

Revenue Requirement - Non-Levelized

Revenue Requirement Template
 Utilizing Financial Statement Results of Operations (ROOs)

For the 12 months ended 9/30/2008

Western Area Power Administration - UGPR & RMR

<u>Line No.</u>				<u>Allocated Amount</u>
1	GROSS REVENUE REQUIREMENT (page 3, line 29)			\$ 108,685,925
	REVENUE CREDITS	(Note R)	<u>Total</u>	<u>Allocator</u>
2	Short-Term Firm Point-to-Point Transmission Service Credit		8,523	NA 1.00000 8,523
3	Non-Firm Point-to-Point Transmission Service Credit		145,017	NA 1.00000 145,017
4	Revenue from Existing Transmission Agreements		3,337,273	NA 1.00000 3,337,273
5	Scheduling, System Control, and Dispatch Service Credit		523,417	NA 1.00000 523,417
6	Account No. 454	(page 3, line 36)	79,082	TP 1.00000 79,082
7	Account No. 456	(page 3, line 39)	0	TP 1.00000 0
8	TOTAL REVENUE CREDITS			<u>4,093,312</u>
9	NET REVENUE REQUIREMENT	(line 1 minus line 8)		<u>\$ 104,592,613</u>

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Line No.	(1) RATE BASE:	(2) Results of Operations Reference	(3) Company Total	(4) Allocator	(5) Transmission (Col 3 times Col 4)
	GROSS PLANT IN SERVICE (Note A)				
1	Production	Schedule 1A Total	18,413,407	NA	
2	Transmission	Schedule 1A Total	913,847,968	TP	1.00000
3	Distribution	Schedule 1A Total	28,597,854	NA	
		Bal Sheet - Other Assets			
4	General & Intangible	- SGL 175002		W/S	1.00000
5	Common		0	CE	0.00000
6	TOTAL GROSS PLANT (sum lines 1-5)		960,859,229	GP=	95.107%
	ACCUMULATED DEPRECIATION				
7	Production	Schedule 4	8,970,093	NA	
8	Transmission	Schedule 4	444,438,732	TP	1.00000
9	Distribution	Schedule 4	13,896,442	NA	
		Bal Sheet - Other Assets			
10	General & Intangible	- SGL 175902	0	W/S	1.00000
11	Common		0	CE	0.00000
12	TOTAL ACCUM. DEPRECIATION (sum lines 7-11)		467,305,267		
	NET PLANT IN SERVICE				
13	Production	(line 1- line 7)	9,443,314		
14	Transmission	(line 2- line 8)	469,409,236		469,409,236
15	Distribution	(line 3 - line 9)	14,701,412		
16	General & Intangible	(line 4 - line 10)	0		0
17	Common	(line 5 - line 11)	0		0
18	TOTAL NET PLANT (sum lines 13-17)		493,553,962	NP=	95.108%
	ADJUSTMENTS TO RATE BASE (Note B)				
19	Account No. 281 (enter negative)		0		zero
20	Account No. 282 (enter negative)		0	NP	0.95108
21	Account No. 283 (enter negative)		0	NP	0.95108
22	Account No. 190		0	NP	0.95108
23	Account No. 255 (enter negative)		0	NP	0.95108
24	TOTAL ADJUSTMENTS (sum lines 19 - 23)		0		0
25	LAND HELD FOR FUTURE USE (Note C)		0	TP	1.00000
	WORKING CAPITAL (Note D)				
26	CWC	calculated	13,240,848		0
		Bal Sheet - Other Assets			
27	Materials & Supplies (Note C)	- SGL 151191	0	TE	1.00000
28	Prepayments	Bal Sheet Other Assets	0	GP	0.95107
29	TOTAL WORKING CAPITAL (sum lines 26 - 28)		13,240,848		0
30	RATE BASE (sum lines 18, 24, 25, and 29)		506,794,810		469,409,236

SAMPLE

Western Area Power Administration
Integrated System

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Line No.	(1)	(2)	(3)	(4)	(5)
Line No.	Results of Operation Reference	Company Total	Allocator	Transmission (Col 3 times Col 4)	
O&M					
1	Transmission (Note E) Schedule 11				
1a	Western UGP	50,512,311	PTP/UGP 0.95075	48,024,580	
1b	Western RMR	35,178,200	PTP/RMR 0.01027	361,280	
2	Less Account 565 (Note E)		NA 1.00000	0	
3	A&G (Note F) Schedule 11				
3a	Western UGP	12,596,921	PTP/UGP 0.95075	11,976,523	
3b	Western RMR	7,639,348	PTP/RMR 0.01027	78,456	
4	Less FERC Annual Fees	0	W/S 1.00000	0	
5	Less EPRI & Reg. Comm. Exp. & Non-safety Ad (Note G)	0	W/S 1.00000	0	
5a	Plus Transmission Related Reg. Comm. Exp (Note G)	0	TE 1.00000	0	
6	Common	0	CE 0.00000	0	
7	Transmission Lease Payments	0	NA 1.00000	0	
8	TOTAL O&M (sum lines 1, 3, 5a, 6, 7 less lines 2, 4, 5)	105,926,780		60,440,839	
DEPRECIATION EXPENSE					
9	Transmission (Note E) Schedule 4				
9a	Western UGP	23,188,791	PTP/UGP 0.95075	22,046,743	
9b	Western RMR	14,228,852	PTP/RMR 0.01027	146,130	
10	General	0	W/S 1.00000	0	
11	Common	0	CE 0.00000	0	
12	TOTAL DEPRECIATION (Sum lines 9 - 11)	37,417,643		22,192,873	
TAXES OTHER THAN INCOME TAXES (Note H)					
LABOR RELATED					
13	Payroll	0	W/S 1.00000	0	
14	Highway and vehicle	0	W/S 1.00000	0	
PLANT RELATED					
16	Property	0	GP 0.95107	0	
17	Gross Receipts	0	zero	0	
18	Other	0	GP 0.95107	0	
19	Payments in lieu of taxes	0	GP 0.95107	0	
20	TOTAL OTHER TAXES (sum lines 13 - 19)	0		0	
INCOME TAXES (Note I)					
21	$T = 1 - \{[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)\} =$	0.00%	NA		
22	$CIT = (T/1-T) * (1 - (WCLTD/R)) =$ where WCLTD=(page 4, line 27) and R=(page 4, line30) and FIT, SIT & p are as given in footnote I.	0.00%			
23	$1 / (1 - T) =$ (from line 21)	0.0000			
24	Amortized Investment Tax Credit (enter negative)	0			
25	Income Tax Calculation = line 22 * line 28	0	NA	0	
26	ITC adjustment (line 23 * line 24)	0	NP 0.95108	0	
27	Total Income Taxes (line 25 plus line 26)	0		0	
28	RETURN [Rate Base (page 2, line 30) * Rate of Return (page 4, line 30)]	28,127,112	NA	26,052,213	
29	REV. REQUIREMENT (sum lines 8, 12,20,27,28)	171,471,535		108,685,925	

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Line No.	SUPPORTING CALCULATIONS AND NOTES				
TRANSMISSION PLANT INCLUDED IN IS RATES					
1	Total transmission plant (page 2, line 2, column 3)			913,847,968	
2	Less transmission plant excluded from IS rates (Note K)				
3	Less transmission plant included in OATT Ancillary Services (Note L)			0	
4	Transmission plant included in IS rates (line 1 less lines 2 & 3)			913,847,968	
5	Percentage of transmission plant included in IS Rates (line 4 divided by line 1)		TP=	1.00000	
TRANSMISSION EXPENSES					
6	Total transmission expenses (page 3, lines 1a and 1b, column 3)			85,690,511	
7	Less transmission expenses included in OATT Ancillary Services (Note J)			0	
8	Included transmission expenses (line 7 less line 6)			85,690,511	
9	Percentage of transmission expenses after adjustment (line 8 divided by line 6)			1.00000	
10	Percentage of transmission plant included in IS Rates (line 5)		TP	1.00000	
11	Percentage of transmission expenses included in IS Rates (line 9 times line 10)		TE=	1.00000	
WAGES & SALARY ALLOCATOR (W&S)					
		\$	TP	Allocation	
12	Production	0	0.00	0	
13	Transmission	18,904,344	1.00	18,904,344	
14	Distribution	0	0.00	0	
15	Other	0	0.00	0	
16	Total (sum lines 12-15)	18,904,344		18,904,344 =	
				W&S Allocator (\$/ Allocation) 1.00000	
PERCENTAGE OF TOTAL PLANT ALLOCATOR PTP (Note M)					
		\$			
17	Transmission Plant in Service UGP	907,551,548			
18	Total Plant in Service UGP	954,563,109			
19	UGP Percentage of Transmission Plant to Total Plant (line 17 divided by line 18)		PTP/UGP	= 0.95075	
20	Transmission Plant in Service RMR	6,296,120			
21	Total Plant in Service RMR	612,929,825			
22	RMR Percentage of Transmission Plant to Total Plant (line 20 divided by line 22)		PTP/RMR	= 0.01027	
COMMON PLANT ALLOCATOR (CE) (Note N)					
		\$	% Electric (line 17 / line 20)	Labor Ratio (line 16)	CE
23	Electric	0			
24	Gas	0	0.00000	1.00000	= 0.00000
25	Water	0			
26	Total (sum lines 17-19)	0			
RETURN (R)					
27	Long Term Interest Schedule 5	\$30,820,304			
		\$	%	Cost (Note O)	Weighted
	HFD Sch's 21RX & 21X Col 8 Lines				
28	Long Term Debt	554,925,281	100%	0.0555	0.0555 =WCLTD
29	Proprietary Capital	0	0%	0.1238	0.0000
30	Total (sum lines 22-23)	554,925,281	100%		0.0555 =R
31				Proprietary Capital Cost Rate =	12.38%
32				TIER =	1.00
REVENUE CREDITS					
				Load	
ACCOUNT 447 (SALES FOR RESALE)					
33	a. Bundled Non-RQ Sales for Resale		(Note P)		0
34	b. Bundled Sales for Resale included in Divisor on page 1				0
35	Total of (a)-(b)				0
36	ACCOUNT 454 (RENT FROM ELECTRIC PROPERTY) (Note Q)				\$79,082
ACCOUNT 456 (OTHER ELECTRIC REVENUES)					
37	a. Transmission charges for all transmission transactions				
38	b. Transmission charges for all transmission transactions included in Divisor on page 1				\$0
39	Total of (a)-(b)				\$0

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General Note: References to Results of Operations in this revenue requirement template indicate the Financial Statement Results of Operations (ROOs) Schedule where data is located

Note

Letter

- A Combines plant data for both the Upper Great Plains Region and Rocky Mountain Region.
- B Does not apply to Western. For others, the balances in Accounts 190, 281, 282 and 283, as adjusted by any contra accounts identified as regulatory assets amounts in or liabilities related to FASB 106 or 109. Balance of Account 255 is reduced by prior flow throughs and excluded if the utility chose to utilize amortization of tax credits against taxable income as discussed in Note K. Account 281 is not allocated.
- C Transmission related only.
- D Cash Working Capital assigned to transmission is one-eighth of O&M allocated to transmission at page 3, line 8, column 5.
Prepayments are the electric related prepayments booked to Account No. 165 and reported in the Other Assets Section of the Balance Sheet
- E For O&M Expense, Calculated as Total O&M from Results of Operations less Purchase Power, Transmission Service Provided by Others (FERC 565), O&M Expense Fort Peck Powerhouse, Prior Year Adjustments, A&G Expense from Schedule 11, plus CME and Warehouse Interest from Schedule 5. Depreciation Expense from Results of Operations Schedule 4.
- F Totals of Results of Operations Schedule 11A Object Classes 1411, 1412, 1415, 1416, 1431, 1432, 1441, 1442
- G Line 5 - EPRI Annual Membership Dues, all Regulatory Commission Expenses, and non-safety related advertising. Line 5a - Regulatory Commission Expenses directly related to transmission service, ISO filings, or transmission siting.
- H Includes only FICA, unemployment, highway, property, gross receipts, and other assessments charged in the current year.
Taxes related to income are excluded. Gross receipts taxes are not included in transmission revenue requirement in the Rate Formula Template, since they are recovered elsewhere.
- I Western is not subject to Federal or State Income Tax.

Inputs Required:	FIT =	0.00%	
	SIT=	0.00%	(State Income Tax Rate or Composite SIT)
	p =	0.00%	(percent of federal income tax deductible for state purposes)
- J Removes dollar amount of transmission expenses included in the OATT ancillary services rates, including Acct No. 561.
Western does not include transmission expenses in ancillary service rates.
- K Removes transmission plant determined by Commission order to be state-jurisdictional according to the seven-factor test (until RUS 12 balances are adjusted to reflect application of seven-factor test).
- L Removes dollar amount of transmission plant included in the development of OATT ancillary services rates and generation step-up facilities, which are deemed to included in OATT ancillary services. For these purposes, generation step-up facilities are those facilities at a generator substation on which there is no through-flow when the generator is shut down.
- M Percentage of Total Plant Allocators are developed separately for the Upper Great Plains Region and Rocky Mountain Region to allocate O&M, A&G, and Depreciation Expenses between Transmission and Generation.
- N Western does not have Common Plant.
- O Debt cost rate = long-term interest (line 21) / long term debt (line 22). The Proprietary Capital Cost rate is implicit, a residual calculation after TIER is determined. TIER will be supported in the filing and no change in TIER may be made absent a filing with the ISO and the FERC, if the entity is under FERC's jurisdiction.
- P Line 29 must equal zero since all short-term power sales must be unbundled and the transmission component reflected in Account No. 456 and all other uses are to be included in the divisor.
- Q Includes income related only to transmission facilities, such as pole attachments, rentals and special use.
- R The revenues credited on page 1 lines 2-5 shall include only the amounts received directly reflecting the Transmission Owner's integrated transmission facilities. They do not include revenues associated with FERC annual charges, gross receipts taxes, facilities not included in this template (e.g., direct assignment facilities and GSUs) which are not recovered under this Revenue Requirement Template.