Demand Rate Analysis – July 2010

BPA has received a number of informal customer requests to provide information on the impacts of the new TRM rate design on specific customers with particular focus on the impact of changes in the demand charge. BPA is making available some very preliminary analysis to inform customers on the rate impact that different demand rate levels could have on BPA's PF preference rate customers. These graphs represent a draft snapshot based on the information BPA has made publicly available through the June 4th update of the RAM (WP-10 costs in TRM form), the demand rates and the load shaping rates used to shape those demand rates discussed at the May 26th rate case workshop, and the July 15th release of the TRM Billing Determinant Model.

One of the biggest caveats BPA needs to highlight is that many of the key building blocks that will ultimately be used to determine a customer's billing determinant are still unknown, such as CHWMs, CDQs, and the actual load placed on BPA. In addition, many things have changed beyond rate design such as product choice and product design which has made a true apples-to-apples comparison of the new tiered rate design to the melded WP-10 rate design an impossible task. Footnotes and caveats aside, these graphs represent BPA staff's attempt to neutralize and compare impact of demand rates on two dramatically different rate structures with publicly available assumptions and forecasts about the future.

See the 2012 BPA-12 Rate Case website for the graphs and the model used to calculate these preliminary demand rate impacts, and previously released information and models referenced above here:
http://www.bpa.gov/corporate/ratecase/2012/communications.cfm

Key Analysis Assumptions

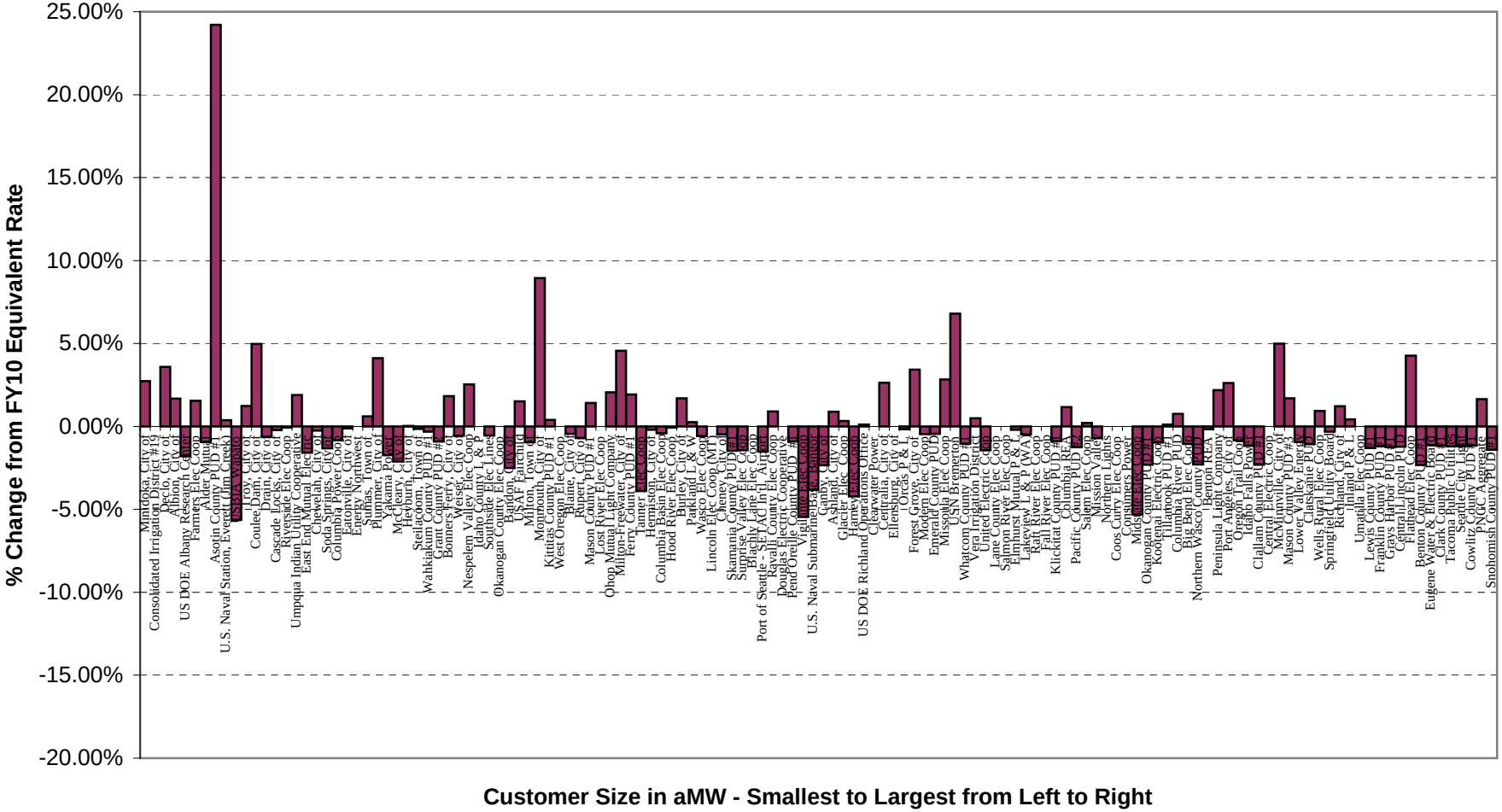
- These numbers compare the old and new rate designs using WP-10 Cost information and a resulting average rate of 30.77/MWh.

- No costs for Above-RHWM load are included in this analysis.

- Changes in the demand rates are revenue neutral and simply result in a redistribution of costs among customers

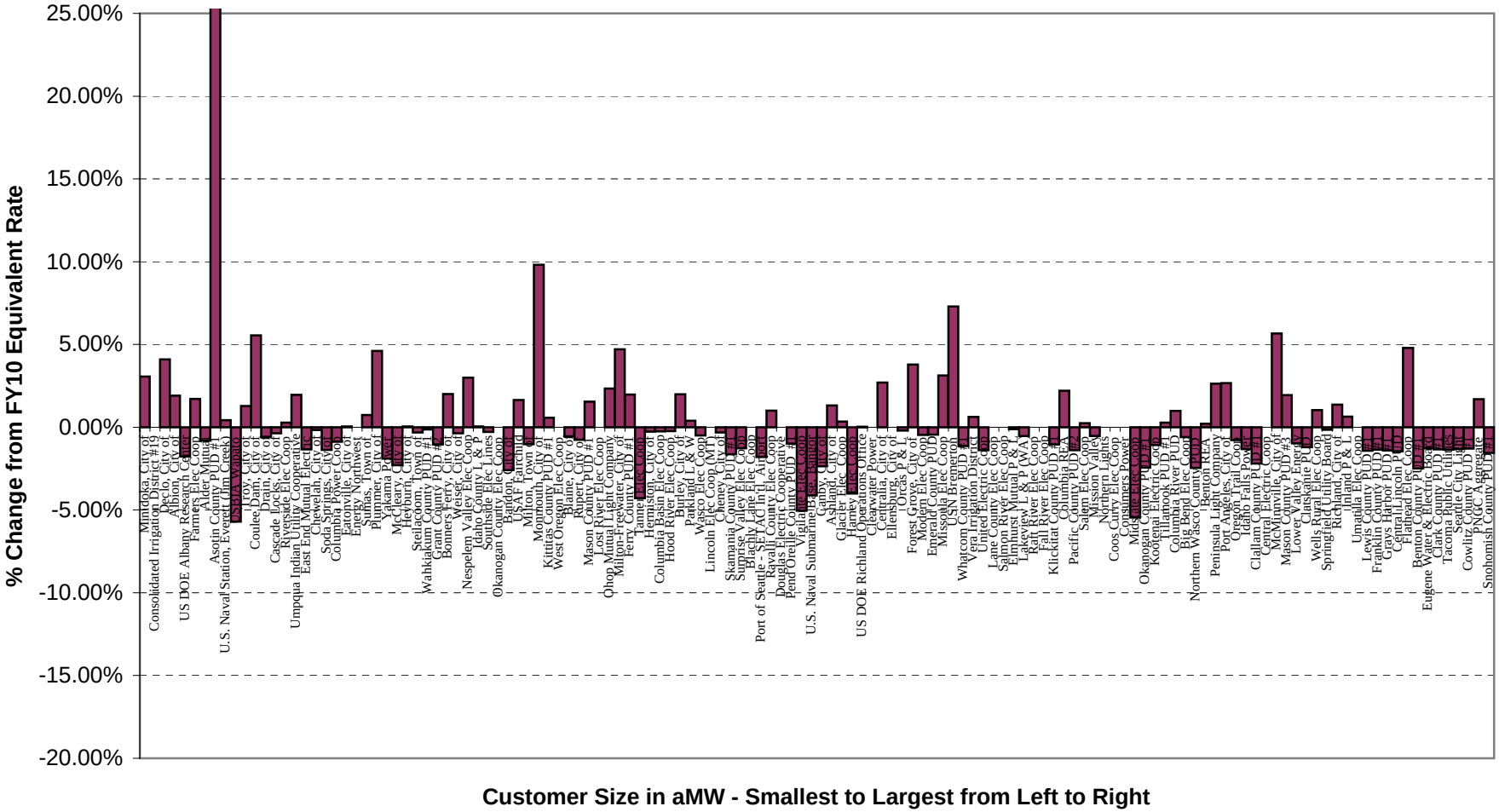
- Reason for the use of particular demand rate values in the charts below
  > *$8.50 kW/month* -- the original value used in analysis during the development of the TRM
  > *$9:25 kW/month* -- the lowest value used in recent rate case workshops
  > *$16.18 kW/month* -- the highest value used in recent rate case workshops

TRM Rate Design $8.50/kW/mo Demand Rate v WP-10



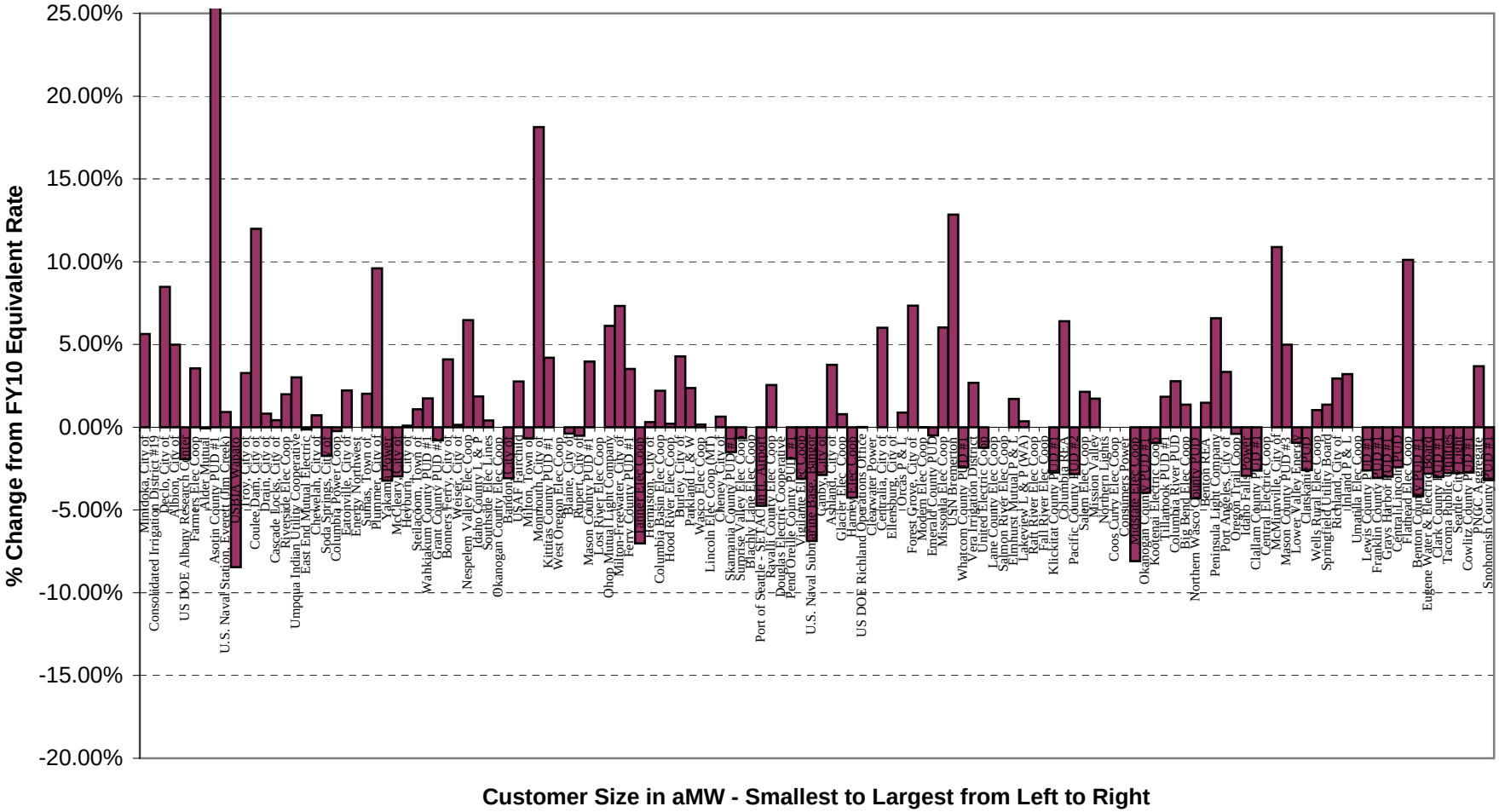
Customer Size in aMW - Smallest to Largest from Left to Right

TRM Rate Design $9.25/kW/mo Demand Rate v WP-10



Customer Size in aMW - Smallest to Largest from Left to Right

TRM Rate Design $16.18/kW/mo Demand Rate v WP-10



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