

## **Power O&M Cost Suballocation Interests**

1. Full Allocation of all Costs
2. Equitable allocation of costs among appropriate functions (equitable defined as fair sharing of burden and benefits – defensible to audits)
3. Administratively able to implement. Clear, equitable, accurate, acceptable accounting practices – “simple” accounting process and tracking
4. Consistent with Authorizations, Reclamation Law, then current policies, contract rights of water users, and Western Power Marketing Plan.
5. Maintain the cost-effectiveness of the CVP power resource.
6. Robust administrative procedures that will work for all operational activities with predictable outcome. (Robust – predictable results to variation in input)
7. Allocation procedure should have the ability to be modified through a collaborative process to respond to changes in the operating environment. (Reclamation needs to check on this interest)
8. Power O&M Cost Suballocation Procedures and intent should be memorialized.