



November 13, 2020

TO: BPA Tech Forum (*submitted to techforum@bpa.gov*)

RE: BP-22 Transmission Loss Settlement Response

Dear BPA,

PNGC opposes BPA's proposed settlement for transmission losses. PNGC fundamentally opposes the inclusion of capacity costs for in-kind or financial energy loss returns. That holds true whether such capacity costs are explicitly named or whether the costs are included but not named as such. The inclusion of these costs is not warranted by the facts and significantly deviates from commonly accepted utility practice with respect to transmission energy loss returns.

Despite our opposition, PNGC believes there is an opportunity to settle these issues with BPA and customers. We are open to a continued dialogue. This is particularly true given that BPA has indicated that there are serious and concerning issues to face with respect to transmission and is projecting staggering rate increases, due in large part to unprecedented levels of revenue financing. It would be much more productive for BPA and its customers to focus their attention on these problems rather than spending considerable time debating the merits of a non-standard deviation from adopted ratemaking principles for something as simple as energy loss returns.

Respectfully,

PNGC Power