



August 28, 2009

**VIA EMAIL**

Mark Gendron  
VP of Requirements Marketing  
Bonneville Power Administration  
P.O. Box 3621  
Portland, Oregon 97028

Re: PPC Concerns about Exhibit F, Transmission Scheduling Services, ver. 8/10/2009

Dear Mark:

As you know, over the past two years, BPA and its customers have worked very hard and very well together to achieve the goals set out in the Regional Dialogue for post-2011 service. We applaud these efforts.

A core goal of the new, long-term, power contracts is to permit requirements customers to develop nonfederal generating resources to serve their loads if they so choose. Thus, it is an acknowledged, key feature of the agreements that BPA's Power Services have no undue advantage over non-federal resources in vying for the business of requirements customers for the service of loads above their High Water Marks. Solutions to transmission issues play a role in ensuring that this "level playing field" is achieved.

BPA staff and the requirements customers have worked together for more than two years to realize these goals, and have been successful in resolving many of the transmission issues that the new contracts pose for BPA and its customers. In regard to Transmission Scheduling Services (TSS), however, two particular areas of concern require attention.

First, BPA does not provide certainty to customers that Transmission Curtailment Management Service (TCMS) will be available to them for their non-federal resources. BPA is not required to offer TCMS in some situations<sup>1</sup> and may discontinue providing TCMS at its discretion,<sup>2</sup> if there are excessive curtailments<sup>3</sup> or if a transmission service request is declined, withdrawn or invalidated.<sup>4</sup> These provisions unduly restrict the provision of TCMS and create significant risk for utilities purchasing non-federal resources.

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<sup>1</sup> Exh. F, § 4.3.4.1.

<sup>2</sup> Exh. F., § 4.3.4.1.

<sup>3</sup> Exh. F., § 4.3.6.1.

<sup>4</sup> Exh. F., §4.3.4.4.

For example, transmission service requests may be withdrawn and resubmitted as a normal course of business in acquiring firm transmission service and yet this activity permits BPA to rescind TCMS at its discretion. In contrast, requirements customers purchasing Tier 2 resources from Power Services will not face these risks. Or to take another example, directly assigning TCMS charges to those individual customers purchasing non-federal resources, while recovering Tier 2 TCMS charges from the Tier 2 cost pool would pose a significant obstacle to non-federal resource development. To the extent that Power Services contends that these provisions are needed to protect against unexpected costs, PPC believes that these issues could, alternatively, be addressed in pricing and rate design for the service. BPA should revise the proposed Exhibit F language to ensure customers' access to TCMS.

Second, the requirement that TSS customers submit their schedules to Power Services no later than 8 a.m.<sup>5</sup> is unnecessary, interferes with the ability of the customer to make market purchases and is not an obstacle faced by Power Services in managing their purchases and resources. Exhibit F should not require schedules any earlier than necessary for the particular Transmission Service Provider through which the customer's transmission is scheduled.

PPC appreciates the opportunity to comment on the TSS and thanks BPA staff for their willingness to meet with us over the last year to discuss and resolve transmission issues. We suggest that BPA and customer staff meet a final time to address these last issues as set out above.

Sincerely,



Scott Corwin  
Executive Director

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<sup>5</sup> Exh. F., § 4.1.1.