

	A	B	C	D	E	F	G	H
1								
2	FY 2006 O&M Expenses allocated to Project Use and First Preference							
3								
4		From FY 06 Project Use True-Up (FP substitution)				FY 06 Actual		
5		O&M BY AGENCY	O&M for FP	FORMULA	PROJECT USE ALLOCATED COSTS	O&M BY AGENCY	FIRST PREFERENCE SHARE	FIRST PREFERENCE ALLOCATED COSTS
6	Western Power System Expenses:							
7	Transmission expense - operation	\$ 11,467,452	1.10%	1	\$ 125,752			
8	Transmission expense - maintenance (includes anticipated expensed RRADs)	\$ 19,247,533	1.10%	1	\$ 211,068			
9	Power users accounting and collecting expenses	\$ 4,023,194	1.56%	4	\$ 62,951			
10	Power marketing and general power resources planning expenses	\$ 5,896,805	2.09%	5	\$ 123,155			
11	Sub-total Western O&M	\$ 40,634,984			\$ 522,926	\$ 40,634,985	2.50%	\$1,015,875
12	Unfunded CSRS - Western CVP	\$ -	1.10%		\$ -	\$ -	2.50%	
13	Unfunded CSRS - Western Intertie					\$ 167,120	2.50%	
14	Loss on Disposition of assets					\$ 129,184	2.50%	
15	Intertie O&M					\$ 1,375,020	2.50%	
16	Total Western O&M	\$ 40,634,984			\$ 522,926	\$42,306,309		\$1,015,875
17								
18								
19	Reclamation Expenses:							
20	Hydraulic Power Generation	\$ 22,790,288	2.23%	3	\$ 508,998			
21	Transmission Expense	\$ 574,774	2.23%	3	\$ 12,837			
22	Administrative & General Expense	\$ -	2.23%	3	\$ -			
23	Carriage System	\$ 1,297,775	2.23%	3	\$ 28,985			
24	Water Marketing	\$ 4,374,786	2.23%	3	\$ 97,706			
25	Reclamation Scheduling Agent Cost (loads)	\$ 195,929	0.00%	6	\$ -			
26	Reclamation's Scheduling Agent Cost Assoc with CVP Gen	\$ 587,787	2.23%	3	\$ 13,128			
27	Sub-total USBR O&M	\$ 29,821,339			\$ 661,654	\$ 31,532,595	2.50%	\$788,315
28	Unfunded CSRS for Reclamation	\$ -				\$ 1,337,696	2.50%	
29	Total USBR O&M	\$ 29,821,339			\$ 661,654	\$32,870,291		\$788,315
30								
31	TOTAL O&M (Western & Reclamation)	\$ 70,456,323			\$ 1,184,580	\$75,176,600		\$1,804,190
32								
33	Notes:							
34	First Preference Customer formula:					PTP	\$ 5,825,520	\$ (145,638)
35	(PU load) / [(CVP gen + Washoe gen + Lewiston gen + PU forward purchase) - PU load]					NITS offset	\$ 9,595,092	\$ (239,877)
36								\$ (385,515)
37	Listed below: O&M related costs not allocated to Project Use customers							
38	1. Unfunded CSRS for Intertie					Subtotal (Adj w-CVP Xm offset)		\$1,418,674
39	2. Unfunded CSRS for Reclamation							
40	3. Intertie O&M					PU Revenue offset (O&M ONLY)	\$ 8,990,894	\$ (224,772)
41	4. Western's Loss on Disposition of Assets							
42						Subtotal (w/PU Rev Offset)		\$1,193,902
43								

Comparison of First Preference (FP) and Project Use Customers
 (using actual FY 2006 financial data)

Other Costs/Revenues (besides O&M) and their allocation

For use at the 11-20-08 Informal Rates Meeting

Who is Paving for (Gross amts):

Description of Revenue or Expense (lined up by PRR category):	Project Use	Preference	Total	NOTES:
Project Repayment		\$ -		
Interest		\$ 4,464,756		Based on FY 06 interest amount from the PRS.
Washoe		\$ 428,000		
PU Power Purchases	\$ 345,806	\$ 3,354,194	\$ 3,700,000	
CAISO Costs for SBA balancing (WSNR) (e.g. export TAC fees, import charges)		\$ 2,636,384		PU does not pay for this per the Sub Allocation Methodology
Other Expenses				HCA costs for PU are allocated using Form. #1 (Rec1 O&M), but are paid in the Other Expense Category on Sub Allocation. HCA Start Up costs are included for FY 06.
- HCA Costs	\$ 118,668	\$ 1,710,882		
- PACI Path Operator		\$ 729,167		
- COTP 27 MW (TANC Lease)		\$ 414,787		
- Trinity Assessment		\$ 444,654		Not paid through Sub Allocation
- CIRS PG&E Facility Charge (COTP)		\$ 18,528		DOE pays for over 75% (see offsetting revs below for CIRS)
- WECC dues		\$ 65,000		
- DOE's expenses associated with COTP O&M - CASH CALL.		\$ 896,207		These charges are 100% pass thru to DOE (see offsetting revs below)
- CAISO Market & GMC Charges for NM Pseudo-Tie (WNML)		\$ -		This is \$0 in FY 06. Pseudo-tie occurred in Dec 06 I believe.
- CAISO Market & GMC Charges for 2207A (WSLW) and WPUL - Expenses	\$ 356,783			GMC & FERC Fees - these costs are not present on PRR
- Gen. Dev. ass. with non-specific power purpose (Example forced outage)	\$ 7,297			
- Nimbus FH Charges	\$ 21,660			
- Resource Adequacy 6/		\$ -		
Transmission Expenses 1/ & 5/				
- WDT preference and PU (includes WDT admin fee) - Rev-Expenses	\$ 176,932	\$ -		
- HV/LV TAC from CAISO WPUL/WSLW invoices	\$ 834,831			
- Wheeling for 2207A - Expenses	\$ 366,757			
- Amortization of San Luis Transmission	\$ 53,060			
- Amortization of New Melones Transmission	\$ 81,094			
- Retroactive Gloryhold Charges	\$ 141,632			
Miscellaneous Revenues (offsetting revs):				
- SC/PM/VRC Revenues		\$ (1,751,066)		
- Ancillary Service Sales (IOA Members)		\$ (3,764,573)		
- PACI Revenues		\$ (1,535,392)		
- DOE's revenues associated with COTP O&M		\$ (896,207)		Offsetting revs from DOE for COTP O&M (see other expenses above)
- Facility use Charge		\$ (328,362)		
- Late Payment		\$ (236,200)		
- Whiskeytown		\$ (51,600)		
- Application Fee		\$ (24,500)		
- CIRS PG&E Facility Charge		\$ (12,351)		
- CVP S/T PTP		\$ (9,508)		
- Energy Unbanking		\$ (5,000,000)		Actual amt for FY 06 was \$11.6M, but for this analysis it was reduced to \$5M
- S/T COTP Transmission Charge		\$ (253,096)		
- CVP NITS and PTP Offsetting revenues			\$ 15,420,612	CVP NITS and PTP 2/
TOTAL COST OF OTHER COSTS/REVS TO PU AND	5/ \$ 850,214	\$ 1,299,704		

Resource Adequacy Costs for FP only

\$ - \$ -

32,493 Cost to FP customers (2.5% of Total Cost)

SUMMARY OF PROJECT USE AND FIRST PREFERENCE COMPARISON

Source: From O&M Comparison Sheet

Source: From the above columns for Oth Costs, Revs & R⁴

	Project Use	First Pref 4/	
PU's O&M	#REF!	\$ 1,193,902	O&M cost (from sub Allocation)
Other costs	850,214	32,493	plus FP portion of Other costs and Revenues
5/	#REF!	\$ 1,226,394	
\$/MWh	#REF!	7.60	\$/MWh FY 06 Calculation

Based on:

Project Use Energy of 1,181,375 MWh

FP Load of 161,400 MWh

NOTES:

1/ These expenses are annotated on the Sub Allocation and paid for by PU, but are not listed on the PRR worksheet. Therefore they are 100% paid by PU customers.

For FY 06, most transmission expenses had a retroactive charges from FY 05 also (Jan - Sep 05).

2/ These offsets were already applied in the O&M portion of this comparison analysis. The offset was calculated as:

From the G&T PU and FP Comparison Model:

\$	9,595,092	NITS
\$	5,825,520	PTP (0.87)
\$	15,420,612	CVP Offsetting Rev

3/ FP 2006 Actual FP Calculated % was:

2.50%

4/ First Preference FY 06 Information:

\$2,524,319.10	Total FP Payments
161,400,000	Total FP Energy
2.50%	Actual FP %

5/ To arrive at the final FY 06 PU True Up amount of \$11,495,412 the transmission expenses that are deleted above must be added back.

Per customer's requests, these Xm expenses were deleted for this comparison in order to compare comparable costs.

If kept in, then all transmission expenses for preference customers would need to be included.

6/ RA costs were not allocated to PU or FP in FY 06.

Comparison of First Preference (FP) and Project Use Customers
 (using actual FY 2006 financial data)

Other Costs/Revenues (besides O&M) and their allocation

For use at the 11-20-08 Informal Rates Meeting

Description of Revenue or Expense (lined up by PRR category):	Who is Paying for (Gross amts):		NOTES:	
	Project Use	A Preference		B Preference
Project Repayment		\$ -	\$ 10,000,000	\$10M represents the proxy based on the Rate Case and repayment schedule.
Interest		\$ 4,464,756	\$ 4,464,756	Based on FY 06 interest amount from the PRS.
Washoe		\$ 428,000	\$ 428,000	
PU Power Purchases	\$ 345,806	\$ 3,354,194	\$ 3,354,194	
CAISO Costs for SBA balancing (WSNR) (e.g. export TAC fees, import charges)		\$ 2,636,384	\$ 2,636,384	PU does not pay for this per the Sub Allocation Methodology
Other Expenses				HCA costs for PU are allocated using Form. #1 (Recl O&M), but are paid in the Other Expense Category on Sub Allocation. HCA Start Up costs are included for FY 06.
- HCA Costs	\$ 118,668	\$ 1,710,882	\$ 1,710,882	
- PACI Path Operator		\$ 729,167	\$ 729,167	
- COTP 27 MW (TANC Lease)		\$ 414,787	\$ 414,787	
- Trinity Assessment		\$ 444,654	\$ 444,654	Not paid through Sub Allocation
- CIRS PG&E Facility Charge (COTP)		\$ 18,528	\$ 18,528	DOE pays for over 75% (see offsetting revs below for CIRS)
- WECC dues		\$ 65,000	\$ 65,000	
- DOE's expenses associated with COTP O&M - CASH CALL		\$ 896,207	\$ 896,207	These charges are 100% pass thru to DOE (see offsetting revs below)
- CAISO Market & GMC Charges for NM Pseudo-Tie (WNML)		\$ -	\$ -	This is \$0 in FY 06. Pseudo-tie occurred in Dec 06 I believe.
- CAISO Market & GMC Charges for 2207A (WSLW) and WPUL - Expenses	\$ 356,783			GMC & FERC Fees - these costs are not present on PRR
- Gen. Dev. ass. with non-specific power purpose (Example forced outage)	\$ 7,297			
- Nimbus FH Charges	\$ 21,660			
- Resource Adequacy 6/		\$ -	\$ -	This represents the remaining portion of PU's RA allocation that was not paid through Sub Allocation.
Transmission Expenses 1/ & 5/				
- WDT preference and PU (includes WDT admin fee) - Rev-Expenses	\$ 176,932	\$ -	\$ -	
- HV/LV TAC from CAISO WPUL/WSLW invoices	\$ 834,831			
- Wheeling for 2207A - Expenses	\$ 366,757			
- Amortization of San Luis Transmission	\$ 53,060			
- Amortization of New Melones Transmission	\$ 81,091			
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- Ancillary Service Sales (IOA Members)		\$ (3,764,573)	\$ (3,764,573)	
- PACI Revenues		\$ (1,535,392)	\$ (1,535,392)	
- DOE's revenues associated with COTP O&M		\$ (896,207)	\$ (896,207)	Offsetting revs from DOE for COTP O&M (see other expenses above)
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- CIRS PG&E Facility Charge		\$ (12,351)	\$ (12,351)	
- CVP S/T PTP		\$ (9,508)	\$ (9,508)	
- Energy Unbanking		\$ (5,000,000)	\$ (5,000,000)	Actual amt for FY 06 was \$11.6M, but for this analysis it was reduced to \$5M
- S/T COTP Transmission Charge		\$ (253,096)	\$ (253,096)	
- CVP NITS and PTP Offsetting revenues				CVP NITS and PTP 2/
TOTAL COST OF OTHER COSTS/REVS TO PU AND	5/ \$ 850,214	\$ 1,299,704	\$ 11,299,704	

Resource Adequacy Costs for FP only	\$ -	\$ -	\$ -
		32,493	282,493

SUMMARY OF PROJECT USE AND FIRST PREFERENCE COMPARISON

Source: From O&M Comparison Sheet

Source: From the above columns for Oth Costs, Revs & RA

	Project Use	First Pref 4/	First Pref 4/
PU's O&M	#REF!	\$ 1,193,902	\$ 1,193,902
Other costs	850,214	32,493	282,493
5/	#REF!	\$ 1,226,394	\$ 1,476,394
	\$/MWh	#REF!	7.60 9.15
			FY 06 Calculated Rate

Based on:

Project Use Energy of 1,181,375 MWh
 FP Load of 161,400 MWh

NOTES:

1/ These expenses are annotated on the Sub Allocation and paid for by PU, but are not listed on the PRR worksheet. Therefore they are 100% paid by PU customers.

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\$	9,595,092	NITS
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\$	15,420,612	CVP Offsetting Rev

3/ FP 2006 Actual FP Calculated % was:

2.50%

4/ First Preference FY 06 Information:

\$2,524,319.10	Total FP Payments
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6/ RA costs were not allocated to PU or FP in FY 06.