

October 28, 2015

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Submitted via email to refredrickson@bpa.gov

RE: NRU Comments on BPA Southern Intertie Hourly Non-Firm Transmission

NRU appreciates BPA convening this process to examine the seams issues associated with the Southern Intertie. As representatives of 54 Load Following and NT customers of BPA, we have a significant interest in ensuring BPA can preserve the value of the Southern Intertie.

At the October 14th workshop, BPA provided a list of potential rate and non-rate alternatives for further analysis in the coming months. We suggest that BPA focus on developing and vetting rate design modifications, such as (1) setting rates based on historical usage, or (2) setting rates by adjusting the number of hours with “high value.” We do not agree with the “status quo” approach, as there has been sufficient demonstration of the need to address potential devaluation of the Southern Intertie assets. We agree there may be non-rate alternatives that would also help preserve the value of long-term rights on the Southern Intertie.

Given the complexity and lasting impact of modifying a rate structure, we encourage BPA to spend the time that is needed to fully analyze and understand the implications of any solution that is implemented, which may mean the rate would be adopted in the BP-18 rate case. However, we do not oppose BPA holding a “mini” 7(i) process in spring of 2016, particularly if we are able to fully vet and understand the proposed rate changes.

Ultimately, a collaborative approach with neighboring transmission providers would provide the most durable solution to addressing the seams issues. However, NRU would encourage BPA to move forward with other potential solutions if timely collaboration is not feasible.

We will continue to be involved in this process and will submit feedback accordingly.

Respectfully,

/s/ Megan Stratman

Megan Stratman