M E M O R A N D U M **Date: 01/27/2020**

TO: Kevin Nordt, General Manager/Chief Executive Officer

VIA: Dave Churchman, Chief Customer Officer

FROM: Andrew Munro, Sr. Manager, External Affairs and Comm.
Rod Noteboom, Manager of Transmission Services
Clark Kaml, Sr. Manager, Rates and Pricing
Bob Brill, Economist

SUBJECT: Transmission Cost Study and Rates

Purpose: To present the transmission ("wheeling") cost study and request direction from the Commission regarding wheeling rates.

Summary

This memo presents a cost of service study for transmission ("wheeling") service. It covers some of the history associated with the wheeling service that Public Utility District No. 2 of Grant County ("Grant PUD" or "District") provides to the United States Bureau of Reclamation ("USBR" or "Bureau") and how that is reflected in the study.

The cost of service study presented is a standard Federal Energy Regulatory Commission ("FERC") fully allocated, embedded cost of service study. There has been significant confusion over what that means. First and foremost, it is important to emphasize that a cost study is not a rate proposal, a rate design proposal, or a revenue requirement determination. There is no rate proposal as part of the study, in fact, there has not been a determination of, or integration of any revenue requirement as part of this study.

This study is a top-down costing approach that assigns direct costs and allocates indirect costs to the appropriate cost function, hydro-production, transmission, and distribution.

> Direct costs are those that can be directly traced to the product/service e.g. direct labor, direct material etc. As the quantity increases, total direct cost also increases.
>
> Indirect cost or overhead includes costs that can't be directly traced but can be assigned based on certain measures like labor hour, labor cost, machine hour etc. These costs remain the same over a range of production.

History

On February 21, 1955, USBR and Grant signed a contract for the use of Grant PUD facilities to deliver reserved power and energy to USBR points of use. As part of the contract, Grant PUD was required to:

> …[p]erform all operation necessary to the receipt, transmission and deliver of the electric energy required by the Bureau at the points and at the voltages described in Article 5 above, and shall be responsible for the maintenance of the facilities required therefore. The district shall construct, operate, maintain, repair or reconstruct the facilities required for service under this contract in accordance with modern and generally accepted standards …

On September 1, 1976, the United States of America, through the Administrator of General Services Administration ("GSA"), for the consideration of $4 million and other valuable consideration, conveyed and quitclaimed various interests and rights to Grant PUD.

The property consisted of approximately 152 miles of transmission line connected with 13 related substations, land rights, and certain other equipment items located at the Wheeler and Wilson Creek Substations.

Total compensation for the property was:

A. Cash payment of four million dollars ($4,000,000).

B. Assumption by Grant PUD of the Government's (Bonneville Power Administration ("BPA")) obligation for the transmission of electrical power and energy up to 44,000 kilowatts for the benefit of the United States Bureau of Reclamation, at no cost, from time of closing the sale through June 30, 2017 with said electrical power and energy plus losses to be provided by the Bonneville Power Administration.

C. Assumption by the District of BPA's obligation to transfer up to 66 MVA of electrical energy between Larson and Sand Dunes switching stations at no cost for the benefit of the Washington Water Power Company from time of closing the sale through August 10, 1993.

D. Acceptance of the General Terms Applicable to Negotiated Sales, GSA Form 2041, together with an appropriate nondiscrimination covenant.

In an April 24, 2017 letter to Grant PUD, the USBR indicated that it had been working to develop a new agreement to govern transmission of USBR power over Grant PUD lines to serve irrigation needs. At that time, USBR expressed concern that the then current time frame did not allow adequate time to negotiate a new rate agreement. It suggested that Grant PUD consider delaying implementation of a rate increase until a new rate structure can be agreed upon by all parties.

In a May 17, 2017 Memorandum, Rod Noteboom, Manager of Transmission Services at Grant PUD, explained:

> While Grant has been working on a follow up agreement with USBR since February 2016, the primary subject of discussion over the last six months has been the rates for the transfer service. The rates in the contract are designed to recover the actual costs of the transfer service over a 10.5-year period beginning July 1, 2017 by ramping in the rates on an annual basis from a very small amount in July 2017 to a fixed rate from 2022-2027. The rates were designed based on Grant's understanding of the

request from the Irrigation Districts to delay increasing rates until 2018 and ramping in new rates over a period of time.

A May 19, 2017 letter from Mr. Robert Skordas, Deputy Regional Director of USBR, confirmed that the stakeholders had been working on this issue since February of 2016.

On October 15, 2018, Grant PUD and USBR signed a Memorandum of Agreement ("October 15 Memorandum"). That memorandum stated in part:

> Grant and Reclamation will work in good faith to better understand the potential benefits and detriments of alternate contract terms and constructs and the desires and requirements of each party. Grant and Reclamation will work in good faith to determine a long-term construct by October 1, 2019 to govern transfer service beginning January 1, 2020.

To more clearly identify the issues and costs associated with providing the transmission service ("wheeling"), Grant PUD, with input from stakeholders, has been working on a cost study.

Cost Study Development and Stakeholder Engagement

To develop an updated Transmission Cost of Service Study ("COSS" or "Study"), and obtain subsequent rate policy direction, Grant PUD conducted a stakeholder engagement process to obtain comments and feedback. In addition, all written comments, responses and study documents were posted on a dedicated page on Grant PUD's website at

https://www.grantpud.org/commission-meetings/#transmissionratemeetings

Key Dates/Milestones:

- May 1, 2019, Grant PUD held a Stakeholder Meeting at Grant PUD's Ephrata Headquarters ("EHQ") to review the COSS process and timeline, and to receive initial comments on cost allocations from the public.

- May 15, 2019 – Deadline for Stakeholders to send written comments on the process, timeline and cost allocation.

- June 5, 2019 – Grant PUD published responses on all cost allocation comments received.

- June 19, 2019 – Grant PUD published its initial COSS Study draft.

- June 20, 2019 – Grant PUD hosted Stakeholder meeting at EHQ to provide a high-level overview of the draft COSS Study.

- June 24, 2019 – Grant PUD hosted Stakeholder meeting at EHQ to provide a detailed review of the draft COSS Study.

- June 24-26, 2019 – Grant PUD provided opportunities over 2-1/2 days for individual stakeholder meetings for them to review and ask questions regarding the draft COSS Study.

    - Ten 90-min sessions were available. Only three sessions were reserved by Stakeholders. One by Douglas PUD, one by BPA and one by a joint group that included the USBR and Irrigation Districts. The joint group session lasted longer than 90 minutes.

- July 10, 2019 – Deadline for Stakeholders to send written comments on the draft COSS Study.

    - Written comments were received by the USBR and Irrigation Districts.

- July 25, 2019 – Grant PUD posted an updated draft COSS Study and responses on majority of the written Stakeholder comments (Attachment B - responses only).

- August 5, 2019 – Grant PUD posted responses to remaining Stakeholder questions (Attachment C).

- August 5, 2019 – BPA submitted comments and questions, including requests for various information regarding Grant PUD's financial data.

- August 7, 2019 – Grant PUD held a Stakeholder meeting to discuss the updated draft COSS Study.

- August 12, 2019 – Grant PUD posted responses to BPA's comments (Attachment D).

- August 12, 2019 - Grant PUD posted its corrected July 25, 2019 draft COSS Study.

- August 15, 2019 – Grant PUD notified Stakeholders of the commission action to extend for one year the existing USBR MOA agreement.

- August 27, 2019 – USBR submitted additional comments and questions, including specific financial data public record requests.

- September 26, 2019 – Grant PUD posted responses to Stakeholder (USBR) questions (Attachment E).

- January 10, 2020 – Grant PUD posted responses to Stakeholder (USBR) December 4, 2019 Questions (Attachment F).

Discussion

Due to the history of the ownership of the facilities used to provide the service in this contract, the historical rates charged under the contract, and the time that has expired; the fundamental question is: "What is the cost of providing transmission service?"

A standard FERC transmission COSS approach was prepared to estimate the cost for this service (Attachment A).

The stakeholders have raised numerous questions and concerns that are articulated in full and discussed in the Attachments. Although not all individual comments are being addressed in this memo, there are several highlighted issues:

- That the transmission cost study should be based on established principles.
- That the 115/230 kV wheeling rate should only incorporate transmission-related costs associated with the facilities formerly owned by the Federal Government.
- That wheeling should be distance sensitive.
- That fiber costs should not be included in the study.
- That wheeling costs should not include costs associated with the Priest Rapids Project.
- Use of a change in net position vs. cost of equity in the capital cost analysis.

Another issue that should be highlighted is the difference between irrigation customers who take retail service from Grant and irrigators who are receiving service from USBR, which is a transmission cost issue.

Cost Study (COSS) Principles (Attachment A)

Overall Result

The COSS developed for transmission for Grant PUD is based on standard FERC cost of service study methods and FERC accounting. After several rounds of posting versions of the draft cost study and receiving stakeholder comments, Grant PUD adjusted the August 12, 2019 Transmission COSS. Based upon FERC's COSS standards and Grant PUD's COSS adjustments, the cost of providing transmission service is $3.07 per kW-month.

Grant PUD adjusted the August 12, 2019 by $7,647,054. The adjustments included:

1. General plant account 397 ($238.6 million) included fiber plant balance of $180.5 million, this amount was removed. This amount reduced the Transmission COSS by $1,445,354 (Attachment A, Adjustments, Lines 1 – 12).

2. Transmission plant account 353 included PRP transformers in the amount of $39,412,060, which was re-functionalized to Generation. The Transmission COSS was reduced by $2,942,783 (Attachment A, Adjustments, Lines 13 – 21).
3. Transmission plant balances included PRP Radial Lines in the amount of $24,750,000, which was re-functionalized to Generation. The Transmission COSS was reduced by $1,325,933 (Attachment A, Adjustments, Lines 22 – 30).
4. Allocated Taxes – Other Taxes Than Income were removed from the Transmission COSS in the amount of $950,859.

The COSS result is higher than the rates charged by others for the same services in the region, whose point to point (PTP) rates are:

	Rate ($/kW Month)
BPA	1.793 (includes schedule charge)
Avista	2.00
Idaho	2.604
Puget	2.8629
Pacificorp	2.47526
NWE (PTP & NT)	4.831 (Add .099 for PTP sch. charge)

The PTP rates are based on a reservation, so it is paid on this reservation quantity rather than the actual amount used month by month. In some cases, a rate that is based on a monthly reading will be higher than a PTP rate since the actual monthly reading billing units are less. However, NWE has the same $4.831/kW Month charge for both PTP and NT.

BPA has a posted Network Transmission (“NT”) rate that is based on monthly use during the BPA system Peak. Its rate, including Scheduling, is $2.103/ kW Month. BPA’s NT rate illustrates the rate differences between a rate that is developed on actual monthly data and a PTP rate that is based on a monthly reservation quantity (BPA’s NT rate is higher than its PTP rate).

NT Versus PTP Services Issues

The transmission rates under development have been calculated based on non-coincident peak data. The original plan was to develop the rates based on coincident peak data, but this plan was modified based on feedback from USBR, Quincy Irrigation District, and the East Columbia Basin Irrigation District. The current uses of the Grant PUD System, for which the transmission rates will initially apply, would be considered a traditional NT service. A coincident peak is the demand at a point during the peak of the entire system within a defined measurement period. A non-coincident peak is the maximum demand at a point during the measurement period without regard to the peak of the entire system.

Also, Grant PUD will need transmission rates for generation interconnections which would be considered a PTP service where the billing units are based on a long-term reservation rather than the actual peak use in any given month. The PTP rate may be the same $/kW Month charge based on a reservation rather than metered use, but this has not yet been determined.

Grant PUD does not have an Open Access Transmission Tariff ("OATT"). Grant PUD's COSS uses the terms NT and PTP for general descriptive purposes; further, Grant PUD does not plan to develop an OATT where specific references for NT and PTP services would be defined.

Cost Study Components

It is important to note that:

- All models are wrong, but some are useful (George Box). For example, all COSS studies use a set of assumptions to derive a result, thus, cannot be "true". The question is "Is the model good enough".

- Allocated costs are not caused costs. For example, Administrative and General Expense ("A&G") generally do not have a direct relationship to a specific event, but instead the A&G expenses are allocated to function based on direct function labor costs (FERC approved methodology).

Exhibit II of the COSS provides a breakdown of cost categories (see Attachment A for the COSS). As demonstrated in that exhibit:

Cost of Service (COSS) components	Amounts (in millions)
Transmission Operation and Maintenance Expense	$6.1
Administrative and General O&M Expenses	$4.7
Total O&M expenses	$10.8
Depreciation Expenses	$6.8
Revenue Credit	($0.4)
Cost of Capital for Transmission Plan	$9.1
Total COSS	$26.3

Former Federal Government Facilities

Compensation for the Facilities

Grant PUD purchased the transmission facilities for compensation as identified above. There are three specific issues to consider in the cost study: compensation; operation and maintenance; and capital cost and replacement of facilities.

Under the expired contract, Grant PUD was obligated to provide transmission without additional charges for the life of the facilities (40-yrs - started in 1976). The cost discussion has focused on capital cost of substations and transmission lines. However, these represent only a portion of the costs to provide transmission by Grant PUD. During the 40-year period, the District was also not able to recover costs that were unrelated to the facility's capital cost, such as additional capital investment and Operation and Maintenance Expenses.

These costs were not recovered from the PUD's transmission customers but were borne by Grant PUD's retail customers. Grant PUD's updated COSS intends to capture all the costs of providing transmission service.

Regarding capital investment, the 40-year transmission obligation represented the typical depreciation life for new facilities. In this case, the facilities were used when purchased. Many of the purchased facilities have been replaced because of wear or upgrading or are near their end of life at this time.

At the time of acquisition, Grant PUD did not track the depreciation of individual poles and lines, it is expected that the facilities would have been fully depreciated over a 40-year period. Since 2010, Grant PUD has moved away from group depreciation

Grant PUD's primary system customer is its retail load and this load is considered equal with USBR load in the rate calculation shown in the COSS transmission model. Grant PUD's COSS treatment is consistent with FERC policy. Establishing rate treatment that provides preferential treatment to a specific class of customer is contrary to FERC policy and would create potential FERC risk to the District.

Customer Specific Rates

There is a suggestion that Grant PUD should establish a set of transmission/distribution wheeling rates that apply solely to the wheeling of Federal Reserved power to loads located on Grant PUD's system. The Irrigation Districts explained that not all Grant PUD wheeling customers are similarly situated and therefore the Commission should have the flexibility to establish multiple sets of transmission rates that recognize these differences, should they choose to do so.

The compensation and costs to the system have been addressed above. As discussed above, Grant PUD's primary system customer is its retail load and this load is considered equal with USBR load in the rate calculation shown in the COSS model. The PUD's treatment is consistent with FERC policy, in that establishing rate treatment that provides preferential treatment to a specific class of customer is contrary to FERC policy and would create potential FERC risk.

In support of its position, Grant PUD offers the white paper from August 17, 2017 (see Attachment G) prepared by Brent Bischoff (Sr. Manager Power Delivery Engineering). Within the document Mr. Bischoff discusses how Grant PUD's electric distribution system is designed and operated. This paper states in Part:

> The Grant County PUD electric distribution system is designed as a networked system. This design practice is common in the electric utilities industry in order to provide the most reliable possible electric service to customers . . .

> This ensures that outage frequency and duration to utility customers are kept to a minimum . . . The distribution system is a networked system designed to provide the highest level of reliability and service to each customer regardless of their location in the service territory.
>
> . . . Since electric distributions systems are networked and provide equal quality of service to all customers, it is common utility practice to spread the cost to build, operate and maintain the system equally among customers . . .

Adjustments to the August 12, 2019 Transmission COSS

Fiber Plant Balances – General Plant in Service

The USBR and the Irrigation Districts raised concern over fiber costs being included in Grant PUD's plant accounts. Grant PUD reviewed Account 397 – Communication Equipment. The review revealed that Account 397 plant balance of $238.6 million included amounts related to fiber costs. Grant PUD adjusted the August 12, 2019 Transmission COSS by excluding the fiber related plant balance of $180.5 million in the Transmission COSS determination. This resulted in a reduction to the Transmission COSS of $1,445,354 (for further details see Attachment A, Adjustments, Lines 1 – 12). The remaining fiber costs used in the COSS determination are appropriate because of their use in transmission operations.

Priest Rapids Project – Transmission Plant in Service

A recurring theme within the comments is the fact that many of Grant PUD's accounting titles include "PRP" in the title, and the misconception that the Priest Rapids Project related costs are all generation costs. The April 17, 2008 Federal Energy Regulatory Commission's Order Issuing New License for continued operation of the Priest Rapids Project (available at https://www.grantpud.org/templates/galaxy/images/images/Downloads/About/Environment/ShorelineManagement/PriestRapidsProjectLicenseh1.pdf) lists several transmission specific components to the project. These plant balances have been appropriately recorded in the correct transmission plant accounts pursuant to the FERC Order.

The August 12, 2019 Transmission COSS reflects these plant balances in the transmission function in developing the COSS factor. Grant PUD reviewed these transmission plant balances and determined that some of these facilities should be functionalized as generation for COSS purposes. The following adjustments were made to the August 12, 2019 Transmission COSS:

1. Grant PUD adjusted Account No. 353 – Station Equipment to remove transformer equipment associated with the PRP (12 transformers). This amount will be recovered in the Generation retail factors. The Account No. 353 adjustment resulted in a Transmission COSS reduction of $2,942,783 (see Attachment A, Adjustment, Lines 13-21).

2. Grant PUD further adjusted the transmission plant balances for radial lines associated with the PRP (6 lines). This amount will be recovered in the Generation retail factors. This adjustment results in a Transmission COSS reduction of $1,325,933 (see Attachment A, Adjustment, Lines 22-30).

3. Grant PUD adjusted Account No. 303 – Miscellaneous Intangible Plant to remove plant balances related to Quincy Chute ("QC") and Potholes East Canal ("PEC"). This amount will be recovered in the Generation retail factors. This adjustment results in a Transmission COSS reduction of $982,125 (see Attachment A, Adjustment, Lines 31-39).

Taxes-Other Than Income Taxes

The 2017 COSA eliminated from the wholesale transmission rate all Taxes-Other Than Income Taxes except for the Public Utilities Taxes under RCW 82.16, which is a tax based on revenue generated from business operations (includes wholesale transmission services). Grant PUD determined that the other tax amounts were unrelated to the wholesale transmission services, therefore, the taxes should not be collected from these customers. The 2017 COSA was grossed-up the wholesale transmission factor for the Public Utilities Tax since the tax is based on revenue collected. See the following:

2017 COSA Rate Before Tax Gross-Up	Public Utilities Tax Gross-up	Total 2017 COSA Wholesale Transmission Rate
$1.83 $/kW-mo.	$0.07 $/kW-mo.	$1.90 $/kW-mo.

The August 12, 2019 Transmission COSS was adjusted to remove all Taxes-Other in the amount of $950,859. Instead, Grant PUD adjusted the 2019 COSS's transmission cost of service factor to incorporate the same methodology as the 2017 COSA – by including the Public Utilities Tax and the Fire Protection Tax. The 2019 COSS transmission factor has been grossed-up for both taxes. See the following:

2019 COSS Factor Before Tax Gross-Up	Public Utilities Tax & Fire Protection Tax Gross-up	Total 2019 COSS Wholesale Transmission Cost Factor
$2.95 $/kW-mo.	$0.12 $/kW-mo.	$3.07 $/kW-mo.

The total adjustments made by Grant PUD reduced the August 12, 2019 Transmission COSS by $7,647,054 and resulted in a lower Wholesale Transmission Cost Factor of $3.07 compared to the $3.81 originally calculated, a 19 percent reduction.

Cost of Capital

The USBR and the Irrigation Districts raised concern over the PUD's use of a 9.8 percent Return on Equity ("ROE") component (customer supplied capital) in its transmission "wheeling" COSS.

Issues discussed include the fundamental differences between a public entity providing electric service (such as a PUD) and a for profit entity (investor owned). The estimation of an appropriate capitalization rate involves a level of subjectivity and consideration of company-specific factors. The inherent nature of a public entity compounds this issue by presenting additional considerations.

These considerations include an organizations' risk profile and its business goal. In general, for profit entity shareholders have separate goals from their customers (i.e., shareholders want greater returns on equity (investor owned), while customers want better prices or services (public)), and these goals are often at odds with each other. The public entity does not operate to maximize shareholder wealth, since it does not have shareholders. Instead, it operates to service its customers.

Grant PUD's COSS model utilizes a cost of capital to reflect the financing costs associated with its capital costs. Rather than adjusting target revenue to meet financial metrics and obtaining cash necessary for capital investments, the ROE method estimates the cost of capital, which includes the cost of equity in the market, and treats this as an operating cost. The "ROE" in this analysis is essentially a cash injection that is necessary to continue the District's asset growth and to provide funds to maintain the current facilities.

If an ROE is not used, then the retail customers will not be compensated for the use of cash to fund GCPUD's transmission system. A comparison could be made to the junior lien bonds where Grant is responsible for the loan amounts and funds are collected from power purchasers.

While there are often differences in opinion on the correct level of ROE in developing transmission rates, Grant PUD's cost of service methodology is consistent with FERC guidance. Given the current and potential level of transmission, and for ease and consistency in implementation, Grant PUD is using standard industry methodology when possible.

Ownership

The risk-return profiles used in the calculation of a Weighted Average Cost of Capital ("WACC") are typically based on for-profit. These are shareholder-owned companies where the primary business relationship is one in which the service provider and service consumer are independent of each other.

However, for a public entity, the consumers are not independent of the providers. The customers of a public entity are, arguably, also the beneficiaries of the business. (The Revised Code of Washington ("RCW") 54.04.045 noted that the purpose of the act is to authorize the establishment of PUDs to conserve the water and power resources of the State of Washington for the benefit of the people and to supply public utility service, including water and electricity for all uses. RCW 54.08.080 provides that if a district is dissolved, after payment of all indebtedness, any surplus funds or property are transferred to the general fund of the county in which such district is organized.) The blending of owner and consumer motives complicates the estimation of the unsystematic risk.

Voting Rights

In the case of the District, the board is selected by registered voters in the county, with each registered voter having one vote, rather than voting rights being based on proportional stock ownership (investor-owned).

Valuation of Principle Capital

Equity (in this case, customer provided principle capital or net position) is generally an indication of who or what bears the risk of ownership. In an investor owned company, the investors bear the risk.

The cost of equity is essentially the opportunity cost of using capital resources for a specific purpose. The return rate represents what could be earned if the capital was invested in an alternative venture.

Because PUDs do not issue publicly traded capital stock, there is no market value on which they can base the cost of equity. Consequently, it is easy to under-value (under-estimate) the cost of equity.

The goal of the capital structure is to find a reasonable cost of capital, one that balances risk and costs. If the capital cost of any source of capital is zero, the enterprise should be fully funded by that source of capital. Thus, failure to take the opportunity cost of equity into account can result in under-valuing of the cost of equity, contributing to an over-reliance on equity capital and an over-investment in assets.

Even if an entity provides service at cost, its cost analysis should reflect the fact that the capital funding has a cost associated with that funding.

Estimating Cost of Capital

It should be noted that the net assets of a nonprofit organization are equivalent to the net worth of the organization. The fact that capital is invested in a public good does not change the fact that it has a cost. The question is what is that cost?

At a minimum, the cost of capital represents what will be needed to match the growth rate of the entity, or its financials will begin to deteriorate.

There are several well-developed theories and generally accepted models for estimating the cost of equity capital, including the build-up method ("BUM"), capital asset pricing model ("CAPM"), and other implied models using market-derived pricing evidence (e.g., Gordon growth model).

As noted above, the 9.8 percent used above was an average of values approved by the FERC. This is not abnormal. When setting non-jurisdictional utility's revenue requirements FERC has permitted non-jurisdictional transmission owners in Regional Transmission Organizations ("RTOs") to use the same overall rate of return as that of the dominant zonal transmission owner and has permitted the use of returns on equity that fall within the range of reasonable returns approved by the FERC (for example see ER15-1775-000).

The CAPM postulates that the cost of capital is equal to three components, the risk-free rate, the market derived risk premium, and the organization's market sensitivity.

It is important to note that the risk-free rate reflects the minimum return an investor expects to receive based on the impact of inflation over time and their expectations for the real rate of interest on money.

Grant PUD's COSS model utilizes a cost of capital to reflect the financing costs associated with the District's capital costs. Rather than adjusting target revenue to meet financial metrics and obtaining cash necessary for capital investments, the cost of capital approach estimates the cost of capital, which includes the cost of equity in the market, and treats this as an operating cost.

Use of these funds carries with it, at a minimum, an opportunity cost. The cost estimates what Grant PUD would need to pay investors if the equity was not supplied by customers. Conversely, it represents a return that customers could expect to earn if they were able to invest that money in similar projects in the marketplace.

Using this ROE approach enables Grant PUD to maintain enough cash reserves to cover system emergencies, such as outages from a major storm. Further, the cash reserves could be used for the maintenance of existing facilities or even used to retire existing debt, all of these could save customers future amounts.

Assessing the balance sheet changes in the net position since 2010, Grant has an average annual growth rate of 6.389 percent, ranging from a low of -0.941 percent to a high of 8.952 percent. Excluding the negative outlier (-0.941 percent), the annual growth rate ranged between 7.1719 percent and 8.952 percent, or an average of 8.0179 percent.

Impact of Cost of Principal Capital

The Transmission COSS, Exhibit V, Footnote C (see Attachment D), states:

> Cost of equity based on the FERC approved return on equities (ROE) of PacifiCorp and Puget Sound Energy, which are both interconnected with Grant County PUD. Avista Corporation is also interconnected to the Grant County PUD transmission system. However, Avista's transmission rate is currently based on a stated rate and, therefore, there is no specific ROE that has been identified in the determination of the transmission rate (i.e., based on a settled black box).

For a sensitivity analysis, the COSS was run with the following cost of principal capital estimates and results:

Source	Cost	WACC	Resulting /$kW-month
Proxy	9.80%	6.02%	$3.07
Grant Historic Growth (Less negative growth)	8.02%	5.31%	$2.94
Grant Historic Growth	6.89%	4.86%	$2.86
Debt Equivalent	3.50%	3.50%	$2.62
Free	0	2.10%	$2.38

In summary, the ROE cash injection is necessary to continue the District's net asset growth and to maintain the current facilities.

Irrigation VS Wheeling

An important distinction is the difference between the USBR and irrigation rates; where Grant provides irrigation customers through its Irrigation Service Rate 3 that applies to customers with irrigation, orchard temperature control or soil drainage loads not exceeding 2,500 horsepower and other miscellaneous power needs including lighting.

The retail irrigation rate has a basic charge of $29.36 per month for single phase and $41.92 per month for three-phase, a kWh energy charge of $0.02895 / kWh, and a capacity charge of $2.67 per hp for the first 75 hp and $2.45 per hp thereafter.

The transmission COSS that is being discussed is not the same as the costs to serve retail irrigation customers. The wheeling rate is the transmission and delivery only service, with power and energy being supplied by the USBR. The PUD only moves USBR power across its system. As a result, the costs between the wheeling and irrigation services are not comparable. The wheeling rates are one component of the total cost of providing service to the irrigation customers.

In addition, Grant PUD plans to develop ancillary service charges to cover the costs incurred by a balancing authority and transmission system in hosting a load or generator. Some of the ancillary services may not be calculated as part of the current effort and will be determined in future efforts. Additional ancillary services may be required in the future as the industry evolves. The applicable ancillary services are:

- Scheduling, System Control and Dispatch
- Reactive Supply and Voltage Control
- Regulation and Frequency Response
- Operating Reserves
- Energy Imbalance
- Transmission Losses
- Variable Energy Resource Balancing Service

Adoption of ancillary services would be done through a future rates process.

As previously discussed, costs incurred by Grant PUD are not necessarily the same as the rates charged to USBR. If they were the same, the current rates charged to USBR would be higher.

FERC Jurisdiction

Title II of the Public Utility Act of 1935 (the Federal Power Act) gave the Federal Energy Regulatory Commission, formally the Federal Power Commission, broad authority over the interstate transmission and wholesale sales of electricity.

In 1978, Congress expanded FERC's authority to order coordination of the electric system, either upon complaint or its own motion, and gave FERC authority over transmission "wheeling" transactions.

The Federal Power Act (b) gives FERC exclusive jurisdiction over the transmission of electric energy in interstate commerce and over the sale of electric energy at wholesale, in interstate commerce and over all facilities for such transmission or sale of electric energy.

It is argued that FERC regulates the rates of all wholesale electric service and transmission providers with the following exceptions:

- Providers that are owned by the government
- RUS borrowers
- Providers that are wholly-owned by small electric cooperatives (that sell less that 4M MWh per year).

Currently, Grant PUD is not a FERC jurisdictional entity, but FERC still retains some jurisdictional authority over non-jurisdictional entities, as reflected in the Federal Power Act, Sec. 211A, at 60, which states:

Section 211A., Open Access by Unregulated Transmission Utilities.

(a) Definition of Unregulated Transmitting Utility-In this section, the term "unregulated transmitting utility" means an entity that –

(1) Owns or operates facilities used for the transmission of electric energy in interstate commerce; and

(2) is an entity described in section 201(f).

(b) Transmission Operation Services. - Subject to section 212(h), the Commission may, by rule or order, require an unregulated transmitting utility to provide transmission services –

(1) at rates that are comparable to those that the unregulated transmitting utility charges itself; and

(2) on terms and conditions (not relating to rates) that are comparable to those under which the unregulated transmitting utility provides transmissions services to itself and ***that are not unduly discriminatory or preferential***. [Emphasis Added]

In FERC Docket No. TX06-3-000, FERC became involved when non-jurisdictional entities refused to provide open access transmission services to other non-jurisdictional entities requesting the service. This docket involved four local Grant County entities who refused to provide open access transmission services, the companies were:

- South Columbia Basin Irrigation District, an electric utility of the State of Washington
- East Columbia Basin Irrigation District, an electric utility of the State of Washington
- Quincy Columbia Basin Irrigation District, an electric utility of the State of Washington, and
- Grand Coulee Project Hydroelectric Authority, an electric utility of the State of Washington.

The entities who were refused services were:

- The City of Tacoma, a municipal electric utility of the State of Washington; and
- The City of Seattle, a municipal electric utility of the State of Washington.

In this FERC docket, the parties reached settlement before FERC rendered its decision. This docket demonstrates FERC's non-jurisdictional authority over entities who provide wholesale transmission services. Grant PUD believes that this FERC non-jurisdictional authority does provide a potential business risk to Grant PUD regarding its transmission ("wheeling") services if different rates, terms and conditions are offered to different customers.

Grant PUD currently operates without a transmission rate schedule. Instead, it provides transmission services on a case by case basis through contracts with the rates indicated in each individual contract.

However, as costs for renewable resources decrease, there is an increasing likelihood that Grant PUD may receive requests for interconnection by renewable resource providers (solar and wind providers). In such instances, it will become increasingly important that Grant PUD have a transmission rate schedule.

Future Cost of Service Studies

Staff anticipates that it would perform a detailed review of the transmission and retail COSS every 3 to 5 years for material changes or whenever requested to do by the commission. Further, it is expected that transmission rates could be subject to change with commission guidance if costs or billing units change significantly.

Commission Options

Grant PUD plans to extend the Memorandum of Agreement ("MOA") with the Irrigation Districts and the USBR for another year but has been seeking to establish transmission rates for some period.

To move toward that goal, staff recommends the following alternatives for Commission consideration:

1. Create a transmission rate schedule, some options are:

    a) Decide that transmission rates should go into effect immediately.

        If the Commission makes this determination some options are:

        i. Set the transmission rates at the same rate as in the USBR MOA.

        ii. Set the transmission rates at the calculated COSS rate of $3.07 per kW-Month.

        iii. Set the transmission rates at some other level the Commission considers appropriate.

    b) Determine that transmission rates should go into effect at a time consistent with other rate changes, such as April 1.

        If the Commission makes this determination some options are:

        i. Set the transmission rates at the same rate as in the USBR MOA.

        ii. Set the transmission rates at the calculated COSS rate of $3.07 per kW-Month.

        iii. Set the transmission rate at some other level the Commission considers appropriate.

c) Determine that transmission rates should be published as of April 1, 2020, effective at January 1, 2021.

   If the Commission makes this determination some options are:

   i. Set the transmission rates at the same rate as in the USBR MOA, effective April 1, 2020.

   ii. Set the transmission rates at the calculated COSS rate of $3.07 per kW-Month, effective January 1, 2021.

   iii. Set the transmission rate at some other level the Commission considers appropriate.

d) Determine that it would be appropriate to have stepped transmission rates.

   If the Commission makes this determination some options are:

   i. Set initial transmission rates at some point, such as January 1, 2020, or April 1, 2020 at the same rate as in the USBR MOA.

   ii. Set the second level of transmission rates at some other time, such April 1, 2020 or January 1, 2021, at some other level the Commission considers appropriate.

Recommendation: All of the above alternatives are viable options, but staff recommends options 1(c)(i) and 1(c)(ii) to the commission. As stated above, the commission's action on August 15, 2019 will extend for one year the existing USBR MOA agreement effectively charging the same transmission "wheeling" rates from January 1, 2020 through December 31, 2020 that are currently in effect. By selecting the staff recommended options, Grant PUD would publish its first transmission rate schedule, effective on April 1, 2020 with the rates from the approved USBR MOA agreement. At January 1, 2021, the transmission rate schedule would be modified to reflect the transmission rates calculated in the COSS model. It is important to note that the COSS transmission rates are subject to change by guidance provided by commission during this process, such as a commission directed change to the COSS model's ROE.

Legal Review: See attached e-mail(s).

Attachment A

Adjustments Made to the Transmission Cost of Service Study (COSS) from the August 12, 2019 COSS

Line No.		Amounts $
1	**Plant in Service Adjustments**	
2	1) Adjustment to General Plant Account No. 397 - Communication Equip	
3	to remove plant balances associated with Wholesale Fiber	
4	Communication Equipment in the amount of:	
5	Rate Base	(180,523,620)
6	Accumulated Depreciation	(109,686,165)
7	Reduction to Net Plant in Service	(70,837,455)
8	Reduction in Net Account No. 397 Allocated to Transmission	(10,486,610)
9	O&M Allocation Factor Change caused by General Plant Adj.	(1,628)
10	Transmission Return Impact	(631,294)
11	Transmision Depreciation Impact	(812,432)
12	Total Cost of Service for this Adjustment	(1,445,354)
13	2) Adjustment to Account No. 353 to remove Transformers at PRP	
14	to be recovered in the Generation Function in the amount of:	
15	Rate Base	(39,412,060)
16	Accumulated Depreciation	(6,028,246)
17	Reduction to Net Plant in Service	(33,383,814)
18	O&M Allocation Factor Change caused by Transmission Plant Adj.	(19,270)
19	Transmission Return Impact	(2,009,706)
20	Transmision Depreciation Impact	(913,807)
21	Total Cost of Service for this Adjustment	(2,942,783)
22	3) Adjustment to remove Radial Lines at PRP	
23	to be recovered in the Generation Function in the amount of:	
24	Rate Base	(24,750,000)
25	Accumulated Depreciation	(12,375,000)
26	Reduction to Net Plant in Service	(12,375,000)
27	O&M Allocation Factor Change caused by Transmission Plant Adj.	(7,105)
28	Transmission Return Impact	(744,975)
29	Transmision Depreciation Impact	(573,853)
30	Total Cost of Service for this Adjustment	(1,325,933)

Line No.	Adjustments Made to the Transmission Cost of Service Study (COSS) from the August 12, 2019 COSS		Adjustments Amounts
31	4) Adjustment to remove "QC" and "PEC" Plant Balances		
32	included in Account No. 303 - Intangible Plant from Trans. COSS		
33	Rate Base		(8,000,000)
34	Accumulated Depreciation		0
35	Reduction to Net Plant in Service		(8,000,000)
36	O&M Allocation Factor Change caused by Transmission Plant Adj.		(4,629)
37	Transmission Return Impact		(481,600)
38	Transmision Depreciation Impact		(495,896)
39	Total Cost of Service for this Adjustment		(982,125)
40	**Taxes - Other Than Income Taxes**		
41	Removed all Taxes - Other except Elect Revenue - Taxes Privilege		
42	and Elect Revenue - Taxes Fire District. All other taxes have been		
43	removed from the Transmission Cost per Unit Calculation.		
44	Amount of this adjustment is:		(950,859)
45	Total Transmission Cost of Service Reduction from August 12, 2019		**(7,647,054)**
46	Total Transmission Cost per Unit Reduction	$/kW-mo.	**0.86**
47	The remaining two Taxes - Other Than Income were converted to a		
48	rate add-on, similar to the 2017 COSA.		
49	2017 COSA		
50	Transmission Rate Before Tax Gross-up	$/kW-mo.	1.83
51	Public Utilities Tax Gross-up	$/kW-mo.	0.07
52	2017 COSA Wholesale Transmission Rate	$/kW-mo.	1.90
53	2019 COSS		
54	Transmission Rate Before Tax Gross-up	$/kW-mo.	**2.95**
55	Public Utilities Tax Gross-up	$/kW-mo.	**0.12**
56	2017 COSA Wholesale Transmission Rate	$/kW-mo.	**3.07**

Grant County Public Utility District
Development of the Transmission Cost per Unit

Line No.	Description	Units	Wholesale Cost of Service Amounts	Amounts after Tax Gross-up	Source / Comment
	(a)	(b)	(c)	(d)	(e)
	115kV - 230kV WHOLESALE COST OF SERVICE				
	Annual Cost of Service:				
1	Net Transmission Cost of Service (Note A)	($)	26,292,410		Exhibit II
2	Transmission Plant Inclusion Ratio		100.00%		
3	Net 115kV-230kV Wholesale Cost of Service		26,292,410		Line 1 * Line 2
	Load Divisor:				
4	Total System Load Plus Firm Point to Point	MW	742		Exhibit XII
	115kV - 230kV Wholesale Cost of Service: 1/				
5	Yearly	$/kW-yr	$ 35.41	**$ 36.82**	Line 3 ÷ (Line 4 *1000)
6	Monthly	$/kW-mo.	$ 2.95	**$ 3.07**	Line 5 ÷ 12 months
7	Weekly	$/kW-wk.	$ 0.68	**$ 0.71**	Line 5 ÷ 52 weeks
8	Daily	$/kW-day	$ 0.10	**$ 0.10**	Line 5 ÷ 7 days
9	Hourly	$/kWh	$ 0.00404	**$ 0.00420**	Line 5 ÷ 8760 hours
	SUB-115kV WHOLESALE COST OF SERVICE				
	Annual Cost of Service:				
10	Total Distribution Cost of Service	($)	64,597,284		Exhibit II
11	Distribution Plant Inclusion Ratio	1/	68.02%		Exhibit III
12	Net Sub-115kV Wholesale Cost of Service		43,936,517		Line 10 * Line 11
	Load Divisor:				
13	Sub 115kV System Load	MW	731		
	Sub-115kV Wholesale Cost of Service				
14	Yearly	$/kW-yr	**$ 60.14**		Line 12 ÷ (Line 13 *1000)
15	Monthly	$/kW-mo.	**$ 5.01**		Line 14 ÷ 12 months
16	Weekly	$/kW-wk.	**$ 1.16**		Line 14 ÷ 52 weeks
17	Daily	$/kW-day	**$ 0.17**		Line 14 ÷ 7 days
18	Hourly	$/kWh	**$ 0.00687**		Line 14 ÷ 8,760 hours

1/ Taxes-Other Than Income Taxes are calculated as a percentage of revenue collected for the 2019 COSS. The taxes include the Public Utility Tax and the Fire Protection District Tax. For study purposes these taxes are stated as a percentage and have been added to the calculated Cost of Service Factors to determine the total Factor. The total tax gross factor is 3.984%, see Exhibit IX.

Grant County Public Utility District
Development of Transmission Cost of Service

Line No.	Description		Total Cost of Service	Transmission/Wholesale Transmission Cost of Service	Transmission/Wholesale Distribution Cost of Service
			(1)	(2)	(3)
			$	$	$
	Operation and Maintenance Expense				
1	Transmission (net of Acct. 565)		6,097,746	6,097,746	
2	Distribution		13,561,222	0	13,561,222
3	Administrative and General (net of Acct. 924)		31,020,442	4,592,193	7,030,426
4	Administrative and General (Acct. 924)		1,076,544	85,155	223,921
5	Total Operational and Maintenance Expense		51,755,954	10,775,094	20,815,569
	Depreciation Expense				
6	Transmission	1/	4,379,064	4,379,064	
7	General	1/	11,033,937	1,633,438	2,500,715
8	Intangible		8,849,329	814,138	2,005,598
9	Distribution		19,942,592	0	19,942,592
10	Total Depreciation		44,204,922	6,826,640	24,448,905
	Taxes - Other Than Income				
11	Plant Related		0	0	0
12	Labor Related		0	0	0
13	Other Related		0	0	0
14	Total Taxes-Other Than Income		0	0	0
15	Return		113,665,194	9,105,672	23,716,307
	Revenue Credits				
16	Production		0	0	0
17	Transmission		(414,996)	(414,996)	0
18	Distribution		(4,383,497)	0	(4,383,497)
19	Total Revenue Credits		(4,798,493)	(414,996)	(4,383,497)
20	Total Cost of Service		204,827,577	26,292,410	64,597,284

	General	Transmission
1/ Total Depreciation Expense Before Adjs.	16,521,951	5,866,724
Amount After Adjustments	11,033,937	4,379,064

WAGES & SALARY ALLOCATOR (W&S) - Exhibit III:

	($ / Allocation)		
Production	51.30%		
Transmission -- WST	14.80%		
Distribution -- WSD	22.66%		
Other - Non General	11.23%		(Hydro-Product
Total	100.00%	62.53%	+ Other)

Gross Plant In Service - Exhibit V	2,848,134,079		
Production		1,847,782,750	64.88%
Transmission		263,993,116	9.27%
Distribution		736,358,209	25.85%
Total		2,848,134,075	100.00%
Net Plant In Service - Exhibit VII	1,862,151,547		
Production		1,327,581,843	71.29%
Transmission		147,247,945	7.91%
Distribution		387,321,755	20.80%
Total		1,862,151,543	100.00%

Grant County Public Utility District
Development of Allocation Factors

Line No.	(a)	Source/Reference (b)	Total Electric (c)	Allocator Type (d)	Allocator % (e)
	TRANSMISSION PLANT INCLUDED IN COST OF SERVICE:				
1	Total Transmission Gross Plant	Exhibit V			188,867,008
2	Less Distribution Plant Included in Transmission Accounts	Note A			0
3	Less Transmission Plant Included in Ancillary Services	Note B			0
4	Transmission Plant Included in Cost of Service	Line 1 - Line 2 - Line 3			188,867,008
5	Transmission Plant Inclusion Ratio	Line 1 / Line 4		**TPI=**	100.00%
	WHOLESALE GROSS DISTRIBUTUION PLANT:				
6	Accounts 360-364	Exh II - Plant Data, Lines 23-26			$ 270,259,292
7	Accounts 360-364 plus Accounts 368-373	Exh II - Plant Data, Lines 23-26 + Lines 30-33			$ 397,346,387
8	Wholesale Gross Distribution Plant Allocator	Line 6 / Line 7		**WSDP=**	68.02%
	DISTRIBUTION PLANT INCLUDED IN COST OF SERVICE:				
9	Total Distribution Gross Plant	Exhibit V			609,096,159
10	Plus Distributuion Plant Included in Transmission Accounts	Line 2			0
11	Less Distribution Plant Included in Ancillary Services	Note B			0
12	Total Distribution Plant Included in Cost of Service	Line 1 - Line 2 - Line 3			609,096,159
13	Percentage of Gross Distribution Plant Included in Cost of Service	Line 9 / Line 12		**DP=**	100.00%
14	Distribution Plant Inclusion Ratio	Line 8 * Line 13		**DPI=**	68.02%

	WAGES & SALARY ALLOCATOR (W&S):	$	Allocator		T/D Allocation		($ / Allocation)
15	Production	21,922,195	NA	100%	21,922,195		51.30%
16	Transmission	6,325,809	NA	100%	6,325,809	**WST =**	14.80%
17	Distribution	9,684,508	NA	100%	9,684,508	**WSD =**	22.66%
18	Other - Non General	4,798,574	NA	100%	4,798,574		11.23%
19	Total Sum of Lines 15 - 18	42,731,085			42,731,085		100.00%
20	**Hydro-Production and Other Allocation Factor - Line 15 + Line 18**						62.53%

Notes

A Removes transmission plant determined to be state-jurisdictional by FERC order according to the seven-factor test (e.g., radial facilities), until balances on Grant PUD's books are adjusted to reflect the removal of such costs from the transmission function.

B Removes dollar amount of plant included in the development of ancillary services cost of service analysis (e.g., generation step-up facilities)

Grant County Public Utility District
Operations & Maintenance Expenses and Administrative & General Expenses

Line No	FERC Acct No	FERC Acct Name	Total Expenses	Adjustments (Note A)	Adjusted Expenses	Hydro-Production	Transmission - Wholesale		Comments re: Adjustments
							Transmission	Distribution	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(f)
		Hydraulic Power Generation O&M Expenses							
1	535	Operation supervision and engineering	4,219,244	0	4,219,244	4,219,244	0	0	Not Included in Wholesale Delivery Cost of Service
2	536	Water for power	3,361,162	0	3,361,162	3,361,162	0	0	Not Included in Wholesale Delivery Cost of Service
3	537	Hydraulic O&M Expensess (Major only)	1,776,764	0	1,776,764	1,776,764	0	0	Not Included in Wholesale Delivery Cost of Service
4	538	Electric O&M Expensess (Major only)	53,139	0	53,139	53,139	0	0	Not Included in Wholesale Delivery Cost of Service
5	539	Miscellaneous hydraulic power generation O&M Expensess (Major only)	6,618,470	(2,605,568)	4,012,903	4,012,903	0	0	Not Included in Wholesale Delivery Cost of Service
6	540	Rents	127,624	0	127,624	127,624	0	0	Not Included in Wholesale Delivery Cost of Service
7	540	Operation supplies and O&M Expensess (Nonmajor only)	0	0	0	0	0	0	Not Included in Wholesale Delivery Cost of Service
8	541	Maintenance supervision and engineering (Major only)	3,297,122	0	3,297,122	3,297,122	0	0	Not Included in Wholesale Delivery Cost of Service
9	542	Maintenance of structures (Major only)	78,604	0	78,604	78,604	0	0	Not Included in Wholesale Delivery Cost of Service
10	543	Maintenance of reservoirs, dams and waterways (Major only)	2,177,603	0	2,177,603	2,177,603	0	0	Not Included in Wholesale Delivery Cost of Service
11	544	Maintenance of electric plant (Major only)	8,778,426	0	8,778,426	8,778,426	0	0	Not Included in Wholesale Delivery Cost of Service
12	545	Maintenance of miscellaneous hydraulic plant (Major only)	19,393,909	(16,204,120)	3,189,790	3,189,790	0	0	Not Included in Wholesale Delivery Cost of Service
13	545	Maintenance of hydraulic production plant (Nonmajor only)	0	0	0	0	0	0	Not Included in Wholesale Delivery Cost of Service
14		**Total Hydraulic Power Generation O&M Expenses**	49,882,066	(18,809,688)	31,072,379	31,072,379	0	0	
		Transmission O&M Expenses:							
15	560	Operation Supervision and Engineering	93,447	0	93,447	0	93,447	0	
16	561	Load Dispatching	5,094,974	0	5,094,974	0	5,094,974	0	
17	562	Station Expenses	0	0	0	0	0	0	
18	563	Overhead Lines Expenses	0	0	0	0	0	0	
19	564	Underground line expenses	0	0	0	0	0	0	
20	565	Transmission of Electricity by Others	581,439	(581,439)	0	0	0	0	Not Included in Wholesale Delivery Cost of Service
21	566	Miscellaneous Transmission Expenses	177,897	0	177,897	0	177,897	0	
22	567	Rents	0	0	0	0	0	0	
23	568	Maintenance supervision and engineering	28,408	0	28,408	0	28,408	0	
24	569	Maintenance of Stuctures/Computer	0	0	0	0	0	0	
25	570	Maintenance of Station Equipment	520,435	0	520,435	0	520,435	0	
26	571	Maintenance of Overhead Lines	182,585	0	182,585	0	182,585	0	
27	572	Maintenance of Underground Lines	0	0	0	0	0	0	
28	573	Maintenance of Miscellaneous Transmission Plant	0	0	0	0	0	0	
29	574	Maintenance of Transmision Plant (Non-Major)	0	0	0	0	0	0	
30		**Total Transmission O&M Expenses**	6,679,185	(581,439)	6,097,746	0	6,097,746	0	
		Distribution O&M Expenses:							
31	580	Operation supervision and engineering	140,617	0	140,617	0	0	140,617	
32	581	Load dispatching	1,089	0	1,089	0	0	1,089	
33	582	Station expenses	235,742	0	235,742	0	0	235,742	
34	583	Overhead line expenses	13,424	0	13,424	0	0	13,424	
35	584	Underground line expenses	12,095	0	12,095	0	0	12,095	
36	586	Meter expenses	0	0	0	0	0	0	
37	587	Customer installations expenses	485,547	0	485,547	0	0	485,547	
38	588	Miscellaneous distribution expenses	5,275,842	0	5,275,842	0	0	5,275,842	
39	590	Maintenance supervision and engineering	397,709	0	397,709	0	0	397,709	
40	592	Maintenance of station equipment	1,526,914	0	1,526,914	0	0	1,526,914	
41	593	Maintenance of overhead lines	3,108,277	0	3,108,277	0	0	3,108,277	
42	594	Maintenance of underground lines	2,086,933	0	2,086,933	0	0	2,086,933	
43	596	Maintenance of street lighting and signal systems	146,247	0	146,247	0	0	146,247	
44	597	Maintenance of meters	130,786	0	130,786	0	0	130,786	
45		**Total Distribution O&M Expenses**	13,561,222	0	13,561,222	0	0	13,561,222	
		Customer Accounts Expense							
46	901	Supervision (Major only)	565,042	0	565,042	0	0	0	Not Included in Wholesale Delivery Cost of Service
47	902	Meter reading expenses	829,123	0	829,123	0	0	0	Not Included in Wholesale Delivery Cost of Service
48	903	Customer records and collection expenses	2,411,399	0	2,411,399	0	0	0	Not Included in Wholesale Delivery Cost of Service
49	904	Uncollectible accounts	122,514	0	122,514	0	0	0	Not Included in Wholesale Delivery Cost of Service
50	905	Miscellaneous customer accounts expenses (Major only)	0	0	0	0	0	0	Not Included in Wholesale Delivery Cost of Service
51		**Total Customer Accounts Expense**	3,928,077	0	3,928,077	0	0	0	Not Included in Wholesale Delivery Cost of Service

Grant County Public Utility District
Operations & Maintenance Expenses and Administrative & General Expenses

Line No	FERC Acct No	FERC Acct Name	Total Expenses	Adjustments (Note A)	Adjusted Expenses	Hydro-Production	Transmission - Wholesale: Transmission	Transmission - Wholesale: Distribution	Comments re: Adjustments
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(f)
		Customer Service and Information System Expense							
52	906	Customer service and informational expenses (Nonmajor only)	1,282,173	0	1,282,173	0	0	0	Not Included in Wholesale Delivery Cost of Service
53	907	Supervision (Major only)	0	0	0	0	0	0	Not Included in Wholesale Delivery Cost of Service
54	908	Customer assistance expenses (Major only)	554,390	0	554,390	0	0	0	Not Included in Wholesale Delivery Cost of Service
55	909	Informational and instructional advertising expenses (Major only)	0	0	0	0	0	0	Not Included in Wholesale Delivery Cost of Service
56	910	Miscellaneous customer service and informational expenses (Major only)	1,470	0	1,470	0	0	0	Not Included in Wholesale Delivery Cost of Service
57		**Total Customer Service and Information System Expense**	1,838,033	0	1,838,033	0	0	0	
		Licensing Compliance and Related Agreements							
58	539.R1	Miscellaneous hydraulic power generation O&M Expensess (Major only)	0	2,605,568	2,605,568	0	0	0	Reclass from Acct. 539; Not Included in Wholesale Cost of Service Template
59	545.R1	Maintenance of miscellaneous hydraulic plant (Major only)	0	16,204,120	16,204,120	0	0	0	Reclass from Acct. 545; Not Included in Wholesale Cost of Service Template
60	928.R1	Regulatory commission expenses	0	1,135,678	1,135,678	0	0	0	Reclass Yakama Settlement Expense from Acct. 928; Not Included in Wholesale COS
61		**Total Licensing Compliance and Related Agreements**	0	19,945,366	19,945,366	0	0	0	
		Fiber Optic Network O&M							
62	935.R1	Maintenance of general plant	0	1,733,338	1,733,338	0	0	0	Reclass from Acct. 935; Not Included in Wholesale Cost of Service Template
63	930.2R1		0	531,855	531,855	0	0	0	Reclass from Acct 930.2; Not Included in Wholesale Cost of Service Template
64		**Total Sales Expense**	0	2,265,193	2,265,193	0	0	0	
		Administrative & General Expenses							
65	920	Administrative and general salaries	1,756,283	0	1,756,283	1,098,245	259,996	398,041	
66	921	Office supplies and expenses	20,884,611	0	20,884,611	13,059,646	3,091,709	4,733,256	
67	922	Administrative expenses transferred—Credit	0	0	0	0	0	0	
68	923	Outside services employed	2,009,101	0	2,009,101	1,256,339	297,423	455,340	
69	924	Property insurance-Allocated on Net Plant in Service	1,076,544	0	1,076,544	767,468	85,155	223,921	
70	925	Injuries and damages	3,823,008	0	3,823,008	2,390,618	565,949	866,441	
71	926	Employee pensions and benefits	(5,815,611)	0	(5,815,611)	(3,636,640)	(860,929)	(1,318,041)	
72	927	Franchise requirements	0	0	0	0	0	0	
73	928	Regulatory commission expenses	2,961,406	(1,135,678)	1,825,728	1,141,671	270,276	413,780	Reclass Yakama Settlement Exp to Licensing and Agreements
74	929	Duplicate charges—Credit	(6,370,151)	0	(6,370,151)	(3,983,408)	(943,022)	(1,443,721)	
75	930	General advertising expenses	1,285,999	(1,285,999)	0	0	0	0	Exclude General Advertising
76	930	Miscellaneous general expenses	3,453,623	(531,855)	2,921,768	1,827,051	432,532	662,185	Fiber Optic Expense Included in Acct 930
77	931	Rents	198,973	0	198,973	124,422	29,455	45,095	
78	933	Transportation expenses (Nonmajor only)	0	0	0	0	0	0	
79	935	Maintenance of general plant	11,520,072	(1,733,338)	9,786,734	6,119,878	1,448,805	2,218,050	Fiber Optic Expense Included in Acct 935
80		**Total A&G Expenses**	36,783,857	(4,686,871)	32,096,986	20,165,290	4,677,349	7,254,347	
81		Total Operation & Maintenance Expenses	112,672,441	(1,867,438)	110,805,002	51,237,669	10,775,095	20,815,569	

Notes

A Adjustments to be identified in column (f)

WAGES & SALARY ALLOCATOR (W&S) - Exhibit III:

	($ / Allocation)		
Production	51.30%		
Transmission -- WST	14.80%		
Distribution -- WSD	22.66%		
Other - Non General	11.23%	62.53%	
Total	100.00%		

Net Plant In Service 1,862,151,547

Production	1,327,581,843	71.29%
Transmission	147,247,945	7.91%
Distribution	387,321,755	20.80%
Total	1,862,151,543	100.00%

Grant County Public Utility District
Gross Plant In Service

Exhibit V

Line No.	Account Number	Description	Total Plant In Service	Hydro - Production	Transmission	Distribution
			(1)	(2)	(3)	(4)
			$	$	$	$
		Intangible Plant				
1	301	Organization	30,373	18,993	4,496	6,884
2	302	Franchises and consents	56,112,071	35,088,218	8,306,699	12,717,154
3	303	Miscellaneous intangible plant	142,425,526	89,062,083	21,084,339	32,279,103
4		Adjustment for OC&PEC Plant to Hydro	0	8,000,000	(8,000,000)	0
5		**Subtotal Intangible Plant**	198,567,970	132,169,294	21,395,534	45,003,141
		Hydro Production				
6	330	Land and Land Rights	19,685,660	19,685,660		
7	331	Structures and improvements	144,112,918	144,112,918		
8	332	Reservoirs, dams, and waterways	511,074,821	511,074,821		
9	333	Water sheels, turbines and generators	625,533,457	625,533,457		
10	334	Accessory electric equipment	59,024,861	59,024,861		
11	335	Miscellaneous power plant equipment	63,234,736	63,234,736		
12	336	Roads, railroads and bridges	1,792,668	1,792,668		
13		Adjustment for PRP Transformer Plant to Hydro	39,412,060	39,412,060		
13		Adjustment for PRP Radial Lines to Hydro	24,750,000	24,750,000		
14		**Subtotal Hydro Production Plant**	1,488,621,181	1,488,621,181		
		Other Production (Wind)				
15	346	Miscellaneous power plant equipment	29,656	29,656		
16		**Subtotal Production Plant**	29,656	29,656		
		Transmission Plant				
17	350	Land and Land Rights	2,002,732		2,002,732	
18	352	Structures and improvements	5,906,796		5,906,796	
19	353	Station Equipment	87,642,273		87,642,273	
20	354	Towers and fixtures	9,747,602		9,747,602	
21	355	Poles and fixtures	87,273,369		87,273,369	
22	356	Overhead conductors and devices	60,374,025		60,374,025	
23	359	Roads and trails	82,270		82,270	
24		Adjustment for PRP Transformer Plant to Hydro	(39,412,060)		(39,412,060)	
25		Adjustment for PRP Radial Lines to Hydro	(24,750,000)		(24,750,000)	
26		**Subtotal Transmission Plant**	188,867,008		188,867,008	
		Distribution Plant				
27	360	Land and Land Rights	853,209			853,209
28	361	Structures and improvements	1,052,384			1,052,384
29	362	Station equipment	176,101,529			176,101,529
30	364	Poles, towers and fixturs	92,252,171			92,252,171
31	365	Overhead conductors and devices	92,966,521			92,966,521
32	366	Underground conduit	22,305,267			22,305,267
33	367	Underground conductors and devices	96,477,984			96,477,984
34	368	Line Transformers	75,150,171			75,150,171
35	369	Services	21,339,101			21,339,101
36	370	Meters	23,489,723			23,489,723
37	373	Street lighting and signal systems	7,108,100			7,108,100
38		**Subtotal Distribution Plant**	609,096,159			609,096,159
		General Plant				
39	389	Land and Land Rights	2,377,716	1,486,842	351,991	538,882
40	390	Structures and improvements	220,763,261	138,048,540	32,681,273	50,033,448
41	391	Office furniture and equipment	43,672,057	27,309,180	6,465,108	9,897,768
42	392	Transportation equipment	22,411,805	14,014,637	3,317,791	5,079,377
43	393	Stores equipment	210,944	131,908	31,228	47,808
44	394	Tools, shop and garage equipment	9,052,841	5,660,958	1,340,161	2,051,722
45	395	Laboratory equipment	493,371	308,517	73,037	111,817
46	396	Power operatied equipment	368,134	230,203	54,498	83,433
47	397	Communication equipment	238,587,872	149,194,695	35,319,987	54,073,190
48	398	Miscellanious equipment	5,537,724	3,462,871	819,792	1,255,061
49	397	Adj. to Remove Fiber Plant Costs	(180,523,620)	(112,885,731)	(26,724,292)	(40,913,597)
50		**Subtotal General Plant 1/**	362,952,105	226,962,620	53,730,574	82,258,909
51		**Total Plant**	2,848,134,079	1,847,782,750	263,993,116	736,358,209
				64.88%	9.27%	25.85%
			General	Intangible	Transmission	
		1/ Total Gross Plant before Adjustments	543,475,725	198,567,970	253,029,068	

WAGES & SALARY ALLOCATOR (W&S) - Exhibit III:	($ / Allocation)	
Production	51.30%	
Transmission -- WST	14.80%	
Distribution -- WSD	22.66%	
Other - Non General	11.23%	62.53%
Total	100.00%	

Grant County Public Utility District
Accumulated Reserves for Depreciation

Line No.	Account Number	Description	Accumulated Reserves	Hydro - Production	Transmission	Distribution
			(1)	(2)	(3)	(4)
			$	$	$	$
		Intangible Acc. Reserves				
1	301	Organization	0	0	0	0
2	302	Franchises and consents	24,600,660	15,383,381	3,641,824	5,575,456
3	303	Miscellaneous intangible plant	52,493,606	32,825,506	7,771,030	11,897,071
4		Adjustment for OC&PEC Plant to Hydro		0	0	
5		**Subtotal Intangible Acc. Reserves**	77,094,267	48,208,887	11,412,854	17,472,527
		Hydro Production				
6	330	Land and Land Rights	0	0		
7	331	Structures and improvements	24,852,508	24,852,508		
8	332	Reservoirs, dams, and waterways	115,100,840	115,100,840		
9	333	Water sheels, turbines and generators	166,883,997	166,883,997		
10	334	Accessory electric equipment	27,726,895	27,726,895		
11	335	Miscellaneous power plant equipment	32,362,644	32,362,644		
12	336	Roads, railroads and bridges	1,047,412	1,047,412		
13		Adjustment for PRP Transformer Plant to Hydro	6,028,246	6,028,246		
14		Adjustment for PRP Radial Lines to Hydro	12,375,000	12,375,000		
15		**Subtotal Hydro Production Acc. Reserves**	386,377,542	386,377,542		
		Other Production (Wind)				
16	346	Miscellaneous power plant equipment	20,759	20,759		
17		**Subtotal Production Acc. Reserves**	20,759	20,759		
		Transmission Acc. Reserves				
18	350	Land and Land Rights	0		0	
19	352	Structures and improvements	3,250,108		3,250,108	
20	353	Station Equipment	43,619,606		43,619,606	
21	354	Towers and fixtures	5,675,684		5,675,684	
22	355	Poles and fixtures	33,534,451		33,534,451	
23	356	Overhead conductors and devices	17,334,507		17,334,507	
24	359	Roads and trails	57,961		57,961	
25		Adjustment for PRP Transformer Plant to Hydro	(6,028,246)		(6,028,246)	
26		Adjustment for PRP Radial Lines to Hydro	(12,375,000)		(12,375,000)	
27		**Subtotal Transmission Acc. Reserves**	85,069,071		85,069,071	
		Distribution Acc. Reserves				
28	360	Land and Land Rights	0			-
29	361	Structures and improvements	833,037			833,037
30	362	Station equipment	67,203,015			67,203,015
31	364	Poles, towers and fixturs	58,325,367			58,325,367
32	365	Overhead conductors and devices	40,533,789			40,533,789
33	366	Underground conduit	5,303,765			5,303,765
34	367	Underground conductors and devices	35,724,309			35,724,309
35	368	Line Transformers	56,494,426			56,494,426
36	369	Services	18,201,946			18,201,946
37	370	Meters	12,440,718			12,440,718
38	373	Street lighting and signal systems	5,481,504			5,481,504
39		**Subtotal Distribution Acc. Reserves**	300,541,877			300,541,877
		General Reserves				
40	389	Land and Land Rights	0	0	0	0
41	390	Structures and improvements	28,196,102	17,631,696	4,174,085	6,390,322
42	391	Office furniture and equipment	43,429,163	27,157,293	6,429,151	9,842,719
43	392	Transportation equipment	20,261,896	12,670,247	2,999,523	4,592,125
44	393	Stores equipment	210,944	131,908	31,228	47,808
45	394	Tools, shop and garage equipment	4,423,303	2,765,997	654,815	1,002,491
46	395	Laboratory equipment	493,371	308,517	73,037	111,817
47	396	Power operatied equipment	368,134	230,203	54,498	83,433
48	397	Communication equipment	144,966,009	90,650,708	21,460,427	32,854,875
49	398	Miscellanious equipment	4,216,259	2,636,527	624,165	955,566
50		Adj. to Remove Fiber Plant Costs	(109,686,165)	(68,589,379)	(16,237,682)	(24,859,105)
51		**Subtotal General Acc. Reserves**	136,879,016	85,593,717	20,263,247	31,022,051
52		**Total Accumulated Reserves**	985,982,532	520,200,905	116,745,172	349,036,455

WAGES & SALARY ALLOCATOR (W&S) - Exhibit III:	($ / Allocation)	
Production	51.30%	
Transmission -- WST	14.80%	
Distribution -- WSD	22.66%	
Other - Non General	11.23%	62.53%
Total	100.00%	

Grant County Public Utility District
Net Plant In Service

Line No.	Account Number	Description	Net Plant In Service	Hydro - Production	Transmission	Distribution
			(1)	(2)	(3)	(4)
			$	$	$	$
		Intangible Net Plant In Service				
1	301	Organization	30,373	18,993	4,496	6,884
2	302	Franchises and consents	31,511,411	19,704,837	4,664,875	7,141,698
3	303	Miscellaneous intangible plant	89,931,920	56,236,577	13,313,309	20,382,032
4		Adjustment for OC & PEC Plant to Hydro		8,000,000	(8,000,000)	
5		**Subtotal Intangible Net Plant In Service**	121,473,704	83,960,407	9,982,680	27,530,614
		Hydro Production				
6	330	Land and Land Rights	19,685,660	19,685,660		
7	331	Structures and improvements	119,260,410	119,260,410		
8	332	Reservoirs, dams, and waterways	395,973,981	395,973,981		
9	333	Water sheels, turbines and generators	458,649,460	458,649,460		
10	334	Accessory electric equipment	31,297,966	31,297,966		
11	335	Miscellaneous power plant equipment	30,872,093	30,872,093		
12	336	Roads, railroads and bridges	745,255	745,255		
13		Adjustment for PRP Transformer Plant to Hydro	33,383,814	33,383,814		
14		Adjustment for PRP Radial Lines to Hydro	12,375,000	12,375,000		
15		**Subtotal Hydro Production Net Plant In Service**	1,102,243,639	1,102,243,639		
		Other Production (Wind)				
16	346	Miscellaneous power plant equipment	8,897	8,897		
17		**Subtotal Production Net Plant In Service**	8,897	8,897		
		Transmission Net Plant In Service				
18	350	Land and Land Rights	2,002,732		2,002,732	
19	352	Structures and improvements	2,656,688		2,656,688	
20	353	Station Equipment	44,022,667		44,022,667	
21	354	Towers and fixtures	4,071,918		4,071,918	
22	355	Poles and fixtures	53,738,919		53,738,919	
23	356	Overhead conductors and devices	43,039,518		43,039,518	
24	359	Roads and trails	24,309		24,309	
25		Adjustment for PRP Transformer Plant to Hydro	(33,383,814)		(33,383,814)	
26		Adjustment for PRP Radial Lines to Hydro	(12,375,000)		(12,375,000)	
27		**Subtotal Transmission Net Plant In Service**	103,797,937		103,797,937	
		Distribution Net Plant In Service				
28	360	Land and Land Rights	853,209			853,209
29	361	Structures and improvements	219,347			219,347
30	362	Station equipment	108,898,514			108,898,514
31	364	Poles, towers and fixturs	33,926,803			33,926,803
32	365	Overhead conductors and devices	52,432,732			52,432,732
33	366	Underground conduit	17,001,502			17,001,502
34	367	Underground conductors and devices	60,753,675			60,753,675
35	368	Line Transformers	18,655,745			18,655,745
36	369	Services	3,137,155			3,137,155
37	370	Meters	11,049,005			11,049,005
38	373	Street lighting and signal systems	1,626,597			1,626,597
39		**Subtotal Distribution Net Plant In Service**	308,554,282			308,554,282
		General Net Plant In Service				
40	389	Land and Land Rights	2,377,716	1,486,842	351,991	538,882
41	390	Structures and improvements	192,567,159	120,416,844	28,507,189	43,643,126
42	391	Office furniture and equipment	242,894	151,887	35,957	55,049
43	392	Transportation equipment	2,149,909	1,344,390	318,268	487,252
44	393	Stores equipment	0	0	0	0
45	394	Tools, shop and garage equipment	4,629,538	2,894,960	685,346	1,049,231
46	395	Laboratory equipment	0	0	0	0
47	396	Power operatied equipment	0	0	0	0
48	397	Communication equipment	93,621,863	58,543,987	13,859,560	21,218,316
49	398	Miscellanious equipment	1,321,466	826,344	195,627	299,495
50		Adj. to Remove Fiber Plant Costs	(70,837,455)	(44,296,353)	(10,486,610)	(16,054,492)
51		**Subtotal General Net Plant In Service**	226,073,089	141,368,901	33,467,328	51,236,859
52		**Total Net Plant In Service**	1,862,151,547	1,327,581,843	147,247,945	387,321,755
53		**Materials & Supplies - Exhibit VII**	17,955,612	11,228,073	2,658,106	4,069,432
54		**Prepayments - Exhibit VII**	1,584,123	1,584,123		
55		**Cash Working Capital**	6,434,865	2,516,491	1,350,966	2,567,408
56		**Net Rate Base**	1,888,126,146	1,342,910,530	151,257,017	393,958,595
57		**Rate Of Return**	6.02%	6.02%	6.02%	6.02%
58		**Return**	113,665,194	80,843,214	9,105,672	23,716,307

WAGES & SALARY ALLOCATOR (W&S) - Exhibit III:	($ / Allocation)		
Production	51.30%		
Transmission -- WST	14.80%		
Distribution -- WSD	22.66%		
Other - Non General	11.23%	62.53%	
Total	100.00%		

Grant County Public Utility District
Materials and Supplies and Prepayments

Line No.	FERC Acct No.	FERC Acct Name	Total Expenses	Adjustments	Adjusted Expenses	Allocators - Exhibit III			Wages and Salareis Allocator			
						Transmission	Distribution	Production	Transmission	Distribution	Production	Total
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i) (e)*(f)	(j) (e)*(g)	(k) (e)*(h)	(l) (i)+(j)+(k)
		Materials and Supplies:										
1	154	Plant Materials and Operating Supplies	16,397,482	-	16,397,482	14.80%	22.66%	62.53%	2,427,445	3,716,300	10,253,737	16,397,482
2	163	Stores Expense Undistributed	1,558,130	-	1,558,130	14.80%	22.66%	62.53%	230,662	353,132	974,336	1,558,130
3		**Total Materials and Supplies**	17,955,612	-	17,955,612				2,658,106	4,069,432	11,228,073	17,955,612
		Prepayments										
4	165	Prepayments	1,584,123		1,584,123	0.00%	0.00%	100.00%	-	-	1,584,123	1,584,123
5		**Total Prepayments**	1,584,123	-	1,584,123				-	-	1,584,123	1,584,123

Grant County Public Utility District
Taxes Other Than Income Taxes

Line No.	Description	FERC Account #s	December 2018
	Per Books for 2018		
1	Elect Revenue-Taxes Fiber	1001-408050	18,723.93
2	Elect Revenue-Taxes Utility	1001-408100	7,936,039.41
3	Elect Revenue-Taxes Privilege	1001-408200	4,201,527.01
4	Elect Revenue-Taxes City	1001-408400	2,448,395.24
5	Elect Revenue-Taxes Fire District	1001-408501	219,476.16
6	Elect Revenue-Taxes Privilege QC	1001-408510	6,769.79
7	Elect Revenue-Taxes Privilege PEC	1001-408600	4,233.51
8	PRP Revenue-Taxes Privilege	7001-408200	1,966,134.08
9	PRP Revenue-Taxes Water Utility	7001-408210	0.00
10	PRP Revenue-Taxes Wastewater Utility	7001-408220	0.00
11	Total		16,801,299.13

Amounts included in the Cost of Service Factors in Exhibit I

The 2017 COSA determined that the only Taxes-Other Than Income related to Transmission services were Public Utility Tax. In the 2019 COSS, this tax was used to calculate Taxes-Other, but also included was the Fire Protection District Tax. Both of these taxes are based on a percentage of revenue. See the below calculation:

		Tax Percentage Based on Revenue	Tax Percentage Based on Amount of Public Utility Tax Paid
	Taxes Attributable to Transmission Services		
	Elect Revenue-Taxes Privilege -the formula is: (Total retail revenue +Other Retail Rev+ Other Power Service revenue + 28% of CIAC - total PEC & QC costs - .154% of retail revenue) X .03873 =		
12	Total Tax	3.873%	
	Elect Revenue-Taxes Fire District -the formula is: Amount established by the state based on amount of public utility tax paid by the utility. PUT X		
13	.028545832		0.111%
14	**Total Percentage Assessed to Transmission Cost of Service**		**3.984%**

This percentage will be applied to the Per Unit Cost of Service factor developed in Exhibit I

Grant County Public Utility District
Change in Net Position

Line No.	Capital Component		Capitalization Ratio (Note A)	Cost of Capital	Weighted Average Cost of Capital
	(a)		(b)	(c)	(d)
	Return/Capitalization Calculations:				
1	Long Term Debt	(Note B)	60.0%	3.50%	2.10%
2	Proprietary Capital	(Note C)	40.0%	9.80%	3.92%
3	Total		100.0%		6.02%

Notes

A Target capitalization ratio established by Grant County PUD.

B Average cost of Grant County PUD's outstanding long-term debt.

C Cost of equity based on the FERC approved return on equities (ROE) of PacifiCorp and Puget Sound Energy, which are both interconnected with Grant County PUD. Avista Corporation is also interconnected to the Grant County PUD transmission system. However, Avista's transmission rate is currently based on a stated rate and, therefore, there is no specific ROE that has been identified in the determination of the transmission rate (i.e., based on a settled black box).

Grant County Public Utility District
Revenue Credits

Line No.	FERC Acct No.	FERC Acct Name	Description	Allocation 1 Transmission	1 Distribution	Plant	Labor	Other	Total	Comments re: Allocation
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
		Other Revenues:								
1	450	Forfeited Discounts	Elect Revenue-Penalty For Late Payment		1,129,692				1,129,692	Related to retail service.
2	451	Miscellaneous Service Revenues	Elect Revenue-Misc Service Revenue		2,870,955				2,870,955	Related to retail service.
3	454	Rent from Electric Property	Elect Revenue-Other Electric Revenues		382,850				382,850	Related to retail service.
4		**Total Other Revenues**		0	4,383,497	0	0	0	4,383,497	
		Wheeling Revenues:								
5	456	Other Electric Revenues	Puget Sound Energy	165,252					165,252	Facilities with DSO
6	456	Other Electric Revenues	Vantage Energy	142,608					142,608	Facilities with DSO
7	456	Other Electric Revenues	Seattle City Light	53,568					53,568	Exchange/PTP-LTF
8	456	Other Electric Revenues	Tacoma Power	53,568					53,568	Exchange/PTP-LTF
9		**Total Wheeling Revenues**		414,996	0	0	0	0	414,996	

Grant County Public Utility District
System Load

Line No.	Month	BA Load: Calc'd GCPD_BA_LOAD MMAX	BA Load: Calc'd GCPD_BA_LOAD MMAX TIME	Loads - NCP (Note A): Schrag	Kittitas	Palisades	USBR Large Loads	USBR Small Loads Estimate	System Load: Calc'd GCPD_SYST_LOAD MMAX	Calc'd GCPD_SYST_LOAD MMAX TIME	Total System Load	USBR Large (Note B): 115/230 Only Load During Peak	Firm Point to Point Load	Adjusted System Load: Sub 115kV System Load	Total System Load Plus Firm Point to Point
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k) (h) - (j)	(l)	(m)	(n) (k)-(l)	(o) (k)+(l)
1	Jan	661.2	3.08	1.7	1.1	2.4	1.1	1.1	672.2	3.1	679.6	0.2	-	679.4	679.6
2	Feb	730.0	21.07	2.9	1.0	2.4	1.1	0.3	746.1	21.1	753.8	0.2	-	753.6	753.8
3	Mar	651.8	7.07	3.7	1.8	2.5	18.8	0.4	665.0	7.1	692.3	12.2	-	680.1	692.3
4	Apr	632.2	2.07	6.8	1.4	2.2	21.7	0.4	627.4	2.1	659.9	14.7	-	645.2	659.9
5	May	728.8	16.16	14.6	1.0	3.0	26.8	2.4	712.0	16.2	759.7	18.5	-	741.2	759.7
6	Jun	772.5	21.16	14.9	1.1	4.1	30.9	1.9	747.4	21.2	800.3	21.6	-	778.7	800.3
7	Jul	847.6	26.16	14.4	1.3	4.7	33.7	1.2	819.4	26.2	874.7	23.5	-	851.2	874.7
8	Aug	831.3	9.16	12.3	1.2	5.2	32.8	2.6	807.5	9.2	861.7	22.6	-	839.1	861.7
9	Sep	701.5	7.17	12.9	0.9	5.1	24.7	1.7	681.7	6.2	727.0	17.3	-	709.7	727.0
10	Oct	646.5	19.08	10.5	0.7	3.9	18.1	1.2	636.7	19.1	671.1	12.1	-	659.0	671.1
11	Nov	682.3	19.08	2.4	0.8	3.3	1.1	0.1	694.0	19.1	701.6	0.2	-	701.4	701.6
12	Dec	707.4	7.08	2.6	0.7	2.1	1.0	0.9	721.0	7.1	728.3	0.2	-	728.1	728.3
13	**Average**	716.1		8.3	1.1	3.4	17.6	1.2	710.9		742.5	11.9	-	730.6	742.5

Notes

A Loads reflect NCP billing determinants

B Grant County PUD has no firm point to point customers as of December 31, 2018.

Attachment B

Reply to July 10 Comments

I. Introduction

As part of its customer engagement process for developing an updated cost of service study ("COSS" or "Study"), Grant County Public Utility District #2 ("Grant PUD" or "PUD") requested comments and feedback regarding its draft COSS for transmission ("wheeling") service.

The draft study was published on June 19. Following a review process with stakeholders, written feedback regarding the draft Study was due to the PUD by July 10.

Grant PUD received two sets of comments. One set of comments from the United States, Bureau of Reclamation ("USBR"). The second set of comments was delivered jointly by the Quincy-Columbia Basin Irrigation District and the East Columbia Basin Irrigation District (jointly "the Districts").

Within their comments, the Districts noted that Federal Reserved power delivered from the USBR and wheeled across Grant PUD's transmission and/or distribution facilities are utilized to enable the Districts' irrigation water deliveries. Due to their relevance in this process, the comments and responses will be included with the final Transmission Rate Proposal, targeted to be published in July.

A recurring theme within their comments is the fact that many of Grant PUD's accounting titles include "PRP" in the title, and the misconception that the Priest Rapids Project ("PRP")-related costs are all generation costs. The April 17, 2008 Federal Energy Regulatory Commission's Order Issuing New License for continued operation of the Priest Rapids Project (available at https://www.grantpud.org/templates/galaxy/images/images/Downloads/About/Environment/ShorelineManagement/PriestRapidsProjectLicenseh1.pdf) lists several transmission specific components to the project.

Including the following on page 54 of the license:

> The project's six primary transmission lines (three at the Wanapum development and three at Priest Rapids development), totaling 56.5 miles, deliver project power to the transmission grid via the BPA's Columbia and Midway substations. Grant PUD is proposing no changes that would affect its own or other transmission services in the region. The project and its transmission lines are important elements in providing power and voltage control to local Grant County, Washington, communities and the region.

And including the following located on page 59 license:

> (e) three 230-kilovolt (kV) overhead transmission lines with: (i) the first transmission line connecting and terminating at 2 adjacent switchyards 1.5 miles away; (ii) the second running from one of the two switchyards north for 31 miles to the BPA's Columbia substation; and (iii) the third connecting the Wanapum substation with the Priest Rapids substation running south for 17 miles; and (f) appurtenant facilities.
>
> (f) three 230-kV transmission lines from the transformers at the powerhouse to the Priest Rapids switchyard 1 mile away, then continuing for 6 miles to the BPA's Midway substation;

Within their comments, the Irrigation Districts submitted a list of information requests stating additional information is necessary for them to fully evaluate the Draft COSS model and verify the accuracy of the results. Specifically, regarding the transmission and distribution costs proposed by the PUD in the COSS.

As part of their comments, the Districts have requested various information regarding Grant PUD's financial data. This financial information is gathered and published by Grant PUD's finance and accounting department in accordance with generally accepted accounting principles. Additionally, Grant PUD's financial statements are audited by an independent financial firm. Where specific data has been requested, the response to those inquiries may be provided via Grant PUD's records department. If additional data is

required, please visit www.grantpud.org/contact-us to complete a public records request form.

With regards to further comments concerning the designing of separate rates for certain customers that the parties consider separate and distinct from other system customers. Grant PUD offers the white paper from August 17, 2017 (see Attachment B) prepared by Brent Bischoff (Sr. Manager Power Delivery Engineering). Within the document Mr. Bischoff discusses how Grant PUD's electric distribution system is designed and operated.

This paper states in Part:

> *The Grant County PUD electric distribution system is designed as a networked system. This design practice is common in the electric utilities industry in order to provide the most reliable possible electric service to customers…This ensures that outage frequency and duration to utility customers are kept to a minimum…The distribution system is a networked system designed to provide the highest level of reliability and service to each customer regardless of their location in the service territory.*
>
> *…Since electric distributions systems are networked and provide equal quality of service to all customers, it is common utility practice to spread the cost to build, operate and maintain the system equally among customers…*

II. Irrigation Districts' Comments

Grant should establish a set of transmission/distribution wheeling rates that apply solely to the wheeling of Federal Reserved power to loads located on Grant's system. There is a unique and long-running history of how the 115KW facilities originally constructed by the Federal Government and now owned by the PUD were initially developed to deliver Federal Reserved power to USBR pumping plants that, in turn, are utilized to provide irrigation water to local farms throughout Grant County. These circumstances, however, differ from other potential usages of the PUD's transmission system including the wheeling of power from newly constructed generating resources to serve customers located

outside of Grant County. The Irrigation Districts believe that not all Grant PUD wheeling customers are similarly situated and therefore the Commission should have the flexibility to establish multiple sets of transmission rates that recognize these differences, should they choose to do so.

Grant PUD purchased certain transmission facilities from BPA in 1976 for a price of $4 million, plus the service provision for specified periods. At that time, Grant assumed the obligation to provide USBR up to 44 MW of wheeling free of charge for a 40-year period that ended on June 30, 2017. Grant provided this service as specified for this period. Grant further assumed an obligation to provide 66 MVA of no charge wheeling to Washington Water Power (now Avista) that ended on August 10, 1993.

The 40-year wheeling obligation represented the typical depreciation life for new facilities. But, in this case the facilities were used. Thus, while Grant PUD purchased the facilities, Grant was obligated to provide wheeling without additional charges for the life of the facilities; Grant PUD was not able to recover costs that were unrelated to the facilities capital cost, such as additional capital costs and Operation and Maintenance Expenses. These unrecovered costs from the PUD's wheeling customers have been borne by Grant PUD's retail customers.

The capital cost of substations and transmission lines represent only a portion of the costs to provide wheeling by Grant PUD. Grant PUD's updated COSS intends to capture all the costs of providing transmission (wheeling) service.

The PUD's primary system customer is its retail load and this load is considered equal with USBR load in the rate calculation shown in the COSS model. The PUD's treatment is consistent with FERC policy. Establishing rate treatment that provides preferential treatment to a specific class of customer is contrary to FERC policy and would create potential FERC risk.

At this time, Grant is not considering a separate wheeling rate for wheeling load verses wheeling generation.

For further discussion, see Section I – Introduction and Attachment B concerning how Grant PUD's system is designed and operated.

1. Grant's Transmission COSA that is ultimately utilized to establish new transmission rates for the wheeling of Federal Reserved power should only incorporate the PUD's actual, verifiable costs. In this vein, the 9.8% Return on Equity component of the Draft 2019 Transmission COSA does not appear to be tied to any actual, verifiable costs that the PUD incurred in CY 2017.

The model utilizes a cost of capital to reflect the financing costs associated with Grant PUD's capital costs. Rather than adjusting target revenue to meet financial metrics and obtaining cash necessary for capital investments, this method estimates the cost of capital, which includes the cost of equity in the market, and treats this as an operating cost.

Use of these funds carries with it, at a minimum, an opportunity cost. The cost estimates that Grant PUD would need to pay investors if the equity was not supplied by customers. Conversely, it represents a return that customers could expect to earn if they were able to invest that money in similar projects in the marketplace.

3. Grant's derivation of the annual revenue requirements for Grant's Transmission and Distribution wheeling rates should be performed in a consistent manner with its derivation of the annual revenue requirements for its retail rate classes.

Grant agrees that the methods should be consistent across the Studies.

4. Taxes included in the annual revenue requirements for Grant's Transmission and Distribution wheeling rates should reflect the actual amount of taxes that the PUD will owe on its provision of wholesale transmission/distribution wheeling services.

Grant PUD agrees with this statement.

5. The 13.2 KV distribution wheeling rate assessed to the USBR's Sand Hollow and Babcock pumping loads must reflect the fact that: 1) these two loads have unique physical interconnection characteristics, and 2) under the cost-causation principle there should be a lower proportion of Grant's overall system distribution costs allocated to the cost of service for these two discrete loads.

Similar to billing for an Irrigation District, Grant's transmission costs do not consider distance. Developing distance-based costs would be a significant undertaking and would result in costs that would be both below and above current estimated costs for the transmission customer class.

The Sand Hollow line is a distribution line of short distance, but this is not unique. Many Grant PUD service lines in the urban areas are short, and if the PUD were to calculate a short distance rate, Grant would need to acquire the total load data for a defined short distance. At present, this data is not readily available. The distribution level rates do not take into account the length of the distribution lines, which in general favors rural service.

The Babcock service conductor material is owned by USBR. A used USBR conductor was installed on this Grant distribution service in 2002. If new material is used for a conductor, the cost of the conductor represents approximately 4% of the total distribution service cost. This service is about 2.5 miles which is longer than most urban service. At this time, Grant PUD does not plan to calculate a special rate for this line, but if Grant were to do so, it could be higher than the average rate.

For further discussion, see Section I – Introduction and Attachment B concerning how Grant PUD's system is designed and operated.

Grant PUD is willing to discuss with USBR staff the possible terms for the PUD to purchase this conductor.

6. Grant should incorporate into the transmission rate billing units calculation all wholesale wheeling services it expects to provide during the upcoming rate period (i.e. CY 2020) including wheeling services that it provides to BPA, even if Grant charges BPA a different transmission rate under one or more pre-existing wheeling agreements.

The current COSS has assumptions for which contracts will be included in the new rate. Currently, the BPA wheeling service is included as part of the new transmission (wheeling) rate service.

7. Exhibit VIII to the Draft 2019 Transmission COSA contains an apparent error with regard to how non- USBR Point-to- Point transmission service is incorporated into the per-unit transmission rate. For example, inputting an assumed 100 MW monthly transmission usage figure into the PTP column should increase the total overall transmission billing units and reduce the per-unit (i.e. $/KW- yr. or $/KW – mo.) transmission wheeling charge. The current spreadsheet logic does not do this.

The spreadsheet logic in Exhibit VIII of the Draft 2019 Transmission COSS has been revised to include Firm Point-to-Point load in the Total System Load used to determine rates for the service over the 115kV-230kV system. At this time, Grant PUD does not have Firm PTP customers.

8. The Districts note that several line items in the Transmission O&M Expenses section in Exhibit III have “PRP” in the title. To the extent that these line items are associated with Priest Rapids Project-related costs, these line items should be removed from the set of Transmission O&M expenses incorporated into the annual transmission wheeling rate annual revenue requirement.

To the extent the items are generation related, Grant PUD agrees. If the items are related to the PRP transmission system, then they should be included as transmission costs. Also, see the Priest Rapids Project discussion in Section 1 - Introduction.

9. The Districts note that many of the line items in the Administrative & General Expenses section in Exhibit III have “PRP” in the title. To the extent that these line items are associated with Priest Rapids Project-related costs or revenues, I) these

line items should be removed from the set of Administrative & General expenses incorporated in to the annual transmission and distribution revenue requirements, or 2) the allocation factor(s) used to allocate total A&G expenses to the transmission wheeling rate and the distribution wheeling rate annual revenue requirements should be adjusted, if needed, to ensure that no Priest Rapids Project-related costs are assigned to the PUD' s transmission and/or distribution wheeling cost or service.

To the extent the items are generation related, Grant PUD agrees. If the items are related to the PRP transmission system, then they should be included as transmission costs. Also, see the Priest Rapids Project discussion in Section I - Introduction.

10. The Districts reserve the right to provide additional comments to Grant regarding the various allocation factors that are incorporated into the Draft 2019 Transmission COSA. In particular, the Districts have not been provided with the detailed data inputs to the "W/S-T" and the W/S-D" allocation factors. The Districts are therefore requesting that the PUD provide this information (sec Clarifying Question No. 18).

III. United States Bureau of Reclamation (USBR) Comments

GCPUD has stated the intent to develop one single wholesale transmission rate to apply to not only the USBR reserved power loads, but also to commercial wheelers (i.e., from wind and solar installations in the county to customers outside PUD boundaries). USBR requests that wholesale transmission and distribution rates be developed to represent the unique history of development of the transmission system within Grant PUD and the local nature of the loads served.

Grant PUD purchased certain transmission facilities from BPA in 1976 for a price of $4 million. At that time, Grant assumed the obligation to provide USBR up to 44 MW of wheeling free of charge for a 40-year period that ended on June 30, 2017. Grant provided this service as specified for this period. Grant further assumed an obligation to provide 66 MVA of no charge wheeling to Washington Water Power (now Avista) that ended on August 10, 1993.

The 40-year wheeling obligation represented the typical depreciation life for new facilities. But, in this case the facilities were used. Thus, while Grant PUD purchased the facilities Grant was obligated to provide wheeling without additional charges for the life of the facilities. Grant PUD was not able to recover costs that were unrelated to the facilities capital cost, such as additional capital costs and Operation and Maintenance Expenses. These unrecovered costs from the PUD's wheeling customers have been borne by Grant's retail customers.

The capital cost of substations and transmission lines represent only a portion of the costs to provide wheeling by Grant PUD. Grant's updated COSS intends to capture all the costs of providing transmission (wheeling) service.

For further discussion, see Section I – Introduction and Attachment B concerning how Grant PUD's system is designed and operated.

1. Exhibit II - Plant Data, Line 2 (Franchise and Consents) - USBR understands that the cost study is based on a standard FERC accounting system. Based on the Uniform System of Accounts and account descriptions, Account 302 Franchises and consents states "This account shall include amounts paid to the federal government, to a state or to a political subdivision thereof in consideration for franchises, consents, water power licenses, or certificates, running in perpetuity or for a specified term of more than one year, together with necessary and reasonable expenses incident to procuring such franchises, consents, water power licenses, or certificates of permission and approval, including expenses of organizing and merging separate corporations, where statutes require, solely for the purpose of acquiring franchises". It is USBR's understanding that this description refers to generating stations that are going through the licensing process. The $59 million gross plant in service and associated depreciation expense, should not be allocated to the wholesale transmission or distribution. Please explain why this should be included in wholesale transmission or distribution.

Grant PUD is reviewing its COSS calculation and as a result, the PUD may modify its study.

2. Exhibit II - Plant Data, Line 3 (Miscellaneous Intangible Plant) - USBR requests a breakdown and description of this $135 million gross plant in service item.

Grant PUD is in the process updating the PUD's accounting system to reflect the FERC Uniform System of Accounts. Currently, the PUD's accounting system reflects the use its own internal chart of accounts. For COSS purposes, the PUD's accounting department matched the current PUD accounts to the appropriate FERC accounts.

The FERC Uniform System of Accounts for Account #303 states the following:

A. This account shall include the cost of patent rights, licenses, privileges, and other intangible property necessary or valuable in the conduct of utility operations and not specifically chargeable to any other account.
B. When any item included in this account is retired or expires, the book cost thereof shall be credited hereto and charged to account 426.5, Other Deductions, or account 111, Accumulated Provision for Amortization of Electric Utility Plant (for non-major utilities, account 110, Accumulated Provision for Depreciation and Amortization of Electric Plant), as appropriate.
C. This account shall be maintained in such a manner that the utility can furnish full information with respect to the amounts included herein.

Grant PUD believes that the plant balance for Account 303, reflected in Exhibit II, Line 3 – Miscellaneous Intangible Plant have been recorded properly. This is support by the Independent Audit Report Letter reflected in the PUD's 2018 Annual Report (See Attachment A), which states:

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts.

If further information is still needed, see Section I – Introduction for Grant PUD's procedures in acquiring public data.

3. Exhibit II- General Plant, Line 36 (Office Furniture and equipment) - USBR requests a breakdown and description of this $43 million item.

Grant PUD is in the process updating the PUD's accounting system to reflect the FERC Uniform System of Accounts. Currently, the PUD's accounting system reflects the use its own internal chart of accounts. For COSS purposes, the PUD's accounting department matched the current PUD accounts to the appropriate FERC accounts.

The FERC Uniform System of Accounts for Account #391 states the following:

> This account shall include the cost of office furniture and equipment owned by the utility and devoted to utility service, and not permanently attached to buildings, except the cost of such furniture and equipment which the utility elects to assign to other plant accounts on a functional basis.
>
> ITEMS
>
> 1. Bookcases and shelves.
> 2. Desks, chairs, and desk equipment.
> 3. Drafting-room equipment.
> 4. Filing, storage, and other cabinets.
> 5. Floor covering.
> 6. Library and library equipment.
> 7. Mechanical office equipment, such as accounting machines, typewriters, etc.
> 8. Safes.
> 9. Tables.

Grant PUD believes that the plant balance for Account 391, reflected in Exhibit II, Line 36 – Office furniture and equipment have been recorded properly. This is support by the Independent Audit Report Letter reflected in the PUD's 2018 Annual Report (See Attachment A), which states:

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts.

If further information is still needed, see Section I – Introduction for Grant PUD's procedures in acquiring public data.

4. Exhibit II - Plant Data, Line 42 (Communication equipment) - This line item shows up as $225 million gross plant in service with associated depreciation and 100% wholesale allocation USBR requests a breakdown and description of this item. Please explain why this should be included in wholesale transmission or distribution.

Grant PUD is in the process updating the PUD's accounting system to reflect the FERC Uniform System of Accounts. Currently, the PUD's accounting system reflects the use its own internal chart of accounts. For COSS purposes, the PUD's accounting department matched the current PUD accounts to the appropriate FERC accounts.

The FERC Uniform System of Accounts for Account #397 states the following:

This account shall include the cost installed of telephone, telegraph, and wireless equipment for general use in connection with utility operations.

ITEMS

1. Antennae.
2. Booths.
3. Cables.
4. Distributing boards.
5. Extension cords.
6. Gongs
7. Hand sets, manual and dial.
8. Insulators.
9. Intercommunicating sets.
10. Loading coils.

11. Operators' desks.
12. Poles and fixtures used wholly for telephone or telegraph wire.
13. Radio transmitting and receiving sets.
14. Remote control equipment and lines.
15. Sending keys.
16. Storage batteries
17. Switchboards.
18. Telautograph circuit connections.
19. Telegraph receiving sets.
20. Telephone and telegraph circuits.
21. Testing instruments.
22. Towers.
23. Underground conduit used wholly for telephone or telegraph wires and cable wires.

Grant PUD believes that the plant balance for Account 397, reflected in Exhibit II, Line 42 – Communication equipment have been recorded properly. This is support by the Independent Audit Report Letter reflected in the PUD's 2018 Annual Report (See Attachment A), which states:

> As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts.

If further information is still needed, see Section I – Introduction for Grant PUD's procedures in acquiring public data.

5. Exhibit II - Plant Data, Line 43 (Miscellaneous Equipment) - This line item shows up as $5.3 million gross plant in service with associated depreciation; and 100% wholesale allocation. Based on the Uniform System of Accounts and accounts description, items such as hospital and infirmary equipment, kitchen equipment, employees' recreation equipment, restaurant equipment, soda fountains etc. are to be included in this account. Please explain why this should be included in wholesale transmission.

Grant PUD is in the process updating the PUD's accounting system to reflect the FERC Uniform System of Accounts. Currently, the PUD's accounting system reflects the use its own internal chart of accounts. For COSS purposes, the PUD's accounting department matched the current PUD accounts to the appropriate FERC accounts.

The FERC Uniform System of Accounts for Account #398 states the following:

> This account shall include the cost of equipment, apparatus, etc., used in the utility operations, which is not includible in any other account of this system of accounts.
>
> ITEMS
>
> 1. Hospital and infirmary equipment.
> 2. Kitchen equipment.
> 3. Employees' recreation equipment.
> 4. Radios.
> 5. Restaurant equipment.
> 6. Soda fountains.
> 7. Operators' cottage furnishings.
> 8. Other miscellaneous equipment.
>
> NOTE: Miscellaneous equipment of the nature indicated above wherever practicable shall be included in the utility plant accounts on a functional basis.

Grant PUD believes that the plant balance for Account 398, reflected in Exhibit II, Line 43 – Miscellaneous equipment have been recorded properly. This is support by the Independent Audit Report Letter reflected in the PUD's 2018 Annual Report (See Attachment A), which states:

> As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts.

If further information is still needed, see Section I – Introduction for Grant PUD's procedures in acquiring public data.

6. Exhibit II - Structures and Improvements, Poles and Towers and Overhead conductors, Lines 15, 17, 18, 19, 23, 25, and 26- Depreciation is being calculated on items that were once federally-owned. Please explain how elements which were once wholly-owned by the federal government are now subject to depreciation as a part of wholesale transmission and distribution. What "Initial Equipment" value was used to calculate the depreciation of the formerly federally owned structures and equipment?

Grant does not track the depreciation of individual poles and lines. They are treated as a type of item that is used and provides service over its useful life. Over a 40-year period, the cost of the facilities would have been fully depreciated.

As far as the specific USBR facilities purchased, many of facilities have been replaced because of wear or upgrading. Previously, Grant PUD retail customers paid the additional costs to maintain the wheeling service for the 40 years. This liability was not recovered from USBR.

7. Exhibit III - Transmission O&M Expenses, Lines 3, 4, 5, 13, 14, 15 - Items with "QC, PEC, PRP and Gen" appear to be associated with generation functions. USBR had made a previous comment that any costs associated with generation function should be excluded from the wholesale transmission. Please explain why these are a part of wholesale transmission.

To the extent the items are generation related, Grant PUD agrees. If the items are related to the PRP transmission system, then they should be included as transmission costs. Also, see the Priest Rapids Project discussion in Section I - Introduction.

8. Exhibit III - Transmission O&M Expense, Line 6 (Transmission of Electricity By Others)- USBR requests a clarification of this line item - $572k.

Grant PUD is reviewing its COSS calculation and as a result, the PUD may modify its study.

The FERC Uniform System of Accounts for Account #565 states the following:

> This account shall include amounts payable to others for the transmission of the utility's electricity over transmission facilities owned by others.

If further information is still needed, see Section I – Introduction for Grant PUD's procedures in acquiring public data.

9. Exhibit III - Administrative & General Expenses, several items with "QC, PEC, and PRP" appear to be associated with generation functions. USBR had made a previous comment that any costs associated with generation function should be excluded from the wholesale transmission. Please explain why these are a part of wholesale transmission.

To the extent the items are generation related, Grant PUD agrees. If the expenses are related to the PUD's transmission system, then they should be included as transmission related.

For QC (Quincy Chute), PEC (Potholes East Canal), and PRP (Priest Rapids Project), the PUD considers these "common" operational expenses that are shared by production, transmission, and distribution services. Grant PUD does not track administrative and general expenses by function. Grant PUD believes this practice is standard industry practice.

For further discussion, see the discussion provided in Section I – Introduction.

10. Exhibit III - Distribution O&M Expenses, Lines 74 and 75, Meter Install ($1.1M) and Customer Install ($164k) expenses, do not appear to be directly associated with wholesale distribution. Please provide background information on why these should be part of wholesale distribution function.

Grant PUD is reviewing its COSS calculation and as a result, the PUD may modify its study.

11. Exhibit III-Distribution O&M Expenses, Line 76, USBR requests a breakdown and description of this $6 million miscellaneous item.

Grant PUD is in the process updating the PUD's accounting system to reflect the FERC Uniform System of Accounts. Currently, the PUD's accounting system reflects the use its own internal chart of accounts. For COSS purposes, the PUD's accounting department matched the current PUD accounts to the appropriate FERC accounts.

The FERC Uniform System of Accounts for Account #588 states the following:

> This account shall include the cost of labor, materials used and expenses incurred in distribution system operation not provided for elsewhere.
>
> ITEMS
>
> Labor:
> 1. General records of physical characteristics of lines and substations, such as capacities, etc.
> 2. Ground resistance records.
> 3. Joint pole maps and records.
> 4. Distribution system voltage and load records.
> 5. Preparing maps and prints.
> 6. Service interruption and trouble records.
> 7. General clerical and stenographic work except that chargeable to account 586, Meter expenses.
>
> Expenses:
> 8. Operating records covering poles, transformers, manholes, cables, and other distribution facilities. Exclude meter records chargeable to account 586. Meter Expenses and station records chargeable to account 582, Station Expenses (For Nonmajor utilities, account 581.1, Line and Station Expenses), and stores records (For Nonmajor utilities, station records) chargeable to account 163, Stores Expense Undistributed (For Nonmajor utilities, account 581.1, Line and Station Expenses).
> 9. Janitor work at distribution office buildings including snow removal, cutting grass, etc.

Materials and Expenses:
10. Communication service.
11. Building service expenses.
12. Miscellaneous office supplies and expenses, printing, and stationery, maps and records and first-aid supplies.
13. Research, development, and demonstration expenses (Major only).

Grant PUD believes that the plant balance for Account 588, reflected in Exhibit III, Line 76 – Miscellaneous distribution expenses have been recorded properly. This is support by the Independent Audit Report Letter reflected in the PUD's 2018 Annual Report (See Attachment A), which states:

> As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts.

If further information is still needed, see Section I – Introduction for Grant PUD's procedures in acquiring public data.

12. Exhibit III - Distribution O&M Expenses, Lines 82 and 83, Maintenance of Street Lighting ($50k) and Maintenance of Meters ($129k) expenses, do not appear to be directly associated with wholesale distribution rate. Please provide background information on why these should be part of wholesale distribution function.

Grant PUD is reviewing its COSS calculation and as a result, the PUD may modify its study.

13. Exhibit IV - M&S and Prepayments, Lines 7 and 8 (Prepayments) - These items "PRP Revenue Insurance - $1.1 million" and "PRP Revenue Prepayments Water Rights - 172k". It is USBR's understanding that this is unrelated to the transmission function. Please provide information on how the 0.7177% was derived and how the product should be part of wholesale function.

Grant PUD is reviewing its COSS calculation and as a result, the PUD may modify its study.

14. Exhibit V - ROR, Line 2 - The Return on Equity (ROE) may not be applicable to a non-investor owned utility. If Grant PUD believes otherwise, please provide background information on how this is calculated.

Cost of equity is based on the FERC approved return on equities (ROE) of PacifiCorp and Puget Sound Energy, which are both interconnected with Grant PUD. Avista's transmission rate is currently based on a stated rate and, therefore, there is no specific ROE that has been identified in the determination of the transmission rate (i.e. based on a settled black box). (For reference, see the 2017 COSS, Exhibit V, footnote C.)

15. Exhibit VI - Other Taxes, Lines 23, and 25 (PRP Revenue) - The PRP taxes seem to be associated with generation and not wholesale transmission. Please provide background on why these should be a part of the wholesale function.

To the extent the items are generation related, Grant PUD agrees. If the items are related to the PRP transmission system, then they should be included as transmission costs. Also, see the Priest Rapids Project discussion in Section 1 - Introduction for further explanation.

16. Exhibit VII - Wheeling Revenues, Lines 7, 8, 9, and 10 - Four sources of wheeling revenue are listed. Will these sources be under contract throughout the life of the USBR contract? How will the addition or reduction of wholesale customers impact the wholesale transmission and distribution?

The first two items (Puget Sound Energy and Vantage Energy) are for a bus interconnection fee and the current assumption is that these two contracts will remain as stated.

The second two items (Seattle City Light and Tacoma Power) represent an accrual of a prepaid fee for an exchange service. These revenue credits continue into the future. Both of these contracts expire on January 1, 2027, At this point in time, Grant PUD does not know the intentions of either party.

If additional customers such as a new generation plant are added to the system, the customers will be included the rate calculation resulting from the COSS data. Additional customers will increase the billing units under a wheeling rate. Conversely, if customers leave the system, the billing units would be reduced.

17. We understand that the cost study will be utilized to determine revenue requirements and wholesale wheeling rates. It is USBR's request that a specific wholesale rate for Federal Reserved Power customers be developed to incorporate the unique nature of the customers served and the installation that was developed to server those customers.

The customers served with Reserved Power utilize the Grant system and there is not a unique nature from a technical perspective. For further information, please see Attachment B regarding Distribution System Networked Design and Infrastructure Cost Recovery.

The PUD's primary system customer is its retail load and this load is considered equal with USBR load in the rate calculation shown in the COSS model. The PUD's treatment is consistent with FERC policy. Establishing rate treatment that provides preferential treatment to a specific class of customer is contrary to FERC policy and would create potential FERC risk.

Attachment C

Reply to July 10 Irrigation Districts' Questions

I. Introduction

As part of its customer engagement process for developing an updated cost of service study ("COSS" or "Study"), Grant County Public Utility District #2 ("Grant PUD", "PUD", "Grant") requested comments and feedback regarding its draft transmission ("wheeling") COSS.

The draft study was published on June 19. Following a review process with stakeholders, written feedback regarding the draft Study was due to the PUD by July 10. Grant updated the COSS study on July 25.

Within their July 10 comments, the Irrigation Districts submitted a list of information requests stating additional information is necessary for them to fully evaluate the Draft COSS model and verify the accuracy of the results. Specifically, regarding the transmission and distribution costs proposed by the PUD in the COSS. Responses to these requests are included within this document.

The Districts' questions included requests for various information regarding Grant PUD's financial data. This financial information is gathered and published by Grant PUD's finance and accounting department in accordance with generally accepted accounting principles. Additionally, Grant PUD's financial statements are audited by an independent financial firm. Where specific data has been requested, the response to those inquiries may be provided via Grant PUD's records department. If additional data is required, please visit www.grantpud.org/contact-us to complete a public records request form.

II. Irrigation Districts

1. Please identify all Public Utility Districts located in Washington State that both: 1) provide wholesale transmission and/or distribution wheeling services, and 2) include a Return on Equity component in the rates charged to wholesale wheeling customers.

Grant PUD believes this question is beyond the scope of its COSS. This information was not gathered or used by Grant to develop its transmission COSS. Therefore, this information is not readily available.

2. For each of the PUDs identified in Question 1, please state the return on equity percentage incorporated by these entities into their respective wholesale wheeling rate(s).

Grant PUD believes this question is beyond the scope of its COSS. This information was not gathered or used by Grant to develop its transmission COSS. Therefore, this information is not readily available.

3. Please identify the list of publicly-owned utilities (i.e. PUDs, municipalities, cooperatives, etc.) that were surveyed by Grant/ODS when determining the 9.8% Return on Equity figure incorporated into Exhibit V of Grant's Draft 2019 Transmission COSA.

Grant PUD did not use publicly-owned utilities' Return on Equity information to determine its 9.8% ROE. Instead, the cost of equity is based on the FERC approved return on equities (ROE) of PacifiCorp and Puget Sound Energy, which are both interconnected with Grant PUD. Avista's transmission rate is currently based on a stated rate and, therefore, there is no specific ROE that has been identified in the determination of the transmission rate (i.e. based on a settled black box). (For reference, see the 2019 COSS, Exhibit V, footnote C.)

4. Please state if Grant will be incorporating a Return on Equity/Profit Margin component in its 2019 Cost of Service analysis for its retail electric customers.

a. If the response to Question 4 is ''Yes", please indicate what that value will be and how it compares to the Return on Equity figures used by other PUDs located in Washington State.

b. If the response to Question 4 is "No", please explain why Grant is including this cost component in its wholesale transmission rates but not in its retail rates.

At this time, Grant PUD anticipates including a similar ROE cost component in its retail COSS model.

5. Please identify the dollar amount of dividends, cash payments, or other forms of compensation that were made by the PUD to its equity investors during Calendar Year 2017. Please also indicate where the Districts can locate these payment amounts in the PUD's CY 2017 Financial Statement.

During Calendar Year (CY) 2017, Grant PUD did not distribute dividends, cash payments, or other forms of compensation.

6. Please identify if the Draft 2019 Transmission COSA include any payments assigned to FERC Account No. 437 ("Dividends Declared- Preferred Stock") and/or FERC Account No. 438 ("Dividends Declared - Preferred Stock").

Grant PUD’s financial statements do not include any recorded payments in FERC Accounts 437 or 438.

7. Will Grant be incorporating annual depreciation expenses in its 2019 Cost of Service Analysis for its retail electric customers?

a. If the response to Question 7 is "No", please explain why the PUD is including annual depreciation expenses in transmission rates but not in retail rates.

Grant PUD anticipates including annual depreciation expense in its retail COSS model.

8. Please identify if Grant's 2017 COSA model (that was the basis for determining the currently in effect USBR wholesale transmission rates) incorporated a Return on Equity/Profit Margin component.

a. If the response to Question 8 is "Yes", please indicate where this component was incorporated into the 2017 COSA.

b. If the response to Question 8 is ''No", please state the PUD's justification for including a Rate of Return/Profit Margin adder in the Draft 2019 Transmission COSA when it did not do so in the previous 2017 Transmission COSA.

The 2017 rates (2017 COSA) did not include a ROE cost component in their design, instead it included a cash component that enable the PUD to achieve its financial matrix goals and capital construction costs.

Future rates will continue to be influence by both the cost of service and the financial health of the PUD, and by its ability to meet financial metrics on a forecasted basis.

9. Please identify the actual amount (in dollars) of Grant's long-term debt excluding debt associated with the Priest Rapids Project in CY 2017 (either an annual average or a year- end figure).

Electric System Debt		Priest Rapids Project Debt
$282,035,000		$1,236,060,000

10. Please identify the actual amount (in dollars) of interest payments made on Grant's long- term debt in CY 2017 excluding interest payments associated with the Priest Rapids Project.

Electric System Interest		Priest Rapids Project Interest
$8,371,633		$60,388,750

11. Please provide the PUD's actual debt to equity ratio in CY 2017 (either an annual average or at year-end).

Grant PUD targets a debt ratio of approximately 55% to 60%. To achieve this ratio approximately 60% of new capital is financed with debt and the remainder from customer financing through rates.

12. Please identify the specific PUD costs (including ''water power licensing'' cost) that were included in FERC Account No. 302 (Line Item No. 2, Franchises and Consents) in Exhibit II of the Draft 2019 Transmission COSA. Please explain why it is appropriate for some or all of these costs to be allocated to a wholesale wheeling rate.

Grant PUD is reviewing its COSS calculation and as a result, the PUD may modify its study.

Grant PUD is in the process updating the PUD's accounting system to reflect the FERC Uniform System of Accounts. Currently, the PUD's accounting system reflects the use its own internal chart of accounts. For COSS purposes, the PUD's accounting department matched the current PUD accounts to the appropriate FERC accounts.

The FERC Uniform System of Accounts for Account #302 states the following:

A. This account shall include amounts paid to the federal government, to a state or to a political subdivision thereof in consideration for franchises, consents, water power licenses, or certificates, running in perpetuity or for a specified term of more than one year, together with necessary and reasonable expenses incident to procuring such franchises, consents, water power licenses, or certificates of permission and approval, including expenses of organizing and merging separate corporations, where statutes require, solely for the purpose of acquiring franchises.
B. If a franchise, consent, water power license or certificate is acquired by assignment, the charge to this account in respect thereof shall not

exceed the amount paid therefor by the utility to the assignor, nor shall it exceed the amount paid by the original grantee, plus the expense of acquisition to such grantee. Any excess of the amount actually paid by the utility over the amount above specified shall be charged to account 426.5, Other Deductions.

C. When any franchise has expired, the book cost thereof shall be credited hereto and charged to account 426.5, Other Deductions, or to account 111, Accumulated Provision for Amortization of Electric Utility Plant (for Nonmajor utilities, account 110, Accumulated Provision for Depreciation and Amortization of Electric Plant), as appropriate.
D. Records supporting this account shall be kept so as to show separately the book cost of each franchise or consent.

NOTE: Annual or other periodic payments under franchises shall not be included herein but in the appropriate operating expense account.

Grant PUD believes that the plant balance for Account 302, reflected in Exhibit II, Line 2 – Franchises and consents have been recorded properly. This is support by the Independent Audit Report Letter reflected in the PUD's 2018 Annual Report (See Attachment A), which states:

> As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts.

Further, the PUD believes its allocation of Intangible plant accounts to function produces a reasonable result for this shared plant account.

If further information is still needed, see Section I – Introduction for Grant PUD's procedures in acquiring public data.

13. Please provide a detailed breakdown of the costs that were included in FERC Account No. 921 (Line Item No. 20, Office Supplies and Expenses) in Exhibit III of the Draft 2019 Transmission COSA.

Grant PUD is in the process updating the PUD's accounting system to reflect the FERC Uniform System of Accounts. Currently, the PUD's accounting system reflects the use its own internal chart of accounts. For COSS purposes, the PUD's accounting department matched the current PUD accounts to the appropriate FERC accounts.

The FERC Uniform System of Accounts for Account #921 states the following:

A. This account shall include office supplies and expenses incurred in connection with the general administration of the utility's operations which are assignable to specific administrative or general departments and are not specifically provided for in other accounts. This includes the expenses of the various administrative and general departments, the salaries and wages of which are includible in account 920.
B. This account may be subdivided in accordance with a classification appropriate to the departmental or other functional organization of the utility.

NOTE: Office expenses which are clearly applicable to any group of operating expenses other than the administrative and general group shall be included in the appropriate account in such group. Further, general expenses which apply to the utility as a whole rather than to a particular administrative function shall be included in account 930.2, Miscellaneous General Expenses.

ITEMS

1. Automobile service, including charges through clearing account.
2. Bank messenger and service charges.
3. Books, periodicals, bulletins and subscriptions to newspapers, newsletters, tax services, etc.
4. Building service expenses for customer accounts, sales, and administrative and general purposes.
5. Communication service expenses.
6. Cost of individual items of office equipment used by general departments which are of small value or short life.

7. Membership fees and dues in trade, technical, and professional associations paid by a utility for employees. (Company memberships are includible in account 930.2.)
8. Office supplies and expenses.
9. Payment of court costs, witness fees and other expenses of legal department.
10. Postage, printing and stationery.
11. Meals, traveling and incidental expenses.

Grant PUD believes that the Operation and Maintenance balance for Account 921, reflected in Exhibit III, Lines 20-23 – Office supplies and expenses have been recorded properly. This is support by the Independent Audit Report Letter reflected in the PUD's 2018 Annual Report (See Attachment A), which states:

> As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts.

If further information is still needed, see Section I – Introduction for Grant PUD's procedures in acquiring public data.

14. Please identify the specific PUD costs that were included _in FERC Account No. 303 (Line Item No. 3, Miscellaneous Intangible Plant) in Exhibit II of the Draft 2019 Transmission COSA. Please explain why it is appropriate for some or all of these costs to be allocated to a wholesale wheeling rate.

Grant PUD is in the process updating the PUD's accounting system to reflect the FERC Uniform System of Accounts. Currently, the PUD's accounting system reflects the use its own internal chart of accounts. For COSS purposes, the PUD's accounting department matched the current PUD accounts to the appropriate FERC accounts.

The FERC Uniform System of Accounts for Account #303 states the following:

A. This account shall include the cost of patent rights, licenses, privileges, and other intangible property necessary or valuable in the conduct of utility operations and not specifically chargeable to any other account.
B. When any item included in this account is retired or expires, the book cost thereof shall be credited hereto and charged to account 426.5, Other Deductions, or account 111, Accumulated Provision for Amortization of Electric Utility Plant (for non-major utilities, account 110, Accumulated Provision for Depreciation and Amortization of Electric Plant), as appropriate.
C. This account shall be maintained in such a manner that the utility can furnish full information with respect to the amounts included herein.

Grant PUD believes that the plant balance for Account 303, reflected in Exhibit II, Line 3 – Miscellaneous Intangible Plant have been recorded properly. This is support by the Independent Audit Report Letter reflected in the PUD's 2018 Annual Report (See Attachment A), which states:

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts.

Further, the PUD believes its allocation of Intangible plant accounts to function produces a reasonable result for this shared plant account.

If further information is still needed, see Section I – Introduction for Grant PUD's procedures in acquiring public data.

15. Several Line Items in Exhibit II appear to be related, in part, to 115 KW transmission facilities that were originally constructed by the Federal Government to serve USBR pumping loads and were later purchased by the PUD. See in Line Items Nos. 15, 17, 18, 19, 23, 25 and 26. Please describe how the PUD is

computing depreciation expense on the transmission facilities that it purchased from BPA in 1976.

Grant does not track the depreciation of individual poles and lines. They are treated as a type of item that is used and provides service over its useful life. Over a 40-year period, the cost of the facilities would have been fully depreciated.

As for the specific USBR facilities purchased, many of facilities have been replaced because of wear or upgrading. Previously, Grant PUD retail customers paid the additional costs to maintain the wheeling service for the 40 years. This liability was not recovered from USBR.

16. In Exhibit II, Line Item No. 42, approximately $9.6M in Communication Equipment annual depreciation expense is allocated to Wholesale Services. Please provide the source data and associated computations for this allocation.

For purposes of answering this question, Grant PUD will use the information provided in its 2019 COSS updated for 2018 data. In this update, the model's direct labor allocation factors calculation have been updated in a revised format making the calculation easier to understand.

Account #397 plant balance is included in the General Plant classification pursuant to the FERC Uniform Chart of Accounts. For this account, the updated plant balance is $238,587,872 (net plant of $93,621,863) with an associated depreciation expense of $10,272,470. The transmission COSS model allocates 100% of the plant balance and depreciation expense to the wholesale transmission services, as reflected on Exhibit II, Line 43.

The General Plant balances and the associated depreciation expense is allocated to the Hydro-Production, Transmission, and Distribution functions based on the PUD's direct labor costs (this methodology is consist with current FERC practices), illustrated in Exhibit I, Lines 15 through 19.

The allocated plant balance is included in Transmission and Distribution Rate Base calculation, as reflected Appendix B, Columns (d) through (f) and Columns (g) through (i), Lines 4, 10, 16, and 24. The allocated depreciation

expense is an operating expense used to determine the gross revenue requirement, as reflected in Appendix B, Line 35.

Direct Labor by Function	Direct Labor Factor	Allocated Account #397 Net Plant Balance	Allocated Account #397 Depreciation
Hydro-Production	51.31%	$48,037,378	5,270,805
Transmission	14.80%	$13,856,036	1,520,326
Distribution	22.66%	$21,214,714	2,327,741
Other-Non General	11.23%	$10,513,735	1,153,598
Total	100.00%	$93,621,863	$10,272,470

Pursuant to the FERC Uniform System of Accounts for Account #397 the following items are included:

This account shall include the cost installed of telephone, telegraph, and wireless equipment for general use in connection with utility operations.

ITEMS

1. Antennae.
2. Booths.
3. Cables.
4. Distributing boards.
5. Extension cords.
6. Gongs
7. Hand sets, manual and dial.
8. Insulators.
9. Intercommunicating sets.
10. Loading coils.
11. Operators' desks.
12. Poles and fixtures used wholly for telephone or telegraph wire.
13. Radio transmitting and receiving sets.
14. Remote control equipment and lines.
15. Sending keys.
16. Storage batteries
17. Switchboards.
18. Telautograph circuit connections.
19. Telegraph receiving sets.

20. Telephone and telegraph circuits.
21. Testing instruments.
22. Towers.
23. Underground conduit used wholly for telephone or telegraph wires and cable wires.

If further information is still needed, see Section I – Introduction for Grant PUD's procedures in acquiring public data.

17. Please provide the supporting calculations for how the PUD allocated approximately $9.6M in Communication Equipment annual depreciation expense.

See Grant PUD response to District Irrigators Question #16, above

18. Please provide complete copies of the following supporting documents that are specifically cited in the 2019 Transmission COSA:

a. The Excel spreadsheet titled "2017 & 2018 LABOR" that is referenced in Footnote D to Exhibit I.

See Exhibit 18a for the requested spreadsheet.

b. The Excel spreadsheet titled "2017 2016 financials" that is referenced in Footnote A to Exhibit VII.

See Exhibit 18b for the requested spreadsheet.

c. The Excel spreadsheet titled "Data Submittal for GDS COS 2.2" that is referenced in Footnote B to Exhibit VII.

See Exhibit 18c for the requested spreadsheet.

Exhibit 18a

2018 Labor (Including Benefits)

Revised

Sum of NET	Column Labels							Capital
Row Labels	**Elec**	**PRP**	**Grand Total**	Hydro-Production	Transmission	Distribution	Other O&M	Account
A&G	16,695,334.48	15,365,449.90	32,060,784.38					
Capital	12,256,269.85	10,496,816.69	22,753,086.54					22,753,087
Distribution	9,684,507.81		9,684,507.81			9,684,508		
Generation	561,781.53	21,360,413.02	21,922,194.55	21,922,195				
Licensing		4,749,934.43	4,749,934.43				4,749,934	
Other O&M	48,639.27		48,639.27				48,639	
Transmission	2,020,253.32	4,305,555.91	6,325,809.23		6,325,809			
Grand Total	**41,266,786.26**	**56,278,169.95**	**97,544,956.21**	21,922,195	6,325,809	9,684,508	4,798,574	22,753,087

2017 Labor (Including Benefits)

Sum of Net	Column Labels							Capital
Row Labels	**Elec**	**PRP**	**Grand Total**	Hydro-Production	Transmission	Distribution	Other O&M	Account
A&G	15,733,558.10	16,264,186.38	31,997,744.48					
Capital	11,052,878.53	9,775,003.26	20,827,881.79					20,827,882
Distribution	10,403,542.91		10,403,542.91			10,403,543		
Generation	378,264.84	20,362,303.81	20,740,568.65	20,740,569				
Licensing		4,773,849.25	4,773,849.25				4,773,849	
Other O&M	16,536.05	33.12	16,569.17				16,569	
Transmission	1,531,108.28	3,560,401.48	5,091,509.76		5,091,510			
Grand Total	**39,115,888.71**	**54,735,777.30**	**93,851,666.01**	20,740,569	5,091,510	10,403,543	4,790,418	20,827,882

A&G Labor is allocated to function based on the functional direct labor total, see Exhibit 1 - Allocators of the COSS model.
Capital Account Labor is directly assigned to function on the basis of individual work orders.

Exhibit 18b

PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY

4/17/2018

CONSOLIDATED

12:40 PM

UNAUDITED

STATEMENT OF NET POSITION AND
STATEMENT OF REVENUES AND EXPENSES AND
CHANGES IN NET POSITION

For the Twelve Months Ending Sunday, December 31, 2017

	2017	2016	Difference
CURRENT ASSETS			
Cash:			
1001-131000 Elect Revenue-Cash	186,625.83	235,761.04	(49,135.21)
1001-131010 Elect Revenue-Deposits in Transit	1,250,574.98	696,028.70	554,546.28
1001-135000 Elect Revenue-CC&B Refund Account	10,000.00		10,000.00
1001-135050 Elect Revenue-Petty Cash Moses Lake	500.00	500.00	0.00
1001-135060 Elect Revenue-Petty Cash Ephrata	2,500.00	2,500.00	0.00
1001-135070 Elect Revenue-Petty Cash Quincy	0.00	200.00	(200.00)
1001-135080 Elect Revenue-Petty Cash Grand Coulee	0.00	200.00	(200.00)
1001-135110 Elect Revenue-Petty Cash Royal City	0.00	200.00	(200.00)
1001-135150 Elect Revenue-Petty Cash Eph Serv Center	0.00	500.00	(500.00)
1001-135200 Elect Revenue-Cashier Fund Ephrata	800.00	800.00	0.00
1001-135210 Elect Revenue-Cashier Fund Moses Lake	1,600.00	1,600.00	0.00
1001-135220 Elect Revenue-Cashier Fund Quincy	800.00	800.00	0.00
1001-135230 Elect Revenue-Cashier Fund Grand Coulee	800.00	800.00	0.00
1001-135240 Elect Revenue-Cashier Fund Royal City	800.00	800.00	0.00
1001-135510 Elect Revenue-Revolving Fund Adv Travel	5,000.00	5,000.00	0.00
1002-131000 Elect Rsrv & Cont-Cash	(30,479.69)	66,549.14	(97,028.83)
1008-131000 Elect Cust Deposits-Cash	56,342.17	141,575.82	(85,233.65)
4030-131000 Servi Operating-Cash	(2,389,040.16)	(1,422,033.56)	(967,006.60)
4030-IF7003 Servi Operating-Due To/From 7003	0.01	0.01	0.00
4030-IF7205 Servi Operating-Due to/from 7205	(0.01)	0.00	(0.01)
4040-131000 Servi Insurance Rsrv-Cash	60,729.32	333,714.30	(272,984.98)
7001-131000 PRP Revenue-Cash	552,894.80	644,621.62	(91,726.82)
7001-135520 PRP Revenue-Adv Travel Exp Revolv Fund	5,000.00	5,000.00	0.00
7001-135600 PRP Revenue-Petty Cash Hydro	1,500.00	1,500.00	0.00
7001-135630 PRP Revenue-Revolving Fund NR Small Fees	10,000.00	10,000.00	0.00
Total Cash	(273,052.75)	726,617.07	(999,669.82)
Investments :			
1001-136000 Elect Revenue-Investments	43,371,921.85	45,658,533.49	(2,286,611.64)
1001-136020 Elect Revenue-Investments Prem/Disc	(62,447.64)	438,039.20	(500,486.84)
1001-171900 Elect Revenue-Int Rec Funds	119,761.46	318,817.46	(199,056.00)
1002-136000 Elect Rsrv & Cont-Investments	(1,768,586.97)	1,698,328.00	(3,466,914.97)
1002-136020 Elect Rsrv & Cont-Investments Prem/Disc	10,016,474.20	10,391,665.09	(375,190.89)
1002-171900 Elect Rsrv & Cont-Int Rec Funds	1,424,773.68	1,299,380.45	125,393.23
1008-136000 Elect Cust Deposits-Investments	13,996,108.89	8,114,703.58	5,881,405.31
1008-136020 Elect Cust Deposits-Investments Prem/Disc	(24,356.95)	99,208.65	(123,565.60)
1008-171900 Elect Cust Deposits-Int Rec Funds	18,314.09	36,370.66	(18,056.57)
1013-136000 ES 2014JLB Investment in PRP-Investments	1,040,000.00	0.00	1,040,000.00
1013-171900 ES 2014JLB Investment in PRP-Int Rec Funds	835,899.00	841,895.25	(5,996.25)
1014-136020 ES 2015JLB Investment in PRP-Investments Prem/Disc	0.00	3,660,314.71	(3,660,314.71)
1014-171900 ES 2015JLB Investment in PRP-Int Rec Funds	868,406.63	868,406.63	0.00
1015-136000 ES 2016JLB Investment in PRP-Investments	0.00	30,860,000.00	(30,860,000.00)
1015-136020 ES 2016JLB Investment in PRP-Investments Prem/Disc	404,989.92	4,458,634.27	(4,053,644.35)
1015-171900 ES 2016JLB Investment in PRP-Int Rec Funds	730,018.75	121,670.57	608,348.18
1016-136020 ES 2017JLB Investment in PRP-Investments Prem/Disc	220,005.65		220,005.65
1016-171900 ES 2017JLB Investment in PRP-Int Rec Funds	620,581.73		620,581.73
1017-171900 ES 2017JLB2 Investment in PRP-Int Rec Funds	182,161.32		182,161.32
4030-136000 Servi Operating-Investments	11,692,427.04	9,079,978.34	2,612,448.70
4030-136020 Servi Operating-Investments Prem/Disc	35,775.89	146,951.37	(111,175.48)
4030-171900 Servi Operating-Int Rec Funds	29,981.45	39,838.85	(9,857.40)
4040-136000 Servi Insurance Rsrv-Investments	484,074.01	720,939.10	(236,865.09)
4040-136020 Servi Insurance Rsrv-Investments Prem/Disc	40,177.51	(351.04)	40,528.55
4040-171900 Servi Insurance Rsrv-Int Rec Funds	5,160.53	0.04	5,160.49
7001-136000 PRP Revenue-Investments	9,963,811.85	15,618,651.10	(5,654,839.25)
7001-136020 PRP Revenue-Investments Prem/Disc	(22,058.06)	30,243.88	(52,301.94)
7001-171900 PRP Revenue-Int Rec Funds	11,749.56	27,758.95	(16,009.39)
9999-136000 Eliminating JLB Investment in PRP	(1,040,000.00)	(30,860,000.00)	29,820,000.00
9999-136020 Eliminating JLB Investment in PRP - Prem/Disc	(624,995.57)	(8,118,948.98)	7,493,953.41
9999-171900 Eliminating JLB Investment in PRP - Int Rec Funds	(3,237,067.43)	(1,831,972.45)	(1,405,094.98)
Total Investments	89,333,062.39	93,719,057.17	(4,385,994.78)
Restricted funds			
Cash:			
1009-131000 Elect Fiscal Agent-Cash	11,237.25	11,237.25	0.00
1300-131000 Elect 2011I Principal/Retire-Cash	0.00	1,130,946.30	(1,130,946.30)
1301-131000 Elect 2013J Principal/Retire-Cash	1,200,111.07	1,016,326.80	183,784.27
1302-131000 ES 2014K Principal/Retirement-Cash	0.00	24,405.40	(24,405.40)
1303-131000 ES 2016L Principal/Interest-Cash	40,371.35	23,048.01	17,323.34
1304-131000 ES 2017M Principal/Interest-Cash	15,870.76		15,870.76
1305-131000 ES 2017N Principal/Interest-Cash	88,648.89		88,648.89
1399-131000 ES Set-Aside Principal Desposi-Cash	0.00	189.38	(189.38)
1499-131000 ES Set-Aside Interest Deposit-Cash	0.00	38,465.78	(38,465.78)
2021-131000 Pries Princ 2006A-Cash	0.00	401,040.68	(401,040.68)
2024-131000 Pries Princ 2006B-Cash	0.00	217,678.04	(217,678.04)
2028-131000 Pries Ret 2006Z-Cash	1,215,126.61	1,015,690.48	199,436.13
2069-131000 Pries Princ 2005Z-Cash	1,926,902.42	1,713,301.25	213,601.17
2076-131000 Pries Princ 2003Z-Cash	1,159,713.51	959,842.32	199,871.19
3010-131000 Wanap Princ 1959-Cash	7,554.34	7,554.34	0.00
3011-131000 Wanap Int 1959-Cash	5,976.34	5,976.34	0.00
3012-131000 Wanap Int 1963-Cash	15,000.00	15,000.00	0.00
3021-131000 Wanap Princ 2006A-Cash	389,270.78	1,095,604.05	(706,333.27)
3025-131000 Wanap Ret 2006B-Cash	0.00	620,462.81	(620,462.81)
3028-131000 Wanap Ret 2006Z-Cash	2,794,232.49	2,374,141.96	420,090.53
3038-131000 Wanap Princ 2005Z-Cash	265,952.95	304,929.60	(38,976.65)
3048-131000 Wanap Princ 2003Z-Cash	1,266,826.07	1,046,599.14	220,226.93
4030-131800 Servi Operating-Stat O/S checks	488,994.82	620,832.32	(131,837.50)
4030-131900 Servi Operating-Stat O/S checks Contra	(488,994.82)	(620,832.32)	131,837.50
7030-131000 PRP 10A Principal/Retirement-Cash	1,439,379.06	2,950,052.91	(1,510,673.85)
7031-131000 PRP 10B Principal/Retirement-Cash	1,178,726.47	976,350.03	202,376.44

	2017	2016	Difference
7032-131000 PRP 10L Principal/Retirement-Cash	5,657,009.16	2,957,177.08	2,699,832.08
7033-131000 PRP 10M Principal/Retirement-Cash	1,891,035.68	1,565,228.86	325,806.82
7034-131000 PRP 10Z Principal/Retirement-Cash	963,982.37	858,890.38	105,091.99
7305-131000 PRP 12A Principal/Retirement-Cash	2,957,996.50	2,394,323.16	563,673.34
7306-131000 PRP 12B Principal/Retirement-Cash	1,245,719.73	1,031,280.52	214,439.21
7307-131000 PRP 12M Principal/Retirement-Cash	716,154.11	519,255.10	196,899.01
7308-131000 PRP 12Z Principal/Retirement-Cash	530,244.48	451,867.84	78,376.64
7309-131000 PRP 2013A Principal/Retirement-Cash	1,227,498.45	1,039,520.09	187,978.36
7310-131000 PRP 2013Z Principal/Retirement-Cash	943,663.35	796,955.46	146,707.89
7311-131000 PRP 2014A Principal/Retirement-Cash	5,863,498.67	4,913,385.88	950,112.79
7312-131000 PRP 2014B Principal/Retirement-Cash	1,861,063.92	1,554,345.03	306,718.89
7313-131000 PRP 2014JLB Principal/Retireme-Cash	1,331,630.11	1,122,292.45	209,337.66
7314-131000 PRP 2015A Principal/Interest-Cash	3,065,091.22	1,822,920.95	1,242,170.27
7315-131000 PRP 2015B Principal/Interest-Cash	870,324.54	729,138.40	141,186.14
7316-131000 PRP 2015M Principal/Interest-Cash	1,483,404.34	1,255,594.15	227,810.19
7317-131000 PRP 2015JLB Principal/Interest-Cash	616,449.19	522,046.54	94,402.65
7318-131000 PRP 2016JLB P&I-Cash	805,707.10		805,707.10
7319-131000 PRP 2017B Principal/Interest-Cash	379,592.71		379,592.71
7320-131000 PRP 2017JLB P&I-Cash	596,697.34		596,697.34
7399-131000 PRP Set-Aside Principal Deposi-Cash	0.00	79,274.67	(79,274.67)
7499-131000 PRP Set-Aside Interest Deposit-Cash	129,121.01	145,735.30	(16,614.29)
7601-131000 Habitat No Net Impact-Cash	297,606.94	41,337.93	256,269.01
7602-131000 Habitat Supplemental-Cash	192,509.39	367,391.61	(174,882.22)
7603-131000 Habitat-Cash	7,825.00	360,277.37	(352,452.37)
7604-131000 Habitat Native Resident Fish-Cash	443,896.74	48,020.32	395,876.42
7605-131000 Habitat Wildlife Mgmt Plan-Cash	113,456.38	71,618.97	41,837.41
Total Cash	47,212,078.79	40,596,720.93	6,615,357.86
Investments :			
1300-136000 Elect 2011I Principal/Retire-Investments	0.00	750,344.33	(750,344.33)
1301-136000 Elect 2013J Principal/Retire-Investments	490,513.93	674,298.20	(183,784.27)
1302-136000 ES 2014K Principal/Retirement-Investments	0.00	16,195.69	(16,195.69)
1303-136000 ES 2016L Principal/Interest-Investments	16,500.73	15,291.57	1,209.16
1304-136000 ES 2017M Principal/Interest-Investments	42,719.67		42,719.67
1399-136000 ES Set-Aside Principal Desposi-Investments	0.00	125.64	(125.64)
1499-136000 ES Set-Aside Interest Deposit-Investments	0.00	25,520.74	(25,520.74)
2021-136000 Pries Princ 2006A-Investments	0.00	266,076.82	(266,076.82)
2024-136000 Pries Princ 2006B-Investments	0.00	144,421.96	(144,421.96)
2028-136000 Pries Ret 2006Z-Investments	496,651.14	673,876.02	(177,224.88)
2069-136000 Pries Princ 2005Z-Investments	787,570.83	1,136,717.00	(349,146.17)
2076-136000 Pries Princ 2003Z-Investments	474,002.49	636,822.68	(162,820.19)
3021-136000 Wanap Princ 2006A-Investments	159,104.22	726,895.95	(567,791.73)
3025-136000 Wanap Ret 2006B-Investments	0.00	411,655.94	(411,655.94)
3028-136000 Wanap Ret 2006Z-Investments	1,142,069.26	1,575,162.29	(433,093.03)
3038-136000 Wanap Princ 2005Z-Investments	108,701.30	202,310.40	(93,609.10)
3048-136000 Wanap Princ 2003Z-Investments	517,781.93	694,382.86	(176,600.93)
7030-136000 PRP 10A Principal/Retirement-Investments	588,308.44	1,957,259.59	(1,368,951.15)
7031-136000 PRP 10B Principal/Retirement-Investments	481,773.53	647,774.97	(166,001.44)
7032-136000 PRP 10L Principal/Retirement-Investments	2,312,154.15	1,961,986.23	350,167.92
7034-136000 PRP 10Z Principal/Retirement-Investments	394,002.51	569,844.50	(175,841.99)
7305-136000 PRP 12A Principal/Retirement-Investments	1,209,003.50	1,588,551.84	(379,548.34)
7306-136000 PRP 12B Principal/Retirement-Investments	509,155.27	684,219.48	(175,064.21)
7308-136000 PRP 12Z Principal/Retirement-Investments	216,723.52	299,798.91	(83,075.39)
7309-136000 PRP 2013A Principal/Retirement-Investments	501,707.80	689,686.16	(187,978.36)
7310-136000 PRP 2013Z Principal/Retirement-Investments	385,697.65	528,752.79	(143,055.14)
7311-136000 PRP 2014A Principal/Retirement-Investments	2,396,551.33	3,259,864.12	(863,312.79)
7312-136000 PRP 2014B Principal/Retirement-Investments	760,661.08	1,031,254.97	(270,593.89)
7313-136000 PRP 2014JLB Principal/Retireme-Investments	544,268.89	744,602.80	(200,333.91)
7314-136000 PRP 2015A Principal/Interest-Investments	1,252,775.66	1,209,445.93	43,329.73
7315-136000 PRP 2015B Principal/Interest-Investments	355,722.34	483,758.48	(128,036.14)
7316-136000 PRP 2015M Principal/Interest-Investments	(3,777.31)	469,849.93	(473,627.24)
7316-136020 PRP 2015M Principal/Interest-Investments Prem/Disc	610,079.93	363,194.00	246,885.93
7316-171900 PRP 2015M Principal/Interest-Int Rec Funds	68,321.49	40,470.76	27,850.73
7317-136000 PRP 2015JLB Principal/Interest-Investments	251,957.44	346,360.09	(94,402.65)
7318-136000 PRP 2016JLB P&I-Investments	329,311.65		329,311.65
7319-136000 PRP 2017B Principal/Interest-Investments	155,148.57		155,148.57
7320-136000 PRP 2017JLB P&I-Investments	243,884.39		243,884.39
7399-136000 PRP Set-Aside Principal Deposi-Investments	0.00	52,596.04	(52,596.04)
7499-136000 PRP Set-Aside Interest Deposit-Investments	15,027,293.84	14,225,747.12	801,546.72
7499-136020 PRP Set-Aside Interest Depos-Investments Prem/Disc	(9,092.52)	60,647.34	(69,739.86)
7499-171900 PRP Set-Aside Interest Deposit-Int Rec Funds	7,390.31	30,056.76	(22,666.45)
7601-136000 Habitat No Net Impact-Investments	3,282,157.14	1,450,276.43	1,831,880.71
7601-136020 Habitat No Net Impact-Investments Prem/Disc	38,745.29	80,517.23	(41,771.94)
7601-171900 Habitat No Net Impact-Int Rec Funds	42,138.42	42,843.72	(705.30)
7602-136000 Habitat Supplemental-Investments	3,827,022.67	2,431,983.62	1,395,039.05
7602-136020 Habitat Supplemental-Investments Prem/Disc	48,562.49	62,733.20	(14,170.71)
7602-171900 Habitat Supplemental-Int Rec Funds	28,914.06	15,188.61	13,725.45
7603-136000 Habitat-Investments	2,002,333.04	1,240,698.53	761,634.51
7603-136020 Habitat-Investments Prem/Disc	(10,179.77)	15,223.53	(25,403.30)
7603-171900 Habitat-Int Rec Funds	2,341.37	4,116.01	(1,774.64)
7604-136000 Habitat Native Resident Fish-Investments	679,889.96	431,244.48	248,645.48
7604-136020 Habitat Native Resident Fish-Investments Prem/Disc	116.19	4,462.86	(4,346.67)
7604-171900 Habitat Native Resident Fish-Int Rec Funds	2,231.68	2,747.31	(515.63)
7605-136000 Habitat Wildlife Mgmt Plan-Investments	46,372.32	47,516.74	(1,144.42)
Total Investments	42,815,283.82	45,025,373.17	(2,210,089.35)
Customer accounts receivable, net of allowance for			
uncollectible accounts:			
1001-135500 Elect Revenue-CC&B Refund Clearing Account	159,167.91	15,722.24	143,445.67
1001-142000 Elect Revenue-A/R Customer	19,242,042.55	19,434,635.92	(192,593.37)
1001-142010 Elect Revenue-A/R CIAC	235,315.38		235,315.38
1001-142999 Elect Revenue-AR Misc OT Clearing	10,723.04		10,723.04
1001-143040 Elect Revenue-A/R Miscellaneous	1,812.50	1,812.18	0.32
1001-143080 Elect Revenue-A/R Pole Billing	183,132.24	173,568.50	9,563.74
1001-143620 Elect Revenue-A/R Sales/Resale Power Rev	2,241,600.82	2,450,549.52	(208,948.70)
1001-143700 Elect Revenue-A/R Damage To Dist Claims	99,350.27	107,046.21	(7,695.94)
1001-143701 Elect Revenue-Receivable PRP PC True-up	2,570,444.34	18,401,284.69	(15,830,840.35)
1001-143801 Elect Revenue-Wfon A/R Customer	1,122,077.23	990,199.73	131,877.50
1001-144010 Elect Revenue-Prov Bad Acct Utility Cust	(119,600.00)	(150,500.00)	30,900.00
1001-144020 Elect Revenue-Prov Bad Acct Misc Other	(14,000.00)	(10,600.00)	(3,400.00)
1001-144801 Elect Revenue-Wfon Prov Bad Acct	(56,103.86)	(49,509.99)	(6,593.87)
1001-999999 Elect Revenue-CIS Suspense	88.20	88.20	0.00
4030-143030 Servi Operating-A/R Wanapum Village Rent	3,201.21	5,222.18	(2,020.97)
4030-143040 Servi Operating-A/R Miscellaneous	1,927,025.81	298,159.38	1,628,866.43

	2017	2016	Difference
9999-143999 Other-Eliminating PC true-up	(2,570,443.93)	(18,401,284.28)	15,830,840.35
Total uncollectible accounts	25,035,833.71	23,266,394.48	1,769,439.23
Materials and supplies:			
1001-154110 Elect Revenue-Plant Matls/Stores	16,238,705.58	16,225,876.80	12,828.78
1001-154999 Elect Revenue-Inventory Clearing	33.49	0.00	33.49
1001-163010 Elect Revenue-Undist Stores Overhead	1,794,580.80	1,510,467.18	284,113.62
1001-163020 Elect Revenue-Inventory Count Variance	(190,778.18)	(154,699.58)	(36,078.60)
Total Materials and supplies	17,842,541.69	17,581,644.40	260,897.29
Due from power purchasers:			
7001-142000 PRP Revenue-A/R Customer	(1,618,049.40)	(22,841,540.62)	21,223,491.22
7001-722001 PRP Revenue-PC Cust Acct Rec	1,904,129.78	22,841,540.62	(20,937,410.84)
9999-142000 Other-A/R Customer	666,314.15	0.00	666,314.15
Total Due from power purchasers	952,394.53	0.00	952,394.53
Other current assets:			
1001-165010 Elect Revenue-Prepayments Insurance	378,473.44	359,327.97	19,145.47
7001-143040 PRP Revenue-A/R Miscellaneous	21,605.00	0.00	21,605.00
7001-165010 PRP Revenue-Prepayments Insurance	1,169,111.49	1,119,618.13	49,493.36
7001-165030 PRP Revenue-Prepayments Water Rights	172,725.84	(0.24)	172,726.08
Total Other current assets	1,741,915.77	1,478,945.86	262,969.91
Total current assets	224,660,057.95	222,394,753.08	2,265,304.87
NONCURRENT ASSETS			
Investments :			
1001-124000 Elect Revenue-Long-Term Investments	7,224,530.75	45,960,356.40	(38,735,825.65)
1002-124000 Elect Rsrv & Cont-Long Term Investments	112,388,526.70	112,364,340.86	24,185.84
1008-124000 Elect Cust Deposits-Long-Term Investments	749,107.50	2,761,772.50	(2,012,665.00)
1013-124000 ES 2014JLB Investment in PRP-Long-Term Investments	42,305,000.00	44,370,000.00	(2,065,000.00)
1014-124000 ES 2015JLB Investment in PRP-Long-Term Investments	38,246,347.61	34,665,000.00	3,581,347.61
1015-124000 ES 2016JLB Investment in PRP-Long-Term Investments	34,666,434.05		34,666,434.05
1016-124000 ES 2017JLB Investment in PRP-Long-Term Investments	29,665,894.15		29,665,894.15
1017-124000 ES 2017JLB2 Investment in PR-Long-Term Investments	99,966,983.64		99,966,983.64
4030-124000 Servi Operating-Long-Term Investments	1,490,118.00	6,064,042.50	(4,573,924.50)
4040-124000 Servi Insurance Rsrv-Long-Term Investments	457,349.50	0.00	457,349.50
7001-124000 PRP Revenue-Long-Term Investments	0.00	1,489,905.00	(1,489,905.00)
9999-124000 Elminate JLB Investment in PRP-Long Term Inv	(244,850,659.45)	(79,035,000.00)	(165,815,659.45)
Total Investments	122,309,632.45	168,640,417.26	(46,330,784.81)
Restricted funds			
Cash:			
1007-131000 Elect Renew & Rplc QC-Cash	24,819.98	129,455.77	(104,635.79)
1100-131000 Elect 2011I Debt Service Rsrv-Cash	0.00	72,747.37	(72,747.37)
1101-131000 Elect 2013J Debt Service Rsrv-Cash	2,401.05	45,326.19	(42,925.14)
1102-131000 ES 2017O Debt Service Reserve-Cash	64,052.07		64,052.07
1203-131000 ES 2016 General Construction-Cash	0.00	423,049.08	(423,049.08)
1250-131000 ES BF Const Fnd-Cash	902,212.92		902,212.92
1252-131000 ES Fiber Construction-Cash	735,486.09		735,486.09
7003-131000 PRP RR&C-Cash	48,667.63	108,860.63	(60,193.00)
7003-INTFND PRP RR&C-Interfund Cash	(0.01)	(0.01)	0.00
7005-131000 PRP Debt Service Reserve-Cash	(29,422.57)	35,547.89	(64,970.46)
7106-131000 PRP 2012 Debt Service Reserve-Cash	151,377.14	75,228.92	76,148.22
7107-131000 PRP 2013A Debt Service Reserve-Cash	6,846.89	43,652.98	(36,806.09)
7108-131000 PRP 2013Z Debt Service Reserve-Cash	162,147.90	40,030.40	122,117.50
7109-131000 PRP 2014A Debt Service Reserve-Cash	12,967.21	55,866.03	(42,898.82)
7110-131000 PRP 2014B Debt Service Reserve-Cash	41,151.51	52,908.05	(11,756.54)
7205-131000 PRP 2015 General Construction-Cash	0.00	240,222.17	(240,222.17)
7205-INTFND PRP 2015 General Construction-Interfund Cash	0.01	0.00	0.01
7206-131000 PRP 2015 CREBs Construction-Cash	2,079,246.47	56,782.40	2,022,464.07
7250-131000 PRP BF Const Fnd-Cash	1,083,932.31		1,083,932.31
Total Cash	5,285,886.60	1,379,677.87	3,906,208.73
Investments:			
1007-124000 Elect Renew & Rplc QC-Long-Term Investments	498,825.00	1,006,275.00	(507,450.00)
1007-136000 Elect Renew & Rplc QC-Investments	956,704.85	545,493.20	411,211.65
1007-136020 Elect Renew & Rplc QC-Investments Prem/Disc	9,806.41	40,786.29	(30,979.88)
1007-171900 Elect Renew & Rplc QC-Int Rec Funds	5,229.10	4,302.08	927.02
1100-124000 Elect 2011I Debt Service Rsr-Long-Term Investments	0.00	10,785,331.35	(10,785,331.35)
1100-136000 Elect 2011I Debt Service Rsrv-Investments	0.00	845,374.69	(845,374.69)
1100-136020 Elect 2011I Debt Service Rsr-Investments Prem/Disc	0.00	362,120.21	(362,120.21)
1100-171900 Elect 2011I Debt Service Rsrv-Int Rec Funds	0.00	50,047.07	(50,047.07)
1101-124000 Elect 2013J Debt Service Rsr-Long-Term Investments	4,581,547.95	5,371,532.93	(789,984.98)
1101-136000 Elect 2013J Debt Service Rsrv-Investments	983,196.31	568,316.14	414,880.17
1101-136020 Elect 2013J Debt Service Rsr-Investments Prem/Disc	359,237.20	371,650.54	(12,413.34)
1101-171900 Elect 2013J Debt Service Rsrv-Int Rec Funds	54,898.52	56,833.68	(1,935.16)
1102-124000 ES 2017O Debt Service Reserv-Long-Term Investments	5,034,365.00		5,034,365.00
1102-136000 ES 2017O Debt Service Reserve-Investments	(141,108.65)		(141,108.65)
1102-136020 ES 2017O Debt Service Reserv-Investments Prem/Disc	268,142.26		268,142.26
1102-171900 ES 2017O Debt Service Reserve-Int Rec Funds	32,808.07		32,808.07
1203-124000 ES 2016 General Construction-Long-Term Investments	0.00	1,273,287.50	(1,273,287.50)
1203-136000 ES 2016 General Construction-Investments	0.00	21,261,038.30	(21,261,038.30)
1203-136020 ES 2016 General Construction-Investments Prem/Disc	0.00	8,895.35	(8,895.35)
1203-171900 ES 2016 General Construction-Int Rec Funds	0.00	45,371.69	(45,371.69)
1250-136000 ES BF Const Fnd-Investments	17,000,909.95		17,000,909.95
1250-136020 ES BF Const Fnd-Investments Prem/Disc	32,726.87		32,726.87
1250-171900 ES BF Const Fnd-Int Rec Funds	71,122.95		71,122.95
1252-136000 ES Fiber Construction-Investments	6,238,136.16		6,238,136.16
1252-136020 ES Fiber Construction-Investments Prem/Disc	(1,374.51)		(1,374.51)
1252-171900 ES Fiber Construction-Int Rec Funds	19,938.34		19,938.34
7003-124000 PRP RR&C-Long-Term Investments	8,459,962.00	6,881,523.15	1,578,438.85
7003-136000 PRP RR&C-Investments	3,652,681.30	4,729,226.54	(1,076,545.24)
7003-136020 PRP RR&C-Investments Prem/Disc	243,052.17	347,893.78	(104,841.61)
7003-171900 PRP RR&C-Int Rec Funds	57,513.22	65,318.10	(7,804.88)
7005-124000 PRP Debt Service Reserve-Long-Term Investments	22,673,378.70	20,017,214.65	2,656,164.05
7005-136000 PRP Debt Service Reserve-Investments	(1,660,426.75)	465,902.22	(2,126,328.97)
7005-136020 PRP Debt Service Reserve-Investments Prem/Disc	1,648,401.04	1,658,693.60	(10,292.56)
7005-171900 PRP Debt Service Reserve-Int Rec Funds	347,477.05	296,099.16	51,377.89
7033-124000 PRP 10M Principal/Retirement-Long-Term Investments	40,127,694.85	34,996,454.75	5,131,240.10
7033-136000 PRP 10M Principal/Retirement-Investments	(1,700,842.12)	(1,182,209.06)	(518,633.06)

	2017	2016	Difference	
7033-136020 PRP 10M Principal/Retirement-Investments Prem/Disc	2,473,753.37	2,220,685.08	253,068.29	
7033-171900 PRP 10M Principal/Retirement-Int Rec Funds	412,899.41	292,535.19	120,364.22	
7106-124000 PRP 2012 Debt Service Reserv-Long-Term Investments	4,942,088.50	5,032,812.50	(90,724.00)	
7106-136000 PRP 2012 Debt Service Reserve-Investments	100,663.94	33,371.50	67,292.44	
7106-136020 PRP 2012 Debt Service Reserv-Investments Prem/Disc	62,061.50	16,540.33	45,521.17	
7106-171900 PRP 2012 Debt Service Reserve-Int Rec Funds	63,264.32	50,076.10	13,188.22	
7107-124000 PRP 2013A Debt Service Reser-Long-Term Investments	2,854,430.60	3,541,631.35	(687,200.75)	
7107-136000 PRP 2013A Debt Service Reserve-Investments	965,831.34	167,328.09	798,503.25	
7107-136020 PRP 2013A Debt Service Reser-Investments Prem/Disc	37,837.15	11,803.67	26,033.48	
7107-171900 PRP 2013A Debt Service Reserve-Int Rec Funds	44,513.66	38,702.14	5,811.52	
7108-124000 PRP 2013Z Debt Service Reser-Long-Term Investments	895,630.40	1,421,614.90	(525,984.50)	
7108-136000 PRP 2013Z Debt Service Reserve-Investments	500,790.36	40,038.46	460,751.90	
7108-136020 PRP 2013Z Debt Service Reser-Investments Prem/Disc	73,343.34	86,633.35	(13,290.01)	
7108-171900 PRP 2013Z Debt Service Reserve-Int Rec Funds	8,106.54	8,862.10	(755.56)	
7109-124000 PRP 2014A Debt Service Reser-Long-Term Investments	4,261,264.85	5,298,414.65	(1,037,149.80)	
7109-136000 PRP 2014A Debt Service Reserve-Investments	2,601,335.71	1,314,472.62	1,286,863.09	
7109-136020 PRP 2014A Debt Service Reser-Investments Prem/Disc	142,791.80	220,132.59	(77,340.79)	
7109-171900 PRP 2014A Debt Service Reserve-Int Rec Funds	53,637.62	54,407.00	(769.38)	
7110-124000 PRP 2014B Debt Service Reser-Long-Term Investments	2,519,701.85	1,981,203.45	538,498.40	
7110-136000 PRP 2014B Debt Service Reserve-Investments	(205,395.44)	367,070.68	(572,466.12)	
7110-136020 PRP 2014B Debt Service Reser-Investments Prem/Disc	222,395.04	167,212.01	55,183.03	
7110-171900 PRP 2014B Debt Service Reserve-Int Rec Funds	30,971.42	19,793.13	11,178.29	
7205-136000 PRP 2015 General Construction-Investments	0.00	25,917,817.82	(25,917,817.82)	
7205-136020 PRP 2015 General Constructio-Investments Prem/Disc	0.00	5,171.41	(5,171.41)	
7205-171900 PRP 2015 General Construction-Int Rec Funds	0.00	80,186.77	(80,186.77)	
7206-124000 PRP 2015 CREBs Construction-Long-Term Investments	0.00	12,900,556.00	(12,900,556.00)	
7206-136000 PRP 2015 CREBs Construction-Investments	13,542,837.21	45,364,737.11	(31,821,899.90)	
7206-136020 PRP 2015 CREBs Construction-Investments Prem/Disc	(3,966.74)	52,924.54	(56,891.28)	
7206-171900 PRP 2015 CREBs Construction-Int Rec Funds	39,182.29	162,463.84	(123,281.55)	
7250-124000 PRP BF Const Fnd-Long-Term Investments	12,441,825.00		12,441,825.00	
7250-136000 PRP BF Const Fnd-Investments	83,241,289.33		83,241,289.33	
7250-136020 PRP BF Const Fnd-Investments Prem/Disc	28,262.45		28,262.45	
7250-171900 PRP BF Const Fnd-Int Rec Funds	370,358.60		370,358.60	
7307-124000 PRP 12M Principal/Retirement-Long-Term Investments	10,950,569.90	9,183,602.05	1,766,967.85	
7307-136000 PRP 12M Principal/Retirement-Investments	(141,524.77)	7,814.26	(149,339.03)	
7307-136020 PRP 12M Principal/Retirement-Investments Prem/Disc	434,233.99	336,693.81	97,540.18	
7307-171900 PRP 12M Principal/Retirement-Int Rec Funds	128,596.64	100,795.47	27,801.17	
7316-124000 PRP 2015M Principal/Interest-Long-Term Investments	5,670,027.95	2,826,605.00	2,843,422.95	
7499-124000 PRP Set-Aside Interest Depos-Long-Term Investments	0.00	609,744.00	(609,744.00)	
7601-124000 Habitat No Net Impact-Long-Term Investments	2,320,043.00	4,058,896.90	(1,738,853.90)	
7602-124000 Habitat Supplemental-Long-Term Investments	1,845,900.65	2,111,732.20	(265,831.55)	
7604-124000 Habitat Native Resident Fish-Long-Term Investments	0.00	497,970.00	(497,970.00)	
Total Investments	263,783,556.02	237,475,824.98	26,307,731.04	
Conservation loans:				
1001-144100 Elect Revenue-Prov Bad Acct Conserv Loans	(1,100.00)	(1,300.00)	200.00	
1001-171501 Elect Revenue-Int Rec Conserv Loans	9,707.51	9,707.51	0.00	
1001-186100 Elect Revenue-Conservation Loans Rec	450,555.88	557,788.73	(107,232.85)	
Total Conservation loans	459,163.39	566,196.24	(107,032.85)	
Demand-side management:				
1001-186620 Elect Revenue-Cap Conservation 12 Year	697,727.21	1,025,227.65	(327,500.44)	
Total Demand-side management	697,727.21	1,025,227.65	(327,500.44)	
Preliminary expenses:				
1001-183011 Elect Revenue-Preliminary Surveys	7,816.25	7,816.25	0.00	
1203-183011 ES 2016 General Construction-Preliminary Surveys	0.00	631,229.03	(631,229.03)	
1250-183011 ES BF Const Fnd-Preliminary Surveys	887,060.45		887,060.45	
7205-183011 PRP 2015 General Construction-Preliminary Surveys	0.00	579,576.90	(579,576.90)	
7250-183011 PRP BF Const Fnd-Preliminary Surveys	4,971,256.33		4,971,256.33	
Total Preliminary expenses	5,866,133.03	1,218,622.18	4,647,510.85	
Total other noncurrent assets	398,402,098.70	410,305,966.18	(11,903,867.48)	
Utility plant, net of accumulated depreciation and amortization:				
1001-111426 Elect Revenue-Accum Amort PERS Capitalized	27,506.97	12,136.30	15,370.67	Amortizations/depreciation Electric System
1001-368999 Elect Revenue-Xmr Cap Clearing	(14,920.51)	(34,732.56)	19,812.05	
1001-370999 Elect Revenue-Meter Cap Clearing	(4,674.36)	21,893.91	(26,568.27)	
1001-398000 Elect Revenue-Plant PERS Capitalized	(1,004,044.74)	(645,777.14)	(358,267.60)	
1007-107051 Elect Renew & Rplc QC-CWIP QC	285,007.64	56,468.43	228,539.21	CWIP- Elec only, note wholesale fiber ilines
1203-107010 ES 2016 General Construction-CWIP Rev Fund Plant	0.00	68,201,880.85	(68,201,880.85)	
1203-107030 ES 2016 General Construction-CWIP Contruc OH	0.00	7,492,727.22	(7,492,727.22)	
1203-107040 ES 2016 General Construct-CWIP Jointly Owned Plt W	0.00	625,872.02	(625,872.02)	
1203-107880 ES 2016 General Construction-G&A Capitalized	0.00	1,545,114.81	(1,545,114.81)	
1203-108230 ES 2016 General Construct-Accum Depr Salvage Hydro	0.00	(2,485.10)	2,485.10	
1250-107010 ES BF Const Fnd-CWIP Rev Fund Plant	48,764,407.32		48,764,407.32	
1250-107030 ES BF Const Fnd-CWIP Contruc OH	4,771,978.46		4,771,978.46	
1250-107035 ES BF Const Fnd-WFON CWIP OH	0.00	3,237.28	(3,237.28)	
1250-107040 ES BF Const Fnd-CWIP Jointly Owned Plt W/O	529,742.62		529,742.62	
1250-107801 ES BF Const Fnd-Wfon CWIP	0.00	1,790,834.89	(1,790,834.89)	
1250-107880 ES BF Const Fnd-G&A Capitalized	196,981.77		196,981.77	
1250-108100 ES BF Const Fnd-Accum Depr Remov Cost	8,151,132.55	8,151,132.55	0.00	
1250-108200 ES BF Const Fnd-Accum Depr Salvage	(9,750,521.76)	(9,473,438.63)	(277,083.13)	
1250-108230 ES BF Const Fnd-Accum Depr Salvage Hydro	(2,485.10)		(2,485.10)	
1250-108300 ES BF Const Fnd-Accum Depr Ret Bk Cost	46,279,552.19	46,016,263.36	263,288.83	
1250-108400 ES BF Const Fnd-Accum Depr Oth Chg&Cr	(1,120,040.90)	(1,120,040.90)	0.00	
1250-108500 ES BF Const Fnd-Accum Depr Accrual	(480,068,225.68)	(453,682,224.65)	(26,386,001.03)	
1250-108801 ES BF Const Fnd-Wfon Accum Depr	0.00	(83,202,744.67)	83,202,744.67	
1250-108802 ES BF Const Fnd-Wfon Accum Depr Retire	0.00	1,889,713.19	(1,889,713.19)	
1250-108803 ES BF Const Fnd-Wfon Accum Depr Salvage	0.00	(147,374.13)	147,374.13	
1250-111300 ES BF Const Fnd-Accum Amort Software Intang	(3,562,179.16)	(2,646,121.13)	(916,058.03)	
1250-111500 ES BF Const Fnd-Amort QC Power Rights	(13,707,761.78)	(13,276,726.22)	(431,035.56)	
1250-111600 ES BF Const Fnd-Amort PEC Power Right	(11,088,533.65)	(10,663,847.41)	(424,686.24)	
1250-301000 ES BF Const Fnd-Organization	30,373.00	30,373.00	0.00	
1250-302000 ES BF Const Fnd-Franchises & Consents	3,364.00	3,364.00	0.00	
1250-303000 ES BF Const Fnd-QC Power Rights	801,342.39	801,342.39	0.00	
1250-303010 ES BF Const Fnd-PEC Power Rights	16,450,622.41	16,450,622.41	0.00	
1250-303100 ES BF Const Fnd-QC Orig Power Rights	16,969,479.35	16,969,479.35	0.00	
1250-303500 ES BF Const Fnd-Software Intangible	13,057,139.85	5,305,155.88	7,751,983.97	
1250-346000 ES BF Const Fnd-Wind Towers	29,655.78	29,655.78	0.00	
1250-350000 ES BF Const Fnd-T/Land & Land Rights	1,667,921.41	1,667,921.41	0.00	
1250-352000 ES BF Const Fnd-T/Struct & Improvements	569,928.36	569,928.36	0.00	
1250-353000 ES BF Const Fnd-T/Station Equipment	47,787,205.65	46,024,484.88	1,762,720.77	

	2017	2016	Difference	
1250-354000 ES BF Const Fnd-T/Towers & Fixtures	4,245,435.08	4,208,752.21	36,682.87	
1250-355000 ES BF Const Fnd-T/Poles & Fixtures	87,146,502.61	83,823,360.09	3,323,142.52	
1250-356000 ES BF Const Fnd-T/OH Cond & Devices	58,349,886.22	55,025,445.73	3,324,440.49	
1250-359000 ES BF Const Fnd-T/Roads & Trails Trans	19,039.04	19,039.04	0.00	
1250-360000 ES BF Const Fnd-D/Land & Land Rights	853,208.64	853,208.64	0.00	
1250-361000 ES BF Const Fnd-D/Struct & Improvements	1,052,383.63	1,052,383.63	0.00	
1250-362000 ES BF Const Fnd-D/Station Equipment	172,288,001.83	125,940,784.70	46,347,217.13	
1250-364000 ES BF Const Fnd-D/Poles Towers Fixtures	79,547,678.94	77,267,812.00	2,279,866.94	
1250-365000 ES BF Const Fnd-D/OH Cond & Devices	85,677,248.33	83,032,127.98	2,645,120.35	
1250-366000 ES BF Const Fnd-D/UG Conduit	20,067,574.46	19,308,662.56	758,911.90	
1250-367000 ES BF Const Fnd-D/UG Cond & Devices	90,265,232.66	86,434,018.13	3,831,214.53	
1250-368000 ES BF Const Fnd-D/Line Transformers	73,629,064.55	72,313,123.99	1,315,940.56	
1250-369000 ES BF Const Fnd-D/Services OH&UG	20,465,619.54	19,933,794.88	531,824.66	
1250-370000 ES BF Const Fnd-D/Meters CT/PT	7,003,930.43	7,204,943.77	(201,013.34)	
1250-370100 ES BF Const Fnd-D/NOC Software/Hardware	5,412,282.44	5,412,282.44	0.00	
1250-373000 ES BF Const Fnd-D/Street Lighting	6,751,477.13	6,650,849.46	100,627.67	
1250-389000 ES BF Const Fnd-G/Land and Land Rights	1,068,236.85	1,068,236.85	0.00	
1250-390000 ES BF Const Fnd-G/Structures & Improvements	26,649,642.89	26,156,101.58	493,541.31	
1250-391000 ES BF Const Fnd-G/Office Furniture & Equip	24,391,546.97	24,391,546.97	0.00	
1250-391801 ES BF Const Fnd-Wfon D/Office F&E EDP Joint	0.00	54,646.68	(54,646.68)	
1250-392000 ES BF Const Fnd-G/Transportation Equip	20,291,783.49	19,250,700.91	1,041,082.58	
1250-393000 ES BF Const Fnd-G/Stores Equip	210,943.86	210,943.86	0.00	
1250-394000 ES BF Const Fnd-G/Tools	5,928,837.04	5,379,133.69	549,703.35	
1250-395000 ES BF Const Fnd-G/Lab Equip	493,371.12	493,371.12	0.00	
1250-396000 ES BF Const Fnd-G/Power Operated Equip	368,133.91	368,133.91	0.00	
1250-397000 ES BF Const Fnd-G/Communication Equip	28,300,211.18	27,861,124.44	439,086.74	
1250-397801 ES BF Const Fnd-Wfon D/Video Head End Equip	0.00	129,581.50	(129,581.50)	Wireless Fiber Network (part of electric system)
1250-397802 ES BF Const Fnd-Wfon Hub Elect Circuit Equip	0.00	19,109,066.70	(19,109,066.70)	
1250-397803 ES BF Const Fnd-Wfon Fiber Gateway	0.00	8,089,574.07	(8,089,574.07)	
1250-397804 ES BF Const Fnd-Wfon Hub Cabinet	0.00	12,433,951.26	(12,433,951.26)	
1250-397805 ES BF Const Fnd-Wfon Demarcation	0.00	30,736,209.72	(30,736,209.72)	
1250-397806 ES BF Const Fnd-Wfon Aerial Cable	0.00	39,446,712.31	(39,446,712.31)	
1250-397807 ES BF Const Fnd-Wfon Underground Cable	0.00	56,552,805.69	(56,552,805.69)	
1250-397811 ES BF Const Fnd-Wfon G/WWire Electronics	0.00	284,985.17	(284,985.17)	
1250-397813 ES BF Const Fnd-Wfon G/WWire Structures	0.00	379,042.61	(379,042.61)	
1250-398000 ES BF Const Fnd-G/Miscellanous Equip	1,717,822.16	1,608,018.78	109,803.38	
1251-107035 ES RF Const Fnd-WFON CWIP OH	56,661.75		56,661.75	
1251-107801 ES RF Const Fnd-Wfon CWIP	1,747,571.84		1,747,571.84	
1251-107880 ES RF Const Fnd-G&A Capitalized	(1,038.73)		(1,038.73)	
1251-108801 ES RF Const Fnd-Wfon Accum Depr	(90,635,513.68)		(90,635,513.68)	Wireless Fiber depreciation/salvage
1251-108802 ES RF Const Fnd-Wfon Accum Depr Retire	1,889,713.19		1,889,713.19	
1251-108803 ES RF Const Fnd-Wfon Accum Depr Salvage	(147,374.13)		(147,374.13)	
1251-391801 ES RF Const Fnd-Wfon D/Office F&E EDP Joint	54,646.68		54,646.68	Wireless Fiber Network (part of electric system)
1251-397801 ES RF Const Fnd-Wfon D/Video Head End Equip	168,188.13		168,188.13	
1251-397802 ES RF Const Fnd-Wfon Hub Elect Circuit Equip	19,625,929.75		19,625,929.75	
1251-397803 ES RF Const Fnd-Wfon Fiber Gateway	8,606,437.13		8,606,437.13	
1251-397804 ES RF Const Fnd-Wfon Hub Cabinet	12,433,951.26		12,433,951.26	
1251-397805 ES RF Const Fnd-Wfon Demarcation	32,891,329.75		32,891,329.75	
1251-397806 ES RF Const Fnd-Wfon Aerial Cable	39,446,712.31		39,446,712.31	
1251-397807 ES RF Const Fnd-Wfon Underground Cable	56,552,805.69		56,552,805.69	
1251-397811 ES RF Const Fnd-Wfon G/WWire Electronics	284,985.17		284,985.17	
1251-397813 ES RF Const Fnd-Wfon G/WWire Structures	641,291.51		641,291.51	
7001-111426 PRP Revenue-Accum Amort PERS Capitalized	40,373.22	17,782.25	22,590.97	PRP non cash capitalized plant
7001-111700 PRP Revenue-Accum Amort Lic Future Ben	(21,877,556.22)	(19,154,452.02)	(2,723,104.20)	
7001-111710 PRP Revenue-Accum Amort Relic Costs	(12,663,283.23)	(11,364,484.95)	(1,298,798.28)	
7001-302100 PRP Revenue-FERC License Future Benefits	58,902,689.44	62,207,486.10	(3,304,796.66)	
7001-303200 PRP Revenue-FERC Relicensing Costs	57,147,122.28	57,147,122.28	0.00	
7001-303300 PRP Revenue-Hatchery Intangible Rights	74,377.54	74,377.54	0.00	
7001-398000 PRP Revenue-Plant PERS Capitalized	(1,463,458.33)	(936,896.09)	(526,562.24)	
7205-107020 PRP 2015 General Construction-CWIP R&R Plant W/O	0.00	89,951,170.34	(89,951,170.34)	PRP generation / production plant including CWIP
7205-107040 PRP 2015 General Construc-CWIP Jointly Owned Plt W	0.00	27,731,543.71	(27,731,543.71)	
7205-107880 PRP 2015 General Construction-G&A Capitalized	0.00	7,340,003.13	(7,340,003.13)	
7205-108230 PRP 2015 General Construc-Accum Depr Salvage Hydro	0.00	(480,263.08)	480,263.08	
7206-107020 PRP 2015 CREBs Construction-CWIP R&R Plant W/O	81,181,463.04	35,907,308.33	45,274,154.71	
7250-107020 PRP BF Const Fnd-CWIP R&R Plant W/O	67,096,501.85		67,096,501.85	
7250-107040 PRP BF Const Fnd-CWIP Jointly Owned Plt W/O	36,042,295.14		36,042,295.14	
7250-107880 PRP BF Const Fnd-G&A Capitalized	6,673,619.23		6,673,619.23	
7250-108200 PRP BF Const Fnd-Accum Depr Salvage	**(3,009,694.39)**	**(3,009,694.39)**	**0.00**	**PRP Depreciation/Salvage**
7250-108230 PRP BF Const Fnd-Accum Depr Salvage Hydro	**(480,263.08)**		**(480,263.08)**	
7250-108300 PRP BF Const Fnd-Accum Depr Ret Bk Cost	**29,079,769.34**	**26,278,747.72**	**2,801,021.62**	
7250-108400 PRP BF Const Fnd-Accum Depr Oth Chg&Cr	**(2,139.10)**	**(2,139.10)**	**0.00**	
7250-108500 PRP BF Const Fnd-Accum Depr Accrual	**(425,012,839.11)**	**(400,480,259.92)**	**(24,532,579.19)**	
7250-111300 PRP BF Const Fnd-Accum Amort Software Intang	(2,276,096.37)	(2,111,009.65)	(165,086.72)	Intangibles
7250-111720 PRP BF Const Fnd-Accumulated Amort. Hatchary	(1,715,739.99)	(1,142,515.83)	(573,224.16)	
7250-111770 PRP BF Const Fnd-Accum Amort Other Intangible	(1,353,786.74)	(1,015,340.06)	(338,446.68)	
7250-303300 PRP BF Const Fnd-Hatchery Intangible Rights	24,370,186.36	24,370,186.36	0.00	
7250-303400 PRP BF Const Fnd-Other Intangibles	3,384,467.01	3,384,467.01	0.00	
7250-303500 PRP BF Const Fnd-Software Intangible	2,651,691.73	2,446,196.69	205,495.04	
7250-330000 PRP BF Const Fnd-H/Land & Land Rights	19,685,660.30	19,685,660.30	0.00	
7250-331000 PRP BF Const Fnd-H/Structures & Improvements	138,048,227.69	134,861,335.59	3,186,892.10	
7250-332000 PRP BF Const Fnd-H/Reservoirs, Dams and Waterways	508,356,796.71	495,940,896.19	12,415,900.52	
7250-333000 PRP BF Const Fnd-H/Turbines & Generators	506,700,838.38	464,200,693.59	42,500,144.79	
7250-334000 PRP BF Const Fnd-H/Accessory Electric Equipment	53,908,208.95	51,991,064.23	1,917,144.72	
7250-335000 PRP BF Const Fnd-H/Misc Power Plant Equipment	62,626,323.90	61,057,077.51	1,569,246.39	
7250-336000 PRP BF Const Fnd-H/Roads, Railroads and Bridges	1,792,667.77	1,792,667.77	0.00	
7250-350000 PRP BF Const Fnd-T/Land & Land Rights	334,810.64	334,810.64	0.00	
7250-352000 PRP BF Const Fnd-T/Struct & Improvements	5,133,941.26	4,648,102.99	485,838.27	
7250-353000 PRP BF Const Fnd-T/Station Equipment	39,473,671.41	39,473,671.41	0.00	
7250-354000 PRP BF Const Fnd-T/Towers & Fixtures	5,502,166.97	5,502,166.97	0.00	
7250-356000 PRP BF Const Fnd-T/OH Cond & Devices	1,781,370.17	1,781,370.17	0.00	
7250-359000 PRP BF Const Fnd-T/Roads & Trails Trans	63,230.66	63,230.66	0.00	
7250-389000 PRP BF Const Fnd-G/Land and Land Rights	1,309,478.65	1,000,955.07	308,523.58	
7250-390000 PRP BF Const Fnd-G/Structures and Improvements	158,125,373.72	149,884,562.75	8,240,810.97	
7250-391000 PRP BF Const Fnd-G/Office Furniture and Equip	19,225,863.45	19,100,040.93	125,822.52	
7250-392000 PRP BF Const Fnd-G/Transportation Equip	2,187,982.97	2,187,982.97	0.00	
7250-394000 PRP BF Const Fnd-G/Tools	2,334,344.56	2,334,344.56	0.00	
7250-397000 PRP BF Const Fnd-G/Communication Equip	26,561,588.02	25,947,299.09	614,288.93	
7250-398000 PRP BF Const Fnd-G/Miscellanous Equip	3,566,264.23	3,432,551.00	133,713.23	
Total Utility plant, net of accumulated depreciation and amortization	2,045,369,856.73	1,953,628,387.56	91,741,469.17	
Total noncurrent assets	2,443,771,955.43	2,363,934,353.74	79,837,601.69	
DEFERRED OUTFLOWS				
Net pension, change in proportion:				

	2017	2016	Difference
1001-186410 Elect Revenue-Deferred Outflow PERS 1	663,828.73	889,828.24	(225,999.51)
1001-186420 Elect Revenue-Deferred Outflow PERS 2/3	1,988,924.70	2,522,478.34	(533,553.64)
7001-186410 PRP Revenue-Deferred Outflow PERS 1	975,807.97	1,307,821.16	(332,013.19)
7001-186420 PRP Revenue-Deferred Outflow PERS 2/3	2,953,186.87	3,707,401.47	(754,214.60)
Total Net pension, change in proportion	6,581,748.27	8,427,529.21	(1,845,780.94)
Unamortized refunding loss:			
1300-189000 Elect 2011I Principal/Retir-Unamort Loss on Refund	0.00	2,237.44	(2,237.44)
1301-189000 Elect 2013J Principal/Retir-Unamort Loss on Refund	0.00	73,542.03	(73,542.03)
1306-189000 ES 2017O Principal/Interest-Unamort Loss on Refund	1,088,036.34		1,088,036.34
7031-189000 PRP 10B Principal/Retiremen-Unamort Loss on Refund	153,814.58	232,188.02	(78,373.44)
7305-189000 PRP 12A Principal/Retiremen-Unamort Loss on Refund	1,534,363.19	1,894,379.99	(360,016.80)
7311-189000 PRP 2014A Principal/Retirem-Unamort Loss on Refund	2,244,249.17	2,560,314.17	(316,065.00)
7314-189000 PRP 2015A Principal/Interes-Unamort Loss on Refund	533,781.61	605,066.53	(71,284.92)
Total Unamortized refunding loss	5,554,244.89	5,367,728.18	186,516.71
Total deferred outflows	12,135,993.16	13,795,257.39	(1,659,264.23)
TOTAL ASSETS	$2,680,568,006.54	$2,600,124,364.21	$80,443,642.33

	2017	2016	Difference
CURRENT LIABILITIES			
Accounts payable			
Trade:			
1001-232000 Elect Revenue-A/P Control	2,699,386.20	2,892,714.78	(193,328.58)
1001-232005 Elect Revenue-A/P Manual Accruals	57,195.80	38,747.00	18,448.80
1001-232010 Elect Revenue-A/P General	1,512,594.70	1,971,387.35	(458,792.65)
1001-232020 Elect Revenue-A/P Conservation	14,802.52	300.00	14,502.52
1001-232050 Elect Revenue-A/P Inventory	2,408,952.65	764,666.62	1,644,286.03
1001-242500 Elect Revenue-FERC Admin Charges QC	6,289.47	7,489.60	(1,200.13)
1007-232000 Elect Renew & Rplc QC-A/P Control	0.00	12,246.65	(12,246.65)
1203-232000 ES 2016 General Construction-A/P Control	0.00	674,690.88	(674,690.88)
1203-232005 ES 2016 General Construction-A/P Manual Accruals	0.00	6,098,107.46	(6,098,107.46)
1250-232000 ES BF Const Fnd-A/P Control	2,405,140.90	102,634.20	2,302,506.70
1250-232005 ES BF Const Fnd-A/P Manual Accruals	1,606,844.05	0.00	1,606,844.05
1251-232000 ES RF Const Fnd-A/P Control	99,920.01		99,920.01
4030-232000 Servi Operating-A/P Control	(94,346.71)	382,469.58	(476,816.29)
4030-232015 Servi Operating-Accounts Payable PR 3rd Party	236,205.38	215,234.63	20,970.75
4030-232021 Servi Operating-PR Basic Life/AD&D	17.77	(8.36)	26.13
4030-232022 Servi Operating-PR 3rd Party Supp Life/AD&D	24,071.75	24,338.70	(266.95)
4030-232023 Servi Operating-PR 3rd Party MGT Life/AD&D	(3,816.63)	0.00	(3,816.63)
4030-232024 Servi Operating-PR 3rd Party Long Term Care	2,653.90	(853.60)	3,507.50
4030-232025 Servi Operating-PR 3rd Party LTD	(586.34)	(611.32)	24.98
4030-232050 Servi Operating-Accrued Purchases	(17,673.92)	(17,673.92)	0.00
4030-242210 Servi Operating-Retainage Withheld	796,992.76	615,315.63	181,677.13
7001-232000 PRP Revenue-A/P Control	4,616,590.98	2,510,157.49	2,106,433.49
7001-232005 PRP Revenue-A/P Manual Accruals	1,651,254.78	1,491,422.19	159,832.59
7001-242510 PRP Revenue-Misc Liab FERC Admin Charges	476,763.02	487,891.11	(11,128.09)
7001-242700 PRP Revenue-Meaningful Priority	56,814.71	29,020.29	27,794.42
7205-232000 PRP 2015 General Construction-A/P Control	0.00	2,995,761.74	(2,995,761.74)
7205-232005 PRP 2015 General Construction-A/P Manual Accruals	0.00	4,817,383.28	(4,817,383.28)
7205-232006 PRP 2015 General Construc-Long Term HED Lagoon Dec	0.00	949,141.16	(949,141.16)
7206-232000 PRP 2015 CREBs Construction-A/P Control	2,879,792.76	1,400,093.75	1,479,699.01
7206-232005 PRP 2015 CREBs Construction-A/P Manual Accruals	2,813,989.38	3,969,883.67	(1,155,894.29)
7250-232000 PRP BF Const Fnd-A/P Control	5,739,071.31		5,739,071.31
7250-232005 PRP BF Const Fnd-A/P Manual Accruals	3,797,604.04		3,797,604.04
7250-232006 PRP BF Const Fnd-Long Term HED Lagoon Decom	925,918.46		925,918.46
7601-232000 Habitat No Net Impact-A/P Control	36,453.51	95,404.77	(58,951.26)
7602-232000 Habitat Supplemental-A/P Control	5,973.23	891.96	5,081.27
7603-232000 Habitat-A/P Control	14,177.68	0.00	14,177.68
Total Trade	34,769,048.12	32,528,247.29	2,240,800.83
Wages payable:			
4030-232014 Servi Operating-Accounts Payable PR	2,864,476.27	2,822,646.01	41,830.26
4030-232250 Servi Operating-A/P Flex Dependent Care EE	1,492.50	8,452.84	(6,960.34)
4030-232260 Servi Operating-A/P Flex Medical EE	15,415.92	13,141.37	2,274.55
4030-232500 Servi Operating-Emp Benefit Load Alloc	27,270,158.16	25,155,994.99	2,114,163.17
4030-232510 Servi Operating-Emp Benefit Unemployment	(112,808.15)	(115,253.77)	2,445.62
4030-232520 Servi Operating-Emp Benefit Jury, Military, Misc	(31,472.62)	(76,523.75)	45,051.13
4030-232540 Servi Operating-Emp Benefit Medical, Dental, Life	(9,790,530.11)	(9,033,075.52)	(757,454.59)
4030-232560 Servi Operating-Emp Benefit Short Term Disability	(364,834.35)	(415,657.76)	50,823.41
4030-232565 Servi Operating-Emp Benefit 457 reimb	(27,084.74)		(27,084.74)
4030-232570 Servi Operating-Emp Benefit PERS	(7,714,199.60)	(6,883,975.73)	(830,223.87)
4030-232575 Servi Operating-Emp Benefit 401A	(1,003,982.43)	(959,656.24)	(44,326.19)
4030-232580 Servi Operating-Emp Benefit Indust Insurance	(797,960.52)	(740,239.18)	(57,721.34)
4030-232590 Servi Operating-Emp Benefit Sick Leave	0.00	(10,064.25)	10,064.25
4030-232610 Servi Operating-Emp Benefit Management Leave	(399,562.24)	(389,901.63)	(9,660.61)
4030-232625 Servi Operating-Emp Ben Retire Notify Incentive	0.00	(409.50)	409.50
4030-232660 Servi Operating-Emp Ben VEBA	(1,497,714.43)	(1,407,808.32)	(89,906.11)
4030-232670 Servi Operating-Emp Ben 3rd Pty Services	(90,552.75)	(113,351.82)	22,799.07
4030-232680 Servi Operating-Emp Ben L&I Employee Pay	(216,479.29)	(149,437.38)	(67,041.91)
4030-232690 Servi Operating-Emp Ben Retiree Med Ins Reimb	(299,495.12)	(187,746.35)	(111,748.77)
4030-241050 Servi Operating-Tax Pay FICA EE & ER	(4,923,469.89)	(4,672,893.78)	(250,576.11)
4030-242010 Servi Operating-Holidays	(241,668.66)	(217,753.68)	(23,914.98)
4030-242020 Servi Operating-Floating Holidays	(10,709.02)	0.00	(10,709.02)
4030-242030 Servi Operating-SLB Cashout Liability	116,375.94	185,551.92	(69,175.98)
4030-242060 Servi Operating-PERS 1 Excess Vacation	42,395.67	72,720.80	(30,325.13)
4030-242110 Servi Operating-Vacation	8,746,483.35	8,917,895.06	(171,411.71)
Total Wages payable	11,534,273.89	11,802,654.33	(268,380.44)
Due to Power Purchasers:			
7001-733001 PRP Revenue-Contra Cust. Rec	1,904,129.78	22,841,540.62	(20,937,410.84)
9999-733999 Other-Eliminating ES Payable PRP PC True-up	(1,904,129.78)	(18,401,284.28)	16,497,154.50
Total Due to Power Purchasers	0.00	4,440,256.34	(4,440,256.34)
Accrued taxes:			
1001-236110 Elect Revenue-Accrd Tax Public Util	910,007.08	577,322.30	332,684.78
1001-236120 Elect Revenue-Accrd Tax Privilege	3,900,347.45	3,686,488.08	213,859.37
1001-236130 Elect Revenue-Accrd Tax Service Other	1,769.91	2,183.92	(414.01)
1001-236210 Elect Revenue-Accrd City Tax Ephrata	44,746.72	45,715.56	(968.84)
1001-236220 Elect Revenue-Accrd City Tax Moses Lake	91,508.98	86,730.62	4,778.36
1001-236230 Elect Revenue-Accrd City Tax Quincy	13,378.00	36,426.13	(23,048.13)
1001-236250 Elect Revenue-Accrd City Tax Soap Lake	9,521.54	8,650.99	870.55
1001-236260 Elect Revenue-Accrd City Tax Warden	(2,793.89)	29,806.34	(32,600.23)
1001-236270 Elect Revenue-Accrd City Tax Wilson Creek	502.52	433.51	69.01
1001-236290 Elect Revenue-Accrd City Tax Royal City	6,601.72	5,472.65	1,129.07
1001-236300 Elect Revenue-Accrd City Tax George	2,942.95	2,573.08	369.87
1001-236310 Elect Revenue-Accrd City Tax Grd Coulee	6,749.24	7,952.85	(1,203.61)
1001-236320 Elect Revenue-Accrd City Tax Electric City	3,771.99	3,247.08	524.91
1001-236330 Elect Revenue-Accrd City Tax Mattawa	6,814.19	6,668.34	145.85
1001-236340 Elect Revenue-Accrd City Tax Hartline	715.93	610.82	105.11
1001-236350 Elect Revenue-Accrd City Tax Coulee City	3,584.54	2,994.86	589.68
1001-236510 Elect Revenue-Accrd Tax Privilege QC	6,521.15	5,564.28	956.87
1001-236600 Elect Revenue-Accrd Tax Privilege PEC	3,229.87	4,518.77	(1,288.90)
1001-241310 Elect Revenue-Tax Coll Retail Sales Tax	(10,622.47)	4,819.04	(15,441.51)
1001-241801 Elect Revenue-Wfon Tax Coll Ret Sales Tax	2,673.74	2,739.98	(66.24)
4030-241030 Servi Operating-Tax Pay Leasehold Excise	49,814.34	20,886.10	28,928.24
4030-241520 Servi Operating-Tax Pay Use Tax Unincorp	17,926.12	(21,821.63)	39,747.75
7001-236110 PRP Revenue-Accrd Tax Public Utility	1,599.64	1,736.60	(136.96)
7001-236120 PRP Revenue-Accrd Tax Privilege	1,945,089.56	1,965,752.65	(20,663.09)
7001-236130 PRP Revenue-Accrd Tax Service Other	9,302.20	2,118.38	7,183.82
Total Accrued taxes	7,025,703.02	6,489,591.30	536,111.72

	2017	2016	Difference
Customer deposits:			
1001-235350 Elect Revenue-STW Customer Help Program	113,604.79	104,845.08	8,759.71
1001-235360 Elect Revenue-STW Pledge Customer Help Prog	5.00	0.00	5.00
1008-232000 Elect Cust Deposits-A/P Control	2,514,564.00		2,514,564.00
1008-235000 Elect Cust Deposits-Customer Deposit	3,664,904.21	3,441,436.36	223,467.85
1008-235010 Elect Cust Deposits-Unclaimed Property	(4.52)	4,299.35	(4,303.87)
1008-235700 Elect Cust Deposits-Power Purchaser Deposit	8,557,632.67	7,609,824.39	947,808.28
1008-235801 Elect Cust Deposits-Wfon Customer Deposit	48,593.66	47,686.24	907.42
4030-235701 Servi Operating-Wanapum Village Rent Deposits	553.44	2,189.07	(1,635.63)
Total Customer deposits	14,899,853.25	11,210,280.49	3,689,572.76
Accrued bond interest:			
1300-237000 Elect 2011I Principal/Retire-Accrd Int Funds	(0.03)	1,881,290.60	(1,881,290.63)
1301-237000 Elect 2013J Principal/Retire-Accrd Int Funds	1,690,625.00	1,690,625.00	0.00
1302-237000 ES 2014K Principal/Retirement-Accrd Int Funds	0.00	40,601.09	(40,601.09)
1303-237000 ES 2016L Principal/Interest-Accrd Int Funds	56,872.08	38,339.58	18,532.50
1304-237000 ES 2017M Principal/Interest-Accrd Int Funds	58,590.43		58,590.43
1305-237000 ES 2017N Principal/Interest-Accrd Int Funds	88,648.89		88,648.89
1306-237000 ES 2017O Principal/Interest-Accrd Int Funds	98,610.43		98,610.43
2021-237000 Pries Princ 2006A-Accrd Int Funds	0.00	12,117.50	(12,117.50)
2024-237000 Pries Princ 2006B-Accrd Int Funds	0.00	7,100.00	(7,100.00)
2028-237000 Pries Ret 2006Z-Accrd Int Funds	781,777.75	804,566.50	(22,788.75)
2063-237000 Pries Princ 2005A-Accrd Int Funds	(0.02)	(0.02)	0.00
2066-237000 Pries Princ 2005B-Accrd Int Funds	0.09	0.09	0.00
2069-237000 Pries Princ 2005Z-Accrd Int Funds	694,473.25	750,018.25	(55,545.00)
2076-237000 Pries Princ 2003Z-Accrd Int Funds	173,715.99	211,664.99	(37,949.00)
3021-237000 Wanap Princ 2006A-Accrd Int Funds	13,375.00	57,500.00	(44,125.00)
3025-237000 Wanap Ret 2006B-Accrd Int Funds	0.00	207,118.75	(207,118.75)
3028-237000 Wanap Ret 2006Z-Accrd Int Funds	2,236,301.79	2,279,304.29	(43,002.50)
3038-237000 Wanap Princ 2005Z-Accrd Int Funds	9,654.23	22,239.98	(12,585.75)
3048-237000 Wanap Princ 2003Z-Accrd Int Funds	189,608.00	230,982.00	(41,374.00)
7030-237000 PRP 10A Principal/Retirement-Accrd Int Funds	277,687.50	357,312.50	(79,625.00)
7031-237000 PRP 10B Principal/Retirement-Accrd Int Funds	40,500.01	79,125.01	(38,625.00)
7032-237000 PRP 10L Principal/Retirement-Accrd Int Funds	4,919,163.30	4,919,163.29	0.01
7033-237000 PRP 10M Principal/Retirement-Accrd Int Funds	2,533,500.00	2,533,500.00	0.00
7034-237000 PRP 10Z Principal/Retirement-Accrd Int Funds	917,984.72	928,734.72	(10,750.00)
7305-237000 PRP 12A Principal/Retirement-Accrd Int Funds	1,076,999.99	1,147,874.99	(70,875.00)
7306-237000 PRP 12B Principal/Retirement-Accrd Int Funds	254,875.02	290,500.02	(35,625.00)
7307-237000 PRP 12M Principal/Retirement-Accrd Int Funds	829,670.15	829,670.15	0.00
7308-237000 PRP 12Z Principal/Retirement-Accrd Int Funds	221,967.99	226,666.74	(4,698.75)
7309-237000 PRP 2013A Principal/Retirement-Accrd Int Funds	1,729,206.25	1,729,206.25	0.00
7310-237000 PRP 2013Z Principal/Retirement-Accrd Int Funds	734,361.03	740,708.28	(6,347.25)
7311-237000 PRP 2014A Principal/Retirement-Accrd Int Funds	3,220,050.00	3,293,250.00	(73,200.00)
7312-237000 PRP 2014B Principal/Retirement-Accrd Int Funds	1,196,725.00	1,230,600.00	(33,875.00)
7313-237000 PRP 2014JLB Principal/Retireme-Accrd Int Funds	835,899.00	841,895.25	(5,996.25)
7314-237000 PRP 2015A Principal/Interest-Accrd Int Funds	1,567,866.88	1,582,366.88	(14,500.00)
7315-237000 PRP 2015B Principal/Interest-Accrd Int Funds	411,046.88	422,896.88	(11,850.00)
7316-237000 PRP 2015M Principal/Interest-Accrd Int Funds	2,062,800.00	2,062,800.00	0.00
7317-237000 PRP 2015JLB Principal/Interest-Accrd Int Funds	868,406.63	868,406.63	0.00
7318-237000 PRP 2016JLB P&I-Accrd Int Funds	730,018.75	121,670.57	608,348.18
7319-237000 PRP 2017B Principal/Interest-Accrd Int Funds	104,741.28		104,741.28
7320-237000 PRP 2017JLB P&I-Accrd Int Funds	620,581.73		620,581.73
7321-237000 PRP 2017JLB2 Principal/Int-Accrd Int Funds	182,161.32		182,161.32
9999-237000 Eliminating PRP JLB Interest-Accrd Int Funds	(3,237,067.43)	(1,831,972.45)	(1,405,094.98)
Total Accrued bond interest	28,191,398.88	30,607,844.31	(2,416,445.43)
Unearned revenue:			
1001-252000 Elect Revenue-Customer Advances On Const	8,010,942.67	5,899,177.00	2,111,765.67
1001-253500 Elect Revenue-Current Unearned Revenue	652,552.63	107,136.00	545,416.63
Total Unearned revenue	8,663,495.30	6,006,313.00	2,657,182.30
Habitat liability:			
7601-254000 Habitat No Net Impact-Habitat Regulatory Liabiltiy	5,588,471.92	4,888,190.47	700,281.45
7601-254419 Habitat No Net Impact-Habitat Current Yr Int Inc	72,035.69	97,620.03	(25,584.34)
7601-254421 Habitat No Net Impact-Habitat Current Yr Funding	1,060,608.54	1,967,449.75	(906,841.21)
7601-254430 Habitat No Net Impact-Unrealized Gain/Loss Invest	(33,041.41)	(26,855.50)	(6,185.91)
7601-254950 Habitat No Net Impact-Habitat Current Yr Expenditu	(738,107.42)	(1,364,788.33)	626,680.91
7602-254000 Habitat Supplemental-Habitat Regulatory Liabiltiy	5,004,065.25	4,333,200.93	670,864.32
7602-254419 Habitat Supplemental-Habitat Current Yr Int Inc	60,520.82	58,729.53	1,791.29
7602-254421 Habitat Supplemental-Habitat Current Yr Funding	1,061,086.26	1,040,995.86	20,090.40
7602-254430 Habitat Supplemental-Unrealized Gain/Loss Invest	(18,069.33)	(12,345.49)	(5,723.84)
7602-254950 Habitat Supplemental-Habitat Current Yr Expenditur	(195,769.95)	(428,861.07)	233,091.12
7603-254000 Habitat-Habitat Regulatory Liabiltiy	1,623,648.69	1,252,296.38	371,352.31
7603-254419 Habitat-Habitat Current Yr Int Inc	19,355.03	11,933.66	7,421.37
7603-254421 Habitat-Habitat Current Yr Funding	379,043.81	371,867.07	7,176.74
7603-254430 Habitat-Unrealized Gain/Loss Invest	5,976.73	3,508.73	2,468.00
7603-254950 Habitat-Habitat Current Yr Expenditure	(32,835.31)	(12,448.42)	(20,386.89)
7604-254000 Habitat Native Resident F-Habitat Regulatory Liabi	987,090.33	852,400.90	134,689.43
7604-254419 Habitat Native Resident F-Habitat Current Yr Int I	9,246.62	5,837.36	3,409.26
7604-254421 Habitat Native Resident F-Habitat Current Yr Fundi	131,338.81	128,852.07	2,486.74
7604-254430 Habitat Native Resident F-Unrealized Gain/Loss Inv	1,551.72	447.55	1,104.17
7605-254000 Habitat Wildlife Mgmt Pla-Habitat Regulatory Liabi	119,135.71	79,135.71	40,000.00
7605-254419 Habitat Wildlife Mgmt Pla-Habitat Current Yr Int I	692.99	0.00	692.99
7605-254421 Habitat Wildlife Mgmt Pla-Habitat Current Yr Fundi	40,000.00	40,000.00	0.00
Total Habitat liability	15,146,045.50	13,287,167.19	1,858,878.31
Other current liabilities:			
1009-239999 Elect Fiscal Agent-Mat LT Debt Dist	9,775.00	9,775.00	0.00
1009-240999 Elect Fiscal Agent-Mat Int Dist	1,462.25	1,462.25	0.00
3010-239999 Wanap Princ 1959-Mat LT Debt Dist	7,554.34	7,554.34	0.00
3011-240999 Wanap Int 1959-Mat Int Dist	5,976.34	5,976.34	0.00
3012-239999 Wanap Int 1963-Mat LT Debt Dist	15,000.00	15,000.00	0.00
Total Other current liabilities	39,767.93	39,767.93	0.00
Current portion of licensing obligations:			
7001-722840 PRP Revenue-Current Portion Lic Oblig	2,313,275.19	2,600,640.42	(287,365.23)
Total Current portion of licensing obligations	2,313,275.19	2,600,640.42	(287,365.23)
Current portion of long-term debt:			

	2017	2016	Difference
2021-730050 Pries Princ 2006A-Current Portion LTD	0.00	655,000.00	(655,000.00)
2024-730050 Pries Princ 2006B-Current Portion LTD	0.00	355,000.00	(355,000.00)
2028-730050 Pries Ret 2006Z-Current Portion LTD	930,000.00	885,000.00	45,000.00
2069-730050 Pries Princ 2005Z-Current Portion LTD	2,020,000.00	2,100,000.00	(80,000.00)
2076-730050 Pries Princ 2003Z-Current Portion LTD	1,460,000.00	1,385,000.00	75,000.00
3021-730050 Wanap Princ 2006A-Current Portion LTD	535,000.00	1,765,000.00	(1,230,000.00)
3025-730050 Wanap Ret 2006B-Current Portion LTD	0.00	825,000.00	(825,000.00)
3028-730050 Wanap Ret 2006Z-Current Portion LTD	1,700,000.00	1,670,000.00	30,000.00
3038-730050 Wanap Princ 2005Z-Current Portion LTD	365,000.00	485,000.00	(120,000.00)
3048-730050 Wanap Princ 2003Z-Current Portion LTD	1,595,000.00	1,510,000.00	85,000.00
7030-730050 PRP 10A Principal/Retirement-Current Portion LTD	1,750,000.00	4,550,000.00	(2,800,000.00)
7031-730050 PRP 10B Principal/Retirement-Current Portion LTD	1,620,000.00	1,545,000.00	75,000.00
7032-730050 PRP 10L Principal/Retirement-Current Portion LTD	3,050,000.00		3,050,000.00
7034-730050 PRP 10Z Principal/Retirement-Current Portion LTD	440,000.00	500,000.00	(60,000.00)
7305-730050 PRP 12A Principal/Retirement-Current Portion LTD	3,090,000.00	2,835,000.00	255,000.00
7306-730050 PRP 12B Principal/Retirement-Current Portion LTD	1,500,000.00	1,425,000.00	75,000.00
7308-730050 PRP 12Z Principal/Retirement-Current Portion LTD	525,000.00	525,000.00	0.00
7310-730050 PRP 2013Z Principal/Retirement-Current Portion LTD	595,000.00	585,000.00	10,000.00
7311-730050 PRP 2014A Principal/Retirement-Current Portion LTD	5,040,000.00	4,880,000.00	160,000.00
7312-730050 PRP 2014B Principal/Retirement-Current Portion LTD	1,425,000.00	1,355,000.00	70,000.00
7313-730050 PRP 2014JLB Principal/Retireme-Current Portion LTD	1,040,000.00	1,025,000.00	15,000.00
7314-730050 PRP 2015A Principal/Interest-Current Portion LTD	2,750,000.00	1,450,000.00	1,300,000.00
7315-730050 PRP 2015B Principal/Interest-Current Portion LTD	815,000.00	790,000.00	25,000.00
7318-730050 PRP 2016JLB P&I-Current Portion LTD	405,000.00		405,000.00
7319-730050 PRP 2017B Principal/Interest-Current Portion LTD	430,000.00		430,000.00
7320-730050 PRP 2017JLB P&I-Current Portion LTD	220,000.00		220,000.00
9999-730050 Elminate PRP JLB Princ/Retir-Current Portion	(1,665,000.00)	(1,025,000.00)	(640,000.00)
Total Current portion of long-term debt	31,635,000.00	32,075,000.00	(440,000.00)
Total current liabilities	154,217,861.08	151,087,762.60	3,130,098.48
NONCURRENT LIABILITIES			
Accrued other postemployment benefits:			
1001-228300 Elect Revenue-Accum Provision For OPEB	1,125,228.68	1,005,355.12	119,873.56
7001-228300 PRP Revenue-Accum Provision For OPEB	1,669,109.51	1,485,271.07	183,838.44
Total Accrued other postemployment benefits	2,794,338.19	2,490,626.19	303,712.00
Long-term unearned revenue:			
1001-253600 Elect Revenue-Noncurrent Unearned Revenue	5,224,028.37	964,352.00	4,259,676.37
Total Long-term unearned revenue	5,224,028.37	964,352.00	4,259,676.37
Licensing obligations, less current portion:			
7001-228410 PRP Revenue-NNI Licensing Obligations	10,073,387.37	10,151,053.87	(77,666.50)
7001-228411 PRP Revenue-NNI A Licensing Obligations	5,142,744.61	8,530,236.11	(3,387,491.50)
7001-228420 PRP Revenue-2008 Licensing Obligations	35,643,536.98	35,758,817.79	(115,280.81)
7001-228450 PRP Revenue-WMP Licensing Obligations	673,467.48	680,359.03	(6,891.55)
7001-228490 PRP Revenue-Current Portion of Lic Oblig	(2,313,275.23)	(2,600,640.42)	287,365.19
Total Licensing obligations, less current portion	49,219,861.21	52,519,826.38	(3,299,965.17)
Pension obligations:			
1001-224010 Elect Revenue-Net Pension Liabilty PERS 1	9,751,349.57	11,414,587.65	(1,663,238.08)
1001-224020 Elect Revenue-Net Pension Liabilty PERS 2/3	8,938,319.07	13,252,784.73	(4,314,465.66)
7001-224010 PRP Revenue-Net Pension Liabilty PERS 1	14,406,196.49	16,776,540.16	(2,370,343.67)
7001-224020 PRP Revenue-Net Pension Liabilty PERS 2/3	13,274,564.08	19,478,222.26	(6,203,658.18)
Total Pension obligations	46,370,429.21	60,922,134.80	(14,551,705.59)
Revenue bonds, less current portion:			
1300-221000 Elect 2011I Principal/Retire-LT Debt	0.00	77,170,000.00	(77,170,000.00)
1301-221000 Elect 2013J Principal/Retire-LT Debt	67,625,000.00	67,625,000.00	0.00
1302-221000 ES 2014K Principal/Retirement-LT Debt	0.00	50,000,000.00	(50,000,000.00)
1303-221000 ES 2016L Principal/Interest-LT Debt	50,000,000.00	50,000,000.00	0.00
1304-221000 ES 2017M Principal/Interest-LT Debt	50,000,000.00		50,000,000.00
1305-221000 ES 2017N Principal/Interest-LT Debt	49,865,000.00		49,865,000.00
1306-221000 ES 2017O Principal/Interest-LT Debt	64,545,000.00		64,545,000.00
2021-221000 Pries Princ 2006A-LT Debt	0.00	655,000.00	(655,000.00)
2021-720050 Pries Princ 2006A-Principal Due In 1 Year	0.00	(655,000.00)	655,000.00
2024-221000 Pries Princ 2006B-LT Debt	0.00	355,000.00	(355,000.00)
2024-720050 Pries Princ 2006B-Principal Due In 1 Year	0.00	(355,000.00)	355,000.00
2028-221000 Pries Ret 2006Z-LT Debt	29,335,000.00	30,220,000.00	(885,000.00)
2028-720050 Pries Ret 2006Z-Principal Due In 1 Year	(930,000.00)	(885,000.00)	(45,000.00)
2069-221000 Pries Princ 2005Z-LT Debt	25,620,000.00	27,720,000.00	(2,100,000.00)
2069-720050 Pries Princ 2005Z-Principal Due In 1 Year	(2,020,000.00)	(2,100,000.00)	80,000.00
2076-221000 Pries Princ 2003Z-LT Debt	6,340,000.00	7,725,000.00	(1,385,000.00)
2076-720050 Pries Princ 2003Z-Principal Due In 1 Year	(1,460,000.00)	(1,385,000.00)	(75,000.00)
3021-221000 Wanap Princ 2006A-LT Debt	535,000.00	2,300,000.00	(1,765,000.00)
3021-720050 Wanap Princ 2006A-Principal Due In 1 Year	(535,000.00)	(1,765,000.00)	1,230,000.00
3025-221000 Wanap Ret 2006B-LT Debt	0.00	8,730,000.00	(8,730,000.00)
3025-720050 Wanap Ret 2006B-Principal Due In 1 Year	0.00	(825,000.00)	825,000.00
3028-221000 Wanap Ret 2006Z-LT Debt	83,405,000.00	85,075,000.00	(1,670,000.00)
3028-720050 Wanap Ret 2006Z-Principal Due In 1 Year	(1,700,000.00)	(1,670,000.00)	(30,000.00)
3038-221000 Wanap Princ 2005Z-LT Debt	365,000.00	850,000.00	(485,000.00)
3038-720050 Wanap Princ 2005Z-Principal Due In 1 Year	(365,000.00)	(485,000.00)	120,000.00
3048-221000 Wanap Princ 2003Z-LT Debt	6,920,000.00	8,430,000.00	(1,510,000.00)
3048-720050 Wanap Princ 2003Z-Principal Due In 1 Year	(1,595,000.00)	(1,510,000.00)	(85,000.00)
7030-221000 PRP 10A Principal/Retirement-LT Debt	11,755,000.00	16,305,000.00	(4,550,000.00)
7030-720050 PRP 10A Principal/Retireme-Principal Due In 1 Year	(1,750,000.00)	(4,550,000.00)	2,800,000.00
7031-221000 PRP 10B Principal/Retirement-LT Debt	1,620,000.00	3,165,000.00	(1,545,000.00)
7031-720050 PRP 10B Principal/Retireme-Principal Due In 1 Year	(1,620,000.00)	(1,545,000.00)	(75,000.00)
7032-221000 PRP 10L Principal/Retirement-LT Debt	173,915,000.00	173,915,000.00	0.00
7032-720050 PRP 10L Principal/Retireme-Principal Due In 1 Year	(3,050,000.00)		(3,050,000.00)
7033-221000 PRP 10M Principal/Retirement-LT Debt	90,000,000.00	90,000,000.00	0.00
7034-221000 PRP 10Z Principal/Retirement-LT Debt	31,995,000.00	32,495,000.00	(500,000.00)
7034-720050 PRP 10Z Principal/Retireme-Principal Due In 1 Year	(440,000.00)	(500,000.00)	60,000.00
7305-221000 PRP 12A Principal/Retirement-LT Debt	43,450,000.00	46,285,000.00	(2,835,000.00)
7305-720050 PRP 12A Principal/Retireme-Principal Due In 1 Year	(3,090,000.00)	(2,835,000.00)	(255,000.00)
7306-221000 PRP 12B Principal/Retirement-LT Debt	10,195,000.00	11,620,000.00	(1,425,000.00)
7306-720050 PRP 12B Principal/Retireme-Principal Due In 1 Year	(1,500,000.00)	(1,425,000.00)	(75,000.00)
7307-221000 PRP 12M Principal/Retirement-LT Debt	42,395,000.00	42,395,000.00	0.00
7308-221000 PRP 12Z Principal/Retirement-LT Debt	12,285,000.00	12,810,000.00	(525,000.00)
7308-720050 PRP 12Z Principal/Retireme-Principal Due In 1 Year	(525,000.00)	(525,000.00)	0.00
7309-221000 PRP 2013A Principal/Retirement-LT Debt	69,690,000.00	69,690,000.00	0.00

	2017	2016	Difference
7310-221000 PRP 2013Z Principal/Retirement-LT Debt	28,455,000.00	29,040,000.00	(585,000.00)
7310-720050 PRP 2013Z Principal/Retire-Principal Due In 1 Year	(595,000.00)	(585,000.00)	(10,000.00)
7311-221000 PRP 2014A Principal/Retirement-LT Debt	142,935,000.00	147,815,000.00	(4,880,000.00)
7311-720050 PRP 2014A Principal/Retire-Principal Due In 1 Year	(5,040,000.00)	(4,880,000.00)	(160,000.00)
7312-221000 PRP 2014B Principal/Retirement-LT Debt	50,640,000.00	51,995,000.00	(1,355,000.00)
7312-720050 PRP 2014B Principal/Retire-Principal Due In 1 Year	(1,425,000.00)	(1,355,000.00)	(70,000.00)
7313-221000 PRP 2014JLB Principal/Retireme-LT Debt	43,345,000.00	44,370,000.00	(1,025,000.00)
7313-720050 PRP 2014JLB Principal/Reti-Principal Due In 1 Year	(1,040,000.00)	(1,025,000.00)	(15,000.00)
7314-221000 PRP 2015A Principal/Interest-LT Debt	71,860,000.00	73,310,000.00	(1,450,000.00)
7314-720050 PRP 2015A Principal/Intere-Principal Due In 1 Year	(2,750,000.00)	(1,450,000.00)	(1,300,000.00)
7315-221000 PRP 2015B Principal/Interest-LT Debt	16,620,000.00	17,410,000.00	(790,000.00)
7315-720050 PRP 2015B Principal/Intere-Principal Due In 1 Year	(815,000.00)	(790,000.00)	(25,000.00)
7316-221000 PRP 2015M Principal/Interest-LT Debt	90,000,000.00	90,000,000.00	0.00
7317-221000 PRP 2015JLB Principal/Interest-LT Debt	34,665,000.00	34,665,000.00	0.00
7318-221000 PRP 2016JLB P&I-LT Debt	30,860,000.00	30,860,000.00	0.00
7318-720050 PRP 2016JLB P&I-Principal Due In 1 Year	(405,000.00)		(405,000.00)
7319-221000 PRP 2017B Principal/Interest-LT Debt	7,905,000.00		7,905,000.00
7319-720050 PRP 2017B Principal/Intere-Principal Due In 1 Year	(430,000.00)		(430,000.00)
7320-221000 PRP 2017JLB P&I-LT Debt	25,935,000.00		25,935,000.00
7320-720050 PRP 2017JLB P&I-Principal Due In 1 Year	(220,000.00)		(220,000.00)
7321-221000 PRP 2017JLB2 Principal/Int-LT Debt	86,300,000.00		86,300,000.00
9999-221000 Elminate PRP JLB Prin/Retir-LTD	(221,105,000.00)	(109,895,000.00)	(111,210,000.00)
9999-720050 Elminate PRP JLB Princ/Retir-Princ Due in 1 Yr	1,665,000.00	1,025,000.00	640,000.00
Total Revenue bonds, less current portion	1,298,635,000.00	1,293,030,000.00	5,605,000.00
Unamortized (discount) premium, net:			
1300-225000 Elect 2011I Principal/Retire-Unamort Prem	0.00	5,647,801.89	(5,647,801.89)
1300-226000 Elect 2011I Principal/Retire-Unamort Disc	0.00	332.58	(332.58)
1301-225000 Elect 2013J Principal/Retire-Unamort Prem	915,691.11	1,007,410.90	(91,719.79)
1301-226000 Elect 2013J Principal/Retire-Unamort Disc	(409,604.45)	(423,654.11)	14,049.66
1305-225000 ES 2017N Principal/Interest-Unamort Prem	451,479.77		451,479.77
1306-225000 ES 2017O Principal/Interest-Unamort Prem	10,764,506.59		10,764,506.59
2021-226000 Pries Princ 2006A-Unamort Disc	0.00	(69.32)	69.32
2024-226000 Pries Princ 2006B-Unamort Disc	0.00	(39.76)	39.76
3021-225000 Wanap Princ 2006A-Unamort Prem	(246.29)	5,077.16	(5,323.45)
3021-226000 Wanap Princ 2006A-Unamort Disc	187.32		187.32
3025-225000 Wanap Ret 2006B-Unamort Prem	0.00	108,955.53	(108,955.53)
3025-226000 Wanap Ret 2006B-Unamort Disc	0.00	(66,035.87)	66,035.87
7030-225000 PRP 10A Principal/Retirement-Unamort Prem	256,789.67	361,451.08	(104,661.41)
7030-226000 PRP 10A Principal/Retirement-Unamort Disc	(3,954.41)	(6,387.85)	2,433.44
7031-225000 PRP 10B Principal/Retirement-Unamort Prem	(343.32)	14,682.20	(15,025.52)
7031-226000 PRP 10B Principal/Retirement-Unamort Disc	161.89	0.00	161.89
7032-226000 PRP 10L Principal/Retirement-Unamort Disc	(106,528.87)	(110,641.03)	4,112.16
7033-226000 PRP 10M Principal/Retirement-Unamort Disc	(43,541.33)	(47,155.22)	3,613.89
7034-226000 PRP 10Z Principal/Retirement-Unamort Disc	(21,327.55)	(22,118.46)	790.91
7305-225000 PRP 12A Principal/Retirement-Unamort Prem	3,497,085.75	4,363,811.76	(866,726.01)
7305-226000 PRP 12A Principal/Retirement-Unamort Disc	(34,615.16)	(36,521.64)	1,906.48
7306-225000 PRP 12B Principal/Retirement-Unamort Prem	563,396.85	797,784.03	(234,387.18)
7306-226000 PRP 12B Principal/Retirement-Unamort Disc	59.59		59.59
7309-225000 PRP 2013A Principal/Retirement-Unamort Prem	835,149.90	983,484.14	(148,334.24)
7309-226000 PRP 2013A Principal/Retirement-Unamort Disc	77,542.86	2,333.86	75,209.00
7311-225000 PRP 2014A Principal/Retirement-Unamort Prem	11,922,046.43	13,515,929.19	(1,593,882.76)
7311-226000 PRP 2014A Principal/Retirement-Unamort Disc	8,259.19	3,972.37	4,286.82
7312-225000 PRP 2014B Principal/Retirement-Unamort Prem	4,336,424.27	4,919,764.64	(583,340.37)
7312-226000 PRP 2014B Principal/Retirement-Unamort Disc	7,320.27	3,291.35	4,028.92
7314-225000 PRP 2015A Principal/Interest-Unamort Prem	6,625,904.65	7,250,660.97	(624,756.32)
7314-226000 PRP 2015A Principal/Interest-Unamort Disc	(30,895.58)	(34,785.51)	3,889.93
7315-225000 PRP 2015B Principal/Interest-Unamort Prem	1,890,596.49	2,201,541.28	(310,944.79)
7315-226000 PRP 2015B Principal/Interest-Unamort Disc	(12,255.15)	(12,896.16)	641.01
7317-225000 PRP 2015JLB Principal/Interest-Unamort Prem	3,581,347.61	3,660,314.71	(78,967.10)
7318-225000 PRP 2016JLB P&I-Unamort Prem	4,211,423.97	4,458,634.27	(247,210.30)
7320-225000 PRP 2017JLB P&I-Unamort Prem	3,950,899.80		3,950,899.80
7321-225000 PRP 2017JLB2 Principal/Int-Unamort Prem	13,666,983.64		13,666,983.64
9999-225000 Eliminating JLB Investment in PRP - Unamort Prem	(25,410,655.02)	(8,118,948.98)	(17,291,706.04)
Total Unamortized (discount) premium, net	41,489,290.49	40,427,980.00	1,061,310.49
Total noncurrent liabilities	1,443,732,947.47	1,450,354,919.37	(6,621,971.90)
DEFERRED INFLOWS			
Net pension, deferred inflow:			
1001-253010 Elect Revenue-PERS 1 Deferred Inflows	369,460.26	0.00	369,460.26
1001-253020 Elect Revenue-PERS 2/3 Deferred Inflows	3,186,484.42	375,218.69	2,811,265.73
7001-253010 PRP Revenue-PERS 1 Deferred Inflows	532,030.78	0.00	532,030.78
7001-253020 PRP Revenue-PERS 2/3 Deferred Inflows	4,637,103.09	551,476.02	4,085,627.07
Total Net pension, deferred inflow	8,725,078.55	926,694.71	7,798,383.84
Total deferred inflows	8,725,078.55	926,694.71	7,798,383.84
Total liabilities	1,606,675,887.10	1,602,369,376.68	4,306,510.42
NET POSITION			
Invested in capital assets, net of related debt	761,890,227.15	638,520,744.34	123,369,482.81
Restricted	165,415,498.48	160,549,791.16	4,865,707.32
Unrestricted	146,586,393.81	198,684,452.03	(52,098,058.22)
Total net position	1,073,892,119.44	997,754,987.53	76,137,131.91
TOTAL LIABILITIES AND NET POSITION	$2,680,568,006.54	$2,600,124,364.21	$80,443,642.33

	2017	2016	Difference
OPERATING REVENUES			
Sales to power purchasers at cost:			
7001-447001 PRP Revenue-Conversion & Reserve Share	$129,860,479.56	$131,577,487.80	($1,717,008.24)
7001-447002 PRP Revenue-Reasonable Portion	$29,263,535.76	$32,503,434.12	($3,239,898.36)
7001-447004 PRP Revenue-Conversion Proceeds	$7,330,278.96	$7,546,260.96	($215,982.00)
7001-447005 PRP Revenue-Exchangers Proceeds	$4,263,280.68	$4,392,032.28	($128,751.60)
7001-447007 PRP Revenue-DSC Adjustment Elec System	$1,872,681.54	$2,624,162.00	($751,480.46)
7001-447009 PRP Revenue-DSC Adj timing difference	($907,289.51)	($4,780,669.95)	$3,873,380.44
7001-447020 PRP Revenue-Proforma True Up	($3,510,478.92)	($25,465,702.62)	$21,955,223.70
9999-447999 Other-Eliminating Sales from ES	($126,382,746.12)	($108,395,533.57)	($17,987,212.55)
Total Sales to power purchasers at cost	$41,789,741.95	$40,001,471.02	$1,788,270.93
Retail energy sales			
Residential :			
1001-440010 Elect Revenue-Residential Sales Urban	$21,371,414.21	$19,337,365.20	$2,034,049.01
1001-440020 Elect Revenue-Residential Sales Rural	$23,898,817.91	$20,914,167.42	$2,984,650.49
Total Residential	$45,270,232.12	$40,251,532.62	$5,018,699.50
Irrigation:			
1001-442010 Elect Revenue-Comm & Ind Sales Irrig	24,079,976.48	23,875,397.30	204,579.18
Total Irrigation	24,079,976.48	23,875,397.30	204,579.18
Commercial and industrial:			
1001-442030 Elect Revenue-Comm & Ind Sales, Sch 14	82,819,439.40	78,015,753.81	4,803,685.59
1001-442040 Elect Revenue-Comm & Ind Sales Comm	24,579,401.21	22,642,838.93	1,936,562.28
1001-442050 Elect Revenue-Comm & Ind Sales Lg Comm	10,626,309.47	9,945,696.21	680,613.26
Total Commercial and industrial	118,025,150.08	110,604,288.95	7,420,861.13
Governmental and others:			
1001-444010 Elect Revenue-Public St & Hwy Lt Sch 6	972,648.85	994,415.86	(21,767.01)
1001-444020 Elect Revenue-Public St & Hwy Lt Sch 2	27,706.56	30,403.13	(2,696.57)
1001-445000 Elect Revenue-Other Sales Public Authority	45,903.28	41,545.34	4,357.94
1001-449010 Elect Revenue-Alternate Power Rate13REC	51,086.46		51,086.46
Total Governmental and others	1,097,345.15	1,066,364.33	30,980.82
Sales to other utilities:			
1001-447006 Elect Revenue-Monthly Fees	6,000.00	6,000.00	0.00
1001-447070 Elect Revenue-Sale For Resale Northwest	27,764,860.85	44,979,463.24	(17,214,602.39)
1001-447075 Elect Revenue-Shell Pooling Agreement	12,825,081.93	8,611,894.37	4,213,187.56
1001-447666 Elect Revenue-Net Bookout Sale	5,329.38	3,830.36	1,499.02
1001-449000 Elect Revenue-Green Power Sales	18,838.38	(18,838.38)	37,676.76
1001-451010 Elect Revenue-Other Ser Rev Pwr Mgmt	477,035.67	276,213.69	200,821.98
1001-456010 Elect Revenue-Other Rev Wheeling	187,049.00	201,443.00	(14,394.00)
9999-447035 Other-MP EUDL Reclass	13,468,885.31	8,461,227.83	5,007,657.48
Total Sales to other utilities	54,753,080.52	62,521,234.11	(7,768,153.59)
Fiber optic network sales:			
1001-450801 Elect Revenue-Wfon Misc Revenue	5,815.29	9,259.53	(3,444.24)
1001-456801 Elect Revenue-Wfon Wholesale Serv Prov	6,301,671.72	5,654,128.94	647,542.78
1001-456802 Elect Revenue-Wfon Dark Fiber Revenue	482,555.92	446,925.80	35,630.12
1001-456803 Elect Revenue-Wfon Wireless Fiber Revenue	70,014.91	59,569.80	10,445.11
Total Fiber optic network sales	6,860,057.84	6,169,884.07	690,173.77
Other:			
1001-450000 Elect Revenue-Penalty For Late Payment	1,074,356.34	1,081,897.24	(7,540.90)
1001-451000 Elect Revenue-Misc Service Revenue	554,856.01	301,826.00	253,030.01
1001-454000 Elect Revenue-Rents Elec Property	148,260.00	211,991.00	(63,731.00)
1001-454010 Elect Revenue-Pole Rentals Elec Property	246,651.32	219,588.92	27,062.40
1001-456000 Elect Revenue-Other Electric Revenues	10,341.55	10,979.71	(638.16)
Total Other	2,034,465.22	1,826,282.87	208,182.35
Total operating revenues	293,910,049.36	286,316,455.27	7,593,594.09
OPERATING EXPENSES			
Generation:			
1001-535500 Elect Revenue-Supv & Eng QC Operations	873.48	19,239.20	(18,365.72)
1001-535600 Elect Revenue-Supv & Eng PEC Operations	11,002.87	25,837.70	(14,834.83)
1001-537500 Elect Revenue-Hydrl Exp QC	12,015.48	16,208.95	(4,193.47)
1001-537600 Elect Revenue-Hydrl Exp PEC	14,853.76	10,470.36	4,383.40
1001-538500 Elect Revenue-Electric Exp QC	12,015.08	16,208.68	(4,193.60)
1001-538600 Elect Revenue-Electric Exp PEC	14,853.55	10,470.24	4,383.31
1001-544500 Elect Revenue-Hyd Maint Elec Plt QC	161,792.56	163,423.18	(1,630.62)
1001-544600 Elect Revenue-Hyd Maint Elec Plt PEC	176,948.72	122,286.52	54,662.20
7001-535000 PRP Revenue-Hyd Opns Supv & Eng	4,847,153.75	5,045,815.85	(198,662.10)
7001-536000 PRP Revenue-Water For Power	2,598,954.38	3,115,033.94	(516,079.56)
7001-537010 PRP Revenue-Hydrl Exp Dams	19,590.00	97,205.26	(77,615.26)
7001-537020 PRP Revenue-Hydrl Exp Fish Facilities	1,471,138.69	1,384,382.84	86,755.85
7001-537030 PRP Revenue-Hydrl Exp Spawning Chan	4,020.00	3,852.50	167.50
7001-538010 PRP Revenue-Hyd Elec Exp	696.00	805.50	(109.50)
7001-539010 PRP Revenue-Misc Hyd General Expense	3,472,253.03	2,858,856.61	613,396.42
7001-539030 PRP Revenue-Misc Hyd General Cultural	637,582.14	799,213.50	(161,631.36)
7001-539090 PRP Revenue-Misc Hyd General Isolat Pay	152,949.43	148,959.89	3,989.54
7001-540000 PRP Revenue-Hyd Rents Federal	131,848.79	64,570.91	67,277.88
7001-541000 PRP Revenue-Hyd Maint Supv & Eng	1,099,575.12	1,082,119.01	17,456.11
7001-542010 PRP Revenue-Hyd Maint Struc General	(19,143.75)	26,927.18	(46,070.93)
7001-542050 PRP Revenue-Hyd Maint Struc Ind Village	170,586.10	112,327.33	58,258.77
7001-543010 PRP Revenue-Hyd Maint Dams General	2,650,957.09	1,950,191.91	700,765.18
7001-544010 PRP Revenue-Hyd Maint Elec Plt Gen	8,798,018.34	7,873,234.56	924,783.78
7001-545010 PRP Revenue-Hyd Maint Misc General	4,105,587.26	3,449,041.02	656,546.24
7001-545060 PRP Revenue-Hyd Maint Misc Tour Fac	344,689.20	365,323.03	(20,633.83)
7001-545070 PRP Revenue-Wanapum Village Maint	9,089.47	41,563.33	(32,473.86)
Total Generation	30,899,900.54	28,803,569.00	2,096,331.54
Transmission:			
1001-560000 Elect Revenue-T/Opers Supv & Eng	102,759.02	106,207.87	(3,448.85)
1001-561000 Elect Revenue-T/Opers Load Dispatching	49,309.23	253,373.50	(204,064.27)
1001-561010 Elect Revenue-T/Opers Load Dispatch Gen	1,015,363.36	806,367.33	208,996.03

	2017	2016	Difference
1001-561500 Elect Revenue-T/Opers Load Dispatch QC	972.09	829.44	142.65
1001-561600 Elect Revenue-T/Opers Load Dispatch PEC	633.89	886.86	(252.97)
1001-562000 Elect Revenue-T/Opers Station Exp	2,405.35	12,359.68	(9,954.33)
1001-563000 Elect Revenue-T/Opers OH Line Exp	6,013.37	30,899.30	(24,885.93)
1001-565010 Elect Revenue-T/Transmission By Others	572,158.73	219,741.46	352,417.27
1001-566000 Elect Revenue-T/Opers Misc Exp	267,559.62	452,855.40	(185,295.78)
1001-568000 Elect Revenue-T/Maint Supr & Eng	40,593.50	86,869.95	(46,276.45)
1001-570000 Elect Revenue-T/Maint Sta Equip	247,012.77	262,489.24	(15,476.47)
1001-571050 Elect Revenue-T/Maint OH Lines	82,758.37	4,337.46	78,420.91
7001-561010 PRP Revenue-T/Opers Load Dispatch Gen	2,841,085.63	2,220,293.91	620,791.72
7001-567000 PRP Revenue-T/Opers Transmission Rent	6,939.41	5,379.08	1,560.33
7001-570010 PRP Revenue-T/Maint Sta General	143,408.51	171,132.80	(27,724.29)
Total Transmission	5,378,972.85	4,634,023.28	744,949.57
Distribution:			
1001-580000 Elect Revenue-D/Opers Supv & Eng	145,837.61	136,094.75	9,742.86
1001-581010 Elect Revenue-D/Opers Load Dispatching	416,741.21	1,293,862.64	(877,121.43)
1001-582000 Elect Revenue-D/Opers Station Expense	589,650.50	823,203.89	(233,553.39)
1001-583000 Elect Revenue-D/Opers OH Lines	723,948.39	1,366,610.38	(642,661.99)
1001-584010 Elect Revenue-D/Opers Undergrd Prim & S	94,418.59	164,640.80	(70,222.21)
1001-586010 Elect Revenue-D/Opers Meter Install Exp	1,175,238.34	2,139,882.44	(964,644.10)
1001-587000 Elect Revenue-D/Opers Cust Install Exp	164,518.52	117,488.76	47,029.76
1001-588000 Elect Revenue-D/Opers Misc Gen Exp	6,087,847.34	5,834,182.18	253,665.16
1001-588030 Elect Revenue-D/Opers Misc EDP	79,673.33	22,774.59	56,898.74
1001-590000 Elect Revenue-D/Maint Supv & Eng	399,940.81	351,003.83	48,936.98
1001-592000 Elect Revenue-D/Maint Station Equipmt	1,633,340.23	1,576,151.94	57,188.29
1001-593010 Elect Revenue-D/Maint OH Line Gen	1,830,522.11	227,036.72	1,603,485.39
1001-594010 Elect Revenue-D/Maint UG Prim & Sec	845,254.72		845,254.72
1001-596010 Elect Revenue-D/Maint OH Street Lighting	50,205.84		50,205.84
1001-597000 Elect Revenue-D/Maint Meters	129,979.01		129,979.01
Total Distribution	14,367,116.55	14,052,932.92	314,183.63
Customer and information services:			
1001-901000 Elect Revenue-Cust Accts Supv	450,993.29	531,587.09	(80,593.80)
1001-902000 Elect Revenue-Cust Accts Meter Reading Exp	1,012,020.92	881,582.37	130,438.55
1001-903000 Elect Revenue-Cust Accts Rec & Coll Exp	2,465,784.52	2,405,056.81	60,727.71
1001-903010 Elect Revenue-Cust Accts Cash Over/Short	(105.66)	1,138.38	(1,244.04)
1001-904000 Elect Revenue-Cust Accts Uncollectible	222,520.66	(111,833.66)	334,354.32
1001-906100 Elect Revenue-Customer Incentives	948,563.50	1,793,004.00	(844,440.50)
1001-908000 Elect Revenue-Cust Opers Cust Assistance	509,971.94	464,177.85	45,794.09
1001-910020 Elect Revenue-Cust Opers Misc Rate Study	30,473.75	14,460.00	16,013.75
Total Customer and information services	5,640,222.92	5,979,172.84	(338,949.92)
Fiber optic network operations:			
1001-930801 Elect Revenue-Wfon G&A Expense	359,862.88	275,958.16	83,904.72
1001-935801 Elect Revenue-Wfon Gateway Maint	1,197,724.27	701,499.45	496,224.82
1001-935805 Elect Revenue-Wfon Maint Gen Plant Exp	61,911.01	158,019.86	(96,108.85)
1001-935806 Elect Revenue-Wfon NOC Monitoring Exp	173,088.00	189,612.00	(16,524.00)
1001-935807 Elect Revenue-Wfon-Information Mngmt Exp	128,816.99		128,816.99
Total Fiber optic network operations	1,921,403.15	1,325,089.47	596,313.68
Administrative and general:			
1001-920010 Elect Revenue-A&G Salaries General	178,113.06	149,762.87	28,350.19
1001-920050 Elect Revenue-A&G Certificate Pay	67,756.15	67,300.24	455.91
1001-920060 Elect Revenue-A&G Performance Recognition Pr	55,962.79	79,762.78	(23,799.99)
1001-921010 Elect Revenue-Ofc Sup&Exp General	6,965,610.96	7,368,027.74	(402,416.78)
1001-921030 Elect Revenue-Ofc Sup&Exp EDP	16,395.02	64,876.68	(48,481.66)
1001-921500 Elect Revenue-Ofc Sup&Exp QC Admin Costs	28,150.30	24,368.09	3,782.21
1001-921600 Elect Revenue-Ofc Sup&Exp PEC Admin Costs	32,743.92	21,984.38	10,759.54
1001-923010 Elect Revenue-O/S Services Attorney	243,143.31	288,973.43	(45,830.12)
1001-923020 Elect Revenue-O/S Services Auditors	98,168.01	94,686.26	3,481.75
1001-923030 Elect Revenue-O/S Services Consultants	453,010.36	207,518.58	245,491.78
1001-924020 Elect Revenue-Property Insurance	154,944.92	145,581.27	9,363.65
1001-924500 Elect Revenue-Property Insurance QC	11,571.58	11,519.43	52.15
1001-924600 Elect Revenue-Property Insurance PEC	9,695.20	9,651.44	43.76
1001-925030 Elect Revenue-Inj & Damages General	705,120.54	674,051.67	31,068.87
1001-925040 Elect Revenue-Inj & Damages Liab Insur	285,397.60	277,831.83	7,565.77
1001-925050 Elect Revenue-Inj & Damages Minor Claims	1,094.81	13,779.18	(12,684.37)
1001-926010 Elect Revenue-PERS 1 Expense	(893,399.39)	(1,015,082.72)	121,683.33
1001-926020 Elect Revenue-PERS 2/3 Expense	(735,396.28)	135,514.95	(870,911.23)
1001-926900 Elect Revenue-PERS Expense Reclass GASB 68		139,482.44	(139,482.44)
1001-926999 Elect Revenue-OPEB Expense	119,873.56	161,104.28	(41,230.72)
1001-928500 Elect Revenue-Reg Comm Exp Ferc QC	9,181.99	15,680.87	(6,498.88)
1001-928600 Elect Revenue-Reg Comm Exp Ferc PEC	4,763.95	4,740.22	23.73
1001-929010 Elect Revenue-Dup Charges Kwh Use	(750,807.81)	(692,566.79)	(58,241.02)
1001-929020 Elect Revenue-Dup Charges Admin Off Rent	(186,536.64)	(186,536.64)	0.00
1001-929980 Elect Revenue-G&A Capitalized On CWIP	(2,741,567.15)	(2,025,884.12)	(715,683.03)
1001-930010 Elect Revenue-Misc General Expense	1,957,833.06	1,902,199.37	55,633.69
1001-930110 Elect Revenue-Gen Ad Exp Public Relations	728,479.60	437,842.67	290,636.93
1001-935010 Elect Revenue-Maint Gen Plt Misc	2,841,819.69	2,203,832.50	637,987.19
1001-935020 Elect Revenue-Maint Gen Plt Communication	3,104,495.14	3,177,675.06	(73,179.92)
7001-920010 PRP Revenue-A&G Salaries General	817,427.43	219,035.40	598,392.03
7001-920050 PRP Revenue-A&G Certificate Pay	99,582.35	98,362.76	1,219.59
7001-920060 PRP Revenue-A&G Performance Recognition Pr	82,251.00	115,304.38	(33,053.38)
7001-921010 PRP Revenue-Ofc Sup&Exp General	13,317,776.36	13,033,612.38	284,163.98
7001-921030 PRP Revenue-Ofc Sup&Exp EDP	24,096.50	94,827.58	(70,731.08)
7001-923010 PRP Revenue-O/S Services Attorney	357,884.77	421,783.16	(63,898.39)
7001-923020 PRP Revenue-O/S Services Auditors	144,281.99	138,263.74	6,018.25
7001-924020 PRP Revenue-Property Insurance	847,780.10	848,769.88	(989.78)
7001-925030 PRP Revenue-Inj & Damages General	1,388,993.71	1,785,863.10	(396,869.39)
7001-925040 PRP Revenue-Inj & Damages Liab Insur	534,748.30	521,065.54	13,682.76
7001-926010 PRP Revenue-PERS 1 Expense	(1,313,069.84)	(1,491,913.37)	178,843.53
7001-926020 PRP Revenue-PERS 2/3 Expense	(1,080,845.46)	199,172.50	(1,280,017.96)
7001-926900 PRP Revenue-PERS Expense Reclass GASB 68		205,003.70	(205,003.70)
7001-926999 PRP Revenue-OPEB Expense	183,838.44	240,609.72	(56,771.28)
7001-928010 PRP Revenue-Reg Comm Exp Fed Pwr Comm	1,433,222.09	1,215,406.50	217,815.59
7001-929980 PRP Revenue-G&A Capitalized On CWIP	(2,527,354.32)	(2,280,270.62)	(247,083.70)
7001-930010 PRP Revenue-Misc General Expense	2,006,697.58	1,900,073.41	106,624.17
7001-930110 PRP Revenue-Gen Ad Exp Public Relations	1,071,469.60	640,005.25	431,464.35
7001-931000 PRP Revenue-Rents Ephrata Office	186,536.64	186,536.64	0.00
7001-931010 PRP Revenue-Lease Expense	12,779.28	11,792.08	987.20
7001-935010 PRP Revenue-Maint Gen Plt Misc	4,852,678.15	2,448,754.68	2,403,923.47

	2017	2016	Difference
7001-935020 PRP Revenue-Maint Gen Plt Communication	2,524,054.68	2,796,541.83	(272,487.15)
Total Administrative and general	37,730,447.60	37,106,278.20	624,169.40
License compliance and related agreements:			
7001-539900 PRP Revenue-Misc Hyd Genr-Accretion Exp	2,766,235.12	2,532,989.73	233,245.39
7001-545900 PRP Revenue-Hyd Maint Misc Natural Res	17,171,412.34	16,274,613.48	896,798.86
7001-928800 PRP Revenue-Yakama Settlement Exp	448,152.97	101,914.57	346,238.40
Total License compliance and related agreements	20,385,800.43	18,909,517.78	1,476,282.65
Depreciation and amortization:			
1001-404926 Elect Revenue-Amort PERS Capitalized	(15,370.67)	(14,413.77)	(956.90)
1001-425110 Elect Revenue-Amort Conservation 12 Year	327,500.44	366,129.87	(38,629.43)
1250-403000 ES BF Const Fnd-Depreciation Expense	26,327,877.47	24,477,800.10	1,850,077.37
1250-403801 ES BF Const Fnd-Wfon Depreciation Expense	0.00	7,049,142.19	(7,049,142.19)
1250-404300 ES BF Const Fnd-Amort Expense Software Intang	916,058.03	890,073.99	25,984.04
1250-404500 ES BF Const Fnd-Amort QC Power Rights	431,035.56	421,980.96	9,054.60
1250-404600 ES BF Const Fnd-Amort PEC Power Rights	424,686.24	423,453.24	1,233.00
1251-403801 ES RF Const Fnd-Wfon Depreciation Expense	7,432,769.01		7,432,769.01
7001-404100 PRP Revenue-Amort Licence Future Benf	2,723,104.20	2,723,104.20	0.00
7001-404200 PRP Revenue-Amort Relicensing Costs	1,298,798.28	1,298,798.28	0.00
7001-404926 PRP Revenue-Amort PERS Capitalized	(22,590.97)	(21,074.52)	(1,516.45)
7250-403000 PRP BF Const Fnd-Depreciation Expense	25,285,157.57	23,221,134.77	2,064,022.80
7250-404110 PRP BF Const Fnd-Amort Expense Hatchery	573,224.16	573,224.20	(0.04)
7250-404300 PRP BF Const Fnd-Amort Expense Software Intang	165,086.72	207,944.37	(42,857.65)
7250-404700 PRP BF Const Fnd-Amort Expense Other Intangible	338,446.68	338,446.68	0.00
Total Depreciation and amortization	66,205,782.72	61,955,744.56	4,250,038.16
Taxes:			
1001-408050 Elect Revenue-Taxes Fiber	1,759.05	2,497.32	(738.27)
1001-408100 Elect Revenue-Taxes Utility	7,795,436.26	6,735,605.09	1,059,831.17
1001-408200 Elect Revenue-Taxes Privilege	3,947,733.33	3,661,418.01	286,315.32
1001-408400 Elect Revenue-Taxes City	2,383,078.00	2,256,775.10	126,302.90
1001-408501 Elect Revenue-Taxes Fire District	206,020.39	198,874.17	7,146.22
1001-408510 Elect Revenue-Taxes Privilege QC	6,521.15	5,564.28	956.87
1001-408600 Elect Revenue-Taxes Privilege PEC	3,229.87	4,518.77	(1,288.90)
7001-408200 PRP Revenue-Taxes Privilege	1,946,661.38	1,942,771.62	3,889.76
7001-408210 PRP Revenue-Taxes Water Utility	(3,931.68)	0.00	(3,931.68)
7001-408220 PRP Revenue-Taxes Wastewater Utility	(3,011.52)	0.00	(3,011.52)
Total Taxes	16,283,496.23	14,808,024.36	1,475,471.87
Total operating expenses	198,813,142.99	187,574,352.41	11,238,790.58
NET OPERATING INCOME	95,096,906.37	98,742,102.86	(3,645,196.49)
OTHER REVENUES (EXPENSES)			
Interest and other income:			
1001-416010 Elect Revenue-Oth Inc Jobbing Costs	168,613.01	345,856.06	(177,243.05)
1001-419000 Elect Revenue-Int Inc Funds	1,311,758.90	649,528.15	662,230.75
1001-419030 Elect Revenue-Unrealized Gain/Loss Invest	94,022.13	21,212.73	72,809.40
1001-419090 Elect Revenue-Int Inc Conserv Loans	18,881.14	23,388.41	(4,507.27)
1001-421000 Elect Revenue-Misc Nonoper Income	64,443.41	318.62	64,124.79
1001-421020 Elect Revenue-Misc Inc-Insurance Proceeds	1,121,362.58		1,121,362.58
1001-456999 Elect Revenue-Surplus Sales	4,373.76	(461.00)	4,834.76
1002-419000 Elect Rsrv & Cont-Int Inc Funds	3,585,549.12	3,985,945.28	(400,396.16)
1002-419030 Elect Rsrv & Cont-Unrealized Gain/Loss Invest	(375,104.74)	(1,408,505.54)	1,033,400.80
1007-419000 Elect Renew & Rplc QC-Int Inc Funds	(15,969.03)	28,562.06	(44,531.09)
1007-419030 Elect Renew & Rplc QC-Unrealized Gain/Loss Invest	29,506.63	(13,875.64)	43,382.27
1008-419000 Elect Cust Deposits-Int Inc Funds	39,645.49	77,668.06	(38,022.57)
1008-419030 Elect Cust Deposits-Unrealized Gain/Loss Invest	14,289.11	(26,248.88)	40,537.99
1013-419000 ES 2014JLB Investment in PRP-Int Inc Funds	1,671,798.00	1,683,790.50	(11,992.50)
1014-419000 ES 2015JLB Investment in PRP-Int Inc Funds	1,657,846.16	1,661,167.34	(3,321.18)
1015-419000 ES 2016JLB Investment in PRP-Int Inc Funds	1,212,826.42	99,694.80	1,113,131.62
1016-419000 ES 2017JLB Investment in PRP-Int Inc Funds	505,477.08		505,477.08
1017-419000 ES 2017JLB2 Investment in PRP-Int Inc Funds	149,010.21		149,010.21
1100-419000 Elect 2011I Debt Service Rsrv-Int Inc Funds	231,093.04	233,387.30	(2,294.26)
1100-419030 Elect 2011I Debt Service -Unrealized Gain/Loss Inv	(52,440.64)	(28,986.28)	(23,454.36)
1101-419000 Elect 2013J Debt Service Rsrv-Int Inc Funds	218,157.34	155,253.73	62,903.61
1101-419030 Elect 2013J Debt Service -Unrealized Gain/Loss Inv	(11,013.79)	(78,391.60)	67,377.81
1102-419000 ES 2017O Debt Service Reserve-Int Inc Funds	3,425.25		3,425.25
1102-419030 ES 2017O Debt Service Res-Unrealized Gain/Loss Inv	(12,923.26)		(12,923.26)
1203-419000 ES 2016 General Construction-Int Inc Funds	0.00	139,136.06	(139,136.06)
1203-419030 ES 2016 General Construct-Unrealized Gain/Loss Inv	0.00	2,169.97	(2,169.97)
1250-419000 ES BF Const Fnd-Int Inc Funds	131,421.60		131,421.60
1250-419030 ES BF Const Fnd-Unrealized Gain/Loss Invest	(17,674.75)		(17,674.75)
1252-419000 ES Fiber Construction-Int Inc Funds	4,660.57		4,660.57
1252-419030 ES Fiber Construction-Unrealized Gain/Loss Invest	(12,474.49)		(12,474.49)
1302-419000 ES 2014K Principal/Retirement-Int Inc Funds	7.86	0.00	7.86
1303-419000 ES 2016L Principal/Interest-Int Inc Funds	8.23		8.23
1304-419000 ES 2017M Principal/Interest-Int Inc Funds	6.30		6.30
1399-419000 ES Set-Aside Principal Desposi-Int Inc Funds		132.22	(132.22)
1499-419000 ES Set-Aside Interest Deposit-Int Inc Funds	15,659.16	10,378.39	5,280.77
4030-419030 Servi Operating-Unrealized Gain/Loss Invest	(2,281.52)	(6,856.08)	4,574.56
4040-419000 Servi Insurance Rsrv-Int Inc Funds	10,015.18	7,775.35	2,239.83
4040-419030 Servi Insurance Rsrv-Unrealized Gain/Loss Invest	(7,929.05)	2,949.65	(10,878.70)
7001-417010 PRP Revenue-Crescent Bar Utilities-Water	78,180.00	19,692.04	58,487.96
7001-417020 PRP Revenue-Crescent Bar Utilities-Sewer	78,180.00	19,690.39	58,489.61
7001-418010 PRP Revenue-Crescent Bar Commercial Leases	1,048,578.34	86,500.83	962,077.51
7001-419000 PRP Revenue-Int Inc Funds	224,804.34	164,081.91	60,722.43
7001-419030 PRP Revenue-Unrealized Gain/Loss Invest	1,835.02	17,671.64	(15,836.62)
7001-421000 PRP Revenue-Misc Nonoper Income	313,633.96	417,680.42	(104,046.46)
7001-421020 PRP Revenue-Misc Inc-Insurance Proceeds	809,551.14		809,551.14
7001-421900 PRP Revenue-PRP Misc Income Campground Fee - PRRA	22,808.64	9,059.40	13,749.24
7001-421901 PRP Revenue-PRP Misc Income Campground Fee-Sand H	0.00	7,643.60	(7,643.60)
7001-421902 PRP Revenue-PRP Misc Income Campground Fee-Rocky C	2,826.92	1,513.15	1,313.77
7001-421903 PRP Revenue-PRP Misc Income Campground Fee-JCFC	0.00	1,379.45	(1,379.45)
7001-421910 PRP Revenue-Crescent Bar Golf Course Fees		2,325.51	(2,325.51)
7001-456010 PRP Revenue-Other Rev Wheeling	10,727.88		10,727.88
7001-456070 PRP Revenue-Dark Fiber Revenue	132,040.22	124,355.32	7,684.90
7003-419000 PRP RR&C-Int Inc Funds	65,479.76	253,814.79	(188,335.03)
7003-419030 PRP RR&C-Unrealized Gain/Loss Invest	94,227.31	(136,907.25)	231,134.56
7005-419000 PRP Debt Service Reserve-Int Inc Funds	655,504.34	833,514.85	(178,010.51)
7005-419030 PRP Debt Service Reserve-Unrealized Gain/Loss Inve	(149,554.39)	(162,609.10)	13,054.71

highlighted non-investment interest income included in "interest and other income" - below the the operating income line

	2017	2016	Difference
7032-419000 PRP 10L Principal/Retirement-Int Inc Funds	(0.01)		(0.01)
7033-419000 PRP 10M Principal/Retirement-Int Inc Funds	1,233,970.62	1,053,053.50	180,917.12
7033-419030 PRP 10M Principal/Retirem-Unrealized Gain/Loss Inv	103,875.23	(530,642.58)	634,517.81
7106-419000 PRP 2012 Debt Service Reserve-Int Inc Funds	146,817.22	120,052.36	26,764.86
7106-419030 PRP 2012 Debt Service Res-Unrealized Gain/Loss Inv	(35,391.17)	(11,686.14)	(23,705.03)
7107-419000 PRP 2013A Debt Service Reserve-Int Inc Funds	123,875.14	66,665.69	57,209.45
7107-419030 PRP 2013A Debt Service Re-Unrealized Gain/Loss Inv	(17,533.73)	7,146.00	(24,679.73)
7108-419000 PRP 2013Z Debt Service Reserve-Int Inc Funds	47,786.82	38,063.86	9,722.96
7108-419030 PRP 2013Z Debt Service Re-Unrealized Gain/Loss Inv	(4,947.49)	(28,926.78)	23,979.29
7109-419000 PRP 2014A Debt Service Reserve-Int Inc Funds	147,225.81	142,990.20	4,235.61
7109-419030 PRP 2014A Debt Service Re-Unrealized Gain/Loss Inv	(18,521.51)	(4,244.04)	(14,277.47)
7110-419000 PRP 2014B Debt Service Reserve-Int Inc Funds	46,321.69	38,278.21	8,043.48
7110-419030 PRP 2014B Debt Service Re-Unrealized Gain/Loss Inv	(25,684.63)	14,206.21	(39,890.84)
7205-419000 PRP 2015 General Construction-Int Inc Funds	0.00	111,811.97	(111,811.97)
7205-419030 PRP 2015 General Construc-Unrealized Gain/Loss Inv	0.00	37,304.20	(37,304.20)
7206-419000 PRP 2015 CREBs Construction-Int Inc Funds	337,004.41	554,204.33	(217,199.92)
7206-419030 PRP 2015 CREBs Constructi-Unrealized Gain/Loss Inv	(18,620.18)	182,861.24	(201,481.42)
7250-419000 PRP BF Const Fnd-Int Inc Funds	153,312.75		153,312.75
7250-419030 PRP BF Const Fnd-Unrealized Gain/Loss Invest	(246,653.81)		(246,653.81)
7250-421100 PRP BF Const Fnd-Gain/Loss on Sale of Asset		2,096,036.29	(2,096,036.29)
7307-419000 PRP 12M Principal/Retirement-Int Inc Funds	403,183.05	324,988.88	78,194.17
7307-419030 PRP 12M Principal/Retirem-Unrealized Gain/Loss Inv	(55,572.33)	(170,655.91)	115,083.58
7316-419000 PRP 2015M Principal/Interest-Int Inc Funds	139,855.02	42,646.84	97,208.18
7316-419030 PRP 2015M Principal/Inter-Unrealized Gain/Loss Inv	16,537.02	(91,589.00)	108,126.02
7399-419000 PRP Set-Aside Principal Deposi-Int Inc Funds	172,220.66	98,413.94	73,806.72
7499-419000 PRP Set-Aside Interest Deposit-Int Inc Funds	245,267.48	117,106.91	128,160.57
7499-419030 PRP Set-Aside Interest De-Unrealized Gain/Loss Inv	(9,281.69)	19,856.52	(29,138.21)
9999-419000 Eliminate ES JLB Invest in PRP-Int Inc Funds	(5,196,957.87)	(3,444,652.64)	(1,752,305.23)
Total Interest and other income	12,832,958.39	10,007,686.67	2,825,271.72
Interest on revenue bonds and other, net of capitalized interest:			
1001-431000 Elect Revenue-Other Int Exp Cust Deposit	(31,720.16)	(18,521.42)	(13,198.74)
1203-427900 ES 2016 General Construct-Capitalized Interest Exp		149,154.08	(149,154.08)
1250-427900 ES BF Const Fnd-Capitalized Interest Expense	138,440.23		138,440.23
1300-427000 Elect 2011I Principal/Retire-Int Exp Funds	(3,647,613.51)	(3,762,581.26)	114,967.75
1301-427000 Elect 2013J Principal/Retire-Int Exp Funds	(3,381,250.00)	(3,381,250.00)	0.00
1302-427000 ES 2014K Principal/Retirement-Int Exp Funds	(511,109.63)	(365,669.45)	(145,440.18)
1303-427000 ES 2016L Principal/Interest-Int Exp Funds	(572,574.58)	(274,644.86)	(297,929.72)
1304-427000 ES 2017M Principal/Interest-Int Exp Funds	(188,485.74)		(188,485.74)
1305-427000 ES 2017N Principal/Interest-Int Exp Funds	(88,648.89)		(88,648.89)
1306-427000 ES 2017O Principal/Interest-Int Exp Funds	(98,610.43)		(98,610.43)
2021-427000 Pries Princ 2006A-Int Exp Funds		(24,235.00)	24,235.00
2024-427000 Pries Princ 2006B-Int Exp Funds		(14,200.00)	14,200.00
2028-427000 Pries Ret 2006Z-Int Exp Funds	(1,563,555.50)	(1,609,133.00)	45,577.50
2069-427000 Pries Princ 2005Z-Int Exp Funds	(1,388,946.50)	(1,500,036.50)	111,090.00
2076-427000 Pries Princ 2003Z-Int Exp Funds	(347,432.00)	(423,330.00)	75,898.00
3021-427000 Wanap Princ 2006A-Int Exp Funds	(26,750.00)	(115,000.00)	88,250.00
3025-427000 Wanap Ret 2006B-Int Exp Funds	(61,128.50)	(414,237.50)	353,109.00
3028-427000 Wanap Ret 2006Z-Int Exp Funds	(4,472,603.50)	(4,558,608.50)	86,005.00
3038-427000 Wanap Princ 2005Z-Int Exp Funds	(19,308.50)	(44,480.00)	25,171.50
3048-427000 Wanap Princ 2003Z-Int Exp Funds	(379,216.00)	(461,964.00)	82,748.00
7030-427000 PRP 10A Principal/Retirement-Int Exp Funds	(555,377.00)	(714,625.00)	159,248.00
7031-427000 PRP 10B Principal/Retirement-Int Exp Funds	(81,000.00)	(158,250.00)	77,250.00
7032-427000 PRP 10L Principal/Retirement-Int Exp Funds	(9,838,326.62)	(9,838,326.61)	(0.01)
7033-427000 PRP 10M Principal/Retirement-Int Exp Funds	(5,067,000.00)	(5,067,000.00)	0.00
7034-427000 PRP 10Z Principal/Retirement-Int Exp Funds	(1,835,969.76)	(1,857,469.76)	21,500.00
7205-427900 PRP 2015 General Construc-Capitalized Interest Exp		4,875,022.21	(4,875,022.21)
7206-427900 PRP 2015 CREBs Constructi-Capitalized Interest Exp	755,348.42	224,264.34	531,084.08
7250-427900 PRP BF Const Fnd-Capitalized Interest Expense	3,118,488.34		3,118,488.34
7305-427000 PRP 12A Principal/Retirement-Int Exp Funds	(2,154,000.00)	(2,295,750.00)	141,750.00
7306-427000 PRP 12B Principal/Retirement-Int Exp Funds	(509,750.00)	(581,000.00)	71,250.00
7307-427000 PRP 12M Principal/Retirement-Int Exp Funds	(1,659,340.30)	(1,659,340.30)	0.00
7308-427000 PRP 12Z Principal/Retirement-Int Exp Funds	(443,936.00)	(453,333.50)	9,397.50
7309-427000 PRP 2013A Principal/Retirement-Int Exp Funds	(3,458,412.50)	(3,458,412.50)	0.00
7310-427000 PRP 2013Z Principal/Retirement-Int Exp Funds	(1,468,722.00)	(1,481,416.50)	12,694.50
7311-427000 PRP 2014A Principal/Retirement-Int Exp Funds	(6,440,100.00)	(6,586,500.00)	146,400.00
7312-427000 PRP 2014B Principal/Retirement-Int Exp Funds	(2,393,450.00)	(2,461,200.00)	67,750.00
7313-427000 PRP 2014JLB Principal/Retireme-Int Exp Funds	(1,671,798.00)	(1,683,790.50)	11,992.50
7314-427000 PRP 2015A Principal/Interest-Int Exp Funds	(3,135,733.76)	(3,164,733.76)	29,000.00
7315-427000 PRP 2015B Principal/Interest-Int Exp Funds	(822,093.76)	(845,793.76)	23,700.00
7316-427000 PRP 2015M Principal/Interest-Int Exp Funds	(4,125,600.00)	(4,125,600.00)	0.00
7317-427000 PRP 2015JLB Principal/Interest-Int Exp Funds	(1,736,813.26)	(1,736,813.26)	0.00
7318-427000 PRP 2016JLB P&I-Int Exp Funds	(1,460,036.72)	(121,670.58)	(1,338,366.14)
7319-427000 PRP 2017B Principal/Interest-Int Exp Funds	(176,896.36)		(176,896.36)
7320-427000 PRP 2017JLB P&I-Int Exp Funds	(620,581.73)		(620,581.73)
7321-427000 PRP 2017JLB2 Principal/Int-Int Exp Funds	(182,161.32)		(182,161.32)
9999-427000 Eliminate PRP JLB Interest-Int Exp Funds	5,671,391.03	3,542,274.34	2,129,116.69
Total Interest on revenue bonds and other, net of capitalized interest	(56,932,384.51)	(56,468,202.55)	(464,181.96)
Federal rebates on revenue bonds:			
7001-421720 PRP Revenue-BABs Interest Rebate	3,210,983.84	3,207,540.42	3,443.42
7001-421721 PRP Revenue-CREBs Interest Rebate	7,344,944.36	7,337,067.75	7,876.61
Total Federal rebates on revenue bonds	10,555,928.20	10,544,608.17	11,320.03
Amortization of debt discount/premium:			
1300-428010 Elect 2011I Principal/Retire-Amort Discount	1,415,980.87	1,423,555.83	(7,574.96)
1300-428020 Elect 2011I Principal/Retire-Amort Issue Loss	(2,237.44)	(1,118.76)	(1,118.68)
1301-428010 Elect 2013J Principal/Retire-Amort Discount	77,670.13	74,578.30	3,091.83
1301-428020 Elect 2013J Principal/Retire-Amort Issue Loss	(73,542.03)	(165,176.04)	91,634.01
1305-428010 ES 2017N Principal/Interest-Amort Discount	2,790.38		2,790.38
1306-428010 ES 2017O Principal/Interest-Amort Discount	22,490.86		22,490.86
1306-428020 ES 2017O Principal/Interest-Amort Issue Loss	(138,785.87)		(138,785.87)
2021-428010 Pries Princ 2006A-Amort Discount	(69.32)	(823.63)	754.31
2024-428010 Pries Princ 2006B-Amort Discount	(39.76)	(170.42)	130.66
3021-428010 Wanap Princ 2006A-Amort Discount	5,136.13	25,248.53	(20,112.40)
3025-428010 Wanap Ret 2006B-Amort Discount	42,919.66	24,264.49	18,655.17
7030-428010 PRP 10A Principal/Retirement-Amort Discount	102,227.97	119,583.84	(17,355.87)
7031-428010 PRP 10B Principal/Retirement-Amort Discount	14,863.63	32,714.77	(17,851.14)
7031-428020 PRP 10B Principal/Retirement-Amort Issue Loss	(78,373.44)	(106,214.04)	27,840.60
7032-428010 PRP 10L Principal/Retirement-Amort Discount	(4,112.16)	(3,881.24)	(230.92)
7033-428010 PRP 10M Principal/Retirement-Amort Discount	(3,613.89)	(3,416.26)	(197.63)
7034-428010 PRP 10Z Principal/Retirement-Amort Discount	(790.91)	(746.37)	(44.54)
7305-428010 PRP 12A Principal/Retirement-Amort Discount	864,819.53	954,720.84	(89,901.31)

	2017	2016	Difference
7305-428020 PRP 12A Principal/Retirement-Amort Issue Loss	(360,016.80)	(413,055.00)	53,038.20
7306-428010 PRP 12B Principal/Retirement-Amort Discount	234,327.59	278,004.19	(43,676.60)
7309-428010 PRP 2013A Principal/Retirement-Amort Discount	73,125.24	70,167.65	2,957.59
7311-428010 PRP 2014A Principal/Retirement-Amort Discount	1,589,595.94	1,675,412.01	(85,816.07)
7311-428020 PRP 2014A Principal/Retirement-Amort Issue Loss	(316,065.00)	(379,971.48)	63,906.48
7312-428010 PRP 2014B Principal/Retirement-Amort Discount	579,311.45	624,260.04	(44,948.59)
7314-428010 PRP 2015A Principal/Interest-Amort Discount	620,866.39	629,330.67	(8,464.28)
7314-428020 PRP 2015A Principal/Interest-Amort Issue Loss	(71,284.92)	(85,228.92)	13,944.00
7315-428010 PRP 2015B Principal/Interest-Amort Discount	310,303.78	322,276.47	(11,972.69)
7317-428010 PRP 2015JLB Principal/Interest-Amort Discount	78,967.10	75,645.95	3,321.15
7318-428010 PRP 2016JLB P&I-Amort Discount	247,210.30	21,975.78	225,234.52
7320-428010 PRP 2017JLB P&I-Amort Discount	115,104.65		115,104.65
7321-428010 PRP 2017JLB2 Principal/Int-Amort Discount	33,151.11		33,151.11
9999-428010 Eliminate PRP JLB Amort Discount	(474,433.16)	(97,621.70)	(376,811.46)
Total Amortization of debt discount/premium	4,907,498.01	5,094,315.50	(186,817.49)
Cost of debt issuance:			
1001-426510 Elect Revenue-Debt Issuance Exp	0.00	(166,750.00)	166,750.00
1250-426510 ES BF Const Fnd-Debt Issuance Exp	(98,643.67)		(98,643.67)
1305-428000 ES 2017N Principal/Interest-Amort Issue Exp	(319,270.15)		(319,270.15)
1306-428000 ES 2017O Principal/Interest-Amort Issue Exp	(484,027.73)		(484,027.73)
7001-426510 PRP Revenue-Debt Issuance Exp	(71,118.22)	(28,330.00)	(42,788.22)
Total Cost of debt issuance	(973,059.77)	(195,080.00)	(777,979.77)
Total other revenue (expenses)	(29,609,059.68)	(31,016,672.21)	1,407,612.53
CONTRIBUTIONS IN AID OF CONSTRUCTION:			
1001-460000 Elect Revenue-Contr In Aid Of Const	10,377,685.21	4,460,941.70	5,916,743.51
1001-460010 Elect Revenue-Simple Contr In Aid of Constr	110,100.00	128,463.00	(18,363.00)
1001-460801 Elect Revenue-Wfon-Contrib In Aid of Const	161,500.00	13,700.00	147,800.00
Total CONTRIBUTIONS IN AID OF CONSTRUCTION	10,649,285.21	4,603,104.70	6,046,180.51
EXTRAORDINARY LOSS - WANAPUM FRACTURE:			
7001-543060 PRP Revenue-WAN Spillway Repairs		1,984,761.25	(1,984,761.25)
7001-545960 PRP Revenue--WAN Forebay Drawdown	0.00	8,335,560.38	(8,335,560.38)
7001-925060 PRP Revenue-WAN Legal/Investigation	0.00	(424,422.31)	424,422.31
Total EXTRAORDINARY LOSS - WANAPUM FRACTURE	0.00	9,895,899.32	(9,895,899.32)
CHANGE IN NET POSTION	76,137,131.90	82,224,434.67	(6,087,302.77)
NET POSITION			
Beginning of year:			
1001-216160 Elect Revenue-Unapprop Earned Surplus	1,057,305,464.85	964,881,542.27	92,423,922.58
1001-216360 Elect Revenue-Contribution To Funds Equity	(1,145,082,323.82)	(1,007,958,647.05)	(137,123,676.77)
1001-216801 Elect Revenue-Wfon Retained Earnings	87,665,041.54	87,665,041.54	0.00
1001-216802 Elect Revenue-Wfon Contribution Capital	17,500,000.00	17,500,000.00	0.00
1001-216803 Elect Revenue-Wfon Unapprop Earned Surplus	(35,270,444.08)	(35,270,444.08)	0.00
1002-216160 Elect Rsrv & Cont-Unapprop Earned Surplus	41,367,365.97	38,789,926.23	2,577,439.74
1002-216360 Elect Rsrv & Cont-Contribution To Funds Equity	77,452,897.57	84,452,897.57	(7,000,000.00)
1005-216160 Elect Excess Earnings-Unapprop Earned Surplus	(0.03)	(0.03)	0.00
1007-216160 Elect Renew & Rplc QC-Unapprop Earned Surplus	1,306,293.06	1,291,606.64	14,686.42
1007-216360 Elect Renew & Rplc QC-Contribution To Funds Equity	463,386.61	462,672.87	713.74
1008-216160 Elect Cust Deposits-Unapprop Earned Surplus	53,836.03	2,416.85	51,419.18
1008-216360 Elect Cust Deposits-Contribution To Funds Equity	(104,818.37)		(104,818.37)
1013-216160 ES 2014JLB Investment in P-Unapprop Earned Surplus	3,577,085.75	1,893,295.25	1,683,790.50
1013-216360 ES 2014JLB Investment in -Contribution To Funds Eq	38,932,015.25	41,634,809.50	(2,702,794.25)
1014-216160 ES 2015JLB Investment in P-Unapprop Earned Surplus	1,895,230.24	234,062.90	1,661,167.34
1014-216360 ES 2015JLB Investment in -Contribution To Funds Eq	35,561,677.84	37,298,491.10	(1,736,813.26)
1015-216160 ES 2016JLB Investment in P-Unapprop Earned Surplus	99,694.80		99,694.80
1015-216360 ES 2016JLB Investment in -Contribution To Funds Eq	34,488,921.50	35,340,610.04	(851,688.54)
1016-216360 ES 2017JLB Investment in -Contribution To Funds Eq	30,001,004.45		30,001,004.45
1017-216360 ES 2017JLB2 Investment in-Contribution To Funds Eq	100,000,134.75		100,000,134.75
1100-216160 Elect 2011I Debt Service R-Unapprop Earned Surplus	920,176.76	715,775.74	204,401.02
1100-216360 Elect 2011I Debt Service -Contribution To Funds Eq	(1,098,829.16)	11,195,443.93	(12,294,273.09)
1101-216160 Elect 2013J Debt Service R-Unapprop Earned Surplus	626,159.48	549,297.35	76,862.13
1101-216360 Elect 2013J Debt Service -Contribution To Funds Eq	5,147,978.00	5,787,500.00	(639,522.00)
1102-216360 ES 2017O Debt Service Res-Contribution To Funds Eq	5,267,756.76		5,267,756.76
1203-216160 ES 2016 General Constructi-Unapprop Earned Surplus	0.00	3,111,333.55	(3,111,333.55)
1203-216360 ES 2016 General Construct-Contribution To Funds Eq	0.00	91,030,997.98	(91,030,997.98)
1250-216160 ES BF Const Fnd-Unapprop Earned Surplus	(173,030,720.75)	(143,170,063.93)	(29,860,656.82)
1250-216360 ES BF Const Fnd-Contribution To Funds Equity	724,906,564.23	669,969,364.52	54,937,199.71
1251-216360 ES RF Const Fnd-Contribution To Funds Equity	90,187,067.51		90,187,067.51
1252-216360 ES Fiber Construction-Contribution To Funds Equity	7,000,000.00		7,000,000.00
1300-216160 Elect 2011I Principal/Reti-Unapprop Earned Surplus	(15,364,309.80)	(13,024,165.61)	(2,340,144.19)
1300-216360 Elect 2011I Principal/Ret-Contribution To Funds Eq	17,598,179.91	(67,451,587.20)	85,049,767.11
1301-216160 Elect 2013J Principal/Reti-Unapprop Earned Surplus	(12,639,241.83)	(9,167,394.09)	(3,471,847.74)
1301-216360 Elect 2013J Principal/Ret-Contribution To Funds Eq	(52,114,722.93)	(55,495,972.93)	3,381,250.00
1302-216160 ES 2014K Principal/Retirem-Unapprop Earned Surplus	(880,481.82)	(514,812.37)	(365,669.45)
1302-216360 ES 2014K Principal/Retire-Contribution To Funds Eq	1,391,583.59	(49,119,518.18)	50,511,101.77
1303-216160 ES 2016L Principal/Interes-Unapprop Earned Surplus	(274,644.86)		(274,644.86)
1303-216360 ES 2016L Principal/Intere-Contribution To Funds Eq	(49,152,788.79)	(49,725,355.14)	572,566.35
1304-216360 ES 2017M Principal/Intere-Contribution To Funds Eq	(49,811,520.56)		(49,811,520.56)
1305-216360 ES 2017N Principal/Intere-Contribution To Funds Eq	(49,911,351.11)		(49,911,351.11)
1306-216360 ES 2017O Principal/Intere-Contribution To Funds Eq	(73,621,147.51)		(73,621,147.51)
1399-216160 ES Set-Aside Principal Des-Unapprop Earned Surplus	132.19	(0.03)	132.22
1399-216360 ES Set-Aside Principal De-Contribution To Funds Eq	(132.19)	182.83	(315.02)
1499-216160 ES Set-Aside Interest Depo-Unapprop Earned Surplus	13,899.52	3,521.13	10,378.39
1499-216360 ES Set-Aside Interest Dep-Contribution To Funds Eq	(29,558.68)	50,087.00	(79,645.68)
2021-216160 Pries Princ 2006A-Unapprop Earned Surplus	(9,615,665.41)	(9,590,606.78)	(25,058.63)
2021-216360 Pries Princ 2006A-Contribution To Funds Equity	9,615,734.73	9,615,734.73	0.00
2024-216160 Pries Princ 2006B-Unapprop Earned Surplus	(16,425,750.86)	(16,411,380.44)	(14,370.42)
2024-216360 Pries Princ 2006B-Contribution To Funds Equity	16,425,790.62	16,425,790.62	0.00
2028-216160 Pries Ret 2006Z-Unapprop Earned Surplus	(3,261,526.00)	(1,652,393.00)	(1,609,133.00)
2028-216360 Pries Ret 2006Z-Contribution To Funds Equity	(23,579,918.50)	(26,073,474.00)	2,493,555.50
2063-216160 Pries Princ 2005A-Unapprop Earned Surplus	(31,035,688.17)	(31,035,688.17)	0.00
2063-216360 Pries Princ 2005A-Contribution To Funds Equity	31,035,688.19	31,035,688.19	0.00
2066-216160 Pries Princ 2005B-Unapprop Earned Surplus	(11,736,812.49)	(11,736,812.49)	0.00
2066-216360 Pries Princ 2005B-Contribution To Funds Equity	11,736,812.40	11,736,812.40	0.00
2069-216160 Pries Princ 2005Z-Unapprop Earned Surplus	(22,148,682.01)	(20,648,645.51)	(1,500,036.50)
2069-216360 Pries Princ 2005Z-Contribution To Funds Equity	(62,371.49)	(3,471,317.99)	3,408,946.50
2076-216160 Pries Princ 2003Z-Unapprop Earned Surplus	(8,133,985.64)	(7,710,655.64)	(423,330.00)
2076-216360 Pries Princ 2003Z-Contribution To Funds Equity	3,601,417.65	1,793,985.65	1,807,432.00
3021-216160 Wanap Princ 2006A-Unapprop Earned Surplus	(29,623,296.41)	(29,533,544.94)	(89,751.47)
3021-216360 Wanap Princ 2006A-Contribution To Funds Equity	29,644,969.25	29,083,219.25	561,750.00

	2017	2016	Difference
3025-216160 Wanap Ret 2006B-Unapprop Earned Surplus	(6,333,674.75)	(5,943,701.74)	(389,973.01)
3025-216360 Wanap Ret 2006B-Contribution To Funds Equity	6,351,883.59	(1,614,244.91)	7,966,128.50
3028-216160 Wanap Ret 2006Z-Unapprop Earned Surplus	(50,375,686.90)	(45,817,078.40)	(4,558,608.50)
3028-216360 Wanap Ret 2006Z-Contribution To Funds Equity	(26,856,709.64)	(33,029,313.14)	6,172,603.50
3038-216160 Wanap Princ 2005Z-Unapprop Earned Surplus	(1,795,189.34)	(1,750,709.34)	(44,480.00)
3038-216360 Wanap Princ 2005Z-Contribution To Funds Equity	1,814,497.86	1,430,189.36	384,308.50
3048-216160 Wanap Princ 2003Z-Unapprop Earned Surplus	(8,864,502.18)	(8,402,538.18)	(461,964.00)
3048-216360 Wanap Princ 2003Z-Contribution To Funds Equity	3,918,718.18	1,944,502.18	1,974,216.00
4030-216160 Servi Operating-Unapprop Earned Surplus	(33,778.87)	(26,922.79)	(6,856.08)
4040-216160 Servi Insurance Rsrv-Unapprop Earned Surplus	7,306.39	(3,418.61)	10,725.00
7001-216160 PRP Revenue-Unapprop Earned Surplus	846,193,421.63	755,530,593.45	90,662,828.18
7001-216360 PRP Revenue-Contribution To Funds Equity	(959,703,831.45)	(860,374,023.10)	(99,329,808.35)
7003-216160 PRP RR&C-Unapprop Earned Surplus	12,317,872.09	12,200,964.55	116,907.54
7003-216360 PRP RR&C-Contribution To Funds Equity	(7,047.23)	(176,394.28)	169,347.05
7005-216160 PRP Debt Service Reserve-Unapprop Earned Surplus	3,845,942.62	3,175,036.87	670,905.75
7005-216360 PRP Debt Service Reserve-Contribution To Funds Equ	18,627,514.90	18,627,514.90	0.00
7021-216160 PRP 2010 CREBS Constructio-Unapprop Earned Surplus	2,827,501.26	2,827,501.26	0.00
7021-216360 PRP 2010 CREBS Constructi-Contribution To Funds Eq	(2,827,501.26)	(2,827,501.26)	0.00
7022-216160 PRP 2012 CREBS Constructio-Unapprop Earned Surplus	813,850.83	813,850.83	0.00
7022-216360 PRP 2012 CREBS Constructi-Contribution To Funds Eq	(813,850.83)	(813,850.83)	0.00
7030-216160 PRP 10A Principal/Retireme-Unapprop Earned Surplus	(6,094,487.61)	(5,499,446.45)	(595,041.16)
7030-216360 PRP 10A Principal/Retirem-Contribution To Funds Eq	(3,710,198.62)	(6,015,575.62)	2,305,377.00
7031-216160 PRP 10B Principal/Retireme-Unapprop Earned Surplus	(3,552,271.09)	(3,320,521.82)	(231,749.27)
7031-216360 PRP 10B Principal/Retirem-Contribution To Funds Eq	3,850,776.90	2,149,776.90	1,701,000.00
7032-216160 PRP 10L Principal/Retireme-Unapprop Earned Surplus	(67,288,098.37)	(57,445,890.52)	(9,842,207.85)
7032-216360 PRP 10L Principal/Retirem-Contribution To Funds Eq	(93,627,933.96)	(106,516,260.58)	12,888,326.62
7033-216160 PRP 10M Principal/Retireme-Unapprop Earned Surplus	(30,791,566.64)	(26,243,561.30)	(4,548,005.34)
7033-216360 PRP 10M Principal/Retirem-Contribution To Funds Eq	(14,761,082.80)	(23,802,083.32)	9,041,000.52
7034-216160 PRP 10Z Principal/Retireme-Unapprop Earned Surplus	(12,950,716.00)	(11,092,499.87)	(1,858,216.13)
7034-216360 PRP 10Z Principal/Retirem-Contribution To Funds Eq	(16,746,195.62)	(19,022,165.38)	2,275,969.76
7106-216160 PRP 2012 Debt Service Rese-Unapprop Earned Surplus	395,956.61	287,590.39	108,366.22
7106-216360 PRP 2012 Debt Service Res-Contribution To Funds Eq	4,812,072.74	4,812,072.74	0.00
7107-216160 PRP 2013A Debt Service Res-Unapprop Earned Surplus	344,705.73	270,894.04	73,811.69
7107-216360 PRP 2013A Debt Service Re-Contribution To Funds Eq	3,458,412.50	3,458,412.50	0.00
7108-216160 PRP 2013Z Debt Service Res-Unapprop Earned Surplus	100,808.21	91,671.13	9,137.08
7108-216360 PRP 2013Z Debt Service Re-Contribution To Funds Eq	1,496,371.00	1,496,371.00	0.00
7109-216160 PRP 2014A Debt Service Res-Unapprop Earned Surplus	279,692.89	140,946.73	138,746.16
7109-216360 PRP 2014A Debt Service Re-Contribution To Funds Eq	6,663,600.00	6,663,600.00	0.00
7110-216160 PRP 2014B Debt Service Res-Unapprop Earned Surplus	87,537.32	35,052.90	52,484.42
7110-216360 PRP 2014B Debt Service Re-Contribution To Funds Eq	2,500,650.00	2,500,650.00	0.00
7205-216160 PRP 2015 General Construct-Unapprop Earned Surplus	0.00	8,872,952.58	(8,872,952.58)
7205-216360 PRP 2015 General Construc-Contribution To Funds Eq	0.00	128,448,472.58	(128,448,472.58)
7206-216160 PRP 2015 CREBs Constructio-Unapprop Earned Surplus	864,925.40	(96,404.51)	961,329.91
7206-216360 PRP 2015 CREBs Constructi-Contribution To Funds Eq	89,042,941.57	89,168,764.09	(125,822.52)
7250-216160 PRP BF Const Fnd-Unapprop Earned Surplus	(93,403,797.50)	(85,056,174.73)	(8,347,622.77)
7250-216360 PRP BF Const Fnd-Contribution To Funds Equity	1,499,831,257.01	1,241,255,822.71	258,575,434.30
7305-216160 PRP 12A Principal/Retireme-Unapprop Earned Surplus	(9,731,149.35)	(7,977,065.19)	(1,754,084.16)
7305-216360 PRP 12A Principal/Retirem-Contribution To Funds Eq	(30,907,760.77)	(36,151,760.77)	5,244,000.00
7306-216160 PRP 12B Principal/Retireme-Unapprop Earned Surplus	(1,653,056.70)	(1,350,060.89)	(302,995.81)
7306-216360 PRP 12B Principal/Retirem-Contribution To Funds Eq	(7,329,977.35)	(9,339,727.35)	2,009,750.00
7307-216160 PRP 12M Principal/Retireme-Unapprop Earned Surplus	(7,136,579.78)	(5,631,572.45)	(1,505,007.33)
7307-216360 PRP 12M Principal/Retirem-Contribution To Funds Eq	(22,688,330.92)	(25,939,929.68)	3,251,598.76
7308-216160 PRP 12Z Principal/Retireme-Unapprop Earned Surplus	(2,228,014.19)	(1,774,680.69)	(453,333.50)
7308-216360 PRP 12Z Principal/Retirem-Contribution To Funds Eq	(9,088,049.80)	(10,056,985.80)	968,936.00
7309-216160 PRP 2013A Principal/Retire-Unapprop Earned Surplus	(11,971,686.42)	(8,583,441.57)	(3,388,244.85)
7309-216360 PRP 2013A Principal/Retir-Contribution To Funds Eq	(55,245,719.08)	(58,704,131.58)	3,458,412.50
7310-216160 PRP 2013Z Principal/Retire-Unapprop Earned Surplus	(5,233,655.79)	(3,752,239.29)	(1,481,416.50)
7310-216360 PRP 2013Z Principal/Retir-Contribution To Funds Eq	(21,157,622.24)	(23,221,344.24)	2,063,722.00
7311-216160 PRP 2014A Principal/Retire-Unapprop Earned Surplus	(12,060,771.88)	(6,769,712.41)	(5,291,059.47)
7311-216360 PRP 2014A Principal/Retir-Contribution To Funds Eq	(130,353,715.51)	(141,833,815.51)	11,480,100.00
7312-216160 PRP 2014B Principal/Retire-Unapprop Earned Surplus	(4,180,656.26)	(2,343,716.30)	(1,836,939.96)
7312-216360 PRP 2014B Principal/Retir-Contribution To Funds Eq	(47,563,949.73)	(51,382,399.73)	3,818,450.00
7313-216160 PRP 2014JLB Principal/Reti-Unapprop Earned Surplus	(3,646,851.34)	(1,963,060.84)	(1,683,790.50)
7313-216360 PRP 2014JLB Principal/Ret-Contribution To Funds Eq	(36,986,350.66)	(39,698,148.66)	2,711,798.00
7314-216160 PRP 2015A Principal/Intere-Unapprop Earned Surplus	(3,393,484.17)	(772,852.16)	(2,620,632.01)
7314-216360 PRP 2015A Principal/Inter-Contribution To Funds Eq	(69,191,591.00)	(75,077,324.76)	5,885,733.76
7315-216160 PRP 2015B Principal/Intere-Unapprop Earned Surplus	(654,249.93)	(130,732.64)	(523,517.29)
7315-216360 PRP 2015B Principal/Inter-Contribution To Funds Eq	(16,517,301.43)	(18,154,395.19)	1,637,093.76
7316-216160 PRP 2015M Principal/Intere-Unapprop Earned Surplus	(5,451,139.20)	(1,276,597.04)	(4,174,542.16)
7316-216360 PRP 2015M Principal/Inter-Contribution To Funds Eq	(74,814,396.44)	(81,655,946.96)	6,841,550.52
7317-216160 PRP 2015JLB Principal/Inte-Unapprop Earned Surplus	(1,949,760.49)	(288,593.18)	(1,661,167.31)
7317-216360 PRP 2015JLB Principal/Int-Contribution To Funds Eq	(34,638,740.96)	(36,375,554.22)	1,736,813.26
7318-216160 PRP 2016JLB P&I-Unapprop Earned Surplus	(99,694.80)		(99,694.80)
7318-216360 PRP 2016JLB P&I-Contribution To Funds Equity	(33,353,902.75)	(35,340,610.04)	1,986,707.29
7319-216360 PRP 2017B Principal/Inter-Contribution To Funds Eq	(7,298,103.64)		(7,298,103.64)
7320-216360 PRP 2017JLB P&I-Contribution To Funds Equity	(29,160,422.72)		(29,160,422.72)
7321-216360 PRP 2017JLB2 Principal/In-Contribution To Funds Eq	(100,000,134.75)		(100,000,134.75)
7399-216160 PRP Set-Aside Principal De-Unapprop Earned Surplus	131,870.71	33,456.77	98,413.94
7399-216360 PRP Set-Aside Principal D-Contribution To Funds Eq	(304,091.37)	0.00	(304,091.37)
7499-216160 PRP Set-Aside Interest Dep-Unapprop Earned Surplus	173,371.82	36,408.39	136,963.43
7499-216360 PRP Set-Aside Interest De-Contribution To Funds Eq	14,745,355.03	14,898,558.70	(153,203.67)
7601-216160 Habitat No Net Impact-Unapprop Earned Surplus	18,602.51	18,602.51	0.00
7601-216360 Habitat No Net Impact-Contribution To Funds Equity	(27,840.32)	0.00	(27,840.32)
7602-216160 Habitat Supplemental-Unapprop Earned Surplus	(2,690.52)	(2,690.52)	0.00
7602-216360 Habitat Supplemental-Contribution To Funds Equity	27,840.32	0.00	27,840.32
7603-216160 Habitat-Unapprop Earned Surplus	(6,841.98)	(6,841.98)	0.00
7604-216160 Habitat Native Resident Fi-Unapprop Earned Surplus	(3,092.91)	(3,092.91)	0.00
Total Beginning of year	997,754,987.54	915,530,552.86	82,224,434.68
End of year	$1,073,892,119.44	$997,754,987.53	$76,137,131.91

	2017	2016	Difference
NET POSITION DETAIL:			
NET INVESTMENT IN CAPITAL ASSETS			
Cash:			
1203-131000 ES 2016 General Construction-Cash	0.00	423,049.08	(423,049.08)
1250-131000 ES BF Const Fnd-Cash	902,212.92		902,212.92
1252-131000 ES Fiber Construction-Cash	735,486.09		735,486.09
7003-131000 PRP RR&C-Cash	48,667.63	108,860.63	(60,193.00)
7003-INTFND PRP RR&C-Interfund Cash	(0.01)	(0.01)	0.00
7205-131000 PRP 2015 General Construction-Cash	0.00	240,222.17	(240,222.17)
7205-INTFND PRP 2015 General Construction-Interfund Cash	0.01	0.00	0.01
7206-131000 PRP 2015 CREBs Construction-Cash	2,079,246.47	56,782.40	2,022,464.07
7250-131000 PRP BF Const Fnd-Cash	1,083,932.31		1,083,932.31
Total Cash	4,849,545.42	828,914.27	4,020,631.15
Investments:			
1203-124000 ES 2016 General Construction-Long-Term Investments	0.00	1,273,287.50	(1,273,287.50)
1203-136000 ES 2016 General Construction-Investments	0.00	21,261,038.30	(21,261,038.30)
1203-136020 ES 2016 General Construction-Investments Prem/Disc	0.00	8,895.35	(8,895.35)
1203-171900 ES 2016 General Construction-Int Rec Funds	0.00	45,371.69	(45,371.69)
1250-136000 ES BF Const Fnd-Investments	17,000,909.95		17,000,909.95
1250-136020 ES BF Const Fnd-Investments Prem/Disc	32,726.87		32,726.87
1250-171900 ES BF Const Fnd-Int Rec Funds	71,122.95		71,122.95
1252-136000 ES Fiber Construction-Investments	6,238,136.16		6,238,136.16
1252-136020 ES Fiber Construction-Investments Prem/Disc	(1,374.51)		(1,374.51)
1252-171900 ES Fiber Construction-Int Rec Funds	19,938.34		19,938.34
7003-124000 PRP RR&C-Long-Term Investments	8,459,962.00	6,881,523.15	1,578,438.85
7003-136000 PRP RR&C-Investments	3,652,681.30	4,729,226.54	(1,076,545.24)
7003-136020 PRP RR&C-Investments Prem/Disc	243,052.17	347,893.78	(104,841.61)
7003-171900 PRP RR&C-Int Rec Funds	57,513.22	65,318.10	(7,804.88)
7205-136000 PRP 2015 General Construction-Investments	0.00	25,917,817.82	(25,917,817.82)
7205-136020 PRP 2015 General Constructio-Investments Prem/Disc	0.00	5,171.41	(5,171.41)
7205-171900 PRP 2015 General Construction-Int Rec Funds	0.00	80,186.77	(80,186.77)
7206-124000 PRP 2015 CREBs Construction-Long-Term Investments	0.00	12,900,556.00	(12,900,556.00)
7206-136000 PRP 2015 CREBs Construction-Investments	13,542,837.21	45,364,737.11	(31,821,899.90)
7206-136020 PRP 2015 CREBs Construction-Investments Prem/Disc	(3,966.74)	52,924.54	(56,891.28)
7206-171900 PRP 2015 CREBs Construction-Int Rec Funds	39,182.29	162,463.84	(123,281.55)
7250-124000 PRP BF Const Fnd-Long-Term Investments	12,441,825.00		12,441,825.00
7250-136000 PRP BF Const Fnd-Investments	83,241,289.33		83,241,289.33
7250-136020 PRP BF Const Fnd-Investments Prem/Disc	28,262.45		28,262.45
7250-171900 PRP BF Const Fnd-Int Rec Funds	370,358.60		370,358.60
Total Investments	145,434,456.59	119,096,411.90	26,338,044.69
Intercompany receivables:			
1250-146430 ES BF Const Fnd-S R Rec Fr Ser Opr	2,069,491.39	0.00	2,069,491.39
7205-146430 PRP 2015 General Construction-S R Rec Fr Ser Opr	0.00	1,887.00	(1,887.00)
7206-146430 PRP 2015 CREBs Construction-S R Rec Fr Ser Opr	0.00	958,894.69	(958,894.69)
7250-146430 PRP BF Const Fnd-S R Rec Fr Ser Opr	17,698.03	15,811.03	1,887.00
Total Intercompany receivables	2,087,189.42	976,592.72	1,110,596.70
Intercompany payables:			
1203-234430 ES 2016 General Construction-S R Pay To Serv Oper	0.00	(300,390.77)	300,390.77
1250-234430 ES BF Const Fnd-S R Pay To Serv Oper	(1,977,984.08)	(335,983.75)	(1,642,000.33)
1251-234430 ES RF Const Fnd-S R Pay To Serv Oper	(762,079.11)		(762,079.11)
7003-234771 PRP RR&C-R Pay to PRP Rev	8,655.62	8,655.62	0.00
7205-234430 PRP 2015 General Construction-S R Pay To Serv Oper	0.00	(259,466.45)	259,466.45
7206-234430 PRP 2015 CREBs Construction-S R Pay To Serv Oper	(163,380.51)	0.00	(163,380.51)
7250-234430 PRP BF Const Fnd-S R Pay To Serv Oper	(768,118.87)		(768,118.87)
Total Intercompany payables	(3,662,906.95)	(887,185.35)	(2,775,721.60)
Accounts payable:			
1203-232000 ES 2016 General Construction-A/P Control	0.00	(674,690.88)	674,690.88
1203-232005 ES 2016 General Construction-A/P Manual Accruals	0.00	(6,098,107.46)	6,098,107.46
1250-232000 ES BF Const Fnd-A/P Control	(2,405,140.90)	(102,634.20)	(2,302,506.70)
1250-232005 ES BF Const Fnd-A/P Manual Accruals	(1,606,844.05)	0.00	(1,606,844.05)
1251-232000 ES RF Const Fnd-A/P Control	(99,920.01)		(99,920.01)
7205-232000 PRP 2015 General Construction-A/P Control	0.00	(2,995,761.74)	2,995,761.74
7205-232005 PRP 2015 General Construction-A/P Manual Accruals	0.00	(4,817,383.28)	4,817,383.28
7205-232006 PRP 2015 General Construc-Long Term HED Lagoon Dec	0.00	(949,141.16)	949,141.16
7206-232000 PRP 2015 CREBs Construction-A/P Control	(2,879,792.76)	(1,400,093.75)	(1,479,699.01)
7206-232005 PRP 2015 CREBs Construction-A/P Manual Accruals	(2,813,989.38)	(3,969,883.67)	1,155,894.29
7250-232000 PRP BF Const Fnd-A/P Control	(5,739,071.31)		(5,739,071.31)
7250-232005 PRP BF Const Fnd-A/P Manual Accruals	(3,797,604.04)		(3,797,604.04)
7250-232006 PRP BF Const Fnd-Long Term HED Lagoon Decom	(925,918.46)		(925,918.46)
Total Accounts payable	(20,268,280.91)	(21,007,696.14)	739,415.23
Utility plant, net of accumulated depr & amort	2,045,369,856.73	1,953,628,387.56	91,741,469.17
Unamortized refunding loss	5,554,244.89	5,367,728.18	186,516.71
Revenue bonds	(1,330,270,000.00)	(1,325,105,000.00)	(5,165,000.00)
Other current liabilities (O/S serial bonds)	(39,767.93)	(39,767.93)	0.00
Unamortized premium (discount), net	(41,489,290.49)	(40,427,980.00)	(1,061,310.49)
Preliminary expenses:			
1203-183011 ES 2016 General Construction-Preliminary Surveys	0.00	631,229.03	(631,229.03)
1250-183011 ES BF Const Fnd-Preliminary Surveys	887,060.45		887,060.45
7205-183011 PRP 2015 General Construction-Preliminary Surveys	0.00	579,576.90	(579,576.90)
7250-183011 PRP BF Const Fnd-Preliminary Surveys	4,971,256.33		4,971,256.33
Total Preliminary expenses	5,858,316.78	1,210,805.93	4,647,510.85
Licensing obligation	(51,533,136.40)	(55,120,466.80)	3,587,330.40
Total Invested in Capital Assets, Net	761,890,227.15	638,520,744.34	123,369,482.81
RESTRICTED			
Cash:			
1007-131000 Elect Renew & Rplc QC-Cash	24,819.98	129,455.77	(104,635.79)
1009-131000 Elect Fiscal Agent-Cash	11,237.25	11,237.25	0.00
1100-131000 Elect 2011I Debt Service Rsrv-Cash	0.00	72,747.37	(72,747.37)
1101-131000 Elect 2013J Debt Service Rsrv-Cash	2,401.05	45,326.19	(42,925.14)
1102-131000 ES 2017O Debt Service Reserve-Cash	64,052.07		64,052.07
1300-131000 Elect 2011I Principal/Retire-Cash	0.00	1,130,946.30	(1,130,946.30)

	2017	2016	Difference
1301-131000 Elect 2013J Principal/Retire-Cash	1,200,111.07	1,016,326.80	183,784.27
1302-131000 ES 2014K Principal/Retirement-Cash	0.00	24,405.40	(24,405.40)
1303-131000 ES 2016L Principal/Interest-Cash	40,371.35	23,048.01	17,323.34
1304-131000 ES 2017M Principal/Interest-Cash	15,870.76		15,870.76
1305-131000 ES 2017N Principal/Interest-Cash	88,648.89		88,648.89
1399-131000 ES Set-Aside Principal Desposi-Cash	0.00	189.38	(189.38)
1499-131000 ES Set-Aside Interest Deposit-Cash	0.00	38,465.78	(38,465.78)
2021-131000 Pries Princ 2006A-Cash	0.00	401,040.68	(401,040.68)
2024-131000 Pries Princ 2006B-Cash	0.00	217,678.04	(217,678.04)
2028-131000 Pries Ret 2006Z-Cash	1,215,126.61	1,015,690.48	199,436.13
2069-131000 Pries Princ 2005Z-Cash	1,926,902.42	1,713,301.25	213,601.17
2076-131000 Pries Princ 2003Z-Cash	1,159,713.51	959,842.32	199,871.19
3010-131000 Wanap Princ 1959-Cash	7,554.34	7,554.34	0.00
3011-131000 Wanap Int 1959-Cash	5,976.34	5,976.34	0.00
3012-131000 Wanap Int 1963-Cash	15,000.00	15,000.00	0.00
3021-131000 Wanap Princ 2006A-Cash	389,270.78	1,095,604.05	(706,333.27)
3025-131000 Wanap Ret 2006B-Cash	0.00	620,462.81	(620,462.81)
3028-131000 Wanap Ret 2006Z-Cash	2,794,232.49	2,374,141.96	420,090.53
3038-131000 Wanap Princ 2005Z-Cash	265,952.95	304,929.60	(38,976.65)
3048-131000 Wanap Princ 2003Z-Cash	1,266,826.07	1,046,599.14	220,226.93
7005-131000 PRP Debt Service Reserve-Cash	(29,422.57)	35,547.89	(64,970.46)
7030-131000 PRP 10A Principal/Retirement-Cash	1,439,379.06	2,950,052.91	(1,510,673.85)
7031-131000 PRP 10B Principal/Retirement-Cash	1,178,726.47	976,350.03	202,376.44
7032-131000 PRP 10L Principal/Retirement-Cash	5,657,009.16	2,957,177.08	2,699,832.08
7033-131000 PRP 10M Principal/Retirement-Cash	1,891,035.68	1,565,228.86	325,806.82
7034-131000 PRP 10Z Principal/Retirement-Cash	963,982.37	858,890.38	105,091.99
7106-131000 PRP 2012 Debt Service Reserve-Cash	151,377.14	75,228.92	76,148.22
7107-131000 PRP 2013A Debt Service Reserve-Cash	6,846.89	43,652.98	(36,806.09)
7108-131000 PRP 2013Z Debt Service Reserve-Cash	162,147.90	40,030.40	122,117.50
7109-131000 PRP 2014A Debt Service Reserve-Cash	12,967.21	55,866.03	(42,898.82)
7110-131000 PRP 2014B Debt Service Reserve-Cash	41,151.51	52,908.05	(11,756.54)
7305-131000 PRP 12A Principal/Retirement-Cash	2,957,996.50	2,394,323.16	563,673.34
7306-131000 PRP 12B Principal/Retirement-Cash	1,245,719.73	1,031,280.52	214,439.21
7307-131000 PRP 12M Principal/Retirement-Cash	716,154.11	519,255.10	196,899.01
7308-131000 PRP 12Z Principal/Retirement-Cash	530,244.48	451,867.84	78,376.64
7309-131000 PRP 2013A Principal/Retirement-Cash	1,227,498.45	1,039,520.09	187,978.36
7310-131000 PRP 2013Z Principal/Retirement-Cash	943,663.35	796,955.46	146,707.89
7311-131000 PRP 2014A Principal/Retirement-Cash	5,863,498.67	4,913,385.88	950,112.79
7312-131000 PRP 2014B Principal/Retirement-Cash	1,861,063.92	1,554,345.03	306,718.89
7313-131000 PRP 2014JLB Principal/Retireme-Cash	1,331,630.11	1,122,292.45	209,337.66
7314-131000 PRP 2015A Principal/Interest-Cash	3,065,091.22	1,822,920.95	1,242,170.27
7315-131000 PRP 2015B Principal/Interest-Cash	870,324.54	729,138.40	141,186.14
7316-131000 PRP 2015M Principal/Interest-Cash	1,483,404.34	1,255,594.15	227,810.19
7317-131000 PRP 2015JLB Principal/Interest-Cash	616,449.19	522,046.54	94,402.65
7318-131000 PRP 2016JLB P&I-Cash	805,707.10		805,707.10
7319-131000 PRP 2017B Principal/Interest-Cash	379,592.71		379,592.71
7320-131000 PRP 2017JLB P&I-Cash	596,697.34		596,697.34
7399-131000 PRP Set-Aside Principal Deposi-Cash	0.00	79,274.67	(79,274.67)
7499-131000 PRP Set-Aside Interest Deposit-Cash	129,121.01	145,735.30	(16,614.29)
7601-131000 Habitat No Net Impact-Cash	297,606.94	41,337.93	256,269.01
7602-131000 Habitat Supplemental-Cash	192,509.39	367,391.61	(174,882.22)
7603-131000 Habitat-Cash	7,825.00	360,277.37	(352,452.37)
7604-131000 Habitat Native Resident Fish-Cash	443,896.74	48,020.32	395,876.42
7605-131000 Habitat Wildlife Mgmt Plan-Cash	113,456.38	71,618.97	41,837.41
Total Cash	47,648,419.97	41,147,484.53	6,500,935.44
Investments:			
1007-124000 Elect Renew & Rplc QC-Long-Term Investments	498,825.00	1,006,275.00	(507,450.00)
1007-136000 Elect Renew & Rplc QC-Investments	956,704.85	545,493.20	411,211.65
1007-136020 Elect Renew & Rplc QC-Investments Prem/Disc	9,806.41	40,786.29	(30,979.88)
1007-171900 Elect Renew & Rplc QC-Int Rec Funds	5,229.10	4,302.08	927.02
1100-124000 Elect 2011I Debt Service Rsr-Long-Term Investments	0.00	10,785,331.35	(10,785,331.35)
1100-136000 Elect 2011I Debt Service Rsrv-Investments	0.00	845,374.69	(845,374.69)
1100-136020 Elect 2011I Debt Service Rsr-Investments Prem/Disc	0.00	362,120.21	(362,120.21)
1100-171900 Elect 2011I Debt Service Rsrv-Int Rec Funds	0.00	50,047.07	(50,047.07)
1101-124000 Elect 2013J Debt Service Rsr-Long-Term Investments	4,581,547.95	5,371,532.93	(789,984.98)
1101-136000 Elect 2013J Debt Service Rsrv-Investments	983,196.31	568,316.14	414,880.17
1101-136020 Elect 2013J Debt Service Rsr-Investments Prem/Disc	359,237.20	371,650.54	(12,413.34)
1101-171900 Elect 2013J Debt Service Rsrv-Int Rec Funds	54,898.52	56,833.68	(1,935.16)
1102-124000 ES 2017O Debt Service Reserv-Long-Term Investments	5,034,365.00		5,034,365.00
1102-136000 ES 2017O Debt Service Reserve-Investments	(141,108.65)		(141,108.65)
1102-136020 ES 2017O Debt Service Reserv-Investments Prem/Disc	268,142.26		268,142.26
1102-171900 ES 2017O Debt Service Reserve-Int Rec Funds	32,808.07		32,808.07
1300-136000 Elect 2011I Principal/Retire-Investments	0.00	750,344.33	(750,344.33)
1301-136000 Elect 2013J Principal/Retire-Investments	490,513.93	674,298.20	(183,784.27)
1302-136000 ES 2014K Principal/Retirement-Investments	0.00	16,195.69	(16,195.69)
1303-136000 ES 2016L Principal/Interest-Investments	16,500.73	15,291.57	1,209.16
1304-136000 ES 2017M Principal/Interest-Investments	42,719.67		42,719.67
1399-136000 ES Set-Aside Principal Desposi-Investments	0.00	125.64	(125.64)
1499-136000 ES Set-Aside Interest Deposit-Investments	0.00	25,520.74	(25,520.74)
2021-136000 Pries Princ 2006A-Investments	0.00	266,076.82	(266,076.82)
2024-136000 Pries Princ 2006B-Investments	0.00	144,421.96	(144,421.96)
2028-136000 Pries Ret 2006Z-Investments	496,651.14	673,876.02	(177,224.88)
2069-136000 Pries Princ 2005Z-Investments	787,570.83	1,136,717.00	(349,146.17)
2076-136000 Pries Princ 2003Z-Investments	474,002.49	636,822.68	(162,820.19)
3021-136000 Wanap Princ 2006A-Investments	159,104.22	726,895.95	(567,791.73)
3025-136000 Wanap Ret 2006B-Investments	0.00	411,655.94	(411,655.94)
3028-136000 Wanap Ret 2006Z-Investments	1,142,069.26	1,575,162.29	(433,093.03)
3038-136000 Wanap Princ 2005Z-Investments	108,701.30	202,310.40	(93,609.10)
3048-136000 Wanap Princ 2003Z-Investments	517,781.93	694,382.86	(176,600.93)
7005-124000 PRP Debt Service Reserve-Long-Term Investments	22,673,378.70	20,017,214.65	2,656,164.05
7005-136000 PRP Debt Service Reserve-Investments	(1,660,426.75)	465,902.22	(2,126,328.97)
7005-136020 PRP Debt Service Reserve-Investments Prem/Disc	1,648,401.04	1,658,693.60	(10,292.56)
7005-171900 PRP Debt Service Reserve-Int Rec Funds	347,477.05	296,099.16	51,377.89
7030-136000 PRP 10A Principal/Retirement-Investments	588,308.44	1,957,259.59	(1,368,951.15)
7031-136000 PRP 10B Principal/Retirement-Investments	481,773.53	647,774.97	(166,001.44)
7032-136000 PRP 10L Principal/Retirement-Investments	2,312,154.15	1,961,986.23	350,167.92
7033-124000 PRP 10M Principal/Retirement-Long-Term Investments	40,127,694.85	34,996,454.75	5,131,240.10
7033-136000 PRP 10M Principal/Retirement-Investments	(1,700,842.12)	(1,182,209.06)	(518,633.06)
7033-136020 PRP 10M Principal/Retirement-Investments Prem/Disc	2,473,753.37	2,220,685.08	253,068.29
7033-171900 PRP 10M Principal/Retirement-Int Rec Funds	412,899.41	292,535.19	120,364.22
7034-136000 PRP 10Z Principal/Retirement-Investments	394,002.51	569,844.50	(175,841.99)
7106-124000 PRP 2012 Debt Service Reserv-Long-Term Investments	4,942,088.50	5,032,812.50	(90,724.00)
7106-136000 PRP 2012 Debt Service Reserve-Investments	100,663.94	33,371.50	67,292.44
7106-136020 PRP 2012 Debt Service Reserv-Investments Prem/Disc	62,061.50	16,540.33	45,521.17

	2017	2016	Difference
7106-171900 PRP 2012 Debt Service Reserve-Int Rec Funds	63,264.32	50,076.10	13,188.22
7107-124000 PRP 2013A Debt Service Reser-Long-Term Investments	2,854,430.60	3,541,631.35	(687,200.75)
7107-136000 PRP 2013A Debt Service Reserve-Investments	965,831.34	167,328.09	798,503.25
7107-136020 PRP 2013A Debt Service Reser-Investments Prem/Disc	37,837.15	11,803.67	26,033.48
7107-171900 PRP 2013A Debt Service Reserve-Int Rec Funds	44,513.66	38,702.14	5,811.52
7108-124000 PRP 2013Z Debt Service Reser-Long-Term Investments	895,630.40	1,421,614.90	(525,984.50)
7108-136000 PRP 2013Z Debt Service Reserve-Investments	500,790.36	40,038.46	460,751.90
7108-136020 PRP 2013Z Debt Service Reser-Investments Prem/Disc	73,343.34	86,633.35	(13,290.01)
7108-171900 PRP 2013Z Debt Service Reserve-Int Rec Funds	8,106.54	8,862.10	(755.56)
7109-124000 PRP 2014A Debt Service Reser-Long-Term Investments	4,261,264.85	5,298,414.65	(1,037,149.80)
7109-136000 PRP 2014A Debt Service Reserve-Investments	2,601,335.71	1,314,472.62	1,286,863.09
7109-136020 PRP 2014A Debt Service Reser-Investments Prem/Disc	142,791.80	220,132.59	(77,340.79)
7109-171900 PRP 2014A Debt Service Reserve-Int Rec Funds	53,637.62	54,407.00	(769.38)
7110-124000 PRP 2014B Debt Service Reser-Long-Term Investments	2,519,701.85	1,981,203.45	538,498.40
7110-136000 PRP 2014B Debt Service Reserve-Investments	(205,395.44)	367,070.68	(572,466.12)
7110-136020 PRP 2014B Debt Service Reser-Investments Prem/Disc	222,395.04	167,212.01	55,183.03
7110-171900 PRP 2014B Debt Service Reserve-Int Rec Funds	30,971.42	19,793.13	11,178.29
7305-136000 PRP 12A Principal/Retirement-Investments	1,209,003.50	1,588,551.84	(379,548.34)
7306-136000 PRP 12B Principal/Retirement-Investments	509,155.27	684,219.48	(175,064.21)
7307-124000 PRP 12M Principal/Retirement-Long-Term Investments	10,950,569.90	9,183,602.05	1,766,967.85
7307-136000 PRP 12M Principal/Retirement-Investments	(141,524.77)	7,814.26	(149,339.03)
7307-136020 PRP 12M Principal/Retirement-Investments Prem/Disc	434,233.99	336,693.81	97,540.18
7307-171900 PRP 12M Principal/Retirement-Int Rec Funds	128,596.64	100,795.47	27,801.17
7308-136000 PRP 12Z Principal/Retirement-Investments	216,723.52	299,798.91	(83,075.39)
7309-136000 PRP 2013A Principal/Retirement-Investments	501,707.80	689,686.16	(187,978.36)
7310-136000 PRP 2013Z Principal/Retirement-Investments	385,697.65	528,752.79	(143,055.14)
7311-136000 PRP 2014A Principal/Retirement-Investments	2,396,551.33	3,259,864.12	(863,312.79)
7312-136000 PRP 2014B Principal/Retirement-Investments	760,661.08	1,031,254.97	(270,593.89)
7313-136000 PRP 2014JLB Principal/Retireme-Investments	544,268.89	744,602.80	(200,333.91)
7314-136000 PRP 2015A Principal/Interest-Investments	1,252,775.66	1,209,445.93	43,329.73
7315-136000 PRP 2015B Principal/Interest-Investments	355,722.34	483,758.48	(128,036.14)
7316-124000 PRP 2015M Principal/Interest-Long-Term Investments	5,670,027.95	2,826,605.00	2,843,422.95
7316-136000 PRP 2015M Principal/Interest-Investments	(3,777.31)	469,849.93	(473,627.24)
7316-136020 PRP 2015M Principal/Interest-Investments Prem/Disc	610,079.93	363,194.00	246,885.93
7316-171900 PRP 2015M Principal/Interest-Int Rec Funds	68,321.49	40,470.76	27,850.73
7317-136000 PRP 2015JLB Principal/Interest-Investments	251,957.44	346,360.09	(94,402.65)
7318-136000 PRP 2016JLB P&I-Investments	329,311.65		329,311.65
7319-136000 PRP 2017B Principal/Interest-Investments	155,148.57		155,148.57
7320-136000 PRP 2017JLB P&I-Investments	243,884.39		243,884.39
7399-136000 PRP Set-Aside Principal Deposi-Investments	0.00	52,596.04	(52,596.04)
7499-124000 PRP Set-Aside Interest Depos-Long-Term Investments	0.00	609,744.00	(609,744.00)
7499-136000 PRP Set-Aside Interest Deposit-Investments	15,027,293.84	14,225,747.12	801,546.72
7499-136020 PRP Set-Aside Interest Depos-Investments Prem/Disc	(9,092.52)	60,647.34	(69,739.86)
7499-171900 PRP Set-Aside Interest Deposit-Int Rec Funds	7,390.31	30,056.76	(22,666.45)
7601-124000 Habitat No Net Impact-Long-Term Investments	2,320,043.00	4,058,896.90	(1,738,853.90)
7601-136000 Habitat No Net Impact-Investments	3,282,157.14	1,450,276.43	1,831,880.71
7601-136020 Habitat No Net Impact-Investments Prem/Disc	38,745.29	80,517.23	(41,771.94)
7601-171900 Habitat No Net Impact-Int Rec Funds	42,138.42	42,843.72	(705.30)
7602-124000 Habitat Supplemental-Long-Term Investments	1,845,900.65	2,111,732.20	(265,831.55)
7602-136000 Habitat Supplemental-Investments	3,827,022.67	2,431,983.62	1,395,039.05
7602-136020 Habitat Supplemental-Investments Prem/Disc	48,562.49	62,733.20	(14,170.71)
7602-171900 Habitat Supplemental-Int Rec Funds	28,914.06	15,188.61	13,725.45
7603-136000 Habitat-Investments	2,002,333.04	1,240,698.53	761,634.51
7603-136020 Habitat-Investments Prem/Disc	(10,179.77)	15,223.53	(25,403.30)
7603-171900 Habitat-Int Rec Funds	2,341.37	4,116.01	(1,774.64)
7604-124000 Habitat Native Resident Fish-Long-Term Investments	0.00	497,970.00	(497,970.00)
7604-136000 Habitat Native Resident Fish-Investments	679,889.96	431,244.48	248,645.48
7604-136020 Habitat Native Resident Fish-Investments Prem/Disc	116.19	4,462.86	(4,346.67)
7604-171900 Habitat Native Resident Fish-Int Rec Funds	2,231.68	2,747.31	(515.63)
7605-136000 Habitat Wildlife Mgmt Plan-Investments	46,372.32	47,516.74	(1,144.42)
Total Investments	161,164,383.25	163,404,786.25	(2,240,403.00)
Intercompany receivables:			
7601-146430 Habitat No Net Impact-S R Rec Fr Ser Opr	0.00	1,751.49	(1,751.49)
7602-146430 Habitat Supplemental-S R Rec Fr Ser Opr	46.82	891.96	(845.14)
7603-146430 Habitat-S R Rec Fr Ser Opr	205.01	0.00	205.01
Total Intercompany receivables	251.83	2,643.45	(2,391.62)
Intercompany payables:			
1007-234430 Elect Renew & Rplc QC-S R Pay To Serv Oper	0.00	(1,568.19)	1,568.19
7601-234430 Habitat No Net Impact-S R Pay To Serv Oper	(3,507.77)	0.00	(3,507.77)
Total Intercompany payables	(3,507.77)	(1,568.19)	(1,939.58)
Accounts payable:			
1007-232000 Elect Renew & Rplc QC-A/P Control	0.00	(12,246.65)	12,246.65
7601-232000 Habitat No Net Impact-A/P Control	(36,453.51)	(95,404.77)	58,951.26
7602-232000 Habitat Supplemental-A/P Control	(5,973.23)	(891.96)	(5,081.27)
7603-232000 Habitat-A/P Control	(14,177.68)	0.00	(14,177.68)
Total Accounts payable	(56,604.42)	(108,543.38)	51,938.96
Accrued bond interest	(28,191,398.88)	(30,607,844.31)	2,416,445.43
Habitat liability	(15,146,045.50)	(13,287,167.19)	(1,858,878.31)
Less: 15% supplemental debt service			
Total Restricted	165,415,498.48	160,549,791.16	4,865,707.32
UNRESTRICTED			
Cash	(273,052.75)	726,617.07	(999,669.82)
Investments	211,642,694.84	262,359,474.43	(50,716,779.59)
Intercompany receivables:			
1001-146108 Elect Revenue-S R Rec Fr Cust Dep	0.00	134,351.28	(134,351.28)
1001-146430 Elect Revenue-S R Rec Fr Ser Opr	4,252,795.89	13,337.60	4,239,458.29
1001-146502 Elect Revenue-N R Rec Fr E Excess Earn	0.03	0.03	0.00
1007-146430 Elect Renew & Rplc QC-S R Rec Fr Ser Opr	2,824.29		2,824.29
1008-146430 Elect Cust Deposits-S R Rec Fr Ser Opr	0.00	137,802.44	(137,802.44)
4030-146101 Servi Operating-S R Rec Fr Elec Rev	979,250.83	11,941,920.45	(10,962,669.62)
4030-146107 Servi Operating-S R Rec from Renew & Rplc QC	0.00	1,568.19	(1,568.19)
4030-146108 Servi Operating-S R Rec Fr Cust Dep	6,873.42	0.00	6,873.42
4030-146123 Servi Operating-Due To/From ES 2016 Gen Con	0.00	300,390.77	(300,390.77)
4030-146125 Servi Operating-Due to/from Elec Plant Const	1,977,984.08	335,983.75	1,642,000.33
4030-146250 Servi Operating-S R PRP BF Const	768,118.87		768,118.87
4030-146251 Servi Operating-S R Rec Fr ES RF Const Fund	762,079.11		762,079.11
4030-146440 Servi Operating-S R Rec Fr Ser Ins	113,310.66	8,897.66	104,413.00

	2017	2016	Difference
4030-146601 Servi Operating-S R Rec Fr NNI	3,507.77	0.00	3,507.77
4030-146901 Servi Operating-Due from PRP Rev	3,555,119.51	1,148,020.35	2,407,099.16
4030-146925 Servi Operating-Due from PRP 2015 Const	0.00	259,466.45	(259,466.45)
4030-146926 Servi Operating-PRP 2015 CREBs	163,380.51	0.00	163,380.51
4040-146101 Servi Insurance Rsrv-S R Rec Fr Elec Rev	64,968.19		64,968.19
4040-146901 Servi Insurance Rsrv-Due from PRP Rev	100,851.60		100,851.60
7001-146430 PRP Revenue-S R Rec Fr Ser Opr	66,027.21	11,889,690.14	(11,823,662.93)
7001-146703 PRP Revenue-Rec - PRP Rev from PRP RR&C	(8,655.62)	(8,655.62)	0.00
Total Intercompany receivables	12,808,436.35	26,162,773.49	(13,354,337.14)
Intercompany payables:			
1001-234430 Elect Revenue-S R Pay To Serv Oper	(979,250.83)	(11,941,920.45)	10,962,669.62
1001-234440 Elect Revenue-S R Pay To Insurance Res	(64,968.19)		(64,968.19)
1005-234011 Elect Excess Earnings-N R Pay To Elec Rev	(0.03)	(0.03)	0.00
1008-234101 Elect Cust Deposits-S R Pay To Elec Rev	0.00	(134,351.28)	134,351.28
1008-234430 Elect Cust Deposits-S R Pay To Serv Oper	(6,873.42)	0.00	(6,873.42)
4030-234101 Servi Operating-S R Pay To Elec Rev	(4,252,795.89)	(13,337.60)	(4,239,458.29)
4030-234107 Servi Operating-S R Pay To QC R&R	(2,824.29)		(2,824.29)
4030-234108 Servi Operating-S R Pay To Cust Deposit Rev	0.00	(137,802.44)	137,802.44
4030-234125 Servi Operating-S R Pay to ES BF Const Fnd	(2,069,491.39)	0.00	(2,069,491.39)
4030-234601 Servi Operating-S R Pay To NNI	0.00	(1,751.49)	1,751.49
4030-234602 Servi Operating-S R Pay To Supp Habitat	(46.82)	(891.96)	845.14
4030-234603 Servi Operating-S R Pay To Habitat	(205.01)	0.00	(205.01)
4030-234701 Servi Operating-Pay - PRP RR&C to PRP Rev	(15,665.88)	(15,665.88)	0.00
4030-234725 Servi Operating-PRP Utility Plant	(15,811.03)	(15,811.03)	0.00
4030-234901 Servi Operating-Due to PRP Revenue Cash	(50,361.33)	(11,874,024.26)	11,823,662.93
4030-234924 Servi Operating-PRP 2014 Construction	(1,887.00)	(1,887.00)	0.00
4030-234926 Servi Operating-SR payable to PRP 2015 CREBs	0.00	(958,894.69)	958,894.69
4040-234430 Servi Insurance Rsrv-S R Pay To Serv Oper	(113,310.66)	(8,897.66)	(104,413.00)
7001-234430 PRP Revenue-S R Pay To Serv Oper	(3,555,119.51)	(1,148,020.35)	(2,407,099.16)
7001-234440 PRP Revenue-S R Pay To Insurance Res	(100,851.60)		(100,851.60)
Total Intercompany payables	(11,229,462.88)	(26,253,256.12)	15,023,793.24
Accounts payable:			
1001-232000 Elect Revenue-A/P Control	(2,699,386.20)	(2,892,714.78)	193,328.58
1001-232005 Elect Revenue-A/P Manual Accruals	(57,195.80)	(38,747.00)	(18,448.80)
1001-232010 Elect Revenue-A/P General	(1,512,594.70)	(1,971,387.35)	458,792.65
1001-232020 Elect Revenue-A/P Conservation	(14,802.52)	(300.00)	(14,502.52)
1001-232050 Elect Revenue-A/P Inventory	(2,408,952.65)	(764,666.62)	(1,644,286.03)
1001-242500 Elect Revenue-FERC Admin Charges QC	(6,289.47)	(7,489.60)	1,200.13
4030-232000 Servi Operating-A/P Control	94,346.71	(382,469.58)	476,816.29
4030-232015 Servi Operating-Accounts Payable PR 3rd Party	(236,205.38)	(215,234.63)	(20,970.75)
4030-232021 Servi Operating-PR Basic Life/AD&D	(17.77)	8.36	(26.13)
4030-232022 Servi Operating-PR 3rd Party Supp Life/AD&D	(24,071.75)	(24,338.70)	266.95
4030-232023 Servi Operating-PR 3rd Party MGT Life/AD&D	3,816.63	0.00	3,816.63
4030-232024 Servi Operating-PR 3rd Party Long Term Care	(2,653.90)	853.60	(3,507.50)
4030-232025 Servi Operating-PR 3rd Party LTD	586.34	611.32	(24.98)
4030-232050 Servi Operating-Accrued Purchases	17,673.92	17,673.92	0.00
4030-242210 Servi Operating-Retainage Withheld	(796,992.76)	(615,315.63)	(181,677.13)
7001-232000 PRP Revenue-A/P Control	(4,616,590.98)	(2,510,157.49)	(2,106,433.49)
7001-232005 PRP Revenue-A/P Manual Accruals	(1,651,254.78)	(1,491,422.19)	(159,832.59)
7001-242510 PRP Revenue-Misc Liab FERC Admin Charges	(476,763.02)	(487,891.11)	11,128.09
7001-242700 PRP Revenue-Meaningful Priority	(56,814.71)	(29,020.29)	(27,794.42)
Total Accounts payable	(14,444,162.79)	(11,412,007.77)	(3,032,155.02)
Customer A/R	25,035,833.71	23,266,394.48	1,769,439.23
Materials and supplies	17,842,541.69	17,581,644.40	260,897.29
Other current assets	1,741,915.77	1,478,945.86	262,969.91
Conservation loans	459,163.39	566,196.24	(107,032.85)
Demand-side management	697,727.21	1,025,227.65	(327,500.44)
Preliminary expenses:			
1001-183011 Elect Revenue-Preliminary Surveys	7,816.25	7,816.25	0.00
Total Preliminary expenses	7,816.25	7,816.25	0.00
Wages payable	(11,534,273.89)	(11,802,654.33)	268,380.44
Pension obligation	(48,513,759.49)	(53,421,300.30)	4,907,540.81
Power purchasers true-up	952,394.53	(4,440,256.34)	5,392,650.87
Accrued taxes	(7,025,703.02)	(6,489,591.30)	(536,111.72)
Customer deposits	(14,899,853.25)	(11,210,280.49)	(3,689,572.76)
Accrued OPEB liability	(2,794,338.19)	(2,490,626.19)	(303,712.00)
Unearned revenue	(13,887,523.67)	(6,970,665.00)	(6,916,858.67)
Total Unrestricted	146,586,393.81	198,684,452.03	(52,098,058.22)
TOTAL NET POSITION	1,073,892,119.44	997,754,987.53	76,137,131.91

(Internal transactions are eliminated based on Generally

Exhibit 18c

		BA Load		Loads During BA Peak				
Month	Date	Calc'd GCPD_BA_LOAD MMAX	Calc'd GCPD_BA_LOAD MMAX TIME	Schrag	Kittitas	Palisades	USBR Large Loads	USBR Small Loads Estimate
Jan	01/31/2016	650	03 08	1.64	1	2.81	0.92	0.50
Feb	02/29/2016	620	02 08	1.47	0.75	2.39	0.8	0.59
Mar	03/31/2016	529	18 08	1.1	0.82	1.91	0.79	0.46
Apr	04/30/2016	575	20 18	7.73	0.66	2.69	22.19	0.47
May	05/31/2016	648	31 17	12.47	0.66	3.01	26.17	2.80
Jun	06/30/2016	770	29 16	10.7	1.42	5.12	30.89	2.01
Jul	07/31/2016	776	29 17	7.16	1.65	4.87	31.62	1.97
Aug	08/31/2016	779	17 17	9.42	1.92	5.71	30.79	1.91
Sep	09/30/2016	623	01 14	8.5	0.9	3.08	25.59	1.63
Oct	10/31/2016	583	12 08	3.31	0.71	2.16	14.03	1.16
Nov	11/30/2016	601	29 08	2.61	0.87	1.72	0.92	0.50
Dec	12/31/2016	719	17 08	1.81	1.19	2.73	0.93	0.23
Jan	01/31/2017	790	13 08	1.73	1.19	2.92	0.91	0.50
Feb	02/28/2017	713	02 08	1.62	0.88	2.72	0.84	0.69
Mar	03/31/2017	605	07 07	1.14	0.59	2.1	0.81	1.05
Apr	04/30/2017	583	11 07	0.91	1.08	1.6	11.74	0.33
May	05/31/2017	700	30 17	9.24	0.68	2.94	26.92	2.21
Jun	06/30/2017	755	26 16	11.68	0.68	4.42	28.96	1.74
Jul	07/31/2017	803	06 16	11.72	1.08	4.86	31.23	2.06
Aug	08/31/2017	787	01 17	9.91	1.02	5.28	31.81	1.98
Sep	09/30/2017	730	01 17	8.95	0.83	4.8	27.33	1.77
Oct	10/31/2017	625	12 07	5.53	0.72	1.96	16.35	1.19
Nov	11/30/2017	642	07 07	1.42	0.78	1.99	1	0.56
Dec	12/31/2017	664	24 09	1.69	1.08	2.71	0.85	0.27
Jan	01/31/2018	661	03 08	1.52	1.05	2.36	0.86	1.12
Feb	02/28/2018	730	21 07	2.92	1.03	2.49	0.9	0.29
Mar	03/31/2018	652	07 07	1.32	0.82	1.99	0.85	0.44
Apr	04/30/2018	632	02 07	2.93	0.77	1.57	13.83	0.39
May	05/31/2018	729	16 16	8.53	0.79	4.02	23.38	2.35
Jun	06/30/2018	773	21 16	13.51	0.96	27.93	4.71	1.87
Jul	07/31/2018	848	26 16	8.89	1.24	5.23	32.16	1.23
Aug	08/31/2018	831	09 16	10.48	1.04	4.8	30.09	2.63
Sep	09/30/2018	702	06 17	9.96	0.9	3.72	23.05	1.68
Oct	10/31/2018	647	19 08	5.99	0.58	1.93	14.79	1.19
Nov	11/30/2018	682	19 08	2.06	0.66	2	0.88	0.1
Dec	12/31/2018	707	07 08	2.17	0.65	2.09	0.79	0.9

System Load		Trans Level	Non Coincident Peaks					
Calc'd GCPD_SYS T_LOAD MMAX	Calc'd GCPD_SYS T_LOAD MMAX TIME	115/230 wheeling load during Peak	Schrag	Kittitas	Palisades	USBR Large Loads	USBR Small Loads Estimate	USBR 115 Only
633	03 08	0.153						
607	02 08	0.152						
525	29 08	0.139						
592	20 18	15.072						
670	31 17	19.008						
796	29 16	21.84						
798	29 17	22.577						
805	17 17	21.876						
643	01 14	18.41						
589	05 09	9.613						
595	29 08	0.123						
701	17 08	0.151						
772	13 08	0.151	1.9	1.2	2.93	2.1	0.5	1.2
695	07 08	0.137	1.7	1.0	2.7	1.1	0.7	0.2
592	07 07	0.063	1.4	0.7	2.35	9.5	1.1	7.0
585	11 07	7.688	3.0	1.2	1.69	20.3	0.3	13.5
721	30 17	18.378	9.9	0.9	4.06	29.5	2.2	20.0
778	26 16	20.524	12.6	0.9	4.88	33.0	1.7	22.1
826	06 16	21.806	12.3	1.5	5.34	33.7	2.1	23.4
811	01 17	22.205	11.5	1.6	5.35	33.4	2.0	23.2
751	01 17	19.124	9.8	1.3	4.94	28.8	1.8	20.2
629	12 07	11.649	6.3	0.9	3.01	18.5	1.2	12.7
630	07 07	0.122	1.6	1.0	2.05	1.2	0.6	0.2
647	24 09	0.101	1.8	1.1	2.71	1.0	0.3	0.1
672	03 08	0.105						
746	21 07	0.121						
665	07 07	0.127						
627	02 07	9.015						
712	16 16	16.976						
747	21 16	20.302						
819	26 16	22.774						
808	09 16	21.27052						
682	07 17	16.597						
637	19 08	10.48						
694	19 08	0.141						
721	07 08	0.157						

Total NCP Billing Units	
115/230	13.2
780.3	779.1
702.2	702.0
607.0	600.0
611.2	597.6
767.2	747.1
831.0	808.9
880.7	857.3
864.5	841.3
797.7	777.5
658.5	645.8
636.3	636.1
654.2	654.1
732.6	**720.6**
8,791	8,647

Attachment D

Reply to August 5, 2019 Bonneville Power Authority Comments and Questions

I. Introduction

As part of its customer engagement process for developing an updated transmission (wheeling) cost of service study ("COSS" or "Study"), Public Utility District No. 2 of Grant County ("Grant PUD") requested comments and feedback regarding its draft transmission ("wheeling") COSS.

The draft study was published on June 19, 2019. Following a review process with stakeholders, written feedback regarding the draft Study was due to Grant PUD by July 10, 2019. The Irrigation Districts and USBR submitted comments and questions on this date. Grant PUD updated the COSS study and responded to the parties' comments on July 25, 2019. Grant PUD responded to the remaining questions on August 5, 2019.

The Bonneville Power Authority (BPA) submitted its comments and questions to Grant PUD on August 5, 2019. The BPA questions included requests for various information regarding Grant PUD's financial data. This financial information is gathered and published by Grant PUD's finance and accounting department in accordance with generally accepted accounting principles. Additionally, Grant PUD's financial statements are audited by an independent financial firm. Where specific data has been requested, the response to those inquiries may be provided via Grant PUD's records department. If additional data is required, please visit www.grantpud.org/contact-us to complete a public records request form.

II. Exhibit I – Allocators

1. Lines 15-18 reference a 'Note D'. There is no Note D. Please provide a source/basis to justify the values in Lines 15-18.

Grant PUD agrees with BPA that the note does not exist. The Note D reference should have been removed from the spreadsheet. The July 25, 2019 COSS Exhibit 1, Line 15-18 reflects total direct labor of $42,731,085. See "Revised Exhibit a" published on August 9, 2019 for further details.

2. Given Note A, and that Line 2 has a value of $0, have Grant's books been adjusted to fully remove state-jurisdictional facilities from the transmission function? If not, Transmission Plant Included in Rates must be reduced.

The amounts reflected in Grant PUD's COSS do not include any state-jurisdictional facilities, no reduction is required.

3. Given Note B, and that Line 3 has a value of $0, is no transmission plant included in developing ancillary services rates? If not, Transmission Plant Included in Rates must be reduced.

Grant PUD's transmission COSS reflects the costs for its wholesale transmission (wheeling) services. The ancillary service costs will be determined later in this process.

III. Exhibit II – Plant Data

4. Grant has not justified the segmentation between Transmission and Distribution Plant. Bonneville requests project-specific data to ensure that costs are appropriately characterized.

Grant PUD believes that the functional plant balances reflected in July 25, 2019 Exhibit II have been properly recorded. This is supported by the Independent Audit Report Letter reflected in the PUD's 2018 Annual Report (See Attachment A published on July 25, 2019), which states:

> As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts.

If further information is still needed, see Section I – Introduction for Grant PUD's procedures in acquiring public data.

5. Grant has not recognized the fundamental difference between Distribution and Retail. Line numbers 30-33 are related to retail service and should not be a part of the formula rate applied to service under the sub-115 kV rate. Lines 30-33 should be removed from the Distribution cost of service.

As reflected on Exhibit II, Lines 30-33, Columns (h) through (j) published on July 25, 2019, the plant account balances for Accounts 368 (Line 29), 369 (Line 30), 370 (Line 31), and 373 (Line 32) have been excluded from the distribution function for determining the transmission COSS.

6. Grant should provide greater transparency regarding the costs within FERC Accounts. Grant's Reply to July 10 Comments justified the inclusion of costs from several FERC Accounts based on an Independent Audit Report Letter. This might support a claim that costs have been assigned to the appropriate FERC Account, but it does not necessarily justify including all costs from a given FERC Account in a wholesale transmission or distribution rate. For example, Account 398 properly includes restaurant equipment, but such costs may be inappropriate to recover through wholesale transmission and distribution rates. Grant should be transparent about the costs included in its proposed rates.

Grant PUD believes its transmission COSS process is transparent. Based on Irrigation District and USBR concerns from the July 10, 2019 comments and questions, the PUD is analyzing balances in four Exhibit II plant accounts, Accounts 302, 303, 390, and 397. These results will be made public once the analysis has been completed. Grant PUD notes this may result in modifying its transmission COSS.

If further information is still needed, see Section I – Introduction for Grant PUD's procedures in acquiring public data.

IV. Exhibit III – O&M Expenses

7. Please explain Grant's rationale for the numerous additions and changes to the O&M Expenses cost tab since the prior version. Grant should be transparent about the basis for each change to cost categories, and allow customer groups to review and comment.

Grant PUD believes its transmission COSS process is transparent and that its July 25, 2019 COSS model simplified and clarified Exhibit III (O&M Expenses) to allow better transparency. Grant PUD's July 25, 2019 COSS summarized individual account detail to simplify Exhibit III. Further, the PUD added column (f), "Comments re: Adjustments" that adds additional information detailing whether an account and/or an amount were excluded from the transmission COSS calculation.

8. Hydraulic Power Generation O&M Expenses is not an appropriate cost category to recover in Grant's transmission rate. These costs must be removed.

Grant PUD agrees with BPA. As reflected in the July 25, 2019 COSS, Exhibit III, Lines 1-14, Column (f), the O&M account balances for Accounts 535 (Line 1) through 545.1 (Line 13) have been excluded from the transmission (wheeling) COSS.

9. Grant included FERC Account 564, Transmission Service Studies, in the O&M Expenses. If Grant is reimbursed for study costs, then those reimbursements must appear in the Revenue Credit section of the formula rate proposal.

Grant PUD agrees with BPA. As reflected in the July 25, 2019 COSS, Exhibit III, Line 19, Columns (c) through (e), the YE 2018 O&M account balance for Accounts 564 is zero, therefore, has no impact on the transmission COSS.

If in future years, Grant PUD incurs O&M expenses in preparing studies for others and bills for its services, the amount billed would offset the O&M expenses.

10. On Line No. 20, FERC Account 565, Grant PUD describes the account as Station Expenses. However, FERC Account 565 is 'Transmission of Electricity by Others'. Please clarify this discrepancy and confirm whether the appropriate costs have been applied to this Account. Including Account 565 costs in transmission rates would require justification that is currently absent.

The June 19, 2019 transmission COSS model, the Transmission O&M account numbers and descriptions were matched in accordance with FERC Uniform System of Accounts. The updated July 25, 2019 transmission COSS the Transmission O&M account numbers and descriptions were miss-aligned. Grant PUD believes that the remaining O&M account numbers and descriptions were published in accordance with FERC Uniform System of Accounts. On August 12, 2019, Grant PUD published a revised July 25, 2019 transmission COSS correcting the transmission COSS accounts and descriptions.

11. As in Exhibit II, Grant has inappropriately included costs in Distribution O&M that should instead be recovered through Grant's retail rates. In particular, Lines 43 and 44 appear retail-specific. Additional costs may be inappropriately assigned to distribution, and Bonneville requests supporting documentation to validate this information.

As reflected in the July 25, 2019 COSS, Exhibit III, Lines 43-44, Columns (c) through (e), the O&M account balance for Accounts 596 (Line 43) through 597 (Line 44) have been excluded from the transmission (wheeling) COSS.

Grant PUD believes that the functional O&M accounts balances reflected in July 25, 2019 Exhibit III have been properly recorded. This is support by the Independent Audit Report Letter reflected in the PUD's 2018 Annual Report (See Attachment A published on July 25, 2019), which states:

> As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a

direct and material effect on the determination of financial statement amounts.

If further information is still needed, see Section I – Introduction for Grant PUD's procedures in acquiring public data.

V. Exhibit V – ROR

12. Bonneville continues to disagree with Grant's inclusion of a flat Rate of Return based on investor-owned utilities' Returns on Equity rather than recovering actual debt service/borrowing costs incurred related to capital expenditures through a transmission rate. Grant has not justified the recovery of such additional costs here. The goals of a public utility district differ from an IOU's in that there are no shareholders/investors to compensate, and the goal is to optimize benefits to customers by keeping rates as low as possible while assuring full cost recovery. A public utility district's debt service/borrowing costs are not equivalent to, and are generally lower than, an IOU's because (1) publics do not have shareholders that expect a specific rate of return; (2) publics can issue debt on a tax-exempt basis (which typically has lower interest rates); and (3) public institutions usually have a ready source of secure income. Further, Grant's Reply to July 10 Comments appears to confuse Grant's opportunity costs with those of its customers. The 9.8% ROE should be removed and replaced with a rate based on Grant's actual debt service/borrowing costs related to outstanding bonds or other debt instruments. If additional funds are desired to meet financial metrics or for capital expenditures, such amounts should be clearly identified as such.

At present, Grant PUD continues to support its June 19, 2019 and July 25, 2019 COSS position that the ROE of 9.8% is a reasonable proxy for the cost of ratepayer supplied capital. The COSS model utilizes a cost of capital to reflect the financing costs associated with Grant PUD's capital costs. Rather than adjusting target revenue to meet financial metrics and obtaining cash necessary for capital investments, this method estimates the cost of capital, which includes the cost of equity in the market, and treats this as an operating cost.

Use of these funds carries with it, at a minimum, an opportunity cost. The cost estimates that Grant PUD would need to pay investors if the equity was not supplied by customers. Conversely, it represents a return that customers could expect to earn if they were able to invest that money in similar projects in the marketplace.

VI. Exhibit VII – Revenue Credits

13. The load associated with Bonneville and Grant's General Transfer Agreement should be removed from the divisor of Grant's proposed transmission rates, and added as a revenue credit, in order to avoid double recovery.

Grant PUD believes its COSS properly accounts for BPA load and there is no double recovery.

The transmission COSS assumes this load is subject to the new transmission rate and that the billing units should be used in the divisor of the new rate. If this load was removed from the divisor, a higher rate would result in order to recover the necessary revenue requirement. The current billing units reflected in the transmission COSS are Grant PUD's best estimate.

There is no revenue credit for this load because Grant PUD does not believe there will be any additional revenue from this load that would qualify as a revenue credit.

Attachment E

Grant PUD's Responses to USBR's August 27, 2019 Comments

As part of its customer engagement process for developing an updated transmission (wheeling) cost of service study ("COSS" or "Study"), Public Utility District No. 2 of Grant County ("Grant PUD") requested comments and feedback regarding its draft transmission ("wheeling") COSS.

The draft study was published on June 19, 2019. Following a review process with stakeholders, written feedback regarding the draft Study was due to Grant PUD by July 10, 2019. The Irrigation Districts and USBR submitted comments and questions on this date. Grant PUD updated the COSS study and responded to the parties' comments on July 25, 2019. Grant PUD responded to the remaining questions on August 5, 2019.

The Bonneville Power Authority (BPA) submitted its comments and questions to Grant PUD on August 5, 2019. Grand County responded to these comments and questions on August 12, 2019. USBR submitted additional comments to Grant PUD on August 27, 2019. The following are Grant PUD's responses to these comments.

1. There have been significant cost increases from 2017 to 2018 data, based on the information presented. Please provide additional information for the cost increases.

During the preparation of Grant PUD's responses to Question #1, it was discovered that some of 2017 cost data previously provided in the June 19, 2019 COSS model was incorrect. The incorrect data impacted Grant PUD's responses to #1a. and #1b. below. The corrected 2017 data is provided in Grant PUD's responses to USBR August 27, 2019 comments and questions. Because of the incorrect 2017 data, Grant PUD staff reviewed the 2018 cost data published in the July 25, 2019 COSS model, and believes that this data is correct.

Items below are shown as examples from Exhibit II - Plant Data:

a. Line 3 - Miscellaneous intangible plant had a net increase of $23 million

The 2017 COSS model incorrectly states Account 303 accumulated depreciation at $68,244,937 (see June 19, 2019 COSS model, Exhibit II – Plant Data, Col. (e), Line 3) the correct number is $46,367,380.92, thus resulting in net plant of $88,539,048. The 2018 Account 303 net plant balance is $89,931,920 (see July 25, 2019 COSS model, Exhibit II – Plant Data, Col. (f), Line 3) , resulting in a difference of $1,392,872.

b. Line 12 - Subtotal Hydro Production Plant increase of $97 million

The June 19, 2019 COSS (Exhibit II – Plant Data, Col. (d)) model incorrectly states certain 2017 data for the following line items:

- Account 330 Land and Land Rights, Line 5 reflects $19,692,643, the correct amount is $19,685,660, the resulting in a decrease of $6,983; and
- Account 331 Structures and Improvements, Line 6 reflects $139,054,611, the correct amount is $138,048,228, resulting in a decrease of $1,006,383; and
- Account 333 Water Wheels, Turbines, and Generators, Line 8 reflects $518,989,256, the correct amount is $506,700,838, resulting in a decrease of $12,288,418.

The corrected 2017 Subtotal Hydro Production Plant is $1,291,697,511, the 2018 Subtotal Hydro Production Plant is $1,424,488,777 (July 25, 2019 COSS Model, Exhibit II – Plant Data, Col. (d), Lines 13 and 14), resulting in a plant balance increase of $132,791,266.

See the following 2018 project asset expenditures increase explanation:

2018 Project Assets	Amount (in millions)
Priest Rapids Turbine and Generator upgrade designs-	$38.8
Priest Rapids 1st Turbine upgrade-	$32.1
Wanapum 9th Generator upgrade-	$27.9
Priest Rapids #09 Generator upgrade-	$18.2
Crescent Bar Water system-	$1.8
Crescent Bar Waste Water Treatment Facility-	$4.2
Wanapum Spillway Gate Coating & Upgrades Tainter Gates	$4.8
Total 2018 project assets explained	$127.8

c. Line 26 - Poles and towers had a net increase of $8.5 million

Account 364 explanation:

2018 Project Assets	Amount (in millions)
Cloudview Substation	$6.1
Quincy Plains Substation	$4.2

d. Line 32 - Meters had a net increase of $8.6 million

Installed new Advanced Meters across district

e. Line 36 - Structures and Improvements had a net increase of $31 million

Crescent Bar work - on and off island

f. Line 43 - Communication equipment had a net increase of $2.7 million

Advance Meter Infrastructure Power Supply change out

2. The official wholesale wheeling process started with the May 1st meeting of this year, followed by explanatory/review meetings and written comment submission. Please clarify what the PUD's next steps are and any milestones that USBR needs to be aware of.

Commission review of the Transmission ("wheeling") COSS has been tentatively scheduled for the November 12, 2019 meeting.

3. Exhibit V - ROR - Rates are to be set to recover costs and earn additional return to maintain bond ratings and invest in new facilities. USBR is still uncertain that this needs to be applied. Please clarify why the 9.8% ROR is needed.

Grant PUD continues to support its COSS position that the ROE of 9.8% is a reasonable proxy for the cost of ratepayer supplied capital. The COSS model utilizes a cost of capital to reflect the financing costs associated with Grant PUD's capital costs. Rather than adjusting target revenue to meet financial metrics and obtaining cash necessary for capital investments, the ROE method estimates the cost of capital, which includes the cost of equity in the market, and treats this as an operating cost. The ROE cash injection is necessary to continue the District's asset growth and to provide funds to maintain the current facilities.

Use of these funds carries with it, at a minimum, an opportunity cost. The cost estimates that Grant PUD would need to pay investors if the equity was not supplied by customers. Conversely, it represents a return that customers could expect to earn if they were able to invest that money in similar projects in the marketplace.

While there are often differences in opinion on the correct level of ROE in developing transmission rates, the cost of service methodology is consistent with FERC guidance. Given the current and potential level of transmission, and for ease and consistency in implementation, staff is using standard industry methodology when possible.

4. Exhibit VI - Other Taxes, Line 1 (FERC Account No. 408). Taxes are assessed based on specific items. Please provide breakout of these taxes.

See the following for Grant PUD's 2018 Taxes-Other Than Income by specific tax item.

Account No. 408	Amount
Revenue-Taxes Fiber	$18,724
Revenue-Taxes Utility	$7,936,039
Revenue-Taxes Privilege	$6,178,665
Revenue-Taxes City	$2,448,395
Revenue-Taxes Fire District	$219,476
Total Taxes Other Than Income	$16,801,299

5. Version 1 released in June was based on 2017 data contained more detailed information than either of the two versions subsequently posted to date for cost studies. The PUD's response to concerns on this lack of granularity was that the current version is a simplified version and that additional data must be requested via public data requests. This "simplified version" obfuscates the data that is needed to provide a more thorough analysis of the cost study for wholesale rates.

Grant PUD continues to believe that its simplified COSS version is easier to follow and understand. If USBR has specific concerns regarding the COSS, Grant PUD encourages USBR to contact the appropriate staff to resolve its concerns or submit a public records request for the necessary information.

6. There have been multiple revisions released by the PUD. Please clarify differences between cost studies released on July 25 and August 12.

The July 25, 2019 COSS model reflected account description errors for the transmission O&M expenses. This was brought to Grant PUD's attention in BPA's August 5, 2019 Comments and Questions, Item No. 10. Grant PUD response stated:

> *The June 19, 2019 transmission COSS model, the Transmission O&M account numbers and descriptions were matched in accordance with FERC Uniform System of Accounts. The updated July 25, 2019 transmission COSS the Transmission O&M account numbers and descriptions were miss-aligned. Grant PUD believes that the remaining O&M account numbers and descriptions were published in accordance with FERC Uniform System of Accounts. On August 12, 2019, Grant PUD published a revised July 25, 2019 transmission COSS correcting the transmission COSS accounts and descriptions.*

The only difference between the July 25, 2019 COSS model and the August 12, 2019 COSS model is Grant PUD correcting the Transmission O&M expense accounts for the miss-align account description.

7. How are the ancillary services captured in the cost studies and how will they be addressed?

The costs associated with ancillary services are captured in Grant PUD's cost of service models (transmission and retail). Grant PUD anticipates that once the Commission approves the Transmission and Retail COSS model, the ancillary services COSS will be developed.

Grant PUD plans to develop ancillary service charges to cover the costs incurred by a balancing authority and transmission system in hosting a load or generator. Some of the ancillary services may not be calculated as part of the current effort and will be determined in future efforts. Additional ancillary services may be required in the future as the industry evolves. The applicable ancillary services are:

- Scheduling, System Control and Dispatch
- Reactive Supply and Voltage Control
- Regulation and Frequency Response
- Operating Reserves
- Energy Imbalance
- Transmission Losses
- Variable Energy Resource Balancing Service

8. Exhibit III - O&M Expenses - Transmission O&M expenses still appear to have erroneous FERC codes attached.

Grant PUD has reviewed its August 12, 2019 COSS model and believes the O&M expense account numbers and account descriptions match the FERC Uniform Chart of Accounts' account numbers and descriptions. However, the COSS model previously posted on Grant PUD's website was miss-labelled, this has been corrected. The August 12, 2019 COSS is now correctly labelled "Draft Transmission Cost Study Version 2 (With Corrections)". The July 25, 2019 COSS model is labelled "Draft Transmission Cost Study Version 2".

9. We are unable to locate a referenced "Revised Exhibit A" to a BPA question which was reportedly published on August 9, 2019. Please provide this document.

See the attached Exhibit A.

10. It was stated in response to several previous questions that the PUD was in the process of updating accounting to FERC uniform system of accounts and that the costs were extracted from the internal accounting to be placed into respective FERC accounts. More detailed data is required to verify that costs are appropriately characterized. Did the independent auditor referenced in Attachment A base the audit on FERC accounting or on the internal accounting methodology?

Grant PUD uses the FERC Uniform Chart of Accounts to record all district transactions, such as Operation and Maintenance (O&M) expenses and Plant in Service. As explained in Grant PUD's annual report, Notes to the Financial Statements, Note 1, on page 33:

> *The District maintains its accounts in accordance with accounting principles generally accepted in the United States of America for proprietary funds as prescribed by the Governmental Accounting Standards Board ("GASB"). The District's accounting records generally follow the Uniform System of Accounts for public utilities and licenses prescribed by FERC. The accompanying financial statements are those of the District, which generates, transmits, and distributes electric energy and wholesale fiber optic network services within Grant County, Washington.*

Grant PUD's external auditor's (MossAdams LLP) opinion (previously provided in its July 25, 2019 Reply to July 10 Comments, as Attachment A) states:

> *In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District as of December 31, 2018, and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.*

The data that has been recorded in these various accounts is voluminous, and in some instances may only be available on paper. The information stored electronically is not easily accessed, categorized, and summarized. Therefore, Grant PUD considers providing the requested detail level of account data extremely cumbersome, but has attempted to provide BPA requested account detail through its formal record requests made to Grant PUD. Further, Grant PUD has limited capability to provide detailed work order level information in a quick and efficient manner.

11. Exhibit II - Plant Data Line 43 (FERC Account No. 397, Communication Equipment), USBR asked previously for the breakdown and description for wholesale rate inclusion (also re-stated above). As a follow-up question, does this include only the portion "for general use in connection with utility operations" referenced in FERC 397? Please provide details for this $238-million line item.

Grant PUD originally responded to USBR's concerns regarding Account #397 in its July 25, 2019 response to USBR's July 10, 2019 Comments, Item No. 4. Later in Grant PUD responses to Bonneville Power Authority's August 5, 2019 Comments,

For Item No. 6; Grant PUD stated:

> "*…Based on Irrigation District and USBR concerns from the July 10, 2019 comments and questions, the PUD is analyzing balances in four Exhibit II plant accounts, Accounts 302, 303, 390, and 397. These results will be made public once the analysis has been completed. Grant PUD notes this may result in modifying its transmission COSS*."

At present, the Grant PUD analysis is on-going and has not been completed. Grant PUD still plans to make this analysis public once complete.

12. Exhibit III – O&M Expenses, Line 36 (FERC Account No. 586, Meter expenses) have been zeroed. Please clarify where the meter expenses are now included.

In its latest August 12, 2019 COSS model, the financial data was updated to Year End 2018. For this year, Account 586 reflects a zero balance, in other words, no amounts were booked into Account 586 during 2018. Grant PUD did not make any adjustments to this account for its August 12, 2019 COSS model.

13. Exhibit III – O&M Expenses, Line 37 (FERC Account No. 587, Customer installation expenses) does not seem appropriate to include in the wholesale rate. The previous answer to this question stated that Grant PUD was reviewing this. Please provide the results of that review.

Grant PUD originally responded to USBR's concerns regarding Account #587 in its July 25, 2019 response to USBR's July 10, 2019 Comments, Item No. 10.

For Item No. 10, Grant PUD stated:

> "Grant PUD is reviewing its COSS calculation and as a result, the PUD may modify its study."

At present, the Grant PUD analysis is on-going and has not been completed. Grant PUD plans to make this analysis public once complete.

2018 Labor (Including Benefits)

Revised (Exhibit A)

Sum of NET	Column Labels							Capital
Row Labels	**Elec**	**PRP**	**Grand Total**	Hydro-Production	Transmission	Distribution	Other O&M	Account
A&G	16,695,334.48	15,365,449.90	32,060,784.38					
Capital	12,256,269.85	10,496,816.69	22,753,086.54					22,753,087
Distribution	9,684,507.81		9,684,507.81			9,684,508		
Generation	561,781.53	21,360,413.02	21,922,194.55	21,922,195				
Licensing		4,749,934.43	4,749,934.43				4,749,934	
Other O&M	48,639.27		48,639.27				48,639	
Transmission	2,020,253.32	4,305,555.91	6,325,809.23		6,325,809			
Grand Total	**41,266,786.26**	**56,278,169.95**	**97,544,956.21**	21,922,195	6,325,809	9,684,508	4,798,574	22,753,087

2017 Labor (Including Benefits)

Sum of Net	Column Labels							Capital
Row Labels	**Elec**	**PRP**	**Grand Total**	Hydro-Production	Transmission	Distribution	Other O&M	Account
A&G	15,733,558.10	16,264,186.38	31,997,744.48					
Capital	11,052,878.53	9,775,003.26	20,827,881.79					20,827,882
Distribution	10,403,542.91		10,403,542.91			10,403,543		
Generation	378,264.84	20,362,303.81	20,740,568.65	20,740,569				
Licensing		4,773,849.25	4,773,849.25				4,773,849	
Other O&M	16,536.05	33.12	16,569.17				16,569	
Transmission	1,531,108.28	3,560,401.48	5,091,509.76		5,091,510			
Grand Total	**39,115,888.71**	**54,735,777.30**	**93,851,666.01**	20,740,569	5,091,510	10,403,543	4,790,418	20,827,882

A&G Labor is allocated to function based on the functional direct labor total, see Exhibit 1 - Allocators of the COSS model.
Capital Account Labor is directly assigned to function on the basis of individual work orders.

Attachment F

Grant PUD's Response to the USBR's December 4, 2019 Questions

As part of its customer engagement process for developing an updated transmission (wheeling) cost of service study ("COSS" or "Study"), Public Utility District No. 2 of Grant County ("Grant PUD") requested comments and feedback regarding its draft transmission ("wheeling") COSS.

The initial draft study was published on June 19, 2019. Following a review process with stakeholders, written feedback regarding the draft Study was due to Grant PUD by July 10, 2019. The Irrigation Districts and USBR submitted comments and questions on this date. Grant PUD updated the COSS study and responded to the parties' comments on July 25, 2019. Grant PUD responded to the remaining questions on August 5, 2019.

The Bonneville Power Authority (BPA) submitted its comments and questions to Grant PUD on August 5, 2019. Grand County responded to these comments and questions on August 12, 2019. USBR submitted comments to Grant PUD on August 27, 2019 and Grant PUD responded to these comments on September 26, 2019. In addition, USBR submitted additional questions to Grant PUD on December 4, 2019. The following are Grant PUD's responses to those questions.

Question No. 1 - As part of Grant's response to the set of questions that were submitted by Reclamation to Grant on August 27, 2019, Grant provided Reclamation with a copy of a document titled "Revised Exhibit A". Revised Exhibit A (also attached here in Attachment A for reference) contains information regarding Grant's 2018 labor costs that were utilized by the District in deriving the "Wages and Salary Allocators" that are shown on Lines 15-19 of Exhibit I to the August 12, 2019 version of Grant's Transmission Cost of Service Study ("2019 COSS"). One of the labor categories shown in Revised Exhibit A is titled "Capital". For 2018, the Grand Total figure for the Capital category is $22,753,086.54; however, based upon the calculations shown in this exhibit and the figures shown on Lines 15-19 of Exhibit I, the Capital labor costs were not incorporated into calculation of the "WST" and "WSD" cost allocators in the 2019 COSS. Please explain why 2018 labor costs associated with the Capital category were not included in the calculation of the labor cost-based WST and WSD allocators.

Grant PUD's 2018 total labor expense was 97,544,956.21, as reflected on "Revised Exhibit A" and summarized in the following table (see Column 2):

Table 1: 2018 Labor, by Function and Allocation Factor Development

Types of Labor	2018 Labor $	Labor Used to Allocated General Expense and Plant Accounts	Allocation Percentage
(1)	(2)	(3)	(4)
Direct Generation WSG	$21,922,194.55	$21,922,194.55	51.31%
Direct Transmission WST	$6,325,809.23	$6,325,809.23	14.80%
Direct Distribution WSD	$9,684,507.81	$9,684,507.81	22.66%
A&G Labor	$32,060,784.38		
Capital	$22,753,086.54		
Licensing	$4,749,934.43	$4,798,573.70	11.23%
Other O&M	$48,639.27		
Total Labor	$97,544,956.21	$42,731,085.29	100.00%

Reflected in the Column 2 Total labor amount is Capital labor of $22,753,086.54 which represents labor directly assigned to capital projects worked on by Grant PUD employees. Initially, Capital labor amounts are reflected in Account 107 - Grant PUD's Construction Work in Progress ("CWIP") account balances until work orders are closed. Once the work order is closed, the labor amounts are included in the appropriate 2018 plant account balances based on the work performed.

The purpose of developing the allocation factors (reflected in Column 4) is to allocate indirect A&G expenses, and indirect General and Intangible plant balances to the Generation, Transmission, and Distribution functions for cost recovery purposes. This treatment is consistent with current cost of service methodologies used by other utility companies in developing their functional calculations. By including the Capital labor amount in the calculations reflected in Columns 3 and 4, would inappropriately allocate indirect costs to plant balances and would cause Grant PUD to under-recover its current operating costs from its current customers.

If Capital labor were to be included to determine the allocation percentages in column (4); the capital labor would first have to be functionalized into Generation, Transmission and Distribution. This would result in functionalized Capital Labor having an immaterial impact to the Allocation Percentages. Therefore, it is inappropriate to include the Capital labor in determining the Transmission WST and Distribution WSD factors because all capital costs (including appropriate capital labor) are allocated using plant balances.

Question No. 2 - Pursuant to an open records request submitted by Reclamation to the District on August 30th, Grant provided a breakdown of the line item costs that are included in FERC Account No. 921 ("Office Supplies and Expenses") which are incorporated into the 2019 COSS on Line 66 of Exhibit III. Reclamation notes that based upon the supplemental information provided by the District, approximately 80% of the overall Account No. 921 total of $20,884,611 are labor-related costs. In particular, filtering the Account No. 921 line item costs on the "Timesheet Trx Entry" identifier in the "Reference" column shows total 2018 labor-related costs of $16,688,351. Given the above cited information, please identify: 1) the specific dollar amount of Grant's 2018 labor costs that are included in FERC Account No. 921 that are associated with the "Capital" labor category as shown in Revised Exhibit A, and 2) how Reclamation can confirm this amount using the information contained in the Account No. 921 line item detail file that was previously provided by the District.

According to the Grant PUD public records provided to USBR, the amount associated with the Account No. 921 "Timesheet Trx Entry" identifier should be $15,688,351 and not the USBR stated amount of $16,688,351. The Account No. 921 labor amount of $15,688,351 is further support by Table 2.

Table 2: 2018 Acct. No. 921 Labor

Account Number	Acct. 921 Labor
921010	$15,676,727.13
921030	$11,623.86
Total	$15,688,350.99

The total A&G labor cost of $32,060,784.38 reflected on Table 1 includes the corrected Account No. 921 labor amount. The A&G labor amounts are appropriately included in O&M expense account Nos. 920 – 935 in the 2018 Transmission COSS. Grant PUD's 2019 Transmission COSS allocates the A&G labor amounts to the Production, Transmission, or Distribution functions for cost recovery by using the direct labor factors reflected on Table 1, Column 4.

As discussed above in "Question No. 1", the labor costs attributable to capital plant accounts is $22,753,086.54. These labor amounts are recorded in Account No. 107 until the work order is closed. Once the work order is closed the labor amounts are included in the appropriate plant account balance.

Thus, no part the Account No. 921 labor amount of $15,688,351 is capitalized into plant accounts but is exclusively included in the Grant PUD's Transmission COSS O&M expense determination.

For further support of this position, see Grant PUD response to USBR's August 27, 2019 Question No. 10, which states:

> *Grant PUD uses the FERC Uniform Chart of Accounts to record all district transactions, such as Operation and Maintenance (O&M) expenses and Plant in Service. As explained in Grant PUD's 2018 annual report, Notes to the Financial Statements, Note 1, on page 33:*
>
> > *"The District maintains its accounts in accordance with accounting principles generally accepted in the United States of America for proprietary funds as prescribed by the Governmental Accounting Standards Board ("GASB"). The District's accounting records generally follow the Uniform System of Accounts for public utilities and licenses prescribed by FERC. The accompanying financial statements are those of the District, which generates, transmits, and distributes electric energy and wholesale fiber optic network services within Grant County, Washington".*

Grant PUD's external auditor's (MossAdams LLP) opinion (previously provided in its July 25, 2019 Reply to July 10 Comments, as Attachment A) states:

> *"In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District as of December 31, 2018, and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America".*

Question No. 3 - Pursuant to the same open records request from Question 2, please explain why certain costs that seem related to Generation still show up as a line item contributing to Generation are included in the calculation. For example, there are line items with "QC", "PEC" or "PRP".

To the extent O&M expenses are recorded with the "QC" (Quincy Chute), "PEC" Potholes East Canal, or "PRP" (Priest Rapids Project) code, the O&M expenses are functionalized based on where the work was performed. As noted in previous Grant PUD responses, where generation facilities work is performed, then the related O&M expenses are recorded in the generation function. If the performed work is on transmission facilities, then the related O&M expenses are recorded in the transmission function.

Grant PUD continues to support its position that part of the "QC", "PEC" and "PRP" facilities are appropriately classified as transmission and related expenses should recovered through Grant PUD's transmission COSS.

To further support this position, Grant PUD previously provided the following in its introduction statement to its Reply to July 10 Comments:

> *A recurring theme within their comments is the fact that many of Grant PUD's accounting titles include "PRP" in the title, and the misconception that the Priest Rapids Project ("PRP")-related costs are all generation costs. The April 17, 2008 Federal Energy Regulatory Commission's Order Issuing New License for continued operation of the Priest Rapids Project (available at*

https://www.grantpud.org/templates/galaxy/images/images/Downloads/About/Environment/ShorelineManagement/PriestRapidsProjectLicenseh1.pdf) lists several transmission specific components to the project.

Including the following on page 54 of the license:

The project's six primary transmission lines (three at the Wanapum development and three at Priest Rapids development), totaling 56.5 miles, deliver project power to the transmission grid via the BPA's Columbia and Midway substations. Grant PUD is proposing no changes that would affect its own or other transmission services in the region. The project and its transmission lines are important elements in providing power and voltage control to local Grant County, Washington, communities and the region.

And including the following located on page 59 license:

(e) three 230-kilovolt (kV) overhead transmission lines with: (i) the first transmission line connecting and terminating at 2 adjacent switchyards 1.5 miles away; (ii) the second running from one of the two switchyards north for 31 miles to the BPA's Columbia substation; and (iii) the third connecting the Wanapum substation with the Priest Rapids substation running south for 17 miles; and (f) appurtenant facilities.

(f) three 230-kV transmission lines from the transformers at the powerhouse to the Priest Rapids switchyard 1 mile away, then continuing for 6 miles to the BPA's Midway substation;

For Quincy Chute ("QC") and Potholes East Canal ("PEC"), Grant PUD previously provided its response to USBR's Question No. 9 (see Reply to USBR's July 10 Comments):

> *"…If the expenses are related to the PUD's transmission system, then they should be included as transmission related."*

Also supporting Grant PUD's position is its response to USBR's August 27, 2019 Question No. 10, which is stated above in Question 2.

Question No. 4 - From Exhibit III – O&M Expenses, please clarify what is included in Line item 561 and 581 and explain why there is a huge difference in values between these line items.

For accounting purposes, Grant PUD's utilizes the Federal Energy Regulatory Commission's ("FERC") Uniform System of Accounts when recording its Operation and Maintenance Expenses ("O&M") for labor and all other O&M expenses.

The FERC Uniform System of Accounts for Account #561-Transmission Load Dispatching states:

561.1 Load Dispatch—Reliability.

This account shall include the cost of labor, materials used and expenses incurred by a regional transmission service provider or other transmission provider to manage the reliability coordination function as specified by the North American Electric Reliability Council (NERC) and individual reliability organizations. These activities shall include performing current and next day reliability analysis. This account shall include the costs incurred to calculate load forecasts, and performing contingency analysis.

561.2 Load Dispatch—Monitor and Operate Transmission System.

This account shall include the costs of labor, materials used and expenses incurred by a regional transmission service provider or other transmission provider to monitor, assess and operate the power system and individual transmission facilities in real-time to maintain safe and reliable operation of the transmission system. This account shall also include the expense incurred to manage transmission facilities to maintain system reliability and to monitor the real-time flows and direct actions according to regional plans and tariffs as necessary.

ITEMS

1. Receive and analyze outage requests

2. Reschedule outage plans
3. Monitor solution quality field data values, providing model updates to NERC and coordinating network model changes across all systems
4. Conduct operating training related to NERC certification
5. Monitor generation resources and communicate expected dispatch actions
6. Ensure ancillary service requirements are met
7. Directing switching
8. Controlling system voltages
9. Obtaining reports on the weather and special events
10. Preparing operating reports and data for billing and budget purposes

561.3 Load Dispatch—Transmission Service and Scheduling.

This account shall include the costs of labor, materials used and expenses incurred by a regional transmission service provider or other transmission provider to process hourly, daily, weekly and monthly transmission service requests using an automated system such as an Open Access Same-Time Information System (OASIS). It shall also include the expenses incurred to operate the automated transmission service request system and to monitor the status of all scheduled energy transactions.

561.4 Scheduling, System Control and Dispatching Services.

This account shall include the costs billed to the transmission owner, load serving entity or generator for scheduling, system control and dispatching service. Include in this account service billings for system control to maintain the reliability of the transmission area in accordance with reliability standards, maintaining defined voltage profiles, and monitoring operations of the transmission facilities.

561.5 Reliability, Planning and Standards Development.

This account shall include the cost of labor, materials used and expenses incurred for the system planning of the interconnected bulk electric transmission systems within a planning authority area.

ITEMS

1. Developing and maintaining transmission system models to evaluate transmission system performance.
2. Maintaining and applying methodologies and tools for the analysis and simulation of the transmission systems for the assessment and development of transmission expansion plans.
3. Assessing, developing and documenting transmission expansion plans.
4. Maintaining transmission system models (steady-state, dynamics, and short circuit).
5. Collecting transmission information and transmission facility characteristics and ratings.
6. Notifying participants of any planned transmission changes that may impact their facilities.
7. Developing and reporting on transmission expansion plans for assessment and compliance with reliability standards.
8. Developing reliability standards for the planning and operation of the interconnected bulk electric transmission systems that serve the United States, Canada, and Mexico.
9. Developing criteria and certification procedures for reliability authorities, transmission operators and others.
10. Outside services employed.

NOTE: The cost of supervision, customer records and collection expenses, administrative and general salaries, office supplies and expenses, property insurance, injuries and damages, employee pension and benefits, regulatory commission expenses, general advertising, and rents shall be charged to the customer accounts, service, and administrative and general expense accounts contained in the Uniform System of Accounts.

561.6 Transmission Service Studies.

This account shall include the cost of labor, materials used and expenses incurred to conduct transmission services studies for proposed interconnections with the transmission system. Detailed

records shall be maintained for each study undertaken and all reimbursements received for conducting such a study.

561.7 Generation Interconnection Studies.

This account shall include the cost of labor, materials used and expenses incurred to conduct generation interconnection studies for proposed interconnections with the transmission system. Detailed records shall be maintained for each study undertaken and all reimbursements received for conducting such a study.

561.8 Reliability Planning and Standards Development Services

This account shall include the costs billed to the transmission owner, load serving entity, or generator for system planning of the interconnected bulk electric transmission system. Include also the costs billed by the regional transmission service provider for system reliability and resource planning to develop long-term strategies to meet customer demand and energy requirements. This account shall also include fees and expenses for outside services incurred by the regional transmission service provider and billed to the load serving entity, transmission owner or generator.

The FERC Uniform System of Accounts for Account #581-Distribution Load Dispatching states:

581 Load dispatching (Major only).

This account (the keeping of which is optional with the utility) shall include the cost of labor, materials used and expenses incurred in load dispatching operations pertaining to the distribution of electricity.

ITEMS

Labor:

1. Directing switching.
2. Arranging and controlling clearances for construction, maintenance, test and emergency purposes.
3. Controlling system voltages.
4. Preparing operating reports.
5. Obtaining reports on the weather and special events.

Expenses:

6. Communication service provided for system control purposes.
7. System record and report forms.
8. Meals, traveling and incidental expenses.

The amounts reflected in both Account Nos. 561 and 581 are labor or labor related overheads associated with the overall operation of Grant PUD's transmission and distribution system - costs of dispatching electric load through its electric system to meet customer needs. If the labor and labor overhead amounts were incurred for transmission purposes, the amounts were recorded as transmission costs and included in Account No. 561. If the labor and labor overhead amounts were incurred for distribution purposes, the amounts were recorded as distribution costs and included in Account No. 581.

Account No. 561 for 2018 was $5,094,974, while in 2017, the amount was $3,907,764, for a difference of $1,187,210. The explanation of this increase is that in 2018 Grant PUD continued to make improvements to its accounting system by making the determination that Reliability Compliance Standards labor and labor overheads amounts previously in Administrative and General Expense should instead be recorded in Account No. 561 as a direct transmission expense.

To support its accounting position, see Grant PUD response to USBR's August 27, 2019 Question No. 10, which states:

> *Grant PUD uses the FERC Uniform Chart of Accounts to record all district transactions, such as Operation and Maintenance (O&M) expenses and Plant in Service. As explained in Grant PUD's 2018 annual report, Notes to the Financial Statements, Note 1, on page 33:*
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> > *"The District maintains its accounts in accordance with accounting principles generally accepted in the United States of America for proprietary funds as prescribed by the Governmental Accounting Standards Board ("GASB"). The District's accounting records generally follow the Uniform*

System of Accounts for public utilities and licenses prescribed by FERC. The accompanying financial statements are those of the District, which generates, transmits, and distributes electric energy and wholesale fiber optic network services within Grant County, Washington".

Grant PUD's external auditor's (MossAdams LLP) opinion (previously provided in its July 25, 2019 Reply to July 10 Comments, as Attachment A) states:

"In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District as of December 31, 2018, and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America".

Attachment G

Distribution System Networked Design and Infrastructure Cost Recovery

The Grant County PUD electric distribution system is designed as a networked system. This design practice is common in the electric utilities industry in order to provide the most reliable possible electric service to customers. Ideally distribution substations are built in close enough proximity to each other so the entire load from one substation can be redistributed and fed from adjacent substations in the event of a failure at one substation, a fault on a distribution line, or in the event a line or transformer needs to be taken out of service for maintenance. This ensures that outage frequency and duration to utility customers are kept to a minimum. Main distribution feeder lines are built out from the substation on a path that will most effectively deliver power to a given area and to provide a connection point to a main distribution feeder from an adjacent substation. Radial feeders are then connected to the main feeders to serve groupings of customers. Customers can be served from either the main or radial feeders. In some instances where customer density is low, it is not economically feasible for substations to be built close enough together to provide this tie to a second substation source (sometimes referred to as contingent service). The distribution system is a networked system designed to provide the highest level of reliability and service to each customer regardless of their location in the service territory.

Electric utility customers are dependent on the proper operation of all distribution system components on the circuit from their electric meter back to the substation transformer. These components include the substation power transformer, feeder circuit breakers, distribution lines, voltage regulators, distribution capacitor banks, disconnect switches, power poles, fuses, and distribution transformers. In the network, components closest to the customer serve only one or a few customers. Conversely, components closest to the substation are shared by many customers. The amount of distribution system infrastructure required to serve any single customer is primarily a factor of their physical distance from the substation. Components inside a substation are shared by all customers served from that substation. The distribution system is a networked system designed to provide the same level of service to each customer but each customer depends on a different amount of distribution infrastructure based on their distance from the substation from which they are served; the farther a customer is from the substation, the more infrastructure is required to serve them.

Electric distribution utilities establish rates to recover two basic components of the cost to serve customer load, the cost of the energy consumed by the customer and the cost to build, operate and maintain the electric distribution system. The energy consumed by each customer is easily measured by the service meter. Therefore the utility can simply and accurately account for each customer's energy usage and charge the customer appropriately for their share of consumed energy - seen as kWh on the bill. The individual customer share of the cost to build, operate and maintain the distribution system is not easily measured. In order to recover this cost, the utility must chose a method to allocate the distribution system cost to its customers. As explained above the networked electric distribution system is designed to provide equal quality of service to each customer but each customer utilizes a different amount of infrastructure in order to be served. Since electric distributions systems are networked and provide equal quality of service to all customers, it is common utility practice to spread the cost to build, operate and maintain the system equally among customers. This is considered fair based on quality of

service provided but it is not necessarily fair based on customer share of infrastructure required to serve their load. This equality of service model for cost recovery results in customers that are close to the substation paying a larger portion of the distribution system cost relative to the portion of infrastructure they utilize in order to be served. The converse is true for customers who are more remote from the substation – they pay a smaller portion of the total distribution system cost relative to the amount of infrastructure required to serve them. Effectively under this common equality of service model where distribution costs are spread equally across a customer class, the customers close to the substation are subsidizing the customers who are far from the substation.

Another method that electric utilities could use to recover distribution system costs would be to develop a method to determine what portion of the distribution system each customer utilizes for their service and proportionally charge each customer. Using this model, each customer would pay their fair share of cost based on the infrastructure required to serve their load. Customers farther away from the substation would pay higher rates. Although this may be a more fair allocation of cost, it would be very difficult for a utility to track and administer. Additionally every time a customer connected to or disconnected from a distribution circuit, the share of cost paid by all customers on that circuit would have to be recalculated and reallocated. Rates would be volatile. This distribution system cost recovery method is discussed here for illustration only because it is not used in practice.

The equality of service model is the common electric distribution utility practice to recover cost to build, operate and maintain the electric distribution infrastructure. The customer sees this charge in what is called the “basic” or “service” fee on their bill. This cost recovery method is considered fair to all customers based only on the fact that the utility provides equal quality of service to all customers. This method spreads the infrastructure cost equally across each rate class. On the other hand this common cost recovery method is unfair to customers from another perspective. This unfairness stems from the fact that customers require varying amounts of distribution infrastructure to serve their load based generally on their proximity to the substation serving their load. A customer further from the substation requires a larger proportion of the distribution infrastructure to serve their load than a customer adjacent to the same substation. Each infrastructure cost recovery method is fair from one perspective and unfair from another perspective. The method an electric utility uses to recover the cost of distribution infrastructure is based on a justifiable measure of fairness, practicality of administering that method, policy established by the governing body and industry best practice.

Brent Bischoff
Sr. Manager Power Delivery Engineering
Grant County PUD
September 19, 2017