

Comments of the Sacramento Municipal Utility District,
Transmission Agency of Northern California, and Turlock Irrigation District
TC-20 Rate Case Workshops
June 22, 2018

The Sacramento Municipal Utility District, Transmission Agency of Northern California, and Turlock Irrigation District (collectively, the Northern California Utilities or NCUs) appreciate the opportunity to provide the following comments on BPA's proposed schedule for workshops in preparation for the formal TC-20 proceeding. Please refer to the NCUs' prior comments in this proceeding on related issues and legal standards.

Issues Proposed for Deferral to TC-22

At the TC-20 workshop on May 31, 2018, BPA identified topics that the agency proposes deferring to the TC-22 proceeding, including the Study Process, Attachment K, and Attachment C (ATC Methodology). The NCUs have previously noted (in comments submitted on May 30, 2018) that deferral of the Study Process and Attachment K will raise issues of potential undue discrimination in the tariff resulting from the TC-20 proceeding, and requested that BPA not defer revisions to these portions of the Tariff. During the May 31 workshop, BPA explained its proposal for Attachment C, also proposed to be deferred to TC-22. The NCUs note that the entire discussion of Attachment C was directed to the Network segment, and excluded the Intertie segments (Southern and Montana). For the reasons noted in our May 30 comments, the NCUs are concerned that this deferral will expand the potential for undue discrimination in the BPA Tariff resulting from the TC-20 proceeding. Although the facts related to the calculation of ATC are different across Network locations and the Interties, the simple fact that there is no attention to the Interties at all in Attachment C could cause undue discrimination. The NCUs recommend that Attachment C be defined as within scope for the TC-20 proceeding.

Proposed Schedules for TC-20 and BP-20

The NCUs share many of the interests declared by BPA and stakeholders regarding the coordination of schedules in the TC-20 and BP-20 proceedings. Simultaneous proceedings will present new issues of workload management and coordination. However, consistent with our comments filed previously in the TC-20 workshops and in the rulemaking on BPA's rules of procedure, the NCUs propose a simplification of the schedule that will achieve important objectives: (a) avoiding unnecessary briefing, (b) ensuring an independent Decision by the Hearing Officer in both dockets as required to address the standards of section 212 of the Federal Power Act (FPA), and (c) providing for Briefs on Exception to the Hearing Officer's Decision.

BPA has proposed and discussed two alternative schedules under consideration. While each alternative schedule has some benefits, improvements should be made that take into account the limited overall timeframe between launch of the respective proceedings and the Final ROD. In comments filed on February 28 and June 4, 2018, the NCUs proposed that the Hearing Officer issue a Decision on all issues in both dockets. In the alternative, BPA could assign to the Hearing Officer responsibility for writing a Decision in both dockets, but solely regarding the issues associated with compliance *with* the FPA section 212 standards: i.e., the rates, terms and

conditions of transmission service. Although BPA is not required to rely on a Hearing Officer in the BP-20 docket, any rates for transmission service resulting from that docket are subject to ultimate review by the Federal Energy Regulatory Commission (FERC) for conformance with the standards of the FPA. Furthermore, there are clear interactions and interdependencies between (a) the definitions of service in both the Tariff and the rate schedules and (b) the rates and charges in those schedules; these factors clearly point to the utility of issuing a simultaneous and integrated decision in both dockets on the FPA standards as they apply not only to the terms and conditions of service but also the rates for transmission service. Any rate not associated with transmission service would remain in the BP-20 docket and would not be subject to a decision by the Hearing Officer. It would also be prudent and serve the public interest for BPA to reduce and perhaps even minimize the regulatory risks associated with FERC review of BPA transmission rates, terms and conditions of service that would be governed by the FPA, by ensuring that the Hearing Officer issues an objective and neutral opinion on all FPA standards in both dockets on transmission rates, terms and conditions. In addition, we recommend some compression of the schedule before the briefing stage, to allow adequate time for the Hearing Officer and the Administrator to prepare the HO's Decision and the Administrator's Draft ROD, and for Oral Argument to occur on the same day (or adjoining days) before both the Hearing Officer and the Administrator.

Accordingly, attached to these comments is the proposed schedule of the NCUs, which we believe is a reasonable alternative and will help ensure a workable, transparent process and the development of a complete record. This proposal has several advantages and addresses several concerns:

1. The briefing schedule has staggered dates for Initial Briefs in the two dockets, a single date (or perhaps two consecutive dates) for Oral Argument, and a single date for all Briefs on Exception, thus consolidating the proceedings during the briefing stage, where interactions between rates and tariff provisions must be fully considered;
2. The Hearing Officer issues a single decision that covers all the issues related to the standards in section 212 of the FPA (i.e., just and reasonable rates, terms and conditions that are not unduly discriminatory or preferential); this simplifies the schedule without altering BPA staff's and the Administrator's ability to address remaining issues in the Draft ROD and all issues in the Final ROD;
3. All Parties, including BPA trial staff, will have an opportunity to file Briefs on Exceptions to the Hearing Officer's Decision; all arguments, extraneous or not, that were considered or not considered by the Hearing Officer, if any, can be addressed in the Briefs on Exceptions.
4. Following the Draft ROD and the HO's Decision, Briefs on Exceptions will address matters in both decisions;
5. The two schedules are fully aligned beginning with Oral Argument on all issues;
6. A single Final ROD will cover all issues, including all legal standards.

Assigning the responsibility to the Hearing Officer for a Decision that covers all FPA standards will be a departure from previous proceedings. However, previous proceedings have not, to our knowledge, explicitly included any application of FPA standards. It is essential that the first formal BPA process to incorporate the FPA standards in section 212 be seen as yielding an

independent opinion by an objective Hearing Officer based on a fully developed record and relying on precedent regarding application of the FPA, as appropriate given all of BPA's statutory obligations.

Thank you.
Northern California Utilities

Attachment: Proposed Schedule

NCUs' Proposed BP-20/TC-20 Schedules

June 22, 2018

	TC-20 Schedule	BP-20 Schedule
Federal Register Notice Published	November 8	November 8
Prehearing Conference/BPA Direct Case	November 15	November 15
Clarification of BPA's Direct Case	November 28	December 4-5
Parties File Direct Cases	January 17	January 29
Litigants File Rebuttal Cases	February 14	February 26
Cross-exam	March 4-5	March 12-13
Initial Briefs	March 21	April 8
Oral Argument before HO/Administrator	May 7	May 7
HO Decision on FPA Issues and Draft ROD on non-FPA Issues	June 4	June 4
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Briefs on Exception	June 28	June 28
Final ROD on All Issues	July 25	July 25