

DEVELOPMENT OF FUNCTIONALIZED PRODUCTION ENERGY COST/UNIT ENERGY COST - 2013 RATE CASE

2013-00199 (ALCAN CASE)

Line	Description	Name	Functional Vector	Total System	Production Energy
<u>Operation and Maintenance Expenses</u>					
Steam Power Generation Operation Expenses					
1	500 OPERATION SUPERVISION & ENGINEERING	OM500	PROFIX	\$ 3,007,988	-
2	501 FUEL	OM501	Energy	\$ 91,471,119	91,471,119
3	502 STEAM EXPENSES	OM502	PROFIX	\$ 21,174,678	-
4	505 ELECTRIC EXPENSES	OM505	PROFIX	\$ 5,963,270	-
5	506 MISC. STEAM POWER EXPENSES	OM506	PROFIX	\$ 4,078,186	-
6	507 RENTS	OM507	PROFIX	\$ -	-
7	509 ALLOWANCES	OM509	Energy	\$ 17,674	17,674
8	Total Steam Power Operation Expenses			\$ 125,712,914	\$ 91,488,793
Steam Power Generation Maintenance Expenses					
9	510 MAINTENANCE SUPERVISION & ENGINEERING	OM510	Energy	\$ 2,763,175	2,763,175
10	511 MAINTENANCE OF STRUCTURES	OM511	PROFIX	\$ 2,193,202	-
11	512 MAINTENANCE OF BOILER PLANT	OM512	Energy	\$ 17,108,406	17,108,406
12	513 MAINTENANCE OF ELECTRIC PLANT	OM513	Energy	\$ 3,584,767	3,584,767
13	514 MAINTENANCE OF MISC STEAM PLANT	OM514	PROFIX	\$ 1,437,608	-
14	Total Steam Power Generation Maintenance Expense			\$ 27,087,159	\$ 23,456,348
15	Total Steam Power Generation Expense			\$ 152,800,073	\$ 114,945,141
Other Power Generation Operation Expense					
16	546 OPERATION SUPERVISION & ENGINEERING	OM546	PROFIX		-
17	547 FUEL	OM547	Energy		-
18	548 GENERATION EXPENSE	OM548	PROFIX	\$ 36,837	-
19	549 MISC OTHER POWER GENERATION	OM549	PROFIX		-
20	550 RENTS	OM550	PROFIX		-
21	Total Other Power Generation Expenses			\$ 36,837	\$ -
Other Power Generation Maintenance Expense					
22	551 MAINTENANCE SUPERVISION & ENGINEERING	OM551	Energy		-
23	552 MAINTENANCE OF STRUCTURES	OM552	PROFIX		-
24	553 MAINTENANCE OF GENERATING & ELEC PLANT	OM553	Energy		-
25	554 MAINTENANCE OF MISC OTHER POWER GEN PLT	OM554	PROFIX		-
23	Total Other Power Generation Maintenance Expense			\$ -	\$ -
24	Total Other Power Generation Expense			\$ 36,837	\$ -
25	Total Station Expense			\$ 152,836,910	\$ 114,945,141
Other Power Supply Expenses					
26	555 PURCHASED POWER Energy	OM555	OMPP	\$ 9,476,864	9,476,864
27	555 PURCHASED POWER Demand	OMD555	OMPPD	\$ -	-
28	555 PURCHASED POWER BREC Share of HMP&L Station Two	OMH555	OMPPH	\$ 70,610,388	51,247,861
29	555 PURCHASED POWER OPTIONS	OMO555	OMPP	\$ -	-
30	555 BROKERAGE FEES	OMB555	OMPP	\$ -	-
31	555 MISO TRANSMISSION EXPENSES	OMM555	OMPP	\$ -	-
32	556 SYSTEM CONTROL AND LOAD DISPATCH	OM556	PROFIX	\$ -	-
33	557 OTHER EXPENSES	OM557	PROFIX	\$ 5,163,160	-
34	558 DUPLICATE CHARGES	OM558	Energy	\$ -	-
35	Total Other Power Supply Expenses			\$ 85,250,413	\$ 60,724,725

DEVELOPMENT OF FUNCTIONALIZED PRODUCTION ENERGY COST/UNIT ENERGY COST - 2013 RATE CASE

2013-00199 (ALCAN CASE)

Line	Description	Name	Functional Vector	Total System	Production Energy
Customer Service Expense					
36	908 CUSTOMER ASSISTANCE EXPENSES	OM908	TUP	\$ 1,293,291	-
37	909 INFORMATIONAL AND INSTRUCTIONA	OM909	TUP	\$ 31,897	-
38	913 ADVERTISING EXPENSES	OM913	TUP	\$ 143,537	-
38	Total Customer Service Expense	OMCS		\$ 1,468,725	\$ -
39	Sub-Total Prod, Trans, Dist, Cust Acct and Cust Service				\$ 175,669,866
Administrative and General Expense					
40	920 ADMIN. & GEN. SALARIES-	OM920	LBSUB9	\$ 13,444,105	4,626,857
41	921 OFFICE SUPPLIES AND EXPENSES	OM921	LBSUB9	\$ 8,876,103	3,054,756
42	923 OUTSIDE SERVICES EMPLOYED	OM923	LBSUB9	\$ 4,081,955	1,404,826
43	926 EMPLOYEE BENEFITS	OM926	LBSUB9	\$ 398,481	137,139
44	930 MISCELLANEOUS GENERAL EXPENSES	OM930	LBSUB9	\$ 1,657,246	570,350
45	931 RENTS AND LEASES	OM931	PGP	\$ 1,933	-
46	935 MAINTENANCE OF GENERAL PLANT	OM935	PGP	\$ 217,906	-
47	Total Administrative and General Expense	OMAG		\$ 28,677,728	\$ 9,793,928
48	Total Operation and Maintenance Expenses	TOM			\$ 185,463,795
49	Operation and Maintenance Expenses Less Purchased Power	OMLPP			\$ 84,498,137
50	Cash Working Capital - Operation and Maintenance Expenses				10,562,267
51	Total System ROR after Proposed Rate Increase - 2013-00199				4.03%
52	Revenue Requirement for Cash Working Capital				425,315
53	Total Revenue Requirements Classified as Energy				<u>\$ 185,889,110</u>
54	TOTAL REGULAR SALES TO MEMBER COOPERATIVES (kWh)				3,291,731,000
UNIT COSTS AS CALCULATED AND PRESENTED IN 2013-00199					
55	Average Steam Production Cost (\$/mWh) - PSC 2-30				34.919
56	Unadjusted Unit Cost Calculation (\$/mWh) - PSC 2-33				56.472
CORRECTIONS TO REFLECT OFF-SYSTEM SALES					
57	Credit Revenue from Total Special Sales (Non-member)				(57,983,831)
58	Add back Special Sales - Capacity				
59	Energy Related Off-System Sales Revenue Credit (Line 57 + Line 58)				
60	Net Revenue Requirement applicable to Member Sales (Line 53 + Line 59)				127,905,279
61	Adjusted Unit Energy Cost (\$/mWh) (Line 59/Line 54)				38.857
ADJUSTMENTS TO CREDIT RIDER REVENUES COLLECTED ON AN ENERGY BASIS					
62	FAC Revenues				(19,581,659)
63	ES O&M Expense Included in Energy Revenue Requirements (Bottom/Fly Ash Disposal in Acct 501, Allowances in Acct 509)				-
64	NFPPA Revenues				1,183,384
65	Net Member Base Rate Revenue Requirement - Energy				\$ 109,507,003
66	Adjusted Base Rate Unit Energy Cost (\$/mWh)				33.267