

Rates - apparent and effective, with and without settlement

2004 rates, as of 9-18-03

Notes	FB CRAC 12.28%	SN CRAC 11.47%	Apparent rates - rates customers will see on bills					Effective rates - rates reflecting known impacts of true-ups				
			LB CRAC	LB CRAC	LB CRAC	Total of	Change from	LB CRAC	LB CRAC	LB CRAC	Total of	Change from
			Oct-Mar	Apr-Sep	Average	3 CRACs	03 Average	Oct-Mar	Apr-Sep	Average	3 CRACs	03 Average
			21.29%	31.25%	26.27%	50.02%	2.63%	20.34%	31.25%	25.80%	49.55%	2.30%
Notes	1	1	2	3	4	4	4	5	3	6	6	6

- 1 These were set in the August 28, 2003 workshop
- 2 Set in the June 2003 LB CRAC workshop; does not include the decrease due to the SN CRAC, calculated after the June workshop.
- 3 Forecast of LB CRAC rate will be set at the December workshop. This forecast does include the reduction in LB due to non-zero SN.
- 4 This is the number calculated from posted rates, under the assumptions operative on 9-18-03 (including assumption that the IOUs WILL send BPA a letter prior to December 3 stating that they want to stop deferring, i.e., start receiving, the payments for the litigation contingency).
- 5 This is the effective LB CRAC rate for the first half of 2004, taking into account the impact of the eventual true-up, which in this case would include a reduction in augmentation expenses due to the non-zero SN CRAC. The incorporation of the impact of the SN CRAC, calculated after the final determination of the first-half LB CRAC in June, will be made through a true-up, but BPA does not formally consider that the true-up changes the LB CRAC rate; the LB CRAC rate, once posted, will not change, but true-ups will be made as needed to ensure each customer's total, true-up bill reflects all of the appropriate adjustments.
- 6 These numbers show "effective" rates, incorporating true-ups, but the true-ups will not change the posted rates per se.

2004 rates, if Settlement were final about February 1, 2004 [note 10]

Notes	FB CRAC 12.28%	SN CRAC 0.00%	Apparent rates - rates customers will see on bills					Effective rates - rates reflecting known impacts of true-ups				
			LB CRAC	LB CRAC	LB CRAC	Total of	Change from	LB CRAC	LB CRAC	LB CRAC	Total of	Change from
			Oct-Mar	Apr-Sep	Average	3 CRACs	03 Average	Oct-Mar	Apr-Sep	Average	3 CRACs	03 Average
			21.29%	23.75%	22.52%	34.80%	-7.78%	21.29%	24.70%	23.00%	35.28%	-7.46%
Notes	10, 11	10, 12	13	14	15	10, 15	10, 15	16	17	18	10, 18	10, 18

- 10 Assuming details of settlement financial impacts are the same as currently assumed by BPA's rates analysts. There may be changes in these figures due to minor corrections in data also.
- 11 The FB CRAC will be recalculated after final Settlement details are known - first the thresholds will be recalculated, and then the FB percentage. The percentage may go up by up to 0.4 percentage points from the 12.28% figure. The GRSPs give the Administrator the discretion to decrease the SN CRAC, but they give him no discretion to change the FB CRAC.
- 12 The Administrator will exercise the discretion given him by the GRSPs to zero out the 2004 SN CRAC if there is a full settlement.
- 13 This rate was set in June and cannot be changed. However, it is the correct rate under settlement.
- 14 Forecast of rates to be set in December, 2003. Since that is before the settlement can be final, it will (probably) be set based on the assumption operative at that moment - an 11.47% SN CRAC would be in place, lowering the LB CRAC rate by 0.95%; the IOUs will, we assume, not have sent BPA a letter requesting the beginning of litigation contingency payments, so there will be no augmentation expense for one-fifth of the \$200 million total.
- 15 This is the number calculated from posted rates, under the assumptions operative on 2-1-04 (including assumption that the IOUs did not send BPA a letter prior to the December LB CRAC workshop stating that they want to stop deferring, i.e., start receiving, the payments for the litigation contingency, and that the LB CRAC starting April 1 was set in December prior to the settlement becoming final).
- 16 This rate was set in June 2003 without any assumption of an SN CRAC, and that assumption is borne out in this scenario; no true-up needed for impacts of SN CRAC or settlement.
- 17 This rate was set in December under the assumption of an 11.47% SN CRAC, which is now (2-1-04) no longer correct; there will be no SN CRAC for 2004, so the assumed reduction in LB CRAC will have to be backed out in the true-up. The effective LB CRAC for the 2nd half of 2004 will be higher than the rate calculated in December 2003, but it will be incorporated via the true-up, not a change in LB rate per se.
- 18 These numbers show "effective" rates, incorporating true-ups, but the true-ups will not change the posted rates per se.