

NLSL Policy Discussion January 15, 2003

Background:

In June 2001, BPA opened a public process on three specific issues regarding BPA's NLSL policy. Issue 1 was:

“whether BPA should change its NLSL policy to allow current and former direct service industrial (DSI) customer production load served at BPA's Industrial Firm (IP) rate, or any other rate, to transfer and receive power service in 9.9 aMW increments from a public body, cooperative, or federal agency customer with power purchased at BPA's Priority Firm (PF) rate.”

On October 22, 2001, BPA issued a Notice of Revised Schedule that postponed the decision on Issue 1, stating in part that:

“After a review of the comments, BPA determined that additional regional discussion would benefit the resolution of (Issue 1)” and that

“Commenters on Issue 1 expressed the desire to address the more general issue. That issue is whether BPA should change its NLSL policy to allow any large loads at a customer's facility—new and existing--larger than 9.9 aMW to transfer their load service to a public body, cooperative or federal agency customer in contract increments of only 9.9 aMW (‘phase on’) and receive service at BPA's PF rate.”

During the original June through August 2001 comment period on NLSL issues, BPA received 62 written comments and held one public meeting. These comments will be reviewed and considered along with any additional comments received over the next few months.

We have not set a schedule at this time for closing this extended comment window or issuing a Record of Decision. We expect to decide this as part of the broader Regional Dialogue process.

Some of the possible options:

Option 1: No change to current policy

- Current policy:
 - Established in various documents between 1982 and 1992
 - Most clearly and completely described in the 1992 Atochem Record of Decision
 - A DSI must take full 1981 Contract Demand before any production load can be served by local utility at PF rate
 - Does not specifically address service when BPA is not selling up to a DSI's 1981 Contract Demand
 - A DSI production load whose total Contract Demand production load is over 10 average megawatts will be aggregated and if a portion is served by a local utility, will be a NLSL. The current policy does not allow carving

NLSL Policy Discussion

January 15, 2003

up production load by contract service , regardless of whether or not greater than 9.9 aMWs since no DSI is taking its full 1981 Contract Demand

Option 2: Change requirement from “must take full 1981 Contract Demand” to “must take full amount of current BPA IP Contract”

- A change in the policy that would use the current level of BPA contract service to the DSI as the floor for measuring utility service to production load. It updates our current policy to reflect the current situation where we are no longer willing to sell up to the full 1981 Contract Demand while preserving the remainder of the DSI policy established in the Atochem ROD.

Option 3: Change NLSL policy to allow current and former direct service industrial (DSI) customer production load served at BPA’s Industrial Firm (IP) rate, or any other rate, to transfer and receive power service in 9.9 aMW increments from a public body, cooperative, or federal agency customer with power purchased at BPA’s Priority Firm (PF) rate

- This is the specific question we posed to the public as “Issue 1” when we initiated the policy review process in June 2001.

Option 4: Change NLSL policy to allow any large loads at a customer’s facility—new and existing--larger than 9.9 aMW to transfer their load service to a public body, cooperative or federal agency customer in contract increments of only 9.9 aMW (“phase on”) and receive service at BPA’s PF rate

- This is one specific change that some commenters expressed a desire for BPA to consider, as BPA noted in its October 22, 2001 Notice of Revised Schedule.

Materials relevant to this issue:

New Large Single Load Treatment of Utility Service to Direct Service Industry Expansions; Initiating a Northwest Power Act Section 5(d) (3) Process to Increase Direct Service Industry Contract Demand. Administrator’s Record of Decision, Issued November 16, 1992. (Atochem ROD)

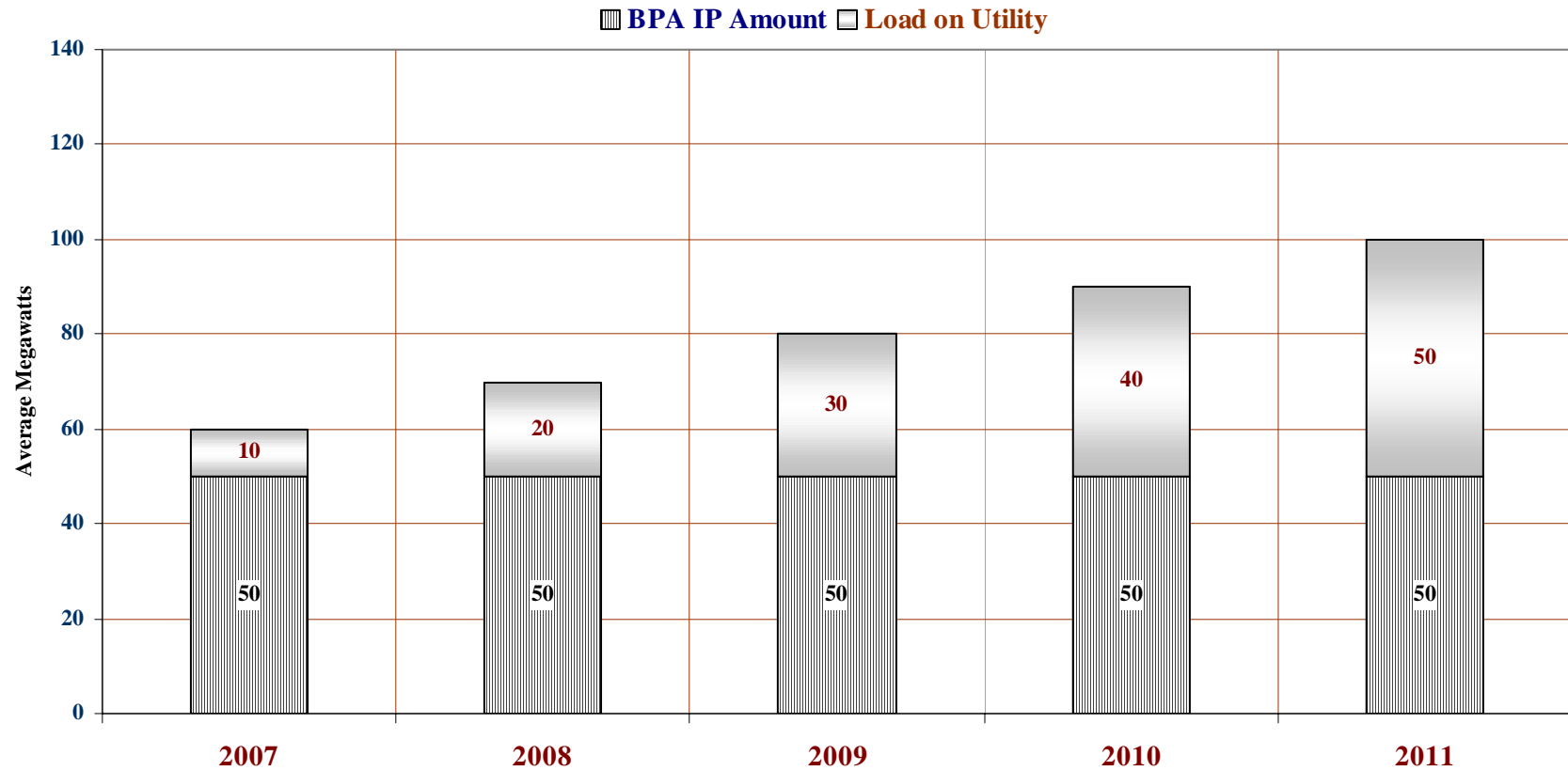
NLSL Policy Discussion January 15, 2003

The following materials are available on www.bpa.gov/power/subscription. Once here, click on Announcements or Previous Announcements.

- Bonneville Power Administration New Large Single Load Policy, April 2001. A consolidation of contract and policy decisions regarding New Large Single Loads. Available as [New Large Single Load Policy document](#)
- November 1, 2001 Revised Schedule for NLSL Policy Review: Federal Register Notice: http://www.bpa.gov/Power/PL/Subscription/NLSL_FRN_11-01-2001.pdf
- July 10, 2001 public meeting transcript: [meeting transcript](#) (PDF, 49 pages, 70 kb)
- June 25, 2001 announcement of the NLSL review process: [Federal Register Notice \(FRN\)](#) (PDF, 58 kb) (FR 01-15843). [text of the FRN](#) (PDF, 14 kb) is also available in a separate document.

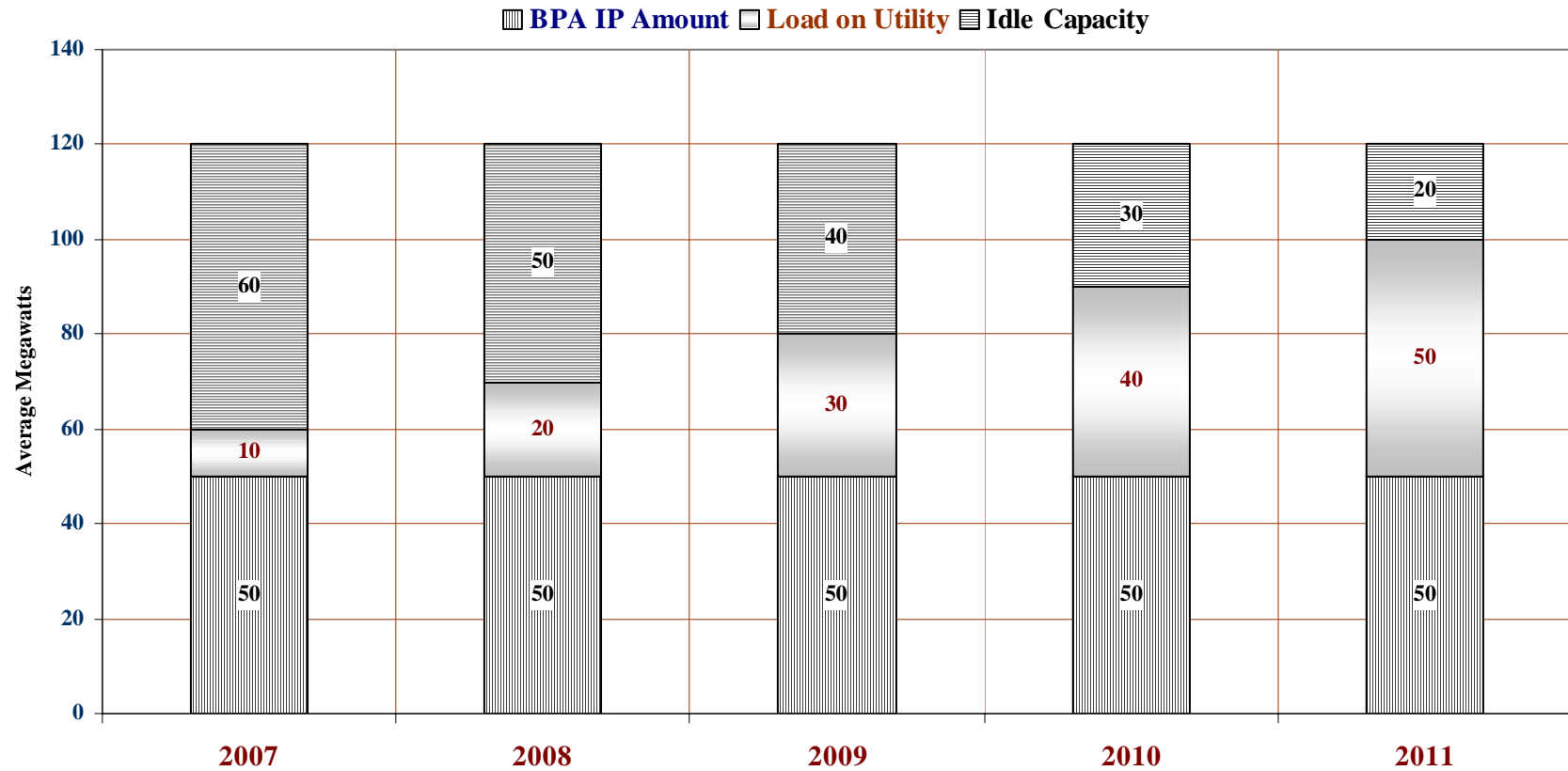
NLSL Policy Discussion
January 15, 2003

Scenario 1: Production Load above BPA Contract Demand does not increase by more than 10 aMWs per year



NLSL Policy Discussion
January 15, 2003

Scenario 2: Production Load above BPA IP service does not increase by more than 10 aMWs per year



NLSL Policy Discussion
January 15, 2003

Scenario 3: Production Load is "Phased On" via Contract

