

The Treasury Payment Probability (TPP) Package

Instructions, and Descriptions of Files

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Contents:

Documentation:

TPPinfo.pdf [this document]; PDF file describing the package of files.

How To Operate vbaToolKit (4-9-99).pdf; PDF file with details of operating the VBA version of the ToolKit spreadsheet.

Models and Data Files

Numbers refer to diagram in **How To Operate vbaToolKit**.

1. Riskmod: [not included];
2. Riskmod output file: **RM_Mix_merge_072299_Subscription2.xls**; Excel 97 file.
3. NORM: **NORM_071699_inputs_Init_99RC.xls**; written in Excel 97/@Risk; contains the non-operating risks (distributions, probabilities).
4. NORM output file: **NORM_071699_outputs_Init_99RC.xls**; Excel 97 file.
5. "Prior ToolKit": **TK_071499_01Base_wSTREAM.xls**; Excel 97 file. This is the older version of the ToolKit that models the Prior Rate Period (1997-2001; only 2000-2001 will be modeled probabilistically). This is a plain Excel 97 file that provides the distribution of random starting 2002 balances for reserves and the FCCF (i.e., the ending 2001 balances).
6. The ToolKit: **ToolKit12b5_072299_Subscription 2.xls**; Excel 97 with Visual Basic for Applications code (VBA is built into Excel 97). This is Version 1.0 of the file that performs the calculation of the TPP. Receives input from Riskmod and NORM and the Prior ToolKit, and has many study design parameter settings. Main input variables and output are both contained in the spreadsheet, on the "TK_Main" worksheet.

General Process of Calculating the TPP

External Data Files

Obtain or update copies of the input data files – the Riskmod and NORM output files, and a ToolKit for the prior rate period (we are looking at the 2002 – 2006 rate period, so the Prior ToolKit needs to cover the 1997 – 2001 rate period). (These are #s 2, 4 and 5 previously mentioned.) The Prior ToolKit should be updated when another year has passed and needs to be converted from probabilistic to deterministic; 1998 will be converted soon. Riskmod and NORM outputs need to be updated when information about the risks they cover has changed "significantly"; this is a judgment call.

Other Inputs

Update the other input parameters in the ToolKit's input sections. (See "How To Operate ToolKit.pdf".) These parameters and variables need to be updated when BPA's financial data is updated (e.g., after the end-of-year audit), or when a different setting of the user-choice variables is desired (e.g., to see the impact of increasing the threshold for the CRAC).

Running the ToolKit

Run the ToolKit. Before the VBA code finishes execution, it will report the TPP, and give the user the option of adding in additional PNRR (planned net revenue for risk): a dialog box appears and the user types in the **incremental** amount of revenue per year to be generated from the PNRR. If no change (positive or negative) in the PNRR is desired, enter 0 (0 is the default value) and press Enter. The ToolKit will finish producing output numbers, will record the final total of additional PNRR in the Manual Adjustment area, and exit. At this time, the way to determine how much PNRR is needed to achieve an 88% TPP is to iterate until the total of the additional PNRR yields the desired TPP.