BONNEVILLE POWER ADMINISTRATION

For Discussion Purposes Only
July 6, 2007
Revised August 15, 2007

`DRAFT PROPOSAL: SHORT-DISTANCE DISCOUNT (SDD)
(For NT Rate beginning Oct 2011)

The monthly NT bills shall be adjusted when a long-term (designated for at least 12 months) Network Resource, interconnected to the FCRTS or to the customer's system and designated in the NT Service Agreement as being short distance, uses FCRTS facilities for less than 75 circuit miles for delivery to the Network Load.

The NT monthly bill will be reduced by a credit equal to:

$$\text{Average Generation on Peak Hour} \times \text{NT Rate} \times \frac{75 - \text{Tx Distance}}{75} \times 0.4$$

Where:

Average Generation on Peak Hour =

a. For Network Resources that have been designated for at least 11 months prior to the billing month:
   ∑kW generated by the SDD Network Resource generation (in kilowatthours) on the Monthly Transmission Peak Load hour for the previous 11 months plus the current billing month, divided by 12, reduced for BPAT Network losses, if the resource is scheduled over the BPA Network..

b. For Network Resources that have been designated less than 11 months prior to the billing month:
   The actual energy generated by the SDD Network Resource generation (in kilowatthours) on the Monthly Transmission Peak Load hour for the billing month, reduced for BPAT Network losses, if the resource is scheduled over the BPA Network. ~~losses~~.

NT Rate = NT Base Charge + NT Load Shaping Charge

Tx Distance = The contractually specified transmission distance measured in circuit miles between the Network Resource POR and the Network Load POD nearest to the POR. The determination of

the transmission distance will be based upon path(s) identified in power flow studies. For a resource directly connected to the customer's system, the distance shall be zero.

Designated Network Resources that provide for delivery of power from more than one resource (system sales) do not qualify for the SDD.

If the customer undesignates the SDD Network Resource for any period of time during a month, the SDD shall not be applied that month.