

BP-14 Transmission Pre-Rate Case

September 27, 2012



Agenda

- BP-14 Rate Schedules Language
- Wrap-up



Transmission Rate Schedules Proposed Changes



Section II - Adjustments, Charges, and Special Rate Provisions

- Delivery Charge.
 - Section A.2.a. Current rate schedule states that the monthly Billing Factor shall be the total load on the hour of the Monthly Transmission Peak Load at the Points of Delivery specified at Utility Delivery facilities. This is deleted and replaced by the following:
 - “The monthly Billing Factor shall be the load on the hour of the Network Customer Peak (NCP) for the points of delivery specified as Utility Delivery facilities.”
- Billing Adjustments to NCP.



Proposed Qualifying Parameters

- BPA staff proposes to provide billing accommodations when recovery peaks occur.
- Proposed qualifying parameters for NT and Utility Delivery charges relief:
 - The outage must have occurred due to an Uncontrollable Force. The outage must have been for 2 hours or more (An outage of at least 2 hours provides a level of confidence that the measured peak was caused by a system recovery).
 - The outage must have reduced the utility's total system load by 25% (This provides some assurance that the outage was significant for the customer).
 - The NT and Utility Delivery charges resulting from the recovery peak, in order to be excluded for billing purposes, must have been 10% or more of the second (2nd) highest peak. Otherwise, if the percent of deviation is less than 10%, the recovery peak charges would apply. Other factors indentified in the bullets above, still apply.



Wrap-Up



Outstanding Issues-Wrap Up

- Reservation Fee
 - In prior presentations BPA proposed a change to the Reservation Fee charge.
 - BPA has presented data regarding the reservation fee and reviewed customer comments.
 - Based on comments and analysis, BPA staff will propose no change in the Reservation Fee.



Outstanding Issues-Wrap Up, cont.

- Incremental Rate.
 - In prior presentations, BPA proposed rate alternates for an Incremental Rate.
 - Because there are no forecasted projects during the rate period that will require an incremental rate, BPA staff will not propose the establishment of an Incremental Rate.



Outstanding Issues-Wrap Up, cont.

- Redispatch.
 - In prior presentations, BPA proposed rate alternatives for Redispatch Costs.
 - BPA has reviewed customer comments and staff recommendation will propose not to do formula rate during this rate period due to the relatively small costs of redispatch.



Outstanding Issues-Wrap Up, cont.

- **NRU, WPAG and PNGC Proposal.**
 - These customers proposed that BPA limit the Utility Delivery charge increase to the NT rate increase for the next three rate periods. After three rate periods the remaining substations in the Utility Delivery would be charged a UFT rate.
 - BPA received several comments on the proposal and BPA staff will propose to increase the Utility Delivery rate by 25% during each of the next two rate periods. After two rate periods, the remaining substations in the Utility Delivery would be charged a UFT rate.
 - The cap would avoid rate shock from the 83% rate increase that would be needed for full cost recovery of the Utility Delivery segment but would represent a more significant move toward fully recovering the costs from users of the Utility Delivery segment.



Outstanding Issues-Wrap Up, cont.

- PTP Coalition Segmentation Proposal.
 - The PTP Coalition proposed that BPA use the BES definition or the 7-factor test to determine which facilities should be segmented to the network.
 - BPA reviewed the customer comments and the proposal and BPA staff is not proposing to change its segmentation.
 - BPA staff did not see any significant change in conditions that would justify changing our segmentation.
 - The 7-factor test and the BES definition have no application to ratemaking.



Outstanding Issues-Wrap Up

- Montana Intertie
 - Certain Montana customers have proposed rolling the Montana Intertie into the Network segment.
 - Others opposed roll-in.
 - After review of customer comments, BPA staff will consider recommending rolling in the Montana Intertie if there is sufficient consensus that roll-in of the Montana Intertie will not be a precedent for roll-in of the Southern Intertie.



Next Steps

- BPA is in the process of preparing for BP-14 initial proposal.
- Federal Register Notice (FRN) - Nov 8

