

# Transmission Cost of Service Analysis Workshop

April 12, 2012



# Agenda

- Montana Intertie
  
- Cost Of Service Analysis (COSA)
  - Customer Comments
  - 3CP Allocation Analysis
  - NCP Allocation
  
- Next Steps

# Montana Intertie



# Montana Intertie

- Some customers raised issues that they want addressed before they will agree to settle the precedent issue.
- Issues:
  - Discrimination issues brought up by Colstrip parties.
  - Effects that rolling in the Montana Intertie may have on the market and the wind balancing.
  - Segmentation issues.

# Montana Intertie

- BPA believes these issues should be discussed in the Pre-Rate Case workshops.
- Do customers have a status update on the precedent discussions?

## Next Steps

- Continue discussion on the Montana Intertie issues as identified by customers.
- Customers continue discussions on the precedent setting issues and come prepared to share specific concerns and proposed remedies to each.

# Cost Of Service Analysis (COSA)



# Customer Comments

- BPA received numerous customer comments on the cost allocation methodologies being examined.
- No customers have proposed methodologies not already under consideration.
- All customer comments can be found at the URL below:

[http://www.bpa.gov/corporate/ratecase/bp14\\_meeting\\_ws.cfm](http://www.bpa.gov/corporate/ratecase/bp14_meeting_ws.cfm)



## 3 CP Allocation Analysis

- In developing the relevant period for 3 CP analysis, the forecast NT demand for three consecutive months in each year of the rate period was used. For both years the December-February period was the period with the highest load. The average of this three month period was the value used in cost allocation.
- See the next slide for results of this analysis. This table uses the same data for the 1 CP and 12 CP methods as was presented at the March 7 COSA Workshop.

# 1 CP vs. 3 CP vs. 12 CP

	1CP	3CP		12CP	
	Rate	Rate	Increase Over 1 CP	Rate	Increase Over 1 CP
<b>PTP Base</b>	<b>1.368</b>	<b>1.378</b>	<b>0.7%</b>	<b>1.427</b>	<b>4.3%</b>
<b>SCD</b>	<b>0.254</b>	<b>0.254</b>	<b>0.0%</b>	<b>0.254</b>	<b>0.0%</b>
<b>Total</b>	<b>1.622</b>	<b>1.633</b>	<b>0.6%</b>	<b>1.679</b>	<b>3.6%</b>
<b>NT Base</b>	<b>1.368</b>	<b>1.378</b>	<b>0.7%</b>	<b>1.427</b>	<b>4.3%</b>
<b>LS</b>	<b>0.300</b>	<b>0.244</b>	<b>-18.7%</b>	<b>0</b>	<b>-100.0%</b>
<b>SCD</b>	<b>0.254</b>	<b>0.254</b>	<b>0.0%</b>	<b>0.254</b>	<b>0.0%</b>
<b>Total</b>	<b>1.922</b>	<b>1.876</b>	<b>-2.4%</b>	<b>1.679</b>	<b>-12.5%</b>
<b>IR</b>	<b>1.622</b>	<b>1.632</b>	<b>0.6%</b>	<b>1.681</b>	<b>3.6%</b>
<b>FPT</b>	<b>1.470</b>	<b>1.479</b>	<b>0.6%</b>	<b>1.524</b>	<b>3.6%</b>

# NCP Allocation

- BPA is in the process of developing rates using the same data for a 1 NCP and 12 NCP cost allocation.
- For 1 NCP, allocate costs based on PTP, IR, and FPT annual average forecasted contract demand plus the sum of each NT customer's annual peak.

# NCP Allocation

- For 12 NCP, allocate costs based on PTP, IR, and FPT annual average forecasted contract demand plus the sum of each NT customer's average monthly non-coincidental peak.
- BPA expects to have load data by the end of the week and we will be sending the data and NCP analysis (in a Tech Forum email) early next week.

# Next Steps

- April 26, 2012 with staff recommendation for cost allocation.
- May 9, 2012 close out of cost allocation as discussed in the Transmission Settlement Agreement and beginning of Pre-Rate Case workshop meetings. See schedule at:

[http://www.bpa.gov/corporate/ratecase/docs/BP-14\\_Transmission\\_Rates\\_Workshop\\_Schedule.pdf](http://www.bpa.gov/corporate/ratecase/docs/BP-14_Transmission_Rates_Workshop_Schedule.pdf)