

**Comments of the M-S-R Public Power Agency  
Regarding Transmission Business Model/Pro Forma Gap  
Analysis Workshop**

The M-S-R Public Power Agency (“M-S-R”) is a joint powers agency formed by the Modesto Irrigation District, and the Cities of Santa Clara and Redding, California, each of which is a consumer owned utility. Beginning with a 2005 contract, M-S-R obtained contractual rights to the output from some of the first large scale wind resources developed in Washington State. M-S-R and its members currently have rights to 350 MW of wind generation in Washington and Oregon, which its members use to serve their customers and meet California’s Renewable Portfolio Standards. Those customers ultimately bear the cost of the Bonneville Power Administration (“BPA”) transmission rates.

M-S-R appreciates the opportunity to comment on the Transmission Business Model/Pro Forma Gap Analysis Workshops, which have raised some important issues regarding BPA’s transmission services. M-S-R understands the primary drivers of the proposed changes are to address the changing transmission environment, with renewables growth, energy market developments, and changing load patterns potentially changing how BPA’s transmission system is utilized. M-S-R also understands that the gap analysis is intended to bring the tariff closer to BPA’s existing practices and, where feasible, closer to the *pro forma* Open Access Transmission Tariff. While those drivers are important to address, several of the proposed changes could result in significant cost shifts and other changes to the costs and terms of service of BPA transmission.

M-S-R understands BPA is seeking input regarding the parties’ views on the relative importance and proposed timing of potential changes. However, the ultimate scope of the workshops and details of the proposed changes remain unclear. Given the preliminary stage of the discussions, M-S-R is not in a position to provide specific comments on the different possible changes discussed to date. M-S-R preliminarily notes its agreement with concerns expressed in the workshops regarding pricing of losses and potential impacts of the removal of hourly firm service.

M-S-R appreciates the opportunity to comment on these issues, and looks forward to working with BPA in the future workshops to explore the proposals to evolve BPA’s its transmission business model.