

## Attachment B

### Comparison of Different Proposed ASC Methodology Process Approaches

<u>Major ASCM Elements</u>	Initial BPA Staff Strawman Proposal	Public Power Proposal	IOU Proposal	Oregon and Washington Public Utility Commission Proposal
1. <u>Data Format</u> - How is ASC information tabulated and presented?	<ul style="list-style-type: none"> <li>Utility submits ASC for prior year annually by 7/1 using electronic template.</li> </ul>	<ul style="list-style-type: none"> <li>Utility would submit ASC data prior to the start of the rate case using electronic template.</li> <li>Electronic template would reference where this information could be found in the data source documents.</li> </ul>	<ul style="list-style-type: none"> <li>Utility submits ASC for prior year annually by 7/1 using electronic template.</li> </ul>	<ul style="list-style-type: none"> <li>Utility submits ASC for prior year annually by 7/1 using electronic template.</li> </ul>
2. <u>Are off year informational filings required?</u>	<ul style="list-style-type: none"> <li>Yes - BPA will require the exchanging customers to submit filings each year. All filings will be subject to BPA review and potential revision so that they are materially correct and have been developed using a standardized and consistent methodology. ASC determinations are dependent upon previously filed and reviewed ASCs that are materially correct.</li> </ul>	<ul style="list-style-type: none"> <li>No</li> </ul>	<ul style="list-style-type: none"> <li>Yes</li> </ul>	<ul style="list-style-type: none"> <li>Not addressed</li> </ul>
3. <u>What are the consequences of not making ASC filings on time?</u>	<ul style="list-style-type: none"> <li>Not addressed</li> </ul>	<ul style="list-style-type: none"> <li>Not addressed</li> </ul>	<ul style="list-style-type: none"> <li>Not addressed</li> </ul>	<ul style="list-style-type: none"> <li>Not addressed</li> </ul>

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<p>4. <b><u>ASC Data requirement Sources:</u></b></p> <ul style="list-style-type: none"> <li>- FERC FORM 1 (FF1)</li> <li>- Annual Financial Report (AFR)</li> <li>- Results of Operations (RO)</li> <li>- Commission Rate Orders (CRO)</li> <li>- Additional information to support functionalization of costs and excluded costs.</li> <li>- Resource cost data associated with NLSLs and extra-regional sales.</li> </ul>	<p><u>Data Sources:</u></p> <ul style="list-style-type: none"> <li>• Yes - FF1</li> <li>• No - AFR</li> <li>• Yes – RO</li> <li>• No – CRO</li> <li>• Corresponding data sources for preference utilities.</li> <li>• Additional documentation as needed.</li> <li>• Requires resource cost data associated with NLSLs and extra-regional sales.</li> </ul>	<p><u>Data Sources:</u></p> <ul style="list-style-type: none"> <li>• Yes - FF1</li> <li>• Yes - AFR</li> <li>• Yes – RO</li> <li>• Yes – CRO</li> <li>• Corresponding data sources for preference utilities.</li> <li>• Additional documentation not addressed.</li> <li>• Resource cost data associated with NLSLs and extra-regional sales was not addressed.</li> </ul>	<p><u>Data Sources:</u></p> <ul style="list-style-type: none"> <li>• Yes - FF1</li> <li>• Corresponding data for preference utilities.</li> <li>• Resource cost data associated with NLSLs and extra-regional sales was not addressed.</li> </ul>	<p><u>Data Sources:</u></p> <ul style="list-style-type: none"> <li>• Yes - FF1 – provides sufficient data.</li> <li>• Approach should be streamlined as much as possible.</li> <li>• Resource cost data associated with NLSLs and extra-regional sales was not addressed.</li> </ul>
<p>5. <b><u>Load Data Requirements:</u></b></p> <ul style="list-style-type: none"> <li>- Are annual filings of total system load (TSL) and actual eligible exchange load for the prior year required?</li> <li>- Are forecasts of total system load and exchange loads for succeeding 8 years required?</li> </ul>	<ul style="list-style-type: none"> <li>• Requires annual filings of total system load (TSL) and actual eligible exchange load for the prior year.</li> <li>• Requires forecasts of total system load and exchange loads for succeeding 8 years.</li> </ul>	<ul style="list-style-type: none"> <li>• Not addressed</li> </ul>	<ul style="list-style-type: none"> <li>• Not addressed</li> </ul>	<ul style="list-style-type: none"> <li>• Not addressed</li> </ul>
<p>6. <b><u>Attestation requirements:</u></b></p>	<ul style="list-style-type: none"> <li>• Attestation for ASC by senior officer will cover accuracy and fairness of the data presented along with certification that excludable costs per ASCM are not included in the annual filing.</li> </ul>	<ul style="list-style-type: none"> <li>• Not addressed</li> </ul>	<ul style="list-style-type: none"> <li>• Not addressed</li> </ul>	<ul style="list-style-type: none"> <li>• Not addressed</li> </ul>

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7. <b><u>Combined or Jurisdictional ASCs</u></b>	<ul style="list-style-type: none"> <li>• Combined /single ASC applies to all PNW regional jurisdictions.</li> </ul>	<ul style="list-style-type: none"> <li>• Not addressed</li> </ul>	<ul style="list-style-type: none"> <li>• Not addressed</li> </ul>	<ul style="list-style-type: none"> <li>• Would require separate jurisdictional ASCs.</li> </ul>
8. <b><u>Rate Case ASC Determination</u></b> – How are future year ASCs determined/forecast for the Rate Case (RC)? Cost escalation, normalization of costs, use of indices, forecasts, etc.	<ul style="list-style-type: none"> <li>• BPA determines ASCs for the rate period +4 based. Forecasts are based on prior year(s) ASC filing per 1 above.</li> <li>• Standard indices used for escalation, market price forecasts, and fuel price forecasts consistent with rate case assumptions.</li> <li>• Normalization of trading floor sale quantities /quantities of purchase power based on rolling 5-year average.</li> <li>• Load forecasts based on historical growth rate for utility’s qualifying loads.</li> <li>• ASCM would give BPA discretion in the preparation of the ASC forecasts.</li> </ul>	<ul style="list-style-type: none"> <li>• BPA determines ASCs for the rate period +4 based. Forecasts are based on prior year(s) ASC filing per 1 above.</li> <li>• Detail on how BPA derives ASC left up to BPA.</li> <li>• Standardized cookbook method for functionalizing costs would be developed by BPA. One size fits all. Eliminate direct assignment approach.</li> </ul>	<ul style="list-style-type: none"> <li>• BPA determines ASCs for the rate period +4 based. Forecasts are based on prior year(s) ASC filing per 1 above</li> <li>• Not as concerned about forecast since benefits will be trued-up for actual.</li> <li>• BPA posts results for review.</li> </ul>	<ul style="list-style-type: none"> <li>• BPA determines ASCs for the rate period +4 based. Forecasts are based on prior year(s) ASC filing per 1 above.</li> <li>• BPA should seek a public process to obtain comments on the appropriate escalator indices to escalate base year data.</li> </ul>

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<p>9. <u>How are new utility plant additions forecasted to be placed in service during the rate period treated?</u></p>	<ul style="list-style-type: none"> <li>• New resource additions are not included in the ASC until they are present in the FF1 data.</li> <li>• Wholesale market purchases are a reasonable proxy for new resources.</li> </ul>	<ul style="list-style-type: none"> <li>• Not addressed.</li> </ul>	<ul style="list-style-type: none"> <li>• New resource additions should be included in ASC determinations.</li> </ul>	<ul style="list-style-type: none"> <li>• ASC used to calculate REP benefits should be revised when new resource additions are entered into plant in service.</li> <li>• Revision to ASC would be triggered by new ASC filing by the utility after a commission rate order affirms the resource addition.</li> <li>• Wholesale market prices are not a reasonable proxy for the costs of new resources.</li> </ul>
<p>10. <u>Are ASCs determined inside or outside of RC proceedings?</u></p>	<ul style="list-style-type: none"> <li>• Inside rate case proceeding.</li> </ul>	<ul style="list-style-type: none"> <li>• Outside rate case proceeding.</li> <li>• ASC determination would occur just prior to the start of the rate case.</li> <li>• BPA would have a limited period of time to prepare the draft ASCs and a forecast of exchangeable loads.</li> </ul>	<ul style="list-style-type: none"> <li>• Outside of rate case.</li> </ul>	<ul style="list-style-type: none"> <li>• Not addressed</li> </ul>

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11. <u>Provision for review and comment on proposed RC ASC determinations by RC parties</u>	<ul style="list-style-type: none"> <li>• BPA prepares testimony and exhibits to support draft ASCs.</li> <li>• Exchange utility can dispute ASC, file testimony.</li> <li>• Other parties can challenge BPA’s ASCs.</li> <li>• ASCs are finalized in the Final Rate Proposal.</li> <li>• BPA prepares a close out ASC report for each utility that they can use to file with FERC or to appeal to FERC at the conclusion of the rate case.</li> </ul>	<ul style="list-style-type: none"> <li>• BPA’s draft ASCs, loads, and supporting documentation would be made available to utility, customers, and stakeholders.</li> <li>• BPA would conduct workshops to answer questions, and receive informal input.</li> <li>• Utilities would have knowledgeable staff available at the workshops to answer questions by BPA, customers, and stakeholders.</li> <li>• IOUs would be required to provide additional data and responses to questions posed by both BPA and preference customers.</li> </ul>	<ul style="list-style-type: none"> <li>• BPA prepares draft ASCs and distributes them to all interested parties for review.</li> <li>• BPA prepares testimony and exhibits to support ASCs.</li> <li>• EX utility can dispute ASC, file testimony.</li> <li>• Other parties can challenge BPA’s ASCs IRP forecasts.</li> <li>• BPA takes comments from utility and interested parties, posts on WEB site. BPA’s response to comments and rationale used to decide issues is posted on WEB.</li> <li>• BPA prepares a close out ASC report for each utility that they can use to file with FERC or to Appeal to FERC.</li> <li>• Interested stakeholders can participate in FERC review and propose adjustments.</li> </ul>	<ul style="list-style-type: none"> <li>• Not addressed</li> </ul>
12. <u>Determination of actual REP benefits paid utilities</u>	<ul style="list-style-type: none"> <li>• Benefits based on RC ASC determination less PFx times forecasted eligible loads.</li> </ul>	<ul style="list-style-type: none"> <li>• Benefits based on RC ASC determination less PFx times forecasted eligible loads.</li> </ul>	<ul style="list-style-type: none"> <li>• <u>Initial</u> benefits based on RC ASC determination less PFx time’s forecasted eligible loads.</li> </ul>	<ul style="list-style-type: none"> <li>• <u>Initial</u> benefits based on RC ASC determination less PFx times forecasted eligible load.</li> </ul>

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13. <u>Within Rate Period Adjustments of ASCs and loads - Is a True Up incorporated?</u>	<ul style="list-style-type: none"> <li>No changes to forecasted ASC.</li> <li>Loads adjusted for changes in service territory sales and annexations only.</li> </ul>	<ul style="list-style-type: none"> <li>No changes to forecasted ASC or forecasted loads should be made.</li> <li>If the resource costs are not included in the ASC forecast and subject to the Section 7(b)(2) rate test, the exchanging utility should not receive actual REP benefits through a true-up that did not include the forecast of new resources in the rate case ASC.</li> </ul>	<ul style="list-style-type: none"> <li>Payments are trued up for the utility's actual (historical) ASC filing (filed with FERC) for the year and for the actual eligible loads that were served.</li> </ul>	<ul style="list-style-type: none"> <li>Payments are trued up for new resource additions and for actual loads served.</li> <li>Only change to ASCs would be for new resources and the related changes associated with the addition of that resource.</li> </ul>