

From: [Russell, James](#)
To: [Tech Forum](#)
Subject: [EXTERNAL] BP-2 Gen Inputs
Date: Friday, May 04, 2018 3:39:06 PM

Tacoma Power appreciates the opportunity to comment on BPA's Load Balancing Reserves alternative proposal. We have submitted a separate Tech Forum request for a further workshop on this issue under "future workshops".

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Load Balancing Reserves (Regulation and Frequency Response Rate)

Tacoma Power believes BPA should adopt its proposed alternative to the regulation and frequency response rate based upon the information presented at the April 24th workshop. We currently believe this alternative should be adopted based upon revenue requirement, cost of service, and rate design principles (esp the cost causation and proper allocation principle) and consistent with the principles laid out in the Tiered Rates Methodology. We request BPA, in a subsequent workshop, to walk through the BP-18 calculations to better understand the derivation of the current RFR rate and proposed alternative.

Thank you for consideration of these comments.

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