

# ATTACHMENT 1

STANDARD REQUIREMENT LIST  
OF DOCUMENTATION SUPPORTING AN NOI

1. Brief statement of amount, reason for, and summary supporting the increase.
2. When Cost of Capital issues are consolidated into a generic case for all utilities and are not part of the general rate case the utility shall use the most recently authorized rate of return in its calculations supporting the NOI. For the application the utility may include exhibits and testimony requesting a different cost of capital. However, the application must use the currently authorized cost of capital as a base case. This testimony may be updated and re-submitted at the appropriate filing time for the generic cost of capital case.
3. Revenues at present rates in the Results of Operations report shall include a base case derived directly from authorized tariffs in effect on or after May 1 prior to tendering the NOI and on or after October 1 prior to filing the application. The utility shall update the results of operations exhibit by January 15 to incorporate any and all tariff changes which become effective on January 1 following the filing of the application.
4. Draft exhibits and prepared testimony (similar to those presented in final application form) shall conform to the requirements of Rule 23, except that the provisions of Rules 4 through 8 and 16 are not applicable.
5. Complete explanation of exhibits and special studies furnished.
6. Workpapers (5 sets) showing calculations and documentation to support the utility's draft exhibits and special studies. In order to meet the NOI criteria, workpapers must comply with all of the following:
  - A. Be arranged in an orderly sequence and be dated and initialed by the preparer. Where appropriate, each expense item should be broken down into labor, non-labor, and other.
  - B. Show the derivation of each individual estimate.
    1. List all of the assumptions necessary for the derivation of each individual estimate and explain the rationale why the assumptions were used.
    2. Show how each assumption was used in each estimate.

3. Where judgment is involved in setting an estimate level, explain why that particular level was adopted.
  4. Furnish base year historical and estimated data and subsequent years with evaluation of changes up to and including the test year.
  5. If there was no precise basis for certain estimates and the derivation was purely subjective, the workpapers should so state.
  6. State management's review criteria including the factors considered by the utility's management in approving various expenditures levels.
  7. Supporting material must have a clear tieback to base data from the stated expenditure.
  8. Justification for the methodology used to develop each estimate shall be included. However, the adequacy of the justification will not be considered an NOI deficiency.
- C. Be appropriately indexed and legible.
- D. Computer printouts must be accompanied by a detailed description of the program. The recorded data used should be identified, the various assumptions of variables used should be clearly stated, and any adopted Commission rules governing computer models adhered to.
- E. Show the development of all adjustments, including those associated with affiliates. If an adjustment is based on a Commission ruling, reference the Decision and provide a copy of the relevant portion of the ruling.
- F. Include at least five years of recorded data for each FERC account used in the development of the test year revenues and revenue requirement. Where subaccounts and/or other than FERC accounts are used to develop test year values, include at least five years of recorded data supporting those values also. All data for expenses shall be stated in recorded dollars and dollars inflation adjusted to a constant base year. The format shall be mutually agreed to by the utility and DRA project managers.
7. In addition to the requirements of 4 above, the following draft exhibits shall be submitted:
- A. All studies and information required to be submitted in the rate case by the Commission in prior rate decisions and subsequent policy statements or decisions.
  - B. Recorded data, in results of operations format, shall be provided for at least the latest recorded year available at the time of tendering the NOI.

If the NOI contains material previously litigated but not allowed by the Commission it shall be clearly identified.

- C. When estimates are made by account or subaccount, those estimated amounts shall be included in the direct showing.
- D. When controlling affiliates provide guidelines or directions to the company's presentation, these shall be set forth in the direct showing or available in the workpapers.