



Western
Area Power
Administration

Boulder Canyon Project: Rates 201

February 15 , 2017

Kevin Schaefer
Public Utilities Specialist



Housekeeping

- Fire Exits
- Restrooms / Break Area
- Handouts
- Focus is on the process not content
- Please mute your phones
- Questions / Comments



Outline

- Regulations, Orders & Procedures
- Timeline and Customer Participation
- Electric Service Charges
- Base Charge Breakout
- Rate Schedule
- Informal Customer Meeting



Regulations, Orders & Procedures

WAPA's regulations, orders and procedures for BCP Rate Development:

- 10 CFR 903 - describes public participation in power and transmission rate adjustments and extensions
- DOE Order RA 6120.2 - establishes financial reporting policies, procedures and methodology for all Power Marketing Administrations
- 10 CFR 904 – applies specifically to the Boulder Canyon Project's (BCP) charges for the sales of power
- Boulder Canyon Electric Service Contract and Amended and Restated Implementation Agreement



Timeline & Customer Participation

Jul 2016

- **Preliminary Ten-Year Operating Plan (TYOP):** Customers receive preliminary FY 2018 TYOP

Sep / Oct 2016

- **Technical Review Committee (TRC):** Technical experts discuss the TYOP
- **Engineering and Operating Committee (E&OC):** work plan updates, TYOP summary, tentative public process dates; committee members vote

Nov 2016

- **Proposed TYOP:** Customers receive updated TYOP based on customer input
- WAPA begins developing the **Power Repayment Study (PRS)** for the FY 2018 Base Charge and drafts the initial ***Federal Register* notice (FRN)**



Timeline & Customer Participation

(cont.)

Jan 2017

- **Engineering and Operating Committee (E&OC):** work plan updates, TYOP summary, and tentative public process dates
- **FY 2018 Preliminary PRS** completed and **Initial FRN** begins routing

Feb 2017

- **Final FY 2018 TYOP:** Customers receive updated TYOP based on customer input
- **Informal FY 2018 Base Charge Meeting:** Customers can ask questions about the base charge in an informal setting before public process begins.
- **Notice** is published in the *Federal Register* and emailed to customers; 90-day public comment and consultation period begins

Mar 2017

- **Public Information Forum:** The public is briefed on the FY 2018 base charge and rates; a recorder transcribes the forum and comments are part of public record.



Timeline & Customer Participation

(cont.)

Apr 2017

- **Public Comment Forum:** The public is provided the opportunity to make comments about the FY 2018 base charge and rates; a recorder transcribes the forum, comments are part of public record and responses are provided in the **Rate Order**.

May 2017

- **Final Master Schedule Published:** Details final customer capacity and energy used for calculating rates
- **E&OC:** Update to FY 2018 Base Charge and Rates is provided
- **Public Process Ends**

Jun 2017

- **Rate Order:** The **PRS**, used to determine the FY 2018 base charge, is finalized; **Final Notice** is drafted and begins routing



Timeline & Customer Participation

(cont.)

Aug/Sep 2017

- **Final FRN is published:** A copy of the notice and a breakout of the monthly charges are emailed to customers

Oct 2017

- FY 2018 Base Charge takes effect



Electric Service Charges

Power Repayment Study: WAPA's official record used to calculate the annual base charge for purposes of cost recovery (Required under DOE Order RA6120.2)

- Tracks and/or calculates OM&R Expense, Revenue, Carryover, Principle and Interest, and Capacity and Energy rates

Formula: Expenses – Carryover – Revenue = Base Charge



Electric Service Charges

(cont.)

- Rates are calculated and available for informational purposes only.

Formulas:

- Composite Rate = Base Charge/Energy Sales
- Capacity Rate = (Base Charge/2)/Capacity Sales
- Energy Rate = (Base Charge/2)/Energy Sales



Electric Service Charges

(cont.)

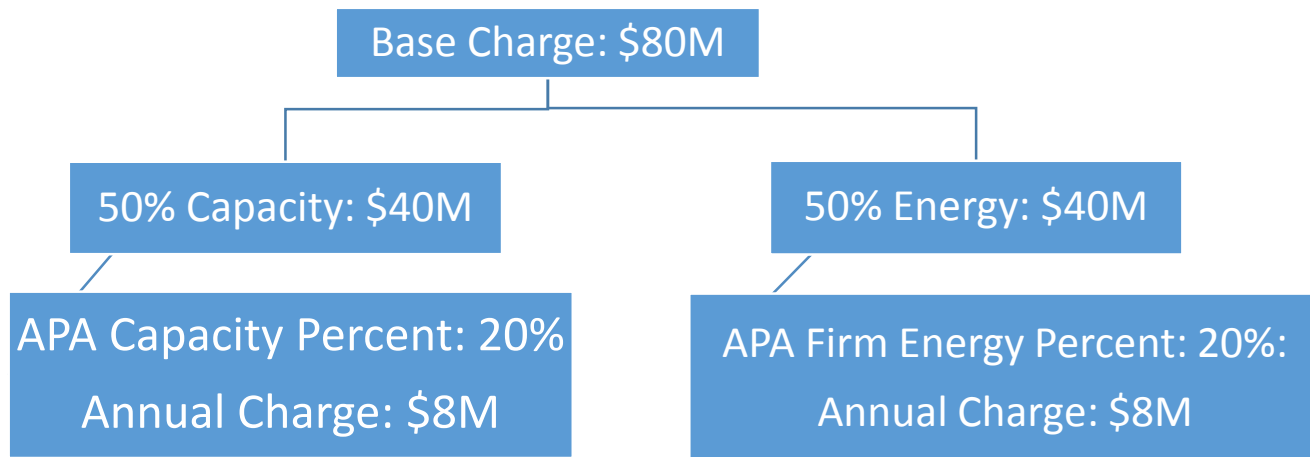
Example PRS



Base Charge Breakout

Base Charge Breakout: Details Contractors monthly charge for capacity and energy based on their proportionate share of the annual base charge

Ex:



Base Charge Breakout

(cont.)

Example Base Charge Breakout



Rate Schedule

- What is it?
 - A document that states the rates and charges for a service – electric service.

Example Rate Schedule BCP-F9



Rate Schedule

(cont.)

LCRBDF Contribution Charge:

- Arizona - 4.5 mills/kWh
- California/Nevada – 2.5 mills/kWh

Transmission Service:

- Parker-Davis & Intertie rates are developed separately
- Billed in Advance of Service

Example of Charges



ABC COMPANY
17-Jan-2017 7:23

CONTRACT NO.: 16-DSR-12345 BCP ENERGY SALE
DELIVERY 1234A-DP

	ENERGY (KWH)	RATE	DEMAND (KW)	
(a) Monthly Base Capacity Charge				2,975.00
(a) Monthly Base Energy Charge				381.00
(b) Lower Colorado River Basin Development Fund Charge for previous month's energy	127,000	0.0025 California and Nevada (0.0045 Arizona	571.50)	317.50
(d) Energy Overrun penalty at 10 times rate	8,890	.00982 x 10		873.00

CONTRACT NO.: 16-DSR-56789

DELIVERY 1234A-DP1 FIRM TRANSMISSION SERVICE

(c) Parker Davis Firm Transmission		1.43	1,000 KW	1,430.00
(c) Credit for Transmission Prepayment				(1,430.00)

This sample is using Parker Davis transmission at the current rate.

If Intertie transmission is needed the current rate is \$1.61.

NOTE: Lower Colorado River Basin Development energy (b) will not appear on the first bill for October Service. This energy value is billed one month in arrears because the checked out energy values are not available by the third of the month.

Informal FY18 Base Charge Meeting

Example of Handout



Questions?

Kevin J. Schaefer

Public Utilities Specialist (Rates)

kschaefer@wapa.gov

(602) 605-2867

Scott R. Lund

Rates Manager

slund@wapa.gov

(602) 605-2442

