

From: **Megan Stratman** <mstratman@pacifier.com>

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Subject: NRU's comments on BPA's tariff process

To: Tech Forum <techforum@bpa.gov>

Cc: Blake Weathers <bpweathers@bpa.gov>, Rich Gillman <ragillman@bpa.gov>, John Saven <jsaven@pacifier.com>, Geoff Carr <ghcarr@pacifier.com>, Betsy Bridge <betsy@betsybridge.com>, Aleka Scott <AScott@pngcpower.com>, Megan Stratman <mstratman@pacifier.com>, Nancy Baker <nbaker@ppcpdx.org>, Kayce Spear <kcspear@ppcpdx.org>

At the February 4 BPA meeting that started the tariff review process, BPA stated they are interested in receiving comments from customers on this topic. In response to this request, NRU submits the following comments on the tariff review process BPA has initiated. We appreciate the opportunity to comment.

NRU represents the interests of 50 Load Following customers of BPA, all of which are NT customers and many of which are also served by transfer service. Access to firm NT transmission (both on BPA's system and the transfer providers' systems) and ease of doing business with BPAT are top priorities for NRU members. This is especially true for the NRU members that are using or are planning to use non-federal resources to serve above high water mark load (which represents the majority of NRU members).

Our overarching concern is that BPAT's staff time is put to the best use. From our perspective, that means working on NT transmission access (including access for load growth served by non-federal or federal resources) and ensuring positive working relationships with transfer providers. We are concerned that a large process such as that being proposed for the tariff review will distract BPAT staff's limited time away from one of its core purposes which is serving NT customers' loads and load growth.

Below are more specific comments pertaining to the tariff issues that have been presented.

Principles Needed to Guide the Process. BPA and its customers should work together to develop a set of principles to guide tariff review. A few principles NRU would suggest are as follows:

- BPA needs to conduct a cost/benefit analysis of making any changes to its systems or practices in order to comply with the pro forma tariff. This analysis should be shared and discussed with customers and then customers and BPA should decide together whether the benefits outweigh the costs.
- Importantly, "costs" should include the determination of whether working on a particular issue is the best use of BPAT staff's time.

Evaluate Both from FERC's Perspective and the Agency's Perspective. BPA and the customers should look at BPA's tariff not only from FERC's point of view, but from the Agency's point of view. For example, how does a certain process mesh with advancing the Agency's objectives, such as encouraging non-federal resource development under Regional Dialogue?

Focus on Providing Transmission Access to NT Customers. In general, NRU would like BPA staff to focus on developing a process and methodology to ensure NT customers have access to firm transmission for both federal and non-federal resources to serve their load growth. NT transmission access need to be fully addressed and the development and implementation of methodologies and business practices to secure firm NT transmission need to occur. NRU questions whether BPAT has sufficient staffing to focus on this very important issue, while also discussing tariff issues in a big public process.

Ranking of Specific Issues on 2/4/2011 List of Issues. Out of the issues listed on the 2/4/2011 list of issues distributed by BPA, the following are the ones of most importance to NRU:

- #1 & #2 - as we described in our NOS 2011 comments submitted on 2/15/2011, the timing implications related to NOS cluster studies and opt-out requests are worrisome based on past experience attempting to acquire NT service. However, assuming we develop a process and methodology for NT transmission access, these timing issues may no longer be an issue to NT customers.
- #13 - we would like to learn more about what "priority access to available transmission" means.
- #14 - NRU is concerned with and very much engaged in the overgeneration issues as this affects our members in numerous ways. Incorporating discussion of tariff implications in the overgeneration discussions is important.
- #11 - we are concerned about potential cost and risk implications if BPA were to be the financial middleman
- All others - the other issues on the 2/4/2011 list are of less priority to NRU members. Again, we encourage BPA to manage its staff time in a way that ensures NT transmission access is adequately addressed and we are less concerned with BPA maintaining strict compliance with the pro forma tariff.

Again, we appreciate the opportunity to comment. Please let us know if you have any questions.

- NRU staff