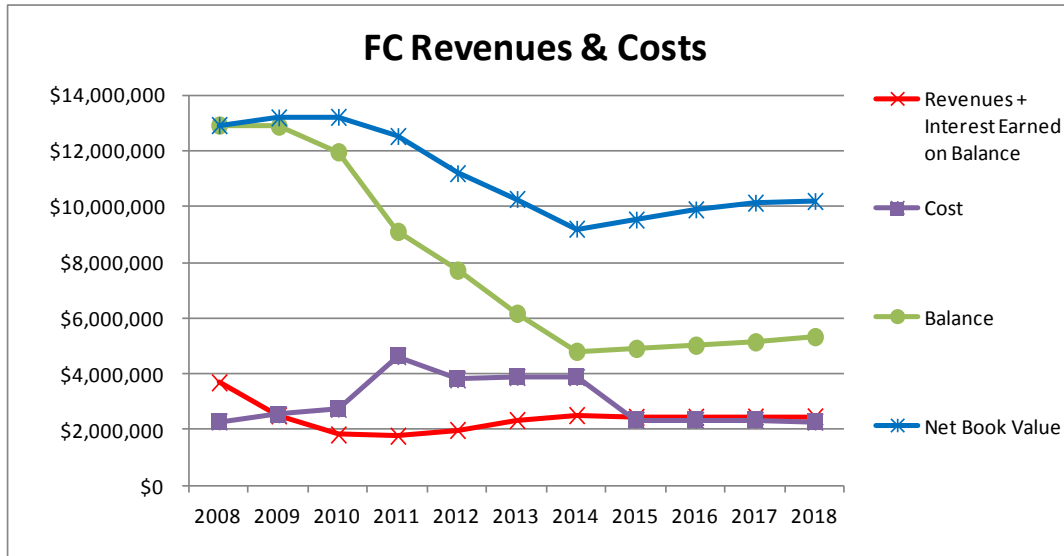


Calculation of “Cost” data in FC Revenues & Cost chart provided at May 2, 2013 Operating Board

There was a question at the May 2, 2013 Operating Board as to how the cost line was calculated in the chart below, specifically why the 2015-2018 amounts were higher than the CIP budget in those years.



The cost line is the combination of the remaining 1% Conservation program costs on a utility cost basis, and the CIP budget for the current conservation program. For 2002 through 2007, the spending for the 1% Conservation program was combined into a single asset, and the last year of depreciation for that asset will be 2014. However, the last three years for the 1% Program (2008-2010) were closed as individual assets and the last year of depreciation for those will be 2018, 2019, and 2020. These additional costs are what keep the FC cost pool costs about the CIP budget.

Year spending occurred	Cost basis	Original Cost	Regional cost in each year					
			2013	2014	2015	2016	2017	2018
2002-2007	Utility Basis Cost basis	17,249,538	1,928,867	1,817,971				
2008	Utility Basis Cost basis	2,350,351	308,100	293,763	279,426	265,088	250,751	236,414
2009	Utility Basis Cost basis	1,953,631	266,865	254,947	243,030	231,113	219,196	207,279
2010	Utility Basis Cost basis	2,273,696	324,456	310,587	296,717	282,848	268,978	255,109
2011	Cash basis	1,788,304						
2012	Cash basis	1,326,095						
2013	Cash basis	1,662,634	1,662,634					
2014	Cash basis	1,803,360		1,803,360				
2015	Cash basis	1,839,426			1,839,426			
2016	Cash basis	1,876,214				1,876,214		
2017	Cash basis	1,913,739					1,913,739	
2018	Cash basis	1,952,014						1,952,014
Total Regional Cost			4,490,922	4,480,628	2,658,599	2,655,263	2,652,664	2,650,816
Costs Allocated to FC Cost Pool (88.1%)			3,956,502	3,947,433	2,342,226	2,339,287	2,336,997	2,335,369