

## § 301.1

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SOURCE: Order 726, 74 FR 47059, Sept. 15, 2009, unless otherwise noted.

### § 301.1 Applicability.

The regulations in this part apply to the sales of electric power by any Utility to the Bonneville Power Administration (Bonneville) under section 5(c) of the Pacific Northwest Electric Power Planning and Conservation Act (Northwest Power Act), 16 U.S.C. 839c(c).

### § 301.2 Definitions.

For purposes of this section, the following definitions apply:

*Account(s)*. The Accounts prescribed in the Commission's Uniform System of Accounts in part 101 of this chapter.

*Appendix 1*. Appendix 1 is the electronic form on which a Utility reports its Contract System Cost, Contract System Load, and other necessary data to Bonneville for the calculation of the Utility's Average System Cost.

*Average System Cost (ASC)*. The rate charged by a Utility to Bonneville for the agency's purchase of power from the Utility under section 5(c) of the Northwest Power Act for each Exchange Period, and the quotient obtained by dividing Contract System Cost by Contract System Load. 16 U.S.C. 839c(c).

*Average System Cost delta (ASC delta)*. The change in a Utility's ASC during the Exchange Period resulting from the inclusion in the Average System Cost forecast model of costs, loads, revenues, and other information related to the commercial operation of a major resource addition or reduction that was identified in the Utility's ASC filing.

*Average System Cost forecast model (ASC forecast model)*. The model Bonneville uses to escalate a Utility's costs, revenues, and other information contained in the Appendix 1 to calculate the Exchange Period ASC.

*Average System Cost review process (ASC review process)*. The administrative proceeding conducted before Bonneville under Bonneville's ASC review procedures in which a Utility's ASC is determined.

*Base Period*. The calendar year of the most recent Form 1 data.

*Base Period ASC*. The ASC determined in the Review Period using the Util-

ity's Base Period data and additional specified data.

*Contract High Water Mark (CHWM)*. The average MW amount used to define access to Tier 1 Priced-Power. CHWM is equal to the adjusted historical load for each customer proportionately scaled to Tier 1 System Resources and adjusted for conservation achieved. The CHWM is specified in each eligible customer's CHWM Contract.

*Commission*. Federal Energy Regulatory Commission.

*Consumer-owned Utility*. A public body or cooperative that is eligible to purchase preference power from Bonneville under section 5(b) of the Northwest Power Act. 16 U.S.C. 839c(b).

*Contract System Cost*. The Utility's costs for production and transmission resources, including power purchases and conservation measures, which costs are includable in, and subject to, the provision of Appendix 1. Under no circumstances will Contract System Cost include costs excluded from ASC by section 5(c)(7) of the Northwest Power Act. 16 U.S.C. 839c(c)(7).

*Contract System Load*. The total regional retail load included in the most recently filed FERC Form 1 or, for a Consumer-owned Utility, the total retail load from the most recent annual audited financial statement, as adjusted pursuant to the ASC methodology.

*Direct Analysis*. An analysis, including supporting documentation, prepared by the Utility that assigns the costs, debits, credits, and revenues in an Account to the Production, Transmission, and/or Distribution/Other functions of the Utility.

*Escalator*. A factor used to adjust an Account in the Base Period ASC filing to the value for the period of the Exchange Period ASC.

*Exchange Load*. All residential, apartment, seasonal dwelling and farm electrical loads eligible for the Residential Exchange Program under the terms of a Utility's Residential Purchase and Sales Agreement.

*Exchange Period(s)*. The period during which a Utility's Bonneville-approved ASC is effective for the calculation of the Utility's Residential Exchange Program benefits. The initial Exchange Period under this ASC methodology is

from October 1, 2008, through September 30, 2009. Subsequent Exchange Periods will be the period of time concurrent with Bonneville's wholesale power rate periods beginning October 1 or, if not beginning October 1, then beginning on the effective date of Bonneville's subsequent wholesale power rate periods.

*Exchange Period ASC.* The Base Period ASC escalated to a year(s) consistent with the Exchange Period.

*FERC Form 1.* The annual filing submitted to the Federal Energy Regulatory Commission, required by 18 CFR 141.1.

*Functionalization.* The process of assigning a Utility's costs, debits, credits, and revenues in an Account to the Production, Transmission, and/or Distribution/Other functions of the Utility.

*Global Insight.* The company that provides the escalation factors identified in §301.4(a)(3) that are used in the ASC forecasting model, or the successor or replacement of that company, as determined by Bonneville.

*Jurisdiction.* The service territory of the Utility within which a particular regulatory body has authority to approve the Utility's retail rates. Jurisdictions must be within the Pacific Northwest region as defined in section 3(14) of the Northwest Power Act. 16 U.S.C. 839a(14).

*Labor Ratios.* The ratios that assign costs on a *pro rata* basis using salary and wage data for Production, Transmission, and Distribution/Other functions included in the Utility's most recently filed FERC Form 1. For Consumer-owned Utilities, comparable data will be utilized based on the cost-of-service study used as the basis for retail rates at the time of review.

*Net Requirements.* The amount of Federal power that a Consumer-owned Utility is entitled to purchase from Bonneville under section 5(b) of the Northwest Power Act. 16 U.S.C. 839c(b).

*New Large Single Load.* That load defined in section 3(13) of the Northwest Power Act, and determined by Bonneville as specified in power sales contracts and Residential Purchase and Sales Agreements with its Regional Power Sales Customers. 16 U.S.C. 839a(13).

*Priority Firm Power.* Priority Firm Power is electric power (capacity and energy) that Bonneville will make continuously available for direct consumption or resale to public bodies, cooperatives, and Federal Agencies (under the Priority Firm Preference rate) and to Utilities participating in the Residential Exchange Program (under the Priority Firm Exchange rate). Utilities participating in the Residential Exchange Program under section 5(c) of the Northwest Power Act may purchase Priority Firm Power under their Residential Purchase and Sales Agreements with Bonneville. Priority Firm Power is not available to serve New Large Single Loads. Deliveries of Priority Firm Power may be reduced or interrupted as permitted by the terms of the Utilities' power sales contracts and/or Residential Purchase and Sales Agreements with Bonneville.

*Public Purpose Charge.* Any charge based on a Utility's total retail sales in a Jurisdiction that is provided to independent entities or agencies of state and local governments for the purpose of funding within the Utility's service territory one or both of the following:

- (a) Conservation programs in lieu of Utility conservation programs; or
- (b) Acquisition of renewable resources.

*Rate Period.* The period during which Bonneville's wholesale power rates are effective. The period is coincident with the Exchange Period.

*Rate Period High Water Mark (RHWM).* The amount used to define each customer's eligibility to purchase Tier 1 Priced Power for the relevant Rate Period, subject to the customer's Net Requirement expressed in average megawatts (aMW). RHWM is equal to the customer's CHWM as adjusted for changes in Tier 1 System Resources. The RHWM is determined for each eligible customer in the RHWM Process preceding each Bonneville wholesale power rate case.

*Rate Period High Water Mark Process (RHWM Process).* The process or processes where each eligible Consumer-owned Utility RHWM is determined.

*Regional Power Sales Customer.* Any entity that contracts directly with Bonneville for the purchase of power under sections 5(b) (16 U.S.C. 839c(b)),

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5(c) (16 U.S.C. 839c(c)), or 5(d) (16 U.S.C. 839c(d)) of the Northwest Power Act for delivery in the Pacific Northwest region as defined by section 3(14) of the Northwest Power Act. 16 U.S.C. 839a(14).

*Residential Purchase and Sales Agreement.* The contract under section 5(c) of the Northwest Power Act between Bonneville and a Utility that defines and implements the power purchase and sale under the Residential Exchange Program.

*Review Period.* The period of time during which a Utility's Appendix 1 is under review by Bonneville. The Review Period begins on or about June 1, and ends on or about November 15 of the fiscal year prior to the fiscal year Bonneville implements a change in wholesale power rates.

*Regulatory Body.* A state commission, Consumer-owned Utility governing body, or other entity authorized to establish retail electric rates in a Jurisdiction.

*RHWM Exchange Load.* The Exchange Load as determined in section 20 of the Residential Purchase and Sales Agreement.

*RHWM System Resources.* The Rate Period High Water Mark (RHWM) as calculated in section 4.2.1 of the Tiered Rates Methodology plus the resource amounts used in calculating a customer's Contract High Water Mark (CHWM).

*Tier 1 Priced-Power.* Priority Firm Power as defined in Bonneville's Tiered Rates Methodology.

*Tier 1 System Resources.* Resources as defined in Bonneville's Tiered Rates Methodology.

*Tiered Rates Methodology.* The long-term methodology established by Bonneville for the determination of tiered wholesale power rates.

*Utility.* A Regional Power Sales Customer that has executed a Residential Purchase and Sales Agreement.

### § 301.3 Filing procedures.

(a) *Bonneville's ASC review procedures.* The procedures established by Bonneville's Administrator provide the filing requirements for all Utilities that file an Appendix 1 with Bonneville. Utilities must file Appendix 1s, ASC forecast models, and other required docu-

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ments with Bonneville in compliance with Bonneville's ASC review procedures.

(b) *Exchange Period.* The Exchange Period will be equal to the term of Bonneville's Rate Period. ASCs will change during the Exchange Period only for the reasons provided in § 301.4.

### § 301.4 Exchange Period Average System Cost determination.

(a) *Escalation to Exchange Period.*

(1) This section describes the method Bonneville will use to escalate the Base Period ASC to and through the Exchange Period to calculate the Exchange Period ASC.

(2) Bonneville will escalate the Bonneville-approved Base Period ASC to the midpoint of the fiscal year for a one-year Rate Period/Exchange Period, and to the midpoint of the two-year period for a two-year Rate Period/Exchange Period to calculate Exchange Period ASCs.

(3) For purposes of the escalation referenced in paragraph (a)(2) of this section, Bonneville will use the following codes in the ASC forecast model to calculate the Exchange Period ASCs:

- (i) A&G—Administrative and General.
- (ii) CACNT—Customer Account.
- (iii) CD—Construction, Distribution Plant.
- (iv) CONSTANT—Constant.
- (v) CSALES—Customer Sales.
- (vi) CSERVE—Customer Service.
- (vii) COAL—Coal.
- (viii) DMN—Distribution Maintenance.
- (ix) DOPS—Distribution Operations
- (x) HMN—Hydro Maintenance.
- (xi) HOPS—Hydro Operations.
- (xii) INF—Inflation.
- (xiii) NATGAS—Natural Gas.
- (xiv) NFUEL—Nuclear Fuel.
- (xv) NMN—Nuclear Maintenance.
- (xvi) NOPS—Nuclear Operations.
- (xvii) OMN—Other Production Maintenance.
- (xviii) OOPS—Other Production Operations.
- (xix) SNM—Steam Maintenance.
- (xx) SOPS—Steam Operations.
- (xxi) TMN—Transmission Maintenance.
- (xxii) TOPS—Transmission Operations.