

April 24, 2016

*Submitted via email to techforum@bpa.gov*

**Re: Comments Regarding Snohomish PUD's Error Correction Process Proposal**

Northwest Requirements Utilities ("NRU") is a trade association that represents the interests of fifty-three Bonneville Power Administration ("BPA") utility customers that hold Load Following and Network integration transmission contracts with BPA. NRU appreciates this opportunity to comment on Snohomish's Error Correction Process Proposal and BPA staff's response to it.

Generally, NRU supports a BPA policy or guidelines that would allow for the consistent treatment of computational math errors discovered during a rate period. We agree with BPA staff that holding a separate mini 7(i) process between rate periods may not be the best use of time and resources and that as long as BPA holds rate cases every two years, it is more desirable to wait until the upcoming rate case to address the error. We also agree with BPA staff that more flexible guidelines are preferable to a set policy that could limit the Administrator's discretion to take into account extenuating circumstances if an error did not meet specified criteria but warranted a correction nonetheless.

However, NRU is concerned with staff's response to the criteria that Snohomish proposed for whether BPA would undertake a process to correct the error. Snohomish proposed that one of two thresholds must be met before BPA would take action to correct the error:

- If any customer has a financial net impact greater than 2% of their total error-specific business line forecasted annual bill
- If the aggregate effect on all customers is greater than (or forecasted to be greater than) \$10 million in total, per fiscal year<sup>1</sup>

BPA staff responded that it has concerns with the first criterion because it could be burdensome to implement. NRU understands this concern but believes this criterion is a critical one considering the range in size of BPA's customers. BPA's power customers range from utilities that serve a few megawatts of load to utilities that serve hundreds. An impact that is minuscule to a utility that has 500 MW of load may be substantial to a utility that serves only 10 MW. NRU very much appreciates that Snohomish recognized this issue and included this criterion as part of its proposal. While we are not

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<sup>1</sup> See "Straw Proposal Error Correction Process," Ian Hunter, Snohomish PUD No. 1 at slide 7 (May 6, 2016). <https://www.bpa.gov/Finance/RateCases/BP-18/Meetings/Error%20Correction%20Process%20Straw%20Proposal%20Presentation%205-6-16%20Final.pdf>

wed to the particular criterion as Snohomish originally proposed, the fact that a financial error may have a much bigger impact on small utilities should be a factor BPA considers when determining whether to undertake an error correction process.

Thank you for this opportunity to comment. If you have any questions regarding these comments, please contact Betsy Bridge or Megan Stratman at 503-233-5823.

CC: Members of NRU