

199—40.3(476) Utility-build or lease cost estimates.

40.3(1) *General requirements.* A utility conducting a bidding process shall develop detailed cost estimates of its own build or lease options. Those options may include units jointly planned with other companies, plant upgrades or modifications, and plant extensions. The cost estimates shall be detailed and filed on both a project and per-unit basis.

40.3(2) *Project cost estimates.* Project cost estimates shall be current and based on the prices likely to be actually quoted by manufacturers and vendors of power plant equipment. The utility-build or lease option shall be structured on an incremental cost basis, including an allocation of common costs incurred for the project's development. The utility shall detail in its filing the cost allocations and methodologies used for overhead costs and any joint facilities used in its estimates.

40.3(3) *Per-unit cost estimates.* The utility shall file estimates of per-unit costs in the same measurements or units expected from other bidders on the project sufficient for the board to determine the relative costs of the utility-build or lease option versus like bids received from other bidders. The per-unit cost estimates shall clearly identify the rate-making principles used in calculating these costs.

40.3(4) *Filing requirements.* The utility-build or lease cost estimates shall be submitted to the board seven days prior to the utility's receiving competitive bids for new electric capacity and energy.