

Instructions on Customer Impact Model

The public rate impact model for BP-18 compares BP-16 rates to BP-18 final proposal rates in three ways. Like previous public rate impact models, the model calculates Tier 1 rate impacts and does not include Tier 2 charges, Transfer Charges, and Resource Support Services. Unlike previous public rate impact models, the BP-18 model does not include Above-RHWM Load served with Load Shaping as it is not considered to be a Tier 1 charge or load. Below is a description of the different rate comparisons:

1. Effective rate change from BP-16 to BP-18. This effective rate is taken as the revenue collection under all customer charges, load shaping, and demand rates (net of discounts) for non-slice sales by customer divided by total customer load and is denominated in \$/MWh. BP-16 is compared to BP-18.
2. Rate Change Only. This method takes the BP-18 forecast billing determinants assumed in setting BP-18 initial proposal rates, and applies BP-16 and BP-18 rates to these constant billing determinants (net of discounts). A rate change is then computed from BP-16 to BP-18 initial proposal rates.
3. Hybrid Approach. BPA Staff argue that since rates are now denominated in terms of a share of the BPA system, and since that system is not necessarily equal across rate periods, holding system size constant in evaluating a rate change by customer is imperfect. An attempted solution is the hybrid approach, whereby we take BP-16 Tier 1 System and RHWM values as fixed, and apply the updated 2018 load forecast to conditions as if we were in 2016. Therefore, 2018 loads and existing resources are held constant, but not the system or RHWM allotments of the system to individual customers. Then, BP-16 rates are applied to the recalculated BP-16 billing determinants (assuming the 2018 load and CSP forecasts), and BP-18 rates are applied to the BP-18 billing determinants. A rate change is then computed from BP-16 to BP-18 rates.

Setting the Hybrid approach.

On the Init tab, select cell R9, and change to “Yes”.

Setting the Rate Change Only approach.

On the Init tab, select cell R9, and change to “No”.

	P	Q	R	S	T	U	V	W
1								
2								
3	Previous Year		2016					
4	Current Year		2018					
5								
6								
7								
8	Use Previous at BP-16 Billing Determinants adjusted for 2018 Loads and CSP?							
9			Yes					
10								



To include the impact of REP Refund amounts.

On the Init tab, select cell R12, and change to “Yes”.

To include the impact of Tier 2 Load Shaping (for comparison to pre-BP18 Rate Impact models.)

On the Init tab, select cell R15, and change to “Yes”.

	P	Q	R	S	T	U
10						
11	Include REP Refund amount in Previous and Current Years?					
12			No			
13						
14	Include Tier 2 Load Shaping in Tier 1 Rate Impacts?					
15			No			
16						

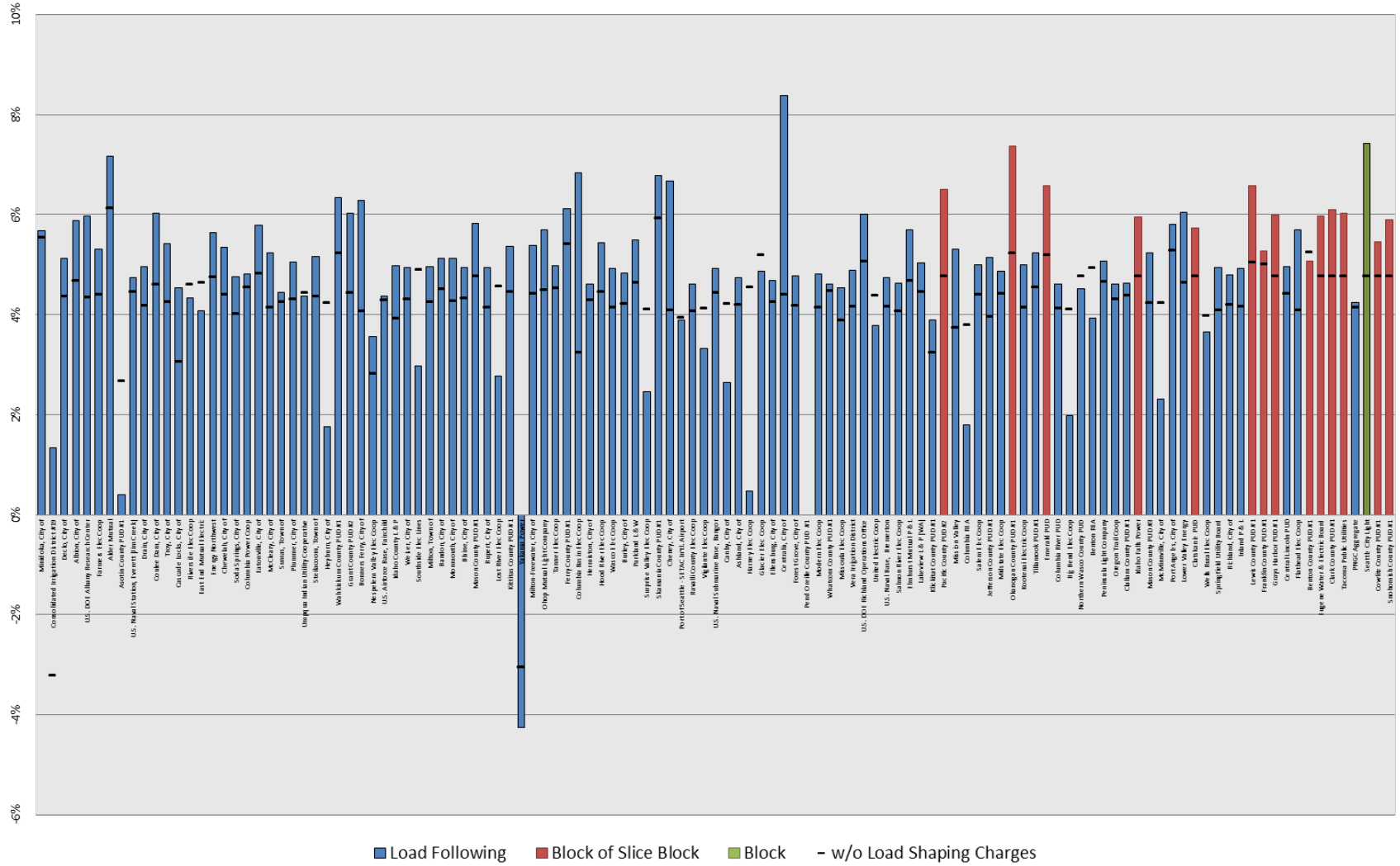
Model Results are stated in the “Outputs” Sheet, and include:

- a) Rate Increase Including Slice and LS – Does not include the value of slice secondary, but does include the value of firm slice sales
- b) Rate Increase NonSlice – excludes the value of the slice product (firm and secondary).
- c) Rate Increase NonSlice and Excluding Load Shaping – removes the effect of load shaping billing determinant and rate changes by removing the load shaping charges altogether in both periods.
- d) Rate Increase NonSlice Effective Rate to Effective Rate – always computed whether or not Hybrid or Rate Change Only approaches are used.

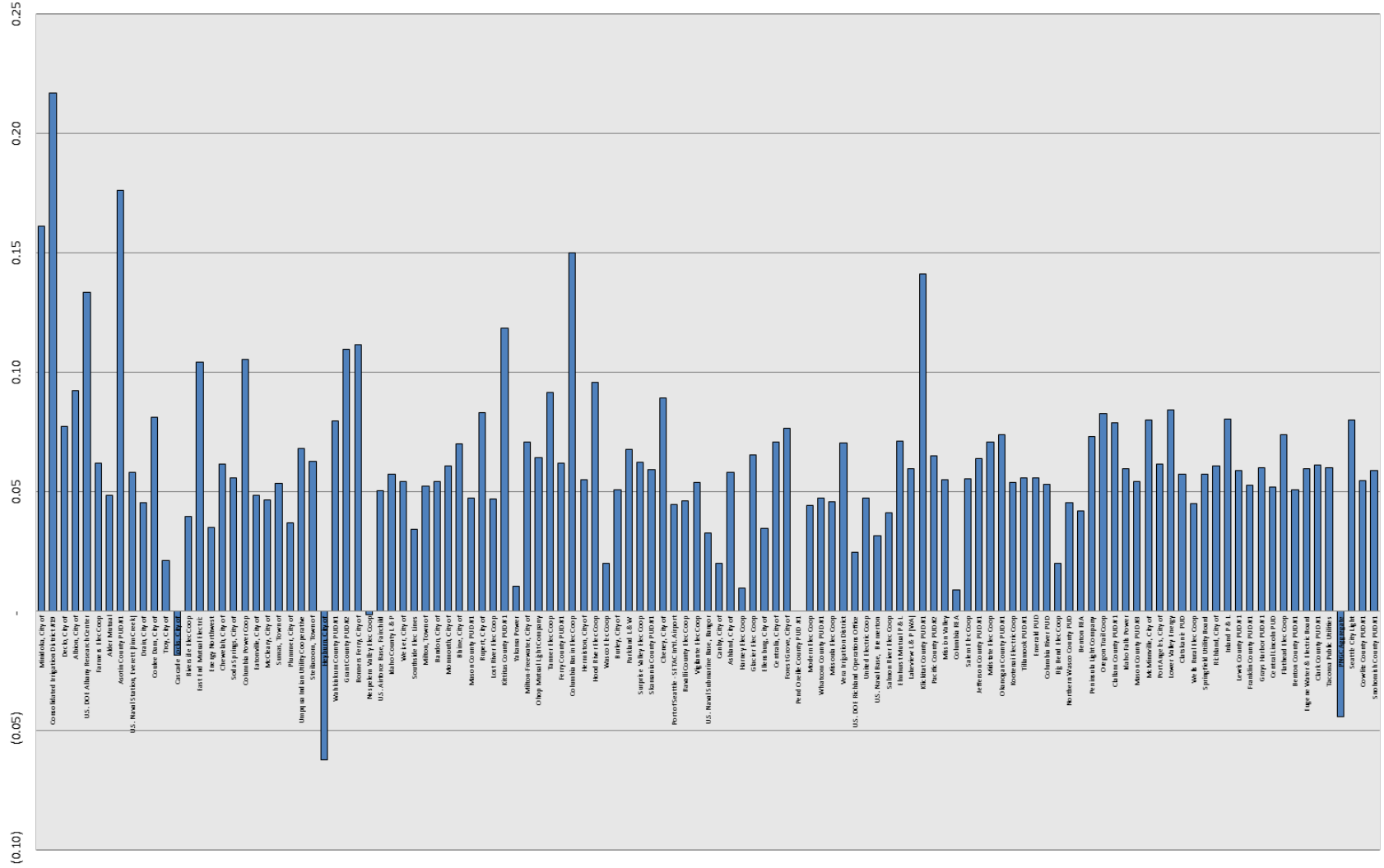
Graphs are included showing rate changes from smallest customer to largest, cumulative, and Effective rate change only (approach #1 above). Samples are below from BP-18 final proposal



Non-Slice Customer - Rate Change BP-16 to BP-18 by Customer Type



Non-Slice Customer - Effective Rate Change BP-16 to BP-18



Non-Slice Customer Estimated Rate Impacts - Ordered from Highest to Lowest

