

October 2, 2019

Via email:

techforum@bpa.gov

U.S. Department of Energy
Bonneville Power Administration
Transmission Services

Re: Comments of PacifiCorp Regarding BPA's Unauthorized Increase Charge Business Practice Change

PacifiCorp submits the following comments on the proposed revisions to the Bonneville Power Administration's ("BPA" or the Agency) Unauthorized Increase Charge ("UIC") Business Practice,¹ and the follow-up materials released to customers on September 24, 2019.² PacifiCorp appreciates that BPA extended the comment period on this business practice to October 2, 2019, and offers the following brief comments on the UIC Business Practice and the process by which it was released.

In relevant part, BPA proposes the following changes to the currently-effective UIC Business Practice:

A UIC will be issued on the transmission bill when a schedule or schedules exceeds the reservation capacity rights by Transmission service type (documented as service code on the Reservation) on a Point-of-Receipt (POR) to Point-of-Delivery (POD) path, ~~as described in the UIC provisions in the Transmission Rate Schedule.~~³

Subsequent examples provided in the new Business Practice draft demonstrate that the "Transmission service type" relevant for UIC calculation purposes is based on the duration of the reservation, such as long-term firm yearly point-to-point (PTP) transmission service. According to BPA, the addition of the "transmission service type" qualifier "does not change how a UIC is calculated, but is simply clarifying the calculation,"⁴ and that "[s]ince no internal BPAT processes are changing, [BPA] expect[s] UIC's to remain a rare occurrence."⁵

¹ Bonneville Power Administration, *Unauthorized Increase Charge (UIC) BPA Transmission Business Practice, Draft Version 3* (September 17, 2019), available at <https://www.bpa.gov/transmission/Doing%20Business/bp/Redlines/Clean-Draft-Unauthorized-Increase-Charge-BP-V03.pdf> (hereinafter "Proposed UIC Business Practice, Version 3").

² Bonneville Power Administration, *Application of the Unauthoriaed Increase Charge* (September 24, 2019) available at <https://www.bpa.gov/transmission/Doing%20Business/bp/Redlines/UIC%20Presentation%20092319.pdf> (hereinafter, "UIC Presentation").

³ Proposed UIC Business Practice, Version 3 at 1.

⁴ UIC Presentation at 3.

⁵ *Id.* at 4.

PacifiCorp is aware of the arguments from various BPA Customers that the above-described business practice changes deviate from BPA’s current UIC calculation practices and, contrary to BPA’s September 24 presentation, raise the risk of UICs being inadvertently incurred by customers depending on their scheduling activities.⁶ These are potentially valid concerns that are worth further discussion.

Moreover, PacifiCorp struggles to find the direct connection between the currently-effective UIC Rate Schedule language and the “transmission service type” qualifier proposed by BPA. Specifically, as stated in the BP-20 Rate Schedule provisions that became effective October 1, 2019, UICs are incurred based on whether customers exceed their “capacity reservations” at any POR or POD,⁷ not based on whether such reservations are also of a particular “transmission service type” or duration.

Considering the apparent lack of direct rate schedule support for BPA’s proposed UIC business practice revisions, and the concerns raised by other Customers, PacifiCorp is concerned that, notwithstanding the “Category A” designation,⁸ BPA may be proposing a significant change to the transmission Rate Schedules without sufficient process and customer engagement. Accordingly, PacifiCorp requests that BPA suspend implementation of the proposed business practice until at least such time as BPA can substantively respond to Customer comments (including any alternative business practice language suggested), and provide additional opportunity for Customer feedback and any other process that may be required.⁹

* * *

Nothing contained in these Comments constitutes a waiver or relinquishment of any rights or remedies provided by applicable law or provided under BPA’s Tariff, Rate Schedules, or otherwise under contract. PacifiCorp appreciates BPA’s review of these comments and consideration of the recommendations contained herein. By return e-mail, please confirm BPA’s receipt of these comments.

⁶ See, e.g. Bonneville Power Administration, *Unauthorized Increase Charge (UIC) V3 - Comments*, <https://www.bpa.gov/transmission/Doing%20Business/bp/Pages/UIC-V3---Comments.aspx> (providing comments by TEA, Seattle City Light, Powerex, and Snohomish PUD). PacifiCorp also observes that some of these parties may also be submitting additional comments for BPA’s consideration.

⁷ See, e.g. BP-20-A-03-AP03 at 15 (setting out the UIC provision for the PTP-20 rate); BP-20-A-03-AP03 at 83.

⁸ TC-20-A-03 at 520 (Attachment 4 of the TC-20 Settlement Agreement at Sec. 4.4.1(a), which describes the “Category A” business practice change designation as denoting “[c]larifications of existing business practice language, grammatical, and/or revisions with minor significance.”).

⁹ See, e.g. TC-20-A-03 at 521, Attachment 4 of the TC-20 Settlement Agreement at Sec. 4.4.2(a) (noting that Category A changes that “would significantly affect BPA’s rates or terms or conditions of service.... shall not take effect until the related tariff changes are reflected in Bonneville’s rates or Tariff, as the case may be.”).