COMMENTS OF THE WESTERN PUBLIC AGENCIES GROUP REGARDING TARIFF ENGAGEMENT DESIGN PROCESS

Submitted: January 12, 2017

The utilities that comprise the Western Public Agencies Group ("WPAG") appreciate this opportunity to comment on the public process that the Bonneville Power Administration ("BPA") would use to make future changes to its Open Access Transmission Tariff ("OATT"). We understand that this is just the first of many opportunities to provide input on this important topic and look forward to further engagement on this issue in the future.

At this time, the WPAG utilities favor exploration of the "Scalable Process" that BPA outlined at the December 13, 2016 workshop. We acknowledge that while not all proposed OATT amendments warrant a full 7(i) hearing, some certainly will. So scaling the process to fit the issue(s) at hand seems reasonable. What we are concerned about is the manner in which the process is scaled and, specifically, who makes the final determination of which issues require a formal versus a less formal process.

As we understand BPA's proposed Scalable Process, it would give BPA the sole and final decision making authority as to what process to use for any given proposed change to its OATT. Indeed, the only difference we see between BPA's proposed Scalable Process and BPA's proposed "Case by Case Process" is that under the Scalable Process BPA asks customers for their input as to what process to use before unilaterally selecting a final process, whereas under the Case by Case Process BPA would not. Since changes to BPA's OATT are effectively amendments to BPA's transmission contracts with customers, we believe that this is the wrong approach for a Scalable Process. Instead, we recommend as follows:

(1) That the default process for amending BPA's OATT be a 7(i) process.

(2) Before commencing any 7(i) process for OATT purposes, BPA will hold workshops with transmission customers to discuss proposed changes and to allow for customer comment and opportunity to present additional or alternate proposals. These workshops would be similar to the workshops that BPA currently holds prior to each rate case.

(3) Before the official commencement of the 7(i) process, BPA and customers would work to see if they can reach settlement as to (i) the substance of the proposed amendment(s) to the OATT and/or (ii) an alternative process or stripped down 7(i) process for evaluating proposed changes. If no settlement is reached then BPA would conduct a 7(i) process. If it appears that a consensus has been reached, BPA should give any and all transmission customers the opportunity to formally object to the proposed settlement in whole or in part. This opportunity to object would be similar to the process used by BPA and customers to settle the Generation Inputs portion of the rate case over the last several rate periods. If a customer objects, then BPA would hold a 7(i) hearing scaled appropriately based on the scope of the issue(s) at hand, the objection(s) thereto, and the number of objecting parties.

(4) Regardless of the process ultimately decided upon under the above framework, BPA would issue a final Record of Decision before adopting any changes to its OATT. This will give parties a clear delineation of when they can seek review or appeal of BPA's OATT changes if they so choose.

At this point our leaning is towards BPA not having a set frequency or cadence as to when it will commence the tariff amendment process. We do not, for example, believe that a requirement that BPA conduct the process every two years is necessary or even necessarily desirable. Instead we are interested in working with BPA and other customers to establish a mechanism for BPA to trigger the process when it deems appropriate with customer input. We are also interested in exploring ways for BPA and customers to prioritize or set the agenda for the more formal components of the process. For example, the CAISO has a process that allows for stakeholder input in prioritizing the issues addressed by the CAISO. Something similar for prioritizing proposed changes to BPA's OATT before the formal process begins might have some utility.