ICNU
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January 12, 2017

Via Electronic Submission

Rahul Kukreti
Bonneville Power Administration ("BPA")
905 NE 11th Avenue
Portland, OR 97229

Re: Tariff Engagement Design Questionnaire

Dear Mr. Kukreti:

The Industrial Customers of Northwest Utilities ("ICNU") appreciates the opportunity to submit feedback and comments responsive to BPA's Tariff Engagement Design Questionnaire, in order to help BPA in shaping the content of upcoming workshops. For ease of reference, the comments below correspond to the numbered questions provided by BPA in the Questionnaire.

1. *Based on the presentation on December 13th, are there particular topics or questions you would like BPA to include either in the January 17th or February 22th workshops or in a separate mini-workshop that BPA would schedule?*

ICNU is most interested in workshop topics aimed at reaching consensus and further specificity on triggers and process steps for the future public process.

2. *Which, if any, of the three straw proposals presented on December 13th do you prefer BPA to adopt? Should any of the proposals be eliminated from further consideration?*

ICNU's initial preference is for the Scalable process. While ICNU would not necessarily suggest eliminating the "Case-by-Case" or "Existing Formal Processes" from any further consideration prior to the next workshop, the fact that the Scalable process balances and overlaps these alternatives means that primary focus on the Scalable process will essentially encompass the components of all options.

3. *Are there specific elements to the three proposals, or other proposals, that BPA should consider and discuss at a future workshop?*

Specifically, ICNU would be interested in further consideration of potential "triggers" or criteria that BPA might use to determine whether proposed tariff changes should be treated under minimum process levels or additional process levels, under the Scalable approach.

4. *Are there alternative proposals for the public process that BPA did not present today that BPA should consider and discuss in a future workshop? Would you be interested in presenting the proposal to customers and stakeholders in a workshop?*

ICNU does not have any alternative proposals to recommend at this time.

5. *If BPA adopts the Scalable process, what criteria would be appropriate to determine if a proposed revision to the BPA tariff requires a more formal process, such as a mini-7(i)?*

ICNU's recommendation is that, by default, all tariff changes should be considered in a formal process. To the extent that a party (including BPA) believes that it is not necessary to conduct a formal process, and instead believes it is more appropriate for the process to be conducted under a notice and comment procedure, the party should be allowed file a request to the Administrator to adjudicate the tariff changes under a lesser procedure. In addition, parties should be given the opportunity to respond to requests for lesser procedure. This sort of approach is similar to that used before the Idaho Public Utility Commission, which has the ability to adjudicate cases under a process referred to as "modified procedure." ICNU consultant staff has experience with this procedure, which has been successful in Idaho.

ICNU suggests that a primary consideration for whether an informal process should be triggered, under the Scalable process, should be a specific request or recommendation from BPA or an affected customer (or a stakeholder that could be materially impacted by effects to a direct customer). In short, potentially affected customers and stakeholders may be in the best position to assess the impacts of proposed tariff changes, thereby providing BPA with the best means to determine whether an informal process is warranted. Likewise, if no one in the region objects to an informal process, BPA could reasonably assume that minimal process would be in the best interests of the agency and all stakeholders.

The most efficient manner for BPA to gauge regional interest in an informal process would likely be through notice and the holding of an informal workshop. While ICNU would not necessarily recommend that BPA be absolutely required to institute informal process upon a customer or stakeholder request, there should probably be a default presumption that a formal process is necessary, absent a request from affected stakeholders. Allowing customers and stakeholders to drive the Scalable process in this way would seem to be in keeping with BPA's representations, both in the November 2016 letter to the region and the December kick-off workshop—i.e., that the agency seeks to collaborate and meaningfully engage with the region in a transparent manner in future tariff modification process.

6. *Should BPA consider using different public processes for revising different sections of the BPA tariff? For example, should BPA use a more formal public process for revisions to specific sections of the BPA tariff and use a less formal process for revisions to all other sections? If so, which sections warrant the more formal process?*

ICNU sees potential value in BPA using different public processes based on the type of tariff section to be revised. However, such criteria should be of a presumptive nature, in which BPA would recommend proceeding down a specific process channel when first engaging the region during an initial workshop. In other words, BPA should confirm that customers and stakeholders agree with the agency's recommendations during the preliminary workshop. While ICNU would expect BPA's assessment to be reasonable in most instances, the agency may find out that no one in the region actually sees the need for more formal process to effect a particular revision. In this scenario, BPA

would save the region considerable time and expense by not committing to a more intensive process channel prior to receiving feedback.

7. *Would a process similar to the BPA business practice process suffice for minor revisions to the BPA OATT? (post for comment for 20 business days, respond to comments by posting comment/response, post final decision, use Tech Forum emails to communicate) If so, what do you consider a minor revision?*

ICNU has concerns about adopting any hard and fast criteria that might funnel what may be considered "minor revisions" down a definite process path, based simply on an initial BPA determination. Effectively, the rationale here is the flip side of the comments to # 6, above. For instance, what BPA might consider a "minor revision" might be considered significant to one or more potentially affected customers or stakeholders, such that a default "business practice process" may deprive those that might be affected of important procedural safeguards. Again, while ICNU expects that BPA would usually gauge the needed level of process accurately, allowing the region to provide feedback via a preliminary workshop will avoid any premature and possibly harmful commitments to the wrong form of process. That said, ICNU would support some form of minimal process when there is apparent consensus that more intensive process is unnecessary.

Further, if a proposed tariff provision is truly "minor," then ICNU would not expect that BPA would have a pressing need to rush a revision through, via a quick business practice style process. To the extent that the holding of a preliminary workshop is deemed burdensome for a single minor revision, the general lack of urgency to implement minor revisions should allow BPA to simply wait until a group of minor revisions can be presented in a workshop, or until a minor revision can be coupled with the presentation of a more substantive revision.

8. *Should customers or stakeholders be able to propose revisions to the BPA tariff? Should BPA adopt a threshold or criteria for bringing customer or stakeholder proposed revisions through the public process?*

ICNU supports procedural allowances for customers or stakeholders to independently propose tariff revisions. This may a good topic for specific discussion as to how interested parties could propose such revisions. As an initial suggestion, BPA may want to consider some construct in which the agency acts as a clearinghouse or collecting point, receiving proposals from customers and stakeholders over a certain window of time, and then noticing a workshop to allow for public and transparent discussion of revisions proposed. In this manner, BPA might be able to balance the interests of individual parties to propose revisions, while not overburdening the region with a potentially constant stream of tariff revision proposals, especially if proposals are for relatively "minor revisions." Also, this construct may allow BPA to align its own proposals with the suggestions of stakeholders.

9. *What is the best method for communicating any proposed revisions to the BPA tariff to you or your organization? (Tech Forum email announcement, external website, AE contact, executive contact, etc.)*

ICNU finds that Tech Forum email announcements are a good means of communicating any BPA events or information that are potentially worthy of note. The best course for communicating tariff

revision process would probably employ multiple methods, however, possibly including all the forms listed by the agency here.

10. *Should BPA adopt a set schedule for conducting the public process? If yes, would you prefer BPA conduct a public process for tariff revisions every year, every two years, or another schedule?*

ICNU is concerned that setting a definite schedule for public process may preclude timely consideration of important tariff revision proposals. For example, it would be easy to imagine that setting an annual or biennial schedule may needlessly restrain worthwhile consideration of a proposal from a customer or stakeholder. Nevertheless, ICNU also recognized that there should likely be some regulation of process, to avoid constant and burdensome process, as noted in comments to # 8, above.

ICNU recommends that BPA consider taking a flexible approach, initially—if that proves problematic, a more definite schedule can always be discussed by the region. There appears to be less downside in a flexible approach, however, than in potentially precluding consideration of timely and needful revisions by an overly prescriptive schedule.

11. *Should we consider other BPA or regional processes when selecting a schedule? For example, if BPA adopted a revision process for the BPA tariff that occurred every two years, would you like the process to run concurrently with the BPA Rate Case or on the off year?*

Generally, ICNU believes that intelligent scheduling should be followed as much as possible to avoid scenarios in which concurrent BPA processes might diminish from regional ability to fully engage in tariff revision process. That said, flexibility would seem to be more important, e.g., in situations in which timely revisions are needed, regardless of other ongoing agency activity. Here again, BPA's best resource will likely be the region itself, allowing customers and stakeholders to weigh in on scheduling concerns in a preliminary workshop process.

12. *Should participation be limited during the public process? For example, should the public process be limited to BPA transmission and interconnection customers?*

ICNU would strongly oppose limitation of public process in any form. For example, ICNU often has significant interests in various BPA processes, though ICNU members are not always direct customers of the agency. Moreover, the best forum for ICNU to represent the interests of members materially affected by more direct customer impacts is often through public BPA processes.

Practically speaking, there is very little chance that stakeholders will expend the time and resources necessary to meaningfully engage in BPA processes unless those stakeholders have real and important interests at stake, regardless of whether they are direct BPA customers.

13. *What form of resolution process would you be looking for should customers and/or BPA disagree on an issue?*

As a default, ICNU suggests that BPA conduct a formal process when customers or stakeholders and the agency disagree.

14. *Do you have any suggestions on how BPA can improve the Tariff Engagement Design effort?*

ICNU has no other suggestions at this time. ICNU sincerely appreciates the agency's open, inclusive and collaborative approach taken so far to the Tariff Engagement Design effort, and looks forward to further involvement as the workshop process unfolds.