

**Comments of Western Public Agencies Group
on
BPA Staff Recommendations on 2010 Network Open Season**

The preference utilities that comprise the Western Public Agencies Group¹ (“WPAG”) appreciate the opportunity to submit these comments on Transmission Services’ staff recommendations for the 2010 Network Open Season (“NOS”) as presented at the customer meeting on April 20, 2011.²

As an initial matter, WPAG supports BPA’s determination to postpone the start of the 2011 NOS and agrees that a delay is appropriate to give BPA and stakeholders time to commence a regional dialogue regarding the future of NOS. The timing is right for the region to perform a careful and deliberate review of NOS in order to ensure that the next generation of NOS is as successful as the first. That being said, WPAG offers the following comments concerning staff’s 2010 NOS roll-in recommendations:

WPAG supports staff’s recommendation that the Garrison to Ashe (“GASH”) line not move forward at rolled-in rates based on staff’s determination that the estimated \$943.5 million cost of the project would cause unacceptable upward rate pressure of nearly 15%. In addition, since the preponderant of the transmission service requests (TSRs) for this line were made by one customer, there is a risk that BPA’s other network customers could be exposed to even greater costs if the line is rolled-in. If that customer were to go out of business, change business models or otherwise defer or fail to take service than BPA’s other network customers would bear the burden of paying for the entire \$1 billion project for which they would receive little to no benefit. To place so much on the success or failure of one entity would be unreasonable.

WPAG also generally supports BPA staff’s recommendation to delay the roll-in determination for Colstrip Upgrade Project (“CUP”) West until further technical studies are completed. However, when the time comes to make the roll-in determination, WPAG encourages BPA to carefully consider the greater risk to BPA’s network customers associated with rolling-in a \$115.5 million project that will primarily serve one customer. Again, if that customer were to defer or fail to take service the entire revenue expectation of the project would be upended. This would leave other network customers paying the full costs of a line for which it is anticipated they will receive little if any benefit and, in any event, will have upward rate pressure on network rates.

¹ The utilities that comprise the Western Public Agencies Group are Benton Rural Electric Association, Tanner Electric Cooperative, the Cities of Port Angeles, Ellensburg and Milton, Washington, the Towns of Eatonville and Steilacoom, Washington, Alder Mutual Light Company, Elmhurst Mutual Power and Light Company, Lakeview Light and Power Company, Parkland Light and Water Company, Peninsula Light Company, Public Utility Districts No. 1 of Clallam, Clark, Grays Harbor, Kittitas, Lewis, Mason, Skamania and Wahkiakum Counties, Washington, Public Utility District No. 3 of Mason County, Washington and Public Utility District No. 2 of Pacific County, Washington.

² http://transmission.bpa.gov/Customer_Forum/open_season_2010/2010_nos_recommendation_v6.pdf

Finally, WPAG offers no opinion on staff's recommendation to roll-in the Northern Intertie project. However, we agree with PPC's proposal that because BPA's analysis of the 2010 NOS projects is dependent on the completion of other NOS projects as well as upgrades on the systems of other transmission providers, that BPA should expressly agree now that it will revisit any decision to roll-in any of the 2010 NOS projects if those upgrades or projects are not completed or require BPA to take on significant additional costs.