

# Transmission Cost of Service Analysis Workshop

March 7, 2012



# Agenda

- Proposed Rate Case Workshop Timelines
- Transmission Rates Analysis Model (TRAM) Discussion
- Discussion on Cost Allocation Alternatives
- Dynamic Transfer Capability (DTC) – Discussion in the Afternoon

# Discussion of Rates Model - 1CP vs. 12CP

- The TRAM that BPA released recently is the same as the version you have seen at COSA Workshops with the addition of summary tables that show the difference in rates and revenue due to an assumption of 1CP vs. 12 CP.
  - See tabs T-6, T-7, T-11, and T-12 of the TRAM.
- 1CP Method (Status Quo): Allocates costs using PTP and IR annual average forecasted contract demand and NT forecasted annual peak coincidental load.
  - An NT load shaping charge reflects the difference between the forecasted NT billing determinant of monthly coincident load and the allocation based on forecasted annual peak coincidental load.
- 12CP Method: Allocates costs based on PTP and IR annual average forecasted contract demand (same as Status Quo), but allocates costs based on NT annual average monthly peak forecasted coincidental load (rather than annual peak).
  - The load shaping charge is unnecessary under the 12 CP method.

**Table 11**  
**Summary of Current and Proposed Rates -- Compares Rates Under 1CP and 12CP Cost Allocations**

	(A)	(B)	(C)	(D)	(E)	(F)
Rate	Units	Source for proposed rates		Proposed 2012 Rates - 1 CP	Proposed 2012 Rates - 12 CP	Percent Change
<b>1 FPT-12</b>						
2 M-G Distance	\$/kW -m i-yr	0.0634	0.0657	3.6%		
3 M-G Miscellaneous Facilities	\$/kW -yr	3.62	3.75	3.6%		
4 M-G Terminal	\$/kW -yr	0.73	0.76	4.1%		
5 M-G Interconnection Terminal	\$/kW -yr	0.66	0.68	3.0%		
6 S-S Transformation	\$/kW -yr	6.82	7.06	3.5%		
7 S-S Interconnection Terminal	\$/kW -yr	1.87	1.94	3.7%		
8 S-S Intermediate Terminal	\$/kW -yr	2.64	2.73	3.4%		
9 S-S Distance	\$/kW -m i-yr	0.6237	0.6456	3.5%		
10 Average FPT Rate (Revenue/Sales)	\$/kW -m o	1.470	1.522	3.5%		
<b>11 IR-12</b>						
12 Demand	\$/kW -m o	1.622	1.679	3.5%		
<b>13 NT-12</b>						
14 Base Rate	\$/kW -m o	1.368	1.425	4.2%		
15 Load Shaping	\$/kW -m o	0.300	0.000	-100.0%		
16 Base plus Load Shaping	\$/kW -m o	1.668	1.425	-14.6%		
<b>17 PTP-12</b>						
18 Demand	\$/kW -m o	1.368	1.425	4.2%		
19 Daily Block 1 (day 1 thru 5)	\$/kW -day	0.063	0.065	3.2%		
20 Daily Block 2 (day 6 and beyond)	\$/kW -day	0.045	0.047	4.4%		
21 Hourly	m ills/kW h	3.93	4.09	4.1%		
<b>22 IS-12</b>						
23 Demand	\$/kW -m o	1.053	1.053	0.0%		
24 Daily Block 1 (day 1 thru 5)	\$/kW -day	0.048	0.048	0.0%		
25 Daily Block 2 (day 6 and beyond)	\$/kW -day	0.035	0.035	0.0%		
26 Hourly	m ills/kW h	3.03	3.03	0.0%		
<b>27 IM-12</b>						
28 Demand	\$/kW -m o	0.598	0.598	0.0%		
29 Daily Block 1 (day 1 thru 5)	\$/kW -day	0.028	0.028	0.0%		
30 Daily Block 2 (day 6 and beyond)	\$/kW -day	0.020	0.020	0.0%		
31 Hourly	m ills/kW h	1.72	1.72	0.0%		
<b>32 IE-12</b>						
33 Eastern Intertie	m ills/kW h	1.12	1.12	0.0%		
<b>34 Utility Delivery</b>						
35 Demand	\$/kW -m o	2.177	2.177	0.0%		
<b>36 Power Factor Penalty Charge</b>						
37 Demand -- Lagging	\$/kVA r-m o	0.28	0.28	0.0%		
38 Demand -- Leading	\$/kVA r-m o	0.24	0.24	0.0%		
<b>39 SCD-12</b>						
40 Demand	\$/kW -m o	0.254	0.254	0.0%		
41 Daily Block 1 (day 1 thru 5)	\$/kW -day	0.012	0.012	0.0%		
42 Daily Block 2 (day 6 and beyond)	\$/kW -day	0.008	0.008	0.0%		
43 Hourly	m ills/kW h	0.73	0.73	0.0%		
<b>44 GSR-12</b>						
45 Demand	\$/kW -m o	0.000	0.0000			
46 Daily Block 1 (day 1 thru 5)	\$/kW -day	0.000	0.0000			
47 Daily Block 2 (day 6 and beyond)	\$/kW -day	0.000	0.0000			
48 Hourly	m ills/kW h	0.000	0.0000			

## Other Cost Allocation Alternatives

- 3CP: Similar to the 12CP method described earlier, but uses the highest value in the 3 months of highest use. These are typically but not necessarily consecutive months.
- Non-Coincidental Peak: Allocates costs based on the sum of each NT customer's annual peak. PTP and IR would remain the same as under 1CP and 12CP.
- BPA invites customer comments on these methods and any other methods customers may propose.

## Next Steps

- Next workshop - April 12, 2012.
- Customer Comments on Cost Allocation Alternatives due by March 23, 2012.