

**199—33.4(476) Costing methodology.** Costs shall be allocated between utility and nonutility operations using fully distributed cost consistent with this rule. The utility shall do the following:

**33.4(1) *Cost causation for utility assets.*** Identify for each asset utilized directly or indirectly, in whole or in part, in the provision of nonutility services:

- a. The type of asset;
  - b. The use of the asset;
  - c. The proportional utilization of the asset between utility operations and nonutility operations;
- and
- d. The characteristics of the asset that allow proper allocation.

**33.4(2) *Cost causation for utility expenses.*** 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 proportional utilization of the function between utility operations and nonutility operations;
- and
- d. The characteristics of the cost that allow proper allocation.

**33.4(3) *Time reporting.*** Use positive time reporting whenever possible; when it is not possible, exception time reporting or study time reporting may be used. Allocate nonproductive work time between utility and nonutility operations in proportion to the allocation of productive work time.

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