**Section 712.110 Cost and Allocation Definitions**

a) The costs which are apportioned to regulated and nonregulated activities through this Part are defined in four categories:

1) Directly Assignable: Expenses or investments which are incurred for the exclusive use of either regulated or nonregulated activities.

2) Directly Attributable: Expenses or investments which are incurred for both regulated and nonregulated activities but which can be distributed to each using direct measures of cost causation or usage.

3) Indirectly Attributable: Expenses or investments which are incurred for both regulated and nonregulated activities and which must be apportioned on the basis of indirect measures of cost causation.

4) Unattributable: Expenses or investments which are shared by both regulated and nonregulated activities and for which no direct or indirect measures of cost causation can be used to apportion costs.

b) The following definitions are used in the description of cost allocation methodologies:

1) Cost Pool: A homogenous group of costs which have a unique cost determinant.

2) Cost Pool Equals Account: The entire account balance forms a single cost pool.

3) General Allocator: The ratio of all expenses directly assigned or attributed to regulated and nonregulated activities.