

August 13, 2012

Steve Wright, Administrator  
Bonneville Power Administration  
PO Box 3621  
Portland, OR 97208-3621

**RE: Initial FY2014/15 Rate Period High Water Mark Calculations**

Dear Mr. Wright:

Emerald People's Utility District appreciates the opportunity to comment on the initial FY2014/2015 Rate Period High Water Mark (RHWM) calculations released by BPA on July 24, 2012. We have reviewed the calculation of Emerald's RHWM and believe it to be consistent with the Tiered Rate Methodology.

We have, however, identified a data issue in the New Large Single Load (NLSL) component of Emerald's Total Retail Load (TRL) forecast. As listed in the RHWM Process Outputs released on July 24<sup>th</sup>, Emerald's NLSL load forecast is 38.482 aMW in FY2014 and 38.683 aMW in FY2015. This differs slightly from the forecast we have worked with BPA staff to develop over the past year, which includes an NLSL forecast of 38.14 aMW in 2014 and 38.47 aMW in FY2015. Because the overall TRL forecast is equivalent between the July 24<sup>th</sup> numbers and the agreed upon load forecast, the net effect of this NLSL disconnect is to reduce Emerald's RHWM basis (TRL – NLSL – Existing Resources) in both years.

We brought this issue to the attention of BPA staff after the initial RHWM calculations were released, including our Account Executive and the load forecasting group. While they agreed with our interpretation, they explained that changes can only be made at this time by submitting formal comments such as this document. As a result, we would like to formally request that our RHWM calculation be updated to reflect the agreed upon NLSL load forecast of 38.14 aMW in FY2014 and 38.47 aMW in FY2015. The result of this change should be a slight increase in Emerald's RHWM basis.

Thank you for your attention on this matter.

Sincerely,



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