

As part of this rate proceeding, BPA will propose a Long-term Tiered Rate Methodology that will guide the implementation of a tiered rate structure in subsequent rate cases. BPA expects that this Methodology will resolve some of the basic questions associated with developing a tiered rate. The Long-term Tiered Rate Methodology will be published in a separate **Federal Register** Notice.

#### **VI. Wholesale Power Rate Schedules**

The wholesale power rates developed in the cost of service analysis and rate design adjustment process are incorporated in the Wholesale Power and Transmission Rate Schedules. The rate schedule document includes three sections. The first section contains the wholesale power and transmission rate schedules. Each schedule is comprised of sections stating to whom the rate schedule is available, rates for the products offered under the schedule, billing factors, and the cost basis of the rates in the schedule (resource contribution). Each rate schedule also lists the adjustments, charges, and special provisions that apply to that rate schedule.

The second section contains detailed descriptions of the adjustments, charges, and special provisions that apply to the various rate schedules. The third section contains the General Rate Schedule Provisions (GRSPs) for power and transmission rates. The GRSPs include a lengthy list of definitions, both of products and services and of rate schedule terms.

The Wholesale Power and Transmission Rate Schedules and the GRSPs will be published in a separate **Federal Register** Notice as described in Section I of this Notice. Following is a description of each wholesale power rate schedule.

##### *Priority Firm Power Rate, PF-95*

The proposed PF-95 rate schedule would replace the PF-93 rate schedule. Power is available under the PF-95 rate schedule to public bodies, cooperatives, Federal agencies, and utilities participating in the residential exchange under section 5(c) of the Northwest Power Act. Priority Firm power must be used to meet firm loads within the Pacific Northwest.

The PF rate schedule is available for power purchased both under the 1981 power sales contracts and under the new contracts BPA expects to offer in 1995 (1995 contracts). Rates have been developed for sales under each contract and for the various products available: Tier 1 demand and energy; Standard Tier 2 demand and energy; Enhanced

Tier 2 demand and energy; and Load Shaping and Load Regulation. The PF-95 rate schedule also contains a "composite" rate, for these products for small full requirement customers (25 aMW) purchasing power under the 1995 contracts. Also available is capacity without energy for computed requirements purchasers under "1981" contracts. The PF-95 rate schedule includes demand charges that are seasonally and diurnally differentiated. There is no demand charge for Light Load Hours in any month of the year. The energy charges also are seasonally and diurnally differentiated.

The energy billing factors under the proposed PF-95 rate schedule for Computed Requirements customers purchasing under existing ("1981") contracts have been changed from those in previous rate proposals (the Availability Charge). The proposed billing factors are now based entirely on contractual entitlements.

##### *New Resource Firm Power Rate, NR-95*

The proposed NR-95 rate schedule would replace the NR-93 rate schedule. The NR-95 rate schedule is available to investor-owned utilities under net requirements contracts for resale to consumers, and to publicly owned utilities for New Large Single Loads. Products available under the NR-95 rate schedule include New Resource Firm Power, Load Shaping, and Load Regulation. Demand and energy charges are seasonally and diurnally differentiated.

##### *Industrial Firm Power Rate, IP-95*

The proposed IP-95 rate would replace the IP-93 rate. The IP-95 rate schedule is available to BPA's direct-service industrial customers for firm power to be used in their industrial operations. Products available under the IP-95 rate include Tier 1 demand and energy, Standard Tier 2 demand and energy, Enhanced Tier 2 demand and energy, Load Shaping, and Load Regulation. The IP-95 rate schedule includes a composite rate for DSI purchasers under 1995 or later power sales contracts who are qualified and choose to purchase under the composite rate. Demand and energy charges are seasonally and diurnally differentiated.

##### *Variable Industrial Power Rate*

The VI-91 rate schedule is available to DSIs purchasing from BPA under both the power sales contracts signed prior to 1995 and the 1986 Variable Rate Contract. The VI-91 rate schedule terminates on June 30, 1996, at the termination of the Variable Rate Contracts, at which time sales to

purchasers under the VI rate will be made at the IP-95 rate. The VI-91 rate schedule is unchanged from prior years other than to update the rates and rate parameters based on the rate adjustment criteria established in 1991. Service under the VI rate is not tiered (i.e., there is not Tier 1 and Tier 2 service under this rate). For the preliminary rate proposal, BPA assumed no sales under the VI rate schedule during the rate period.

##### *Firm Power and Services Rate, FPS-95*

The proposed FPS-95 rate schedule is available for purchase of firm power products inside and outside the United States, and control area services, until its termination date, September 30, 2000. The FPS-95 rate schedule would supersede both the SP-93 (Surplus Firm Power Rate) and the CE-93 (Emergency Capacity) rate schedules, and also includes products formerly available under other rate schedules, such as construction, test and startup, and station service. Sales under FPS-95 may be made at fixed rates, as specified in the rate schedule, or at flexible rates as established by BPA or mutually agreed to by BPA and the purchaser. Fixed demand charges are diurnally but not seasonally differentiated, and fixed energy charges do not change diurnally or seasonally.

##### *Nonfirm Energy Rate, NF-95*

The proposed NF-95 rate schedule replaces the NF-93 rate. The NF-95 rate schedule is available for purchases of nonfirm energy inside and outside the Pacific Northwest for resale to consumers, direct consumption, and resale under Western Systems Power Pool agreements. The form of the NF-95 rate has not changed from previous years, with the schedule including a Standard rate, a Market Expansion rate, an Incremental rate, a Western Systems Power Pool rate, an End-User rate, and a Contract rate. However, the cost basis for the Contract rate has changed to reflect the average cost of nonfirm energy.

The NF Rate Cap, described in the Adjustments, Charges, and Special Rate Provisions section of the rate schedule document, continues to apply to all sales under NF-95 rate schedule. The NF Rate Cap defines the maximum nonfirm energy price for general application. The level of the NF Rate Cap is based on a formula tied to BPA's system cost and California fuel costs.

##### *Reserve Power Rate, RP-95*

The RP-95 rate schedule replaces the RP-93 rate schedule. The RP rate is available in cases where a purchaser's