



Eugene Water & Electric Board

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August 20, 2014

To: Bonneville Power Administration via techforum@bpa.gov
From: Megan Capper, Senior Regional Policy Analyst
RE: EWEB's Comments on BP-16 Transmission Rates Topics

In response to BPA's BP-16 Rates Workshop on Transmission Topics held on August 13, 2014, EWEB offers the following comments.

Segmentation

EWEB appreciates the thorough and careful review of segmentation that BPA has undertaken. We are pleased that BPA has chosen to maintain the Network and Eastern Segments in their Initial Proposal. This decision respects past BPA policies upon which customers have relied and maintains the balance of any agreements that were struck in the past.

Southern Intertie Long Term Firm Value

At the August 27, 2014 BPA Rates Workshop EWEB would like to see a more detailed review of this issue and a discussion of potential rate and non-rate remedies based on the information provided to date, the change in CAISO practices and the associated impact on COB/Malin prices.

- This issue has the potential to impact both surplus sales generated in the Northwest and incentives for investment in long-term rights for the Southern Intertie.
- As a BPA power customer, we are interested in hearing directly from Power Services on this issue; specifically, their view of impact of the CAISO change and their perspective if a remedy is necessary.
- As a BPA transmission customer, we are interested in hearing from Transmission as to whether the change in CAISO practices warrant a review by BPA Transmission of the intended incentives/disincentives embedded in the rate design and business practices for hourly nonfirm.
- We would like to have the opportunity to have the issue further defined and have a forum and sufficient time to identify and analyze the impact of rate and non-rate remedies.
- At this time, we are not advocating any specific remedy but are asking for a more thorough and broader discussion on this issue

Tacoma Cost Allocation Presentation

EWEB has submitted separate comments on this topic with other NT customers. We firmly believe that the points Tacoma makes have been litigated in the last transmission rate case. We urge BPA to reject this proposal in its Initial Rate Proposal.

If you have any questions, please call Megan Capper 541.912.8944.

Rely on us.