



To: Bonneville Power Administration  
From: Aleka Scott, PNGC's Vice President of Transmission and Contracts  
Re: PNGC Comments on BP-16 Transmission Rates Topics  
Date: August 19, 2014

In response to BPA's BP-16 Rates Workshop on Transmission Topics held on August 13, 2014, PNGC and its 14 rural electric distribution cooperative members offer the following comments.

### **Segmentation**

PNGC's members appreciate the thorough and careful review of segmentation that BPA has undertaken. We are pleased that BPA has chosen to maintain the Network segment in the 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. We urge BPA to memorialize this decision in a fashion that will be durable over time.

*Direct Assignment Guidelines* - We believe the guidelines that have been in place since 1998 have been working well. Implementation of those guidelines has meant that few or none of the facilities that BPA has constructed since that time are controversial with respect to their assignment to the Network segment. If BPA or others propose changes to the Direct Assignment guidelines, we look forward to working in a transparent manner with BPA on those guidelines.

*Utility Delivery Charge Rate Increase* - We continue to believe that an additional 25% rate increase to the Utility Delivery segment will create rate shock and truly unacceptable rate increases for those customers who pay the Utility Delivery Charge (UDC). This proposed increase coming directly on the heels of a 25% rate increase last rate period means that those customers subject to the UDC will experience rate shock and a UDC that is higher than the current NT rate. Many of the remaining UD facilities were installed by BPA under the Customer Service Policy for utilities with load under 25 aMW; thus these rate increases are hitting smaller utilities with low customer densities, those least able to absorb such an increase.

### **Southern Intertie Long Term Firm Value Discussion**

As expressed at the workshop, some context, examples, and a concrete proposal to help us understand the problem, potential solutions, and possible impacts on other customers would be very useful. We look forward to this additional information.

### **Tacoma Cost Allocation presentation**

Please see the comments of the NT Customer Group on this topic. In short, all the points raised by Tacoma were litigated in the last transmission case. There is no new material information to evaluate, nor any change of circumstance to support adoption of Tacoma's cost allocation

proposal of August 13, 2014. We urge BPA to reject this proposal for adoption in its Initial Proposal.

If you have any questions, please call Aleka Scott or Chris Hill at 503-288-1234.