

2010 BPA Rate Case Transmission & Ancillary Services Customer Issues for Partial Settlement

**The following comments were submitted by
PNGC Power and NRU on December 3, 2008.**

**PNGC Power and NRU Settlement Issues responding to
BPA's 21 November Settlement Offer
December 3, 2008**

PNGC Power and NRU offer these additional settlement issues to be addressed in the transmission settlement agreement.

1. The proposed penalty for the Failure to Comply Penalty Charge and the Unauthorized Increase Charge should be reduced to no more than \$500/MWh. The application of the charges and waiver provisions set out in the draft rate schedules lack clarity and should be revised.
2. The Incremental Rate should be developed in a process to be agreed on by BPA and the customers. The process should occur in the first quarter of CY 2009. NRU and PNGC ask BPA to consider the appropriateness of incremental rates for NT customers on both the load and resource sides. Because of the redispatch provisions of the NT tariff, we believe that incremental rates are almost never appropriate for NT service requests.
3. BPA should hold one or more workshops in the first half of CY 2009 to develop a proposal for the next rate case that would deal with the potentially excessive cost of the Utility Delivery Charge. Discussion should specifically address the appropriateness of maintaining the Utility Delivery Segment, the appropriateness and level of any Utility Delivery Charge, and other possible non-rate treatments in lieu of Utility Delivery Charge.