

To: Tech Forum
Date: January 14, 2010
Re: NRU Comments on BPA's Order 890 Reciprocity Status

Submitted via email

Northwest Requirements Utilities (NRU) appreciates the opportunity to submit comments on the issue of BPA reciprocity. NRU is trade association representing the interests of 49 of BPA's load following customers, all of whom rely exclusively or primarily upon BPA for power supply and transmission services. Many NRU members are served by transfer service across the transmission systems of non-federal providers.

BPA is asking for regional feedback on whether it should seek a FERC conference on three specific Order 890 reciprocity challenges. Additionally, the Agency has posed the question of whether BPA should continue to seek FERC approval of its open access transmission tariff (OATT) under safe harbor reciprocity.

NRU continues to support BPA's decision to seek a waiver from strict compliance with the FERC pro forma OATT on the following areas BPA identified in its December 14, 2009, Order 890 Reciprocity Questionnaire:

- Simultaneous windows functionality for the short-term market (as it pertains to priority ranking against other systems automation needs);
- Systems conditions version of conditional firm transmission service; and
- Provision for BPA to act as the financial middleman for transmission resales.

NRU thinks that a technical conference with FERC may be useful in persuading FERC to permit the waivers.

Regarding the larger issue of whether BPA should attempt to maintain reciprocity status with FERC, NRU generally believes that BPA should maintain an OATT that adheres to the pro forma FERC tariff to the extent reasonable and practical. NRU recognizes that BPA may need to make exceptions to the pro forma tariff for pertinent business reasons, and generally believes that BPA ought to have the flexibility to implement procedures and policies that benefit the region rather than respond to FERC initiatives that may not benefit the region. Further, NRU prefers that BPA staff spend its time developing and establishing policies to improve its transmission operations rather than prepare and defend its application for safe harbor reciprocity as a non-jurisdictional entity.

NRU's support for BPA's interest in not pursuing a "safe harbor" tariff from FERC is conditioned on the following: (1) BPA should engage the region in a meaningful, collaborative public process whenever it contemplates deviating from the pro forma tariff, and these procedures should be indicated in its tariff; (2) BPA should attempt to maintain conformance with the pro forma tariff in almost all cases where it is feasible and practical to do so, as it will be easier for all regional players to transact business over transmission systems that follow the same general rules; and (3) BPA should

seriously consider how any deviation from the pro forma tariff could potentially affect BPA customers served by transfer service, and take steps to ensure these customers' transfer services are not placed in jeopardy.

These comments have been reviewed by NRU's Power Supply Committee; however, individual NRU members may elect to submit their own comments. NRU appreciates the opportunity to submit these comments.

Respectfully,

A handwritten signature in cursive script that reads "John D. Saven".

John D. Saven, CEO
Northwest Requirements Utilities

CC: Members of NRU