

## BPA Generic Issues for FY 2009 ASC Filing

Issue No.	Sch	Account	Issue	Discussion
1	Sch-1	Account 303	<p style="text-align: center;"><b>Generic Direct Analysis Issue</b></p> <p>Should BPA adopt common functionalization for similar types of software assets?</p>	<p>Inconsistency between how the IOUs functionalize certain types of software, i.e. metering, customer information systems, work management, etc.</p> <p>The issue is whether BPA should maintain consistency in the functionalization of these common types of programs amongst utilities when calculating ASC.</p>
2	Sch-1	Account 182.3 and Account 254	<p style="text-align: center;"><b>Generic Direct Analysis Issue</b></p> <p>Should BPA adopt common functionalization for similar types of regulatory assets and liabilities?</p>	<p>Inconsistency in the way the IOUs functionalize Deferred Pension, Pay and other labor related Assets and Liabilities.</p> <p>PGE and Avista and NW use the Labor Ratio. IPC uses PTD. PSE and PAC functionalize these assets to Distribution.</p> <p>The issue is whether BPA should maintain consistency in the functionalization of deferred pension, pay and other labor related assets and liabilities amongst utilities when calculating ASC.</p>
3	Sch-1 and Sch-3	Accounts 182.3, 186, 253, and 254	<p style="text-align: center;"><b>Generic Direct Analysis Issue</b></p> <p>Should BPA require that asset accounts that have a corresponding liability account have a common functionalization? For example, should pension costs in Accounts 182.3 and 254 have the same functionalization?</p> <p>Should the functionalization of the amortization match the functionalization of the corresponding assets and liabilities?</p>	<p>Direct analysis is required in the functionalization of Other Regulatory Assets (Account 182.3), Miscellaneous Deferred Debits (Account 186), Other Deferred Credits (Account 253), and Other Regulatory Liabilities (Account 254).</p> <p>Direct analysis should include maintaining a consistency in functionalization where there is an asset in either Account 182.3 or 186 and offsetting liabilities in either Account 253 or 254.</p> <p>Direct analysis also requires showing how the assets and liabilities flow through the Income Statement</p>

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4	Sch 3, Sch 3B, 3-yr pp & OSS	555 & 447	<p><b>Generic Issue - Purchased Power Expense, Sales for Resale, and Price Spread</b></p> <p>How should book-outs and trading adjustments be treated for calculations of purchased power expense and sales for resale revenue and the price spread calculation?</p> <p>Should the treatment be consistent across utilities?</p>	<p>PacifiCorp is reducing the amount of its purchased power expense and sales for resale revenue by book-outs and trading adjustments. It appears that the other utilities do not.</p> <p>The inclusion or exclusion of book-outs and trading adjustments in purchased power and sales for resale numbers affects the price spread calculation. BPA is considering whether it is appropriate to remove these adjustments when performing the price spread calculation and the ASCs.</p>
5	ASC Forecast Model		<p><b>Generic Issue - New Plant Additions – Natural Gas Prices</b></p> <p>Should BPA adopt a common natural gas price forecast in the ASC Forecast Model for all <i>new</i> natural gas-fired plant additions?</p>	<p>Forecasted natural gas prices vary significantly between utilities forecasting natural gas burning new additions. None of the utilities submitted documentation on long term firm natural gas supply contracts, so it is assumed that the differences are a result of different natural gas price forecasting techniques.</p>
6	ASC Forecast Model		<p><b>Generic Issue - New Plant Additions - Capacity Factor</b></p> <p>Should BPA use common representative capacity factors in the ASC Forecast model for estimating the operating costs and expected energy output for plant additions of similar type?</p>	<p>Projected capacity factors vary significantly between utilities for similar types of new resources.</p>

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7	Sch. 1, Income Statement	Various	<p align="center"><b>Generic Issue – Inclusion - Other Regulatory Assets and Liabilities</b></p> <p>What should be the functionalization of Other Regulatory Assets and Liabilities that are not included in rate base by the regulatory authority?</p> <p>What should be the functionalization of the corresponding income statement accounts for the Regulatory Assets and Liabilities that are not included in rate base by the regulatory authority?</p>	<p>There is inconsistency between utilities in the functionalization of Regulatory Assets and Liabilities when not included in rate base.</p> <p>For example, PAC functionalized all Other Regulatory Assets and Liabilities that are not in its retail rate base to distribution. Idaho functionalized several items in these same accounts, also not included in its retail rate base, to PTD.</p> <p>Many of these accounts are included in working capital for ratemaking purposes.</p> <p>There is concern that the treatment of the income statement accounts for Other Regulatory Assets and Liabilities are not consistent with the asset and liability treatment for ASC purposes.</p>