

August 6, 2018

**Via Email** ([techforum@bpa.gov](mailto:techforum@bpa.gov))

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

**Re: TC-20 - Comments of Avangrid Renewables, LLC, Avista Corporation, Idaho Power Company, PacifiCorp, Portland General Electric Company, and Puget Sound Energy, Inc. on the Terms and Conditions TC-20 Tariff Workshop Presentation, dated July 23, 2018**

Avangrid Renewables, LLC, Avista Corporation, Idaho Power Company, PacifiCorp, Portland General Electric Company, and Puget Sound Energy, Inc. (“Commenting Parties”)<sup>1</sup> hereby respectfully submit the following in response to the July 23 TC-20 Terms and Conditions Presentation.<sup>2</sup> Commenting Parties appreciate the opportunity to submit comments to BPA and look forward to working with BPA on these matters.

**A. BPA Transmission Business Practices Should be Limited to Implementation Details and Should Not be Used to Define the Quality of Service or Other Terms and Conditions of Service**

The July 23 TC-20 Terms and Conditions Presentation states that Transmission Business Practices are intended to contain “[i]mplementation details for BPA OATT and BPA Transmission and Ancillary Service Rate Schedules, including operational details.”<sup>3</sup> As also noted in the presentation, Transmission Business Practices are not adopted by the BPA Administrator in a decision documented in a Record of Decision.<sup>4</sup> Accordingly, a BPA Transmission Business Practice should not be used to define the quality of service and other terms and conditions of service. Terms and conditions of service that affect the amounts paid by a BPA customer—whether as money or as loss returns—should be recognized as fundamental terms and conditions that should not be established in BPA business practices. In this regard, the level of balancing reserve capacity held on a planning basis is an example of a term and

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<sup>1</sup> The Commenting Parties represent approximately 40 percent of BPA transmission sales. Moody’s Investor Service Credit Opinion, *Bonneville Power Administration* at 3 (Feb. 8, 2018) (“Moody’s Report”), available at <https://www.bpa.gov/Finance/FinancialInformation/Debt/RatingAgencyReportsArticles/Moody's%20Credit%20Opinion%20Report%20Final%202.9.18.pdf>.

<sup>2</sup> Bonneville Power Admin., Terms and Conditions TC-20 Tariff Proceeding Customer Workshop (July 23, 2018), available at <https://www.bpa.gov/Finance/RateCases/BP-20/Meetings/Tariff-Proceeding/July%2023,%202018/TC-20%20Customer%20Workshop%20Presentation%20for%20July%2023%202018.pdf> (the “July 23 TC-20 Terms and Conditions Presentation”).

<sup>3</sup> July 23 TC-20 Terms and Conditions Presentation at 19.

<sup>4</sup> *Id.*

condition that affects not only the amount paid by a BPA customer but also the quality of service received by the BPA customer. In other words, the level of balancing reserve capacity held on a planning basis is a fundamental term and condition of transmission service and should not be established in a BPA business practice. *See, e.g.*, ACS Practices—Comments of Avangrid Renewables LLC, Idaho Power Company, PacifiCorp, and Puget Sound Energy, Inc. on the BP-20 Balancing Reserve Capacity Planning Standard Proposal, dated June 28, 2018;<sup>5</sup> TC-20 Comments of Avangrid Renewables, LLC, Avista Corporation, PacifiCorp, Portland General Electric Company, and Puget Sound Energy, Inc. on the June 26, 2018 TC-20 Tariff Proposals, dated July 18, 2018.<sup>6</sup>

As pointed out in the July 23 TC-20 Terms and Conditions Presentation, the BPA tariff and transmission rate schedules are adopted by “[f]inal decision by BPA Administrator documented in a Record of Decision.”<sup>7</sup> Such Records of Decision are developed in section 7(i)-type proceedings. These proceedings provide important procedural protections for BPA customers<sup>8</sup> in the process to define the quality of service and other terms and condition of service, particularly because BPA transmission customers rely heavily on BPA transmission service. A proceeding under section 212(i) of the Federal Power Act to adopt terms and conditions constitutes such a section 7(i)-type proceeding.<sup>9</sup>

**B. The Planning Standard is Not Merely an “Operational Determination”; It Defines the Quality of Service Purchased by Transmission Customers and Affects the Amount Paid by the Transmission Customer**

The July 23 TC-20 Terms and Conditions Presentation erroneously asserts that “[t]he level of service is an operational determination that is not properly within the scope of the rate case or tariff.”<sup>10</sup> This assertion is flawed for several reasons. The level of service—although it affects BPA operations—also defines the product purchased (and affects the amount paid) by the BPA transmission customer. The planning standard should not affect the reliability of BPA’s transmission system, and BPA cites no reliability standard that governs the planning standard that BPA adopts.

More fundamentally, as BPA itself acknowledges, “the level of service may have impacts on rates.”<sup>11</sup> As noted in Section A above, terms and conditions of service that affect the amounts paid by a BPA customer should be recognized as fundamental terms and conditions that should not be established in BPA business practices. The planning standard does affect the quality of

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<sup>5</sup> Available at <https://www.bpa.gov/Finance/RateCases/BP-20/Comments/2018.06.28/Avangrid,%20Idaho%20Power,%20PacifiCorp,%20and%20PSE%20Comments%20re%20ACS%20Practices.pdf>.

<sup>6</sup> Available at <https://www.bpa.gov/Finance/RateCases/BP-20/Meetings/TC-20%20Comments/071818%20Comments/avangrid-pac-pge-pse-comments-071818.pdf>.

<sup>7</sup> July 23 TC-20 Terms and Conditions Presentation at 19.

<sup>8</sup> In such proceedings, for example, customers are to have an opportunity to refute or rebut any material submitted by any other person or BPA, and a full and complete record is to be developed. *See* Northwest Power Act, §7(i).

<sup>9</sup> *See* Federal Power Act §212(i) (2)(A).

<sup>10</sup> July 23, 2018 TC-20 Presentation at 32.

<sup>11</sup> *Id.*

transmission service received and amounts paid by transmission customers and, therefore, should be adopted in a section 7(i)-type proceeding.

**C. The Additional Process Options/Considerations Proposed by BPA Fail to Provide Adequate Process with Respect to Definition of the Quality of Service and Other Terms and Conditions of Service**

The July 23 TC-20 Terms and Conditions Presentation suggests the following as additional process options/considerations:

- Set standard comment period durations based on the level of change (e.g., Minor – General – New).
- Implement automatic comment period extensions.
  - When there is a great deal of change or when multiple Business Practices are in the comment phase at once.
- Conduct recurring Business Practice conference calls.
  - Provides an opportunity to inform customers of upcoming changes and status.<sup>12</sup>

The July 23 TC-20 Terms and Conditions Presentation requests comment on whether the above additional process options/considerations (together with a summary of some aspects of business practice processes followed by other transmission providers) address customer concerns sufficiently.<sup>13</sup> With respect to definition of the quality of service and other terms and conditions of service, the additional process options/considerations fail to provide adequate process and are no substitute for a decision in a section 7(i)-type proceeding, in which a Record of Decision is developed and adopted by the Administrator.

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Commenting Parties appreciate the opportunity to submit these comments. By return e-mail, please confirm BPA's receipt of these comments.

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<sup>12</sup> July 23 TC-20 Terms and Conditions Presentation at 24.

<sup>13</sup> *Id.* at 25.