

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

**The following comments were submitted by
TransAlta on December 3, 2008.**

TransAlta Comments: 2010 Transmission Rate Case, Failure to Comply submitted on 12/3/08 at 8:41PM.

TransAlta understands and supports the responsibility BPA carries for ensuring the safe operation of its transmission grid. The following comments are intended to add clarity and specificity to how and when BPA implements Failure to Comply, and to provide feedback on the proposed rate.

- **Linkage between Failure to Comply and Generation Imbalance**

TransAlta suggests linking Failure to Comply with Generation Imbalance is duplicative and creates unnecessary complexity, because Generation Imbalance is already designed with a clear and increasing disincentive against deviations as their magnitude increase. Further, Generation Imbalance already has Intentional Deviation language (Section 2.c.) that prevents customers who intentionally over-generate from receiving credit.

- **Clear Examples of Failure to Comply**

Current and proposed Failure to Comply language does not adequately describe how or when BPA applies it. Customers reading the Failure to Comply text are left with questions, and TransAlta is concerned that BPA-TS Realtime staff and dispatchers may have similar questions. Are they equipped the necessary tools to accurately determine when a customer is failing to comply?

For example, BPAT recently highlighted that Failure to Comply applies during curtailments to transmission schedules. Under what other circumstances does BPA-TS direct generators to change generations levels? Can Failure to Comply apply to those circumstances too?

How is this direction communicated, by phone, via E-Tags, or either? Does this vary by customer?

Is there a threshold or gauge that BPA-TS staff uses to measure whether a party is failing to comply, or is it left to the discretion of individuals?

Applying Failure to Comply in a transparent and nondiscriminatory fashion can only be accomplished with unequivocal criteria that is known by all parties involved, including customers, BPA-TS Realtime staff, and dispatchers. Has BPA drawn up that criteria for discussion and will it be included in the Failure to Comply section of the Rate Schedule?

- **Proposed Rate**

TransAlta requests any basis BPA can provide regarding how the proposed rate was calculated, such as results of a survey conducted with other Balancing Areas to determine charges levied for similar infractions; or average costs incurred by BPA from Failure to Comply events that have happened in the past five years. Is there any justification for the dollar value other than getting customers' attention?

Please clarify the proposed language in Section 3 of the Failure to Comply rate, which appears to be completely boundless in its current form. What costs are BPA referring to in the text, "**...the party will be assessed any costs incurred by BPA Transmission Services in order to manage the reliability of the FCRTS...**"? What should customers reasonably expect? Can BPA provide recent audits of costs incurred when the reliability of the FCRTS had to be managed during isolated events? How does BPA propose to accurately capture these costs during Failure to Comply events and separate them from normal operations?