



Your Community Energy Partner

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Submitted via email to: comment@bpa.gov

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**Re: Comments of Public Utility District No. 1 of Snohomish County on
BPA's BP-20 Process and May 30, 2018 Workshop Topics**

The Public Utility District No. 1 of Snohomish County (Snohomish) appreciates the opportunity to provide comments on the subjects presented at the BP-20 customer workshop held on May 30, 2018. Snohomish's comments address Segmentation, the Short Distance Discount, and discuss the proposed changes to the Scheduling, Control, and Dispatch rate (SCD).

Segmentation

Snohomish appreciates the discussion of how BPA plans to approach its Segmentation methodology in the BP-20 rate case. BPA has stated that it does not plan to change any of its core methodologies for how costs are allocated between transmission segments. However, BPA has stated that they will be updating the existing Plant in Service with actuals, while forecasting FY18-21 plant in service for use in the BP-20 Initial Proposal.

Snohomish requests that BPA produce a comparison of historical forecasts vs. actuals for Plant in Service, as well as any other forecasted variables related to Segmentation. The forecasts that BPA relies upon in the Initial Proposal can have a substantive effect on the rates paid by each segment; ensuring that customers have the opportunity to examine the efficacy of BPA's forecast methodologies will improve confidence in the segmentation allocation, and by extension, the proposed rates.

Short Distance Discount

As discussed at the May 30 workshop, BPA discovered a case where the formula used to calculate the Short Distance Discount (SDD) resulted in the discount being higher than the metered monthly load, resulting in a payment to the customer. Snohomish supports BPA's proposal to modify the calculation to ensure that the SDD formula does not exceed the load, thus conforming with the intent of the SDD.

Changes to the Scheduling, Control, and Dispatch Rate

BPA has brought forward a proposal to change the methodology for calculating the SCD rate. As understood by Snohomish, the proposal would change the billing determinant for the rate. Currently, the rate is calculated based on total reserved transmission capacity. The proposal aims to change that billing determinant, applying only to reservations actually scheduled. BPA stated that they would use several methods to measure utilization, including both tags and meter data.

Snohomish understands that BPA has not performed an in-depth analysis of this proposal, and is actively seeking alternative ways to address the SCD rate. Snohomish seeks clarification on the following questions to better understand BPA's proposal:

1. Because the billing determinant for SCD would shift from a reservation-based kW charge to a schedule-based \$/MWh charge, how would the SCD rate itself change?
2. Does BPA expect that it would collect more, less, or the same amount of revenue from making this change to the SCD rate? What is the overall revenue impact from this rate design change?
3. Does BPA believe that it currently collects an adequate/inadequate amount of revenue from the SCD charge to cover its cost of providing this ancillary service?
4. BPA discussed several potential scenarios during the meeting; Snohomish would like to see written potential scheduling scenarios, which would include a comparison between status quo and the new proposal. At the minimum, Snohomish requests BPA analyze the following:
 - a. A single transmission customer schedules multiple legs of transmission within the same segment
 - b. A single transmission customer schedules multiple legs of transmission across multiple segments
 - c. Multiple transmission customers each are scheduling a single leg of transmission for the same transaction, all within the same segment
 - d. Multiple transmission customers each are scheduling legs of transmission for the same transaction, across multiple segments

Conclusion

We look forward to working with BPA staff on these topics as part of the BP-20 rate case. If you have any questions about Snohomish's comments, please feel free to contact me.

Sincerely,



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