

Review Period, Bonneville will not adjust the Utility's ASC until the change in service territory takes place.

(g) *ASC determination for Consumer-owned Utilities that elect to execute Regional Dialogue High Water Mark contracts.* For Consumer-owned Utilities that elect to execute Regional Dialogue CHWM contracts, Bonneville will use the following approach:

(1) Use the RHWL System Resources as determined in the Tiered Rates Methodology (TRM) process.

(2) Determine the RHWL Exchange Load.

(3) Calculate the Utility's Contract System Cost as described in the ASC Methodology.

(4) Determine the fully allocated cost of resources used to meet Contract System Load that is not met by:

(i) The lesser of the Utility's RHWL or Forecast New Requirement, plus

(ii) Existing Resources for CHWM (as defined in the Tiered Rates Methodology).

(5) RHWL Contract System Cost = Contract System Cost minus fully allocated cost of resources (from paragraph (g)(4) of this section).

(6) RHWL Average System Cost = RHWL Contract System Cost (from paragraph (g)(5) of this section)/RHWL System Resource (from paragraph (g)(1) of this section).

(h) *Filing of Appendix 1.* Utilities must file an Appendix 1, including ASC information, by June 1 of each year, as required in §301.3, for Bonneville's review and determination of a Base Period ASC. Utilities will file multiple, contingent, Base Period ASC filings to reflect changes to service territories as required in paragraph (f) of this section.

§301.5 Changes in Average System Cost methodology.

(a) The Administrator, at his or her discretion, or upon written request from three-quarters of the utilities that are parties to contracts authorized by section 5(c) of the Northwest Power Act, or from three-quarters of Bonneville's preference customers, or from three-quarters of Bonneville's direct-service industrial customers may initiate a consultation process as provided in section 5(c) of the Northwest

Power Act. After completion of this process, Bonneville's Administrator may file the new ASC methodology with the Commission.

(b) The Administrator will not initiate any consultation process until one year of experience has been gained under the then-existing ASC methodology, that is, one year after the then-existing ASC methodology is adopted by Bonneville and approved by the Commission, through interim or final approval, whichever occurs first.

(c) The Administrator may, from time to time, issue interpretations of the ASC methodology. The Administrator also may modify the functionalization code of any Account to comply with the limitations identified in sections 5(c)(7)(A)–(C) of the Northwest Power Act or to conform to Commission revisions to the Uniform System of Accounts.

§301.6 Appendix 1 instructions.

(a) Appendix 1 is the form on which a Utility reports its Contract System Cost, Contract System Load, and other necessary data for the calculation of ASC. Appendix 1 is an electronic template consisting of seven schedules and several supporting files that must be completed by the Utility in accordance with these instructions and with the provisions of the endnotes following the schedules.

(b) Appendix 1 filings must be accompanied by an attestation statement of the Chief Financial Officer of the Utility or other responsible official who possesses the financial and accounting knowledge necessary to complete the attestation statement.

(c) The primary source of data for the Investor-owned Utilities' Appendix 1 filings is the Utility's prior year FERC Form 1 filings with the Commission. Any items not applicable to the Utility must be identified.

(d) For Consumer-owned Utilities that do not follow the Commission's Uniform System of Accounts, filings must include reconciliation between Utility Accounts and the items allowed as Contract System Cost. In addition, the cost-of-service report must be reviewed by an independent accounting