

2002 Final Power Rate Proposal Administrator's Record of Decision Appendix 2: 1996 Wholesale Power Rate Schedules Adjustment

WP-02-A-02
May 2000



Adjustment to the 1996

BPA

GENERAL RATE SCHEDULE PROVISIONS

FOR POWER RATES

A. Targeted Adjustment Charge for Uncommitted Loads

1. Availability

The Targeted Adjustment Charge for Uncommitted Loads (TACUL) pertains to the PF and NR rate schedules. The TACUL applies after December 7, 2000, to purchases to serve customer loads that were uncommitted during the 1996 rate case which are returned to BPA firm power requirements service during a period prior to FY 2002. Customers subject to the TACUL are those that reduced their purchases from BPA by adding firm resources to serve load under: (1) 1981 power sales contracts that expire on or before July 31, 2001, as may be amended; (2) Amendatory Agreement No. 7 (AA7) to the 1981 power sales contracts, or new "1996" power sales contracts where the customer provides BPA notice after December 7, 1998, consistent with the terms of the customer's power sales contract, for requirements service for the period prior to FY 2002. Customers who apply after December 7, 2000, for firm requirements load under the NR rate will also be subject to the TACUL. This charge will be in effect through September 30, 2001.

This rate schedule amends the PF-96 and NR-96 rate schedules, which went into effect October 1, 1996.

2. Energy Charge

The TACUL is a monthly mills/kWh adjustment to the HLH and LLH energy rates specified in the 1996 rate schedule, and is applied to that portion of the customer's load that is subject to the TACUL. The TACUL rate adjustment will be established based on one of the following formula:

$$\text{TACUL} = [(\text{Incr } \$ * \text{Incr Amt}) - (\text{Rate } \$ * \text{Incr Amt})] / \text{TACUL Amt}$$

where:

- | | | |
|---------------|---|---|
| TACUL Amt | = | The amount of load subject to the TACUL, determined monthly. |
| Rate \$ | = | The monthly PF or NR energy rate shown in the applicable rate schedule. |
| Inventory Amt | = | Amount of energy available to serve this load based on an annual energy Federal system firm resource capability as defined in the Loads and Resources Study, and updated if BPA determines that is necessary. |

Incr \$ = Monthly cost to BPA, plus a handling fee, of incremental power for HLH and LLH expressed in mills/kWh (see below). These costs also may include where applicable, wheeling, ancillary, and other charges BPA may incur in purchasing power from other entities such as, but not limited to, the California ISO or the CalPX.

Incr Amt = Amount of incremental power required, determined monthly and defined as the TACUL Amt minus the Inventory Amt. (If there is no available Inventory Amt, the Incr Amt will equal the TACUL Amt).

If Incr \$ is less than Rate \$, the TACUL is 0 mills/kWh.

TACUL is the monthly rate adjustment in mills/kWh.

BPA will calculate the cost (Incr \$) per month in mills/kWh of the additional power per month (Incr Amt) for a specific Customer request. BPA will establish the cost of the additional power by the following methods:

- a. BPA will establish the price based on BPA's monthly cost to purchase the incremental load by purchases of resources at market, or the monthly cost of BPA recallable power contracts, averaged, whichever is less.
- b. A price plus handling fee calculated based on the following index.

BPA will calculate the price per month for HLH and LLH, based on an index calculated according to the following:

$$\text{Price of HLH} = \frac{1}{3} \text{ HLH (DJ Mid C)} + \frac{1}{3} \text{ HLH (CalPX)} + \frac{1}{3} \text{ (NYMEX Mid C)}$$

$$\text{Price of LLH} = \frac{1}{2} \text{ LLH (DJ Mid C)} + \frac{1}{2} \text{ LLH (PX)}$$

where the CalPX basis is adjusted to DJ Mid C

where:

DJ Mid C = Dow Jones Firm Onpeak (HLH) and Firm Offpeak (LLH) Mid-Columbia Electricity Price Index

California PX = California Power Exchange Day-Ahead Zonal Prices (Constrained)--the average of NW1 (Captain Jack/Malin--COB) and NW3 (NOB) for HLH and LLH

NYMEX Mid C = the New York Mercantile Exchange Futures
Electricity Closing Price at Mid-C for the applicable
month

CalPX prices will be adjusted for basis difference between COB/NOB and the
Mid-C using the IS/PTP Rates contained in BPA's 1996 Transmission Rate
Schedules.

If the NYMEX Mid-C index does not exist, BPA will use a one-half weighting of
the DJ Mid-C and the CalPX.