



Customer Responses

Feedback from April TC-20 Workshop

Comments from customers on: Principles for new tariff, Section 9, Scope of customer comments, Use of business practice, Schedules 9 and 10, Hourly firm, NT topics for TC-20, Dispute resolution processes and FERC's jurisdiction over BPA, Staging of tariff proceedings for deferred topics, Studies on the Network and Interties, Requests for more clarity for "under review" sections, Proposal to distinguish new tariff from current tariff, and Direct assignment proposals.

- Bonneville intends to address customer feedback on principles for the new tariff in subsequent workshops.
- As shared in May, we will propose to address customer concerns around business practices in July.
- For comments specific to topics for the TC-20 workshops (e.g. hourly firm), Bonneville intends to begin addressing those comments today and in subsequent workshops as shares its alternatives, proposals, and/or revisions to tariff language proposals.

Sections Marked “Under Review”

- Customers asked for clarifications around how and why sections of the tariff proposal are “under review” and when BPA will share its proposals.
- Sections marked “under review” are still being evaluated by BPA and BPA is not ready to propose tariff language.
 - A majority of the sections flagged as “under review” are related to the TC-20 topics. BPA will share tariff language proposals as it shares its positions on those topics in customer workshops. For example, in May, BPA shared language proposals for sections related to Real Power Losses and this month BPA is sharing language related to topics such as NT Redispatch.
 - BPA has uploaded a handout to clarify which sections fall under the TC-20 topics that BPA intends to cover in subsequent workshops. This will hopefully provide some clarity why certain sections have been marked as “under review” (for example, section 28.3 relates to NT Conditional Firm).

Customer Concerns on BPA's Tariff Proposal

- Customers have asked for clarification as to what is different in the tariff proposals BPA has posted for the workshops.
- BPA will post an updated tariff prior to each workshop to give customers an opportunity to review tariff language proposals in advance of that meeting.
- BPA will also post a redline to help customers track what language has been updated or inserted between workshops.
- BPA will also continue to post a redline between its most current tariff proposal and BPA's current tariff and the *pro forma* tariff.
- Customers are not expected to comment on tariff sections that BPA has not yet proposed tariff language for.

Updates to Proposals

Clarifications related to FERC filing references in the deferred Study sections.

- In April, BPA proposed to use current tariff language for the Study provisions for TC-20. BPA indicated that these Study provisions would be reevaluated in a future tariff proceeding, to allow BPA time to continue developing its study process.
- Upon further review, we noticed that Sections 1.49, 17.6.1; 17.6.2; 19.3; 19.4; and 32.4 included a reference to Section 15.3 and mistakenly reference filing unexecuted agreements with FERC.
- BPA updates these references to be consistent with the Section 15.3 proposal. BPA does not propose to modify other aspects of these sections during TC-20.

Clarifications to section 13.3 and 14.3

- In April, BPA's proposal included a placeholder to insert the effective date for Order 890.
- BPA updates this reference to include a placeholder to insert the effective date for the new Tariff.

Clarification to Section 31.2

- In April, BPA proposed language requiring customers to be charged for new facilities "in accordance with Commission policies." How BPA charges customers is a rate design question that must be determined in the rate case.
- BPA omits this reference and, instead refers to the rates determined pursuant to Section 7 of the Northwest Power Act.

Section 9 Customer Comments

- Most customers continue to support use of Section 212 procedures for tariff modifications.
- Some customers support BPA’s proposal to not include a substantive standard in Section 9. Other customers requested BPA include a standard.
- BPA received several suggested revisions to the Section 9 proposal:
 - Omit Section 9 and instead develop a new Section 37 and 38 to govern tariff modifications;
 - Revise the title of Section 9 from “Regulatory Filings” to “Tariff modifications;”
 - Remove the reference to the Federal Power Act and replace it with a reference to applicable law; and
 - Revise section 9 to require the Administrator’s decision to include a determination that the tariff changes are consistent with the statutory standards in Federal Power Act section 211 and 211A and are consistent with applicable law.
- Request for BPA to clarify that the Section 9 proposal does not apply to the current tariff.
- BPA is evaluating your comments and suggestions. Customers provided some good ideas for consideration.
 - BPA expects to discuss the Section 9 proposal again in a future workshop.
 - BPA clarifies that the Section 9 proposal only applies to the new tariff; it does not apply to the current tariff.

Dispute Resolution Response to Comments

Comment: BPA's new tariff should obligate BPA to file unexecuted service agreements with FERC and not refer unexecuted agreements to the dispute resolution process in section 12.

Response:

- BPA reminds customers that they retain their right to apply to FERC under sections 210, 211, 211A, and 212 of the Federal Power Act. BPA's proposal does not limit this right.
- As a nonjurisdictional utility, BPA is not subject to FERC's filing requirements for jurisdictional utilities promulgated under Federal Power Act sections 205 and 206.
- The tariffs of other nonjurisdictional utilities, such as WAPA, do not include an obligation for the transmission provider to file unexecuted service agreements with FERC.
- BPA believes its proposal provides customers with beneficial options to resolve disputes related to unexecuted service agreements on an informal basis or through arbitration.

Dispute Resolution Response to Comments

Comment: Removing the *pro forma* Section 15.3 requirement to present tariff and service agreement disputes to FERC for resolution (notwithstanding BPA's legal arguments for doing so) effectively broadens the scope of the section 12.1 internal dispute resolution procedures.

Response:

- The dispute resolution procedures in proposed Section 12.1 would apply to disputes regarding executed service agreements *and* unexecuted service agreements (section 15.3). It would not apply to disputes related to rates.
- BPA believes that providing customers with the beneficial option to resolve the dispute informally or through binding arbitration could resolve the disputes more quickly, cost less, and avoid the need for litigation.
- Customers retain the right to seek review at FERC under Federal Power Act sections 210, 211, 211A, and 212 or seek review by the Ninth Circuit.

Dispute Resolution Response to Comments

Comment: Why does BPA's proposed section 12.3 retain the reference to "applicable Commission regulations or Regional Transmission Group rules" for arbitration decisions and filing of the arbitration decision with FERC if it affects jurisdictional services.

Response:

- BPA proposed to retain the *pro forma* references applying "applicable Commission regulations and Regional Transmission Group rules" to arbitration decisions because some of BPA's customers may be subject to FERC's jurisdiction or Regional Transmission Group rules. These rules would not apply if not applicable.
- BPA proposed to retain the *pro forma FERC* filing references for jurisdictional services because some of BPA's customers may be subject to FERC's jurisdiction and may have filing obligations related to the arbitration decision.
- BPA reminds customers that BPA will not file the arbitration decision, service agreements, or its Tariff with FERC.

Request for additional comment:

- BPA acknowledges that these references may not be necessary, but seeks additional comment.
- Should section 12.3 omit the references to FERC and Regional Transmission Group arbitration rules and the filing of arbitration decisions impacting jurisdictional services with FERC?

Billing Dispute Resolution Response to Customer Comments

BPA's proposal: Section 7.3 applies when customers fail to pay their transmission bill by its due date. In the event of default, the transmission provider may notify the customer of its plan to terminate service and the transmission customer may use the dispute resolution procedures to contest termination.

Comment: BPA should clarify its plans regarding the transmission billing dispute procedures document posted on the BPA website.

Response:

- BPA notes that the customer comment described a pending dispute. BPA declines to comment on the facts or issues of the pending dispute.
- On its website, BPA posted a document entitled "Transmission Billing Dispute Procedures" to provide additional detail for billing dispute procedures. Since posting this document, BPA determined the procedures may be more appropriate for a business practice.
- BPA plans to utilize the new business practice process, currently under development, to adopt the transmission billing dispute procedures. BPA will notify customers when BPA is ready to begin the process for the business practice on transmission billing dispute procedures.

Direct Assignment Facilities Response to Comments

Comment: Will decisions about customer responsibility for the costs of direct assignment facilities be incorporated into the Tariff process?

Response: No. Pursuant to sections 19 and 32, decisions about direct assignment facilities will be made during the Study process and reflected in the customers' service agreement. Contracts executed pursuant to the tariff are not in scope of the Tariff process.

Comment: What is the remedy for decisions regarding direct assignment facilities?

Response: Pursuant to Section 19.3, the Customer may follow the procedures for unexecuted service agreements in Section 15.3 (i.e., customer may choose to use dispute resolution procedures). Nothing in BPA's proposal limits customers' right or ability to apply to FERC under sections 210, 211, 211A, and 212 of the Federal Power Act.

Study Process and Attachment K Response to Comments

Certain customers expressed concerns with BPA's proposal to defer making changes to its Study Process and Attachment K to the TC-22 proceeding. Specifically, concerns were identified regarding potential disparate treatment between customers seeking service on BPA's network vs. its intertie facilities, and NCU seeks to ensure that these facilities will be adequate to accommodate investments in new generation and efficient market operation throughout the Western Interconnection.

In response, we note the following in relation to BPA's Study Process:

- BPA staff last engaged customers on alternatives for conducting studies in response to intertie TSRs in April, 2015. There, BPA staff presented and requested customer feedback on multiple alternatives. In response, customers expressed opposition to using any BPA resources in conducting TSR-based studies for its interties. BPA suspended activities related to performing intertie studies following this feedback.
- BPA's tariff allows each customer to request to have its TSR studied, either on an individual or clustered basis. To-date, no customer has requested that BPA perform a study to increase intertie capacity in response to submitted TSRs.

Study Process and Attachment K Response to Comments (Continued)

In addition, we note the following in relation to BPA's Attachment K Planning Process:

- Bonneville's transmission planning process is laid out in Attachment K, which incorporates FERC Order No. 890 principles but does not incorporate all of FERC's Order 1000 reforms;
- Bonneville's Attachment K planning is not a determination of what investments Bonneville makes or how Bonneville will recover its costs for such investments;
- Bonneville participates in coordinated regional transmission planning as a member of ColumbiaGrid; and
- Members of ColumbiaGrid and the Northern Tier Transmission Group (NTTG) currently are participating in efforts to scope the formation of a single organization that will perform coordinated regional transmission planning.