

**PUBLICS' DRAFT PROPOSAL
SHORT-DISTANCE DISCOUNT**

**BPA 2012 RATE CASE WORKSHOP
JULY 14, 2012**

DRAFT 07 12 10

**DRAFT PROPOSAL: SHORT-DISTANCE DISCOUNT (SDD)
(For NT Rate beginning Oct 2011) Rates & Contracts**

A Customer's monthly NT bills shall be adjusted to reflect a Short Distance Discount (SDD) when Customer has a resource that is (i) a Designated Network Resource (DNR), (ii) interconnected to the FCRTS or to the Customer's system, or is a Behind the Meter Resource, and (iii) uses FCRTS facilities for less than 75 circuit miles for delivery to the Network Load. A circuit mile is one mile of transmission line distance regardless of the number of transmission circuits. A Designated Network Resource that is a system sale does not qualify for the SDD.- Any such Designated Network Resource that is eligible for the SDD (DNR SD) shall be noted as such in the NT Service Agreement.

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

$$\text{Avg. Generation of the DNR SD during HLHs} \times \text{NT Rate} \times \frac{75 - \text{Tx Distance}}{75} \times 0.4$$

Where:

Average

Generation during HLHs = The metered or scheduled DNR SD output during Heavy Load Hours (HLH) over the current billing month, divided by the number of HLH during the month.

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 Customer's Network POD(s) nearest Network Load POD or PODs. BPA shall use the historical or forecasted peak load for the Customer's Network POD or PODs nearest to the DNR SD to calculate how much of the DNR SD's nameplate capacity can be used by that POD. If the historical or forecast peak load of the Customer's closest Network POD is less than the DNR SD's nameplate capacity, then BPA shall use the next nearest Customer Network POD that is within 75 circuit miles of the DNR SD until the DNR SD's nameplate is calculated to be fully allocated to the Customer's Network PODs. In this case, the calculation of TX Distance shall be transmission distance from the DNR SD to each of the Customer's Network PODs, weighted by the DNR SD nameplate MWs allocated to each POD.

For a DNR SD directly connected to the customer's system (including Behind the Meter Resources) or a DNR SD that does not use the BPA network facilities, the distance shall be zero.

Exception: If the customer partially or completely undesignates the DNR SD for any period of time during a month, the SDD shall not be applied to the undesignated portion of the DNR SD for that month.