

June 22, 2018

VIA EMAIL

RE: Powerex Comments: May 31, 2018 TC-20 Workshop

Powerex appreciates the opportunity to submit comments on the topics presented in Bonneville's May 31, 2018 TC-20 Tariff Proceeding Customer Workshop. Powerex provides comments on the Procedural Schedule and the Losses Update below.

1. TC-20 Procedural Schedule

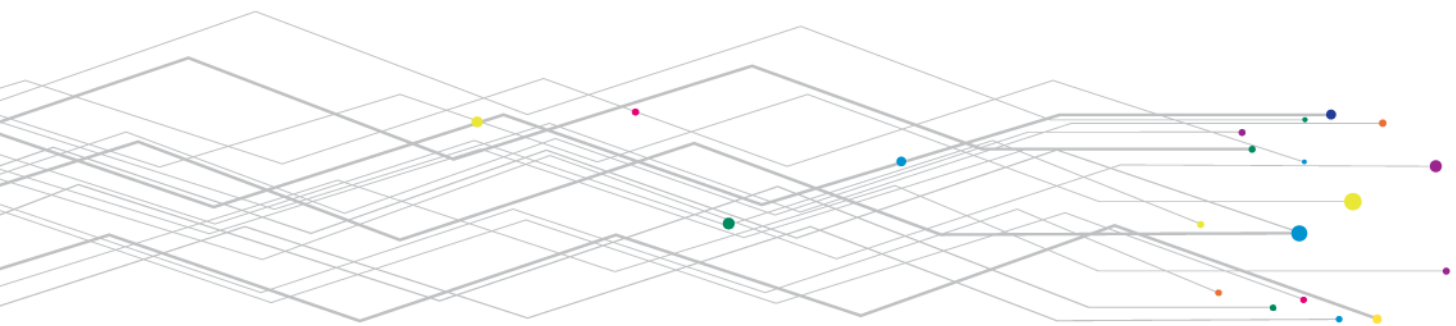
At the May 31, 2018 workshop, Bonneville explained its preference to issue the final records of decision for both rate cases and Section 212(i) proceedings contemporaneously. Powerex appreciates Bonneville's consideration of these issues and supports this conclusion. Bonneville also outlined its preference to exclude an opportunity to file a brief on exceptions following the Hearing Officer's issuance of a recommended decision in a proceeding conducted pursuant to Section 212(i) of the *Federal Power Act*. Powerex believes that such an opportunity should be included in a Section 212(i) proceeding and therefore supports the alternative schedule BPA proposed.¹ This briefing opportunity creates efficiency by allowing parties to address potential errors by the Hearing Officer as soon as practicable and before such potential errors could become more difficult to remedy when the Administrator issues a determination on the proposed tariff revisions. Further, the addition of this briefing opportunity should not constitute extraneous due process, as evidenced by comparable briefing opportunities in hearings administered by the Federal Energy Regulatory Commission, where briefs on exceptions follow the Hearing Officer's initial decision and precede Commission action.² Allowing briefs on exception before the Administrator's draft record of decision will be a helpful way to provide the Administrator with comprehensive briefing before issuing a determination, and the additional time pressure on the Hearing Officer should not outweigh the benefits of additional customer input. Powerex appreciates Bonneville's continued consideration of these concerns.

2. Losses Update

At the May 31, 2018 workshop, Bonneville stated that Losses will be vacated from Schedule 9 of BPA's tariff and moved to the "Real Power Loss Return Business Practice." Bonneville explained that they had reviewed other Transmission Providers' (TP) practices and found that: most TPs are not *pro forma*; many use their Business Practices to communicate loss factors; most update their loss factors annually; and, that FERC has approved the use of Business Practices to communicate loss factors. Bonneville believes their proposal

¹ Bonneville Power Admin., TC-20 Workshop Presentation at Slide 22 (May 31, 2018).

² See 18 C.F.R. §§ 385.708, 711 (2017).



serves to “align with industry best practice when the FERC *pro forma* tariff is lagging behind industry best practice...” BPA also believes their proposal does not impact the rate case.

Prior to the inclusion of this tariff modification as part of TC-20, BPA needs to provide further clarification and information that is pertinent to this issue. As far as Powerex is aware, most TPs have continued to include their loss factors and rates in their tariff. Powerex would appreciate if Bonneville would provide further information on their industry scan on other TPs’ Losses practices. This would include:

- providing a list of TPs in the WECC that use their business practices to communicate loss factors and rates and *exclude* them from their tariffs;
- providing the number of TPs in the WECC that use their business practices to communicate loss factors and rates and *exclude* them from their tariffs, compared to the number of TPs that contain loss factors and rates within their tariffs;
- Provide BPA’s reasoning for why they believe the majority of WECC TPs’ Losses business practices are not *pro forma*;
- Provide reference to FERC proceedings where FERC has approved the use of Business Practices to *exclusively* communicate Loss factors and rates, and exclude that information from a TP’s tariff; and,
- Provide the results of their survey of 42 WECC entities, including who participated in the survey, the questions asked, and responses.

This information would be greatly beneficial to customers to understand how BPA has arrived at their proposal and to understand BPA’s reasoning behind their proposal. Based on the information that Powerex has reviewed, it does not appear that the current BPA tariff lags behind industry standard. Therefore, BPA’s proposal would be in conflict with TC-20 principles set forth by BPA, particularly the principle of aligning BPA’s Tariff with industry standard practices³.

Further, Powerex would also appreciate if BPA would explain why changes to the loss factors or rates would best be adjudicated through a business practice comment period, as opposed to other rates, which BPA proposes to be adjudicated through the Rates Proceeding.

Powerex believes this further information and an understanding of BPA’s decision making would be greatly beneficial to customers moving forward in the TC-20 workshops and proceedings, and we look forward to providing more detailed comments once we have this further information and understanding.

Submitted by:

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³ Bonneville Power Admin., Terms and Conditions TC-20 Tariff Proceeding Customer Workshop Presentation at Slides 3 and 7 (April 23, 2018).