

September 9, 2010

Steve Wright, Administrator  
Bonneville Power Administration  
PO Box 3621  
Portland, OR 97208

Submitted electronically at: [comments@bpa.gov](mailto:comments@bpa.gov)

Dear Mr. Wright,

Thank you for taking additional public comments regarding the 2010 Integrated Program Review (IPR) process with regard to Transmission Services staffing levels. As we noted in our comments to you of July 27<sup>th</sup>, 2010; *“We stress that there needs to be continuity in staff working on NT policy development. It is vitally important that Transmission develop policies that enable it to meet its Tariff obligation to provide load growth service for NT customers and to implement the goals of enabling non-federal resource development per the Regional Dialogue policy. In addition, there needs to be sufficient staff to ensure a coordinated approach to NERC standard compliance, between BPA and the customers. We appreciate the good work that is being done by Transmission staff, but fear human resources are being spread too thin”*. We appreciate the effort you have taken to provide a scenario of the additional staffing that the agency feels is needed to address prioritized areas of transmission work that currently are not being fully covered. We also appreciate BPA explaining the rationale for the revised staffing levels at the meeting of September 3<sup>rd</sup>. In general we continue to support the direction the agency is taking to add transmission staffing capacity in prioritized areas. However, we would ask BPA to consider the following caveats when drawing conclusions on the number of positions required.

NRU wrote its previous comments in the context of an assumption that there would be no need for a transmission rate increase given BPA’s high reserve levels on the transmission side of the agency. Since then we have found that this assumption may have been premature, and that a transmission rate increase is now likely in addition to a pending large wholesale power rate increase. A 0.25% transmission rate increase associated with the newly proposed transmission activities in isolation is not significant. However, in the context of a now likely transmission rate increase, it is even more incumbent on the agency to determine if there are any opportunities to streamline the proposal, or alternatively reprogram positions from other transmission activities, provided that any such modifications should not diminish the quality of service NT customers either currently receive or have requested be added.. While this does not change our recommendation from July 27<sup>th</sup> that additional Transmission staffing is needed in certain areas, BPA must do its best to mitigate any rate pressures associated with this proposal. BPA should first look to see if there are areas where staff with the right

skill set could be re-assigned, and if this is not practical, then add new staff members (or contractors or term employees).

Our second comment deals with the dependence on contract and term employees. Of the 24 new staffing positions being requested, only 7 are new BPA employees. The rest are either contract employees (12) or term employees (5). We now better understand the motivation for bringing on this type of staffing resource. However, these types of employees are more expensive (\$130,000 versus \$102,000), they only serve for a limited time, and end up taking their expertise with them as they eventually depart the agency. Absent a compelling rationale to the contrary, as a general practice we would like to see more BPA FTE either shifted from other parts of the organization, or hired as new employees. While the annual cost of new employees may be slightly higher, they often provide a useful talent base that BPA can draw upon in filling longer term positions as they become available in the future. We have been quite impressed with the caliber of recent hires that BPA has made and look forward to working with them as they grow in knowledge of BPA and industry practices.

Finally, as to the proposal for where additional staff is needed, we generally agree with the overall direction recommended by the agency, and we support the technical comments submitted by other public power organizations such as PPC and PNGC. We need to do what is best for customers, and NRU continues to be concerned about the level of technical support available, particularly for GTA served customers and in dealing with compliance issues (issues now addressed in your proposal.) Conversely, areas such as FERC reciprocity status and aspects of the wind integration work are not of as high of a priority to our members. We take issue with the request to staff up to meet the need for FERC reciprocity in and of itself and remain unconvinced that FERC reciprocity is worth the time and effort to get to that goal. We await a wider regional discussion on the costs and benefits of achieving OATT that meets the reciprocity standard. In addition, we see that a third of these positions are related to wind integration. While such issues as “Reducing the risk of negative pricing” (point 11) are of high value, we do note the staffing strain that wind integration is placing on the agency and would like to see the costs of providing resource support services recovered through charges paid by the wind project developers and operators.

Thank you for the opportunity to comment. We look forward to working with BPA to help implement the recommendations for increased transmission staff in those areas that will benefit customers.

Best Regards,



John D. Saven  
Chief Executive Officer

Cc: Mark Gendron, Vice President Requirements Marketing, Bonneville Power Administration  
Greg Delwiche, Sr. Vice President Power Services, Bonneville Power Administration  
Claudia Andrews, Supervisory Detail Finance, Bonneville Power Administration  
Brian Silverstein, Sr. Vice President Transmission Services, Bonneville Power Administration  
Scott Corwin, Executive Director, Public Power Council  
NRU Members