

199—33.4(476) Costing methodology. Costs shall be allocated between utility and nonutility operations using fully distributed cost.

33.4(1) *Cost causation for utility assets.* Each utility shall identify for each asset involved directly or indirectly, in whole or in part, to the provision of nonutility services: (a) the type of asset; (b) the use of the asset; (c) the applicability of the asset to utility operations, nonutility operations, or both; and (d) the usage characteristics of the asset.

33.4(2) *Cost causation for utility expenses.* Each utility shall identify for each expense account wherein any expense related, directly or indirectly, to the provision of nonutility services is recorded: (a) the function causing the expense to be incurred; (b) the procedure used in performing the function; (c) the applicability of the function to utility operations, nonutility operations, or both; and (d) the characteristics of the cost that will allow proper assignment.

33.4(3) *Time reporting.* Positive time reporting shall be used whenever possible. In situations where positive time reporting cannot be used, exception time reporting or study time reporting may be used. Nonproductive work time shall be allocated between utility and nonutility operations in proportion to the allocation of productive work time.