

May 30, 2014

VIA EMAIL

Tech Forum

Bonneville Power Administration

RE: ACS Practices Forum: BPA Staff Straw Proposal

Via email: techforum@bpa.gov

Dear Tech Forum:

Northwest Requirements Utilities (NRU) appreciates this opportunity to comment on the scope of the BP-16 rate case involving Ancillary and Control Area Services (ACS) issues. At the May 13th ACS Practices Workshop, BPA staff asked customers to consider its straw proposal for a balancing services definition and related issues for the upcoming rate period of FY 2016-2017. We appreciate BPA staff's efforts in developing this proposal and the opportunity to provide comments.

NRU has reviewed and supports the more detailed comments of the Public Power Council (PPC), including topics not specifically addressed herein, such as the reliability tool to replace DSO 216 and the Intentional Deviation Penalty. We also support the request for specific information contained in PPC's attachment A.

NRU generally supports the BPA staff straw proposal; however, we require further details, particularly regarding cost allocation and operational impacts, before we can make a final determination. NRU agrees with BPA's proposal to offer a single balancing service standard for all customers while offering some flexibility based on scheduling elections. Offering various levels of service for some customers creates unnecessary complexity and increases overall risk. While NRU supports BPA's proposal to hold incremental reserves to provide for 99.7% of schedule error, we believe that additional analysis concerning the frequency and magnitude of events when decremental reserves are held at the 99.0% standard is needed.

Thank you for the opportunity to comment.

Best Regards,

John D. Saven

Chief Executive Officer

CC: Members of NRU
Scott Corwin, Executive Director, Public Power Council