

Potential Basis of Transformer Ownership Allowance Credit – Conceptual Illustration

- Higher Principle
 - Cost based
 - Credit = part of GS/LU rate attributable to lower voltage transformers
- Credit Should Include “All In” Costs for Transformer including Overheads
- Simple Illustration
 - GS rate = \$250/month + \$5/kW/month
 - Unbundled GS rate

Function	Charge in \$/kW/month
Substations	\$1.70
Primary Conductors	1.25
Primary/Poles	.75
Secondary Transformers	.75
Secondary Poles	.25
Secondary Conductor	.30
Total	\$5.00

- Transformer Credit = \$.75 + \$.25 + \$.30 = \$1.30