

Cash Balances by Business Unit Process:

1. During monthly closing process an accrual is made to allocate the interest income credit to the Business Units (Power and Transmission). The allocation rate used is the calculated percentages from the prior month's allocation of interest income.
2. After closing is final, the current month's percentages based on the Business Units' cash balances is calculated and used to true-up the interest income credit for each Business Unit.
3. Cash balances by Business Unit are calculated using PeopleSoft queries by General Ledger Business Unit. The actual cash receipts and disbursements are used and separated by GL unit as defined in the ledger.
4. Receipts and disbursements attributed to Corporate in the ledger are allocated 50-50 between PBL and TBL.
5. Payroll disbursements are distributed based on the average monthly allocation from Corporate to PBL and TBL using the inter-business account 146001 in the general ledger.
6. IPAC disbursements to the Corps, Bureau, and Fish & Wildlife are assumed to be the responsibility of PBL. This data is obtained from the weekly IPAC uploads from these federal agencies.
7. Interest expense, bond borrowing and repayment are allocated based on the bond type. Construction and Environment bonds are attributed to TBL. Corps & Bureau, Fish & Wildlife and Conservation bonds are attributed to PBL. At the end of the year [REDACTED] provides information to functionalize a portion of a construction bond to PBL.
8. An ending cash balance by Business Unit is then calculated. Adjustments are then made to this ending cash balance based on the following assumptions:
 - a. Net Billing disbursements from TBL revenue are added back to the TBL cash balance and subtracted from the PBL cash balance since this is an obligation of PBL. This data is found in the bills issued by TBL. Since it has been determined that TBL does owe an obligation to ENW due to Debt Service Reassignment since FY 03, the adjustment to TBL and PBL for this portion in TBL's bills will occur when TBL has satisfied that obligation for the year.
 - b. Inter-Business Unit revenue and expenses are adjusted for in the cash split calculation. These transactions have no bearing on the agency cash position. However, the expenses are collected through the Business Unit rates and both revenues and expenses have been recognized as if they were

cash transactions. This data is found in the income statements of the Business Units.

- c. Debt Service Reassignment is adjusted for. It is an obligation of Power rates to recover Energy Northwest debt service. When the proceeds from debt restructuring are used to repay Transmission's Federal debt, the "avoided" ENW principal payment is assigned as a cash obligation to PBL at the time the ENW bonds would otherwise have been paid. Corporate holds the gain from July to the end of September when Corporate provides an inter-business unit loan to TBL. This amount is provided by [REDACTED].
9. The adjusted ending balance is calculated for each Business Unit (PBL, TBL, and Corpt). Then the average monthly cash balances are calculated. The monthly percentages are based on this adjusted balance. The Corporate percentage is allocated 50-50 between PBL and TBL.
 10. The Business Units' cash balances and percentages are disseminated to TBL, PBL and Corporate on a monthly basis.