



Department of Energy

Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208-3621

POWER SERVICES

August 23, 2018

In reply refer to: PSS-6

To Parties Interested in the Rate Period High Water Mark (RHWM) Process for the FY 2020-21 rate period:

The Bonneville Power Administration (BPA) is announcing the completion of the Rate Period High Water Mark (RHWM) Process for the FY 2020 – FY 2021 Rate Period. Consistent with the Tiered Rate Methodology (TRM), BPA is posting its determination of values for the upcoming BP-20 Rate Case for: RHWM Tier 1 System Capability, including RHWM Augmentation; each customer's RHWM; and each customer's Above-RHWM Load. The link to the final determinations is: <https://www.bpa.gov/Finance/RateCases/RHWM/Pages/FY-2020-21.aspx>

BPA engaged customers in a public process from May through August 2018, with two public comment periods and two public workshops. BPA received 10 comments during the comment periods, mainly concerning individual customer load forecasts. In general, BPA incorporated individual customer load forecast changes that were uncontested, material, and warranted. This process demonstrated the spirit of regional collaboration and we appreciated the participation of and interaction with customers.

At the workshop in May, BPA presented the preliminary Tier 1 System Firm Critical Output (T1SFCO), RHWM Tier 1 System Capability, each customer's RHWM, and each customer's Above-RHWM Load. BPA's T1SFCO presentation showed a 77 average megawatt (aMW) increase from the value for the BP-18 Rate Period. During the workshop, BPA also requested customer comment on a proposal to stabilize the T1SFCO for the remainder of the Regional Dialogue Contract. BPA held a two week public comment period following the public workshop.

After reviewing customer comments regarding stabilizing the T1SFCO, BPA decided not to move forward with the proposal. There was not enough customer interest to proceed with studies and analysis on the impacts of stabilizing the T1SFCO.

BPA held a final workshop in late July followed by a 10-day public comment period pursuant to the TRM, section 4.2.2. At the workshop BPA presented the draft final T1SFCO, RHWM Tier 1 System Capability, and each customer's RHWM and Above-RHWM Load. The draft final T1SFCO decreased by 1 aMW from the value presented at the May workshop. No further changes were made to the final T1SFCO.

Load forecast modification requests were received from: Kalispel Tribal Utilities, PNGC, Central Lincoln PUD, Inland Power and Light, City of Centralia, Lower Valley Energy, DOE Richland, and City of Milton-Freewater.

All customer load forecast change requests were accepted and incorporated into the final determinations.

BPA thanks our customers for their thoughtful comments and engaged presence during the RHWM Process.

Sincerely,

A handwritten signature in blue ink that reads "Garry R. Thompson". The signature is written in a cursive style with a large initial "G" and a prominent "R".

Garry Thompson