



**ELECTRIC PRELIMINARY STATEMENT PART GL
HYDRO LICENSING BALANCING ACCOUNT (HLBA)**

Sheet 2

GL. Hydro Licensing Balancing Account (HLBA) (Cont'd)

5. ACCOUNTING PROCEDURE (Cont'd):

- b) A debit entry equal to actual expenses, including but not limited to, renewing, amending, surrendering licenses, decommissioning, compliance requirements, FERC and DSOD regulatory fees, costs associated with the Crane Valley Recreation Settlement Agreement, and dam spillway inspection and repair activities; (L)
- c) A debit entry equal to license surrender related revenue requirement, including amortization expense, return on investment and federal and state income taxes associated with the unamortized license surrender balance; (T)/(L)
- d) A debit entry equal to the capital-related revenue requirement, related to the actual capital costs incurred. Capital-related revenue requirements include depreciation expense, the return on investment, federal and state income taxes, and property taxes associated with the costs; (L)
- e) A debit or credit entry, as appropriate, to record the transfer of amounts to or from other accounts as approved by the Commission; and,
- f) An entry equal to the interest on the average of the balance in this account at the beginning of the month and the balance in this account after the above entries at a rate equal to one-twelfth the interest rate on three month Commercial paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15, or its successor. (L)

REASONABLENESS REVIEW SUBACCOUNT:

- a) A debit entry equal to actual expenses, including but not limited to, renewing, amending, surrendering licenses, decommissioning, compliance requirements, FERC and DSOD regulatory fees, costs associated with the Crane Valley Recreation Settlement Agreement, implementing and complying with new license conditions or requirements, costs to implement settlement agreements, and dam spillway inspection and repair activities; (N)
- b) A debit or credit entry equal to license surrender related revenue requirement, including amortization expense, return on investment and federal and state income taxes associated with the unamortized license surrender balance;
- c) A debit or credit entry equal to the capital-related revenue requirement, related to the actual capital costs incurred. Capital-related revenue requirements include depreciation expense, the return on investment, federal and state income taxes, and property taxes associated with the costs;
- d) A debit or credit entry, as appropriate, to record the transfer of amounts to or from other accounts as approved by the Commission; and,
- e) An entry equal to the interest on the average of the balance in this account at the beginning of the month and the balance in this account after the above entries at a rate equal to one-twelfth the interest rate on three month Commercial paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15, or its successor. (N)