

1 **Adjusted FY 20 Load** means the Existing Customer's Measured FY 20 Load for a  
2 specific Fiscal Year as adjusted for accumulated credited conservation achieved through  
3 each such Fiscal Year, determined using the techniques specified in section 4.1.4 for each  
4 applicable Fiscal Year. (Note: Section 4.1.4 is drafted to apply the techniques to  
5 FY 2010.)

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6 **Eligible Load** means the Existing Customer's Measured FY 2010 Load that is used by  
7 BPA in the determination of each Existing Customer's CHWM, modified as specified in  
8 section 4.1.3.

9 **Measured FY 2010 Load** means the Existing Customer's measured load for a specific  
10 Fiscal Year (i.e., FY 2007, FY 2008, FY 2010, FY 2013) as is calculated determined and  
11 adjusted in accordance with using the techniques specified in section 4.1.1.

12 **Provisional CHWM Amount** means an additional CHWM amount that is granted on a  
13 provisional basis based on the amount of Provisional Load included in a customer's  
14 Eligible Load, as determined as specified in section 4.1.5.

15 **Provisional Load** means load amount(s) in excess of a customer's Measured FY 2010  
16 Load, as determined as specified in section 4.1.3.1.

17 **Total Retail Load (TRL)** means all retail electric power consumption, including electric  
18 system losses, within a customer's electrical system, excluding:

- 19 • those loads BPA and the customer have agreed are nonfirm or interruptible loads
- 20 • transfer loads of other utilities served by such customer
- 21 • any loads not on such customer's electrical system or not within such customer's  
22 service territory, unless specifically agreed to by BPA

23 As used in the TRM, except as used in section 4.1 in the calculation of measured loads,

24 TRL is ~~always~~ BPA's forecast of the customer's TRL.

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#### 4 ELIGIBILITY TO PURCHASE AT TIER 1 RATES

This section describes the functions of and processes for developing High Water Marks (HWMs), expressed in annual average megawatts. It also describes the Transition Period. If a Public selects BPA to supply any portion of its Above-RHWM Load, then the Public will commit to purchase such power at a Tier 2 Rate(s), pursuant to its CHWM Contract.

BPA will calculate a Transition Period High Water Mark (THWM), Contract High Water Mark (CHWM), and Rate Period High Water Mark (RHWM) for each Public, as described in detail in later subsections. A brief overview of the timing and purpose of these HWMs follows:

- 1) The **THWM** is calculated by BPA in FY 2009 and will be used to establish a Public's Above-RHWM Load for all or part of the Transition Period, depending on the customer's product choice.
- 2) The **CHWM** is calculated by BPA in FY 2011 and sets each Public's initial eligibility to purchase at Tier 1 Rates. For a customer that elects to receive a CHWM including a Provisional CHWM Amount, its CHWM is subject to final adjustment and confirmation in FY 2014 pursuant to section 4.1.8. The CHWM determination process also defines the Augmentation Limit.
- 3) The **RHWM** is set by BPA in the RHWM Process prior to each 7(i) Process and defines a Public's maximum eligibility to purchase at Tier 1 Rates for that Rate Period, limited by the customer's Annual Net Requirement for Slice and Block customers and Actual Net Requirement for Load Following customers.

#### 1 **4.1 Contract High Water Mark**

2 In FY 2011, BPA will calculate, as set forth below, a CHWM for each Public purchasing  
3 power at a PF Preference rate during FY 2010. This calculation by definition will not  
4 include New Publics. The CHWM calculation establishes the CHWM for each CHWM  
5 Contract but provides no rate certainty for non-CHWM contracts, because the extent to  
6 which the rates for purchases under non-CHWM contracts would reflect the costs of the  
7 Tier 1 System and other Federal resources will be addressed in 7(i) Processes other than  
8 this TRM. The calculation of such CHWMs is illustrated in Figures 4.1, 4.2, and 4.3 and  
9 Attachment B. CHWMs for New Publics will be established pursuant to section 4.1.6.

##### 11 **4.1.1 Step 1: Determine Measured FY 2010 Load**

12 BPA will determine the Measured FY 2010 Load as follows. First, BPA will calculate  
13 the FY 2010 TRL for Publics within the BPA Balancing Authority Area by aggregating  
14 the annual load measured at each Public's POD(s) and then adding the measured output  
15 of any Behind-the-Meter Resources. Then BPA will subtract from that load sum the  
16 amount of any FY 2010 wholesale power transactions, including those made by the  
17 customer behind the meter (i.e., sales to an adjacent service area or where the wholesale  
18 customer is directly connected to the customer's distribution system).

19  
20 For the remaining customers, including those outside the BPA Balancing Authority Area,  
21 equivalent metered, measured, and verifiable POD load data will be required from  
22 customers where BPA metering is not available. The measured POD load amounts will  
23 be aggregated and then, as described above, will be increased for the output of Behind-  
24 the-Meter Resources and reduced by the amount of any wholesale power transactions.

1 **4.1.1.1 Adjust Measured FY 2010 Load for Faulty Meters and New Large Single**  
2 **Loads**

3 When meter readings are not available due to meter hardware failure or when data is  
4 determined to be invalid due to meter malfunction or calibration/configuration error, BPA  
5 will estimate the erroneous readings in accordance with BPA's Metering Services'  
6 Editing and Estimating Procedures or its successor. Customers will be required to follow  
7 equivalent procedures in cases where meters are not directly available to BPA.

8  
9 New Large Single Loads (NLSLs) are excluded from the Measured FY 2010 Load. If,  
10 after CHWMs are calculated, a load included in a customer's Measured FY 2010 Load is  
11 determined to have been an NLSL in FY 2010, then the customer's CHWM will be  
12 reduced by the NLSL amount.

13  
14 **4.1.1.2 Adjust Measured FY 2010 Load for ~~Anomalies~~ Unauthorized or**  
15 **Anomalous Increases**

16 BPA reserves the right to reduce a customer's Measured FY 2010 Load to account for a  
17 customer's actions or inactions, including both intentional and unintentional acts and  
18 omissions, that increase its FY 2010 loads through practices that are outside of accepted,  
19 prudent utility standards and practices or actions that are undertaken for the purpose of  
20 establishing a larger CHWM than the customer would otherwise have. Such adjustments  
21 could result from a customer or third party request or may be initiated by BPA  
22 independently.

23  
24 **4.1.1.3 Adjust Measured FY 2010 Load for Atypical Weather (Weather**  
25 **Normalization)**

26 Following any adjustments pursuant to sections 4.1.1, ~~and 4.1.1.1,~~ and 4.1.1.2, BPA will  
27 adjust the Measured FY 2010 Load for the cumulative effect on load of atypical weather.  
28 Different normalization methods will be used for non-irrigation loads, such as residential

1 loads, and for irrigation loads. If the utility has both types of loads, BPA will separate  
2 each customer's Measured FY 2010 Load into non-irrigation load and irrigation load,  
3 weather normalize these loads separately, and then recombine them.

4  
5 Two BPA datasets—FY 2010 customer load data, aggregated to a monthly level, and the  
6 customer's historical monthly load data for FY 2005-2009—will be used to weather  
7 normalize the FY 2010 load. Customers will be required to provide this historical load  
8 data in cases where BPA metering data is not available.

9  
10 For non-irrigation load, BPA will use temperature data obtained from the National  
11 Oceanic and Atmospheric Administration (NOAA) weather station nearest to a utility's  
12 POD(s) to weather normalize the non-irrigation load data for each utility. The  
13 differences between average daily historical and average daily actual temperatures are  
14 used to determine cumulative levels of above- and below-average temperatures,  
15 measured in Heating Degree Days (HDDs) or Cooling Degree Days (CDDs). The HDDs  
16 and CDDs will be multiplied by weather coefficient values to result in an electric load  
17 adjustment value (in average megawatts) associated with the non-average temperature  
18 conditions. Finally, the non-irrigation portion of the ~~anomaly~~-adjusted Measured  
19 FY 2010 Load and the HDD and CDD adjustment values will be combined to obtain the  
20 weather-normalized load.

21  
22 For irrigation load, BPA will use an adjusted historical load average to weather normalize  
23 the irrigation loads for each utility submitting irrigation load data. BPA will calculate a  
24 five-year historical load average of each customer's irrigation load for years FY 2006  
25 through FY 2010. BPA will adjust the historical load average by the average annual  
26 growth rate, calculated from the difference between the highest recorded annual irrigation

1 loads in Calendar Year (CY) 2000-2002 and the highest recorded in CY 2008-2010. In  
2 any event, this average annual growth rate cannot be negative. If this average annual  
3 growth rate is unusually high in comparison to the others being adjusted, BPA will  
4 conduct further verification with the customers and either confirm or adjust the growth  
5 rate. Finally, BPA will adjust the customer's actual FY 2010 irrigation load to meet the  
6 growth rate-adjusted historical load average.

7

8 To allow BPA to determine the historical average irrigation load, customers will be  
9 required to submit monthly irrigation load data based on meter reads for FY 2006 through  
10 FY 2010. For FY 2008, customers must submit their monthly data by January 15, 2009.  
11 Thereafter, customers must provide their data for each year by the following January 15.  
12 For years prior to 2008, BPA will assess the irrigation data it currently has and request  
13 further data from the customer on a case-by-case basis.

14

15 To allow BPA to determine the growth-rate adjustment factor, customers will be required  
16 to submit monthly irrigation load data based on meter reads for CY 2000 through CY  
17 2010. For CY 2008, the customers must submit the data by January 15, 2009, and  
18 thereafter provide the annual report by January 15 of each year. For years prior to 2008,  
19 BPA will assess the irrigation data it currently has and request further data from  
20 customers on a case-by-case basis.

21

22 In 2011, but prior to completing the weather normalization calculation for irrigation loads  
23 and non-irrigation loads, BPA will determine whether a different weather normalization  
24 technique should be applied in the normalization of irrigation loads.

25

**4.1.2 Step 2: Determine Existing Resources for CHWMs**

Attachment C, Existing Resources for CHWMs, reflects the Existing Resource determinations made in BPA's FY 2008 public process. Attachment C will further reflect the amounts, once they are known, of consumer-owned generation and PURPA resources, consistent with the definition of Existing Resources for CHWMs. Revisions to Attachment C to reflect the amounts of consumer-owned generation and PURPA resources are considered to fall under section 12.5, number 3, and are thus not considered a revision to the TRM.

**4.1.3 Step 3: Establish Eligible Load**

Each customer will choose one of three alternatives as the basis for the calculation of its Eligible Load: Measured FY 2010 Load without Provisional Load; Measured FY 2010 Load including Provisional Load based on specific consumer load reduction pursuant to section 4.1.3.1.1; or Measured FY 2010 Load including Provisional Load based on general system load reduction pursuant to section 4.1.3.1.2. If a customer does not specify its choice, BPA will use Measured FY 2010 Load without Provisional Load.

**4.1.3.1 Establish Provisional Load**

Each customer may select one of two options to increase to its Eligible Load. Adjustment Path 1 (section 4.1.3.1.1), provides a customer an option to increase its Eligible Load with Provisional Load to account for the loss of a specific consumer load(s). Adjustment Path 2 (section 4.1.3.1.2), provides a customer an option to increase its Eligible Load with Provisional Load to account for general system load loss. A customer that chooses an adjustment for a provisional increase in its Eligible Load shall notify BPA by no later than 30 days after BPA publishes relevant data regarding provisional load adjustments, whether its Provisional Load amount shall be calculated using Adjustment Path 1 or Adjustment Path 2. A BPA decision to exercise, or not to

1 exercise, judgment, where such judgment is granted to it under section 4.1.3 and its  
 2 subsections, is not subject to any form of dispute resolution under the TRM or the  
 3 Regional Dialogue Contract.

4  
 5 **4.1.3.1.1 Adjustment Path 1: Specific Consumer Load Reduction**

6 A customer seeking Provisional Load under this Adjustment Path 1 shall provide BPA  
 7 with all necessary data as soon as possible after FY 2010, but no later than January 31,  
 8 2011. If BPA does not receive all necessary data by January 31, 2011, the customer is  
 9 foreclosed from seeking Provisional Load under Adjustment Path 1.

10  
 11 To determine a customer's Provisional Load under Adjustment Path 1, BPA will  
 12 determine an amount in excess of ~~adjust the~~ Measured FY 2010 Load ~~for load anomalies,~~  
 13 if appropriate, by applying the criteria listed below. ~~This step does not include correcting~~  
 14 All load data considered under Adjustment Path 1 may be adjusted for meter errors;  
 15 ~~which is part of the load data gathering step described in section 4.1.1; nor does it include~~  
 16 ~~adjusting for and~~ the effect of atypical weather, ~~which occurs as described in section~~  
 17 ~~4.1.1.2, using the techniques specified in sections 4.1.1.1 and 4.1.1.3.~~

18  
 19 BPA will apply the following threshold criteria to determine whether ~~an event qualifies~~  
 20 ~~as a load anomaly~~ a load adjustment qualifies under this path and the magnitude of the  
 21 adjustment:

- 22 1) The ~~effect of the~~ event must have a material effect on Measured FY 2010 Load  
 23 must be material.  
 24 a) To qualify as material when the event ~~must be is~~ a single discrete event that  
 25 affects more than a single consumer load, the discrete event must have ~~that~~  
 26 occurred in FY 2009 or FY 2010 ~~and that affects Measured FY 2010 Load the~~

1 single discrete event must have resulted in the smaller of a 10 aMW or  
 2 10 percent decrease in the customer's Measured FY 2010 Load. It is  
 3 recognized that the load loss associated with a single discrete event, such as a  
 4 levee failure, could consist of the loss of many consumer loads; in such event,  
 5 all loads affected by the single discrete event will be combined, however,  
 6 BPA will not consider requests for load ~~data~~-adjustments that combine the  
 7 effects, ~~negative or positive~~, of multiple events or non-discrete events, such as  
 8 economic conditions, to attain materiality. For example, the consumer load  
 9 loss associated with a gas explosion at a mill cannot be combined with the  
 10 consumer load loss resulting from an unrelated shopping center fire ~~that~~  
 11 ~~occurred months later~~ in order to reach the materiality threshold. ~~However, it~~  
 12 ~~is recognized that the load loss associated with a single event, such as a levee~~  
 13 ~~failure, could consist of many small loads.~~ Indirect loss of load resulting from  
 14 the discrete event, such as load reduction at a supplier to a mill closed due to  
 15 an explosion, will not be considered a result of the discrete event.

16 b) To otherwise qualify as material, the event must have caused a ~~change~~  
 17 decrease in a single consumer's load (or interrelated load under common  
 18 ownership) data that, had the event not occurred, would resulted in the smaller  
 19 of a ~~5-10~~-aMW or 10 percent ~~increase or~~ decrease in the customer's ~~CHWM~~  
 20 Measured FY 2010 Load. BPA will not combine multiple consumers to attain  
 21 materiality, but all single consumers meeting the threshold will be combined  
 22 to calculate the customer's total load reduction.

23 2) The load affected must be a verifiable load for which three previous years of load  
 24 ~~data is available.~~ If BPA determines that an adjustment to the Measured FY 2010  
 25 Load for a customer's historical load amount is appropriate under 1a) or 1b), then  
 26 the ~~adjusted load~~ amount of such adjustment will generally not exceed the average

1 of the consumer's load(s) upon which the adjustment was based over the previous  
 2 three years, less the amount of such consumer's load(s) included in Measured  
 3 FY 2010 Load. BPA may use its judgment to grant a further upward adjustment  
 4 to a customer's Measured FY 2010 Load for an adjustment under 1a) or 1b) as  
 5 long as the load determined by such BPA discretionary adjustment does not  
 6 exceed the highest continuous twelve-month average during FY 2007, 2008 or  
 7 2009 for the load (or loads) on which the adjustment is based. Load that does not  
 8 occur even though it was expected to occur in FY 2010 will not qualify as a  
 9 reason to adjust Measured FY 2010 Load. Accordingly, ~~for purposes of~~  
 10 ~~determining CHWMs, m~~ Measured ~~FY 2010 L~~load ~~amounts~~ will not be adjusted  
 11 to account for a customer's yet-to-be-realized Contracted for/Committed to  
 12 (CF/CT) loads as defined by section 3(13)(A) of the Northwest Power Act.  
 13 Requests for ~~Provisional L~~oad ~~adjustments~~ to compensate for lost load that ~~was is~~  
 14 not captured in Measured FY 2010 Load will be considered ~~only if unless~~ there is  
 15 substantial evidence that the lost load will ~~not return during the duration of the~~  
 16 ~~CHWM Contract in FY 2011 and is reasonably projected to exist for the duration~~  
 17 ~~of the CHWM Contract.~~

18 3) BPA will not adjust Measured FY 2010 Load under this section 4.1.3.1 as an  
 19 anomaly to reflect a full year's load in the case of a new consumer load that first  
 20 comes on line during FY 2010. For such consumers, only the load measured in  
 21 FY 2010 will be included in Measured FY 2010 Load.

22 ~~4) The anomaly must not have been caused by an action or inaction of the customer.~~  
 23 ~~This requirement includes intentional and unintentional acts and omissions.~~

24  
 25 It will be possible for a customer to qualify for multiple adjustments under this  
 26 Adjustment Path 1, including distinct adjustments under both 1a) and 1b). For each

1 customer that elects Adjustment Path 1 pursuant to this section 4.1.3.1, its Provisional  
2 Load will be the total amount of adjustments to its Measured FY 2010 Load determined  
3 pursuant to this section 4.1.3.1.

4  
5 **4.1.3.1.2 Adjustment Path 2: General System Load Reduction**

6 To determine a customer's Provisional Load under this Adjustment Path 2, BPA will  
7 determine the amount by which the simple arithmetic average of the customer's Adjusted  
8 FY 2007 Load and Adjusted FY 2008 Load exceeds the customer's Adjusted FY 2010  
9 Load. To calculate Adjusted FY 2007 Load and Adjusted FY 2008 Load for the  
10 remaining customers identified in the second paragraph of section 4.1.1, each such  
11 customer will provide all necessary load data to BPA by March 31, 2010 or such  
12 customer will be foreclosed from seeking Provisional Load under Adjustment Path 2.  
13 BPA shall publish each customer's Adjusted FY 2007 Load, Adjusted FY 2008 Load,  
14 and the simple arithmetic average of such Adjusted FY Loads by September 30, 2010.  
15 BPA shall publish Adjusted FY 2010 Load and each customer's available Provisional  
16 Load under this Adjustment Path 2 in FY 2011 as soon as it is available.

17  
18 **4.1.3.2 Step 3: Calculation of Scaled Eligible Load**

19 BPA will determine each customer's Eligible Load by subtracting the customer's  
20 Existing Resources for CHWM from its adjusted Measured FY 2010 Load. If a customer  
21 has elected to include Provisional Load established pursuant to section 4.1.3.1.1 or  
22 4.1.3.1.2, such Provisional Load shall be added to and included in the customer's Eligible  
23 Load. ~~Each customer's Eligible Load will then be scaled to Tier 1 System Firm Critical~~  
24 Output supplemented by the Augmentation Limit, as described in the following  
25 subsections.

**4.1.3.3 Determine Augmentation Limit**

BPA will compare the sum of Eligible Load for all ~~PF-purchasers-Existing Customers~~ to the Tier 1 System Firm Critical Output for FY 2012-2013 as forecast in FY 2011 (see section 3.1). If the aggregate Eligible Load is greater than the Tier 1 System Firm Critical Output, BPA will augment the Tier 1 System pursuant to section 3.2.1.

This augmentation amount established in the CHWM Process will be the Augmentation Limit.

**4.1.3.4 Determination of Scaled Eligible Loads**

In the following manner, BPA will proportionally scale each customer's Eligible Load such that the sum of all Eligible Loads is equal to the average of the Tier 1 System Firm Critical Output, plus Augmentation for Initial CHWM determined ~~in the previous step pursuant to section 4.1.3.3~~, for FY 2012-2013. BPA will multiply each customer's Eligible Load by the ratio of 1) the average of the Tier 1 Firm Critical Output plus Augmentation for Initial CHWM determined ~~in the previous step pursuant to section 4.1.3.3~~ to 2) the sum of all Eligible Loads. The result is to scale each customer's Eligible Load by the same percentage to arrive at each customer's Scaled Eligible Load.

**4.1.4 Step 4: Conservation Adjustment**

~~The final step in determining CHWMs is to BPA will~~ adjust ~~each~~ Scaled Eligible Load for conservation. For BPA to credit conservation toward the Conservation Adjustment, the conservation must be cost-effective, verified, and achieved from FY 2007 through FY 2010. The conservation also must have reduced the customer's load in FY 2010 below what that load would have been without such conservation. For calculation purposes, each utility's Scaled Eligible Load will be credited 100 percent (1 aMW for each 1 aMW) of customer self-funded conservation achieved and 75 percent (0.75 aMW

1 for each 1 aMW) of BPA-funded conservation achieved (e.g., through the Conservation  
2 Rate Credit or bilateral contracts).

3

4 Attachment D describes the implementation of the Conservation Adjustment.

5

6 **4.1.5 Step 5: Determine CHWM and Provisional CHWM Amount**

7 BPA ~~then~~ will multiply each customer's Scaled Eligible Load, adjusted for conservation  
8 pursuant to section 4.1.4, by the ratio of 1) the sum of all Scaled Eligible Loads to 2) the  
9 sum of all Scaled Eligible Loads adjusted for conservation. The result is each customer's  
10 CHWM. This adjustment redistributes the Scaled Eligible Load amounts among  
11 customers and does not change the total Scaled Eligible Load amount calculated in  
12 section 4.1.3.4.

13

14 If a customer has elected to include Provisional Load in its Eligible Load, a Provisional  
15 CHWM Amount will be calculated by multiplying its CHWM by the ratio of 1) its  
16 Provisional Load to 2) its Eligible Load.

17

18 **4.1.5.1 Publishing and Finalizing CHWMs and Provisional CHWM Amounts**

19 After calculating each customer's CHWM and any Provisional CHWM Amount, BPA  
20 will conduct a public process consistent with section 13.10. BPA will publish the results  
21 of the CHWM and Provisional CHWM Amount calculations on its website. A two-week  
22 public comment period will follow publication of these CHWMs and Provisional CHWM  
23 Amounts, providing customers an opportunity to reasonably request information  
24 regarding inputs and calculations from BPA and to comment on the individual CHWMs  
25 and Provisional CHWM Amounts and adjustments BPA made to account for weather  
26 normalization, data, unauthorized or anomalous increases or ~~load anomalies~~ Provisional

1 | Load, and the Conservation Adjustment. Prior to the close of the comment period, BPA  
2 | will hold a publicly noticed meeting to gather further input. Following the close of the  
3 | comment period, BPA will work with customers to resolve any issues raised by the  
4 | comments. Within two weeks following the close of the comment period, BPA will  
5 | republish the CHWMs and Provisional CHWM Amounts, which will reflect any updates  
6 | or changes. Any republished CHWM that is not disputed pursuant to section 13.10 will  
7 | be considered final after the tenth calendar day following the republication and will be  
8 | incorporated into the customer's CHWM Contract. Any Provisional CHWM Amount  
9 | will be identified in the customer's CHWM Contract and each such customer's CHWM  
10 | will be subject to reduction if Provisional CHWM Amount retention conditions, specified  
11 | in section 4.1.8, are not achieved.

12 |  
13 | If the dispute resolution process set out in section 13.10 is invoked, upon receipt of the  
14 | decision of the neutral on all disputed matters, the Administrator will decide whether or  
15 | not to adopt the decision of the neutral on each disputed matter. The Administrator's  
16 | decisions with regard to all disputed matters will constitute the final adjustments to the  
17 | disputed individual CHWMs. The finalized CHWM so determined for each customer  
18 | will be incorporated into each customer's CHWM Contract.

#### 20 | **4.1.6 CHWM for New Publics**

21 | [no proposed changes]

#### 23 | **4.1.7 Calculating CHWM for a Joint Operating Entity (JOE)**

24 | [no proposed changes]

1 **4.1.8 Retention of Provisional CHWM Amounts**

2 In FY 2014, BPA will determine, for each customer that has a Provisional CHWM  
3 Amount, what part of such customer's Provisional CHWM Amount is retained in its  
4 CHWM effective as of October 1, 2013.

5  
6 Each specific load adjustment included in Provisional Load granted under Adjustment  
7 Path 1 will be compared to each such specific load(s) during FY 2011-2013. The  
8 adjustment amount included in retained Provisional Load will be the amount established  
9 for each specific load in the Measured FY 2010 Load subtracted from the smaller of  
10 1) the amount of each specific load amount included in Provisional Load or 2) the largest  
11 consecutive 12-month average measured amount for each specific load during FY 2011-  
12 2013. Subject to BPA's judgment, BPA may further reduce the retained Provisional  
13 Load amount for such loads if BPA has a substantial basis to conclude that such load(s)  
14 will not operate at the same load level after FY 2013.

15  
16 The amount of the Provisional Load granted under Adjustment Path 2 that is retained  
17 Provisional Load will be the smaller of 1) the Provisional Load or 2) the customer's  
18 Adjusted FY 2013 Load minus the customer's Adjusted FY 2010 Load.

19  
20 The retained Provisional CHWM Amount that becomes a permanent part of the  
21 customer's CHWM will be the customer's retained Provisional Load multiplied by the  
22 ratio of 1) the customer's CHWM (including the Provisional CHWM Amount)  
23 determined pursuant to section 4.1.5, to 2) the customer's Eligible Load. The amount by  
24 which the customer's Provisional CHWM Amount exceeds its retained Provisional  
25 CHWM Amount will be subtracted from its CHWM to calculate the customer's CHWM  
26 effective as of October 1, 2013.

**4.1.9 Adjusting CHWMs and CDQs for Removal of Provisional CHWM Amounts**

In FY 2014, the CHWM Contracts for customers whose CHWM is reduced pursuant to section 4.1.8 will be amended to reflect the customer's reduced CHWM. At the same time, BPA will also adjust the CDQs in the customer's CHWM Contract by multiplying such CDQs by the ratio of 1) the CHWM after reduction pursuant to section 4.1.8 to 2) the customer's CHWM prior to reduction pursuant to section 4.1.8 minus its Provisional CHWM Amount. In addition, BPA will recalculate the customer's RHWM, TOCA, and System Shaped Load pursuant to section 5.2.1.

Before finalizing the changes in CHWM, CDQs, RHWM, TOCA, and System Shaped Load, BPA will conduct a public process comparable to that specified in section 4.1.5.1. Within two weeks following the close of the comment period, BPA will republish the CHWMs, CDQs, RHWM, TOCA, and System Shaped Load, which will reflect any updates or changes.

**4.1.10 Billing Adjustments for Reduced CHWMs**

If a customer's CHWM was adjusted pursuant to section 4.1.8, then its FY 2014 and 2015 monthly bills will be based on the CHWM and the CDQs established pursuant to section 4.1.9. CHWM and CDQ changes resulting from removal of Provisional CHWM Amounts will require adjustments to amounts previously billed in those years.

- 1) Each such affected customer will be charged applicable Load Shaping Rates for the reduced CHWM amount retroactively to October 1, 2013. This billing adjustment accounts for the amount it was billed by BPA at Tier 1 Rates that, due to the reduction to its CHWM pursuant to section 4.1.9, should not have been purchased at Tier 1 Rates. In the billing adjustment process, the customer will be credited for amount it paid for the reduced CHWM amount at Tier 1 Rates other than the Demand Rate. Any billing adjustment for a customer purchasing the

1 Slice/Block Product or Block Product will be applied to its Block Product  
2 purchase.

3 2a) If, pursuant to section 9 of its CHWM Contract, such customer has elected to  
4 provide for all, or the variable portion, of its Above-RHWM Load with Tier 2  
5 service from BPA, it will continue to be billed for any reduction to its CHWM  
6 determined pursuant to section 4.1.9 at applicable Load Shaping Rates in for the  
7 remainder of FY 2014 and all of FY 2015.

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8 2b) If, pursuant to section 9 of its CHWM Contract, the customer has elected to  
9 provide for all, or the variable portion, of its Above-RHWM Load with Non-  
10 Federal Resources, it will continue to receive service from BPA for the amount its  
11 CHWM was reduced pursuant to section 4.1.9 for the remainder of FY 2014 at  
12 applicable Load Shaping Rates. For FY 2015, such customer must serve its  
13 CHWM reduction with Non-Federal Resources.

14 3) Each customer subject to the Demand Charge between October 1, 2011, and the  
15 date any adjustment to the customer's CDQ pursuant to section 4.1.9 takes effect  
16 for billing purposes, will be entitled to a credit equal to the product of each  
17 monthly Demand Rate applicable during such period and the difference between  
18 1) the CDQ for such month and 2) the CDQ for such month as adjusted pursuant  
19 to section 4.1.9. The credit will be calculated commencing on the first-day of the  
20 earliest consecutive 12-month period that would have resulted in retention of the  
21 Provisional CHWM Amounts that are retained under section 4.1.8. At BPA's  
22 election, the credit may be paid either 1) as a lump sum, or 2) equally over a  
23 period of months not greater than the Demand Charge billing adjustment period.

24 4) BPA will notify each customer of any billing adjustment resulting from  
25 application of paragraph 1) including the amount owed and the calculations  
26 supporting such amount. If the customer's total amount owed to BPA above

1 exceeds 30 percent of its most recent monthly bill, the customer may request that  
 2 BPA extend the billing adjustment to more than one month.

3 5) Any reductions to CHWMs pursuant to section 4.1.9 will not change any other  
 4 customer's RHWMs for FY 2014 and FY 2015. Any reductions to CHWMs  
 5 pursuant to section 4.1.9 will not change the amount of RHWm Augmentation  
 6 power delivered to purchasers under the Slice Product during the FY 2014-2015  
 7 Rate Period or the quantity of RHWm Augmentation included in the Composite  
 8 Rate and subject to the Slice True-Up Adjustment for the FY 2014-2015 Rate  
 9 Period.

#### 12 **4.2.2 RHWm Timing and Transparency**

13 \* \* \* \*

14 Consistent with section 13.10, BPA will publish the RHWm for each customer on its  
 15 website, along with the determination of the RHWm Tier 1 System Capability, including  
 16 the Tier 1 System Firm Critical Output study, for the upcoming Rate Period. A public  
 17 comment period and publicly noticed meeting will follow publication of the RHWms,  
 18 during which BPA will respond to reasonable information requests. BPA will then work  
 19 with customers to resolve any issues raised by the comments. Following the close of  
 20 comment, BPA will republish the RHWms, reflecting any updates or changes. The  
 21 republished RHWms may be revised pursuant to sections 4.1.9 and 13.10.

#### 24 **5.3.5.2 Calculating CDQs**

25 To determine each customer's CDQs, BPA will apply the adjusted HLH monthly load  
 26 factors to the customer's FY 2010 aHLH energy amounts for the corresponding months

1 that are used to calculate the customer’s CHWM. Once calculated, the CDQs will be  
2 included in the CHWM Contract and will not be changed during the CHWM Contract  
3 term except pursuant to section 4.1.9 and for annexations. The following formula will be  
4 used for each month of FY 2010 to calculate the CDQs:

5 \* \* \* \*

6  
7  
8 **13.10 Dispute Resolution Process for Certain CHWM and RHW**  
9 **Determinations**

10 \* \* \* \*

11 In the case of CHWMs, such factual matters could involve matters such as Tier 1 System  
12 Firm Critical Output; Non-Federal Resource capability that is different from the final  
13 determination of Existing Resources for CHWMs (Attachment C); Measured FY 2010  
14 Load; and any adjustments to those values, such as Weather Normalization data or ~~load~~  
15 ~~anomalies~~ unauthorized or anomalous increases, and the Conservation Adjustment,  
16 pursuant to section 4.1. In the case of RHW, such factual matters could involve  
17 matters such as correct application of the CHWM and the RHW Tier 1 System  
18 Capability in the RHW calculation, pursuant to section 4.2. In the case of RHW  
19 Tier 1 System Capability determinations, factual matters could include whether the  
20 appropriate data source was used to determine RHW Tier 1 System Capability.

21 \* \* \* \*

22 The decision standard on BPA’s initial determinations for which the TRM provides  
23 standards is whether the BPA initial determination is reasonably consistent with the  
24 applicable TRM standard. An example of an applicable TRM standard is the ~~threshold~~  
25 retention criteria for ~~load anomalies~~ Provisional CHWM Amounts. In that case, the  
26 decision standard would be whether BPA’s initial determination of ~~load anomalies~~  
27 retention or removal of Provisional CHWM Amounts is reasonably consistent with the

1 | threshold criteria for ~~load anomalies~~ such retention; BPA would not revisit the threshold  
2 | criteria themselves. The decision standard for BPA's initial determinations where the  
3 | TRM provides no standard is whether BPA's initial determination is a reasonable one.

4 | \* \* \* \*  
5 |  
6 |