BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

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| WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,<br><br>Complainant,<br><br>v.<br><br>US ECOLOGY, INC.<br><br>Respondent. | DOCKET NO. UR-950619<br><br>STIPULATION REGARDING RATE DESIGN AND RATEMAKING ISSUES |

**RECITALS**

In its Third Supplemental Order in Docket Nos. UR-930711 and UR-030890, the Commission directed US Ecology, Inc. ("US Ecology" or "the Company”) to convene a collaborative group to examine a number of issues related to the Company's then anticipated May 1995 general rate filing. Since convening in October 1994 the US Ecology Collaborative Group has held eleven (11) one- or two-day meetings. The Collaborative Group comprises representatives of the Company; Commission Staff, and several of the Company's customers (collectively, the "Participants"). In addition, the Departments of Health and Ecology participated in meetings in an advisory capacity. Gerald W. Cormick of The CSE Group served as mediator/facilitator.

The collaborative process has resulted in agreement among the Participants regarding the treatment of several issues included in the Company's May 1995 general rate filing. As a result of this agreement, the issues to be litigated in that proceeding should be substantially narrowed, thereby producing reduced litigation costs to the benefit of all Participants. The Participants wish to present their agreement for the Commission's consideration

The Participants therefore adopt the following Stipulation for action by the Commission in the above-captioned proceeding.

## STIPULATION

The Participants hereby agree and stipulate as follows:

**Section 1. Rate Adjustment Mechanism**

Upon determination of the revenue requirement of the site in the 1995 general rate case, rates for disposal of low-level radioactive waste ("LLRW") at the Richland site will be adjusted each January 1, beginnig January 1, 1997, by a rate adjustment mechanism with the following elements:

**(a) Inflation Adjustment.** The revenue requirement (after exclusion of certain expense items) shall be adjusted by a percentage equal to the change in the Inflation Index during the preceding year. "Inflation Index" shall mean the Implicit Price Deflator for Gross Domestic Product as reported by the U.S. Department of Commerce, Bureau of Economic Analysis. The expense items to be excluded before applying the Inflation Index are: depreciation, rate case expense, amortization of goodwill, leasehold rent, and associated leasehold taxes.[1]

**(b) Annual Projections.** Rates shall be determined each January on the basis of projections provided by the Company's customers, according to the following procedure. On or about November 15 of each year,[2] the Company shall submit a written request to each of its customers for estimates of LLRW (by volume (in cubic feet), numbers of containers and shipments, and average dose rate per container (in millirems per hour) to be disposed by such customers at the site during the following

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[1] In accordance with the Seventh Supplemental Order in Docket No. TG-920234 (" 1992 Rate Case Order"), p. 36.

[2] For 1996, however, provisional projections were provided on or about May 1, 1995 to allow them to be included in the general rate filing. Final projections will be provided on or about November 15, 1995.

calendar year. For those customers not responding to the request for estimates, the Company shall prepare its own estimate tf the LLRW that these customers can be expected to deliver to the site during such calendar year. On the basis of the estimates prepared by the Company and its customers, the Company shall calculate total projected LLRW for the calendar year. Estimates of volumes which meet the requirements of RCW 8 1. 108.020(3) as "extraordinary" shall be included in the calculation weighted at 51.5% of such volume estimates. Estimates of decommissioning waste volumes shall be included in the calculation weighted at 80% of such volurne estimates; provided, however, that the quantities set forth in such estimates must satisfy the requirements of paragraph 2(e) below.

**(c) Use of "Safety Margin".** In determining rates, a "safety margin" shall be included by basing rates on 80% of projected amounts; provided, however, that:

(1) The safety margin shall not be applied to the site availability charge component, and

(2) Application of the safety margin to the dose rate charge shall be effected by dividmig the revenue requirement for the dose rate component by 80% rather than by basing rates on 80% of projected amounts. The sample calculation attached as Exhibit A illustrates the application of the safety margin.

**(d) Deferred Accounting.** Deferred accounting shall be used to track overand under-recovenies, calculated separately with respect to each rate component, as follows:

(1) Over-recoveries shall be refunded promptly (rather than carried forward), with refund amounts determined according to actual deliveries during the year.

(2) Under-recovenies shall be carried forward and added to the revenue requirement in a subsequent year.

(3) An individual customer may cease payment of the dose rate component once its total paymenn, equal the portion of the total revenue requirement allocated to the dose rate component. The sample calculation attached as Exhibit A illustrates the operation of deferred accounting (using the revenue requirement allocations applicable for years 1998 through 2001).

**Section 2. Rate Design**

**(a) General.** So long as the revenue requirement requested in the Company's general rate filing does not exceed $6.6 million,[3] the Participants agree that rates will be set on the basis of a rate design with the following rate components and percentages of revenue requirement responsibility during the following calendar years:[4]

| | | **1996** | **1997** | **1998-2001** |
|---|---|---|---|---|
| (1) | Site availability charge | 7.3% | 14.7% | 22.0% |
| (2) | Volume | 73.9% | 51.1% | 31.6% |
| (3) | Shipments | 3.6% | 7.1% | 10.7% |
| (4) | Containers | 7.2% | 14.3% | 21.5% |
| (5) | Activity as measured by dose rate at container surface | 8.1% | 12.8% | 14.2% |

provided, however, that the determination of the activity rate component is subject to the provisions of paragraph (b) below.

[3] Excluding the effect of the Benton County personal property tax, which is currently included in base rates but is proposed to be collected, and escrowed subject to refund, under the Tax and Fee Rider. This tax formerly was about $5,300 annually and increases to about S648,000 annually.

[4] The percentages are based on a three-year phase-in of a new rate design with 1996 rates weighted at 2/3 existing rate design and 1/3 new rate design-, 1997 rates weighted at 1/3 existing rate design and 2/3 new rate design; and 1998-2001 rates reflecting entirely the new rates design. For purposes of "existing rate design," the 1996 allocation between volume and activity is 95% volume/5% activity and for 1997, 90% volume/ 10% activity.

**(b) "At Risk" Portion.** The rate for the activity component shall be set such that 7.2% of the revenue requirement is allocated to such component for 1996, 11.1 % for 1997, and 11.7% for 1998-2001. For purposes of determining any under collection in accordance with paragraph 1(d)(2) above or over-collections in accordance with paragraph 1(d)(1) above, the percentage of the revenue requirement shown in paragraph 2(a)(5) for such year shall be allocated to the activity component.

**(c) Structure of Site Availability Charge.** The site availability charge shall be recovered from holders of site use permits issued by the Department of Ecology according to the rate structure shown on Schedule 1 of Exhibit B;[5] provided, however, that:

(1) Educational research institutions which generate LLRW for research, medical or educational purposes shall be placed in a rate block for the site availability charge which is one (1) lower than what would otherwise apply through application of the block criteria shown on Schedule 1 of Exhibit B. "Educational research institution" means a state or independent, not-for-profit, post-secondary educational institution.

(2) As to LLRW which arises as residual or secondary waste from brokers' provision of compaction or processing services for others, if application of the block criteria shown on Schedule I of Exhibit B would place a broker in a rate block for the site availability charge which is greater than Block No. 7, such broker shall be placed in the rate block which is the greater of (i) Block No. 7, or (ii) the block which is two (2) lower than what would otherwise apply through application of the block criteria shown on Schedule I

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[5] Schedule I of Exhibit B assumes a total revenue requirement of $6.5 million. In the event the Commission determines a lower total revenue requirement, each of the annual charges shown on Schedule I of Exhibit B would be reduced by the same percentage as the percentage reduction in the total revenue requirement. "Rate structure" refers to the number of blocks and the block criteria, as shown on Schedule I of Exhibit B. The actual amount of the annual charge per customer in 1996 and thereafter will be determined based on the actual site revenue requirement and number of customers in each block.

of Exhibit B. "Brokers" are those customers holding the "broker" classification of site use permits issued by the Department of Ecology.

(3) If necessary due to changes in the mix or number of customers, the rate schedule for the site availability charge shall be revised annually. In making such revisions, the relationships between a particular block's rate and the rates for the other blocks shall be preserved; provided, however, that:

(i) the annual charge per generator for any block shall not in any event increase by a percentage greater than two (2) times the percentage increase in the Inflation Index during the preceding year; and

(ii) the maximum annual charge per generator shall not in any event exceed the lesser of:

(A) $157,500, or

(B) an amount equal to 2.4% of the revenue requirement for the Richland site as detennined by the Commission in the 1995 general rate proceeding,

which amount shall be adjusted annually beginning January 1, 1997 by a percentage equal to the change in the Inflation Index during the preceding year.

Any under-recovery in the site availability charge revenue requirement in any year as a result of the application of the above limitations shall be assigned to the other rate components (volumes, shipments, containers and activity) proportionate to the percentages of revenue requirement responsibility set forth in (2) through (5) of paragraph 2(a). Such reassignment shall not continue in years thereafter unless determined to be necessary upon the recalculation of the above limitations for such years. Schedule 2 of Exhibit B is an illustrative example of a rate revision (using the revenue requirement allocations applicable for years 1998 through 2001).

**(d) Cost of Service Study.** The Company shall include in its 1995 general rate filing a cost of service study which supports the rate design and allocation of revenue requirement set forth above.

**(e) Nuclear Decommissioning Waste.** For nuclear decommissioning waste, the volume charge shall be 80% of the rate that would otherwise apply; provided, however, that such waste must satisfy the requirements of RCW 81.108.020(3) as to volume.

**(f) Structure of Dose Rate Charge.** The dose rate component of the revenue requirement shall be collected according to the rate structure shown on Schedule 1 of Exhibit C.[6] If necessary due to changes in the mix or number of containers, the rate schedule for the dose rate charge shall be revised annually. In making such revisions, the relationships between a particular block's rate and the rates for the other blocks shall be preserved, as illustrated in Schedule 2 of Exhibit C (using the revenue requirement allocation applicable for years 1998 through 2001).

**Section 3. Ratesetting Methodology**

**(a) Limitation of Issues.** The Participants agree that the Commission's determinations in the 1992 Rate Case Order that:

(1) the appropriate ratesetting methodology for determining the revenue requirement at the Richland site is an operating ratio approach, and

(2) the appropriate operating ratio to be allowed is 7 1 %, applied as shown on page 27 of the 1992 Rate Case Order,

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[6] Schedule I of Exhibit C assumes a total revenue requirement of $6.5 million. In the event the Commission determines a lower total revenue requirement, each of the charges per container shown on Schedule I of Exhibit C would be reduced by same percentage as the percentage reduction in the total revenue requirement. "Rate structure" refers to the number of blocks and the block criteria, as shown on Schedule I of Exhibit C. The actual amount of the charge per container in 1996 and thereafter will be determined based on the actual site revenue requirement and number of containers in each block.

will not be relitigated for the term of this Stipulation. The application of a 71% operating ratio in the manner set forth in paragraph 3(b) below will result in rates for the Company's Richland site that are fair, just, reasonable and sufficient.

**(b) Application of Operating Ratio.** For purposes of applying the operating ratio, the operating expenses of the Richland site shall not include:

(1) depreciation and amortizations (in accordance with the methodology set forth in the 1992 Rate Case Order), and

(2) amortization of rate case expenses 'incurred in this proceedmig. Moreover, in calculating the revenue requirement for the Richland site, the Company shall not seek recovery of a return on working capital, inventory or unamortized balances.

**(c) Other Revenue Requirement Issues.** Except as set forth in paragraphs 3(a) and (b) above, the Participants reserve the right to contest in the Company's 1995 general rate case other issues in determining the revenue requirement for the Richland site, including but not limited to the reasonableness of operating expenses claimed by the Company.

Section 4. NORM/NARM Waste[7] Disposal Revenues

**(a) Ratemaking Treatment.** So long as the site continues to receive NORM/NARM waste for disposal in LLRW trenches,[8] revenues from disposal of NORM/NARM waste shall be credited in part against the revenue requirement for the Richland site, in the following manner. At the conclusion of each calendar year, 50% of net proceeds (revenue less marketing costs and other expenses incurred by the

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[7] "NORM" means naturally occurring radioactive materials, while "NARM" means naturally occurring and accelerator produced radioactive materials. This waste is not classified as LLRW.

[8] If NORM/NARM volumes are such that the Company establishes a separate operation for such functions--including the use of separate trenches--the joint costs shared between the LLRW and NORM/NARM operations would be minimized. Any remaining joint costs would be allocated between regulated and unregulated operations on the basis of a fully distributed cost allocation study.

Company to obtain and deliver such wastes to the site) shall be refunded to customers, allocated according to the rate classifications set forth in paragraph 2(a) above. For purposes of setting rates at the beginning of each year, no projection will be made of NORM/NARM volumes. The sample calculation attached as Exhibit A illustrates the ratemaking treatment for NORM/NARM waste disposal revenues.

**(b)** **Audits.** The Company shall itermize and substantiate the (1) revenues derived from disposal of NORM/NARM waste, and (2) the costs incurred by the Company to obtain such wastes. Staff may perform such audit of the books and records of the Company as may be necessary to verify such amounts.

**Section 5. Moratorium on General Rate Case Filing**

Except for the rate changes implementing the rate adjustment mechanism authorized in Section 2 above and adjustments authorized by RCW 81.108.050(4)(a), the Company shall not seek any general increase in rates that would become effective prior to January 1, 2002; provided, however, that in extraordinary circumstances, the Company may submit a rate filing seeking a general increase in rates. "Extraordinary circumstances" shall mean the Company reasonably believes its financial condition is such that emergency rate relief would be warranted under the criteria enunciated by the Commission in WUTC v. Pacific Northwest Bell Telephone Company Cause No. U-72-30, Second Supplemental Order (October 1972).

**Section 6. Other Ratemaking Matters**

**(a)** **Interim Application of the Inflation Adjustment.** Until such time as RCW 81.108.050(3) is revised to reflect annual rather than semiannual adjustments, the "inflation adjustment" required by RCW 81.108.020(6) shall be implemented by adjusting rates on July I of each year by a percentage equal to the change in the Inflation Index for the preceding two quarters; provided, however, that any such rate adjustments shall have no effect on the calculation of the annual site revenue requirement each January 1 under Section 1 of this Stipulation.

**(b) Interim Application of the Volume Adjustment.** Until such time as RCW 81,108.050(3) is revised to reflect annual rather than semiannual adjustments, the "volume adjustment" required by RCW 81.108.020(l1) shall be implemented by defining "material changes in volumes" to mean a change of one hundred percent (100%) or more. The volume adjustment shall not, in any event, affect the calculation of rates under Section 1 of this Stipulation.

**Section 7. Term**

This Stipulation shall be effective until January 1, 2002.

**Section 8. Miscellaneous Provisions**

**(a) No Precedent.** The Participants enter into this Stipulation to avoid further expense, inconvenience, and delay and to dispose of litigation. By executing this Stipulation, no Participant shall be deemed to have accepted or consented to the facts, principles, methods or theories employed in arriving at such a Stipulation, nor shall any Participant be deemed to have agreed that such a Stipulation is appropriate for resolving issues in any other proceeding.

**(b) Binding on Participants.** This Stipulation is offered in this proceeding as the Joint, exclusive proposal of the Participants with respect to the issues set forth herein. The Participants have negotiated this Stipulation as an integrated document, and therefore recommend that the Commission accept this Stipulation in its entirety.

**(c) Procedure.** The Participants shall cooperate in submitting this Stipulation promptly to the Commission for acceptance, and shall request that the Commission consider and take action on the Stipulation prior to hearings on other issues in the Company's 1995 general rate case. In the event the Commission reserves ruling on the Stipulation and proceeds with consideration of other issues in the 1995 general rate case, the Participants agree to support this Stipulation to achieve a result on the merits in the proceeding consistent with the terms and underlying intent of this Stipulation, and will not offer any competing or alternative proposals with respect to the issues set forth herein, provided. however, that this Stipulation shall expire if the Commission has not acted upon it as of the date two (2) weeks prior to the date set by the Commission for prefiling Staff and intervenor testimony in the Company's 1995, general rate case. If the Commission rejects all or any material portion of this Stipulation, each Participant reserves the night, upon written notice to the Commission and all Participants within fifteen (15) days of the date of the Commission's order, to withdraw from the Stipulation, whereupon the Participants will not be bound by any position in the Stipulation.

**(d) Authority.** Each Participant represents that it is authorized to enter into this Stipulation and that the obligations such Participant undertakes *in this Stipulation and such exhibits are valid, lawful, binding and enforceable obligations and within the authority of such Participant to undertake. Each Participant represents that all necessary approvals in respect to its authority to execute this Stipulation and such exhibits have been obtained.

**(e) Execution.** This Stipulation may be executed by the Participants in several counterparts and as executed shall constitute one agreement.

**(f) Necessary Actions.** Each Participant shall take all actions necessary and appropriate to enable it to carry out this Stipulation.

**(g) Compliance.** The complaint procedures provided in WAC 480-92-090 shall apply with respect to the Company's compliance with this Stipulation.

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|---|---|
| US ECOLOGY, INC. | WASHINGTON PUBLIC POWER SUPPLY SYSTEM |
| By: ____________________ | By: ____________________ |
| Its: ____________________ | Its: ____________________ |

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Exhlbit A

Example of Deferred Accounting Mechanism

Sits Availability

Charge (SAC) vokinle sh"wents

Cantalnees Dose Rate

TOTAL

I . Class contributions to revenue requiremenr 22.0% 31.6% 10.7% 21.50/6 14.2%

100.0%0

2. Class contributions net of 'at risk" porbon* 22.0% 31.6% 10.7% 21.5% 11.7%

97.5%

3. First year's revenue requirement (example only)

$ 6,500,000

4. First year's revenue requirement by class for rate-setting purposes (line 2 times line 3)* $ 1.430.000 $

2,054,000 $ 695,500 $ 1.397.500 $ 760,500 $ 6,337,500

5. Units (blocked rate) cubic feet shipments

containers (blocked rate]

6. Generators* projections for first year (example only) 107,600 300 5,000

7. "Safety Margin" - 800/0 80% 800/0

B. Billing determinants for first year's rates (line 6 times line 7) - 86,080 240 4,ooo

9. First year's rates (line 4 divided by line 8)' - $ 23.86 $ 2,897.92 $ 349.38

10. Actual units received in first year (example) - 86,060 288 3,498

11. Actual revenue recovered in first year (line 9 times line 10, except for SAC and dose rate) (example) $

1,143,238 $ 2,053,523 $ 834,600 $ 1,222,114

$ 856~403 $ 6,109,878

12. Target for revenue recovery in first year (line I times line 3) $ 1,430.000 $ 2,054,000 $ 695,500 $ 1,397,500

$ 923,000 $ 6,500,000

13. Gross revenue surplus/(deficit) for first year (line 11 minus line 12) $ (286.762) $ (477) $ 139,100 $ (175.386)

$ (66.597) $ (390,122)

14. One-half share of first year's NORNVNARM net revenues (example)

$ 500,000

15. NOFtWNARM share by class (line 1 times fine 14) $ 110,000 $158,000 $ 53,500 $ 107,500

$ 71,000 $ 500,000

16. Amount refunded to generators after first year (line 13 plus line 15, if result is positive) $ . $ 157,523 $ 192,600 $

- $ 4.403 $ 354,526

17. Amount to be added to second year's revenue requirement (line 13 plus line 15, if result is negative) $ 176.762 $

- $ - $ 67,886 $

$ 244,648

18. 'Inflation Index" for revenue requirementf

30/

19. Second year's revenue requirement

$ 6,695,001,.

20. Second year's revenue requirement by class, before first year*s deferrals (line 2 times line 19)*

$ 1,472.900 $ 2.115,620 $

716,365 $ 1,439,425 $

783,315 $ 6,527,625

21. Second year's revenue requirement by class. including first year's deferrals (line 17 plus line 20)'

$ 1,649,662 $ 2,115,620 $

716.365 $ 1,507,311 $

783,315 $ 6,772,273

| | | | | | |
|---|---|---|---|---|---|
| 22. Generators' projections for second year | - | 104,000 | 280 | 5,500 | - |
| 23. 'Safety Margin" | - | 800/0 | 80% | 80% | |
| 24. Billing determinants for second year's rates (line 22 firnes line 23) | - | 83,200 | 224 | 4,400 | - |
| 25. Second year's rates (line 21 divided by line 24)* | - | $ 25.43 | $ 3,198.06 | $ 342.57 | - |

'Does not reflect ft effects of provisions for phase-in of the new rate design. tThe safety margin will be applied to dose rate charges by increasing the rates in each block rather than deaeasing the billing determinants. tDoes not apply to certain expense items. For purposes of simplifying this example calculation. the inflation index Is applied to the entire revenue requirement.

Exhibit B, Schedule 1 Structure ot Site <u>Availability Charge</u>

Revenue requirement for site availability charge (example-22.0 percent of $6.5 million total revenue requirement) $ 1,430.000

(figures are examples only)

| Block | | Generators In Block No. | Monthly Charge per Generator | Annual Charge per Block Generator | Generator Revenues |
|---|---|---|---|---|---|
| 0 | No site use at all | 34 | $ 8.33 | $ 100 | $ 3,400 |
| 1 | Greater than zero but less than or equal to 10 f1:3 and 50 mR/h* | 32 | 17.17 | 206 | 6,592 |
| 2 | Greater than 10 ft3 or 50 mR/h' but less than or equal to 20 ft3 and 100 mR/h* | 11 | 32.92 | 395 | 4.345 |
| 3 | Greater than 20 fV or 100 mR/h' but less than or equal to 40 W and 200 rnR/h' | 21 | 63.33 | 760 | 15,960 |
| 4 | Greater than 40 ft3 or 200 mR/h* but less than or equal to 80 W and 400 mR/h* | 12 | 121.75 | 1,461 | 17,532 |
| 5 | Greater than 80 W or 400 mR/h* but less than or equal to 160 ft3 and 800 mR/h* | 21 | 234.08 | 2,809 | |

| | | | | | |
|---|---|---|---|---|---|
| | | 58,989 | | | |
| 6 | Greater than 160 ft3 or 800 mR/h* but less than or equal to 320 W and 1,600 mR/h' | | 10 | 450.00 | 5,400 |
| | | 54,000 | | | |
| 7 | Greater than 320 ft3 or 1.600 mR/h* but less than or equal to 640 fV and 3,200 mR/h* | | 11 | 865.00 | 10,380 |
| | | 114,180 | | | |
| 8 | Greater than 640 ft3 or 3,200 mR/h* but less than or equal to 1,280 ft3 and 6,400 mR/h' | | 6 | 1,662.85 | 19,954 |
| | | 119,724 | | | |
| 9 | Greater than 1,280 W or 6,400 mR/h* but less than or equal to 2,560 11:3 and 12,800 mR/h* | | 1 | 3.196.58 | 38,359 |
| | | 38,359 | | | |
| 10 | Greater than 2.560 it-' or 12.800 mR/h' but less than or equal to 5,120 ft3 and 25,600 mR/h* | | 2 | 6.144.92 | 73,739 |
| | | 147,478 | | | |
| 11 | Greater than 5,120 W or 25,600 mR/h* | | 6 | 11,812.50 | 141,750 |
| | | 850,500 | | | |
| Total | | 167 | | | $ 1.431.059 |

*For purposes of determining the site availability charge, *R* per hour is calculated by summing the *R* per hour at container surface for all *containers received* during the year

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r~'

<u>Example of Revision</u> to Site <u>Availability Charge</u>

| Block No. | Characteristics | Generators in Block | Monthly Charge per Generator | Annual Charge per Generator | Charge for year Block Revenues | Ratio of Charge to Charge of Previous Block |
|---|---|---|---|---|---|---|
| | *(<u>figures</u> are <u>examples only</u>)* | | | | | |
| | loriginal revenue requirement for site availability charge (example-22.0 percent of $6.5 million total revenue requirement) | | | | $1,430,000 | |
| 0 | No site use at all | 34 | $ 8.33 | $ 100 | $ 3,400 | |
| 1 | Greater than zero but less than or equal to 10 ft3 and *50* mR/h* | 32 | 17.17 | 206 | 6,592 | 2.06 |
| 2 | Greater than 10 W or *50* mR/h* but less than or equal to *20 W* and 100 mR/h* | 11 | 32.92 | 395 | 4.345 | 1.92 |
| 3 | Greater than *20* ft, or 100 mR/h' but less than or equal to *40* W and *200* mR/h' | 21 | 63.33 | 760 | 15,960 | 1.92 |

| | | | | |
|---|---|---|---|---|
| 4 | Greater than *40 W* or *200* mR/h* but less than or equal to 80 W and *400* mR/h* 17,532 | 12 | 121.75 | 1,461.92 |
| 5 | Greater than *80* W or *400* mR/h* but less than or equal to *160 W* and *800* mR/h' 58,989 | 21 | 234.08 | 2,809.92 |
| 6 | Greater than *160* ft3 or *800* mR/h* but less than or equal to *320* W and *1.600* mR/h* 54.000 | 10 | 450.00 | 5,400.92 |
| 7 | Greater than *320 W* or *1,600* mR/h* but less than or equal to *640* ft3 and *3,200* mRIh' 114,180 | 11 | 865.00 | 10,380.92 |
| 8 | Greater than *640 W* or *3,200* mR/h' but less than or equal to *1,280 W* and *6,400* mR/h' 119,724 | 6 | 1,662.83 | 19,954.92 |
| 9 | Greater than *1,280 W* or *6,400* mR/h* but less than or equal to *2,560 W* and *12,800* mR/h* 38,359 | 1 | 3,196.58 | 38,359.92 |
| 10 | Greater than *2,560* ft3 or *12,800* mR/h' but less than or equal to *5.120* ft3 and *25,600* mR/h' 147,478 | 2 | 6,144.92 | 73,739.92 |
| 11 | Greater than *5,120* ft-1 or *25,600* mR/h* 850,500 | 6 | 11,812.50 | 141,750.92 |
| Total | 167 | | | $ 1,431.059 |

*Example A: Re"nue requirement inflated 3 percent; numbers of generators in each block do not change*

r;ue requirement for site availability charge (example-22.0 percent of $6.5 million revenue requirement, inflated by 3 percent) $ 1,472,900

0 No site use at all 34 $ 8.58 $

| | | | | |
|---|---|---|---|---|
| | 103 $ 3,502 | | | |
| 1 | Greater than zero but less than or equal to 10 ft3 and *50* mR/h* | 32 | 17.67 | 21206 |
| | 6,784 | | | |
| 2 | Greater than 10 W or *50* mR/h* but less than or equal to *20* ft3 and 100 mRIh* | 11 | 33.92 | 40792 |
| | 4,477 | | | |
| 3 | Greater than *20 ft,'* or 100 mR/h* but less than or equal to *40* W and *200* mR/h* | 21 | 65.25 | 78392 |
| | 16,443 | | | |
| 4 | Greater than 40 ft3 or *200* mR/h* but less than or equal to *80* W and *400* mR/h' | 12 | 125.42 | 1,50592 |
| | 18,060 | | | |
| 5 | Greater than *80* ft3 or 400 mR/h' but less than or equal to *160 W* and 800 mR/h* | 21 | 241.08 | 2,89392 |
| | 60,753 | | | |
| 6 | Greater than *160* ft3 or 800 mR/h' but less than or equal to *320 W* and *1,600* mR/h* | 10 | 463.50 | 5,56292 |
| | 55.620 | | | |
| 7 | Greater than *320* W or *1,600* mR/h* but less than or equal to *640* W and *3,200* mR/h* | 11 | 890.92 | 10,69192 |
| | 117,601 | | | |
| 8 | Greater than 640 ft3 or *3,200* mR/h* but less than or equal to *1,280* ft3 and *6,400* mR/h* | 6 | 1,712.75 | 20,55392 |
| | 123,318 | | | |
| 9 | Greater than *1,280* ft3 or *6,400* mR/h* but less than or equal to *2,560* ft3 and *12,800* mRIh' | 1 | 3,292.50 | 39,51092 |
| | 39,510 | | | |
| 10 | Greater than *2,560* ft3 or *12,800* mR/h* but less than or equal to *5,120 IV* and *25,600* mR/h* | 2 | 6,329.25 | 75,95192 |
| | 151,902 | | | |
| 11 | Greater than *5,120* W or *25,600* mR/h* | 6 | 12,166.42 | 146,00392 |

| | | |
|---|---|---|
| | 876,018 | |
| Total | 167 | $ 1,473,988 |

Exhibit B, Schedule 2, Page 2 of 2

Example of Revision to Site Availability Charge

| Block No. | Characteristics | Generators in Block | Monthly Charge per Generator for year | Charge par Generator Revenues | Ratio of Charge to Charge of Previous Block |
|---|---|---|---|---|---|
| | (figures are examples only) | | | | |

Example 8: Revenue requirement inflated 3 percent, one generator in Block No. 11 leaves, and blocks capped at two times the percentage

increase in the Inflation Index (i.e., two times 3 percent, or 6 percent)

lRevised revenue requirement for site availability charge (example--22.0 percent of $6.5 million revenue requirement, inflated by 3 percent) $ 1,472,900

| | | | | | |
|---|---|---|---|---|---|
| 0 | No site use at all | 34 $ | 8.83 $ | 106 $ 3,604 | |
| 1 | Greater than zero but less than or equal to 10 W and 50 mR/h* | 32 | 18.17 | 218 6,976 | 2.06 |
| 2 | Greater than 10 W or 50 mR/h* but less than or equal to 20 ft3 and 100 mR/h' | 11 | 34.92 | 419 4,609 | 1.92 |

| | | | | | | |
|---|---|---|---|---|---|---|
| 3 | Greater than 20 f1P or 100 mR/h* but less than or equal to 40 1`0 and 200 mR/h* | 21 | 67.17 | 806 | 1.92 | 16,926 |
| 4 | Greater than 40 W or 200 mR/h* but less than or equal to 80 W and 400 mR/h* | 12 | 129.08 | 1.549 | 1.92 | 18,W |
| 5 | Greater than 80 W or 400 mR/h* but less than or equal to 160 ft3 and 800 mR/h' | 21 | 248.17 | 2,978 | 1.92 | 62.538 |
| 6 | Greater than 160 W or 800 mPJh* but less than or equal to 320 W and 1,600 mR/h* | 10 | 477.00 | 5.724 | 1.92 | 57,240 |
| 7 | Greater than 320 ft3 or 1,600 mR/h* but less than or equal to 640 1`0 and 3,200 mR/h* | 11 | 916.92 | 11,003 | 1.92 | 121,033 |
| 8 | Greater than 640 W or 3,200 mR/h* but less than or equal to 1,280 W and 6,400 mR/h* | 6 | 1,762.58 | 21,151 | 1.92 | 126,906 |
| 9 | Greater than 1,280 W or 6,400 mR/h' but less than or equal to 2,560 ft3 and 12,800 mR/h' | 1 | 3.388.42 | 40,661 | 1.92 | 40,661 |
| 10 | Greater than 2,560 W or 12.800 mRlh' but less than or equal to 5.120 W and 25,600 mR/h* | 2 | 6,513.58 | 78.163 | 1.92 | 156,326 |
| 11 | Greater than 5, 120 W or 25,600 mRIh' | 5 | 12,521.25 | 150,255 | 1.92 | 751,275 |
| Total | | | | | 166 | 1,366,682 |
| Underrecovery to be spread to other rate components | | | | | | $ 106,218 |

**For purposes of* determining the site availability charge, R per hour is calculated by summing the R per hour at container surface for all containers received during the year.

U

Exhibit C, Schedule 1

Structure of Dose Rate <u>Charge</u>

Revenue requirement for dose rate charge, after deduction for "at-risk" portion (example-1 1.7 percent of $6.5 million total revenue requirement)

| | |
|---|---|
| Before application of safety margin | $ 760,500 |
| After application of safety margin | $ 950,625 |

(figures are examples only)

| Block No. | Dose Rate at Container Surface | Containers In Block | Charge per Container | Revenues |
|---|---|---|---|---|
| I | Less than or equal to 200 mR/h | 4,020 | $15 | $ 60,300 |
| 2 | Greater than 200 rnR/h but less than or equal to 1,000 rnR/h | 1,035 | 70 | 72,450 |
| 3 | Greater than 1,000 rnRlh but less than or equal to 10,000 rnRlh | 415 | 850 | 352,750 |
| 4 | Greater than 10,000 rnR/h but less than or equal to 100,000 rnR/h | 8 | 6,200 | 49,600 |

| | | | |
|---|---|---|---|
| 5 | Greater than 100,000 mR/h | 104.0400 | |
| | 416,000 | | |
| Total | 4,187 | 951,$100 | |

Exhibit C, Schedule 2 f Revision to Dose <u>Rate Charge</u>

<u>Example o</u>

| Block | Ratio of Charge to Charge of Containers In | Charge per |
|---|---|---|