

MAY 30, 2018

Via e-mail to [techforum@bpa.gov](mailto:techforum@bpa.gov)

Re: Seattle City Light TC-20 Comments

Please accept comments on behalf of Seattle City Light (City Light) regarding BPA's TC-20 Workshop held on April 23, 2018. Seattle City Light is a member of the Public Power Council, and we support its comments on this topic. Additionally, we offer the following comments.

As indicated in our earlier comments regarding the Transmission Business Model (TBM) and *Pro Forma* Gap Analysis (PFGA) efforts, City Light supports BPA's stated goal to transform the Transmission Business Line in order to deliver value for its customers and the region. Many of the changes under consideration will have a transformative effect on the region's power markets and a considerable impact on BPA's customers. Thus, it is critical that BPA continue to work with customers to identify needs and resources, and to consider and analyze alternatives to create a mutually beneficial suite of products and services for the region.

City Light continues to encourage BPA to look beyond the *pro forma* model as it develops its new tariff. Whereas the *pro forma* tariff is a minimum standard, the transmission products and services BPA offers in its tariff should reflect and meet the needs of BPA's diverse customers and the region's unique profile. So long as those products and services are offered on a non-discriminatory basis, a diversity of offerings is consistent with a diversity of needs, and in the best interest of all customers.

BPA has proposed four principles to determine when BPA will consider a departure from the *pro forma* tariff. It is important that these principles allow BPA to adopt products and services that fall outside of the *pro forma* when those deviations would provide benefit to customers and the region. It appears that Principle #3 might allow for this, however there is inadequate information about what qualifies as a "significant benefit" and how BPA would measure or determine whether a deviation from *pro forma* provides such benefit. City Light requests that BPA work with customers to further clarify these principles and provide examples of how they might be applied in order to ensure that BPA retains the ability to provide its customers with products and services that exceed the floor set in the *pro forma*.

BPA's efforts to update its tariff, products, and services will require significant effort by BPA staff and customer representatives who have other assignments that demand their time, making project of this magnitude difficult to complete in a single effort. City Light understands that because of this, BPA needs to stage some of the tariff changes over time. However, this staged approach introduces uncertainty, risks, and potential costs for customers who have invested substantial resources and built their business processes based on transmission products and services currently available, and who will need to adapt

as tariff changes are adopted. As this process will be spread across multiple years and administrative processes, customers will experience a prolonged period of uncertainty.

To alleviate this uncertainty, we ask that BPA provide an early and complete picture to customers of what their options will be at the completion of these processes. Specifically, City Light requests that BPA not take away any products or services, or otherwise diminish the value to any customer, without first developing replacement(s) that provide similar or greater value to both customers and BPA. Additionally, while resource limitation may require staging some of the tariff changes across TC-20, TC-22, and later processes, we think that BPA has options to limit the uncertainty to customers. For example, BPA could consider the principles, goals, and options for tariff changes in a formal policy development and decision-making process that concludes with a Policy and Record of Decision (ROD). This policy and ROD could have a multi-year period and direct BPA's staging of tariff changes. Alternatively, BPA could incorporate the four principles into the upcoming TC-20 tariff review process to fully consider and formalize the extent and applicability of the principles to the tariff changes. City Light suggests that BPA solicit additional input from customers on how it can limit uncertainty for BPA and its customers throughout this process

We look forward to continuing to work with BPA and stakeholders to develop a transmission tariff that ensures reliable affordable service to the region.