

December 8, 2017

Via Email (techforum@bpa.gov)

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

Re: Comments of Avangrid Renewables, LLC, Avista Corporation, PacifiCorp, Portland General Electric Company, and Puget Sound Energy, Inc. on BPA's Tariff Engagement

Avangrid Renewables, LLC, Avista Corporation, PacifiCorp, Portland General Electric Company, and Puget Sound Energy, Inc. ("Commenting Parties") hereby comment on BPA's Tariff Engagement in the BPA Transmission Business Model ("TBM") and Pro Forma/Industry Standard Gap Analysis ("PFGA") processes.¹

1. Introduction

BPA is proposing to adopt a new OATT that would (i) be applicable to new service agreements, (ii) not include the current BPA OATT section 9 requiring FERC approval for all modifications,² and (iii) be developed following the procedural requirements of Federal Power Act section 212(i)(2)(A)(ii).³

2. Response to BPA Questions

BPA has posted Questions For Transmission Business Model/Pro Forma Gap Analysis Comment Period Updated November 1, 2017 ("BPA November 1 Questions"), which include the following with respect to Tariff Engagement:

1. Please provide feedback on BPA's proposal to follow the procedural requirements of Federal Power Act section 212(i)(2)(A)(ii) to develop a new tariff.

¹ See also the August 8, 2017 Comments of Avista Corporation, Portland General Electric Corporation, and Puget Sound Energy, Inc. on BPA's Tariff Engagement ("August 8 Comments"), which appear at the following link: <https://www.bpa.gov/transmission/CustomerInvolvement/TransmissionBusinessModel/Documents/Avista-PGE-Puge%20-Tariff-Engagement.pdf> . These December 8, 2017 comments are in addition to--and do not replace or supersede--the August 8 Comments.

² The current BPA OATT section 9 provides important safeguards in ensuring that any change sought by BPA must be determined by FERC to be just and reasonable and not unduly discriminatory or preferential. See August 8 Comments at page 3.

³ See BPA presentation for the October 27, 2017 Transmission Business Model and Pro Forma/Industry Standard Gap Analysis Customer Workshop ("October 27 BPA Presentation") at pages 23-24

2. Please provide suggestions for topics you would like addressed in future FPA Section 212 Hearing workshops.

Commenting Parties provide the following responses to the questions posed:

- (i) BPA's OATT and revisions thereto should be "just and reasonable, and not unduly discriminatory or preferential."⁴
- (ii) If BPA does not include its current OATT section 9 in a new OATT,
 - (a) the adoption of the new OATT should be pursuant to the provisions of Federal Power Act section 212(i)(2)(A)(ii);
 - (b) the new OATT section 9 should provide that any amendment to such OATT shall be adopted pursuant to the provisions of Federal Power Act section 212(i)(2)(A)(ii); and
 - (c) the new OATT section 9 should provide that the hearing officer in a proceeding under Federal Power Act section 212(i)(2)(A)(ii) to amend such OATT shall be impartial.⁵
- (iii) Future FPA Section 212 hearing topics should include development of the new OATT section 9 language described above.

3. Redirects and Other Terms and Conditions under the Current OATT Should Continue Under the Current OATT

At the October 27, 2017, workshop, a question was raised about the treatment--after BPA adopts a new OATT--of redirects under service agreements governed by the current OATT. Redirects under service agreements governed by the current OATT are subject to the current OATT. Accordingly, so long as the customer taking service under a service agreement governed by the current OATT does not elect to transition such service to the new OATT, the customer has a contractual right to redirects subject to the existing OATT. In short, such redirects, as well as other terms and conditions, should continue to be governed by the current OATT.

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⁴ The standard for transmission terms and conditions required by FERC under a Federal Power Act section 211 order to a utility such as BPA includes "just and reasonable, and not unduly discriminatory or preferential." The standard for transmission terms and conditions required by FERC under a Federal Power Act section 211A order to a utility such as BPA includes "not unduly discriminatory or preferential."

⁵ For example, (i) the hearing officer should not be an employee of BPA (other than as a hearing officer), (ii) the hearing officer should have no personal or financial interest that would be in conflict with the impartiality or objectivity of the hearing officer, and (iii) ex parte contacts with the hearing officer by BPA or any party should be prohibited.

Commenting Parties appreciate BPA's review of these comments and consideration of the recommendations contained herein. By return e-mail, please confirm BPA's receipt of these comments.