 3,696 | - | - | 3,696 |
| Long-Term Portion of Derivative Assets | 110-111 | 175 | DIST | | | | - | - | - |
| Long-Term Portion of Derivative Assets - Hedges | 110-111 | 176 | DIST | | | | - | - | - |
| Total | | | | | \$ | 3,696 | \$ - | \$ - | \$ 3,69 |
| | | | | | | | | | |
| Current and Accrued Assets | 110 111 | T 161 T | PROD | 1 | | 15 172 021 | 15 172 021 | | |
| Fuel Stock | 110-111 | 151 | PROD | | | 15,173,831 | 15,173,831 | - | - |
| Fuel Stock Expenses Undistributed | 110-111 | 152 | PROD | | | 26.762.206 | - | - | 12 225 64 |
| Plant Materials and Operating Supplies | 110-111 | 154 | PTD | | | 36,762,206 | 17,759,241 | 6,767,321 | 12,235,64 |
| Merchandise (Major Only) Other Materials and Supplies (Major only) | <u>110-112</u> 110-111 | 155 156 | DIST DIST | | | | - | - | - |
| EPA Allowance Inventory | 110-111 | 156 | PROD | | | | - | - | - |
| EPA Allowances Withheld | 110-112 | 158.2 | PROD | | | | - | - | - |
| Stores Expense Undistributed | 110-112 | 158.2 | PTD | | | 2,316,011 | 1,118,828 | 426,340 | 770,84 |
| Prepayments | 110-111 | 165 | PTD | | | 8,952,014 | 4,324,577 | 1,647,919 | 2,979,51 |
| Derivative Instrument Assets | 110-111 | 105 | DIST | | | 0,702,011 | - | - | - |
| (Less) Long-Term Portion of Derivative Assets | 110-112 | 175 | DIST | | | | | | |
| Derivative Instrument Assets - Hedges | 110-112 | 175 | DIST | | | | - | | |
| (Less) Long-Term Portion of Derivative Assets - Hedges | 110-112 | 176 | DIST | | | | - | | - |
| Total | 110 112 | 1/0 | Dict | | \$ | 63,204,062 | \$ 38,376,477 | \$ 8,841,580 | \$ 15,986,00 |
| | | | | | Ŷ | | • | • •,•••,••• | • |

| | | | | | REEMENT C) Utility Templa | te | | |
|--|----------------------|--------------------|-----------------------|--|------------------------------|--------------------------------------|---------------|-----------------------|
| End | of Year Rep ASC F | iling Date: | | aho Power 2000 5/7/20 lant Investri | 5 | Revised 6/18/2008 Amended Revised | | |
| Association for the second sec | | Form 1 | Function | | Tetel | Durling | T | |
| Account Description | Page Number | Account Numbers | <u>Met</u> Default | hod Optional | Total | Production | Transmission | Distribution Other |
| erred Debits | | | | 1 - 1 | | · | · · · · · · | |
| Unamortized Debt Expenses | 110-111 | 181 | PTDG | | 9,786,336 | 4,650,860 | 1,833,086 | 3,302,1 |
| Extraordinary Property Losses | 110-111 | 182.1 | DIRECT | DIST | | - | - | |
| Unrecovered Plant and Regulatory Study Costs | 110-111 | 182.2 | DIRECT | DIST | | - | - | |
| Other Regulatory Assets | 110-111 | 182.3 | DIRECT | DIST | 378,846,883 | 188,089,121 | 68,763,303 | 121,994, |
| Preliminary Survey and Investigation Charges (Electric) | 110-111 | 183 | DIST | | 416,116 | - | - | 416, |
| Preliminary Natural Gas Survey and Investigation Charges | 110-111 | 183.1 | DIST | | | - | - | |
| Other Preliminary Survey and Investigation Charges | 110-111 | 183.2 | DIST | | | - | - | |
| Clearing Accounts | 110-111 | 184 | DIST | | 361,477 | - | - | 361, |
| Temporary Facilities | 110-111 | 185 | PTDG | | | - | - | |
| Miscellaneous Deferred Debits | 110-111 | 186 | DIRECT | DIST | 124,388,934 | 74,821,604 | 22,671,331 | 26,895, |
| Deferred Losses from Disposition of Utility Plant | 110-111 | 187 | DIRECT | | | | | |
| Research, Development, and Demonstration Expenditures | 110-111 | 188 | DIST | | | - | - | |
| Unamortized Loss on Reacquired Debt | 110-111 | 189 | PTDG | | 14,760,653 | 7,014,856 | 2,764,829 | 4,980, |
| Accumulated Deferred Income Taxes | 110-111 | 190 | DIST | | 117,138,886 | | - | 117,138, |
| Total | | | | | \$ 645,699,285 | \$ 274,576,441 | \$ 96,032,548 | \$ 275,090, |

| RES | SIDENTIA | L PURCH | WER ADM ASE AND SA | ALES AG | RE | EMENT | | | | |
|---|------------------------|------------------------------|------------------------------|-----------------------|--------------|-----------------|--------------------------------------|----------------|----|-------------------|
| Proposed 2 | | ge System (TY NAME: | | ology (AS ho Power | - C. | Utility Templat | te | | | |
| End of | Year Repo | | Idai | 2000 5/7/20 | 5 | прапу | Revised 6/18/2008 Amended Revised | | | |
| | <u>TABI</u> | LE 18A: Sci | hedule 1: Pla | nt Investn | <u>nen</u> t | t / Rate Base | Amenueu Reviseu | 0/4/00 | | |
| Account Description | FERC Page Number | Form 1 Account Numbers | Functiona Meth Default | | | Total | Production | Transmission | | ribution Other |
| iabilities and Other Credits (Comparative Balance Sheet) | | | | | | | | | | |
| CURRENT AND ACCRUED LIABILITIES | | | | | | | 1 | | | |
| Derivative Instrument Liabilities | 112-113 | 244 | DIST | | | 1,462,637 | - | - | | 1,462, |
| (less) Long-Term Portion of Derivative Instrument Liabilities | 112-114 | 244 | DIST | | | | - | - | | |
| Derivative Instrument Liabilities - Hedges | 112-115 | 245 | DIST | | | | - | - | | |
| (less) Long-Term Portion of Derivative Instrument Liabilities - Hedges Total | 112-114 | 245 | DIST | | s | 1,462,637 | - | - • | S | 1.4(2) |
| DEFERRED CREDITS | | | | | 3 | 1,402,037 | \$ - | \$ - | 3 | 1,462, |
| Customer Advances for Construction | 112-113 | 252 | DIST | | | 26,085,511 | | | | 26,085, |
| Other Deferred Credits | 112-113 | 252 | DIST | DIST | | 25,567,500 | 7,401,103 | 13,330,354 | | 4,836 |
| Other Regulatory Liabilities | 112-113 | 253 | DIRECT | DIST | | 225,731,042 | 124,119,234 | 35,429,436 | | 66,182 |
| Accumulated Deferred Investment Tax Credits | 112-113 | 255 | DIST | DIST | | 69,113,142 | - | - | | 69,113 |
| Deferred Gains from Disposition of Utility Plant | 112-113 | 256 | DIRECT | | | 07,110,112 | | | | |
| Unamortized Gain on Reacquired Debt | 112-113 | 257 | PTDG | | | | - | - | | |
| Accumulated Deferred Income Taxes-Accel. Amort. | 112-113 | 281 | DIST | | | | - | - | | |
| Accumulated Deferred Income Taxes-Property | 112-113 | 282 | DIST | | | 573,951,058 | - | - | | 573,951, |
| Accumulated Deferred Income Taxes-Other | 112-113 | 283 | DIST | | | 32,746,932 | - | - | | 32,746, |
| Total | | | | | \$ | 953,195,185 | \$ 131,520,337 | \$ 48,759,790 | \$ | 772,915, |
| otal Liabilities and Other Credits | | | | | \$ | 954,657,822 | \$ 131,520,337 | \$ 48,759,790 | \$ | 774,377 |
| otal Rate Base | | | | | \$ | 2,173,760,851 | \$ 1,185,216,378 | \$ 496,051,873 | s | 492,492, |

| UTILITY NAME: End of Year Report Period: ASC Filing Date: | Id | laho | Power Compa 12/31/2006 5/7/2008 | ıny | Revised 6/18/2008 | REB BP/ |
|---|----------------|------|---------------------------------------|---------------|------------------------|---------|
| <u>TABLE 18B: Schedu</u> (Automatic Input from | | | | | Amended Revised | 8/4/08 |
| Account Description | Total | 1 | Production | Transmission | Distribution/ Other | |
| Cash Working Capital Calculation: | | | | | | |
| Total Production O&M | 450,096,498 | _ | 450,096,498 | - | - | |
| Total Transmission O&M (i) | 23,669,858 | | - | 23,669,858 | - | |
| Total Distribution O&M | 41,984,481 | | - | - | 41,984,481 | |
| Total Customer & Sales | 28,971,362 | | 940,836 | - | 28,030,526 | |
| Total Administrative and General O&M | 86,726,893 | | 30,315,081 | 13,522,714 | 42,889,097 | |
| Less Purchased Power, Public Purpose Charge, REP Reversal, Fuel Costs | 398,458,031 | | 398,458,031 | - | - | |
| tevised Total O&M Expenses | \$ 232,991,061 | \$ | 82,894,384 | \$ 37,192,572 | \$ 112,904,104 | |

| | D | ONNEVILLI | E POWER A | DMINISTRATIO | IN | | |
|--|--|----------------------|-------------------------|-----------------------|-----------------------------|--------------------------------|-------|
| | RE | SIDENTIAL P | URCHASE AN | D SALE AGREEME | NT | | |
| | | Proposed 2008 | Average System | n Cost Methodology | | | |
| | | UTILITY NAME | : I | daho Power Compar | ny | | |
| | End of Yea | r Report Period | | 12/31/2006 | · | Revised 6/18/2008 RE | B BPA |
| | A | ASC Filing Date |): | 5/7/2008 | | Amended Revised 8/4 | /08 |
| | | <u>TABLE 18C: Sc</u> | <u>chedule 2: Capit</u> | al Structure and Rate | of Return (b) | | |
| | SUMMARY (for | use by ASC For | ecast Model) | | | | |
| Single-Jurisd | iction Investor-Owned | l Utility Return | Calculation: | | | | |
| Multi-Jurisd | iction Investor-Owned | l Utility Return | Calculation: | 11% | 0.10944 | | |
| | Consumer-Owned | l Utility Return | Calculation: | | | | |
| | | - | e of Return : | 10.9446% | | | |
| | | | | 100/10/0 | | | |
| Single-Jurisd | liction Investor-Owned | l Utility Return | Calculation | | | | |
| | | · · | | | | | |
| Step 1: Weighted Cost of Capital f | from Most Recent Stat | e Commission I | Rate Order | | | | |
| Note: Multi-jurisdictional utilities | | | | | | | |
| | | | | | | | |
| Punnew-owned unities mus | | | | | | | |
| Publicly-owned utilities mus | i begin on Fuge 4 | | | | | | |
| | Capitalization | | | tive Cost | | | |
| Component | | Structure Percent | Effec Embedded | tive Cost Weighted | | | |
| Component Debt | Capitalization | | | | | | |
| Component Debt Preferred Equity | Capitalization | | | | | | |
| Component Debt Preferred Equity Common Equity | Capitalization Amount | | | | | | |
| Component Debt Preferred Equity Common Equity Weighted Cost of Capital | Capitalization | | | | | | |
| Component Debt Preferred Equity Common Equity Weighted Cost of Capital | Capitalization Amount \$ | Percent | | | | | |
| Component Debt Preferred Equity Common Equity Weighted Cost of Capital Step 2: Gross Up Equity Return fo | Capitalization Amount \$ | Percent | Embedded | | | | |
| Component Debt Preferred Equity Common Equity Weighted Cost of Capital Step 2: Gross Up Equity Return for Federal Income Tax Rate (Curre | Capitalization Amount \$ | Percent | | | | | |
| Component Debt Preferred Equity Common Equity Weighted Cost of Capital Step 2: Gross Up Equity Return for Federal Income Tax Rate (Curre Federal Income Tax Factor | Capitalization Amount \$ - or Federal Income Tax ntly 35%) | Percent | Embedded | | | | |
| Component Debt Preferred Equity Common Equity Weighted Cost of Capital Step 2: Gross Up Equity Return for Federal Income Tax Rate (Curre | Capitalization Amount \$ - or Federal Income Tax ntly 35%) | Percent | Embedded | | | | |
| Component Debt Preferred Equity Common Equity Weighted Cost of Capital Step 2: Gross Up Equity Return for Federal Income Tax Rate (Currer Federal Income Tax Factor ((ROR – (Embedded Cost of Debt * (Debt)) | Capitalization Amount \$ - or Federal Income Tax ently 35%) | Percent | Embedded | | | | |
| Component Debt Preferred Equity Common Equity Weighted Cost of Capital Step 2: Gross Up Equity Return for Federal Income Tax Rate (Current Federal Income Tax Factor ((ROR – (Embedded Cost of Debt * (Debt)) Federal Income Tax Adjusted We | Capitalization Amount \$ • • • • • • • • • • • • • • • • • • • | Percent | Embedded | | | | |
| Component Debt Preferred Equity Common Equity Weighted Cost of Capital Step 2: Gross Up Equity Return for Federal Income Tax Rate (Currer Federal Income Tax Factor ((ROR – (Embedded Cost of Debt * (Debt)) | Capitalization Amount \$ • • • • • • • • • • • • • • • • • • • | Percent | Embedded | | | | |
| Component Debt Preferred Equity Common Equity Weighted Cost of Capital Step 2: Gross Up Equity Return for Federal Income Tax Rate (Current Federal Income Tax Factor {(ROR – (Embedded Cost of Debt * (Debt)) Federal Income Tax Adjusted We (Weighted Cost of Capital Plus Federal Income Tax Adjusted Income Tax Adjusted Ver | Capitalization Amount \$ • • • • • • • • • • • • • • • • • • • | Percent | Embedded | Weighted | | | |
| Component Debt Preferred Equity Common Equity Weighted Cost of Capital Step 2: Gross Up Equity Return for Federal Income Tax Rate (Current Federal Income Tax Factor (ROR – (Embedded Cost of Debt * (Debt / Federal Income Tax Adjusted We (Weighted Cost of Capital Plus Federal Income Tax Adjusted We Step 3: Calculate Return on Rate | Capitalization Amount \$ • • • • • • • • • • • • • • • • • • • | Percent | Embedded | Weighted | Production | Transmission | Other |
| Component Debt Preferred Equity Common Equity Weighted Cost of Capital Step 2: Gross Up Equity Return for Federal Income Tax Rate (Current Federal Income Tax Factor (ROR – (Embedded Cost of Debt * (Debt / Federal Income Tax Adjusted We (Weighted Cost of Capital Plus Federal Income Tax Adjusted We Step 3: Calculate Return on Rate Total Rate Base from Schedule 1 | Capitalization Amount \$ • • • Federal Income Tax • • (Total Capital))} * {(Feder • • ighted Cost of Capital come Tax Factor) Base | Percent | Embedded | Weighted | Production 1,185,216,378 | Transmission \$ 496,051,873 | |
| Component Debt Preferred Equity Common Equity Weighted Cost of Capital Step 2: Gross Up Equity Return for Federal Income Tax Rate (Current Federal Income Tax Factor (ROR – (Embedded Cost of Debt * (Debt / Federal Income Tax Adjusted We (Weighted Cost of Capital Plus Federal Income Tax Adjusted Tax Step 3: Calculate Return on Rate Total Rate Base from Schedule 1 Federal Income Tax Adjusted Weig | Capitalization Amount \$ • • • Federal Income Tax • • (Total Capital))} * {(Feder • • ighted Cost of Capital come Tax Factor) Base • | Percent | Embedded | Weighted | | | |
| Component Debt Preferred Equity Common Equity Weighted Cost of Capital Step 2: Gross Up Equity Return for Federal Income Tax Rate (Current Federal Income Tax Factor (ROR – (Embedded Cost of Debt * (Debt / Federal Income Tax Adjusted We (Weighted Cost of Capital Plus Federal Income Tax Adjusted We Step 3: Calculate Return on Rate Total Rate Base from Schedule 1 | Capitalization Amount \$ • • • • • • • • • • • • • • • • • • | Percent | Embedded | Weighted | | | |

| | B | ONNEVILLE | POWER | ADMINISTRATI | ON | | |
|--|--|--|---|--|------------------|----------------------------------|---------------------------|
| | RF | SIDENTIAL PU | RCHASE A | ND SALE AGREEN | 1ENT | | |
| | | | | tem Cost Methodolog | | | |
| | | UTILITY NAME: | | Idaho Power Com | any | 1 | |
| | End of Yea | r Report Period: | | 12/31/2006 | Jany | | R RPA |
| | | ASC Filing Date: | | 5/7/2008 | | Amended Revised 8/4 | |
| | | • | hedule 2: Caj | pital Structure and Ro | te of Return (b) | 2 | |
| | | | | | | | |
| Multi-Juris | diction Investor-Owned | l Utility Return (| Calculation | | | | |
| Step 1: | | ~ | | | | | |
| Weighted Cost of Capital from M | Most Recent State Com | mission Rate Or | der in Jurisd | liction 1 | | | |
| | | | | | | | |
| | Capitalization | | | fective Cost | Jurisdictional | Effective | |
| Component | Amount | Percent | Embedded | Weighted | Allocation | Weighted Sta | |
| Debt | \$ 1,108,460,000 | 49.7% | 5.59% | 2.781% | 95.00% | 2.64% | 47.250% |
| Preferred Equity | | | | | | | |
| | | | | | | 5.06% | 47.75% |
| Common Equity | \$ 1,120,188,586 | 50.3% | 10.60% | 5.328% | | | |
| Common Equity Weighted Cost of Capital | \$ 1,120,188,586 \$ 2,228,648,586 | 50.3% 100.00% | 10.60% | 5.328% 8.109% | | 7.70% | 95.00% |
| Common Equity Weighted Cost of Capital Weighted Cost of Capital from M | s 2,228,648,586 | 100.00% mission Rate Ore | der in Jurisd | 8.109% liction 2 | | | |
| Common Equity Weighted Cost of Capital Weighted Cost of Capital from M Component | \$ 2,228,648,586 | 100.00% mission Rate Ore Percent | der in Jurisd Embedded | 8.109% liction 2 Weighted | £ 009/ | 7.70% | 95.00% |
| Common Equity Weighted Cost of Capital Weighted Cost of Capital from M Component Debt | s 2,228,648,586 | 100.00% mission Rate Ore | der in Jurisd | 8.109% liction 2 | 5.00% | | |
| Common Equity Weighted Cost of Capital Weighted Cost of Capital from M Component Debt Preferred Equity | s 2,228,648,586 | 100.00% mission Rate Ore Percent 54.0% | der in Jurisd Embedded 5.99% | 8.109% liction 2 Weighted 3.235% | 5,00% | 0.16% | 95.00% 2.700% |
| Common Equity Weighted Cost of Capital Weighted Cost of Capital from M Component Debt Preferred Equity Common Equity | S 2,228,648,586 Most Recent State Com Amount | 100.00% mission Rate Ord Percent 54.0% 46.0% | der in Jurisd Embedded | 8.109% liction 2 Weighted 3.235% 4.600% | 5.00% | 7.70% 0.16% 0.23% | 95.00% 2.700% 2.30% |
| Common Equity Weighted Cost of Capital Weighted Cost of Capital from M Component Debt Preferred Equity | s 2,228,648,586 | 100.00% mission Rate Ore Percent 54.0% | der in Jurisd Embedded 5.99% | 8.109% liction 2 Weighted 3.235% | 5.00% | 0.16% | 95.00% 2.700% |
| Common Equity Weighted Cost of Capital Weighted Cost of Capital from M Component Debt Preferred Equity Common Equity | S 2,228,648,586 Most Recent State Com Amount S - | 100.00% mission Rate Ord Percent 54.0% 46.0% 100.00% | der in Jurisd Embedded 5.99% 10.00% | 8.109% liction 2 Weighted 3.235% 4.600% 7.835% | 5,00% | 7.70% 0.16% 0.23% | 95.00% 2.700% 2.30% |
| Common Equity Weighted Cost of Capital Weighted Cost of Capital from M Component Debt Preferred Equity Common Equity Weighted Cost of Capital Weighted Cost of Capital from M | S 2,228,648,586 Most Recent State Com Amount S - | 100.00% mission Rate Ord Percent 54.0% 46.0% 100.00% | der in Jurisd Embedded 5.99% 10.00% | 8.109% liction 2 Weighted 3.235% 4.600% 7.835% | 5.00% | 7.70% 0.16% 0.23% | 95.00% 2.700% 2.30% |
| Common Equity Weighted Cost of Capital Weighted Cost of Capital from M Component Debt Preferred Equity Common Equity Weighted Cost of Capital Weighted Cost of Capital from M Component | S 2,228,648,586 Most Recent State Com Amount S - Most Recent State Com | 100.00% mission Rate Ord Percent 54.0% 46.0% 100.00% mission Rate Ord | der in Jurisd Embedded 5.99% 10.00% der in Jurisd | 8.109% liction 2 Weighted 3.235% 4.600% 7.835% liction 3 | 5.00% | 7.70% 0.16% 0.23% | 95.00% 2.700% 2.30% |
| Common Equity Weighted Cost of Capital Weighted Cost of Capital from M Component Debt Preferred Equity Common Equity Weighted Cost of Capital Weighted Cost of Capital from M Component Debt | S 2,228,648,586 Most Recent State Com Amount S - Most Recent State Com | 100.00% mission Rate Ord Percent 54.0% 46.0% 100.00% mission Rate Ord | der in Jurisd Embedded 5.99% 10.00% der in Jurisd | 8.109% liction 2 Weighted 3.235% 4.600% 7.835% liction 3 | | 7.70% 0.16% 0.23% | 95.00% 2.700% 2.30% |
| Common Equity Weighted Cost of Capital Weighted Cost of Capital from M Component Debt Preferred Equity Common Equity Weighted Cost of Capital Weighted Cost of Capital from M Component Debt Preferred Equity Common Equity | S 2,228,648,586 Most Recent State Com Amount S - Most Recent State Com | 100.00% mission Rate Ord Percent 54.0% 46.0% 100.00% mission Rate Ord | der in Jurisd Embedded 5.99% 10.00% der in Jurisd | 8.109% liction 2 Weighted 3.235% 4.600% 7.835% liction 3 | | 7.70% 0.16% 0.23% | 95.00% 2.700% 2.30% |
| Common Equity Weighted Cost of Capital Weighted Cost of Capital from M Component Debt Preferred Equity Common Equity Weighted Cost of Capital Weighted Cost of Capital from M Component Debt Preferred Equity | S 2,228,648,586 Most Recent State Com Amount S - Most Recent State Com | 100.00% mission Rate Ord Percent 54.0% 46.0% 100.00% mission Rate Ord | der in Jurisd Embedded 5.99% 10.00% der in Jurisd | 8.109% liction 2 Weighted 3.235% 4.600% 7.835% liction 3 | | 7.70% 0.16% 0.23% | 95.00% 2.700% 2.30% |
| Common Equity Weighted Cost of Capital Weighted Cost of Capital from M Component Debt Preferred Equity Common Equity Weighted Cost of Capital Weighted Cost of Capital from M Component Debt Preferred Equity Common Equity Common Equity Weighted Cost of Capital | S 2,228,648,586 Most Recent State Com Amount S - Most Recent State Com Amount S - Most Recent State Com Amount S - S - S - | 100.00% mission Rate Ord Percent 54.0% 46.0% 100.00% mission Rate Ord Percent | der in Jurisd Embedded 5.99% 10.00% der in Jurisd Embedded | 8.109% liction 2 Weighted 3.235% 4.600% 7.835% liction 3 Weighted | | 7.70% 0.16% 0.23% | 95.00% 2.700% 2.30% |
| Common Equity Weighted Cost of Capital Weighted Cost of Capital from M Component Debt Preferred Equity Common Equity Weighted Cost of Capital Weighted Cost of Capital from M Component Debt Preferred Equity Common Equity Weighted Cost of Capital Meighted Cost of Capital Preferred Equity Common Equity Weighted Cost of Capital Jurisdiction | S 2,228,648,586 Most Recent State Com Amount S - Most Recent State Com Most Recent State Com Amount | 100.00% mission Rate Ord Percent 54.0% 46.0% 100.00% mission Rate Ord Percent Weighted cost | der in Jurisd Embedded 5.99% 10.00% der in Jurisd Embedded | 8.109% liction 2 Weighted 3.235% 4.600% 7.835% liction 3 | | 7.70% 0.16% 0.23% 0.39% | 95.00% 2.700% 2.30% |
| Common Equity Weighted Cost of Capital Weighted Cost of Capital from N Component Debt Preferred Equity Common Equity Weighted Cost of Capital Weighted Cost of Capital from N Component Debt Preferred Equity Common Equity Weighted Cost of Capital Jurisdiction Idaho | S 2,228,648,586 Most Recent State Com Amount S - Most Recent State Com Amount S - Most Recent State Com Amount S - S - S - | 100.00% mission Rate Ord Percent 54.0% 46.0% 100.00% mission Rate Ord Percent Weighted cost 8.11% | der in Jurisd | 8.109% liction 2 Weighted 3.235% 4.600% 7.835% liction 3 Weighted | | 7.70% 0.16% 0.23% 0.39% | 95.00% 2.700% 2.30% |
| Common Equity Weighted Cost of Capital Weighted Cost of Capital from M Component Debt Preferred Equity Common Equity Weighted Cost of Capital Weighted Cost of Capital from M Component Debt Preferred Equity Common Equity Weighted Cost of Capital Meighted Cost of Capital Meighted Cost of Capital | S 2,228,648,586 Most Recent State Com Amount S - Most Recent State Com Amount S - Most Recent State Com Amount S - S - S - | 100.00% mission Rate Ord Percent 54.0% 46.0% 100.00% mission Rate Ord Percent Weighted cost | der in Jurisd Embedded 5.99% 10.00% der in Jurisd Embedded | 8.109% liction 2 Weighted 3.235% 4.600% 7.835% liction 3 Weighted | | 7.70% 0.16% 0.23% 0.39% | 95.00% 2.700% 2.30% |

| BONNEVILLE POWI | ER ADMINISTRAT | ION | | |
|---|--|---------------------------------------|---|----------------|
| RESIDENTIAL PURCHAS | E AND SALE AGREEN | MENT | | |
| Proposed 2008 Average | System Cost Methodolo | gy | | |
| UTILITY NAME: End of Year Report Period: ASC Filing Date: <u>TABLE 18C: Schedule 2:</u> | Idaho Power Com 12/31/2006 5/7/2008 Capital Structure and R | · · · · · · · · · · · · · · · · · · · | Revised 6/18/2008 RE Amended Revised 8/4 | |
| Multi-Jurisdiction Investor-Owned Utility Return Calculation (co | ntinued) | | | |
| 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 | 2.849% | l | | |
| Federal Income Tax Adjusted Weighted Cost of Capital (Weighted Cost of Capital Plus Federal Income Tax Factor) | 10.9446% | | | |
| Step 3: Calculate Return on Rate Base | | | | |
| | Total | Production | Transmission | Other |
| Total Rate Base from Schedule 1 | \$ 2,173,760,851 | \$ 1,185,216,378 | \$ 496,051,873 | \$ 492,492,600 |
| Federal Income Tax Adjusted Weighted Cost of Capital | 10.945% | 10.945% | 10.945% | 10.945% |
| Federal Income Tax Adjusted Return on Rate Base | \$237,909,932 | \$129,717,465 | \$54,291,008 | \$53,901,459 |
| (Total Rate Base * Federal Income Tax Adjusted Weighted Cost of Capital) | | | | |

| | | RES | IDENTIAL PU | RCHASE | ADMINISTRATI AND SALE AGREEM stem Cost Methodolo | IENT | | |
|---------------------------------|---------------|-----------------|---|--------------|---|---------------------------|---|-------------|
| | End | of Year I AS | TILITY NAME: Report Period: SC Filing Date: <u>ABLE 18C: Scl</u> | nedule 2: Ca | Idaho Power Comp 12/31/2006 5/7/2008 apital Structure and Ro | | Revised 6/18/2008 RE Amended Revised 8/4 | |
| Co | onsumer-Owned | Utility Re | eturn Calculati | on | | | | |
| Step 1: Weighted Cost of Debt | | | | | | | | |
| | Origina | l | Year | Year | Interest | Interest | | |
| Debt Issue | Amoun | t | Issued | Due | Rate | Expense | | |
| | | | | | | <u>\$</u> - | | |
| | | | | | | <u>s</u> - | | |
| | | | | | | \$ - | | |
| | | | | | | s - | | |
| | | | | | | s - | | |
| | | | | | | <u> </u> | | |
| | | | | | | <u>\$</u> | | |
| | | | | | | <u>\$</u> | | |
| Weighted Cost of Debt | S | | | | | <mark>\$ -</mark> \$ - | | |
| Step 2: Calculate Return on Rat | e Base | - | | | Total | Production | Transmission | Other |
| Total Rate Base from Schedule 1 | l | | | | \$ 2,173,760,851 | \$ 1,185,216,378 | \$ 496,051,873 | \$ 492,492, |
| Weighted Cost of Debt | | | | | | | | |
| Return on Rate Base | | | | | | | | |
| | | | | | | | | |

| | BONNE | VILLE PO | WER AI | MINISTR | RATION | | | |
|--|---|-----------------|--------------------|-----------------------------------|----------------|-------------------|---------------|--------------|
| | RESIDENT | IAL PURCI | HASE ANI | SALE AGI | REEMENT | | | |
| | Propose | d 2008 Aver | age System | Cost Metho | odology | | | |
| | | ITY NAME: | L | laho Power (| Company | 1 | | |
| | End of Year Rep | | I | 12/31/20 | | Revised 6/18/2008 | R RFR RPA | |
| | | Filing Date: | | 5/7/200 | | Amended Revised | | |
| | ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,, | - | | | | | | |
| | | <u>TABL</u> | <u>.E 18D: Sci</u> | <u>hedul</u> e 3: Ex _j | penses | | | |
| | Fo | rm 1 | Functio | nalization | | | | |
| Account Description | Page | Account | Me | thod | Total | Production | Transmission | Distribution |
| | Number | Numbers | Default | Optional | | | | Other |
| ower Production Expenses: | | | | | | | | |
| Steam Power Generation | | | | | | | | |
| Steam Power - Fuel | 320-323 | 501 | PROD | | 107,519,847 | 107,519,847 | - | |
| Steam Power - Operations (Excluding 501 - Fuel) | 320-323 | 500-509 | PROD | | 18,655,548 | 18,655,548 | - | |
| Steam Power - Maintenance | 320-323 | 510-515 | PROD | | 27,321,286 | 27,321,286 | - | |
| 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 | | 21,922,426 | 21,922,426 | - | |
| Hydraulic - Maintenance | 320-323 | 541-545.1 | PROD | | 9,363,762 | 9,363,762 | - | |
| Other Power Generation | | | | | | | | |
| Other Power - Fuel | 320-323 | 547 | PROD | | 7,498,309 | 7,498,309 | - | |
| Other Power - Operations (Excluding 547 - Fuel) | 320-323 | 546-550.1 | PROD | | 909,911 | 909,911 | - | |
| Other Power - Maintenance | 320-323 | 551-554.1 | PROD | | 693,980 | 693,980 | - | |
| Other Power Supply Expenses | | | | | | | | |
| Purchased Power (Excluding REP Reversal) | 320-323 | 555 | PROD | | 283,439,875 | 283,439,875 | - | |
| System Control and Load Dispatching | 320-323 | 556 | PROD | | 76,140 | 76,140 | - | |
| Other Expenses | 320-323 | 557 | PROD | | (27,304,586) | (27,304,586) | - | |
| BPA REP Reversal | 327 | 555 | PROD | | | - | - | |
| Public Purpose Charges (h) | | | DIRECT | | | | | |
| otal Production Expense | | | | | \$ 450,096,498 | \$ 450,096,498 | \$ - | \$ |
| ransmission Expenses: (i) | | | | | | | | |
| Transmission Expenses: (1) Transmission of Electricity by Others (Wheeling) | 320-323 | 565 | TRANS | | 7,638,680 | | 7,638,680 | |
| Total Operations less Wheeling | 320-323 | 560-567.1 | TRANS | | 10,182,975 | - | 10,182,975 | |
| Total Maintenance | 320-323 | 568-574 | TRANS | | 5,848,203 | - | 5,848,203 | |
| Sotal Transmission Expense | 520-525 | 308-374 | INANS | | \$ 23,669,858 | <u>-</u> | \$ 23,669,858 | s |
| Utal Transmission Expense | | | | | 5 25,009,858 | ð - | 5 23,009,858 | \$ |

| | BONNE RESIDENT | VILLE PO | | | | | | | | |
|--|----------------------------------|--------------|----------------|--------------|-------|---|---------------------------------------|------------------------|----------|--|
| | | d 2008 Aver | | | | | | | | |
| | UTIL | ITY NAME: | Id | aho Power | Com | pany | | | | |
| | End of Year Rep | oort Period: | | 12/31/2 | 006 | | Revised 6/18/2008 | REB BPA | | |
| | ASC | Filing Date: | | 5/7/20 | 08 | | Amended Revised | 8/4/08 | | |
| | | <u>TABL</u> | E 18D: Sch | nedule 3: Ex | penso | es | | | | |
| | Fo | rm 1 | Function | nalization | | | | | | |
| Account Description | Page | Account | Me | thod | | Total | Production | Transmission | Di | stribution |
| | Number | Numbers | Default | Optional | 1 | | | | | Other |
| Distribution Expense: | | | | | | | | | | |
| Total Operations | 320-323 | 580-589 | DIST | | | 24,461,390 | - | - | | 24,461,3 |
| Total Maintenance | 320-323 | 590-598 | DIST | | | 17,523,091 | - | - | | 17,523,0 |
| Total Distribution Expense | | | | | \$ | 41,984,481 | \$ - | \$ - | \$ | 41,984,4 |
| Customer and Sales Expenses: | | | | | | | | | | |
| Total Customer Accounts | 320-323 | 901-905 | DIST | | | 18,787,288 | _ | _ | | 18,787, |
| Customer Service and Information | 320-323 | 906-907 | DIST | | | 288,822 | | | <u> </u> | 288, |
| Customer Assistance Expenses (Major only) | 320-323 | 900-907 | DIST | | | 9,047,316 | 940,836 | | <u> </u> | 8,106, |
| Customer Service and Information | 320-323 | 909-910 | DIST | | | 847,936 | | | | 847, |
| Total Sales Expense | 320-323 | 911-917 | DIST | | | 011,,200 | - | - | | |
| Total Customer and Sales Expenses | | | | | \$ | 28,971,362 | \$ 940,836 | \$ - | \$ | 28,030,5 |
| | | | | | | , , | · · · · · · · · · · · · · · · · · · · | | | , , , |
| Administration and General Expense: | | | | | | | | | | |
| Operation | | | | 1 | | | | | | |
| Administration and General Salaries | 320-323 | 920 | LABOR | | | 48,935,653 | 17,289,934 | 7,814,478 | <u> </u> | 23,831, |
| Office Supplies & Expenses | 320-323 | 921 922 | LABOR | | | 14,665,999 | 5,181,788 | 2,341,996 | <u> </u> | 7,142,2 |
| (Less) Administration Expenses Transferred - Credit Outside Services Employed | <u>320-323</u> <u>320-323</u> | 922 | LABOR LABOR | | | 29,324,259 8,149,646 | 10,360,841 2,879,431 | 4,682,757 1,301,408 | <u> </u> | <u>14,280,</u> 3,968, |
| Property Insurance | 320-323 | 923 | PTDG | | | 2,945,897 | 1,400,009 | 551,798 | <u> </u> | <u> </u> |
| Injuries and Damages | 320-323 | 924 | LABOR | | | 5,152,000 | 1,400,009 | 822,717 | <u> </u> | 2,508, |
| Employee Pensions & Benefits | 320-323 | 926 | LABOR | | | 29,241,894 | 10,331,740 | 4,669,604 | | 14,240, |
| Franchise Requirements | 320-323 | 927 | DIST | | | 2,000 | - | -,007,004 | | 2, |
| Regulatory Commission Expenses | 320-323 | 928 | DIST | | | 976,225 | - | | | |
| (Less) Duplicate Charges - Credit | 320-323 | 929 | PTDG | | | ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,, | - | - | | <i>,</i> ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,, |
| General Advertising Expenses | 320-323 | 930.1 | DIST | DIST | | 107,310 | - | - | | 107, |
| Miscellaneous General Expenses | 320-323 | 930.2 | DIST | | | 1,901,158 | - | - | | 1,901, |
| Rents | 320-323 | 931 | DIST | | | 4,003 | - | - | | 4, |
| Transportation Expenses (Non Major) | 320-324 | 933 | DIST | | | | - | - | | |
| Maintenance | | | | | | | | | | |
| Maintenance of General Plant | 320-323 | 935 | GPM | | | 3,969,367 | 1,772,718 | 703,470 | | 1,493, |
| Fotal Administration and General Expenses | | | | | \$ | 86,726,893 | \$ 30,315,081 | \$ 13,522,714 | \$ | 42,889,0 |

| | BONNE V RESIDENT | VILLE PO IAL PURCI | | | | | | | |
|--|---------------------|-----------------------|-------------------|----------------------------|-------|-------------|-------------------|---------------|---------------|
| | Propose | d 2008 Aver | age System | ge System Cost Methodology | | | | | |
| | UTIL | ITY NAME: | Id | aho Power | Com | pany | | | |
| E | End of Year Rep | oort Period: | | 12/31/2 | 006 | | Revised 6/18/2008 | B REB BPA | |
| | ASC | Filing Date: | | 5/7/20 | 08 | | Amended Revised | 8/4/08 | |
| | | <u>TABL</u> | <u>E 18D: Sch</u> | <u>edul</u> e 3: Ex | pense | es | | | |
| | Fo | rm 1 | Function | alization | | | | | |
| Account Description | Page | Account | Met | thod | | Total | Production | Transmission | Distribution/ |
| | Number | Numbers | Default | Optional | 1 | | | | Other |
| Fotal Operations and Maintenance | | | | | S | 631,449,092 | \$ 481,352,415 | \$ 37,192,572 | \$ 112,904,10 |
| Amortization of Intangible Plant - Account 301 | 336 | 404 | DIST | | | | - | - | |
| | | | | | | | | | |
| Depreciation and Amortization: Amortization of Intansible Plant - Account 301 | 336 | 404 | DIST | | | | _ | _ | - |
| Amortization of Intangible Plant - Account 302 | 336 | 404 | DIRECT | PTD | | 700,690 | 400,503 | 300,187 | - |
| Amortization of Intangible Plant - Account 303 | 336 | 404 | DIRECT | DIST | | 8,388,971 | 4,058,913 | 1,542,017 | 2,788,04 |
| Steam Production Plant | 336 | 403 | PROD | | | 23,623,910 | 23,623,910 | - | - |
| Nuclear Production Plant | 336 | 403 | PROD | | | | - | - | - |
| Hydraulic Production Plant - Conventional | 336 | 403 | PROD | | | 12,606,566 | 12,606,566 | - | - |
| Hydraulic Production Plant - Pumped Storage | 336 | 403 | PROD | | | | - | - | - |
| Other Production Plant | 336 | 403 | PROD | | | 3,035,377 | 3,035,377 | - | - |
| Transmission Plant (i) | 336 | 403 | TRANS | | | 12,905,223 | - | 12,905,223 | - |
| Distribution Plant | 336 | 403 | DIST | | | 27,682,064 | - | - | 27,682,0 |
| General Plant | 336 | 403 | GP | | | 11,246,569 | 3,704,226 | 2,547,978 | 4,994,3 |
| Common Plant - Electric | 336 | 403 | DIRECT | | | (296,299) | | | (296,2 |
| 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 | DIST | | | (327,581) | | | (327,58 |
| Fotal Depreciation and Amortization | | | | | \$ | 99,565,490 | \$ 47,429,495 | \$ 17,295,405 | \$ 34,840,59 |
| | | | | | | | | | |
| | | | | | | | | | |
| Fotal Operating Expenses | | | | | \$ | 731,014,582 | \$ 528,781,911 | \$ 54,487,977 | \$ 147,744,69 |

| | BONNE | VILLE PO | OWER AI | DM | INISTRAT | 'IOI | N | | | | | |
|-------------------------------------|--------------------|----------------------------|---------------------|-------|------------------------|---------------|-----------|----|--|----|--------------|--|
| ŀ | RESIDENT | IAL PURC | HASE ANI |) SA | LE AGREE | ME | NT | | | | | |
| | Propose | d 2008 Ave | rage Systen | ı Co | st Methodolo | ogy | | | | | | |
| | | TY NAME: | Ic | laho | Power Com | pany | / | | | | | |
| End of | Year Repo ASC F | ort Period: iling Date: | | | 12/31/2006 5/7/2008 | | | | v <mark>ised 6/18/2</mark> ended Revi | | | |
| | TABLE 1 | <u> 18E: Schedi</u> | <u>ile 3A Items</u> | :: Ta | <u>xes (Includir</u> | <u>ıg I</u> n | come Taxe | s) | | | | |
| Account Description | Page | Form 1 Account | Funct. Method | | Total | Pr | oduction | Tr | ansmission | D | istribution/ | |
| | Number | Numbers | | | | | | | | | Other | |
| FEDERAL | | | | | | | | | | | | |
| Income Tax (Included on Schedule 2) | 262 | 409.1 | DIST | | 74,035,895 | | - | | - | | 74,035,89 | |
| Employment Tax | 262 | 408.1 | LABOR | | 114,279 | | 40,377 | | 18,249 | | 55,6 | |
| Other Federal Taxes | 262 | 408.1 | DIST | | 9,868,447 | | - | | - | | 9,868,44 | |
| FOTAL FEDERAL | | | | \$ | 84,018,621 | \$ | 40,377 | \$ | 18,249 | \$ | 83,959,9 | |
| STATE AND OTHER | | | | | | | | | | | | |
| Property | 262 | 408.1 | PTDG | | 15,684,255 | | 7,453,788 | | 2,937,829 | | 5,292,63 | |
| Unemployment | 262 | 408.1 | LABOR | | 283,157 | | 100,045 | | 45,217 | | 137,8 | |
| State Income, B&O, et. | 262 | 409.1 | DIST | | 9,099,952 | | - | | - | | 9,099,9 | |
| Franchise Fees | 262 | 408.1 | DIST | | 500,221 | | - | | - | | 500,2 | |
| Regulatory Commission | 262 | 408.1 | DIST | | 1,784,719 | | - | | - | | 1,784,7 | |
| City/Municipal | 262 | 408.1 | DIST | | 0 | | - | | - | | - | |
| Other | 262 | 408.1 | DIST | | 2,064,967 | | - | | - | | 2,064,9 | |
| TOTAL STATE AND OTHER TAXES | | | | \$ | 29,417,271 | \$ | 7,553,833 | \$ | 2,983,046 | \$ | 18,880,39 | |
| FOTAL TAXES | | | | \$ | 113,435,892 | \$ | 7,594,210 | \$ | 3,001,295 | \$ | 102,840,38 | |

| | | I | | | ~ | | | | |
|---|----------------|--------------|-------------------|---------------------|------|-------------|------------------|----------------|--------------|
| | | LITY NAME: | Ida | aho Power (| | pany | | | |
| | End of Year Re | | | 12/31/20 | | | Revised 6/18/200 | | |
| | ASC | Filing Date: | | 5/7/200 | 08 | | Amended Revise | d 8/4/08 | |
| | <u></u> | ABLE 18F: S | <u>chedule 3B</u> | <u>Other In</u> clu | uded | Items | | | |
| | FERC | Form 1 | Function | alization | | | | | |
| Account Description | Page | Account | Met | hod | | | | | Distribution |
| • | Number | Numbers | Default | Optional | 1 | Total | Production | Transmission | Other |
| Other Included Items: | _ | | | | | | | | |
| Regulatory Credits | 114 | 407.4 | DIRECT | PROD | | | - | - | - |
| (Less) Regulatory Debits | 114 | 407.3 | DIRECT | DIST | | 10,391,371 | 5,136,609 | 1,871,322 | 3,383,4 |
| Gain from Disposition of Utility Plant | 114 | 411.6 | PROD | PROD | | 46,144 | 46,144 | - | |
| (Less) Loss from Disposition of Utility Plant | 114 | 411.7 | DIRECT | DIST | | | - | - | |
| Gain from Disposition of Allowances | 114 | 411.8 | PROD | | | 8,257,817 | 8,257,817 | - | |
| (Less) Loss from Disposition of Allowances | 114 | 411.9 | PROD | | | | - | - | |
| Miscellaneous Nonoperating Income | 114 | 421 | DIRECT | PROD | | 5,189,612 | 3,044,891 | 763,777 | 1,380,9 |
| Fotal Other Included Items | | | | | \$ | 3,102,202 | \$ 6,212,243 | \$ (1,107,545) | \$ (2,002,4 |
| | | | | | | | | | |
| Sales for Resale: | | ,, | | | _ | | | | |
| Sales for Resale | 310 | 447 | PROD | | | 260,717,491 | 260,717,491 | - | |
| <u>Cotal Sales for Resale</u> | | | | | \$ | 260,717,491 | \$ 260,717,491 | \$ - | \$- |
| Other Revenues: | | | | | | | | | |
| Forfeited Discounts | 300 | 450 | DIST | | | | - | - | - |
| Miscellaneous Service Revenues | 300 | 451 | DIST | | | 5,424,893 | - | - | 5,424,8 |
| Sales of Water and Water Power | 300 | 453 | PROD | | | | - | - | |
| Rent from Electric Property | 300 | 454 | TD | | | 16,858,178 | - | 6,003,521 | 10,854,6 |
| Interdepartmental Rents | 300 | 455 | DIST | | | | - | - | |
| Other Electric Revenues | 300 | 456 | DIRECT | PROD | | 297,623 | 61,919 | 85,052 | 150,6 |
| Revenues from Transmission of Electricity of Others (i) | 330 | 456.1 | TRANS | | | 12,156,837 | - | 12,156,837 | |
| otal Other Revenues | | | | | \$ | 34,737,531 | \$ 61,919 | \$ 18,245,410 | \$ 16,430,2 |
| | | | | | | | | | |

| Propose | ed 2008 | Average System | 1 Cos | st Methodology | | | | |
|---|-------------|------------------------------|--------|---|----|--------------------|-----|----------------|
| UTILITY NAME: End of Year Report Period: ASC Filing Date: | | Idaho Powe 12/31 5/7/2 | /2006 | | | vised 6/18/2008 RE | | 'A |
| | <u>TABL</u> | E 18G: Schedul | e 4: A | <u>lverag</u> e System Co | | ended Revised 8/4 | /08 | |
| | | Total | | Production | | Transmission | Dis | tribution/Othe |
| Fotal Operating Expenses | \$ | 731,014,582 | \$ | 528,781,911 | \$ | 54,487,977 | \$ | 147,744,69 |
| From Schedule 3) | | | | | | | | |
| Federal Income Tax Adjusted Return on Rate Base | \$ | 237,909,932 | \$ | 129,717,465 | \$ | 54,291,008 | \$ | 53,901,45 |
| From Schedule 2) | | | | | | | | |
| State and Other Taxes | \$ | 113,435,892 | \$ | 7,594,210 | \$ | 3,001,295 | \$ | 102,840,38 |
| From Schedule 3a) | <u> </u> | 110,100,002 | Ŷ | ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,, | Ŷ | 2,001,270 | Ŷ | 102,010,00 |
| <u>Sotal Other Included Items</u> | \$ | 298,557,224 | \$ | 266,991,653 | \$ | 17,137,865 | \$ | 14,427,70 |
| From Schedule 3b) | | | | | | | | |
| Fotal Cost | Ø | 783,803,182 | \$ | 399,101,933 | \$ | 94,642,415 | \$ | 290,058,83 |

| End of Year Report Period:12/31/2006ASC Filing Date:5/7/2008 | |
|--|-------------------------|
| ASC Filing Date: 5/7/2008 Re | |
| 5 | |
| An | vised 6/18/2008 REB BPA |
| | nended Revised 8/4/08 |
| <u>TABLE 18G: Schedule 4: Average</u> System Cost | |
| | |
| Contract System Cost | |
| Production \$ 399,101,933 | |
| Stransmission \$ 94,642,415 | |
| Less) New Large Single Load Costs (d) \$ 26,461,649 | |
| Sotal Contract System Cost\$ 467,282,700 | |
| Contract System Load (MWh) | |
| Fotal Retail Load13,939,314 | |
| Less) New Large Single Load 385,440 | |
| Total Retail Load (Net of NLSL) (d) 13,553,874 | |
| Distribution Loss (f) 1,084,713 | |
| Cotal Contract System Load14,638,587 | |

| BONNEVILLE POWER ADM RESIDENTIAL PURCHASE AND S Proposed 2008 Average System C | ALE AGREEMEN | | |
|--|------------------|---------------------------|---------------------------|
| UTILITY NAME: | Idaho P | ower Company | 1 |
| End of Year Report Period: | | 2/31/2006 | 1 |
| ASC Filing Date: | | 5/7/2008 | Revised 6/18/2008 REB BPA |
| AGO T Ining Date. | | 5/ 1/ 2000 | Amended Revised 8/4/08 |
| TABLE 18H: Distribution of Salaries and | Wages (For Labor | <u>Ratio</u> Calculation) | Amenucu Keviscu 0/4/00 |
| | Form 1 | | 1 |
| Description | Page Number | Amount | |
| Electric | | | |
| Operation | | | |
| Production | 354-355 | 11,500,630 | 1 |
| Transmission | 354-355 | 6,979,846 | |
| Distribution | 354-355 | 15,973,997 | |
| Customer Accounts | 354-355 | 10,164,049 | |
| Customer Service and Information | 354-355 | 4,187,137 | 1 |
| Sales | 354-355 | 0 | |
| Administrative and General | 354-355 | 33,176,001 | |
| TOTAL Operation | | \$81,981,660 | |
| Maintenance | | | |
| Production | 354-355 | 6,405,324 | |
| Transmission | 354-355 | 2,454,601 |] |
| Distribution | 354-355 | 6,617,820 | |
| Administrative and General | 354-355 | 884,361 | |
| TOTAL Maintenance | | \$16,362,106 | |
| Operation and Maintenance | | | _ |
| Production (Enter Total of lines 1 and 9) | 354-355 | 17,905,954 |] |
| Transmission (Enter Total of lines 2 and 10) | 354-355 | 9,434,447 | |
| Distribution (Enter Total of lines 3 and 11) | 354-355 | 22,591,817 | |
| Customer Accounts (Transcribe from line 4) | 354-355 | 10,164,049 | 1 |
| Customer Service and Information (Transcribe from line 5) | 354-355 | 4,187,137 | |
| Sales (Transcribe from line 6) | 354-355 | 0 | |
| Administrative and General (Enter Total of lines 7 and 12) | 354-355 | 34,060,362 | |
| FOTAL Operation and Maintenance | | \$98,343,766 | 1 |

| | | 5 0 | | thodology | | | | | | |
|--------------------|--|-------------------------|------|-------------|------|------------|----|-----------------|-------|-------------|
| | UTILITY NAME | : | [dah | o Power Com | pany | y | I | | | |
| | End of Year Report Period | | | 12/31/2006 | | | | vised 6/18/2008 | | |
| | ASC Filing Date | | | 5/7/2008 | | | Am | ended Revise | d 8/4 | /08 |
| | <u><u> </u></u> | <u> (BLE 181</u> : Rati | o Ta | ble | | | | | | |
| Labor Ratio | Input: | Ratio Used | | Total |] | Production | T | ransmission | D | istribution |
| | Production | PROD | \$ | 17,905,954 | \$ | 17,905,954 | \$ | - | \$ | - |
| | Transmission | TRANS | | 9,434,447 | | - | | 9,434,447 | | - |
| | Distribution | DIST | | 22,591,817 | | - | | - | | 22,591,8 |
| | Customer Accounts | DIST | | 10,164,049 | | - | | - | | 10,164,0 |
| | Customer Service and Informational | DIRECT | | 4,187,137 | | 386,821 | | - | | 3,800,3 |
| | Sales | DIST | | - | | - | | - | | |
| | Administrative & General | PTD | | 34,060,362 | | 16,454,023 | | 6,269,955 | | 11,336,3 |
| fotal Labor | | | \$ | 98,343,766 | \$ | 34,746,798 | \$ | 15,704,402 | \$ | 47,892,5 |
| | LABOR RATIO | | | 100% | | 35% | | 16% | | 4 |
| GP | General Plant Ratio | Ratio Used | | Total |] | Production | Т | ransmission | D | istributio |
| | Land and Land Rights | PTD | \$ | 8,760,765 | \$ | 4,232,187 | \$ | 1,612,714 | \$ | 2,915,8 |
| | Structures and Improvements | PTD | | 64,391,078 | | 31,106,313 | | 11,853,344 | | 21,431,4 |
| | Furniture and Equipment | LABOR | | 37,350,131 | | 13,196,540 | | 5,964,399 | | 18,189,1 |
| | Transportation Equipment | TD | | 51,050,749 | | - | | 18,180,152 | | 32,870,5 |
| | Stores Equipment | PTD | | 982,361 | | 474,563 | | 180,837 | | 326,9 |
| | Tools and Garage Equipment | PTD | | 4,222,287 | | 2,039,720 | | 777,254 | | 1,405,3 |
| | Laboratory Equipment | PTD | | 9,761,135 | | 4,715,450 | | 1,796,865 | | 3,248,8 |
| | Power Operated Equipment | TD | | 7,306,985 | | - | | 2,602,158 | | 4,704,8 |
| | Communication Equipment | PTD | | 28,196,828 | | 13,621,442 | | 5,190,575 | | 9,384,8 |
| | Miscellaneous Equipment | PTD | | 2,904,743 | | 1,403,235 | | 534,716 | | 966,1 |
| | Other Tangible Property | DIRECT | | - | | - | | - | | |
| | | PTD | | | | | | | | |
| | Asset Retirement Costs for General Plant | PID | \$ | 214,927,062 | \$ | 70,789,451 | \$ | 48,693,013 | \$ | 95,444,5 |

| | UTILITY NAME: End of Year Report Period: ASC Filing Date: | | Idaho Power Com 12/31/2006 5/7/2008 | pany | Revised 6/18/200 Amended Revise | |
|------|---|-----------------------|---|---------------------------------------|--|--------------------------------------|
| | <u>TA</u> | <u>BLE 18I</u> : Rati | o Table | | | |
| РТД | Production, Transmission, Distribution Ratio | Ratio Used | Total | Production | Transmission | Distribution |
| | Steam Production | PROD | \$ 838,233,513 | \$ 838,233,513 | \$ - | \$ - |
| | Nuclear Production | PROD | - | - | - | - |
| | Hydraulic Production | PROD | 647,622,099 | 647,622,099 | - | - |
| | Other Production | PROD | 106,934,506 | 106,934,506 | - | - |
| | Total Production Plant | | 1,592,790,118 | 1,592,790,118 | - | - |
| | Transmission Plant | TRANS | 606,947,191 | - | 606,947,191 | - |
| | Total Distribution Plant | DIST | 1,097,389,958 | - | - | 1,097,389,9 |
| | TOTAL | | \$ 3,297,127,267 | \$ 1,592,790,118 | \$ 606,947,191 | \$ 1,097,389,9 |
| | PTD RATIO | | 100% | 48% | 18% | 33 |
| | | | 1 | | I | |
| PTDG | Production, Transmission, Distribution and General Plant Rational PTD Total | Ratio Used | Total \$ 3,297,127,267 | Production \$ 1,592,790,118 | Transmission \$ 606,947,191 | Distributio \$ 1,097,389,9 |
| | Intangible Plant - Organization | DIST | 62,160 | \$ 1,392,790,110 | \$ 000,947,191 | \$ 1,097,389,9 62,1 |
| | Intangible Plant - Organization Intangible Plant - Franchises and Consents | DIST | 21,711,627 | 15,167,410 | 6,544,217 | 02,1 |
| | Intangible Plant - Miscellaneous | DIRECT | 50,320,243 | 24,584,401 | 9,165,028 | 16,570,8 |
| | General Plant Total | DIKLCI | 214,927,062 | 70,789,451 | 48,693,013 | 95,444,5 |
| | TOTAL | | \$ 3,584,148,359 | \$ 1,703,331,380 | \$ 671,349,449 | \$ 1,209,467,5 |
| | PTDG RATIO | | ⁵ 5,584,148,559 100% | <u>\$1,703,331,380</u> 48% | ⁵ 0/1,549,449 19% | \$ 1,209,407,3 34 |
| | I DO KAHO | | 10070 | 4070 | 1770 | 5- |
| ГD | Transmission and Distribution Plant Ratio | Ratio Used | Total | Production | Transmission | Distributio |
| | Total Transmission Plant | TRANS | \$ 606,947,191 | \$ - | \$ 606,947,191 | \$ - |
| | Total Distribution Plant | DIST | 1,097,389,958 | - | - | 1,097,389,9 |
| | TOTAL | | \$ 1,704,337,149 | \$- | \$ 606,947,191 | \$ 1,097,389,9 |
| | TD RATIO | | 100% | 0% | 36% | 64 |

| | BONNEVILLE POV RESIDENTIAL PURCH Proposed 2008 Averag | ASE AND SAI | LE AGREEMENT | , | | |
|-----|---|-----------------------|-------------------------------|---------------|--------------------------------------|---------------|
| | UTILITY NAME |] | ldaho Power Com | pany | | |
| | End of Year Report Period: ASC Filing Date | | <u>12/31/2006</u> 5/7/2008 | | Revised 6/18/2008 Amended Revised | |
| | - | <u>BLE 181</u> : Rati | | | | |
| GPM | Maintenance of General Plant Ratio | Ratio Used | Total | Production | Transmission | Distribution |
| | Structures and Improvements | PTD | \$ 64,391,078 | \$ 31,106,313 | \$ 11,853,344 | \$ 21,431,421 |
| | Furniture and Equipment | LABOR | 37,350,131 | 13,196,540 | 5,964,399 | 18,189,192 |
| | Communication Equipment | PTD | 28,196,828 | 13,621,442 | 5,190,575 | 9,384,811 |
| | Miscellaneous Equipment | PTD | 2,904,743 | 1,403,235 | 534,716 | 966,792 |
| | TOTAL | | \$ 132,842,780 | \$ 59,327,531 | \$ 23,543,034 | \$ 49,972,215 |
| | GPM RATIO | | 100% | 45% | 18% | 38% |
| | 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 | 32.94% | 22.66% | 44.41% |
| | Maintenance of General Plant | | GPM | 44.66% | 17.72% | 37.62% |
| | Labor Ratios | | LABOR | 35.33% | 15.97% | 48.70% |
| | Production, Transmission, Distribution | | PTD | 48.31% | 18.41% | 33.28% |
| | Production, Transmission, Distribution, General | | PTDG | 47.52% | 18.73% | 33.74% |
| | Transmission, Distribution | | TD | 0.00% | 35.61% | 64.39% |

| | | | | E AND SALE AGREEN m Cost Methodology | MENT | | |
|----------------|---------|------------------|----------------------------|---|---------------------|------------------------|--------------------|
| | | TABLE 18J | UTILITY NAME: | | ower Company | | |
| | | | End of Year Report Period: | | 2/31/2006 | Revised 6/18/2008 REB | |
| | | | ASC Filing Date: | 5 | 5/7/2008 | Amended Revised 8/4/08 | 8 |
| FERC | Form 1 | David and Dav | wer - Base Period | Purchased Power - B | Denied Mirror 1 | Purchased Power - B | Di J Mi 2 |
| Statistical | Page | Purchaseu Po | wer - Base Periou | Purchased Power - B | sase Period Minus 1 | Purchaseu Power - Ba | ase Period Minus 2 |
| Classification | Number | Settlement Total | MWh Purchased | Settlement Total | MWh Purchased | Settlement Total | MWh Purchased |
| RQ | 326-327 | | | | | | |
| LF | 326-327 | \$ 4,609,48 | 103,584 | \$ 7,582,933 | 157,636 | \$ 3,554,304 | 79,8 |
| F | 326-327 | \$ 4,034,73 | 95,612 | | | \$ 1,930,867 | 48,45 |
| SF | 326-327 | \$ 199,898,75 | 3,431,736 | \$ 148,730,964 | 2,679,186 | \$129,584,651 | 2,973,97 |
| LU | 326-327 | \$ 49,602,60 | 839,859 | \$ 42,312,915 | 691,083 | \$ 39,633,969 | 671,9 |
| U | 326-327 | | | | | | |
|)S | 326-327 | \$ 25,293,79 | 493,233 | \$ 23,592,338 | 390,484 | \$ 20,826,678 | 485,6 |
| X | 326-327 | | | | | | |
| 1 | 326-327 | | | \$ 92,515 | 0 | \$ 111,724 | |
|) | 326-327 | | | \$ (1,350) | 0 | | |
| ТОТ | ÀL | \$ 283,439,37 | 4,964,024 | \$ 222,310,315 | 3,918,389 | \$ 195,642,193 | 4,259,8 |
| | | | | | | | |
| FERC | Form 1 | | | | | | |
| Statistical | Page | Sales for Res | ale - Base Period | Sales for Resale - Ba | ise Period Minus 1 | Sales for Resale - Ba | se Period Minus 2 |
| Classification | Number | Settlement Total | MWh Sold | Settlement Total | MWh Sold | Settlement Total | MWh Sold |
| LQ | 310-311 | \$ 3,485,27 | 1 108,970 | \$ 3,424,472 | 107,606 | \$ 3,300,005 | 104,3 |
| .F | 310-311 | | | \$ 293,363 | 10,256 | \$ 570,036 | 19,3: |
| F | 310-311 | \$ 6,054,05 | 57,848 | \$ 7,069,470 | 58,617 | \$ 5,280,645 | 44,2 |
| SF | 310-311 | \$ 226,307,95 | 5,153,485 | \$ 119,130,850 | 2,308,517 | \$ 102,487,874 | 2,468,8 |
| LU | 310-311 | | | | | | |
| IU | 310-311 | | | | | | |
| OS | 310-311 | \$ 24,870,21 | 0 500,520 | \$ 12,875,621 | 288,856 | \$ 9,509,086 | 248,5 |
| EX | 310-311 | | | | | | |
| NA | 310-311 | | | | | | |
| | 210.211 | | | | | | |
| AD | 310-311 | | | | | | |

TABLE 18K: Forecasted Contract System Costs & ASC with New Additions and NLSL

| Date | 4/1/2009 6 | 4/1/2010 7 | 4/1/2011 8 | 4/1/2012 9 | 4/1/2013 10 |
|--|----------------------|--|----------------------|----------------------|-----------------------|
| Fiscal Year | 2009 | 2010 | 2011 | 2012 | 2013 |
| Rate Period Mid-Point | TRUE | FALSE | FALSE | FALSE | FALSE |
| Contract System Cost | | | | | |
| Production | 470,949,913 | 481,694,355 | 496,739,225 | 505,581,825 | 518,655,158 |
| Transmission | 93,579,418 | 92,933,257 | 92,316,991 | 91,643,186 | 91,009,961 |
| NLSL Fully Allocated Cost (\$/MWh) | 79.11 | 76.01 | 75.87 | 75.46 | 75.08 |
| (Less) New Large Single Load Costs (d) | 30,492,835 | 29,297,863 | 29,244,354 | 29,086,338 | 28,938,635 |
| Total Contract System Cost | 534,036,495 | 545,329,749 | 559,811,862 | 568,138,673 | 580,726,484 |
| Contract System Load (MWh) | | | | | |
| Total Retail Load @ Meter | 14,990,809 | 15,256,830 | 15,481,163 | 15,593,539 | 15,755,103 |
| (Less) New Large Single Load | 385,440 | 385,440 | 385,440 | 385,440 | 385,440 |
| Total Retail Load (Net of NLSL) (d) | 14,605,369 | 14,871,390 | 15,095,723 | 15,208,099 | 15,369,663 |
| Distribution Loss (f) | 1,166,538 | 1,187,238 | 1,204,695 | 1,213,440 | 1,226,012 |
| Total Contract System Load | 15,771,907 | 16,058,628 | 16,300,418 | 16,421,539 | 16,595,675 |
| Average System Cost \$/MWh | 33.86 | 33.96 | 34.34 | 34.60 | 34.99 |
| | Rate | Period Mid-Po | <u>oint</u> | | |
| Date | | 4/1/09 | | | |
| Fiscal Year | | | | | |
| FISCAL YEAR | | 2009 | | | |
| NLSL Switch | | | | | |
| NLSL Switch | | 2009 | | | |
| NLSL Switch | | 2009 1 470,949,913 | | | |
| NLSL Switch Contract System Cost Production Transmission | | 2009 1 470,949,913 93,579,418 | | | |
| NLSL Switch Contract System Cost Production Transmission (Less) New Large Single Load Costs (d) | | 2009 1 470,949,913 93,579,418 30,492,835 | | | |
| NLSL Switch Contract System Cost Production Transmission | | 2009 1 470,949,913 93,579,418 | | | |
| NLSL Switch Contract System Cost Production Transmission (Less) New Large Single Load Costs (d) | | 2009 1 470,949,913 93,579,418 30,492,835 | | | |
| NLSL Switch Contract System Cost Production Transmission (Less) New Large Single Load Costs (d) Total Contract System Cost Contract System Load (MWh) Total Retail Load @ Meter | | 2009 1 470,949,913 93,579,418 30,492,835 534,036,495 14,990,809 | | | |
| NLSL Switch Contract System Cost Production Transmission (Less) New Large Single Load Costs (d) Total Contract System Cost Contract System Load (MWh) Total Retail Load @ Meter (Less) New Large Single Load | | 2009 1 470,949,913 93,579,418 30,492,835 534,036,495 | | | |
| NLSL Switch Contract System Cost Production Transmission (Less) New Large Single Load Costs (d) Total Contract System Cost Contract System Load (MWh) Total Retail Load @ Meter (Less) New Large Single Load Total Retail Load (Net of NLSL) (d) | | 2009 1 470,949,913 93,579,418 30,492,835 534,036,495 14,990,809 385,440 14,605,369 | | | |
| NLSL Switch Contract System Cost Production Transmission (Less) New Large Single Load Costs (d) Total Contract System Cost Contract System Load (MWh) Total Retail Load @ Meter (Less) New Large Single Load | | 2009 1 470,949,913 93,579,418 30,492,835 534,036,495 14,990,809 385,440 | | | |
| NLSL Switch Contract System Cost Production Transmission (Less) New Large Single Load Costs (d) Total Contract System Cost Contract System Load (MWh) Total Retail Load @ Meter (Less) New Large Single Load Total Retail Load (Net of NLSL) (d) | | 2009 1 470,949,913 93,579,418 30,492,835 534,036,495 14,990,809 385,440 14,605,369 | | | |

IDAHO

Tables for:

NorthWestern

WP-07-FS-BPA-13B Page 109 of 484

| DUNNEVI | LLE PU | WEK AD | MINIS I F | KA T | ION | | | | | | |
|-------------|--|---|--|--|--|---|---|---|------------------|---|---|
| RESIDENTIA | L PURCH | ASE AND S | SALES AG | REF | MENT | | | | | | |
| | | | | | | | | | | | |
| | | | | - | _ | 1 | | | | | |
| • • • • • • | | | | | - Keviseu | Amondo | d RPA · 7. | 8-2008 | | | |
| | | | | | | | | | | | |
| | - | | | | | 1 | | 2000 | | | |
| | | _ | | <u>nen</u> t / | / Rate Base | | | | | | |
| | | | | | | | | . | | | |
| | | | | | Total | Prod | luction | Transmission | Distribution | | |
| Number | Numbers | Default | Optional | | | | | | Other | | |
| 204.207 | 201 | DIGT | 1 | | 10.005 | | | | 10 | | |
| | | | DTD | | · · · · | | - | - | 19,9 | | |
| | | | - | | / | | 4 | | 1,2 | | |
| 204-207 | 303 | DIRECT | DIST | 0 | / | | - | | 35,7 | | |
| | | | | \$ | 1,197,944 | \$ | 4 | \$ 1,140,901 | \$ 57,0 | | |
| | | | | | | | | | | | |
| 204-207 | 310-317 | PROD | | | | | - | - | | | |
| 204-207 | 320-326 | | | | | | - | - | | | |
| 204-207 | 330-337 | PROD | | | | | - | - | | | |
| 204-207 | 340-347 | PROD | | | 2,646,622 | | 2,646,622 | - | | | |
| | | | | \$ | 2,646,622 | \$ | 2,646,622 | \$ - | \$ | | |
| | | | | | | | | | | | |
| 204.207 | 250 250 1 | 777 A 3 10 | | | 116 000 651 | | | 110,000,051 | | | |
| 204-207 | 350-359.1 | IRANS | | 0 | / | | - | | | | |
| | | | | 8 | 446,900,651 | \$ | | \$ 446,900,651 | \$ | | |
| | | | | | | | | | | | |
| 204-207 | 360-374 | DIST | | | 794,846,278 | | - | - | 794,846,2 | | |
| | | | | \$ | 794,846,278 | \$ | - | \$ - | \$ 794,846,2 | | |
| | | | | | | | | · · · · · · · · · | | | |
| 204 207 | 200 | DTD | | | 402.050 | | 955 | 144.290 | 256 | | |
| | | | | | | | | · · · · · · · · · · · · · · · · · · · | 256,8 4,832,9 | | |
| | | | | | | | | | 4,832,9 | | |
| | | | | | <u> </u> | | 15,591 | · · · · · · · · · · · · · · · · · · · | 16,409,8 | | |
| | | | | | | | - | | 255,0 | | |
| | 1 | | | | / | | | · · · · · · · · · · · · · · · · · · · | 255, | | |
| | 1 | | | | / _ / | | | · · · · · | | | |
| | | | | | | | 7,055 | | 2,118, | | |
| | | | | | / _ / | | - | | 1,365, | | |
| | | | | | | | | | 12,009, | | |
| | | | DTD | | 192,965 | | | 09,300 | 123, | | |
| | | | PID | | | | - | - | | | |
| 204-208 | 399.1 | PID | | | | | - | - | | | |
| | | | | \$ | 63,514,896 | \$ | 89,389 | \$ 22,748,825 | \$ 40,676, | | |
| | | | | \$ | 1,309,106,391 | \$ | 2,736,015 | \$ 470,790,377 | \$ 835,579, | | |
| | RESIDENTIAL 2008 Average Sys UTILI End of Year Report ASC FI TABL FERC Page Number 204-207 204-207 204-207 204-207 204-207 204-207 204-207 204-207 204-207 204-207 204-207 204-207 204-207 204-207 204-207 204-207 | RESIDENTIAL PURCH 2008 Average System Cost N UTILITY NAME: End of Year Report Period: ASC Films Date: TABLE 19A: Sci TABLE 19A: Sci Page Account Number Numbers 204-207 301 204-207 301 204-207 302 204-207 303 204-207 310-317 204-207 310-317 204-207 310-317 204-207 310-317 204-207 310-317 204-207 310-317 204-207 310-317 204-207 310-317 204-207 310-317 204-207 303-337 204-207 303-337 204-207 360-374 1 1 204-207 360-374 1 1 204-207 390 204-207 390 204-207 391 204-207 392 < | Contract Contract Number North End of Year Report Period: North North ASC Filing Date: TABLE 19A: Schedule 1: PH 204-207 301 DIST 204-207 302 PTD 204-207 310-317 PROD 204-207 360-374 DIST 204-207 | Contract Section < | RESIDENTIAL PURCHASE AND SALES AGREE 2008 Average System Cost Wethoology (ASC) Utility UTILITY NAME: Send of Year Report Period: ASC Filing Date: NorthWestern Energy 2006 ASC Filing Date: TABLE 19A: Schedule 1: Plant Investment / ST/72008 TABLE 19A: Schedule 1: Plant Investment / Page Account Method PAge Account Mumber Optional 204-207 301 DIST 1 204-207 302 PTD PTD 204-207 303 DIRECT DIST 204-207 310-317 PROD 1 204-207 320-326 PROD 1 204-207 320-326 PROD 1 204-207 320-326 PROD 1 204-207 350-359.1 TRANS 1 204-207 350-359.1 TRANS 1 204-207 360-374 DIST \$ 204-207 390 PTD 1 204-207 390 PTD 1 204-207 390 | End of Year Report Period: 2006 ASC Filing Date: 5/7/2008 TABLE 19A: Schedule 1: Plant Investment / Rate Base FERC Form 1 Functionalization Method Total Page Account Method Total 204-207 301 DIST 19,995 204-207 302 PTD PTD 2,004 204-207 302 PTD DIST 1,175,945 204-207 310-317 PROD 2,044 2,044 204-207 310-317 PROD 2,044 2,044 204-207 310-317 PROD 2,046,622 2,044,062 204-207 330-337 PROD 2,646,622 2,044,062 204-207 360-374 DIST 794,846,278 204-207 360-374 DIST 794,846,278 204-207 389 PTD 402,050 204-207 389 PTD 2,563,6,30 204-207 390 PTD 2,563,6,266 204-207 | Section 2014 Section 2014 Out Number Section 2006 Amende Revised End of Year Report Period: 2006 Amende Revised TBLE 19A: Schedule 1: Plant Investment / Rate Base TABLE 19A: Schedule 1: Plant Investment / Rate Base ERC Form 1 Functionalization Prod Page Account Method Total Prod 204-207 301 DIST 1,175,945 Colspan="2">Colspan="2" Colspan="2" Colspan="2" Colspan="2" Colspan="2" Colspan="2" <th <="" colspan="2" td=""><td>Section of the section of the sectin of the section of the section of the section of the se</td><td>Description of the second seco</td></th> | <td>Section of the section of the sectin of the section of the section of the section of the se</td> <td>Description of the second seco</td> | | Section of the sectin of the section of the section of the section of the se | Description of the second seco |

| End of Year Report Period: ASC Filing Date:TABLE 19A: ScheduleTABLE 19A: ScheduleTABLE 19A: ScheduleAccount DescriptionFERC Form 1FurPage NumberAccountNumbersDepreciation and Amortization ReserveSteam Production Plant219108PRNuclear Production Plant219108PRHydraulic Production Plant219108PROther Intangible Plant - Account 301219111DIAmortization of Intangible Plant - Account 302219111DIRAmortization of Intangible Plant - Account 303219111DIR | le 1: Plant unctionaliz Method efault O PROD PROD PROD PROD PROD PROD OUTST GP DIST DIST | 2006 5/7/2003 t Investme zation | | Amended BPA: 7- Revised Amended Production | BPA: 8-4-2008 Transmission | Distribution Other - - - - - - - - - - - - - - - - - - - |
|---|--|---|--|--|--------------------------------------|--|
| ASC Filing Date: TABLE 19A: Schedule TABLE 19A: Schedule FERC Form 1 Fur Page Account Number Numbers Def LESS: Depreciation and Amortization Reserve Steam Production Plant Nuclear Production Plant Hydraulic Production Plant Hydraulic Production Plant Cher Production Plant Distribution Plant General Plant Amortization of Intangible Plant - Account 301 Amortization of Intangible Plant - Account 302 Amortization of Intangible Plant - Account 303 219 111 DIR | RANS GP C C C C C C C C C C C C C C C C C C | 5/7/200 <u>t Investme</u> zation d | <u>n</u> t / Rate Base Total 1,945,332 173,762,817 354,798,724 | Revised Amended Production | BPA: 8-4-2008 Transmission | Other - - - - - - - - - - - - |
| TABLE 19A: ScheduleAccount DescriptionFERC Form 1 Page NumberFur Page NumbersDepreciation and Amortization ReserveESteam Production Plant219108Nuclear Production Plant219108Hydraulic Production Plant219108Other Production Plant219108Distribution Plant219108General Plant219108Amortization of Intangible Plant - Account 301219Amortization of Intangible Plant - Account 302219Amortization of Intangible Plant - Account 303219 | RANS GP C C C C C C C C C C C C C C C C C C | <i>t Investme</i> zation d | <u>n</u> t / Rate Base Total 1,945,332 173,762,817 354,798,724 | Production | Transmission 173,762,817 | Other |
| FERC Form 1 Page NumberFun Page NumberFun Page NumbersFun Page DefLESS: Depreciation and Amortization ReserveSteam Production Plant219108PRNuclear Production Plant219108PRHydraulic Production Plant219108PROther Production Plant219108PROther Production Plant219108PROther Production Plant219108PROther Production Plant219108DIGeneral Plant219108OIGeneral Plant219108OIAmortization of Intangible Plant - Account 301219111DIRAmortization of Intangible Plant - Account 303219111DIR | RANS GP C C C C C C C C C C C C C C C C C C | zation d | Total 1,945,332 173,762,817 354,798,724 | - - - 1,945,332 - - | - - - - 173,762,817 - | Other - - - - - - - |
| Account DescriptionPage NumberAccount NumbersLESS: Depreciation and Amortization ReserveSteam Production Plant219108PRNuclear Production Plant219108PRHydraulic Production Plant219108PROther Production Plant219108PROther Production Plant219108PROther Production Plant219108PROther Production Plant219108PROther Production Plant219108DIGeneral Plant219108OCAmortization of Intangible Plant - Account 301219111Amortization of Intangible Plant - Account 302219111Amortization of Intangible Plant - Account 303219111 | Method efault O PROD P PROD P Instructure P P P P P P P P P P P P P P P P P P P P P P | d | 1,945,332 173,762,817 354,798,724 | - - - 1,945,332 - - | - - - - 173,762,817 - | Other |
| NumberNumbersDefDepreciation and Amortization ReserveSteam Production Plant219108PRNuclear Production Plant219108PRHydraulic Production Plant219108PROther Production Plant219108PRTransmission Plant (i)219108TR/Distribution Plant219108DIGeneral Plant219108CGAmortization of Intangible Plant - Account 301219111Amortization of Intangible Plant - Account 302219111Amortization of Intangible Plant - Account 303219111DIRAmortization of Intangible Plant - Account 303219111 | efault O PROD PROD PROD PROD PROD PROD PROD PROD | | 1,945,332 173,762,817 354,798,724 | - - - 1,945,332 - - | - - - - 173,762,817 - | Other |
| LESS: Depreciation and Amortization ReserveSteam Production Plant219108PRNuclear Production Plant219108PRHydraulic Production Plant219108PROther Production Plant219108PRTransmission Plant (i)219108PRDistribution Plant219108TR/Distribution Plant219108DIGeneral Plant219108CGAmortization of Intangible Plant - Account 301219111Amortization of Intangible Plant - Account 303219111DIRAmortization of Intangible Plant - Account 303219111 | PROD PROD PROD PROD PROD PROD PROD PROD | Dptional | 173,762,817 354,798,724 | - - 1,945,332 - - | - - - 173,762,817 - | • • • • |
| Depreciation and Amortization ReserveSteam Production Plant219108PRNuclear Production Plant219108PRHydraulic Production Plant219108PROther Production Plant219108PROther Production Plant219108PRDistribution Plant219108PRDistribution Plant219108DIGeneral Plant219108OCAmortization of Intangible Plant - Account 301219111Amortization of Intangible Plant - Account 303219111DIRAmortization of Intangible Plant - Account 303219111 | PROD PROD PROD RANS DIST GP DIST | | 173,762,817 354,798,724 | - - 1,945,332 - - | - - - 173,762,817 - | - |
| Depreciation and Amortization ReserveSteam Production Plant219108PRNuclear Production Plant219108PRHydraulic Production Plant219108PROther Production Plant219108PROther Production Plant219108PRDistribution Plant219108TRDistribution Plant219108DIGeneral Plant219108OCAmortization of Intangible Plant - Account 301219111Amortization of Intangible Plant - Account 303219111DIRAmortization of Intangible Plant - Account 303219111 | PROD PROD PROD RANS DIST GP DIST | | 173,762,817 354,798,724 | - - 1,945,332 - - | - - - 173,762,817 - | - - - - |
| Steam Production Plant219108PRNuclear Production Plant219108PRHydraulic Production Plant219108PROther Production Plant219108PRTransmission Plant (i)219108TRDistribution Plant219108DIGeneral Plant219108OCAmortization of Intangible Plant - Account 301219111Amortization of Intangible Plant - Account 303219111DIR | PROD PROD PROD RANS DIST GP DIST | | 173,762,817 354,798,724 | - - 1,945,332 - - | - - - 173,762,817 - | - - - |
| Nuclear Production Plant219108PRHydraulic Production Plant219108PROther Production Plant219108PRTransmission Plant (i)219108TRDistribution Plant219108DIGeneral Plant219108OFAmortization of Intangible Plant - Account 301219111DIAmortization of Intangible Plant - Account 302219111DIRAmortization of Intangible Plant - Account 303219111DIR | PROD PROD PROD RANS DIST GP DIST | | 173,762,817 354,798,724 | - - 1,945,332 - - | - - - 173,762,817 - | - - - - |
| Hydraulic Production Plant219108PROther Production Plant219108PRTransmission Plant (i)219108TRDistribution Plant219108DIGeneral Plant219108OIAmortization of Intangible Plant - Account 301219111Amortization of Intangible Plant - Account 302219111Amortization of Intangible Plant - Account 303219111 | PROD PROD RANS DIST GP DIST | | 173,762,817 354,798,724 | - | - 173,762,817 - | |
| Other Production Plant219108PRTransmission Plant (i)219108TRADistribution Plant219108DIGeneral Plant219108GAmortization of Intangible Plant - Account 301219111Amortization of Intangible Plant - Account 302219111Amortization of Intangible Plant - Account 303219111 | PROD RANS DIST GP DIST | | 173,762,817 354,798,724 | - | - 173,762,817 - | |
| Transmission Plant (i)219108TR/Distribution Plant219108DIGeneral Plant219108OAmortization of Intangible Plant - Account 301219111DIAmortization of Intangible Plant - Account 302219111DIRAmortization of Intangible Plant - Account 303219111DIR | RANS DIST GP DIST | | 173,762,817 354,798,724 | - | 173,762,817 | |
| Distribution Plant219108DIGeneral Plant219108GAmortization of Intangible Plant - Account 301219111DIAmortization of Intangible Plant - Account 302219111DIRAmortization of Intangible Plant - Account 303219111DIR | DIST GP DIST | | 354,798,724 | - | - | 354,798,7 |
| General Plant219108GAmortization of Intangible Plant - Account 301219111DIAmortization of Intangible Plant - Account 302219111DIRAmortization of Intangible Plant - Account 303219111DIR | GP DIST | | | | | 354,798,7 |
| Amortization of Intangible Plant- Account 301219111DIAmortization of Intangible Plant- Account 302219111DIRAmortization of Intangible Plant- Account 303219111DIR | DIST | | 35,207,876 | | | |
| Amortization of Intangible Plant- Account 302219111DIRAmortization of Intangible Plant- Account 303219111DIR | | | | 49,550 | 12,610,236 | 22,548,0 |
| Amortization of Intangible Plant - Account 303 219 111 DIR | IRECT | | | - | - | |
| | | PTD | | - | - | |
| | | DIST | 374,185 | - | 362,735 | 11,4 |
| | ROD | | | - | - | |
| | DIST | | | - | - | |
| | IRECT | | | - | - | |
| | IRECT | DIST | | - | - | |
| | IRECT | | 24,733,582 | 52,604 | 8,882,603 | 15,798,3 |
| | IRECT | DIST | 8,258,448 | - | 6,924,689 | 1,333,7 |
| Amortization of Acquisition Adjustments 200-201 115 DIR | IRECT | | 2,821,543 | - | 2,821,543 | |
| | | | | | | |
| Depreciation and Amortization Reserve (Other) | IRECT | | | | | |
| Fotal Depreciation and Amortization Reserve | | 5 | 601,902,507 | \$ 2,047,487 | \$ 205,364,623 | \$ 394,490,3 |

| | BONNEV | LLE POV | VER AD | AINISTI | RATI | ON | | | |
|---|-----------------|-------------------|--------------|-----------------|----------------|------------|---------------------------------------|---------------|---------------------|
| | RESIDENTIA | | | | | | | | |
| 21 | 008 Average Sys | | | | | | | | |
| 21 | | - | | | | - | - | | |
| | | TY NAME: | NorthV | estern En | | - Revised | | | |
| E | nd of Year Repo | | | 200 | | | Amended BPA: 7- | | |
| | ASC F | iling Date: | | 5/7/20 | 08 | | Revised Amended | BPA: 8-4-2008 | |
| | <u>TABI</u> | <u>E 19A: Sch</u> | edule 1: Pla | int Investn | <u>nen</u> t / | Rate Base | | | |
| | FERC | Form 1 | Function | lization | | | | | |
| Account Description | Page | Account | Met | ıod | | Total | Production | Transmission | Distribution |
| | Number | Numbers | Default | Optional | | | | | Other |
| Assets and Other Debits (Comparative Balance Sheet) | | | | | | | | | |
| Cash Working Capital (f) | | Calcu | lation | | | 13,235,775 | 954,336 | 3,322,219 | 8,959,21 |
| Cash working Capital (1) | | Calcu | | | | 15,255,775 | 934,330 | 5,522,219 | 8,939,21 |
| Utility Plant | | | | | | | | | |
| (Utility Plant) Held For Future Use | 200-201 | 105 | DIST | | | | - | - | - |
| (Utility Plant) Completed Construction - Not Classified | 200-201 | 106 | PTD | | | | - | - | - |
| Nuclear Fuel | | 120.2-120.6 | PROD | | | | - | - | |
| Construction Work in Progress (CWIP) | 200-201 | 107 & 120.1 | DIST | | | 272,720 | - | - | 272,7 |
| Common Plant | 356 & 356.1 | | DIRECT | | | 59,321,698 | 126,168 | 21,304,277 | 37,891,2 |
| Acquisition Adjustments (Electric) | 200-201 | 114 | DIRECT | DIST | | 3,106,285 | - | 3,106,285 | |
| Total | 200 201 | | Diffeor | 5151 | \$ | | \$ 126,168 | \$ 24,410,562 | \$ 38,163,9 |
| | | | | | | | · · · · · · · · · · · · · · · · · · · | | |
| Other Property and Investments | | | | | | | | | |
| Investment in Associated Companies | 110-111 | 123.1 | DIST | DIST | | | - | - | - |
| Other Investment | 110-111 | 124 | DIST | | | | - | - | - |
| Long-Term Portion of Derivative Assets | 110-111 | 175 | DIST | | | | - | - | - |
| Long-Term Portion of Derivative Assets - Hedges | 110-111 | 176 | DIST | | | | - | - | - |
| Total | | | | | \$ | - | \$ - | \$ - | \$ - |
| | | | | | | | | | |
| Current and Accrued Assets | | | | | | | | | |
| Fuel Stock | 110-111 | 151 | PROD | | | 290,330 | 290,330 | - | - |
| Fuel Stock Expenses Undistributed | 110-111 | 152 | PROD | | | | - | - | - |
| Plant Materials and Operating Supplies | 110-111 | 154 | PTD | | | 8,843,078 | 18,808 | 3,175,826 | 5,648,4 |
| Merchandise (Major Only) | 110-112 | 155 | DIST | | | | - | - | - |
| Other Materials and Supplies (Major only) | 110-111 | 156 | DIST | | | | - | - | |
| EPA Allowance Inventory | 110-112 | 158.1 | PROD | | | | - | - | |
| EPA Allowances Withheld | 110-112 | 158.2 | PROD | | | | - | - | |
| Stores Expense Undistributed | 110-111 | 163 | PTD | | | | - | - | |
| Prepayments | 110-111 | 165 | PTD | | | | - | - | |
| Derivative Instrument Assets | 110-111 | 175 | DIST | | | | - | - | |
| (Less) Long-Term Portion of Derivative Assets | 110-112 | 175 | DIST | | | | - | - | |
| Derivative Instrument Assets - Hedges | 110-111 | 176 | DIST | | | | - | - | |
| (Less) Long-Term Portion of Derivative Assets - Hedges | 110-112 | 176 | DIST | | | | - | - | - |
| Total | | | | | \$ | 9,133,408 | \$ 309,138 | \$ 3,175,826 | \$ 5,648,44 |

| | RESIDENTIA 08 Average Sy | | | | | | | | |
|--|-----------------------------|--|-----------------|------------------------------|----------------|-------------|------------------------------------|---------------|--------------|
| Er | d of Year Rep | TY NAME: ort Period: iling Date: | North | Western En 2000 5/7/20 | 6 | | Amended BPA: 7- Revised Amended | | |
| | <u>TABI</u> | LE 19A: Sch | edule 1: Pl | ant Investn | <u>nen</u> t / | Rate Base | | | |
| Account Description | Page | Form 1 Account | Function Met | hod | | Total | Production | Transmission | Distribution |
| rred Debits | Number | Numbers | Default | Optional | | | | | Other |
| Unamortized Debt Expenses | 110-111 | 181 | PTDG | | | 7,140,595 | 14.924 | 2,567,953 | 4,557,7 |
| Extraordinary Property Losses | 110-111 | 182.1 | DIRECT | DIST | | 7,110,090 | - | - | 1,007, |
| Unrecovered Plant and Regulatory Study Costs | 110-111 | 182.2 | DIRECT | DIST | | | _ | _ | |
| Other Regulatory Assets | 110-111 | 182.3 | DIRECT | DIST | | 94,044,791 | 1,748,520 | 23,847,708 | 68,448, |
| Preliminary Survey and Investigation Charges (Electric) | 110-111 | 183 | DIST | | | | - | - | , , , |
| Preliminary Natural Gas Survey and Investigation Charges | 110-111 | 183.1 | DIST | | | | - | - | |
| Other Preliminary Survey and Investigation Charges | 110-111 | 183.2 | DIST | | | | - | - | |
| Clearing Accounts | 110-111 | 184 | DIST | | | (78) | - | - | |
| Temporary Facilities | 110-111 | 185 | PTDG | | | 78 | 0 | 28 | |
| Miscellaneous Deferred Debits | 110-111 | 186 | DIRECT | DIST | | | - | - | |
| Deferred Losses from Disposition of Utility Plant | 110-111 | 187 | DIRECT | | | | | | |
| Research, Development, and Demonstration Expenditures | 110-111 | 188 | DIST | | | | - | - | |
| Unamortized Loss on Reacquired Debt | 110-111 | 189 | PTDG | | | 2,934,065 | 6,132 | 1,055,170 | 1,872, |
| Accumulated Deferred Income Taxes | 110-111 | 190 | DIST | | | (5,381,363) | - | - | (5,381, |
| Total | | | | | \$ | 98,738,088 | \$ 1,769,576 | \$ 27,470,859 | \$ 69,497, |
| l Assets and Other Debits | | | | | S | 183,807,974 | \$ 3,159,218 | \$ 58,379,466 | \$ 122,269,2 |

| RES | IDENTIA | LLE POV L PURCHA | SE AND S | SALES AG | REE | MENT | | | |
|--|----------------|--|----------------|------------------------------|----------------|-------------|-----------------------------------|----------------|----------------------|
| 2008 A | verage Sys | stem Cost N | Iethodolog | y (ASC) Ut | tility | Template | | | |
| End of | Year Repo | TY NAME: ort Period: iling Date: | North | Western En 2000 5/7/20 | 6 | - Revised | Amended BPA: 7 Revised Amended | | |
| | <u>TABL</u> | . <u>E 19A: Sch</u> | edule 1: Pl | ant Investn | <u>nen</u> t / | Rate Base | - | | |
| | FERC | Form 1 | Function | alization | | | | | |
| Account Description | Page Number | Account Numbers | Met Default | hod Optional | | Total | Production | Transmission | Distributio Other |
| bilities and Other Credits (Comparative Balance Sheet) | | • | | • | | | | | |
| Current and Accrued Liabilites | | | | | | | | | |
| Derivative Instrument Liabilities | 112-113 | 244 | DIST | | | | - | - | |
| (less) Long-Term Portion of Derivative Instrument Liabilities | 112-114 | 244 | DIST | | | | - | - | |
| Derivative Instrument Liabilities - Hedges | 112-115 | 245 | DIST | | | | - | - | |
| (less) Long-Term Portion of Derivative Instrument Liabilities - Hedges | 112-114 | 245 | DIST | | | | - | - | |
| Total | | | | | \$ | - | \$ - | \$ - | \$ |
| Deferred Credits | | | | | | | | | |
| Customer Advances for Construction | 112-113 | 252 | DIST | | | 27,216,506 | - | - | 27,216 |
| Other Deferred Credits | 112-113 | 253 | DIRECT | DIST | | 39,191,290 | 573,882 | 11,454,075 | 27,163 |
| Other Regulatory Liabilities | 112-113 | 254 | DIRECT | DIST | | 594,301 | - | - | 594 |
| Accumulated Deferred Investment Tax Credits | 112-113 | 255 | DIST | | | | - | - | |
| Deferred Gains from Disposition of Utility Plant | 112-113 | 256 | DIRECT | | | | | | |
| Unamortized Gain on Reacquired Debt | 112-113 | 257 | PTDG | | | | - | - | |
| Accumulated Deferred Income Taxes-Accel. Amort. | 112-113 | 281 | DIST | | | | - | - | |
| Accumulated Deferred Income Taxes-Property | 112-113 | 282 | DIST | | | 62,929,457 | - | - | 62,929 |
| Accumulated Deferred Income Taxes-Other | 112-113 | 283 | DIST | | | 11,292,426 | - | - | 11,292 |
| Total | | | | | \$ | 141,223,980 | \$ 573,882 | \$ 11,454,075 | \$ 129,196 |
| al Liabilities and Other Credits | | | | | \$ | 141,223,980 | \$ 573,882 | \$ 11,454,075 | \$ 129,196 |
| al Rate Base | | | | | \$ | 749,787,878 | \$ 3,273,865 | \$ 312,351,145 | \$ 434,162 |

| UTILITY NAME: | NorthW | Vestern Energy - | Revised | |
|--|--|-------------------------|-----------------------------------|------------------------------------|
| End of Year Report Period: ASC Filing Date: | | 2006 5/7/2008 | | |
| TABLE 19B: Schedu | ıle 1A: Cash Work | <u>i</u> ng Capital (f) | Amended BPA: 7 Revised Amendee | 0 2000 |
| Account Description | Total | Production | Transmission | Distribution/ Other |
| ash Working Capital Calculation: | | | | |
| 8 | | | | _ |
| Total Production O&M | 326,350,577 | 326,350,577 | - | |
| | 326,350,577 18,891,375 | | 18,891,375 | - |
| Total Production O&M | | | | - 27,759,8 |
| Total Production O&M Total Transmission O&M (i) | 18,891,375 | | | |
| Total Production O&M Total Transmission O&M (i) Total Distribution O&M | 18,891,375 27,759,804 | | | 27,759,80 12,512,92 31,401,0 |
| Total Production O&M Total Transmission O&M (i) Total Distribution O&M Total Customer & Sales | 18,891,375 27,759,804 12,512,936 | - | 18,891,375 - - | 12,512,9 |

| | DU. | NNEVILLE . | POWER AD | MINISTRATIC | N | | |
|---|---|---|-------------------|---|--------------------------|-----------------------|--|
| | RESI | DENTIAL PUF | RCHASE AND | SALE AGREEMI | INT | | |
| | | 2008 Averag | ge System Cost | Methodology | | | |
| | | | : North | Western Energy - F | levised | Amended BPA: 7-8-2008 | |
| | | Report Period: | | 2006 5/7/2008 | | Revised Amended BPA: | 8-4-2008 |
| | <u>T</u> A | ABLE 19C: Sch | edule 2: Capita | l Structure and Rat | <u>e</u> of Return (b) | | |
| | SUMMARY (for a | use by ASC Fore | ecast Model) | | | | |
| Single-Jurisd | iction Investor-Owned | Utility Return | Calculation: | 11.196% | | | |
| Multi-Jurisd | iction Investor-Owned | Utility Return | Calculation: | | | | |
| | Consumer-Owned | Utility Return | Calculation: | | | | |
| | | Rate | e of Return : | 11.196% | | | |
| | | | | | | | |
| Single-Jurisd | liction Investor-Owned | Utility Return | Calculation | | | | |
| | | | | | | | |
| | | | | | | | |
| | Capitalization | | | ctive Cost | | | |
| 1 | Capitalization Amount | Structure Percent | Effec Embedded | Weighted | | | |
| Debt | - | | | | | | |
| Debt Preferred Equity | - | | | Weighted | | | |
| Debt Preferred Equity | - | | | Weighted | | | |
| Debi Preferred Equity Common Equity Weighted Cost of Capital Step 2: Gross Up Equity Return = Federal Income Tax Rate (Curr Federal Income Tax Factor | Amount S 620,943.0 for Federal Income Tax ently 35%) | Percent 100.000% | Embedded | Weighted 3.396% | | | |
| Debt Preferred Equity Common Equity Weighted Cost of Capital Step 2: Gross Up Equity Return = Federal Income Tax Rate (Curr Federal Income Tax Factor ((ROR – (Embedded Cost of Debt * (Debt Federal Income Tax Adjusted W | Amount Amount S 620,943.0 for Federal Income Tax ently 35%) / (Total Capital))) * {(Federal eighted Cost of Capital) | Percent 100.000% xes al Tax Rate / (1- Fea | Embedded | Weighted 3.396% 8.466% | | | |
| Debt Preferred Equity Common Equity Weighted Cost of Capital Step 2: Gross Up Equity Return : Federal Income Tax Rate (Curr Federal Income Tax Factor (ROR – (Embedded Cost of Debt * (Debt Federal Income Tax Adjusted W Weighted Cost of Capital Plus Federal In | Amount Amount S 620,943.0 S 620,943.0 for Federal Income Tax ently 35%) / (Total Capital))) * {(Federal eighted Cost of Capital come Tax Factor) | Percent 100.000% xes al Tax Rate / (1- Fea | Embedded | Weighted 3.396% 8.466% 2.730% 11.196% | | | 0.1 |
| Debt Preferred Equity Common Equity Weighted Cost of Capital Step 2: Gross Up Equity Return : Federal Income Tax Rate (Curr Federal Income Tax Factor (ROR – (Embedded Cost of Debt * (Debt Federal Income Tax Adjusted W Weighted Cost of Capital Plus Federal In Step 3: Calculate Return on Rate | Amount Amount S 620,943.0 S 620,943.0 for Federal Income Tax ently 35%) / (Total Capital))) * {(Federal eighted Cost of Capital come Tax Factor) | Percent 100.000% xes al Tax Rate / (1- Fea | Embedded | Weighted 3.396% 8.466% 2.730% 11.196% | Production \$ 2773965 | Transmission | Other |
| Debi Preferred Equity Common Equity Weighted Cost of Capital Step 2: Gross Up Equity Return : Federal Income Tax Rate (Curr Federal Income Tax Factor (ROR – (Embedded Cost of Debt * (Debt Federal Income Tax Adjusted W Weighted Cost of Capital Plus Federal In Step 3: Calculate Return on Rate Fotal Rate Base from Schedule 1 | Amount Amount S 620,943.0 S 620,943.0 for Federal Income Tax ently 35%) / (Total Capital))} * {(Federal eighted Cost of Capital come Tax Factor) Base | Percent 100.000% xes al Tax Rate / (1- Fea | Embedded | Weighted 3.396% 8.466% 2.730% 11.196% Total 749,787,878 | \$ 3,273,865 | \$ 312,351,145 \$ | 434,162,8 |
| Component Debt Preferred Equity Common Equity Weighted Cost of Capital Step 2: Gross Up Equity Return f Federal Income Tax Rate (Curr Federal Income Tax Factor {(ROR – (Embedded Cost of Debt * (Debt Federal Income Tax Adjusted W (Weighted Cost of Capital Plus Federal In Step 3: Calculate Return on Rate Total Rate Base from Schedule 1 Federal Income Tax Adjusted Weig Federal Income Tax Adjusted Return on Rate | Amount Amount S 620,943.0 S 620,943.0 for Federal Income Tax ently 35%) / (Total Capital))} * {(Federal eighted Cost of Capital come Tax Factor) Base ghted Cost of Capital | Percent 100.000% xes al Tax Rate / (1- Fea | Embedded | Weighted 3.396% 8.466% 2.730% 11.196% | | | Other 434,162,8 11.19 \$48,609, |

| | | | | DMINISTR D SALE AGI | | | | |
|--|-----------------|--------------|------------------|------------------------|----------------|------------------------|---------------|--------------|
| | | | | t Methodolo | | | | |
| | UTIL | ITY NAME: | North | Western Ene | ergy - Revised | 1 | | |
| | End of Year Rep | oort Period: | | 2006 | | Amended BPA: 7- | -8-2008 | |
| | ASC | Filing Date: | | 5/7/200 | 08 | Revised Amended | BPA: 8-4-2008 | |
| | | <u>TABL</u> | <u>E 19D: Sc</u> | <u>hedul</u> e 3: Exp | penses | - | | |
| | Fo | rm 1 | Functio | nalization | | | | |
| Account Description | Page | Account | Me | ethod | Total | Production | Transmission | Distribution |
| | Number | Numbers | Default | Optional | | | | Other |
| ower Production Expenses: | | | | | | | | |
| Steam Power Generation | | | | | | | | |
| Steam Power - Fuel | 320-323 | 501 | PROD | | 3,288,385 | 3,288,385 | - | |
| 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 | | 151,137 | 151,137 | - | |
| Other Power - Operations (Excluding 547 - Fuel) | 320-323 | 546-550.1 | PROD | | 21,120 | 21,120 | - | |
| Other Power - Maintenance | 320-323 | 551-554.1 | PROD | | 45,610 | 45,610 | - | |
| Other Power Supply Expenses | | | | | | | | |
| Purchased Power (Excluding REP Reversal) | 326 | 555 | PROD | | 315,637,132 | 315,637,132 | - | |
| System Control and Load Dispatching | 320-323 | 556 | PROD | | | - | - | |
| Other Expenses | 320-323 | 557 | PROD | | 7,207,193 | 7,207,193 | - | |
| BPA REP Reversal | 327 | 555 | PROD | | | - | - | |
| Public Purpose Charges (a) (h) | | | DIRECT | | | | | |
| <u>otal Production Expense</u> | | | | | \$ 326,350,577 | \$ 326,350,577 | \$- | \$ |
| ransmission Expenses: (i) | | | | | | | | |
| Transmission of Electricity by Others (Wheeling) | 320-323 | 565 | TRANS | | 5,375,034 | - | 5,375,034 | |
| Total Operations less Wheeling | 320-323 | 560-567.1 | TRANS | | 8,173,157 | - | 8,173,157 | |
| Total Maintenance | 320-323 | 568-574 | TRANS | | 5,343,184 | - | 5,343,184 | |
| otal Transmission Expense | | | | | \$ 18,891,375 | s - | \$ 18,891,375 | \$ |

| | RESIDENT | VILLE PO IAL PURCH)8 Average S | IASE AND | SALE AG | REEM | | | | | |
|---|-----------------|---------------------------------------|----------------|------------|------------|------------|-----------------|--------------|----|-------------|
| | UTIL | ITY NAME: | North | Vestern En | erøv - | Revised | | | | |
| | End of Year Rep | | rtorti | 2006 | | Iteviseu | Amended BPA: 7 | -8-2008 | | |
| | | Filing Date: | | 5/7/20 | | | Revised Amended | | | |
| | Acc | <u>TABL</u> | DI A. 0 4 2000 | | | | | | | |
| | Fo | rm 1 | | alization | p e no e n | - | | | | |
| Account Description | Page | Account | | thod | | Total | Production | Transmission | Di | stribution/ |
| | Number | Numbers | Default | Optional | | | | | | Other |
| Distribution Expense: | Tumber | Tumbers | Default | Optional | | | | | | Other |
| Total Operations | 320-323 | 580-589 | DIST | | | 13,558,310 | - | _ | | 13,558,310 |
| Total Maintenance | 320-323 | 590-598 | DIST | | | 14.201.494 | - | _ | | 14,201,494 |
| Total Distribution Expense | 520 525 | 0,00,000 | 5101 | | \$ | 27,759,804 | s - | S - | \$ | 27,759,804 |
| | | 11 | | | | , , | | | | , , |
| Customer and Sales Expenses: | | · · · · · · | | | | | | | | |
| Total Customer Accounts | 320-323 | 901-905 | DIST | | | 8,115,487 | - | - | | 8,115,48 |
| Customer Service and Information | 320-323 | 906-907 | DIST | | | | - | - | | - |
| Customer Assistance Expenses (Major only) | 320-323 | 908 | DIRECT | | | 2,364,425 | | | | 2,364,42 |
| Customer Service and Information | 320-323 | 909-910 | DIST | | | 1,147,618 | - | - | | 1,147,61 |
| Total Sales Expense | 320-323 | 911-917 | DIST | | | 885,406 | - | - | | 885,40 |
| Total Customer and Sales Expenses | | | | | \$ | 12,512,936 | \$ - | \$ - | \$ | 12,512,93 |
| Administration and General Expense: Operation | | | | | | | | | | |
| Administration and General Salaries | 320-323 | 920 | LABOR | | | 13,190,325 | 196,434 | 3,696,156 | | 9,297,73 |
| Office Supplies & Expenses | 320-323 | 921 | LABOR | | | 3,968,078 | 59,094 | 1,111,924 | | 2,797,06 |
| (Less) Administration Expenses Transferred - Credit | 320-323 | 922 | LABOR | | | 3,691,830 | 54,980 | 1,034,514 | | 2,602,33 |
| Outside Services Employed (g) | 320-323 | 923 | LABOR | | | 4,042,391 | 60,200 | 1,132,748 | | 2,849,44 |
| Property Insurance | 320-323 | 924 | PTDG | | | 523,235 | 1,094 | 188,170 | | 333,97 |
| Injuries and Damages | 320-323 | 925 | LABOR | | | 2,681,978 | 39,941 | 751,536 | | 1,890,50 |
| Employee Pensions & Benefits | 320-323 | 926 | LABOR | | | 3,543,720 | 52,774 | 993,011 | | 2,497,93 |
| Franchise Requirements | 320-323 | 927 | DIST | | | | - | - | | - |
| Regulatory Commission Expenses | 320-323 | 928 | DIST | | | 1,120,878 | - | - | | 1,120,87 |
| (Less) Duplicate Charges - Credit | 320-323 | 929 | PTDG | | | | - | - | | - |
| General Advertising Expenses (g) | 320-323 | 930.1 | DIST | DIST | | 9,131 | - | - | | 9,13 |
| Miscellaneous General Expenses | 320-323 | 930.2 | DIST | | | 10,688,250 | - | - | | 10,688,25 |
| Rents | 320-323 | 931 | DIST | | | 992,736 | - | - | | 992,73 |
| Transportation Expenses (Non Major) | 320-324 | 933 | DIST | | | | - | - | | - |
| Maintenance | | | | | | | | | | |
| Maintenance of General Plant | 320-323 | 935 | GPM | | | 2,379,267 | 6,212 | 847,349 | | 1,525,70 |
| Total Administration and General Expenses | | | | | \$ | 39,448,159 | \$ 360,769 | \$ 7,686,380 | \$ | 31,401,010 |

| | RESIDENT | | IASE AND | SALE AGI | REE | | | | | |
|---|---------------------|-----------------------|-------------------|-----------------------|------|-------------|------------------------|------------------|--------------|--|
| | | 8 Average S | - | | | De las l | 1 | | | |
| | | ITY NAME: | North | Western En | | - Revised | Amended BPA: 7 | 0 2000 | | |
| | End of Year Rep | Filing Date: | | <u>2006</u> 5/7/20 | | | Revised Amended | | | |
| | ASC | Filling Date. | | 3/1/20 | 00 | | Keviseu Amenueu | I DI A. 0-4-2000 | | |
| | | <u>TABL</u> | <u>E 19D: Sch</u> | <u>edul</u> e 3: Ex | pens | es | | | | |
| | Fo | rm 1 | Function | alization | | | | | | |
| Account Description | Page | Account | Me | thod | | Total | Production Transmissio | | Distribution | |
| | Number | Numbers | Default | Optional | | | | | Other | |
| Total Operations and Maintenance | | | | | \$ | 424,962,851 | \$ 326,711,346 | \$ 26,577,755 | \$ 71,673,75 | |
| Total Expenses: Production + Transmission + Distribution + Customer | • and Sales +Total. | <i>Administration</i> | and General I | Expenses) | | | | | | |
| Depreciation and Amortization: | | | | | | | | | | |
| Amortization of Intangible Plant - Account 301 | 336 | 404 | DIST | | | | - | _ | | |
| Amortization of Intangible Plant - Account 302 | 336 | 404 | DIST | PTD | | | | | | |
| Amortization of Intangible Plant - Account 303 | 336 | 404 | DIRECT | DIST | | 45,848 | | 39,349 | 6,4 | |
| Steam Production Plant | 336 | 404 | PROD | DIST | | | | - | 0,4 | |
| 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 | | | 107,690 | 107,690 | - | | |
| Transmission Plant (i) | 336 | 403 | TRANS | | | 12,426,976 | - | 12,426,976 | | |
| Distribution Plant | 336 | 403 | DIST | | | 28,567,724 | - | - | 28,567,7 | |
| General Plant | 336 | 403 | GP | | | 3,320,747 | 4,674 | 1,189,376 | 2,126,6 | |
| Common Plant - Electric | 336 | 403 | DIRECT | | | 1,586,760 | 3,375 | 569,855 | 1,013,5 | |
| Common Plant - Electric | 336 | 404 | DIRECT | | | 2,383,559 | 5,069 | 856,011 | 1,522,4 | |
| 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 | | | 94,914 | | 94,914 | | |
| Fotal Depreciation and Amortization | | | | | \$ | 48,534,218 | \$ 120,808 | \$ 15,176,481 | \$ 33,236,9 | |
| | | | | | | | | | | |
| Fotal Operating Expenses | | | | | \$ | 473,497,069 | \$ 326,832,154 | \$ 41,754,236 | \$ 104,910,6 | |
| Total O&M + Total Depreciation & Amortization) | | | | | | | | | | |

| | BONNE | VILLE P | OWER A | DM | INISTRA | TION | | | | | | | |
|--------------------------------------|------------------------|------------------------------|--------------------|------|----------------------|--------------|----|------------------------------|-------|----------------------------|--|--|--|
| 1 | RESIDENT | TIAL PUR | CHASE AN | D S. | ALE AGRE | EMENT | | | | | | | |
| | | | e System Co | | | | | | | | | | |
| | UTILI | TY NAME: | North | Vest | tern Energy | - Revised | | | | | | | |
| End of | Year Repo | | | | 2006 | | | Amended BP. | A: 7- | 8-2008 | | | |
| | | ling Date: | | | 5/7/2008 | | | Revised Amended BPA: 8-4-200 | | | | | |
| | | <u>TABL</u> | <u>E 19E: Sche</u> | dule | <u>e 3A</u> Items: ˈ | Taxes | | | | | | | |
| Account Description | FERC Page Number | Form 1 Account Numbers | Funct. Method | | Total | Productio | n | Transmission | | Distribution/ Other | | | |
| | | | | | | | | | | | | | |
| FEDERAL | | | | | | | _ | | | | | | |
| Income Tax | 262 | 409.1 | DIST | | 20,490,886 | - | | - | | 20,490,88 | | | |
| Employment Tax | 262 | 408.1 | LABOR | | 2,815,525 | 41,9 | 30 | 788,959 | | 1,984,63 | | | |
| Other Federal Taxes TOTAL FEDERAL | 262 | 408.1 | DIST | \$ | 11,172 | - \$ 41.9 | 20 | - \$ 788,959 | s | 11,17 22,486,6 9 | | | |
| IOTAL FEDERAL | | | | • | 23,317,583 | \$ 41,9 | 30 | \$ 788,959 | • | 22,480,0 | | | |
| STATE AND OTHER | | | | | | | | | | | | | |
| Property or In-Lieu (c) | 262 | 408.1 | PTDG | | 49,880,451 | 104,2 | 49 | 17,938,371 | | 31,837,83 | | | |
| Unemployment | 262 | 408.1 | LABOR | | 14,588 | 2 | 17 | 4,088 | | 10,2 | | | |
| State Income, B&O, etc. | 262 | 409.1 | DIST | | 2,568,678 | | | - | | 2,568,6 | | | |
| Franchise Fees | 262 | 408.1 | DIST | | 5,337 | - | | - | | 5,3 | | | |
| Regulatory Commission | 262 | 408.1 | DIST | | 1,655,658 | - | | - | | 1,655,6 | | | |
| City/Municipal | 262 | 408.1 | DIST | | | | | - | | | | | |
| Other | 262 | 408.1 | DIST | | 1,439,624 | - | | - | | 1,439,6 | | | |
| FOTAL STATE AND OTHER TAXES | | | | \$ | 55,564,336 | \$ 104,4 | 67 | \$ 17,942,459 | \$ | 37,517,4 | | | |
| FOTAL TAXES | | | | \$ | 78,881,919 | \$ 146,3 | | \$ 18,731,418 | \$ | 60,004,1 | | | |

| | UT | ILITY NAME: | NorthV | Vestern En | ergy | - Revised | | | | | |
|---|----------------|---------------|-------------|-----------------------|--------|-------------|-----------------------|-----------------|--------------|--|--|
| | End of Year Re | eport Period: | | 2006 | | | Amended BPA: 7-8-2008 | | | | |
| | ASC | Filing Date: | | 5/7/20 | 08 | | Revised Amende | d BPA: 8-4-2008 | | | |
| | <u>T</u> A | BLE 19F: Sc. | hedule 3B (| <u> Other Incl</u> ue | ded It | tems (j) | | | | | |
| | FERC | Form 1 | Functior | alization | | | | | | | |
| Account Description | Page | Page Account | | hod | | | | | Distribution | | |
| | Number | Numbers | Default | Optional | T | Total | Production | Transmission | Other | | |
| Other Included Items: | | | | | | | | | | | |
| Regulatory Credits | 114 | 407.4 | DIRECT | PROD | | | - | - | - | | |
| (Less) Regulatory Debits | 114 | 407.3 | DIRECT | DIST | | 7,271,890 | 480,378 | 2,983,400 | 3,808,1 | | |
| 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 | | | | - | - | <u> </u> | | |
| Miscellaneous Nonoperating Income | 114 | 421 | DIRECT | PROD | | | - | - | | | |
| Fotal Other Included Items | | | | | \$ | (7,271,890) | \$ (480,378) | \$ (2,983,400) | \$ (3,808,1 | | |
| ales for Resale: | | | | | | | | | | | |
| Sales for Resale | 310 | 447 | PROD | 1 | | 47,339,878 | 47,339,878 | - | | | |
| Fotal Sales for Resale | 510 | | TROD | | \$ | 47,339,878 | | | s - | | |
| total sales for Resale | | | | | • | 47,339,878 | \$ 47,339,878 | ð - |) - | | |
| Other Revenues: | | | | | | | | | | | |
| Forfeited Discounts | 300 | 450 | DIST | | | 8,000 | - | - | 8,0 | | |
| Miscellaneous Service Revenues | 300 | 451 | DIST | | | | - | - | | | |
| Sales of Water and Water Power | 300 | 453 | PROD | | | | - | - | | | |
| Rent from Electric Property | 300 | 454 | TD | | | 2,321,729 | - | 835,583 | 1,486,1 | | |
| Interdepartmental Rents | 300 | 455 | DIST | | | | - | - | | | |
| Other Electric Revenues | 300 | 456 456.1 | DIRECT | PROD | | 12,394,297 | 1,014,520 | 9,925,393 | 1,454,3 | | |
| Revenues from Transmission of Electricity of Others (i) | 330 | 456.1 | TRANS | | | 34,983,334 | - | 34,983,334 | | | |
| otal Other Revenues | | | | | \$ | 49,707,360 | \$ 1,014,520 | \$ 45,744,310 | \$ 2,948,5 | | |
| | 5 <u></u> | | | | | | | | | | |
| Fotal Other Included Items | | | | | \$ | 89,775,348 | \$ 47,874,020 | \$ 42,760,910 | \$ (859,5 | | |

| 20 | 08 Ave | erage System Co | st Me | ethodology | | | | |
|---|--------|-----------------|-----------------------|---------------------------------------|-----|--------------|-------|------------------------|
| UTILITY NAME: End of Year Report Period: | | Nort | Amended BPA: 7-8-2008 | | | | | |
| ASC Filing Date: | | LE 19G: Schedui | le 4: / | 5/7/2008 <u>Averag</u> e System Co | ost | | Revis | ed Amended BPA: 8-4-20 |
| | | Total | | Production | | Transmission | Dist | ribution/Other |
| Fotal Operating Expenses | \$ | 473,497,069 | \$ | 326,832,154 | \$ | 41,754,236 | \$ | 104,910,681 |
| From Schedule 3) | | | | | | | | |
| Federal Income Tax Adjusted Return on Rate Base | \$ | 83,947,174 | \$ | 366,546 | \$ | 34,971,219 | \$ | 48,609,409 |
| From Schedule 2) | | | | | | | | |
| tate and Other Taxes | \$ | 78,881,919 | \$ | 146,396 | \$ | 18,731,418 | \$ | 60,004,105 |
| From Schedule 3a) | | | | | | | | |
| Cotal Other Included Items | \$ | 89,775,348 | \$ | 47,874,020 | \$ | 42,760,910 | \$ | (859,583) |
| From Schedule 3b) | | | - | | | | - | |
| Fotal Cost | | 546,550,814 | \$ | 279,471,076 | \$ | 52,695,962 | \$ | 214,383,778 |

| | POWER ADMINISTRATION RCHASE AND SALE AGREEMENT | |
|---|---|--|
| 2008 Avera | ge System Cost Methodology | |
| UTILITY NAME: End of Year Report Period: ASC Filing Date: | NorthWestern Energy - Revised 2006 5/7/2008 | Amended BPA: 7-8-2008 Revised Amended BPA: 8-4-2008 |
| <u>TABLE</u> | 19G: Schedule 4: Average System Cost | |
| Contract System Cost Production Transmission (Less) New Large Single Load Costs (d) Total Contract System Cost | \$ 279,471,076 \$ 52,695,962 \$ 332,167,038 | |
| Contract System Load (MWh) Total Retail Load (Less) New Large Single Load Total Retail Load (Net of NLSL) (d) Distribution Loss (e) Total Contract System Load | 5,749,741 5,749,741 463,651 6,213,392 | |
| Average System Cost \$/MWh | 53.46 | |

| BONNEVILLE POWER ADMI | INISTRATION | |
|---|-----------------------|---------------------|
| RESIDENTIAL PURCHASE AND SA | LE AGREEMENT | |
| 2008 Average System Cost Me | ethodology | |
| | . North Wester | n Enorgy Davised |
| | | rn Energy - Revised |
| End of Year Report Period | | 2006 |
| ASC Filing Date | 9: 0 | 5/7/2008 |
| TABLE 19H: Distribution of Salaries and V | Wages (For Labor Rati | o Calculation) |
| | Form 1 | |
| Description | Page Number | Amount |
| Electric | | |
| Operation | | |
| Production | 354-355 | 522,81 |
| Transmission | 354-355 | 3,705,80 |
| Distribution | 354-355 | 7,706,48 |
| Customer Accounts | 354-355 | 2,259,15 |
| Customer Service and Information | 354-355 | 2,168,86 |
| Sales | 354-355 | 59,98 |
| Administrative and General | 354-355 | 11,372,63 |
| TOTAL Operation | | \$27,795,74 |
| Maintenance | | |
| Production | 354-355 | 18,20 |
| Transmission | 354-355 | 2,190,80 |
| Distribution | 354-355 | 6,191,05 |
| Administrative and General | 354-355 | 2,050,38 |
| TOTAL Maintenance | | \$10,450,45 |
| Operation and Maintenance | | |
| Production (Total of lines 16 and 26) | 354-355 | 541,02 |
| Transmission (Total of lines 17 and 27) | 354-355 | 5,896,61 |
| Distribution (Total of lines 18 and 28) | 354-355 | 13,897,53 |
| Customer Accounts (From line 20) | 354-355 | 2,259,15 |
| Customer Service and Information (From line 20) | 354-355 | 2,168,86 |
| Sales (From line 21) | 354-355 | 59,98 |
| Administrative and General (Total of lines 22 and 29) | 354-355 | 13,423,01 |
| FOTAL Operation and Maintenance | | \$38,246,19 |

BONNEVILLE POWER ADMINISTRATION RESIDENTIAL PURCHASE AND SALE AGREEMENT

2008 Average System Cost Methodology

| - | |
|----------------------------|-------------------------------|
| UTILITY NAME: | NorthWestern Energy - Revised |
| End of Year Report Period: | 2006 |
| ASC Filing Date: | 5/7/2008 |

TABLE 191: Ratio Table

| Labor Ra | tio Input: | Ratio Used | 1 | Total | Production | Transmission | Dist | ribution |
|------------|---|--|----|--|--|--|-------------|---|
| | Production | PROD | \$ | 541,024 | \$ 541,024 | \$- | \$ | - |
| | Transmission | TRANS | | 5,896,616 | - | 5,896,616 | | - |
| | Distribution | DIST | | 13,897,532 | - | - | 1 | 3,897,532 |
| | Customer Accounts | DIST | | 2,259,154 | - | - | 1 | 2,259,154 |
| | Customer Service and Informational | DIRECT | | 2,168,867 | - | - | í | 2,168,86 |
| | Sales | DIST | | 59,981 | - | - | | 59,98 |
| | Administrative & General | PTD | | 13,423,019 | 28,549 | 4,820,626 | | 8,573,84 |
| Total Labo | _ | | \$ | 38,246,193 | \$ 569,573 | \$ 10,717,242 | ¢) | 6,959,378 |
| TOTAL LADO | LABOR RATIO | | • | 100% | <u> </u> | 28.02% | \$ <u>2</u> | <u>,939,57</u> 70.49 |
| | LADOR RATIO | | | 10070 | 1.47/0 | 20.0270 | | 70.47 |
| GP | General Plant Ratio | Ratio Used | | Total | Production | Transmission | Dist | ribution |
| | Land and Land Rights | PTD | \$ | 402,050 | \$ 855 | \$ 144,389 | \$ | 256,80 |
| | Structures and Improvements | PTD | | 7,566,300 | 16,092 | 2,717,295 | 1 | 4,832,91 |
| | Furniture and Equipment | LABOR | | 1,046,919 | 15,591 | 293,365 | | 737,96 |
| | Transportation Equipment | TD | | 25,636,266 | - | 9,226,408 | 1 | 6,409,85 |
| | Transportation Equipment | | | | | | | 255,61 |
| | Stores Equipment | PTD | | 400,192 | 851 | 143,721 | | 255,01 |
| | | PTD PTD | | 400,192 4,018,009 | 851 8,546 | 143,721 1,442,993 | | |
| | Stores Equipment | | | - | | | | 2,566,47 |
| | Stores Equipment Tools and Garage Equipment | PTD | | 4,018,009 | 8,546 | 1,442,993 | | 2,566,47 2,118,72 |
| | Stores Equipment Tools and Garage Equipment Laboratory Equipment | PTD PTD TD PTD | | 4,018,009 3,317,020 | 8,546 7,055 | 1,442,993 1,191,246 | | 2,566,47 2,118,72 1,365,57 |
| | Stores Equipment Tools and Garage Equipment Laboratory Equipment Power Operated Equipment | PTD PTD TD | | 4,018,009 3,317,020 2,133,361 | 8,546 7,055 - | 1,442,993 1,191,246 767,790 | | 2,566,47 2,118,72 1,365,57 2,009,50 |
| | Stores Equipment Tools and Garage Equipment Laboratory Equipment Power Operated Equipment Communication Equipment | PTD PTD TD PTD | | 4,018,009 3,317,020 2,133,361 18,801,814 | 8,546 7,055 - 39,988 | 1,442,993 1,191,246 767,790 6,752,320 | | 2,566,47 2,118,72 1,365,57 2,009,50 |
| | Stores Equipment Tools and Garage Equipment Laboratory Equipment Power Operated Equipment Communication Equipment Miscellaneous Equipment | PTD PTD TD PTD PTD | | 4,018,009 3,317,020 2,133,361 18,801,814 192,965 | 8,546 7,055 - 39,988 410 | 1,442,993 1,191,246 767,790 6,752,320 69,300 | | 2,566,47 2,118,72 1,365,57 2,009,50 123,25 |
| | Stores Equipment Tools and Garage Equipment Laboratory Equipment Power Operated Equipment Communication Equipment Miscellaneous Equipment Other Tangible Property | PTD PTD TD PTD PTD DIRECT | \$ | 4,018,009 3,317,020 2,133,361 18,801,814 192,965 | 8,546 7,055 - - 39,988 410 - | 1,442,993 1,191,246 767,790 6,752,320 69,300 | 12 | 2,566,471 2,118,720 1,365,571 2,009,500 123,255 |

| | BONNEVILLE POW | ER ADMIN | ISTRATION | | | |
|------|--|------------------------|------------------|--------------|----------------|----------------|
| | RESIDENTIAL PURCHA | | | | | |
| | 2008 Average Sys | | | | | |
| | UTILITY NAME: | Nort | hWestern Energy | Revised | 1 | |
| | End of Year Report Period: | 1.011 | 2006 | Revised | | |
| | ASC Filing Date: | | 5/7/2008 | | | |
| | | | | | | |
| | <u><u>TA</u></u> | <u>BLE 191</u> : Ratio | o Table | | | |
| РТД | Production, Transmission, Distribution Ratio | Ratio Used | Total | Production | Transmission | Distribution |
| | Steam Production | PROD | \$- | \$ - | \$ - | \$ - |
| | Nuclear Production | PROD | - | - | - | - |
| | Hydraulic Production | PROD | - | - | - | - |
| | Other Production | PROD | 2,646,622 | 2,646,622 | - | - |
| | Total Production Plant | | 2,646,622 | 2,646,622 | - | - |
| | Transmission Plant | TRANS | 446,900,651 | - | 446,900,651 | - |
| | Total Distribution Plant | DIST | 794,846,278 | - | - | 794,846,278 |
| | TOTAL | | \$ 1,244,393,551 | \$ 2,646,622 | \$ 446,900,651 | \$ 794,846,278 |
| | PTD RATIO | | 100% | 0.21% | 35.91% | 63.87% |
| | | | | | | |
| PTDG | Production, Transmission, Distribution and General Plant Ratio | Ratio Used | Total | Production | Transmission | Distribution |
| | PTD Total | DIGT | \$ 1,244,393,551 | \$ 2,646,622 | \$ 446,900,651 | \$ 794,846,278 |
| | Intangible Plant - Organization | DIST | 19,995 | | - | 19,995 |
| | Intangible Plant - Franchises and Consents | DIRECT | 2,004 | 4 | 720 | 1,280 |
| | Intangible Plant - Miscellaneous | DIRECT | 1,175,945 | - | 1,140,181 | 35,764 |
| | General Plant Total TOTAL | | 63,514,896 | 89,389 | 22,748,825 | 40,676,682 |
| | | | \$ 1,309,106,391 | \$ 2,736,015 | \$ 470,790,377 | \$ 835,579,999 |
| | PTDG RATIO | | 100% | 0.21% | 35.96% | 63.83% |
| TD | Transmission and Distribution Plant Ratio | Ratio Used | Total | Production | Transmission | Distribution |
| | Total Transmission Plant | TRANS | \$ 446,900,651 | \$ - | \$ 446,900,651 | \$ - |
| | Total Distribution Plant | DIST | 794,846,278 | - | - | 794,846,278 |
| | TOTAL | | \$ 1,241,746,929 | \$ - | \$ 446,900,651 | \$ 794,846,278 |
| | TD RATIO | | 100% | 0.00% | 35.99% | 64.01% |

| | BONNEVILLE POV RESIDENTIAL PURCH 2008 Average Sy | ASE AND SAI stem Cost Met | .E A hodo | GREEMENT blogy | | | |
|-----|--|------------------------------|--------------|------------------------------------|------------|--------------|---------------|
| | UTILITY NAME End of Year Report Period ASC Filing Date | : | hWe | stern Energy - 2006 5/7/2008 | - Revised | | |
| | <u>T</u> 2 | <u> 1815 191</u> : Rati | o Ta | ble | | | |
| GPM | Maintenance of General Plant Ratio | Ratio Used | | Total | Production | Transmission | Distribution |
| | Structures and Improvements | PTD | \$ | 7,566,300 | \$ 16,092 | \$ 2,717,295 | \$ 4,832,913 |
| | Furniture and Equipment | LABOR | | 1,046,919 | 15,591 | 293,365 | 737,963 |
| | Communication Equipment | PTD | | 18,801,814 | 39,988 | 6,752,320 | 12,009,506 |
| | Miscellaneous Equipment | PTD | | 192,965 | 410 | 69,300 | 123,255 |
| | TOTAL | | \$ | 27,607,998 | \$ 72,082 | \$ 9,832,279 | \$ 17,703,637 |
| | GPM RATIO | | | 100% | 0.26% | 35.61% | 64.13% |
| | SUMMARY RATIO TABLE | | _ | | | | |
| | Direct to Distribution | | DIS | T | 0.00% | 0.00% | 100.00% |
| | Direct to Production | | PR | | 100.00% | 0.00% | 0.00% |
| | Direct to Transmission | | | ANS | 0.00% | 100.00% | 0.00% |
| | Direct Allocation | | | RECT | 0.00% | 0.00% | 0.00% |
| | General Plant | | GP | | 0.14% | 35.82% | 64.04% |
| | Maintenance of General Plant | | GP | | 0.26% | 35.61% | 64.13% |
| | Labor Ratios | | | BOR | 1.49% | 28.02% | 70.49% |
| | Production, Transmission, Distribution | | PTI | | 0.21% | 35.91% | 63.87% |
| | Production, Transmission, Distribution, General | | PT | DG | 0.21% | 35.96% | 63.83% |
| | Transmission, Distribution | | TD | | 0.00% | 35.99% | 64.01% |

| | | | | E AND SALE AGREE m Cost Methodology | MENT | | | | |
|----------------|---------|------------------|----------------------------|--|----------------------|-------------------------------------|--------------------|--|--|
| | | TABLE 19J | UTILITY NAME: | NorthWest | ern Energy - Revised | | | | |
| | | | End of Year Report Period: | | 2006 | Amended BPA: 7-8-2008 | | | |
| | | | ASC Filing Date: | | 5/7/2008 | Revised Amended BPA | : 8-4-2008 | | |
| FERC I | Form 1 | Purchased Powe | r Dasa Dariad | Purchased Power - I | Pasa Dariad Minus 1 | Purchased Power - Base Period Minus | | | |
| Statistical | Page | r urchaseu rowe | r - base reriou | r urchaseu r ower - I | Dase reriou minus 1 | Purchased Power - Base Period Minu | | | |
| Classification | Number | Settlement Total | MWh Purchased | Settlement Total | MWh Purchased | Settlement Total MWh Purcha | | | |
| RQ | 326-327 | \$ 21,452,392 | 286,516 | | | | | | |
| LF | 326-327 | \$ 118,386,444 | 3,536,694 | | | | | | |
| IF | 326-327 | \$ - | - | | | | | | |
| SF | 326-327 | \$ 103,536,270 | 2,156,156 | | | | | | |
| LU | 326-327 | \$ 67,719,154 | 1,290,616 | | | | | | |
| IU | 326-327 | \$ 117,976 | 3,719 | | | | | | |
| OS | 326-327 | \$ 4,324,286 | 800 | | | | | | |
| EX | 326-327 | \$ 100,610 | 1,922 | | | | | | |
| NA | 326-327 | \$ - | - | | | | | | |
| AD | 326-327 | \$ - | - | | | | | | |
| TOT | AL | \$ 315,637,132 | 7,276,423 | \$ - | - | \$ - | | | |
| | | | | | <u>.</u> | | • | | |
| FERC I | Form 1 | | D D 1 1 | | | | D 1 1 1 1 | | |
| Statistical | Page | Sales for Resale | - Base Period | Sales for Resale - B | ase Period Minus 1 | Sales for Resale - B | ase Period Minus 2 | | |
| Classification | Number | Settlement Total | MWh Sold | Settlement Total | MWh Sold | Settlement Total | MWh Sold | | |
| RQ | 310-311 | s - | - | | | | | | |
| LF | 310-311 | \$ - | - | | | | | | |
| IF | 310-311 | \$ - | - | | | | | | |
| SF | 310-311 | \$ 47,339,878 | 1,267,830 | | | | | | |
| LU | 310-311 | \$ - | - | | | | | | |
| IU | 310-311 | \$ - | - | | | | | | |
| OS | 310-311 | \$ - | - | | | | | | |
| EX | 310-311 | \$ - | - | | | | | | |
| NA | 310-311 | \$ - | - | | | | | | |
| AD | 310-311 | \$ - | - | | | | | | |
| ТОТ | | \$ 47,339,878 | 1,267,830 | s - | | \$ | | | |

TABLE 19K: Forecasted Contract System Costs & ASC with New Additions and NLSL

| Date | 4/1/2009 6 | 4/1/2010 7 | 4/1/2011 8 | 4/1/2012 9 | 4/1/2013 10 |
|--|----------------------|---|----------------------|----------------------|-----------------------|
| Fiscal Year Rate Period Mid-Point | 2009 TRUE | 2010 FALSE | 2011 FALSE | 2012 FALSE | 2013 FALSE |
| Contract System Cost | | | | | |
| Production | 325,602,601 | 343,066,995 | 362,474,784 | 383,344,870 | 405,615,201 |
| Transmission | 49,773,010 | 48,305,130 | 46,859,814 | 45,371,968 | 43,907,962 |
| NLSL Fully Allocated Cost (\$/MWh) | | | | | |
| (Less) New Large Single Load Costs (d) | 0 | 0 | 0 | 0 | 0 |
| Total Contract System Cost | 375,375,611 | 391,372,125 | 409,334,598 | 428,716,838 | 449,523,163 |
| Contract System Load (MWh) | | | | | |
| Total Retail Load @ Meter | 6,334,276 | 6,542,040 | 6,756,619 | 6,978,236 | 7,207,122 |
| (Less) New Large Single Load | 0 | 0 | 0 | 0 | 0 |
| Total Retail Load (Net of NLSL) (d) | 6,334,276 | 6,542,040 | 6,756,619 | 6,978,236 | 7,207,122 |
| Distribution Loss (f) | 510,787 | 527,540 | 544,844 | 562,715 | 581,172 |
| Total Contract System Load | 6,845,062 | 7,069,580 | 7,301,463 | 7,540,951 | 7,788,294 |
| Average System Cost \$/MWh | 54.84 | 55.36 | 56.06 | 56.85 | 57.72 |
| | Rate | Period Mid-Po | <u>pint</u> | | |
| Date | | 4/1/09 | | | |
| Fiscal Year | | 2009 | | | |
| NLSL Switch | | 1 | | | |
| Contract System Cost | _ | | | | |
| | | | | | |
| Production | | 325,602,601 | | | |
| Production Transmission | | 325,602,601 49,773,010 | | | |
| | | , , | | | |
| Transmission (Less) New Large Single Load Costs (d) | | 49,773,010 | | | |
| Transmission | | 49,773,010 0 | | | |
| Transmission (Less) New Large Single Load Costs (d) Total Contract System Cost | | 49,773,010 0 | | | |
| Transmission (Less) New Large Single Load Costs (d) Total Contract System Cost Contract System Load (MWh) | | 49,773,010 0 375,375,611 | | | |
| Transmission (Less) New Large Single Load Costs (d) Total Contract System Cost Contract System Load (MWh) Total Retail Load @ Meter | | 49,773,010 0 375,375,611 6,334,276 | | | |
| Transmission (Less) New Large Single Load Costs (d) Total Contract System Cost Contract System Load (MWh) Total Retail Load @ Meter (Less) New Large Single Load | | 49,773,010 0 375,375,611 6,334,276 0 | | | |
| Transmission (Less) New Large Single Load Costs (d) Total Contract System Cost Contract System Load (MWh) Total Retail Load @ Meter (Less) New Large Single Load Total Retail Load (Net of NLSL) (d) | | 49,773,010 0 375,375,611 6,334,276 0 6,334,276 | | | |

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Tables for:

PacifiCorp

WP-07-FS-BPA-13B Page 131 of 484

| | Prop | RESIDEN | ITIAL PURCHA | | RATION S AGREEMENT gy (ASC) Utility Template | | | |
|---|-------------------------|------------------------------|-----------------------------|------------------|--|---|---|------------------------|
| | End of Year R | | | PacifiCo 2006 | | | | |
| | AS | C Filing Date: | | 5/7/200 | 8 | | | |
| | | <u>TAI</u> | <u> 3LE 20A: Sche</u> | dule 1: Plant In | <u>vestment</u> / Rate Base | | | |
| Account Description | FERC Page Number | Form 1 Account Numbers | Function Meth Default | | Total | Production | Transmission | Distribution/ Other |
| ntangible Plant: | Humber | Humbers | Deluun | optional | | | | other |
| Intangible Plant - Organization | 204-207 | 301 | DIST | | \$0 | \$0 | \$0 | \$(|
| Intangible Plant - Franchises and Consents | 204-207 | 302 | DIRECT | PTD | \$51,880,743 | \$50,880,743 | \$0 | \$1,000,00 |
| Intangible Plant - Miscellaneous | 204-207 | 303 | DIRECT | DIST | \$244,725,490 | \$122,368,003 | \$46,177,570 | \$76,179,91 |
| Total Intangible Plant | | | | | \$296,606,233 | \$173,248,746 | \$46,177,570 | \$77,179,91 |
| | | | | | | | | |
| Production Plant: | | | | | | | | |
| Steam Production | 204-207 | 310-316 | PROD | | \$2,066,689,427 | \$2,066,689,427 | \$0 | |
| Nuclear Production | 204-207 | 320-325 | PROD | | \$0 | \$0 | \$0 | |
| Hydraulic Production | 204-207 | 330-336 | PROD | | \$233,341,208 | \$233,341,208 | \$0 | |
| Other Production | 204-207 | 340-346 | PROD | | \$348,799,787 \$2,648,830,422 | \$348,799,787 \$2,648,830,422 | \$0 \$0 | |
| Fransmission Plant: (i) Transmission Plant Fotal Transmission Plant | 204-207 | 350-359 | TRANS | | \$1,160,939,950 \$1,160,939,950 | \$0 \$0 | \$1,160,939,950 \$1,160,939,950 | 9 |
| Distribution Plant: | | | | | | | | |
| Distribution Plant | 204-207 | 360-373 | DIST | | \$2,083,832,056 | \$0 | \$0 | \$2,083,832,05 |
| Total Distribution Plant | | | | | \$2,083,832,056 | \$0 | \$0 | \$2,083,832,05 |
| General Plant: | | | | | | | | |
| Land and Land Rights | 204-207 | 389 | PTD | | \$6,170,540 | \$2,773,298 | \$1,215,492 | \$2,181,7 |
| Structures and Improvements | 204-207 | 390 | PTD | | \$105,236,114 | \$47,297,493 | \$20,729,734 | \$37,208,8 |
| Furniture and Equipment | 204-207 | 391 | LABOR | | \$46,835,393 | \$21,374,409 | \$4,089,791 | \$21,371,1 |
| Transportation Equipment | 204-207 | 392 | TD | | \$40,859,704 | \$0 | \$14,619,105 | \$26,240,5 |
| Stores Equipment | 204-207 | 393 | PTD | | \$5,341,312 | \$2,400,608 | \$1,052,148 | \$1,888,5 |
| Tools and Garage Equipment | 204-207 | 394 | PTD | | \$26,417,572 | \$11,873,157 | \$5,203,815 | \$9,340,6 |
| Laboratory Equipment | 204-207 | 395 | PTD | | \$17,955,617 | \$8,070,002 | \$3,536,953 | \$6,348,6 |
| Power Operated Equipment | 204-207 | 396 | TD | | \$54,030,242 | \$0 | \$19,331,363 | \$34,698,8 |
| Communication Equipment | 204-207 | 397 | PTD | | \$109,518,404 | \$49,222,132 | \$21,573,272 | \$38,722,9 |
| Miscellaneous Equipment | 204-207 204-207 | 398 399 | PTD DIRECT | PTD | \$2,440,871 \$146,618,604 | \$1,097,029 \$146,618,604 | \$480,810 \$0 | \$863,0 |
| Other Tangible Property Asset Retirement Costs for General Plant | 204-207 204-208 | <u>399</u> 399.1 | PTD | | \$146,618,604 | \$146,618,604 | \$0\$3,513 | \$6,3 |
| | 204 200 | 077.1 | | | | | · · · · | |
| Fotal General Plant | | | | | \$561,442,204 | \$290,734,747 | \$91,835,996 | \$178,871,46 |
| Total Electric Plant In-Service | | | | | \$6,751,650,866 | \$3,112,813,916 | \$1,298,953,516 | \$2,339,883,43 |
| (Total Intangible + Total Production + Total Transmission + | Total Distribution + To | tal General) | | | | | | |

| | U | FILITY NAME: | | PacifiCor | D | | | |
|--|---------------|---------------------|----------------|-------------------|----------------------------|-----------------|---------------|------------------------|
| | End of Year R | | 2006 | | | | | |
| | | C Filing Date: | | 5/7/2008 | | | | |
| | | TAE | BLE 20A: Schee | dule 1: Plant Inv | <u>estment</u> / Rate Base | | | |
| | FERC | FERC Form 1 | | alization | | | | |
| Account Description | Page | Account | Method | | Total | Production | Transmission | Distribution/ Other |
| | Number | Numbers | Default | Optional | | | | Other |
| ESS: | | | | | | | | |
| epreciation and Amortization Reserve | | | | | | | | |
| Steam Production Plant | 219 | 108 | PROD | | \$1,034,032,280 | \$1,034,032,280 | \$0 | |
| Nuclear Production Plant | 219 | 108 | PROD | | \$0 | \$0 | \$0 | |
| Hydraulic Production Plant | 219 | 108 | PROD | | \$102,071,815 | \$102,071,815 | \$0 | |
| Other Production Plant | 219 | 108 | PROD | | \$33,411,091 | \$33,411,091 | \$0 | |
| Transmission Plant (i) | 219 | 108 | TRANS | | \$441,365,990 | \$0 | \$441,365,990 | |
| Distribution Plant | 219 | 108 | DIST | | \$859,835,513 | \$0 | \$0 | \$859,835, |
| General Plant | 219 | 108 | GP | | \$208,525,197 | \$107,981,766 | \$34,108,799 | \$66,434 |
| Amortization of Intangible Plant - Account 301 | 219 | 111 | DIST | | \$800,066 | \$0 | \$0 | \$800, |
| Amortization of Intangible Plant - Account 302 | 219 | 111 | DIRECT | PTD | \$7,470,771 | \$7,470,771 | \$0 | |
| Amortization of Intangible Plant - Account 303 | 219 | 111 | DIRECT | DIST | \$141,543,321 | \$70,774,702 | \$26,707,993 | \$44,060, |
| Mining Plant Depreciation | 219 | 108 | PROD | | \$61,024,761 | \$61,024,761 | \$0 | |
| Amortization of Plant Held for Future Use | 219 | 108 | DIST | | \$0 | \$0 | \$0 | |
| Capital Lease - Common Plant | 219 | 108 | DIRECT | | \$12,788,585 | \$5,747,723 | \$2,519,135 | \$4,521, |
| Leasehold Improvements | 200-201 | 108 | DIRECT | DIST | \$198,800 | \$0 | \$0 | \$198, |
| In-Service: Depreciation of Common Plant (a) | 200-201 | 108 | DIRECT | | \$0 | \$0 | \$0 | |
| Amortization of Other Utility Plant (a) | 200-201 | 108 | DIRECT | DIST | \$204,992,462 | \$0 | \$0 | \$204,992, |
| Amortization of Acquisition Adjustments | 200-201 | 115 | DIRECT | | \$34,493,002 | \$34,493,002 | \$0 | |
| epreciation and Amortization Reserve (Other) | | | DIRECT | DIRECT | \$0 | \$0 | \$0 | |
| tal Depreciation and Amortization Reserve | | | | | \$3,142,553,655 | \$1,457,007,911 | \$504,701,916 | \$1,180,843, |
| otal Net Plant | | | | | \$3,609,097,210 | \$1,655,806,005 | \$794,251,599 | \$1,159,039, |

| | Prop | RESIDE | ITIAL PURCHA | WER ADMINIST SE AND SALES ost Methodolog | | | | |
|---|-----------------------------------|-----------------------------|--------------------|--|------------------------------|--------------|--------------|---------------|
| | U. | TILITY NAME: | | PacifiCor | D | | | |
| | End of Year R | of Year Report Period: 2006 | | | | | | |
| | AS | C Filing Date: | | 5/7/2008 | TA | | | |
| | | | | | r <u>estment</u> / Rate Base | | | |
| | FERC | 1 | Function | | | | | |
| Account Description | Page Account Number Numbers De | | Method | | Total | Production | Transmission | Distribution/ |
| | | | Default | Optional | | | | Other |
| ssets and Other Debits (Comparative Balance Sheet) | | | | | | | | |
| cash Working Capital (f) | Calci | ulation: Automa | itic Input from So | ch 1A | \$60,857,514 | \$26,430,377 | \$8,498,553 | \$25,928,58 |
| | ļ | | | | | | | |
| Jtility Plant | | | | | | | | |
| (Utility Plant) Held For Future Use | 200-201 | 105 | DIST | | \$458,848 | \$0 | \$0 | \$458,84 |
| (Utility Plant) Completed Construction - Not Classified | 200-201 | 106 | PTD | | \$13,585,451 | \$6,105,868 | \$2,676,104 | \$4,803,4 |
| Nuclear Fuel | | 120.1-120.6 | PROD | | \$0 | \$0 | \$0 | |
| Construction Work in Progress (CWIP) | 200-201 | 107 & 120.1 | DIST | | \$308,529,167 | \$0 | \$0 | \$308,529,1 |
| Common Plant | 356 & 356.1 | | DIRECT | | \$0 | \$0 | \$0 | |
| Acquisition Adjustments (Electric) | 200-201 | 114 | DIRECT | DIST | \$67,870,395 | \$67,870,395 | \$0 | |
| Total | | | | | \$390,443,861 | \$73,976,263 | \$2,676,104 | \$313,791,49 |
| Other Property and Investments | | | | | | | | |
| Investment in Associated Companies | 110-111 | 123 | DIRECT | DIST | \$0 | \$0 | \$0 | |
| Other Investment | 110-111 | 124 | DIST | 2101 | \$32,276,463 | \$0 | \$0 | \$32,276,4 |
| Long-Term Portion of Derivative Assets | 110-111 | 175 | DIST | | \$98.686.953 | \$0 | \$0 | \$98,686,9 |
| Long-Term Portion of Derivative Assets - Hedges | 110-111 | 176 | DIST | | \$0 | \$0 | \$0 | |
| Total | | | 5101 | | \$130,963,416 | \$0 | \$0 | \$130,963,4 |
| | | | | | | | · · · | |
| urrent and Accrued Assets | 110 111 | 454 | DDOD | | 404 FF 4 070 | 404 FF 4 070 | A 0 | |
| Fuel Stock | 110-111 | 151 | PROD | | \$34,554,273 | \$34,554,273 | \$0 | |
| Fuel Stock Expenses Undistributed | 110-111 | 152 | PROD | | \$0 | \$0 | \$0 | ¢20 542 2 |
| Plant Materials and Operating Supplies | 110-111 | 154 | PTD | | \$58,101,435 | \$26,113,205 | \$11,445,000 | \$20,543,2 |
| Merchandise (Major Only) | 110-112 | 155 | DIST | | \$0 | \$0 | \$0 | |
| Other Materials and Supplies (Major only) | 110-111 | 156 | DIST | | \$0 | \$0 | \$0 | |
| EPA Allowance Inventory | 110-112 | 158.1 | PROD | | \$0 | \$0 | \$0 | |
| EPA Allowances Withheld | 110-112 | 158.2 | PROD | | \$0 | \$0 | \$0 | |
| Stores Expense Undistributed | 110-111 | 163 | PTD | | \$0 | \$0 | \$0 | ¢10.000.1 |
| Prepayments | 110-111 | 165 | PTD | | \$36,224,542 | \$16,280,818 | \$7,135,622 | \$12,808,1 |
| Derivative Instrument Assets | 110-111 | 175 | DIST | | \$160,205,097 | \$0 | \$0 | \$160,205,0 |
| (Less) Long-Term Portion of Derivative Assets | 110-112 | 175 | DIST | | (\$98,686,953) | \$0 | \$0 | (\$98,686,9 |
| Derivative Instrument Assets - Hedges | 110-111 | 176 | DIST | | \$1,884,369 | \$0 | \$0 | \$1,884,3 |
| (Less) Long-Term Portion of Derivative Assets - Hedges | 110-112 | 176 | DIST | | \$0 | \$0 | \$0 | 0004 407 7 |
| Total | | | | | \$389,656,671 | \$76,948,296 | \$18,580,621 | \$294,127,7 |

| | Prop | RESIDEN | TIAL PURCHA | | TRATION S AGREEMENT gy (ASC) Utility Template | | | |
|--|------------------------|--|----------------------------|-----------------------------|---|---------------|--------------|------------------------|
| | End of Year R | FILITY NAME: Report Period: C Filing Date: | | PacifiCo 2006 5/7/200 | | | | |
| | | TAE | LE 20A: Sche | dule 1: Plant In | <u>vestment</u> / Rate Base | | | |
| Account Description | FERC Page Number | Form 1 Account Numbers | Function Met Default | | Total | Production | Transmission | Distribution/ Other |
| red Debits | | | | 1 | | 1 | 1 | |
| Unamortized Debt Expenses | 110-111 | 181 | PTDG | | \$9,974,822 | \$4,598,840 | \$1,919,061 | \$3,456, |
| Extraordinary Property Losses | 110-111 | 182.1 | DIST | DIST | \$0 | \$0 | \$0 | |
| Unrecovered Plant and Regulatory Study Costs | 110-111 | 182.2 | DIST | DIST | \$2,197,477 | \$0 | \$0 | \$2,197 |
| Other Regulatory Assets | 110-111 | 182.3 | DIST | DIST | \$601,331,021 | \$37,172,237 | \$5,296,038 | \$558,862 |
| Preliminary Survey and Investigation Charges (Electric) | 110-111 | 183 | DIST | | \$1,565,792 | \$0 | \$0 | \$1,565 |
| Preliminary Natural Gas Survey and Investigation Charges | 110-111 | 183.1 | DIST | | \$0 | \$0 | \$0 | |
| Other Preliminary Survey and Investigation Charges | 110-111 | 183.2 | DIST | | \$0 | \$0 | \$0 | |
| Clearing Accounts | 110-111 | 184 | DIST | | \$0 | \$0 | \$0 | |
| Temporary Facilities | 110-111 | 185 | PTDG | | \$15,347 | \$7,076 | \$2,953 | \$5 |
| Miscellaneous Deferred Debits | 110-111 | 186 | DIST | DIST | \$22,345,790 | \$16,322,566 | \$0 | \$6,023 |
| Deferred Losses from Disposition of Utility Plant | 110-111 | 187 | DIRECT | DIRECT | \$0 | \$0 | \$0 | |
| Research, Development, and Demonstration Expenditures | 110-111 | 188 | DIST | | \$0 | \$0 | \$0 | |
| Unamortized Loss on Reacquired Debt | 110-111 | 189 | PTDG | | \$10,685,987 | \$4,926,719 | \$2,055,882 | \$3,703 |
| Accumulated Deferred Income Taxes | 110-111 | 190 | DIST | | \$321,060,388 | \$0 | \$0 | \$321,060 |
| Total | | | | | \$969,176,624 | \$63,027,438 | \$9,273,934 | \$896,875 |
| Assets and Other Debits | | | | | \$1,941,098,087 | \$240,382,375 | \$39,029,212 | \$1,661,686 |

| | C Filing Date: | 31 E 204: Sche | 2006 5/7/2008 | | | | |
|----------------|--------------------|---|---|--|--|---|---|
| | | BLE 204: Sche | 5/7/2008 | | | | |
| FERC | TAE | BLE 204: Sche | | | | | |
| FERC | | DEL LUA. OUNC | dule 1: Plant Inv | r <u>estment</u> / Rate Base | | | |
| FERC Form 1 | | Functionalization | | | | | |
| Page Number | Account Numbers | Meti Default | od Optional | Total | Production | Transmission | Distribution/ Other |
| | | | | | I | | |
| 112-113 | 244 | DIST | | \$257.447.785 | \$0 | \$0 | \$257,447 |
| | 244 | DIST | | \$211,934,075 | \$0 | \$0 | \$211,934 |
| 112-115 | 245 | DIST | | \$498,360 | \$0 | \$0 | \$498 |
| 112-114 | 245 | DIST | | \$0 | \$0 | \$0 | |
| | | | | \$46,012,070 | \$0 | \$0 | \$46,012 |
| | | | | · · · · · | | | |
| | | | | \$0 | \$0 | \$0 | |
| | | | | \$0 | \$0 | \$0 | |
| 112-113 | 252 | DIST | | \$4,178,614 | \$0 | \$0 | \$4,178 |
| | | | | | | | \$42,644 |
| | | | DIST | | | | \$45,382 |
| - | | | | | | | \$26,895 |
| | | | DIRECT | | | | |
| | | | | | | | \$8 |
| | - | | | | | | \$215 |
| | | | | | | | \$876,901 |
| 112-113 | 283 | DIST | | | | | \$177,021 |
| | | | | \$1,180,565,817 | \$7,018,036 | \$299,951 | \$1,173,247 |
| | | | | \$1,226,577,887 | \$7,018,036 | \$299,951 | \$1,219,259 |
| | 112-115 112-114 | 112-114 244 112-115 245 112-114 245 112-113 252 112-113 253 112-113 254 112-113 255 112-113 255 112-113 256 112-113 256 112-113 257 112-113 281 112-113 282 | 112-114 244 DIST 112-115 245 DIST 112-114 245 DIST 112-113 252 DIST 112-113 253 DIST 112-113 254 DIST 112-113 255 DIST 112-113 256 PTD 112-113 257 PTDG 112-113 281 DIST 112-113 281 DIST | 112-114 244 DIST 112-115 245 DIST 112-114 245 DIST 112-114 245 DIST 112-113 252 DIST 112-113 253 DIST 112-113 254 DIST 112-113 255 DIST 112-113 256 PTD 112-113 257 PTDG 112-113 281 DIST 112-113 281 DIST | 112-114 244 DIST \$211,934,075 112-115 245 DIST \$498,360 112-114 245 DIST \$0 \$46,012,070 \$0 \$0 \$46,012,070 \$0 \$0 \$112-113 252 DIST \$0 \$112-113 252 DIST \$44,178,614 112-113 253 DIST DIST \$44,178,614 112-113 253 DIST DIST \$44,012,092 112-113 254 DIST DIST \$46,013,888 112-113 255 DIST \$26,895,763 112-113 256 PTD DIRECT \$0 112-113 257 PTDG \$23,594 \$112-113 \$215,843 112-113 281 DIST \$215,843 \$112-113 \$282 DIST \$177,021,283 112-113 283 DIST \$177,021,283 \$1,180,565,817 | 112-114 244 DIST \$211,934,075 \$0 112-115 245 DIST \$498,360 \$0 112-114 245 DIST \$0 \$0 \$112-114 245 DIST \$0 \$0 \$46,012,070 \$0 \$0 \$0 \$112-113 252 DIST \$4,178,614 \$0 112-113 253 DIST DIST \$4,178,614 \$0 112-113 253 DIST DIST \$4,178,614 \$0 112-113 254 DIST DIST \$46,201,388 \$569,243 112-113 255 DIST \$26,895,763 \$0 \$0 112-113 256 PTD DIRECT \$0 \$0 112-113 257 PTDG \$23,594 \$10,878 112-113 281 DIST \$215,843 \$0 112-113 282 DIST \$876,901,340 \$0 112-113 283 DIST | 112-114 244 DIST \$211,934,075 \$0 \$0 112-115 245 DIST \$498,360 \$0 \$0 \$0 112-114 245 DIST \$0 \$0 \$0 \$0 \$0 112-114 245 DIST \$0 \$0 \$0 \$0 \$0 \$46,012,070 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$112-113 252 DIST \$44,178,614 \$0 \$0 \$0 112-113 253 DIST DIST \$49,127,992 \$6,437,915 \$445,922 112-113 254 DIST DIST \$46,201,388 \$569,243 \$249,490 112-113 255 DIST \$26,895,763 \$0 \$0 112-113 256 PTD DIRECT \$0 \$0 \$0 112-113 281 DIST \$23,594 |

| UTILITY NAME: End of Year Report Period: ASC Filing Date: | | Amended 7-8-2008 Revised Amended 8-4-2008 | | |
|---|---|--|---------------|----------------------|
| (Automatic Input | <u>Schedule 1A: Cash Wor</u> from Schedule 3- Ex | penses) | | Distribution/ |
| Account Description | Total | Production | Transmission | Other |
| ash Working Capital Calculation: | 700.007.074 | 700 740 045 | | 1 4 4 5 7 00 |
| Total Production O&M | 799,907,271 | 798,749,315 | - | 1,157,9 |
| Total Transmission O&M (i) | 59,052,235 | - | 59,052,235 | |
| Total Distribution O&M Total Customer & Sales | 94,476,304 | - | - | 94,476,3 |
| Total Customer & Sales | 63,551,136 105,926,442 | 8,942,346 38,646,675 | 8,936,187 | 54,608,7 58,343,5 |
| Less Purchased Power, Public Purpose Charge, REP Reversal, Fuel Costs | 636,053,276 | 634,895,320 | 0,930,107 | 1,157,9 |
| | \$ 486,860,112 | | \$ 67,988,422 | |

| UTILITY NAME: End of Year Report Period: ASC Filing Date: | | Oregon 2006 | | |
|---|---|----------------|--------------|---------------|
| | Schedule 1A: Cash Wor from Schedule 3- Ex Total | | Transmission | Distribution/ |
| ash Working Capital Calculation: | | | | Other |
| Total Production O&M | 534,127,125 | 532,969,170 | - | 1,157,9 |
| Total Transmission O&M (i) | 39,082,112 | - | 39,082,112 | |
| Total Distribution O&M | 69,089,334 | - | - | 69,089,3 |
| Total Customer & Sales | 39,720,011 | 60,362 | - | 39,659,6 |
| Total Administrative and General O&M | 74,863,187 | 26,361,802 | 6,096,301 | 42,405,0 |
| Less Durshaad Dawar, Dublie Dursaad Charge, DED Davaraal, Eval Casta | 425,743,737 | 424,585,781 | - | 1,157,9 |
| Less Purchased Power, Public Purpose Charge, REP Reversal, Fuel Costs | | | | |

| UTILITY NAME: End of Year Report Period: ASC Filing Date: | | Washington 2006 | | |
|---|---|--------------------|--------------|------------------------|
| | <u>Schedule 1A: Cash Wor</u> from Schedule 3- Ex Total | | Transmission | Distribution/ Other |
| sh Working Capital Calculation: | | | | |
| Total Production O&M | 148,900,658 | 148,900,658 | - | |
| Total Transmission O&M (i) | 11,318,366 | - | 11,318,366 | |
| Total Distribution O&M | 14,031,069 | - | - | 14,031, |
| Total Customer & Sales | 16,058,145 | 6,410,255 | - | 9,647, |
| Total Administrative and General O&M | 17,905,526 | 7,096,565 | 1,639,014 | 9,169, |
| | 117 500 700 | 117,582,733 | - | |
| Less Purchased Power, Public Purpose Charge, REP Reversal, Fuel Costs | 117,582,733 | 111,002,100 | | |

| UTILITY NAME: End of Year Report Period: ASC Filing Date: | | Idaho 2006 | | |
|---|---|---------------|--------------|---------------|
| | Schedule 1A: Cash Wor from Schedule 3- Ex Total | | Transmission | Distribution/ |
| ash Working Capital Calculation: | | | | Other |
| Total Production O&M | 116,879,488 | 116,879,488 | - | - |
| Total Transmission O&M (i) | 8,651,757 | - | 8,651,757 | - |
| Total Distribution O&M | 11,355,901 | - | - | 11,355,9 |
| Total Customer & Sales | 7,772,980 | 2,471,730 | - | 5,301,2 |
| Total Administrative and General O&M | 13,157,730 | 5,188,308 | 1,200,872 | 6,768,5 |
| | 92,726,806 | 92,726,806 | - | |
| Less Purchased Power, Public Purpose Charge, REP Reversal, Fuel Costs | 72/120/000 | | | |

| | | BONNEVILL | E POWER AI | DMINISTRATION | | | |
|--|---|--|-------------------|--|------------------|--------------------------|--------------|
| | | RESIDENTIAL P | URCHASE AND | SALE AGREEMENT | | | |
| | | Proposed 2008 | Average Syster | n Cost Methodology | | | |
| | | UTILITY NAME | : | PacifiCorp | | | |
| | End of | Year Report Period | | 2006 | | Amended 7-8-2008 | |
| | | ASC Filing Date | : | 5/7/2008 | | Revised Amended 8-4-2008 | |
| | | TABLE 20C: Sch | edule 2: Capita | <u>I Structure and Rate</u> o | f Return (b) | - | - |
| | SUMMARY | (for use by ASC Fo | precast Model) | | | | |
| Single- | Jurisdiction Investor-O | | | 0.000% | | | |
| • | Jurisdiction Investor-O | | | 10.865% | | | |
| inditi- | | wned Utility Return | | | | | |
| | Consumer-O | - | | 0.000% | | | |
| | | Ra | ate of Return : | 10.865% | | | |
| | | | 1 | | | | |
| Single-Jur | isdiction Investor-Owne | d Utility Return Ca | alculation | | | | |
| Note: Multi-jurisdictional utilities must Publicly-owned utilities must beg | | | | | | | |
| | in on Page 4 | Structure | Eff | ective Cost | | | |
| Publicly-owned utilities must beg | | Structure Percent | Eff Embedded | ective Cost Weighted | | | |
| Publicly-owned utilities must beg | in on Page 4 | | | | | | |
| Publicly-owned utilities must beg Component | in on Page 4 | Percent | | Weighted | | | |
| Publicly-owned utilities must beg Component Debt Preferred Equity Common Equity | in on Page 4 Capitalization Amount | Percent 0.0% 0.0% 0.0% | | Weighted 0.000% 0.000% 0.000% | | | |
| Publicly-owned utilities must beg Component Debt Preferred Equity | in on Page 4 | Percent 0.0% 0.0% | | Weighted 0.000% 0.000% | | | |
| Publicly-owned utilities must beg Component Debt Preferred Equity Common Equity Weighted Cost of Capital | yin on Page 4 Capitalization Amount \$ | Percent 0.0% 0.0% 0.0% | | Weighted 0.000% 0.000% 0.000% | | | |
| Publicly-owned utilities must beg Component Debt Debt Deferred Equity Common Equity Weighted Cost of Capital Step 2: Gross Up Equity Return for For | yin on Page 4 Capitalization Amount \$ - ederal Income Taxes | Percent 0.0% 0.0% 0.0% | Embedded Embedded | Weighted 0.000% 0.000% 0.000% | | | |
| Publicly-owned utilities must beg Component Debt Preferred Equity Common Equity | yin on Page 4 Capitalization Amount \$ - ederal Income Taxes | Percent 0.0% 0.0% 0.0% | | Weighted 0.000% 0.000% 0.000% | | | |
| Publicly-owned utilities must beg Component Debt Preferred Equity Common Equity Weighted Cost of Capital Step 2: Gross Up Equity Return for Fo Federal Income Tax Rate (Currently | yin on Page 4 Capitalization Amount \$ - ederal Income Taxes 35%) | Percent 0.0% 0.0% 0.0% 0.0% 0.0% | Embedded 35% | Weighted 0.000% 0.000% 0.000% 0.000% | | | |
| Publicly-owned utilities must beg Component Debt Preferred Equity Common Equity Weighted Cost of Capital Step 2: Gross Up Equity Return for For Federal Income Tax Rate (Currently Federal Income Tax Factor | yin on Page 4 Capitalization Amount s - ederal Income Taxes 35%) al Capital))} * {(Federal Tax Res | Percent 0.0% 0.0% 0.0% 0.0% 0.0% | Embedded 35% | Weighted 0.000% 0.000% 0.000% 0.000% | | | |
| Publicly-owned utilities must beg Component Debt Preferred Equity Common Equity Weighted Cost of Capital Step 2: Gross Up Equity Return for For Federal Income Tax Rate (Currently Federal Income Tax Factor (ROR – (Embedded Cost of Debt * (Debt / (Tot | yin on Page 4 Capitalization Amount \$ ederal Income Taxes 35%) al Capital))) * {(Federal Tax Rains) ed Cost of Capital | Percent 0.0% 0.0% 0.0% 0.0% 0.0% | Embedded 35% | Weighted 0.000% 0.000% 0.000% 0.000% 0.000% | | | |
| Publicly-owned utilities must beg Component Debt Treferred Equity Common Equity Weighted Cost of Capital Step 2: Gross Up Equity Return for For- Federal Income Tax Rate (Currently Federal Income Tax Factor (ROR – (Embedded Cost of Debt * (Debt / (Tot Federal Income Tax Adjusted Weighter | yin on Page 4 Capitalization Amount \$ ederal Income Taxes 35%) al Capital))} * {(Federal Tax R ed Cost of Capital Tax Factor) | Percent 0.0% 0.0% 0.0% 0.0% 0.0% | Embedded 35% | Weighted 0.000% 0.000% 0.000% 0.000% 0.000% | | | |
| Publicly-owned utilities must beg component referred Equity ommon Equity Weighted Cost of Capital rederal Income Tax Rate (Currently rederal Income Tax Factor ROR – (Embedded Cost of Debt * (Debt / (Tot rederal Income Tax Adjusted Weighted Weighted Cost of Capital Plus Federal Income Reference Cost of Capital Plus Federal Plus Federal Income Reference Cost of Capital Plus Federal Plus Federa | yin on Page 4 Capitalization Amount \$ ederal Income Taxes 35%) al Capital))} * {(Federal Tax R ed Cost of Capital Tax Factor) | Percent 0.0% 0.0% 0.0% 0.0% 0.0% | Embedded 35% | Weighted 0.000% 0.000% 0.000% 0.000% 0.000% | Production | Transmission | Other |
| Publicly-owned utilities must beg | yin on Page 4 Capitalization Amount s - ederal Income Taxes 35%) al Capital))] * {(Federal Tax Re ed Cost of Capital Tax Factor) e | Percent 0.0% 0.0% 0.0% 0.0% 0.0% | Embedded 35% | Weighted 0.000% 0.000% 0.000% 0.000% 0.000% 0.000% 0.000% 0.000% 0.000% 0.000% 0.000% 0.000% 0.000% 0.000% 0.000% 0.000% | \$ 1,889,170,344 | \$ 832,980,860 | \$ 1,601,466 |
| Publicly-owned utilities must beg | yin on Page 4 Capitalization Amount \$ - ederal Income Taxes 35%) al Capital))] * {(Federal Tax Ra ed Cost of Capital Tax Factor) e Cost of Capital | Percent 0.0% 0.0% 0.0% 0.0% 0.0% | Embedded 35% | Weighted 0.000% 0.000% 0.000% 0.000% 0.000% | | | |

| | | BONNEVILLE | E POWER AD | DMINISTRATION | | | |
|--|--|--|--|--|----------------|--|--|
| | | RESIDENTIAL PL | JRCHASE AND | SALE AGREEMENT | | | |
| | | Proposed 2008 A | Average Syster | n Cost Methodology | | | |
| | | UTILITY NAME: | | PacifiCorp | | 1 | |
| | End of) | ear Report Period: | | 2006 | | Amended 7-8-2008 | |
| | | ASC Filing Date: | | 5/7/2008 | | Revised Amended 8-4-200 | 8 |
| | | - | | I Structure and Rate of | of Return (b) | | • |
| | | | | | | | |
| Multi- Iu | risdiction Investor-Owned | Litility Return Cal | culation | | 1 | | |
| | | otinty Return Car | culation | | | | |
| itep 1: Weighted Cost of Capital from Mos | t Decent State Commissio | n Poto Ordor in ID | | | | | |
| weighted Cost of Capital from Mos | | | | | | | |
| | Capitalization | Structure | Eff | ective Cost | Jurisdictional | Effectiv | re Cost - |
| Component | Amount | Percent | Embedded | Weighted | Allocation | Weighted St | ate Allocation |
| Debt | | 49.1% | 6.26% | 3.074% | 14.59% | 0.45% | 7.163% |
| Preferred Equity | | 0.5% | 5.41% | 0.028% | | 0.00% | 0.07% |
| Common Equity | | 50.4% | 10.25% | 5.166% | | 0.75% | 7.35% |
| Weighted Cost of Capital | \$ - | 100.00% | | 8.268% | | 1.21% | 14.59% |
| weighted Cost of Capital from Mos | t Recent State Commissio | n Rate Order in O | REGON: | | | | |
| | t Recent State Commissio Amount | n Rate Order in O Percent | REGON: | Weighted | | | |
| Component Debt | | | | Weighted 3.102% | 66.49% | 2.06% | 32.582% |
| Component Debt Preferred Equity | | Percent | Embedded | - | 66.49% | 2.06% 0.04% | 32.582% 0.66% |
| Component Debt Preferred Equity Common Equity | | Percent 49.0% | Embedded 6.33% | 3.102% | 66.49% | | |
| Component Debt Preferred Equity | | Percent 49.0% 1.0% | Embedded 6.33% 6.30% | 3.102% 0.063% | 66.49% | 0.04% | 0.66% |
| Component Debt Preferred Equity Common Equity Weighted Cost of Capital | Amount Amount | Percent 49.0% 1.0% 50.0% 100.00% | Embedded 6.33% 6.30% 10.00% | 3.102% 0.063% 5.000% | 66.49% | 0.04% 3.32% | 0.66% |
| Component Tebt Treferred Equity Common Equity Weighted Cost of Capital | Amount Amount | Percent 49.0% 1.0% 50.0% 100.00% | Embedded 6.33% 6.30% 10.00% | 3.102% 0.063% 5.000% | <u>66.49%</u> | 0.04% 3.32% | 0.66% |
| Component Debt Treferred Equity Common Equity Weighted Cost of Capital Neighted Cost of Capital from Mos | Amount Amount | Percent 49.0% 1.0% 50.0% 100.00% | Embedded 6.33% 6.30% 10.00% | 3.102% 0.063% 5.000% 8.165% | 66.49% | 0.04% 3.32% | 0.66% |
| Component Debt Preferred Equity Common Equity Weighted Cost of Capital Weighted Cost of Capital from Mos Component | Amount Amount S T T Recent State Commissio | Percent 49.0% 1.0% 50.0% 100.00% n Rate Order in W | Embedded 6.33% 6.30% 10.00% ASHINGTON: | 3.102% 0.063% 5.000% | 66.49% | 0.04% 3.32% | 0.66% |
| Component Debt Preferred Equity Common Equity Weighted Cost of Capital Weighted Cost of Capital from Mos Component Debt | Amount Amount S T T Recent State Commissio | Percent 49.0% 1.0% 50.0% 100.00% n Rate Order in W Percent | Embedded 6.33% 6.30% 10.00% ASHINGTON: Embedded | 3.102% 0.063% 5.000% 8.165% Weighted | | 0.04% 3.32% 5.43% | 0.66% 33.25% 66.49% |
| Component Debt Preferred Equity Common Equity Weighted Cost of Capital Weighted Cost of Capital from Mos Component Debt Preferred Equity | Amount Amount S T T Recent State Commissio | Percent 49.0% 1.0% 50.0% 100.00% n Rate Order in W Percent 53.0% | Embedded 6.33% 6.30% 10.00% XSHINGTON: Embedded 6.23% | 3.102% 0.063% 5.000% 8.165% Weighted 3.302% | | 0.04% 3.32% 5.43% 0.62% | 0.66% 33.25% 66.49% |
| Component Debt Preferred Equity Common Equity Weighted Cost of Capital Weighted Cost of Capital from Mos Component Debt Preferred Equity | Amount Amount S T T Recent State Commissio | Percent 49.0% 1.0% 50.0% 100.00% n Rate Order in W Percent 53.0% 1.0% | Embedded 6.33% 6.30% 10.00% XSHINGTON: Embedded 6.23% 6.46% | 3.102% 0.063% 5.000% 8.165% Weighted 3.302% 0.065% | | 0.04% 3.32% 5.43% 0.62% 0.01% | 0.66% 33.25% 66.49% 10.026% 0.189% |
| Component Debt Deferred Equity Common Equity Weighted Cost of Capital Weighted Cost of Capital from Mos Component Debt Preferred Equity Common Equity Weighted Cost of Capital | Amount Amount | Percent 49.0% 1.0% 50.0% 100.00% n Rate Order in W Percent 53.0% 1.0% 46.0% 100.00% | Embedded 6.33% 6.30% 10.00% ASHINGTON: Embedded 6.23% 6.46% 10.20% | 3.102% 0.063% 5.000% 8.165% Weighted 3.302% 0.065% 4.692% 8.059% | | 0.04% 3.32% 5.43% 0.62% 0.01% 0.89% | 0.66% 33.25% 66.49% 10.026% 0.189% 8.701% |
| Component Debt Preferred Equity Common Equity Weighted Cost of Capital Weighted Cost of Capital from Mos Component Debt Preferred Equity Common Equity Weighted Cost of Capital Jurisdiction | Amount Am | Percent 49.0% 1.0% 50.0% 100.00% n Rate Order in W Percent 53.0% 1.0% 46.0% 100.00% | Embedded 6.33% 10.00% 10.00% KASHINGTON: Embedded 6.23% 6.46% 10.20% 10.20% | 3.102% 0.063% 5.000% 8.165% Weighted 3.302% 0.065% 4.692% 8.059% Weighted Return | | 0.04% 3.32% 5.43% 0.62% 0.01% 0.89% 1.52% | 0.66% 33.25% 66.49% 10.026% 0.189% 8.701% |
| Component Debt Deferred Equity Common Equity Weighted Cost of Capital Weighted Cost of Capital from Mos Component Debt Preferred Equity Common Equity Weighted Cost of Capital Jurisdiction DAHO | Amount Amount Amount S Amount Amount Amount Amount S Amount S Amount S Amount S Amount S Amount Am | Percent 49.0% 1.0% 50.0% 100.00% n Rate Order in W Percent 53.0% 1.0% 46.0% 100.00% Weighted cost 8.27% | Embedded 6.33% 6.30% 10.00% ASHINGTON: Embedded 6.23% 6.46% 10.20% % 1.21% | 3.102% 0.063% 5.000% 8.165% Weighted 3.302% 0.065% 4.692% 8.059% Weighted Return \$32,407,346 | | 0.04% 3.32% 5.43% 0.62% 0.01% 0.89% 1.52% | 0.66% 33.25% 66.49% 10.026% 0.189% 8.701% |
| Component Debt Preferred Equity Common Equity Weighted Cost of Capital Weighted Cost of Capital from Mos Component Debt Preferred Equity Common Equity Weighted Cost of Capital Jurisdiction DAHO DREGON | Amount Amount | Percent 49.0% 1.0% 50.0% 100.00% n Rate Order in W Percent 53.0% 1.0% 46.0% 100.00% Weighted cost 8.27% 8.17% | Embedded 6.33% 6.30% 10.00% XASHINGTON: Embedded 6.23% 6.46% 10.20% 10.20% 1.21% 5.43% | 3.102% 0.063% 5.000% 8.165% Weighted 3.302% 0.065% 4.692% 8.059% Weighted Return \$32,407,346 147,701,604 | | 0.04% 3.32% 5.43% 0.62% 0.01% 0.89% 1.52% 1.52% | 0.66% 33.25% 66.49% 10.026% 0.189% 8.701% |
| Component Debt Preferred Equity Common Equity Weighted Cost of Capital Weighted Cost of Capital from Mos Component Debt Preferred Equity Common Equity Weighted Cost of Capital | Amount Amount Amount S Amount Amount Amount Amount S Amount S Amount S Amount S Amount S Amount Am | Percent 49.0% 1.0% 50.0% 100.00% n Rate Order in W Percent 53.0% 1.0% 46.0% 100.00% Weighted cost 8.27% | Embedded 6.33% 6.30% 10.00% ASHINGTON: Embedded 6.23% 6.46% 10.20% % 1.21% | 3.102% 0.063% 5.000% 8.165% Weighted 3.302% 0.065% 4.692% 8.059% Weighted Return \$32,407,346 | | 0.04% 3.32% 5.43% 0.62% 0.01% 0.89% 1.52% | 0.66% 33.25% 66.49% 10.026% 0.189% 8.701% |

| BONNEVILLE POWER RESIDENTIAL PURCHASE Proposed 2008 Average Sy | AND SALE AGREEMENT | | | |
|--|---|------------------|--|--------------------------------|
| UTILITY NAME: End of Year Report Period: ASC Filing Date: <u>TABLE 20C: Schedule 2: Ca</u> | PacifiCorp 2006 5/7/2008 apital Structure and Rate | of Return (b) | Amended 7-8-2008 Revised Amended 8-4-2008 | l |
| Multi-Jurisdiction Investor-Owned Utility Return Calculation (continu | ied) |] | | |
| 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))} | 2.705% | 1 | | |
| Federal Income Tax Adjusted Weighted Cost of Capital (Weighted Cost of Capital Plus Federal Income Tax Factor) | 10.865% | 1 | | |
| Step 3: Calculate Return on Rate Base | Tit | | - · · · | 0.1 |
| | Total | Production | Transmission | Other |
| Total Rate Base from Schedule 1 | \$ 4,323,617,410 | \$ 1,889,170,344 | \$ 832,980,860 | \$ 1,601,466,207 |
| 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) | 10.8659 \$469,775,30 | | 10.865% \$90,506,120 | 10.8659 \$174,004,58 |

| | | UTILITY NAME: | | PacifiCorp | | | |
|---|------------------------|------------------------|----------------|----------------------|------------------------|--------------------------|--------------|
| | End o | of Year Report Period: | | 2006 | | Amended 7-8-2008 | |
| | | ASC Filing Date: | | 5/7/2008 | | Revised Amended 8-4-2008 | |
| | | TABLE 20C: Sched | lule 2: Capita | Structure and Rate o | f Return (b) | | |
| | Consumer-Owned Utility | Return Calculation | | | | | |
| ep 1: Weighted Cost of Debt | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| Dahthanna | Original | Year | Year | Interest | Interest | | |
| Debt Issue | Amount | Issued | Due | Rate | Expense | | |
| | | | | | <u> </u> | | |
| | _ | | | | \$ - | | |
| | | | | | \$ - | | |
| | | | | | \$- | | |
| | | | | | \$- | | |
| | | | | | \$- | | |
| | | | | | \$- | | |
| | | | | | \$ - | | |
| Weighted Cost of Debt | \$ - | | | 0.00% | \$- | | |
| | | | | | | | |
| | ise | | _ | | | | |
| ep 2: Calculate Return on Rate Ba | | | | Total | Production | Transmission | Other |
| | | | L | | | | |
| ep 2: Calculate Return on Rate Ba otal Rate Base from Schedule 1 eighted Cost of Debt | | | | 4,323,617,410 0% | \$ 1,889,170,344 0% | | \$ 1,601,466 |

| | U | TILITY NAME: | | PacifiCo | m | | | |
|---|--------------------|----------------|--------------|----------------------|--------------------------|----------------------|----------------------|--------------|
| | End of Year F | | | 2006 | · P | Amended 7-8-2008 | | |
| | AS | C Filing Date: | | 5/7/200 | 8 | Revised Amended 8-4- | 2008 | |
| | | 1 | ABLE 20D: | <u>Schedule</u> 3: E | Expenses | - | | |
| | | rm 1 | | nalization | | | | |
| Account Description | Page | Account | | thod | Total | Production | Transmission | Distribution |
| | Number | Numbers | Default | Optional | | | | Other |
| ower Production Expenses: Steam Power Generation | | | | | | | | |
| Steam Power - Fuel | 320-323 | 501 | PROD | | 203,929,787 | 203,929,787 | 0 | |
| Steam Power - Operations (Excluding 501 - Fuel) | 320-323 | 500-509 | PROD | | 40,668,013 | | 0 | |
| Steam Power - Maintenance | 320-323 | 510-515 | PROD | | 69,751,506 | 69,751,506 | 0 | |
| Nuclear Power Generation | | | | | | | | |
| Nuclear - Fuel | 320-323 | 518 | PROD | | 0 | | 0 | |
| Nuclear - Operation (Excluding 518 - Fuel) | 320-323 | 517-525 | PROD | | 0 | | 0 | |
| Nuclear - Maintenance | 320-323 | 528-532 | PROD | | 0 | 0 | 0 | |
| Hydraulic Power Generation | | | | | | | | |
| Hydraulic - Operation | 320-323 | 535-540 | PROD | | 12,219,562 | | 0 | |
| Hydraulic - Maintenance | 320-323 | 541-545 | PROD | | 2,590,238 | 2,590,238 | 0 | |
| Other Power Generation | 000.000 | 5 (7) | 2000 | | E 4 04 E 000 | E 4 045 000 | | |
| Other Power - Fuel | 320-323 | 547 | PROD | | 54,215,329 | | 0 | |
| Other Power - Operations (Excluding 547 - Fuel) | 320-323 | 546-550 | PROD | | 12,701,471 | | 0 | |
| Other Power - Maintenance Other Power Supply Expenses | 320-323 | 551-554 | PROD | | 1,389,926 | 1,389,926 | 0 | |
| | 220,222 | | DDOD | 1 1 | 252 175 00/ | 252 175 00/ | 0 | |
| Purchased Power (Excluding REP Reversal) | 320-323 320-323 | 555 556 | PROD PROD | | 352,175,806 1,072,686 | | 0 | |
| System Control and Load Dispatching Other Expenses | 320-323 | 556 | PROD | | 23,460,594 | 23,460,594 | 0 | |
| BPA REP Reversal | 320-323 | 557 | PROD | | 23,460,594 | | 0 | |
| Public Purpose Charges (h) | 321 | 000 | CONS | | 25,732,354 | - | 0 | 1,157 |
| otal Production Expense | | | CONS | | \$ 799,907,271 | | × I | \$ 1,157 |
| • | | | | | \$ /99,907,271 | \$ 798,749,315 | \$ - | \$1,1: |
| ransmission Expenses: (i) Transmission of Electricity by Others (Wheeling) | 320-323 | 565 | TRANS | 1 | 40,564,227 | 0 | 40,564,227 | |
| Total Operations less Wheeling | 320-323 | 560-567 | TRANS | | 8,308,460 | | 8,308,460 | |
| Total Maintenance | 320-323 | 568-573 | TRANS | | 10,179,549 | | 10,179,549 | |
| otal Transmission Expense | 320-323 | 500-575 | TIMINS | | \$ 59,052,235 | | \$ 59,052,235 | r |

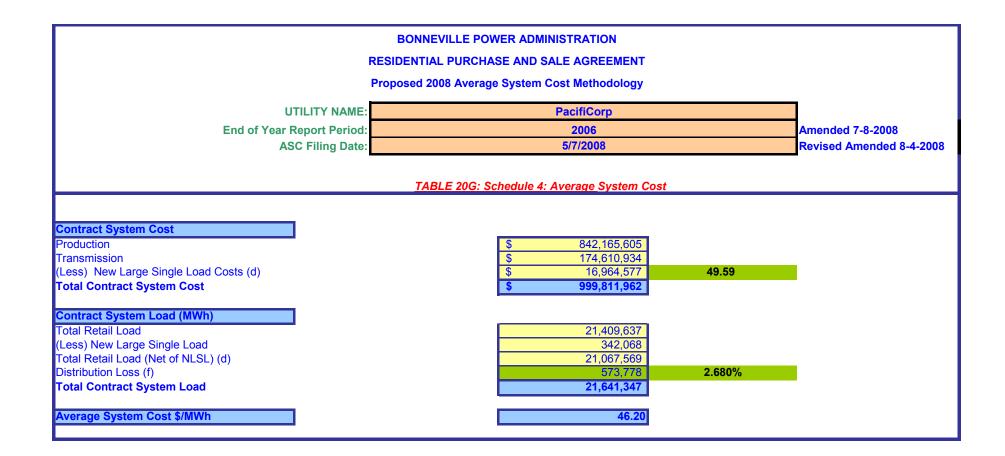
| | | TILITY NAME: | | PacifiCor | р | | | |
|---|--------------------|--------------------|--------------|------------------|-----------------------|----------------------|--------------|------------------------|
| | End of Year F | | | 2006 | | Amended 7-8-2008 | | |
| | AS | C Filing Date: | | 5/7/2008 | | Revised Amended 8-4- | 2008 | |
| | | 1 | ABLE 20D: | Schedule 3: Ex | kpenses | | | |
| | | rm 1 | | nalization | | | | |
| Account Description | Page Number | Account Numbers | | thod Optional | Total | Production | Transmission | Distribution/ Other |
| Distribution Expense: | | | | | | | • | |
| Total Operations | 320-323 | 580-589 | DIST | | 37,493,123 | 0 | 0 | 37,493,1 |
| Total Maintenance | 320-323 | 590-598 | DIST | | 56,983,181 | 0 | 0 | 56,983,1 |
| Total Distribution Expense | | | | | 94,476,304 | \$- | \$ - ! | \$ 94,476,3 |
| Customer and Sales Expenses: | | | | | | | | |
| Total Customer Accounts | 320-323 | 901-905 | DIST | | 49,254,144 | 0 | 0 | 49,254,1 |
| Customer Service and Information | 320-323 | 906-907 | DIST | | 574.640 | 0 | 0 | 574.0 |
| Customer Assistance Expenses (Major only) | 320-323 | 908 | DIRECT | | 12,231,092 | 8,942,346 | 0 | 3,288,7 |
| Customer Service and Information | 320-323 | 909-910 | DIST | | 1,491,260 | 0 | 0 | 1,491,2 |
| Total Sales Expense | 320-323 | 911-917 | DIST | | 0 | 0 | 0 | |
| Total Customer and Sales Expenses | | | | | 63,551,136 | \$ 8,942,346 | \$ - ! | \$ 54,608,7 |
| Administration and General Expense: Operation | | | | | | | | |
| Administration and General Salaries | 320-323 | 920 | LABOR | | 61,881,229 | 28,240,922 | 5,403,634 | 28,236, |
| Office Supplies & Expenses | 320-323 | 921 | LABOR | | 4,604,979 | 2,101,588 | 402,119 | 2,101,2 |
| (Less) Administration Expenses Transferred - Credit | 320-323 | 922 | LABOR | | 10,240,695 | 4,673,577 | 894,245 | 4,672,8 |
| Outside Services Employed | 320-323 | 923 | LABOR | | 8,066,362 | 3,681,270 | 704,376 | 3,680,7 |
| Property Insurance | 320-323 | 924 | PTDG | | 10,243,461 | 4,722,695 | 1,970,745 | 3,550,0 |
| Injuries and Damages | 320-323 | 925 | LABOR | | 4,402,592 | 2,009,224 | 384,446 | 2,008,9 |
| Employee Pensions & Benefits | 320-323 | 926 | LABOR | | 0 | 0 | 0 | |
| Franchise Requirements | 320-323 | 927 | DIST | | 0 | 0 | 0 | 0.(10) |
| Regulatory Commission Expenses | 320-323 | 928 | DIST | | 3,643,714 | 0 | 0 | 3,643, |
| (Less) Duplicate Charges - Credit | 320-323 | 929 | PTDG | | 4,189,126 | 1,931,375 | 805,948 | 1,451,8 |
| General Advertising Expenses | 320-323 320-323 | 930.1 930.2 | DIST DIST | | 462,392 13,489,709 | 0 | 0 | 462, 13,489, |
| Miscellaneous General Expenses | | | DIST | | | 0 | - | |
| Rents Transportation Expenses (Non Major) | 320-323 320-324 | 931 933 | DIST | | 3,585,754 | 0 | 0 | 3,585, |
| Maintenance | 320-324 | 933 | DIST | | 0 | 0 | 0 | |
| Maintenance of General Plant | 320-323 | 935 | GPM | | 9.976.070 | 4,495,927 | 1.771.060 | 3,709. |
| Maintenalite of General Pidil | 320-323 | 700 | GPIVI | | 9,910,010 | 4,490,927 | 1,771,000 | 3,709,0 |

| | End of Year R | FILITY NAME: Report Period: C Filing Date: | | PacifiCo 2006 5/7/200 | | Amended 7-8-2008 Revised Amended 8-4 | -2008 | |
|---|--------------------------|--|----------------------------------|--------------------------------|----------------------------------|--|------------------------------|------------------------|
| | |] | TABLE 20D: | <u>Schedule</u> 3: I | Expenses | - | | |
| Account Description | For Page Number | rm 1 Account Numbers | | nalization thod Optional | Total | Production | Transmission | Distribution/ Other |
| tal Operations and Maintenance | Number | Turnberg | Delaun | Optional | \$ 1,122,913,3 | 88 \$ 846,338,337 | \$ 67,988,422 | |
| Amortization of Intangible Plant - Account 302 Amortization of Intangible Plant - Account 303 Steam Production Plant Nuclear Production Plant | 336 336 336 336 | 404 404 403 403 | DIRECT DIRECT PROD PROD | PTD DIST | 1,327,9 18,156,5 60,216,9 | 9,078,682 | 0 3,425,989 0 | 5,651,9 |
| Hydraulic Production Plant - Conventional Hydraulic Production Plant - Conventional Hydraulic Production Plant - Pumped Storage Other Production Plant | 336 336 336 336 | 403 403 403 403 | PROD PROD PROD | | 5,721,8 9,010,3 | 18 5,721,818 0 0 | 0 0 0 | |
| Transmission Plant (i) | 336 336 336 | 403 403 403 | TRANS DIST GP | | 23,710,9 58,448,7 19,422,2 | 04 0 95 0 | 23,710,904 0 3,176,926 | 58,448,7 |
| Distribution Plant General Plant | 330 | | DIRECT | | | 0 0 | 0 | |
| Distribution Plant | 336 336 336 336 | 403 404 403 | DIRECT | DIRECT | | 0 0 | 0 | |

| | I | BONNEVILLE F | POWER ADMIN | STRATION | | | |
|---|--|---|---------------------------------------|---|---------------------------------------|-----------------------|--|
| | RESID | ENTIAL PURC | HASE AND SA | LE AGREEMENT | | | |
| | Propo | osed 2008 Aver | age System Co | ost Methodology | | | |
| | U | ILITY NAME: | | PacifiCorp | | | |
| | End of Year R | eport Period: | | 2006 | | | |
| | AS | C Filing Date: | | 5/7/2008 | | Revised Amended | 8-4-2008 |
| | <u>TABLI</u> | <u> 20E: Schedul</u> | le 3A Items: Tax | <u>xes (Including In</u> com | e Taxes) | | |
| | FERC | Form 1 | Funct. | | | | |
| Account Description | Page Number | Account Numbers | Method | Total | Production | Transmission | Distribution/ Other |
| FEDERAL | | | | | | | |
| | 242 | 409.1 | DIST | \$0 | | | |
| Income Tax (Included on Schedule 2) Employment Tax | 262 262 | 409.1 | LABOR | \$U \$14,392,279 | - 6,568,248 | - 1,256,772 | - 6,567,259 |
| Other Federal Taxes | 262 | 408.1 | DIST | \$2,254,680 | 0,300,240 | 1,230,772 | 2,254,68 |
| TOTAL FEDERAL | 202 | 400.1 | DIST | | \$ 6,568,248 | \$ 1,256,772 | \$ 8,821,93 |
| STATE AND OTHER | | | | | | | |
| DIATE AND UTTER | | | | | | | |
| Proporty | 262 | 100 1 | DTDC | ¢21 102 044 | 1/ 201 202 | 6 001 246 | 10 010 40 |
| Property | 262 | 408.1 | PTDG | \$31,193,044 | 14,381,393 | 6,001,246 | |
| Unemployment | 262 | 408.1 | LABOR | \$792,937 | 14,381,393 361,875 | 6,001,246 69,241 | 361,82 |
| Unemployment State Income, B&O, et. | 262 262 | 408.1 409.1 | LABOR DIST | \$792,937 \$9,871,493 | 361,875 | 69,241 - | 361,82 9,871,49 |
| Unemployment State Income, B&O, et. Franchise Fees | 262 262 262 | 408.1 409.1 408.1 | LABOR DIST DIST | \$792,937 \$9,871,493 \$8,857,115 | | | 361,82 9,871,49 8,857,11 |
| Unemployment State Income, B&O, et. Franchise Fees Regulatory Commission | 262 262 262 262 | 408.1 409.1 408.1 408.1 | LABOR DIST DIST DIST | \$792,937 \$9,871,493 \$8,857,115 \$3,178,053 | 361,875 - - | 69,241 - - | 361,82 9,871,49 8,857,11 3,178,05 |
| Unemployment State Income, B&O, et. Franchise Fees Regulatory Commission City/Municipal | 262 262 262 262 262 262 | 408.1 409.1 408.1 408.1 408.1 | LABOR DIST DIST DIST DIST | \$792,937 \$9,871,493 \$8,857,115 \$3,178,053 \$1,352 | 361,875 - - - | 69,241 - - - | 361,82 9,871,49 8,857,11 3,178,05 1,35 |
| Unemployment State Income, B&O, et. Franchise Fees Regulatory Commission | 262 262 262 262 | 408.1 409.1 408.1 408.1 | LABOR DIST DIST DIST | \$792,937 \$9,871,493 \$8,857,115 \$3,178,053 | 361,875 - - - - - - | 69,241 - - - | 10,810,400 361,82 9,871,493 8,857,115 3,178,053 1,352 4,591,190 \$ 37,671,433 |

| | UTI | ITY NAME: | | Paci | fiCorp | | | | |
|--|--------------|----------------|------------------|--------------|--------|-----------------------------------|--------------------------------------|---------------|---------------|
| Endo | | ort Period: | | | 006 | | Amended 7-8-2008 | | |
| End o | | Filing Date: | | | 2008 | | Revised Amended 8-4 | -2008 | |
| | AGUI | Filling Date. | | | | B Other Included | | -2000 | |
| | FERC | Form 1 | Function | | | <u>B outer me</u> nduce | | | |
| Account Description | Page | Account | Met | hod | | | | | Distribution/ |
| | Number | Numbers | Default | Optional | | Total | Production | Transmission | Other |
| her Included Items: | 114 | 107.4 | DIDECT | DIGT | | | | | |
| Regulatory Credits | 114 | 407.4 | DIRECT | DIST | | - | - | - | |
| (Less) Regulatory Debits | 114 | 407.3 | DIRECT | DIST | | - | - | - | |
| Gain from Disposition of Utility Plant (Less) Loss from Disposition of Utility Pl | 114 a 114 | 411.6 411.7 | DIRECT DIRECT | DIST DIST | | | - | - | |
| Gain from Disposition of Allowances | 1 114 | 411.7 | PROD | DIST | | 6,561,302 | - 6,561,302 | - | |
| (Less) Loss from Disposition of Allowances | | 411.0 | PROD | | | 0,301,302 | | - | |
| Miscellaneous Nonoperating Income | 114 | 411.7 | DIRECT | PROD | | 201,734,664 | - | | 201,734 |
| tal Other Included Items | 114 | 721 | DIRLCT | TROD | S | 208,295,965 | \$ 6,561,302 | s - | \$ 201,734 |
| les for Resale: Sales for Resale tal Sales for Resale | 310 | 447 | PROD | | \$ | 321,960,014 321,960,014 | 321,960,014 \$ 321,960,014 | - \$ - | \$ |
| | | | | | | | | | |
| ner Revenues: | | 1 150 | DIGT | | | 0.075.404 | | | 0.075 |
| Forfeited Discounts | 300 | 450 | DIST | | | 2,975,481 | - | - | 2,975 |
| Miscellaneous Service Revenues Sales of Water and Water Power | 300 300 | 451 453 | DIST PROD | | | 2,053,231 6,575 | - 6,575 | - | 2,053 |
| Rent from Electric Property | 300 | 453 | TD | | | 9,382,185 | 0,070 | 3,356,832 | 6,025 |
| Interdepartmental Rents | 300 | 454 | DIST | | | 7,302,100 | - | 3,330,032 | 0,025 |
| | 300 | 456 | DIRECT | PROD | | 32,597,273 | - | 2,917,644 | 29,679 |
| | 330 | 456.1 | TRANS | TROD | | 15,250,210 | - | 15,250,210 | 27,017 |
| Other Electric Revenues Revenues from Transmission of Electricit | | | | | | | | | |
| Other Electric Revenues | | | | | \$ | 62,264,956 | \$ 6,575 | \$ 21,524,686 | \$ 40,733, |

| | | VER ADMINISTRATION | | | | |
|---|---------------------------------|------------------------------------|--------------------------|---------------------------------------|--|--|
| | | e System Cost Methodology | | | | |
| UTILITY NAME: | | PacifiCorp | | | | |
| End of Year Report Period | | 2006 | | Amended 7-8-2008 | | |
| ASC Filing Date: | 5/7/2008 | | Revised Amended 8-4-2008 | | | |
| | TABLE 20G: So | <u>chedule 4: Average</u> System C | Cost Transmission | Distribution/Other | | |
| otal Operating Expenses | \$ 1,324,511,988 | | | | | |
| From Schedule 3) | | | | • | | |
| | | 005 004 500 | \$ 90,506,120 | \$ 174,004,5 | | |
| | \$ 469,775,302 | \$ 205,264,593 | φ 90,500,120 | | | |
| | \$ 469,775,302 | ¢ 205,264,593 | φ <u>90,500,120</u> | · · · · · · · · · · · · · · · · · · · | | |
| From Schedule 2) tate and Other Taxes | \$ 469,775,302 \$ 75,132,150 | • | | | | |
| From Schedule 2) | | • | | | | |
| From Schedule 2) State and Other Taxes From Schedule 3a) | | \$ 21,311,516 | \$ 7,327,259 | \$ 46,493,3 | | |
| Eederal Income Tax Adjusted Return on Rate Base From Schedule 2) State and Other Taxes From Schedule 3a) Fotal Other Included Items From Schedule 3b) | \$ 75,132,150 | \$ 21,311,516 | \$ 7,327,259 | \$ 46,493,3 | | |



| UTILITY NAME: | PacifiCorp | |
|---|----------------------------|---------------------------------|
| End of Year Report Period: | 2006 | |
| ASC Filing Date: | 5/7/2008 | |
| TABLE 20H: Distribution of Salaries and Wages (Fo | r Labor Ratio Calculation) | |
| | Form 1 | |
| Description | Page | Amount |
| | Number | |
| Electric | | |
| Dperation | | |
| Production | 354-355 | 91,2 |
| Transmission | <u>354-355</u> 354-355 | 8,219,1 44,923,8 |
| Customer Accounts | 354-355 | 44,923,8 |
| Customer Service and Information | 354-355 | 44,019,4 |
| Sales | 354-355 | 4,013,7 |
| Administrative and General | 354-355 | 87,938,2 |
| OTAL Operation | | \$190,805,7 |
| flaintenance | | |
| Production | 354-355 | 44,010,2 |
| Transmission | 354-355 | 8,186,8 |
| Distribution | 354-355 | 55,388,3 |
| Administrative and General | 354-355 | 2,634,4 |
| OTAL Maintenance | | \$110,219,8 |
| Operation and Maintenance | | |
| Production (Enter Total of lines 1 and 9) | 354-355 | 135,267,8 |
| Transmission (Enter Total of lines 2 and 10) | 354-355 | 16,405,9 |
| Distribution (Enter Total of lines 3 and 11) | 354-355 | 100,312,2 |
| Customer Accounts (Transcribe from line 4) | 354-355 | 44,819,4 |
| Customer Service and Information (Transcribe from line 5) | 354-355 | 4,813,7 |
| Sales (Transcribe from line 6) | 354-355 | |
| Administrative and General (Enter Total of lines 7 and 12) FOTAL Operation and Maintenance | 354-355 | 90,572,60 \$392,191,8 |

| | | BONNEVILLE POWER A RESIDENTIAL PURCHASE AN Proposed 2008 Average Syste | ND SALE AGE | REEMENT | | | |
|--------------------|--|--|------------------------|---------------------------|----------------|--------------------------|------------------------------|
| | | UTILITY NAME: | | PacifiCorp | | | |
| | | End of Year Report Period: | | 2006 | | | |
| | | ASC Filing Date: | | 5/7/2008 | | | |
| | | TABLE 20 | <u>)I:</u> Ratio Table | 9 | | | |
| Labor Ratio Input: | | | io Used | Total | Production | Transmission | Distribution |
| | Production | PROD | | \$ 135,267,819 | \$ 135,267,819 | | \$- |
| | Transmission | TRANS | ; | 16,405,957 | - | 16,405,957 | - |
| | Distribution | DIST | | 100,312,235 | - | - | 100,312,235 |
| | Customer Accounts | DIST | | 44,819,490 | | | 44,819,490 |
| | Customer Service and Informational | DIRECT | Т | 4,813,730 | 3,010,846 | | 1,802,884 |
| | Sales | DIST | | - | - | - | - |
| | Administrative & General | PTD | | 90,572,667 | 40,707,129 | 17,841,283 | 32,024,255 |
| Total Labor | | | | \$ 392,191,898 | \$ 178,985,794 | \$ 34,247,240 | \$ 178,958,864 |
| | Labor Ratio | | | 100% | 46% | 9% | 46% |
| GP | General Plant Ratio | Rati | io Used | Total | Production | Transmission | Distribution |
| | Land and Land Rights | PTD | | \$ 6,170,540 | \$ 2,773,298 | \$ 1,215,492 | \$ 2,181,750 |
| | Structures and Improvements | PTD | | 105,236,114 | 47,297,493 | 20,729,734 | 37,208,887 |
| | Furniture and Equipment | LABOR | 2 | 46,835,393 | 21,374,409 | 4,089,791 | 21,371,193 |
| | Transportation Equipment | TD | | 40,859,704 | - | 14,619,105 | 26,240,599 |
| | Stores Equipment | PTD | | 5,341,312 | 2,400,608 | 1,052,148 | 1,888,556 |
| | Tools and Garage Equipment | PTD | | 26,417,572 | 11,873,157 | 5,203,815 | 9,340,600 |
| | Laboratory Equipment | PTD | | 17,955,617 | 8,070,002 | 3,536,953 | 6,348,662 |
| | Power Operated Equipment | TD PTD | | 54,030,242 109,518,404 | 49,222,132 | 19,331,363 21,573,272 | 34,698,878 |
| | Communication Equipment Miscellaneous Equipment | PTD PTD | | 2,440,871 | 1,097,029 | 480,810 | <u>38,722,999</u> 863,032 |
| | Other Tangible Property | DIRECT | т | 146,618,604 | 146,618,604 | 400,010 | 003,032 |
| | Asset Retirement Costs for General Plant | PTD | | 17.834 | 8,015 | 3,513 | 6,306 |
| | TOTAL | | | \$ 561,442,204 | \$ 290,734,747 | \$ 91,835,996 | \$ 178,871,461 |
| | RATIO (GP) | | | 100% | 52% | 16% | 32% |
| | | | | | | | |

| | RESIDENTIAL PUF | POWER ADMINISTR CHASE AND SALE A erage System Cost M | GREE | MENT | | | | | |
|------|--|--|------|---------------|-----------------|------|-----------------|----|---------------|
| | UTILITY NAI | | | PacifiCorp | | | | | |
| | End of Year Report Peri | | | 2006 | | | | | |
| | ASC Filing Da | ate: | | 5/7/2008 | | | | | |
| | | TABLE 201: Ratio Ta | ble | | | | | | |
| PTD | Production, Transmission, Distribution Ratio | Ratio Used | | Total | Production | | Transmission | | Distribution |
| | Steam Production | PROD | \$ | 2,066,689,427 | \$ 2,066,689,42 | 7 \$ | - | \$ | - |
| | Nuclear Production | PROD | | - | - | | - | | - |
| | Hydraulic Production | PROD | | 233,341,208 | 233,341,20 | 8 | - | | - |
| | Other Production | PROD | | 348,799,787 | 348,799,78 | 7 | - | | - |
| | Total Production Plant | | | 2,648,830,422 | 2,648,830,42 | 2 | - | | - |
| | Transmission Plant | TRANS | | 1,160,939,950 | - | | 1,160,939,950 | | - |
| | Total Distribution Plant | DIST | | 2,083,832,056 | - | | | | 2,083,832,056 |
| | TOTAL | | \$ | 5,893,602,429 | \$ 2,648,830,42 | | 5 1,160,939,950 | \$ | 2,083,832,056 |
| | PTD Ratio | | | 100% | 45 | % | 20% | | 35% |
| PTDG | Production, Transmission, Distribution and General Plant Ratio | Ratio Used | - | Total | Production | | Transmission | | Distribution |
| PIDG | PTD Total | Ratio Useu | ¢ | 5,893,602,429 | \$ 2,648,830,42 | 2 0 | 1,160,939,950 | ¢ | 2,083,832,056 |
| | Intangible Plant - Organization | DIST | φ | 3,073,002,427 | \$ 2,040,030,42 | 2 4 | 5 1,100,737,730 | φ | 2,003,032,030 |
| | Intangible Plant - Franchises and Consents | DIRECT | | 51,880,743 | 50,880,74 | 2 | | | 1,000,000 |
| | Intangible Plant - Miscellaneous | DIRECT | | 244,725,490 | 122,368,00 | | 46,177,570 | | 76,179,916 |
| | General Plant Total | DIRECT | | 561,442,204 | 290,734,74 | | 91,835,996 | | 178,871,461 |
| | TOTAL | | \$ | 6,751,650,866 | \$ 3,112,813,91 | | 5 1,298,953,516 | \$ | 2,339,883,434 |
| | PTDG RATIO | | | 100% | 46 | | 19% | | 35% |
| | | | | | | | | | |
| TD | Transmission and Distribution Plant Ratio | Ratio Used | | Total | Production | | Transmission | | Distribution |
| | Total Transmission Plant | TRANS | \$ | 1,160,939,950 | \$ - | \$ | 5 1,160,939,950 | \$ | - |
| | Total Distribution Plant | DIST | | 2,083,832,056 | - | | | | 2,083,832,056 |
| | TOTAL | | \$ | 3,244,772,006 | \$- | \$ | 5 1,160,939,950 | \$ | 2,083,832,056 |
| | TD RATIO | | | 100% | 0 | % | 36% | | 64% |

| | | BONNEVILLE POWER ADMINIST RESIDENTIAL PURCHASE AND SALE Proposed 2008 Average System Cost | AGREEM | | | | |
|-----|---|---|--------|--------------------------------|----------------|---------------|----------------|
| | | UTILITY NAME: End of Year Report Period: ASC Filing Date: | | PacifiCorp 2006 5/7/2008 | | | |
| | | <u>TABLE 201:</u> Ratio | Table | | | | |
| GPM | Maintenance of General Plant Ratio | Ratio Used | | Total | Production | Transmission | Distribution |
| | Structures and Improvements | PTD | \$ | 105,236,114 | \$ 47,297,493 | \$ 20,729,734 | \$ 37,208,887 |
| | Furniture and Equipment | LABOR | | 46,835,393 | 21,374,409 | 4,089,791 | 21,371,193 |
| | Communication Equipment | PTD | | 109,518,404 | 49,222,132 | 21,573,272 | 38,722,999 |
| | Miscellaneous Equipment | PTD | | 2,440,871 | 1,097,029 | 480,810 | 863,032 |
| | TOTAL | | \$ | 264,030,781 | \$ 118,991,063 | \$ 46,873,607 | \$ 98,166,111 |
| | GPM RATIO | | | 100% | 45% | 18% | 37% |
| | SUMMARY RATIO TABLE | | | | | | |
| | Conservation Functionalization | | CONS | | 70.00% | 0.00% | 30.00% |
| | 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 | | DIREC | Γ | 0.00% | 0.00% | 0.00% |
| | General Plant | | GP | | 51.78% | 16.36% | 31.86% |
| | Maintenance of General Plant | | GPM | | 45.07% | 17.75% | 37.18% |
| | Labor Ratios | | LABOR | | 45.64% | 8.73% | 45.63% |
| | Production, Transmission, Distribution | | PTD | | 44.94% | 19.70% | 35.36% |
| | Production, Transmission, Distribution, General | | PTDG | | 46.10% | 19.24% | 34.66% |
| | Transmission, Distribution | | TD | | 0.00% | 35.78% | 64.22 % |

| TABLE 20JRESPro | DENTIAL PURCHA | VER ADMINISTRATIO ASE AND SALE AGREEM e System Cost Methodol | ENT | | | | | | | |
|-------------------------------|----------------|--|------------------|--|--|--|--|--|--|--|
| UTILITY NAME: | | PacifiCorp | | | | | | | | |
| End of Year Report Period: | | 2006 | | | | | | | | |
| ASC Filing Date: | | 5/7/2008 | | | | | | | | |
| | | er & Off-System Sales | | | | | | | | |
| | Form 1 | Purchased Power | | | | | | | | |
| Statistical | Page | | | | | | | | | |
| Classification | Number | Settlement Total | MWh Purchased | | | | | | | |
| RQ | 326-327 | \$ - | 0 | | | | | | | |
| LF | 326-327 | \$ 96,519,5 | 74 2,165,429 | | | | | | | |
| IF | 326-327 | \$ 27,850,0 | 40 506,935 | | | | | | | |
| SF | 326-327 | \$ 650,493,8 | 61 12,175,675 | | | | | | | |
| LU | 326-327 | \$ 107,918,9 | 26 2,489,865 | | | | | | | |
| IU | 326-327 | \$ 18,313,0 | 15 235,818 | | | | | | | |
| OS | 326-327 | \$ 25,573,0 | 47 565,338 | | | | | | | |
| EX | 326-327 | \$ 10,238,9 | 0 00 | | | | | | | |
| NA | 326-327 | \$ 5,552,1 | 10 2,681 | | | | | | | |
| AD | 326-327 | \$ (590,283,6 | 65) (11,297,586) | | | | | | | |
| ТО | TAL | \$ 352,175,8 | 6,844,154 | | | | | | | |
| | | | | | | | | | | |
| | Form 1 | Sales | for Resale | | | | | | | |
| Statistical Classification | Page Number | Settlement Total | MWh Sold | | | | | | | |
| RQ | 310-311 | \$ 3,318,14 | 47 92,625 | | | | | | | |
| LF | 310-311 | \$ 95,070,2 | 2,046,544 | | | | | | | |
| IF | 310-311 | \$ 5,518,2 | 97 131,696 | | | | | | | |
| SF | 310-311 | \$ 201,204,0 | 58 3,400,733 | | | | | | | |
| LU | 310-311 | \$ 11,668,6 | 14 271,771 | | | | | | | |
| IU | 310-311 | \$ 285,2 | 74 7,507 | | | | | | | |
| OS | 310-311 | \$ (2,384,9 | 64) (43,146) | | | | | | | |
| EX | 310-311 | \$ - | 0 | | | | | | | |
| NA | 310-311 | \$ 7,283,9 | 44 (52,537) | | | | | | | |
| AD | 310-311 | \$ (3,6 | | | | | | | | |
| ТО | TAL | \$ 321,960,0 | 14 5,855,415 | | | | | | | |

PAC TABLE 20K: Forecasted Contract System Costs & ASC with New Additions and NLSL

| Date Fiscal Year Rate Period Mid-Point | 4/1/2009 10 2009 TRUE | 4/1/2010 11 2010 FALSE | 4/1/2011 12 2011 FALSE | 4/1/2012 13 2012 FALSE | 4/1/2013 14 2013 FALSE |
|--|--------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| Contract System Cost | | | | | |
| Production | 1,001,429,090 | 964,635,860 | 972,845,032 | 973,829,991 | 977,745,929 |
| Transmission | 172,107,523 | 170,231,271 | 168,517,142 | 166,841,503 | 165,247,996 |
| NLSL Fully Allocated Cost (\$/MWh) | 58.07 | 55.78 | 55.70 | 55.18 | 54.74 |
| (Less) New Large Single Load Costs (d) | 19,865,032 | 19,078,938 | 19,052,436 | 18,876,147 | 18,726,097 |
| Total Contract System Cost | 1,153,671,581 | 1,115,788,194 | 1,122,309,738 | 1,121,795,347 | 1,124,267,828 |
| Contract System Load (MWh) | | | | | |
| Total Retail Load @ Meter | 22,016,008 | 22,207,898 | 22,427,330 | 22,654,332 | 22,880,278 |
| (Less) New Large Single Load | 342,068 | 342,068 | 342,068 | 342,068 | 342,068 |
| Total Retail Load (Net of NLSL) (d) | 21,673,940 | 21,865,830 | 22,085,262 | 22,312,264 | 22,538,210 |
| Distribution Loss (f) | 590,029 | 595,172 | 601,052 | 607,136 | 613,191 |
| Total Contract System Load | 22,263,969 | 22,461,002 | 22,686,314 | 22,919,400 | 23,151,401 |
| | | | | | |
| Average System Cost \$/MWh | 51.82 | 49.68 | 49.47 | 48.95 | 48.56 |

| | Rate Period Mid-Point | | | | | | New Re | sources | | | | | 1 |
|--|-----------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | | | (0.06) | 0.93 | (0.10) | 1.38 | (0.11) | 0.41 | (0.08) | 1.02 | (0.09) | 0.58 | (0.09) |
| Date | 4/1/09 | 4/1/2009 | 4/1/2009 | 4/1/2009 | 4/1/2009 | 4/1/2009 | 4/1/2009 | 4/1/2009 | 4/1/2009 | 4/1/2009 | 4/1/2009 | 4/1/2009 | 4/1/2009 |
| Fiscal Year | 2009 | 2009 | 2009 | 2009 | 2009 | 2009 | 2009 | 2009 | 2009 | 2009 | 2009 | 2009 | 2009 |
| NLSL Switch | 1 | 0 | 1 | 0 | 1 | 0 | 1 | 0 | 1 | 0 | 1 | 0 | 1 |
| Contract System Cost | | | | | | | | | | | | | |
| Production | 1,001,429,090 | 914,712,077 | 914,712,077 | 934,149,781 | 934,149,781 | 962,793,816 | 962,793,816 | 969,459,697 | 969,459,697 | 990,510,661 | 990,510,661 | 1,001,429,090 | 1,001,429,090 |
| Transmission | 172,107,523 | 171,497,847 | 171,497,847 | 171,577,112 | 171,577,112 | 171,774,118 | 171,774,118 | 171,839,981 | 171,839,981 | 172,029,459 | 172,029,459 | 172,107,523 | 172,107,523 |
| (Less) New Large Single Load Costs (d) | 19,865,032 | 0 | 17,875,233 | 0 | 18,971,050 | 0 | 19,685,533 | 0 | 19,111,855 | 0 | 19,597,038 | 0 | 19,865,032 |
| Total Contract System Cost | 1,153,671,581 | 1,086,209,924 | 1,068,334,691 | 1,105,726,893 | 1,086,755,843 | 1,134,567,933 | 1,114,882,401 | 1,141,299,679 | 1,122,187,823 | 1,162,540,120 | 1,142,943,081 | 1,173,536,614 | 1,153,671,581 |
| | | | | | | | | | | | | | |
| Contract System Load (MWh) | | | _ | | | | | | | | | | |
| Total Retail Load @ Meter | 22,016,008 | 22,016,008 | 22,016,008 | 22,016,008 | 22,016,008 | 22,016,008 | 22,016,008 | 22,016,008 | 22,016,008 | 22,016,008 | 22,016,008 | 22,016,008 | 22,016,008 |
| (Less) New Large Single Load | 342,068 | 0 | 342,068 | 0 | 342,068 | 0 | 342,068 | 0 | 342,068 | 0 | 342,068 | 0 | 342,068 |
| Total Retail Load (Net of NLSL) (d) | 21,673,940 | 22,016,008 | 21,673,940 | 22,016,008 | 21,673,940 | 22,016,008 | 21,673,940 | 22,016,008 | 21,673,940 | 22,016,008 | 21,673,940 | 22,016,008 | 21,673,940 |
| Distribution Loss (f) | 590,029 | 590,029 | 590,029 | 590,029 | 590,029 | 590,029 | 590,029 | 590,029 | 590,029 | 590,029 | 590,029 | 590,029 | 590,029 |
| Total Contract System Load | 22,263,969 | 22,606,037 | 22,263,969 | 22,606,037 | 22,263,969 | 22,606,037 | 22,263,969 | 22,606,037 | 22,263,969 | 22,606,037 | 22,263,969 | 22,606,037 | 22,263,969 |
| | | | | | | | | | | | | | |
| Average System Cost \$/MWh | 51.82 | 48.05 | 47.98 | 48.91 | 48.81 | 50.19 | 50.08 | 50.49 | 50.40 | 51.43 | | 51.91 | 51.82 |
| | | | | | \$ 0.83 | | \$ 1.26 | | \$ 0.33 | | \$ 0.93 | | \$ 0.48 |

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Tables for:

Portland General Electric

WP-07-FS-BPA-13B Page 159 of 484

| | BONNEV | LLE POV | WER AD | MINISTI | RA' | ΓΙΟΝ | | | |
|---|----------------------|---------------------|-------------|-----------------------|--------------|----------------------------|------------------|--------------------------------------|---------------------|
| | RESIDENTIA | L PURCH | ASE AND | SALES AG | RE | FMENT | | | |
| | Proposed 2008 Averas | | | | | | te | | |
| | | - | | | | î | l | | |
| | | TY NAME: | Port | tland Gener | | Llectric | | | |
| | End of Year Rep | | | <u>2006</u> 5/7/20 | | | Amended BPA: ' | | |
| | ASC F | iling Date: | | 5/7/20 | 00 | | Revised Amende | d BPA: 8-4-2008 | |
| | <u>TABI</u> | . <u>E 21A: Sch</u> | hedule 1: P | lant Investn | <u>nen</u> t | t / Rate Base | | | |
| | FERC | Form 1 | Function | alization | 1 | | | | |
| Account Description | Page | Account | | thod | | Total | Production | Transmission | Distribution |
| | Number | Numbers | Default | Optional | | | | | Other |
| Intangible Plant: | | - | | | - | | | | |
| Intangible Plant - Organization | 204-207 | 301 | DIST | | | - | - | - | |
| Intangible Plant - Franchises and Consents | 204-207 | 302 | DIRECT | PTD | | 48,460,534 | 48,460,534 | - | |
| Intangible Plant - Miscellaneous | 204-207 | 303 | DIRECT | DIST | | 123,314,826 | 2,904,530 | 7,417,801 | 112,992,4 |
| <u> Total Intangible Plant</u> | | | | | \$ | 171,775,360 | \$ 51,365,064 | \$ 7,417,801 | \$ 112,992, |
| Production Plant: | | | | | | | | | |
| Steam Production | 204-207 | 310-316 | PROD | | | 819,407,522 | 819,407,522 | _ | |
| Nuclear Production | 204-207 | 320-325 | PROD | | | 0 | - | _ | |
| Hydraulic Production | 204-207 | 330-336 | PROD | | | 237,821,189 | 237,821,189 | - | |
| Other Production | 204-207 | 340-346 | PROD | | | 356,882,306 | 356,882,306 | - | |
| Total Production Plant | | 1 1 | | 1 | \$ | 1,414,111,017 | \$ 1,414,111,017 | S - | \$ |
| | | | | | | | | | |
| Transmission Plant: (i) Transmission Plant | 204 207 | 250.250 | TDANC | | | 282 204 405 | | 282.20((05 | |
| Total Transmission Plant | 204-207 | 350-359 | TRANS | | S | 283,206,605 283,206,605 | - e | 283,206,605 \$ 283,206,605 | s |
| <u>rotai rransmission riant</u> | | | | | 3 | 283,200,005 | 5 - | 5 285,200,005 | 3 |
| Distribution Plant: | | | | | | | | | |
| Distribution Plant | 204-207 | 360-373 | DIST | | | 2,058,570,452 | - | - | 2,058,570,4 |
| Total Distribution Plant | | | | | \$ | 2,058,570,452 | S - | S - | \$ 2,058,570,4 |
| General Plant: | | | | | | | | | |
| Land and Land Rights | 204-207 | 389 | PTD | | | 4,635,830 | 1,745,414 | 349,557 | 2,540,8 |
| Structures and Improvements | 204-207 | 390 | PTD | | | 56,435,602 | 21,248,292 | 4,255,434 | 30,931, |
| Furniture and Equipment | 204-207 | 391 | LABOR | | | 36,822,574 | 11,448,061 | 1,928,782 | 23,445,7 |
| Transportation Equipment | 204-207 | 392 | TD | | | 34,739,628 | - | 4,201,293 | 30,538, |
| Stores Equipment | 204-207 | 393 | PTD | | | 756,653 | 284,884 | 57,054 | 414, |
| Tools and Garage Equipment | 204-207 | 394 | PTD | | | 10,208,409 | 3,843,518 | 769,748 | 5,595, |
| Laboratory Equipment | 204-207 | 395 | PTD | | | 10,320,839 | 3,885,849 | 778,226 | 5,656, |
| Power Operated Equipment | 204-207 | 396 | TD | | | 34,686,429 | - | 4,194,860 | 30,491, |
| Communication Equipment | 204-207 | 397 | PTD | | | 53,261,072 | 20,053,065 | 4,016,064 | 29,191, |
| Miscellaneous Equipment | 204-207 | 398 | PTD | | | 267,571 | 100,742 | 20,176 | 146, |
| Other Tangible Property | 204-207 | 399 | PTD | PTD | | 0 | - | - | |
| Asset Retirement Costs for General Plant | 204-208 | 399.1 | PTD | | | 55,510 | 20,900 | 4,186 | 30, |
| Total General Plant | | | | | \$ | 242,190,117 | \$ 62,630,724 | \$ 20,575,380 | \$ 158,984, |

| Number Numbers Default Optional Other Total Electric Plant In-Service \$ 4,169,853,551 \$ 1,528,106,805 \$ 311,199,786 \$ 2,330,57 (Total Intangible + Total Production + Total Constraints on + Total Constraints on + Total Constraints > 311,199,786 \$ 2,330,57 ELSS: Depreciation and Amortization Reserve > 311,199,786 \$ 2,330,57 Steam Production Plant 219 108 PROD \$ 550,562,907 - - Muclear Production Plant 219 108 PROD 132,555,670 - | | BONNEV | LLE PO | WEK AD | IVITINIS I I | X A | HUN | | | |
|--|--|-------------------------|---------------------|-------------|--------------|--------------|----------------|-----------------------|---|-----------------------|
| UILTY NAME End of Year Report Period. Portland General Electric 2006 Amended BPA: 7-8-2008 Revised Amended BPA: 8-4-2008 Line Control Contervice Contecon Control Control Control Control Control Control | | RESIDENTIA | L PURCH | ASE AND | SALES AG | RE | EMENT | | | |
| End of Year Report Period: 2006 Anerded BPA: 7-8-2008 Resided Amended BPA: 7-8-2008 TABLE 21A: Schedule 1: Plant Investingut / Rate Base Table 21A: Schedule 1: Plant Investingut / Rate Base Total Production Total Production Total Production Total Production Total Production Total Production Total Production + Total Transmission + Total Distribution + Total General LESS: Depreciation and Amortization Reserve Steam Production Plant 219 108 PROD 550,562,907 - Other Production Plant 219 108 PROD 132,555,701 - Other Production Plant 219 108 PROD 132,657,001 - Other Production Plant 219 108 PROD 132,657,001 - - Other Production Plant 219 108 PROD 132,657,632,907 - - | Pro | posed 2008 Averag | ge System (| Cost Metho | dology (AS | C) I | Utility Templa | te | | |
| End of Year Report Period: 3CC Filing Date: 2006 ST/2006 Amended BPA: 7-8-2008 Revised Amended BPA: 8-4-2008 TABLE 21A: Schedule 1: Flum Investment / Rate Base TABLE 21A: Schedule 1: Plum Investment / Rate Base Table Corm 1 Pag: Number Investment / Rate Base Total Electric Plant In-Service Total Interservice s 4.169.853.551 s 1.528.106.805 s 311.199.786 s 2.330.5 Total Flectric Plant In-Service Total Interservice s 4.169.853.551 s 1.528.106.805 s 311.199.786 s 2.330.5 Depreciation and Amortization Reserve Steam Poduction Plant 219 108 PROD 50.562.907 - - Nuclear Poduction Plant Production Plant Plant In-Service Other Production Plant Plant Base Colspan="2">Colspan= 200 50.562.907 - <td< th=""><th></th><th>UTILI</th><th>TY NAME:</th><th>Por</th><th>tland Gene</th><th>ral l</th><th>Electric</th><th></th><th></th><th></th></td<> | | UTILI | TY NAME: | Por | tland Gene | ral l | Electric | | | |
| ASC Filing Date: Strike decised Amended BPA: 8-4-2008 TABLE 21A: Schedule 1: Plant Investment / Rate Base Table 21A: Schedule 1: Plant Investment / Rate Base Total Description FERC Form 1 Functionalization Total Production Transmission Distribution Total Investment / Numbers State Production of Transmission + Total Distribution + Total General EXPS State Production Plant 219 108 PBOD 550;562;907 - State Production Plant 219 108 PROD 590;562;907 - - State Production Plant 219 108 PROD 191/97,9215 - - State Production Plant 219 108 PROD 590;562;907 - - Other Production Plant 219 108 PROD 191/9 | | End of Year Rep | ort Period: | | | | | Amended BPA: ' | 7-8-2008 | |
| Account Description FERC Form 1 Page Number Functionalization Default Total Production Transmission Distributi Other Total Electric Plant In-Service (Total Integrible + Total Productio + Total Transmission + Total Distribution + Total General) \$\$ 4,169,853,551 \$\$ 1,528,106,805 \$\$ 311,199,786 \$\$ 2,330,57 \$\$ 2,30,57 Total Integrible + Total Production + Total Distribution + Total General) \$\$ 4,169,853,551 \$\$ 1,528,106,805 \$\$ 311,199,786 \$\$ 2,330,57 \$\$ 2,30,57 Depreciation and Amortization Reserve \$\$ 219 108 PROD \$\$ 550,562,907 \$\$ 0 <th></th> <th></th> <th></th> <th></th> <th></th> <th></th> <th></th> <th>Revised Amende</th> <th>d BPA: 8-4-2008</th> <th></th> | | | | | | | | Revised Amende | d BPA: 8-4-2008 | |
| Account DescriptionPage NumberAccount DefaultMethod OptionalTotalProductionTransmissionDistributi OtherTotal Electric Plant In-ServiceCount Jan ServiceCount Jan ServiceCount Jan ServiceSet 169,853,551\$ 1,528,106,305\$ 311,199,786\$ 2,330,5Count Jan ServiceSet 170,000,000,000,000,000,000,000,000,000, | | <u>TABI</u> | . <u>E 21A: Scl</u> | hedule 1: P | lant Investn | <u>nen</u> i | t / Rate Base | | | |
| Number Numbers Default Optional Other Chall Intengible + Total Production + Total Transmission + Total Distribution + Total General) \$ 4,169,853,551 \$ 1,528,106,805 \$ 311,199,786 \$ 2,330,57 Total Intengible + Total Production + Total Transmission + Total Distribution + Total General) \$ 54,169,853,551 \$ 1,528,106,805 \$ 311,199,786 \$ 2,330,57 EXES: Depretation and Amortization Reserve \$ 550,562,907 \$ 550,562,907 \$ \$ 1,528,106,805 \$ 1,1199,786 \$ 2,330,57 Nuclear Production Plant 219 108 PROD \$ 550,562,907 \$ \$ 1,02 \$ \$ 1,02 \$ \$ 1,02 \$ \$ 1,02 \$ \$ 1,02 \$ \$ 1,02 \$ \$ 1,02 \$ \$ 1,02 \$ \$ 1,02 \$ \$ 1,02 \$ \$ 1,02 \$ \$ 1,02 \$ \$ 1,02 \$ \$ 1,02 \$ 1,02 \$ \$ 1,02 | | FERC | Form 1 | Function | alization | | | | | |
| Total Electric Plant In-Service \$ 4,169,853,551 \$ 1,528,106,805 \$ 311,199,786 \$ 2,330,5 (Total Intangible + Total Production + Total Transmission + Total Distribution + Total General) | Account Description | Page | Account | Me | thod | | Total | Production | Transmission | Distribution / |
| Total Intangible + Total Production + Total Transmission + Total Obstribution + Total General) LESS: Depreciation and Amortization Reserve Steam Production Plant Hydraulie Production Plant Hydraulie Production Plant Other Production Plant General Plant General Plant Amortization of Intangible Plant - Account 301 Amortization of Intangible Plant - Account 301 Amortization of Intangible Plant - Account 302 219 108 PROD 1057,127,55 Other procession - Amortization of Intangible Plant - Account 301 219 Amortization of Intangible Plant - Account 302 219 Other Production Plant Held for Foture Use 219 Capital Lease - Common Plant 219 Leasehold Improvements 200-201 Leasehold Improvements 200-201 In-Service: Depreciation of Common Plant (a) 200-201 Amortization of Adoutistion Adjustments 200-201 200-201 108 D | | Number | Numbers | Default | Optional | | | | | Other |
| Total Intangible + Total Production + Total Transmission + Total Obstribution + Total General) LESS: Depreciation and Amortization Reserve Steam Production Plant Hydraulie Production Plant Hydraulie Production Plant Other Production Plant General Plant General Plant Amortization of Intangible Plant - Account 301 Amortization of Intangible Plant - Account 301 Amortization of Intangible Plant - Account 302 219 108 PROD 1057,127,55 Other procession - Amortization of Intangible Plant - Account 301 219 Amortization of Intangible Plant - Account 302 219 Other Production Plant Held for Foture Use 219 Capital Lease - Common Plant 219 Leasehold Improvements 200-201 Leasehold Improvements 200-201 In-Service: Depreciation of Common Plant (a) 200-201 Amortization of Adoutistion Adjustments 200-201 200-201 108 D | Total Electric Plant In-Service | | | | | \$ | 4,169,853,551 | \$ 1.528,106,805 | \$ 311,199,786 | \$ 2,330,546,9 |
| LESS: Deprectation and Amortization Plant 219 108 PROD 550,562,907 550,562,907 . Nuclear Production Plant 219 108 PROD 0 - - - Other Production Plant 219 108 PROD 132,555,670 - - - Transmission Plant (i) 219 108 PROD 132,555,670 - - - Distribution Plant 219 108 PROD 132,555,670 - <t< td=""><td></td><td>Distribution + Total Ge</td><td>neral)</td><td></td><td></td><td>Ψ.</td><td>.,,</td><td>• 1,020,100,000</td><td>• • • • • • • • • • • • • • • • • • • •</td><td></td></t<> | | Distribution + Total Ge | neral) | | | Ψ. | .,, | • 1,020,100,000 | • | |
| Nuclear Production Plant 219 108 PROD 0 - - - Hydraulic Production Plant 219 108 PROD 132,555,670 - - - Other Production Plant 219 108 PROD 194,759,215 194,759,215 - - Transmission Plant (i) 219 108 PROD 194,759,215 - 138,611,020 - 138,611,020 - 1,071,64,888 - - 1,071,64,888 - - 1,071,64,888 - - 1,071,64,888 - - 1,071,64,888 - - 1,071,64,888 - - 1,071,64,888 - - 1,071,64,888 - - 1,071,64,888 - - 1,071,64,888 - - 1,071,64,888 - - 1,071,64,888 - - 1,071,64,888 - - 1,071,64,888 - - 1,071,64,888 - - 1,071,64,888 - - 1,071,64,888 - - 1,071,64,888 - - 1,071,64,888 - - 1,071,64,888 | Depreciation and Amortization Reserve | 219 | 108 | PROD | 1 | | 550 562 907 | 550 562 907 | _ | |
| Hydraulic Production Plant 219 108 PROD 132,555,670 - - Other Production Plant 219 108 PROD 194,759,215 194,759,215 - - Transmission Plant (i) 219 108 TRANS 138,611,020 - 138,611,020 Distribution Plant 219 108 TRANS 138,611,020 - 1,071,64 General Plant 219 108 GP 105,121,755 27,184,642 8,930,670 69,0 Amortization of Intangible Plant - Account 301 219 111 DIST - - - - Amortization of Intangible Plant - Account 302 219 111 DIRECT DIST 7,9,891,017 1,897,268 - <td< td=""><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td>550,502,907</td><td>-</td><td></td></td<> | | | | | | | | 550,502,907 | - | |
| Other Production Plant 219 108 PROD 194,759,215 194,759,215 - - Distribution Plant 219 108 TRANS 138,611,020 - 138,611,020 - 138,611,020 - 138,611,020 - 138,611,020 - 1071,66 366 366,00 - 1071,66 366,00 - 10,71,66 366,00 - - 10,71,66 366,00 - - 10,71,66 366,00 - - 10,71,66 366,00 - - 10,71,66 366,00 - - 10,71,66 366,00 - - - 10,71,66 366,00 - - - 10,71,66 36,00 - </td <td></td> <td></td> <td></td> <td>-</td> <td></td> <td></td> <td></td> <td>-</td> <td>-</td> <td></td> | | | | - | | | | - | - | |
| Transmission Plant (i) 219 108 TRANS 138,611,020 - 138,611,020 Distribution Plant 219 108 DIST 1,071,604,888 - - 1,071,60 General Plant Amortization of Intangible Plant - Account 301 219 108 GP 105,121,755 27,184,642 8,930,670 69,0 Amortization of Intangible Plant - Account 302 219 111 DIST - <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>-</td> <td></td> | | | | | | | | | - | |
| Distribution Plant 219 108 DIST 1,071,604,888 - - 1,071,6 General Plant Amortization of Intangible Plant - Account 301 219 108 GP 105,121,755 27,184,642 8,930,670 69,0 Amortization of Intangible Plant - Account 302 Amortization of Intangible Plant - Account 303 219 111 DIRECT PTD 1,897,268 1,897,268 - | | | | | | | | 194,739,213 | - | |
| General Plant 219 108 GP 105,121,755 27,184,642 8,930,670 69,0 Amortization of Intangible Plant - Account 301 Amortization of Intangible Plant - Account 302 111 DIST - | | | | | | | | | 156,011,020 | 1,071,604,8 |
| Amortization of Intangible Plant - Account 301 Amortization of Intangible Plant - Account 302 Amortization of Intangible Plant - Account 303 Mining Plant Depreciation Amortization of Plant Held for Future Use Capital Lease - Common Plant Leasehold Improvements In-Service: Depreciation of Other Utility Plant (a) Amortization of Other Utility Plant (a) Amortization of Acquisition Adjustments219111DIST | | | | | | | 1 1 1 | 27 184 642 | 8 930 670 | 69,006,4 |
| Amortization of Intangible Plant - Account 302 Amortization of Intangible Plant - Account 303 Mining Plant Depreciation Amortization of Plant Held for Future Use Capital Lease - Common Plant Leasehold Improvements In-Service: Depreciation of Other Utility Plant (a) Amortization of Other Utility Plant (a) Amortization of Acquisition Adjustments219111DIRECT PTD1,897,2681,897,268-219111DIRECTDIST79,891,0171,881,7354,805,71373,2219108PROD219111DIST219108DIRECT200-201108DISTDIST200-201108DISTDIST200-201108DISTDIST200-201108DISTDIST200-201115DIRECT200-201115DIRECT200-201115DIRECT200-201115DIRECT200-201115DIRECT200-201115DIRECT200-201115DIRECT200-201115DIRECT200-201115DIRECT-< | | | | | | | 100,121,700 | | - | |
| Amortization of Intangible Plant - Account 303 Mining Plant Depreciation Amortization of Plant Held for Future Use Capital Lease - Common Plant Leasehold Improvements In-Service: Depreciation of Common Plant (a) Amortization of Other Utility Plant (a) Amortization of Acquisition Adjustments219111DIRECTDIST79,891,0171,881,7354,805,71373,2219111DIRECTDIST | · · · · · · · · · · · · · · · · · · · | | | | PTD | | 1.897.268 | 1.897.268 | _ | |
| Mining Plant Depreciation219108PRODAmortization of Plant Held for Future Use219111DISTCapital Lease - Common Plant219108DIRECTLeasehold Improvements1n-Service: Depreciation of Common Plant (a)200-201108DISTDISTAmortization of Other Utility Plant (a)200-201108DISTDISTAmortization of Acquisition Adjustments200-201115DIRECTDepreciation and Amortization Reserve (Other)DIRECTDIRECTImage: Common Plant (a)Cotal Depreciation and Amortization Reserve\$ 2,275,003,740\$ 908,841,437\$ 152,347,403\$ 1,213,80 | | | | | - | | | | 4.805.713 | 73,203,5 |
| Amortization of Plant Held for Future Use Capital Lease - Common Plant Leasehold Improvements In-Service: Depreciation of Common Plant (a) Amortization of Other Utility Plant (a) Amortization Adjustments219111DIST | | | 108 | PROD | | | | | - | |
| Leasehold Improvements In-Service: Depreciation of Common Plant (a) Amortization of Other Utility Plant (a) Amortization Adjustments200-201108DISTDIST200-201108DISTDISTDISTAmortization of Acquisition Adjustments200-201108DISTDIST | | 219 | 111 | DIST | | | | - | - | - |
| Leasehold Improvements In-Service: Depreciation of Common Plant (a) Amortization of Other Utility Plant (a) Amortization Adjustments200-201108DISTDIST200-201108DISTDISTDIST< | Capital Lease - Common Plant | 219 | 108 | DIRECT | | | | - | - | - |
| Amortization of Other Utility Plant (a) 200-201 108 DIST DIST - - - Amortization of Acquisition Adjustments 200-201 115 DIST DIST - <td></td> <td>200-201</td> <td>108</td> <td>DIST</td> <td>DIST</td> <td></td> <td></td> <td>-</td> <td>-</td> <td>-</td> | | 200-201 | 108 | DIST | DIST | | | - | - | - |
| Amortization of Acquisition Adjustments 200-201 115 DIRECT - | In-Service: Depreciation of Common Plant (a) | 200-201 | 108 | DIRECT | | | | - | - | - |
| Depreciation and Amortization Reserve (Other) DIRECT | Amortization of Other Utility Plant (a) | 200-201 | 108 | DIST | DIST | | | - | - | - |
| Fotal Depreciation and Amortization Reserve \$ 2,275,003,740 \$ 908,841,437 \$ 152,347,403 \$ 1,213,8 | Amortization of Acquisition Adjustments | 200-201 | 115 | DIRECT | | | | - | - | - |
| | Depreciation and Amortization Reserve (Other) | | | DIRECT | DIRECT | | | | | |
| | Fotal Depreciation and Amortization Reserve | | | | | \$ | 2,275,003,740 | \$ 908,841,437 | \$ 152,347,403 | \$ 1,213,814,8 |
| <u>Fotal Net Plant</u> \$ 1,894,849,811 \$ 619,265,368 \$ 158,852,383 \$ 1,116,7 | Total Net Plant | | | | | \$ | 1,894,849,811 | \$ 619,265,368 | \$ 158,852,383 | \$ 1,116,732,00 |

| | BONNEVI | LLE POV | VER AD | MINIST | RAT | ION | | | |
|---|------------------------|---------------------|---------------|-------------|---------------|-------------|----------------|-----------------|-----------------------|
| | RESIDENTIA | | | | | | | | |
| Brone | sed 2008 Averag | | | | | | to | | |
| горо | | - | | | 1 | | | | |
| | | TY NAME: | Port | land Gener | | lectric | | | |
| E | nd of Year Repo | - | | 2006 | | | Amended BPA: ' | | |
| | ASC F | iling Date: | | 5/7/20 | 06 | | Revised Amende | d BPA: 8-4-2008 | |
| | <u>TABL</u> | . <u>E 21A: Sch</u> | edule 1: Pl | ant Investn | <u>nen</u> t. | / Rate Base | | | |
| | FERC | Form 1 | Function | | | | | | |
| Account Description | Page | Account | Met | hod | | Total | Production | Transmission | Distribution / |
| | Number | Numbers | Default | Optional | | | | | Other |
| Assets and Other Debits (Comparative Balance Sheet) | | | | | | | | | |
| Cash Working Capital (f) | Calcula | tion: Automat | ic Input from | Sch 1A | | 46,175,221 | 11,395,265 | 10,200,607 | 24,579,34 |
| | | | | | | | | | |
| Utility Plant | 200,201 | 105 | DIST | | | 107 700 | | | 105.50 |
| (Utility Plant) Held For Future Use | 200-201 | | | | | 187,790 | - | - | 187,79 |
| (Utility Plant) Completed Construction - Not Classified | 200-201 | 106 | PTD | | | 0 | - | - | - |
| Nuclear Fuel | 200.201 | 120.1-120.6 | PROD | | | 412 192 000 | - | - | - |
| Construction Work in Progress (CWIP) | 200-201 | 107 & 120.1 | DIST | | | 412,182,006 | - | - | 412,182,00 |
| Common Plant | 356 & 356.1 200-201 | 114 | DIRECT | DICT | | | | | |
| Acquisition Adjustments (Electric) Total | 200-201 | 114 | DIRECT | DIST | \$ | 412 2(0 70(| - S - | - S - | s 412.369.79 |
| 10(a) | | | | | 9 | 412,369,796 | \$ - | \$ - | \$ 412,369,79 |
| Other Property and Investments | | | | | | | | | |
| Investment in Associated Companies | 110-111 | 123 | DIST | DIST | | 53,882 | - | - | 53,88 |
| Other Investment | 110-111 | 124 | DIST | | | 203,017 | - | - | 203,0 |
| Long-Term Portion of Derivative Assets | 110-111 | 175 | DIST | | | 0 | - | - | - |
| Long-Term Portion of Derivative Assets - Hedges | 110-111 | 176 | DIST | | | 0 | - | - | - |
| Total | | | | | \$ | 256,899 | \$ - | \$ - | \$ 256,89 |
| Current and Accrued Assets | | | | | | | | | |
| Fuel Stock | 110-111 | 151 | PROD | | | 32,581,087 | 32,581,087 | _ | _ |
| Fuel Stock Expenses Undistributed | 110-111 | 151 | PROD | | | 0 | 52,581,087 | - | |
| Plant Materials and Operating Supplies | 110-111 | 152 | PTD | | | 27,957,550 | 10,526,160 | 2,108,093 | 15,323,2 |
| Merchandise (Major Only) | 110-112 | 154 | DIST | | | 0 | - | | 13,323,2 |
| Other Materials and Supplies (Major only) | 110-112 | 155 | DIST | | | 45,111 | | | 45,1 |
| EPA Allowance Inventory | 110-112 | 158.1 | PROD | | | 360,000 | 360,000 | | |
| EPA Allowances Withheld | 110-112 | 158.2 | PROD | | | 500,000 | 500,000 | | |
| Stores Expense Undistributed | 110-112 | 163 | PTD | | | 3,127,811 | 1,177,637 | 235,847 | 1,714,32 |
| Prepayments | 110-111 | 165 | PTD | | | 24,581,506 | 9,255,062 | 1,853,528 | 13,472,9 |
| Derivative Instrument Assets | 110-111 | 175 | DIST | | | 72,874,522 | - | - | 72,874,52 |
| (Less) Long-Term Portion of Derivative Assets | 110-112 | 175 | DIST | | | 0 | _ | _ | - |
| Derivative Instrument Assets - Hedges | 110-111 | 176 | DIST | | | 19,703,359 | - | _ | 19,703,35 |
| (Less) Long-Term Portion of Derivative Assets - Hedges | 110-112 | 176 | DIST | | | 0 | - | - | _ |
| Total | | 1 1 | | _ | \$ | 181,230,946 | \$ 53,899,946 | \$ 4,197,469 | \$ 123,133,53 |

| Propos | BONNEVI RESIDENTIA ded 2008 Averag | L PURCHA | SE AND | SALES AG | REEMEN | | ate | | |
|--|--|------------------------------|--------|-------------------------------|-----------------------|--------|----------------------------------|---------------|------------------------|
| | UTILI nd of Year Repo | TY NAME: | | | ral Electric | | Amended BPA: 7 Revised Amende | | |
| | | .E 21A: Sch | | | <u>nen</u> t / Rate I | Base | | | |
| Account Description | FERC Page Number | Form 1 Account Numbers | | alization thod Optional | Total | l | Production | Transmission | Distribution/ Other |
| ferred Debits | - | - | | - | | | - | | |
| Unamortized Debt Expenses | 110-111 | 181 | PTDG | | 15,2: | 52,228 | 5,589,413 | 1,138,287 | 8,524,5 |
| Extraordinary Property Losses | 110-111 | 182.1 | DIST | DIST | | 0 | - | - | - |
| Unrecovered Plant and Regulatory Study Costs | 110-111 | 182.2 | DIST | DIST | 65,6 | 56,225 | - | - | 65,666,2 |
| Other Regulatory Assets | 110-111 | 182.3 | DIRECT | DIST | 280,32 | 24,211 | 43,988,681 | 5,924,586 | 230,410,9 |
| Preliminary Survey and Investigation Charges (Electric) | 110-111 | 183 | DIST | | | 17,989 | - | - | 17,9 |
| 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 | | | (126) | - | - | (1 |
| Temporary Facilities | 110-111 | 185 | PTDG | | | 0 | - | - | |
| Miscellaneous Deferred Debits | 110-111 | 186 | DIRECT | DIST | 18,1 | 17,621 | 8,160,874 | 1,787,168 | 8,169,5 |
| Deferred Losses from Disposition of Utility Plant | 110-111 | 187 | DIRECT | DIRECT | | 0 | | | |
| Research, Development, and Demonstration Expenditures | 110-111 | 188 | DIST | | | 0 | - | - | |
| Unamortized Loss on Reacquired Debt | 110-111 | 189 | PTDG | | | 75,465 | 11,168,202 | 2,274,410 | 17,032,8 |
| Accumulated Deferred Income Taxes | 110-111 | 190 | DIST | | / | 35,884 | - | - | 254,935,8 |
| Total | | | | | \$ 664,78 | 89,497 | \$ 68,907,170 | \$ 11,124,452 | \$ 584,757,8 |
| al Assets and Other Debits | | | | | \$ 1,304,82 | 22 359 | \$ 134,202,381 | \$ 25,522,527 | \$ 1,145,097,4 |

| | | L PURCHA ge System C | | | | Utility Templa | ite | | |
|--|--------------------|---------------------------------------|--------------------|-----------------|--------------|----------------|----------------------------------|--------------|-----------------------|
| | UTILI | TY NAME: | Port | land Gene | ral I | Electric | 1 | | |
| End of | Year Repo ASC F | ort Period: iling Date: | | 2006 5/7/20 | | | Amended BPA: 7 Revised Amende | | |
| | <u>TABL</u> | <u>E 21A: Sch</u> | <u>edule 1: Pl</u> | ant Investn | <u>nen</u> t | t / Rate Base | | | |
| | FERC | Form 1 | Function | | 1 | | | | |
| Account Description | Page Number | Account Numbers | Met Default | hod Optional | | Total | Production | Transmission | Distribution Other |
| abilities and Other Credits (Comparative Balance Sheet) CURRENT AND ACCRUED LIABILITIES | | · · · · · · · · · · · · · · · · · · · | | | - | | • | | |
| Derivative Instrument Liabilities | 112-113 | 244 | DIST | | | 139,838,646 | _ | _ | 139,838, |
| (less) Long-Term Portion of Derivative Instrument Liabilities | 112-113 | 244 | DIST | | | 0 | - | - | 157,656 |
| Derivative Instrument Liabilities - Hedges | 112-115 | 245 | DIST | | | 15,067,825 | _ | | 15,067 |
| <i>(less)</i> Long-Term Portion of Derivative Instrument Liabilities - Hedges | 112-114 | 245 | DIST | | | 0 | _ | _ | |
| Total | | 1 - 1 | | 1 | \$ | 154,906,471 | \$ - | \$ - | \$ 154,906. |
| DEFERRED CREDITS | | | | | | , , | | | |
| Customer Advances for Construction | 112-113 | 252 | DIST | | | 77,123 | - | - | 77 |
| Other Deferred Credits | 112-113 | 253 | DIRECT | DIST | | 32,739,457 | 9,952,177 | 1,681,348 | 21,105 |
| Other Regulatory Liabilities | 112-113 | 254 | DIRECT | DIST | | 87,826,316 | 18,403,173 | 2,019,715 | 67,403 |
| Accumulated Deferred Investment Tax Credits | 112-113 | 255 | DIST | | | 6,872,117 | - | - | 6,872, |
| Deferred Gains from Disposition of Utility Plant | 112-113 | 256 | DIRECT | DIRECT | | 0 | | | |
| Unamortized Gain on Reacquired Debt | 112-113 | 257 | PTDG | | | 244,184 | 89,485 | 18,224 | 136, |
| Accumulated Deferred Income Taxes-Accel. Amort. | 112-113 | 281 | DIST | | | 0 | - | - | |
| Accumulated Deferred Income Taxes-Property | 112-113 | 282 | DIST | | | 273,176,670 | - | - | 273,176, |
| Accumulated Deferred Income Taxes-Other | 112-113 | 283 | DIST | | | 210,311,503 | - | - | 210,311, |
| Total | | | | | \$ | 611,247,370 | \$ 28,444,836 | \$ 3,719,287 | \$ 579,083, |
| tal Liabilities and Other Credits | | | | | \$ | 766,153,841 | \$ 28,444,836 | \$ 3,719,287 | \$ 733,989, |
| | | | | | | | | | |

| UTILITY NAME: | Portla | and General El | ectric | |
|--|-----------------|-----------------------------|-------------------------------|-----------------------|
| End of Year Report Period: ASC Filing Date: | | 2006 5/7/2006 | | |
| TABLE 21B: Schedule 1. | 4 · Cash Workin | Amended BPA Revised Amen | A: 7-8-2008 ded BPA: 8-4-2 | 2008 |
| (Automatic Input from Sche | | | | |
| Account Description | Total | Production | Transmission | Distribution Other |
| Cash Working Capital Calculation: | | | | |
| Total Production O&M | 1,316,964,069 | 1,314,965,424 | - | 1,998,64 |
| Total Transmission O&M (i) | 76,820,098 | - | 76,820,098 | - |
| Total Distribution O&M | 63,378,119 | - | - | 63,378,1 |
| | 61,844,133 | - | - | 61,844,13 |
| Total Customer & Sales | 104,301,298 | 28,103,999 | 4,784,755 | 71,412,54 |
| Total Customer & Sales Total Administrative and General O&M | 101,501,290 | | | 1,998,64 |
| | 1,253,905,949 | 1,251,907,304 | - | 1,770,0- |

| | | DU | | FUWER AI | DMINISTRATIC | | | | |
|--|--|---|---|------------------------------------|--|-------------------------------------|---------------------------------------|----------------|--|
| | | RESI | DENTIAL PU | RCHASE ANI | D SALE AGREEM | ENT | | | |
| | | Pi | roposed 2008 A | Average System | n Cost Methodology | y | | | |
| | | | UTILITY NAME | : Po | ortland General Elec | etric | Amended BPA: 7-8- | 2008 | |
| | End of Year Report Period: 2006 | | | | | | | | |
| | | Α | SC Filing Date | : | 5/7/2006 | | | | |
| | | <u>T</u> A | <u> 1BLE 21C: Sch</u> | edule 2: Capito | <u>al Structure and Rat</u> | t <u>e</u> of Return (b |) | | |
| | SUI | MMARY (for 1 | use by ASC Fore | ecast Model) | | | | | |
| Single-Jur | isdiction I | nvestor-Owned | Utility Return | Calculation: | 11.009% | | | | |
| Multi-Jur | | nvestor-Owned | | | | | | | |
| | Cor | nsumer-Owned | | | 11.0000/ | l | | | |
| | | | Rate | e of Return : | 11.009% | | | | |
| Single In | visition I | nvestor-Owned | Litility Dotum | Colculation | | | | | |
| Single-Jul | risalction I | nvestor-Owned | Utility Return | Calculation | | | | | |
| Note: Multi-jurisdictional uti | | lost Recent Stat begin on Page 2 | te Commission | Rate Order | | | | | |
| | lities must l | begin on Page 2 | te Commission | | | | | | |
| Note: Multi-jurisdictional uti Publicly-owned utilities | lities must l | begin on Page 2 on Page 4 Capitalization | Structure | Effe | ective Cost | [| | | |
| Note: Multi-jurisdictional uti Publicly-owned utilities | lities must l | begin on Page 2 on Page 4 | | | Weighted | | | | |
| Note: Multi-jurisdictional uti Publicly-owned utilities Component Debt | lities must l must begin | begin on Page 2 on Page 4 Capitalization | Structure | Effe | | | | | |
| Note: Multi-jurisdictional uti Publicly-owned utilities Component Debt Preferred Equity | lities must i must begin \$ \$ | begin on Page 2 on Page 4 Capitalization S Amount 900,000.0 - | Structure Percent 50.0% | Embedded 6.48% | Weighted 3.240% | , | | | |
| Note: Multi-jurisdictional uti Publicly-owned utilities Component Debt Preferred Equity Common Equity | lities must l must begin \$ \$ \$ \$ | begin on Page 2 on Page 4 Capitalization 9 Amount 900,000.0 - 900,000.0 | Structure Percent 50.0% 50.0% | Effe Embedded | Weighted 3.240% 5.050% | | | | |
| Note: Multi-jurisdictional uti Publicly-owned utilities Component Debt Preferred Equity Common Equity Weighted Cost of Capital | lities must li must begin \$ \$ \$ \$ \$ \$ \$ \$ | begin on Page 2 on Page 4 Capitalization 9 Amount 900,000.0 - 900,000.0 1,800,000.0 | Structure Percent 50.0% 50.0% 100.000% | Embedded 6.48% | Weighted 3.240% | | | | |
| Note: Multi-jurisdictional uti Publicly-owned utilities Component Debt Preferred Equity Common Equity Weighted Cost of Capital | lities must li must begin \$ \$ \$ \$ \$ \$ \$ \$ | begin on Page 2 on Page 4 Capitalization 9 Amount 900,000.0 - 900,000.0 1,800,000.0 | Structure Percent 50.0% 50.0% 100.000% | Embedded 6.48% | Weighted 3.240% 5.050% | | | | |
| Note: Multi-jurisdictional uti Publicly-owned utilities Component Debt treferred Equity Common Equity Weighted Cost of Capital Step 2: Gross Up Equity Retu Federal Income Tax Rate (C | lities must li must begin \$ \$ \$ \$ \$ \$ \$ \$ rn for Fed | begin on Page 2 on Page 4 Capitalization 9 Amount 900,000.0 - 900,000.0 1,800,000.0 eral Income Tax | Structure Percent 50.0% 50.0% 100.000% | Embedded 6.48% | Weighted 3.240% 5.050% | | | | |
| Note: Multi-jurisdictional uti Publicly-owned utilities | lities must li must begin \$ \$ \$ \$ \$ \$ \$ \$ rn for Fed | begin on Page 2 on Page 4 Capitalization 9 Amount 900,000.0 - 900,000.0 1,800,000.0 eral Income Tax | Structure Percent 50.0% 50.0% 100.000% | Embedded 6.48% 10.10% | Weighted 3.240% 5.050% | | | | |
| Note: Multi-jurisdictional uti Publicly-owned utilities Component Debt Preferred Equity Common Equity Weighted Cost of Capital Step 2: Gross Up Equity Retu Federal Income Tax Rate (C Federal Income Tax Factor | lities must i must begin \$ \$ \$ \$ \$ \$ rn for Fed urrently 35 | begin on Page 2 on Page 4 Capitalization 9 Amount 900,000.0 - 900,000.0 1,800,000.0 eral Income Tax 5%) | Structure Percent 50.0% 50.0% 100.000% | Embedded 6.48% 10.10% 35% | Weighted 3.240% 5.050% 8.290% 2.719% | | | | |
| Note: Multi-jurisdictional uti Publicly-owned utilities Component Debt Preferred Equity Common Equity Weighted Cost of Capital Step 2: Gross Up Equity Retu Federal Income Tax Rate (C Federal Income Tax Factor (ROR – (Embedded Cost of Debt * (1)) | lities must i must begin \$ \$ \$ \$ \$ \$ rn for Fed urrently 35 Debt / (Total (| begin on Page 2 on Page 4 Capitalization S Amount 900,000.0 - 900,000.0 1,800,000.0 eral Income Tax 5%) Capital))} * {(Fedem | Structure Percent 50.0% 50.0% 100.000% xes | Embedded 6.48% 10.10% 35% | Weighted 3.240% 5.050% 8.290% 2.719% | | | | |
| Note: Multi-jurisdictional uti Publicly-owned utilities Component Debt Preferred Equity Common Equity | lities must i must begin \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ | begin on Page 2 on Page 4 Capitalization S Amount 900,000.0 - 900,000.0 1,800,000.0 eral Income Tax 5%) Capital))} * {(Federal Cost of Capital | Structure Percent 50.0% 50.0% 100.000% xes | Embedded 6.48% 10.10% 35% | Weighted 3.240% 5.050% 8.290% 2.719% | | | | |
| Note: Multi-jurisdictional uti Publicly-owned utilities Component Debt Preferred Equity Common Equity Weighted Cost of Capital Step 2: Gross Up Equity Retu Federal Income Tax Rate (C Federal Income Tax Factor (ROR – (Embedded Cost of Debt * (I Federal Income Tax Adjusted Weighted Cost of Capital Plus Federal | lities must i must begin \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ | begin on Page 2 on Page 4 Capitalization S Amount 900,000.0 - 900,000.0 1,800,000.0 eral Income Tax 5%) Capital))} * {(Federal Cost of Capital | Structure Percent 50.0% 50.0% 100.000% xes | Embedded 6.48% 10.10% 35% | Weighted 3.240% 5.050% 8.290% 2.719% | | | | |
| Note: Multi-jurisdictional uti Publicly-owned utilities Component Debt Preferred Equity Common Equity Weighted Cost of Capital Step 2: Gross Up Equity Retu Federal Income Tax Rate (C Federal Income Tax Factor (ROR – (Embedded Cost of Debt * (I Federal Income Tax Adjusted Weighted Cost of Capital Plus Federal | lities must i must begin \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ | begin on Page 2 on Page 4 Capitalization S Amount 900,000.0 - 900,000.0 1,800,000.0 eral Income Tax 5%) Capital))} * {(Federal Cost of Capital | Structure Percent 50.0% 50.0% 100.000% xes | Embedded 6.48% 10.10% 35% | Weighted 3.240% 5.050% 8.290% 2.719% | Production | Transmission | Other | |
| Note: Multi-jurisdictional utili Publicly-owned utilities Component Debt Preferred Equity Common Equity Weighted Cost of Capital Step 2: Gross Up Equity Retu Federal Income Tax Rate (C Federal Income Tax Factor (ROR – (Embedded Cost of Debt * (I Federal Income Tax Adjusted Weighted Cost of Capital Plus Federa Step 3: Calculate Return on R | lities must i must begin s s s s s rn for Fed urrently 35 Debt / (Total (Weighted al Income Ta: tate Base | begin on Page 2 on Page 4 Capitalization S Amount 900,000.0 - 900,000.0 1,800,000.0 eral Income Tax 5%) Capital))} * {(Federal Cost of Capital | Structure Percent 50.0% 50.0% 100.000% xes | Embedded 6.48% 10.10% 35% | Weighted 3.240% 5.050% 8.290% 2.719% 11.009% | Production \$ 725,022,913 | Transmission \$ 180,655,623 | | |
| Note: Multi-jurisdictional uti Publicly-owned utilities Component Debt Preferred Equity Common Equity Weighted Cost of Capital Step 2: Gross Up Equity Retu Federal Income Tax Rate (C Federal Income Tax Factor (ROR – (Embedded Cost of Debt * (I) Federal Income Tax Adjusted | lities must i must begin s s s s s rn for Fed urrently 35 Debt / (Total 0 Weighted al Income Ta: Cate Base 1 Veighted Co | begin on Page 2 on Page 4 Capitalization S Amount 900,000.0 - 900,000.0 1,800,000.0 eral Income Tax 5%) Capital))} * {(Federa Cost of Capital x Factor) | Structure Percent 50.0% 50.0% 100.000% xes | Embedded 6.48% 10.10% 35% | Weighted 3.240% 5.050% 8.290% 2.719% 11.009% Total | | | \$ 1,527,839,7 | |

| | BONNEV | ILLE POV | VER AD | MINISTR | ATION | | | |
|--|-----------------|--------------|------------------|--------------|------------------|-----------------------|---------------|-------------|
| | RESIDENTL | | | | | | | |
| | Proposed | 2008 Avera | ge System (| Cost Metho | lology | | | |
| | UTIL | ITY NAME: | Por | tland Gener | al Electric | 1 | | |
| | End of Year Rep | | | 2006 | | Amended BPA: 7 | -8-2008 | |
| | | Filing Date: | | 5/7/200 | | Revised Amende | | |
| | | - | | | | 4 | | |
| | | <u>TABLE</u> | <u>21D: Sche</u> | edule 3: Exp | enses | | | |
| | Fo | rm 1 | Function | nalization | | | | |
| Account Description | Page | Account | Me | thod | Total | Production | Transmission | Distributio |
| | Number | Numbers | Default | Optional | | | | Other |
| ver Production Expenses: | | | | | | | | |
| Steam Power Generation | | | | | | | | |
| Steam Power - Fuel | 320-323 | 501 | PROD | | 42,832,603 | 42,832,603 | - | |
| Steam Power - Operations (Excluding 501 - Fuel) | 320-323 | 500-509 | PROD | | 8,742,850 | 8,742,850 | - | |
| Steam Power - Maintenance | 320-323 | 510-515 | PROD | | 20,194,844 | 20,194,844 | - | |
| Nuclear Power Generation | | | | | | | | |
| Nuclear - Fuel | 320-323 | 518 | PROD | | 0 | - | - | |
| Nuclear - Operation (Excluding 518 - Fuel) | 320-323 | 517-525 | PROD | | 0 | - | - | |
| Nuclear - Maintenance | 320-323 | 528-532 | PROD | | 0 | - | - | |
| Hydraulic Power Generation | | | | | | | | |
| Hydraulic - Operation | 320-323 | 535-540.1 | PROD | | 5,008,688 | 5,008,688 | - | |
| Hydraulic - Maintenance | 320-323 | 541-545.1 | PROD | | 3,963,730 | 3,963,730 | - | |
| Other Power Generation | | | | | | | | |
| Other Power - Fuel | 320-323 | 547 | PROD | | 60,659,664 | 60,659,664 | - | |
| Other Power - Operations (Excluding 547 - Fuel) | 320-323 | 546-550.1 | PROD | | 6,935,728 | 6,935,728 | - | |
| Other Power - Maintenance | 320-323 | 551-554.1 | PROD | | 6,489,996 | 6,489,996 | - | |
| Other Power Supply Expenses | | | | | | | | |
| Purchased Power (Excluding REP Reversal) | 320-323 | 555 | PROD | | 1,110,440,782 | 1,110,440,782 | - | |
| System Control and Load Dispatching | 320-323 | 556 | PROD | | 2,807,073 | 2,807,073 | - | |
| Other Expenses | 320-323 | 557 | PROD | | 8,915,211 | 8,915,211 | - | |
| BPA REP Reversal | 327 | 555 | PROD | | 0 | - | - | |
| Public Purpose Charges (h) | | | DIRECT | | 39,972,900 | 37,974,255 | - | 1,998, |
| al Production Expense | | | | | \$ 1,316,964,069 | \$ 1,314,965,424 | S - | \$ 1,998, |
| nsmission Expenses: (i) | | | | | | | | |
| Transmission of Electricity by Others (Wheeling) | 320-323 | 565 | TRANS | | 65,426,297 | - | 65,426,297 | |
| Total Operations less Wheeling | 320-323 | 560-567.1 | TRANS | | 7,741,552 | | 7,741,552 | |
| Total Maintenance | 320-323 | 568-574 | TRANS | | 3,652,249 | | 3,652,249 | |
| | 520-525 | 500-574 | 11/11/10 | | · · · · | | · · · · · | \$ |
| al Transmission Expense | | | 1101110 | | \$ 76,820,098 | \$- | \$ 76,820,098 | \$ |

| | • • • • | | | | | | | |
|--|---|---|-------------------------|----------|----------------|-----------------------|--------------|-----------------------|
| | • • • • | ITY NAME: | Portlan | d Gener | al Electric | | | |
| | | | Tortian | 2006 | | Amended BPA · 7 | 7-8-2008 | |
| | End of Year Report Period:2006Amended BPA: 7-8-2008ASC Filing Date:5/7/2006Revised Amended BPA: 8-4-2 | | | | | | | |
| | | ing Dato. | | 0/1/200 | • | ite viseu i illicitue | | |
| | | <u>TABLE</u> | <u>E 21D: Schedul</u> e | e 3: Exp | enses | | | |
| | For | ·m 1 | Functionaliz | zation | | | | |
| Account Description | Page | Account | Method | d | Total | Production | Transmission | Distribution / |
| | Number | Numbers | Default O | ptional | | | | Other |
| istribution Expense: | | | | | | | | |
| Total Operations | 320-323 | 580-589 | DIST | | 16,812,695 | - | - | 16,812,69 |
| Total Maintenance | 320-323 | 590-598 | DIST | | 46,565,424 | - | - | 46,565,42 |
| otal Distribution Expense | | | | | \$ 63,378,119 | \$ - | \$ - | \$ 63,378,11 |
| ustomer and Sales Expenses: | | | | | | | | |
| Total Customer Accounts | 320-323 | 901-905 | DIST | | 53,203,505 | - | _ | 53,203,5 |
| Customer Service and Information | 320-323 | 906-907 | DIST | | 0 | | - | |
| Customer Assistance Expenses (Major only) | 320-323 | 908 | DIRECT | | 5,961,194 | | | 5,961,1 |
| Customer Service and Information | 320-323 | 909-910 | DIST | | 2,678,858 | - | - | 2,678,8 |
| Total Sales Expense | 320-323 | 911-917 | DIST | | 576 | - | - | 5' |
| otal Customer and Sales Expenses | | ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,, | | | | \$ - | s - | \$ 61,844,13 |
| | | | II | | | | | |
| dministration and General Expense: | | | | | | | | |
| Operation | | 1 | | | | | | |
| Administration and General Salaries | 320-323 | 920 | LABOR | | 35,306,793 | 10,976,808 | 1,849,385 | 22,480,6 |
| Office Supplies & Expenses | 320-323 | 921 | LABOR | | 17,177,243 | 5,340,369 | 899,751 | 10,937,1 |
| (Less) Administration Expenses Transferred - Credit | 320-323 | 922 | LABOR | | 11,527,949 | 3,584,015 | 603,839 | 7,340,0 |
| Outside Services Employed | 320-323 | 923 | LABOR | | 5,219,349 | 1,622,685 | 273,392 | 3,323,2 |
| Property Insurance | 320-323 | 924 | PTDG | | 4,187,987 | 1,534,752 | 312,553 | 2,340,6 |
| Injuries and Damages | 320-323 | 925 | LABOR | | 2,660,644 | 827,189 | 139,366 | 1,694,0 |
| Employee Pensions & Benefits | 320-323 | 926 927 | LABOR | | 36,359,490 | 11,304,089 | 1,904,525 | 23,150,8 |
| Franchise Requirements Regulatory Commission Expenses | <u>320-323</u> <u>320-323</u> | 927 | DIST DIST | | 0 6,075,669 | - | - | 6,075,6 |
| (Less) Duplicate Charges - Credit | 320-323 | 928 | PTDG | | 6,075,669 | - 608,896 | - 124,002 | 6,075,6 |
| General Advertising Expenses | 320-323 | 929 | DIST | | 1,188,047 | 008,890 | 124,002 | 928,6 |
| Miscellaneous General Expenses | 320-323 | 930.1 | DIST | | 3,490,273 | - | - | 3,490,2 |
| Rents | 320-323 | 930.2 | DIST | | 3,490,273 | - | - | 3,490,2 |
| Rents Transportation Expenses (Non Major) | 320-323 | 931 | DIST | | 3,902,378 | | - | 3,902,3 |
| Maintenance | 320-324 | 733 | | | | - | - | |
| Maintenance of General Plant | 320-323 | 935 | GPM | | 1,922,911 | 691,019 | 133,624 | 1,098,2 |
| otal Administration and General Expenses | 520-525 | 755 | UT WI | | \$ 104,301,298 | \$ 28,103,999 | \$ 4,784,755 | |

| | RESIDENTL Proposed | AL PURCH 2008 Avera | | | | | | | | | |
|--|-----------------------|------------------------|-------------|--------------|---------|---------------|-------------------------------|------|----------------------|-------------|--|
| | UTIL | ITY NAME: | Por | tland Gener | ral Ele | ectric | | | | | |
| E | End of Year Rep | | | 2006 | | | Amended BP | A: 7 | -8-2008 | | |
| | | Filing Date: | | 5/7/200 | 06 | | Revised Ame | nded | I BPA: 8-4-2008 | | |
| | | <u>TABLE</u> | E 21D: Scho | edule 3: Exp | oenses | | | | | | |
| | Fo | rm 1 | Function | nalization | | | | | | | |
| Account Description | Page | Account | Me | thod | | Total | Production | n | Transmission | Distributio | |
| | Number | Numbers | Default | Optional | 1 | | | | | Other | |
| Fotal Operations and Maintenance | | | | | \$ | 1,623,307,717 | \$ 1,343,069, | 423 | \$ 81,604,853 | \$ 198,633 | |
| Amortization of Intangible Plant - Account 301 | 336 | 404 | DIST | | | | | - | - | | |
| Depreciation and Amortization: | | | | | | | | | | | |
| | 336 | 404 | DIST | | | | | - | - | | |
| Amortization of Intangible Plant - Account 302 | 336 | 404 | DIRECT | PTD | | 1,107,986 | 1,107, | ,986 | - | | |
| Amortization of Intangible Plant - Account 303 | 336 | 404 | DIRECT | DIST | | 13,896,085 | 327, | ,305 | 835,896 | 12,732 | |
| Steam Production Plant | 336 | 403 | PROD | | | 20,721,649 | 20,721, | ,649 | - | | |
| Nuclear Production Plant | 336 | 403 | PROD | | | 0 | | - | - | | |
| Hydraulic Production Plant - Conventional | 336 | 403 | PROD | | | 5,958,311 | 5,958, | 311 | - | | |
| Hydraulic Production Plant - Pumped Storage | 336 | 403 | PROD | | | 0 | | - | - | | |
| Other Production Plant | 336 | 403 | PROD | | | 13,687,735 | 13,687, | 735 | - | | |
| Transmission Plant (i) | 336 | 403 | TRANS | | | 7,174,396 | | - | 7,174,396 | | |
| Distribution Plant | 336 | 403 | DIST | | | 102,478,860 | | - | - | 102,478 | |
| General Plant | 336 | 403 | GP | | | 12,388,386 | 3,203, | ,655 | 1,052,461 | 8,132 | |
| Common Plant - Electric | 336 | 403 | DIRECT | | | 0 | | | | | |
| Common Plant - Electric | 336 | 404 | DIRECT | | | | | | | | |
| Depreciation Expense for Asset Retirement Costs | 336 | 403.1 | DIRECT | | | 31,571 | 18, | ,563 | 655 | 12 | |
| Amortization of Limited Term Electric Plant | 336 | 404 | DIRECT | | | | | | | | |
| Amortization of Plant Acquisition Adjustments (Electric) | 200-201 | 406 | DIRECT | | | 0 | | | | | |
| Total Depreciation and Amortization | | | | | \$ | 177,444,979 | \$ 45,025, | 204 | \$ 9,063,409 | \$ 123,356 | |
| | | | | | | | | | | | |
| Cotal Operating Expenses | | | | | \$ | 1,800,752,696 | \$ 1,388,094. | 627 | \$ 90,668,261 | \$ 321,989 | |
| | | | | | | -,,,-,-,-,- | ,,,,-,-,,,,,,,,,,,,,,,,,,,,,, | | | | |

| E | BONNEV | ILLE PO | WER AD | MI | NISTRATI | ION | | | |
|--------------------------------------|-----------------|-------------|--------------|-----------|--------------------------|--------------|------------|--------------|---------------------------------------|
| RF | ESIDENTI | AL PURCH | ASE AND S | SAT | .E AGREEN | MENT | | | |
| | | | | | t Methodolo | | | | |
| | | TY NAME: | Por | tlan | d General F | lectric | | | |
| End of | Year Repo | | 101 | u an | 2006 | | | | |
| | | iling Date: | | | 5/7/2006 | | | | |
| | | 0 | | | | Amended BI | A: 7 | -8-2008 | |
| | | | | | | Revised Am | | | 008 |
| | TARIE 21 | F. Schodul | o 3 A Itoms. | Tar | os Ancludin | g Income Tax | | | |
| | | L. Scheun | 571 Items. | 1 ил | cs (menuni) | | <i>csy</i> | | |
| | | Form 1 | Funct. | | | | | | |
| Account Description | Page | Account | Method | | Total | Production | T | ransmission | Distribution |
| | Number | Numbers | | | | | | | Other |
| | | | | | | | | | |
| FEDERAL | 2(2 | 400.1 | DIGT | | 101 754 000 | | _ | | 101 754 00 |
| Income Tax (Included on Schedule 2) | 262 | 409.1 | DIST | | 101,754,808 | - | | - | 101,754,80 |
| Employment Tax | 262 | 408.1 | LABOR | | 14,902,734 | 4,633,22 | 9 | 780,611 | 9,488,89 |
| Other Federal Taxes TOTAL FEDERAL | 262 | 408.1 | DIST | G | 1,053,015 117,710,557 | \$ 4,633,22 | 9 \$ | - 780,611 | 1,053,01 \$ 112,296,7 1 |
| IOTAL FEDERAL | | | | 3 | 117,710,557 | \$ 4,033,22 | 9 3 | /80,011 | \$ 112,290,71 |
| STATE AND OTHER | | | | | | | | | |
| Property | 262 | 408.1 | PTDG | | 33,141,089 | 12,145,06 | 0 | 2,473,348 | 18,522,68 |
| Unemployment | 262 | 408.1 | LABOR | | 1,453,141 | 451,77 | _ | 76,116 | 925,24 |
| State Income, B&O, et. | 262 | 409.1 | DIST | | 2,523,049 | - | | - | 2,523,04 |
| Franchise Fees | 262 | 408.1 | DIST | | 32,275,220 | - | + | - | 32,275,22 |
| Regulatory Commission | 262 | 408.1 | DIST | | 4,982,054 | - | | - | 4,982,05 |
| City/Municipal | 262 | 408.1 | DIST | | 0 | - | | - | - |
| Other | 262 | 408.1 | DIST | | (1,424,168) | - | | - | (1,424,16 |
| FOTAL STATE AND OTHER TAXES | | · · | | \$ | 72,950,385 | \$ 12,596,83 | 9 \$ | 2,549,464 | \$ 57,804,08 |
| | | | | | | | | | · · · · · · · · · · · · · · · · · · · |
| TOTAL TAXES | | | | \$ | 190,660,942 | \$ 17,230,06 | 8 \$ | 3,330,076 | \$ 170,100,79 |

| | RESIDENTI | | SE AND S | ALE AGRI | EEM | IENT | | | |
|---|----------------|--------------|-------------------|---------------------|------|--------------|----------------------|------------------|---------------|
| | - | 2008 Averag | • | | | • | 1 | | |
| | | ILITY NAME: | Port | land Gener | | lectric | | | |
| | End of Year Re | | | 2006 | | | Amended BPA: | | |
| | ASC | Filing Date: | | 5/7/200 | 06 | | Revised Amende | ed BPA: 8-4-2008 | |
| | <u></u> | ABLE 21F: S | <u>chedule 3B</u> | <u>Other In</u> cli | uded | Items | | | |
| | FERC | Form 1 | Function | alization | | | | | |
| Account Description | Page | Account | Met | hod | | | | | Distribution/ |
| | Number | Numbers | Default | Optional | 1 | Total | Production | Transmission | Other |
| Other Included Items: | | | | | | | | | |
| Regulatory Credits | 114 | 407.4 | DIRECT | PROD | | 5,452,016 | 5,452,016 | - | |
| (Less) Regulatory Debits | 114 | 407.3 | DIRECT | DIST | | 32,035,974 | - | - | 32,035,9 |
| Gain from Disposition of Utility Plant | 114 | 411.6 | DIRECT | PROD | | 293,588 | 293,588 | - | |
| (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 | PROD | PROD | | 6,202,968 | 6,202,968 | - | |
| <u>Total Other Included Items</u> | | | | | \$ | (20,087,402) | \$ 11,948,572 | \$ - | \$ (32,035,9 |
| | | | | | | | | | |
| ales for Resale: | | | | | | | | | |
| Sales for Resale | 310 | 447 | PROD | | | 650,409,850 | 650,409,850 | - | |
| <u>Total Sales for Resale</u> | | | | | \$ | 650,409,850 | \$ 650,409,850 | \$ - | \$ · |
| Other Revenues: | | | | | | | | | |
| Forfeited Discounts | 300 | 450 | DIST | | | 625,520 | - | - | 625,5 |
| Miscellaneous Service Revenues | 300 | 451 | DIST | | | 1,393,724 | - | - | 1,393,7 |
| Sales of Water and Water Power | 300 | 453 | PROD | | | (46,202) | (46,202) | - | |
| Rent from Electric Property | 300 | 454 | TD | | | 6,434,441 | - | 778,160 | 5,656,2 |
| Interdepartmental Rents | 300 | 455 | DIST | | | - | - | - | |
| Other Electric Revenues | 300 | 456 | PROD | PROD | | 42,553,031 | 42,553,031 | - | |
| Revenues from Transmission of Electricity of Others (i) | 330 | 456.1 | TRANS | | | 4,350,543 | - | 4,350,543 | |
| otal Other Revenues | | | | | \$ | 55,311,057 | \$ 42,506,829 | \$ 5,128,703 | \$ 7,675,5 |
| otal Other Included Items | | | | | \$ | 685,633,505 | \$ 704,865,251 | \$ 5,128,703 | \$ (24,360,4 |

| | ESIDE | NTIAL PURCHA | ASE A | ADMINISTRATI ND SALE AGREEN tem Cost Methodolo | MEN | Г | | | |
|---|-------|----------------------------|-------|--|-----|-----------------------------------|----|--|--|
| UTILITY NAME End of Year Report Period ASC Filing Date | : | | | and General Electric 2006 5/7/2006 | | | | nded BPA: 7-8-2008 ed Amended BPA: 8-4-2008 | |
| <u>TABLE 21G: Schedule 4: Averag</u> e System Cost | | | | | | | | | |
| Total Operating Expenses | \$ | Total 1,800,752,696 | \$ | Production 1,388,094,627 | \$ | Fransmission 90,668,261 | \$ | Distribution/Other 321,989,807 | |
| (From Schedule 3) | | | | | | | | | |
| Federal Income Tax Adjusted Return on Rate Base From Schedule 2) | \$ | 267,911,649 | \$ | 79,819,446 | \$ | 19,888,794 | \$ | 168,203,409 | |
| State and Other Taxes From Schedule 3a) | \$ | 190,660,942 | \$ | 17,230,068 | \$ | 3,330,076 | \$ | 170,100,798 | |
| Fotal Other Included Items From Schedule 3b) | \$ | 685,633,505 | \$ | 704,865,251 | \$ | 5,128,703 | \$ | (24,360,449 | |
| | | 1,573,691,782 | | 780,278,890 | \$ | 108,758,429 | \$ | 684,654,463 | |

| Proposed 2 | | |
|--|--|---|
| UTILITY NAME: End of Year Report Period: ASC Filing Date: | Portland General Electric 2006 5/7/2006 | Amended BPA: 7-8-2008 Revised Amended BPA: 8-4-200 |
| <u>T</u> A | ABLE 21G: Schedule 4: Average System Cost | |
| Contract System Cost Production Transmission (Less) New Large Single Load Costs (d) Total Contract System Cost | \$ 780,278,890 \$ 108,758,429 \$ 15,957,669 \$ 873,079,649 | |
| Contract System Load (MWh) Total Retail Load (Less) New Large Single Load Total Retail Load (Net of NLSL) (d) Distribution Loss (f) (See Distribution Loss Schedule) Total Contract System Load | 18,432,527 328,992 18,103,535 868,172 18,971,707 | |
| Average System Cost \$/MWh | 46.02 | |

| BONNEVILLE POWE | R ADMINISTRATION | |
|--|-----------------------------|---------------------------|
| RESIDENTIAL PURCHASE | | т |
| Proposed 2008 Average S | | |
| T toposed 2008 Average S | ystem Cost Wiethodology | |
| UTILITY NAME: Po | rtland General Electric | |
| End of Year Report Period: | 2006 | |
| ASC Filing Date: | 5/7/2006 | |
| ASC Filling Date: | 0///2000 | •••• |
| | Amended BPA: 7-8 | |
| | Revised Amended E | BPA: 8-4-2008 |
| TABLE 21H: Distribution of Sala | ries and Wages (For Labor) | <u>Ratio</u> Calculation) |
| | Form 1 | |
| | | |
| Description | Page | Amount |
| | Number | |
| Electric | | |
| Operation | | |
| Production | 354-355 | 19,297,986 |
| Transmission | 354-355 | 3,285,157 |
| Distribution | 354-355 | 13,836,501 |
| Customer Accounts | 354-355 | 27,537,974 |
| Customer Service and Information | 354-355 | 3,238,402 |
| Sales | 354-355 | 387 |
| Administrative and General | 354-355 | 32,699,999 |
| TOTAL Operation | | \$99,896,406 |
| Maintananaa | | |
| Maintenance Production | 354-355 | 7,751,800 |
| Transmission | 354-355 | 870,747 |
| Distribution | 354-355 | 18,264,548 |
| Administrative and General | 354-355 | 841,715 |
| TOTAL Maintenance | | \$27,728,810 |
| | | |
| Operation and Maintenance | | |
| Production (Enter Total of lines 1 and 9) | 354-355 | 27,049,786 |
| Transmission (Enter Total of lines 2 and 10) | 354-355 | 4,155,904 |
| Distribution (Enter Total of lines 3 and 11) | 354-355 | 32,101,049 |
| Customer Accounts (Transcribe from line 4) | 354-355 | 27,537,974 |
| Customer Service and Information (Transcribe from line 5) | 354-355 | 3,238,402 |
| Sales (Transcribe from line 6) | 354-355 | 387 |
| Administrative and General (Enter Total of lines 7 and 12) | 354-355 | 33,541,714 |
| TOTAL Operation and Maintenance | | \$127,625,216 |

WP-07-FS-BPA-13B Page 174 of 484

| | BONNEVILLE P RESIDENTIAL PURO Proposed 2008 Ave | CHASE AND S | SAL | E AGREEME | | | | | | |
|---------|---|----------------------|-------|-----------------------|------|------------|------|-------------|-------|--------------|
| | UTILITY NAME: End of Year Report Period: | | ortl | and General E 2006 | lect | ric | Amer | nded BPA: 7 | 7_8_′ | 2008 |
| | ASC Filing Date: | | | 5/7/2006 | | | | | | PA: 8-4-2008 |
| | | <u>TABLE 211</u> : 1 | Ratio | o Table | | | | | | |
| Labor | Ratio Input: | Ratio Used | | Total | | Production | Tra | nsmission | | Distribution |
| | Production | PROD | \$ | 27,049,786 | \$ | 27,049,786 | \$ | - | \$ | - |
| | Transmission | TRANS | | 4,155,904 | | - | | 4,155,904 | | - |
| | Distribution | DIST | | 32,101,049 | | - | | - | | 32,101,049 |
| | Customer Accounts | DIST | | 27,537,974 | | - | | - | | 27,537,974 |
| | Customer Service and Informational | DIRECT | | 3,238,402 | | - | | - | | 3,238,402 |
| | Sales | DIST | | 387 | | - | | - | | 387 |
| | Administrative & General | PTD | | 33,541,714 | | 12,628,626 | | 2,529,158 | | 18,383,929 |
| Total I | Labor | | \$ | 127,625,216 | \$ | 39,678,412 | \$ | 6,685,062 | \$ | 81,261,741 |
| | Labor Ratio | | | 100% | | 31.09% | | 5.24% | | 63.67% |
| GP | General Plant Ratio | Ratio Used | | Total | | Production | Tra | nsmission | | Distribution |
| - | Land and Land Rights | PTD | \$ | 4,635,830 | \$ | 1,745,414 | \$ | 349,557 | \$ | 2,540,859 |
| | Structures and Improvements | PTD | Ŷ | 56,435,602 | Ŷ | 21,248,292 | Ť | 4,255,434 | Ψ | 30,931,876 |
| | Furniture and Equipment | LABOR | | 36,822,574 | | 11,448,061 | | 1,928,782 | | 23,445,731 |
| | Transportation Equipment | TD | | 34,739,628 | | - | | 4,201,293 | | 30,538,335 |
| | Stores Equipment | PTD | | 756,653 | | 284,884 | | 57,054 | | 414,715 |
| | Tools and Garage Equipment | PTD | | 10,208,409 | | 3,843,518 | | 769,748 | | 5,595,143 |
| | Laboratory Equipment | PTD | | 10,320,839 | | 3,885,849 | | 778,226 | | 5,656,764 |
| | Power Operated Equipment | TD | | 34,686,429 | | - | | 4,194,860 | | 30,491,569 |
| | Communication Equipment | PTD | | 53,261,072 | | 20,053,065 | | 4,016,064 | | 29,191,943 |
| | Miscellaneous Equipment | PTD | | 267,571 | | 100,742 | | 20,176 | | 146,653 |
| | Other Tangible Property | DIRECT | | - | | - | | - | | - |
| | Asset Retirement Costs for General Plant | PTD | | 55,510 | | 20,900 | | 4,186 | | 30,425 |
| | TOTAL | | \$ | 242,190,117 | \$ | 62,630,724 | \$ 2 | 20,575,380 | \$ | 158,984,013 |
| | RATIO (GP) | | | 100% | | 25.86% | | 8.50% | | 65.64% |

| | UTILITY NAME: End of Year Report Period: ASC Filing Date: | | ortland General El 2006 5/7/2006 | lectric | Amended BPA: 7 Revised Amende | |
|------|---|----------------------|--|---------------------------------------|----------------------------------|---|
| | | <u>TABLE 211</u> : I | Ratio Table | | | |
| PTD | Production, Transmission, Distribution Ratio | Ratio Used | Total | Production | Transmission | Distribution |
| | Steam Production | PROD | \$ 819,407,522 | \$ 819,407,522 | \$ - | \$ - |
| | Nuclear Production | PROD | - | - | - | - |
| | Hydraulic Production | PROD | 237,821,189 | 237,821,189 | - | - |
| | Other Production | PROD | 356,882,306 | 356,882,306 | - | - |
| | Total Production Plant | | 1,414,111,017 | 1,414,111,017 | - | - |
| | Transmission Plant | TRANS | 283,206,605 | - | 283,206,605 | - |
| | Total Distribution Plant | DIST | 2,058,570,452 | - | - | 2,058,570,452 |
| | TOTAL | | \$ 3,755,888,074 | \$ 1,414,111,017 | \$ 283,206,605 | \$ 2,058,570,452 |
| | PTD Ratio | | 100% | 37.65% | 7.54% | 54.81% |
| | | | | | — • • | T 51 (11 (1 |
| PTDG | Production, Transmission, Distribution and General Plant Ration PTD Total | Ratio Used | Total \$ 3,755,888,074 | Production \$ 1,414,111,017 | Transmission \$ 283,206,605 | Distribution \$ 2,058,570,452 |
| | Intangible Plant - Organization | DIST | ÷ 5,755,000,074 | ÷ 1, 1 1,111,017 | \$ 205,200,005 | ÷ 2,030,370, 4 32 |
| | Intangible Plant - Franchises and Consents | DIRECT | 48,460,534 | 48,460,534 | | |
| | Intangible Plant - Miscellaneous | DIRECT | 123,314,826 | 2,904,530 | 7,417,801 | 112,992,495 |
| | General Plant Total | Diffeor | 242,190,117 | 62,630,724 | 20,575,380 | 158,984,013 |
| | TOTAL | | \$ 4,169,853,551 | \$ 1,528,106,805 | \$ 311,199,786 | \$ 2,330,546,960 |
| | PTDG RATIO | | 100% | 36.65% | 7.46% | 55.89% |
| | | | | | | |
| TD | Transmission and Distribution Plant Ratio | Ratio Used | Total | Production | Transmission | Distribution |
| | Total Transmission Plant | TRANS | \$ 283,206,605 | \$- | \$ 283,206,605 | \$ - |
| | Total Distribution Plant | DIST | 2,058,570,452 | - | - | 2,058,570,452 |
| | TOTAL | | \$ 2,341,777,057 | \$- | \$ 283,206,605 | \$ 2,058,570,452 |
| | TD RATIO | | 100% | 0.00% | 12.09% | 87.91% |

| | BONNEVILLE PO RESIDENTIAL PURC Proposed 2008 Ave | CHASE AND S | SALE AGI | REEMEN | | | | | |
|-----|---|----------------------|---------------------------------------|--|----------|-------|----|-----------------------------|------------------|
| | UTILITY NAME: End of Year Report Period: ASC Filing Date: | | | <mark>eneral El</mark> 2006 7/2006 | ectric | | | ended BPA: 7 ised Amende | |
| | | <u>TABLE 211</u> : K | Ratio Table | 2 | | | 1 | | |
| GPM | Maintenance of General Plant Ratio | Ratio Used | Tot | tal | Producti | ion | Tr | ansmission | Distribution |
| | Structures and Improvements | PTD | \$ 56,4 | 435,602 | \$ 21,24 | 8,292 | \$ | 4,255,434 | \$ 30,931,876 |
| | | LABOR | | 822,574 | 11,44 | | | 1,928,782 | 23,445,731 |
| | 1 1 | PTD | · · · · · · · · · · · · · · · · · · · | 261,072 | 20,05 | 3,065 | | 4,016,064 | 29,191,943 |
| | 1 1 | DIST | | 267,571 | | - | | - | 267,571 |
| | TOTAL | [' | \$ 146, | 786,819 | \$ 52,74 | | \$ | 10,200,280 | \$ 83,837,120 |
| | GPM RATIO | | | 100% | 35 | 5.94% | | 6.95% | 57.11% |
| | SUMMARY RATIO TABLE | | | | | | | | |
| | Conservation Functionalization | | CONS | | |).00% | | 0.00% | 30.00% |
| | Direct to Distribution | | DIST | | |).00% | | 0.00% | 100.00% |
| | Direct to Production | | PROD | | |).00% | | 0.00% | 0.00% |
| | Direct to Transmission | | TRANS | | |).00% | | 100.00% | 0.00% |
| | Direct Allocation | l l | DIRECT | | |).00% | | 0.00% | 0.00% |
| | General Plant | | GP | | | 5.86% | | 8.50% | 65.64% |
| | Maintenance of General Plant | | GPM | | | 5.94% | | 6.95% | 57.11% |
| | Labor Ratios | | LABOR | | | 1.09% | | 5.24% | 63.67% |
| | Production, Transmission, Distribution | | PTD | | | 7.65% | | 7.54% | 54.81% |
| | Production, Transmission, Distribution, General | | PTDG | | | 6.65% | | 7.46% | 55.89% |
| | Transmission, Distribution | | TD | | (|).00% | | 12.09% | 87.91% |

| | | | BONNEVILLE RESIDENTIAL PUI Proposed 2008 A | RCHAS | E AND SALE A | GREEMENT | | | | |
|----------------|-----------|-------------------------|--|--------|----------------------|----------------------|---|------------------------|--------------------|--|
| | | TABLE 21J | UTILITY N | AME: | Portland | l General Electric | | | | |
| | | I | End of Year Report Pe | eriod: | | 2006 | A | Amended BPA: 7-8 | 8-2008 | |
| | | | ASC Filing | Date: | | 5/7/2006 | F | Revised Amended | BPA: 8-4-2008 | |
| <u>Purc</u> | hased Pow | er & Sales for Resa | <u>le</u> | | | | | | | |
| FERC Fo | rm 1 | Purchase | ad Power | | Purchased Pow | er - Base Period | | Purchased Powe | | |
| Statistical | Page | I ul chase | | | Min | us 1 | | Minus 2 | | |
| Classification | Number | Settlement Total | MWh Purchased | | Settlement Total | MWh Purchased | | Settlement Total | MWh Purchas | |
| RQ | 326-327 | \$927,165 | 11,059 | | | | | | | |
| LF | 326-327 | 122,712,106 | 3,117,635 | | | | | | | |
| IF | 326-327 | 72,868,276 | 1,751,900 | | | | | | | |
| SF | 326-327 | 877,059,313 | 18,088,277 | | | | | | | |
| LU | 326-327 | 46,067,346 | 3,207,820 | | | | | | | |
| IU | 326-327 | 0 | 0 | | | | | | | |
| OS | 326-327 | 1,310,082 | 37,452 | | | | | | | |
| EX | 326-327 | 0 | 0 | | | | | | | |
| NA | 326-327 | 0 | 0 | | | | | | | |
| AD | 326-327 | (10,503,506) | 10,385 | | | | | | | |
| TOTA | L | \$1,110,440,782 | 26,224,528 | | \$0 | 0 | | \$0 | | |
| FERC Fo | rm 1 | | | - H | Sales for Resal | e - Rase Period | | Sales for Resale | - Rase Period | |
| Statistical | Page | Sales for | r Resale | | | us 1 | | Min | | |
| Classification | Number | Settlement Total | MWh Sold | | Settlement Total | MWh Sold | | Settlement Total | MWh Sold | |
| RQ | 310-311 | \$556,768 | 0 | | | | | | | |
| LF | 310-311 | 8,108,077 | 70,074 | | | | | | | |
| IF | 310-311 | 0 | 0 | | | | | | | |
| SF | 310-311 | 640,231,119 | 13,596,012 | | | | | | | |
| LU | 310-311 | 97,402 | 11,999 | | | | | | | |
| IU | 310-311 | 0 | 0 | | | | | | | |
| OS | 310-311 | 1,416,484 | 31,991 | | | | | | | |
| EX | 310-311 | 0 | 0 | | | | | | | |
| NA | 310-311 | 0 | 0 | | | | | | | |
| AD | 310-311 | 0 | 0 | | | | | | | |
| TOTA | Ĺ | \$650,409,850 | 13,710,076 | | S – | - | | \$- | | |

TABLE 21K: Forecasted Contract System Costs & ASC with New Additions and NLSL

| Average System Cost \$/MWh | 57.53 Rate | 56.01 Period Mid-P | | 56.43 | 50.55 |
|---|---------------|-----------------------|---------------|---------------|---------------|
| Average System Cost \$/MWh | 57.53 | 56.01 | 56.43 | 56.43 | 56.55 |
| | | FC 04 | 56.43 | 56.43 | 56.59 |
| Total Contract System Load | 10,708,552 | 19,100,090 | 19,010,007 | 20,000,923 | 20,505,413 |
| Total Contract System Load | 18,768,552 | 19,188,698 | 19,618,087 | 20,056,923 | 20,505,413 |
| Distribution Loss (f) | 859.034 | 877.933 | 897.247 | 916.987 | 937,160 |
| Total Retail Load (Net of NLSL) (d) | 17,909,518 | 18,310,765 | 18,720,840 | 19,139,936 | 19,568,253 |
| (Less) New Large Single Load | 328,992 | 328.992 | 328.992 | 328,992 | 328,992 |
| Contract System Load (MWh) Total Retail Load @ Meter | 18.238.510 | 18.639.757 | 19.049.832 | 19.468.928 | 19.897.245 |
| Total Contract System Cost | 1,079,806,041 | 1,074,678,147 | 1,107,137,086 | 1,131,756,110 | 1,160,349,876 |
| (Less) New Large Single Load Costs (d) | 24,127,751 | 22,847,185 | 22,864,160 | 22,628,883 | 22,365,495 |
| NLSL Fully Allocated Cost (\$/MWh) | 73.34 | 69.45 | 69.50 | 68.78 | 67.98 |
| Transmission | 114,363,956 | 114,881,485 | 115,645,517 | 116,453,938 | 117,336,870 |
| Production | 989,569,836 | 982,643,846 | 1,014,355,729 | 1,037,931,055 | 1,065,378,501 |
| Contract System Cost | | | | | |
| Rate Period Mid-Point | TRUE | FALSE | FALSE | FALSE | FALSE |
| Fiscal Year | 2009 | 2010 | 2011 | 2012 | 2013 |
| | 10 | 11 | 12 | 13 | 14 |
| | | 4/1/2010 | 4/1/2011 | 4/1/2012 | 4/1/2013 |

| | Rate Period Mid-Point | | | | | | New Res | sources | | | | | |
|--|-----------------------|-------------|-------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|------|---|
| | | | (0.12) | 3.33 | (0.20) | 1.60 | (0.23) | 0.84 | (0.24) | 2.21 | (0.27) | 0.00 | - |
| Date | 4/1/09 | 4/1/2009 | 4/1/2009 | 4/1/2009 | 4/1/2009 | 4/1/2009 | 4/1/2009 | 4/1/2009 | 4/1/2009 | 4/1/2009 | 4/1/2009 | | |
| Fiscal Year | 2009 | 2009 | 2009 | 2009 | 2009 | 2009 | 2009 | 2009 | 2009 | 2009 | 2009 | | |
| NLSL Switch | 1 | 0 | 1 | 0 | 1 | 0 | 1 | 0 | 1 | 0 | 1 | | |
| Contract System Cost | | | | | | | | | | | | | — |
| Production | 989,569,836 | 854,338,417 | 854,338,417 | 913,090,605 | 913,090,605 | 939,893,100 | 939,893,100 | 951,693,516 | 951,693,516 | 989,569,836 | 989,569,836 | | |
| Transmission | 114,363,956 | 112,259,934 | 112,259,934 | 114,814,747 | 114,814,747 | 114,646,570 | 114,646,570 | 114,604,924 | 114,604,924 | 114,363,956 | 114,363,956 | | |
| (Less) New Large Single Load Costs (d) | 24,127,751 | 0 | 18,906,591 | 0 | 21,523,320 | 0 | 22,435,021 | 0 | 22,898,182 | 0 | 24,127,751 | | |
| Total Contract System Cost | 1,079,806,041 | 966,598,352 | 947,691,761 | 1,027,905,353 | 1,006,382,033 | 1,054,539,669 | 1,032,104,649 | 1,066,298,440 | 1,043,400,258 | 1,103,933,792 | 1,079,806,041 | | |
| Contract System Load (MWh) | | | | | | | | | | | | | |
| Total Retail Load @ Meter | 18,238,510 | 18,238,510 | 18,238,510 | 18.238.510 | 18,238,510 | 18.238.510 | 18,238,510 | 18,238,510 | 18,238,510 | 18,238,510 | 18,238,510 | | _ |
| (Less) New Large Single Load | 328,992 | 0 | 328,992 | 0 | 328,992 | 0 | 328,992 | 0 | 328,992 | 0 | 328,992 | _ | - |
| Total Retail Load (Net of NLSL) (d) | 17,909,518 | 18,238,510 | 17,909,518 | 18,238,510 | 17,909,518 | 18,238,510 | 17,909,518 | 18,238,510 | 17,909,518 | 18,238,510 | 17,909,518 | | |
| Distribution Loss (f) | 859,034 | 859,034 | 859,034 | 859,034 | 859,034 | 859,034 | 859,034 | 859,034 | 859,034 | 859,034 | 859,034 | | |
| Total Contract System Load | 18,768,552 | 19,097,544 | 18,768,552 | 19,097,544 | 18,768,552 | 19,097,544 | 18,768,552 | 19,097,544 | 18,768,552 | 19,097,544 | 18,768,552 | | |
| Average System Cost \$/MWh | 57.53 | 50.61 | 50.49 | 53.82 | 53.62 | 55.22 | 54.99 | 55.83 | 55.59 | 57.81 | 57.53 | | _ |
| | | | | | \$ 3.13 | | \$ 1.37 | | \$ 0.60 | | \$ 1.94 | | - |

PGE

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Tables for:

Puget Sound Energy

WP-07-FS-BPA-13B Page 181 of 484

| | | BON | NEVILLI | E POWE | R AI | DMINISTRAT | TION | | | |
|---|------------------|-------------|---------------|------------|---------|--------------------------|---------------------------|-------------------|----|-----------------------------------|
| | 1 | RESIDE | NTIAL PL | RCHASE | AND | SALES AGREE | EMENT | | | |
| | | | | | | ogy (ASC) Utility | | | | |
| | 20 | | ige System | Cost Meth | ouon | Jgy (ASC) Utility | | | | |
| | UTILITY | | Pı | iget Sound | Ener | rgy, Inc. | | | | |
| End of V | Year Report | | | | 06 | | | | | |
| | ASC Filin | g Date: | | 7-Ma | ay-08 | | Amended 7-8-2008 | | | |
| | | | | | | | Revised Amended 8- | 4-2008 | | |
| | | | TABLE 22 | A: Schedu | le 1: 1 | <u>Plant Investmen</u> t | / Rate Base | | | |
| | FERC I | Form 1 | Function | | | | | | | |
| Account Description | Page | Accoun | Met | | | Total | Production | Transmission | | Distribution/ |
| | Number | Number | Default | Optional | | | | | | Other |
| Intangible Plant: | | | | | | | | | | |
| Intangible Plant - Organization | 204-207 | 301 | DIST | | | 114,202 | - | - | | 114,202 |
| Intangible Plant - Franchises and Consents | 204-207 | 302 | DIRECT | PTD | | 14,250,583 | 13,651,704 | 61,533 | | 537,340 |
| Intangible Plant - Miscellaneous | 204-207 | 303 | DIRECT | DIST | | 15,160,967 | 6,826,300 | 856,364 | | 7,478,302 |
| Total Intangible Plant | | | | | \$ | 29,525,752.00 | \$ 20,478,003.71 | \$ 917,897.09 | \$ | 8,129,849.34 |
| Production Plant: | | | | | | | | | | |
| Steam Production | 204-207 | 310-316 | PROD | | | 816,146,214 | 816,146,214 | | | _ |
| Nuclear Production | 204-207 | 320-325 | PROD | | | 0 | - | | | |
| Hydraulic Production | 204-207 | 330-336 | PROD | | | 164,854,647 | 164,854,647 | - | | |
| Other Production | 204-207 | 340-346 | PROD | | | 728,676,783 | 728,676,783 | | | |
| Total Production Plant | 201207 | 510 510 | TROD | | \$ | 1,709,677,644.00 | \$ 1,709,677,644.00 | s - | \$ | |
| | | | | | Ψ | 1,109,011,011.00 | • 1,709,077,011.00 | Ψ. | Ψ | |
| Transmission Plant: (i) | - | | | 1 | | | | | | |
| Transmission Plant | 204-207 | 350-359 | TRANS | | | 331,209,903 | - | 331,209,903 | | - |
| Total Transmission Plant | | | | | \$ | 331,209,903.00 | \$ - | \$ 331,209,903.00 | \$ | - |
| Distribution Plant: | | | | | | | | | | |
| Distribution Plant | 204-207 | 360-373 | DIST | | | 2,892,330,528 | - | - | | 2,892,330,528 |
| Total Distribution Plant | | | | 1 | \$ | 2,892,330,528.00 | s - | s - | \$ | 2,892,330,528.00 |
| | | | | | | ,, | | | | , ,, |
| General Plant: | - | | | | | | | | | |
| Land and Land Rights | 204-207 | 389 | PTD | | | 6,734,802 | 2,334,042 | 452,166 | | 3,948,594 |
| Structures and Improvements | 204-207 | 390 | PTD | | | 30,937,105 | 10,721,698 | 2,077,077 | | 18,138,329 |
| Furniture and Equipment | 204-207 | 391 | LABOR | | | 34,756,184 | 10,281,539 | 1,470,075 | | 23,004,570 |
| Transportation Equipment | 204-207 | 392 | TD | | | 1,210,860 | - | 124,413 | | 1,086,44′ |
| Stores Equipment | 204-207 | 393 | PTD | | | 1,061,090 | 367,736 | 71,240 | | 622,114 |
| Tools and Garage Equipment | 204-207 | 394 | PTD | | | 5,918,527 | 2,051,151 | 397,362 | | 3,470,014 |
| Laboratory Equipment | 204-207 | 395 | PTD | | | 13,347,330 | 4,625,709 | 896,123 | | 7,825,498 |
| Power Operated Equipment | 204-207 | 396 | TD | | | 1,216,046 | - | 124,945 | | 1,091,10 |
| Communication Equipment | 204-207 | 397 | PTD | | | 41,613,080 | 14,421,611 | 2,793,849 | | 24,397,620 |
| Miscellaneous Equipment | 204-207 | 398 | PTD | | | 449,935 | 155,931 | 30,208 | | 263,790 |
| Other Tangible Property | 204-207 | 399 | DIRECT | PTD | | 0 | - | - | | - |
| Asset Retirement Costs for General Plant | 204-208 | 399.1 | PTD | | | 16,026 | 5,554 | 1,076 | | 9,39 |
| <u>Total General Plant</u> | | | | | \$ | 137,260,985 | \$ 44,964,972 | \$ 8,438,534 | \$ | 83,857,479 |
| Total Electric Plant In-Service | | | | | \$ | 5,100,004,812 | \$ 1,775,120,620 | \$ 340,566,334 | \$ | 2,984,317,856 |
| (Total Intangible + Total Production + Total Transm | ission + Total I | Distributio | n + Total Ger | neral) | | - , - ,,,,,,,,,== | ,,,,•=• | | | , , , , , , , , , , , , , , , , , |

| | | 1 | _ | | | _ | | | |
|---|-----------|---------|-----------|---------------|-----------|-------------------------|---------------------|----------------|---------------|
| | UTILITY | | Pu | iget Sound | | , Inc. | | | |
| End of Yea | | | | | 006 | | | | |
| | ASC Filin | g Date: | | 7 - Ma | ay-08 | | Amended 7-8-2008 | | |
| | | | | | | | Revised Amended 8-4 | -2008 | |
| | | | | | le I: Pla | <u>nt Investmen</u> t / | Rate Base | | |
| | FERC F | 1 | Function | | | | | | |
| Account Description | Page | Accoun | Met | | 4 | Total | Production | Transmission | Distribution/ |
| | Number | yumber | Default | Optional | | | | | Other |
| EGG | | | | | | | | | |
| ESS: | | | | | | | | | |
| epreciation and Amortization Reserve Steam Production Plant | 219 | 108 | PROD | | | 454,497,985 | 454,497,985 | | |
| Nuclear Production Plant | 219 | 108 | PROD | | | 434,497,983 | 434,497,983 | - | |
| Hydraulic Production Plant | 219 | 108 | PROD | | | 119,491,099 | 119,491,099 | | |
| Other Production Plant | 219 | 108 | PROD | | | 125,996,078 | 125,996,078 | | |
| Transmission Plant (i) | 219 | 108 | TRANS | | | 123,295,807 | - | 123,295,807 | |
| Distribution Plant | 219 | 108 | DIST | | | 1,073,299,571 | - | - | 1,073,299 |
| General Plant | 219 | 108 | GP | | | 68,125,305 | 22,316,993 | 4,188,209 | 41,620 |
| Amortization of Intangible Plant - Account 301 | 219 | 111 | DIST | | | 0 | - | - | |
| Amortization of Intangible Plant - Account 302 | 219 | 111 | DIRECT | PTD | | 1,347,416 | 1,022,252 | 33,410 | 291. |
| Amortization of Intangible Plant - Account 303 | 219 | 111 | DIRECT | DIST | | 5,397,587 | 3,253,313 | 220,318 | 1,923 |
| Mining Plant Depreciation | 219 | 108 | PROD | | | | - | - | |
| Amortization of Plant Held for Future Use | 219 | 108 | DIST | | | | - | - | |
| 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 | | | 16,674,463 | 5,056,599 | 1,008,028 | 10,609 |
| Amortization of Other Utility Plant (a) | 200-201 | 108 | DIRECT | DIST | | 119,309,921 | 41,790,839 | 7,857,405 | 69,661 |
| Amortization of Acquisition Adjustments | 200-201 | 115 | DIRECT | | | 35,509,127 | 34,618,339 | 641,589 | 249, |
| | <u> </u> | | D ID D OC | | | | | | |
| epreciation and Amortization Reserve (Other | ;) | | DIRECT | DIRECT | | | - | - | |
| otal Depreciation and Amortization Reserve | | | | | S | 2,142,944,360 | \$ 808,043,496 | \$ 137,244,765 | \$ 1,197,656. |
| otal Depreciation and Amortization Reserve | | | | | 3 | 2,142,944,360 | \$ 808,043,496 | 5 13/,244,765 | 5 1,197,050, |

| | | BON | NEVILLI | E POWE | R ADMINI | STRAT | ION | | |
|---|-------------|------------------|-----------------|------------|----------------|--------------------|---------------------|----------------|----------------|
| | | | | | | | | | |
| | | | | | AND SALES | | | | |
| | 200 |)8 Avera | ige System | Cost Meth | odology (AS | C) Utility | Template | | |
| | UTILITY | | Pı | iget Sound | Energy, Inc. | | 1 | | |
| End of Yea | | | | - | <u>06</u> | , | | | |
| | ASC Filing | | | | | | Amended 7-8-2008 | | |
| | | g Date. | | /-1/10 | ay-00 | | 4 | | |
| | | | | | | | Revised Amended 8-4 | 4-2008 | |
| | | | TABLE 22 | A: Schedu | le 1: Plant In | <u>vestmen</u> t . | / Rate Base | | |
| | FERC F | orm 1 | Function | alization | | | | | |
| Account Description | | Accoun | Met | | Tota | al | Production | Transmission | Distribution/ |
| Trecount Description | Number | | Default | Optional | 100 | | Troutenon | 11411511155101 | Other |
| Assets and Other Debits (Comparative Balance | | unioci | Delault | | | | | | Other |
| in the other Debits (Comparative Datan | , sheer) | | | | | | | | |
| Cash Working Capital (f) | Calculati | on: Auton | natic Input fro | m Sch 1A | 4 | 3,830,436 | 16,732,533 | 7,572,081 | 19,525,822 |
| e i (7 | L | | I | | | , , | | .,, | |
| Utility Plant | | | | | | | | | |
| (Utility Plant) Held For Future Use | 200-201 | 105 | DIST | | | 8,250,089 | - | - | 8,250,089 |
| (Utility Plant) Completed Construction - Not Clas | | 106 | PTD | | | 0 | - | - | - |
| Nuclear Fuel | | 20.1-120 | PROD | | | | - | - | - |
| Construction Work in Progress (CWIP) | 200-201 | Ø 7 & 120 | DIST | | 14 | 8,242,338 | - | - | 148,242,338 |
| Common Plant | 356 & 356.1 | | DIRECT | | | 3,447,445 | 96,395,371 | 18,181,209 | 168,870,865 |
| Acquisition Adjustments (Electric) | 200-201 | 114 | DIRECT | DIST | | 7,871,127 | 76,622,597 | 946,172 | 302,358 |
| Total | | | | | \$ 51 | 7,810,999 | | \$ 19,127,382 | \$ 325,665,650 |
| | | | | | | , , | | | |
| Other Property and Investments | | | | | | | | | |
| Investment in Associated Companies | 110-111 | 123 | DIRECT | DIST | 6 | 5,430,548 | - | - | 65,430,548 |
| Other Investment | 110-111 | 124 | DIST | | 5 | 6,933,008 | - | - | 56,933,008 |
| Long-Term Portion of Derivative Assets | 110-111 | 175 | DIST | | | 0 | - | - | - |
| Long-Term Portion of Derivative Assets - Hedges | 110-111 | 176 | DIST | | | 6,934,092 | - | - | 6,934,092 |
| Total | | | | | \$ 12 | 9,297,648 | s - | \$ - | \$ 129,297,648 |
| | | | | | | | | | |
| Current and Accrued Assets | | | | | | | | | |
| Fuel Stock | 110-111 | 151 | PROD | | | 7,556,054 | 7,556,054 | - | - |
| Fuel Stock Expenses Undistributed | 110-111 | 152 | PROD | | | 0 | - | - | - |
| Plant Materials and Operating Supplies | 110-111 | 154 | PTD | | 4 | 1,499,686 | 14,382,313 | 2,786,235 | 24,331,138 |
| 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 | | | 2,001,197 | 693,544 | 134,358 | 1,173,296 |
| Prepayments | 110-111 | 165 | PTD | | | 8,637,405 | 2,993,417 | 579,904 | 5,064,084 |
| Derivative Instrument Assets | 110-111 | 175 | DIST | | | 897,436 | - | - | 897,436 |
| (Less) Long-Term Portion of Derivative Assets | 110-112 | 175 | DIST | | | 0 | - | - | - |
| Derivative Instrument Assets - Hedges | 110-111 | 176 | DIST | | 2 | 2,862,757 | - | - | 22,862,757 |
| (Less) Long-Term Portion of Derivative Assets - | 110-112 | 176 | DIST | | | 6,934,092 | - | - | 6,934,092 |
| Total | | | | | \$ 7 | 6,520,443 | \$ 25,625,327 | \$ 3,500,497 | \$ 47,394,618 |
| | | | | | | | | · | |

| | | | | | | LES AGREE (ASC) Utility | | | |
|---|-------------------------------------|---------|-----------------------------|--------|--------------|----------------------------|---|---------------|------------------------|
| End of Yea | UTILITY r Report I ASC Filing | Period: | | 7-M | 006 ay-08 | Inc. | Amended 7-8-2008 Revised Amended 8-4 / <i>Rate Base</i> | I-2008 | |
| Account Description | FERC F Page Number | Accoun | Function: Met Default | | | Fotal | Production | Transmission | Distribution/ Other |
| rred Debits | | | | | | | | | |
| Unamortized Debt Expenses | 110-111 | 181 | PTDG | | | 23,026,925 | 8,014,810 | 1,537,684 | 13,474 |
| Extraordinary Property Losses | 110-111 | 182.1 | DIRECT | DIST | | 101,121,230 | - | 4,145,984 | 96,975 |
| Unrecovered Plant and Regulatory Study Costs | 110-111 | 182.2 | DIRECT | DIST | | 43,391,364 | 43,391,364 | - | |
| Other Regulatory Assets | 110-111 | 182.3 | DIRECT | DIST | | 500,341,523 | 247,155,827 | 10,944,321 | 242,241 |
| Preliminary Survey and Investigation Charges (El | 110-111 | 183 | DIST | | | 657,177 | - | - | 657 |
| Preliminary Natural Gas Survey and Investigation | 110-111 | 183.1 | DIST | | | 0 | - | - | |
| Other Preliminary Survey and Investigation Charg | 110-111 | 183.2 | DIST | | | 0 | - | - | |
| Clearing Accounts | 110-111 | 184 | DIST | | | 0 | - | - | |
| Temporary Facilities | 110-111 | 185 | PTDG | | | (231,994) | (80,748) | (15,492) | (135 |
| Miscellaneous Deferred Debits | 110-111 | 186 | DIRECT | DIST | | 89,181,974 | 38,411,622 | 4,311,081 | 46,459 |
| Deferred Losses from Disposition of Utility Plant | 110-111 | 187 | DIRECT | DIRECT | | 1,870,213 | 772,882 | 149,728 | 947 |
| Research, Development, and Demonstration Expe | 110-111 | 188 | DIST | | | 0 | - | - | |
| Unamortized Loss on Reacquired Debt | 110-111 | 189 | PTDG | | | 21,266,360 | 7,402,023 | 1,420,118 | 12,444 |
| Accumulated Deferred Income Taxes | 110-111 | 190 | DIST | | | 161,904,008 | - | - | 161,904 |
| Total | | | | | \$ | 942,528,781 | \$ 345,067,781 | \$ 22,493,423 | \$ 574,967 |

| End of Yea | UTILITY r Report I ASC Filing | Period: g Date: | d: 2006 | | | | | | | | | |
|--|-------------------------------------|--------------------|----------------------------|--------|------------------|---------------------------------------|----------------------|-----------------------|--|--|--|--|
| Account Description | FERC F Page Number | Accoun | Function Met Default | hod | Total | Production | Transmission | Distribution Other | | | | |
| lities and Other Credits (Comparative Ba | | | | | | - | | | | | | |
| CURRENT AND ACCRUED LIABILITIES | | | | | | | | | | | | |
| Derivative Instrument Liabilities | 112-113 | 244 | DIST | | 917,995 | - | - | 91 | | | | |
| (less) Long-Term Portion of Derivative Instrumer | 112-114 | 244 | DIST | | 0 | | - | | | | | |
| Derivative Instrument Liabilities - Hedges | 112-115 | 245 | DIST | | 70,092,060 | - | - | 70,09 | | | | |
| (less) Long-Term Portion of Derivative Instrumer | 112-114 | 245 | DIST | | 0 | | - | | | | | |
| Total | | | | | \$ 71,010,055 | \$ - | \$ - | \$ 71,01 | | | | |
| DEFERRED CREDITS | 112-113 | 252 | DIST | | 79,267,139 | | 1 | 79,26 | | | | |
| | 112-113 | 252 | | DIST | 83.627.599 | 27.538.363 | - | | | | | |
| Other Deferred Credits Other Regulatory Liabilities | 112-113 | 253 | DIRECT DIRECT | DIST | 83,627,599 | 27,538,363 | 5,100,168 548,890 | 50,98 3,06 | | | | |
| Accumulated Deferred Investment Tax Credits | 112-113 | 254 | DIRECT | 0151 | 79,267,139 | · · · | | 3,00 79,26 | | | | |
| Deferred Gains from Disposition of Utility Plant | 112-113 | 255 | DIST | DIRECT | 2,951,835 | | 197,902 | 1,72 | | | | |
| Unamortized Gain on Reacquired Debt | 112-113 | 250 | PTDG | DIRECT | 494,072 | 171,968 | 32,993 | 28 | | | | |
| ÷ | 112-113 | 281 | DIST | | | · · · · · · · · · · · · · · · · · · · | - | 20 | | | | |
| Accumulated Deterred Income Taxes-Accel Amd | 112-113 | 281 | DIST | | 611,456,563 | | | 611,45 | | | | |
| Accumulated Deferred Income Taxes-Accel. Amc Accumulated Deferred Income Taxes-Property | | | DIST | | 296,532,901 | _ | - | 296,53 | | | | |
| Accumulated Deferred Income Taxes-Property | | 283 | D151 | | | | | => 0,05 | | | | |
| | 112-113 | 283 | DIST | | \$ 1,168,598,766 | \$ 40,118,881 | \$ 5,879,953 | \$ 1,122,59 | | | | |

| UTILITY NAME: End of Year Report Period: ASC Filing Date: | | Sound Energy, 31-Dec-06 7-May-08 | Inc. | Amended 7-8-2008 |
|---|-------------------|--|---------------|-------------------------|
| | nedule 1A: Cash W | · · · | Ø | Revised Amended 8-4-200 |
| Account Description | Total | Production | Transmission | Distribution/ Other |
| ash Working Capital Calculation: | | | | |
| Total Production O&M | 1,144,649,017 | 1,144,649,017 | - | - |
| Total Transmission O&M (i) | 57,969,332 | - | 57,969,332 | - |
| Total Distribution O&M | 65,438,100 | - | - | 65,438,10 |
| Total Customer & Sales | 71,732,129 | 30,809,083 | - | 40,923,04 |
| Total Administrative and General O&M | 70,097,636 | 17,644,889 | 2,607,319 | 49,845,42 |
| Less Purchased Power, Public Purpose Charge, REP Reversal, Fuel Costs | 1,059,242,723 | 1,059,242,723 | - | - |
| evised Total O&M Expenses | \$ 350,643,491 | \$ 133,860,267 | \$ 60,576,651 | \$ 156,206,57 |

| | | BONNE | VILLE POW | ER ADMINISTRA | TION | | |
|--|---|---|---|---|---------------|-----------------------------------|-------------------------------|
| | | | | SE AND SALE AGRE e System Cost Method | | | |
| | End of Year | UTILITY NAME Report Period SC Filing Date | : | Puget Sound Energy 31-Dec-06 7-May-08 | | Amended 7-8-2008 | |
| | TABLE 22C: Sch | edule 2: Capito | al Structure and | <u>Rate</u> of Return (b) | | Revised Am | ended 8-4-2008 |
| | SUMMARY (for | use by ASC For | ecast Model) | | | | |
| Single-Jurisdi | ction Investor-Owned | Utility Return | Calculation: | 10.866% | | | |
| Multi-Jurisdi | ction Investor-Owned | Utility Return | Calculation: | | | | |
| | Consumer-Owned | Utility Return | Calculation: | | | | |
| | | Rat | e of Return : | 10.866% | | | |
| Single Indi | distion Investor Oran | J H484 Dates | m Calculation | | | | |
| Single-Juris | diction Investor-Owne | a Utility Retui | rn Calculation | | | | |
| Note: Multi-jurisdictional utilitie. | s must begin on Page 2 | | | | | | |
| Publicly-owned utilities mus | t begin on Page 4 | | T. CC | ation Cont | | | |
| Publicly-owned utilities mus | t begin on Page 4 Capitalization | | | ective Cost Weighted | | | |
| Publicly-owned utilities mus | t begin on Page 4 | Structure Percent 56.0% | Embedded | ective Cost Weighted 3.820% | | | |
| Publicly-owned utilities mus | t begin on Page 4 Capitalization Amount | Percent | Embedded | Weighted | | | |
| | Capitalization Amount \$ | Percent 56.0% | Embedded 6.83% | Weighted 3.820% | | | |
| Publicly-owned utilities mus Component Debt referred Equity Common Equity | Capitalization Amount \$ 56.0 \$ 0.1 \$ 44.0 \$ 100.0 | Percent 56.0% 0.1% 44.0% 100.000% | Embedded 6.83% 7.61% 10.40% 35% | Weighted 3.820% 0.004% 4.576% | | | |
| Publicly-owned utilities mus Component Debt referred Equity Common Equity Weighted Cost of Capital Step 2: Gross Up Equity Return f Federal Income Tax Rate (Curro Sederal Income Tax Factor | Capitalization Capitalization Amount \$ | Percent 56.0% 0.1% 44.0% 100.000% ces | Embedded 6.83% 7.61% 10.40% 35% | Weighted 3.820% 0.004% 4.576% 8.400% | | | |
| Publicly-owned utilities mus | Capitalization Amount \$ 56.0 \$ 0.1 \$ 44.0 \$ 100.0 For Federal Income Tax ently 35%) (Total Capital))} * {(Federal Cost of Capital come Tax Factor) | Percent 56.0% 0.1% 44.0% 100.000% ces | Embedded 6.83% 7.61% 10.40% 35% | Weighted 3.820% 0.004% 4.576% 8.400% 2.466% | Duradu sti su | Transmission | |
| Publicly-owned utilities mus | Capitalization Amount \$ 56.0 \$ 0.1 \$ 44.0 \$ 100.0 For Federal Income Tax ently 35%) (Total Capital))} * {(Federal Cost of Capital come Tax Factor) | Percent 56.0% 0.1% 44.0% 100.000% ces | Embedded 6.83% 7.61% 10.40% 35% | Weighted 3.820% 0.004% 4.576% 8.400% 2.466% 10.866% | Production | Transmission \$ 250,135,000 \$ | Other 1 689 903 (|
| Publicly-owned utilities mus | Capitalization Amount \$ 56.0 \$ 0.1 \$ 0. | Percent 56.0% 0.1% 44.0% 100.000% ces | Embedded 6.83% 7.61% 10.40% 35% | Weighted 3.820% 0.004% 4.576% 8.400% 2.466% 10.866% | | | Other 1,689,903,0 10.86 |

WP-07-FS-BPA-13B Page 188 of 484

| | | RESIDENT Propose UTILITY NAME: r Report Period: ASC Filing Date: | TAL PURCH | WER ADMINISTE HASE AND SALE AGI rage System Cost Metho Puget Sound Ener 31-Dec-06 7-May-08 nd Rate of Return (b) | REEMENT odology gy, Inc. | Amended 7-8-2008 Revised A | smended 8-4-2008 |
|--|-----------------------|--|---------------------------|--|--------------------------------|-------------------------------|------------------|
| Multi-Juri | sdiction Investor-Own | ed Utility Return | n Calculatior | 1 |] | | |
| Step 1: Weighted Cost of Capital from I | Most Recent State Con | nmission Rate O | rder in Juris | diction 1 | 1 | 5.00 11 | |
| Comment | Capitalization | 1 | | Effective Cost | Jurisdictional | Effectiv | |
| Component | Amount | Percent | Embedded | Weighted | Allocation | weighted St | ate Allocation |
| Debt Preferred Equity | | | | | 0 | | |
| Common Equity | | | | | - | | |
| Weighted Cost of Capital | s - | | | | - | | |
| Weighted Cost of Capital from I Component | Most Recent State Con | nmission Rate O | rder in Juris Embedded | diction 2 Weighted | 1 | | |
| Debt | | | | | 0 | | |
| Preferred Equity | | | | | | | |
| Common Equity | | | | | | | |
| Weighted Cost of Capital | s - | | | | | | |
| Weighted Cost of Capital from I | | | | | - | | |
| Component | Amount | Percent | Embedded | Weighted | | | |
| Debt | | | | | 0 | | |
| Preferred Equity | | | | | 4 | | |
| Common Equity | | | | | | | |
| Weighted Cost of Capital | \$ - | | | | J | | |
| Jurisdiction | Rate Base | Weighted cost | % | Weighted Return | 1 | | |
| | | | | | 4 | | |
| | | | | | 4 | | |
| | | | | | | | |
| Total | | | | | | | |
| | | | | | | | |

| BONNEVILLE | POWER ADMINISTR | ATION | | |
|---|---------------------------------|------------------|------------------|------------------|
| RESIDENTIAL PUR | RCHASE AND SALE AGR | REEMENT | | |
| Proposed 2008 A | verage System Cost Metho | odology | | |
| UTILITY NAME: | Puget Sound Energy | gy, Inc. | | |
| End of Year Report Period: | 31-Dec-06 | | | |
| ASC Filing Date: | 7-May-08 | | Amended 7-8-2008 | |
| <u>TABLE 22C: Schedule 2: Capital Structur</u> | <u>e and Rate</u> of Return (b) | | Revised A | mended 8-4-2008 |
| | | I | | |
| Multi-Jurisdiction Investor-Owned Utility Return Calculation (a | 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 Ra | ate)} | | | |
| 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 | \$ 3,427,439,939 | \$ 1,487,401,852 | \$ 250,135,000 | \$ 1,689,903,082 |
| 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) | | | | |
| Tour fune Dase Treactur meome fux migaseu rreigneu Cost of Cuphul) | | | | |

| | | RESIDENT | IAL PURC | WER ADMINISTR HASE AND SALE AGR rage System Cost Metho | REEMENT | | |
|----------------------------------|-----------------------|---|----------|---|-------------------|-------------------------------|------------------|
| | End of Yea | UTILITY NAME: r Report Period: ASC Filing Date: | | Puget Sound Energ 31-Dec-06 7-May-08 nd Rate of Return (b) | | Amended 7-8-2008 Revised A | .mended 8-4-2008 |
| C | onsumer-Owned Utility | v Return Calcula | tion | | | | |
| Step 1: Weighted Cost of Debt | | | | | | | |
| | Original | Year | Year | Interest | Interest | 1 | |
| Debt Issue | Amount | Issued | Due | Rate | Expense | | |
| | | | | | \$ - | | |
| | | | | | <u>s</u> - | | |
| | | | | | <u>s</u> - | | |
| | | | | | \$ - | | |
| | | | | | \$ - | | |
| | | | | | <u>\$</u> | | |
| Weighted Cost of Debt | s - | | | | <u>s</u> - s - | | |
| Step 2: Calculate Return on Rate | | | | Total | Production | Transmission | Other |
| Total Rate Base from Schedule 1 | | | | \$ 3,427,439,939 | \$ 1,487,401,852 | | \$ 1,689,903,082 |
| Weighted Cost of Debt | | | | | | | |
| Return on Rate Base | | | | | | | |

| | | 1 | _ | | | 1 | | | | | |
|---|--------------------|--------------------|----------------|-----------------------|---------------------|-------------------|------------------------|--------------|--|--|--|
| | | ITY NAME: | Puş | get Sound Er | | | | | | | |
| | End of Year Rep | | | 31-Dec- | | | | | | | |
| | ASC | Filing Date: | | 7-May- | 08 | Amended 7-8-2008 | 4.0000 | | | | |
| | | TAE | BLE 22D: S | <u>chedul</u> e 3: E. | xpenses | Revised Amended 8 | -4-2008 | | | | |
| | Fo | rm 1 | | alization | • | | | | | | |
| Account Description | Page | Account | | thod | Total | Production | Transmission | Distribution | | | |
| | Number | Numbers | - | Optional | | | | Other | | | |
| wer Production Expenses: | | | | | | · · · · · · | | | | | |
| Steam Power Generation | | | | | | | | | | | |
| Steam Power - Fuel | 320-323 | 501 | PROD | | 50,018,163 | 50,018,163 | - | | | | |
| Steam Power - Operations (Excluding 501 - Fuel) | 320-323 | 500-509 | PROD | | 12,178,423 | 12,178,423 | - | | | | |
| Steam Power - Maintenance | 320-323 | 510-515 | PROD | | 19,991,699 | 19,991,699 | - | | | | |
| 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 | PROD | | 4,112,341 | 4,112,341 | - | | | | |
| Hydraulic - Maintenance | 320-323 | 541-545 | PROD | | 3,776,501 | 3,776,501 | - | | | | |
| Other Power Generation | | | | | | | | | | | |
| Other Power - Fuel | 320-323 | 547 | PROD | | 47,301,858 | 47,301,858 | - | | | | |
| Other Power - Operations (Excluding 547 - Fuel) | 320-323 | 546-550 | PROD | | 16,574,506 | 16,574,506 | - | | | | |
| Other Power - Maintenance | 320-323 | 551-554 | PROD | | 8,418,999 | 8,418,999 | - | | | | |
| Other Power Supply Expenses | | | | | | | | | | | |
| Purchased Power (Excluding REP Reversal) | 320-323 | 555 | PROD | | 961,922,702 | 961,922,702 | - | | | | |
| System Control and Load Dispatching | 320-323 | 556 | PROD | | 815,816 | 815,816 | - | | | | |
| Other Expenses | 320-323 | 557 | PROD | | 19,538,009 | 19,538,009 | - | | | | |
| BPA REP Reversal | 327 | 555 | PROD | | 0 | - | - | | | | |
| Public Purpose Charges (h) | | | DIRECT | | | - | - | | | | |
| tal Production Expense | | | | | \$ 1,144,649,017 | \$ 1,144,649,017 | \$ - | \$ | | | |
| | | | | | | | | | | | |
| ransmission Expenses: (i) | 320-323 | 565 | TDANC | | 52 6 60 72 6 | | 52 ((0.72) | | | | |
| Transmission of Electricity by Others (Wheeling) | | 565 | TRANS | | 52,660,736 | - | 52,660,736 | | | | |
| Total Operations less Wheeling Total Maintenance | 320-323 320-323 | 560-567 568-573 | TRANS TRANS | | 2,541,280 2,767,316 | - | 2,541,280 2,767,316 | | | | |
| tal Transmission Expense | 320-323 | 300-373 | INANS | | \$ 57,969,332 | - | \$ 57,969,332 | \$ | | | |

| | | EVILLE P TIAL PUR | | | | | | | | | | |
|---|----------------------------------|----------------------|-------------------|-----------------------|-------|------------------------|------------------------|--------------------|----------------|--|--|--|
| | | sed 2008 Av | | | - | | | | | | | |
| | UTIL | ITY NAME: | Pu | get Sound E | nerg | y, Inc. | | | | | | |
| | End of Year Rep | oort Period: | | 31-Dec | | | 1 | | | | | |
| | ASC | Filing Date: | | 7-May | -08 | | Amended 7-8-2008 | | | | | |
| | | 9 | | | | | Revised Amended | 8-4-2008 | | | | |
| | | <u>TAI</u> | <u>BLE 22D: S</u> | <u>Cchedul</u> e 3: I | Ехрег | ises | | | | | | |
| | Fo | rm 1 | Function | nalization | | | | | | | | |
| Account Description | Page | Account | Me | ethod | | Total | Production | Transmission | Distribution | | | |
| | Number | Numbers | Default | Optional | I I | | | | Other | | | |
| Distribution Expense: | | | | | | | | | | | | |
| Total Operations | 320-323 | 580-589 | DIST | | | 19,484,024 | - | - | 19,484, | | | |
| Total Maintenance | 320-323 | 590-598 | DIST | | | 45,954,076 | - | - | 45,954, | | | |
| Fotal Distribution Expense | | | | | \$ | 65,438,100 | s - | s - | \$ 65,438, | | | |
| Customer and Sales Expenses: | | - | | | | | | | | | | |
| Total Customer Accounts | 320-323 | 901-905 | DIST | | | 35,267,225 | - | - | 35,267 | | | |
| Customer Service and Information | 320-323 | 906-907 | DIST | | | 0 | - | - | | | | |
| Customer Assistance Expenses (Major only) | 320-323 | 908 | DIRECT | | | 35,272,099 | 30,809,083 | - | 4,463 | | | |
| Customer Service and Information | 320-323 | 909-910 | DIST | | | 636,810 | - | - | 636 | | | |
| Total Sales Expense | 320-323 | 911-917 | DIST | | | 555,995 | - | - | 555. | | | |
| Total Customer and Sales Expenses | | | | | \$ | 71,732,129 | \$ 30,809,083 | S - | \$ 40,923, | | | |
| | | | | | | | | | | | | |
| Administration and General Expense: | | | | | | | | | | | | |
| Operation | 200,000 | 0.20 | LIDOD | 1 | | 12 241 645 | 2.017.120 | 5 (0.070 | 0.74 | | | |
| Administration and General Salaries | 320-323 | 920 | LABOR | | | 13,241,645 | 3,917,130 | 560,079 | 8,764, | | | |
| Office Supplies & Expenses | 320-323 | 921 | LABOR | | | 15,215,027 | 4,500,894 | 643,547 | 10,070, | | | |
| (Less) Administration Expenses Transferred - Credit | <u>320-323</u> <u>320-323</u> | 922 923 | LABOR | | | 108,476 | 32,089 | 4,588 | 71 | | | |
| Outside Services Employed | | 923 | LABOR PTDG | | | 5,292,007 | 1,565,476 | 223,835 | 3,502 | | | |
| Property Insurance Injuries and Damages | <u>320-323</u> <u>320-323</u> | 924 | LABOR | | | 2,580,565 4,632,927 | 898,198 1,370,508 | 172,324 195,958 | 1,510 3,066 | | | |
| Employee Pensions & Benefits | 320-323 | 925 | LABOR | | | 4,632,927 | 4,301,785 | 615,078 | 9,625 | | | |
| Franchise Requirements | 320-323 | 926 | DIST | | | 14,541,949 | 4,301,785 | | 9,025 | | | |
| Regulatory Commission Expenses | 320-323 | 927 | DIST | | | 6,087,900 | - | - | 6,087 | | | |
| (Less) Duplicate Charges - Credit | 320-323 | 928 | PTDG | | | 0,087,900 | - | - | 0,087 | | | |
| General Advertising Expenses | 320-323 | 930.1 | DIRECT | DIST | | 0 | - | - | | | | |
| Miscellaneous General Expenses | 320-323 | 930.2 | DIKECI | | | 2,560,020 | - | | 2,560 | | | |
| Rents | 320-323 | 931 | DIST | | | 2,653,105 | | | 2,653 | | | |
| Transportation Expenses (Non Major) | 320-323 | 933 | DIST | | | 2,000,100 | | | 2,000 | | | |
| Maintenance | 520 524 | ,55 | 0101 | 1 | | | | | | | | |
| Maintenance of General Plant | 320-323 | 935 | GPM | | | 3,400,967 | 1,122,988 | 201,086 | 2,076 | | | |
| Fotal Administration and General Expenses | 520 525 | , | 01.11 | | \$ | 70,097,636 | | · · · · · · | \$ 49,845, | | | |

| | | ITY NAME: | D | at Canad E | | m. Inc. | | | | |
|---|--|--------------------------|--------------------------------------|-----------------------|------|---|---------------------------------------|---|------------------------|--------------------------|
| - | nd of Year Rep | | Puş | get Sound E 31-Dec | | gy, Inc. | | | | |
| E | | Filing Date: | | 7-May | | | Amended 7-8-2008 | | | |
| | AUC | ning bate. | | 7-1 11a y | -00 | | Revised Amended | | | |
| | | TAE | <u>BLE 22D: S</u> | <u>chedul</u> e 3: E | Expe | enses | | | | |
| | For | rm 1 | Function | alization | | | | | | |
| Account Description | Page | Account | Me | thod | | Total | Production | Transmission | Distribution/ Other | |
| | Number | Numbers | Default | Optional | | | | | | |
| Fotal Operations and Maintenance | | | | | \$ | 1,409,886,214 | \$ 1,193,102,990 | \$ 60,576,651 | \$ | 156,206,57 |
| <i>Total Expenses: Production</i> + <i>Transmission</i> + <i>Distribution</i> + <i>Customer</i> | and Sales +Total | Administration | and General I | Expenses) | 163 | ,622,427 | | | | |
| Depreciation and Amortization: | | | | 1 | | | | | | |
| Amortization of Intangible Plant - Account 301 | 336 | 404 | DIST | | | 0 | - | - | | |
| Amortization of Intangible Plant - Account 302 | 336 | 404 | DIRECT | PTD | | 59,386 | 20,581 | 3,987 | | 34,81 |
| Amortization of Intangible Plant - Account 303 | 336 | 404 | DIRECT | DIST | | 1,906,918 | 795,459 | 87,568 | | 1,023,89 |
| Steam Production Plant | 336 | 403 | PROD | | | 22,420,574 | 22,420,574 | - | | - |
| Nuclear Production Plant | 336 | 403 | PROD | | | 0 | - | - | | - |
| Hydraulic Production Plant - Conventional | 336 | 403 | PROD | | | 11,167,925 | 11,167,925 | - | | - |
| Hydraulic Production Plant - Pumped Storage | 336 | 403 | PROD | | | 0 | - | - | | - |
| Other Production Plant | 336 | 403 | PROD | | | 13,939,992 | 13,939,992 | - | | - |
| | 336 | 403 | TRANS | | | 7,546,998 | - | 7,546,998 | | - |
| Transmission Plant (i) | 336 | 403 | DIST | | | 78,846,577 | - | - | | 78,846,57 |
| Distribution Plant | | | | | | 6,410,063 | 2,099,856 | 394,078 | | 3,916,12 |
| Distribution Plant General Plant | 336 | 403 | GP | | | | | | | 2,563,48 |
| Distribution Plant General Plant Common Plant - Electric | 336 336 | 403 | DIRECT | | | 4,168,361 | 1,348,616 | 256,263 | | |
| Distribution Plant General Plant Common Plant - Electric Common Plant - Electric | 336 336 336 | 403 404 | DIRECT DIRECT | | | 4,168,361 20,273,238 | 7,087,471 | 1,054,382 | | 12,131,38 |
| Distribution Plant General Plant Common Plant - Electric Common Plant - Electric Depreciation Expense for Asset Retirement Costs | 336 336 336 336 | 403 404 403 | DIRECT DIRECT DIRECT | DIRECT | | 4,168,361 20,273,238 531,927 | · · · · | 1,054,382 34,907 | | 12,131,38 424,77 |
| Distribution Plant General Plant Common Plant - Electric Common Plant - Electric Depreciation Expense for Asset Retirement Costs Amortization of Limited Term Electric Plant | 336 336 336 336 336 336 | 403 404 403 404 | DIRECT DIRECT DIRECT DIRECT | DIRECT | | 4,168,361 20,273,238 531,927 426,598 | 7,087,471 72,243 - | 1,054,382 34,907 426,598 | | 12,131,38 424,77 - |
| Distribution Plant General Plant Common Plant - Electric Common Plant - Electric Depreciation Expense for Asset Retirement Costs | 336 336 336 336 | 403 404 403 | DIRECT DIRECT DIRECT | | 5 | 4,168,361 20,273,238 531,927 | 7,087,471 72,243 - 4,905,412 | 1,054,382 34,907 426,598 278,598 | <u> </u> | 12,131,38 |

| Б | ONNEV | LLE PO | WER AD | MIN | ISTRATI | ON | | | |
|---|------------------------|------------------------------|----------------------|-------|--------------------------|---|--------------|------|-----------------------|
| RE | SIDENTIA | L PURCH | ASE AND | SAL | E AGREEN | IENT | | | |
| | Proposed | 2008 Avera | ige System (| Cost | Methodolo | gy | | | |
| | UTILI | TY NAME: | Pug | ret S | ound Energ | v. Inc. | 1 | | |
| End of | Year Repo | - | | · | 31-Dec-06 | ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,, | | | |
| | | ling Date: | | | 7-May-08 | | Amended 7-8 | -200 | 8 |
| | | - | | | | | Revised Ame | nde | d 8-4-2008 |
| | TABLE 22 | <u>E: Schedule</u> | e 3A Items: | Taxe | es (Includin) | <u>z I</u> ncome Taxo | es) | | |
| Account Description | FERC Page Number | Form 1 Account Numbers | Funct. Method | | Total | Production | Transmission | n D | Distribution Other |
| FEDERAL | | | | | | | | | |
| Income Tax (Included on Schedule 2) | 262 | 409.1 | DIST | | 0 | - | - | | - |
| Employment Tax | 262 | 408.1 | LABOR | | 6,792,178 | 2,009,255 | 5 287,287 | 7 | 4,495,63 |
| Other Federal Taxes | 262 | 408.1 | DIST | | 0 | - | - | | - |
| FOTAL FEDERAL | | | | \$ | 6,792,178 | \$ 2,009,255 | 5 \$ 287,287 | 7 \$ | 4,495,63 |
| STATE AND OTHER | | | | | | | | | |
| Property | 262 | 408.1 | PTDG | | 20,431,184 | 7,111,330 | 1,364,346 | 5 | 11,955,50 |
| TT | 262 | 408.1 | LABOR | | | - | - | | - |
| Unemployment | | | | | | | | | 64,010,06 |
| State Income, B&O, et. | 262 | 409.1 | DIST | | 64,010,061 | - | - | | |
| | 262 262 | 409.1 408.1 | DIST DIST | | 64,010,061 | - | - | | - |
| State Income, B&O, et. | | | | | 64,010,061 | | | | |
| State Income, B&O, et. Franchise Fees | 262 | 408.1 | DIST | | 64,010,061 54,092,045 | - | - | | - |
| State Income, B&O, et. Franchise Fees Regulatory Commission | 262 262 | 408.1 408.1 | DIST DIST | | | - | - | | - - 54,092,04 |
| State Income, B&O, et. Franchise Fees Regulatory Commission City/Municipal | 262 262 262 | 408.1 408.1 408.1 | DIST DIST DIST | 5 | 54,092,045 | - | - - - | 5 \$ | - |

| | UTILITY NAME:Puget Sound Energy, Inc.End of Year Report Period:31-Dec-06ASC Filing Date:7-May-08TABLE 22F: Schedule 3B Other Included Items | | | | | | Amended 7-8-2008 Revised Amended 8-4-2008 | | | | | | |
|---|---|-------------------|-----------------|----------|----|--------------|--|-------------|------------------|------------------|--|--|--|
| Account Description | FERC Page | Form 1 Account | Function Met | | | | | | | Distribution | | | |
| | Number | Numbers | Default | Optional | | Total | Production | | Transmission | Other | | | |
| Other Included Items: | | | | | | | | | | | | | |
| Regulatory Credits | 114 | 407.4 | DIRECT | DIST | | - | | - | - | | | | |
| (Less) Regulatory Debits | 114 | 407.3 | DIRECT | DIST | | - | | - | - | | | | |
| Gain from Disposition of Utility Plant | 114 | 411.6 | DIRECT | DIST | | 969,412 | | 335,964 | 65,085 | 568, | | | |
| (Less) Loss from Disposition of Utility Plant | 114 | 411.7 | DIRECT | DIST | | (376,588) | | (130,512) | (25,284) | (220, | | | |
| Gain from Disposition of Allowances | 114 | 411.8 | PROD | | | 411,056 | | 411,056 | - | | | | |
| (Less) Loss from Disposition of Allowances | 114 | 411.9 | PROD | | | - | | - | - | | | | |
| Miscellaneous Nonoperating Income | 114 | 421 | PROD | PROD | | 3,889,163 | | 3,889,163 | - | | | | |
| Fotal Other Included Items | | | | | \$ | 5,646,219 | \$ | 4,766,695 | \$ 90,369 | \$ 789 ,1 | | | |
| | | | | | | | | | | | | | |
| Sales for Resale: | | | | | | | | | | | | | |
| Sales for Resale | 310 | 447 | PROD | | | 202,397,803 | | 202,397,803 | - | | | | |
| Total Sales for Resale | | | | | \$ | 202,397,803 | \$ | 202,397,803 | \$ - | \$ | | | |
| | | | | | | | | | | | | | |
| Other Revenues: | | , | | | | | | | | | | | |
| Forfeited Discounts | 300 | 450 | DIST | | | 2,857,384 | | - | - | 2,857, | | | |
| Miscellaneous Service Revenues | 300 | 451 | DIST | | | 12,159,569 | | - | - | 12,159, | | | |
| Sales of Water and Water Power Rent from Electric Property | <u> </u> | 453 454 | PROD TD | | | - 11,031,178 | | - | - 1,133,423 | 9,897, | | | |
| Interdepartmental Rents | 300 | 454 | DIST | | | 11,031,178 | | - | 1,155,425 | 9,897, | | | |
| Other Electric Revenues | 300 | 455 | DIRECT | PROD | | 19.606.394 | | 16,710,647 | 2,418,113 | 477. | | | |
| Revenues from Transmission of Electricity of Others (i) | 330 | 456.1 | TRANS | TROD | | 9,920,949 | | - | 9,920,949 | | | | |
| | | | | | | , , | | | , , | | | | |
| Sotal Other Revenues | | | | | \$ | 55,575,474 | \$ | 16,710,647 | \$ 13,472,485 | \$ 25,392, | | | |
| | | | | | | | | | | | | | |
| Fotal Other Included Items | | | | | \$ | 263,619,496 | \$ | 223,875,145 | \$ 13,562,854 | \$ 26,181, | | | |

| ed 2008 | 8 Average System | n Co | st Methodology | | | | |
|-------------|-------------------------|---|--|---|--|--|---|
| | ¥ | | | | | | |
| | | | | Am | ended 7-8-2008 | | |
| | | | | Rev | vised Amended 8-4 | -200 | 8 |
| <u>TABI</u> | <u>LE 22G: Schedule</u> | e 4: . | <u>Averag</u> e System Co | ost | | | |
| | | | | | | | |
| | Total | | Production | | Transmission | | stribution/Othe |
| \$ | 1,590,041,662 | \$ | 1,256,961,118 | \$ | 70,660,029 | \$ | 262,420,51 |
| | | | | | | | |
| \$ | 372,430,897 | \$ | 161,623,374 | \$ | 27,180,054 | \$ | 183,627,46 |
| | | | | | | | |
| ¢ | 15(001 101 | ¢ | 0 120 595 | ¢ | 1 (51 (24 | ¢ | 146 200 06 |
| \$ | 150,981,181 | \$ | 9,120,585 | 2 | 1,001,034 | \$ | 146,208,96 |
| | | | | | | | |
| \$ | 263,619,496 | \$ | 223,875,145 | \$ | 13,562,854 | \$ | 26,181,49 |
| | | | | | | | |
| | 1,855,834,244 | \$ | 1,203,829,932 | \$ | 85,928,863 | \$ | 566,075,44 |
| | <i>TAB</i> | Puget Sound 31-Do 7-Ma TABLE 22G: Schedule \$ 1,590,041,662 \$ 372,430,897 \$ 156,981,181 | Puget Sound Ene 31-Dec-00 7-May-08 TABLE 22G: Schedule 4: A \$ 1,590,041,662 \$ 372,430,897 \$ 156,981,181 | Tage Sound Line p), Internation 100 p), Internation 31-Dec-06 7-May-08 TABLE 22G: Schedule 4: Average System Colspan="2">Colspan="2"Colspan="2">Colspan="2"C | Dressing of the second Energy, Inc. 31-Dec-06 7-May-08 Rev TABLE 22G: Schedule 4: Average System Cost Total Production \$ 1,590,041,662 \$ 1,256,961,118 \$ 372,430,897 \$ 161,623,374 \$ \$ 156,981,181 \$ 9,120,585 \$ | Puget Sound Energy, Inc. 31-Dec-06 7-May-08 Amended 7-8-2008 Revised Amended 8-4 TABLE 22G: Schedule 4: Average System Cost Total Production Transmission \$ 1,590,041,662 \$ 1,256,961,118 \$ 70,660,029 \$ 372,430,897 \$ 161,623,374 \$ 27,180,054 \$ 156,981,181 \$ 9,120,585 \$ 1,651,634 | Or Colspan="2">Or Colspan="2"Or Colspan="2"O |

| Proposed 2 | 2008 Average System Cost Methodology |
|--|---|
| UTILITY NAME: End of Year Report Period: ASC Filing Date: | Puget Sound Energy, Inc. 31-Dec-06 7-May-08 Amended 7-8-2008 Revised Amended 8-4-2008 |
| <u>T</u> _ | <u>ABLE 22G: Schedule 4: Averag</u> e System Cost |
| Contract System Cost Production Fransmission Less) New Large Single Load Costs (d) Fotal Contract System Cost | \$ 1,203,829,932 \$ 85,928,863 \$ - \$ 1,289,758,795 |
| Contract System Load (MWh) Fotal Retail Load Less) New Large Single Load Fotal Retail Load (Net of NLSL) (d) Distribution Loss (f) | 21,099,045 0 21,099,045 1,052,842 4,990% |

| BONNEVILLE POWER | ADMINISTRATION | |
|---|-----------------------------------|--------------------------|
| RESIDENTIAL PURCHASE A | ND SALE AGREEMENT | |
| Proposed 2008 Average Syst | | |
| Troposed 2000 Average Syst | tem Cost Methodology | |
| UTILITY NAME: | Puget Sound Energy, Inc. | 1 |
| End of Year Report Period: | 31-Dec-06 | |
| ASC Filing Date: | 7-May-08 | Amended 7-8-2008 |
| ASC Filling Date. | 7-May-08 | |
| | | Revised Amended 8-4-2008 |
| TABLE 22H: Distribution of Salarie | <u>es and Wages (For Labor Re</u> | <u>atio</u> Calculation) |
| | Form 1 | |
| Description | Page | Amount |
| Description | Number | Amount |
| | Number | |
| Electric | | |
| Operation | | |
| Production | 354-355 | 7,404,49 |
| Transmission | 354-355 | 983,52 |
| Distribution | 354-355 | 8,376,3 |
| Customer Accounts | 354-355 | 9,350,89 |
| Customer Service and Information | 354-355 | 1,056,79 |
| Sales | 354-355 | 396,46 15,933,09 |
| Administrative and General | 354-355 | |
| TOTAL Operation | | \$43,501,59 |
| Maintenance | | |
| Production | 354-355 | 2,678,58 |
| Transmission | 354-355 | 294,77 |
| Distribution | 354-355 | 9,467,05 |
| Administrative and General | 354-355 | 730,52 |
| TOTAL Maintenance | | \$13,170,93 |
| | | |
| Operation and Maintenance | | |
| Production (Total of lines 16 and 26) | 354-355 | 10,083,08 |
| Transmission (Total of lines 17 and 27) | 354-355 | 1,278,29 |
| Distribution (Total of lines 18 and 28) | 354-355 | 17,843,30 |
| Customer Accounts (From line 20) | 354-355 | 9,350,89 |
| Customer Service and Information (From line 20) | 354-355 | 1,056,79 |
| Sales (From line 21) | 354-355 | 396,40 |
| Administrative and General (Total of lines 22 and 29) | 354-355 | 16,663,62 |
| TOTAL Operation and Maintenance | | \$56,672,52 |

| | BONNEVILLE POWE RESIDENTIAL PURCHAS Proposed 2008 Average | E AND SALE | AGI | REEMENT | | | | | | |
|----------|---|-------------------------|-------|--------------|-------|------------|--------------------------|------------|----|-------------|
| | UTILITY NAME: | P | ıget | Sound Energy | y, In | ic. | 1 | | | |
| | End of Year Report Period: | | | 31-Dec-06 | | | | | | |
| | ASC Filing Date: | | | 7-May-08 | | | Revised Amended 8-4-2008 | | | |
| | <u>TAB</u> | <u>LE 221</u> : Ratio 1 | Table | ! | | | | | | |
| Labor R | atio Input: | Ratio Used | | Total |] | Production | Tra | nsmission | D | istribution |
| | Production | PROD | \$ | 10,083,085 | \$ | 10,083,085 | \$ | - | \$ | - |
| | Transmission | TRANS | | 1,278,292 | | - | | 1,278,292 | | - |
| | Distribution | DIST | | 17,843,369 | | - | | - | | 17,843,369 |
| | Customer Accounts | DIST | | 9,350,899 | | - | | - | | 9,350,899 |
| | Customer Service and Informational | DIRECT | | 1,056,792 | | 906,705 | | - | | 150,087 |
| | Sales | DIST | | 396,464 | | - | | - | | 396,464 |
| | Administrative & General | PTD | | 16,663,626 | | 5,775,019 | | 1,118,774 | | 9,769,832 |
| Total La | Fotal Labor Labor Ratio | | \$ | 56,672,527 | \$ | 16,764,809 | \$ | 2,397,066 | \$ | 37,510,651 |
| | | | | 100% | | 30% | | 4% | | 66% |
| | | | | | | | . – – | | | |
| GP | General Plant Ratio | Ratio Used | | Total | | Production | | insmission | | istribution |
| | Land and Land Rights | PTD | \$ | 6,734,802 | \$ | 2,334,042 | \$ | 452,166 | \$ | 3,948,594 |
| | Structures and Improvements | PTD | | 30,937,105 | | 10,721,698 | | 2,077,077 | | 18,138,329 |
| | Furniture and Equipment | LABOR | | 34,756,184 | | 10,281,539 | | 1,470,075 | | 23,004,570 |
| | Transportation Equipment | TD | | 1,210,860 | | - | | 124,413 | | 1,086,447 |
| | Stores Equipment | PTD | | 1,061,090 | | 367,736 | | 71,240 | | 622,114 |
| | Tools and Garage Equipment | PTD | | 5,918,527 | | 2,051,151 | | 397,362 | | 3,470,014 |
| | Laboratory Equipment | PTD | | 13,347,330 | | 4,625,709 | | 896,123 | | 7,825,498 |
| | Power Operated Equipment | TD | | 1,216,046 | | - | | 124,945 | | 1,091,101 |
| | Communication Equipment | PTD | | 41,613,080 | | 14,421,611 | | 2,793,849 | | 24,397,620 |
| | Miscellaneous Equipment | PTD | | 449,935 | | 155,931 | | 30,208 | | 263,796 |
| | Other Tangible Property | DIRECT | | - | | - | | - | | - |
| | Asset Retirement Costs for General Plant | PTD | ¢ | 16,026 | ¢ | 5,554 | ¢ | 1,076 | ¢ | 9,396 |
| | TOTAL | | \$ | 137,260,985 | \$ | 44,964,972 | \$ | 8,438,534 | \$ | 83,857,479 |
| | RATIO (GP) | | | 100% | | 33% | | 6% | | 61% |

| | UTILITY NAME | : P I | y, Inc. | | | | | |
|------|--|-------------------------|------------------|------------------|--------------------------|------------------|--|--|
| | End of Year Report Period | | 31-Dec-06 | | 1 | | | |
| | ASC Filing Date | | 7-May-08 | | Revised Amended 8-4-2008 | | | |
| | <u>TAB</u> | <u>LE 221</u> : Ratio 1 | Table | | | | | |
| PTD | Production, Transmission, Distribution Ratio | Ratio Used | Total | Production | Transmission | Distribution | | |
| | Steam Production | PROD | \$ 816,146,214 | \$ 816,146,214 | \$- | \$ - | | |
| | Nuclear Production | PROD | - | - | - | - | | |
| | Hydraulic Production | PROD | 164,854,647 | 164,854,647 | - | - | | |
| | Other Production | PROD | 728,676,783 | 728,676,783 | - | - | | |
| | Total Production Plant | | 1,709,677,644 | 1,709,677,644 | - | - | | |
| | Transmission Plant | TRANS | 331,209,903 | - | 331,209,903 | - | | |
| | Total Distribution Plant | DIST | 2,892,330,528 | - | - | 2,892,330,528 | | |
| | TOTAL | | \$ 4,933,218,075 | \$ 1,709,677,644 | \$ 331,209,903 | \$ 2,892,330,528 | | |
| | PTD Ratio | | 100% | 35% | 7% | 59 % | | |
| PTDG | Production, Transmission, Distribution and General Plant Ratio | Ratio Used | Total | Production | Transmission | Distribution | | |
| 1120 | PTD Total | Tutto Cocu | \$ 4,933,218,075 | \$ 1,709,677,644 | \$ 331,209,903 | \$ 2,892,330,528 | | |
| | Intangible Plant - Organization | DIST | 114,202 | - | - | 114,202 | | |
| | Intangible Plant - Franchises and Consents | DIRECT | 14,250,583 | 13,651,704 | 61,533 | 537,346 | | |
| | Intangible Plant - Miscellaneous | DIRECT | 15,160,967 | 6,826,300 | 856,364 | 7,478,302 | | |
| | General Plant Total | | 137,260,985 | 44,964,972 | 8,438,534 | 83,857,479 | | |
| | TOTAL | | \$ 5,100,004,812 | \$ 1,775,120,620 | \$ 340,566,334 | \$ 2,984,317,850 | | |
| | PTDG RATIO | | 100% | 35% | 7% | 59% | | |
| | | | | | | | | |
| TD | Transmission and Distribution Plant Ratio | Ratio Used | Total | Production | Transmission | Distribution | | |
| | Total Transmission Plant | TRANS | \$ 331,209,903 | \$ - | \$ 331,209,903 | \$ - | | |
| | Total Distribution Plant | DIST | 2,892,330,528 | - | - | 2,892,330,52 | | |
| | TOTAL | | \$ 3,223,540,431 | \$ - | \$ 331,209,903 | \$ 2,892,330,52 | | |
| | TD RATIO | | 100% | 0% | 10% | 909 | | |

| | BONNEVILLE POWE RESIDENTIAL PURCHAS Proposed 2008 Average S | E AND SALE | AGREEMENT | | | | |
|-----|---|--------------------------|------------------|---------------|--------------------------|---------------|--|
| | UTILITY NAME: | P | uget Sound Energ | | | | |
| | End of Year Report Period: | | 31-Dec-06 | | | | |
| | ASC Filing Date: | | 7-May-08 | | Revised Amended 8-4-2008 | | |
| | <u>TABI</u> | 2 <u>E 22I</u> : Ratio 1 | Table | | | | |
| GPM | Maintenance of General Plant Ratio | Ratio Used | Total | Production | Transmission | Distribution | |
| | Structures and Improvements | PTD | \$ 30,937,105 | \$ 10,721,698 | \$ 2,077,077 | \$ 18,138,329 | |
| | Furniture and Equipment | LABOR | 34,756,184 | 10,281,539 | 1,470,075 | 23,004,570 | |
| | Communication Equipment | PTD | 41,613,080 | 14,421,611 | 2,793,849 | 24,397,620 | |
| | Miscellaneous Equipment | PTD | 449,935 | 155,931 | 30,208 | 263,796 | |
| | TOTAL | | \$ 107,756,304 | \$ 35,580,780 | \$ 6,371,209 | \$ 65,804,315 | |
| | GPM RATIO | | 100% | 33% | 6% | 61% | |
| | SUMMARY RATIO TABLE | | | | | | |
| | Conservation Functionalization | | CONS | 70.00% | 0.00% | 30.00% | |
| | Direct to Distribution | | DIST | 0.00% | 0.00% | 100.00% | |
| | Direct to Production | | PROD | 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 | 32.76% | 6.15% | 61.09% | |
| | Maintenance of General Plant | | GPM | 33.01967% | 5.91261% | 61.06772% | |
| | Labor Ratios | | LABOR | 29.58% | 4.23% | 66.19% | |
| | Production, Transmission, Distribution | | PTD | 34.66% | 6.71% | 58.63% | |
| | Production, Transmission, Distribution, General | | PTDG | 34.81% | 6.68% | 58.52% | |
| | Transmission, Distribution | | TD | 10.27% | 89.73% | | |

| | RESII | DENTIAL PUR | POWER ADMINISTRA CHASE AND SALE AGREI erage System Cost Methodo | EMENT | | | | | | | |
|-----------|--------------------|-------------|---|------------------|--|--|--|--|--|--|--|
| TABLE 22J | UTILITY NAME: | Puget | Sound Energy, Inc. | | | | | | | | |
| End of Y | ear Report Period: | | 31-Dec-06 | Amended 7-8-2008 | | | | | | | |
| | ASC Filing Date: | | 7-May-08 Revised Amended 8-4-2008 | | | | | | | | |
| | | | Power & Off-System Sales | | | | | | | | |
| | FERC F | orm 1 | Purch | ased Power | | | | | | | |
| | Statistical | Page | | | | | | | | | |
| | Classification | Number | Settlement Total | MWh Purchased | | | | | | | |
| | RQ | 326-327 | \$ - | - | | | | | | | |
| | LF | 326-327 | \$ 139,481,412 | 6,935,897 | | | | | | | |
| | IF | 326-327 | \$ - | - | | | | | | | |
| | SF | 326-327 | \$ - | - | | | | | | | |
| | LU | 326-327 | \$ 282,182,918 | 2,689,484 | | | | | | | |
| | IU | 326-327 | \$ - | - | | | | | | | |
| | OS | 326-327 | \$ 544,755,760 | 10,637,629 | | | | | | | |
| | EX | 326-327 | \$ (4,497,388 | - () | | | | | | | |
| | NA | 326-327 | \$ - | - | | | | | | | |
| | AD | 326-327 | \$ - | - | | | | | | | |
| | TOT | AL | \$ 961,922,702 | 20,263,010 | | | | | | | |
| | FERC F | Form 1 | | | | | | | | | |
| | Statistical | Page | | for Resale | | | | | | | |
| | Classification | Number | Settlement Total | MWh Purchased | | | | | | | |
| | RQ | 310-311 | \$ 362,031 | 7,512 | | | | | | | |
| | LF | 310-311 | \$ - | - | | | | | | | |
| | IF | 310-311 | \$ - | - | | | | | | | |
| | SF | 310-311 | \$ - | - | | | | | | | |
| | LU | 310-311 | \$ - | - | | | | | | | |
| | IU | 310-311 | \$ - | - | | | | | | | |
| | OS | 310-311 | \$ 202,035,772 | 4,489,127 | | | | | | | |
| | EX | 310-311 | \$ - | - | | | | | | | |
| | NA | 310-311 | \$ - | - | | | | | | | |
| | AD | 310-311 | \$ - | - | | | | | | | |
| | TOT | AL | \$ 202,397,803 | 4,496,639 | | | | | | | |

TABLE 22K: Forecasted Contract System Costs & ASC with New Additions and NLSL

| Date | 4/1/2009 6 | 4/1/2010 7 | 4/1/2011 8 | 4/1/2012 9 | 4/1/2013 10 |
|--|----------------------|----------------------|----------------------|----------------------|-----------------------|
| Fiscal Year Rate Period Mid-Point | 2009 TRUE | 2010 FALSE | 2011 FALSE | 2012 FALSE | 2013 FALSE |
| Contract System Cost | | | | | |
| Production | 1,287,048,182 | 1,299,213,211 | 1,324,035,089 | 1,346,357,375 | 1,369,844,418 |
| Transmission | 87,615,204 | 87,580,901 | 87,751,169 | 87,991,341 | 88,294,956 |
| NLSL Fully Allocated Cost (\$/MWh) | | | | | |
| (Less) New Large Single Load Costs (d) | 0 | 0 | 0 | 0 | 0 |
| Total Contract System Cost | 1,374,663,386 | 1,386,794,112 | 1,411,786,258 | 1,434,348,715 | 1,458,139,373 |
| Contract System Load (MWh) | | | | | |
| Total Retail Load @ Meter | 21,927,453 | 22,118,040 | 22,279,295 | 22,425,579 | 22,561,132 |
| (Less) New Large Single Load | 0 | 0 | 0 | 0 | 0 |
| Total Retail Load (Net of NLSL) (d) | 21,927,453 | 22,118,040 | 22,279,295 | 22,425,579 | 22,561,132 |
| Distribution Loss (f) | 1,094,180 | 1,103,690 | 1,111,737 | 1,119,036 | 1,125,800 |
| Total Contract System Load | 23,021,633 | 23,221,730 | 23,391,032 | 23,544,615 | 23,686,933 |
| Average System Cost \$/MWh | 59.71 | 59.72 | 60.36 | 60.92 | 61.56 |
| | Rate | Period Mid-P | | | |
| Date | | 4/1/09 | | | |
| Fiscal Year | | 2009 | | | |
| NLSL Switch | | 1 | | | |
| Contract System Cost | | | | | |
| Production | | 1,287,048,182 | | | |
| Transmission | | 87,615,204 | | | |
| (Less) New Large Single Load Costs (d) | | 0 | | | |
| Total Contract System Cost | | 1,374,663,386 | | | |
| Contract System Load (MWh) | | | | | |
| Total Retail Load @ Meter | | 21,927,453 | | | |
| (Less) New Large Single Load | | 0 | | | |
| Total Retail Load (Net of NLSL) (d) | | 21,927,453 | | | |
| Distribution Loss (f) | | 1,094,180 | | | |
| Total Contract System Load | | 23,021,633 | | | |
| Average System Cost \$/MWh | | 59.71 | | | |
| | | | | | |

PSE

Tables for:

Snohomish County PUD

WP-07-FS-BPA-13B Page 205 of 484

| | BONNEVILL | E POWEF | R ADMIN | ISTRAT | ION | I | | | | | |
|--|---------------------------|--------------|-------------------|-------------------|--------|--------------------------|---------------------------|-----------------------------|-------------------------|--|--|
| | RESIDENTIAL P | URCHASE A | AND SALE | ES AGREI | EME | NT | | | | | |
| Р | roposed 2008 Average S | ystem Cost N | Aethodolog | y (ASC) U | tility | Template | | | | | |
| | UTI | LITY NAME: | | Snoho | mish | | | | | | |
| | End of Year Re | port Period: | 2006 | | | | Amended 7-8-200 | 8 | | | |
| | ASC | Filing Date: | | 6/30/2 | 008 | | Revised Amended 8-4-2008 | | | | |
| | <u>TABLE 2</u> | 3A: Schedulo | e 1: Plant I | nvestment. | Rate | e Base | | | | | |
| | FERC | FERC Form 1 | | Functionalization | | | | | | | |
| Account Description | Page | Account | | thod | | Total | Production | Transmission | Distribution | | |
| | Number | Numbers | Default | Optional | | | | | Other | | |
| Intangible Plant: | | | | | | | | | | | |
| Intangible Plant - Organization | 204-207 | 301 | DIST | DTD | | 2.000 | - | - | | | |
| Intangible Plant - Franchises and Consents | 204-207 | <u> </u> | DIRECT | PTD | | 3,009 | - | - | 3,0 | | |
| Intangible Plant - Miscellaneous Fotal Intangible Plant | 204-207 | 303 | DIRECT | DIST | S | 61,978,198 61,981,207 | 5,420,464 \$ 5,420,464 | 14,803,486 \$ 14,803,486 | 41,754,2 \$ 41,757,2 | | |
| rotar intangible i lant | | | | | • | 01,981,207 | 5 5,420,404 | 5 14,005,400 | 3 41 ,/5/, | | |
| Production Plant: | | | | | | | | | | | |
| Steam Production | 204-207 | 310-317 | PROD | | | 132,438,035 | 132,438,035 | - | | | |
| Nuclear Production | 204-207 | 320-326 | PROD | | | | - | - | | | |
| Hydraulic Production | 204-207 | 330-337 | PROD | | | 208,007,068 | 208,007,068 | - | | | |
| Other Production | 204-207 | 340-347 | PROD | | | | - | - | | | |
| Fotal Production Plant | | | | | \$ | 340,445,103 | \$ 340,445,103 | \$ - | \$ | | |
| Fransmission Plant: (i) | | | | | | | | | | | |
| Transmission Plant | 204-207 | 350-359.1 | TRANS | | | 86,002,829 | - | 86,002,829 | | | |
| Total Transmission Plant | | | | 1 | \$ | 86,002,829 | s - | \$ 86,002,829 | S | | |
| | | | | | - | | | | | | |
| Distribution Plant: | | | D YOT | | | | | | | | |
| Distribution Plant | 204-207 | 360-374 | DIST | | | 719,129,388 | - | - | 719,129,3 | | |
| Total Distribution Plant | | | | | \$ | 719,129,388 | \$ - | \$ - | \$ 719,129, | | |
| General Plant: | | | | | | | | | | | |
| Land and Land Rights | 204-207 | 389 | PTD | | | 2,885,820 | 857,614 | 216,649 | 1,811, | | |
| Structures and Improvements | 204-207 | 390 | PTD | | | 60,594,190 | 18,007,510 | 4,549,035 | 38,037, | | |
| Furniture and Equipment | 204-207 | 391 | LABOR | | | 10,268,103 | 1,406,339 | 315,150 | 8,546, | | |
| Transportation Equipment | 204-207 | 392 | TD | | | 20,302,164 | - | 2,168,642 | 18,133, | | |
| Stores Equipment | 204-207 | 393 | PTD | | | 862,334 | 256,270 | 64,739 | 541, | | |
| Tools and Garage Equipment | 204-207 | 394 | PTD | | | 2,719,250 | 808,112 | 204,144 | 1,706, | | |
| Laboratory Equipment | 204-207 | 395 | PTD | | | 2,244,491 | 667,023 | 168,502 | 1,408, | | |
| Power Operated Equipment | 204-207 | 396 | TD | | | 820,827 | - | 87,679 | 733, | | |
| Communication Equipment | 204-207 | 397 | PTD | | | 32,740,851 | 9,729,996 | 2,457,980 | 20,552, | | |
| Miscellaneous Equipment | 204-207 | 398 | PTD | | | 64,873 | 19,279 | 4,870 | 40, | | |
| Other Tangible Property | 204-207 | 399 | DIRECT | PTD | | | - | - | | | |
| Asset Retirement Costs for General Plant | 204-208 | 399.1 | PTD | | | | - | - | | | |
| <u>Fotal General Plant</u> | | | | | \$ | 133,502,903 | \$ 31,752,143 | \$ 10,237,392 | \$ 91,513, | | |
| Fotal Electric Plant In-Service | | | | | \$ | 1,341,061,430 | \$ 377,617,710 | \$ 111,043,707 | \$ 852,400,0 | | |
| Total Intangible + Total Production + Total Transmission + Total Distr | ribution + Total General) | | | | | -,,, | | • ••••••••• | ÷ 002,100, | | |

WP-07-FS-BPA-13B Page 206 of 484

| | | Snoho | nish | | | | | | | | |
|--|----------------|------------------------------|--------------|--------------|----------|------------------------|--------------------------|-----------------|--------------|--|--|
| | End of Year Re | ILITY NAME: eport Period: | | 200 | | | | | | | |
| | | Filing Date: | | 6/30/2 | | | Revised Amended 8-4-2008 | | | | |
| | TABLE 2 | 23A: Schedule | e 1: Plant I | Investment / | Rate Bas | e | | | | | |
| | FERC | FERC Form 1 | | nalization | | | | | | | |
| Account Description | Page | Account | Me | thod | To | tal | Production | Transmission | Distribution | | |
| | Number | Number Numbers I | | Optional | | | | | Other | | |
| JESS: | | | | | | | | | | | |
| Depreciation and Amortization Reserve Steam Production Plant | 219 | 108 | PROD | | | | | | | | |
| | | | | | | | - | - | | | |
| Nuclear Production Plant Hydraulic Production Plant | 219 219 | 108 108 | PROD PROD | | | | - | - | | | |
| Other Production Plant | 219 | 108 | PROD | | 12 | 8,982,341 | - 128,982,341 | - | | | |
| Transmission Plant (i) | 219 | 108 | TRANS | | | 8,982,341 4,934,186 | | - 24,934,186 | | | |
| Distribution Plant | 219 | 108 | DIST | | | 4,934,186 5,284,470 | - | 24,934,180 | 235,284, | | |
| General Plant | 219 | 108 | GP | | | 3,688,545 | - 17,525,980 | - 5,650,652 | 50,511, | | |
| Amortization of Intangible Plant - Account 301 | 219 | 108 | DIST | | 1. | 5,088,545 | - | - | 50,511, | | |
| Amortization of Intangible Plant - Account 302 | 219 | 111 | DIRECT | PTD | | 60 | | | | | |
| Amortization of Intangible Plant - Account 302 Amortization of Intangible Plant - Account 303 | 219 | 111 | DIRECT | DIST | 3 | 5,759,420 | 3,127,433 | 8,540,719 | 24,091, | | |
| Mining Plant Depreciation | 219 | 108 | PROD | DIST | <u> </u> | 5,757,120 | | - | 21,071, | | |
| Amortization of Plant Held for Future Use | 219 | 111 | DIST | | | | - | - | | | |
| Capital Lease - Common Plant | 219 | 108 | DIRECT | | | | - | - | | | |
| Leasehold Improvements | 200-201 | 108 | DIRECT | DIST | | | - | - | | | |
| In-Service: Depreciation of Common Plant (a) | 200-201 | 108 | DIRECT | | | | - | - | | | |
| Amortization of Other Utility Plant (a) | 200-201 | 108 | DIRECT | DIST | | | - | - | | | |
| Amortization of Acquisition Adjustments | 200-201 | 115 | DIRECT | | | | - | - | | | |
| | | | DIDECT | 1 | | | | | | | |
| Depreciation and Amortization Reserve (Other) | | | DIRECT | | | | | | | | |
| otal Depreciation and Amortization Reserve | | | | | \$ 49 | 8,649,022 | \$ 149,635,754 | \$ 39,125,557 | \$ 309,887, | | |
| Fotal Net Plant | | | | | \$ 84 | 2,412,408 | \$ 227,981,956 | \$ 71,918,149 | \$ 542,512, | | |

| | BONNEVILI | LE POWEF | R ADMIN | ISTRAT | TION | [| | | | | |
|---|---------------------|-----------------|--------------|-------------------|--------|------------|--------------------------|--------------|-----------------------|--|--|
| | RESIDENTIAL P | URCHASE | AND SALL | ES AGREI | EME | NT | | | | | |
| Prop | osed 2008 Average S | | | | | | | | | | |
| | Ŭ | | | | | Template | 1 | | | | |
| | | ILITY NAME: | | Snoho | | | | 0 | | | |
| | End of Year Re | | | 200 | | | Amended 7-8-2008 | | | | |
| | ASC | Filing Date: | | 6/30/2 | 2008 | | Revised Amended 8-4-2008 | | | | |
| | TABLE 2 | 23A: Schedulo | e 1: Plant I | nvestment. | / Rate | e Base | | | | | |
| | FERC | Form 1 | Function | Functionalization | | | | | | | |
| Account Description | Page | Account | | thod | | Total | Production | Transmission | Distribution / | | |
| | Number | Numbers | Default | Optional | l | | | Other | | | |
| Assets and Other Debits (Comparative Balance Sheet) | | | | | | | | | | | |
| Cash Working Capital (f) | Calcula | tion: Automatic | Input from S | Sch 1A | | 17,305,948 | 1,910,989 | 4,332,258 | 11,062,70 | | |
| Utility Plant | | | | | | | | | | | |
| (Utility Plant) Held For Future Use | 200-201 | 105 | DIST | 1 | | 30,240 | | | 30,24 | | |
| (Utility Plant) Completed Construction - Not Classified | 200-201 | 105 | PTD | | | 50,240 | - | - | 50,24 | | |
| Nuclear Fuel | 200-201 | 120.2-120.6 | PROD | | | | - | - | - | | |
| Construction Work in Progress (CWIP) | 200-201 | 120.2-120.0 | DIST | | | 36,126,975 | - | - | 36,126,97 | | |
| Common Plant | 356 & 356.1 | 107 & 120.1 | DIST | | | 50,120,975 | - | | 50,120,97 | | |
| Acquisition Adjustments (Electric) | 200-201 | 114 | DIRECT | DIST | | | | - | | | |
| Total | 200-201 | 114 | DIRLET | DIST | s | 36,157,215 | s - | s - | \$ 36,157,21 | | |
| Total | | | | | Ψ | 30,137,213 | φ - | 9 | 5 50,157,21 | | |
| Other Property and Investments | | | | | | | | | | | |
| Investment in Associated Companies | 110-111 | 123.1 | DIST | DIST | | | - | - | - | | |
| Other Investment | 110-111 | 124 | DIST | | | 6,991,860 | - | - | 6,991,86 | | |
| Long-Term Portion of Derivative Assets | 110-111 | 175 | DIST | | | | - | - | - | | |
| Long-Term Portion of Derivative Assets - Hedges | 110-111 | 176 | DIST | | | | - | - | - | | |
| Total | | • | | | \$ | 6,991,860 | \$ - | \$ - | \$ 6,991,86 | | |
| | | | | | | | | | | | |
| Current and Accrued Assets | | 1 | | | | | | | | | |
| Fuel Stock | 110-111 | 151 | PROD | | | | - | - | - | | |
| Fuel Stock Expenses Undistributed | 110-111 | 152 | PROD | | | | - | - | - | | |
| Plant Materials and Operating Supplies | 110-111 | 154 | PTD | | | 10,566,630 | 3,140,214 | 793,277 | 6,633,12 | | |
| Merchandise (Major Only) | 110-112 | 155 | DIST | | | | - | - | - | | |
| Other Materials and Supplies (Major only) | 110-111 | 156 | DIST | | | | - | - | - | | |
| EPA Allowance Inventory | 110-112 | 158.1 | PROD | | | | - | - | - | | |
| EPA Allowances Withheld | 110-112 | 158.2 | PROD | | | | - | - | - | | |
| Stores Expense Undistributed | 110-111 | 163 | PTD | | | (130,948) | (38,915) | (9,831) | (82,20 | | |
| Prepayments | 110-111 | 165 | PTD | | | 823,633 | 244,769 | 61,833 | 517,03 | | |
| Derivative Instrument Assets | 110-111 | 175 | DIST | | | | - | - | - | | |
| (Less) Long-Term Portion of Derivative Assets | 110-112 | 175 | DIST | | | | - | - | - | | |
| Derivative Instrument Assets - Hedges | 110-111 | 176 | DIST | | | | - | - | - | | |
| (Less) Long-Term Portion of Derivative Assets - Hedges | 110-112 | 176 | DIST | | | | - | - | - | | |
| Total | | | | | \$ | 11,259,315 | \$ 3,346,067 | \$ 845,279 | \$ 7,067,96 | | |

| Ргор | BONNEVILI RESIDENTIAL F osed 2008 Average S UT End of Year Re | PURCHASE A System Cost N ILITY NAME: | AND SALI | ES AGREI | EMEN tility mish | NT | Amended 7-8-200 | 8 | |
|--|---|--|----------|--------------------------------|--------------------------|-------------|-----------------|--------------|-----------------------|
| | e 1: Plant I | 6/30/2 (<u>nvestmen</u> t | | Base | Revised Amended 8-4-2008 | | | | |
| Account Description | FERC Page Number | Form 1 Account Numbers | Me | nalization thod Optional | | Total | Production | Transmission | Distribution Other |
| ferred Debits | Number | Tumbers | Delault | | | | | | Other |
| Unamortized Debt Expenses | 110-111 | 181 | PTDG | | | 7,323,374 | 2,062,125 | 606,396 | 4,654,8 |
| Extraordinary Property Losses | 110-111 | 182.1 | DIRECT | DIST | | | - | - | - |
| Unrecovered Plant and Regulatory Study Costs | 110-111 | 182.2 | DIRECT | DIST | | | - | - | |
| Other Regulatory Assets | 110-111 | 182.3 | DIRECT | DIST | | | - | - | |
| Preliminary Survey and Investigation Charges (Electric) | 110-111 | 183 | DIST | | | | - | - | |
| Preliminary Natural Gas Survey and Investigation Charges | 110-111 | 183.1 | DIST | | | 25,991 | - | - | 25,9 |
| Other Preliminary Survey and Investigation Charges | 110-111 | 183.2 | DIST | | | | - | - | |
| Clearing Accounts | 110-111 | 184 | DIST | | | | - | - | |
| Temporary Facilities | 110-111 | 185 | PTDG | | | | - | - | |
| Miscellaneous Deferred Debits | 110-111 | 186 | DIRECT | DIST | | 301,790,572 | 183,024,339 | - | 118,766,2 |
| Deferred Losses from Disposition of Utility Plant | 110-111 | 187 | DIRECT | | | | | | |
| Research, Development, and Demonstration Expenditures | 110-111 | 188 | DIST | | | | - | - | |
| Unamortized Loss on Reacquired Debt | 110-111 | 189 | PTDG | | | 36,415,208 | 10,253,839 | 3,015,283 | 23,146, |
| Accumulated Deferred Income Taxes | 110-111 | 190 | DIST | | | | - | - | |
| Total | | | | | \$ | 345,555,145 | \$ 195,340,302 | \$ 3,621,679 | \$ 146,593, |
| tal Assets and Other Debits | | | | | \$ | 417,269,483 | \$ 200,597,359 | \$ 8,799,217 | \$ 207,872, |

| | | | 1ethodolog | 50 X / | | • | _ | | | | |
|--|---|--------------------|-------------------|-------------------------|--------|-------------|--|--------------|-----------------------|--|--|
| | UTILITY NAME: End of Year Report Period: ASC Filing Date: | | | Snohor 200 6/30/2 | 6 | | Amended 7-8-2008 Revised Amended 8-4-2008 | | | | |
| | TABLE 2 | 23A: Schedule | e 1: Plant I | / <u>nvestmen</u> t/ | ' Rate | Base | | | | | |
| | FERC | Form 1 | Functionalization | | | | | | | | |
| Account Description | Page Number | Account Numbers | | thod Optional | | Total | Production | Transmission | Distribution Other | | |
| Liabilities and Other Credits (Comparative Balance Sheet) CURRENT AND ACCRUED LIABILITIES | - | | | | | | | | | | |
| Derivative Instrument Liabilities | 112-113 | 244 | DIST | | | | - | - | - | | |
| (less) Long-Term Portion of Derivative Instrument Liabilities | 112-114 | 244 | DIST | | | | - | - | - | | |
| Derivative Instrument Liabilities - Hedges | 112-115 | 245 | DIST | | | | - | - | - | | |
| (less) Long-Term Portion of Derivative Instrument Liabilities - Hedges | 112-114 | 245 | DIST | | | | - | - | - | | |
| Total | | | | | \$ | - | \$ - | \$ - | s - | | |
| DEFERRED CREDITS | | | | | | | | | | | |
| Customer Advances for Construction | 112-113 | 252 | DIST | | | | - | - | - | | |
| Other Deferred Credits | 112-113 | 253 | DIRECT | DIST | | 294,401,421 | 153,744,980 | - | 140,656,4 | | |
| Other Regulatory Liabilities | 112-113 | 254 | DIST | DIST | | | - | - | - | | |
| Accumulated Deferred Investment Tax Credits | 112-113 | 255 | DIST | | | | - | - | - | | |
| Deferred Gains from Disposition of Utility Plant | 112-113 | 256 | DIRECT | | | | | | | | |
| Unamortized Gain on Reacquired Debt | 112-113 | 257 | PTDG | | | | - | - | - | | |
| Accumulated Deferred Income Taxes-Accel. Amort. | 112-113 | 281 | DIST | | | | - | - | - | | |
| Accumulated Deferred Income Taxes-Property | 112-113 | 282 | DIST | | | | - | - | | | |
| Accumulated Deferred Income Taxes-Other | 112-113 | 283 | DIST | | | | - | - | - | | |
| Total | | | | | \$ | 294,401,421 | \$ 153,744,980 | \$ - | \$ 140,656,4 | | |
| Fotal Liabilities and Other Credits | | | | | \$ | 294,401,421 | \$ 153,744,980 | \$- | \$ 140,656,4 | | |

| UTILITY NAME: End of Year Report Period: ASC Filing Date: | | Snohomish 2006 6/30/2008 | | Amended 7-8-2008 Revised Amended 8-4-200 |
|---|---|--------------------------------|---------------|---|
| <u>TABLE 23B: S</u> (Automatic Input | <i>Chedule 1A: Cash</i> from Schedule 3- | | Ø | |
| Account Description | Total | Production | Transmission | Distribution/ Other |
| ash Working Capital Calculation: | | | | |
| Total Production O&M | 304,841,082 | 302,675,460 | - | 2,165,62 |
| Total Transmission O&M (i) | 33,413,258 | - | 33,413,258 | - |
| Total Distribution O&M | 43,259,298 | - | - | 43,259,2 |
| Total Customer & Sales | 17,002,751 | - | - | 17,002,7 |
| Total Administrative and General O&M | 34,821,743 | 5,337,380 | 1,244,805 | 28,239,5 |
| Less Purchased Power, Public Purpose Charge, REP Reversal, Fuel Costs | 294,890,547 | 292,724,925 | - | 2,165,6 |
| evised Total O&M Expenses | \$ 138,447,585 | \$ 15,287,915 | \$ 34,658,063 | \$ 88,501,6 |

| | D | JNNEVILL | E POWER A | DMINISTRATIO | N | | |
|---|---|--------------------------------------|---------------------------------------|--|-------------|--|--|
| | RES | SIDENTIAL P | URCHASE AN | D SALE AGREEME | NT | | |
| | | Proposed 2008 | 8 Average Syste | m Cost Methodology | | | |
| | | | | Snohomish | | | |
| | | Report Period SC Filing Date | | <u>2006</u> 6/30/2008 | | Amended 7-8-2008 Revised Amended 8-4- | -2008 |
| | | • | | al Structure and Rate | | Conseq Amenaeu o-4- | 2000 |
| | SUMMARY (for a | | | | oj 1.c (o) | | |
| Single-Inried | liction Investor-Owned | | · · · · · · · · · · · · · · · · · · · | 5.220% | | | |
| 8 | liction Investor-Owned | · | | 5.22070 | | | |
| With-5 ut isu | Consumer-Owned | | | | | | |
| | Consumer-Owned | - | | 5.220% | | | |
| | | Kat | te of Return : | 5.220% | | | |
| Single-Juris | diction Investor-Owned | Utility Return | n Calculation | | | | |
| | | | | | | | |
| Publicly-owned utilities mu | ist begin on Page 4 | | | | | | |
| | Canitalization | Structure | Effec | tive Cost | | | |
| Component | Capitalization Amount | Structure Percent | Effec Embedded | tive Cost Weighted | | | |
| L | | | | | | | |
| ebt referred Equity | Amount | Percent | Embedded | Weighted | | | |
| ebt referred Equity ommon Equity | Amount \$ 621,380,316.8 | Percent 100.0% | Embedded | Weighted 5.220% | | | |
| Component Debt referred Equity Common Equity Weighted Cost of Capital | Amount | Percent | Embedded | Weighted | | | |
| bebt referred Equity 'ommon Equity | Amount \$ 621,380,316.8 \$ 621,380,316.8 \$ 621,380,316.8 for Federal Income Tax rently 35%) | Percent 100.0% 100.000% | Embedded 5.22% | Weighted 5.220% | | 4213446.492 | |
| Vebet referred Equity Vommon Equity Weighted Cost of Capital Vep 2: Gross Up Equity Return Vederal Income Tax Rate (Curr Vederal Income Tax Factor | Amount S 621,380,316.8 S 621,380,316.8 S 621,380,316.8 for Federal Income Tay rently 35%) // (Total Capital))} * {(Federal ieighted Cost of Capital) | Percent 100.0% 100.000% tes | Embedded 5.22% | Weighted 5.220% | | 4213446.492 | |
| eb referred Equity ommon Equity Weighted Cost of Capital tep 2: Gross Up Equity Return ederal Income Tax Rate (Curr ederal Income Tax Factor ROR – (Embedded Cost of Debt * (Debt rederal Income Tax Adjusted W Veighted Cost of Capital Plus Federal In | Amount S 621,380,316.8 S 621,380,316.8 S 621,380,316.8 for Federal Income Tax rently 35%) (Total Capital))} * {(Federal come Tax Factor) | Percent 100.0% 100.000% tes | Embedded 5.22% | Weighted 5.220% 5.220% 5.220% | | | |
| eb referred Equity ommon Equity Weighted Cost of Capital tep 2: Gross Up Equity Return ederal Income Tax Rate (Curr ederal Income Tax Factor ROR – (Embedded Cost of Debt * (Debt rederal Income Tax Adjusted W Veighted Cost of Capital Plus Federal In tep 3: Calculate Return on Rate | Amount S 621,380,316.8 S 621,380,316.8 S 621,380,316.8 for Federal Income Tax rently 35%) (Total Capital))} * {(Federal come Tax Factor) | Percent 100.0% 100.000% tes | Embedded 5.22% | Weighted 5.220% 5.220% 5.220% | Production | Transmission | Other |
| ebt referred Equity ommon Equity Weighted Cost of Capital tep 2: Gross Up Equity Return ederal Income Tax Rate (Curr ederal Income Tax Factor ROR – (Embedded Cost of Debt * (Debt rederal Income Tax Adjusted W Veighted Cost of Capital Plus Federal In tep 3: Calculate Return on Rate otal Rate Base from Schedule 1 | Amount \$ 621,380,316.8 \$ 621,380,316.8 \$ 621,380,316.8 for Federal Income Tax rently 35%) * (Total Capital))} * {(Federal Cost of Capital) acome Tax Factor) e Base | Percent 100.0% 100.000% tes | Embedded 5.22% | Weighted 5.220% 5.220% 5.220% 5.220% | 274,834,335 | Transmission \$ 80,717,366 | \$ 609,728,0 |
| referred Equity ommon Equity Weighted Cost of Capital tep 2: Gross Up Equity Return rederal Income Tax Rate (Curr rederal Income Tax Factor (ROR – (Embedded Cost of Debt * (Debt | Amount \$ 621,380,316.8 \$ 621,380,316.8 \$ 621,380,316.8 for Federal Income Tax rently 35%) '/ (Total Capital))} * {(Federal Income Tax Factor) e Base ghted Cost of Capital | Percent 100.0% 100.000% tes | Embedded 5.22% | Weighted 5.220% 5.220% 5.220% | | Transmission | Other \$ 609,728,6 5.22 \$31,827, |

| | 1 | SONNEVILLE | POWER | ADMINISTRAT | ION | | |
|---|--|-------------------|---------------------------|-----------------------------------|--------------------------|---------------------------|--------|
| | | | | ND SALE AGREEN | | | |
| | , A | | | tem Cost Methodolo | | | |
| | | UTILITY NAME: | | Snohomish | | 1 | |
| | End of Yea | ar Report Period: | | 2006 | | Amended 7-8-2008 | |
| | | ASC Filing Date: | | 6/30/2008 | | Revised Amended 8- | 4-2008 |
| | | TABLE 23C: Sci | hedule 2: Ca | <u>pital Structure and R</u> | <u>ate</u> of Return (b) | _ | |
| | | | | | | | |
| | liction Investor-Owne | d Utility Return | Calculation | | | | |
| Step 1: Weighted Cost of Capital from M | Most Recent State Cor | nmission Rate O | rder in Juris | diction 1 | | | |
| | Capitalization | n Structure | Ff | fective Cost | Jurisdictional | Effective | Cost - |
| Component | Amount | Percent | Embedded | Weighted | Allocation | Weighted Sta | |
| Debt | | | June | | 0 | | |
| Preferred Equity | | | | | | | |
| * * | | | | | | | |
| Common Eduity | | | | | | | |
| Weighted Cost of Capital | \$ - Most Recent State Cor | nmission Rate O | rder in Juris | diction 2 | | | |
| Weighted Cost of Capital Weighted Cost of Capital from M | | nmission Rate Or | rder in Juris Embedded | diction 2 Weighted | | | |
| Weighted Cost of Capital Weighted Cost of Capital from N Component | Most Recent State Cor | | | | 0 | | |
| Common Equity Weighted Cost of Capital Weighted Cost of Capital from M Component Debt Preferred Equity | Most Recent State Cor | | | | 0 | | |
| Weighted Cost of Capital Weighted Cost of Capital from M Component Debt Preferred Equity Common Equity | Most Recent State Cor | | | | 0 | | |
| Weighted Cost of Capital Weighted Cost of Capital from N Component Debt | Most Recent State Cor | | | | 0 | | |
| Weighted Cost of Capital Weighted Cost of Capital from M Component Debt Preferred Equity Common Equity Weighted Cost of Capital Weighted Cost of Capital from M | Most Recent State Cor Amount \$ - | Percent | Embedded | Weighted | 0 | | |
| Weighted Cost of Capital Weighted Cost of Capital from M Component Debt Preferred Equity Common Equity Weighted Cost of Capital Weighted Cost of Capital from M Component | Most Recent State Cor Amount \$ - | Percent | Embedded | Weighted | | | |
| Weighted Cost of Capital Weighted Cost of Capital from M Component Debt Preferred Equity Common Equity Weighted Cost of Capital Weighted Cost of Capital Weighted Cost of Capital from M Component Debt | Most Recent State Cor Amount S - Most Recent State Cor | Percent | Embedded | Weighted | 0 | | |
| Weighted Cost of Capital Weighted Cost of Capital from M Component Debt Preferred Equity Common Equity Weighted Cost of Capital Weighted Cost of Capital from M Component Debt Preferred Equity Debt Preferred Equity Component Debt Preferred Equity | Most Recent State Cor Amount S - Most Recent State Cor | Percent | Embedded | Weighted | | | |
| Weighted Cost of Capital Weighted Cost of Capital from M Component Debt Preferred Equity Common Equity Weighted Cost of Capital Weighted Cost of Capital from M Component Debt Preferred Equity Component Debt Preferred Equity Component Debt Preferred Equity Component Debt Preferred Equity Common Equity | Most Recent State Cor Amount \$ s - Most Recent State Cor Amount | Percent | Embedded | Weighted | | | |
| Weighted Cost of Capital Weighted Cost of Capital from M Component Debt Preferred Equity Common Equity Weighted Cost of Capital Weighted Cost of Capital from M Component Debt Preferred Equity Debt Preferred Equity Component Debt Preferred Equity | Most Recent State Cor Amount S - Most Recent State Cor | Percent | Embedded | Weighted | | | |
| Weighted Cost of Capital Weighted Cost of Capital from M Component Debt Preferred Equity Common Equity Weighted Cost of Capital Weighted Cost of Capital from M Component Debt Preferred Equity Component Debt Preferred Equity Component Debt Preferred Equity Component Debt Preferred Equity Common Equity | Most Recent State Cor Amount \$ s - Most Recent State Cor Amount | Percent | Embedded | Weighted diction 3 Weighted | | | |
| Weighted Cost of Capital Weighted Cost of Capital from M Component Debt Preferred Equity Common Equity Weighted Cost of Capital Weighted Cost of Capital from M Component Debt Preferred Equity Component Debt Preferred Equity Component Debt Preferred Equity Common Equity Weighted Cost of Capital | Most Recent State Cor Amount \$ - Most Recent State Cor Amount \$ - | Percent | Embedded | Weighted | | | |
| Weighted Cost of Capital Weighted Cost of Capital from M Component Debt Preferred Equity Common Equity Weighted Cost of Capital Weighted Cost of Capital from M Component Debt Preferred Equity Component Debt Preferred Equity Component Debt Preferred Equity Common Equity Weighted Cost of Capital | Most Recent State Cor Amount \$ - Most Recent State Cor Amount \$ - | Percent | Embedded | Weighted diction 3 Weighted | | | |
| Weighted Cost of Capital Weighted Cost of Capital from M Component Debt Preferred Equity Common Equity Weighted Cost of Capital Weighted Cost of Capital from M Component Debt Preferred Equity Component Debt Preferred Equity Component Debt Preferred Equity Common Equity Weighted Cost of Capital | Most Recent State Cor Amount \$ - Most Recent State Cor Amount \$ - | Percent | Embedded | Weighted diction 3 Weighted | | | |

| BONNEVILLE POW | ER ADMINISTRAT | ION | | |
|---|---|-------------------|---|----------------|
| RESIDENTIAL PURCHAS | SE AND SALE AGREEN | IENT | | |
| Proposed 2008 Average | System Cost Methodolo | gy | | |
| UTILITY NAME: End of Year Report Period: ASC Filing Date: <u>TABLE 23C: Schedule 2</u> | Snohomish 2006 6/30/2008 : Capital Structure and R | ate of Return (b) | Amended 7-8-2008 Revised Amended 8-4 | 4-2008 |
| Multi-Jurisdiction Investor-Owned Utility Return Calculation (c | ontinued) | | | |
| 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 F | Rate)} | | | |
| Federal Income Tax Adjusted Weighted Cost of Capital | | | | |
| (Weighted Cost of Capital Plus Federal Income Tax Factor) | | l | | |
| | | | | |
| Step 3: Calculate Return on Rate Base | | | | |
| | Total | Production | Transmission | Other |
| | | | | |
| Total Rate Base from Schedule 1 | \$ 965,280,470 | \$ 274,834,335 | \$ 80,717,366 | \$ 609,728,677 |
| 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) | | | | |

| | | SIDENTIAL PU | RCHASE A | ADMINISTRAT ND SALE AGREEN tem Cost Methodolo | MENT | | |
|----------------------------------|---------------------|--|-------------|---|------------------------------|---|-------------------------|
| | End of Yea | UTILITY NAME: r Report Period: ASC Filing Date: <u>TABLE 23C: Sch</u> | edule 2: Ca | Snohomish 2006 6/30/2008 pital Structure and R | <u>ate</u> of Return (b) | Amended 7-8-2008 Revised Amended 8-4 | I-2008 |
| Cons | sumer-Owned Utility | Return Calculatio | on | | | | |
| Step 1: Weighted Cost of Debt | | | | | | | |
| | | | | | | | |
| | Original | Year | Year | Interest | Interest | | |
| Debt Issue | Amount | Issued | Due | Rate | Expense | | |
| | | | | | <u>\$</u> - | | |
| | | | | | <u>\$</u> - \$- | | |
| | | | | | <u>s</u> - | | |
| | | | | | s - | | |
| | | | | | \$ - | | |
| | | | | | s - | | |
| | | | | | s - | | |
| | | | | | s - | | |
| Weighted Cost of Debt | \$ - | | | | \$ - | | |
| Step 2: Calculate Return on Rate | Base | | | Tradal | Decident | Theorem tests | Other |
| Total Rate Base from Schedule 1 | | | | Total \$ 965,280,470 | Production \$ 274,834,335 | Transmission \$ 80,717,366 | Other \$ 609,728,677 |
| Weighted Cost of Debt | | | | <u> </u> | ۵ 2/4,834,335 | \$ 80,717,300 | \$ 009,728,677 |
| Return on Rate Base | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |

| | Pro | posed 2008 A | Average Sys | stem Cost M | ethodology | | | | |
|--|-----------------|--------------|-------------|-----------------------|------------|-------|------------------------|---------------|--------------|
| | | ITY NAME: | | Snohom | 0. | | 1 | | |
| | End of Year Rep | oort Period: | | 2006 | | | Amended 7-8-200 | 8 | |
| | | Filing Date: | | 6/30/20 | 08 | | Revised Amended | 8-4-2008 | |
| | | | | <u>: Schedul</u> e 3: | Expenses | | | | |
| | Fo | | | nalization | - | | | | |
| Account Description | Page | Account | Me | thod | Total | | Production | Transmission | Distribution |
| - | Number | Numbers | - | Optional | | | | | Other |
| ower Production Expenses: | | | - | | | | | | |
| Steam Power Generation | | | | | | | | | |
| Steam Power - Fuel | 320-323 | 501 | PROD | | 889 | ,657 | 889,657 | - | |
| 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 | | 95 | ,172 | 951,172 | - | |
| Hydraulic - Maintenance | 320-323 | 541-545.1 | PROD | | 964 | ,879 | 964,879 | - | |
| 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) | 320-323 | 555 | PROD | | 286,782 | 2,149 | 286,782,149 | - | |
| System Control and Load Dispatching | 320-323 | 556 | PROD | | | | - | - | |
| Other Expenses | 320-323 | 557 | PROD | | 8,034 | ,484 | 8,034,484 | - | |
| BPA REP Reversal | 327 | 555 | PROD | ļ | | | - | - | |
| Public Purpose Charges (h) | | | DIRECT | | 7,218 | | 5,053,119 | - | 2,165, |
| otal Production Expense | | | | | \$ 304,84 | ,082 | \$ 302,675,460 | \$ - | \$ 2,165, |
| ransmission Expenses: (i) | | | | | | | | | |
| Transmission of Electricity by Others (Wheeling) | 320-323 | 565 | TRANS | | 31,99 | ,881 | - | 31,991,881 | |
| Total Operations less Wheeling | 320-323 | 560-567.1 | TRANS | | | ,398 | - | 130,398 | |
| Total Maintenance | 320-323 | 568-574 | TRANS | | 1,290 | ,979 | - | 1,290,979 | |
| otal Transmission Expense | | | | | \$ 33,41 | 120 | s - | \$ 33,413,258 | S |

| | RESIDE | NEVILLE ENTIAL PU posed 2008 4 | RCHASE A | AND SALE | AGR | EEMENT | | | |
|---|----------------|--------------------------------------|------------------|----------------------|-------|------------|------------------------|--------------|---------------|
| | | ITY NAME: | | Snohon | nish | |] | | |
| Er | nd of Year Rep | | | 2006 | | | Amended 7-8-200 | | |
| | ASC | Filing Date: | | 6/30/20 | 008 | | Revised Amended | 8-4-2008 | |
| | | <u>T</u> | <u>ABLE 23D:</u> | <u>: Schedul</u> e 3 | : Exp | enses | | | |
| | Fo | rm 1 | Function | nalization | | | | | |
| Account Description | Page | Account | Me | thod | | Total | Production | Transmission | Distribution/ |
| | Number | Numbers | Default | Optional | 1 | | | | Other |
| Distribution Expense: | | | | | | | ÷ | | |
| Total Operations | 320-323 | 580-589 | DIST | | | 16,944,031 | - | - | 16,944,03 |
| Total Maintenance | 320-323 | 590-598 | DIST | | | 26,315,267 | - | - | 26,315,26 |
| Total Distribution Expense | | | | | \$ | 43,259,298 | S - | \$ - | \$ 43,259,29 |
| Customer and Sales Expenses: | | | | | | | | | |
| Total Customer Accounts | 320-323 | 901-905 | DIST | | | 14,843,491 | _ | _ | 14,843,49 |
| Customer Service and Information | 320-323 | 906-907 | DIST | | | 1,530,444 | | | 1,530,44 |
| Customer Assistance Expenses (Major only) | 320-323 | 908 | DIRECT | | | 1,550,444 | | | 1,550,44 |
| Customer Service and Information | 320-323 | 909-910 | DIST | | | | _ | _ | |
| Total Sales Expense | 320-323 | 911-917 | DIST | | | 628,816 | _ | _ | 628,81 |
| Total Customer and Sales Expenses | | | | | \$ | 17,002,751 | s - | s - | \$ 17,002,75 |
| Administration and General Expense: | | | I | • | | , , | | | . , , , |
| Operation | | | | | | | | | |
| Administration and General Salaries | 320-323 | 920 | LABOR | | | 17,605,470 | 2,411,278 | 540,349 | 14,653,84 |
| Office Supplies & Expenses | 320-323 | 921 | LABOR | | | 4,775,798 | 654,102 | 146,579 | 3,975,11 |
| (Less) Administration Expenses Transferred - Credit | 320-323 | 922 | LABOR | | | 7,945,131 | 1,088,180 | 243,853 | 6,613,09 |
| Outside Services Employed | 320-323 | 923 | LABOR | | | 8,996,954 | 1,232,240 | 276,136 | 7,488,57 |
| Property Insurance | 320-323 | 924 | PTDG | | | 709,007 | 199,643 | 58,708 | 450,65 |
| Injuries and Damages | 320-323 | 925 | LABOR | | | 2,487,605 | 340,707 | 76,350 | 2,070,54 |
| Employee Pensions & Benefits | 320-323 | 926 | LABOR | | | 2,241,341 | 306,978 | 68,792 | 1,865,57 |
| 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 | DIST | | 1,218,955 | - | - | 1,218,95 |
| Miscellaneous General Expenses | 320-323 | 930.2 | DIST | | | | - | - | - |
| Rents | 320-323 | 931 | DIST | | | 179,472 | - | - | 179,47 |
| Transportation Expenses (Non Major) | 320-324 | 933 | DIST | | | | - | - | - |
| Maintenance | | | | | | | | | |
| Maintenance of General Plant | 320-323 | 935 | GPM | | 0 | 4,552,272 | 1,280,612 | 321,745 | 2,949,91 |
| Total Administration and General Expenses | | | | | \$ | 34,821,743 | \$ 5,337,380 | \$ 1,244,805 | \$ 28,239,55 |

| | | CNTIAL PUI | | | - | | | | |
|---|-------------|--------------|-------------------|--------------------|-------|-------------|---|---------------|---------------|
| | UTIL | ITY NAME: | | Snohon | nish | | | | |
| End | of Year Rep | oort Period: | | 2000 | 5 | | Amended 7-8-200 | 8 | |
| | ASC | Filing Date: | | 6/30/20 | 008 | | Revised Amended | 8-4-2008 | |
| | | <u>T</u> | <u> 4BLE 23D:</u> | <u>Schedul</u> e 3 | : Exp | enses | | | |
| | Fo | °m 1 | Function | nalization | | | | | |
| Account Description | Page | Account | Me | thod | | Total | Production | Transmission | Distribution/ |
| | Number | Numbers | Default | Optional | 1 | | | | Other |
| Fotal Operations and Maintenance | | | | | \$ | 433,338,132 | \$ 308,012,840 | \$ 34,658,063 | \$ 90,667,22 |
| Depreciation and Amortization: Amortization of Intangible Plant - Account 301 | 336 | 404 | DIST | | | | - | - | - |
| | | | | | | | | | |
| • | 336 | 404 | DIST | | | | - | - | - |
| Amortization of Intangible Plant - Account 302 | 336 | 404 | PTD | PTD | | 60 | 18 | 5 | 3 |
| Amortization of Intangible Plant - Account 303 | 336 | 404 | DIRECT | DIST | | 4,804,579 | - | 294,480 | 4,510,09 |
| 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 | | | 8,552,943 | 8,552,943 | - | - |
| Transmission Plant (i) | 336 | 403 | TRANS | | | 2,286,691 | - | 2,286,691 | - |
| Distribution Plant | 336 | 403 | DIST | | | 21,656,689 | - | - | 21,656,68 |
| General Plant | 336 | 403 | GP | | | 5,948,933 | 1,414,886 | 456,182 | 4,077,86 |
| Common Plant - Electric | 336 | 403 | DIRECT | | | | | | |
| Common Plant - Electric | 336 | 404 | DIRECT | | | | | | |
| Depreciation Expense for Asset Retirement Costs | 336 | 403.1 | DIRECT | | | | | | |
| 1 1 | 336 | 404 | DIRECT | | | | | | |
| Amortization of Limited Term Electric Plant | | 406 | DIRECT | | | | | | |
| | 200-201 | | | | \$ | 43,249,895 | \$ 9,967,847 | \$ 3,037,357 | \$ 30,244,69 |
| Amortization of Limited Term Electric Plant Amortization of Plant Acquisition Adjustments (Electric) | 200-201 | | | | • | 43,249,893 | • ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,, | \$ 3,037,337 | 5 30,244,05 |
| Amortization of Limited Term Electric Plant Amortization of Plant Acquisition Adjustments (Electric) | 200-201 | | | | 3 | 43,249,693 | • ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,, | a 3,037,337 | 5 30,244,03 |
| Amortization of Limited Term Electric Plant | 200-201 | | | | 5 | 476,588,027 | | | |

| | BONNE | /ILLE PC | WER AD | MI | NISTRAT | ΓΙΟΝ | | |
|--------------------------------------|----------------|--------------------|---------------|-------|---------------------|-----------------------|--------------|------------------------|
| R | ESIDENT | IAL PURC | HASE AND | SA | LE AGREE | EMENT | | |
| | Proposed | d 2008 Aver | age System | Cos | t Methodol | ogy | | |
| | UTILI | TY NAME: | | 5 | Snohomish | | 1 | |
| End of | Year Repo | ort Period: | | | 2006 | | Amended 7-8- | 2008 |
| | ASC F | iling Date: | | | 6/30/2008 | | Revised Amen | ded 8-4-2008 |
| | <u>TABLE 2</u> | <u> 3E: Schedu</u> | le 3A Items | : Tax | <u>ces (Includi</u> | <u>ng I</u> ncome Tax | es) | |
| | FERC | Form 1 | Funct. | | | | | |
| Account Description | Page Number | Account Numbers | Method | | Total | Production | Transmission | Distribution/ Other |
| | - | | | | | - | - | - |
| FEDERAL | | | DIGT | | | | | |
| Income Tax (Included on Schedule 2) | 262 | 409.1 | DIST | | | - | - | - |
| Employment Tax | 262 | 408.1 | LABOR | | | - | - | - |
| Other Federal Taxes FOTAL FEDERAL | 262 | 408.1 | DIST | \$ | | - \$ - | - \$ - | - \$ - |
| IOTAL FEDERAL | | | | 3 | - | 3 - | ð - | • - |
| STATE AND OTHER | | | | | | | | |
| Property | 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 | | 27,327,579 | - | - | 27,327,5 |
| TOTAL STATE AND OTHER TAXES | | • | | \$ | 27,327,579 | \$- | \$ - | \$ 27,327,5 |
| | | | | | | | | |

| | | - | | | | | | | | | |
|---|----------------|--------------|------------|-------------------|------|---|-------|-------------|--------------|---------|--------|
| | | ILITY NAME: | | Snohon | nish | | | | | | |
| | End of Year Re | | | 2006 | | | | nded 7-8-20 | | | |
| | ASC | Filing Date: | | 6/30/20 | 08 | | Revis | ed Amende | d 8-4-2008 | | |
| | <u></u> | ABLE 23F: S | chedule 3B | <u>Other Incl</u> | uded | Items | | | | | |
| | FERC | Form 1 | Function | alization | | | | | | | |
| Account Description | Page | Account | Me | thod | | | | | | Distril | oution |
| | Number | Numbers | Default | Optional | | Total | Pr | oduction | Transmission | Ot | her |
| 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 | | | | - | - | | |
| Cotal Other Included Items | | | | | \$ | - | \$ | - | \$ - | \$ | |
| | | | | | | | | | | | |
| ales for Resale: | | | | | | | | | | | |
| Sales for Resale | 310 | 447 | PROD | | | 105,466,684 | | 105,466,684 | - | | |
| Cotal Sales for Resale | | | | | \$ | 105,466,684 | \$ | 105,466,684 | \$ - | \$ | |
| | | | | | | , , | | , , | | | |
| Other Revenues: | | | | | | | | | | | |
| Forfeited Discounts | 300 | 450 | DIST | | | | | _ | - | | |
| Miscellaneous Service Revenues | 300 | 451 | DIST | | | 2,663,587 | | _ | - | | 2,663, |
| Sales of Water and Water Power | 300 | 453 | PROD | | | 2,000,007 | | _ | _ | | .,, |
| Rent from Electric Property | 300 | 454 | TD | | | 1,852,350 | | _ | 197,865 | | 1,654, |
| Interdepartmental Rents | 300 | 455 | DIST | | | , | | - | - | | ,, |
| Other Electric Revenues | 300 | 456 | DIRECT | PROD | | 30,457,911 | | - | 237,899 | 30 | 0,220, |
| Revenues from Transmission of Electricity of Others (i) | 330 | 456.1 | TRANS | | | 5,562,380 | | - | 5,562,380 | | |
| otal Other Revenues | | | | | \$ | 40,536,228 | \$ | - | \$ 5,998,144 | \$ 34 | 4,538, |
| otal Other Included Items | | | | | | | | | | | |

| Topose | u 2000 | Average System | | st wiethodology | | | | |
|---|--------|----------------|----------------|---------------------------|---|-------------------|-------|----------------|
| UTILITY NAME: | | Snohe | omisł | n | | | | |
| End of Year Report Period: | | 20 | | | | ended 7-8-2008 | 2000 | |
| ASC Filing Date: | | 6/30/ | 2008 | | Rev | vised Amended 8-4 | -2008 | |
| | TARI | E 23G·Schedul | o 1 • 4 | <u>Averag</u> e System Co | ost | | | |
| | 1/102 | 2 23 G. Scheum | | <u>rrerug</u> e System et | ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,, | | | |
| | | Total | | Production | | Transmission | Dist | tribution/Othe |
| Fotal Operating Expenses | \$ | 476,588,027 | \$ | 317,980,686 | \$ | 37,695,420 | \$ | 120,911,92 |
| From Schedule 3) | | | | | | | | |
| Federal Income Tax Adjusted Return on Rate Base | \$ | 50,387,641 | \$ | 14,346,352 | \$ | 4,213,446 | \$ | 31,827,83 |
| From Schedule 2) | | | | | | | | |
| State and Other Taxes | \$ | 27,327,579 | \$ | - | \$ | - | \$ | 27,327,57 |
| From Schedule 3a) | | | | | | | | |
| Cotal Other Included Items | \$ | 146,002,912 | \$ | 105,466,684 | \$ | 5,998,144 | \$ | 34,538,08 |
| From Schedule 3b) | | | | | | | | |
| Fotal Cost | 0 | 408,300,335 | \$ | 226,860,355 | \$ | 35,910,723 | \$ | 145,529,25 |

| | RCHASE AND SALE AGR Average System Cost Methor | |
|---|---|--|
| UTILITY NAME: End of Year Report Period: ASC Filing Date: | Snohomish 2006 6/30/2008 | Amended 7-8-2008 Revised Amended 8-4-2008 |
| TABLE | 23G: Schedule 4: Average S | System Cost |
| Contract System Cost Production Transmission (Less) New Large Single Load Costs (d) Total Contract System Cost | \$ 35,5 | 860,355 910,723 771,078 |
| Contract System Load (MWh) Total Retail Load (Less) New Large Single Load Total Retail Load (Net of NLSL) (d) Distribution Loss (f) | 6,4 | 480,261 480,261 324,013 |

| BONNEVILLE POWER AD | MINISTRATI | ON |
|--|------------------|--------------------------|
| RESIDENTIAL PURCHASE AND | | |
| Proposed 2008 Average System | | |
| Proposed 2008 Average System | Cost Methodolog | (y |
| UTILITY NAME | Snohomish | 1 |
| End of Year Report Period | 2006 | Amended 7-8-2008 |
| ASC Filing Date | | Revised Amended 8-4-2008 |
| | 0/30/2000 | Revised Amended 0-+-2000 |
| TABLE 23H: Distribution of Salaries an | nd Wages (For La | bor Ratio Calculation) |
| | | |
| | Form 1 | |
| Description | Page | Amount |
| | Number | |
| Electric | | |
| Operation | | |
| Production | 354-355 | 2,080,871 |
| Transmission | 354-355 | 21,234 |
| Distribution | 354-355 | 11,758,560 |
| Customer Accounts | 354-355 | 9,165,065 |
| Customer Service and Information | 354-355 | 3,458,773 |
| Sales | 354-355 | 85,689 |
| Administrative and General | 354-355 | 19,166,538 |
| TOTAL Operation | | \$45,736,730 |
| Maintenance | | |
| Production | 354-355 | |
| Transmission | 354-355 | 282,589 |
| Distribution | 354-355 | 10,761,620 |
| Administrative and General | 354-355 | 10,701,020 |
| TOTAL Maintenance | | \$11,044,209 |
| | | |
| Operation and Maintenance | | |
| Production (Enter Total of lines 1 and 9) | 354-355 | 2,080,871 |
| Transmission (Enter Total of lines 2 and 10) | 354-355 | 303,823 |
| Distribution (Enter Total of lines 3 and 11) | 354-355 | 22,520,180 |
| Customer Accounts (Transcribe from line 4) | 354-355 | 9,165,065 |
| Customer Service and Information (Transcribe from line 5) | 354-355 | 3,458,773 |
| Sales (Transcribe from line 6) | 354-355 | 85,689 |
| Administrative and General (Enter Total of lines 7 and 12) | 354-355 | 19,166,538 |
| TOTAL Operation and Maintenance | | \$56,780,939 |

| | RESIDENTIAL PUF | POWER ADMINI CHASE AND SALE verage System Cost N | AGI | REEMENT | | | | | | |
|-------------|--|--|-------|-------------|----|------------|-----|---------------|------|-------------|
| | UTILITY | NAME: | | Snohomish | | | | | | |
| | End of Year Report I | | | 2006 | | | Am | ended 7-8-200 | 8 | |
| | ASC Filing | g Date: | | 6/30/2008 | | | Rev | vised Amended | 8-4- | -2008 |
| | | <u>TABLE 231</u> : Ratio T | Table | , | | | | | | |
| Labor Rat | tio Input: | Ratio Used | | Total | 1 | Production | Т | ransmission | D | istribution |
| | Production | PROD | \$ | 2,080,871 | \$ | 2,080,871 | \$ | - | \$ | - |
| | Transmission | TRANS | | 303,823 | | - | | 303,823 | | - |
| | Distribution | DIST | | 22,520,180 | | - | | - | | 22,520,180 |
| | Customer Accounts | DIST | | 9,165,065 | | - | | - | | 9,165,065 |
| | Customer Service and Informational | DIRECT | | 3,458,773 | | - | | - | | 3,458,773 |
| | Sales | DIST | | 85,689 | | - | | - | | 85,68 |
| | Administrative & General | PTD | | 19,166,538 | | 5,695,953 | | 1,438,905 | | 12,031,681 |
| Total Labor | r | | \$ | 56,780,939 | \$ | 7,776,824 | \$ | 1,742,728 | \$ | 47,261,388 |
| | LABOR RATIO | | | 100% | | 14% | | 3% | | 83% |
| GP | General Plant Ratio | Ratio Used | | Total | | Production | Т | ransmission | D | istribution |
| Gr | Land and Land Rights | PTD | \$ | 2,885,820 | \$ | 857,614 | \$ | 216,649 | \$ | 1,811,556 |
| | Structures and Improvements | PTD | φ | 60,594,190 | φ | 18.007.510 | φ | 4.549.035 | φ | 38,037,644 |
| | Furniture and Equipment | LABOR | | 10,268,103 | | 1,406,339 | | 315,150 | | 8,546,61 |
| | Transportation Equipment | TD | | 20,302,164 | | - | | 2,168,642 | | 18,133,522 |
| | Stores Equipment | PTD | | 862,334 | | 256,270 | | 64,739 | | 541,32 |
| | Tools and Garage Equipment | PTD | | 2,719,250 | | 808,112 | | 204,144 | | 1,706,993 |
| | Laboratory Equipment | PTD | | 2,244,491 | | 667,023 | | 168,502 | | 1,408,960 |
| | Power Operated Equipment | TD | | 820,827 | | - | | 87,679 | | 733,148 |
| | Communication Equipment | PTD | | 32,740,851 | | 9,729,996 | | 2,457,980 | | 20,552,876 |
| | Miscellaneous Equipment | PTD | | 64,873 | | 19,279 | | 4,870 | | 40,724 |
| | Other Tangible Property | DIRECT | | - | | - | | - | | - |
| | Asset Retirement Costs for General Plant | PTD | | - | | - | | - | | - |
| | TOTAL | | \$ | 133,502,903 | \$ | 31,752,143 | \$ | 10,237,392 | \$ | 91,513,368 |
| | GP RATIO | | | 100% | | 24% | | 8% | | 69% |

| | Proposed 2008 Average | - | | | | |
|------|---|--------------------------|----------------------------------|-------------------------------------|------------------------------------|---------------------------------------|
| | UTILITY NAME | | Snohomish | | | 0 |
| | End of Year Report Period ASC Filing Date | | 2006 6/30/2008 | | Amended 7-8-200 Revised Amended | |
| | ASC Filing Date | - | 0/30/2008 | | Keviseu Amenueu | 1 0-4-2000 |
| | <u>TAI</u> | <u>3LE 231</u> : Ratio 2 | Table | | | |
| PTD | Production, Transmission, Distribution Ratio | Ratio Used | Total | Production | Transmission | Distribution |
| | Steam Production | PROD | \$ 132,438,035 | \$ 132,438,035 | \$ - | \$ - |
| | Nuclear Production | PROD | - | - | - | - |
| | Hydraulic Production | PROD | 208,007,068 | 208,007,068 | - | - |
| | Other Production | PROD | - | - | - | - |
| | Total Production Plant | | 340,445,103 | 340,445,103 | - | - |
| | Transmission Plant | TRANS | 86,002,829 | - | 86,002,829 | - |
| | Total Distribution Plant | DIST | 719,129,388 | - | - | 719,129,388 |
| | TOTAL | | \$ 1,145,577,320 | \$ 340,445,103 | \$ 86,002,829 | \$ 719,129,388 |
| | PTD RATIO | | 100% | 30% | 8% | 63% |
| | | | | | | |
| PTDG | Production, Transmission, Distribution and General Plant Ratio PTD Total | Ratio Used | Total \$ 1,145,577,320 | Production \$ 340,445,103 | Transmission \$ 86,002,829 | Distribution \$ 719,129,388 |
| | Intangible Plant - Organization | DIST | - | - | - | - |
| | Intangible Plant - Franchises and Consents | DIRECT | 3,009 | - | - | 3,009 |
| | Intangible Plant - Miscellaneous | DIRECT | 61,978,198 | 5,420,464 | 14,803,486 | 41,754,247 |
| | General Plant Total | | 133,502,903 | 31,752,143 | 10,237,392 | 91,513,368 |
| | TOTAL | | \$ 1,341,061,430 | \$ 377,617,710 | \$ 111,043,707 | \$ 852,400,012 |
| | PTDG RATIO | | 100% | 28% | 8% | 64% |
| TD | Transmission and Distribution Plant Ratio | Ratio Used | Total | Production | Transmission | Distribution |
| 10 | Total Transmission Plant | TRANS | \$ 86,002,829 | S - | \$ 86,002,829 | S - |
| | Total Distribution Plant | DIST | 719,129,388 | φ - | φ 00,002,029 | <u> </u> |
| | TOTAL | 0101 | \$ 805,132,217 | \$ - | \$ 86,002,829 | \$ 719,129,388 |
| | TD RATIO | | ³ 005,152,217 100% | <u> </u> | <u>\$ 80,002,829</u> 11% | <u>\$ 719,129,388</u> 89% |

| | BONNEVILLE POW RESIDENTIAL PURCHAS Proposed 2008 Average | SE AND SALE | AG | REEMENT | | | | | | |
|-----|--|------------------------|------|--------------------------------|----|------------|----|-------------------------------|----|--------------|
| | UTILITY NAME End of Year Report Period ASC Filing Date | : | | Snohomish 2006 6/30/2008 | | | | ended 7-8-200 ised Amended | | 4-2008 |
| | <u>TAB</u> | <u>BLE 231</u> : Ratio | Tabl | e | | | | | | |
| GPM | Maintenance of General Plant Ratio | Ratio Used | | Total |] | Production | Τ | ransmission | Ι | Distribution |
| | Structures and Improvements | PTD | \$ | 60,594,190 | \$ | 18,007,510 | \$ | 4,549,035 | \$ | 38,037,644 |
| | Furniture and Equipment | LABOR | | 10,268,103 | | 1,406,339 | | 315,150 | | 8,546,615 |
| | Communication Equipment | PTD | | 32,740,851 | | 9,729,996 | | 2,457,980 | | 20,552,876 |
| | Miscellaneous Equipment | PTD | | 64,873 | | 19,279 | | 4,870 | | 40,724 |
| | TOTAL | | \$ | 103,668,017 | \$ | 29,163,124 | \$ | 7,327,035 | \$ | 67,177,858 |
| | GPM RATIO | | | 100% | | 28% | | 7% | | 65% |
| | SUMMARY RATIO TABLE | | | | | | | | | |
| | Direct to Distribution | | DI | | | 0.00% | | 0.00% | | 100.00% |
| | Direct to Production | | PR | | | <u> </u> | | 0.00% | | <u> </u> |
| | Direct to Transmission | | | ANS | | 0.00% | | 100.00% | | 0.00% |
| | Direct Allocation | | _ | RECT | | 0.00% | | 0.00% | | 0.00% |
| | General Plant | | GP | | | 23.78% | | 7.67% | | 68.55% |
| | Maintenance of General Plant | | GP | | | 28.13% | | 7.07% | | 64.80% |
| | Labor Ratios | | | BOR | | 13.70% | | 3.07% | | 83.23% |
| | Production, Transmission, Distribution | | РТ | D | | 29.72% | | 7.51% | | 62.77% |
| | Production, Transmission, Distribution, General | | РТ | DG | | 28.16% | | 8.28% | | 63.56% |
| | Transmission, Distribution | | TD | | | 0.00% | | 10.68% | | 89.32% |

| | RESID | ENTIAL PURC | OWER ADMINISTRA HASE AND SALE AGRE rage System Cost Methodo | EMENT |
|-----------|--------------------|--------------------|---|--------------------------|
| TABLE 23J | UTILITY NAME: | | Snohomish | |
| End of Y | ear Report Period: | | 2006 | Amended 7-8-2008 |
| | ASC Filing Date: | | 6/30/2008 | Revised Amended 8-4-2008 |
| | | Purchased P | ower & Off-System Sales | _ |
| | FERC H | Form 1 | Dung | hased Power |
| | Statistical | Page | ruro | chased rower |
| | Classification | Number | Settlement Total | MWh Purchased |
| | RQ | 326-327 | | |
| | LF | 326-327 | \$ 242,230,4 | 60 8,395,056 |
| | IF | 326-327 | | |
| | SF | 326-327 | \$ 44,551,6 | 89 852,109 |
| | LU | 326-327 | | |
| | IU | 326-327 | | |
| | OS | 326-327 | | |
| | EX | 326-327 | | |
| | NA | 326-327 | | |
| | AD | 326-327 | | |
| | ТОТ | AL | \$ 286,782,14 | 49 9,247,165 |
| L | FERC I | Form 1 | | |
| | Statistical | Page | Sale | es for Resale |
| | Classification | Number | Settlement Total | MWh Purchased |
| | RQ | 310-311 | | |
| 1 | LF | 310-311 | | |
| | IF | 310-311 | | |
| 1 | SF | 310-311 | | |
| 1 | LU | 310-311 | | |
| | IU | 310-311 | | |
| | OS | 310-311 | \$ 105,466,6 | 84 2,105,474 |
| | EX | 310-311 | | |
| | NA | 310-311 | | |
| | AD | 310-311 | | |
| | ТОТ | AL | \$ 105,466,6 | 84 2,105,474 |

SNOPUD

TABLE 23K: Forecasted Contract System Costs & ASC with New Additions and NLSL

| Date | 4/1/2009 6 | 4/1/2010 7 | 4/1/2011 8 | 4/1/2012 9 | 4/1/2013 10 |
|--|----------------------|--|----------------------|----------------------|-----------------------|
| Fiscal Year | 2009 | 2010 | 2011 | 2012 | 2013 |
| Rate Period Mid-Point | TRUE | FALSE | FALSE | FALSE | FALSE |
| Contract System Cost | | | | | |
| Production | 239,609,815 | 254,546,263 | 257,833,058 | 274,327,600 | 277,644,989 |
| Transmission | 37,780,520 | 38,148,568 | 38,641,922 | 39,188,191 | 39,772,181 |
| NLSL Fully Allocated Cost (\$/MWh) | | | | | |
| (Less) New Large Single Load Costs (d) | 0 | 0 | 0 | 0 | 0 |
| Total Contract System Cost | 277,390,335 | 292,694,831 | 296,474,980 | 313,515,790 | 317,417,170 |
| Contract System Load (MWh) | | | | | |
| Total Retail Load @ Meter | 6,937,461 | 7,034,074 | 7,092,711 | 7,150,113 | 7,202,273 |
| (Less) New Large Single Load | 0 | 0 | 0 | 0 | 0 |
| Total Retail Load (Net of NLSL) (d) | 6,937,461 | 7,034,074 | 7,092,711 | 7,150,113 | 7,202,273 |
| Distribution Loss (f) | 346,873 | 351,704 | 354,636 | 357,506 | 360,114 |
| Total Contract System Load | 7,284,334 | 7,385,777 | 7,447,346 | 7,507,618 | 7,562,386 |
| Average System Cost \$/MWh | 38.08 | 39.63 | 39.81 | 41.76 | 41.97 |
| | Rate | Period Mid-Po | <u>pint</u> | | |
| Date | | 4/1/09 | | | |
| Fiscal Year | | 2009 | | | |
| NLSL Switch | | 0 | | | |
| | | e e | | | |
| Contract System Cost | | Ű | | | |
| Contract System Cost Production | | 239,609,815 | | | |
| | | - | | | |
| Production | | 239,609,815 | | | |
| Production | | 239,609,815 37,780,520 | | | |
| Production Transmission (Less) New Large Single Load Costs (d) Total Contract System Cost | | 239,609,815 37,780,520 0 | | | |
| Production Transmission (Less) New Large Single Load Costs (d) | | 239,609,815 37,780,520 0 | | | |
| Production Transmission (Less) New Large Single Load Costs (d) Total Contract System Cost Contract System Load (MWh) | | 239,609,815 37,780,520 0 277,390,335 | | | |
| Production Transmission (Less) New Large Single Load Costs (d) Total Contract System Cost Contract System Load (MWh) Total Retail Load @ Meter | | 239,609,815 37,780,520 0 277,390,335 6,937,461 | | | |
| Production Transmission (Less) New Large Single Load Costs (d) Total Contract System Cost Contract System Load (MWh) Total Retail Load @ Meter (Less) New Large Single Load | | 239,609,815 37,780,520 0 277,390,335 6,937,461 0 | | | |
| Production Transmission (Less) New Large Single Load Costs (d) Total Contract System Cost Contract System Load (MWh) Total Retail Load @ Meter (Less) New Large Single Load Total Retail Load (Net of NLSL) (d) | | 239,609,815 37,780,520 0 277,390,335 6,937,461 0 6,937,461 | | | |

Table 24Average System Cost Forecast for 7(b)(2) Rate Test(Dollars per megawatthour)

| | | | | <u>FY 2009</u> | <u>FY 2010</u> | <u>FY 2011</u> | <u>FY 2012</u> | <u>FY 2013</u> |
|--------------|------------------|-----------------|-----------------|----------------|----------------|----------------|----------------|----------------|
| Avista | | | | 50.28 | 48.42 | 48.69 | 48.47 | 48.41 |
| Centralia | | | | 35.56 | 36.71 | 36.68 | 38.27 | 38.26 |
| Franklin | | | | 45.74 | 47.59 | 47.24 | 50.01 | 49.62 |
| Idaho | | | | 33.86 | 33.96 | 34.34 | 34.6 | 34.99 |
| Northwestern | | | | 54.84 | 55.36 | 56.06 | 56.85 | 57.72 |
| | <u>10/1/2008</u> | <u>1/1/2009</u> | <u>6/1/2009</u> | | | | | |
| PacifiCorp | 50.4 | 51.34 | 51.82 | 51.27 | 49.68 | 49.47 | 48.95 | 48.56 |
| | <u>10/1/2008</u> | <u>4/1/2009</u> | <u>8/1/2009</u> | | | | | |
| PGE | 54.99 | 55.59 | 57.53 | 55.61 | 56.01 | 56.43 | 56.43 | 56.59 |
| PSE | | | | 59.71 | 59.72 | 60.36 | 60.92 | 61.56 |
| Snohomish | | | | 38.08 | 39.63 | 39.81 | 41.76 | 41.97 |

WP-07 SUPPLEMENTAL WHOLESALE POWER RATE ADJUSTMENT PROCEEDING

FY 2009 AVERGE SYSTEM COST REPORTS

- Avista
- Centralia City Light
- Franklin County PUD
- Idaho Power
- NorthWestern
- PacifiCorp
- Portland General Electric
- Puget Sound Energy
- Snohomish County PUD

FINAL REPORT

WP-07 Supplemental Wholesale Power Rate Adjustment Proceeding: FY 2009 AVERAGE SYSTEM COST REPORT FOR

AVISTA UTILITIES

Docket Number: AV-PB-08-01 Effective Date: October 1, 2008

PREPARED BY BONNEVILLE POWER ADMINISTRATION U.S. DEPARTMENT OF ENERGY

September 11, 2008

WP-07-FS-BPA-13B Page 233 of 484

| TABLE | OF | CONTENTS |
|-------|----|----------|
|-------|----|----------|

| Sect | on Pa | age |
|------|---|--|
| I. | ILING DATA | .1 |
| II. | AVERAGE SYSTEM COST: DETERMINATIONS Base Period 2006 FY 2009 (Exchange Period) ASC without New Resource Additions (\$/MWh) FY 2009 (Exchange Period) ASC with New Resource Additions (\$/MWh) | .1 |
| III. | TLING REQUIREMENTS. A. Introduction. B. ASC Determination Process Guidelines and Expedited Review Process. C. Explanation of Schedules. 1. Schedule 1 – Plant Investment/Rate Base. 2. Schedule 1A – Cash Working Capital. 3. Schedule 2 – Capital Structure and Rate of Return 4. Schedule 3 – Expenses. 5. Schedule 3A – Taxes 6. Schedule 3B – Other Included Items 7. Schedule 4 – Average System Cost (\$/MWh) 8. Distribution of Salaries and Wages. 9. Purchased Power and Sales for Resale 10. New Large Single Load 11. Labor Ratios. 20. ASC Forecast 1. Forecast Contract System Cost 2. Forecast of Sales for Resale and Power Purchases 3. Forecast Contract System Load and Exchange Load | 2 2 3 4 4 5 5 5 5 5 6 6 6 6 6 6 6 6 7 7 7 7 7 7 |
| IV. | Major Resource Additions | .8 .8 .4 6 8 20 |
| V. | TINAL EXPEDITED ASC FORECAST for FY 2009-20132 | 1 |
| VI. | 3PA STATEMENT | 4 |

ii

I. FILING DATA

| Utility | Parties to the Filing |
|------------------|--|
| Avista Utilities | A complete list of intervening parties is located at the following E |

Avista UtilitiesA complete list of intervening parties is located at the following BPA1411 E. Missionweb site:Spokane, WA 99202http://www.bpa.gov/corporate/finance/asem/Docs/Intervening_Parties.pdf

Effective: October 1, 2008 – September 30, 2009 WP-07 Supplemental Wholesale Power Rate Adjustment Proceeding

II. AVERAGE SYSTEM COST: DETERMINATIONS

A. Base Period 2006

| | As Filed | July 8, 2008 As Amended | August 4, 2008 As Revised | Sept.11, 2008 Final |
|------------------------------------|---------------|-------------------------------|---------------------------------|---------------------------|
| Production Cost | \$367,559,241 | \$367,368,078 | \$367,368,078 | \$367,663,808 |
| Transmission Cost | \$61,061,647 | \$60,812,647 | \$61,000,640 | \$61,000,640 |
| (Less) New Large Single Load Costs | \$0 | \$35,902,963 | \$4,204,341 | \$4,205,570 |
| Total Contract System Cost | \$428,620,888 | \$392,277,762 | \$424,164,378 | \$424,458,879 |
| | | | | |
| Total Retail Load (MWh) | 8,787,002 | 8,787,002 | 8,787,002 | 8,787,002 |
| (Less) New Large Single Load | 0 | 551,335 | 61,449 | 61,449 |
| Total Retail Load (Net NLSL) | 8,787,002 | 8,235,667 | 8,725,553 | 8,725,553 |
| Plus Distribution Losses | 439,350 | 460,439 | 460,439 | 460,439 |
| Total Contract System Load (MWh) | 9,226,352 | 8,696,105 | 9,185,992 | 9,185,992 |
| FY 2006 Base Period ASC (\$/MWh) | 46.46 | 45.11 | 46.18 | 46.21 |

B. FY 2009 (Exchange Period) ASC without New Resource Additions (\$/MWh)

| | | July 8, 2008 | August 4, 2008 | Sept.11, 2008 |
|--|-----|-----------------|-------------------|------------------|
| | | As Amended | As Revised | Final |
| FY 2009 (Rate Period) ASC without New Resource Additions (\$/MWh) | N/A | 47.83 | 48.84 | 50.28 |

C. FY 2009 (Exchange Period) ASC with New Resource Additions (\$/MWh)

FY 2007-2009 New Resource Additions - See Table1in Section III.B for details: N/A There are no New Resource Additions recorded that met the 2.5 percent materiality threshold.

III. FILING REQUIREMENTS

A. <u>Introduction</u>

Section 5(c)(l) of the Pacific Northwest Electric Power Planning and Conservation Act (Pacific Northwest Power Act), 16 U.S.C. § 839c(c)(l), establishes the Residential Exchange Program (REP). Any Pacific Northwest utility interested in participating in the REP may offer to sell power to Bonneville Power Administration (BPA) at the average system cost (ASC) of the utility's resources. In exchange, BPA offers to sell an "equivalent amount of electric power to such utility for resale to that utility's residential users within the region" at the BPA rate established pursuant to section 7(b)(l) of the Act. *See generally*, H.R. Rep. No. 976, Pt I, 96th Cong., 2d Sess. at 60 (1980).

The Act gives BPA's Administrator the discretionary authority to determine ASC on the basis of a methodology to be established in a public consultation proceeding. 16 U.S.C. 839c(c)(7). The only express statutory limits on the Administrator's authority are found in sections 5(c)(7)(A), (B) and (C) of the Act. 16 U.S.C. 839c(c)(7)(A), (B) and (C).

BPA's first ASC Methodology was developed in consultation with regional interests in 1981. *See* 48 FR 46,970 (Oct. 17, 1983). It was later revised in 1984. *See* 49 FR 39,293 (Oct. 5, 1984). In the mid-1990s, BPA and exchanging Utilities agreed to a number of termination agreements that provided for payments to each Utility through the remaining years of the Residential Purchase and Sale Agreements (RPSA) that implemented the REP. These termination agreements did not require the participating utilities to submit ASC filings.

In 2000, BPA executed REP Settlement Agreements with each IOU customer. The Agreements provided monetary benefits and power sales to the IOUs to resolve disputes regarding BPA's implementation of the REP. On May 3, 2007, the U.S. Court of Appeals for the Ninth Circuit issued a decision finding the Agreements unlawful. BPA therefore began efforts to resume the

Page 2 of 25 FINAL WP-07-FS-BPA-13B Page 238 of 484 REP, including the development of RPSAs and a consultation proceeding to revise the 1984 ASC Methodology.

As with the previous ASC Methodologies, the proposed 2008 ASC Methodology (ASCM) was developed in consultation with interested parties through a series of working group meetings conducted by BPA staff. The goal of the consultation process was to develop an administratively feasible ASC Methodology that would be technically sound, and comport with the Northwest Power Act. The Methodology is subject to review and approval by the Federal Energy Regulatory Commission (FERC or Commission).

BPA maintains a significant role in reviewing Utilities' ASC filings to ensure compliance with the 2008 ASCM. For more information regarding the 2008 ASCM, please refer to the *Final Record of Decision of the 2008 Average System Cost Methodology*, dated June 30, 2008.

B. ASC Determination Process Guidelines and Expedited Review Process

The purpose of BPA's expedited review process is to estimate exchanging Utilities' ASCs for FY 2009 that could be incorporated into BPA's WP-07 Supplemental Rate Proceeding in order to ensure that BPA's FY 2009 power rates established in that proceeding rely on the most accurate ASCs possible. For purposes of the expedited review process, and as specified in the Review Procedures of the proposed 2008 ASCM, on or before March 3, 2008, each exchanging utility (Utility) submitted a "base period ASC" to BPA using data from its 2006 FERC Form 1 and other supporting data. All data were submitted using BPA's proposed Appendix 1, an Excel-spreadsheet based model. The submittal of the Appendix 1 filing began the formal review and comment process to establish ASCs for the exchanging Utilities which is referred to as the Review Period. Although BPA reviewed the initial data in the context of BPA's initially proposed 2008 ASCM, BPA knew that it would be completing its proposed 2008 ASCM and issuing a Record of Decision supporting that ASCM near the end of June 2008. In order that the ASCs determined in the expedited review process would reflect as accurately as possible the ASCs that would be in effect for determining REP benefits for FY 2009, BPA reviewed the Utilities' filing under the criteria of BPA's Final 2008 ASCM. This ensured that the ASCs relied on by BPA in establishing its FY 2009 power rates would be as accurate as possible. Parties had a full and complete opportunity to intervene in BPA's expedited review process and to submit comments on BPA's proposed ASCs.

For details of the prospective Review Period and guidelines, see Attachment A to the 2008 Final Record of Decision of the 2008 Average System Cost Methodology, June 2008: 2008 Methodology for Determining the Average System Cost of Resources for Electric Utilities Participating in the Residential Exchange Program Established by Section 5(c) of the Pacific Northwest Electric Power and Conservation Act.

The 2008 ASCM incorporates, in part, the functionalization process and functionalization codes, with modifications, determined in the 1984 ASCM. Costs are assigned under functionalization codes to Production, Transmission, or Distribution/Other. Functionalization of each Account

Page 3 of 25 FINAL WP-07-FS-BPA-13B Page 239 of 484 included in a Utility's ASC is in accordance to the functionalization prescribed in the 2008 ASCM, Attachment A, Table 1.

The ASCM allows Utilities to file multiple, contingent, ASCs to reflect changes to service territories, and allows for changes to ASCs resulting from major resource additions and reductions.

In summary, BPA reviewed ASCs during the expedited review process in accordance with the 2008 ASCM published June 30, 2008. After establishing a Base Period ASC determination, BPA used the ASC Forecast model, an Excel-based spreadsheet, to escalate the Base Period ASC forward to the effective rate period, FY 2009 (October 1, 2008 through September 30, 2009). The Base Period and Forecast ASC results are reported herein.

C. <u>Explanation of Schedules</u>

Utilities' Appendix 1 filings consist of a series of seven schedules and other supporting information, which present the data necessary to calculate ASC. The schedules and support data are as follows:

| 1. | Schedule 1 | - Plant Investment/Rate Base | |
|----|------------------------------------|--|--|
| 2. | Schedule 1A | - Cash Working Capital calculation | |
| 3. | Schedule 2 | - Capital Structure and Rate of Return | |
| 4. | Schedule 3 | - Expenses | |
| 5. | Schedule 3A | - Taxes | |
| 6. | Schedule 3B | - Other Included Items | |
| 7. | Schedule 4 | - Average System Cost | |
| 8. | Distribution of Salaries and Wages | | |

- 9. Purchased Power & Off-System Sales
- 10. New Large Single Load
- 11. Labor Ratios

1. Schedule 1 – Plant Investment/Rate Base

This schedule establishes the rate base used by the Utility. The calculation begins with a determination of the total Electric Plant In-Service, which includes the gross historical costs of the Intangible, General, Production, Transmission, and Distribution Plants. These values (and all subsequent values) are entered into the Appendix 1 filing as line items based on separate FERC account descriptions. Each line item (Account) is functionalized to Production, Transmission, or Distribution/Other in accordance to the functionalizations prescribed in the 2008 ASCM, Attachment A, Table 1.

Next, in order to reflect the book value of the remaining plant, depreciation and amortization reserves are evaluated and entered into the Appendix 1 form and functionalized. These are then subtracted from the Total Electric Plant In-Service to determine the Total Net Plant.

Page 4 of 25 FINAL WP-07-FS-BPA-13B Page 240 of 484 The resulting Total Net Plant is adjusted, where appropriate, to reflect additions in Cash Working Capital (calculated in Schedule 1A), Utility Plant, Property and Investments, Current and Accrued Assets, Deferred Debits. It is adjusted again, where appropriate, to deduct the Current and Accrued Liabilities, and Deferred Credits from the Total Net Plant. The outcome of these adjustments defines the Total Rate Base. When multiplied by the Rate of Return as determined in Schedule 2, the result is the Utility's return on investment.

2. Schedule 1A – Cash Working Capital

Cash working capital is a ratemaking convention that is not included in the Form 1, but is a part of all electric utility rate filings as a component of rate base. To determine the allowable amount of cash working capital in rate base for a Utility, BPA allows 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.

3. Schedule 2 – Capital Structure and Rate of Return

This schedule lists the data used by the Utility to develop the rate of return applied to the Utility's rate base developed on Schedule 1 to determine the Utility's return on investment.

IOUs use the weighted cost of capital (WCC) from the most recent State Commission Rate Order with a Federal income tax adjustment to determine the return calculation. The return on equity (ROE) used in the WCC calculation is grossed up for Federal income taxes at the marginal Federal income tax rate using the formula found in the ASC Methodology, Attachment A, Section IX, Endnote b. For Consumer-Owned Utilities (COU), the rate of return is equal to the COU's weighted cost of debt times total rate base.

4. Schedule 3 – Expenses

This schedule represents operations and maintenance expenses for the production of power, the transmission of electricity, and the distribution of electricity. Each expense item is functionalized as outlined in the ASCM, Table 1. Additional expenses associated with customer accounts, sales, and administrative and general expenses for both operations and maintenance are also included in this schedule. Depreciation and amortization for the associated plants are added to the operating and maintenance expenses to calculate Total Operating Expenses.

5. Schedule 3A – Taxes

This schedule presents allowable ASC cost for Federal employment tax and non-Federal taxes, including property and unemployment tax. State income tax, franchise fees, regulatory fees, and city/county taxes are included herein but are functionalized to Distribution/Other and therefore not incorporated in ASC. Taxes and fees for each state listed are grouped together and entered as "combined" line items for Appendix 1 filing purposes.

Federal income taxes included in ASC are calculated and described in Schedule 2 above, *Capital Structure and Rate of Return*.

Page 5 of 25 FINAL WP-07-FS-BPA-13B Page 241 of 484

6. Schedule 3B – Other Included Items

This schedule includes revenues from the disposition of plant, sales for resale, and other revenues, including electric revenues and revenues from transmission of electricity to others (wheeling). Items in this schedule are deducted from the total costs of each Utility.

7. Schedule 4 – Average System Cost (\$/MWh)

This schedule summarizes the cost information calculated in Schedules 2 through 3B: Federal income tax adjusted return on rate base, total operating expenses, state and other taxes, and other included items. The schedule also lists the load information, as defined below, and calculates the Utility's ASC.

Contract System Cost:

The Contract System Cost is the Utility's costs for production and transmission resources, including power purchases and conservation measures, which costs are includable in and subject to the provisions of Appendix 1. Costs to serve NLSL are excluded from ASC calculations. This Contract System Cost becomes the numerator in calculating ASC.

Contract System Load:

The Contract System Load is the total regional retail load included in the Form 1, or for a consumer-owned utility (preference customers) the total retail load from the most recent annual audited financial statement as adjusted pursuant to this Average System Cost Methodology. The denominator in the ASC calculation consists of the Contract System Load (MWh) of the Utility increased for distribution losses, and reduced by any New Large Single Load(s) (NLSL).

8. Distribution of Salaries and Wages

The supporting file is used to determine the Labor Ratio calculations and includes salaries and wages from relevant operations and maintenance of the electric plant.

9. Purchased Power and Sales for Resale

The Purchased Power is an Account of Schedule 3, *Expenses*, and includes all purchases the Utility made during the year, including power exchanges. Sales for Resale is an Account of Schedule 3B, *Other Included Items*, and includes power sales to purchasers other than ultimate consumers. Listed in the information for both Accounts is the statistical classification code for all transactions. Refer to the FERC Form 1, pages 310-311 for Sales for Resale and pages 326-237 for Purchased Power for identification of the classification codes.

10. New Large Single Load

A NLSL is any load associated with a new facility, an existing facility or an expansion of an existing facility which was not contracted for or committed to (CF/CT) prior to September 1, 1979, and will result in an increase in power requirements of the specific customer of ten average megawatts (10aMW) or more in any consecutive twelve-month period.

BPA determines the cost of serving NLSLs by using the fully allocated cost of <u>all post</u>-September 1, 1979, resources and long-term power purchases greater than five years in duration.

Page 6 of 25 FINAL WP-07-FS-BPA-13B Page 242 of 484

11. Labor Ratios

These ratios assign costs on a pro rata basis using salary and wage data for Production, Transmission, and Distribution/other functions included in the Utility's most recently filed Form 1. For COUs, comparable data is used based on the cost of service analysis (COSA) study used as the basis for retail rates in effect during the Base Year filing.

D. ASC Forecast

The Base Period ASC is applied to an Excel-based forecasting model to escalate the Base Year ASC data forward to the Exchange Period. For purposes of the expedited process, that Exchange Period is FY 2009. BPA uses Global Insight's (or its successor) forecast of cost increases for capital costs and fuel (except natural gas), O&M, and G&A expenses; BPA's forecast of market prices for IOU purchases to meet load growth and to estimate short-term and non-firm power purchase costs and sales revenues; BPA's forecast of natural gas prices; and BPA's estimates of the rates it will charge for its PF and other products. For additional background on the determination of Exchange Period ASCs, see details of the 2008 ASC Methodology, Section IV *Rules for Determining Exchange Period Average System Cost*, Subsection A.

1. Forecast Contract System Cost

Forecast Contract System Cost (CSC) are the Utility's forecast costs for production and transmission resources, including power purchases and conservation measures, which costs are includable in and subject to the provisions of Appendix 1. As outlined in the 2008 ASC Methodology, Section IV *Rules for Determining Exchange Period Average System Cost*, Subsection A, Forecast CSC, BPA escalates base period costs to the midpoint of the fiscal year for the FY 2009 rate period/Exchange Period to calculate Exchange Period ASCs. BPA projects the costs of power products purchased from BPA using BPA's forecast of prices for its products.

2. Forecast of Sales for Resale and Power Purchases

BPA does not normalize short-term purchases and sales for resale. The short-term purchases and sales for resale for the Base Period are used as the starting values for the forecast. The Utilities are then allowed to include new plant additions and use a Utility-specific forecast for the (1) price of purchased power and (2) sales for resale price, to value purchased power expenses and sales for resale revenue. For details, see the 2008 ASC Methodology, Section IV *Rules for Determining Exchange Period Average System Cost*, Subsection B.

3. Forecast Contract System Load and Exchange Load

All Utilities are required to provide a forecast of their Contract System Load and associated Exchange Load, as well as a current distribution loss study as described in the 2008 ASCM, Attachment A, endnote e/, with their Appendix 1 filing. The load forecast for Contract System Load and Exchange Load starts with the Base Period and extends through 4 years after the Exchange Period. The load forecast for Contract System Load and Exchange Load is provided on a monthly basis for the Exchange Period.

Page 7 of 25 FINAL WP-07-FS-BPA-13B Page 243 of 484

4. Major Resource Additions

BPA uses the method outlined in the 2008 ASC Methodology, Section IV *Rules for Determining Exchange Period Average System Cost*, Subsection C to determine the change in ASC due to major new resource additions or reductions, subject to meeting the materiality threshold of 2.5 percent. These additions include new production resource investments, new generating resource investments, new transmission investments, long-term generating contracts, pollution control and environmental compliance investments relating to generating resources, transmission resources or contracts, hydro relicensing costs and fees, and plant rehabilitation investments.

The exchanging Utility provides its forecast of any major resource addition and all associated costs. The forecast covers the period from the end of the Base Period (FY 2006) to the end of the Exchange Period (FY 2009).

The forecast of major resource costs to be included in the Utility's Exchange Period ASC is reviewed and determined during the review period. All resources included prior to the start of the Exchange Period are projected forward to the mid-point of the Exchange Period.

5. Load Growth Not Met by New Resource Additions

All load growth not met by new resource additions is met by purchased power at the forecasted Utility-specific short-term purchased power price. BPA uses the method outlined in the 2008 ASC Methodology, Section IV *Rules for Determining Exchange*, Subsection D.

IV. REVIEW OF THE ASC FILING AND RESPONSE TO COMMENTS

A. <u>Identification and Analysis of Issues from the May 7, 2008, ASC Appendix 1</u> <u>Filing</u>

BPA is responsible for reviewing all costs and loads for determining ASCs in accordance with section 5(c) of the Northwest Power Act and the 2008 ASC Methodology. During this review and evaluation, issues were identified for comment. BPA's ASC determination is limited to specific findings on those issues identified for comment with the exception of ministerial or mathematical errors. There may have been additional issues that BPA did not identify for comment in this filing. Acceptance of a Utility's treatment of an item without comment is not intended to signify a decision of the proper interpretation to be applied either in subsequent filings or universally under the 2008 ASC Methodology.

The following is a summary of the Contract System Cost and Contract System Load filed on May 7, 2008 by Avista, and as amended following review and evaluation by BPA. The explanations for BPA's changes are outlined as appropriate by Appendix 1 schedule and supporting files below. Minor changes may have occurred due to a functionalization ratio percentage allocation or rounding. If such minor changes occurred and they did not affect the overall ASC, the changes were not addressed in this report.

Page 8 of 25 FINAL WP-07-FS-BPA-13B Page 244 of 484

SCHEDULE 1: Plant Investment/Rate Base

- 1. Account 303, Intangible Plant Miscellaneous: incorrect functionalization
 - a. <u>Statement of Issue</u>: In the May 7 filing, Avista directly assigned the transmission portion of this account, and allocated the computer software in this account using Avista's PTD ratio.
 - b. <u>Statement of Facts</u>: The proposed ASCM permits Direct Analysis only for specified accounts. The ASCM contains default functionalization methods in the absence of Direct Analysis where appropriate. BPA does not allow Utilities to use a combination of direct analysis and a prescribed functionalization method for the same account. However, Utilities can develop and use a functionalization ratio or use a prescribed functionalization method if the Utility, through direct analysis, can justify how the ratio adequately reflects the functional nature of the costs included in any account or cost item being functionalized by the ratio.
 - c. <u>Analysis of Position and Decision</u>: At the time of Avista's initial May 7, 2008, Appendix 1 filings, BPA did not allow a Utility to combine a direct analysis with a prescribed functionalization method for the same account under any circumstance. Therefore, Avista's allocation of PTD to the computer software was considered incorrect and Avista was not allowed to revise the allocation in time to provide a Direct Analysis. For this reason, BPA re-allocated account 303 in its entirety to Distribution/Other.

In the ASCM ROD, BPA clarified its treatment of Account 303. For the final Methodology, Utilities can develop and use a functionalization ratio or use a prescribed functionalization method if the Utility, through Direct Analysis, can justify how the ratio adequately reflects the functional nature of the costs included in any account or cost item being functionalized by the ratio." (2008 ASCM Final Record of Decision at 30). Until additional supporting data are submitted, BPA will continue to functionalize Account 303, Intangible Plant Miscellaneous, in its entirety to Distribution/Other.

- 2. Account 186, Miscellaneous Deferred Debits: incorrect functionalization of line item "WA Deferred Power Costs"
 - a. <u>Statement of Issue</u>: In its May 7 filing, Avista functionalized WA Deferred Power Costs to Distribution/Other. This "Wa Deferred Power Costs" line item appears to be a Power debit, not a Distribution/Other debit.

Page 9 of 25 FINAL WP-07-FS-BPA-13B Page 245 of 484

- b. <u>Statement of Facts</u>: Avista functionalized this Account to Distribution/ Other without providing supporting documentation for the debit account. In its analysis, Avista did not comment on line items that were deemed immaterial, were assigned to Distribution, or were unduly burdensome to provide details.
- c. <u>Analysis of Position and Decision</u>: This Account falls under Deferred Debits. Because Avista did not include supporting documentation, BPA functionalized the WA Deferred Power Cost debit to Production.
- 3. Account 186, Miscellaneous Deferred Debits: incorrect functionalization of line item "Regulatory Assets Conservation"
 - a. <u>Statement of Issue</u>: In its May 7 filing, Avista functionalized Regulatory Assets Conservation to DIR-C Ratio.
 - b. <u>Statement of Facts</u>: BPA no longer recognizes DIR-C as a valid functionalization ratio. BPA no longer uses ratios to functionalize conservation program costs or revenues. BPA examines conservation program costs on a utility-by-utility basis. Utilities are allowed to functionalize all conservation related costs to production, irrespective of the functionalization rules specified for the account. The balance of the costs included in such accounts shall be functionalized according to the functionalization rules specified for the account.
 - c. <u>Analysis of Position and Decision</u>: At the time of Avista's initial May 7, 2008, Appendix 1 filings, BPA allowed a Utility to use the conservation ratio (DIR-C) at an allocation of 70% Production and 30% Distribution for conservation line items when appropriate. Since the May filing and publication of the draft ROD, BPA has revised its treatment of conservation issues (see the Final ASCM for details) and now allows Direct Analysis to functionalize conservation measures to Production if the Utility can justify the allocation. For purposes of this report, BPA refunctionalized Regulatory Assets Conservation to Direct Analysis but continued to allocate the costs 70% to Production and 30% to Distribution. BPA will allow Avista to submit documentation for this line item and correct the functionalization as appropriate. If Avista does not submit appropriate documentation, BPA will functionalize "Regulatory Assets Conservation" to Distribution/Other.
- 4. Accounts 244 and 245: Current and Accrued Liabilities Long-Term Portions of Derivative Instrument Liabilities" and Deferred Credits "Long-Term Portions of Derivative Instrument Liabilities-Hedges"

Page 10 of 25 FINAL WP-07-FS-BPA-13B Page 246 of 484

- a. <u>Statement of Issue</u>: The May 7 filing Appendix 1 template inadvertently added lines items *Long-Term Portions of Derivative Instrument Liabilities and Long-Term Portions of Derivative Instrument Liabilities-Hedges* twice; once in Current and Accrued Liabilities and once in Deferred Credits. Avista inadvertently entered data in both areas.
- b. <u>Statement of Facts</u>: The additional line items were in error and BPA has since removed them from Deferred Credits.
- c. <u>Analysis of Position and Decision</u>: BPA's deletion of the two additional line items, \$10,174,378 for the Long-Term Portions of Derivative Instrument Liabilities and \$5,144,457 for the Long-Term Portions of Derivative Instrument Liabilities-Hedges, did not cause a change to Avista's Total Liabilities and Other Credits.
- 5. Account 253, Other Deferred Credits: incorrect functionalization of line item "BPA C&RD Receipts (253100)"
 - a. <u>Statement of Issue</u>: In its May 7 filing, Avista functionalized BPA C&RD Receipts (253100) to DIR-C Ratio. C&RD is a conservation measure.
 - b. <u>Statement of Facts</u>: BPA no longer recognizes DIR-C as a valid functionalization ratio.
 - c. <u>Analysis of Position and Decision</u>: At the time of Avista's initial May 7, 2008, Appendix 1 filing, BPA allowed a Utility to use the conservation ratio (DIR-C) at an allocation of 70% Production and 30% Distribution for conservation line items when appropriate. Since the May filing and publication of the draft ROD, BPA has revised its treatment of conservation issues (see the Final ASCM for details) and now allows Direct Analysis to functionalize conservation measures to Production if the Utility can justify the allocation. For purposes of this report, BPA refunctionalized BPA C&RD Receipts to Direct Analysis but continued to allocate the costs 70% to Production and 30% to Distribution. BPA will allow Avista to submit documentation for this line item and correct the functionalization as appropriate. If Avista does not submit appropriate documentation, BPA will functionalize "BPA C&RD Receipts (253100)" to Distribution/Other.

SCHEDULE 1A: Cash Working Capital – no changes from the May 7 filing

SCHEDULE 2: Capital Structure and Rate of Return – no changes from the May 7 filing

SCHEDULE 3: Expenses- no changes from the May 7 filing

Page 11 of 25 FINAL

WP-07-FS-BPA-13B Page 247 of 484

SCHEDULE 3A: Taxes – no changes from the May 7 filing

SCHEDULE 3B: Other Included Items – no changes from the May 7 filing

SCHEDULE 4: Average System Cost

1. **Distribution Loss**:

- a. <u>Statement of Issue</u>: In its filing, Avista used a 5 percent Distribution Loss Factor to determine its ASC.
- b. <u>Statement of Facts:</u> The May 7 filing Appendix 1 template did not require a Utility to complete a Distribution Loss Study to increase the Total Retail Load. As outlined in the ASCM ROD, BPA allows participating Utilities that have the ability to directly measure distribution losses on their system to submit such measurements, subject to BPA review and approval, with their ASC filings. Utilities that do not possess the capability to directly measure distribution losses on their system are required to submit a formal distribution loss study with their ASC filing. The distribution loss study is valid for a period of seven years.

Utilities that do not have the ability to directly measure distribution losses on their system and do not have a formal distribution loss study that was prepared within the previous seven years of the date of the ASC filing will use the default distribution loss study method described in the ASCM ROD, Section 4.10.5.

- <u>Analysis of Position and Decision</u>: For purposes of this expedited filing, BPA completed the Distribution Loss Factor calculation outlined in the ASCM ROD, Section 4.10.5. A distribution loss factor of 5.24 percent was used.
- 2. **Contract System Load:** New Large Single Load (NLSL)
 - a. <u>Statement of Issue</u>: The May 7 Appendix 1 filing did not require and therefore did not include information on NLSL MWh. BPA now requires that such data be included in the determination of a Utility's ASC.
 - b. <u>Statement of Facts</u>: Avista submitted data identifying one potential NLSL usage of 551,335 MWh. BPA determined this load by the evaluation of Avista provided data.

Page 12 of 25 FINAL WP-07-FS-BPA-13B Page 248 of 484

- c. <u>Analysis of Position and Decision</u>: Section 5 (c) of the Northwest Power Act does not permit costs of servicing an NLSL to be included in the calculation of a Utility's ASC and, therefore, BPA removed the potential NLSL and associated costs from the Appendix 1 amended filing. The results are noted in Schedule 4 of the amended Appendix 1 filing.
- 3. Contract System Cost: New Large Single Load (NLSL) Costs
 - a. <u>Statement of Issue</u>: The May 7 filing Appendix 1 template did not require and therefore did not include information on NLSL costs. BPA now requires this data to be included in the determination of a Utility's ASCs.
 - b. <u>Statement of Facts</u>: BPA determined the cost of serving the potential NLSL using the fully allocated cost of all escalated base period post-September 1, 1979, resources and major resource additions and long-term power purchases (5 years or longer contracts) used to determine Exchange Period ASCs as outlined in the ASCM ROD, section 4.5.
 - c. <u>Analysis of Position and Decision</u>: Section 5 (c) of the Northwest Power Act does not permit costs of servicing an NLSL to be included in the calculations of a Utility's ASC and therefore, BPA removed the NLSL and associated costs from the Appendix 1 amended filing. The results are noted in Schedule 4 of the amended Appendix 1 filing and in Table 2 at the end of this report. In addition, BPA will publish the resource cost determinations to NLSL work papers at the ASCM web site: http://www.bpa.gov/corporate/finance/ascm/filings.cfm.

SUPPORTING DOCUMENTATION: Purchased Power and Sales for Resale – no changes from the May 7 filing

SUPPORTING DOCUMENTATION: Salaries and Wages – no changes from the May 7 filing

SUPPORTING DOCUMENTATION: Labor Ratios from the May 7 filing

- 1. Maintenance of General Plant (GPM) Ratio: Miscellaneous Equipment
 - a. <u>Statement of Issue</u>: Incorrect functionalization of Labor Ratio "Miscellaneous Equipment in the Maintenance of General Plant (GPM)"
 - b. <u>Statement of Facts</u>: Miscellaneous Equipment in the Maintenance of General Plant Ratio was mistakenly functionalized to Distribution rather than PTD in the ASC Template.

Page 13 of 25 FINAL WP-07-FS-BPA-13B Page 249 of 484 c. <u>Analysis of Position and Decision</u>: BPA corrected the error and the functionalization of Miscellaneous Equipment in the Maintenance of General Plant Ratio was changed from Distribution to PTD in the ASC Template.

B. <u>Identification and Analysis of Issues based on Comments to the July 8, Draft</u> <u>ASC Report</u>

SCHEDULE 1: Plant Investment/Rate Base

- 1. Account 303, Intangible Plant Miscellaneous: Incorrect functionalization.
 - a. **Analysis of Position and Decision:** At the time of Avista's initial May 7, 2008, Appendix 1 filings, BPA did not allow a Utility to combine a Direct Analysis with a prescribed functionalization method for the same account under any circumstance. Therefore, Avista's allocation to PTD of the computer software was considered incorrect and Avista was not allowed to revise the allocation in time to provide a Direct Analysis. For this reason, BPA re-allocated account 303 in its entirety to Distribution/Other.

In its Record of Decision (ROD) for the Average System Cost Methodology, BPA clarified its treatment for the final Methodology for Account 303, as follows: utilities can develop and use a functionalization ratio or use a prescribed functionalization method if the utility, through Direct Analysis, can justify how the ratio adequately reflects the functional nature of the costs included in any account or cost item being functionalized by the ratio." (2008 ASCM Final Record of Decision at 30). Until additional supporting data are submitted, BPA will continue to functionalize Account 303, Intangible Plant Miscellaneous, in its entirety, to Distribution/Other.

- b. Avista Comments on Decision: The proposed ASCM permits Direct analysis for this account. Since Avista has directly analyzed the transmission portion of this account, and has provided appropriate support, we advocate this portion be moved from Distribution/Other, and placed back into Transmission (\$1,517,348). Avista understands it will need to directly assign the remaining portions of software that were originally assigned to PTD before the October 1st submission. Over the next couple months, Avista will assess whether directly assigning these costs is feasible or is simply too burdensome to be reasonably accomplished.
- c. **BPA Response to Avista's Comment:** BPA agrees with Avista in the allocation of \$1,517,348 in transmission costs and has functionalized this amount to Transmission. This change is reflected in the Revised Amended Appendix 1 dated August 4, 2008.

Page 14 of 25 FINAL WP-07-FS-BPA-13B Page 250 of 484 SCHEDULE 1A: Cash Working Capital – no changes from the May 7 filing

SCHEDULE 2: Capital Structure and Rate of Return – no changes from the May 7 filing

SCHEDULE 3: Expenses- no changes from the May 7 filing

SCHEDULE 3A: Taxes – no changes from the May 7 filing

SCHEDULE 3B: Other Included Items – no changes from the May 7 filing

SCHEDULE 4: Average System Cost

- 1. **Contract System Load:** New Large Single Load (NLSL)
 - a. **Analysis of Position and Decision:** Section 5 (c) of the Northwest Power Act does not permit costs of servicing a NLSL to be included in the calculation of a Utility's ASC, and therefore, BPA removed the potential NLSL and associated costs from the Appendix 1 amended filing. The results are noted in Schedule 4 of the amended Appendix 1 filing.
 - b. Avista's Comment on Decision: [Avista submitted to BPA] "Informal Request for Consideration of the Determination of the Potlatch Lewiston Facility Load as Contracted For / Committed To (CF/CT)" and "Avista Corporation's Comments on the Bonneville Power Administration's (BPA) New Large Single Load (NLSL) Determination for the Potlatch Lewiston Facility Load" both filings submitted July 3, 2008. Avista understands BPA was not able to evaluate the referenced Avista filings in time for consideration in the FY'09 Draft ASC Report, and we look forward to the ongoing work to resolve these issues.
 - c. **BPA's Response to Avista's Comment:** BPA is in the process of evaluating Avista's request for consideration of the determination of the Potlatch Lewiston Facility Load as Contracted For / Committed To (CF/CT). After a preliminary review of the findings, early indications show that the load will most likely meet the CF/CT qualifications. For forecasting purposes to this revised report, assuming a CF/CT status, BPA will reduce the quantity of Avista's NLSL.
- 2. Contract System Cost: New Large Single Load (NLSL) Costs
 - a. **Analysis of Position and Decision**: Section 5 (c) of the Northwest Power Act does not permit costs of servicing a NLSL to be included in the calculations of a Utility's ASC, and therefore, BPA removed the NLSL and associated costs from the Appendix 1 amended filing. The results are

Page 15 of 25 FINAL WP-07-FS-BPA-13B Page 251 of 484 noted in Schedule 4 of the amended Appendix 1 filing and in Table 2 at the end of this report. In addition, BPA will publish the resource cost determinations to NLSL work papers at the ASCM website.

- b. Avista's Comment on Decision: [Avista submitted to BPA] "Informal Request for Consideration of the Determination of the Potlatch Lewiston Facility Load as Contracted For / Committed To (CF/CT)" and "Avista Corporation's Comments on the Bonneville Power Administration's (BPA) New Large Single Load (NLSL) Determination for the Potlatch Lewiston Facility Load" submitted July 3, 2008. Avista understands BPA was not able to evaluate the referenced Avista filings in time for consideration in the FY'09 Draft ASC Report, and we look forward to the ongoing work to resolve these issues.
- c. **BPA's Response to Avista's Comment:** BPA is in the process of evaluating Avista's request for consideration of the determination of the Potlatch Lewiston Facility Load as Contracted For / Committed To (CF/CT). After a preliminary review of the findings, early indications show that the load will most likely meet the CF/CT qualifications. For forecasting purposes to this revised report, assuming a CF/CT status, BPA will reduce the quantity of Avista's NLSL. As a result, the cost to serve the NLSL resources is also reduced. As appropriate, BPA will review the NLSL resource costs once the final CF/CT determination has been completed.

C. <u>Identification and Analysis of Issues based on Comments to the August 4, 2008</u> <u>Revised DRAFT ASC Report</u>

SCHEDULE 1: Plant Investment/Rate Base-

- 1. For Account 108, line item "Capital Leases Common Plant" and In-Service: Depreciation of Common Plant
 - a. <u>Statement of Issue</u>: Errata corrections to the 2008 Average System Cost Methodology ("2008 ASCM") for Account 108, line item "Capital Leases Common Plant" (line 69 in the electronic template) and "In-Service: Depreciation of Common Plant (a)" (line 71 in the electronic template), remove the PTD option from functionalization "Method Optional" column.
 - b. <u>Analysis of Position and Decision</u>: This correction is necessary to equate all Common Plant accounts to DIRECT functionalization under **Utility Plant: Common Plant** (line 91 in the electronic template). There are no functionalization options under Common Plant and all accounts are to be functionalized by Direct analysis.

Page 16 of 25 FINAL WP-07-FS-BPA-13B Page 252 of 484

2. For Account 115, line item "Amortization of Acquisition Adjustments

- a. <u>Statement of Issue</u>: Errata corrections to the 2008 Average System Cost Methodology ("2008 ASCM") for Account 115, line item "Amortization of Acquisition Adjustments (line 73 in the electronic template), remove option from functionalization "Method Optional" column (cell F73 in electronic template) and equate cell E73 to E92 (Acquisition Adjustments (Electric), Account 114, line 92 in electronic template).
- b. <u>Analysis of Position and Decision</u>: This correction is necessary because Depreciation and Amortization Reserves must follow the same functionalization used for Utility Plant under Assets and Other Debits.

SCHEDULE 1A: Cash Working Capital – no changes from the August 4 report

SCHEDULE 2: Capital Structure and Rate of Return – no changes from the August 4 report

SCHEDULE 3: Expenses

- 1. For Account 406, line item "Amortization of Plant Acquisition Adjustments (Electric)
 - a. <u>Statement of Issue</u>: Errata corrections to the 2008 Average System Cost Methodology ("2008 ASCM") for Account 406, line item "Amortization of Plant Acquisition Adjustments (Electric) (line 96 in the electronic template), equate cell E96 to Account 114 Schedule 1, *Plant Investment/Rate Base* (Acquisition Adjustments (Electric), (cell E92 in electronic template).
 - b. <u>Analysis of Position and Decision</u>: This correction is necessary because Depreciation and Amortization expenses must follow the same functionalization used for Utility Plant under Plant Investment/Rate Base, Assets and Other Debits.
- 2. Account 908, line item "Customer Assistance Expenses (Major only)"
 - <u>Statement of Issue</u>: Errata corrections to the 2008 Average System Cost Methodology ("2008 ASCM") for Account 908, line item "Customer Assistance Expenses (Major only)" (line 52 in the electronic template) requires DIRECT analysis of conservation related expenses:
 - b. <u>Analysis of Position and Decision</u>: All exchangeable conservation costs may be functionalized to Production (PROD); all other costs will be functionalized to Distribution/Other (DIST).

Page 17 of 25 FINAL WP-07-FS-BPA-13B Page 253 of 484

SCHEDULE 3A: Taxes – no changes from the August 4 report

SCHEDULE 3B: Other Included – no changes from the August 4 report

SCHEDULE 4: Average System Cost – no changes from the August 4 report

SUPPORTING DOCUMENTATION – Labor Ratios

- 1. For Labor Ratio Input: line item "Customer Service and Informational"
 - a. <u>Statement of Issue</u>: For Labor Ratio Input: line item "**Customer Service and Informational**" (line 17 in the electronic template), did not follow the same functionalization as Account 908 in Schedule 3.
 - b. <u>Analysis of Position and Decision</u>: This Ratio requires DIRECT analysis of conservation related expenses associated with Account 908: all exchangeable conservation costs may be functionalized to Production (PROD); all other costs will be functionalized to Distribution/Other (DIST).

D. Exchange Period ASC New Resource Additions

The ASCM provides that changes to an established ASC are allowed to account for major new resource additions and purchases that are projected to come on-line or be purchased and used to meet that Utility's retail load during the BPA rate period. The change in ASC must meet the materiality threshold as the change in ASC resulting from adding major new resources, that is, a 2.5 percent or greater change in Base Period ASC. BPA allows Utilities to submit stacks of individual resources that, when combined, meet the materiality threshold. However, each resource in the stack must result in an increase of Base Period ASC of 0.5 percent or more.

Table 1 below identifies the New Resource Additions information provided from Avista for FY 2008 only (year ending December 2007). None of Avista's individual resource additions for FY 2008 met the materiality threshold of 2.5 percent as described above, either as a single resource or when combined together. Therefore, the costs associated with the New Resource Additions were not included the in calculation of the ASC. Tables 1, ASC New Resource Additions identifies the values.

Page 18 of 25 FINAL WP-07-FS-BPA-13B Page 254 of 484

| | FY 2006 | FY 2007 | FY 2008 | FY 2009 |
|--------------------|---------|---------|------------|---------|
| Production | | | 17,149,000 | |
| Rate Base | | | | |
| Plant Material and | | | | |
| Supplies | | | | |
| Rate Base | | | | |
| Fuel Stock | | | | |
| Rate Base | | | | |
| Production O&M | | | | |
| Expense | | | | |
| Production | | | 495,806 | |
| Depreciation | | | | |
| Expense | | | | |
| Power Purchases | | | | |
| Expense | | | | |
| Production | | | 257,235 | |
| Property Tax | | | | |
| | | | | |
| Transmission | | | 35,149,533 | |
| Rate Base | | | | |
| Transmission | | | 1,324,018 | |
| Depreciation | | | | |
| Rate Base | | | | |
| Transmission | | | | |
| O&M | | | | |
| Expense | | | | |
| Transmission | | | | |
| Contracts | | | | |
| Expense | | | | |
| Transmission | | | 822,434 | |
| Property Tax | | | | |
| Expense | | | | |

| (Expected) Annual | | 39,070 | |
|-------------------|--|--------|--|
| Generation (MWh) | | | |

E. <u>Response to Exchange Period ASC New Resource Additions</u>

Avista's Comment to Exchange Period ASC New Resource Additions Table 1: ASC New Resource Additions

- 1. Amount used as Transmission Rate Base is incorrect and does not agree with the filing made on May 7. This dollar figure should be \$55,162,008.
- 2. Amount used as Transmission Property Tax Expense is incorrect and does not agree with the filing made on May 7. This amount should be \$827,429.
- 3. Avista does not know how these changes impact the materiality threshold, but assumes it may not meet the 2.5 percent limit.

BPA's Response to Avista's Comment

- 1. BPA agrees with Avista in that the amount used as Transmission Rate Base was incorrect. After reviewing the data submitted by Avista, it was determined an error was made in transferring the information. The dollar figure was corrected to \$55,162,008.
- 2. BPA agrees with Avista in that the amount used as Transmission Property Tax Expense is incorrect. This amount was corrected to \$827,429. After reviewing the data submitted by Avista, it was determined an error was made in transferring the information.
- 3. The correction to the Transmission Rate Base and Transmission Property Tax Expense did not change the impact on the 2.5% materiality threshold.

Table 1 corrections:

| Transmission | | 55,162,008 | |
|--------------|--|------------|--|
| Rate Base | | | |
| Transmission | | 827,429 | |
| Property Tax | | | |
| Expense | | | |

V. FINAL EXPEDITED ASC FORECAST for FY 2009-2013

The following three tables summarize the forecast of Contract System Cost (CSC) and Contract System Load (CSL) for purposes of determining Avista's forecast ASCs for FY 2009 through FY 2013. Table 2: *FY 2009-2013 ASC Summary*, identifies the CSC, CSL, and Avista's ASCs published in the July 8, 2008 report. *Revised* Table 2: *FY 2009-2013 ASC Summary* identifies the revised CSC, CSL, and Avista's ASCs as appropriate and as a result of Avista's comments to the July 8, 2008 report. *Final* Table 2: *FY 2009-2013 ASC Summary* identifies the final CSC, CSL, and Avista's ASCs. The procedures used in making the July 8, 2008, determinations and any required changes published in both the August 4, 2008, and this final September 11, 2008, reports are outlined in the 2008 ASCM ROD and described herein. The results shown in all tables are forecasts for each year of the WP-07 rate test period (FY 2009-2013), as defined in section 7(b)(2) of the NW Power Act, and are used to calculate the PF Exchange Rate for FY 2009 of the WP-07 Supplemental Wholesale Power Rate Adjustment Proceeding (WP-07 Rate Case).

The BPA Forecast Model used to calculate the values shown below is located at <u>http://www.bpa.gov/corporate/finance/ascm/filings.cfm</u>.

Page 21 of 25 FINAL WP-07-FS-BPA-13B Page 257 of 484

Table 2: FY 2009-2013 ASC Summary – July 8, 2008

| Date (mid-year) | 4/1/2009 | 4/1/2010 | 4/1/2011 | 4/1/2012 | 4/1/2013 |
|-----------------|----------|----------|----------|----------|----------|
| Fiscal Year | 2009 | 2010 | 2011 | 2012 | 2013 |

CONTRACT SYSTEM COST

| Production | 417,140,810 | 415,528,934 | 416,917,558 | 425,979,883 | 434,818,090 |
|--|-------------|-------------|-------------|-------------|-------------|
| Transmission | 59,173,592 | 58,608,141 | 58,095,284 | 57,556,386 | 57,046,824 |
| NLSL Fully Allocated Cost (\$/MWh) | 75.14 | 71.58 | 69.07 | 67.89 | 66.80 |
| (Less) NLSL Costs | 41,426,265 | 39,464,450 | 38,082,888 | 37,432,406 | 36,827,560 |
| Total Contract System Cost | 434,888,137 | 434,672,625 | 436,929,954 | 446,103,863 | 455,037,354 |

CONTRACT SYSTEM LOAD

| System Load | 9,092,380 | 9,200,510 | 9,455,708 | 9,000,731 | 9,057,751 |
|-------------------|-----------|-----------|------------|-----------|---|
| Total Contract | 9,092,380 | 9,288,510 | 9,455,768 | 9,666,731 | 9,857,731 |
| Distribution Loss | 480,170 | 489,935 | 498,263 | 508,767 | 518,277 |
| (Net or NLSL) | 0,01_,_11 | 0,720,070 | 0,,,0,,000 | ,, | ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,, |
| Total Retail Load | 8,612,211 | 8,798,575 | 8,957,505 | 9,157,964 | 9,339,454 |
| (Less) NLSL | 551,335 | 551,335 | 551,335 | 551,335 | 551,335 |
| @ Meter | | | | | |
| Total Retail Load | 9,163,546 | 9,349,910 | 9,508,840 | 9,709,299 | 9,890,789 |

AVERAGE SYSTEM COST

| ASC (\$/MWh) 47.83 46.80 46.21 46.15 46.16 |
|--|
|--|

Page 258 of 484

Revised Table 2: FY 2009-2013 ASC Summary – August 4, 2008

| Date (mid-year) | 4/1/2009 | 4/1/2010 | 4/1/2011 | 4/1/2012 | 4/1/2013 |
|-----------------|----------|----------|----------|----------|----------|
| Fiscal Year | 2009 | 2010 | 2011 | 2012 | 2013 |

CONTRACT SYSTEM COST

| | 413,376,834 | 405,411,210 | 416,874,078 | 425,600,061 | 434,850,448 |
|-----------------------|-------------|-------------|-------------|-------------|-------------|
| Production | | | | | |
| | 59,361,336 | 58,795,749 | 58,282,778 | 57,743,730 | 57,234,036 |
| Transmission | | | | | |
| NLSL Fully Allocated | 77.58 | 71.83 | 72.31 | 70.95 | 69.93 |
| Cost (\$/MWh) | | | | | |
| (Less) NLSL Costs | 4,766,933 | 4,413,591 | 4,443,632 | 4,359,877 | 4,297,035 |
| Total Contract | 467,971,236 | 459,793,368 | 470,713,225 | 478,983,914 | 487,787,449 |
| System Cost | | | | | |

CONTRACT SYSTEM LOAD

| Total Retail Load @ | 9,163,546 | 9,349,910 | 9,508,840 | 9,709,299 | 9,890,789 |
|---------------------|-----------|-----------|-----------|------------|------------|
| Meter | | | | | |
| | 61,449 | 61,449 | 61,449 | 61,449 | 61,449 |
| (Less) NLSL | | | | | |
| Total Retail Load | 9,102,097 | 9,288,461 | 9,447,391 | 9,647,850 | 9,829,340 |
| (Net or NLSL) | | | | | |
| | 480,170 | 489,935 | 498,263 | 508,767 | 518,277 |
| Distribution Loss | | | | | |
| Total Contract | 9,582,267 | 9,778,396 | 9,945,654 | 10,156,617 | 10,347,617 |
| System Load | | | | | |

AVERAGE SYSTEM COST

| ASC (\$/MWh) | 48.84 | 47.02 | 47.33 | 47.16 | 47.14 |
|--------------|-------|-------|-------|-------|-------|

Page 259 of 484

Final Table 2: FY 2009-2013 ASC Summary – September 11, 2008

| Date (mid-year) | 4/1/2009 | 4/1/2010 | 4/1/2011 | 4/1/2012 | 4/1/2013 |
|-----------------|----------|----------|----------|----------|----------|
| Fiscal Year | 2009 | 2010 | 2011 | 2012 | 2013 |

CONTRACT SYSTEM COST

| | 426,553,083 | 418,576,017 | 429,968,037 | 438,593,985 | 447,787,283 |
|----------------------|-------------|-------------|-------------|-------------|-------------|
| Production | | | | | |
| | 60,000,388 | 59,329,051 | 58,710,865 | 58,065,786 | 57,450,436 |
| Transmission | | | | | |
| NLSL Fully Allocated | 77.64 | 71.88 | 72.36 | 70.98 | 69.95 |
| Cost (\$/MWh) | | | | | |
| (Less) NLSL Costs | 4,771,005 | 4,416,922 | 4,446,260 | 4,361,813 | 4,298,313 |
| Total Contract | 481,782,465 | 473,488,147 | 484,232,641 | 492,297,957 | 500,939,406 |
| System Cost | | | | | |

CONTRACT SYSTEM LOAD

| System Load | | | | | |
|---------------------|-----------|-----------|-----------|------------|------------|
| Total Contract | 9,582,267 | 9,778,396 | 9,945,654 | 10,156,617 | 10,347,617 |
| Distribution Loss | | | | | |
| | 480,170 | 489,935 | 498,263 | 508,767 | 518,277 |
| (Net or NLSL) | | | | | |
| Total Retail Load | 9,102,097 | 9,288,461 | 9,447,391 | 9,647,850 | 9,829,340 |
| (Less) NLSL | | | | | |
| | 61,449 | 61,449 | 61,449 | 61,449 | 61,449 |
| Meter | | | | | |
| Total Retail Load @ | 9,163,546 | 9,349,910 | 9,508,840 | 9,709,299 | 9,890,789 |

AVERAGE SYSTEM COST

| ASC (\$/MWh) 50.28 48.42 48.69 48.47 48.41 |
|--|
|--|

VI. BPA STATEMENT

This ASC determination is BPAs best estimate of Avista's FY 2009 ASC based on the information and data provided from Avista during the Expedited Review Process, and based on the professional review, evaluation, and judgment of the BPA REP staff. Decisions made herein are not binding for purposes of the Final ASC determination for FY 2009. This determination is made solely for the purpose of providing estimated FY 2009 ASCs for use in the development of BPAs FY 2009 power rates in BPAs WP-07 Supplemental Rate Proceeding. Decisions made herein are not final ASC determinations for purposes of implementing the REP for FY 2009.

Page 24 of 25 FINAL

WP-07-FS-BPA-13B Page 260 of 484 Final ASC determinations used to calculate REP benefits for each exchanging Utility for FY 2009 will be established by BPA after a review of such Utilities' October 1, 2008, Appendix 1 filings. Such reviews will be conducted in compliance with the Final 2008 ASC Methodology.

BPA has resolved the issues set forth in Section III of this report, as amended, in accordance with the 2008 Average System Cost Methodology (ASCM) as it is currently described in the Final Record of Decision, and with generally accepted accounting principles. BPA believes the information and data contained herein fairly estimates the Average System of Avista for FY 2009 of the WP-07 Supplemental Wholesale Power Rate Adjustment Proceeding.

The Final Appendix 1 Filing, Forecast Model and NLSL assessment used to calculate Avista's ASCs can be viewed at BPAs ASC website: http://www.bpa.gov/corporate/finance/ascm/filings.cfm.

> Page 25 of 25 FINAL WP-07-FS-BPA-13B Page 261 of 484

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FINAL REPORT

WP-07 Supplemental Wholesale Power Rate Adjustment Proceeding: FY 2009 AVERAGE SYSTEM COST REPORT FOR

CENTRALIA CITY LIGHT

Docket Number: CE-PB-08-01 Effective Date: October 1, 2008

PREPARED BY BONNEVILLE POWER ADMINISTRATION U.S. DEPARTMENT OF ENERGY

September 11, 2008

WP-07-FS-BPA-13B Page 263 of 484 This page intentionally left blank.

| TABLE | OF | CONTENTS |
|-------|----|----------|
|-------|----|----------|

| Sect | tion | | Page |
|------|-----------------|---|------|
| I. | FIL | ING DATA | 1 |
| II. | AVI A. B. | ERAGE SYSTEM COST: DETERMINATIONS Base Period 2006 FY 2009 (Exchange Period) ASC without New Resource Additions | 1 |
| | C. | (\$/MWh) FY 2009 (Exchange Period) ASC with New Resource Additions (\$/MWh) | |
| III. | FIL | ING REQUIREMENTS | 2 |
| | A. | Introduction | 2 |
| | B. | ASC Determination Process Guidelines and Expedited Review Process | 3 |
| | C. | Explanation of Schedules | 4 |
| | | 1. Schedule 1 – Plant Investment/Rate Base | |
| | | 2. Schedule 1A – Cash Working Capital | |
| | | 3. Schedule 2 – Capital Structure and Rate of Return | |
| | | 4. Schedule 3 – Expenses | |
| | | 5. Schedule 3A – Taxes | |
| | | 6. Schedule 3B – Other Included Items | |
| | | 7. Schedule 4 – Average System Cost (\$/MWh) | |
| | | Distribution of Salaries and Wages Purchased Power and Sales for Resale | |
| | | | |
| | | New Large Single Load Labor Ratios | |
| | D. | ASC Forecast | |
| | D. | Forecast Contract System Costs | |
| | | Forecast of Sales for Resale and Power Purchases | |
| | | Forecast Contract System Load and Exchange Load | |
| | | Major Resource Additions | |
| | | 5. Load Growth Not Met by New Resource Additions | |
| IV | REV | /IEW OF THE ASC FILING | |
| | A. | Identification and Analysis of Issues from the May 7, 2008, ASC Appendix 1 Filing | |
| | B. | Identification and Analysis of Issues Based on Comments to the July 8, 2008, ASC Draft Report | 9 |
| | C. | Identification and Analysis of Issues Based on comments to the | |
| | | August 4, 2008, Revised Draft ASC Report | |
| | D. | Exchange Period ASC New Resource Additions | 12 |
| V. | FIN | AL EXPEDITED ASC FORECAST for FY 2009-2013 | 13 |
| VI. | BPA | STATEMENT | 16 |

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I. FILING DATA

<u>Utility</u>

Parties to the Filing

Centralia City Light 1100 North Tower Avenue Centralia, WA 98531 A complete list of intervening parties is located at the following BPA web site: http://www.bpa.gov/corporate/finance/ascm/Docs/Intervening_Parties.pdf

Effective: October 1, 2008 - September 30, 2009

WP-07 Supplemental Wholesale Power Rate Adjustment Proceeding

II. AVERAGE SYSTEM COST: DETERMINATIONS

A. Base Period 2006

| | As Filed | July 8, 2008 As Amended | August 4, 2008 As Revised | Sept.11, 2008 Final |
|-------------------------------------|-------------|-------------------------------|---------------------------------|---------------------------|
| Production Cost | \$7,945,359 | \$7,945,359 | \$7,945,359 | \$7,945,359 |
| Transmission Cost | \$1,323,997 | \$1,323,997 | \$1,323,997 | \$1,323,997 |
| (Less) New Large Single Load | \$0 | \$0 | \$0 | |
| Costs | | | | |
| Total Contract System Cost | \$9,269,357 | \$9,269,357 | \$9,269,357 | \$9,269,357 |
| Total Retail Load (MWh) | 234,779 | 234,779 | 234,779 | 234,779 |
| (Less) New Large Single Load | 0 | 0 | 0 | |
| Total Retail Load (Net NLSL) | 234,779 | 234,779 | 234,779 | 234,779 |
| Plus Distribution Losses | 11,739 | 11,739 | 11,739 | 11,739 |
| Total Contract System Load (MWh) | 246,518 | 246,518 | 246,518 | 246,518 |
| FY 2006 Base Period ASC (\$/MWh) | 37.60 | 37.60 | 37.60 | 37.60 |

Page 1 of 17 FINAL WP-07-FS-BPA-13B Page 267 of 484

B. FY 2009 (Exchange Period) ASC without New Resource Additions (\$/MWh)

| | July 8, 2008 | August 4, 2008 | Sept.11, 2008 |
|--|--------------|----------------|---------------|
| | As Amended | As Revised | Final |
| FY 2009 (Rate Period) ASC without New Resource Additions (\$/MWh) | 30.83 | 34.93 | 35.56 |

C. FY 2009 (Exchange Period) ASC with New Resource Additions (\$/MWh)

Centralia has no new resource additions.

III. FILING REQUIREMENTS

A. <u>Introduction</u>

Section 5(c)(l) of the Pacific Northwest Electric Power Planning and Conservation Act (Pacific Northwest Power Act), 16 U.S.C. § 839c(c)(l), establishes the Residential Exchange Program (REP). Any Pacific Northwest utility interested in participating in the REP may offer to sell power to Bonneville Power Administration (BPA) at the average system cost (ASC) of the utility's resources. In exchange, BPA offers to sell an "equivalent amount of electric power to such utility for resale to that utility's residential users within the region" at the BPA rate established pursuant to section 7(b)(l) of the Act. *See generally*, H.R. Rep. No. 976, Pt I, 96th Cong., 2d Sess. at 60 (1980).

The Act gives BPA's Administrator the discretionary authority to determine ASC on the basis of a methodology to be established in a public consultation proceeding. 16 U.S.C. 839c(c)(7). The only express statutory limits on the Administrator's authority are found in sections 5(c)(7)(A), (B) and (C) of the Act. 16 U.S.C. 839c(c)(7)(A), (B) and (C).

BPA's first ASC Methodology was developed in consultation with regional interests in 1981. See 48 FR 46,970 (Oct. 17, 1983). It was later revised in 1984. *See* 49 FR 39,293 (Oct. 5, 1984). In the mid-1990s, BPA and exchanging utilities agreed to a number of termination agreements that provided for payments to each utility through the remaining years of the Residential Purchase and Sale Agreements (RPSA) that implemented the REP. These termination agreements did not require the participating utilities to submit ASC filings.

In 2000, BPA executed REP Settlement Agreements with each IOU customer. The Agreements provided monetary benefits and power sales to the IOUs to resolve disputes regarding BPA's implementation of the REP. On May 3, 2007, the U.S. Court of Appeals for the Ninth Circuit

Page 2 of 17 FINAL WP-07-FS-BPA-13B Page 268 of 484 issued a decision finding the Agreements unlawful. BPA therefore began efforts to resume the REP, including the development of RPSAs and a consultation proceeding to revise the 1984 ASC Methodology.

As with the previous ASC Methodologies, the proposed 2008 ASC Methodology (ASCM) was developed in consultation with interested parties through a series of working group meetings conducted by BPA staff. The goal of the consultation process was to develop an administratively feasible ASC Methodology that would be technically sound, and comport with the Northwest Power Act. The Methodology is subject to review and approval by the Federal Energy Regulatory Commission (FERC or Commission).

BPA maintains a significant role in reviewing utilities' ASC filings to ensure compliance with the 2008 ASCM. For more information regarding the 2008 ASCM, please refer to the *Final Record of Decision of the 2008 Average System Cost Methodology*, dated June 30, 2008.

B. ASC Determination Process Guidelines and Expedited Review Process

The purpose of BPA's expedited review process is to estimate exchanging Utilities' ASCs for FY 2009 and to incorporate the ASCs into BPA's WP-07 Supplemental Rate Proceeding in order to ensure that BPA's FY 2009 power rates established in that proceeding rely on the most accurate ASCs possible. For purposes of the expedited review process, and as specified in the Review Procedures of the proposed 2008 ASCM, on or before March 3, 2008, each exchanging utility (Utility) submitted a "base period ASC" to BPA using data from its 2006 FERC Form 1 and other supporting data. All data were submitted using BPA's proposed Appendix 1, an Excel-spreadsheet based model. The submittal of the Appendix 1 filing began the formal review and comment process to establish ASCs for the exchanging Utilities, which is referred to as the Review Period. Although BPA reviewed the initial data in the context of BPA's initially proposed 2008 ASCM, BPA knew that it would be completing its proposed 2008 ASCM and issuing a Record of Decision supporting that ASCM near the end of June 2008. In order that the ASCs determined in the expedited review process would reflect as accurately as possible the ASCs that would be in effect for determining REP benefits for FY 2009, BPA reviewed the Utilities' filing under the criteria of BPA's Final 2008 ASCM. This ensured that the ASCs relied on by BPA in establishing its FY 2009 power rates would be as accurate as possible. Parties had a full and complete opportunity to intervene in BPA's expedited review process and to submit comments on BPA's proposed ASCs.

For details of the prospective Review Period and guidelines, see Attachment A to the 2008 Final Record of Decision of the 2008 Average System Cost Methodology, June 2008: 2008 Methodology for Determining the Average System Cost of Resources for Electric Utilities Participating in the Residential Exchange Program Established by Section 5(c) of the Pacific Northwest Electric Power and Conservation Act.

The 2008 ASCM incorporates, in part, the functionalization process and functionalization codes, with modifications, determined in the 1984 ASCM. Costs are assigned under functionalization codes to Production, Transmission, or Distribution/Other. Functionalization of each Account

Page 3 of 17 FINAL WP-07-FS-BPA-13B Page 269 of 484 included in a Utility's ASC is in accordance with the functionalization prescribed in the 2008 ASCM, Attachment A, Table 1. The ASCM allows Utilities to file multiple, contingent, ASCs to reflect changes to service territories, and allows for changes to ASCs resulting from major resource additions and reductions.

In summary, BPA reviewed ASCs during the expedited review process in accordance with the 2008 ASCM published June 30, 2008. After establishing a base period ASC determination, BPA used the ASC Forecast model, an Excel-based spreadsheet, to escalate the base year ASC forward to the effective rate period, FY 2009 (October 1, 2008, through September 30, 2009). The base year and forecast ASC results are reported herein.

C. Explanation of Schedules

Utilities' Appendix 1 filings consist of a series of seven schedules and other supporting information, which present the data necessary to calculate ASC. The schedules and support data are as follows:

- 1. Schedule 1 Plant Investment/Rate Base
- 2. Schedule 1A Cash Working Capital calculation
- 3. Schedule 2 Capital Structure and Rate of Return
- 4. Schedule 3 Expenses
- 5. Schedule 3A Taxes
- 6. Schedule 3B Other Included Items
- 7. Schedule 4 Average System Cost
- 8. Distribution of Salaries and Wages
- 9. Purchased Power & Off-System Sales
- 10. New Large Single Load
- 11. Labor Ratios

1. Schedule 1 – Plant Investment/Rate Base

This schedule establishes the rate base used by the Utility. The calculation begins with a determination of the total Electric Plant In-Service, which includes the gross historical costs of the Intangible, General, Production, Transmission, and Distribution Plants. These values (and all subsequent values) are entered into the Appendix 1 filing as line items based on separate FERC account descriptions. Each line item (Account) is functionalized to Production, Transmission, or Distribution/Other in accordance to the functionalizations prescribed in the 2008 ASCM, Attachment A, Table 1.

Next, in order to reflect the book value of the remaining plant, depreciation and amortization reserves are evaluated and entered into the Appendix 1 form and functionalized. These are then subtracted from the Total Electric Plant In-Service to determine the Total Net Plant.

The resulting Total Net Plant is adjusted, where appropriate, to reflect additions in Cash Working Capitol (calculated in Schedule 1A), Utility Plant, Property and Investments, Current and Accrued Assets, Deferred Debits. It is adjusted again, where appropriate, to deduct the Current

Page 4 of 17 FINAL WP-07-FS-BPA-13B

Page 270 of 484

and Accrued Liabilities, and Deferred Credits from the Total Net Plant. The outcome of these adjustments defines the Total Rate Base. When multiplied by the Rate of Return as determined in Schedule 2, the result is the Utility's return on investment.

2. Schedule 1A – Cash Working Capital

Cash working capital is a ratemaking convention that is not included in the Form 1, but is a part of all electric utility rate filings as a component of rate base. To determine the allowable amount of cash working capital in rate base for a Utility, BPA allows 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.

3. Schedule 2 – Capital Structure and Rate of Return

This schedule lists the data used by the Utility to develop the rate of return applied to the Utility's rate base developed on Schedule 1, in order to determine the Utility's return on investment.

Investor Owned Utilities (IOUs) use the weighted cost of capital (WCC) from the most recent State Commission Rate Order with a Federal income tax adjustment to determine the return calculation. The return on equity (ROE) used in the WCC calculation is grossed up for Federal income taxes at the marginal Federal income tax rate using the formula found in the ASC Methodology, Attachment A, Section IX, Endnote b. For Consumer Owned Utilities (COUs), the rate of return is equal to the COU's weighted cost of debt.

4. Schedule 3 – Expenses

This schedule represents operations and maintenance expenses for the production of power, the transmission of electricity, and the distribution of electricity. Each expense item is functionalized as described above. Additional expenses associated with customer accounts, sales, and administrative and general expenses for both operations and maintenance are also included in this schedule. Depreciation and amortization for the associated plants are added to the operating and maintenance expenses to calculate Total Operating Expenses.

5. Schedule 3A – Taxes

This schedule presents allowable ASC cost for Federal employment tax and non-Federal taxes, including property and unemployment tax. State income tax, franchise fees, regulatory fees, and city/county taxes are included herein but are functionalized to Distribution/Other and therefore not incorporated in ASC. Taxes and fees for each state listed are grouped together and entered as "combined" line items for Appendix 1 filing purposes.

Federal income taxes included in ASC are calculated and described in Schedule 2 above, *Capital Structure and Rate of Return*.

6. Schedule 3B – Other Included Items

This schedule includes revenues from the disposition of plant, sales for resale, and other revenues, including electric revenues and revenues from transmission of electricity to others (wheeling). Items in this schedule are deducted from the total costs of each Utility.

Page 5 of 17 FINAL WP-07-FS-BPA-13B Page 271 of 484

7. Schedule 4 – Average System Cost (\$/MWh)

This schedule summarizes the cost information calculated in Schedules 2 through 3B: Federal income tax adjusted return on rate base, total operating expenses, state and other taxes, and other included items. The schedule also lists the load information, as defined below, and calculates the Utility's ASC.

Contract System Cost:

The Contract System Cost is the Utility's costs for production and transmission resources, including power purchases and conservation measures, which costs are includable in and subject to the provisions of Appendix 1. Costs to serve NLSL are excluded from ASC calculations. This Contract System Cost becomes the numerator in calculating ASC.

Contract System Load:

The Contract System Load is the total regional retail load included in the Form 1, or for a consumer-owned utility (preference customers) the total retail load from the most recent annual audited financial statement as adjusted pursuant to this Average System Cost Methodology. The denominator in the ASC calculation consists of the Contract System Load (MWh) of the Utility increased for distribution losses, and reduced by any New Large Single Load(s) (NLSL).

8. Distribution of Salaries and Wages

The supporting file is used to determine the Labor Ratio calculations and includes salaries and wages from relevant operations and maintenance of the electric plant.

9. Purchased Power and Sales for Resale

Purchased Power is an Account of Schedule 3, *Expenses*, and includes all purchases the Utility made during the year, including power exchanges. Sales for Resale is an Account of Schedule 3B, *Other Included Items*, and includes power sales to purchasers other than ultimate consumers. Listed in the information for both Accounts is the statistical classification code for all transactions. Refer to the FERC Form 1 pages 310-311 for Sales for Resale and pages 326-237 for Purchased Power for identification of the classification codes.

10. New Large Single Load

A new large single load (NLSL) is any load associated with a new facility, an existing facility or an expansion of an existing facility which was not contracted for or committed to (CF/CT) prior to September 1, 1979, and will result in an increase in power requirements of the specific customer of ten average megawatts (10 aMW) or more in any consecutive twelve-month period.

BPA determines the cost of serving NLSLs by using the fully allocated cost of <u>all</u> post-September 1, 1979, resources and long-term power purchases greater than five years in duration.

11. Labor Ratios

These ratios assign costs on a pro-rata basis using salary and wage data for production, transmission, and distribution/other functions included in the Utility's most recently filed Form 1. For COUs, comparable data is used based on a cost of service study used as the basis for retail rates at the time of review.

Page 6 of 17 FINAL WP-07-FS-BPA-13B Page 272 of 484

D. ASC Forecast

Once BPA determines the Base Period ASC, it applies this data in an Excel-based forecasting model to escalate the base year ASC data forward to the Exchange Period. For purposes of this expedited process, that Exchange Period is FY 2009. BPA uses Global Insight's (or its successor) forecast of cost increases for capital costs and fuel (except natural gas), O&M, and G&A expenses; BPA's forecast of market prices for IOU purchases to meet load growth and to estimate short-term and non-firm power purchase costs and sales revenues; BPA's forecast of natural gas prices; and BPA's estimates of the rates it will charge for its Priority Firm (PF) Power Rate and other products. For additional background on the determination of Exchange Period ASCs, see details of the 2008 ASC Methodology, Section IV *Rules for Determining Exchange Period Average System Cost*, Subsection A.

1. Forecast Contract System Costs

Forecast Contract System Costs (CSC) are the Utility's forecast costs for production and transmission resources, including power purchases and conservation measures, which costs are includable in and subject to the provisions of Appendix 1. As outlined in the 2008 ASC Methodology, Section IV *Rules for Determining Exchange Period Average System Cost*, Subsection A, Forecast CSC, BPA escalates base period costs to the midpoint of the fiscal year for the FY 2009 rate period/Exchange Period to calculate Exchange Period ASCs. BPA projects the costs of power products purchased from BPA using BPA's forecast of prices for its products.

2. Forecast of Sales for Resale and Power Purchases

BPA does not normalize short-term purchases and sales for resale. The short-term purchases and sales for resale for the Base Period are used as the starting values for the forecast. The Utilities are then allowed to include new plant additions and use a Utility-specific forecast for the (1) price of purchased power and (2) sales for resale price, to value purchased power expenses and sales for resale revenue. For details, see the 2008 ASC Methodology, Section IV *Rules for Determining Exchange Period Average System Cost*, Subsection B.

3. Forecast Contract System Load and Exchange Load

All Utilities are required to provide a forecast of their Contract System Load and associated Exchange Load, as well as a current distribution loss study as described in the 2008 ASCM, Attachment A, endnote e/, with an Appendix 1 filing. The load forecast for Contract System Load and Exchange Load starts with the Base Period and extends 4 years after the Exchange Period. The load forecast for Contract System Load and Exchange Load is provided on a monthly basis for the Exchange Period.

4. Major Resource Additions

BPA uses the method outlined in the 2008 ASC Methodology, Section IV *Rules for Determining Exchange Period Average System Cost*, Subsection C to determine the change in ASC due to major new resource additions or reductions, subject to meeting the materiality threshold of 2.5 percent change to ASC. These additions include new production resource investments, new generating resource investments, new transmission investments, long-term generating contracts, pollution control and environmental compliance investments relating to generating resources,

Page 7 of 17 FINAL WP-07-FS-BPA-13B Page 273 of 484 transmission resources or contracts, hydro relicensing costs and fees, and plant rehabilitation investments.

The exchanging Utility provides its forecast of major resource addition and all associated costs. The forecast covers the period from the end of the Base Period (FY 2006) to the end of the Exchange Period (FY 2009).

The forecast of the major resource costs to be included in the Utility's Exchange Period ASC is reviewed and determined during the review period. All resources included prior to the start of the Exchange Period are projected forward to the mid-point of the Exchange Period.

5. Load Growth Not Met by New Resource Additions

All load growth not met by new resource additions is met by purchased power at the forecasted Utility-specific short-term purchased power price. BPA uses the method outlined in the 2008 ASC Methodology, Section IV *Rules for Determining Exchange*, Subsection D.

IV. REVIEW OF THE ASC FILING

A. <u>Identification and Analysis of Issues from the May 7, 2008, ASC Appendix 1</u> <u>Filing</u>

BPA is responsible for reviewing all costs and loads for determining ASCs in accordance with section 5(c) of the Northwest Power Act and the 2008 ASC Methodology. During this review and evaluation, issues were identified for comment. BPA's ASC determination is limited to specific findings on those issues identified for comment with the exception of ministerial or mathematical errors. There may have been additional issues that BPA did not identify for comment in this filing. Acceptance of a Utility's treatment of an item without comment is not intended to signify a decision of the proper interpretation to be applied either in subsequent filings or universally under the 2008 ASC Methodology.

The following is a summary of the Contract System Cost and Contract System Load filed on May 7, 2008 by Centralia, and as amended following review and evaluation by BPA. The explanations for BPA's changes are outlined as appropriate by Appendix 1 schedule and supporting files below.

SCHEDULE 1: Plant Investment/Rate Base – No changes made.

SCHEDULE 1A: Cash Working Capital – No changes made.

SCHEDULE 2: Capital Structure and Rate of Return – No changes made.

SCHEDULE 3: Expenses- No changes made.

SCHEDULE 3A: Taxes – No changes made.

Page 8 of 17 FINAL

WP-07-FS-BPA-13B Page 274 of 484

SCHEDULE 3B: Other Included Items – No changes made.

SCHEDULE 4: Average System Cost

1. **Distribution Loss**:

- a. <u>Statement of Issue</u>: In its filing, Centralia used a 5 percent Distribution Loss Factor to determine its ASC.
- b. <u>Statement of Facts</u>: The May 7, 2008, Appendix 1 template did not require a Utility to complete a Distribution Loss Study. The ASCM ROD allows a participating Utility that has the ability to directly measure distribution losses on its system to submit such measurements, subject to BPA review and approval, with its ASC filing. Utilities that do not have the capability to directly measure distribution losses on their system are required to submit a formal distribution loss study with their ASC filing. The distribution loss study is valid for a period of seven years.

Utilities that do not have the ability to directly measure distribution losses on their system and do not submit a formal distribution loss study that was prepared within the previous seven years of the date of the ASC filing will use the default distribution loss study method described in the ASCM ROD, Section 4.10.5.

c. <u>Analysis of Position and Decision</u>: BPA was unable to obtain from a public source the requisite five years of distribution losses necessary to determine distribution losses consistent with the ASCM ROD, Section 4.10.5. BPA will request such data from Centralia, but for purposes of this expedited filing will use a 5 percent Distribution Loss Factor to determine its ASC.

SUPPORTING DOCUMENTATION: Purchased Power and Sales for Resale – No changes made.

SUPPORTING DOCUMENTATION: Salaries and Wages – No changes made.

SUPPORTING DOCUMENTATION: Ratios – Though certain functionalization changes were made to the Appendix 1 template subsequent to the May 7, 2008, Centralia had no data to populate the affected accounts.

B. <u>Identification and Analysis of Issues Based on Comments to the July 8, 2008,</u> <u>ASC Draft Report</u>

No comments were submitted.

Page 9 of 17 FINAL WP-07-FS-BPA-13B Page 275 of 484

C. <u>Identification and Analysis of Issues Based on comments to the August 4, 2008</u> <u>Revised Draft ASC Report</u>

SCHEDULE 1: Plant Investment/Rate Base-

1. For Account 108, line item "Capital Leases - Common Plant" and In-Service: Depreciation of Common Plant

- a. <u>Statement of Issue:</u> Errata corrections to the 2008 Average System Cost Methodology ("2008 ASCM") for Account 108, line item "Capital Leases - Common Plant" (line 69 in the electronic template) and "In-Service: Depreciation of Common Plant (a)" (line 71 in the electronic template), remove the PTD option from functionalization "Method Optional" column.
- b. <u>Analysis of Position and Decision</u>: This correction is necessary to equate all Common Plant accounts to DIRECT functionalization under **Utility Plant: Common Plant** (line 91 in the electronic template). There are no functionalization options under Common Plant and all accounts are to be functionalized by Direct analysis.
- 2. For Account 115, line item "Amortization of Acquisition Adjustments"
 - a. <u>Statement of Issue</u>: Errata corrections to the 2008 Average System Cost Methodology ("2008 ASCM") for Account 115, line item "**Amortization of Acquisition Adjustments**" (line 73 in the electronic template), remove option from functionalization "Method Optional" column (cell F73 in electronic template) and equate cell E73 to E92 (**Acquisition Adjustments (Electric)**), Account 114, line 92 in electronic template).
 - b. <u>Analysis of Position and Decision</u>: This correction is necessary because Depreciation and Amortization Reserves must follow the same functionalization used for Utility Plant under Assets and Other Debits.

SCHEDULE 1A: Cash Working Capital – no changes from the August 4, 2008, report

SCHEDULE 2: Capital Structure and Rate of Return – no changes from the August 4, 2008, report

Page 10 of 17 FINAL WP-07-FS-BPA-13B Page 276 of 484

SCHEDULE 3: Expenses

- 1. For Account 406, line item "Amortization of Plant Acquisition Adjustments (Electric)"
 - a. <u>Statement of Issue:</u> Errata corrections to the 2008 Average System Cost Methodology ("2008 ASCM") for Account 406, line item "Amortization of Plant Acquisition Adjustments (Electric)" (line 96 in the electronic template), equate cell E96 to Account 114 Schedule 1, *Plant Investment/Rate Base* (Acquisition Adjustments (Electric)), (cell E92 in electronic template).
 - b. <u>Analysis of Position and Decision</u>: This correction is necessary because Depreciation and Amortization expenses must follow the same functionalization used for Utility Plant under Plant Investment/Rate Base, Assets and Other Debits.
- 2. Account 908, line item "Customer Assistance Expenses (Major only)"
 - a. <u>Statement of Issue:</u> Errata corrections to the 2008 Average System Cost Methodology ("2008 ASCM") for Account 908, line item "**Customer Assistance Expenses (Major only**)" (line 52 in the electronic template) requires DIRECT analysis of conservation related expenses.
 - b. <u>Analysis of Position and Decision</u>: All exchangeable conservation costs may be functionalized to Production (PROD); all other costs will be functionalized to Distribution/Other (DIST).

SCHEDULE 3A: Taxes – no changes from the August 4, 2008, report

SCHEDULE 3B: Other Included – no changes from the August 4, 2008, report

SCHEDULE 4: Average System Cost – no changes from the August 4, 2008, report

SUPPORTING DOCUMENTATION – Labor Ratios

- 1. For Labor Ratio Input: line item "Customer Service and Informational"
 - a. <u>Statement of Issue:</u> For Labor Ratio Input line item "**Customer Service and Informational**" (line 17 in the electronic template), did not follow the same functionalization as Account 908 in Schedule 3.
 - b. <u>Analysis of Position and Decision</u>: This Ratio requires DIRECT analysis of conservation related expenses associated with Account 908. All exchangeable conservation costs may be functionalized to

Page 11 of 17 FINAL WP-07-FS-BPA-13B Page 277 of 484 Production (PROD); all other costs will be functionalized to Distribution/Other (DIST).

D. Exchange Period ASC New Resource Additions

Centralia has no projected new resource additions.

Transmission Contracts Expense Transmission

| FY 2006 | FY 2007 | FY 2008 | FY 2009 |
|---------|---------|-----------------|---|
| | | | |
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| | | | |
| | | | |
| | FY 2006 | FY 2006 FY 2007 | FY 2006 FY 2007 FY 2008 Image: Second se |

Table 1: ASC New Resource Additions (Not Applicable)

| Property Tax Expense | | |
|-------------------------|--|--|
| | | |
| (Expected) Annual | | |
| Annual | | |
| Generation | | |
| (MWh) | | |

Page 12 of 17 FINAL

WP-07-FS-BPA-13B Page 278 of 484

V. FINAL EXPEDITED ASC FORECAST for FY 2009-2013

The following three tables summarize the forecast of Contract System Cost (CSC) and Contract System Load (CSL) for purposes of determining Centralia's forecast ASCs for FY 2009 through FY 2013. Table 2: *FY 2009-2013 ASC Summary*, identifies the CSC, CSL, and Centralia's ASCs published in the July 8, 2008, report. *Revised* Table 2: *FY 2009-2013 ASC Summary* identifies the revised CSC, CSL, and Centralia's ASCs from the July 8, 2008, report. *Revised* Table 2: *FY 2009-2013 ASC Summary* identifies the final CSC, CSL, and Centralia's ASCs. The procedures used in making the July 8, 2008, determinations and any required changes published in both the August 4, 2008, and this final September 11, 2008, reports are outlined in the 2008 ASCM ROD and described herein. The results shown in all tables are forecasts for each year of the WP-07 rate test period (FY 2009-2013), as defined in section 7(b)(2) of the NW Power Act, and are used to calculate the PF Exchange Rate for FY 2009 of the WP-07 Supplemental Wholesale Power Rate Adjustment Proceeding (WP-07 Rate Case).

The BPA Forecast Model used to calculate the values shown below is located at <u>http://www.bpa.gov/corporate/finance/ascm/filings.cfm</u>.

Page 13 of 17 FINAL WP-07-FS-BPA-13B Page 279 of 484

Table 2: FY 2009-2013 ASC Summary – July 8, 2008

| Date (mid-year) | 4/1/2009 | 4/1/2010 | 4/1/2011 | 4/1/2012 | 4/1/2013 |
|-----------------|----------|----------|----------|----------|----------|
| Fiscal Year | 2009 | 2010 | 2011 | 2012 | 2013 |

CONTRACT SYSTEM COST

| Cost (\$/MWh) (Less) NLSL Costs | 0 | 0 | 0 | 0 | 0 |
|------------------------------------|-----------|-----------|-----------|-----------|-----------|
| Total Contract System Cost | 8,967,960 | 8,858,637 | 9,128,731 | 9,411,930 | 9,452,998 |

CONTRACT SYSTEM LOAD

| Total Retail Load @ | 276,991 | 283,912 | 290,833 | 298,227 | 305,531 |
|------------------------------------|---------|---------|---------|---------|---------|
| Meter | | 0 | | | |
| (Less) NLSL | 0 | 0 | 0 | 0 | 0 |
| Total Retail Load (Net or NLSL) | 276,991 | 283,912 | 290,833 | 298,227 | 305,531 |
| Distribution Loss | 13,850 | 14,196 | 14,542 | 14,911 | 15,211 |
| Total Contract System Load | 290,840 | 298,108 | 305,375 | 313,138 | 320,808 |

AVERAGE SYSTEM COST

| III BIUIGE STOTEIN | 0001 | | | | |
|--------------------|-------|-------|-------|-------|-------|
| ASC (\$/MWh) | 30.83 | 29.72 | 29.89 | 30.06 | 29.47 |
| | | | | | |

WP-07-FS-BPA-13B Page 280 of 484

Revised Table 2: FY 2009-2013 ASC Summary – August 4, 2008

| Date (mid-year) | 4/1/2009 | 4/1/2010 | 4/1/2011 | 4/1/2012 | 4/1/2013 |
|-----------------|----------|----------|----------|----------|----------|
| Fiscal Year | 2009 | 2010 | 2011 | 2012 | 2013 |

CONTRACT SYSTEM COST

| Production | 8,749,392 | 9,210,058 | 9,444,457 | 10,052,746 | 10,307,526 |
|---------------------------------------|------------|------------|------------|------------|------------|
| Transmission | 1,409,706, | 1,433,391 | 1,460,765 | 1,489,055 | 1,518,732 |
| NLSL Fully Allocated Cost (\$/MWh) | 0 | 0 | 0 | 0 | 0 |
| (Less) NLSL Costs | 0 | 0 | 0 | 0 | 0 |
| Total Contract System Cost | 10,159,098 | 10,643,449 | 10,905,222 | 11,541,801 | 11,826,258 |

CONTRACT SYSTEM LOAD

| Total Contract System Load | 290,840 | 298,108 | 305,375 | 313,138 | 320,808 |
|------------------------------------|---------|---------|---------|---------|---------|
| Distribution Loss | 13,850 | 14,196 | 14,542 | 14,911 | 15,211 |
| Total Retail Load (Net or NLSL) | 276,991 | 283,912 | 290,833 | 298,227 | 305,531 |
| (Less) NLSL | 0 | 0 | 0 | 0 | 0 |
| Total Retail Load @ Meter | 276,991 | 283,912 | 290,833 | 298,227 | 305,531 |

AVERAGE SYSTEM COST

| III BIGIOS SISISI | 0001 | | | | |
|-------------------|-------|-------|-------|-------|-------|
| ASC (\$/MWh) | 34.93 | 35.70 | 35.71 | 36.86 | 36.86 |
| | | | | | |

Final Table 2: FY 2009-2013 ASC Summary – September 11, 2008

| Date (mid-year) | 4/1/2009 | 4/1/2010 | 4/1/2011 | 4/1/2012 | 4/1/2013 |
|-----------------|----------|----------|----------|----------|----------|
| Fiscal Year | 2009 | 2010 | 2011 | 2012 | 2013 |

CONTRACT SYSTEM COST

| Production | 8,931,977 | 9,508,022 | 9,740,887 | 10,495,488 | 10,753,858 |
|---------------------------------------|------------|------------|------------|------------|------------|
| Transmission | 1,410,451 | 1,434,131 | 1,461,501 | 1,489,785 | 1,519,456 |
| NLSL Fully Allocated Cost (\$/MWh) | 4.85 | 4.81 | 4.79 | 4.76 | 4.74 |
| (Less) NLSL Costs | 0 | 0 | 0 | 0 | 0 |
| Total Contract System Cost | 10,342,428 | 10,942,154 | 11,202,389 | 11,985,273 | 12,273,314 |

CONTRACT SYSTEM LOAD

| Total Contract System Load | 290,840 | 298,108 | 305,375 | 313,138 | 320,808 |
|------------------------------------|---------|---------|---------|---------|---------|
| Distribution Loss | 13,850 | 14,196 | 14,542 | 14,911 | 15,277 |
| Total Retail Load (Net or NLSL) | 276,991 | 283,912 | 290,833 | 298,227 | 305,531 |
| (Less) NLSL | 0 | 0 | 0 | 0 | 0 |
| Total Retail Load @ Meter | 276,991 | 283,912 | 290,833 | 298,227 | 305,531 |

AVERAGE SYSTEM COST

| III BIUIGE STOTEIN | 0001 | | | | |
|--------------------|-------|-------|-------|-------|-------|
| ASC (\$/MWh) | 35.56 | 36.71 | 36.68 | 38.27 | 38.26 |
| | | | | | |

VI. BPA STATEMENT

This Final ASC determination does not change the as-filed Base Period 2006 ASC of \$37.60 per MWh. ASCs for years 2009 through 2013 shown in Final Table 2 above are increased to reflect increases to the price of power forecast to satisfy Centralia's load growth.

This ASC determination is BPA's best estimate of Centralia's FY 2009 ASC based on the information and data provided by Centralia during the Expedited Review Process, and based on the professional review, evaluation, and judgment of the BPA REP staff. Decisions made herein are not binding for purposes of the Final ASC determination for FY 2009. This determination is

Page 16 of 17 FINAL WP-07-FS-BPA-13B Page 282 of 484

made solely for the purpose of providing estimated FY 2009 ASCs for use in the development of BPA's FY 2009 power rates in BPA's WP-07 Supplemental Rate Proceeding. Decisions made herein are not final ASC determinations for purposes of implementing the REP for FY 2009. Final ASC determinations used to calculate REP benefits for each exchanging Utility for FY 2009 will be established by BPA after a review of such Utilities' October 1, 2008, Appendix 1 filings. Such review will be conducted in compliance with the Final 2008 ASC Methodology.

BPA has resolved the issues set forth in Section III of this report, as amended, in accordance with the 2008 Average System Cost Methodology (ASCM) as it is currently described in the Final Record of Decision, and with generally accepted accounting principles. BPA believes the information and data contained herein fairly estimates the Average System of Centralia for FY 2009 of the WP-07 Supplemental Wholesale Power Rate Adjustment Proceeding.

The Final Appendix 1 Filing and Forecast Model used to calculate Centralia's (unchanged) Base ASC and forecast ASCs can be viewed at BPA ASC website: <u>http://www.bpa.gov/corporate/finance/ascm/filings.cfm</u>.

> Page 17 of 17 FINAL WP-07-FS-BPA-13B Page 283 of 484

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FINAL REPORT

WP-07 Supplemental Wholesale Power Rate Adjustment Proceeding: FY 2009 AVERAGE SYSTEM COST REPORT FOR

Public Utility District No. 1 of Franklin County, Washington

Docket Number: FR-PB-08-01 Effective Date: October 1, 2008

PREPARED BY BONNEVILLE POWER ADMINISTRATION U.S. DEPARTMENT OF ENERGY

September 11, 2008

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TABLE OF CONTENTS

| Sect | tion | | Page |
|------|-----------------|---|------|
| I. | FILI | NG DATA | 1 |
| II. | AVE A. B. | RAGE SYSTEM COST: DETERMINATIONS Base Period 2006 | 1 |
| | | FY 09 (Exchange Period) ASC without New Resource Additions (\$/MWh | · |
| III. | | NG REQUIREMENTS | |
| | A. | Introduction | |
| | B. C. | ASC Determination Process Guidelines and Expedited Review Process | |
| | C. | Explanation of Schedules 1. Schedule 1 – Plant Investment/Rate Base | |
| | | Schedule 1 – Flant Investment/Kate Base | |
| | | Schedule 1A – Casil Working Capital | |
| | | Schedule 2 – Euprari Structure and Rate of Retain Schedule 3 – Expenses | |
| | | Schedule 3 – Taxes | |
| | | 6. Schedule 3B – Other Included Items | |
| | | 7. Schedule 4 – Average System Cost (\$/MWh) | 5 |
| | | 8. Distribution of Salaries and Wages | |
| | | 9. Purchased Power and Sales for Resale | 6 |
| | | 10. New Large Single Load | |
| | | 11. Labor Ratios | |
| | D. | ASC Forecast | |
| | | 1. Forecast Contract System Cost | |
| | | 2. Forecast of Sales for Resale and Power Purchases | |
| | | 3. Forecast Contract System Load and Exchange Load | |
| | | 4. Major Resource Additions | |
| | | 5. Load Growth Not Met by New Resource Additions | |
| IV. | REV | IEW OF THE ASC FILING | 8 |
| | A. | Identification and Analysis of Issues from the May 7, 2008 ASC | 0 |
| | р | Appendix 1 Filing | 8 |
| | В. | Identification and Analysis of Issues from comments to the August 4, 2008 ASC Draft Report | 10 |
| | C. | Exchange Period ASC New Resource Additions | |
| V. | | L EXPEDITED ASC FORECAST for FY 2009-2013 | |
| VI. | | STATEMENT | |

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I. FILING DATA

| Utility | Parties to the Filing |
|-------------------------------|--|
| Public Utility District No. 1 | |
| of Franklin County | A complete list of intervening parties is located at the |
| PO Box 2407 | following BPA web site: |
| Pasco, Washington 99302-2407 | http://www.bpa.gov/corporate/finance/ascm/Docs/Intervening_Parties.pdf |

Effective: October 1, 2008 – September 30, 2009 WP-07 Supplemental Wholesale Power Rate Adjustment Proceeding

II. AVERAGE SYSTEM COST: DETERMINATIONS

A. Base Period 2006

| | As Filed | July 8, 2008 As Amended | August 4, 2008 As Revised | Sept. 11, 2008 Final |
|--|--------------|----------------------------|------------------------------|-------------------------|
| Production Cost | \$44,431,086 | \$43,784,794 | \$43,784,794 | \$43,784,794 |
| Transmission Cost (Less) New Large Single | 353,594 | 353,594 | 353,594 | 353,594 |
| Load Costs | 0 | 0 | 0 | 0 |
| Contract System Cost | \$44,784,680 | \$44,138,388 | \$44,138,388 | \$44,138,388 |
| Total Retail Load (MWh) (Less) New Large Single | 835,781 | 835,781 | 835,781 | 835,781 |
| Load Total Retail Load (Net | 0 | 0 | 0 | 0 |
| NLSL) | 835,781 | 835,781 | 835,781 | 835,781 |
| Plus Distribution Losses Contract System Load | 41,789 | 41,789 | 41,789 | 41,789 |
| (MWh) | 877,570 | 877,570 | 877,570 | 877,570 |
| FY 2006 Base Period ASC (\$/MWh) | \$51.03 | \$50.30 | \$50.30 | \$50.30 |

Page 1 of 18 FINAL WP-07-FS-BPA-13B Page 289 of 484

B. FY 09 (Exchange Period) ASC without New Resource Additions (\$/MWh)

| | July 8, 2008 | August 4, 2008 | Sept. 11, 2008 |
|--|--------------|----------------|----------------|
| | As Amended | As Revised | Final |
| FY 2009 (Rate Period) ASC without New Resource Additions (\$/MWh) | \$48.64 | \$43.97 | \$45.74 |

III. FILING REQUIREMENTS

A. <u>Introduction</u>

Section 5(c)(l) of the Pacific Northwest Electric Power Planning and Conservation Act (Pacific Northwest Power Act), 16 U.S.C. § 839c(c)(l), establishes the Residential Exchange Program (REP). Any Pacific Northwest utility interested in participating in the REP may offer to sell power to Bonneville Power Administration (BPA) at the average system cost (ASC) of the utility's resources. In exchange, BPA offers to sell an "equivalent amount of electric power to such utility for resale to that utility's residential users within the region" at the BPA rate established pursuant to section 7(b)(l) of the Act. *See generally*, H.R. Rep. No. 976, Pt I, 96th Cong., 2d Sess. at 60 (1980).

The Act gives BPA's Administrator the discretionary authority to determine ASC on the basis of a methodology to be established in a public consultation proceeding. 16 U.S.C. 839c(c)(7). The only express statutory limits on the Administrator's authority are found in sections 5(c)(7)(A), (B) and (C) of the Act. 16 U.S.C. 839c(c)(7)(A), (B) and (C).

BPA's first ASC Methodology was developed in consultation with regional interests in 1981. *See* 48 FR 46,970 (Oct. 17, 1983). It was later revised in 1984. *See* 49 FR 39,293 (Oct. 5, 1984). In the mid-1990s, BPA and exchanging Utilities agreed to a number of termination agreements that provided for payments to each Utility through the remaining years of the Residential Purchase and Sale Agreements (RPSA) that implemented the REP. These termination agreements did not require the participating utilities to submit ASC filings.

In 2000, BPA executed REP Settlement Agreements with each IOU customer. The Agreements provided monetary benefits and power sales to the IOUs to resolve disputes regarding BPA's implementation of the REP. On May 3, 2007, the U.S. Court of Appeals for the Ninth Circuit issued a decision finding the Agreements unlawful. BPA therefore began efforts to resume the REP, including the development of RPSAs and a consultation proceeding to revise the 1984 ASC Methodology.

As with the previous ASC Methodologies, the proposed 2008 ASC Methodology (ASCM) was developed in consultation with interested parties through a series of working group meetings conducted by BPA staff. The goal of the consultation process was to develop an administratively feasible ASC Methodology that would be technically sound, and comport with the Northwest

Page 2 of 18 FINAL WP-07-FS-BPA-13B Page 290 of 484 Power Act. The Methodology is subject to review and approval by the Federal Energy Regulatory Commission (FERC or Commission).

BPA maintains a significant role in reviewing Utilities' ASC filings to ensure compliance with the 2008 ASCM. For more information regarding the 2008 ASCM, please refer to the *Final Record of Decision of the 2008 Average System Cost Methodology*, dated June 30, 2008.

B. ASC Determination Process Guidelines and Expedited Review Process

The purpose of BPA's expedited review process was to estimate exchanging Utilities' ASCs for FY 2009 that could be incorporated into BPA's WP-07 Supplemental Rate Proceeding in order to ensure that BPA's FY 2009 power rates established in that proceeding relied on the most accurate ASCs possible. For purposes of the expedited review process, and as specified in the Review Procedures of the proposed 2008 ASCM, on or before March 3, 2008, each exchanging utility (Utility) submitted a "base period ASC" to BPA using data from its 2006 FERC Form 1 and other supporting data. All data were submitted using BPA's proposed Appendix 1, an Excel-spreadsheet based model. The submittal of the Appendix 1 filing began the formal review and comment process to establish ASCs for the exchanging Utilities which is referred to as the Review Period. Although BPA reviewed the initial data in the context of BPA's initially proposed 2008 ASCM, BPA knew that it would be completing its proposed 2008 ASCM and issuing a Record of Decision supporting that ASCM near the end of June 2008. In order that the ASCs determined in the expedited review process would reflect as accurately as possible the ASCs that would be in effect for determining REP benefits for FY 2009, BPA reviewed the Utilities' filing under the criteria of BPA's Final 2008 ASCM. This ensured that the ASCs relied on by BPA in establishing its FY 2009 power rates would be as accurate as possible. Parties had a full and complete opportunity to intervene in BPA's expedited review process and to submit comments on BPA's proposed ASCs.

For details of the prospective Review Period and guidelines, see Attachment A to the 2008 Final Record of Decision of the 2008 Average System Cost Methodology, June 2008: 2008 Methodology for Determining the Average System Cost of Resources for Electric Utilities Participating in the Residential Exchange Program Established by Section 5(c) of the Pacific Northwest Electric Power and Conservation Act.

The 2008 ASCM incorporates, in part, the functionalization process and functionalization codes, with modifications, determined in the 1984 ASCM. Costs are assigned under functionalization codes to Production, Transmission, or Distribution/Other. Functionalization of each Account included in a Utility's ASC is in accordance to the functionalization prescribed in the 2008 ASCM, Attachment A, Table 1.

The ASCM allows Utilities to file multiple, contingent, ASCs to reflect changes to service territories, and allows for changes to ASCs resulting from major resource additions and reductions.

In summary, BPA reviewed ASCs during the expedited review process in accordance with the 2008 ASCM published June 30, 2008. After establishing a Base Period ASC determination,

Page 3 of 18 FINAL WP-07-FS-BPA-13B Page 291 of 484 BPA used the ASC Forecast model, an Excel-based spreadsheet, to escalate the Base Period ASC forward to the effective rate period, FY 2009 (October 1, 2008 thru September 30, 2009). The Base Period and Forecast ASC results are reported herein.

C. <u>Explanation of Schedules</u>

Utilities' Appendix 1 filings consist of a series of seven schedules and other supporting information, which present the data necessary to calculate ASC. The schedules and support data are as follows:

- 1. Schedule 1 Plant Investment/Rate Base
- 2. Schedule 1A Cash Working Capital calculation
- 3. Schedule 2 Capital Structure and Rate of Return
- 4. Schedule 3 Expenses
- 5. Schedule 3A Taxes
- 6. Schedule 3B Other Included Items
- 7. Schedule 4 Average System Cost
- 8. Distribution of Salaries and Wages
- 9. Purchased Power & Off-System Sales
- 10. New Large Single Load
- 11. Labor Ratios

1. Schedule 1 – Plant Investment/Rate Base

This schedule establishes the rate base used by the Utility. The calculation begins with a determination of the total Electric Plant In-Service, which includes the gross historical costs of the Intangible, General, Production, Transmission, and Distribution Plants. These values (and all subsequent values) are entered into the Appendix 1 filing as line items based on separate FERC account descriptions. Each line item (Account) is functionalized to Production, Transmission, or Distribution/Other in accordance to the functionalizations prescribed in the 2008 ASCM, Attachment A, Table 1.

Next, in order to reflect the book value of the remaining plant, depreciation and amortization reserves are evaluated and entered into the Appendix 1 form and functionalized. These are then subtracted from the Total Electric Plant In-Service to determine the Total Net Plant.

The resulting Total Net Plant is adjusted, where appropriate, to reflect additions in Cash Working Capital (calculated in Schedule 1A), Utility Plant, Property and Investments, Current and Accrued Assets, Deferred Debits. It is adjusted again, where appropriate, to deduct the Current and Accrued Liabilities, and Deferred Credits from the Total Net Plant. The outcome of these adjustments defines the Total Rate Base. When multiplied by the Rate of Return as determined in Schedule 2, the result is the Utility's return on investment.

2. Schedule 1A – Cash Working Capital

Cash working capital is a ratemaking convention that is not included in the Form 1, but is a part of all electric utility rate filings as a component of rate base. To determine the allowable amount

Page 4 of 18 FINAL WP-07-FS-BPA-13B Page 292 of 484 of cash working capital in rate base for a Utility, BPA allows 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.

3. Schedule 2 – Capital Structure and Rate of Return

This schedule lists the data used by the Utility to develop the rate of return applied to the Utility's rate base developed on Schedule 1 to determine the Utility's return on investment.

IOUs use the weighted cost of capital (WCC) from the most recent State Commission Rate Order with a Federal income tax adjustment to determine the return calculation. The return on equity (ROE) used in the WCC calculation is grossed up for Federal income taxes at the marginal Federal income tax rate using the formula found in the ASC Methodology, Attachment A, Section IX, Endnote b. For Consumer-Owned Utilities (COU), the rate of return is equal to the COU's weighted cost of debt times total rate base.

4. Schedule 3 – Expenses

This schedule represents operations and maintenance expenses for the production of power, the transmission of electricity, and the distribution of electricity. Each expense item is functionalized as outlined in the ASCM, Table 1. Additional expenses associated with customer accounts, sales, and administrative and general expenses for both operations and maintenance are also included in this schedule. Depreciation and amortization for the associated plants are added to the operating and maintenance expenses to calculate Total Operating Expenses.

5. Schedule 3A – Taxes

This schedule presents allowable ASC cost for Federal employment tax and non-Federal taxes, including property and unemployment tax. State income tax, franchise fees, regulatory fees, and city/county taxes are included herein but are functionalized to Distribution/Other and therefore not incorporated in ASC. Taxes and fees for each state listed are grouped together and entered as "combined" line items for Appendix 1 filing purposes.

Federal income taxes included in ASC are calculated and described in Schedule 2 above, *Capital Structure and Rate of Return*.

6. Schedule 3B – Other Included Items

This schedule includes revenues from the disposition of plant, sales for resale, and other revenues, including electric revenues and revenues from transmission of electricity to others (wheeling). Items in this schedule are deducted from the total costs of each Utility.

7. Schedule 4 – Average System Cost (\$/MWh)

This schedule summarizes the cost information calculated in Schedules 2 through 3B: Federal income tax adjusted return on rate base, total operating expenses, state and other taxes, and other included items. The schedule also lists the load information, as defined below, and calculates the Utility's ASC.

Page 5 of 18 FINAL WP-07-FS-BPA-13B Page 293 of 484

Contract System Cost:

The Contract System Cost is the Utility's costs for production and transmission resources, including power purchases and conservation measures, which costs are includable in and subject to the provisions of Appendix 1. Costs to serve NLSL are excluded from ASC calculations. This Contract System Cost becomes the numerator in calculating ASC.

Contract System Load:

The Contract System Load is the total regional retail load included in the Form 1, or for a consumer-owned utility (preference customers) the total retail load from the most recent annual audited financial statement as adjusted pursuant to this Average System Cost Methodology. The denominator in the ASC calculation consists of the Contract System Load (MWh) of the Utility increased for distribution losses, and reduced by any New Large Single Load(s) (NLSL).

8. Distribution of Salaries and Wages

The supporting file is used to determine the Labor Ratio calculations and includes salaries and wages from relevant operations and maintenance of the electric plant.

9. Purchased Power and Sales for Resale

The Purchased Power (excluding REP reversal expenses) is an Account of Schedule 3, *Expenses*, and includes all purchases the Utility made during the year, including power exchanges. Sales for Resale is an Account of Schedule 3B, *Other Included Items*, and includes power sales to purchasers other than ultimate consumers. Listed in the information for both Accounts is the statistical classification code for all transactions. Refer to the FERC Form 1, pages 310-311 for Sales for Resale and pages 326-237 for Purchased Power for identification of the classification codes.

10. New Large Single Load

A NLSL is any load associated with a new facility, an existing facility or an expansion of an existing facility which was not contracted for or committed to (CF/CT) prior to September 1, 1979, and will result in an increase in power requirements of the specific customer of ten average megawatts (10aMW) or more in any consecutive twelve-month period.

BPA determines the cost of serving NLSLs by using the fully allocated cost of <u>all post</u>-September 1, 1979, resources and long-term power purchases greater than five years in duration.

11. Labor Ratios

These ratios assign costs on a pro rata basis using salary and wage data for Production, Transmission, and Distribution/other functions included in the Utility's most recently filed Form 1. For COUs, comparable data is used based on the cost of service analysis (COSA) study used as the basis for retail rates in effect during the Base Year filing.

D. ASC Forecast

Once BPA determines the Base Period ASC, it applies this data in an Excel-based forecasting model to escalate the base year ASC data forward to the Exchange Period. For purposes of the

Page 6 of 18 FINAL WP-07-FS-BPA-13B Page 294 of 484

expedited process, that Exchange Period is FY 2009. BPA uses Global Insight's (or its successor) forecast of cost increases for capital costs and fuel (except natural gas), O&M, and G&A expenses; BPA's forecast of market prices for IOU purchases to meet load growth and to estimate short-term and non-firm power purchase costs and sales revenues; BPA's forecast of natural gas prices; and BPA's estimates of the rates it will charge for its PF and other products. For additional background on the determination of Exchange Period ASCs, see details of the 2008 ASC Methodology, Section IV *Rules for Determining Exchange Period Average System Cost*, Subsection A.

1. Forecast Contract System Cost

Forecast Contract System Cost (CSC) are the Utility's forecast costs for production and transmission resources, including power purchases and conservation measures, which costs are includable in and subject to the provisions of Appendix 1. As outlined in the 2008 ASC Methodology, Section IV *Rules for Determining Exchange Period Average System Cost*, Subsection A, Forecast CSC, BPA escalates base period costs to the midpoint of the fiscal year for the FY 2009 rate period/Exchange Period to calculate Exchange Period ASCs. BPA projects the costs of power products purchased from BPA using BPA's forecast of prices for its products.

2. Forecast of Sales for Resale and Power Purchases

BPA does not normalize short-term purchases and sales for resale. The short-term purchases and sales for resale for the Base Period are used as the starting values for the forecast. The Utilities are then allowed to include new plant additions and use a Utility-specific forecast for the (1) price of purchased power and (2) sales for resale price, to value purchased power expenses and sales for resale revenue. For details, see the 2008 ASC Methodology, Section IV *Rules for Determining Exchange Period Average System Cost*, Subsection B.

3. Forecast Contract System Load and Exchange Load

All Utilities are required to provide a forecast of their Contract System Load and associated Exchange Load, as well as a current distribution loss study as described in the 2008 ASCM, Attachment A, endnote e/, with their Appendix 1 filing. The load forecast for Contract System Load and Exchange Load starts with the Base Period and extends through 4 years after the Exchange Period. The load forecast for Contract System Load and Exchange Load is provided on a monthly basis for the Exchange Period.

4. Major Resource Additions

BPA uses the method outlined in the 2008 ASC Methodology, Section IV *Rules for Determining Exchange Period Average System Cost*, Subsection C to determine the change in ASC due to major new resource additions or reductions, subject to meeting the materiality threshold of 2.5%. These additions include new production resource investments, new generating resource investments, new transmission investments, long-term generating contracts, pollution control and environmental compliance investments relating to generating resources, transmission resources or contracts, hydro relicensing costs and fees, and plant rehabilitation investments.

The exchanging Utility provides its forecast of major resource addition and all associated costs. The forecast covers the period from the end of the Base Period (FY 2006) to the end of the Exchange Period (FY 2009).

Page 7 of 18 FINAL WP-07-FS-BPA-13B Page 295 of 484 The forecast of the major resource costs to be included in the Utility's Exchange Period ASC is reviewed and determined during the review period. All resources included prior to the start of the Exchange Period are projected forward to the mid-point of the Exchange Period.

5. Load Growth Not Met by New Resource Additions

All load growth not met by new resource additions is met by purchased power at the forecasted Utility-specific short-term purchased power price. BPA uses the method outlined in the 2008 ASC Methodology, Section IV *Rules for Determining Exchange*, Subsection D.

IV. REVIEW OF THE ASC FILING

A. <u>Identification and Analysis of Issues from the May 7, 2008 ASC Appendix 1</u> <u>Filing</u>

BPA is responsible for reviewing all costs and loads for determining ASCs in accordance with section 5(c) of the Northwest Power Act and the 2008 ASC Methodology. During this review and evaluation, issues were identified for comment. BPA's ASC determination is limited to specific findings on those issues identified for comment with the exception of ministerial or mathematical errors. There may have been additional issues that BPA did not identify for comment in this filing. Acceptance of a Utility's treatment of an item without comment is not intended to signify a decision of the proper interpretation to be applied either in subsequent filings or universally under the 2008 ASC Methodology.

The following is a summary of the Contract System Cost and Contract System Load filed on May 7, 2008 by Public Utility District No. 1 of Franklin County, Washington (Franklin), and as amended following review and evaluation by BPA. The explanations for BPA's changes are outlined as appropriate by Appendix 1 schedule and supporting files below.

SCHEDULE 1: Plant Investment/Rate Base- no changes

SCHEDULE 1A: Cash Working Capital – no changes

SCHEDULE 2: Capital Structure and Rate of Return – no changes

SCHEDULE 3: Expenses

- 1. **Purchased Power**:
 - a. <u>Statement of Issue</u>: In its filing, Franklin included different values for Purchased Power Expense on Schedule 3 and on the Purchased Power & Sales for Resale (PP & OSS) Worksheet..

Page 8 of 18 FINAL WP-07-FS-BPA-13B Page 296 of 484

- b. <u>Statement of Facts:</u> The May 7th filing Appendix 1 included a value of \$48,806,613 in Account 555, Purchased Power Expense on Schedule 3. On the PP & OSS Worksheet, Franklin included a value of \$55,433,767 for Purchased Power Expense. Communication with Franklin concerning the discrepancy resulted in Franklin sending a revised value for Purchased Power Expense of \$48,160,321.
- c. <u>Analysis of Position and Decision</u>: BPA accepted Franklin's revised value for Purchased Power Expense and revised the ASC Template accordingly.

SCHEDULE 3A: Taxes – no changes

SCHEDULE 3B: Other Included Items – no changes

SCHEDULE 4: Average System Cost

2. **Distribution Losses**:

- a. <u>Statement of Issue</u>: In its filing, Franklin used a 5% Distribution Loss Factor in determination of its ASC.
- b. <u>Statement of Facts:</u> The May 7th filing Appendix 1 template did not require a Utility to complete a Distribution Loss Study to increase the Total Retail Load. As outlined in the ASCM ROD, BPA allows participating Utilities that have the ability to directly measure distribution losses on their system to submit such measurements, subject to BPA review and approval, with their ASC filings. Utilities that do not possess the capability to directly measure distribution losses on their system are required to submit a formal distribution loss study with their ASC filing. The distribution loss study is valid for a period of seven years.

Utilities that do not have the ability to directly measure distribution losses on their system and do not have a formal distribution loss study that was prepared within the previous seven years of the date of the ASC filing will use the default distribution loss study method described in the ASCM ROD, Section 4.10.5.

c. <u>Analysis of Position and Decision</u>: For purposes of the expedited filing, BPA will use the 5% Distribution Loss Factor calculation pending additional information from Franklin concerning either its Actual distribution losses from either direct measurement, a distribution loss study, of submittal of its total losses. BPA will make the adjustment for Distribution Losses in the Final Report if it receives the data from Franklin as outlined in the ASCM ROD, Section 4.10.5.

> Page 9 of 18 FINAL WP-07-FS-BPA-13B Page 297 of 484

- 3. Contract System Load: *no Changes*
- 4. **Contract System Cost:** Changes from Schedule 3

SUPPORTING DOCUMENTATION: Purchased Power and Sales for Resale – Revised as discussed in Issue 1 on Schedule 3 - Expenses, Purchased Power Expense.

SUPPORTING DOCUMENTATION: Salaries and Wages – no changes

SUPPORTING DOCUMENTATION: Labor Ratios

- 5. **Maintenance of General Plant (GPM) Ratio:** Miscellaneous Equipment
 - a. <u>Statement of Issue</u>: Incorrect functionalization of Labor Ratio "Miscellaneous Equipment in the Maintenance of General Plant (GPM)"
 - b. <u>Statement of Facts</u>: Miscellaneous Equipment in the Maintenance of General Plant Ratio was mistakenly functionalized to Distribution rather than PTD in the ASC Template.
 - c. <u>Analysis of Position and Decision</u>: BPA corrected the error and the functionalization of Miscellaneous Equipment in the Maintenance of General Plant Ratio was changed from Distribution to PTD in the ASC Template.

B. <u>Identification and Analysis of Issues from comments to the August 4, 2008 ASC</u> <u>Draft Report</u>

SCHEDULE 1: Plant Investment/Rate Base-

- 1. For Account 108, line item "Capital Leases Common Plant" and In-Service: Depreciation of Common Plant
 - <u>Statement of Issue:</u> Errata corrections to the 2008 Average System Cost Methodology ("2008 ASCM") for Account 108, line item "Capital Leases - Common Plant" (line 69 in the electronic template) and "In-Service: Depreciation of Common Plant (a)" (line 71 in the electronic template), remove the PTD option from functionalization "Method Optional" column.
 - b. <u>Analysis of Position and Decision</u>: This correction is necessary to equate all Common Plant accounts to DIRECT functionalization under Utility **Plant: Common Plant** (line 91 in the electronic template). There are no

Page 10 of 18 FINAL WP-07-FS-BPA-13B Page 298 of 484 functionalization options under Common Plant and all accounts are to be functionalized by Direct analysis.

- 2. For Account 115, line item "Amortization of Acquisition Adjustments
 - <u>Statement of Issue</u>: Errata corrections to the 2008 Average System Cost Methodology ("2008 ASCM") for Account 115, line item "Amortization of Acquisition Adjustments (line 73 in the electronic template), remove option from functionalization "Method Optional" column (cell F73 in electronic template) and equate cell E73 to E92 (Acquisition Adjustments (Electric), Account 114, line 92 in electronic template).
 - b. <u>Analysis of Position and Decision</u>: This correction is necessary because Depreciation and Amortization Reserves must follow the same functionalization used for Utility Plant under Assets and Other Debits.

SCHEDULE 1A: Cash Working Capital – no changes from the August 4, 2008 report

SCHEDULE 2: Capital Structure and Rate of Return – no changes from the August 4, 2008 report

SCHEDULE 3: Expenses

- 1. For Account 406, line item "Amortization of Plant Acquisition Adjustments (Electric)
 - a. <u>Statement of Issue:</u> Errata corrections to the 2008 Average System Cost Methodology ("2008 ASCM") for Account 406, line item "Amortization of Plant Acquisition Adjustments (Electric) (line 96 in the electronic template), equate cell E96 to Account 114 Schedule 1, *Plant Investment/Rate Base* (Acquisition Adjustments (Electric), (cell E92 in electronic template).
 - b. <u>Analysis of Position and Decision</u>: This correction is necessary because Depreciation and Amortization expenses must follow the same functionalization used for Utility Plant under Plant Investment/Rate Base, Assets and Other Debits.
- 2. Account 908, line item "Customer Assistance Expenses (Major only)"
 - <u>Statement of Issue:</u> Errata corrections to the 2008 Average System Cost Methodology ("2008 ASCM") for Account 908, line item "Customer Assistance Expenses (Major only)" (line 52 in the electronic template) requires DIRECT analysis of conservation related expenses:

Page 11 of 18 FINAL WP-07-FS-BPA-13B Page 299 of 484 b. <u>Analysis of Position and Decision</u>: All exchangeable conservation costs may be functionalized to Production (PROD); all other costs will be functionalized to Distribution/Other (DIST).

SCHEDULE 3A: Taxes – no changes from the August 4 2008 report

SCHEDULE 3B: Other Included – no changes from the August 4 2008 report

SCHEDULE 4: Average System Cost – no changes from the August 4 2008 report

SUPPORTING DOCUMENTATION – Labor Ratios

- 1. For Labor Ratio Input: line item "Customer Service and Informational"
 - a. <u>Statement of Issue:</u> For Labor Ratio Input: line item "**Customer Service and Informational**" (line 17 in the electronic template), did not follow the same functionalization as Account 908 in Schedule 3.
 - b. <u>Analysis of Position and Decision</u>: This Ratio requires DIRECT analysis of conservation related expenses associated with Account 908: all exchangeable conservation costs may be functionalized to Production (PROD); all other costs will be functionalized to Distribution/Other (DIST).

C. Exchange Period ASC New Resource Additions

The ASCM provides that changes to an established ASC are allowed to account for major new resource additions and purchases that are projected to come on-line or be purchased and used to meet that Utility's retail load during the BPA rate period. The change in ASC must meet the materiality threshold as the change in ASC resulting from adding major new resources, that is, a 2.5 percent or greater change in Base Period ASC. BPA allows Utilities to submit stacks of individual resources that, when combined, meet the materiality threshold. However, each resource in the stack must result in an increase of Base Period ASC of 0.5 percent or more.

Franklin did not submit information on new resources with their ASC filing.

Page 12 of 18 FINAL WP-07-FS-BPA-13B Page 300 of 484

| | FY 2006 | FY 2007 | FY 2008 | FY 2009 |
|-------------------------|---------|---------|---------|---------|
| Production | | | | |
| Rate Base | | | | |
| Plant Material and | | | | |
| Supplies | | | | |
| Rate Base | | | | |
| Fuel Stock | | | | |
| Rate Base | | | | |
| Production O&M | | | | |
| Expense | | | | |
| Production Depreciation | | | | |
| Expense | | | | |
| Power Purchases | | | | |
| Expense | | | | |
| Production Property Tax | | | | |
| | | · | | • |
| Transmission | | | | |
| Rate Base | | | | |
| Transmission | | | | |
| Depreciation | | | | |
| Rate Base | | | | |
| Transmission O&M | | | | |
| Expense | | | | |
| Transmission Contracts | | | | |
| Expense | | | | |
| Transmission Property | | | | |

Table 1: ASC New Resource Additions

| (Expected) Annual | | |
|-------------------|--|--|
| Generation (MWh) | | |

V. FINAL EXPEDITED ASC FORECAST for FY 2009-2013

Tax Expense

The following three tables summarize the forecast of Contract System Cost (CSC) and Contract System Load (CSL) for purposes of determining Franklin County PUD's forecast ASCs for FY 2009 through FY 2013. Table 2: *FY 2009-2013 ASC Summary*, identifies the CSC, CSL, and Franklin County PUD's ASCs published in the July 8, 2008 report. *Revised* Table 2: *FY 2009-2013 ASC Summary* identifies the revised CSC, CSL, and Franklin County PUD's ASCs as appropriate and as a result of Franklin County PUD's comments to the July 8, 2008 report. *Final* Table 2: *FY 2009-2013 ASC Summary* identifies the final CSC, CSL, and Franklin County PUD's ASCs. The procedures used in making the July 8, 2008, determinations and any required changes published in both the August 4, 2008, and this final September 11, 2008, reports are outlined in the 2008 ASCM ROD and described herein. The results shown in all tables are

Page 13 of 18 FINAL

WP-07-FS-BPA-13B Page 301 of 484 forecasts for each year of the WP-07 rate test period (FY 2009-2013), as defined in section 7(b)(2) of the NW Power Act, and are used to calculate the PF Exchange Rate for FY 2009 of the WP-07 Supplemental Wholesale Power Rate Adjustment Proceeding (WP-07 Rate Case).

The BPA Forecast Model used to calculate the values shown below is located at <u>http://www.bpa.gov/corporate/finance/ascm/filings.cfm</u>.

Page 14 of 18 FINAL WP-07-FS-BPA-13B Page 302 of 484

| Date (mid-year) | 4/1/2009 | 4/1/2010 | 4/1/2011 | 4/1/2012 | 4/1/2013 |
|-----------------|----------|----------|----------|----------|----------|
| Fiscal Year | 2009 | 2010 | 2011 | 2012 | 2013 |

CONTRACT SYSTEM COST

| Production | \$49,440,108 | \$49,940,972 | \$52,301,506 | \$54,770,075 | \$56,112,121 |
|----------------------|--------------|--------------|--------------|--------------|--------------|
| Transmission | 334,172 | 329,203 | 324,403 | 319,484 | 314,480 |
| NLSL Fully Allocated | | | | | |
| Cost (\$/MWh) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| (Less) NLSL Costs | 0 | 0 | 0 | 0 | 0 |
| Contract System Cost | \$49,774,280 | \$50,270,175 | \$52,625,909 | \$55,089,559 | \$56,426,601 |

CONTRCT SYSTEM LOAD

| Total Retail Load @ Meter | 974,500 | 996,750 | 1,014,000 | 1,030,000 | 1,048,250 |
|------------------------------------|-----------|-----------|-----------|-----------|-----------|
| (Less) NLSL | 0 | 0 | 0 | 0 | 0 |
| Total Retail Load (Net of NLSL) | 974,500 | 996,750 | 1,014,000 | 1,030,000 | 1,048,250 |
| Distribution Losses | 48,725 | 49,838 | 50,700 | 51,500 | 52,413 |
| Contract System Load | 1,023,225 | 1,046,588 | 1,064,700 | 1,081,500 | 1,100,663 |

AVERAGE SYSTEM COST

| ASC (\$/MWh) \$48.64 \$48.03 \$49.43 \$50.94 \$51 |
|---|
|---|

| Table 2: Revised | l FY 2009-2013 ASC Sun | nmary - August 4, 2008 |
|------------------|------------------------|------------------------|
|------------------|------------------------|------------------------|

| Date (mid-year) | 4/1/2009 | 4/1/2010 | 4/1/2011 | 4/1/2012 | 4/1/2013 |
|-----------------|----------|----------|----------|----------|----------|
| Fiscal Year | 2009 | 2010 | 2011 | 2012 | 2013 |

CONTRACT SYSTEM COST

| Production | \$44,654,069 | \$46,861,614 | \$47,365,237 | \$50,200,684 | \$50,731,010 |
|--------------------|--------------|--------------|--------------|--------------|--------------|
| Transmission | 334,172 | 329,203 | 324,403 | 319,484 | 314,480 |
| NLSL Resource Cost | | | | | |
| (\$/MWh) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| (Less) NLSL Costs | 0 | 0 | 0 | 0 | 0 |
| Contract System | | | | | |
| Cost | \$44,988,240 | \$47,190,817 | \$47,689,640 | \$50,520,167 | \$51,045,490 |

CONTRCT SYSTEM LOAD

| Total Retail Load | | | | | |
|---------------------|-----------|-----------|-----------|-----------|-----------|
| @ Meter | 974,500 | 996,750 | 1,014,000 | 1,030,000 | 1,048,250 |
| (Less) NLSL | 0 | 0 | 0 | 0 | 0 |
| Total Retail Load | | | | | |
| (Net of NLSL) | 974,500 | 996,750 | 1,014,000 | 1,030,000 | 1,048,250 |
| Distribution Losses | 48,725 | 49,838 | 50,700 | 51,500 | 52,413 |
| Contract System | | | | | |
| Load | 1,023,225 | 1,046,588 | 1,064,700 | 1,081,500 | 1,100,663 |

AVERAGE SYSTEM COST

| ASC (\$/MWh) \$43.97 | \$45.09 | \$44.79 | \$46.71 | \$46.38 |
|----------------------|---------|---------|---------|---------|
|----------------------|---------|---------|---------|---------|

Table 2: Final FY 2009-2013 ASC Summary - September 11, 2008

| Date (mid-year) | 4/1/2009 | 4/1/2010 | 4/1/2011 | 4/1/2012 | 4/1/2013 |
|-----------------|----------|----------|----------|----------|----------|
| Fiscal Year | 2009 | 2010 | 2011 | 2012 | 2013 |

CONTRACT SYSTEM COST

| Production | \$46,464,644 | \$49,467,433 | \$49,965,516 | \$53,756,643 | \$54,298,688 |
|----------------------|--------------|--------------|--------------|--------------|--------------|
| Transmission | 339,921 | 334,953 | 330,161 | 325,252 | 320,254 |
| NLSL Resource Cost | | | | | |
| (\$/MWh) | 0.33 | 0.32 | 0.31 | 0.30 | 0.29 |
| (Less) NLSL Costs | 0 | 0 | 0 | 0 | 0 |
| Contract System Cost | \$46,804,565 | \$49,802,386 | \$50,295,677 | \$54,081,895 | \$54,618,941 |

CONTRCT SYSTEM LOAD

| Total Retail Load @ | | | | | |
|---------------------|-----------|-----------|-----------|-----------|-----------|
| Meter | 974,500 | 996,750 | 1,014,000 | 1,030,000 | 1,048,250 |
| (Less) NLSL | 0 | 0 | 0 | 0 | 0 |
| Total Retail Load | | | | | |
| (Net of NLSL) | 974,500 | 996,750 | 1,014,000 | 1,030,000 | 1,048,250 |
| Distribution Losses | 48,725 | 49,838 | 50,700 | 51,500 | 52,413 |
| Contract System | | | | | |
| Load | 1,023,225 | 1,046,588 | 1,064,700 | 1,081,500 | 1,100,663 |

AVERAGE SYSTEM COST

| ASC (\$/MWh) | \$45.74 | \$47.59 | \$47.24 | \$50.01 | \$49.62 |
|--------------|---------|---------|---------|---------|---------|
|--------------|---------|---------|---------|---------|---------|

VI. BPA STATEMENT

This ASC determination is BPA's best estimate of Franklin County PUD's FY 2009 ASC based on the information and data provided from Franklin County PUD during the Expedited Review Process, and based on the professional review, evaluation, and judgment of the BPA REP staff. Decisions made herein are not binding for purposes of the Final ASC determination, FY 2009. This determination is made solely for purposes of providing estimated FY 2009 ASCs for use in the development of BPA's FY 2009 power rates in BPA's WP-07 Supplemental Rate Proceeding. Decisions made herein are not final ASC determinations for purposes of implementing the REP for FY 2009. Final ASC determinations used to calculate REP benefits for each exchanging Utility for FY 2009 will be established by BPA after a review of such Utilities' October 1, 2008, Appendix 1 filings. Such review will be conducted in compliance with the Final 2008 ASC Methodology.

BPA has resolved the issues set forth in Section III of this report, as amended, in accordance to the 2008 Average System Cost Methodology (ASCM) as it is currently described in the Final Record of Decision, and with generally accepted accounting principles. BPA believes the information and data contained herein fairly estimates the Average System Cost of Franklin County PUD for FY 2009 of the WP-07 Supplemental Wholesale Power Rate Adjustment Proceeding.

The Final Appendix 1 Filing, Forecast Model, and resource cost determination to the NLSL assessment used to calculate Franklin County PUD's ASCs can be viewed at BPA ASC website:

http://www.bpa.gov/corporate/finance/ascm/filings.cfm.

Page 18 of 18 FINAL WP-07-FS-BPA-13B Page 306 of 484

FINAL REPORT

WP-07 Supplemental Wholesale Power Rate Adjustment Proceeding: FY 2009 AVERAGE SYSTEM COST REPORT FOR

IDAHO POWER COMPANY

Docket Number: ID-PB-08-01 Effective Date: October 1, 2008

PREPARED BY BONNEVILLE POWER ADMINISTRATION U.S. DEPARTMENT OF ENERGY

September 11, 2008

WP-07-FS-BPA-13B Page 307 of 484 This page intentionally left blank.

| TABLE O | F CONTENTS |
|---------|-------------------|
|---------|-------------------|

| Sect | tion | | Page |
|------|-----------|--|------|
| I. | FILI | NG DATA | 1 |
| II. | AVE A. | RAGE SYSTEM COST: DETERMINATIONS Base Period 2006 | |
| | A. B. | FY 2009 (Exchange Period) ASC without New Resource Additions (\$/MWh) | |
| | C. | FY 2009 (Exchange Period) ASC with New Resource Additions (\$/MWh) | |
| III. | FILI | NG REQUIREMENTS | 2 |
| | A. | Introduction | |
| | B. | ASC Determination Process Guidelines and Expedited Review Process. | |
| | C. | Explanation of Schedules | |
| | | 1. Schedule 1 – Plant Investment/Rate Base | 4 |
| | | 2. Schedule 1A – Cash Working Capital | 5 |
| | | 3. Schedule 2 – Capital Structure and Rate of Return | 5 |
| | | 4. Schedule 3 – Expenses | |
| | | 5. Schedule 3A – Taxes | |
| | | 6. Schedule 3B – Other Included Items | |
| | | 7. Schedule 4 – Average System Cost (\$/MWh) | |
| | | 8. Distribution of Salaries and Wages | |
| | | 9. Purchased Power and Sales for Resale | |
| | | 10. New Large Single Load | |
| | | 11. Labor Ratios | |
| | D. | ASC Forecast | |
| | | 1. Forecast Contract System Cost | |
| | | 2. Forecast of Sales for Resale and Power Purchases | |
| | | 3. Forecast Contract System Load and Exchange Load | |
| | | 4. Major Resource Additions | |
| | | 5. Load Growth Not Met by New Resource Additions | 8 |
| IV. | REV | IEW OF THE ASC FILING | 8 |
| | A. | Identification and Analysis of Issues from the May 7, 2008, ASC Appendix 1 Filing | 8 |
| | В. | Identification and Analysis of Issues Based on Comments on the July 8, 2008, Draft ASC Report | |
| | C. | Identification and Analysis of Issues Based on comments on the August 4, 2008, Revised Draft ASC Report | |
| | D. | Exchange Period ASC New Resource Additions | |
| V. | | AL EXPEDITED ASC FORECAST for FY 2009-2013 | |
| VI. | | STATEMENT | |

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iii

I. FILING DATA

<u>Utility</u>

Parties to the Filing

Idaho Power Company
P.O. Box 70 (83707)
Boise, ID 83702A complete list of intervening parties is located at
the following BPA web site:
http://www.bpa.gov/corporate/finance/ascm/Docs/Intervening_Parties.pdf

Effective: October 1, 2008 – September 30, 2009 WP-07 Supplemental Wholesale Power Rate Adjustment Proceeding

II. AVERAGE SYSTEM COST: DETERMINATIONS

A. Base Period 2006

| | | July 8, 2008 | August 4, 2008 | Sept. 11, 2008 |
|-------------------------------------|---------------|-----------------|-------------------|-------------------|
| | As Filed | As Amended | As Revised | Final |
| Production Cost | \$398,773,303 | \$398,771,211 | \$398,771,211 | \$399,101,933 |
| Transmission Cost | \$94,625,570 | \$94,642,415 | \$94,642,415 | \$94,642,415 |
| (Less) New Large Single Load | \$0 | \$18,084,845 | \$26,461,649 | \$26,461,649 |
| Costs | | | | |
| Total Contract System Cost | \$493,398,873 | \$475,328,781 | \$466,951,978 | \$467,282,700 |
| - | | | | |
| Total Retail Load (MWh) | 13,939,314 | 13,939,314 | 13,939,314 | 13,939,314 |
| (Less) New Large Single Load | 0 | 385,440 | 385,440 | 385,440 |
| Total Retail Load (Net NLSL) | 13,939,314 | 13,553,874 | 13,553,874 | 13,553,874 |
| Plus Distribution Losses | 696,966 | 1,084,713 | 1,084,713 | 1,084,713 |
| Total Contract System Load | 14,636,280 | 14,638,587 | 14,638,587 | 14,638,587 |
| (MWh) | | | | |
| FY 2006 Base Period ASC (\$/MWh) | 33.71 | 32.47 | 31.90 | 31.92 |

| | July 8, | August 4, | Sept. 11, |
|--|------------|------------|-----------|
| | 2008 | 2008 | 2008 |
| | As Amended | As Revised | Final |
| FY 2009 (Rate Period) ASC without New Resource Additions (\$/MWh) | 33.68 | 33.53 | 33.86 |

C. FY 2009 (Exchange Period) ASC with New Resource Additions (\$/MWh)

Idaho Power provided BPA new resource information on May 9, 2008. BPA has confirmed with Idaho Power that the new resource is now on line. Cost and load information for this resource is shown in Table1 in Section III.B and such information is included in Table 2, Section V., final Expedited ASC Forecast for FY 2009-2013.

III. FILING REQUIREMENTS

A. <u>Introduction</u>

Section 5(c)(l) of the Pacific Northwest Electric Power Planning and Conservation Act (Pacific Northwest Power Act), 16 U.S.C. § 839c(c)(l), establishes the Residential Exchange Program (REP). Any Pacific Northwest utility interested in participating in the REP may offer to sell power to Bonneville Power Administration (BPA) at the average system cost (ASC) of the utility's resources. In exchange, BPA offers to sell an "equivalent amount of electric power to such utility for resale to that utility's residential users within the region" at the BPA rate established pursuant to section 7(b)(l) of the Act. *See generally*, H.R. Rep. No. 976, Pt I, 96th Cong., 2d Sess. at 60 (1980).

The Act gives BPA's Administrator the discretionary authority to determine ASC on the basis of a methodology to be established in a public consultation proceeding. 16 U.S.C. 839c(c)(7). The only express statutory limits on the Administrator's authority are found in sections 5(c)(7)(A), (B) and (C) of the Act. 16 U.S.C. 839c(c)(7)(A), (B) and (C).

BPA's first ASC Methodology was developed in consultation with regional interests in 1981. See 48 FR 46,970 (Oct. 17, 1983). It was later revised in 1984. *See* 49 FR 39,293 (Oct. 5, 1984). In the mid-1990s, BPA and exchanging utilities agreed to a number of termination agreements that provided for payments to each utility through the remaining years of the Residential Purchase and Sale Agreements (RPSA) that implemented the REP. These termination agreements did not require the participating utilities to submit ASC filings.

Page 2 of 18 FINAL

In 2000, BPA executed REP Settlement Agreements with each IOU customer. The Agreements provided monetary benefits and power sales to the IOUs to resolve disputes regarding BPA's implementation of the REP. On May 3, 2007, the U.S. Court of Appeals for the Ninth Circuit issued a decision finding the Agreements unlawful. BPA therefore began efforts to resume the REP, including the development of RPSAs and a consultation proceeding to revise the 1984 ASC Methodology.

As with the previous ASC Methodologies, the proposed 2008 ASC Methodology (ASCM) was developed in consultation with interested parties through a series of working group meetings conducted by BPA staff. The goal of the consultation process was to develop an administratively feasible ASC Methodology that would be technically sound, and comport with the Northwest Power Act. The Methodology is subject to review and approval by the Federal Energy Regulatory Commission (FERC or Commission).

BPA maintains a significant role in reviewing utilities' ASC filings to ensure compliance with the 2008 ASCM. For more information regarding the 2008 ASCM, please refer to the *Final Record of Decision of the 2008 Average System Cost Methodology*, dated June 30, 2008.

B. ASC Determination Process Guidelines and Expedited Review Process

The purpose of BPA's expedited review process is to estimate exchanging Utilities' ASCs for FY 2009 for inclusion in BPA's WP-07 Supplemental Rate Proceeding in order to ensure that BPA's FY 2009 power rates established in that proceeding rely on the most accurate ASCs possible. For purposes of the expedited review process, and as specified in the Review Procedures of the proposed 2008 ASCM, on or before March 3, 2008, each exchanging utility (Utility) submitted a "base period ASC" to BPA using data from its 2006 FERC Form 1 and other supporting data. All data were submitted using BPA's proposed Appendix 1, an Excelspreadsheet based model. The submittal of the Appendix 1 filing began the formal review and comment process to establish ASCs for the exchanging Utilities, which is referred to as the Review Period. Although BPA reviewed the initial data in the context of BPA's initially proposed 2008 ASCM, BPA knew that it would be completing its proposed 2008 ASCM and issuing a Record of Decision supporting that ASCM near the end of June 2008. In order that the ASCs determined in the expedited review process would reflect as accurately as possible the ASCs that would be in effect for determining REP benefits for FY 2009, BPA reviewed the Utilities' filing under the criteria of BPA's Final 2008 ASCM. This ensured that the ASCs relied on by BPA in establishing its FY 2009 power rates would be as accurate as possible. Parties had a full and complete opportunity to intervene in BPA's expedited review process and to submit comments on BPA's proposed ASCs.

For details of the prospective Review Period and guidelines, see Attachment A to the 2008 Final Record of Decision of the 2008 Average System Cost Methodology, June 2008: 2008 Methodology for Determining the Average System Cost of Resources for Electric Utilities Participating in the Residential Exchange Program Established by Section 5(c) of the Pacific Northwest Electric Power and Conservation Act.

Page 3 of 18 FINAL

The 2008 ASCM incorporates, in part, the functionalization process and functionalization codes, with modifications, determined in the 1984 ASCM. Costs are assigned under functionalization codes to Production, Transmission, or Distribution/Other. Functionalization of each Account included in a Utility's ASC is in accordance with the functionalization prescribed in the 2008 ASCM, Attachment A, Table 1. The ASCM allows Utilities to file multiple, contingent, ASCs to reflect changes to service territories, and allows for changes to ASCs resulting from major resource additions and reductions.

In summary, BPA reviewed ASCs during the expedited review process in accordance with the 2008 ASCM published June 30, 2008. After establishing a base period ASC determination, BPA used the ASC Forecast model, an Excel-based spreadsheet, to escalate the base year ASC forward to the effective rate period, FY 2009 (October 1, 2008, through September 30, 2009). The base year and forecast ASC results are reported herein.

C. <u>Explanation of Schedules</u>

Utilities' Appendix 1 filings consist of a series of seven schedules and other supporting information, which present the data necessary to calculate ASC. The schedules and support data are as follows:

- 1. Schedule 1 Plant Investment/Rate Base
- 2. Schedule 1A Cash Working Capital calculation
- 3. Schedule 2 Capital Structure and Rate of Return
- 4. Schedule 3 Expenses
- 5. Schedule 3A Taxes
- 6. Schedule 3B Other Included Items
- 7. Schedule 4 Average System Cost
- 8. Distribution of Salaries and Wages
- 9. Purchased Power & Off-System Sales
- 10. New Large Single Load
- 11. Labor Ratios

1. Schedule 1 – Plant Investment/Rate Base

This schedule establishes the rate base used by the Utility. The calculation begins with a determination of the total Electric Plant In-Service, which includes the gross historical costs of the Intangible, General, Production, Transmission, and Distribution Plants. These values (and all subsequent values) are entered into the Appendix 1 filing as line items based on separate FERC account descriptions. Each line item (Account) is functionalized to Production, Transmission, or Distribution/Other in accordance to the functionalizations prescribed in the 2008 ASCM, Attachment A, Table 1.

Next, in order to reflect the book value of the remaining plant, depreciation and amortization reserves are evaluated and entered into the Appendix 1 form and functionalized. These are then subtracted from the Total Electric Plant In-Service to determine the Total Net Plant.

Page 4 of 18 FINAL

The resulting Total Net Plant is adjusted, where appropriate, to reflect additions in Cash Working Capitol (calculated in Schedule 1A), Utility Plant, Property and Investments, Current and Accrued Assets, Deferred Debits. It is adjusted again, where appropriate, to deduct the Current and Accrued Liabilities, and Deferred Credits from the Total Net Plant. The outcome of these adjustments defines the Total Rate Base. When multiplied by the Rate of Return as determined in Schedule 2, the result is the Utility's return on investment.

2. Schedule 1A – Cash Working Capital

Cash working capital is a ratemaking convention that is not included in the Form 1, but is a part of all electric utility rate filings as a component of rate base. To determine the allowable amount of cash working capital in rate base for a Utility, BPA allows 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.

3. Schedule 2 – Capital Structure and Rate of Return

This schedule lists the data used by the Utility to develop the rate of return applied to the Utility's rate base developed on Schedule 1, in order to determine the Utility's return on investment.

Investor Owned Utilities (IOUs) use the weighted cost of capital (WCC) from the most recent State Commission Rate Order with a Federal income tax adjustment to determine the return calculation. The return on equity (ROE) used in the WCC calculation is grossed up for Federal income taxes at the marginal Federal income tax rate using the formula found in the ASC Methodology, Attachment A, Section IX, Endnote b. For Consumer Owned Utilities (COUs), the rate of return is equal to the COU's weighted cost of debt.

4. Schedule 3 – Expenses

This schedule represents operations and maintenance expenses for the production of power, the transmission of electricity, and the distribution of electricity. Each expense item is functionalized as described above. Additional expenses associated with customer accounts, sales, and administrative and general expenses for both operations and maintenance are also included in this schedule. Depreciation and amortization for the associated plants are added to the operating and maintenance expenses to calculate Total Operating Expenses.

5. Schedule 3A – Taxes

This schedule presents allowable ASC cost for Federal employment tax and non-Federal taxes, including property and unemployment tax. State income tax, franchise fees, regulatory fees, and city/county taxes are included herein but are functionalized to Distribution/Other and therefore not incorporated in ASC. Taxes and fees for each state listed are grouped together and entered as "combined" line items for Appendix 1 filing purposes.

Federal income taxes included in ASC are calculated and described in Schedule 2 above, *Capital Structure and Rate of Return*.

Page 5 of 18 FINAL

6. Schedule 3B – Other Included Items

This schedule includes revenues from the disposition of plant, sales for resale, and other revenues, including electric revenues and revenues from transmission of electricity to others (wheeling). Items in this schedule are deducted from the total costs of each Utility.

7. Schedule 4 – Average System Cost (\$/MWh)

This schedule summarizes the cost information calculated in Schedules 2 through 3B: Federal income tax adjusted return on rate base, total operating expenses, state and other taxes, and other included items.

Contract System Cost

The Contract System Cost is the Utility's costs for production and transmission resources, including power purchases and conservation measures, which costs are includable in and subject to the provisions of Appendix 1. Costs to serve a new large single load (NLSL) are excluded from ASC calculations. This Contract System Cost becomes the numerator in calculating ASC.

Contract System Load

The Contract System Load is the total regional retail load included in the Form 1, or for a COU (preference customer) the total retail load from the most recent annual audited financial statement as adjusted pursuant to this Average System Cost Methodology. The denominator in the ASC calculation consists of the Contract System Load (MWh) of the Utility increased for distribution losses, and reduced by any NLSL.

8. Distribution of Salaries and Wages

The supporting file is used to determine the Labor Ratio calculations and includes salaries and wages from relevant operations and maintenance of the electric plant.

9. Purchased Power and Sales for Resale

Purchased Power is an Account of Schedule 3, *Expenses*, and includes all purchases the Utility made during the year, including power exchanges. Sales for Resale is an Account of Schedule 3B, *Other Included Items*, and includes power sales to purchasers other than ultimate consumers. Listed in the information for both Accounts is the statistical classification code for all transactions. Refer to the FERC Form 1 pages 310-311 for Sales for Resale and pages 326-237 for Purchased Power for identification of the classification codes.

10. New Large Single Load

A new large single load (NLSL) is any load associated with a new facility, an existing facility or an expansion of an existing facility which was not contracted for or committed to (CF/CT) prior to September 1, 1979, and will result in an increase in power requirements of the specific customer of ten average megawatts (10 aMW) or more in any consecutive twelve-month period.

BPA determines the cost of serving NLSLs by using the fully allocated cost of <u>all post</u>-September 1, 1979, resources and long-term power purchases greater than five years in duration.

Page 6 of 18 FINAL

11. Labor Ratios

These ratios assign costs on a pro-rata basis using salary and wage data for production, transmission, and distribution/other functions included in the Utility's most recently filed FERC Form 1. For COUs, comparable data is used based on a cost of service study used as the basis for retail rates at the time of review.

D. ASC Forecast

The 2006 Base Period ASC is applied to an Excel-based forecasting model to escalate the base year ASC data forward to the Exchange Period. For purposes of this expedited process, the Exchange Period is FY 2009. BPA uses Global Insight's (or its successor) forecast of cost increases for capital costs and fuel (except natural gas), O&M, and G&A expenses; BPA's forecast of market prices for IOU purchases to meet load growth and to estimate short-term and non-firm power purchase costs and sales revenues; BPA's forecast of natural gas prices; and BPA's estimates of the rates it will charge for its Priority Firm (PF) Power Rate and other products. For additional background on the determination of Exchange Period ASCs, see details of the 2008 ASC Methodology, Section IV *Rules for Determining Exchange Period Average System Cost*, Subsection A.

1. Forecast Contract System Cost

Forecast Contract System Cost (CSC) are the Utility's forecast costs for production and transmission resources, including power purchases and conservation measures, which costs are includable in and subject to the provisions of Appendix 1. As outlined in the 2008 ASC Methodology, Section IV *Rules for Determining Exchange Period Average System Cost*, Subsection A, Forecast CSC, BPA escalates base period costs to the midpoint of the fiscal year for the FY 2009 rate period/Exchange Period to calculate Exchange Period ASCs. BPA projects the costs of power products purchased from BPA using BPA's forecast of prices for its products.

2. Forecast of Sales for Resale and Power Purchases

BPA does not normalize short-term purchases and sales for resale. The short-term purchases and sales for resale for the Base Period are used as the starting values for the forecast. The Utilities are then allowed to include new plant additions and use a Utility-specific forecast for the (1) price of purchased power and (2) sales for resale price, to value purchased power expenses and sales for resale revenue. For details, see the 2008 ASC Methodology, Section IV *Rules for Determining Exchange Period Average System Cost*, Subsection B.

3. Forecast Contract System Load and Exchange Load

All Utilities are required to provide a forecast of their Contract System Load and associated Exchange Load, as well as a current distribution loss study as described in the 2008 ASCM, Attachment A, endnote e/, with an Appendix 1 filing. The load forecast for Contract System Load and Exchange Load starts with the Base Period and extends 4 years after the Exchange Period. The load forecast for Contract System Load and Exchange Load is provided on a monthly basis for the Exchange Period.

Page 7 of 18 FINAL

WP-07-FS-BPA-13B Page 317 of 484

4. Major Resource Additions

BPA uses the method outlined in the 2008 ASC Methodology, Section IV *Rules for Determining Exchange Period Average System Cost*, Subsection C to determine the change in ASC due to major new resource additions or reductions, subject to meeting the materiality threshold of 2.5 percent change to ASC. These additions include new production resource investments, new generating resource investments, new transmission investments, long-term generating contracts, pollution control and environmental compliance investments relating to generating resources, transmission resources or contracts, hydro relicensing costs and fees, and plant rehabilitation investments.

The exchanging Utility provides its forecast of any major resource addition and all associated costs. The forecast covers the period from the end of the Base Period (FY 2006) to the end of the Exchange Period (FY 2009).

The forecast of major resource costs to be included in the Utility's Exchange Period ASC is reviewed and determined during the review period. All resources included prior to the start of the Exchange Period are projected forward to the mid-point of the Exchange Period.

5. Load Growth Not Met by New Resource Additions

All load growth not met by new resource additions is met by purchased power at the forecasted Utility-specific short-term purchased power price. BPA uses the method outlined in the 2008 ASC Methodology, Section IV *Rules for Determining Exchange*, Subsection D.

IV. REVIEW OF THE ASC FILING

A. <u>Identification and Analysis of Issues from the May 7, 2008, ASC Appendix 1</u> <u>Filing</u>

BPA is responsible for reviewing all costs and loads for determining ASCs in accordance with section 5(c) of the Northwest Power Act and the 2008 ASC Methodology. During this review and evaluation, issues were identified for comment. BPA's ASC determination is limited to specific findings on those issues identified for comment with the exception of ministerial or mathematical errors. There may have been additional issues that BPA did not identify for comment in this filing. Acceptance of a Utility's treatment of an item without comment is not intended to signify a decision of the proper interpretation to be applied either in subsequent filings or universally under the 2008 ASC Methodology.

The following is a summary of the Contract System Cost and Contract System Load filed on May 7, 2008 by Idaho Power, and as amended following review and evaluation by BPA. The explanations for BPA's changes are outlined as appropriate by Appendix 1 schedule and supporting files below.

SCHEDULE 1: Plant Investment/Rate Base – No changes made except to the functionalization of cash working capital due to functionalization changes made subsequent to the May 7, 2008, filing.

Page 8 of 18 FINAL SCHEDULE 1A: Cash Working Capital – No changes made except to the functionalization of cash working capital due to functionalization changes made subsequent to the May 7, 2008, filing.

SCHEDULE 2: Capital Structure and Rate of Return – No changes made except for carryover of Schedule 1 change discussed above.

SCHEDULE 3: Expenses- No changes except for a change to the functionalization of account number 935, Maintenance of General Plant, made subsequent to the May 7, 2008, filing.

SCHEDULE 3A: Taxes – Small change resulting from imposing a rounding convention to the interest rate calculations made subsequent to the May 7, 2008, filing.

SCHEDULE 3B: Other Included Items – Account 411.6, Gain from Disposition of Utility Plant, is functionalized to Production consistent with a functionalization change made subsequent to the May 7, 2008, filing.

SCHEDULE 4: Average System Cost

1. **Distribution Loss:**

Statement of Issue: In its filing, Idaho Power Company used a 5 percent Distribution Loss Factor to determine its ASC.

a. <u>Statement of Facts</u>: The May 7, 2008, Appendix 1 template did not require a Utility to complete a Distribution Loss Study to determine its Contract System Load. As outlined in the ASCM ROD, BPA allows a participating Utility that has the ability to directly measure distribution losses on its system to submit such measurements, subject to BPA review and approval, with its ASC filing. Utilities that do not possess the capability to directly measure distribution losses on their system are required to submit a formal distribution loss study with their ASC filing. The distribution loss study is valid for a period of seven years.

Utilities that do not have the ability to directly measure distribution losses on their system, and that do not submit with the Appendix 1 a formal distribution loss study that was prepared within the previous seven years of the date of the ASC filing, will use the default distribution loss study method described in the ASCM ROD, Section 4.10.5.

 <u>Analysis of Position and Decision</u>: For purposes of this expedited filing, BPA completed the Distribution Loss Factor outlined in the ASCM ROD, Section 4.10.5. Idaho Power's Distribution Loss Factor is determined to be 7.78 percent.

Page 9 of 18 FINAL

2. Contract System Load: New Large Single Load (NLSL)

- a. <u>Statement of Issue</u>: The Appendix 1 filing instructions for the May 7, 2008, submittal did not require information on possible NLSLs. BPA subsequently required that such data be included in the determination of a Utility's ASC.
- <u>Statement of Facts</u>: Idaho Power submitted annual data identifying one potential NLSL ("Customer 1") whose power needs increased from 34 aMW in 1995 to 46 aMW in 1996. Idaho Power subsequently provided monthly data that confirmed an increase of greater than 10 aMW over 12 consecutive months during such years.
- c. <u>Analysis of Position and Decision</u>: Section 5 (c) of the Northwest Power Act does not permit the costs to serve an NLSL to be included in the calculation of a Utility's ASC. Customer 1 load in 2006 of 78 aMW is determined to be 44 aMW of NLSL, with the "grandfathered" 1995 load of 34 aMW excluded from NLSL status. BPA determined Idaho Power's 2006 NLSL Cost to be \$68.65 per megawatt-hour. BPA determined the cost of serving the potential NLSL based on the fully allocated cost of all post-September 1, 1979, resources, major resource additions and longterm power purchases (5 years or longer contracts) used to determine Exchange Period ASCs as outlined in the ASCM ROD, section 4.5. Schedule 4 shows a Contract System Cost reduction of \$26,461,649, reflecting the product of 44 aMW and \$68.65/MWh, and a Contract System Load reduction of 385,440 MWh.

SUPPORTING DOCUMENTATION: Purchased Power and Sales for Resale – No changes made.

SUPPORTING DOCUMENTATION: Salaries and Wages – No changes made.

SUPPORTING DOCUMENTATION: Ratios

- 1. Maintenance of General Plant (GPM) Ratio: Miscellaneous Equipment
 - a. <u>Statement of Issue</u>: Incorrect functionalization of Labor Ratio "Miscellaneous Equipment in the Maintenance of General Plant (GPM)"
 - b. <u>Statement of Facts</u>: Miscellaneous Equipment in the Maintenance of General Plant Ratio was mistakenly functionalized to Distribution rather than PTD in the ASC Template.

Page 10 of 18 FINAL

c. <u>Analysis of Position and Decision</u>: BPA corrected the error and the functionalization of Miscellaneous Equipment in the Maintenance of General Plant Ratio was changed from Distribution to PTD in the ASC Template.

B. <u>Identification and Analysis of Issues Based on Comments on the July 8, 2008,</u> <u>Draft ASC Report</u>

No comments were submitted.

C. <u>Identification and Analysis of Issues Based on comments on the August 4, 2008,</u> <u>Revised Draft ASC Report</u>

SCHEDULE 1: Plant Investment/Rate Base-

- 1. For Account 108, line item "Capital Leases Common Plant" and In-Service: Depreciation of Common Plant
 - a. <u>Statement of Issue:</u> Errata corrections to the 2008 Average System Cost Methodology ("2008 ASCM") for Account 108, line item "Capital Leases Common Plant" (line 69 in the electronic template) and "In-Service: Depreciation of Common Plant (a)" (line 71 in the electronic template), remove the PTD option from functionalization "Method Optional" column.
 - b. <u>Analysis of Position and Decision</u>: This correction is necessary to equate all Common Plant accounts to DIRECT functionalization under Utility Plant: Common Plant (line 91 in the electronic template). There are no functionalization options under Common Plant and all accounts are to be functionalized by Direct analysis.
- 2. For Account 115, line item "Amortization of Acquisition Adjustments"
 - a. <u>Statement of Issue</u>: Errata corrections to the 2008 Average System Cost Methodology ("2008 ASCM") for Account 115, line item "Amortization of Acquisition Adjustments" (line 73 in the electronic template), remove option from functionalization "Method Optional" column (cell F73 in electronic template) and equate cell E73 to E92 (Acquisition Adjustments (Electric)), Account 114, line 92 in electronic template).
 - b. <u>Analysis of Position and Decision</u>: This correction is necessary because Depreciation and Amortization Reserves must follow the same functionalization used for Utility Plant under Assets and Other Debits.

Page 11 of 18 FINAL

SCHEDULE 1A: Cash Working Capital – no changes from the August 4, 2008, report

SCHEDULE 2: Capital Structure and Rate of Return – no changes from the August 4, 2008, report

SCHEDULE 3: Expenses

- 1. For Account 406, line item "Amortization of Plant Acquisition Adjustments (Electric)"
 - a. <u>Statement of Issue:</u> Errata corrections to the 2008 Average System Cost Methodology ("2008 ASCM") for Account 406, line item "Amortization of Plant Acquisition Adjustments (Electric)" (line 96 in the electronic template), equate cell E96 to Account 114 Schedule 1, *Plant Investment/Rate Base* (Acquisition Adjustments (Electric)), (cell E92 in electronic template).
 - b. <u>Analysis of Position and Decision</u>: This correction is necessary because Depreciation and Amortization expenses must follow the same functionalization used for Utility Plant under Plant Investment/Rate Base, Assets and Other Debits.
- 2. Account 908, line item "Customer Assistance Expenses (Major only)"
 - <u>Statement of Issue:</u> Errata corrections to the 2008 Average System Cost Methodology ("2008 ASCM") for Account 908, line item "Customer Assistance Expenses (Major only)" (line 52 in the electronic template) requires DIRECT analysis of conservation related expenses.
 - b. <u>Analysis of Position and Decision</u>: All exchangeable conservation costs may be functionalized to Production (PROD); all other costs will be functionalized to Distribution/Other (DIST).

SCHEDULE 3A: Taxes – no changes from the August 4, 2008, report

SCHEDULE 3B: Other Included – no changes from the August 4, 2008, report

SCHEDULE 4: Average System Cost - - no changes from the August 4, 2008, report

SUPPORTING DOCUMENTATION – Labor Ratios

Page 12 of 18 FINAL

- 1. For Labor Ratio Input: line item "Customer Service and Informational"
 - a. <u>Statement of Issue:</u> For Labor Ratio Input line item "**Customer Service and Informational**" (line 17 in the electronic template), did not follow the same functionalization as Account 908 in Schedule 3.
 - b. <u>Analysis of Position and Decision</u>: This Ratio requires DIRECT analysis of conservation related expenses associated with Account 908. All exchangeable conservation costs may be functionalized to Production (PROD); all other costs will be functionalized to Distribution/Other (DIST).

D. Exchange Period ASC New Resource Additions

The ASCM provides that changes to an established ASC may be made for major new resource additions and purchases that are projected to come on-line or be purchased and used to meet a Utility's retail load during the BPA rate period. The change to an established ASC must be "material," i.e., result in a 2.5 percent or greater change in Base Period ASC. BPA allows Utilities to submit stacks of individual resources that, when combined, meet the materiality threshold. However, each resource in the stack must result in an increase of Base Period ASC of 0.5 percent or more. BPA determined a change in Idaho Power's ASC using the methods as described in the ASCM ROD, section 4.2.10.

Table 1 below identifies the New Resource Addition information provided by Idaho Power for FY 2008 only (year ending December 2007).

| | FY 2006 | FY 2007 | FY 2008 | FY 2009 |
|-----------------|---------|---------|------------|---------|
| Production | | | 64,771,248 | |
| Rate Base | | | | |
| Plant Material | | | | |
| and Supplies | | | | |
| Rate Base | | | | |
| Fuel Stock | | | 7,916,038 | |
| Rate Base | | | | |
| Production O&M | | | | |
| Expense | | | | |
| Production | | | 1,813,550 | |
| Depreciation | | | | |
| Expense | | | | |
| Power Purchases | | | | |
| Expense | | | | |
| Property | | | 130,229 | |
| Insurance | | | | |

 Table 1: ASC New Resource Addition

Page 13 of 18 FINAL

| Transmission | | |
|--------------|--|--|
| Rate Base | | |
| Transmission | | |
| Depreciation | | |
| Rate Base | | |
| Transmission | | |
| O&M | | |
| Expense | | |
| Transmission | | |
| Contracts | | |
| Expense | | |
| Transmission | | |
| Property Tax | | |
| Expense | | |

| (Expected) | | 59,568 | |
|------------|--|--------|--|
| Annual | | | |
| Generation | | | |
| (MWh) | | | |

V. FINAL EXPEDITED ASC FORECAST for FY 2009-2013

The following three tables summarize the forecast of Contract System Cost (CSC) and Contract System Load (CSL) for purposes of determining Idaho Power's forecast ASCs for FY 2009 through FY 2013. Table 2: *FY 2009-2013 ASC Summary*, identifies the CSC, CSL, and Idaho Power's ASCs published in the July 8, 2008, report. *Revised* Table 2: *FY 2009-2013 ASC Summary* identifies the revised CSC, CSL, and Idaho Power's ASCs as a result of Idaho Power's comments to the July 8, 2008, report. *Final* Table 2: *FY 2009-2013 ASC Summary* identifies the final CSC, CSL, and Idaho Power's ASCs. The procedures used in making the July 8, 2008, determinations and any required changes published in both the August 4, 2008, and this final September 11, 2008, reports are outlined in the 2008 ASCM ROD and described herein. The results shown in all tables are forecasts for each year of the WP-07 rate test period (FY 2009-2013), as defined in section 7(b)(2) of the NW Power Act, and are used to calculate the PF Exchange Rate for FY 2009 of the WP-07 Supplemental Wholesale Power Rate Adjustment Proceeding (WP-07 Rate Case).

The BPA Forecast Model used to calculate the values shown below is located at <u>http://www.bpa.gov/corporate/finance/ascm/filings.cfm</u>.

Page 14 of 18 FINAL

WP-07-FS-BPA-13B Page 324 of 484

Table 2: FY 2009-2013 ASC Summary – July 8, 2008

| Date (mid-year) | 4/1/2009 | 4/1/2010 | 4/1/2011 | 4/1/2012 | 4/1/2013 |
|-----------------|----------|----------|----------|----------|----------|
| Fiscal Year | 2009 | 2010 | 2011 | 2012 | 2013 |

CONTRACT SYSTEM COST

| Total Contract System Cost | 531,166,920 | 542,836,657 | 555,874,590 | 564,153,366 | 576,557,584 |
|---------------------------------------|-------------|-------------|-------------|-------------|-------------|
| (Less) NLSL Costs | 28,566,965 | 27,859,851 | 27,400,275 | 27,264,525 | 27,119,667 |
| NLSL Fully Allocated Cost (\$/MWh) | 74.12 | 72.28 | 71.09 | 70.74 | 70.36 |
| Transmission | 92,347,749 | 91,705,109 | 91,091,667 | 90,418,765 | 89,787,296 |
| Production | 467,386136 | 478,991,400 | 492,183,198 | 500,999,123 | 513,889,955 |

CONTRACT SYSTEM LOAD

| Total Retail Load @ Meter | 14,990,809 | 15,256,830 | 15,481,163 | 15,593,539 | 15,755,103 |
|------------------------------------|------------|------------|------------|------------|------------|
| (Less) NLSL | 385,440 | 385,440 | 385,440 | 385,440 | 385,440 |
| Total Retail Load (Net or NLSL) | 14,605,369 | 14,871,390 | 15,095,723 | 15,208,099 | 15,369,663 |
| Distribution Loss | 1,166,538 | 1,187,238 | 1,204,695 | 1,213,440 | 1,226,012 |
| Total Contract System Load | 15,771,907 | 16,058,628 | 16,300,418 | 16,421,539 | 16595675 |

AVERAGE SYSTEM COST

| III DIGIGE SISTE | | | | | |
|------------------|-------|-------|-------|-------|-------|
| ASC (\$/MWh) | 33.68 | 33.80 | 34.10 | 34.35 | 34.74 |
| | | | | | |

Revised Table 2: FY 2009-2013 ASC Summary – August 4, 2008

| Date (mid-year) | 4/1/2009 | 4/1/2010 | 4/1/2011 | 4/1/2012 | 4/1/2013 |
|-----------------|----------|----------|----------|----------|----------|
| Fiscal Year | 2009 | 2010 | 2011 | 2012 | 2013 |

CONTRACT SYSTEM COST

| Production | 466,891,079 | 477,582,472 | 492,592,137 | 501,415,361 | 514,475,248 |
|---------------------------------------|-------------|-------------|-------------|-------------|-------------|
| Transmission | 92,347,749 | 91,705,109 | 91,091,667 | 90,418,765 | 89,787,296 |
| NLSL Fully Allocated Cost (\$/MWh) | 79.04 | 75.94 | 75.80 | 75.39 | 75.01 |
| (Less) NLSL Costs | 30,463,453 | 29,269,076 | 29,216,049 | 29,058,258 | 28,910,883 |
| Total Contract System Cost | 531,166,920 | 542,836,657 | 555,874,590 | 564,153,366 | 576,557,584 |

CONTRCT SYSTEM LOAD

| Total Retail Load @ Meter | 14,990,809 | 15,256,830 | 15,481,163 | 15,593,539 | 15,755,103 |
|------------------------------------|------------|------------|------------|------------|------------|
| (Less) NLSL | 385,440 | 385,440 | 385,440 | 385,440 | 385,440 |
| Total Retail Load (Net or NLSL) | 14,605,369 | 14,871,390 | 15,095,723 | 15,208,099 | 15,369,663 |
| Distribution Loss | 1,166,538 | 1,187,238 | 1,204,695 | 1,213,440 | 1,226,012 |
| Total Contract System Load | 15,771,907 | 16,058,628 | 16,300,418 | 16,421,539 | 16595675 |

AVERAGE SYSTEM COST

| III DIGIOLOIDIUI | 0001 | | | | |
|------------------|-------|-------|-------|-------|-------|
| ASC (\$/MWh) | 33.53 | 33.63 | 34.02 | 34.27 | 34.67 |
| | | | | | |

Final Table 2: FY 2009-2013 ASC Summary – September 11,2008

| Date (mid-year) | 4/1/2009 | 4/1/2010 | 4/1/2011 | 4/1/2012 | 4/1/2013 |
|-----------------|----------|----------|----------|----------|----------|
| Fiscal Year | 2009 | 2010 | 2011 | 2012 | 2013 |

CONTRACT SYSTEM COST

| Total Contract System Cost | 534,036,495 | 545,329,749 | 559,811,862 | 568,138,673 | 580,726,484 |
|---------------------------------------|-------------|-------------|-------------|-------------|-------------|
| (Less) NLSL Costs | 30,492,835 | 29,297,863 | 29,244,354 | 29,086,338 | 28,938,635 |
| NLSL Fully Allocated Cost (\$/MWh) | 79.11 | 76.01 | 75.87 | 75.46 | 75.08 |
| Transmission | 93,579,418 | 92,933,257 | 92,316,991 | 91,643,186 | 91,009,961 |
| Production | 470,949,913 | 481,694,355 | 496,739,225 | 505,581,825 | 518,655,158 |

CONTRACT SYSTEM LOAD

| Total Contract System Load | 15,771,907 | 16,058,628 | 16,300,418 | 16,421,539 | 16,595,675 |
|------------------------------------|------------|------------|------------|------------|------------|
| Distribution Loss | 1,166,538 | 1,187,238 | 1,204,695 | 1,213,440 | 1,226,012 |
| Total Retail Load (Net or NLSL) | 14,605,369 | 14,871,390 | 15,095,723 | 15,208,099 | 15,369,663 |
| (Less) NLSL | 385,440 | 385,440 | 385,440 | 385,440 | 385,440 |
| Total Retail Load @ Meter | 14,990,809 | 15,256,830 | 15,481,163 | 15,593,539 | 15,755,103 |

AVERAGE SYSTEM COST

| III BILIGE STOTEM | 0001 | | | | |
|-------------------|-------|-------|-------|-------|-------|
| ASC (\$/MWh) | 33.86 | 33.96 | 34.34 | 34.60 | 34.99 |
| | | | | | |

VI. BPA STATEMENT

This Final ASC determination reflects an increase in the cost to serve Idaho Power's NLSL. ASCs for years 2009 through 2013 shown in Final Table 2 above are increased to reflect such change.

This ASC determination is BPA's best estimate of Idaho Power's FY 2009 ASC based on the information and data provided from Idaho Power during the Expedited Review Process, and

Page 17 of 18 FINAL

based on the professional review, evaluation, and judgment of the BPA REP staff. Decisions made herein are not binding for purposes of the Final ASC determination for FY 2009. This determination is made solely for the purpose of providing estimated FY 2009 ASCs for use in the development of BPA's FY 2009 power rates in BPA's WP-07 Supplemental Rate Proceeding. Decisions made herein are not final ASC determinations for purposes of implementing the REP for FY 2009. Final ASC determinations used to calculate REP benefits for each exchanging Utility for FY 2009 will be established by BPA after a review of such Utilities' October 1, 2008, Appendix 1 filings. Such reviews will be conducted in compliance with the Final 2008 ASC Methodology.

BPA has resolved the issues set forth in Section III of this report, as amended, in accordance with the 2008 Average System Cost Methodology (ASCM) as it is currently described in the Final Record of Decision, and with generally accepted accounting principles. BPA believes the information and data contained herein fairly estimates the Average System of Idaho Power for FY 2009 of the WP-07 Supplemental Wholesale Power Rate Adjustment Proceeding.

The Final Appendix 1 Filing, Forecast Model and NLSL assessment used to calculate Idaho Power's ASCs can be viewed at BPA's ASC website: <u>http://www.bpa.gov/corporate/finance/ascm/filings.cfm</u>.

> Page 18 of 18 FINAL

WP-07-FS-BPA-13B Page 328 of 484

FINAL REPORT

WP-07 Supplemental Wholesale Power Rate Adjustment Proceeding: FY 2009 AVERAGE SYSTEM COST REPORT FOR

NorthWestern Corporation

Docket Number: NW-PB-08-01 Effective Date: October 1, 2008

PREPARED BY BONNEVILLE POWER ADMINISTRATION U.S. DEPARTMENT OF ENERGY

September 11, 2008

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TABLE OF CONTENTS

| Sect | on P | age |
|------|--|---|
| I. | FILING DATA | .1 |
| II. | AVERAGE SYSTEM COST: DETERMINATIONS A. Base Period 2006 B. FY 09 (Exchange Period) ASC without New Resource Additions (\$/MWh) C. FY 09 (Exchange Period) ASC with New Resource Additions (\$/MWh) | .1 2 |
| III. | FILING REQUIREMENTS. A. Introduction ASC Determination Process Guidelines and Expedited Review Process. Explanation of Schedules. 1. Schedule 1 – Plant Investment/Rate Base. 2. Schedule 1A – Cash Working Capital 3. Schedule 2 – Capital Structure and Rate of Return 4. Schedule 3 – Expenses. 5. Schedule 3A – Taxes 6. Schedule 3B – Other Included Items 7. Schedule 4 – Average System Cost (\$/MWh) 8. Distribution of Salaries and Wages. 9. Purchased Power and Sales for Resale 10. New Large Single Load 11. Labor Ratios. 2. ASC Forecast | 2 2 3 4 4 5 5 5 5 5 5 5 6 6 6 6 6 6 6 6 6 |
| IV. | Forecast Contract System Cost | .7 .7 .7 .7 .8 |
| 1 | A. Identification and Analysis of Issues from the May 7, 2008 ASC | |
| | Appendix 1 Filing. Identification and Analysis of Issues from comments to the July 8, 2008 ASC Draft Report. Identification and Analysis of Issues from comments to the | |
| | August 4, 2008 ASC Draft Report1 | 1 |
| V. | Exchange Period ASC New Resource Additions1 | 4 |
| VI. | FINAL EXPEDITED ASC FORECAST for FY 2009-20131 | 5 |
| VII. | 3PA STATEMENT1 | 9 |

ii

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I. FILING DATA

| <u>Utility</u> | Parties to the Filing |
|--------------------------|--|
| NorthWestern Corporation | A complete list of intervening parties is located at the following |
| 40 East Broadway | BPA web site: |
| Butte, MT. 57901 | http://www.bpa.gov/corporate/finance/ascm/Docs/Intervening_Parties.pdf |

Effective: October 1, 2008 – September 30, 2009 WP-07 Supplemental Wholesale Power Rate Adjustment Proceeding

II. AVERAGE SYSTEM COST: DETERMINATIONS

A. Base Period 2006

| | As Filed | July 8, 2008 As Amended | August 4, 2008 As Revised | Sept.11, 2008 Final |
|---------------------------------------|---------------|----------------------------|------------------------------|------------------------|
| Production Cost | \$279,471,036 | \$279,471,076 | \$279,471,076 | \$279,471,076 |
| Transmission Cost (Less) New Large | 52,689,522 | 52,695,962 | 52,695,962 | 52,695,962 |
| Single Load Costs | 0 | 0 | 0 | 0 |
| Contract System Cost | \$332,160,558 | \$332,167,038 | \$332,167,038 | \$332,167,038 |
| Total Retail Load (MWh) | 5,749,741 | 5,749,741 | 5,749,741 | 5,749,741 |
| (Less) NLSL Total Retail Load | 0 | 0 | 0 | 0 |
| (Net of NLSL) Plus Distribution | 5,749,741 | 5,749,741 | 5,749,741 | 5,749,741 |
| Losses Contract System Load | 287,487 | 287,487 | 287,487 | 287,487 |
| (MWh) | 6,037,228 | 6,037,228 | 6,037,228 | 6,037,228 |
| FY 2006 Base Period ASC (\$/MWh) | \$55.02 | \$53.46 | \$53.46 | \$53.46 |

Page 1 of 19 FINAL WP-07-FS-BPA-13B Page 333 of 484

B. FY 09 (Exchange Period) ASC without New Resource Additions (\$/MWh)

| | July 8, 2008 | August 4, 2008 | Sept. 11, 2008 |
|--|--------------|----------------|----------------|
| | As Amended | As Revised | Final |
| FY 2009 (Rate Period) ASC without New Resource Additions (\$/MWh) | \$54.62 | \$54.74 | \$54.84 |
| New Resource Additions (\$/141 Will) | \$34.02 | JJ4./4 | \$34.04 |

C. FY 09 (Exchange Period) ASC with New Resource Additions (\$/MWh)

FY 2007-2009 New Resource Additions: N/A There are no New Resource Additions recorded.

III. FILING REQUIREMENTS

A. <u>Introduction</u>

Section 5(c)(l) of the Pacific Northwest Electric Power Planning and Conservation Act (Pacific Northwest Power Act), 16 U.S.C. § 839c(c)(l), establishes the Residential Exchange Program (REP). Any Pacific Northwest utility interested in participating in the REP may offer to sell power to Bonneville Power Administration (BPA) at the average system cost (ASC) of the utility's resources. In exchange, BPA offers to sell an "equivalent amount of electric power to such utility for resale to that utility's residential users within the region" at the BPA rate established pursuant to section 7(b)(l) of the Act. *See generally*, H.R. Rep. No. 976, Pt I, 96th Cong., 2d Sess. at 60 (1980).

The Act gives BPA's Administrator the discretionary authority to determine ASC on the basis of a methodology to be established in a public consultation proceeding. 16 U.S.C. 839c(c)(7). The only express statutory limits on the Administrator's authority are found in sections 5(c)(7)(A), (B) and (C) of the Act. 16 U.S.C. 839c(c)(7)(A), (B) and (C).

BPA's first ASC Methodology was developed in consultation with regional interests in 1981. *See* 48 FR 46,970 (Oct. 17, 1983). It was later revised in 1984. *See* 49 FR 39,293 (Oct. 5, 1984). In the mid-1990s, BPA and exchanging Utilities agreed to a number of termination agreements that provided for payments to each Utility through the remaining years of the Residential Purchase and Sale Agreements (RPSA) that implemented the REP. These termination agreements did not require the participating utilities to submit ASC filings.

In 2000, BPA executed REP Settlement Agreements with each IOU customer. The Agreements provided monetary benefits and power sales to the IOUs to resolve disputes regarding BPA's implementation of the REP. On May 3, 2007, the U.S. Court of Appeals for the Ninth Circuit issued a decision finding the Agreements unlawful. BPA therefore began efforts to resume the REP, including the development of RPSAs and a consultation proceeding to revise the 1984 ASC Methodology.

Page 2 of 19 FINAL WP-07-FS-BPA-13B Page 334 of 484 As with the previous ASC Methodologies, the proposed 2008 ASC Methodology (ASCM) was developed in consultation with interested parties through a series of working group meetings conducted by BPA staff. The goal of the consultation process was to develop an administratively feasible ASC Methodology that would be technically sound, and comport with the Northwest Power Act. The Methodology is subject to review and approval by the Federal Energy Regulatory Commission (FERC or Commission).

BPA maintains a significant role in reviewing Utilities' ASC filings to ensure compliance with the 2008 ASCM. For more information regarding the 2008 ASCM, please refer to the *Final Record of Decision of the 2008 Average System Cost Methodology*, dated June 30, 2008.

B. ASC Determination Process Guidelines and Expedited Review Process

The purpose of BPA's expedited review process is to estimate exchanging Utilities' ASCs for FY 2009 that could be incorporated into BPA's WP-07 Supplemental Rate Proceeding in order to ensure that BPA's FY 2009 power rates established in that proceeding rely on the most accurate ASCs possible. For purposes of the expedited review process, and as specified in the Review Procedures of the proposed 2008 ASCM, on or before March 3, 2008, each exchanging utility (Utility) submitted a "base period ASC" to BPA using data from its 2006 FERC Form 1 and other supporting data. All data were submitted using BPA's proposed Appendix 1, an Excel-spreadsheet based model. The submittal of the Appendix 1 filing began the formal review and comment process to establish ASCs for the exchanging Utilities which is referred to as the Review Period. Although BPA reviewed the initial data in the context of BPA's initially proposed 2008 ASCM, BPA knew that it would be completing its proposed 2008 ASCM and issuing a Record of Decision supporting that ASCM near the end of June 2008. In order that the ASCs determined in the expedited review process would reflect as accurately as possible the ASCs that would be in effect for determining REP benefits for FY 2009, BPA reviewed the Utilities' filing under the criteria of BPA's Final 2008 ASCM. This ensured that the ASCs relied on by BPA in establishing its FY 2009 power rates would be as accurate as possible. Parties had a full and complete opportunity to intervene in BPA's expedited review process and to submit comments on BPA's proposed ASCs.

For details of the prospective Review Period and guidelines, see Attachment A to the 2008 Final Record of Decision of the 2008 Average System Cost Methodology, June 2008: 2008 Methodology for Determining the Average System Cost of Resources for Electric Utilities Participating in the Residential Exchange Program Established by Section 5(c) of the Pacific Northwest Electric Power and Conservation Act.

The 2008 ASCM incorporates, in part, the functionalization process and functionalization codes, with modifications, determined in the 1984 ASCM. Costs are assigned under functionalization codes to Production, Transmission, or Distribution/Other. Functionalization of each Account included in a Utility's ASC is in accordance to the functionalization prescribed in the 2008 ASCM, Attachment A, Table 1.

Page 3 of 19 FINAL WP-07-FS-BPA-13B Page 335 of 484 The ASCM allows Utilities to file multiple, contingent, ASCs to reflect changes to service territories, and allows for changes to ASCs resulting from major resource additions and reductions.

In summary, BPA reviewed ASCs during the expedited review process in accordance with the 2008 ASCM published June 30, 2008. After establishing a Base Period ASC determination, BPA used the ASC Forecast model, an Excel-based spreadsheet, to escalate the Base Period ASC forward to the effective rate period, FY 2009 (October 1, 2008 through September 30, 2009). The Base Period and Forecast ASC results are reported herein.

C. Explanation of Schedules

Utilities' Appendix 1 filings consist of a series of seven schedules and other supporting information, which present the data necessary to calculate ASC. The schedules and support data are as follows:

- 1. Schedule 1 Plant Investment/Rate Base
- 2. Schedule 1A Cash Working Capital calculation
- 3. Schedule 2 Capital Structure and Rate of Return
- 4. Schedule 3 Expenses
- 5. Schedule 3A Taxes
- 6. Schedule 3B Other Included Items
- 7. Schedule 4 Average System Cost
- 8. Distribution of Salaries and Wages
- 9. Purchased Power & Off-System Sales
- 10. New Large Single Load
- 11. Labor Ratios

1. Schedule 1 – Plant Investment/Rate Base

This schedule establishes the rate base used by the Utility. The calculation begins with a determination of the total Electric Plant In-Service, which includes the gross historical costs of the Intangible, General, Production, Transmission, and Distribution Plants. These values (and all subsequent values) are entered into the Appendix 1 filing as line items based on separate FERC account descriptions. Each line item (Account) is functionalized to Production, Transmission, or Distribution/Other in accordance to the functionalizations prescribed in the 2008 ASCM, Attachment A, Table 1.

Next, in order to reflect the book value of the remaining plant, depreciation and amortization reserves are evaluated and entered into the Appendix 1 form and functionalized. These are then subtracted from the Total Electric Plant In-Service to determine the Total Net Plant.

The resulting Total Net Plant is adjusted, where appropriate, to reflect additions in Cash Working Capital (calculated in Schedule 1A), Utility Plant, Property and Investments, Current and Accrued Assets, Deferred Debits. It is adjusted again, where appropriate, to deduct the Current and Accrued Liabilities, and Deferred Credits from the Total Net Plant. The outcome of these

Page 4 of 19 FINAL WP-07-FS-BPA-13B Page 336 of 484

adjustments defines the Total Rate Base. When multiplied by the Rate of Return as determined in Schedule 2, the result is the Utility's return on investment.

2. Schedule 1A – Cash Working Capital

Cash working capital is a ratemaking convention that is not included in the Form 1, but is a part of all electric utility rate filings as a component of rate base. To determine the allowable amount of cash working capital in rate base for a Utility, BPA allows 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.

3. Schedule 2 – Capital Structure and Rate of Return

This schedule lists the data used by the Utility to develop the rate of return applied to the Utility's rate base developed on Schedule 1 to determine the Utility's return on investment.

IOUs use the weighted cost of capital (WCC) from the most recent State Commission Rate Order with a Federal income tax adjustment to determine the return calculation. The return on equity (ROE) used in the WCC calculation is grossed up for Federal income taxes at the marginal Federal income tax rate using the formula found in the ASC Methodology, Attachment A, Section IX, Endnote b. For Consumer-Owned Utilities (COU), the rate of return is equal to the COU's weighted cost of debt times total rate base.

4. Schedule 3 – Expenses

This schedule represents operations and maintenance expenses for the production of power, the transmission of electricity, and the distribution of electricity. Each expense item is functionalized as outlined in the ASCM, Table 1. Additional expenses associated with customer accounts, sales, and administrative and general expenses for both operations and maintenance are also included in this schedule. Depreciation and amortization for the associated plants are added to the operating and maintenance expenses to calculate Total Operating Expenses.

5. Schedule 3A – Taxes

This schedule presents allowable ASC cost for Federal employment tax and non-Federal taxes, including property and unemployment tax. State income tax, franchise fees, regulatory fees, and city/county taxes are included herein but are functionalized to Distribution/Other and therefore not incorporated in ASC. Taxes and fees for each state listed are grouped together and entered as "combined" line items for Appendix 1 filing purposes.

Federal income taxes included in ASC are calculated and described in Schedule 2 above, *Capital Structure and Rate of Return*.

6. Schedule 3B – Other Included Items

This schedule includes revenues from the disposition of plant, sales for resale, and other revenues, including electric revenues and revenues from transmission of electricity to others (wheeling). Items in this schedule are deducted from the total costs of each Utility.

Page 5 of 19 FINAL WP-07-FS-BPA-13B Page 337 of 484

7. Schedule 4 – Average System Cost (\$/MWh)

This schedule summarizes the cost information calculated in Schedules 2 through 3B: Federal income tax adjusted return on rate base, total operating expenses, state and other taxes, and other included items. The schedule also lists the load information, as defined below, and calculates the Utility's ASC.

Contract System Cost:

The Contract System Cost is the Utility's costs for production and transmission resources, including power purchases and conservation measures, which costs are includable in and subject to the provisions of Appendix 1. Costs to serve NLSL are excluded from ASC calculations. This Contract System Cost becomes the numerator in calculating ASC.

Contract System Load:

The Contract System Load is the total regional retail load included in the Form 1, or for a consumer-owned utility (preference customers) the total retail load from the most recent annual audited financial statement as adjusted pursuant to this Average System Cost Methodology. The denominator in the ASC calculation consists of the Contract System Load (MWh) of the Utility increased for distribution losses, and reduced by any New Large Single Load(s) (NLSL).

8. Distribution of Salaries and Wages

The supporting file is used to determine the Labor Ratio calculations and includes salaries and wages from relevant operations and maintenance of the electric plant.

9. Purchased Power and Sales for Resale

The Purchased Power is an Account of Schedule 3, *Expenses*, and includes all purchases the Utility made during the year, including power exchanges. Sales for Resale is an Account of Schedule 3B, *Other Included Items*, and includes power sales to purchasers other than ultimate consumers. Listed in the information for both Accounts is the statistical classification code for all transactions. Refer to the FERC Form 1, pages 310-311 for Sales for Resale and pages 326-237 for Purchased Power for identification of the classification codes.

10. New Large Single Load

A NLSL is any load associated with a new facility, an existing facility or an expansion of an existing facility which was not contracted for or committed to (CF/CT) prior to September 1, 1979, and will result in an increase in power requirements of the specific customer of ten average megawatts (10aMW) or more in any consecutive twelve-month period.

BPA determines the cost of serving NLSLs by using the fully allocated cost of <u>all post</u>-September 1, 1979, resources and long-term power purchases greater than five years in duration.

11. Labor Ratios

These ratios assign costs on a pro rata basis using salary and wage data for Production, Transmission, and Distribution/other functions included in the Utility's most recently filed Form 1. For COUs, comparable data is used based on the cost of service analysis (COSA) study used as the basis for retail rates in effect during the Base Year filing.

> Page 6 of 19 FINAL WP-07-FS-BPA-13B Page 338 of 484

D. ASC Forecast

The Base Period ASC is applied to an Excel-based forecasting model to escalate the Base Period ASC data forward to the Exchange Period. For purposes of the expedited process, that Exchange Period is FY 2009. BPA uses Global Insight's (or its successor) forecast of cost increases for capital costs and fuel (except natural gas), O&M, and G&A expenses; BPA's forecast of market prices for IOU purchases to meet load growth and to estimate short-term and non-firm power purchase costs and sales revenues; BPA's forecast of natural gas prices; and BPA's estimates of the rates it will charge for its PF and other products. For additional background on the determination of Exchange Period ASCs, see details of the 2008 ASC Methodology, Section IV *Rules for Determining Exchange Period Average System Cost*, Subsection A.

1. Forecast Contract System Cost

Forecast Contract System Cost (CSC) are the Utility's forecast costs for production and transmission resources, including power purchases and conservation measures, which costs are includable in and subject to the provisions of Appendix 1. As outlined in the 2008 ASC Methodology, Section IV *Rules for Determining Exchange Period Average System Cost*, Subsection A, Forecast CSC, BPA escalates base period costs to the midpoint of the fiscal year for the FY 2009 rate period/Exchange Period to calculate Exchange Period ASCs. BPA projects the costs of power products purchased from BPA using BPA's forecast of prices for its products.

2. Forecast of Sales for Resale and Power Purchases

BPA does not normalize short-term purchases and sales for resale. The short-term purchases and sales for resale for the Base Period are used as the starting values for the forecast. The Utilities are then allowed to include new plant additions and use a Utility-specific forecast for the (1) price of purchased power and (2) sales for resale price, to value purchased power expenses and sales for resale revenue. For details, see the 2008 ASC Methodology, Section IV *Rules for Determining Exchange Period Average System Cost*, Subsection B.

3. Forecast Contract System Load and Exchange Load

All Utilities are required to provide a forecast of their Contract System Load and associated Exchange Load, as well as a current distribution loss study as described in the 2008 ASCM, Attachment A, endnote e/, with their Appendix 1 filing. The load forecast for Contract System Load and Exchange Load starts with the Base Period and extends through 4 years after the Exchange Period. The load forecast for Contract System Load and Exchange Load is provided on a monthly basis for the Exchange Period.

4. Major Resource Additions

BPA uses the method outlined in the 2008 ASC Methodology, Section IV *Rules for Determining Exchange Period Average System Cost*, Subsection C to determine the change in ASC due to major new resource additions or reductions, subject to meeting the materiality threshold of 2.5%. These additions include new production resource investments, new generating resource investments, new transmission investments, long-term generating contracts, pollution control and environmental compliance investments relating to generating resources, transmission resources or contracts, hydro relicensing costs and fees, and plant rehabilitation investments.

Page 7 of 19 FINAL WP-07-FS-BPA-13B Page 339 of 484 The exchanging Utility provides its forecast of any major resource addition and all associated costs. The forecast covers the period from the end of the Base Period (FY 2006) to the end of the Exchange Period (FY 2009).

The forecast of the major resource costs to be included in the Utility's Exchange Period ASC is reviewed and determined during the review period. All resources included prior to the start of the Exchange Period are projected forward to the mid-point of the Exchange Period.

5. Load Growth Not Met by New Resource Additions

All load growth not met by new resource additions is met by purchased power at the forecasted Utility-specific short-term purchased power price. BPA uses the method outlined in the 2008 ASC Methodology, Section IV *Rules for Determining Exchange*, Subsection D.

IV. REVIEW OF THE ASC FILING

A. <u>Identification and Analysis of Issues from the May 7, 2008 ASC Appendix 1</u> <u>Filing.</u>

BPA is responsible for reviewing all costs and loads for determining ASCs in accordance with section 5(c) of the Northwest Power Act and the 2008 ASC Methodology. During this review and evaluation, issues were identified for comment. BPA's ASC determination is limited to specific findings on those issues identified for comment with the exception of ministerial or mathematical errors. There may have been additional issues that BPA did not identify for comment in this filing. Acceptance of a Utility's treatment of an item without comment is not intended to signify a decision of the proper interpretation to be applied either in subsequent filings or universally under the 2008 ASC Methodology.

The following is a summary of the Contract System Cost and Contract System Load filed on May 7, 2008 by NorthWestern Corporation (NorthWestern), and as amended following review and evaluation by BPA. The explanations for BPA's changes are outlined as appropriate by Appendix 1 schedule and supporting files below.

SCHEDULE 1: Plant Investment/Rate Base – no changes

SCHEDULE 1A: Cash Working Capital – no changes

SCHEDULE 2: Capital Structure and Rate of Return – no changes

SCHEDULE 3: Expenses – no changes

- 1. **Common Plant**:
 - a. <u>Statement of Issue</u>: Inadequate documentation and support of NorthWestern's allocation of Common Plant included different values for

Page 8 of 19 FINAL

WP-07-FS-BPA-13B Page 340 of 484 Purchased Power Expense on Schedule 3 and on the Purchased Power & Sales for Resale (PP & OSS) Worksheet.

- b. <u>Statement of Facts</u>: In its filing May 7, 2008 Filing, NorthWestern did not properly document and support its allocation of Common Plant between its Electric and Gas divisions, for its electric division Common Plant, did provided support for its allocation between Production, Transmission and Distribution/Other. In response to BPA's Issue's List, Northwestern supplied additional documentation for the allocation of Common Plant.
- c. <u>Analysis of Position and Decision:</u> BPA accepted NorthWestern's submittal of additional documentation for Common Plant Allocation.

SCHEDULE 3A: Taxes – no changes

SCHEDULE 3B: Other Included Items – no changes

SCHEDULE 4: Average System Cost

2. **Distribution Losses**:

- a. <u>Statement of Issue</u>: In its filing, NorthWestern used a 5% Distribution Loss Factor in determination of its ASC.
- b. <u>Statement of Facts:</u> The May 7th filing Appendix 1 template did not require a Utility to complete a Distribution Loss Study to increase the Total Retail Load. As outlined in the ASCM ROD, BPA allows participating Utilities that have the ability to directly measure distribution losses on their system to submit such measurements, subject to BPA review and approval, with their ASC filings. Utilities that do not possess the capability to directly measure distribution losses on their system are required to submit a formal distribution loss study with their ASC filing. The distribution loss study is valid for a period of seven years.

Utilities that do not have the ability to directly measure distribution losses on their system and do not have a formal distribution loss study that was prepared within the previous seven years of the date of the ASC filing will use the default distribution loss study method described in the ASCM ROD, Section 4.10.5.

c. <u>Analysis of Position and Decision</u>: For purposes of the expedited filing, BPA completed the Distribution Loss Factor calculation outlined in the ASCM ROD, Section 4.10.5.

> Page 9 of 19 FINAL WP-07-FS-BPA-13B Page 341 of 484

- 3. Contract System Load: *no changes*
- 4. Contract System Cost: *no changes*

SUPPORTING DOCUMENTATION: Purchased Power and Sales for Resale – Revised as discussed in Issue 1 on Schedule 3 - Expenses, Purchased Power Expense.

SUPPORTING DOCUMENTATION: Salaries and Wages – no changes

SUPPORTING DOCUMENTATION: Labor Ratios

- 5. Maintenance of General Plant (GPM) Ratio: Miscellaneous Equipment
 - a. <u>Statement of Issue</u>: Incorrect functionalization of Labor Ratio "Miscellaneous Equipment in the Maintenance of General Plant (GPM)"
 - b. <u>Statement of Facts</u>: Miscellaneous Equipment in the Maintenance of General Plant Ratio was mistakenly functionalized to Distribution rather than PTD in the ASC Template.
 - c. <u>Analysis of Position and Decision</u>: BPA corrected the error and the functionalization of Miscellaneous Equipment in the Maintenance of General Plant Ratio was changed from Distribution to PTD in the ASC Template.

B. <u>Identification and Analysis of Issues from comments to the July 8, 2008 ASC</u> <u>Draft Report</u>

SCHEDULE 1: Plant Investment/Rate Base: – no changes

SCHEDULE 1A: Cash Working Capital – no changes

- SCHEDULE 2: Capital Structure and Rate of Return: no changes
- SCHEDULE 3: Expenses: no changes

SCHEDULE 3A: Taxes: no changes

SCHEDULE 3B: Other Included Items: no changes

SCHEDULE 4: Average System Cost: no changes

SUPPORTING DOCUMENTATION: Purchased Power and Sales for Resale – no changes

Page 10 of 19 FINAL

WP-07-FS-BPA-13B Page 342 of 484

SUPPORTING DOCUMENTATION: Salaries and Wages – no changes

SUPPORTING DOCUMENTATION: Labor Ratios – no changes

C. <u>Identification and Analysis of Issues from comments to the August 4, 2008 ASC</u> <u>Draft Report</u>

SCHEDULE 1: Plant Investment/Rate Base-

- 1. For Account 108, line item "Capital Leases Common Plant" and In-Service: Depreciation of Common Plant
 - a. <u>Statement of Issue:</u> Errata corrections to the 2008 Average System Cost Methodology ("2008 ASCM") for Account 108, line item "Capital Leases - Common Plant" (line 69 in the electronic template) and "In-Service: Depreciation of Common Plant (a)" (line 71 in the electronic template), remove the PTD option from functionalization "Method Optional" column.
 - b. <u>Analysis of Position and Decision</u>: This correction is necessary to equate all Common Plant accounts to DIRECT functionalization under Utility Plant: Common Plant (line 91 in the electronic template). There are no functionalization options under Common Plant and all accounts are to be functionalized by Direct analysis.
- 2. For Account 115, line item "Amortization of Acquisition Adjustments
 - a. <u>Statement of Issue</u>: Errata corrections to the 2008 Average System Cost Methodology ("2008 ASCM") for Account 115, line item "Amortization of Acquisition Adjustments (line 73 in the electronic template), remove option from functionalization "Method Optional" column (cell F73 in electronic template) and equate cell E73 to E92 (Acquisition Adjustments (Electric), Account 114, line 92 in electronic template).
 - b. <u>Analysis of Position and Decision</u>: This correction is necessary because Depreciation and Amortization Reserves must follow the same functionalization used for Utility Plant under Assets and Other Debits.

SCHEDULE 1A: Cash Working Capital – no changes from the August 4 2008 report

SCHEDULE 2: Capital Structure and Rate of Return – no changes from the August 4 2008 report

Page 11 of 19 FINAL WP-07-FS-BPA-13B Page 343 of 484

SCHEDULE 3: – Expenses

- 1. For Account 406, line item "Amortization of Plant Acquisition Adjustments (Electric)
 - a. <u>Statement of Issue:</u> Errata corrections to the 2008 Average System Cost Methodology ("2008 ASCM") for Account 406, line item "Amortization of Plant Acquisition Adjustments (Electric) (line 96 in the electronic template), equate cell E96 to Account 114 Schedule 1, *Plant Investment/ Rate Base* (Acquisition Adjustments (Electric), (cell E92 in electronic template).
 - b. <u>Analysis of Position and Decision</u>: This correction is necessary because Depreciation and Amortization expenses must follow the same functionalization used for Utility Plant under Plant Investment/Rate Base, Assets and Other Debits.
- 2. Account 908, line item "Customer Assistance Expenses (Major only)"
 - <u>Statement of Issue:</u> Errata corrections to the 2008 Average System Cost Methodology ("2008 ASCM") for Account 908, line item "Customer Assistance Expenses (Major only)" (line 52 in the electronic template) requires DIRECT analysis of conservation related expenses:
 - b. <u>Analysis of Position and Decision</u>: All exchangeable conservation costs may be functionalized to Production (PROD); all other costs will be functionalized to Distribution/Other (DIST).

SCHEDULE 3A: Taxes – no changes from the August 4 2008 report

SCHEDULE 3B: Other Included – no changes from the August 4 2008 report

SCHEDULE 4: Average System Cost – no changes from the August 4 2008 report

SUPPORTING DOCUMENTATION – Labor Ratios

- 1. For Labor Ratio Input: line item "Customer Service and Informational"
 - a. <u>Statement of Issue:</u> For Labor Ratio Input: line item "**Customer Service and Informational**" (line 17 in the electronic template), did not follow the same functionalization as Account 908 in Schedule 3.

Page 12 of 19 FINAL WP-07-FS-BPA-13B Page 344 of 484 b. <u>Analysis of Position and Decision</u>: This Ratio requires DIRECT analysis of conservation related expenses associated with Account 908: all exchangeable conservation costs may be functionalized to Production (PROD); all other costs will be functionalized to Distribution/Other (DIST).

Page 13 of 19 FINAL WP-07-FS-BPA-13B Page 345 of 484

D. Exchange Period ASC New Resource Additions

The ASCM provides that changes to an established ASC are allowed to account for major new resource additions and purchases that are projected to come on-line or be purchased and used to meet that Utility's retail load during the BPA rate period. The change in ASC must meet the materiality threshold as the change in ASC resulting from adding major new resources, that is, a 2.5 percent or greater change in Base Period ASC. BPA allows Utilities to submit stacks of individual resources that, when combined, meet the materiality threshold. However, each resource in the stack must result in an increase of Base Period ASC of 0.5 percent or more.

NorthWestern did not submit information on new resources with their ASC filing.

| | FY 2006 | FY 2007 | FY 2008 | FY 2009 |
|--------------------------------|---------|---------|---------|---------|
| Production Rate Base | | | | |
| Plant Material and Supplies | | | | |
| Rate Base | | | | |
| Fuel Stock Rate Base | | | | |
| Production O&M Expense | | | | |
| Production Depreciation | | | | |
| Expense | | | | |
| Purchased Power Expense | | | | |
| Production Property Tax | | | | |
| | | | | |
| Transmission Rate Base | | | | |
| The mention is a Demonstration | | | | |

Table 1: ASC New Resource Additions

| Transmission Rate Base | | |
|---------------------------|--|--|
| Transmission Depreciation | | |
| Rate Base | | |
| Transmission O&M Expense | | |
| Transmission Contracts | | |
| Expense | | |
| Transmission Property Tax | | |
| Expense | | |

| (Expected) Annual Generation | | |
|------------------------------|--|--|
| (MWh) | | |

V. FINAL EXPEDITED ASC FORECAST for FY 2009-2013

The following three tables summarize the forecast of Contract System Cost (CSC) and Contract System Load (CSL) for purposes of determining NorthWestern's forecast ASCs for FY 2009 through FY 2013. Table 2: *FY 2009-2013 ASC Summary*, identifies the CSC, CSL, and NorthWestern's ASCs published in the July 8, 2008 report. *Revised* Table 2: *FY 2009-2013 ASC Summary* identifies the revised CSC, CSL, and NorthWestern's ASCs as appropriate and as a result of NorthWestern's comments to the July 8, 2008 report. *Final* Table 2: *FY 2009-2013 ASC Summary* identifies the final CSC, CSL, and NorthWestern's ASCs. The procedures used in making the July 8, 2008, determinations and any required changes published in both the August 4, 2008, and this final September 11, 2008, reports are outlined in the 2008 ASCM ROD and described herein. The results shown in all tables are forecasts for each year of the WP-07 rate test period (FY 2009-2013), as defined in section 7(b)(2) of the NW Power Act, and are used to calculate the PF Exchange Rate for FY 2009 of the WP-07 Supplemental Wholesale Power Rate Adjustment Proceeding (WP-07 Rate Case).

The BPA Forecast Model used to calculate the values shown below is located at <u>http://www.bpa.gov/corporate/finance/ascm/filings.cfm</u>.

Page 15 of 19 FINAL WP-07-FS-BPA-13B Page 347 of 484

| Date (mid-year) | 4/1/2009 | 4/1/2010 | 4/1/2011 | 4/1/2012 | 4/1/2013 |
|-----------------|----------|----------|----------|----------|----------|
| Fiscal Year | 2009 | 2010 | 2011 | 2012 | 2013 |

Table 2: Draft FY 2009-2013 ASC Summary – July 8, 2008

CONTRACT SYSTEM COST

| Production | \$324,610,587 | \$341,935,535 | \$361,163,563 | \$381,860,346 | \$403,943,292 |
|------------------------|---------------|---------------|---------------|---------------|---------------|
| Transmission | 49,239,878 | 47,983,943 | 46,750,169 | 45,473,552 | 44,220,494 |
| NLSL Resource | | | | | |
| Cost | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| (Less) NLSL | | | | | |
| Costs | 0 | 0 | 0 | 0 | 0 |
| Contract System | | | | | |
| Cost | \$373,850,465 | \$389,919,478 | \$407,913,733 | \$427,333,898 | \$448,163,785 |

CONTRACT SYSTEM LOAD

| Total Retail Load @ | | | | | |
|---------------------|-----------|-----------|-----------|-----------|-----------|
| Meter | 6,334,276 | 6,542,040 | 6,756,619 | 6,978,236 | 7,207,122 |
| (Less) NLSL | 0 | 0 | 0 | 0 | 0 |
| Total Retail Load | | | | | |
| (Net of NLSL) | 6,334,276 | 6,542,040 | 6,756,619 | 6,978,236 | 7,207,122 |
| Distribution Losses | 510,787 | 527,540 | 544,844 | 562,715 | 581,172 |
| Contract System | | | | | |
| Load | 6,845,062 | 7,069,580 | 7,301,463 | 7,540,951 | 7,788,294 |

AVERAGE SYSTEM COST

| ASC (\$/MWh) | \$54.62 | \$55.15 | \$55.87 | \$56.67 | \$57.54 |
|--------------|---------|---------|---------|---------|---------|
|--------------|---------|---------|---------|---------|---------|

Page 16 of 19 FINAL WP-07-FS-BPA-13B

Page 348 of 484

Table 2: Revised FY 2009-2013 ASC Summary – August 4, 2008

| Date (mid-year) | 4/1/2009 | 4/1/2010 | 4/1/2011 | 4/1/2012 | 4/1/2013 |
|-----------------|----------|----------|----------|----------|----------|
| Fiscal Year | 2009 | 2010 | 2011 | 2012 | 2013 |

CONTRACT SYSTEM COST

| Production | \$325,462,219 | \$342,907,833 | \$362,295,357 | \$383,143,603 | \$405,390,416 |
|----------------------|---------------|---------------|---------------|---------------|---------------|
| Transmission | 49,239,878 | 47,983,943 | 46,750,169 | 45,473,552 | 44,220,494 |
| NLSL Resource Cost | | | | | |
| (\$/MWh) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| (Less) NLSL Costs | 0 | 0 | 0 | 0 | 0 |
| Contract System Cost | \$374,702,097 | \$390,891,776 | \$409,045,526 | \$428,617,155 | \$449,610,909 |

CONTRACT SYSTEM LOAD

| Total Retail Load @ Meter | 6,334,276 | 6,542,040 | 6,756,619 | 6,978,236 | 7,207,122 |
|------------------------------|-----------|-----------|-----------|-----------|-----------|
| (Less) NLSL | 0 | 0 | 0 | 0 | 0 |
| Total Retail Load | | | | | |
| (Net of NLSL) | 6,334,276 | 6,542,040 | 6,756,619 | 6,978,236 | 7,207,122 |
| Distribution Losses | 510,787 | 527,540 | 544,844 | 562,715 | 581,172 |
| Contract System Load | 6,845,062 | 7,069,580 | 7,301,463 | 7,540,951 | 7,788,294 |

AVERAGE SYSTEM COST

| ASC (\$/MWh) \$54.74 \$55.29 \$56.02 \$56.84 \$57.73 |
|--|
|--|

Table 2: Final FY 2009-2013 ASC Summary – September 11, 2008

| Date (mid-year) | 4/1/2009 | 4/1/2010 | 4/1/2011 | 4/1/2012 | 4/1/2013 |
|-----------------|----------|----------|----------|----------|----------|
| Fiscal Year | 2009 | 2010 | 2011 | 2012 | 2013 |

CONTRACT SYSTEM COST

| Production | \$325,602,601 | \$343,066,995 | \$362,474,784 | \$383,344,870 | \$405,615,201 |
|----------------------|---------------|---------------|---------------|---------------|---------------|
| Transmission | 49,773,010 | 48,305,130 | 46,859,814 | 45,371,968 | 43,907,962 |
| NLSL Fully Allocated | | | | | |
| Cost (\$/MWh) | 0 | 0 | 0 | 0 | 0 |
| (Less) NLSL Costs | 0 | 0 | 0 | 0 | 0 |
| Contract System | | | | | |
| Cost | \$375,375,611 | \$391,372,125 | \$409,334,598 | \$428,716,838 | \$449,523,163 |

CONTRACT SYSTEM LOAD

| Total Retail Load @ Meter | 6,334,276 | 6,542,040 | 6,756,619 | 6,978,236 | 7,207,122 |
|------------------------------|-----------|-----------|-----------|-----------|-----------|
| (Less) NLSL | 0 | 0 | 0 | 0 | 0 |
| Total Retail Load | | | | | |
| (Net of NLSL) | 6,334,276 | 6,542,040 | 6,756,619 | 6,978,236 | 7,207,122 |
| Distribution Losses | 510,787 | 527,540 | 544,844 | 562,715 | 581,172 |
| Contract System Load | 6,845,062 | 7,069,580 | 7,301,463 | 7,540,951 | 7,788,294 |

AVERAGE SYSTEM COST

| ASC (\$/MWh) \$54.84 \$55.36 \$56.06 \$56.85 \$57.72 | |
|--|--|
|--|--|

Page 350 of 484

VI. BPA STATEMENT

This ASC determination is BPA's best estimate of NorthWestern's FY 2009 ASC based on the information and data provided from NorthWestern during the Expedited Review Process, and based on the professional review, evaluation, and judgment of the BPA REP staff. Decisions made herein are not binding for purposes of the Final ASC determination, FY 2009. This determination is made solely for purposes of providing estimated FY 2009 ASCs for use in the development of BPA's FY 2009 power rates in BPA's WP-07 Supplemental Rate Proceeding. Decisions made herein are not final ASC determinations for purposes of implementing the REP for FY 2009. Final ASC determinations used to calculate REP benefits for each exchanging Utility for FY 2009 will be established by BPA after a review of such Utilities' October 1, 2008, Appendix 1 filings. Such review will be conducted in compliance with the Final 2008 ASC Methodology.

BPA has resolved the issues set forth in Section III of this report, as amended, in accordance to the 2008 Average System Cost Methodology (ASCM) as it is currently described in the Final Record of Decision, and with generally accepted accounting principles. BPA believes the information and data contained herein fairly estimates the Average System Cost of NorthWestern for FY 2009 of the WP-07 Supplemental Wholesale Power Rate Adjustment Proceeding.

The amended Appendix 1 Filing and Forecast Model, and NLSL assessment used to calculate NorthWestern's ASCs can be viewed at BPA ASC website: http://www.bpa.gov/corporate/finance/ascm/filings.cfm.

> Page 19 of 19 FINAL WP-07-FS-BPA-13B Page 351 of 484

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FINAL REPORT

WP-07 Supplemental Wholesale Power Rate Adjustment Proceeding: FY 2009 AVERAGE SYSTEM COST REPORT FOR

PacifiCorp

Docket Number: PA-PB-08-01 Effective Date: October 1, 2008

PREPARED BY BONNEVILLE POWER ADMINISTRATION U.S. DEPARTMENT OF ENERGY

September 11, 2008

WP-07-FS-BPA-13B Page 353 of 484 This page intentionally left blank.

| TABLE | OF | CONTENTS |
|-------|----|----------|
|-------|----|----------|

| Sect | tion | | Page |
|------|------------------------------|---|---|
| I. | FILI | NG DATA | 1 |
| II. | AVE A. B. C. | CRAGE SYSTEM COST: DETERMINATIONS Base Period 2006 FY 2009 (Exchange Period) ASC without New Resource Additions (\$/MWh) FY 09 (Exchange Period) ASC with New Resource Additions (\$/MWh) | 1 2 |
| III. | FILI A. B. C. D. | NG REQUIREMENTS | 3 4 5 5 6 6 6 6 6 7 7 7 7 7 7 |
| IV. | REV A. B. C. D. | Forecast of Sales for Resale and Power Purchases | 8 8 9 9 lix 1 9 9 9 9 |
| V. | FINA | AL EXPEDITED ASC FORECAST for FY 2009-2013 | 30 |
| VI. | BPA | STATEMENT | 34 |

ii

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I. FILING DATA

<u>Utility</u>

Parties to the Filing

PacifiCorp 825 NE Multnomah, Suite 2000 Portland, Oregon 97232 A complete list of intervening parties is located at the following BPA web site: http://www.bpa.gov/corporate/finance/ascm/Docs/Intervening_Parties.pdf

Effective: October 1, 2008 – September 30, 2009 WP-07 Supplemental Wholesale Power Rate Adjustment Proceeding

II. AVERAGE SYSTEM COST: DETERMINATIONS

A. Base Period 2006

| | As Filed | July 8, 2008 As Amended | August 4, 2008 As Revised | Sept. 11, 2008 Final |
|-------------------------------------|---------------|-------------------------------|---------------------------------|----------------------------|
| Production Cost | \$863,127,579 | \$ 866,277,276 | \$841,461,476 | \$842,165,605 |
| Transmission Cost | \$187,309,496 | \$ 185,057,676 | \$174,610,936 | \$174,610,934 |
| (Less) New Large Single | | \$15,529,887 | \$16,964,577 | \$16,964,577 |
| Load Costs | | | | |
| Total Contract System Cost | 1,050,437,075 | \$1,035,805,065 | \$999,107,835 | \$999,811,962 |
| | | | | |
| Total Retail Load (MWh) | 21,409,663 | 21,409,637 | 21,409,637 | 21,409,637 |
| (Less) New Large Single | 0 | 342,068 | 342,068 | 342,068 |
| Load | | | | |
| Total Retail Load (Net | 21, 409,663 | 21,067,569 | 21,067,569 | 21,067,569 |
| NLSL) | | | | |
| Plus Distribution Losses | 1,070,482 | 1,747,026 | 573,778 | 573,778 |
| Total Contract System Load | 22,480,119 | 22,814,595 | 21,641,347 | 21,641,347 |
| (MWH) | | | | |
| FY 2006 Base Period ASC (\$/MWh) | \$46.73 | \$45.40 | \$46.17 | \$46.20 |

Note: The "As Amended" values, as reported in the July 8, 2008 Draft Report, were incorrect. The corrected values are included in the above table.

1 of 34 FINAL

WP-07-FS-BPA-13B Page 357 of 484

B. FY 2009 (Exchange Period) ASC without New Resource Additions (\$/MWh)

| | July 8, | August 4, | Sept. 11, |
|--|------------|------------|-----------|
| | 2008 | 2008 | 2008 |
| | As Amended | As Revised | Final |
| FY 2009 (Rate Period) ASC without New Resource Additions (\$/MWh) | \$49.36 | \$47.94 | 47.98 |

C. FY 09 (Exchange Period) ASC with New Resource Additions (\$/MWh)

DRAFT - FY 2007-2009 New Resource Additions - See Table 1 in Section III.C for details

| Resource | Lake Side Capital Building | Group 1 | CCCT Plant West | Group 3 | Group 4 |
|----------|----------------------------------|---------|--------------------|---------|---------|
| Delta* | 1.88 | 1.47 | 1.22 | 1.15 | 0.65 |

* Base ASC is \$49.36/MWh. The Delta is the differential between the additions of each of the five resource groups starting with the Base ASC.

REVISED - FY 2007-2009 New Resource Additions - See Table 1 in Section III.C for details

| Resource | Lake Side Capital Building | Group 1 | CCCT Plant West | Group 3 | Group 4 |
|----------|----------------------------------|---------|--------------------|---------|---------|
| Delta* | 0.81 | 1.20 | 0.19 | 0.89 | 0.45 |

* Base ASC is \$ 47.94/MWh. The Delta is the differential between the additions of each of the five resource groups starting with the Base ASC.

FINAL - FY 2007-2009 New Resource Additions - See Table 1 in Section III.C for details

| Resource | Lake Side Capital Building | Group 1 | CCCT Plant West | Group 3 | Group 4 |
|----------|----------------------------------|---------|--------------------|---------|---------|
| Delta* | 0.83 | 1.26 | 0.33 | 0.93 | 0.48 |

* Base ASC is \$ 47.98/MWh. The Delta is the differential between the additions of each of the five resource groups starting with the Base ASC.

2 of 34 FINAL

III. FILING REQUIREMENTS

A. <u>Introduction</u>

Section 5(c)(l) of the Pacific Northwest Electric Power Planning and Conservation Act (Pacific Northwest Power Act), 16 U.S.C. § 839c(c)(l), establishes the Residential Exchange Program (REP). Any Pacific Northwest utility interested in participating in the REP may offer to sell power to Bonneville Power Administration (BPA) at the average system cost (ASC) of the utility's resources. In exchange, BPA offers to sell an "equivalent amount of electric power to such utility for resale to that utility's residential users within the region" at the BPA rate established pursuant to section 7(b)(l) of the Act. *See generally*, H.R. Rep. No. 976, Pt I, 96th Cong., 2d Sess. at 60 (1980).

The Act gives BPA's Administrator the discretionary authority to determine ASC on the basis of a methodology to be established in a public consultation proceeding. 16 U.S.C. 839c(c)(7). The only express statutory limits on the Administrator's authority are found in sections 5(c)(7)(A), (B) and (C) of the Act. 16 U.S.C. 839c(c)(7)(A), (B) and (C).

BPA's first ASC Methodology was developed in consultation with regional interests in 1981. See 48 FR 46,970 (Oct. 17, 1983). It was later revised in 1984. *See* 49 FR 39,293 (Oct. 5, 1984). In the mid-1990s, BPA and exchanging Utilities agreed to a number of termination agreements that provided for payments to each Utility through the remaining years of the Residential Purchase and Sale Agreements (RPSA) that implemented the REP. These termination agreements did not require the participating utilities to submit ASC filings.

In 2000, BPA executed REP Settlement Agreements with each IOU customer. The Agreements provided monetary benefits and power sales to the IOUs to resolve disputes regarding BPA's implementation of the REP. On May 3, 2007, the U.S. Court of Appeals for the Ninth Circuit issued a decision finding the Agreements unlawful. BPA therefore began efforts to resume the REP, including the development of RPSAs and a consultation proceeding to revise the 1984 ASC Methodology.

As with the previous ASC Methodologies, the proposed 2008 ASC Methodology (ASCM) was developed in consultation with interested parties through a series of working group meetings conducted by BPA staff. The goal of the consultation process was to develop an administratively feasible ASC Methodology that would be technically sound, and comport with the Northwest Power Act. The Methodology is subject to review and approval by the Federal Energy Regulatory Commission (FERC or Commission).

BPA maintains a significant role in reviewing Utilities' ASC filings to ensure compliance with the 2008 ASCM. For more information regarding the 2008 ASCM, please refer to the *Final Record of Decision of the 2008 Average System Cost Methodology*, dated June 30, 2008.

For more information regarding the proposed 2008 ASCM, refer to the *Final Record of Decision* of the 2008 Average System Cost Methodology, dated June 30, 2008.

3 of 34 FINAL

WP-07-FS-BPA-13B Page 359 of 484

B. ASC Determination Process Guidelines and Expedited Review Process

The purpose of BPA's expedited review process is to estimate exchanging Utilities' ASCs for FY 2009 that could be noticed by the Administrator and incorporated into BPA's WP-07 Supplemental Rate Proceeding in order to ensure that BPA's FY 2009 power rates established in that proceeding rely on the most accurate ASCs possible. For purposes of the expedited review process, and as specified in the Review Procedures of the proposed 2008 ASCM, on or before March 3, 2008, each exchanging utility (Utility) submitted a "base period ASC" to BPA using data from its 2006 FERC Form 1 and other supporting data. All data were submitted using BPA's proposed Appendix 1, an Excel-spreadsheet based model. The submittal of the Appendix 1 filing began the formal review and comment process to establish ASCs for the exchanging Utilities which is referred to as the Review Period. Although BPA reviewed the initial data in the context of BPA's initially proposed 2008 ASCM, BPA knew that it would be completing its proposed 2008 ASCM and issuing a Record of Decision supporting that ASCM near the end of June 2008. In order that the ASCs determined in the expedited review process would reflect as accurately as possible the ASCs that would be in effect for determining REP benefits for FY 2009, BPA reviewed the Utilities' filing under the criteria of BPA's Final 2008 ASCM. This ensured that the ASCs relied on by BPA in establishing its FY 2009 power rates would be as accurate as possible. Parties had a full and complete opportunity to intervene in BPA's expedited review process and to submit comments on BPA's proposed ASCs.

For details of the prospective Review Period and guidelines, see Attachment A to the 2008 Final Record of Decision of the 2008 Average System Cost Methodology, June 2008: 2008 Methodology for Determining the Average System Cost of Resources for Electric Utilities Participating in the Residential Exchange Program Established by Section 5(c) of the Pacific Northwest Electric Power and Conservation Act.

The 2008 ASCM incorporates, in part, the functionalization process and functionalization codes, with modifications, determined in the 1984 ASCM. Costs are assigned under functionalization codes to Production, Transmission, or Distribution/Other. Functionalization of each Account included in a Utility's ASC is in accordance to the functionalization prescribed in the 2008 ASCM, Attachment A, Table 1.

The ASCM allows Utilities to file multiple, contingent, ASCs to reflect changes to service territories, and allows for changes to ASCs resulting from major resource additions and reductions.

In summary, BPA reviewed ASCs during the expedited review process in accordance with the 2008 ASCM published June 30, 2008. After establishing a base period ASC determination, BPA used the ASC Forecast model, an excel based spreadsheet, to escalate the base year ASC forward to the effective rate period, FY 2009 (October 1, 2008 through September 30, 2009). The base year and forecast ASC results are reported herein.

4 of 34 FINAL WP-07-FS-BPA-13B

Page 360 of 484

C. Explanation of Schedules

Utilities' Appendix 1 filings consist of a series of seven schedules and other supporting information, which present the data necessary to calculate ASC. The schedules and support data are as follows:

- 1. Schedule 1 Plant Investment/Rate Base
- 2. Schedule 1A Cash Working Capital calculation
- 3. Schedule 2 Capital Structure and Rate of Return
- 4. Schedule 3 Expenses
- 5. Schedule 3A Taxes
- 6. Schedule 3B Other Included Items
- 7. Schedule 4 Average System Cost
- 8. Distribution of Salaries and Wages
- 9. Purchased Power & Off-System Sales
- 10. New Large Single Load
- 11. Labor Ratios

1. Schedule 1 – Plant Investment/Rate Base

This schedule establishes the rate base used by the Utility. The calculation begins with a determination of the total Electric Plant In-Service, which includes the gross historical costs of the Intangible, General, Production, Transmission, and Distribution Plants. These values (and all subsequent values) are entered into the Appendix 1 filing as line items based on separate FERC account descriptions. Each line item (Account) is functionalized to Production, Transmission, or Distribution/Other in accordance to the functionalizations prescribed in the 2008 ASCM, Attachment A, Table 1.

Next, in order to reflect the book value of the remaining plant, depreciation and amortization reserves are evaluated and entered into the Appendix 1 form and functionalized. These are then subtracted from the Total Electric Plant In-Service to determine the Total Net Plant.

The resulting Total Net Plant is adjusted, where appropriate, to reflect additions in Cash Working Capitol (calculated in Schedule 1A), Utility Plant, Property and Investments, Current and Accrued Assets, Deferred Debits. It is adjusted again, where appropriate, to deduct the Current and Accrued Liabilities, and Deferred Credits from the Total Net Plant. The outcome of these adjustments defines the Total Rate Base. When multiplied by the Rate of Return as determined in Schedule 2, the result is the Utility's return on investment.

2. Schedule 1A – Cash Working Capital

Cash working capital is a ratemaking convention that is not included in the Form 1, but a part of all electric utility rate filings as a component of rate base. To determine the allowable amount of cash working capital in rate base for a Utility, BPA allows 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.

5 of 34 FINAL

WP-07-FS-BPA-13B Page 361 of 484

3. Schedule 2 – Capital Structure and Rate of Return

This schedule lists the data used by the Utility to develop the rate of return applied to the Utility's rate base developed on Schedule 1 to determine the Utility's return on investment.

IOUs use the weighted cost of capital (WCC) from the most recent State Commission Rate Order with a Federal income tax adjustment to determine the return calculation. The return on equity (ROE) used in the WCC calculation is grossed up for Federal income taxes at the marginal Federal income tax rate using the formula found in the ASC Methodology, Attachment A, Section IX, Endnote b. For COUs, the rate of return is equal to the COU's weighted cost of debt.

4. Schedule 3 – Expenses

This schedule represents operations and maintenance expenses for the production of power, the transmission of electricity, and the distribution of electricity. Each expense item is functionalized as described above. Additional expenses associated with customer accounts, sales, and administrative and general expenses for both operations and maintenance are also included in this schedule. Depreciation and amortization for the associated plants are added to the operating and maintenance expenses to calculate Total Operating Expenses.

5. Schedule 3A – Taxes

This schedule presents allowable ASC cost for Federal employment tax and non-Federal taxes, including property and unemployment tax. State income tax, franchise fees, regulatory fees, and city/county taxes are included herein but are functionalized to Distribution/Other and therefore not incorporated in ASC. Taxes and fees for each state listed are grouped together and entered as "combined" line items for Appendix 1 filing purposes.

Federal income taxes included in ASC are calculated and described in Schedule 2 above, *Capital Structure and Rate of Return*.

6. Schedule 3B – Other Included Items

This schedule includes revenues from the disposition of plant, sales for resale, and other revenues, including electric revenues and revenues from transmission of electricity to others (wheeling). Items in this schedule are deducted from the total costs of each Utility.

7. Schedule 4 – Average System Cost (\$/MWh)

This schedule summarizes the cost information calculated in Schedules 2 through 3B: Federal income tax adjusted return on rate base, total operating expenses, state and other taxes, and other included items.

Contract System Costs:

The Contract System Cost is defined as the Utility's costs for production and transmission resources, including power purchases and conservation measures, which costs are includable in and subject to the provisions of Appendix 1. Costs to serve NLSL are excluded from ASC calculations. This Contract System Cost becomes the numerator in calculating ASC.

6 of 34 FINAL

WP-07-FS-BPA-13B Page 362 of 484

Contract System Loads:

The Contract System Load is the total regional retail load included in the Form 1, or for a consumer-owned utility (preference customers) the total retail load from the most recent annual audited financial statement as adjusted pursuant to this Average System Cost Methodology. The denominator in the ASC calculation consists of the Contract System Load (MWh) of the Utility increased for distribution losses, and reduced by any new large single load (NLSL).

8. Distribution of Salaries and Wages

The supporting file is used to determine the Labor Ratio calculations and includes salaries and wages from relevant operations and maintenance of the electric plant.

9. Purchased Power and Off-System Sales

The Purchased Power is an Account of Schedule 3, *Expenses*, and includes all purchases the Utility made during the year, including power exchanges. Sales for Resale is an Account of Schedule 3B, *Other Included Items*, and includes power sales to purchasers other than ultimate consumers. Listed in the information for both Accounts is the statistical classification code for all transactions. Refer to the FERC Form 1, pages 310-311 for Sales for Resale and pages 326-237 for Purchased Power for identification of the classification codes.

10. New Large Single Load

A new large single load (NLSL) is any load associated with a new facility, an existing facility or an expansion of an existing facility which was not contracted for or committed to (CF/CT) prior to September 1, 1979, and will result in an increase in power requirements of the specific customer of ten average megawatts (10aMW) or more in any consecutive twelve-month period.

BPA determines the cost of serving NLSLs by using the fully allocated cost of <u>all post</u>-September 1, 1979, resources and long-term power purchases greater than five years in duration.

11. Labor Ratios

These ratios assign costs on a pro rata basis using salary and wage data for production, transmission, and distribution/other functions included in the Utility's most recently filed Form 1. For consumer-owned utilities, comparable data is used based on the cost of service study used as the basis for retail rates at the time of review.

D. ASC Forecast

The Base Period ASC is applied to an Excel-based forecasting model to escalate the Base Year ASC data forward to the Exchange Period. For purposes of the expedited process, that Exchange Period is FY 2009. BPA uses Global Insight's (or its successor) forecast of cost increases for capital costs and fuel (except natural gas), O&M, and G&A expenses; BPA's forecast of market prices for IOU purchases to meet load growth and to estimate short-term and non-firm power purchase costs and sales revenues; BPA's forecast of natural gas prices; and BPA's estimates of the rates it will charge for its PF and other products. For additional background on the

7 of 34 FINAL

WP-07-FS-BPA-13B Page 363 of 484 determination of Exchange Period ASCs, see details of the 2008 ASC Methodology, Section IV *Rules for Determining Exchange Period Average System Cost*, Subsection A.

1. Forecast Contract System Costs

Forecast Contract System Costs (CSC) are the Utility's forecast costs for production and transmission resources, including power purchases and conservation measures, which costs are includable in and subject to the provisions of Appendix 1. As outlined in the 2008 ASC Methodology, Section IV *Rules for Determining Exchange Period Average System Cost*, Subsection A, Forecast CSC, BPA escalates base period costs to the midpoint of the fiscal year for the FY 2009 rate period/Exchange Period to calculate Exchange Period ASCs. BPA projects the costs of power products purchased from BPA using BPA's forecast of prices for its products.

2. Forecast of Sales for Resale and Power Purchases

BPA does not normalize short-term purchases and sales for resale. The short-term purchases and sales for resale for the Base Period are used as the starting values for the forecast. The Utilities are then allowed to include new plant additions and use a Utility-specific forecast for the (1) price of purchased power and (2) sales for resale price, to value purchased power expenses and sales for resale revenue. For details, see the 2008 ASC Methodology, Section IV *Rules for Determining Exchange Period Average System Cost*, Subsection B.

3. Forecast Contract System Load and Exchange Load

All Utilities are required to provide a forecast of their Contract System Load and associated Exchange Load, as well as a current distribution loss study as described in the 2008 ASCM, Attachment A, endnote e/, with their Appendix 1 filing. The load forecast for Contract System Load and Exchange Load starts with the Base Period and extends through 4 years after the Exchange Period. The load forecast for Contract System Load and Exchange Load is provided on a monthly basis for the Exchange Period.

4. Major Resource Additions

BPA uses the method outlined in the 2008 ASC Methodology, Section IV *Rules for Determining Exchange Period Average System Cost*, Subsection C to determine the change in ASC due to major new resource additions or reductions, subject to meeting the materiality threshold of 2.5%. These additions include new production resource investments, new generating resource investments, new transmission investments, long-term generating contracts, pollution control and environmental compliance investments relating to generating resources, transmission resources or contracts, hydro relicensing costs and fees, and plant rehabilitation investments.

The exchanging Utility provides its forecast of any major resource addition and all associated costs. The forecast covers the period from the end of the Base Period (FY 2006) to the end of the Exchange Period (FY 2009).

The forecast of the major resource costs to be included in the Utility's Exchange Period ASC is reviewed and determined during the review period. All resources included prior to the start of the Exchange Period are projected forward to the mid-point of the Exchange Period.

8 of 34 FINAL

WP-07-FS-BPA-13B Page 364 of 484

5. Load Growth Not Met by New Resource Additions

All load growth not met by new resource additions is met by purchased power at the forecasted Utility-specific short-term purchased power price. BPA uses the method outlined in the 2008 ASC Methodology, Section IV *Rules for Determining Exchange*, Subsection D.

IV. REVIEW OF THE ASC FILING

A. <u>Identification and Analysis of Issues from the May 7, 2008 ASC Appendix 1</u> <u>Filing</u>

BPA is responsible for reviewing all costs and loads for determining ASCs in accordance with section 5(c) of the Northwest Power Act and the 2008 ASC Methodology. During this review and evaluation, issues were identified for comment. BPAs ASC determination is limited to specific findings on those issues identified for comment with the exception of ministerial or mathematical errors. There may have been additional issues that BPA did not identify for comment in this filing. Acceptance of a Utility's treatment of an item without comment is not intended to signify a decision of the proper interpretation to be applied either in subsequent filings or universally under the 2008 ASC Methodology.

The following is a summary of the Contract System Costs and codes filed on May 7, 2008 by PacifiCorp, and as amended following review and evaluation by BPA. The explanations for BPAs changes are outlined as appropriate by Appendix 1 schedule and supporting files below.

SCHEDULE 1: Plant Investment/Rate Base

1. **302** Franchise & Consent

Direct Analysis requires justification of the cost allocations to Production or Transmission

- a. <u>Statement of Issue</u>: In the May 7th filing, PacifiCorp directly assigned this account to Production.
- b. <u>Statement of Facts</u>: The proposed ASCM permits direct analysis only for specified accounts. The ASCM contains default functionalization methods in the absence of direct analysis where appropriate. BPA will not allow Utilities to use a combination of direct analysis and a prescribed functionalization method for the same account. Utilities can develop and use a functionalization ratio or use a prescribed functionalization method if the Utility through direct analysis, can justify how the ratio adequately reflects the functional nature of the costs included in any account or cost item being functionalized by the ratio.

9 of 34 FINAL

WP-07-FS-BPA-13B Page 365 of 484 c. <u>PacifiCorp's Response to the Issue</u>: The Revised Protocol Methodology allows only the following two methods of allocation to be used for this account (Page 13 of Appendix B).

302 Franchise & Consent

Distribution S Production, Transmission SG

A detailed description of the assets in this account has previously been provided in response to BPA Data Request 4. See Tab – Electric Plant in Service. Except for \$1 million of rate base assigned directly to Idaho, costs in these accounts are allocated on the SG factor and have been allocated to production since they are the costs associated with acquiring new hydro electric licenses. (The Company has updated the filing to reflect the \$1 million assigned incorrectly to production rather than distribution). Of the total of \$118 million in this account, \$80 million is related to the relicensing of the North Umpqua project, \$14 million to the Grace Hydroelectric plant, \$4 million to the Condit Hydroelectric plant and the remaining to smaller hydroelectric projects.

d. <u>Analysis of Position and Decision</u>: PacifiCorp provided sufficient information to support the direct analysis of this account.

2. Account 303, Intangible Plant Miscellaneous

- a. <u>Statement of Issue</u>: In the May 7th filing, PacifiCorp directly functionalized this account without showing the basis of the direct assignments.
- b. <u>Statement of Facts</u>: The proposed ASCM permits direct analysis only for specified accounts. The ASCM contains default functionalization methods in the absence of direct analysis where appropriate. BPA will not allow Utilities to use a combination of direct analysis and a prescribed functionalization method for the same account. Utilities can develop and use a functionalization ratio or use a prescribed functionalization method if Utility through direct analysis, can justify how the ratio adequately reflects the functional nature of the costs included in any account or cost item being functionalized by the ratio.
- c. <u>PacifiCorp's Response to the Issue</u>: Account 303 Intangible Plant. The Revised Protocol Methodology allows the following methods of allocation to be used for this account (Page 13 of Appendix B).

10 of 34 FINAL WP-07-FS-BPA-13B Page 366 of 484 303 Miscellaneous Intangible Plant

| Distribution | S |
|------------------------|-------|
| Remaining Steam Plants | SG |
| Peaking Plants | SSGCT |
| Cholla | SSGCH |
| Pacific Hydro | SG |
| East Hydro | SG |
| Transmission | SG |
| Customer Related | CN |
| General | SO |

A detailed description of the assets in this account is included in the tab "Account 303" included as part of the ASC filing.

This account lists 118 assets totaling \$548 million. Of these assets, \$86 million are allocated on the SG or SE factor and have been assigned to production or transmission as appropriate as follows.

Production

Deer Creek Intangible Assets Craig Plant Maintenance Management System Caiso Energy Management Analysis Rogue River Hydroelectric Intangibles Improvements to Plant Owned By James River Gadsby Intangible Assets Eagle Point Hydro Assets Swift 2 Improvements Bear River-Settlement Agreement Apogee - Energy Exchange Program Link River Dam Rights Hayden – Vibration Software Steam Plant Intangible Assets Commercial & Trading Hedge Accounting Standards

Transmission

Transmission Intangible Assets Transmission Wholesale Billing System Idaho Transmission Customer Owned

The remaining \$462 million consists of various computer hardware and software assets. Two assets dwarf the remaining assets – the Company's accounting software – SAP (\$159 million) and Customer Service System

11 of 34 FINAL

WP-07-FS-BPA-13B Page 367 of 484

(\$102 million) which support all areas of the Company and have been allocated on the PTD factor.

Of the remaining \$201 million in assets, the following assets have been allocated to Distribution

Distribution Automation Pilot Project Miscellaneous Projects – Idaho, Oregon, Washington, Wyoming & Utah

The following assets have been allocated to Production

Fuel Management System Energy Management System Heat Rate Performance Software Retail Energy Services Tracking Energy Commodity System Software 2002 GRID Net Power Costs Modeling Mid Office Improvement Project SB1149 - Accommodate CSS and MDM to SB1149 C&T Official Record Information System APOGEE – Energy Exchange System K2 - KWI Commercial Risk System Electronic Tagging System - Merchant

The following assets are allocated **TD**

Automate Pole Card System Salt Lake SCADA System Pole Attachment Management System Ranger EMS/SCADA System

Of the remaining assets, none can be clearly assigned to production, transmission, distribution or TD as they support all of these areas and the Company has allocated then on the PTD factor.

d. <u>Analysis of Position and Decision:</u> PacifiCorp provided information to support the direct analysis of this account.

3. Account 302 & 303 – Accumulated Amortization of Intangible Plant

a. <u>Statement of Issue</u>: In its May 7th filing, PacifiCorp functionalized the amortization of 302 Franchise & Consent to Production. In addition, account 303 was functionalized using Direct Analysis.

12 of 34 FINAL WP-07-FS-BPA-13B Page 368 of 484

- b. <u>Statement of Facts</u>: Direct Analysis requires justification of the cost allocations to Production. What is the regulatory treatment of this account?
- c. <u>PacifiCorp's Response to the Issue</u>: The accumulated amortization of the rate base in these accounts follows the treatment accorded the rate base described above.
- d. <u>Analysis of Position and Decision</u>: PacifiCorp has provided sufficient information to support the functionalization of Account 302 & 303 – Accumulated Amortization of Intangible Plant

4. Account 399– Other Tangible Property

- a. <u>Statement of Issue</u>: In its May 7th filing, PacifiCorp functionalized Account 399 "Other Tangible Property" to Production without adequate support for the Direct Analysis.
- b. <u>Statement of Facts</u>: Direct Analysis requires justification of the cost allocations to Production, Transmission or Distribution. Direct Analysis requires justification of the cost allocations to Production
- c. <u>PacifiCorp's Response to the Issue</u>: This account includes only "Plant used in Mining Activities" and the Company includes it in rate base in regulatory proceedings and earns a return on the asset. A detailed description of the items in the account is found on page 450.1 supporting page 206 207, line 97. The Company also owns part of the Jim Bridger and Trapper mines. All costs associated with these mines, except for a return on the rate base, are included as fuel costs. PacifiCorp adds this investment on this line. (Backup 2006 Results of Operations pages 8.2 & 8.3)
- d. <u>Analysis of Position and Decision:</u> PacifiCorp provided sufficient information to support the direct analysis of this account.

5. Account 114 Acquisition Adjustments

- a. <u>Statement of Issue</u>: In its May 7th filing, PacifiCorp functionalized Account 114 Acquisition Adjustments to Production without adequate support for the Direct Analysis.
- b. <u>Statement of Facts</u>: The functionalization of Account 114 Acquisition Adjustments requires a Direct Analysis, which requires justification of the cost allocations to Production, Transmission and Distribution.

13 of 34 FINAL

WP-07-FS-BPA-13B Page 369 of 484

- c. <u>PacifiCorp's Response to the Issue</u>: A description of the assets in this account has previously been provided in response to BPA Data Request 4. See Tab Miscellaneous Rate Base. The costs included in this account (all allocated on the SG allocation factor) are related to the Company's purchase of the Craig, Hayden, Cholla and Wyodak plants. They are allocated to the production function and the Company includes the asset in rate base in regulatory proceedings and earns a return on the asset.
- d. <u>Analysis of Position and Decision</u>: PacifiCorp has provided sufficient information to support the functionalization of Account 114 Acquisition Adjustments to Production.

6. Account 115 – Amortization of Acquisition Adjustment

- a. <u>Statement of Issue</u>: In its May 7th filing, PacifiCorp functionalized the Accumulated Amortization to Production without adequate support for the Direct Analysis.
- b. <u>Statement of Facts</u>: Direct Analysis requires justification of the cost allocations to Production The accumulated amortization of the rate base in these accounts follows the treatment accorded the rate base described above.
- c. <u>PacifiCorp's Response to the Issue</u>: The amortization of the rate base in this account follows the treatment accorded the rate base described above. The total is less than the production allocation because of an error in the calculation of the Idaho amortization. The Company has corrected this error in this filing of its ASC.
- d. <u>Analysis of Position and Decision</u>: PacifiCorp has provided sufficient information to support the functionalization of Account 115 Accumulated Amortization of Acquisition Adjustments to Production.

7. Account 182.3 – Other Regulatory Assets

- a. <u>Statement of Issue</u>: In its May 7th filing, PacifiCorp functionalized Account 182.3 Other Regulatory Assets using Direct without adequate support for the Direct Analysis.
- b. <u>Statement of Facts</u>: The functionalization of Account 182.3 Other <u>Regulatory Assets requires a Direct Analysis</u>, which requires justification of the cost allocations to Production, Transmission and Distribution. What is the regulatory treatment of this account and components?
- c. <u>PacifiCorp's Response to the Issue</u>: The Company begins with the assumption that these assets can only be included in the ASC calculation if

14 of 34 FINAL

WP-07-FS-BPA-13B Page 370 of 484

the State Regulatory Agencies have approved them for recovery in a rate making proceeding. The TAB – Regulatory Assets includes only those assets included in rate base in a regulatory proceeding. They total \$81 million compared to \$1.396 billion shown on the FERC Form One.

The following assets have been allocated to Production

| 182.300 | Conservation |
|----------|----------------------------------|
| 182.302 | Direct Access – California |
| 182.304 | Direct Access - Oregon |
| 182.392 | Conservation |
| 182.393 | Conservation |
| 182.394 | Conservation |
| 182.396 | Conservation |
| 182.3993 | Cholla Transaction Costs |
| 182.3994 | Cholla Transaction Costs |
| 182.3995 | Cholla Transaction Costs |
| 182.3999 | DSM Regulatory Assets – Accruals |
| | |

The following assets have been allocated PTD

| 182.391 | Environmental Remediation |
|---------|---------------------------|
| 182.387 | FAS 87/88 Utah |

The following assets with 182.3990 have been allocated Production

| 187003 | Retail Access Project – Oregon |
|--------|--|
| 187004 | Energy Trust |
| 187050 | Cholla Transaction Costs |
| 187051 | Washington Colstrip #3 Regulatory Asset |
| 187058 | Trail Mountain Mine Closure Costs |
| 187070 | Trail Mountain Mine Costs - Deseret Settlement |
| 187107 | Glenrock Mine Excluding Reclamation - UT |
| 187111 | Noell Kempf Cap - UT |
| 187112 | P&M Strike Amort - UT |
| 187903 | Wyoming - Deferred Excess Net Power Costs |
| 187904 | Idaho - Deferred Net Power Costs |
| 187906 | Def Excess NPC - Oregon Ue116 Bridge |
| 187907 | Or Ue134 Power Cost |
| | |

The following assets with 182.3990 have been allocated Transmission

| 187081 | RTO Grid West N/R - OR |
|--------|------------------------|
| 187082 | RTO Grid West N/R - WY |

15 of 34 FINAL

WP-07-FS-BPA-13B Page 371 of 484 The remaining assets with 182.3990 have been allocated PTD as they support all functional areas. The largest two are assets are 1998 – Early Retirement (Oregon) and May 2000 Transition Costs (Oregon). These comprise over 80% of Account 182.399 not directly assigned to Production, Transmission and Distribution.

d. <u>Analysis of Position and Decision</u>: PacifiCorp has provided sufficient information to support the Direct Analysis of Account 182.3 Regulatory Assets.

8. Account 186 – Miscellaneous Deferred Debits

- a. <u>Statement of Issue</u>: In its May 7th filing, PacifiCorp functionalized Account 186 – Miscellaneous Deferred Debits to production using Direct Analysis without providing sufficient support for the Direct Analysis.
- b. <u>Statement of Facts</u>: The functionalization of Account 186 Miscellaneous Deferred Debits requires a Direct Analysis, which requires justification of the cost allocations to Production, Transmission and Distribution. What is the regulatory treatment of this account and components?
- c. <u>PacifiCorp's Response to the Issue</u>: The Company begins with the assumption that those assets can only be included in the ASC calculation if the State Regulatory Agencies have approved them for recovery in a rate making proceeding. The TAB Deferred Debits includes only those assets included in rate base in a regulatory proceeding. They total \$42 million compared to \$58 million shown on the FERC Form One. The Company believes all the Miscellaneous Deferred Debits are production related.
- <u>Analysis of Position and Decision</u>: PacifiCorp has provided sufficient information to support the Direct Analysis of A Account 186 Miscellaneous Deferred Debits

9. Account 253 – Miscellaneous Deferred Credits

- a. <u>Statement of Issue</u>: In its May 7th filing, PacifiCorp functionalized Account 253 Miscellaneous Deferred Credits using Direct Analysis without providing sufficient support for the Direct Analysis.
- b. <u>Statement of Facts</u>: The functionalization of Account 186 Miscellaneous Deferred Debits requires a Direct Analysis, which requires justification of the cost allocations to Production, Transmission and Distribution.

16 of 34 FINAL

WP-07-FS-BPA-13B Page 372 of 484

- c. <u>PacifiCorp's Response to the Issue</u>: The Company begins with the assumption that those liabilities can only be included in the ASC calculation if the State Regulatory Agencies have approved them for recovery in a rate making proceeding. The TAB Miscellaneous Rate Base includes only those liabilities included in rate base in a regulatory proceeding. They total \$16 million compared to \$62 million shown on the FERC Form 1. Within this account, liabilities allocated SE or SG and Oregon DSM loans are production related. Unearned Joint Pole Use revenue allocated directly to a state is distribution related. The remaining liability, a software liability is assigned PTD.
- <u>Analysis of Position and Decision</u>: PacifiCorp has provided sufficient information to support the Direct Analysis of Account 253 Miscellaneous Deferred Credits.

10. Account 253 – Miscellaneous Deferred Credits

- a. <u>Statement of Issue</u>: In its May 7th filing, PacifiCorp functionalized Account 254 Other Regulatory Liabilities using Direct Analysis, without sufficient justification for the cost assignments.
- <u>Statement of Facts</u>: The functionalization of Account 186 Miscellaneous Deferred Debits requires a Direct Analysis, which requires justification of the cost allocations to Production, Transmission and Distribution.
- c. <u>PacifiCorp's Response to the Issue</u>: The Company begins with the assumption that those liabilities can only be included in the ASC calculation if the State Regulatory Agencies have approved them for recovery in a rate making proceeding. The TAB Miscellaneous Rate Base includes only those liabilities included in rate base in a regulatory proceeding. They total \$4 million compared to \$109 million shown on the FERC Form One. Within this account, the Property Insurance reserve is assigned PTD. The Trojan Nuclear Plant liability is assigned to Distribution.
- d. <u>Analysis of Position and Decision</u>: PacifiCorp has provided sufficient information for the Direct Analysis of this account. The Functionalization of separate sub accounts will be addressed in the October 1, 2008 filing.

11. Account 244 - Long-Term Portion of Derivative Instrument Liabilities

a. <u>Statement of Issue</u>: Long-Term Portion of Derivative Instrument Liabilities appears in two places on the June 6, 2008 filing template.

> 17 of 34 FINAL WP-07-FS-BPA-13B Page 373 of 484

- b. <u>Statement of Facts</u>: Long-Term Portion of Derivative Instrument Liabilities should only appear in the Current and Accrued Liabilities Section.
- c. <u>Analysis of Position and Decision</u>: Given Long-Term Portion of Derivative Instrument Liabilities functionalization to distribution, the adjustment for the double counting will have no impact on the ASC.

12. Functionalization of Miscellaneous Equipment in the Maintenance of General Plant Ratio

- a. <u>Statement of Issue</u>: Correct functionalization of Miscellaneous Equipment in the Maintenance of General Plant Ratio
- b. <u>Statement of Facts</u>: Miscellaneous Equipment in the Maintenance of General Plant Ratio was mistakenly functionalized to Distribution rather than PTD in the ASC Template.
- c. <u>Analysis of Position and Decision</u>: The functionalization of Miscellaneous Equipment in the Maintenance of General Plant Ratio was changed from distribution to PTD in the ASC Template

SCHEDULE 1A: Cash Working Capital – no changes

SCHEDULE 2: Capital Structure and Rate of Return – no changes

SCHEDULE 3: Expenses

1. Functionalization of Customer Service and Informational

- a. <u>Statement of Issue</u>: Correct functionalization of Customer Service and Informational in the Labor Ratio
- b. <u>Statement of Facts</u>: Customer Service and Informational in the Labor Ratio should have been functionalized to Distribution rather than Direct ASC Template.
- c. <u>PacifiCorp's Response to the Issue</u>: Four types of costs are contained in this account: Expense associated with current conservation programs (DSM DIRECT); the amortization of previously capitalized conservations programs (DSM AMORT); Customer Service (CUST SERV); and Customer Assistance (CUST ASSIST EXP and CUST ASST EXP GENL). The first two cost categories are production costs. The last two cost categories have been assigned to the distribution function. A detailed description of the expense in this account is included in the tab "Account 908" included as part of the ASC filing. The Company recovers these

18 of 34 FINAL

WP-07-FS-BPA-13B Page 374 of 484 expenses by including them in its revenue requirement in regulatory proceedings.

d. <u>Analysis of Position and Decision</u>: PacifiCorp identified DSM related costs within Account 908, with the correct functionalization to Production. The remainder of this account was functionalized to Distribution.

2. **Oregon Public Purpose Charge**

- a. <u>Statement of Issue</u>: In its May 7th filing, PacifiCorp the Oregon Public Purpose Charge using Direct Analysis, without sufficient justification for the cost assignments.
- b. <u>Statement of Facts</u>: Direct Analysis requires justification of the cost allocations to Production, Transmission or Distribution
- c. <u>PacifiCorp's Response to the Issue</u>: ORS 757.612 specifies that the public purpose charge be used for cost-effective conservation and market transformation, the above-market costs of renewable energy resources, low-income weatherization. In addition school districts may use the funds allocated to them to fund energy audits, weatherization, energy efficiency, energy conservation education programs, purchasing energy from environmentally focused sources and investing in renewable energy sources. All these are production related and the Company has assigned that portion of the public purpose charge to production. The final portion of the Public Purpose Charge is transferred to Housing and Community Services and has been assigned to distribution. The detailed accounting for 2006 has previously been provided in response to BPA Data Request 6.
- d. <u>Analysis of Position and Decision</u>: The functionalization of the Oregon Public Purpose Charge will be addressed in the October 1, 2008 Filing.

3. Account 404 – Amortization of Intangible Assets (302 & 303)

- a. <u>Statement of Issue</u>: In its May 7th filing, PacifiCorp functionalized the amortization of 302 Franchise & Consent to Production. In addition, account 303 was functionalized using Direct Analysis.
- b. <u>Statement of Facts:</u> Direct Analysis requires justification of the cost allocations to Production.
- c. <u>PacifiCorp's Response to the Issue</u>: The amortization of the rate base in these accounts follows the treatment accorded the rate base described above.

19 of 34 FINAL

WP-07-FS-BPA-13B Page 375 of 484 d. <u>Analysis of Position and Decision</u>: PacifiCorp has provided sufficient information to support the functionalization of Account 302 & 303 – Amortization of Intangible Plant

SCHEDULE 3A: Taxes – no changes

SCHEDULE 3B: Other Included Items – no changes

1. Account 421 - Miscellaneous Non-operating Income

- a. <u>Statement of Issue</u>: In its May 7th filing, PacifiCorp functionalized Account 421 – Miscellaneous Non-operating Income to Distribution.
- b. <u>Statement of Facts</u>: Account 421– Miscellaneous Non-operating Income to Distribution requires a Direct Analysis with a default functionalization to Production. PacifiCorp directly functionalized this account to Distribution without the required analysis.
- c. <u>PacifiCorp's Response to the Issue</u>: Two cost categories are included in this account. The vast majority (\$475 million) of the total amount, \$480 million is related to FAS 133 Unrealized Gains. Consistent with the treatment of unrealized gains recorded on the balance sheet which have been assigned to distribution, the income associated with them has also been assigned to distribution. The second category is miscellaneous non-operating income which has also been assigned to distribution of the company. A detailed description of the expense in this account is included in the tab "Account 421" included as part of the ASC filing.
- <u>Analysis of Position and Decision</u>: PacifiCorp has provided sufficient information to support the Direct Analysis of Account 421 Miscellaneous Non-Operating Income.

2. Account 456 – Other Electric Revenue

- a. <u>Statement of Issue</u>: In its May 7th filing, PacifiCorp functionalized Account 456 – Miscellaneous Non-operating Income using Direct Analysis, without adequate support for the functionalization.
- b. <u>Statement of Facts:</u> Account 456 Miscellaneous Non-operating Income is to be functionalized using Direct Analysis with a default functionalization to Production.
- c. <u>PacifiCorp's Response to the Issue</u>: Account 456.1, Wheeling Revenue is assigned to Transmission. Accounts 456.20, 456.23, 456.24 & 456.25 are

20 of 34 FINAL

WP-07-FS-BPA-13B Page 376 of 484

distribution related assigned directly to each state. Accounts 456.22 and 456.4 are related to DSM tariff revenues and the proposed ROD states that they should not be included as an expense in ASC filings – the Company as therefore assigned them to distribution. Account 456.21 – Use of facilities should be assigned TD and Accounts 456.26, 456.266, 456.65 & 456.66 are wheeling related and are assigned to transmission. This account is included in regulatory proceedings.

<u>Analysis of Position and Decision</u>: PacifiCorp has provided sufficient information to support the Direct Analysis of Account 456 – Miscellaneous Non-operating Income.

SCHEDULE 4: Average System Cost

1. **Distribution Loss:**

- a. <u>Statement of Issue</u>: In its filing, PacifiCorp used a 5% Distribution Loss Factor in determination of its ASC.
- b. <u>Statement of Facts:</u> The May 7th filing Appendix 1 template did not require a Utility to complete a Distribution Loss Study to increase the Total Retail Load. As outlined in the ASCM ROD, BPA allows participating Utilities that have the ability to directly measure distribution losses on their system to submit such measurements, subject to BPA review and approval, with their ASC filings. Utilities that do not possess the capability to directly measure distribution losses on their system are required to submit a formal distribution loss study with their ASC filing. The distribution loss study is valid for a period of seven years. Utilities that do not have the ability to directly measure distribution losses on their system and do not have a formal distribution loss study that was prepared within the previous seven years of the date of the ASC filing will use the default distribution loss study method described in the ASCM ROD, Section 4.10.5.
- c. <u>PacifiCorp's Response to the Issue</u>: The Company will follow the proposed ROD and either provide a loss study or follow the methodology described by BPA in the ROD.
- <u>Analysis of Position and Decision</u>: For purposes of the expedited filing, BPA completed the Distribution Loss Factor outlined in the ASCM ROD, Section 4.10.5. PacifiCorp's Distribution Loss Factor has been set at 8.16%.

21 of 34 FINAL WP-07-FS-BPA-13B

Page 377 of 484

2. Contract System Loads: New Large Single Load (NLSL)

- a. <u>Statement of Issue</u>: The May 7th Appendix 1 filing did not require and therefore did not include information on NLSL MWh. BPA now requires this data to be included in the determination of a Utility's ASC.
- b. <u>Statement of Facts</u>: PacifiCorp submitted data identifying one potential NLSL usage of 342,068 MWh. BPA determined this load by the evaluation of PacifiCorp provided data.
- c. <u>Analysis of Position and Decision</u>: Section 5 (c) of the Northwest Power Act does not permit costs of servicing an NLSL to be included in the calculation of a Utility's ASC and, therefore, BPA removed the NLSL and associated costs from the Appendix 1 amended filing. The results are noted in Schedule 4 of the amended Appendix 1 filing.

3. Contract System Costs: New Large Single Load (NLSL) Costs

- a. <u>Statement of Issue</u>: The May 7th filing Appendix 1 template did not require and therefore did not include information on NLSL costs. BPA now requires this data to be included in the determination of a Utility's ASCs.
- b. <u>Statement of Facts</u>: BPA determined the cost of serving the potential NLSL using the fully allocated cost of all escalated base period post-September 1, 1979, resources and major resource additions and long-term power purchases (5 years or longer contracts) used to determine Exchange Period ASCs as outlined in the ASCM ROD, section 4.5. In addition, BPA will not allow a Utility's ASC to increase as a result of excluding the costs of resources used to serve NLSLs.
- c. <u>Analysis of Position and Decision</u>: Section 5 (c) of the Northwest Power Act does not permit costs of servicing an NLSL to be included in the calculations of a Utility's ASC and therefore, BPA removed the NLSL and associated costs from the Appendix 1 amended filing. The results are noted in Schedule 4 of the amended Appendix 1 filing.

SUPPORTING DOCUMENTATION: Purchased Power and Sales for Resale – no changes

SUPPORTING DOCUMENTATION: Salaries and Wages – no changes

SUPPORTING DOCUMENTATION: Labor Ratios

22 of 34 FINAL

1. Maintenance of General Plant (GPM) Ratio: Miscellaneous Equipment

- a. <u>Statement of Issue</u>: Incorrect functionalization of Labor Ratio "Miscellaneous Equipment in the Maintenance of General Plant (GPM)"
- b. <u>Statement of Facts</u>: Miscellaneous Equipment in the Maintenance of General Plant Ratio was mistakenly functionalized to Distribution rather than PTD in the ASC Template.
- c. <u>Analysis of Position and Decision</u>: BPA corrected the error and the functionalization of Miscellaneous Equipment in the Maintenance of General Plant Ratio was changed from Distribution to PTD in the ASC Template.

B. <u>Identification and Analysis of Issues from Comments to the July 8, 2008 ASC</u> <u>Draft Report</u>

SCHEDULE 1: Plant Investment/Rate Base

1. Account 218 – Accumulated Amortization of Intangibles

- a. <u>Statement of Issue</u>: Functionalization of costs.
- b. <u>Statement of Facts</u>: In the May 7th filing, the sum of production, transmission, and production did not equal the total.
- c. <u>PacifiCorp's Response to the Issue</u>: In PacifiCorp's July 24, 2008 Revised Comments, PacifiCorp identified the problem and made the appropriate adjustments.
- d. <u>Analysis of Position and Decision</u>: BPA agreed with PacifiCorp's adjustments and made the appropriate adjustment.

2. Account 182.3 – Regulatory Assets

- a. <u>Statement of Issue</u>: Functionalization of costs.
- b. <u>Statement of Facts</u>: In the May 7th filing, the sum of production, transmission, and production did not equal the total.
- c. <u>PacifiCorp's Response to the Issue</u>: In PacifiCorp's July 24, 2008 Revised Comments, PacifiCorp Identified the problem and made the appropriate adjustments

23 of 34 FINAL

WP-07-FS-BPA-13B Page 379 of 484

d. <u>Analysis of Position and Decision</u>: BPA agreed with PacifiCorp's adjustments and made the appropriate adjustment.

3. Account 186 – Miscellaneous Deferred Debits

- a. <u>Statement of Issue</u>: Functionalization of costs.
- b. <u>Statement of Facts</u>: In the May 7th filing, the sum of production, transmission, and production did not equal the total.
- c. <u>PacifiCorp's Response to the Issue</u>: In PacifiCorp's July 24, 2008 Revised Comments, PacifiCorp Identified the problem and made the appropriate adjustments
- d. <u>Analysis of Position and Decision</u>: BPA agreed with PacifiCorp's adjustments and made the appropriate adjustment.

4. Account 253 – Other Deferred Credits

- a. <u>Statement of Issue</u>: Functionalization of costs.
- b. <u>Statement of Facts</u>: In the May 7th filing, the sum of production, transmission, and production did not equal the total.
- c. <u>PacifiCorp's Response to the Issue</u>: In PacifiCorp's July 24, 2008 Revised Comments, PacifiCorp identified the problem and made the appropriate adjustments.
- d. <u>Analysis of Position and Decision</u>: BPA agreed with PacifiCorp's adjustments and made the appropriate adjustment.

5. Account 254 – Other Regulatory Liabilities

- a. <u>Statement of Issue</u>: Functionalization of costs.
- b. <u>Statement of Facts</u>: In the May 7th filing, the sum of production, transmission, and production did not equal the total.
- c. <u>PacifiCorp's Response to the Issue</u>: In PacifiCorp's July 24, 2008 Revised Comments, PacifiCorp identified the problem and made the appropriate adjustments.

24 of 34 FINAL

WP-07-FS-BPA-13B Page 380 of 484 d. <u>Analysis of Position and Decision</u>: BPA agreed with PacifiCorp's adjustments and made the appropriate adjustment.

SCHEDULE 1A: Cash Working Capital – no changes from July 8, 2008 report

SCHEDULE 2: Capital Structure and Rate of Return – no changes from July 8, 2008 report

SCHEDULE 3: Expenses

1. Account 935 - Maintenance of General Plant

- a. <u>Statement of Issue</u>: Expenses reported
- b. <u>Statement of Facts</u>: Total company expenses were reported for Oregon Washington, and Idaho.
- c. <u>PacifiCorp's Response to the Issue</u>: In PacifiCorp's July 24, 2008 Revised Comments, PacifiCorp identified the problem and made the appropriate adjustments to reflect the actual costs for Oregon Washington, and Idaho.
- d. <u>Analysis of Position and Decision</u>: BPA agreed with PacifiCorp's adjustments and made the appropriate adjustment.

SCHEDULE 3A: Taxes – no changes from July 8, 2008 report

SCHEDULE 3B: Other Included Items – no changes from July 8, 2008 report

SCHEDULE 4: Average System Cost

2. **Distribution Loss:**

- a. <u>Statement of Issue</u>: In its filing, PacifiCorp used a 5% Distribution Loss Factor in determination of its ASC.
- b. <u>Statement of Facts:</u> The May 7th filing Appendix 1 template did not require a Utility to complete a Distribution Loss Study to increase the Total Retail Load. As outlined in the ASCM ROD, BPA allows participating Utilities that have the ability to directly measure distribution losses on their system to submit such measurements, subject to BPA review and approval, with their ASC filings. Utilities that do not possess the capability to directly measure distribution losses on their system are required to submit a formal distribution loss study with their ASC filing. The distribution loss study is valid for a period of seven years. Utilities that do not have the ability to directly measure distribution losses on their system and do not have a formal distribution loss study that was prepared

25 of 34 FINAL

WP-07-FS-BPA-13B Page 381 of 484 within the previous seven years of the date of the ASC filing will use the default distribution loss study method described in the ASCM ROD, Section 4.10.5. For purposes of the expedited filing, BPA completed the Distribution Loss Factor outlined in the ASCM ROD, Section 4.10.5. PacifiCorp's Distribution Loss Factor has been set at 8.16%.

- c. <u>PacifiCorp's Response to the Issue</u>: In PacifiCorp's July 24, 2008 Revised Comments, PacifiCorp provided a loss study based on 2003 loss study. PacifiCorp proposed a distribution loss factor of 2.68 %.
- <u>Analysis of Position and Decision</u>: BPA, per the ASCM, accepts PacifiCorp's 2003 loss study as the basis for calculation distribution losses. BPA has not had the time to assess the accuracy of the study. BPA will conduct a detailed review of any study PacifiCorp provides in the October 1 ASC filing.

3. Contract System Costs: New Large Single Load (NLSL) Costs

- a. <u>Statement of Issue</u>: Change in BPAs estimate of the costs associated with an NLSL
- b. <u>Statement of Facts</u>: BPA originally estimated that PacifiCorp's costs associate with an NLSL was \$45.40 per MWh.
- c. <u>Analysis of Position and Decision</u>: BPAs current estimate of the PacifiCorp's costs associate with an NLSL is \$49.59 per MWh

SUPPORTING DOCUMENTATION: Purchased Power and Sales for Resale –

- a. <u>Statement of Issue</u>: Treatment of the Residential Exchange Settlement Payment in the ASC Template.
- b. <u>Statement of Facts</u>: The Residential Exchange Settlement Payment was erroneously included in Account 555 – Purchased Power as a credit and then included as a separate line item (REP reversal) in the ASC calculation.
- c. <u>Analysis of Position and Decision</u>: The Residential Exchange Settlement Payment is not an exchangeable cost or credit. BPA therefore removed the Residential Exchange Settlement Payment (credit) from Account 555 – Purchased Power, which increased purchased power by the amount of the credit. BPA simultaneously removed the REP reversal as a separate line item in the ASC template.

26 of 34 FINAL WP-07-FS-BPA-13B

Page 382 of 484

SUPPORTING DOCUMENTATION: Salaries and Wages – no changes from July 8, 2008 report

SUPPORTING DOCUMENTATION: Labor Ratio- no changes from July 8, 2008 report

C. <u>Identification and Analysis of Issues</u> from comments to the August 4, 2008 ASC <u>Draft Report</u>

SCHEDULE 1: Plant Investment/Rate Base-

- 1. For Account 108, line item "Capital Leases Common Plant" and In-Service: Depreciation of Common Plant.
 - a. <u>Statement of Issue:</u> Errata corrections to the 2008 Average System Cost Methodology ("2008 ASCM") for Account 108, line item "Capital Leases Common Plant" (line 69 in the electronic template) and "In-Service: Depreciation of Common Plant (a)" (line 71 in the electronic template), remove the PTD option from functionalization "Method Optional" column.
 - b. <u>Analysis of Position and Decision</u>: This correction is necessary to equate all Common Plant accounts to DIRECT functionalization under Utility Plant: Common Plant (line 91 in the electronic template). There are no functionalization options under Common Plant and all accounts are to be functionalized by Direct analysis.
- 2. For Account 115, line item "Amortization of Acquisition Adjustments
 - a. <u>Statement of Issue</u>: Errata corrections to the 2008 Average System Cost Methodology ("2008 ASCM") for Account 115, line item "Amortization of Acquisition Adjustments (line 73 in the electronic template), remove option from functionalization "Method Optional" column (cell F73 in electronic template) and equate cell E73 to E92 (Acquisition Adjustments (Electric), Account 114, line 92 in electronic template).
 - b. <u>Analysis of Position and Decision</u>: This correction is necessary because Depreciation and Amortization Reserves must follow the same functionalization used for Utility Plant under Assets and Other Debits.

SCHEDULE 1A: Cash Working Capital – no changes from the August 4 2008 report

SCHEDULE 2: Capital Structure and Rate of Return – no changes from the August 4 2008 report

27 of 34 FINAL

WP-07-FS-BPA-13B Page 383 of 484

SCHEDULE 3: Expenses

- 1. For Account 406, line item "Amortization of Plant Acquisition Adjustments (Electric)
 - a. <u>Statement of Issue</u>: Errata corrections to the 2008 Average System Cost Methodology ("2008 ASCM") for Account 406, line item "Amortization of Plant Acquisition Adjustments (Electric) (line 96 in the electronic template), equate cell E96 to Account 114 Schedule 1, *Plant Investment/Rate Base* (Acquisition Adjustments (Electric), (cell E92 in electronic template).
 - b. <u>Analysis of Position and Decision</u>: This correction is necessary because Depreciation and Amortization expenses must follow the same functionalization used for Utility Plant under Plant Investment/Rate Base, Assets and Other Debits.
- 2. Account 908, line item "Customer Assistance Expenses (Major only)"
 - <u>Statement of Issue:</u> Errata corrections to the 2008 Average System Cost Methodology ("2008 ASCM") for Account 908, line item "Customer Assistance Expenses (Major only)" (line 52 in the electronic template) requires DIRECT analysis of conservation related expenses:
 - b. <u>Analysis of Position and Decision</u>: All exchangeable conservation costs may be functionalized to Production (PROD); all other costs will be functionalized to Distribution/Other (DIST).

SCHEDULE 3A: Taxes – no changes from the August 4 2008 report

SCHEDULE 3B: Other Included – no changes from the August 4 2008 report

SCHEDULE 4: Average System Cost - - no changes from the August 4 2008 report

SUPPORTING DOCUMENTATION – Labor Ratios

- 1. For Labor Ratio Input: line item "Customer Service and Informational"
 - a. <u>Statement of Issue</u>: For Labor Ratio Input: line item "**Customer Service and Informational**" (line 17 in the electronic template), did not follow the same functionalization as Account 908 in Schedule 3.
 - b. <u>Analysis of Position and Decision</u>: This Ratio requires DIRECT analysis of conservation related expenses associated with Account 908: all

28 of 34 FINAL

WP-07-FS-BPA-13B Page 384 of 484

exchangeable conservation costs may be functionalized to Production (PROD); all other costs will be functionalized to Distribution/Other (DIST).

D. Exchange Period ASC New Resource Additions

The ASCM provides that changes to an established ASC are allowed to account for major new resource additions and purchases that are projected to come on-line or be purchased and used to meet that Utility's retail load during the BPA rate period. The change in ASC must meet the materiality threshold as the change in ASC resulting from adding major new resources, that is, a 2.5 percent or greater change in Base Period ASC. BPA allows Utilities to submit stacks of individual resources that, when combined, meet the materiality threshold. However, each resource in the stack must result in an increase of Base Period ASC of 0.5 percent or more. BPA determined a change in PacifiCorp's ASC using the methods as described in the ASCM ROD, section 4.2.10.

Table 1 below identifies the New Resource Additions information provided from PacifiCorp. Tables 1, ASC New Resource Additions and Table 2, FY 2009-2013 ASC Summary, summarize the results.

| | | 6/30/2007 | 8/1/2008 | 9/14/2008 | 12/31/2008 | 6/1/2009 |
|----------------------------|-------------|---------------|---------------|---------------|---------------|---------------|
| | | Lake Side | | CCCT Plant | | |
| | | Capital | | West (525 | | |
| | | Building | Group 1 | MW) | Group 3 | Group 4 |
| | | NG | Other | NG | Other | Other |
| Other Production Plant | | | | | | |
| Other Production | 340-346 | \$138,979,231 | \$318,455,478 | \$128,123,754 | \$247,147,430 | \$159,760,358 |
| Fuel Stock | 151 | | | | | |
| Plant Materials and | | | | | | |
| Operating Supplies | 154 | | | | | |
| EPA Allowances | 158.1-158.2 | | | | | |
| Other Expense | | | | | | |
| Other Power - Fuel | 547 | \$64,661,215 | | \$59,610,616 | | |
| Other Power - Operations | | | | | | |
| (Excluding 547 - Fuel) | 546-550 | | | | | |
| Other Power - | | | | | | |
| Maintenance | 551-554 | \$2,278,366 | \$4,387,932 | \$2,100,406 | \$4,961,381 | \$3,159,328 |
| Property Insurance | 924 | \$418,246 | \$958,365 | \$385,578 | \$743,770 | \$480,785 |
| Depreciation | 403 | \$3,660,222 | \$10,998,583 | \$3,374,327 | \$10,003,894 | \$6,466,690 |
| Firm Sales for Resale (\$) | 447 | | | | | |
| Firm Sales for Resale | | | | | | |
| (MWh) | | | | | | |
| Expected Annual | | | | | | |
| Generation (MWh) | | 1,196,527 | \$367,629 | 1,103,068 | \$392,774 | 290,960 |
| Property Taxes | | | | | | |

Table 1: ASC New Resource Additions

29 of 34 FINAL

| | | 6/30/2007 | 8/1/2008 | 9/14/2008 | 12/31/2008 | 6/1/2009 |
|---------------------------|-----|-------------|-------------|-------------|-------------|-------------|
| | | Lake Side | | CCCT Plant | | |
| | | Capital | | West (525 | | |
| | | Building | Group 1 | MW) | Group 3 | Group 4 |
| | | NG | Other | NG | Other | Other |
| Production | | | | | | |
| Total Production Property | 262 | \$1,206,997 | \$2,765,700 | \$1,112,720 | \$2,146,409 | \$1,387,476 |

V. FINAL EXPEDITED ASC FORECAST for FY 2009-2013

The following three tables summarize the forecast of Contract System Cost (CSC) and Contract System Load (CSL) for purposes of determining PacifiCorp's forecast ASCs for FY 2009 through FY 2013. Table 2: *FY 2009-2013 ASC Summary*, identifies the CSC, CSL, and PacifiCorp's ASCs published in the July 8, 2008 report. *Revised* Table 2: *FY 2009-2013 ASC Summary* identifies the revised CSC, CSL, and PacifiCorp's ASCs as appropriate and as a result of PacifiCorp's comments to the July 8, 2008 report. *Final* Table 2: *FY 2009-2013 ASC Summary* identifies the final CSC, CSL, and PacifiCorp's ASCs. The procedures used in making the July 8, 2008, determinations and any required changes published in both the August 4, 2008, and this final September 11, 2008, reports are outlined in the 2008 ASCM ROD and described herein. The results shown in all tables are forecasts for each year of the WP-07 rate test period (FY 2009-2013), as defined in section 7(b)(2) of the NW Power Act, and are used to calculate the PF Exchange Rate for FY 2009 of the WP-07 Supplemental Wholesale Power Rate Adjustment Proceeding (WP-07 Rate Case).

The BPA Forecast Model used to calculate the values shown below is located at <u>http://www.bpa.gov/corporate/finance/ascm/filings.cfm</u>.

30 of 34 FINAL

WP-07-FS-BPA-13B Page 386 of 484

Table 2: FY 2009-2013 ASC Summary – July 8, 2008

| Date (mid-year) | 4/1/2009 | 4/1/2010 | 4/1/2011 | 4/1/2012 | 4/1/2013 |
|--------------------|----------|----------|----------|----------|----------|
| Fiscal Year | 2009 | 2010 | 2011 | 2012 | 2013 |

CONTRACT SYSTEM COST (\$)

| CONTINUED DIE | | | | | |
|----------------|---------------|---------------|------------|---------------|------------|
| Production | 1,150,023,901 | 1,124,484,515 | 1112137282 | 1,112,029,163 | 1113257611 |
| | | | | | |
| Transmission | 179,212,567 | 177,629,054 | 176194438 | 174,796,728 | 173490803 |
| | | | | | |
| NLSL Fully | 57.97 | 56.50 | 55.52 | 55.12 | 54.73 |
| Allocated Cost | | | | | |
| (\$/MWh) | | | | | |
| (Less) NLSL | 19,828,379 | 19,327,715 | 18991028 | 18,853,328 | 18721359 |
| Costs | | | | | |
| Total Contract | 1,309,408,089 | 1,282,785,854 | 1269340692 | 1,267,972,564 | 1268027055 |
| System Cost | | | | | |

CONTRACT SYSTEM LOAD (MWh)

| Total Retail | 22,016,008 | 22,207,898 | 22,427,330 | 22,654,332 | 22,880,278 |
|-----------------------|------------|------------|------------|------------|------------|
| Load @ Meter | | | | | |
| (Less) NLSL | 342,068 | 342,068 | 342,068 | 342,068 | 342,068 |
| | | | | | |
| Total Retail | 21,673,940 | 21,865,830 | 22,085,262 | 22,312,264 | 22,538,210 |
| Load | | | | | |
| (Net or NLSL) | | | | | |
| Distribution Loss | 1,825,676 | 1,841,588 | 1,859,784 | 1,878,609 | 1,897,345 |
| | | | | | |
| Total Contract | 23,499,616 | 23,707,418 | 23,945,046 | 24,190,873 | 24,435,555 |
| System Load | | | | | |

AVERAGE SYSTEM COST

| ASC (\$/MWh) 55.72 54.11 53.01 52.42 51.89 | | | | | | | | |
|--|--------------|-------|--|-------|-------|-------|--|--|
| | ASC (\$/MWh) | 55.72 | | 53.01 | 52.42 | 51.89 | | |

WP-07-FS-BPA-13B Page 387 of 484

Revised Table 2: FY 2009-2013 ASC Summary – August 4, 2008

| Date (mid-year) | 4/1/2009 | 4/1/2010 | 4/1/2011 | 4/1/2012 | 4/1/2013 |
|--------------------|----------|----------|----------|----------|----------|
| Fiscal Year | 2009 | 2010 | 2011 | 2012 | 2013 |

CONTRACT SYSTEM COST (\$)

| continuier | SISIENI COSI | (\$) | | | |
|--------------|---------------------|---------------|---------------|---------------|---------------|
| Production | 996,996,399 | 960,816,433 | 969,702,988 | 971,406,430 | 976,017,942 |
| | | | | | |
| Transmission | | | | | |
| | 169,573,533 | 167,697,323 | 165,983,195 | 164,307,492 | 162,713,832 |
| NLSL Fully | 57.96 | 55.66 | 55.58 | 55.07 | 54.63 |
| Allocated | | | | | |
| Cost | | | | | |
| (\$/MWh) | | | | | |
| (Less) NLSL | 19,825,602 | 19,039,861 | 19,013,752 | 18,837,860 | 18,688,195 |
| Costs | | | | | |
| Total | 1,146,744,330 | 1,109,473,896 | 1,116,672,431 | 1,116,876,062 | 1,120,043,578 |
| Contract | | | | | |
| System Cost | | | | | |

CONTRACT SYSTEM LOAD (MWh)

| Total Retail | 22,016,008 | 22,207,898 | 22,427,330 | 22,654,332 | 22,880,278 |
|-----------------------|------------|------------|------------|------------|------------|
| Load @ Meter | | | | | |
| (Less) NLSL | 342,068 | 342,068 | 342,068 | 342,068 | 342,068 |
| | | | | | |
| Total Retail | 21,673,940 | 21,865,830 | 22,085,262 | 22,312,264 | 22,538,210 |
| Load | | | | | |
| (Net or NLSL) | | | | | |
| Distribution Loss | 599,609 | 604,835 | 610,812 | 616,994 | 623,148 |
| | | | | | |
| Total Contract | 22,273,549 | 22,470,665 | 22,696,074 | 22,929,258 | 23,161,358 |
| System Load | | | | | |

AVERAGE SYSTEM COST

| ASC (\$/MWh) | 51.48 | 49.37 | 49.20 | 48.71 | 48.36 | | |
|--------------|-------|-------|-------|-------|-------|--|--|
| | | | | | | | |

32 of 34 FINAL

WP-07-FS-BPA-13B Page 388 of 484

| Date (mid-year) | 4/1/2009 | 4/1/2010 | 4/1/2011 | 4/1/2012 | 4/1/2013 |
|-----------------|----------|----------|----------|----------|----------|
| Fiscal Year | 2009 | 2010 | 2011 | 2012 | 2013 |

Final Table 2: FY 2009-2013 ASC Summary – September 11, 2008

CONTRACT SYSTEM COST (\$)

| Production | 1,001,429,090 | 964,635,860 | 972,845,032 | 973,829,991 | 977,745,929 |
|--------------|---------------|---------------|---------------|---------------|---------------|
| | | | | | |
| Transmission | 172,107,523 | 170,231,271 | 168,517,142 | 166,841,503 | 165,247,996 |
| | | | | | |
| NLSL Fully | 58.07 | 55.78 | 55.70 | 55.18 | 54.74 |
| Allocated | | | | | |
| Cost | | | | | |
| (\$/MWh) | | | | | |
| (Less) NLSL | 19,865,032 | 19,078,938 | 19,052,436 | 18,876,147 | 18,726,097 |
| Costs | | | | | |
| Total | 1,153,671,581 | 1,115,788,194 | 1,122,309,738 | 1,121,795,347 | 1,124,267,828 |
| Contract | | | | | |
| System Cost | | | | | |

CONTRACT SYSTEM LOAD (MWh)

| Total Retail | 22,016,008 | 22,207,898 | 22,427,330 | 22,654,332 | 22,880,278 |
|-----------------------|------------|------------|------------|------------|------------|
| Load @ Meter | | | | | |
| (Less) NLSL | 342,068 | 342,068 | 342,068 | 342,068 | 342,068 |
| | | | | | |
| Total Retail | 21,673,940 | 21,865,830 | 22,085,262 | 22,312,264 | 22,538,210 |
| Load | | | | | |
| (Net or NLSL) | | | | | |
| Distribution Loss | 590,029 | 595,172 | 601,052 | 607,136 | 613,191 |
| | | | | | |
| Total Contract | 22,263,969 | 22,461,002 | 22,686,314 | 22,919,400 | 23,151,401 |
| System Load | | | | | |

AVERAGE SYSTEM COST

| ASC (\$/MWh) 51.82 49.68 49.47 48.95 48.56 |
|--|
|--|

33 of 34 FINAL

WP-07-FS-BPA-13B Page 389 of 484

VI. BPA STATEMENT

This ASC determination is BPAs best estimate of PacifiCorp's FY 2009 ASC based on the information and data provided from PacifiCorp during the Expedited Review Process, and based on the professional review, evaluation, and judgment of the BPA REP staff. Decisions made herein are not binding for purposes of the Final ASC determination for FY 2009. This determination is made solely for the purpose of providing estimated FY 2009 ASCs for use in the development of BPAs FY 2009 power rates in BPAs WP-07 Supplemental Rate Proceeding. Decisions made herein are not final ASC determinations for purposes of implementing the REP for FY 2009. Final ASC determinations used to calculate REP benefits for each exchanging Utility for FY 2009 will be established by BPA after a review of such Utilities' October 1, 2008, Appendix 1 filings. Such reviews will be conducted in compliance with the Final 2008 ASC Methodology.

BPA has resolved the issues set forth in Section III of this report, as amended, in accordance with the 2008 Average System Cost Methodology (ASCM) as it is currently described in the Final Record of Decision, and with generally accepted accounting principles. BPA believes the information and data contained herein fairly estimates the Average System of PacifiCorp for FY 2009 of the WP-07 Supplemental Wholesale Power Rate Adjustment Proceeding.

The Final Appendix 1 Filing, Forecast Model and NLSL assessment used to calculate PacifiCorp's ASCs can be viewed at BPAs ASC website: http://www.bpa.gov/corporate/finance/ascm/filings.cfm.

> 34 of 34 FINAL

WP-07-FS-BPA-13B Page 390 of 484

FINAL REPORT

WP-07 Supplemental Wholesale Power Rate Adjustment Proceeding: FY 2009 AVERAGE SYSTEM COST REPORT FOR

Portland General Electric Company

Docket Number: PG-PB-08-01 Effective Date: October 1, 2008

PREPARED BY BONNEVILLE POWER ADMINISTRATION U.S. DEPARTMENT OF ENERGY

September 11, 2008

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TABLE OF CONTENTS

| Sect | tion | | Page |
|------|-----------------------------------|--|-----------------------------|
| I. | FILI | NG DATA | 2 |
| II. | AVE A. B. C. D. E. | ERAGE SYSTEM COST: DETERMINATIONS Base Period 2006 FY 09 (Exchange Period) ASC without New Resource Additions (\$/MWh July 8, 2008 - FY 2009 ASC with New Resource Additions (\$/MWh) August 4, 2008 Revised FY 2009 ASC with New Resource Additions (\$/N September 11, 2008 – Final FY 2009 ASC with New Resource Additions (\$/MWh) | 2 h) 2 2 MWh) 2 |
| III. | EII I | NG REQUIREMENTS | |
| 111. | A. | Introduction | |
| | A. B. | ASC Determination Process Guidelines and Expedited Review Process | |
| | D. C. | Explanation of Schedules | |
| | C. | 1. Schedule 1 – Plant Investment/Rate Base | |
| | | Schedule 1 – Flant investigent rate Base Schedule 1A – Cash Working Capital | |
| | | Schedule 2 – Capital Structure and Rate of Return | |
| | | Schedule 2 – Capital Statement and Face of Teeran Schedule 3 – Expenses | |
| | | 5. Schedule 3A – Taxes | |
| | | 6. Schedule 3B – Other Included Items | 2 |
| | | 7. Schedule 4 – Average System Cost (\$/MWh) | 2 |
| | | 8. Distribution of Salaries and Wages | 2 |
| | | 9. Purchased Power and Sales for Resale | 2 |
| | | 10. New Large Single Load | 2 |
| | | 11. Labor Ratios | 2 |
| | D. | ASC Forecast | |
| | | 1. Forecast Contract System Cost | |
| | | 2. Forecast of Sales for Resale and Power Purchases | |
| | | 3. Forecast Contract System Load and Exchange Load | |
| | | 4. Major Resource Additions | |
| | | 5. Load Growth Not Met by New Resource Additions | 2 |
| IV. | REV | VIEW OF THE ASC FILING | 2 |
| | A. | Identification and Analysis of Issues from the May 7, 2008 ASC Appendi Filing | |
| | B. | Identification and Analysis of Issues from Comments to the July 8, 2008 A Draft Report | 2 |
| | C. | Identification and Analysis of Issues from Comments to the August 4, 200 Revised Draft ASC Report | 2 |
| | D. | August 4, 2008 - Exchange Period ASC New Resource Additions | 2 |
| | E. | July 8, 2008 - Exchange Period ASC New Resource Additions | |
| V. | FIN | AL EXPEDITED ASC FORECAST for FY 2009-2013 | |
| | | | |
| VI. | вру | STATEMENT | 2 |

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I. FILING DATA

<u>Utility</u>

Parties to the Filing

Portland General Electric
CompanyA complete list of intervening parties is located at the following
BPA web site:
http://www.bpa.gov/corporate/finance/ascm/Docs/Intervening_Parties.pdf121 SW Salmon St.
Portland, OR 97204http://www.bpa.gov/corporate/finance/ascm/Docs/Intervening_Parties.pdfEffective: October 1, 2008 – September 30, 2009
WP-07 Supplemental Wholesale Power Rate Adjustment Proceeding

II. AVERAGE SYSTEM COST: DETERMINATIONS

A. Base Period 2006

| | | July 8, 2008 | August 4, 2008 | Sept. 11, 2008 |
|-------------------------------------|-----------------|-----------------|-------------------|-------------------|
| | As Filed | As Amended | As Revised | Final |
| Production Cost | \$932,953,681 | \$855,327,775 | \$780,278,890 | \$780,278,890 |
| Transmission Cost | 113,905,007 | 108,758,429 | \$108,758,429 | \$108,758,429 |
| (Less) NLSL Costs | 13,165,394 | 16,433,428 | \$15,957,669 | \$15,957,669 |
| Contract System Cost | \$1,033,693,293 | \$947,652,776 | \$873,079,649 | \$873,079,649 |
| Total Retail Load (MWh) | 18,432,527 | 18,432,527 | 18,432,527 | 18,432,527 |
| (Less) NLSL | 328,992 | 328,992 | 328,992 | 328,992 |
| Total Retail Load (Net of NLSL) | 18,103,535 | 18,103,535 | 18,103,535 | 18,103,535 |
| Distribution Losses | 986.333 | 868,172 | 868,172 | 868,172 |
| Contract System Load | 19,089,868 | 18,971,707 | 18,971,707 | 18,971,707 |
| FY 2006 Base Period ASC (\$/MWh) | \$54.15 | \$49.95 | \$46.02 | \$46.02 |

| | July 8, | August 4, | Sept. 11, |
|-----------------------------------|------------|------------|-----------|
| | 2008 | 2008 | 2008 |
| | As Amended | As Revised | Final |
| FY 2009 (Rate Period) ASC without | | | |
| New Resource Additions (\$/MWh) | \$52.16 | \$50.22 | \$50.49 |

B. FY 09 (Exchange Period) ASC without New Resource Additions (\$/MWh)

C. July 8, 2008 - FY 2009 ASC with New Resource Additions (\$/MWh)

| Resource | Port Westward | Biglow Canyon | Selective Water Withdrawal | Biglow Canyon 2 |
|----------|---------------|----------------------|-------------------------------|------------------------|
| Delta* | \$3.38 | \$1.36 | \$0.63 | \$2.00 |

* Base ASC is \$52.16/MWh. The Delta is the differential between the additions of each of the four resource groups starting with the Base ASC.

D. August 4, 2008 Revised FY 2009 ASC with New Resource Additions (\$/MWh)

FY 2007-2009 New Resource Additions - See Table1 in Section III.B for details

| | | | Selective Water | |
|----------|----------------------|----------------------|-----------------|------------------------|
| Resource | Port Westward | Biglow Canyon | Withdrawal | Biglow Canyon 2 |
| Delta* | \$3.16 | \$1.35 | \$0.63 | \$1.99 |

* Base ASC is \$50.22/MWh. The Delta is the differential between the additions of each of the four resource groups starting with the Base ASC.

E. <u>September 11, 2008 – Final FY 2009 ASC with New Resource Additions</u> (\$/MWh)

| | | | Selective Water | |
|----------|---------------|----------------------|-----------------|------------------------|
| Resource | Port Westward | Biglow Canyon | Withdrawal | Biglow Canyon 2 |
| Delta* | \$3.13 | \$1.37 | \$0.60 | \$1.94 |

* Base ASC is \$50.49/MWh. The Delta is the differential between the additions of each of the four resource groups starting with the Base ASC.

III. FILING REQUIREMENTS

A. <u>Introduction</u>

Section 5(c)(l) of the Pacific Northwest Electric Power Planning and Conservation Act (Pacific Northwest Power Act), 16 U.S.C. § 839c(c)(l), establishes the Residential Exchange Program (REP). Any Pacific Northwest utility interested in participating in the REP may offer to sell power to Bonneville Power Administration (BPA) at the average system cost (ASC) of the utility's resources. In exchange, BPA offers to sell an "equivalent amount of electric power to such utility for resale to that utility's residential users within the region" at the BPA rate established pursuant to section 7(b)(l) of the Act. *See generally*, H.R. Rep. No. 976, Pt I, 96th Cong., 2d Sess. at 60 (1980).

The Act gives BPA's Administrator the discretionary authority to determine ASC on the basis of a methodology to be established in a public consultation proceeding. 16 U.S.C. 839c(c)(7). The only express statutory limits on the Administrator's authority are found in sections 5(c)(7)(A), (B) and (C) of the Act. 16 U.S.C. 839c(c)(7)(A), (B) and (C).

BPA's first ASC Methodology was developed in consultation with regional interests in 1981. *See* 48 FR 46,970 (Oct. 17, 1983). It was later revised in 1984. *See* 49 FR 39,293 (Oct. 5, 1984). In the mid-1990s, BPA and exchanging Utilities agreed to a number of termination agreements that provided for payments to each Utility through the remaining years of the Residential Purchase and Sale Agreements (RPSA) that implemented the REP. These termination agreements did not require the participating utilities to submit ASC filings.

In 2000, BPA executed REP Settlement Agreements with each IOU customer. The Agreements provided monetary benefits and power sales to the IOUs to resolve disputes regarding BPA's implementation of the REP. On May 3, 2007, the U.S. Court of Appeals for the Ninth Circuit issued a decision finding the Agreements unlawful. BPA therefore began efforts to resume the REP, including the development of RPSAs and a consultation proceeding to revise the 1984 ASC Methodology.

As with the previous ASC Methodologies, the 2008 ASC Methodology (ASCM) was developed in consultation with interested parties through a series of working group meetings conducted by BPA staff. The goal of the consultation process was to develop an administratively feasible ASC Methodology that would be technically sound, and comport with the Northwest Power Act. The Methodology is subject to review and approval by the Federal Energy Regulatory Commission (FERC or Commission).

BPA maintains a significant role in reviewing Utilities' ASC filings to ensure compliance with the 2008 ASCM. For more information regarding the 2008 ASCM, please refer to the *Final Record of Decision of the 2008 Average System Cost Methodology*, dated June 30, 2008.

Page 6 of 31 FINAL WP-07-FS-BPA-13B Page 397 of 484

B. ASC Determination Process Guidelines and Expedited Review Process

The purpose of BPA's expedited review process was to estimate exchanging Utilities' ASCs for FY 2009 that could be incorporated into BPA's WP-07 Supplemental Rate Proceeding in order to ensure that BPA's FY 2009 power rates established in that proceeding relied on the most accurate ASCs possible. For purposes of the expedited review process, and as specified in the Review Procedures of the proposed 2008 ASCM, on or before March 3, 2008, each exchanging utility (Utility) submitted a "base period ASC" to BPA using data from its 2006 FERC Form 1 and other supporting data. All data were submitted using BPA's proposed Appendix 1, an Excel-spreadsheet based model. The submittal of the Appendix 1 filing began the formal review and comment process to establish ASCs for the exchanging Utilities which is referred to as the Review Period. Although BPA reviewed the initial data in the context of BPA's initially proposed 2008 ASCM, BPA knew that it would be completing its proposed 2008 ASCM and issuing a Record of Decision supporting that ASCM near the end of June 2008. In order that the ASCs determined in the expedited review process would reflect as accurately as possible the ASCs that would be in effect for determining REP benefits for FY 2009, BPA reviewed the Utilities' filing under the criteria of BPA's Final 2008 ASCM. This ensured that the ASCs relied on by BPA in establishing its FY 2009 power rates would be as accurate as possible. Parties had a full and complete opportunity to intervene in BPA's expedited review process and to submit comments on BPA's proposed ASCs.

For details of the prospective Review Period and guidelines, see Attachment A to the 2008 Final Record of Decision of the 2008 Average System Cost Methodology, June 2008: 2008 Methodology for Determining the Average System Cost of Resources for Electric Utilities Participating in the Residential Exchange Program Established by Section 5(c) of the Pacific Northwest Electric Power and Conservation Act.

The 2008 ASCM incorporates, in part, the functionalization process and functionalization codes, with modifications, determined in the 1984 ASCM. Costs are assigned under functionalization codes to Production, Transmission, or Distribution/Other. Functionalization of each Account included in a Utility's ASC is in accordance to the functionalization prescribed in the 2008 ASCM, Attachment A, Table 1.

The ASCM allows Utilities to file multiple, contingent, ASCs to reflect changes to service territories, and allows for changes to ASCs resulting from major resource additions and reductions.

In summary, BPA reviewed ASCs during the expedited review process in accordance with the 2008 ASCM published June 30, 2008. After establishing a Base Period ASC determination, BPA used the ASC Forecast model, an Excel-based spreadsheet, to escalate the Base Period ASC forward to the effective rate period, FY 2009 (October 1, 2008 through September 30, 2009). The Base Period and Forecast ASC results are reported herein.

Page 7 of 31 FINAL WP-07-FS-BPA-13B Page 398 of 484

C. Explanation of Schedules

Utilities' Appendix 1 filings consist of a series of seven schedules and other supporting information, which present the data necessary to calculate ASC. The schedules and support data are as follows:

- 1. Schedule 1 Plant Investment/Rate Base
- 2. Schedule 1A Cash Working Capital calculation
- 3. Schedule 2 Capital Structure and Rate of Return
- 4. Schedule 3 Expenses
- 5. Schedule 3A Taxes
- 6. Schedule 3B Other Included Items
- 7. Schedule 4 Average System Cost
- 8. Distribution of Salaries and Wages
- 9. Purchased Power & Off-System Sales
- 10. New Large Single Load
- 11. Labor Ratios

1. Schedule 1 – Plant Investment/Rate Base

This schedule establishes the rate base used by the Utility. The calculation begins with a determination of the total Electric Plant In-Service, which includes the gross historical costs of the Intangible, General, Production, Transmission, and Distribution Plants. These values (and all subsequent values) are entered into the Appendix 1 filing as line items based on separate FERC account descriptions. Each line item (Account) is functionalized to Production, Transmission, or Distribution/Other in accordance to the functionalizations prescribed in the 2008 ASCM, Attachment A, Table 1.

Next, in order to reflect the book value of the remaining plant, depreciation and amortization reserves are evaluated and entered into the Appendix 1 form and functionalized. These are then subtracted from the Total Electric Plant In-Service to determine the Total Net Plant.

The resulting Total Net Plant is adjusted, where appropriate, to reflect additions in Cash Working Capital (calculated in Schedule 1A), Utility Plant, Property and Investments, Current and Accrued Assets, Deferred Debits. It is adjusted again, where appropriate, to deduct the Current and Accrued Liabilities, and Deferred Credits from the Total Net Plant. The outcome of these adjustments defines the Total Rate Base. When multiplied by the Rate of Return as determined in Schedule 2, the result is the Utility's return on investment.

2. Schedule 1A – Cash Working Capital

Cash working capital is a ratemaking convention that is not included in the Form 1, but is a part of all electric utility rate filings as a component of rate base. To determine the allowable amount of cash working capital in rate base for a Utility, BPA allows 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.

Page 8 of 31 FINAL WP-07-FS-BPA-13B Page 399 of 484

3. Schedule 2 – Capital Structure and Rate of Return

This schedule lists the data used by the Utility to develop the rate of return applied to the Utility's rate base developed on Schedule 1 to determine the Utility's return on investment.

IOUs use the weighted cost of capital (WCC) from the most recent State Commission Rate Order with a Federal income tax adjustment to determine the return calculation. The return on equity (ROE) used in the WCC calculation is grossed up for Federal income taxes at the marginal Federal income tax rate using the formula found in the ASC Methodology, Attachment A, Section IX, Endnote b. For Consumer-Owned Utilities (COU), the rate of return is equal to the COU's weighted cost of debt times total rate base.

4. Schedule 3 – Expenses

This schedule represents operations and maintenance expenses for the production of power, the transmission of electricity, and the distribution of electricity. Each expense item is functionalized as outlined in the ASCM, Table 1. Additional expenses associated with customer accounts, sales, and administrative and general expenses for both operations and maintenance are also included in this schedule. Depreciation and amortization for the associated plants are added to the operating and maintenance expenses to calculate Total Operating Expenses.

5. Schedule 3A – Taxes

This schedule presents allowable ASC cost for Federal employment tax and non-Federal taxes, including property and unemployment tax. State income tax, franchise fees, regulatory fees, and city/county taxes are included herein but are functionalized to Distribution/Other and therefore not incorporated in ASC. Taxes and fees for each state listed are grouped together and entered as "combined" line items for Appendix 1 filing purposes.

Federal income taxes included in ASC are calculated and described in Schedule 2 above, *Capital Structure and Rate of Return*.

6. Schedule 3B – Other Included Items

This schedule includes revenues from the disposition of plant, sales for resale, and other revenues, including electric revenues and revenues from transmission of electricity to others (wheeling). Items in this schedule are deducted from the total costs of each Utility.

7. Schedule 4 – Average System Cost (\$/MWh)

This schedule summarizes the cost information calculated in Schedules 2 through 3B: Federal income tax adjusted return on rate base, total operating expenses, state and other taxes, and other included items. The schedule also lists the load information, as defined below, and calculates the Utility's ASC.

Contract System Cost:

The Contract System Cost is the Utility's costs for production and transmission resources, including power purchases and conservation measures, which costs are includable in and subject to the provisions of Appendix 1. Costs to serve NLSL are excluded from ASC calculations. This Contract System Cost becomes the numerator in calculating ASC.

Page 9 of 31 FINAL WP-07-FS-BPA-13B Page 400 of 484

Contract System Load:

The Contract System Load is the total regional retail load included in the Form 1, or for a consumer-owned utility (preference customers) the total retail load from the most recent annual audited financial statement as adjusted pursuant to this Average System Cost Methodology. The denominator in the ASC calculation consists of the Contract System Load (MWh) of the Utility increased for distribution losses, and reduced by any New Large Single Load(s) (NLSL).

8. Distribution of Salaries and Wages

The supporting file is used to determine the Labor Ratio calculations and includes salaries and wages from relevant operations and maintenance of the electric plant.

9. Purchased Power and Sales for Resale

The Purchased Power is an Account of Schedule 3, *Expenses*, and includes all purchases the Utility made during the year, including power exchanges. Sales for Resale is an Account of Schedule 3B, *Other Included Items*, and includes power sales to purchasers other than ultimate consumers. Listed in the information for both Accounts is the statistical classification code for all transactions. Refer to the FERC Form 1, pages 310-311 for Sales for Resale and pages 326-237 for Purchased Power for identification of the classification codes.

10. New Large Single Load

A NLSL is any load associated with a new facility, an existing facility or an expansion of an existing facility which was not contracted for or committed to (CF/CT) prior to September 1, 1979, and will result in an increase in power requirements of the specific customer of ten average megawatts (10aMW) or more in any consecutive twelve-month period.

BPA determines the cost of serving NLSLs by using the fully allocated cost of <u>all post</u>-September 1, 1979, resources and long-term power purchases greater than five years in duration.

11. Labor Ratios

These ratios assign costs on a pro rata basis using salary and wage data for Production, Transmission, and Distribution/other functions included in the Utility's most recently filed Form 1. For COUs, comparable data is used based on the cost of service analysis (COSA) study used as the basis for retail rates in effect during the Base Year filing.

D. ASC Forecast

The Base Period ASC is an Excel-based forecasting model used to escalate the Base Period ASC data forward to the Exchange Period. For purposes of the expedited process, that Exchange Period is FY 2009. BPA uses Global Insight's (or its successor) forecast of cost increases for capital costs and fuel (except natural gas), O&M, and G&A expenses; BPA's forecast of market prices for IOU purchases to meet load growth and to estimate short-term and non-firm power purchase costs and sales revenues; BPA's forecast of natural gas prices; and BPA's estimates of the rates it will charge for its PF and other products. For additional background on the determination of Exchange Period ASCs, see details of the 2008 ASC Methodology, Section IV *Rules for Determining Exchange Period Average System Cost*, Subsection A.

Page 10 of 31 FINAL WP-07-FS-BPA-13B Page 401 of 484

1. Forecast Contract System Cost

Forecast Contract System Cost (CSC) are the Utility's forecast costs for production and transmission resources, including power purchases and conservation measures, which costs are includable in and subject to the provisions of Appendix 1. As outlined in the 2008 ASC Methodology, Section IV *Rules for Determining Exchange Period Average System Cost*, Subsection A, Forecast CSC, BPA escalates base period costs to the midpoint of the fiscal year for the FY 2009 rate period/Exchange Period to calculate Exchange Period ASCs. BPA projects the costs of power products purchased from BPA using BPA's forecast of prices for its products.

2. Forecast of Sales for Resale and Power Purchases

BPA does not normalize short-term purchases and sales for resale. The short-term purchases and sales for resale for the Base Period are used as the starting values for the forecast. The Utilities are then allowed to include new plant additions and use a Utility-specific forecast for the (1) price of purchased power and (2) sales for resale price, to value purchased power expenses and sales for resale revenue. For details, see the 2008 ASC Methodology, Section IV *Rules for Determining Exchange Period Average System Cost*, Subsection B.

3. Forecast Contract System Load and Exchange Load

All Utilities are required to provide a forecast of their Contract System Load and associated Exchange Load, as well as a current distribution loss study as described in the 2008 ASCM, Attachment A, endnote e/, with their Appendix 1 filing. The load forecast for Contract System Load and Exchange Load starts with the Base Period and extends through 4 years after the Exchange Period. The load forecast for Contract System Load and Exchange Load is provided on a monthly basis for the Exchange Period.

4. Major Resource Additions

BPA uses the method outlined in the 2008 ASC Methodology, Section IV *Rules for Determining Exchange Period Average System Cost*, Subsection C to determine the change in ASC due to major new resource additions or reductions, subject to meeting the materiality threshold of 2.5%. These additions include new production resource investments, new generating resource investments, new transmission investments, long-term generating contracts, pollution control and environmental compliance investments relating to generating resources, transmission resources or contracts, hydro relicensing costs and fees, and plant rehabilitation investments.

The exchanging Utility provides its forecast of any major resource addition and all associated costs. The forecast covers the period from the end of the Base Period (FY 2006) to the end of the Exchange Period (FY 2009).

The forecast of the major resource costs to be included in the Utility's Exchange Period ASC is reviewed and determined during the review period. All resources included prior to the start of the Exchange Period are projected forward to the mid-point of the Exchange Period.

5. Load Growth Not Met by New Resource Additions

All load growth not met by new resource additions is met by purchased power at the forecasted Utility-specific short-term purchased power price. BPA uses the method outlined in the 2008 ASC Methodology, Section IV *Rules for Determining Exchange*, Subsection D.

Page 11 of 31 FINAL WP-07-FS-BPA-13B Page 402 of 484

IV. REVIEW OF THE ASC FILING

A. <u>Identification and Analysis of Issues from the May 7, 2008 ASC Appendix 1</u> <u>Filing</u>

BPA is responsible for reviewing all costs and loads for determining ASCs in accordance with section 5(c) of the Northwest Power Act and the 2008 ASC Methodology. During this review and evaluation, issues were identified for comment. BPA's ASC determination is limited to specific findings on those issues identified for comment with the exception of ministerial or mathematical errors. There may have been additional issues that BPA did not identify for comment in this filing. Acceptance of a Utility's treatment of an item without comment is not intended to signify a decision of the proper interpretation to be applied either in subsequent filings or universally under the 2008 ASC Methodology.

The following is a summary of the Contract System Cost and Contract System Load filed on May 7, 2008 by Portland General Electric Company (PGE), and as amended following review and evaluation by BPA. The explanations for BPA's changes are outlined as appropriate by Appendix 1 schedule and supporting files below.

SCHEDULE 1: Plant Investment/Rate Base: - No Changes

SCHEDULE 1A: Cash Working Capital: – Changed due to changes from in Schedule 3

SCHEDULE 2: Capital Structure and Rate of Return: - No Changes

SCHEDULE 3: Expenses:

- 1. **REP Reversal:** PGE included the difference between the mark-to-market value of the purchase of BPA power at the RL rate and the cost of the RL power in its ASC filing as an REP Reversal. The BPA-PGE RL purchase power contract expired in September of 2006 ASC Filing.
 - a. <u>Statement of Issue</u>: Should the mark-to-market value of the PGE purchase of power at the RL rate be included in ASC on Schedule 3.
 - b. <u>Statement of Facts</u>: In the May 7th filing, PGE included mark-to-market value of the power it purchased from BPA at the RL rate. This contract was a part of BPA's REP Settlement Agreements that were invalidated by the 9th Circuit Court of Appeals in 2007. Under the REP Settlement agreement, BPA sold power to PGE at a rate far below what PGE could purchase the power for in the market. The difference between the value of the RL purchase at market prices and the cost of the power from BPA was distributed to PGE residential and small customers. The amount

Page 12 of 31 FINAL WP-07-FS-BPA-13B Page 403 of 484 distributed to PGE customers was reported on Schedule 3 as REP Reversal.

c. <u>Analysis of Position and Decision:</u> BPA made two adjustments to PGE's ASC filing to remove the effects of the REP Settlement Agreements. First, the REP reversal amount will be removed from Schedule 3 because the benefits distributed by PGE to its eligible customers are not an expense for ASC purposes. Second, because the purchased power contract between BPA and PGE associated with the REP Reversal expired in September of 2006, BPA will remove the MWh and cost for the RL purchase included in Account 555, Purchased Power in the 2009 ASC Forecast Model. The RL purchase will be replaced with purchases at the market price of power. This adjustment will show up as a negative in the Resource Additions table. Despite its language in the July 9, 2008 Draft Report that it made the above described adjustment, BPA did not make this adjustment in that Report, but has made it this version of PGE's ASC Report.

SCHEDULE 3A: Taxes: No Changes

SCHEDULE 3B: Other Included Items: No Changes

SCHEDULE 4: Average System Cost

- 1. **Contract System Load:** New Large Single Load (NLSL)
- 2. *PGE Comment*. PGE's July 23, 2008 comment stated that the New Large Single Load for 2006 was 22,950 MWhs.
- 3. *BPA Response*. PGE did not supply any documentation to support a reduction in the 2006 NLSL. BPA will continue to assume the NLSL value used in its PGE Draft ASC Report.
- 4. **Contract System Cost:** New Large Single Load (NLSL) Costs
- 5. BPA revised the cost of resources used to serve NLSLs to reflect transmission losses between the resource and delivery to the NLSL. All NLSLs are assumed to be served at transmission voltage and transmission losses include the transmission network losses for PGE, in addition to losses of other networks that power from resources travel over to get to the PGE network.

SUPPORTING DOCUMENTATION: Purchased Power and Sales for Resale – No Changes

Page 13 of 31 FINAL WP-07-FS-BPA-13B Page 404 of 484

SUPPORTING DOCUMENTATION: Salaries and Wages – No Changes

SUPPORTING DOCUMENTATION: Labor Ratios – No Changes

Miscellaneous Comments

PGE Comment. PGE's July 23, 2008 comment letter also suggested two minor corrections which BPA adopted.

PGE Comment. PGE's July 23, 2008 comment letter suggested that PGE's ASC Forecast Model did not accurately reflect the utility's value of production, transmission and general plant after 2010 and suggests that BPA apply the five-year average growth rate for production, transmission and general plant for the period 2002-2006 to the 2010-2013 period in the ASC Forecast Model.

BPA Response. PGE's issue is valid and BPA recognizes that some growth factor may by appropriate to apply in the ASC Forecast model. PGE's suggestion to use a five-year historical growth rate is but one of many possible methods to use to adjust projected production, transmission and general plant for replacements. BPA will defer consideration of this issue to its next Wholesale Power Rate Case when BPA and other parties will have the opportunity to analyze this issue in greater detail.

B. <u>Identification and Analysis of Issues from Comments to the July 8, 2008 ASC</u> <u>Draft Report</u>

SCHEDULE 1: Plant Investment/Rate Base:

- 1. Account 302, Intangible Plant Franchises and Consents: insufficient support and documentation for Direct Analysis
 - a. <u>Statement of Issue</u>: In the May 7 filing, PGE directly assigned this account to Production.
 - b. <u>Statement of Facts</u>: The 2008 ASCM permits Direct Analysis only for specified accounts. When utilities perform a Direct Analysis on an Account, they must submit sufficient documentation so that BPA can determine if the functionalization is reasonable. PGE's initial ASC filing did not contain enough information to determine if the functionalization of this Account to Production was reasonable. BPA raised this as an issue in its May 19, 2008 Issue List noting that Direct Analysis of an Account requires detailed documentation and support. In PGE's June 6, 2006 response to BPA's Issue List, additional documentation was provided that supports the functionalization of this Account to Production of this Account to Production and support. In PGE's June 6, 2006 response to BPA's Issue List, additional documentation was provided that supports the functionalization of this Account to Production. PGE's documentation showed that all of the costs in this Account are related

Page 14 of 31 FINAL WP-07-FS-BPA-13B Page 405 of 484 either to DEQ Permit costs for Coyote Springs power plant and hydro reliscensing costs.

- c. <u>Analysis of Position and Decision</u>: BPA accepts PGE's functionalization of Account 302, Intangible Plant Franchises and Consents.
- 2. Account 303, Intangible Plant Miscellaneous: insufficient support and documentation for Direct Analysis
 - a. <u>Statement of Issue</u>: In the May 7 filing, PGE directly assigned this Account.
 - b. <u>Statement of Facts</u>: The 2008 ASCM permits Direct Analysis only for specified accounts. PGE's initial ASC filing did not contain enough information to determine if the functionalization of this Account to was reasonable. BPA raised this as an issue in its May 19, 2008 Issue List noting that Direct Analysis of any an Account requires detailed documentation and support. In PGE's June 6, 2006 response to BPA's Issue List, additional documentation was provided that supports the functionalization of this Account. The documentation contained a detailed breakdown of the software costs by function and the allocation of the costs to Production, Transmission and Distribution/Other. The information was prepared using the OPUC unbundling methodology required under Oregon Senate Bill 1149. BPA agrees with PGE's functionalization. All of the costs contained in this Account are related to computer software.
 - c. <u>Analysis of Position and Decision</u>: BPA accepts PGE's functionalization of Account 303, Intangible Plant Miscellaneous.
- 3. **Account 182.3,** Other Regulatory Assets: functionalization of Price Risk and Derivative Assets.
 - a. <u>Statement of Issue</u>: In the May 7 filing, PGE functionalized Price Risk and Derivative Assets included in Account 182.3 directly to production.
 - b. <u>Statement of Facts</u>: The 2008 ASCM functionalizes Accounts 175, 176, 244 and 245, derivative assets and liabilities to distribution other. PGE's initial ASC functionalized derivative related costs that were included in Account 182.3, Regulatory Assets to Production. BPA raised this as an issue in its May 19, 2008 Issue List noting that Derivative related costs are functionalized to Distribution/Other. In PGE's June 6, 2006 response to BPA's Issue List, PGE noted that it has argued that these accounts are production-related and has no further comments.

Page 15 of 31 FINAL WP-07-FS-BPA-13B Page 406 of 484

- c. <u>Analysis of Position and Decision</u>: The 2008 requires that Accounts 175, 176, 244 and 245, derivative assets and liabilities be functionalized to Distribution/Other. The fact that PGE records some derivative related costs as Regulatory Assets does not allow PGE to functionalize these costs to Production. All derivative related costs are to be functionalized to Distribution/Other, irrespective of what Account they are recorded in. BPA disagrees with PGE on this issue and will functionalize the derivative and price risk management costs included in Account 182.3 to Distribution/Other.
- 4. Account 186, Miscellaneous Deferred Debits.
 - a. <u>Statement of Issue</u>: In the May 7 filing, PGE functionalized electricity option premium paid cost included in Account 186 directly to Production.
 - <u>Statement of Facts</u>: The 2008 ASCM functionalizes Accounts 175, 176, 244 and 245, derivative assets and liabilities to distribution other. PGE's initial ASC filing functionalized derivative related costs that were included in Account 186, Miscellaneous Deferred Debits to Production. BPA raised this as an issue in its May 19, 2008 Issue List noting that Derivative related costs are functionalized to Distribution/Other. In PGE's June 6, 2006 response to BPA's Issue List, PGE did not respond to this issue.
 - c. <u>Analysis of Position and Decision</u>: The 2008 requires that Accounts 175, 176, 244 and 245, derivative assets and liabilities be functionalized to Distribution/Other. The fact that PGE records some derivative related costs as Miscellaneous Deferred Debits does not allow PGE to functionalize these costs to Production. All derivative related costs are to be functionalized to Distribution/Other, irrespective of what Account they are recorded in. BPA disagrees with PGE on this issue and will functionalize the derivative and price risk management costs included in Account 186 to Distribution/Other.
- 5. Account 253, Other Deferred Credits.
 - a. <u>Statement of Issue</u>: In the May 7 filing, PGE functionalized deferred premiums on power options sold included in Account 253 directly to Production.
 - b. <u>Statement of Facts</u>: The 2008 ASCM functionalizes Accounts 175, 176, 244 and 245, derivative assets and liabilities to distribution other. PGE's initial ASC filing functionalized derivative related costs that were included in Account 253, Other Deferred Credits to Production. BPA

Page 16 of 31 FINAL WP-07-FS-BPA-13B

Page 407 of 484

raised this as an issue in its May 19, 2008 Issue List noting that Derivative related costs are functionalized to Distribution/Other. In PGE's June 6, 2006 response to BPA's Issue List, PGE did not respond to this issue.

c. <u>Analysis of Position and Decision</u>: The 2008 requires that Accounts 175, 176, 244 and 245, derivative assets and liabilities be functionalized to Distribution/Other. The fact that PGE records some derivative related costs as Other Deferred Credits does not allow PGE to functionalize these costs to Production. All derivative related costs are to be functionalized to Distribution/Other, irrespective of what Account they are recorded in. BPA disagrees with PGE on this issue and will functionalize the derivative and price risk management costs included in Account 253 to Distribution/Other.

SCHEDULE 1A: Cash Working Capital – Changed due to changes from in Schedule 3

SCHEDULE 2: Capital Structure and Rate of Return:

- 1. **Weighted Cost of Capital:** Weighted Cost of Capital from most recent commission rate order.
 - a. <u>Statement of Issue</u>: In the May 7 filing, PGE included the Weighted Cost of Capital from its Oregon PUC Rate filing that is currently under review by the Oregon Public Utility Commission.
 - b. <u>Statement of Facts</u>: BPA's 2008 ASCM allows utility's a return on equity in ASC starting from a Utility's most recent Regulatory Body-approved return. The utility includes the Weighted Cost of Capital from its most recently approved rate order on Schedule 2, which is then grossed up for Federal Income Taxes at the marginal tax rate. In the May 7th filing, PGE included the Weighted Cost of Capital from its Oregon PUC Rate filing that is currently under review by the Oregon Public Utility Commission. When notified of this in the ASC Expedited Review process, PGE submitted a corrected ASC filing, including the Weighted Cost of Capital from its most recently approved rate order.
 - c. <u>Analysis of Position and Decision:</u> BPA accepted PGE's revised changes to its Weighted Cost of Capital.

SCHEDULE 3: Expenses:

- 1. **REP Reversal:** PGE included the financial portion of the REP Reversal on Schedule 3 of its Initial ASC Filing.
 - a. <u>Statement of Issue</u>: In the May 7 filing, PGE included the financial portion of the REP Reversal on Schedule 3.
 - b. <u>Statement of Facts</u>: In the May 7 filing, PGE included the financial portion of the REP Reversal on Schedule 3. BPA raised this as an issue in its May 19, 2008 Issue List noting that the costs included in the REP Reversal should not include the financial portion of this transaction. In PGE's June 6, 2006 response to BPA's Issue List, agreed with BPA.
 - c. <u>Analysis of Position and Decision</u>: BPA will remove the financial portion of the REP Reversal from the amount included on Schedule 3. Because the purchased power contract between BPA and PGE associated with the REP Reversal expired in September of 2006, BPA will remove the REP Reversal and the associated entry included in Account 555, Purchased Power for the BPA/PGE contract in the 2009 ASC Forecast Model.

SCHEDULE 3A: Taxes:

- 1. Account 408.1 Federal Employment Taxes: Support for amounts included in Account 408.1.
 - a. <u>Statement of Issue</u>: In the May 7 filing, PGE did not included an explanation of the amounts included in Account 408.1 Federal Employment Taxes
 - b. <u>Statement of Facts</u>: In the May 7 filing, PGE did not included an explanation of the amounts included in Account 408.1 Federal Employment Taxes. BPA raised this as an issue in its May 19, 2008 Issue List asking for an explanation of amounts included in Account 408.1. In PGE's June 6, 2006 response to BPA's Issue List, PGE provided an explanation.
 - c. <u>Analysis of Position and Decision</u>: BPA accepts PGE's explanation of the amounts included in Account 408.1.

SCHEDULE 3B: Other Included Items:

- 1. Account 456 Other Electric Revenues: Support for direct analysis of this account.
 - a. <u>Statement of Issue</u>: BPA's 2008 ASCM requires that Account 456 Other Electric Revenues be functionalized using Direct Analysis with a default Functionalization to Production. In the May 7th filing, PGE did not perform a Direct Analysis and used the default functionalization to Production.
 - b. <u>Statement of Facts</u>: BPA's 2008 ASCM requires that Account 456 Other Electric Revenues be functionalized using Direct Analysis with a default Functionalization to Production. In its May 7th filing, PGE chose the default functionalization to Production for Account 456. BPA raised this as an issue in its May 19, 2008 Issue List asking for an explanation of amounts included in Account 456. In PGE's June 6, 2006 response to BPA's Issue List, PGE stated that it did not have time to perform a Direct Analysis on Account 456 and used the default functionalization to Production, but reserved the right to Perform a Direct Analysis in its October 2008 ASC filing on Account 456.
 - c. <u>Analysis of Position and Decision:</u> BPA accepts PGE's functionalization of Account 456.

SCHEDULE 4: Average System Cost

1. **Distribution Losses**:

- a. <u>Statement of Issue</u>: In its filing, PGE used a 5% Distribution Loss Factor in determination of its ASC.
- b. <u>Statement of Facts:</u> The May 7th filing Appendix 1 template did not require a Utility to complete a Distribution Loss Study to increase the Total Retail Load. As outlined in the ASCM ROD, BPA allows participating Utilities that have the ability to directly measure distribution losses on their system to submit such measurements, subject to BPA review and approval, with their ASC filings. Utilities that do not possess the capability to directly measure distribution losses on their system are required to submit a formal distribution loss study with their ASC filing. The distribution loss study is valid for a period of seven years.

Utilities that do not have the ability to directly measure distribution losses on their system and do not have a formal distribution loss study that was

> Page 19 of 31 FINAL WP-07-FS-BPA-13B Page 410 of 484

prepared within the previous seven years of the date of the ASC filing will use the default distribution loss study method described in the ASCM ROD, Section 4.10.5.

- c. Analysis of Position and Decision: For purposes of the expedited filing, BPA completed the Distribution Loss Factor calculation outlined in the ASCM ROD, Section 4.10.5.
- 2. **Contract System Load:** New Large Single Load (NLSL)
 - Statement of Issue: PGE submitted data identifying two potential NLSLs a. with usage of 328,992 MWh.
 - Statement of Facts: PGE submitted data identifying two potential NLSLs b. with usage of 328,992 MWh. BPA reviewed data on the NLSL supplied by PGE.
 - Analysis of Position and Decision: Section 5 (c) of the Northwest Power c. Act does not permit costs of servicing an NLSL to be included in the calculation of a Utility's ASC and BPA agrees with PGE's removal of the 2 potential NLSLs from Contract System Load.
- 3. Contract System Cost: New Large Single Load (NLSL) Costs
 - Statement of Issue: The May 7 filing Appendix 1 template includes an a. estimate of the costs of resources used to serve the 2 potential NLSLs.
 - Statement of Facts: PGE's estimate of the costs of resources used to serve b. the 2 potential NLSLs was prepared before BPA published the 2008 ASCM. BPA determined the cost of serving the potential NLSL using the fully allocated cost of all escalated base period post-September 1, 1979, resources and major resource additions and long-term power purchases (5 years or longer contracts) used to determine Exchange Period ASCs as outlined in the ASCM ROD, section 4.5.
 - c. Analysis of Position and Decision: Section 5 (c) of the Northwest Power Act does not permit costs of serving an NLSL to be included in the calculations of a Utility's ASC. BPA revised the costs of resources used to serve the 2 potential NLSLs in the Appendix 1 amended filing. The results are noted in Schedule 4 of the amended Appendix 1 filing and in Table 2 at the end of this report. In addition, BPA will publish its calculation of resource costs used to serve NLSLs for PGE and other utilities at the ASCM web site:

http://www.bpa.gov/corporate/finance/ascm/filings.cfm.

Page 20 of 31 **FINAL** WP-07-FS-BPA-13B Page 411 of 484

SUPPORTING DOCUMENTATION: Purchased Power and Sales for Resale –

- 1. **Account 555** Purchased Power: PGE's RL contract with BPA.
 - a. <u>Statement of Issue</u>: PGE's 2006 FERC Form 1 includes the costs and MWH associated with a purchase contract that expired in September of 2006.
 - b. <u>Statement of Facts:</u> BPA's ASC template did not include revenue associated with the Fale-Safe Corporation Purchase on Page 327.2, Line 8 and several miscellaneous adjustments included on Page 327.7.
 - c. <u>Analysis of Position and Decision</u>: For purposes of the expedited filing, BPA corrected PGE's ASC filing to include the items missed by the ASC template. It will review the ASC template to ensure that such items are not omitted in the future.

SUPPORTING DOCUMENTATION: Salaries and Wages – No Changes

SUPPORTING DOCUMENTATION: Labor Ratios

- 1. Maintenance of General Plant (GPM) Ratio: Miscellaneous Equipment
 - a. <u>Statement of Issue</u>: Incorrect functionalization of Labor Ratio "Miscellaneous Equipment in the Maintenance of General Plant (GPM)"
 - b. <u>Statement of Facts</u>: Miscellaneous Equipment in the Maintenance of General Plant Ratio was mistakenly functionalized to Distribution rather than PTD in the ASC Template.
 - c. <u>Analysis of Position and Decision</u>: BPA corrected the error and the functionalization of Miscellaneous Equipment in the Maintenance of General Plant Ratio was changed from Distribution to PTD in the ASC Template.

C. <u>Identification and Analysis of Issues from Comments to the August 4, 2008</u> <u>Revised Draft ASC Report</u>

SCHEDULE 1: Plant Investment/Rate Base-

- 1. For Account 108, line item "Capital Leases Common Plant" and In-Service: Depreciation of Common Plant
 - a. <u>Statement of Issue:</u> Errata corrections to the 2008 Average System Cost Methodology ("2008 ASCM") for Account 108, line item "Capital Leases Common Plant" (line 69 in the electronic template) and "In-Service: Depreciation of Common Plant (a)" (line 71 in the electronic template), remove the PTD option from functionalization "Method Optional" column.
 - b. <u>Analysis of Position and Decision</u>: This correction is necessary to equate all Common Plant accounts to DIRECT functionalization under Utility Plant: Common Plant (line 91 in the electronic template). There are no functionalization options under Common Plant and all accounts are to be functionalized by Direct analysis.
- 2. For Account 115, line item "Amortization of Acquisition Adjustments
 - a. <u>Statement of Issue</u>: Errata corrections to the 2008 Average System Cost Methodology ("2008 ASCM") for Account 115, line item "Amortization of Acquisition Adjustments (line 73 in the electronic template), remove option from functionalization "Method Optional" column (cell F73 in electronic template) and equate cell E73 to E92 (Acquisition Adjustments (Electric), Account 114, line 92 in electronic template).
 - b. <u>Analysis of Position and Decision</u>: This correction is necessary because Depreciation and Amortization Reserves must follow the same functionalization used for Utility Plant under Assets and Other Debits.

SCHEDULE 1A: Cash Working Capital – no changes from the August 4, 2008 report

SCHEDULE 2: Capital Structure and Rate of Return – no changes from the August 4, 2008 report

SCHEDULE 3: Expenses

1. For Account 406, line item "Amortization of Plant Acquisition Adjustments (Electric)

Page 22 of 31 FINAL WP-07-FS-BPA-13B Page 413 of 484

- a. <u>Statement of Issue:</u> Errata corrections to the 2008 Average System Cost Methodology ("2008 ASCM") for Account 406, line item "Amortization of Plant Acquisition Adjustments (Electric) (line 96 in the electronic template), equate cell E96 to Account 114 Schedule 1, *Plant Investment/Rate Base* (Acquisition Adjustments (Electric), (cell E92 in electronic template).
- b. <u>Analysis of Position and Decision</u>: This correction is necessary because Depreciation and Amortization expenses must follow the same functionalization used for Utility Plant under Plant Investment/Rate Base, Assets and Other Debits.
- 2. Account 908, line item "Customer Assistance Expenses (Major only)"
 - <u>Statement of Issue:</u> Errata corrections to the 2008 Average System Cost Methodology ("2008 ASCM") for Account 908, line item "Customer Assistance Expenses (Major only)" (line 52 in the electronic template) requires DIRECT analysis of conservation related expenses:
 - b. <u>Analysis of Position and Decision</u>: All exchangeable conservation costs may be functionalized to Production (PROD); all other costs will be functionalized to Distribution/Other (DIST).

SCHEDULE 3A: Taxes – no changes from the August 4, 2008 report

SCHEDULE 3B: Other Included – no changes from the August 4, 2008 report

SCHEDULE 4: Average System Cost - - no changes from the August 4, 2008 report

SUPPORTING DOCUMENTATION – Labor Ratios

- 1. For Labor Ratio Input: line item "Customer Service and Informational"
 - a. <u>Statement of Issue:</u> For Labor Ratio Input: line item "**Customer Service and Informational**" (line 17 in the electronic template), did not follow the same functionalization as Account 908 in Schedule 3.
 - b. <u>Analysis of Position and Decision</u>: This Ratio requires DIRECT analysis of conservation related expenses associated with Account 908: all exchangeable conservation costs may be functionalized to Production (PROD); all other costs will be functionalized to Distribution/Other (DIST).

Page 23 of 31 FINAL WP-07-FS-BPA-13B Page 414 of 484

D. August 4, 2008 - Exchange Period ASC New Resource Additions

The ASCM provides that changes to an established ASC are allowed to account for major new resource additions and purchases that are projected to come on-line or be purchased and used to meet that Utility's retail load during the BPA rate period. The change in ASC must meet the materiality threshold as the change in ASC resulting from adding major new resources, that is, a 2.5 percent or greater change in Base Period ASC. BPA allows Utilities to submit stacks of individual resources that, when combined, meet the materiality threshold. However, each resource in the stack must result in an increase of Base Period ASC of 0.5 percent or more.

PGE submitted the following information on new resources with their ASC filing. The first column shows the effect of removing the RL purchase from BPA. The model will replace the MWhs purchased at the RL rate with market purchases.

| | Onl | ine Year | 2007 | 2007 | 2007 | 2009 | 2009 |
|---|-------------|----------|--------------|-------------|-------------|------------|-------------|
| | Onlin | e Month | 1 | 6 | 12 | 4 | 4 |
| | | | 01/01/07 | 06/01/07 | 12/01/07 | 04/01/09 | 04/01/09 |
| Other Production Plant | | | | | | | |
| Other Production | 340-346 | | | 250,408,852 | 226,295,378 | 80,500,000 | 345,000,000 |
| Fuel Stock | 151 | | | | | | |
| Plant Materials and Operating Supplies | 154 | | | 89,568 | | | |
| EPA Allowances | 158.1-158.2 | | | · | | | |
| Other Expense | | | | | | | |
| Other Power - Fuel | 547 | | | 90,340,172 | 3,244,333 | | 2,296,333 |
| Other Power - Operations (Excluding 547 - Fuel) | 546-550 | | | 1,849,114 | 1,157,000 | | |
| Other Power - Maintenance | 551-554 | | | 4,323,592 | 3,727,000 | | |
| Property Insurance | 924 | | | 145,000 | 530,000 | 188,537 | 808,015 |
| Depreciation | 403 | OK | | 4,582,000 | 11,718,000 | 1,610,000 | 17,864,748 |
| Firm Sales for Resale (\$) | 447 | OSS & PP | | | | | |
| Firm Sales for Resale (MWh) | | OSS & PP | | | | | |
| Expected Annual Generation (MWh) | | OSS & PP | | 2,033,378 | 417,515 | 0 | 501,018 |
| Property Taxes Production | | | | · · · | | | - · |
| Total Production Property | 262 | | | 2,437,809 | 2,094,000 | 1,208,912 | 5,181,051 |
| Purchased Power Contracts (From BPA) | | | | | | | |
| PF Purchase Cost (\$) | | | | | | | |
| PF Purchased Power (MWh) | | | | | | | |
| Slice Purchase Cost (\$) | | | | | | | |
| Slice Purchased Power (MWh) | | | | | | | |
| PF Generic #1 Purchase (\$) | | | | | | | |
| PF Generic #1 Purchasd Power (MWh) | | | | | | | |
| PF Generic #2 Purchase (\$) | | | | | | | |
| PF Generic #2 Purchasd Power (MWh) | | | | | | | |
| Contract Termination (\$) | | | | | | | |
| Contract Termination (MWh) | | | | | | | |
| | | | | | | | |
| Purchased Power Contracts (Market) | | | | | | | |
| Contract Termination (\$) | | OSS & PP | (43,681,235) | | | | |
| Contract Termination (MWh) | | OSS & PP | (1,690,158) | | | | |
| Purchased Power (Excluding REP Reversal) | 555 | OSS & PP | | | | | |
| Purchased Power (MWh) | | OSS & PP | | | | | |
| System Control and Load Dispatching | 556 | | | | | | |
| Other Expenses | 557 | | | | | | |
| Transmission Plant | | | | | | | |
| Transmission Plant | 350-359 | | | 23,632,333 | | | |
| Plant Materials and Operating Supplies | | | | | | | |
| Transmission Expenses | | | | | | | |
| Transmission of Electricity to Others (Wheeling) | 565 | | | | | | |
| Total Operations less Wheeling | 560-567 | | | | | | |
| Total Maintenance | 568-573 | | | | | | |
| Property Insurance | 924 | | | | | | |
| Depreciation | 403 | | | 491,580 | | | |
| Other Electric Revenues | 456 | | | 171,000 | | | |
| Revenues from Transmission of Electricity of Others (i) | 456.1 | | | | | | |
| Property Taxes Transmission | 430.1 | | | | | | |
| Total Transmission Property | 262 | | | | | | |

Table 1: ASC New Resource Additions

Page 24 of 31 FINAL

WP-07-FS-BPA-13B Page 415 of 484

E. July 8, 2008 - Exchange Period ASC New Resource Additions

| | | | Online Year | 2007 | 2007 | 2009 | 2009 | 2007 |
|---|-------------|----------|--------------|-------------|-------------|------------|-------------|-------------|
| | | | Online Month | 6 | 12 | 4 | 4 | 1 |
| | | | | 06/01/07 | 12/01/07 | 04/01/09 | 04/01/09 | 01/01/07 |
| Other Production Plant | | | | | | | | |
| Other Production | 340-346 | | | 250,408,852 | 226,295,378 | 80,500,000 | 345,000,000 | |
| Fuel Stock | 151 | | | | | | | |
| Plant Materials and Operating Supplies | 154 | | | 89,568 | | | | |
| EPA Allowances | 158.1-158.2 | | | | | | | |
| Other Expense | | | | | | | | |
| Other Power - Fuel | 547 | | | 90,340,172 | 3,244,333 | | 2,296,333 | |
| Other Power - Operations (Excluding 547 - Fuel) | 546-550 | | | 1,849,114 | 1,157,000 | | | |
| Other Power - Maintenance | 551-554 | | | 4,323,592 | 3,727,000 | | | |
| Property Insurance | 924 | | | 145,000 | 530,000 | 188,537 | 808,015 | |
| Depreciation | 403 | OK | | 4,582,000 | 11,718,000 | 1,610,000 | 17,864,748 | |
| Firm Sales for Resale (\$) | 447 | OSS & PP | | | | | | |
| Firm Sales for Resale (MWh) | | OSS & PP | | | | | | |
| Expected Annual Generation (MWh) | | OSS & PP | | 2,033,378 | 417,515 | 0 | 501,018 | |
| Property Taxes Production | | | | | | | | |
| Total Production Property | 262 | | | 2,437,809 | 2,094,000 | 1,208,912 | 5,181,051 | |
| Purchased Power Contracts (From BPA) | | | | | | | | |
| PF Purchase Cost (\$) | | | | | | | | |
| PF Purchased Power (MWh) | | | | | | | | |
| Slice Purchase Cost (\$) | | | | | | | | |
| Slice Purchased Power (MWh) | | | | | | | | |
| PF Generic #1 Purchase (\$) | | | | | | | | |
| PF Generic #1 Purchasd Power (MWh) | | | | | | | | |
| PF Generic #2 Purchase (\$) | | | | | | | | |
| PF Generic #2 Purchasd Power (MWh) | | | | | | | | |
| PF Generic #3 Purchase (\$) | | | | | | | | |
| PF Generic #3 Purchasd Power (MWh) | | | | | | | | |
| Purchased Power Contracts (Market) | | | | | | | | |
| Purchased Power (Excluding REP Reversal) | 555 | OSS & PP | | | | | | (118,730,12 |
| Purchased Power (MWh) | | OSS & PP | | | | | | (1,690,15 |
| System Control and Load Dispatching | 556 | | | | | | | (-,)== |
| Other Expenses | 557 | | | | | | | |
| Transmission Plant | | | | | | 1 | | |
| Transmission Plant | 350-359 | | | 23,632,333 | | | | |
| Plant Materials and Operating Supplies | | | | | | | | |
| Transmission Expenses | | | | | | | | |
| Transmission of Electricity to Others (Wheeling) | 565 | | | | | | | |
| Total Operations less Wheeling | 560-567 | | | | | | | |
| Total Maintenance | 568-573 | | | | | | | |
| Property Insurance | 924 | | | | | | | |
| Depreciation | 403 | | | 491.580 | | | | |
| Other Electric Revenues | 456 | | | , | | | | |
| Revenues from Transmission of Electricity of Others (i) | 456.1 | | | | | | | |
| Property Taxes Transmission | | | | I | I | | | |
| Total Transmission Property | 262 | | | | | | | |

Table 1 Revised: ASC New Resource Additions

Page 25 of 31 FINAL

WP-07-FS-BPA-13B Page 416 of 484

V. FINAL EXPEDITED ASC FORECAST for FY 2009-2013

The following three tables summarize the forecast of Contract System Cost (CSC) and Contract System Load (CSL) for purposes of determining PGE's forecast ASCs for FY 2009 through FY 2013. Table 2: *FY 2009-2013 ASC Summary*, identifies the CSC, CSL, and PGE's ASCs published in the July 8, 2008 report. *Revised* Table 2: *FY 2009-2013 ASC Summary* identifies the revised CSC, CSL, and PGE's ASCs as appropriate and as a result of PGE's comments to the July 8, 2008 report. *Final* Table 2: *FY 2009-2013 ASC Summary* identifies the final CSC, CSL, and PGE's ASCs. The procedures used in making the July 8, 2008, determinations and any required changes published in both the August 4, 2008, and this final September 11, 2008, reports are outlined in the 2008 ASCM ROD and described herein. The results shown in all tables are forecasts for each year of the WP-07 rate test period (FY 2009-2013), as defined in section 7(b)(2) of the NW Power Act, and are used to calculate the PF Exchange Rate for FY 2009 of the WP-07 Supplemental Wholesale Power Rate Adjustment Proceeding (WP-07 Rate Case).

The BPA Forecast Model used to calculate the values shown below is located at <u>http://www.bpa.gov/corporate/finance/ascm/filings.cfm</u>.

Page 26 of 31 FINAL WP-07-FS-BPA-13B Page 417 of 484

Table 2: Draft FY 2009-2013 ASC Summary – July 8, 2008

| Date (mid-year) | 4/1/2009 | 4/1/2010 | 4/1/2011 | 4/1/2012 | 4/1/2013 |
|-----------------|----------|----------|----------|----------|----------|
| Fiscal Year | 2009 | 2010 | 2011 | 2012 | 2013 |

CONTRACT SYSTEM COST

| Production | \$983,882,624 | \$986,083,703 | \$997,133,635 | \$1,018,504,435 | \$1,042,287,576 |
|--------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Transmission | 114,158,885 | 114,630,209 | 115,352,492 | 116,117,639 | 116,958,740 |
| NLSL | 70.98 | 69.33 | 67.47 | 66.69 | 65.89 |
| Resource | | | | | |
| Cost | | | | | |
| (\$/MWh) | | | | | |
| (Less) NLSL | 23,352,660 | 22,810,279 | 22,197,059 | 21,940,281 | 21,678,532 |
| Costs | | | | | |
| Contract | \$1,074,688,849 | \$1,077,903,633 | \$1,090,289,068 | \$1,112,681,794 | \$1,137,567,783 |
| System Cost | | | | · · | |

CONTRACT SYSTEM LOAD

| Total Retail Load | 18,238,510 | 18,639,757 | 19,049,832 | 19,468,928 | 19,897,245 |
|-------------------|------------|------------|------------|------------|------------|
| @ Meter | | | | | |
| (Less) NLSL | 328,992 | 328,992 | 328,992 | 328,992 | 328,992 |
| Total Retail Load | 17,909,518 | 18,310,765 | 18,720,840 | 19,139,936 | 19,568,253 |
| (Net or NLSL) | | | | | |
| Distribution Loss | 859,034 | 877,933 | 897,247 | 916,987 | 937,160 |
| Contract | 18,768,552 | 19,188,698 | 19,618,087 | 20,056,923 | 20,505,413 |
| System Load | | | | | |

AVERAGE SYSTEM COST

| ASC (\$/MWh) \$57.26 | \$56.17 | \$55.58 | \$55.48 | \$55.48 |
|----------------------|---------|---------|---------|---------|
|----------------------|---------|---------|---------|---------|

Page 418 of 484

Table 2: Revised FY 2009-2013 ASC Summary – August 4, 2008

| Date (mid-year) | 4/1/2009 | 4/1/2010 | 4/1/2011 | 4/1/2012 | 4/1/2013 |
|-----------------|----------|----------|----------|----------|----------|
| Fiscal Year | 2009 | 2010 | 2011 | 2012 | 2013 |

CONTRACT SYSTEM COST

| Production | \$986,346,826 | \$979,019,415 | \$1,010,360,845 | \$1,033,551,441 | \$1,060,622,115 |
|------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Transmission | 114,158,885 | 114,630,209 | 115,352,492 | 116,117,639 | 116,958,740 |
| NLSL Fully | 73.33 | 69.43 | 69.48 | 68.77 | 67.96 |
| Allocated Cost | | | | | |
| (\$/MWh) | | | | | |
| (Less) NLSL | 24,124,218 | 22,842,949 | 22,859,327 | 22,623,455 | 22,359,524 |
| Costs | | | | | |
| Contract System | \$1,076,381,493 | \$1,070,806,676 | \$1,102,854,011 | \$1,127,045,625 | \$1,155,221,331 |
| Cost | | | | | |

CONTRACT SYSTEM LOAD

| Total Retail | 18,238,510 | 18,639,757 | 19,049,832 | 19,468,928 | 19,897,245 |
|-------------------|------------|------------|------------|------------|------------|
| Load @ Meter | | | | | |
| (Less) NLSL | 328,992 | 328,992 | 328,992 | 328,992 | 328,992 |
| Total Retail | 17,909,518 | 18,310,765 | 18,720,840 | 19,139,936 | 19,568,253 |
| Load | | | | | |
| (Net of NLSL) | | | | | |
| Distribution Loss | 859,034 | 877,933 | 897,247 | 916,987 | 937,160 |
| Contract | 18,768,552 | 19,188,698 | 19,618,087 | 20,056,923 | 20,505,413 |
| System Load | | | | | |

AVERAGE SYSTEM COST

| ASC (\$ | /MWh) | \$57.35 | \$55.80 | \$56.22 | \$56.19 | \$56.34 |
|---------|-------|---------|---------|---------|---------|---------|

Page 419 of 484

Table 2: Final FY 2009-2013 ASC Summary – September 11, 2008

| Date (mid-year) | 4/1/2009 | 4/1/2010 | 4/1/2011 | 4/1/2012 | 4/1/2013 |
|-----------------|----------|----------|----------|----------|----------|
| Fiscal Year | 2009 | 2010 | 2011 | 2012 | 2013 |

CONTRACT SYSTEM COST

| Production | \$989,569,836 | \$982,643,846 | \$1,014,355,729 | \$1,037,931,055 | \$1,065,378,501 |
|------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Transmission | 114,363,956 | 114,881,485 | 115,645,517 | 116,453,938 | 117,336,870 |
| NLSL Resource | 73.34 | 69.45 | 69.50 | 68.78 | 67.98 |
| Cost (\$/MWh) | | | | | |
| (Less) NLSL | 24,127,751 | 22,847,185 | 22,864,160 | 22,628,883 | 22,365,495 |
| Costs | | | | | |
| Contract System | \$1,079,806,041 | \$1,074,678,147 | \$1,107,137,086 | \$1,131,756,110 | \$1,160,349,876 |
| Cost | | | | | |

CONTRACT SYSTEM LOAD

| Total Retail | 18,238,510 | 18,639,757 | 19,049,832 | 19,468,928 | 19,897,245 |
|--------------|------------|------------|------------|------------|------------|
| Load @ Meter | | | | | |
| (Less) NLSL | 328,992 | 328,992 | 328,992 | 328,992 | 328,992 |
| Total Retail | 17,909,518 | 18,310,765 | 18,720,840 | 19,139,936 | 19,568,253 |
| Load (Net of | | | | | |
| NLSL) | | | | | |
| Distribution | 859,034 | 877,933 | 897,247 | 916,987 | 937,160 |
| Losses | | | | | |
| Contract | 18,768,552 | 19,188,698 | 19,618,087 | 20,056,923 | 20,505,413 |
| System Load | | | | | |

AVERAGE SYSTEM COST

| ASC (\$/MWh) \$57.53 \$56.01 \$56.43 | \$56.43 | \$56.59 |
|--------------------------------------|---------|---------|

Page 420 of 484

VI. BPA STATEMENT

This ASC determination is BPA's best estimate of PGE's FY 2009 ASC based on the information and data provided from PGE during the Expedited Review Process, and based on the professional review, evaluation, and judgment of the BPA REP staff. Decisions made herein are not binding for purposes of the Final ASC determination, FY 2009. This determination is made solely for purposes of providing estimated FY 2009 ASCs for use in the development of BPA's FY 2009 power rates in BPA's WP-07 Supplemental Rate Proceeding. Decisions made herein are not final ASC determinations for purposes of implementing the REP for FY 2009. Final ASC determinations used to calculate REP benefits for each exchanging Utility for FY 2009 will be established by BPA after a review of such Utilities' October 1, 2008, Appendix 1 filings. Such review will be conducted in compliance with the Final 2008 ASC Methodology.

BPA has resolved the issues set forth in Section III of this report, as amended, in accordance to the 2008 Average System Cost Methodology (ASCM) as it is currently described in the Final Record of Decision, and with generally accepted accounting principles. BPA believes the information and data contained herein fairly estimates the Average System Cost of PGE for FY 2009 of the WP-07 Supplemental Wholesale Power Rate Adjustment Proceeding.

The Final Appendix 1 Filing, Forecast Model, and NLSL assessment used to calculate PGE's ASCs can be viewed at BPA ASC website:

http://www.bpa.gov/corporate/finance/ascm/filings.cfm.

Page 30 of 31 FINAL WP-07-FS-BPA-13B Page 421 of 484 The page intentionally left blank.

FINAL REPORT

WP-07 Supplemental Wholesale Power Rate Adjustment Proceeding: FY 2009 AVERAGE SYSTEM COST REPORT FOR

Puget Sound Energy

Docket Number: PS-PB-08-01 Effective Date: October 1, 2008

PREPARED BY BONNEVILLE POWER ADMINISTRATION U.S. DEPARTMENT OF ENERGY

September 11, 2008

WP-07-FS-BPA-13B Page 423 of 484 This page intentionally left blank.

TABLE OF CONTENTS

| Sec | tion | | Page |
|------|------------------------|--|--|
| I. | FILI | NG DATA | 1 |
| II. | AVE A. B. C. | ERAGE SYSTEM COST: DETERMINATIONS Base Period 2006 FY 09 (Exchange Period) ASC without New Resource Additions (\$/MW FY 09 (Exchange Period) ASC with New Resource Additions (\$/MWh). | 1 h) 2 |
| III. | FILI A. B. C. | NG REQUIREMENTS Introduction ASC Determination Process Guidelines and Expedited Review Process Explanation of Schedules 1. Schedule 1 – Plant Investment/Rate Base 2. Schedule 1A – Cash Working Capital 3. Schedule 2 – Capital Structure and Rate of Return 4. Schedule 3 – Expenses 5. Schedule 3A – Taxes 6. Schedule 3B – Other Included Items 7. Schedule 4 – Average System Cost (\$/MWh) 8. Distribution of Salaries and Wages 9. Purchased Power and Sales for Resale | 2 3 4 5 5 5 5 5 6 6 |
| | D. | New Large Single Load | 6 7 7 7 7 7 7 |
| IV. | REV A. | TEW OF THE ASC FILING Identification and Analysis of Issues from the May 7, 2008 ASC Append Filing | ix 1 |
| | B. C. D. | Identification and Analysis of Issues from comments to the July 8, 2008 A Draft Report Identification and Analysis of Issues from comments to the August 4, 20 Draft Report Exchange Period ASC New Resource Additions | ASC 23 08 ASC 24 |
| V. | FINA | AL EXPEDITED ASC FORECAST for FY 2009-2013 | 26 |
| VI. | BPA | STATEMENT | 30 |

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I. FILING DATA

| <u>Utility</u> | Parties to the Filing |
|--|--|
| Puget Sound Energy P.O. Box 97034 Bellevue, WA 98009-9734 | A complete list of intervening parties is located at the following BPA web site: <u>http://www.bpa.gov/corporate/finance/ascm/Docs/Intervening_Parties.pdf</u> |

Effective: October 1, 2008 – September 30, 2009 WP-07 Supplemental Wholesale Power Rate Adjustment Proceeding

II. AVERAGE SYSTEM COST: DETERMINATIONS

A. Base Period 2006

| | As Filed | July 8, 2008 As Amended | August 4, 2008 As Revised | Sept. 11, 2008 Final |
|--|-----------------|----------------------------|------------------------------|-------------------------|
| Production Cost | \$1,218,999,283 | \$1,202,482,570 | \$1,202,482,570 | \$ 1,203,829,932 |
| Transmission Cost (Less) New Large Single Load Costs | \$ 86.098,233 | \$86,233,879 | \$86,233,879 | \$85,928,863 |
| Total Contract System Cost | \$1,305,097,516 | 1,288,716,449 | 1,288,716,449 | \$1,289,758,795 |
| Total Retail Load (MWh) | 21,099,045 | 21,099,045 | 21,099,045 | 21,099,045 |
| (Less) New Large Single Load | | | | 0 |
| Total Retail Load (Net NLSL) | 21,099,045 | 21,099,045 | 21,099,045 | 21,099,045 |
| Plus Distribution Losses | 966,336 | 1,052,842 | 1,052,842 | 1,052,842 |
| Total Contract System Load (MWh) | 22,065,381 | 22,151,887 | 22,151,887 | 22,151,887 |
| FY 2006 Base Period ASC (\$/MWh) | \$59.15 | \$58.18 | \$58.18 | \$58.22 |

1 of 30 FINAL

WP-07-FS-BPA-13B Page 427 of 484

B. FY 09 (Exchange Period) ASC without New Resource Additions (\$/MWh)

| | July 8, 2008 | August 4, 2008 | Sept. 11, 2008 |
|-----------------------------------|--------------|----------------|----------------|
| | As Amended | As Revised | Final |
| FY 2009 (Rate Period) ASC without | | | |
| New Resource Additions (\$/MWh) | \$62.67 | \$58.26 | \$59.71 |

C. FY 09 (Exchange Period) ASC with New Resource Additions (\$/MWh)

FY 2007-2009 New Resource Additions: N/A There are no New Resource Additions recorded.

III. FILING REQUIREMENTS

A. <u>Introduction</u>

Section 5(c)(l) of the Pacific Northwest Electric Power Planning and Conservation Act (Pacific Northwest Power Act), 16 U.S.C. § 839c(c)(l), establishes the Residential Exchange Program (REP). Any Pacific Northwest utility interested in participating in the REP may offer to sell power to Bonneville Power Administration (BPA) at the average system cost (ASC) of the utility's resources. In exchange, BPA offers to sell an "equivalent amount of electric power to such utility for resale to that utility's residential users within the region" at the BPA rate established pursuant to section 7(b)(l) of the Act. *See generally*, H.R. Rep. No. 976, Pt I, 96th Cong., 2d Sess. at 60 (1980).

The Act gives BPA's Administrator the discretionary authority to determine ASC on the basis of a methodology to be established in a public consultation proceeding. 16 U.S.C. 839c(c)(7). The only express statutory limits on the Administrator's authority are found in sections 5(c)(7)(A), (B) and (C) of the Act. 16 U.S.C. 839c(c)(7)(A), (B) and (C).

BPA's first ASC Methodology was developed in consultation with regional interests in 1981. See 48 FR 46,970 (Oct. 17, 1983). It was later revised in 1984. *See* 49 FR 39,293 (Oct. 5, 1984). In the mid-1990s, BPA and exchanging Utilities agreed to a number of termination agreements that provided for payments to each Utility through the remaining years of the Residential Purchase and Sale Agreements (RPSA) that implemented the REP. These termination agreements did not require the participating utilities to submit ASC filings.

In 2000, BPA executed REP Settlement Agreements with each IOU customer. The Agreements provided monetary benefits and power sales to the IOUs to resolve disputes regarding BPA's implementation of the REP. On May 3, 2007, the U.S. Court of Appeals for the Ninth Circuit issued a decision finding the Agreements unlawful. BPA therefore began efforts to resume the REP, including the development of RPSAs and a consultation proceeding to revise the 1984

2 of 30 FINAL

WP-07-FS-BPA-13B Page 428 of 484 ASC Methodology.

As with the previous ASC Methodologies, the proposed 2008 ASC Methodology (ASCM) was developed in consultation with interested parties through a series of working group meetings conducted by BPA staff. The goal of the consultation process was to develop an administratively feasible ASC Methodology that would be technically sound, and comport with the Northwest Power Act. The Methodology is subject to review and approval by the Federal Energy Regulatory Commission (FERC or Commission).

BPA maintains a significant role in reviewing Utilities' ASC filings to ensure compliance with the 2008 ASCM. For more information regarding the 2008 ASCM, please refer to the *Final Record of Decision of the 2008 Average System Cost Methodology*, dated June 30, 2008.

For more information regarding the proposed 2008 ASCM, refer to the *Final Record of Decision* of the 2008 Average System Cost Methodology, dated June 30, 2008.

B. ASC Determination Process Guidelines and Expedited Review Process

The purpose of BPA's expedited review process is to estimate exchanging Utilities' ASCs for FY 2009 that could be noticed by the Administrator and incorporated into BPA's WP-07 Supplemental Rate Proceeding in order to ensure that BPA's FY 2009 power rates established in that proceeding rely on the most accurate ASCs possible. For purposes of the expedited review process, and as specified in the Review Procedures of the proposed 2008 ASCM, on or before March 3, 2008, each exchanging utility (Utility) submitted a "base period ASC" to BPA using data from its 2006 FERC Form 1 and other supporting data. All data were submitted using BPA's proposed Appendix 1, an Excel-spreadsheet based model. The submittal of the Appendix 1 filing began the formal review and comment process to establish ASCs for the exchanging Utilities which is referred to as the Review Period. Although BPA reviewed the initial data in the context of BPA's initially proposed 2008 ASCM, BPA knew that it would be completing its proposed 2008 ASCM and issuing a Record of Decision supporting that ASCM near the end of June 2008. In order that the ASCs determined in the expedited review process would reflect as accurately as possible the ASCs that would be in effect for determining REP benefits for FY 2009, BPA reviewed the Utilities' filing under the criteria of BPA's Final 2008 ASCM. This ensured that the ASCs relied on by BPA in establishing its FY 2009 power rates would be as accurate as possible. Parties had a full and complete opportunity to intervene in BPA's expedited review process and to submit comments on BPA's proposed ASCs.

For details of the prospective Review Period and guidelines, see Attachment A to the 2008 Final Record of Decision of the 2008 Average System Cost Methodology, June 2008: 2008 Methodology for Determining the Average System Cost of Resources for Electric Utilities Participating in the Residential Exchange Program Established by Section 5(c) of the Pacific Northwest Electric Power and Conservation Act.

The 2008 ASCM incorporates, in part, the functionalization process and functionalization codes, with modifications, determined in the 1984 ASCM. Costs are assigned under functionalization

3 of 30 FINAL

WP-07-FS-BPA-13B Page 429 of 484 codes to Production, Transmission, or Distribution/Other. Functionalization of each Account included in a Utility's ASC is in accordance to the functionalization prescribed in the 2008 ASCM, Attachment A, Table 1.

The ASCM allows Utilities to file multiple, contingent, ASCs to reflect changes to service territories, and allows for changes to ASCs resulting from major resource additions and reductions.

In summary, BPA reviewed ASCs during the expedited review process in accordance with the 2008 ASCM published June 30, 2008. After establishing a base period ASC determination, BPA used the ASC Forecast model, an excel based spreadsheet, to escalate the base year ASC forward to the effective rate period, FY 2009 (October 1, 2008 thru September 30, 2009). The base year and forecast ASC results are reported herein.

C. Explanation of Schedules

Utilities' Appendix 1 filings consist of a series of seven schedules and other supporting information, which present the data necessary to calculate ASC. The schedules and support data are as follows:

- 1. Schedule 1 Plant Investment/Rate Base
- 2. Schedule 1A Cash Working Capital calculation
- 3. Schedule 2 Capital Structure and Rate of Return
- 4. Schedule 3 Expenses
- 5. Schedule 3A Taxes
- 6. Schedule 3B Other Included Items
- 7. Schedule 4 Average System Cost
- 8. Distribution of Salaries and Wages
- 9. Purchased Power & Off-System Sales
- 10. New Large Single Load
- 11. Labor Ratios

1. Schedule 1 – Plant Investment/Rate Base

This schedule establishes the rate base used by the Utility. The calculation begins with a determination of the total Electric Plant In-Service, which includes the gross historical costs of the Intangible, General, Production, Transmission, and Distribution Plants. These values (and all subsequent values) are entered into the Appendix 1 filing as line items based on separate FERC account descriptions. Each line item (Account) is functionalized to Production, Transmission, or Distribution/Other in accordance to the functionalizations prescribed in the 2008 ASCM, Attachment A, Table 1.

Next, in order to reflect the book value of the remaining plant, depreciation and amortization reserves are evaluated and entered into the Appendix 1 form and functionalized. These are then subtracted from the Total Electric Plant In-Service to determine the Total Net Plant.

4 of 30 FINAL

WP-07-FS-BPA-13B Page 430 of 484

The resulting Total Net Plant is adjusted, where appropriate, to reflect additions in Cash Working Capitol (calculated in Schedule 1A), Utility Plant, Property and Investments, Current and Accrued Assets, Deferred Debits. It is adjusted again, where appropriate, to deduct the Current and Accrued Liabilities, and Deferred Credits from the Total Net Plant. The outcome of these adjustments defines the Total Rate Base. When multiplied by the Rate of Return as determined in Schedule 2, the result is the Utility's return on investment.

2. Schedule 1A – Cash Working Capital

Cash working capital is a ratemaking convention that is not included in the Form 1, but a part of all electric utility rate filings as a component of rate base. To determine the allowable amount of cash working capital in rate base for a Utility, BPA allows 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.

3. Schedule 2 – Capital Structure and Rate of Return

This schedule lists the data used by the Utility to develop the rate of return applied to the Utility's rate base developed on Schedule 1 to determine the Utility's return on investment.

IOUs use the weighted cost of capital (WCC) from the most recent State Commission Rate Order with a Federal income tax adjustment to determine the return calculation. The return on equity (ROE) used in the WCC calculation is grossed up for Federal income taxes at the marginal Federal income tax rate using the formula found in the ASC Methodology, Attachment A, Section IX, Endnote b. For COUs, the rate of return is equal to the COU's weighted cost of debt.

4. Schedule 3 – Expenses

This schedule represents operations and maintenance expenses for the production of power, the transmission of electricity, and the distribution of electricity. Each expense item is functionalized as described above. Additional expenses associated with customer accounts, sales, and administrative and general expenses for both operations and maintenance are also included in this schedule. Depreciation and amortization for the associated plants are added to the operating and maintenance expenses to calculate Total Operating Expenses.

5. Schedule 3A – Taxes

This schedule presents allowable ASC cost for Federal employment tax and non-Federal taxes, including property and unemployment tax. State income tax, franchise fees, regulatory fees, and city/county taxes are included herein but are functionalized to Distribution/Other and therefore not incorporated in ASC. Taxes and fees for each state listed are grouped together and entered as "combined" line items for Appendix 1 filing purposes.

Federal income taxes included in ASC are calculated and described in Schedule 2 above, *Capital Structure and Rate of Return*.

6. Schedule 3B – Other Included Items

This schedule includes revenues from the disposition of plant, sales for resale, and other revenues, including electric revenues and revenues from transmission of electricity to others (wheeling). Items in this schedule are deducted from the total costs of each Utility.

5 of 30 FINAL

WP-07-FS-BPA-13B Page 431 of 484

7. Schedule 4 – Average System Cost (\$/MWh)

This schedule summarizes the cost information calculated in Schedules 2 through 3B: Federal income tax adjusted return on rate base, total operating expenses, state and other taxes, and other included items. The schedule also lists the load information, as defined below, and calculates the Utility's ASC.

Contract System Cost:

The Contract System Cost is the Utility's costs for production and transmission resources, including power purchases and conservation measures, which costs are includable in and subject to the provisions of Appendix 1. Costs to serve NLSL are excluded from ASC calculations. This Contract System Cost becomes the numerator in calculating ASC.

Contract System Load:

The Contract System Load is the total regional retail load included in the Form 1, or for a consumer-owned utility (preference customers) the total retail load from the most recent annual audited financial statement as adjusted pursuant to this Average System Cost Methodology. The denominator in the ASC calculation consists of the Contract System Load (MWh) of the Utility increased for distribution losses, and reduced by any New Large Single Load(s) (NLSL).

8. Distribution of Salaries and Wages

The supporting file is used to determine the Labor Ratio calculations and includes salaries and wages from relevant operations and maintenance of the electric plant.

9. Purchased Power and Sales for Resale

The Purchased Power is an Account of Schedule 3, *Expenses*, and includes all purchases the Utility made during the year, including power exchanges. Sales for Resale is an Account of Schedule 3B, *Other Included Items*, and includes power sales to purchasers other than ultimate consumers. Listed in the information for both Accounts is the statistical classification code for all transactions. Refer to the FERC Form 1, pages 310-311 for Sales for Resale and pages 326-237 for Purchased Power for identification of the classification codes.

10. New Large Single Load

A new large single load (NLSL) is any load associated with a new facility, an existing facility or an expansion of an existing facility which was not contracted for or committed to (CF/CT) prior to September 1, 1979, and will result in an increase in power requirements of the specific customer of ten average megawatts (10aMW) or more in any consecutive twelve-month period.

BPA determines the cost of serving NLSLs by using the fully allocated cost of <u>all</u> post-September 1, 1979, resources and long-term power purchases greater than five years in duration.

11. Labor Ratios

These ratios assign costs on a pro rata basis using salary and wage data for production, transmission, and distribution/other functions included in the Utility's most recently filed Form 1. For consumer-owned utilities, comparable data is used based on the cost of service study used as the basis for retail rates at the time of review.

6 of 30 FINAL

WP-07-FS-BPA-13B Page 432 of 484

D. ASC Forecast

The Base Period ASC is applied to an Excel-based forecasting model to escalate the Base Year ASC data forward to the Exchange Period. For purposes of the expedited process, that Exchange Period is FY 2009. BPA uses Global Insight's (or its successor) forecast of cost increases for capital costs and fuel (except natural gas), O&M, and G&A expenses; BPA's forecast of market prices for IOU purchases to meet load growth and to estimate short-term and non-firm power purchase costs and sales revenues; BPA's forecast of natural gas prices; and BPA's estimates of the rates it will charge for its PF and other products. For additional background on the determination of Exchange Period ASCs, see details of the 2008 ASC Methodology, Section IV *Rules for Determining Exchange Period Average System Cost*, Subsection A.

1. Forecast Contract System Costs

Forecast Contract System Costs (CSC) are the Utility's forecast costs for production and transmission resources, including power purchases and conservation measures, which costs are includable in and subject to the provisions of Appendix 1. As outlined in the 2008 ASC Methodology, Section IV *Rules for Determining Exchange Period Average System Cost*, Subsection A, Forecast CSC, BPA escalates base period costs to the midpoint of the fiscal year for the FY 2009 rate period/Exchange Period to calculate Exchange Period ASCs. BPA projects the costs of power products purchased from BPA using BPA's forecast of prices for its products.

2. Forecast of Sales for Resale and Power Purchases

BPA does not normalize short-term purchases and sales for resale. The short-term purchases and sales for resale for the Base Period are used as the starting values for the forecast. The Utilities are then allowed to include new plant additions and use a Utility-specific forecast for the (1) price of purchased power and (2) sales for resale price, to value purchased power expenses and sales for resale revenue. For details, see the 2008 ASC Methodology, Section IV *Rules for Determining Exchange Period Average System Cost*, Subsection B.

3. Forecast Contract System Load and Exchange Load

All Utilities are required to provide a forecast of their Contract System Load and associated Exchange Load, as well as a current distribution loss study as described in the 2008 ASCM, Attachment A, endnote e/, with their Appendix 1 filing. The load forecast for Contract System Load and Exchange Load starts with the Base Period and extends through 4 years after the Exchange Period. The load forecast for Contract System Load and Exchange Load is provided on a monthly basis for the Exchange Period.

4. Major Resource Additions

BPA uses the method outlined in the 2008 ASC Methodology, Section IV *Rules for Determining Exchange Period Average System Cost*, Subsection C to determine the change in ASC due to major new resource additions or reductions, subject to meeting the materiality threshold of 2.5%. These additions include new production resource investments, new generating resource investments, new transmission investments, long-term generating contracts, pollution control and environmental compliance investments relating to generating resources, transmission resources or contracts, hydro relicensing costs and fees, and plant rehabilitation investments.

7 of 30 FINAL

WP-07-FS-BPA-13B Page 433 of 484 The exchanging Utility provides its forecast of any major resource addition and all associated costs. The forecast covers the period from the end of the Base Period (FY 2006) to the end of the Exchange Period (FY 2009).

The forecast of the major resource costs to be included in the Utility's Exchange Period ASC is reviewed and determined during the review period. All resources included prior to the start of the Exchange Period are projected forward to the mid-point of the Exchange Period.

5. Load Growth Not Met by New Resource Additions

All load growth not met by new resource additions is met by purchased power at the forecasted Utility-specific short-term purchased power price. BPA uses the method outlined in the 2008 ASC Methodology, Section IV *Rules for Determining Exchange*, Subsection D.

IV. REVIEW OF THE ASC FILING

A. <u>Identification and Analysis of Issues from the May 7, 2008 ASC Appendix 1</u> <u>Filing</u>

BPA is responsible for reviewing all costs and loads for determining ASCs in accordance with section 5(c) of the Northwest Power Act and the 2008 ASC Methodology. During this review and evaluation, issues were identified for comment. BPA's ASC determination is limited to specific findings on those issues identified for comment with the exception of ministerial or mathematical errors. There may have been additional issues that BPA did not identify for comment in this filing. Acceptance of a Utility's treatment of an item without comment is not intended to signify a decision of the proper interpretation to be applied either in subsequent filings or universally under the 2008 ASC Methodology.

The following is a summary of the Contract System Costs and codes filed on May 7, 2008 by Puget Sound Energy (PSE), and as amended following review and evaluation by BPA. The explanations for BPA's changes are outlined as appropriate by Appendix 1 schedule and supporting files below.

SCHEDULE 1: Plant Investment/Rate Base

1. **302** Franchise & Consent; Snoqualmie Project #2493 License

- a. <u>Statement of Issue</u>: In the May 7 filing, Puget Sound Energy (PSE) directly assigned this account to Production, without supply adequate support for the Direct Analysis.
- b. <u>Statement of Facts</u>: Account 302 Franchise and Consent sub accounts are to be functionalized using Direct Analysis with a default functionalization using the PTD ratio.

8 of 30 FINAL

WP-07-FS-BPA-13B Page 434 of 484

- Puget Sound Energy's Response to the Issue: PSE's Snoqualmie Falls C. hydroelectric generating station is located on the Snoqualmie River, in Snoqualmie, Washington. The Snoqualmie Project consists of a diversion dam located 150 feet upstream from Snoqualmie Falls, and two powerhouses (Plants 1 and 2) with a total installed capacity of 44.4 MW. Snoqualmie Plant 1 was originally constructed in 1898 and contains the world's first completely underground powerhouse, built in a cavity 270 feet below Snoqualmie Falls. Snoqualmie Plant 2, about ¹/₄ a mile downstream from Plant 1, was built in 1910 and expanded in 1957. The original license for the Snoqualmie Project was issued on May 13, 1975, effective as of March 1, 1956. That license expired on December 31, 1993. PSE filed the Snoqualmie Project license application with FERC on November 25, 1991. FERC issued the new 40-year license on June 29, 2004. Snoqualmie Project #2493 License costs are amortized over the life of the new license which is 40 years.
- d. <u>Analysis of Position and Decision</u>: Puget Sound Energy has provided sufficient information to support the functionalization of Account 302 Franchise and Consent Snoqualmie Project #2493 License to Production.

2. Account 302 Franchise & Consent; Other

- a. <u>Statement of Issue</u>: In the May 7 filing, Puget Sound Energy directly functionalized this account without showing the basis of the direct assignments.
- b. <u>Statement of Facts</u>: Account 302 Franchise and Consent sub accounts are to be functionalized using Direct Analysis with a default functionalization using the PTD ratio.
- c. <u>Puget Sound Energy's Response to the Issue</u>: For purposes of PSE's ASC Methodology Expedited Process and Consultation ASC template, electric franchise and license costs other than production facility licensing costs in this account are currently functionalized in the direct analysis using the PTD ratio. This functionalization may be updated if and when additional data about these assets becomes available, or PSE may use the CORPORATE ratio as a proxy for the cross functional nature of these assets.
- d. <u>Analysis of Position and Decision</u>: Puget Sound Energy used the PTD ratio to functionalizes Account 302 Franchise & Consent; Other. In the October 1, 2008 filing Puget Sound Energy will be required to show that the data within Account 302 Franchise & Consent; Other should be functionalized with the PTD ratio.

3. Account 303 Intangible Miscellaneous– Rock Island

9 of 30 FINAL

WP-07-FS-BPA-13B Page 435 of 484

- a. <u>Statement of Issue</u>: In the May 7 filing, Puget Sound Energy directly functionalized this account to Production without showing the basis of the direct assignments.
- b. <u>Statement of Facts</u>: Account 303 Intangible Miscellaneous sub accounts are to be functionalized using Direct Analysis with a default functionalization of Distribution/Other.
- c. <u>Puget Sound Energy's Response to the Issue:</u> The Rock Island Expansion costs in this account relate to expansion of the Rock Island Dam hydroelectric generating station. PSE shares in the cost of this production asset.
- d. <u>Analysis of Position and Decision</u>: Puget Sound Energy has provided sufficient information to support the functionalization of Account 303 Intangible Miscellaneous: Rock Island to Production.

4. Account 303 Intangible Miscellaneous– Other

- a. <u>Statement of Issue</u>: In the May 7 filing, Puget Sound Energy directly functionalized this account without showing the basis of the direct assignments.
- b. <u>Statement of Facts</u>: Account 303 Intangible Miscellaneous: Other sub accounts are to be functionalized using Direct Analysis with a default functionalization of Direct Distribution.
- c. <u>Puget Sound Energy's Response to the Issue</u>: For purposes of PSE's ASC Methodology Expedited Process and Consultation ASC template, these other costs in this account will be functionalized across production, transmission and distribution using the CORPORATE ratio direct analysis. The CORPORATE ratio reflects the cross functional utilization of these technology assets.
- <u>Analysis of Position and Decision</u>: Puget Sound Energy used a "Corporate Ratio" to functionalize Account 303 Intangible Miscellaneous: Other. This account is to be functionalized with either Direct Analysis or directly to Distribution. The "Other" sub accounts of Account 303 represent approximately 91% of Account 303 Intangible Miscellaneous: Other. Direct Analysis requires the utility to provide the listing of the items in this account as well as adequate support for the functionalization. In the October 1, 2008 ASC filing Puget Sound Energy will be required to functionalize this account using Direct Analysis, direct analysis of any functionalization ratio used or with the Default to Distribution.

10 of 30 FINAL

WP-07-FS-BPA-13B Page 436 of 484

5. Account 182.3 Other Regulatory Assets - Def AFUDC - Regulatory Asset

- <u>Statement of Issue</u>: In its May 7 filing, Puget Sound Energy functionalized Account 182.3 Other Regulatory Assets - Def AFUDC -Regulatory Asset to Production, Transmission and Distribution using the PTD ratio.
- b. <u>Statement of Facts</u>: Account 182.3 Other Regulatory Assets is to functionalize using Direct Analysis, with the default functionalization being Direct Distribution. AFUDC is a component of CWIP. CWIP is functionalized to Distribution.
- Puget Sound Energy's Response to the Issue: This regulatory asset No. C. 18230031 018230031 Electric - Def AFUDC - Regulatory Asset - relates to the excess of WUTC allowed AFUDC over the amount allowed by FERC through the FERC formula. The balance in this account is amortized monthly to order 40600021 Electric WUTC AFUDC amortization, per docket U-82-38. This regulatory asset is part of the jurisdictional rate base calculation. Authorization of Regulatory Treatment is included in Washington Commission order UE-060266 and UG-060267. For purposes of the ASC Methodology Expedited Process and Consultation ASC template, the DIRECT analysis of this regulatory asset resulted in it being functionalized to PTD to reflect the cross functional characteristics of CWIP which can be production, transmission, or distribution-related construction. This functionalization may be updated if and when additional data about the underlying construction projects becomes available.
- d. <u>Analysis of Position and Decision</u>: Puget Sound Energy shows that this account is part of their rate proceedings. However AFUDC is closed to CWIP. CWIP is not an exchangeable cost. BPA has functionalized Account 182.3 Other Regulatory Assets Def AFUDC Regulatory Asset to Distribution.

6. Account 182.3 Other Regulatory Assets - FAS 109 Taxes

- <u>Statement of Issue</u>: In its May 7 filing, Puget Sound Energy functionalized Account 182.3 Other Regulatory Assets – FAS 109 Taxes using the PTD ratio.
- b. <u>Statement of Facts</u>: Federal Income taxes are calculated using the Marginal Tax Calculation. All other Federal Taxes, (Assets/Liabilities) are to be functionalized to Distribution.

11 of 30 FINAL

WP-07-FS-BPA-13B Page 437 of 484

- c. <u>Puget Sound Energy's Response to the Issue</u>: For purposes of the ASC Methodology Expedited Process and Consultation ASC template, PSE revises the functionalization of this asset to other.
- d. <u>Analysis of Position and Decision</u>: Puget Sound Energy agrees with BPAs position and Account 182.3 Other Regulatory Assets – FAS 109 Taxes will be functionalized to Distribution.

7. Account 182.3 Other Regulatory Assets - Tenaska Regulatory Asset

- a. <u>Statement of Issue</u>: In its May 7 filing, Puget Sound Energy functionalized Account 182.3 Other Regulatory Assets – Tenaska Regulatory Asset to Production without sufficient information to support the Direct Analysis.
- b. <u>Statement of Facts</u>: Account 182.3 Other Regulatory Assets is to be functionalize using Direct Analysis, with the default functionalization being Direct Distribution,
- c. <u>Puget Sound Energy's Response to the Issue</u>: PSEs regulatory asset No. 018230001 Tenaska Regulatory Asset relates to PSE's gas contract for the Tenaska cogeneration facility. This account includes the buyout cost and capitalized interest related to purchasing supply contracts on PURPA facilities. The deferred balance of each activity will be amortized over the life of the contract, per docket UE-971619. This asset is part of the jurisdictional rate base calculation. The regulatory treatment of the Tenaska Regulatory Asset is described in WUTC Docket No. UE-031725 at paragraph 95. Per paragraph 95(1), PSE will recover fully its Tenaska-related costs if net Tenaska costs fall at or below the benchmark. Paragraph 95(2) describes the consequences on return of the asset if the benchmarks are not met. The paragraph goes on to say that PSE will recover fully the actual costs of gas and return of the regulatory asset even if the benchmark is exceeded.
- d. <u>Analysis of Position and Decision</u>: Puget Sound Energy has provided adequate support for the Direct Analysis of Account 182.3 Other Regulatory Assets – Tenaska Regulatory Asset to Production.

8. Account 182.3 Other Regulatory Assets – 2001 & 2004 Rate Case Electric

- a. <u>Statement of Issue</u>: In its May 7 filing, Puget Sound Energy functionalized Account 182.3 Other Regulatory Assets – 2001 & 2004 Rate Case Electric Asset using the CORPORATE DIRECT analysis ratio.
- b. Statement of Facts Account 182.3 Other Regulatory Assets is to functionalize using Direct Analysis, with the default functionalization

12 of 30 FINAL

WP-07-FS-BPA-13B Page 438 of 484

being Direct Distribution. The cost of Rate Cases either as a deferred asset or a direct cost (Account 928 Regulatory Commission Expenses) is to be functionalized to Distribution.

- c. <u>Puget Sound Energy's Response to the Issue</u>: This asset relates to a General Rate case with the WUTC. General rate cases with the WUTC address the production, transmission and distribution functions of utility service. For purposes of PSE's ASC Methodology Expedited Process and Consultation ASC template, these general rate case related regulatory assets and associated amortization expense is functionalized using the CORPORATE DIRECT analysis ratio to reflect the cross-functional nature of the topics addressed in general rate case proceeding.
- <u>Analysis of Position and Decision</u>: Puget Sound Energy shows that this account represents a cost of business, however costs associated with rate cases or regulatory proceedings is to be functionalized to Distribution. BPA has functionalized Account 182.3 Other Regulatory Assets - Def AFUDC - Regulatory Asset_to Distribution.

9. Account 182.3 Other Regulatory Assets - Hopkins Ridge BPA Transmission Upgrades

- a. <u>Statement of Issue</u>: In its May 7 filing, Puget Sound Energy functionalized Account 182.3 Other Regulatory Assets – Hopkins Ridge BPA Transmission Upgrades to Production.
- b. <u>Statement of Facts</u>: Account 182.3 Other Regulatory Assets is to be functionalized using Direct Analysis, with the default functionalization being Direct Distribution.
- c. <u>Puget Sound Energy's Response to the Issue</u>: PSE had intended to functionalize this Hopkins Ridge BPA Transmission Upgrades asset to Transmission in the ASC Methodology Expedited Process and Consultation ASC template.
- d. <u>Analysis of Position and Decision</u>: Puget Sound Energy agrees that Account 182.3 Other Regulatory Assets – Hopkins Ridge BPA Transmission Upgrades should be functionalized to Transmission. BPA has functionalized Account 182.3 Other Regulatory Assets – Hopkins Ridge BPA Transmission Upgrades to Transmission.

10. Account 182.3 Other Regulatory Assets - Electric - BPA Power Exch Invstmt - Reg Asset

13 of 30 FINAL

WP-07-FS-BPA-13B Page 439 of 484

- a. <u>Statement of Issue</u>: In its May 7 filing, Puget Sound Energy functionalized Account 182.3 Other Regulatory Assets - Electric - BPA Power Exch Invstmt - Reg Asset to Production.
- b. <u>Statement of Facts:</u> Account 182.3 Other Regulatory Assets is to be functionalized using Direct Analysis, with the default functionalization being Direct Distribution.
- c. <u>Puget Sound Energy's Response to the Issue</u>: Line 4 of page 232 Other Regulatory Assets in the FERC Form 1 is comprised of two offsetting accounts: Regulatory Asset No. 018230071 Electric - BPA Power Exch Invstmt - Reg Asset, and Regulatory Asset No. 018230081 Electric - BPA Power Exch Inv Amort - Reg Asset. This account is used to record the amortization of the BPA Power Exchange Investment recorded in account 18230071, per Cause U-89-2688-T. Both of these accounts are part of the jurisdictional rate base calculation. These accounts are functionalized to production.
- <u>Analysis of Position and Decision</u>: Puget Sound Energy has provided sufficient information to support the functionalization of Account 182.3 Other Regulatory Assets - Electric - BPA Power Exch Invstmt - Reg Asset to Production.

11. Account 182.3 Other Regulatory Assets - Chelan County PUD Contract Initiation

- a. <u>Statement of Issue</u>: In its May 7 filing, Puget Sound Energy functionalized Account 182.3 Chelan County PUD Contract Initiation to Production without adequate information to support this functionalization
- b. <u>Statement of Facts</u>: Account 182.3 Other Regulatory Assets is to be functionalized using Direct Analysis, with the default functionalization being Direct Distribution.
- c. <u>Puget Sound Energy's Response to the Issue</u>: This regulatory asset relates to the Chelan County PUD Contract Initiation fee paid by PSE to Chelan County PUD for a new 20 year contract that will commence after the current 50 year contract expires in 2011. This regulatory asset accrues interest at the net of tax rate of return because the customers that will be receiving the benefit of the power should pay the carrying costs of securing the power. Amortization of this asset will begin once the power under the new contract starts being delivered to PSE. This regulatory asset and its associated amortization, once that commences, should be functionalized to production.

14 of 30 FINAL WP-07-FS-BPA-13B

Page 440 of 484

d. <u>Analysis of Position and Decision</u>: Puget Sound Energy has provided information that shows Account 182.3 Chelan County PUD Contract Initiation is a Regulatory Asset. However, the asset will not be recovered in rates prior to the end current Chelan contract that expires in 2011. Since this account is not part of Puget's rate base for regulatory purposes, Account 182.3 Chelan County PUD Contract Initiation is a Regulatory Asset will be functionalized to Distribution.

SCHEDULE 1A: Cash Working Capital – no changes

SCHEDULE 2: Capital Structure and Rate of Return

1. **Embedded Cost of Debt**

- a. <u>Statement of Issue</u>: Did Puget Sound Energy use the Correct Weighted Cost of Debt.
- b. <u>Statement of Facts</u>: Puget Sound Energy provided a 6.83% cost of Debt. The weighted cost of debt is calculated to be 3.82%. BPA asked why the cost of debt varied from 6.819%
- c. <u>Puget Sound Energy's Response to the Issue</u>: For purposes of PSE's ASC Methodology Expedited Process and Consultation ASC template, PSE's weighted cost of debt is equal to 3.82%. This result is based on an average cost of 6.83% (comprised of the costs of Long-Term Debt, Short-Term Debt and Trust Preferred) and a capitalization ratio of 55.95% per ORDER 08 in WUTC DOCKETS UE-060266 and UG-060267 (consolidated).
- d. <u>Analysis of Position and Decision</u>: Puget Sound Energy has provided sufficient information that supports the use of 6.83% cost of Debt.

SCHEDULE 3: Expenses

1. Account 908 - Customer Assistance Expenses (Major only)

- a. <u>Statement of Issue</u>: The functionalization of Account 908 Customer Assistance Expenses was functionalized using Direct Analysis.
- b. <u>Statement of Facts</u>: Functionalization using Direct Analysis for Account 908 Customer Assistance Expenses is required. Direct Analysis must be supported with sufficient details of the account and justification of the functionalization.
- c. <u>Puget Sound Energy's Response to the Issue</u>: For ratemaking purposes, conservation is a production resource. All conservation related

15 of 30 FINAL

WP-07-FS-BPA-13B Page 441 of 484

expenditures (regulatory assets and their associated amortization expense) are therefore functionalized to production in the ASC. Conservation expenditures and the amortization rates used to amortize those expenditures are determined based on applying PSE's production classification and production allocation factors (peak credit method) to conservation expenditures (per the WUTC conservation tracker/rider cost recovery provisions.) Amortization of conservation expenditures using these amortization rates are booked to Account 908 and these costs in account 908 are therefore functionalized to production in the ASC.

d. <u>Analysis of Position and Decision</u>: Puget Sound Energy has provided sufficient information that supports the functionalization of Account 908 Customer Assistance Expenses.

2. Account 908 - Customer Assistance Expenses: Low Income Program

- a. <u>Statement of Issue</u>: Correct functionalization of Account 908 Customer Assistance Expenses was functionalized using Direct Analysis.
- b. <u>Statement of Facts</u>: Functionalization using Direct Analysis for Account 908 Customer Assistance Expenses Low Income Program is required. Direct Analysis must be supported with sufficient details of the account and justification of the functionalization.
- c. <u>Puget Sound Energy's Response to the Issue</u>: Several programs (PSE Help Program, Warm Home Fund, and LIHEAP Program) are available to low-income customers of PSE to help reduce natural gas or electricity bills and make homes more weatherproof. This assistance can help customers avoid having to choose between paying their utility bill and paying for other necessities such as food, rent, or medicine. Most of these programs are administered by the Energy Assistance Agencies.
 - 1. PSE's HELP Program provides additional bill-payment assistance (beyond the federal LIHEAP program) to qualified PSE customers.
 - 2. The PSE HELP Program is funded by PSE rate payers through low income tracker/rider rates. Billed low income revenue resulting from these tracker/rider rates is reclassified to a liability by recording the total offsetting expense to a sub account in Account 908.
 - 3. The low income funds are used to pay for the retail utility services provided to the low income customer from the utility's production, transmission and distribution system.

16 of 30 FINAL

- 4. The Account 908 Low income liability should be functionalized using a method that reflects the utility-wide nature of the services being funded for the low income customer (i.e., retail utility service). For purposes of PSE's ASC Methodology Expedited Process and Consultation ASC template, the CORPORATE ratio was used. This ratio is a composite of functionalized return on rate base plus functionalized operation and maintenance (O&M) expense net of purchase power. The ratio reflects the plant/asset component of utility service as well as the operation and maintenance expense incurred by PSE to provide retail service.)
- d. <u>Analysis of Position and Decision</u>: Puget Sound Energy is correct in functionalizing conservation to Production. Because this account is tied to Account 253 Low Income Program – Electric, a change in functionalization would include changing a liability that was not noted in the BPA Issues List. BPA will address Account 908 Customer Assistance Expenses Low Income Program in the October 1, 2008 ASC filing.

3. Account 40100011 - Amortization of Account 302 Franchise and License

- <u>Statement of Issue</u>: In the May 7, 2008 filing, Puget used Direct Analysis to functionalize Account 40100011 Amortization of Account 302 Franchise and License
- b. <u>Statement of Facts</u>: The amortization of Account 302 Franchise and Consent sub accounts are to be functionalized using Direct Analysis with a default functionalization using the PTD ratio. The direct analysis must have sufficient information to justify the functionalization of the account.
- c. <u>Puget Sound Energy's Response to the Issue</u>: The functionalization of amortization of the electric franchise and license intangible assets follows the functionalization of the related asset. For purposes of PSE's ASC Methodology Expedited Process and Consultation ASC template, this expense is currently functionalized using the default functionalization for Accounts 302 and 303, except as indicated on tab DIRECT Int Amort E302 and E303. This functionalization may be updated for purposes of the October 1 template filing to more fully reflect the functional nature of the underlying assets. Additional information/data describing each of the assets associated with this amortization expense will be provided as/if available.
- d. <u>Analysis of Position and Decision</u>: Puget Sound Energy is consistent in the functionalization of the Asset account and Amortization account.

4. Account 4040091 Amortization of Account 302 and 303

17 of 30 FINAL

WP-07-FS-BPA-13B Page 443 of 484

- a. <u>Statement of Issue</u>: In the May 7, 2008 filing, Puget used Direct Analysis to functionalize Account 4040091 Amortization of Account 302 Intangible Plant.
- b. <u>Statement of Facts</u>: The amortization of Account 4040091 Amortization of Account 302 Intangible Plant is to be done with Direct Analysis or with the default functionalization ratios. The direct analysis must have sufficient information to justify the functionalization of the account.
- c. <u>Puget Sound Energy's Response to the Issue</u>: The functionalization of amortization of the Electric Computer Software intangible assets follows the functionalization of the related asset. For purposes of PSE's ASC Methodology Expedited Process and Consultation ASC template, this expense is currently functionalized through direct analysis. This direct analysis functionalized the asset and associated amortization expense based on the functional nature of the specific asset included in the account and utilized the direct analysis ratio CORPORATE to functionalize some of the assets included in this account. The functionalization of this account will be updated for purposes of the October 1 template filing to more fully reflect the functional nature of the assets associated with this amortization expense will be provided as/if available.
- d. <u>Analysis of Position and Decision</u>: Puget Sound Energy is consistent in the functionalization of the Asset account and Amortization account.

5. Account 4040312 – Amortization of Account E302 and E303 Fredonia #3 & #4

- a. <u>Statement of Issue</u>: In the May 7, 2008 filing, Puget used Direct Analysis to functionalize Account 4040312 Amortization of Account E302 and E303 Fredonia #3 & #4.
- b. <u>Statement of Facts</u>: The amortization of Account 4040091 Amortization of Account 302 Intangible Plant is to be done with Direct Analysis or with the default functionalization ratios. The direct analysis must have sufficient information to justify the functionalization of the account.
- c. <u>Puget Sound Energy's Response to the Issue</u>: Fredonia #3 and #4 are PSE gas turbine generating plants. The amortization schedule for this asset is based on an amortization period of 5 years and 7 months.
- d. <u>Analysis of Position and Decision</u>: Puget Sound Energy is correct in the functionalization of this account. In the review of Accounts 302 & 303, Fredonia #3 & #4 is not detailed. In the October 1, 2008 ASC filing the fictionalization of this account will be reviewed.

18 of 30 FINAL

WP-07-FS-BPA-13B Page 444 of 484

6. Account 404 – Amortization of Intangible Assets (302 & 303)

- a. <u>Statement of Issue</u>: In its May 7th filing, Puget Sound Energy functionalized the amortization of 302 Franchise & Consent to Production. In addition, account 303 was functionalized using Direct Analysis. What is the regulatory treatment of this account?
- b. Statement of Facts: Direct Analysis requires justification of the cost allocations to Production.
- c. <u>Puget Sound Energy's Response to the Issue</u>: The amortization of the rate base in these accounts follows the treatment accorded the rate base described above.
- <u>Analysis of Position and Decision</u>: Puget Sound Energy has provided sufficient information to support the functionalization of Account 302 & 303 –Amortization of Intangible Plant

7. Account 404 – Direct Common Depr & Amort Exp – Common Plant

- a. <u>Statement of Issue</u>: In its May 7th filing, did Puget Sound Energy include Common Plant associated with the Gas utility in the ASC calculation.
- b. <u>Statement of Facts</u>: The ASC for each utility includes only exchangeable Electric costs.
- c. <u>Puget Sound Energy's Response to the Issue</u>: The common utility general plant and related expenses associated with the Gas business have been removed from the total common utility general plant and related expense. The common utility expenses in Accounts 901-935 associated with the gas utility are shown on pages 356 and 357 of the FERC Form 1. The electric portion of these accounts are also shown on these pages and are also included in the total electric utility account balances for Accounts 901-935 shown on pages 322-232 of the FERC Form 1. The account balances on pages 322-232 are the inputs for the ASC on tab Sch 3 Expenses and these balances do not include the gas portion.
- d. <u>Analysis of Position and Decision</u>: Puget Sound Energy has provided sufficient information to support the functionalization of Account 404 – Direct Common Depr & Amort Exp – Common Plant

8. Account 404 – Amortization of Limited Term Electric Plant

19 of 30 FINAL

WP-07-FS-BPA-13B Page 445 of 484

- a. <u>Statement of Issue</u>: In its May 7th filing, Puget Sound Energy used Direct Analysis to functionalize Account 404 – Amortization of Limited Term Electric Plant, without adequate supporting information.
- b. <u>Statement of Facts</u>: The functionalization of Account 404 Amortization of Limited Term Electric Plant, must include a description of the account that will justify the functionalization.
- <u>Puget Sound Energy's Response to the Issue</u>: Amortization of Limited Term Electric Plant costs are shown on pages 336 column (d) and pages 356 section 3 of the FERC Form 1. These account balances are input into the ASC in several different accounts on tab Sch 3 – Expenses.

The Intangible plant related portion in the amount of \$1,966,305 is input to Accounts 302-303 on tab Sch 3 - Expenses. These expenses are functionalized using DIRECT analyses. Tab DIRECT Int Amort E302 and E303 in PSE's ASC Methodology Expedited Process and Consultation ASC template shows the functionalization of the amortization amount, and tab DIRECT E302 and DIRECT E303 shows the functionalization of the related assets.

d. <u>Analysis of Position and Decision</u>: Puget Sound Energy has provided sufficient information to support the functionalization of Account 404 – Amortization of Limited Term Electric Plant.

9. Account 404 – Amortization of Plant Acquisition Adjustments Direct E406 and 407 - Electric WUTC AFUDC – 40600021

- <u>Statement of Issue</u>: In its May 7 filing, Puget Sound Energy functionalized Account 404 Other Regulatory Assets - Def AFUDC -Regulatory Asset to Production, Transmission and Distribution using the PTD ratio.
- b. <u>Statement of Facts</u>: Account 404 Other Regulatory Assets Def AFUDC Regulatory Asset is to be functionalized using Direct Analysis. AFUDC is a component of CWIP. CWIP is functionalized to Distribution.
- c. <u>Puget Sound Energy's Response to the Issue:</u> The regulatory asset No. 018230031 Electric Def AFUDC Regulatory Asset relates to the excess of WUTC allowed AFUDC over the amount allowed by FERC through the FERC formula. This account reflects the amortization of the regulatory asset. This amortization expense is included (unadjusted) in jurisdictional ratemaking and is recovered in rates. For purposes of the ASC Methodology Expedited Process and Consultation ASC template, the DIRECT analysis of the regulatory asset and its associated amortization expense resulted in it being functionalized to PTD to reflect the cross

20 of 30 FINAL

WP-07-FS-BPA-13B Page 446 of 484 functional characteristics of CWIP which can be production, transmission, or distribution related construction. This functionalization may be updated if and when additional data about the underlying construction projects becomes available.

d. <u>Analysis of Position and Decision</u>: Puget Sound Energy shows that this account is part of their rate proceedings. However AFUDC is closed to CWIP. CWIP is not an exchangeable cost. BPA has functionalized Account 182.3 Other Regulatory Assets - Def AFUDC - Regulatory Asset to Distribution.

10. Amortization of Plant Acquisition Adjustments Direct E406 and 407 - Elect Acquis Adj – Encogen

- a. <u>Statement of Issue</u>: In its May 7th filing, Puget Sound Energy used Direct Analysis to functionalize Amortization of Plant Acquisition Adjustments Direct E406 and 407 - Elect Acquis Adj – Encogen, without adequate supporting information.
- b. <u>Statement of Facts</u>: The functionalization of Amortization of Plant Acquisition Adjustments Direct E406 and 407 - Elect Acquis Adj – Encogen, must include a description of the account that will justify the functionalization.
- c. <u>Puget Sound Energy's Response to the Issue</u>: PSE acquired the Encogen natural gas-fired cogeneration facility in Bellingham, Washington in 1999. WUTC Docket No UE-991498 established the accounting treatment of the acquisition adjustment associated with the Encogen production asset. The acquisition adjustment for this production asset and the associated amortization expense is functionalized to production.
- <u>Analysis of Position and Decision</u>: Analysis of Position and Decision: Puget Sound Energy has provided sufficient information to support the functionalization of Amortization of Plant Acquisition Adjustments Direct E406 and 407 - Elect Acquis Adj – Encogen.

SCHEDULE 3A: Taxes – no changes

SCHEDULE 3B: Other Included Items – no changes

SCHEDULE 4: Average System Cost

1. **Distribution Loss:**

a. <u>Statement of Issue</u>: In its filing, Puget Sound Energy used a 4.58% Distribution Loss Factor in determination of its ASC.

21 of 30 FINAL

WP-07-FS-BPA-13B Page 447 of 484

- b. <u>Statement of Facts:</u> The May 7th filing Appendix 1 template did not require a Utility to complete a Distribution Loss Study to increase the Total Retail Load. As outlined in the ASCM ROD, BPA allows participating Utilities that have the ability to directly measure distribution losses on their system to submit such measurements, subject to BPA review and approval, with their ASC filings. Utilities that do not possess the capability to directly measure distribution losses on their system are required to submit a formal distribution loss study with their ASC filing. The distribution loss study is valid for a period of seven years. Utilities that do not have the ability to directly measure distribution losses on their system and do not have a formal distribution loss study that was prepared within the previous seven years of the date of the ASC filing will use the default distribution loss study method described in the ASCM ROD, Section 4.10.5.
- c. <u>Puget Sound Energy's Response to the Issue</u>: PSE's retail load loss value used in the ASC Methodology Expedited Process and Consultation ASC template was derived using a loss factor of 4.58%. This loss factor is from the loss study used by PSE in BPA Docket No. 7-A2-9501.
- <u>Analysis of Position and Decision</u>: For purposes of the expedited filing, BPA completed the Distribution Loss Factor outlined in the ASCM ROD, Section 4.10.5. Puget Sound Energy did not provide a Distribution Loss Study. Puget Sound Energy's Factor has been set at 4.99%.

SUPPORTING DOCUMENTATION: Purchased Power and Sales for Resale – no changes

SUPPORTING DOCUMENTATION: Salaries and Wages – no changes

SUPPORTING DOCUMENTATION: Labor Ratios

1. Maintenance of General Plant (GPM) Ratio: Miscellaneous Equipment

- a. <u>Statement of Issue</u>: Incorrect functionalization of Labor Ratio "Miscellaneous Equipment in the Maintenance of General Plant (GPM)"
- b. <u>Statement of Facts</u>: Miscellaneous Equipment in the Maintenance of General Plant Ratio was mistakenly functionalized to Distribution rather than PTD in the ASC Template.
- c. <u>Analysis of Position and Decision</u>: BPA corrected the error and the functionalization of Miscellaneous Equipment in the Maintenance of General Plant Ratio was changed from Distribution to PTD in the ASC Template.

22 of 30 FINAL

WP-07-FS-BPA-13B Page 448 of 484

B. <u>Identification and Analysis of Issues from comments to the July 8, 2008 ASC</u> <u>Draft Report</u>

SCHEDULE 1: Plant Investment/Rate Base

1. Account 183.3 – Other Regulatory Assets

- a. <u>Statement of Issue</u>: Account 183.3 Hopkins Ridge BPA Transmission Upgrades
- b. <u>Puget Sound Energy's Response to the Issue</u>: PSE notes that BPA included "Taxes will be functionalized to distribution" in our discussion of Account 183.3 Hopkins Ridge BPA Transmission Upgrades.
- c. <u>Analysis of Position and Decision</u>: BPA concludes this was an error and should be removed.

SCHEDULE 1A: Cash Working Capital – no changes from July 8, 2008 report

SCHEDULE 2: Capital Structure and Rate of Return - no changes from July 8, 2008 report

SCHEDULE 3: Expenses – no changes from July 8, 2008 report

SCHEDULE 3A: Taxes – no changes from July 8, 2008 report

SCHEDULE 3B: Other Included Items – no changes from July 8, 2008 report

SCHEDULE 4: Average System Cost- no changes from July 8, 2008 report

SUPPORTING DOCUMENTATION: Purchased Power and Sales for Resale

- a. <u>Statement of Issue</u>: Treatment of the Residential Exchange Settlement Payment in the ASC Template.
- b. <u>Statement of Facts</u>: The Residential Exchange Settlement Payment was erroneously included in Account 555 – Purchased Power as a credit and then included as a separate line item (REP reversal) in the ASC calculation.
- c. <u>Analysis of Position and Decision</u>: The Residential Exchange Settlement Payment is not an exchangeable cost or credit. BPA therefore removed the Residential Exchange Settlement Payment (credit) from Account 555 – Purchased Power, which increased purchased power by the amount of the

23 of 30 FINAL

WP-07-FS-BPA-13B Page 449 of 484 credit. BPA simultaneously removed the REP reversal as a separate line item in the ASC template.

SUPPORTING DOCUMENTATION: Salaries and Wages – no changes from July 8, 2008 report

SUPPORTING DOCUMENTATION: Labor Ratios – no changes from July 8, 2008 report

C. <u>Identification and Analysis of Issues</u> from comments to the August 4, 2008 ASC <u>Draft Report</u>

SCHEDULE 1: Plant Investment/Rate Base-

- 1. For Account 108, line item "Capital Leases Common Plant" and In-Service: Depreciation of Common Plant
 - <u>Statement of Issue:</u> Errata corrections to the 2008 Average System Cost Methodology ("2008 ASCM") for Account 108, line item "Capital Leases - Common Plant" (line 69 in the electronic template) and "In-Service: Depreciation of Common Plant (a)" (line 71 in the electronic template), remove the PTD option from functionalization "Method Optional" column.
 - b. <u>Analysis of Position and Decision</u>: This correction is necessary to equate all Common Plant accounts to DIRECT functionalization under Utility Plant: Common Plant (line 91 in the electronic template). There are no functionalization options under Common Plant and all accounts are to be functionalized by Direct analysis.

2. For Account 115, line item "Amortization of Acquisition Adjustments

- <u>Statement of Issue</u>: Errata corrections to the 2008 Average System Cost Methodology ("2008 ASCM") for Account 115, line item "Amortization of Acquisition Adjustments (line 73 in the electronic template), remove option from functionalization "Method Optional" column (cell F73 in electronic template) and equate cell E73 to E92 (Acquisition Adjustments (Electric), Account 114, line 92 in electronic template).
- b. <u>Analysis of Position and Decision</u>: This correction is necessary because Depreciation and Amortization Reserves must follow the same functionalization used for Utility Plant under Assets and Other Debits.

SCHEDULE 1A: Cash Working Capital – no changes from the August 4, 2008 report

24 of 30 FINAL

WP-07-FS-BPA-13B Page 450 of 484

SCHEDULE 2: Capital Structure and Rate of Return – no changes from the August 4, 2008 report

SCHEDULE 3: Expenses

- 1. For Account 406, line item "Amortization of Plant Acquisition Adjustments (Electric)
 - a. <u>Statement of Issue:</u> Errata corrections to the 2008 Average System Cost Methodology ("2008 ASCM") for Account 406, line item "Amortization of Plant Acquisition Adjustments (Electric) (line 96 in the electronic template), equate cell E96 to Account 114 Schedule 1, *Plant Investment/ Rate Base* (Acquisition Adjustments (Electric), (cell E92 in electronic template).
 - b. <u>Analysis of Position and Decision</u>: This correction is necessary because Depreciation and Amortization expenses must follow the same functionalization used for Utility Plant under Plant Investment/Rate Base, Assets and Other Debits.
- 2. Account 908, line item "Customer Assistance Expenses (Major only)"
 - a. <u>Statement of Issue:</u> Errata corrections to the 2008 Average System Cost Methodology ("2008 ASCM") for Account 908, line item "**Customer Assistance Expenses (Major only)**" (line 52 in the electronic template) requires DIRECT analysis of conservation related expenses:
 - b. <u>Analysis of Position and Decision</u>: All exchangeable conservation costs may be functionalized to Production (PROD); all other costs will be functionalized to Distribution/Other (DIST).

SCHEDULE 3A: Taxes – no changes from the August 4, 2008 report

SCHEDULE 3B: Other Included – no changes from the August 4, 2008 report

SCHEDULE 4: Average System Cost - – no changes from the August 4, 2008 report

SUPPORTING DOCUMENTATION – Labor Ratios

- 1. For Labor Ratio Input: line item "Customer Service and Informational"
 - a. <u>Statement of Issue:</u> For Labor Ratio Input: line item "**Customer Service and Informational**" (line 17 in the electronic template), did not follow the same functionalization as Account 908 in Schedule 3.

25 of 30 FINAL

WP-07-FS-BPA-13B Page 451 of 484

b. <u>Analysis of Position and Decision</u>: This Ratio requires DIRECT analysis of conservation related expenses associated with Account 908: all exchangeable conservation costs may be functionalized to Production (PROD); all other costs will be functionalized to Distribution/Other (DIST).

D. Exchange Period ASC New Resource Additions

The ASCM provides that changes to an established ASC are allowed to account for major new resource additions and purchases that are projected to come on-line or be purchased and used to meet that Utility's retail load during the BPA rate period. The change in ASC must meet the materiality threshold as the change in ASC resulting from adding major new resources, that is, a 2.5 percent or greater change in Base Period ASC. BPA allows Utilities to submit stacks of individual resources that, when combined, meet the materiality threshold. However, each resource in the stack must result in an increase of Base Period ASC of 0.5 percent or more. BPA determined a change in Puget Sound Energy's ASC using the methods as described in the ASCM ROD, section 4.2.10.

Puget Sound Energy did provide New Resource Additions in its May 9, 2008, filing, but due to confidentiality issues PSE provided a privilege and confidential redacted version.

V. FINAL EXPEDITED ASC FORECAST for FY 2009-2013

The following three tables summarize the forecast of Contract System Cost (CSC) and Contract System Load (CSL) for purposes of determining Puget Sound Energy's forecast ASCs for FY 2009 through FY 2013. Table 2: *FY 2009-2013 ASC Summary*, identifies the CSC, CSL, and Puget Sound Energy's ASCs published in the July 8, 2008 report. *Revised* Table 2: *FY 2009-2013 ASC Summary* identifies the revised CSC, CSL, and Puget Sound Energy's ASCs as appropriate and as a result of Puget Sound Energy's comments to the July 8, 2008 report. *Final* Table 2: *FY 2009-2013 ASC Summary* identifies the final CSC, CSL, and Puget Sound Energy's ASCs. The procedures used in making the July 8, 2008, determinations and any required changes published in both the August 4, 2008, and this final September 11, 2008, reports are outlined in the 2008 ASCM ROD and described herein. The results shown in all tables are forecasts for each year of the WP-07 rate test period (FY 2009-2013), as defined in section 7(b)(2) of the NW Power Act, and are used to calculate the PF Exchange Rate for FY 2009 of the WP-07 Supplemental Wholesale Power Rate Adjustment Proceeding (WP-07 Rate Case).

The BPA Forecast Model used to calculate the values shown below is located at <u>http://www.bpa.gov/corporate/finance/ascm/filings.cfm</u>.

26 of 30 FINAL WP-07-FS-BPA-13B Page 452 of 484

| Date (mid-year) | 4/1/2009 | 4/1/2010 | 4/1/2011 | 4/1/2012 | 4/1/2013 |
|--------------------|----------|----------|----------|----------|----------|
| Fiscal Year | 2009 | 2010 | 2011 | 2012 | 2013 |

CONTRACT SYSTEM COST

| Production | 1,355,320,900 | 1,368,987,966 | 1,386,563,292 | 1,407,535,341 | 1,429,118,492 |
|---------------|---------------|---------------|---------------|---------------|---------------|
| Transmission | 87,480,896 | 87,681,153 | 88,086,064 | 88,560,889 | 89,099,153 |
| NLSL | | | | | |
| Resource Cost | 0 | 0 | 0 | 0 | 0 |
| (Less) NLSL | | | | | |
| Costs | 0 | 0 | 0 | 0 | 0 |
| Contract | | | | | |
| System Cost | 1,442,801,796 | 1,456,669,119 | 1,474,649,356 | 1,496,096,231 | 1,518,217,644 |

CONTRACT SYSTEM LOAD

| Total Retail | | | | | |
|---------------|------------|------------|------------|------------|------------|
| Load @ Meter | 21,927,453 | 22,118,040 | 22,279,295 | 22,425,579 | 22,561,132 |
| (Less) NLSL | 0 | 0 | 0 | 0 | 0 |
| Total Retail | | | | | |
| Load | | | | | |
| (Net of NLSL) | 21,927,453 | 22,118,040 | 22,279,295 | 22,425,579 | 22,561,132 |
| Distribution | | | | | |
| Losses | 1,094,180 | 1,103,690 | 1,111,737 | 1,119,036 | 1,125,800 |
| Contract | | | | | |
| System Load | 23,021,633 | 23,221,730 | 23,391,032 | 23,544,615 | 23,686,933 |

AVERAGE SYSTEM COST

| ASC (\$/MWh) \$62.67 \$62.73 \$63.04 \$63.54 \$64.10 |
|--|
|--|

WP-07-FS-BPA-13B Page 453 of 484

Revised Table 2: FY 2009-2013 ASC Summary – August 4, 2008

| Date (mid-year) | 4/1/2009 | 4/1/2010 | 4/1/2011 | 4/1/2012 | 4/1/2013 |
|--------------------|----------|----------|----------|----------|----------|
| Fiscal Year | 2009 | 2010 | 2011 | 2012 | 2013 |

CONTRACT SYSTEM COST

| Production | 1,253,780,672 | 1,267,291,233 | 1,293,645,689 | 1,317,595,918 | 1,342,581,582 |
|---------------|---------------|---------------|---------------|---------------|---------------|
| Transmission | 87,480,896 | 87,681,153 | 88,086,064 | 88,560,889 | 89,099,153 |
| NLSL | | | | | |
| Resource Cost | 0 | 0 | 0 | 0 | 0 |
| (Less) NLSL | | | | | |
| Costs | 0 | 0 | 0 | 0 | 0 |
| Contract | | | | | |
| System Cost | 1,341,261,568 | 1,354,972,386 | 1,381,731,753 | 1,406,156,807 | 1,431,680,735 |

CONTRACT SYSTEM LOAD

| Total Retail | | | | | |
|---------------|------------|------------|------------|------------|------------|
| Load @ Meter | 21,927,453 | 22,118,040 | 22,279,295 | 22,425,579 | 22,561,132 |
| (Less) NLSL | 0 | 0 | 0 | 0 | 0 |
| Total Retail | | | | | |
| Load | | | | | |
| (Net of NLSL) | 21,927,453 | 22,118,040 | 22,279,295 | 22,425,579 | 22,561,132 |
| Distribution | | | | | |
| Losses | 1,094,180 | 1,103,690 | 1,111,737 | 1,119,036 | 1,125,800 |
| Contract | | | | | |
| System Load | 23,021,633 | 23,221,730 | 23,391,032 | 23,544,615 | 23,686,933 |

AVERAGE SYSTEM COST

| ASC (\$/MWh) \$58.26 | \$58.35 | \$59.07 | \$59.72 | \$60.44 |
|----------------------|---------|---------|---------|---------|
|----------------------|---------|---------|---------|---------|

Final Table 2: FY 2009-2013 ASC Summary – September 11, 2008

| Date (mid-year) | 4/1/2009 | 4/1/2010 | 4/1/2011 | 4/1/2012 | 4/1/2013 |
|--------------------|----------|----------|----------|----------|----------|
| Fiscal Year | 2009 | 2010 | 2011 | 2012 | 2013 |

CONTRACT SYSTEM COST

| Production | 1,287,048,182 | 1,299,213,211 | 1,324,035,089 | 1,346,357,375 | 1,369,844,418 |
|---------------|---------------|---------------|---------------|---------------|---------------|
| Transmission | 87,615,204 | 87,580,901 | 87,751,169 | 87,991,341 | 88,294,956 |
| NLSL | | | | | |
| Resource Cost | 0 | 0 | 0 | 0 | 0 |
| (Less) NLSL | | | | | |
| Costs | 0 | 0 | 0 | 0 | 0 |
| Contract | | | | | |
| System Cost | 1,374,663,386 | 1,386,794,112 | 1,411,786,258 | 1,434,348,715 | 1,458,139,373 |

CONTRACT SYSTEM LOAD

| Total Retail | 01 007 450 | 22 110 040 | 22 270 205 | 22,425,570 | 22 5(1 122 |
|---------------|------------|------------|------------|------------|------------|
| Load @ Meter | 21,927,453 | 22,118,040 | 22,279,295 | 22,425,579 | 22,561,132 |
| (Less) NLSL | 0 | 0 | 0 | 0 | 0 |
| Total Retail | | | | | |
| Load | | | | | |
| (Net of NLSL) | 21,927,453 | 22,118,040 | 22,279,295 | 22,425,579 | 22,561,132 |
| Distribution | | | | | |
| Losses | 1,094,180 | 1,103,690 | 1,111,737 | 1,119,036 | 1,125,800 |
| Contract | | | | | |
| System Load | 23,021,633 | 23,221,730 | 23,391,032 | 23,544,615 | 23,686,933 |

AVERAGE SYSTEM COST

| ASC (\$/MWh) \$59.71 \$59.72 \$60.36 \$60.92 \$61.56 |
|--|
|--|

29 of 30 FINAL

WP-07-FS-BPA-13B Page 455 of 484

VI. BPA STATEMENT

This ASC determination is BPAs best estimate of Puget Sound Energy's FY 2009 ASC based on the information and data provided from Puget Sound Energy during the Expedited Review Process, and based on the professional review, evaluation, and judgment of the BPA REP staff. Decisions made herein are not binding for purposes of the Final ASC determination for FY 2009. This determination is made solely for the purpose of providing estimated FY 2009 ASCs for use in the development of BPAs FY 2009 power rates in BPAs WP-07 Supplemental Rate Proceeding. Decisions made herein are not final ASC determinations for purposes of implementing the REP for FY 2009. Final ASC determinations used to calculate REP benefits for each exchanging Utility for FY 2009 will be established by BPA after a review of such Utilities' October 1, 2008, Appendix 1 filings. Such reviews will be conducted in compliance with the Final 2008 ASC Methodology.

BPA has resolved the issues set forth in Section III of this report, as amended, in accordance with the 2008 Average System Cost Methodology (ASCM) as it is currently described in the Final Record of Decision, and with generally accepted accounting principles. BPA believes the information and data contained herein fairly estimates the Average System of Puget Sound Energy for FY 2009 of the WP-07 Supplemental Wholesale Power Rate Adjustment Proceeding.

The Final Appendix 1 Filing, Forecast Model and NLSL assessment used to calculate Puget Sound Energy's ASCs can be viewed at BPAs ASC website: <u>http://www.bpa.gov/corporate/finance/ascm/filings.cfm</u>.

> 30 of 30 FINAL

WP-07-FS-BPA-13B Page 456 of 484

FINAL REPORT

WP-07 Supplemental Wholesale Power Rate Adjustment Proceeding: FY 2009 AVERAGE SYSTEM COST REPORT FOR

Snohomish PUD

Docket Number: SN-PB-08-01 Effective Date: October 1, 2008

PREPARED BY BONNEVILLE POWER ADMINISTRATION U.S. DEPARTMENT OF ENERGY

September 11, 2008

WP-07-FS-BPA-13B Page 457 of 484 This page intentionally left blank.

TABLE OF CONTENTS

| Sec | tion | | Page |
|------|---|---|---|
| I. | FILIN | G DATA | 1 |
| II. | A. I B. I | AGE SYSTEM COST: DETERMINATIONS Base Period 2006 FY 09 (Exchange Period) ASC without New Resource Additions (\$/MW FY 09 (Exchange Period) ASC with New Resource Additions (\$/MWh) | 1 /h) 2 |
| III. | A. I B. Z. C. I Z. Z. Z. Z. Z. Z. Z. Z. Z. Z. Z. Z. Z. | G REQUIREMENTS | 2 4 4 5 5 5 6 6 6 6 6 6 7 7 7 7 7 |
| IV. | A. 1 B. 1 C. 1 | EW OF THE ASC FILING Identification and Analysis of Issues from the May 7, 2008 ASC Appendix 1 Filing Identification and Analysis of Issues from comments to the July 8, 2008 ASC Draft Report Identification and Analysis of Issues from comments to the August 4, 2008 ASC Draft Report Exchange Period ASC New Resource Additions | 8 17 18 |
| V. | | EXPEDITED ASC FORECAST for FY 2009-2013 | |
| VI. | | TATEMENT | |

ii

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I. FILING DATA

<u>Utility</u>

Parties to the Filing

Snohomish PUD 2320 California Street Everett, Washington 98201 A complete list of intervening parties is located at the following BPA web site: http://www.bpa.gov/corporate/finance/ascm/Docs/Intervening_Parties.pdf

Effective: October 1, 2008 – September 30, 2009 WP-07 Supplemental Wholesale Power Rate Adjustment Proceeding

II. AVERAGE SYSTEM COST: DETERMINATIONS

A. Base Period 2006

| | As Filed | July 8, 2008 As Amended | August 4, 2008 As Revised | Sept.11, 2008 Final |
|--|---|---|---|--|
| Production Cost | \$227,121,488 | \$226,860,355 | \$226,860,355 | \$226,860,355 |
| Transmission Cost | \$35,912,231 | \$35,910,723 | \$35,910,723 | \$35,910,723 |
| (Less) New Large Single Load | 0 | 0 | 0 | |
| Costs | | | | |
| Total Contract System Cost | \$263,033,719 | \$262,771,078 | \$262,771,078 | \$262,771,078 |
| Total Retail Load (MWh) (Less) New Large Single Load Total Retail Load (Net NLSL) Plus Distribution Losses Total Contract System Load (MWh) | $6,480,261 \\ 0 \\ 6,480,261 \\ 324,013 \\ 6,804,274$ | 6,480,261 0 6,480,261 324,013 6,804,274 | $6,480,261 \\ 0 \\ 6,480,261 \\ 324,013 \\ 6,804,274$ | 6,480,261 6,480,261 324,013 6,804,274 |
| FY 2006 Base Period ASC (\$/MWh) | \$38.66 | \$38.62 | \$38.62 | \$38.62 |

1 of 24 FINAL

WP-07-FS-BPA-13B Page 461 of 484

B. FY 09 (Exchange Period) ASC without New Resource Additions (\$/MWh)

| | July 8, | August 4, | Sept.11, |
|--|------------|------------|----------|
| | 2008 | 2008 | 2008 |
| | As Amended | As Revised | Final |
| FY 2009 (Rate Period) ASC without New Resource Additions (\$/MWh) | \$37.77 | \$37.05 | \$38.08 |

C. FY 09 (Exchange Period) ASC with New Resource Additions (\$/MWh)

FY 2007-2009 New Resource Additions: N/A Snohomish had no New Resource Additions.

III. FILING REQUIREMENTS

A. <u>Introduction</u>

Section 5(c)(l) of the Pacific Northwest Electric Power Planning and Conservation Act (Pacific Northwest Power Act), 16 U.S.C. § 839c(c)(l), establishes the Residential Exchange Program (REP). Any Pacific Northwest utility interested in participating in the REP may offer to sell power to Bonneville Power Administration (BPA) at the average system cost (ASC) of the utility's resources. In exchange, BPA offers to sell an "equivalent amount of electric power to such utility for resale to that utility's residential users within the region" at the BPA rate established pursuant to section 7(b)(l) of the Act. *See generally*, H.R. Rep. No. 976, Pt I, 96th Cong., 2d Sess. at 60 (1980).

The Act gives BPA's Administrator the discretionary authority to determine ASC on the basis of a methodology to be established in a public consultation proceeding. 16 U.S.C. 839c(c)(7). The only express statutory limits on the Administrator's authority are found in sections 5(c)(7)(A), (B) and (C) of the Act. 16 U.S.C. 839c(c)(7)(A), (B) and (C).

BPA's first ASC Methodology was developed in consultation with regional interests in 1981. See 48 FR 46,970 (Oct. 17, 1983). It was later revised in 1984. *See* 49 FR 39,293 (Oct. 5, 1984). In the mid-1990s, BPA and exchanging Utilities agreed to a number of termination agreements that provided for payments to each Utility through the remaining years of the Residential Purchase and Sale Agreements (RPSA) that implemented the REP. These termination agreements did not require the participating utilities to submit ASC filings.

In 2000, BPA executed REP Settlement Agreements with each IOU customer. The Agreements provided monetary benefits and power sales to the IOUs to resolve disputes regarding BPA's implementation of the REP. On May 3, 2007, the U.S. Court of Appeals for the Ninth Circuit issued a decision finding the Agreements unlawful. BPA therefore began efforts to resume the

2 of 24 FINAL

WP-07-FS-BPA-13B Page 462 of 484 REP, including the development of RPSAs and a consultation proceeding to revise the 1984 ASC Methodology.

As with the previous ASC Methodologies, the proposed 2008 ASC Methodology (ASCM) was developed in consultation with interested parties through a series of working group meetings conducted by BPA staff. The goal of the consultation process was to develop an administratively feasible ASC Methodology that would be technically sound, and comport with the Northwest Power Act. The Methodology is subject to review and approval by the Federal Energy Regulatory Commission (FERC or Commission).

BPA maintains a significant role in reviewing Utilities' ASC filings to ensure compliance with the 2008 ASCM. For more information regarding the 2008 ASCM, please refer to the *Final Record of Decision of the 2008 Average System Cost Methodology*, dated June 30, 2008.

For more information regarding the proposed 2008 ASCM, refer to the *Final Record of Decision* of the 2008 Average System Cost Methodology, dated June 30, 2008.

B. ASC Determination Process Guidelines and Expedited Review Process

The purpose of BPA's expedited review process is to estimate exchanging Utilities' ASCs for FY 2009 that could be noticed by the Administrator and incorporated into BPA's WP-07 Supplemental Rate Proceeding in order to ensure that BPA's FY 2009 power rates established in that proceeding rely on the most accurate ASCs possible. For purposes of the expedited review process, and as specified in the Review Procedures of the proposed 2008 ASCM, on or before March 3, 2008, each exchanging utility (Utility) submitted a "base period ASC" to BPA using data from its 2006 FERC Form 1 and other supporting data. All data were submitted using BPA's proposed Appendix 1, an Excel-spreadsheet based model. The submittal of the Appendix 1 filing began the formal review and comment process to establish ASCs for the exchanging Utilities which is referred to as the Review Period. Although BPA reviewed the initial data in the context of BPA's initially proposed 2008 ASCM, BPA knew that it would be completing its proposed 2008 ASCM and issuing a Record of Decision supporting that ASCM near the end of June 2008. In order that the ASCs determined in the expedited review process would reflect as accurately as possible the ASCs that would be in effect for determining REP benefits for FY 2009, BPA reviewed the Utilities' filing under the criteria of BPA's Final 2008 ASCM. This ensured that the ASCs relied on by BPA in establishing its FY 2009 power rates would be as accurate as possible. Parties had a full and complete opportunity to intervene in BPA's expedited review process and to submit comments on BPA's proposed ASCs.

For details of the prospective Review Period and guidelines, see Attachment A to the 2008 Final Record of Decision of the 2008 Average System Cost Methodology, June 2008: 2008 Methodology for Determining the Average System Cost of Resources for Electric Utilities Participating in the Residential Exchange Program Established by Section 5(c) of the Pacific Northwest Electric Power and Conservation Act.

> 3 of 24 FINAL

WP-07-FS-BPA-13B Page 463 of 484 The 2008 ASCM incorporates, in part, the functionalization process and functionalization codes, with modifications, determined in the 1984 ASCM. Costs are assigned under functionalization codes to Production, Transmission, or Distribution/Other. Functionalization of each Account included in a Utility's ASC is in accordance to the functionalization prescribed in the 2008 ASCM, Attachment A, Table 1.

The ASCM allows Utilities to file multiple, contingent, ASCs to reflect changes to service territories, and allows for changes to ASCs resulting from major resource additions and reductions.

In summary, BPA reviewed ASCs during the expedited review process in accordance with the 2008 ASCM published June 30, 2008. After establishing a base period ASC determination, BPA used the ASC Forecast model, an excel based spreadsheet, to escalate the base year ASC forward to the effective rate period, FY 2009 (October 1, 2008 through September 30, 2009). The base year and forecast ASC results are reported herein.

C. <u>Explanation of Schedules</u>

Utilities' Appendix 1 filings consist of a series of seven schedules and other supporting information, which present the data necessary to calculate ASC. The schedules and support data are as follows:

- 1. Schedule 1 Plant Investment/Rate Base
- 2. Schedule 1A Cash Working Capital calculation
- 3. Schedule 2 Capital Structure and Rate of Return
- 4. Schedule 3 Expenses
- 5. Schedule 3A Taxes
- 6. Schedule 3B Other Included Items
- 7. Schedule 4 Average System Cost
- 8. Distribution of Salaries and Wages
- 9. Purchased Power & Off-System Sales
- 10. New Large Single Load
- 11. Labor Ratios

1. Schedule 1 – Plant Investment/Rate Base

This schedule establishes the rate base used by the Utility. The calculation begins with a determination of the total Electric Plant In-Service, which includes the gross historical costs of the Intangible, General, Production, Transmission, and Distribution Plants. These values (and all subsequent values) are entered into the Appendix 1 filing as line items based on separate FERC account descriptions. Each line item (Account) is functionalized to Production, Transmission, or Distribution/Other in accordance to the functionalizations prescribed in the 2008 ASCM, Attachment A, Table 1.

Next, in order to reflect the book value of the remaining plant, depreciation and amortization reserves are evaluated and entered into the Appendix 1 form and functionalized. These are then subtracted from the Total Electric Plant In-Service to determine the Total Net Plant.

4 of 24 FINAL

WP-07-FS-BPA-13B Page 464 of 484

The resulting Total Net Plant is adjusted, where appropriate, to reflect additions in Cash Working Capitol (calculated in Schedule 1A), Utility Plant, Property and Investments, Current and Accrued Assets, Deferred Debits. It is adjusted again, where appropriate, to deduct the Current and Accrued Liabilities, and Deferred Credits from the Total Net Plant. The outcome of these adjustments defines the Total Rate Base. When multiplied by the Rate of Return as determined in Schedule 2, the result is the Utility's return on investment.

2. Schedule 1A – Cash Working Capital

Cash working capital is a ratemaking convention that is not included in the Form 1, but a part of all electric utility rate filings as a component of rate base. To determine the allowable amount of cash working capital in rate base for a Utility, BPA allows 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.

3. Schedule 2 – Capital Structure and Rate of Return

This schedule lists the data used by the Utility to develop the rate of return applied to the Utility's rate base developed on Schedule 1 to determine the Utility's return on investment.

IOUs use the weighted cost of capital (WCC) from the most recent State Commission Rate Order with a Federal income tax adjustment to determine the return calculation. The return on equity (ROE) used in the WCC calculation is grossed up for Federal income taxes at the marginal Federal income tax rate using the formula found in the ASC Methodology, Attachment A, Section IX, Endnote b. For COUs, the rate of return is equal to the COU's weighted cost of debt.

4. Schedule 3 – Expenses

This schedule represents operations and maintenance expenses for the production of power, the transmission of electricity, and the distribution of electricity. Each expense item is functionalized as described above. Additional expenses associated with customer accounts, sales, and administrative and general expenses for both operations and maintenance are also included in this schedule. Depreciation and amortization for the associated plants are added to the operating and maintenance expenses to calculate Total Operating Expenses.

5. Schedule 3A – Taxes

This schedule presents allowable ASC cost for Federal employment tax and non-Federal taxes, including property and unemployment tax. State income tax, franchise fees, regulatory fees, and city/county taxes are included herein but are functionalized to Distribution/Other and therefore not incorporated in ASC. Taxes and fees for each state listed are grouped together and entered as "combined" line items for Appendix 1 filing purposes.

Federal income taxes included in ASC are calculated and described in Schedule 2 above, *Capital Structure and Rate of Return*.

5 of 24 FINAL

WP-07-FS-BPA-13B Page 465 of 484

6. Schedule 3B – Other Included Items

This schedule includes revenues from the disposition of plant, sales for resale, and other revenues, including electric revenues and revenues from transmission of electricity to others (wheeling). Items in this schedule are deducted from the total costs of each Utility.

7. Schedule 4 – Average System Cost (\$/MWh)

This schedule summarizes the cost information calculated in Schedules 2 through 3B: Federal income tax adjusted return on rate base, total operating expenses, state and other taxes, and other included items. The schedule also lists the load information, as defined below, and calculates the Utility's ASC.

Contract System Cost:

The Contract System Cost is the Utility's costs for production and transmission resources, including power purchases and conservation measures, which costs are includable in and subject to the provisions of Appendix 1. Costs to serve NLSL are excluded from ASC calculations. This Contract System Cost becomes the numerator in calculating ASC.

Contract System Load:

The Contract System Load is the total regional retail load included in the Form 1, or for a consumer-owned utility (preference customers) the total retail load from the most recent annual audited financial statement as adjusted pursuant to this Average System Cost Methodology. The denominator in the ASC calculation consists of the Contract System Load (MWh) of the Utility increased for distribution losses, and reduced by any New Large Single Load(s) (NLSL).

8. Distribution of Salaries and Wages

The supporting file is used to determine the Labor Ratio calculations and includes salaries and wages from relevant operations and maintenance of the electric plant.

9. Purchased Power and Sales for Resale

The Purchased Power is an Account of Schedule 3, *Expenses*, and includes all purchases the Utility made during the year, including power exchanges. Sales for Resale is an Account of Schedule 3B, *Other Included Items*, and includes power sales to purchasers other than ultimate consumers. Listed in the information for both Accounts is the statistical classification code for all transactions. Refer to the FERC Form 1, pages 310-311 for Sales for Resale and pages 326-237 for Purchased Power for identification of the classification codes.

10. New Large Single Load

A new large single load (NLSL) is any load associated with a new facility, an existing facility or an expansion of an existing facility which was not contracted for or committed to (CF/CT) prior to September 1, 1979, and will result in an increase in power requirements of the specific customer of ten average megawatts (10aMW) or more in any consecutive twelve-month period.

BPA determines the cost of serving NLSLs by using the fully allocated cost of <u>all post</u>-September 1, 1979, resources and long-term power purchases greater than five years in duration.

6 of 24 FINAL

WP-07-FS-BPA-13B Page 466 of 484

11. Labor Ratios

These ratios assign costs on a pro rata basis using salary and wage data for production, transmission, and distribution/other functions included in the Utility's most recently filed Form 1. For consumer-owned utilities, comparable data is used based on the cost of service study used as the basis for retail rates at the time of review.

D. ASC Forecast

The Base Period ASC is applied to an Excel-based forecasting model to escalate the Base Year ASC data forward to the Exchange Period. For purposes of the expedited process, that Exchange Period is FY 2009. BPA uses Global Insight's (or its successor) forecast of cost increases for capital costs and fuel (except natural gas), O&M, and G&A expenses; BPA's forecast of market prices for IOU purchases to meet load growth and to estimate short-term and non-firm power purchase costs and sales revenues; BPA's forecast of natural gas prices; and BPA's estimates of the rates it will charge for its PF and other products. For additional background on the determination of Exchange Period ASCs, see details of the 2008 ASC Methodology, Section IV *Rules for Determining Exchange Period Average System Cost*, Subsection A.

1. Forecast Contract System Costs

Forecast Contract System Costs (CSC) are the Utility's forecast costs for production and transmission resources, including power purchases and conservation measures, which costs are includable in and subject to the provisions of Appendix 1. As outlined in the 2008 ASC Methodology, Section IV *Rules for Determining Exchange Period Average System Cost*, Subsection A, Forecast CSC, BPA escalates base period costs to the midpoint of the fiscal year for the FY 2009 rate period/Exchange Period to calculate Exchange Period ASCs. BPA projects the costs of power products purchased from BPA using BPA's forecast of prices for its products.

2. Forecast of Sales for Resale and Power Purchases

BPA does not normalize short-term purchases and sales for resale. The short-term purchases and sales for resale for the Base Period are used as the starting values for the forecast. The Utilities are then allowed to include new plant additions and use a Utility-specific forecast for the (1) price of purchased power and (2) sales for resale price, to value purchased power expenses and sales for resale revenue. For details, see the 2008 ASC Methodology, Section IV *Rules for Determining Exchange Period Average System Cost*, Subsection B.

3. Forecast Contract System Load and Exchange Load

All Utilities are required to provide a forecast of their Contract System Load and associated Exchange Load, as well as a current distribution loss study as described in the 2008 ASCM, Attachment A, endnote e/, with their Appendix 1 filing. The load forecast for Contract System Load and Exchange Load starts with the Base Period and extends through 4 years after the Exchange Period. The load forecast for Contract System Load and Exchange Load is provided on a monthly basis for the Exchange Period.

7 of 24 FINAL WP-07-FS-BPA-13B

Page 467 of 484

4. Major Resource Additions

BPA uses the method outlined in the 2008 ASC Methodology, Section IV *Rules for Determining Exchange Period Average System Cost*, Subsection C to determine the change in ASC due to major new resource additions or reductions, subject to meeting the materiality threshold of 2.5%. These additions include new production resource investments, new generating resource investments, new transmission investments, long-term generating contracts, pollution control and environmental compliance investments relating to generating resources, transmission resources or contracts, hydro relicensing costs and fees, and plant rehabilitation investments.

The exchanging Utility provides its forecast of any major resource addition and all associated costs. The forecast covers the period from the end of the Base Period (FY 2006) to the end of the Exchange Period (FY 2009).

The forecast of the major resource costs to be included in the Utility's Exchange Period ASC is reviewed and determined during the review period. All resources included prior to the start of the Exchange Period are projected forward to the mid-point of the Exchange Period.

5. Load Growth Not Met by New Resource Additions

All load growth not met by new resource additions is met by purchased power at the forecasted Utility-specific short-term purchased power price. BPA uses the method outlined in the 2008 ASC Methodology, Section IV *Rules for Determining Exchange*, Subsection D.

IV. REVIEW OF THE ASC FILING

A. <u>Identification and Analysis of Issues from the May 7, 2008 ASC Appendix 1</u> <u>Filing</u>

BPA is responsible for reviewing all costs and loads for determining ASCs in accordance with section 5(c) of the Northwest Power Act and the 2008 ASC Methodology. During this review and evaluation, issues were identified for comment. BPA's ASC determination is limited to specific findings on those issues identified for comment with the exception of ministerial or mathematical errors. There may have been additional issues that BPA did not identify for comment in this filing. Acceptance of a Utility's treatment of an item without comment is not intended to signify a decision of the proper interpretation to be applied either in subsequent filings or universally under the 2008 ASC Methodology.

The following is a summary of the Contract System Costs and codes filed on May 7, 2008 by Snohomish PUD (PSE), and as amended following review and evaluation by BPA. The explanations for BPA's changes are outlined as appropriate by Appendix 1 schedule and supporting files below.

8 of 24 FINAL WP-07-FS-BPA-13B

Page 468 of 484

SCHEDULE 1: Plant Investment/Rate Base

1. Account 303 Intangible Plant Miscellaneous - Transmission

- a. <u>Statement of Issue</u>: In the May 7th filing, Snohomish PUD used Direct Analysis to functionalize this Account 303 Intangible Plant Miscellaneous, without supplying adequate support for the direct analysis.
- b. <u>Statement of Facts</u>: Account 303 Intangible Plant Miscellaneous sub accounts are to be functionalized using Direct Analysis with a default functionalization of Distribution.
- c. <u>Snohomish PUDs Response to the Issue</u>: Misc. Int. Plt. 3rd AC Intertie 303101 \$8,981,368 RATE BASE Trans This account records the PUDs ownership rights to the 3rd AC Intertie, a transmission line.

Misc. Int. Plt. N Mtn SCL Pwr Xfr 303102 \$2,809,844 RATE BASE Trans - Represents the PUDs ownership rights in the North Mountain substation owned by Seattle city light and used to serve customers in the Darrington area. This provides access to SCLs transmission.

Misc. Int. Plt. BPA NERC Reliably 303103 \$1,577,113 RATE BASE Trans - This represents the PUDs ownership rights to equipment in a BPA substation that the PUD is required to own to meet NERC reliability requirements

- ▶ Intangible Plt. Software 5 YR 304101 \$5,363,429
- ➢ Intangible Plt. Software 8 YR 304102 \$27,498,255
- ▶ Int. Plt. Software Beyd Est. Life 304110 \$15,748,189

See Worksheet "Snohomish PUD – Data Responses" Tab SN-1 for analysis of these accounts and functionalization. Please note that during this analysis, we have identified items in these accounts which should be functionalized differently than in our original analysis.

d. <u>Analysis of Position and Decision</u>: Snohomish PUD has provided sufficient information to support the functionalization of Account 303 Intangible Plant Miscellaneous.

2. Account 124 Other Investment

a. <u>Statement of Issue</u>: In the May 7th filing, Snohomish PUD directly functionalized this account using the Cons ratio, without showing the basis of the direct assignments.

9 of 24 FINAL

WP-07-FS-BPA-13B Page 469 of 484

- <u>Statement of Facts</u>: Account 123 Other Investment has a Direct Distribution functionalization. In addition, the Cons Ratio is no longer in use. Conservation is functionalized using Direct Analysis.
- c. <u>Snohomish PUDs Response to the Issue:</u>
 - ➢ Other Inv Coml Consv Loan 124101 \$8,029
 - This account records our investment in commercial Conservation loans. Conservation costs are functionalized to production per methodology endnote g.
 - Other Inv Resd Consv Loan 124102 \$6,961,357
 - This account records our investment in residential Conservation loans. Conservation costs are functionalized to production per methodology endnote g.
 - ➢ Other Inv Pwr Diversion* 124104 \$4,729
 - This account records a receivable from customers who have to pay back the district for theft of power.
 - ➢ Other Inv Line Ext Loan* 124105 \$17,344
 - This account records a receivable from customers to connect a property to our grid.
 - Other Inv Spec Arrangement Loans* 124107 \$400 This account records loans to customers, who, due to a meter misread have a large payable to the utility.

*Please note that during this analysis, we have identified that these items should be functionalized to Distribution/Other rather than Production.

d. <u>Analysis of Position and Decision</u>: Snohomish PUD used CONS ratio that functionalizes 70% to Production and 30% to Distribution. In the response to the issue, Snohomish PUD showed that \$7,218,741 was directly conservation investments. The remainder of the account is distribution related.

BPA will functionalize \$6,969,386 of Account 124 Other Investments to Production. The remaining \$22,474 will be functionalized to Distribution. In the October 1, 2008 ASC Filing this issue will be addressed.

3. Account 186 Deferred Debits – Production Related

a. <u>Statement of Issue</u>: In the May 7th filing, Snohomish PUD directly functionalized Account 186 Deferred Debits using Direct Analysis without showing the basis of the direct assignments.

10 of 24 FINAL

WP-07-FS-BPA-13B Page 470 of 484

- b. <u>Statement of Facts</u>: Account 186 Deferred Debits sub accounts are to functionalized using Direct Analysis with a default functionalization of Direct Distribution.
- c. <u>Snohomish PUDs Response to the Issue</u>: Snohomish PUD provided the following information for the functionalization of sub accounts to Production.
 - ▶ Misc. Def Debit Conservation 186114 \$4,998,403
 - Capitalized conservation costs. Conservation costs are allocated to production per methodology endnote g.
 - Misc. Def Debit JK Re-license 186122 \$2,650,137
 - Capitalized relicensing costs for the Jackson Hydro Plant Generation system costs are allocated to Production.
 - Misc. Def Debit Int. Rate Swaps 186125 \$18,877,515
 - Mark to Market costs for Generation system long term debt. Generation system costs are allocated to Production.
 - Misc. Def Debit Enron Contract 186123 \$149,293,458
 - Represents our potential obligation to a long term power contract. There is a corresponding 253 credit account.
 - Misc. Def Debit Est. Jackson Pwr 186107 \$4,410,000
 - This is an electric system receivable for Jackson Hydro Plant operations. Generation system costs are allocated to production.
 - Misc. Def Debit Other Gen 186108 \$2,300,000
 - This is an electric system receivable for Other Generation Operating expenses. Generation system costs are allocated to production.
 - Misc. Def Debit Everett Cogen. 186110 \$296,000
 - This is an electric system receivable for Other Generation Operating expenses. Generation system costs are allocated to production.
 - ➢ Misc. Def Debit Power Contracts 186124 \$198,825
- d. <u>Analysis of Position and Decision</u>: Snohomish PUD has provided sufficient information to support the direct functionalization of Account 186 Deferred Debits.

11 of 24 FINAL

WP-07-FS-BPA-13B Page 471 of 484

4. Account 243 Deferred Credits

- a. <u>Statement of Issue</u>: In the May 7th filing, Snohomish PUD directly functionalized this account without showing the basis of the direct assignments.
- b. <u>Statement of Facts</u>: Account 243 Deferred Credits sub accounts are to functionalized using Direct Analysis with a default functionalization of Direct Distribution.
- c. <u>Snohomish PUD's Response to the Issue</u>: Snohomish PUD provided the following information for the functionalization of sub accounts to Production.
 - ➢ Other Def Cr Enron Contract 253140 \$149,293,458
 - Represents our potential obligation to a long term power contract. There is a corresponding 186 debit account. Power costs/credits are functionalized to Production.
 - ▶ Def Cr Adv Revenue EC 253116 \$712,910
 - This is a generation system account which records advance revenue for the Everett Cogeneration Plant. Generation expenses/revenues are allocated to Production.
 - Other Def Cr Adv Revenue JK 253118 \$2,568,963
 - Same as above for the Jackson Hydroelectric Plant
 - Other Def Cr Adv Revenue OG 253119 \$1,169,649
 - Same as above for Other Generation.
- d. <u>Analysis of Position and Decision</u>: Snohomish PUD has provided sufficient information to support the direct functionalization of Account 186 Deferred Debits.

SCHEDULE 1A: Cash Working Capital – no changes

SCHEDULE 2: Capital Structure and Rate of Return – no changes

SCHEDULE 3:

1. **Public Purpose Charge**

a. <u>Statement of Issue:</u> In its May 7th filing, Snohomish PUD included 7,218,741 in the Public Purpose Charge line item and functionalized this cost using the CONS ratio.

12 of 24 FINAL

WP-07-FS-BPA-13B Page 472 of 484

- b. <u>Statement of Facts</u>: The Public Service Charge line item relates to the Oregon Public Purpose charge and is to be functionalized using Direct Analysis. For all conservation costs, the utility is to use Direct Analysis as the method for supporting the functionalization of conservation
- c. <u>Snohomish PUD's Response to the Issue</u>: Snohomish PUD provided the following information for the functionalization of sub accounts to Production.

| Expense Accounts | | | | | |
|---------------------|----------|-----------------------------------|---------|-------------|-------------|
| | | 55005 | SumC | OfSum Total | |
| Account | Project | DESCR CVR / NEEA LOAD | | Amt | Qualifies?? |
| 583102 | 00340398 | RESEARCH | \$ | 112.97 | Yes |
| | | 2005 GENERAL CVR - | Ψ | | |
| 583102 | 00345751 | CONSERVATIO | \$ | 594.05 | Yes |
| 583102 | 00346261 | BRIER SUB CVR UPDATES | \$ | 155.07 | Yes |
| | | CLEARVIEW SUBSTATION | | | |
| 583102 | 00348134 | CVR MAINT CLEARVIEW SUBSTATION | \$ | 6,160.23 | Yes |
| 583102 | 00349345 | CLEARVIEW SUBSTATION | \$ | 714.33 | Yes |
| 000102 | 00040040 | CLEARVIEW SUBSTATION | Ψ | 714.00 | 103 |
| 583102 | 00349346 | CVR MAINT | \$ | 5,893.19 | Yes |
| | | 2006 GENERAL CVR - | | | |
| 583102 | 00350495 | | \$ | 12,820.92 | Yes |
| 583102 | 00351576 | 2006 LAKE STEVENS CVR CONVERSI | \$ | 175.70 | Yes |
| 583102 | 00351980 | LYNNWOOD CVR UPDATES | \$ | 1,343.45 | Yes |
| 303102 | 00331980 | 2006 MEADOWDALE CVR | φ | 1,545.45 | 103 |
| 583102 | 00351981 | UPDATE | \$ | 1,225.77 | Yes |
| | | 2006 MEADOWDALE CVR | | | |
| 583102 | 00351982 | UPDATE | \$ | 7,981.13 | Yes |
| 583102 | 00352417 | TULALIP CVR UPDATES | \$ | 2,564.02 | Yes |
| 500400 | 00050400 | KELLOGG MARSH CVR | • | 10 004 04 | |
| 583102 | 00352422 | UPDATES HILTON LAKE CVR | \$ | 10,331.84 | Yes |
| 583102 | 00352424 | APPLICATION | \$ | 5,008.65 | Yes |
| | | CLEARVIEW SUBSTATION | · · · · | 0,000.00 | |
| 583102 | 00352835 | CVR MAINT | \$ | 1,610.74 | Yes |
| 500400 | 00050400 | SNOHOMISH CVR | | 0 400 07 | X |
| 583102 | 00353439 | MAINTENANCE | \$ | 8,182.97 | Yes |
| 583102 Total | | | \$ | 64,875.03 | Yes |
| 584102 | 00345751 | 2005 GENERAL CVR - CONSERVATIO | \$ | 76.93 | Yes |
| 00-1102 | 000-0707 | 2006 GENERAL CVR - | Ψ | 10.00 | 100 |
| 584102 | 00350495 | CONSERVATIO | \$ | 1,660.45 | Yes |
| 584102 Total | | | \$ | 1,737.38 | Yes |
| 586101 | 60024 | Other C&I Services | \$ | 39,549.69 | Yes |
| | | SULTAN CVR - PLANNING, | | | |
| 586101 | 00339361 | DESIGN | \$ | 4,008.52 | Yes |

13 of 24 FINAL

WP-07-FS-BPA-13B Page 473 of 484

| Expense Accounts | | | | | |
|---------------------|----------|-----------------------------------|-----|--------------|-------------|
| | | DECOD | Sun | nOfSum Total | |
| Account | Project | DESCR CVR / NEEA LOAD | | Amt | Qualifies?? |
| 586101 | 00340398 | RESEARCH | \$ | 2,206.10 | Yes |
| 586101 | 00345751 | 2005 GENERAL CVR - CONSERVATIO | \$ | 428.90 | Yes |
| 586101 | 00350495 | 2006 GENERAL CVR - CONSERVATIO | \$ | 9,256.88 | Yes |
| 586101 Total | | | \$ | 55,450.09 | Yes |
| 588101 | 00352065 | SUBSTATION CAPACITOR APPLICATI | \$ | 151.12 | Yes |
| 588101 Total | | | \$ | 151.12 | Yes |
| | | 2006 LAKE STEVENS CVR | | | |
| 593101 | 00351576 | CONVERSI | \$ | 439.95 | Yes |
| 593101 Total | | | \$ | 439.95 | Yes |
| 594101 | 00352388 | CUSTOMER GENERATION XMER DECAL | \$ | 140.97 | Yes |
| 594101 Total | | | \$ | 140.97 | Yes |
| 901101 | 60058 | Conservation Administration | \$ | 352.91 | Yes |
| 901101 | 60059 | NEEA Conservation | \$ | 15.57 | Yes |
| 901101 Total | | | \$ | 368.48 | Yes |
| 903101 | 60058 | Conservation Administration | \$ | 209.60 | Yes |
| 903101 Total | | | \$ | 209.60 | Yes |
| 907101 | 60017 | Public Purpose Development | \$ | 970.27 | Yes |
| 907101 | 60058 | Conservation Administration | \$ | 2,193.07 | Yes |
| 907101 | 60059 | NEEA Conservation | \$ | 594.00 | Yes |
| 907101 Total | | | \$ | 3,757.34 | Yes |
| 908101 | 60016 | Customer Account Activities | \$ | 150.00 | Yes |
| 908101 | 60017 | Public Purpose Development | \$ | 188,365.86 | Yes |
| 908101 | 60024 | Other C&I Services | \$ | 3,152,363.99 | Yes |
| 908101 | 60025 | Consv Loans Program | \$ | 22,791.56 | Yes |
| 908101 | 60039 | Schools and Public Bldgs. | \$ | 1,879.73 | Yes |
| 908101 | 60040 | Matchmaker | \$ | 353,361.99 | Yes |
| 908101 | 60041 | Appliance Rebates | \$ | 895,427.39 | Yes |
| 908101 | 60042 | Compact Florescent Light Prog | \$ | 858,869.84 | Yes |
| 908101 | 60044 | C&I Benchmarking | \$ | 3,258.79 | Yes |
| 908101 | 60045 | New Construction-Commercial | \$ | 5,027.59 | Yes |
| 908101 | 60046 | New Construction-Residential | \$ | 28,963.43 | Yes |
| 908101 | 60050 | Vendor Miser Energy Efficiency | \$ | 1,969.41 | Yes |
| 908101 | 60052 | Residential Heat Pump Incentiv | \$ | 57,000.00 | Yes |
| 908101 | 60053 | Retail Green Power Planet Pwr | \$ | 82,463.18 | Yes |
| 908101 | 60056 | Housing Improvement Prgm (HIP) | \$ | 322,068.99 | Yes |
| 908101 | 60058 | Conservation Administration | \$ | 235,925.22 | Yes |
| 908101 | 60059 | NEEA Conservation | \$ | 183,167.08 | Yes |

14 of 24 FINAL

WP-07-FS-BPA-13B Page 474 of 484

| Expense Accounts | | | | | |
|---------------------|----------|-----------------------------------|------|--------------|-------------|
| Accounts | | | Su | mOfSum Total | |
| Account | Project | DESCR | | Amt | Qualifies?? |
| 908101 | 60060 | Consv Cust Acct Activities | \$ | 32,165.33 | Yes |
| 908101 | 60061 | Customer Renewables | \$ | 1,548.46 | Yes |
| 908101 | 60063 | Refrigerator Recycle Program | \$ | 530,854.06 | Yes |
| 908101 | 60064 | Seattle Fndtn Mobile Home Prog | \$ | 47,504.33 | Yes |
| 908101 | 60066 | Biodigester - Qualco Energy | \$ | 4,680.68 | Yes |
| 908101 | 66005 | Verify, Evaluate Measurement | \$ | 27,358.08 | Yes |
| 908101 | 00327985 | PLANET POWER MARKETING | \$ | 32,163.83 | Yes |
| 908101 | 00327986 | PLANET POWER IMPLEMENTATION | \$ | 3,513.96 | Yes |
| 908101 | 00328396 | SERVICES TOR SNOHOMISH SCHOOL | \$ | 3,683.95 | Yes |
| 908101 | 00328397 | SERVICES TOR MARYSVILLE SCHOOL | \$ | 3,185.77 | Yes |
| 908101 Total | | | \$ | 7,079,712.50 | Yes |
| 909101 | 60053 | Retail Green Power Planet Pwr | \$ | 1,815.98 | Yes |
| 909101 Total | | | \$ | 1,815.98 | Yes |
| 913101 | 60063 | Refrigerator Recycle Program | \$ | 261.00 | Yes |
| 913101 Total | | | \$ | 261.00 | Yes |
| 920101 | 60066 | Biodigester - Qualco Energy | \$ | 9,490.31 | Yes |
| 920101 Total | | | \$ | 9,490.31 | Yes |
| 921101 | 60017 | Public Purpose Development | \$ | 330.75 | Yes |
| 921101 Total | | | \$ | 330.75 | Yes |
| Grand Total | | | \$ 7 | 7,218,740.50 | |

d. <u>Analysis of Position and Decision</u>: The information provided by Snohomish PUD supports the functionalization of the Public Purpose Charge with 70% functionalized to Production and 30% functionalized to Distribution.

In the October 1, 2008 ASC filing all conservation costs will be functionalized using Direct Analysis.

2. Account 404 - Amortization of Intangible Plant Miscellaneous

- a. <u>Statement of Issue</u>: In its May 7th filing, Snohomish PUD functionalized Account 404 – Amortization of Intangible Plan Miscellaneous using Direct Analysis, without sufficient information to support the functionalization.
- b. <u>Statement of Facts</u>: Functionalization using Direct Analysis for Account is required. The default functionalization is Direct Distribution. Direct

15 of 24 FINAL

WP-07-FS-BPA-13B Page 475 of 484

Analysis must be supported with sufficient details of the account and justification of the functionalization.

c. <u>Analysis of Position and Decision</u>: Snohomish PUD did not respond to the issues list regarding the use of Direct Analysis for Account 404-Anirtuzation of Intangible Plant Miscellaneous.

In the October 1, 2008 ASC filing the use of Direct Analysis will be accompanied by sufficient information to support the proposed functionalization of Account 404-Anirtuzation of Intangible Plant Miscellaneous.

SCHEDULE 3A: Taxes – no changes

SCHEDULE 3B: Other Included Items – no changes

1. Sales for Resale MWhs

- a. <u>Statement of Issue</u>: In its May 7th filing, Snohomish PUD did not provide the Sales for resale MWhs value in ASC Template.
- b. <u>Statement of Facts:</u> Snohomish provided the MWhs.
- c. <u>Analysis of Position and Decision</u>: Adjusted the Sales for Resale to reflect 2,105,474 MWhs

SCHEDULE 4: Average System Cost

1. **Distribution Loss:**

- a. <u>Statement of Issue</u>: In its May 7th filing, Snohomish PUD used a 5% Distribution Loss Factor in determination of its ASC.
- b. <u>Statement of Facts:</u> The May 7th filing Appendix 1 template did not require a Utility to complete a Distribution Loss Study to increase the Total Retail Load. As outlined in the ASCM ROD, BPA allows participating Utilities that have the ability to directly measure distribution losses on their system to submit such measurements, subject to BPA review and approval, with their ASC filings. Utilities that do not possess the capability to directly measure distribution losses on their system are required to submit a formal distribution loss study with their ASC filing. The distribution loss study is valid for a period of seven years. Utilities that do not have the ability to directly measure distribution loss study that was prepared within the previous seven years of the date of the ASC filing will use the

16 of 24 FINAL

WP-07-FS-BPA-13B Page 476 of 484 default distribution loss study method described in the ASCM ROD, Section 4.10.5.

- c. <u>Analysis of Position and Decision</u>: For purposes of the expedited filing, BPA was unable to provide a Distribution Loss Study. BPA will use the 5% Distribution Loss Factor that was included in Snohomish PUD's May 7th filing.
- 2. **Contract System Loads:** New Large Single Load (NLSL) None No changes
- 3. **Contract System Costs:** New Large Single Load (NLSL) Costs None- No changes

SUPPORTING DOCUMENTATION: Purchased Power and Sales for Resale – no changes

SUPPORTING DOCUMENTATION: Salaries and Wages – no changes

SUPPORTING DOCUMENTATION: Labor Ratios

- 1. Maintenance of General Plant (GPM) Ratio: Miscellaneous Equipment
 - a. <u>Statement of Issue</u>: Incorrect functionalization of Labor Ratio "Miscellaneous Equipment in the Maintenance of General Plant (GPM)"
 - b. <u>Statement of Facts</u>: Miscellaneous Equipment in the Maintenance of General Plant Ratio was mistakenly functionalized to Distribution rather than PTD in the ASC Template.
 - c. <u>Analysis of Position and Decision</u>: BPA corrected the error and the functionalization of Miscellaneous Equipment in the Maintenance of General Plant Ratio was changed from Distribution to PTD in the ASC Template.

B. <u>Identification and Analysis of Issues from comments to the July 8, 2008 ASC</u> <u>Draft Report</u>

SCHEDULE 1: Plant Investment/Rate Base- no changes from July 8, 2008 report

SCHEDULE 1A: Cash Working Capital – no changes from July 8, 2008 report

SCHEDULE 2: Capital Structure and Rate of Return – no changes from July 8, 2008 report

17 of 24 FINAL

WP-07-FS-BPA-13B Page 477 of 484 SCHEDULE 3: - no changes from July 8, 2008 report

SCHEDULE 3A: Taxes – no changes from July 8, 2008 report

SCHEDULE 3B: Other Included – no changes from July 8, 2008 report

SCHEDULE 4: Average System Cost - - no changes from July 8, 2008 report

SUPPORTING DOCUMENTATION – no changes from July 8, 2008 report

C. <u>Identification and Analysis of Issues from comments to the August 4, 2008 ASC</u> <u>Draft Report</u>

SCHEDULE 1: Plant Investment/Rate Base-

- 1. For Account 108, line item "Capital Leases Common Plant" and In-Service: Depreciation of Common Plant
 - <u>Statement of Issue:</u> Errata corrections to the 2008 Average System Cost Methodology ("2008 ASCM") for Account 108, line item "Capital Leases - Common Plant" (line 69 in the electronic template) and "In-Service: Depreciation of Common Plant (a)" (line 71 in the electronic template), remove the PTD option from functionalization "Method Optional" column.
 - b. <u>Analysis of Position and Decision</u>: This correction is necessary to equate all Common Plant accounts to DIRECT functionalization under Utility Plant: Common Plant (line 91 in the electronic template). There are no functionalization options under Common Plant and all accounts are to be functionalized by Direct analysis.
- 2. For Account 115, line item "Amortization of Acquisition Adjustments
 - a. <u>Statement of Issue</u>: Errata corrections to the 2008 Average System Cost Methodology ("2008 ASCM") for Account 115, line item "Amortization of Acquisition Adjustments (line 73 in the electronic template), remove option from functionalization "Method Optional" column (cell F73 in electronic template) and equate cell E73 to E92 (Acquisition Adjustments (Electric), Account 114, line 92 in electronic template).
 - b. <u>Analysis of Position and Decision</u>: This correction is necessary because Depreciation and Amortization Reserves must follow the same functionalization used for Utility Plant under Assets and Other Debits.

18 of 24 FINAL

WP-07-FS-BPA-13B Page 478 of 484

SCHEDULE 1A: Cash Working Capital – no changes from the August 4 2008 report

SCHEDULE 2: Capital Structure and Rate of Return – no changes from the August 4 2008 report

SCHEDULE 3: – Expenses

- 1. For Account 406, line item "Amortization of Plant Acquisition Adjustments (Electric)
 - a. <u>Statement of Issue:</u> Errata corrections to the 2008 Average System Cost Methodology ("2008 ASCM") for Account 406, line item "Amortization of Plant Acquisition Adjustments (Electric) (line 96 in the electronic template), equate cell E96 to Account 114 Schedule 1, *Plant Investment/Rate Base* (Acquisition Adjustments (Electric), (cell E92 in electronic template).
 - b. <u>Analysis of Position and Decision</u>: This correction is necessary because Depreciation and Amortization expenses must follow the same functionalization used for Utility Plant under Plant Investment/Rate Base, Assets and Other Debits.

2. Account 908, line item "Customer Assistance Expenses (Major only)"

- <u>Statement of Issue:</u> Errata corrections to the 2008 Average System Cost Methodology ("2008 ASCM") for Account 908, line item "Customer Assistance Expenses (Major only)" (line 52 in the electronic template) requires DIRECT analysis of conservation related expenses:
- b. <u>Analysis of Position and Decision</u>: All exchangeable conservation costs may be functionalized to Production (PROD); all other costs will be functionalized to Distribution/Other (DIST).

SCHEDULE 3A: Taxes – no changes from the August 4 2008 report

SCHEDULE 3B: Other Included – no changes from the August 4 2008 report

SCHEDULE 4: Average System Cost - - no changes from the August 4 2008 report

SUPPORTING DOCUMENTATION – Labor Ratios

19 of 24 FINAL

WP-07-FS-BPA-13B Page 479 of 484

- 1. For Labor Ratio Input: line item "Customer Service and Informational"
 - a. <u>Statement of Issue:</u> For Labor Ratio Input: line item "**Customer Service and Informational**" (line 17 in the electronic template), did not follow the same functionalization as Account 908 in Schedule 3.
 - b. <u>Analysis of Position and Decision</u>: This Ratio requires DIRECT analysis of conservation related expenses associated with Account 908: all exchangeable conservation costs may be functionalized to Production (PROD); all other costs will be functionalized to Distribution/Other (DIST).

D. Exchange Period ASC New Resource Additions

The ASCM provides that changes to an established ASC are allowed to account for major new resource additions and purchases that are projected to come on-line or be purchased and used to meet that Utility's retail load during the BPA rate period. The change in ASC must meet the materiality threshold as the change in ASC resulting from adding major new resources, that is, a 2.5 percent or greater change in Base Period ASC. BPA allows Utilities to submit stacks of individual resources that, when combined, meet the materiality threshold. However, each resource in the stack must result in an increase of Base Period ASC of 0.5 percent or more. Snohomish did not have any New Resource Additions.

V. FINAL EXPEDITED ASC FORECAST for FY 2009-2013

The following three tables summarize the forecast of Contract System Cost (CSC) and Contract System Load (CSL) for purposes of determining Snohomish County PUD forecast ASCs for FY 2009 through FY 2013. Table 2: *FY 2009-2013 ASC Summary*, identifies the CSC, CSL, and Snohomish County PUD ASCs published in the July 8, 2008 report. *Revised* Table 2: *FY 2009-2013 ASC Summary* identifies the revised CSC, CSL, and Snohomish County PUD ASCs as appropriate and as a result of Snohomish County PUD comments to the July 8, 2008 report. *Final* Table 2: *FY 2009-2013 ASC Summary* identifies the final CSC, CSL, and Snohomish County PUD ASCs. The procedures used in making the July 8, 2008, determinations and any required changes published in both the August 4, 2008, and this final September 11, 2008, reports are outlined in the 2008 ASCM ROD and described herein. The results shown in all tables are forecasts for each year of the WP-07 rate test period (FY 2009-2013), as defined in section 7(b)(2) of the NW Power Act, and are used to calculate the PF Exchange Rate for FY 2009 of the WP-07 Supplemental Wholesale Power Rate Adjustment Proceeding (WP-07 Rate Case).

The BPA Forecast Model used to calculate the values shown below is located at <u>http://www.bpa.gov/corporate/finance/ascm/filings.cfm</u>.

20 of 24 FINAL

WP-07-FS-BPA-13B Page 480 of 484

Table 2: FY 2009-2013 ASC Summary – July 8, 2008

| Date (mid-year) | 4/1/2009 | 4/1/2010 | 4/1/2011 | 4/1/2012 | 4/1/2013 |
|-----------------|----------|----------|----------|----------|----------|
| Fiscal Year | 2009 | 2010 | 2011 | 2012 | 2013 |

CONTRACT SYSTEM COST

| Production | | | | | |
|----------------------|-------------|-------------|-------------|-------------|-------------|
| | 237,521,129 | 237,813,973 | 249,293,862 | 261,452,214 | 264,945,059 |
| Transmission | | | | | |
| | 37,611,796 | 37,979,200 | 38,471,842 | 39,017,404 | 39,600,659 |
| NLSL Fully Allocated | | | | | |
| Cost (\$/MWh) | | | | | |
| (Less) NLSL Costs | | | | | |
| | 0 | 0 | 0 | 0 | 0 |
| Total Contract | | | | | |
| System Cost | 275,132,925 | 275,793,173 | 287,765,704 | 300,469,618 | 304,545,718 |

CONTRACT SYSTEM LOAD

| Total Retail Load @ | | | | | |
|---------------------|-----------|-----------|-----------|-----------|-----------|
| Meter | 6,937,461 | 7,034,074 | 7,092,711 | 7,150,113 | 7,202,273 |
| (Less) NLSL | | | | | |
| | | | | | |
| Total Retail Load | | | | | |
| (Net or NLSL) | 6,937,461 | 7,034,074 | 7,092,711 | 7,150,113 | 7,202,273 |
| Distribution Loss | | | | | |
| | 346,873 | 351,704 | 354,636 | 357,506 | 360,114 |
| Total Contract | | | | | |
| System Load | 7,284,334 | 7,385,777 | 7,447,346 | 7,507,618 | 7,562,386 |

AVERAGE SYSTEM COST

| ASC (\$/MWh) 37.77 37.34 38.64 40.02 40.2 |
|---|
|---|

21 of 24 FINAL

WP-07-FS-BPA-13B Page 481 of 484

Revised Table 2: FY 2009-2013 ASC Summary – August 4, 2008

| Date (mid-year) | 4/1/2009 | 4/1/2010 | 4/1/2011 | 4/1/2012 | 4/1/2013 |
|-----------------|----------|----------|----------|----------|----------|
| Fiscal Year | 2009 | 2010 | 2011 | 2012 | 2013 |

CONTRACT SYSTEM COST

| Production | 232,339,854 | 244,308,235 | 247,588,656 | 260,587,973 | 263,899,001 |
|---------------------------------------|-------------|-------------|-------------|-------------|-------------|
| Transmission | 37,611,796 | 37,979,200 | 38,471,842 | 39,017,404 | 39,600,659 |
| NLSL Fully Allocated Cost (\$/MWh) | | | | | |
| (Less) NLSL Costs | | | | | |
| Total Contract System Cost | 269,951,649 | 282,287,435 | 286,060,497 | 299,605,377 | 303,499,660 |

CONTRACT SYSTEM LOAD

| | - | | | | |
|---------------------|-----------|-----------|---|-----------|---------------------------------------|
| Total Retail Load @ | 6,937,461 | 7,034,074 | 7,092,711 | 7,150,113 | 7,202,273 |
| Meter | | | | | |
| (Less) NLSL | | | | | |
| | | | | | |
| Total Retail Load | 6,937,461 | 7,034,074 | 7,092,711 | 7,150,113 | 7,202,273 |
| (Net or NLSL) | | | | | |
| Distribution Loss | 346,873 | 351,704 | 354,636 | 357,506 | 360,114 |
| | | | , i i i i i i i i i i i i i i i i i i i | | , , , , , , , , , , , , , , , , , , , |
| Total Contract | 7,284,334 | 7,385,777 | 7,447,346 | 7,507,618 | 7,562,386 |
| System Load | . , | | , , | | · · · |
| | | | | | |

AVERAGE SYSTEM COST

| ASC (\$/MWh) 37.06 38.22 38.41 39.91 40.13 |
|--|
|--|

Final Table 2: FY 2009-2013 ASC Summary – September 11, 2008

| Date (mid-year) | 4/1/2009 | 4/1/2010 | 4/1/2011 | 4/1/2012 | 4/1/2013 |
|-----------------|----------|----------|----------|----------|----------|
| Fiscal Year | 2009 | 2010 | 2011 | 2012 | 2013 |

CONTRACT SYSTEM COST

| Production | | | | | |
|----------------------|-------------|-------------|-------------|-------------|-------------|
| | 239,609,815 | 254,546,263 | 257,833,058 | 274,327,600 | 277,644,989 |
| Transmission | | | | | |
| | 37,780,520 | 38,148,568 | 38,641,922 | 39,188,191 | 39,772,181 |
| NLSL Fully Allocated | | | | | |
| Cost (\$/MWh) | | | | | |
| (Less) NLSL Costs | | | | | |
| | | | | | |
| Total Contract | | | | | |
| System Cost | 277,390,335 | 292,694,831 | 296,474,980 | 313,515,790 | 317,417,170 |

CONTRACT SYSTEM LOAD

| Total Retail Load @ | | | | | |
|-----------------------|-----------|-----------|-----------|-----------|-----------|
| Meter | 6,937,461 | 7,034,074 | 7,092,711 | 7,150,113 | 7,202,273 |
| (Less) NLSL | | | | | |
| Total Retail Load | | | | | |
| (Net or NLSL) | 6,937,461 | 7,034,074 | 7,092,711 | 7,150,113 | 7,202,273 |
| Distribution Loss | | | | | |
| | 346,873 | 351,704 | 354,636 | 357,506 | 360,114 |
| Total Contract | | | | | |
| System Load | 7,284,334 | 7,385,777 | 7,447,346 | 7,507,618 | 7,562,386 |

AVERAGE SYSTEM COST

| ASC (\$/MWh) | | | | | |
|--------------|-------|-------|-------|-------|-------|
| | 38.08 | 39.63 | 39.81 | 41.76 | 41.97 |

VI. BPA STATEMENT

This ASC determination is BPAs best estimate of Snohomish's FY 2009 ASC based on the information and data provided from Snohomish during the Expedited Review Process, and based on the professional review, evaluation, and judgment of the BPA REP staff. Decisions made herein are not binding for purposes of the Final ASC determination for FY 2009. This determination is made solely for the purpose of providing estimated FY 2009 ASCs for use in the development of BPAs FY 2009 power rates in BPAs WP-07 Supplemental Rate Proceeding. Decisions made herein are not final ASC determinations for purposes of implementing the REP for FY 2009. Final ASC determinations used to calculate REP benefits for each exchanging Utility for FY 2009 will be established by BPA after a review of such Utilities' October 1, 2008, Appendix 1 filings. Such reviews will be conducted in compliance with the Final 2008 ASC Methodology.

BPA has resolved the issues set forth in Section III of this report, as amended, in accordance with the 2008 Average System Cost Methodology (ASCM) as it is currently described in the Final Record of Decision, and with generally accepted accounting principles. BPA believes the information and data contained herein fairly estimates the Average System of Snohomish for FY 2009 of the WP-07 Supplemental Wholesale Power Rate Adjustment Proceeding.

The Final Appendix 1 Filing, Forecast Model and NLSL assessment used to calculate Snohomish's ASCs can be viewed at BPAs ASC website: <u>http://www.bpa.gov/corporate/finance/ascm/filings.cfm</u>.

> 24 of 24 FINAL

WP-07-FS-BPA-13B Page 484 of 484 The page intentionally left blank.

BONNEVILLE POWER ADMINISTRATION DOE/BP-3935 September 2008 75