

August 28, 2018

Submitted via email to: techforum@bpa.gov

Elliot Mainzer
Administrator and COE
Bonneville Power Administration
905 NE 11th Avenue
Portland, OR 97232

Re: Cowlitz PUD Comments - System Control and Dispatch (SCD) Rate Design

Dear Mr. Mainzer:

The District would like to start by stating our appreciation for the work that has gone into the SCD White Paper and Customer Impact Analysis. The transparency reflected in the paper is important, given the Agency's stated goal of working hard to reflect the input of their valued partners throughout the Region who have strong interests in BPA's sustained success. As one of the Agency's partners impacted by the upcoming Record of Decision on the SCD rate re-design, the District strongly encourages Bonneville to retain the Status Quo Option. The District believes the other proposed alternatives do not comply with logical ratemaking principles.

- 1) SCD service schedules the movement of power through, out of, within, or into a Control Area. The current rate recovery practice associated with this service has served Bonneville well since its establishment in TR-02. The Status Quo offers value-based pricing which aligns with BPA's Transmission of Tomorrow vision.
- 2) BPA currently applies a SCD charge for all original transmission reservations and network transmission loads. Many of the activities and costs associated with this service are a function of transmission loading levels and patterns rather than the number of schedules. The Status Quo is supportive of BPA's Transmission Business Model of ensuring rate design aligns with the function the service provides.
- 3) The Transmission Providers that BPA surveyed charge SCD similar to BPA's Status Quo. The Status Quo aligns with BPA's Strategic Plan Objective 4d: Offer more standardized products and services by better aligning BPA's with industry best practices.
- 4) The use of a billing factor other than the Status Quo would greatly increase the complexity of billing for this service.
- 5) The Status Quo currently sets rates consistent with ratemaking principles:
 - a) Cost causation
 - b) Full and timely cost recovery
 - c) Simplicity, understandability, public acceptance and feasibility of application
 - d) Avoidance of rate shock
 - e) Rate stability from rate period to rate period
 - f) Equitable cost allocation between Federal and non-Federal uses of the transmission system

Please retain the status quo rate treatment for SCD. Thank you for allowing these comments.