

COMMENTS OF THE NETWORK CUSTOMER GROUP

These comments regarding BPA's Transmission of Tomorrow process are submitted on behalf of Cowlitz PUD, Eugene Water and Electric Board ("EWEB"), Northwest Requirements Utilities ("NRU"), PNGC Power, and Western Public Agencies Group ("WPAG") (collectively, the "Network Customer Group").

The Network Customer Group collectively represent over 85 BPA preference customers that use BPA's Network Integration Transmission Service ("NT") to bring power to their respective loads. As NT Customers, we rely on BPA to build, maintain, and operate a high performing grid in order to provide firm, reliable transmission service to our members. As the predominant regional transmission provider, BPA is key to enabling the economic growth of both our individual members and the region as whole. In partnership with BPA, our distribution systems provide long-term native load growth opportunities vital to the Pacific Northwest economy.

The Network Customer Group appreciates BPA taking the initiative to propose changes to its transmission business model so that BPA can, in practice, better meet its existing obligations under BPA's Open Access Transmission Tariff ("BPA's OATT") to plan for and provide reliable service for network load on firm transmission. This is an area that the Network Customer Group has long believed that BPA has not given as much attention to as it deserves. We were encouraged to see in the 2015 Strategic Intent Paper BPA's commitment to make NT planning and service issues a priority, or at the very least elevating such issues to a level consistent with BPA's long-standing obligations to its NT customers under BPA's OATT. To this end, we are looking forward to the meeting later this month, which we understand will focus on NT issues and hope will be a good step towards BPA delivering on the NT service related commitments made under the Strategic Intent Paper.

At this time, we lack pertinent information and thus are unable to provide any substantive comments on the materials discussed at the July 26th meeting, other than to say that we are concerned about and await more details on BPA's proposal to use Conditional Firm service to serve NT customer load on the South of Allston flowgate. As BPA well knows, Section 28.3 of BPA's OATT requires it to *"provide firm transmission service over its Transmission System to the Network Customer for the delivery of capacity and energy from its designated Network Resources to service its Network Loads."* BPA has yet to explain how the use of Conditional Firm meets this fundamental obligation to its NT Customers. We have misgivings that offering Conditional Firm to all of the pending transmission service requests for South of Allston will do nothing more than reduce system reliability for all such transmission customers, including NT customers. Our hope is that BPA will address this concern in more detail in future workshops as well as provide greater insight as to the end-state to the Conditional Firm bridge that BPA envisions for NT customers for South of Alston.

Finally, we believe that at the end of the day a successful TOT process must produce the following items:

1. A proposal for revising BPA's OATT;
2. A substantially complete set of proposed changes to BPA's business practices;
3. A detailed plan for how BPA intends to plan for and serve requests for Point-to-Point service over congested flowgates;
4. A detailed description of Network Integration Transmission Service;
5. A detailed plan for how BPA intends to serve *all* forecast network load on firm transmission;
6. A detailed proposal of how BPA intends to study and plan for ATC;
7. A detailed explanation of areas where BPA is unable or unwilling to adopt the terms of *Pro-Forma* OATT either due to its statutory obligations or other business reasons; and
8. A timeline for the elimination the of Unlimited Hourly Firm product.

Towards that end, the Network Customer Group looks forward to participating in the summer workshops and to working with BPA on building a long-term sustainable plan for BPA's transmission system. Thank you for the opportunity to comment.