

Slice versus Nov 9 Paper Cost Allocation -- 2 Hypothetical Utilities

Assumptions

FBS Cost	\$ 25,000
Firm Resource AMW	200
Nonfirm Resource AMW	50

	Periods				Average
	1	2	3	4	
Load in AMW					
Utility A	125	125	75	75	100
Utility B	75	85	110	130	100
Market in \$	\$ 60	\$ 50	\$ 40	\$ 30	
Resource in AMW					
Firm	200	200	200	200	200
Secondary	0	0	100	100	50

Pre-Decisional, for Discussion Purposes Only

Utilities' Net Costs Under Slice

Slice Share per Utility									Total
Slice Share of Total Resources	100		100		150		150		
FBS Cost per Utility	\$ 3,125	\$	3,125	\$	3,125	\$	3,125	\$	12,500
Utility A		1		2		3		4	
Purchases to Meet Load		25		25		0		0	
Cost of Purchases	\$ 1,500		\$ 1,250		\$ -		\$ -		
Sales of Surplus AMW	0		0		75		75		
Credit from Sales	-		-		(3,000.00)		(2,250.00)		
Total Cost Including FBS	\$ 4,625	\$	4,375	\$	125	\$	875	\$	10,000
Utility B									
Purchases to Meet Load	0		0		0		0		
Cost of Purchases	\$ -	\$	-	\$	-	\$	-		
Sales of Surplus AMW	25		15		40		20		
Credit from Sales	\$ (1,500)	\$	(750)	\$	(1,600)	\$	(600)		
Total Including FBS	\$ 1,625	\$	2,375	\$	1,525	\$	2,525	\$	8,050

Pre-Decisional, for Discussion Purposes Only

Net Cost to Utilities - Nov 9 Method

System	1	2	3	4	Total	
Purchases to Meet Load MW	0	10	0	0		
Cost of Purchases	\$ -	\$ 500	\$ -	\$ -	\$ 500	
Sales of Surplus AMW	0	0	115	95		
Credit from Sales	\$ -	\$ -	\$ (4,600)	\$ (2,850)	\$ (7,450)	
Net Cost Including FBS	\$ 6,250	\$ 6,750	\$ 1,650	\$ 3,400	\$ 18,050	
Utility A						
Share of Net System Cost	\$ 2,256	\$ 2,256	\$ 2,256	\$ 2,256	\$ 9,025	
Change in Cost					\$ (975)	
Utility B						
Share of Net System Cost	\$ 2,256	\$ 2,256	\$ 2,256	\$ 2,256	\$ 9,025	
Change in Cost					\$ 975	11%