

UNITED STATES OF AMERICA

BEFORE THE

FEDERAL ENERGY REGULATORY COMMISSION

United States Department of Energy ) Docket No. NJ09-\_\_\_\_\_  
Bonneville Power Administration )  
Transmission Service Terms and Conditions )

BONNEVILLE POWER ADMINISTRATION PETITION FOR DECLARATORY  
ORDER GRANTING RECIPROCITY APPROVAL AND FOR EXEMPTION FROM  
FILING FEE

Pursuant to 18 C.F.R. § 35.28(e) and 18 C.F.R. § 385.207, the Bonneville Power Administration (BPA) hereby submits certain amendments to its Open Access Transmission Tariff (OATT) and petitions the Commission for a declaratory order finding that BPA's OATT, as amended by this filing, substantially conforms or is superior to the *pro forma* tariff and that BPA continues to maintain its reciprocity status.

REQUEST FOR EXEMPTION FROM FILING FEE

Commission regulations provide that anyone engaged in the official business of the Federal Government is exempt from the fees required by 18 C.F.R. Part 381 and may petition for exemption in lieu of the applicable fee. 18 C.F.R. § 381.108. BPA is an agency within the United States Department of Energy. It is a Federal power marketing administration with its principal place of business at 905 N.E. 11<sup>th</sup> Avenue, Portland, Oregon. BPA requests exemption from the filing fee.

PETITION FOR DECLARATORY ORDER

BPA is a non-jurisdictional utility with an approved reciprocity tariff on file with the Commission. BPA is making this filing primarily to conform its tariff to the tariff included in Commission Order No. 890. *Preventing Undue Discrimination and*

*Preference in Transmission Service*, FERC Stats. & Regs. ¶ 31,241 (2007) (Order 890).

In this petition BPA requests approval of certain deviations from the Order 890 tariff on the ground that the deviations substantially conform or are superior to the comparable *pro forma* tariff provisions. In addition, BPA has added certain provisions to its OATT pursuant to guidelines in Order 890; deleted certain existing tariff deviations to conform to the Order 890 tariff; and made two amendments unrelated to Order 890. Finally, BPA has included in this filing its Small Generation Interconnection Procedures (SGIP) and Small Generation Interconnection Agreement (SGIA), and is requesting certain deviations from these as well.

Finally, BPA notes that on September 6, 2007, BPA filed certain tariff amendments with the Commission, asking the Commission for a declaratory order accepting the amendments as satisfying the standards for reciprocity, subject to the Commission's review of BPA's Order 890 filing. *See* docket No. NJ07-8-000. The Commission has not yet ruled on that filing. BPA respectfully asks that the Commission rule on it in conjunction with its ruling on this petition, or before, so that BPA will know its reciprocity status.

The tariff included with this filing includes the amendments BPA submitted in docket No. NJ07-8-000 (not shown in redline in this tariff). If the Commission does not approve all the amendments submitted in that filing, BPA will address the relevant sections after receiving the Commission's order (BPA has made one amendment to the tariff language submitted in docket No. NJ07-8-000, changing Attachment M's self-references from *K* to *M*.)

This petition is divided into the following sections:

- A. Proposed Deviations from the Order 890 Tariff
- B. Provisions BPA has added to its OATT pursuant to guidelines in Order 890
- C. Existing deviations BPA has deleted from its OATT
- D. Amendments unrelated to Order 890
- E. BPA's proposed SGIP and SGIA

This filing includes the following:

- 1. BPA's Petition for Declaratory Order and for Exemption from Filing Fee
- 2. BPA's revised OATT, redlined copy
- 3. BPA's revised OATT, clean copy
- 4. BPA's creditworthiness procedures

**A. Proposed Deviations From the Order 890 Tariff**

BPA proposes the following deviations from the Order 890 *pro forma* tariff. For the reasons stated with respect to each proposal, BPA believes that each deviation substantially conforms or is superior to the comparable *pro forma* tariff provision.

1. Sections 1.26 and 1.29, Network Resource and Non-Firm Sales

These sections are discussed in paragraph 15 regarding undesignation of network resources.

2. Sections 1.39 & 18.2(viii), Pre-Confirmed Application

BPA has amended these sections to provide that pre-confirmed applications are limited to those for which the transmission provider can provide “the full amount” of the requested transmission service. Under the *pro forma* tariff, a transmission customer that

submits a pre-confirmed application commits to executing a service agreement for the transmission. BPA's amendment recognizes that the transmission customer is committed only if the transmission provider offers the full amount of capacity requested. If the transmission provider offers partial service, the transmission customer may refuse the offer. The amendment removes any ambiguity regarding the transmission customer's obligations.

3. Section 1.46, System Condition

This section is discussed in paragraph 6 regarding conditional firm service.

4. Section 12.1, Dispute Resolution

BPA has deleted language providing that applications for rate changes are presented directly to the Commission for resolution. BPA has deleted this language because BPA must set its rates pursuant to the procedures prescribed by section 7(i) of the Northwest Power Act. 16 U.S.C. § 839e(i). Although BPA submits its proposed rates to the Commission for approval, BPA does so only after it has held a public, statutory proceeding to establish its rates. Therefore, it is incorrect and misleading to suggest that BPA's applications for rate changes are "presented directly to the Commission for resolution." The existing language was included in BPA's previous tariffs because of an oversight.

Although BPA has deleted the above language, for the same reasons we have added back language to section 12.1 making clear that rate changes remain excluded from the dispute resolution process. Because BPA's rates are set pursuant to the statutory hearing process, they are not subject to alternative dispute resolution.

5. Section 13.2(iii)

a. Daily Transmission Service

The *pro forma* tariff provides that requests for daily transmission service remain conditional and are subject to pre-emption until one day before the commencement of service. BPA has amended this provision to read that such requests remain conditional until the earlier of 2:00 p.m. of the preschedule day or 2:00 p.m. one day before the commencement of service. The reason for this change is that the preschedule day is not always the day before the commencement of service. For example, the preschedule day for Saturday is Thursday, and the preschedule day for Monday is Friday. BPA's amendment ensures that customers cannot be pre-empted after they have prescheduled their service. It would be very difficult for customers to arrange their affairs if, for example, they prescheduled a transaction on Thursday only to be pre-empted the next day.

b. Simultaneous Windows

In Order 890, the Commission said that transmission providers that have set "no earlier than" times for submission of transmission requests must treat all requests received within a specified time period as having been received simultaneously. Order 890 P. 1419. BPA has adopted business practices under which short-term transmission service requests may be submitted no earlier than specified deadlines, which depend upon the term of the request. BPA plans to adopt a simultaneous window for short-term requests. However, BPA is not yet able to implement a simultaneous window and must modify certain software before it can do so.

BPA plans to adopt as a pilot program a simultaneous window modeled on the one adopted by the Mid-Continent Area Power Pool (MAPP) and approved by the Commission. MAPP adopted a five-minute window under which priority of requests is determined first by duration, second by whether the request is pre-confirmed, and third by price (price is not currently relevant to MAPP or to BPA, since BPA has a set price for each transmission product). When requests have equal priority and there is insufficient capacity to grant all of them, transmission capacity is awarded through a random lottery.

BPA has access to the software that supports the MAPP process. Before implementing a simultaneous window, however, BPA must modify the software to work with BPA's OASIS, which uses highly customized software. For example, and most importantly, the software has been modified to accommodate BPA's ATC methodology, under which ATC is based on a flow-based model for the network and a contract path model for the interties. Therefore, BPA cannot simply add off-the-shelf software on top of the OASIS software to support the simultaneous window. After customizing the MAPP software BPA must test it to ensure that it interacts appropriately with the software BPA uses for tracking and posting short-term firm and hourly firm ATC and that it does not cause BPA's OASIS software to crash. BPA has undertaken a number of automation projects and will develop its simultaneous window as soon as possible.

#### 6. Section 15.4, Conditional Firm Service

BPA has amended section 15.4 to (i) delay implementation of conditional firm (CF) service until BPA has developed tools to allow it to offer conditional firm ATC and to monitor and appropriately curtail conditional firm schedules, estimated to be March 2009; (ii) temporarily remove "system conditions" as an option for conditional firm

service; and (iii) require transmission customers taking CF service to identify the generator(s) associated with their Point(s) of Receipt and reduce the output of the generators when CF schedules are curtailed during conditional curtailment hours.

a. Delay in Implementation of Conditional Firm Service

To ensure that conditional firm service does not impair reliability or degrade service to existing firm service customers, BPA must be able to perform two sets of functions: it must be able to identify conditional firm schedules and assign them the appropriate curtailment priority; and it must be able to automatically track, monitor, and curtail e-tag schedules over all of BPA's network flowgates. Largely because of the volume of transactions on BPA's system, BPA cannot yet perform these functions.

In 2007 BPA received over 700,000 e-tag schedules and expects to receive 850,000 e-tag schedules in 2008. To ensure that it curtails CF schedules appropriately, BPA plans to assign a transmission customer's CF schedules a curtailment priority of secondary nonfirm until the customer has been curtailed for the full amount of its conditional curtailment hours, after which BPA will assign the schedules a curtailment priority of firm. Therefore, to appropriately curtail CF service BPA's system must be able to recognize a CF schedule; identify the number of hours of conditional curtailment remaining for each CF reservation; and change the curtailment priority of a CF reservation to firm once those hours have been exhausted. Given the number of e-tags it receives, BPA cannot perform these functions manually. Therefore, BPA is developing an automated curtailment system.

BPA is also developing tools to appropriately curtail firm transmission service. Under current North American Electric Reliability Corporation (NERC) and Western

Electricity Coordinating Council (WECC) reliability standards, once the Operating Transfer Capability (OTC) threshold of a flowgate is exceeded transmission providers have either 20 or 30 minutes, depending on the path, to invoke redispatch and curtail schedules. BPA currently has curtailment calculators for two of its ten network flowgates. The curtailment calculators determine the amount of curtailment required to eliminate the OTC exceedance. BPA cannot accurately perform this function on its other flowgates.

BPA is developing congestion management tools that will automatically perform redispatch and curtailment for all of its flowgates. Once the congestion management tools are operating, BPA will no longer rely on current curtailment calculators and will be able to perform redispatch and curtailment in the same hour (a function BPA cannot perform when it uses curtailment calculators). BPA estimates that the tools will be ready by March of 2009.

In addition, BPA must develop tools to allow it to make CF offers in the first place. Currently BPA calculates two categories of ATC, long-term firm ATC and short-term firm ATC, and makes long-term offers based on the long-term ATC calculation. BPA now must create a third category, conditional firm ATC, and develop the capability to respond to long-term firm transmission requests with a combination of long-term firm ATC and conditional firm ATC.

For example, a given long-term firm request may utilize ATC over four different flowgates. BPA may have enough long-term ATC on two of the flowgates to fulfill the request, but not on the two others. Today, BPA would offer a system impact study. Once it adopts conditional firm service, however, BPA would have to calculate and

decrement conditional firm ATC on the two congested flowgates and respond to the request based on a combination of long-term firm ATC and conditional firm ATC — to take ATC from two buckets instead of one, as it were. BPA does not yet have the tools to mix and match ATC in this fashion.

Finally, under Order 890 transmission providers must assign available short-term firm ATC to conditional firm customers to firm up the conditional curtailment hours. *See* Order 890, P 1078; Order 890-A, P 567. This assignment of ATC likewise will require a series of complex calculations for which BPA must develop automation. BPA must calculate short-term firm ATC; identify those CF reservations with remaining conditional curtailment hours; allocate the appropriate amount of short-term ATC to each such reservation in queue order; change the reservation's curtailment priority from nonfirm to firm for the period of time that it has been firmed up; and determine when each reservation has exhausted its conditional curtailment hours to ensure that the reservation is no longer allocated short-term ATC (because at that point the reservation would be firm in all hours). BPA then must post the remaining short-term firm ATC for sale to the market. BPA currently has no tools to perform these functions, and the calculations are too complex to perform manually.

BPA has begun work on the various tools needed and has developed a method to determine the amount of ATC available on a conditional firm basis for each flowgate.

BPA expects to have the remaining tools in place by March of 2009.

b. Temporary Removal of “System Conditions” as an Option for Conditional Firm Service

Before BPA can offer conditional firm service based on system conditions, it will need to expand on the congestion management tools described above. To be able to offer

conditional firm service as quickly as possible, however, BPA will initially devote its resources to developing tools to provide conditional firm service based on a specified number of conditional curtailment hours per year. BPA will then build upon those tools so that it can offer conditional firm service based on system conditions.

As complex as it is, conditional firm service based on a specified number of conditional curtailment hours per year is less challenging than conditional firm service based on system conditions. In the former case, the transmission provider knows as it enters each hour whether the CF schedule is firm or nonfirm; it is nonfirm unless either its conditional curtailment hours have been exhausted or it has been firmed up for the hour by the assignment of short-term firm ATC. That is not the case for CF based on system conditions. For BPA's transmission system, a "system condition" is likely to be an OTC exceedance over a particular flowgate. For CF based on system conditions, therefore, whether the service is firm or nonfirm in any hour will depend on whether the flowgate that becomes congested during the hour is listed in the CF service agreement. Conditional firm e-tags will have unique characteristics in that they will have two potential curtailment priorities for each hour.

Therefore, in addition to the functions described above, to implement CF curtailments based on system conditions BPA will have to (i) check each conditional firm reservation to determine which flowgates are listed in the service agreement as a system condition; (ii) determine whether any of those flowgates is the one experiencing congestion during a given hour; and (iii) if the flowgates do match, modify the e-tag priority (recall that by default the CF schedule will be assigned a curtailment priority of firm) to reflect that the reservation is nonfirm for that hour. And BPA will have to

perform all of these functions, and then implement the curtailment, within the normal 20- or 30-minute period for mitigating OTC exceedances.

NERC and the North American Energy Standards Board are developing communication protocols to enable a transmission provider to change the curtailment priority of an e-tag when a specified system condition occurs. These protocols, however, will not help transmission providers to match the congested flowgates with the flowgates listed in the CF service agreement.

Notably, in the public meetings BPA held to discuss its tariff filing, BPA's customers did not object to the temporary removal of system conditions as an option for conditional firm service. BPA's customers are much more interested in conditional firm service based on a specified number of hours per year, because this option caps their exposure to conditional curtailments. They supported BPA's proposal to move forward more quickly to adopt this option rather than wait until it could offer both options for conditional firm service. Nevertheless, once BPA can offer conditional firm service based on system conditions, BPA will offer existing conditional firm service customers a one-time option to switch from conditional firm service based on a specified number of hours per year to service based on system conditions.

c. Submission of schedules that include the same PORs and PODs as are included in the transmission reservation

BPA proposes to require conditional firm customers to submit schedules with points of receipt and points of delivery that are the same as the points of receipt and points of delivery included in the customer's transmission reservation. Historically this has not been the practice in the Pacific Northwest. However, this requirement will ensure

that BPA is able to curtail schedules accurately and thereby preserve the quality of existing firm transmission service.

Transmission customers are required to describe their points of receipt with some specificity in their transmission reservations. To provide customers flexibility in the operation of their generating resources, however, Pacific Northwest transmission providers allow them to submit schedules with very general descriptions of the point of receipt. For example, a customer is allowed to list “PAC West” as the POR on a schedule even though this designation encompasses every interconnection between BPA’s transmission system and the western portion of PacifiCorp’s system. Based on assumptions regarding energy flows, BPA deems one of the possible interconnections to be the POR.

If BPA’s assumptions are inaccurate, however, curtailment of the schedule will not afford relief over the congested flowgate. By requiring PORs and PODs on schedules to meet the same test for specificity that reservation PORs and PODs must meet – that is, by requiring that PORs and PODs be the same on both reservations and schedules – BPA will know the impact of the schedule on each flowgate and will be able to curtail schedules with a fairly high degree of precision.

It is true that the existing practice under which customers may list general points of receipt on their schedules can reduce the effectiveness of curtailments even for traditional nonfirm and firm service. For two reasons, however, it is appropriate to require conditional firm customers to schedule with more specificity. First, conditional firm service is a new product that will enable additional generation to flow onto BPA’s transmission system and inevitably place more stress on the system. BPA does not want

its adoption of conditional firm service to degrade service to existing firm transmission customers. By requiring greater specificity of conditional firm transmission customers, BPA can maintain the quality of existing firm service.

Second, unlike long-term firm service, conditional firm service is not offered on the assumption that transmission will be available for every hour. Long-term firm service is offered when service is available for all hours during the year. There is no expectation of curtailment as long as all lines are in service. Conditional firm service, on the other hand, is offered only when this assumption does *not* hold: that is, when firm service is not available for all hours during the year. Therefore it is offered with the expectation that curtailment may be necessary even with all lines in service. To preserve existing customers' firm rights, BPA must be able to curtail conditional firm service as accurately as possible. BPA will work with conditional firm customers to ensure that the PORs and PODs listed on the reservation are sufficiently specific.

Once the appropriate tools are in place, BPA expects to be able to offer 1,000 to 1,600 MW of conditional firm service to requests currently in its long-term transmission queue. Because BPA's customers prefer conditional firm service based on a specified number of hours, BPA expects its customers to take at least a significant portion of the service offered. Given the novelty and challenges of implementing conditional firm service, and the success BPA expects offering conditional firm service based on a specified number hours per year, BPA respectfully suggests that its conditional firm proposal substantially conforms or is superior to the service in the *pro forma* tariff.

7. Section 17.1 & 29.2, Application Procedures

BPA has deleted the requirement for a written application for long-term transmission service because requests for service are made over OASIS. For the same reason BPA has deleted the reference to the application procedures that apply before the transmission provider has implemented its OASIS.

Because OASIS cannot yet accept all information that must accompany an application, however, BPA has added back in a provision allowing submission of additional information by other means. For example, OASIS is not yet able to accept all information regarding the supply characteristics of the capacity and energy to be delivered (*see* OATT section 17.2(v)), and may be unable to accept additional information required by the planning process established in Attachment K (*see* OATT sections 17.2(x) & 29.2(ix)). For those very small customers without access to OASIS, BPA has added a provision for continued written application.

8. Sections 17.2(xi) & 29.2(x), Ancillary Services Purchased from Transmission Provider

BPA has added a requirement for the transmission customer to state in its application for transmission service which ancillary services it will purchase from the transmission provider. This statement is already required under section 3 of the *pro forma* tariff. BPA has added it in sections 17.2 and 29.2, which list the information that must be included in applications for PTP service and NT service, respectively, so that all application requirements are included in one place.

9. Sections 17.3, 17.4, 17.6.1, 17.6.2, 17.7, 19.4, 20.3, 29.2, 29.6, 32.1, 32.4, Deposit

BPA proposes to change the deposit and refund process for applications for Firm Point-to-Point Service and Network Integration Transmission Service. BPA will continue to accept deposits for transmission service, but will not pay interest on the deposits. Transmission customers will instead be given the option of establishing an interest-bearing escrow account. For PTP service, the deposit will be returned or the funds released from escrow 30 days after BPA receives an executed transmission service agreement, or, if the customer does not execute a service agreement, within 30 days of the denial or withdrawal of the customer's application. (The comparable provision for network service in the *pro forma* tariff has no provision for a refund, and BPA has not changed that aspect of the network service provision.)

This change substantially conforms or is superior to the *pro forma* tariff because transmission customers will still be able to earn interest on their application deposits through the use of interest-bearing escrow accounts. In addition, by reducing BPA's interest expenses to zero, this change will assist BPA in meeting its statutory obligation to set the lowest possible rates for transmission and energy consistent with sound business principles. 16 U.S.C. § 825s. Returning the deposit upon execution of the service agreement rather than upon its expiration or termination benefits customers because they receive refunds much earlier than they do under the *pro forma* tariff.

In 2005 the Commission approved a similar provision for the Western Area Power Administration (Western), a fellow Federal power marketer agency. *Western Area Power Administration*, 112 FERC ¶ 61,044, at 61,326 (2005). This provision was retained in Western's recent tariff, which the Commission approved on May 1, 2007.

BPA has also included a provision for a non-refundable processing fee to be paid with each application for long-term transmission service. The purpose of the fee is to cover BPA's costs of processing applications for long-term service while avoiding the need to determine the "reasonable costs" of such review. The Commission approved a similar processing fee in BPA's original tariff filing. *United States Dep't of Energy – Bonneville Power Administration*, 80 FERC ¶ 61,119 (1997). It later approved the same processing fee for Western. *United States Dep't of Energy – Western Area Power Administration*, 99 FERC ¶ 61,062 (2002).

Although BPA later conformed its tariff to the *pro forma* tariff, BPA continued to charge the processing fee under its application business practice (under the business practice, a fee is applied only when the application does not result in an executed service agreement. Under its proposed tariff provision, BPA will charge the fee for all applications for service.). BPA has decided to restore the deposit provision to the tariff. The proposed tariff provision does not specify the amount of the fee, which BPA will continue to include in its business practice so that BPA can change the fee more quickly if its costs increase. It should be noted, however, that BPA's current fee of \$2,500 is the same fee the Commission approved 11 years ago. BPA's history demonstrates that it will raise the fee only when truly necessary to cover increased costs.

#### 10. Section 17.7, Extensions for Commencement of Service

BPA has not adopted the Order 890 language under which the customer must pay the reservation fee for extending service within 15 days of notifying the transmission provider that it intends to extend service. Because payment of a reservation fee is part of the charge for transmission service, BPA included the fee in its rate schedule, which the

Commission has approved. Under BPA's rate schedule, the customer must pay the first reservation fee within 30 days after the original service commencement date, and must pay all subsequent reservation fees within 30 days after the anniversary date of the original service commencement date.

This provision substantially conforms or is superior to the *pro forma* tariff because it allows the customer more time than allowed under the *pro forma* tariff to pay the reservation fee. In addition, this provision has been in its rate schedule for the last several rate cases (BPA sets transmission rates every two years), and has been approved by the Commission each time. Finally, BPA believes that under its statutes, which require a hearing process before BPA can change rates, it is appropriate to handle this issue in its rate schedule rather than in the tariff.

10. Sections 19.1.1 & 32.1.1, section 3.3.5 of the LGIP, and section 3.2.4 of the SGIP, Environmental Review

BPA has added provisions requiring the transmission customer to execute an environmental study agreement and fund the study if environmental review is required in response to a request for transmission service. If the customer fails to execute the study agreement, its application will be deemed withdrawn, just as, under the *pro forma* tariff, an application is deemed withdrawn if a customer fails to execute a system impact study agreement or a facilities study agreement.

As a Federal agency, BPA must conduct an environmental review under the National Environmental Policy Act and other statutes before offering transmission service that requires the construction of new facilities. Under the *pro forma* tariff, the customer is required to execute and fund all studies that must be performed before the transmission provider can provide transmission service. BPA's proposal treats the

environmental study the same as all other studies conducted under the tariff and is therefore consistent with the *pro forma* tariff.

11. Sections 19.9 & 32.5, Penalties for Failure to Meet Study Deadlines

BPA has omitted the provision under which the transmission provider is subject to penalties for failing to complete transmission studies within 60 days, as well as the notice that is filed with the Commission with respect to late studies. BPA has retained the requirement under which the transmission provider tracks the number of studies it fails to complete on time. BPA intends to use due diligence to meet the study deadlines and intends to track its performance. BPA is omitting only the penalty provision itself.

The Commission has already approved a reciprocity tariff that omitted the requirement to file a notice with the Commission regarding late studies. *East Kentucky Power Coop, Inc.*, 121 FERC ¶ 61,012 (2007). As noted, BPA has also omitted the penalties themselves. It has done so for two reasons.

First, BPA is a non-jurisdictional entity and the Commission's penalty authority regarding late studies does not extend to BPA. BPA is unsure what authority the Commission is relying on for the imposition of operational penalties. However, BPA is unaware of any such authority that would apply to it as a non-jurisdictional utility. Because an agency cannot create its own authority, in the absence of statutory authority BPA cannot be required to pay penalties as a condition of reciprocity. Therefore, it would be inappropriate for BPA to include the penalty provision in its reciprocity tariff.

Second, under the *pro forma* tariff the transmission provider must pay the study penalties to its customers. The Commission has said that public utilities may not include the penalties in their rates. Order 890, P 1357. BPA, however, has no shareholders to

bear the costs or indeed any source of funds other than rates. In addition, BPA is statutorily required to set its rates to fully recover its costs, and the Commission is required to approve BPA's rates only upon a finding that the rates are sufficient to recover BPA's costs. 16 U.S.C. §§ 839e(a)(1) & (a)(2). Therefore, BPA must include any penalties it pays in its rates. Paying penalties to customers only to recover them from the same customers would have little purpose other than to impose administrative costs on BPA and its ratepayers.

Except for the penalty provisions, BPA intends to adhere to Order 890 regarding completion of studies. BPA will use due diligence to complete the studies within the study deadlines; will track the percent of non-affiliates' studies that it completes outside of the deadlines; and will post study metrics as provided in Order 890. Indeed, instead of simply deleting sections 19.9 and 32.5, which provide for the study penalties, BPA has amended these sections to provide that BPA will track its performance in completing studies for both point-to-point and network service. BPA intends to adhere to the Commission's study penalty regime up to the point at which legal issues intrude.

## 12. Section 23.1, Procedures for Assignment or Transfer of Service

### a. Removal of Price Cap

BPA has adopted the *pro forma* language removing the price cap on the resale of transmission for service prior to October 1, 2010. Like the Commission, BPA has not yet decided whether to remove the price cap permanently. In addition to the studies the Commission staff will undertake, BPA will perform its own monitoring of the market for secondary transmission in the Pacific Northwest before deciding whether to lift the cap

permanently (assuming the Commission decides to do so). BPA's monitoring will focus on two issues.

First, BPA will study whether removal of the price cap appears to have caused adverse impacts to energy or transmission markets through hoarding of transmission or otherwise. Second, BPA will study whether removal of the price cap results in a more robust secondary market in transmission or has other benefits. BPA will utilize its own staff and an external consultant to perform the market monitoring.

b. Financial Facilitation of Assignments

BPA has not adopted the amendment to section 23.1 under which the transmission provider charges or credits the reseller for the difference between the price reflected in the reseller's service agreement with the transmission provider and the price reflected in the reseller's service agreement with the assignee. As explained further below, BPA has undertaken a major project to replace its existing billing system. To be able to act as the financial intermediary in reassignments BPA would have to either upgrade its existing, soon-to-be-discarded billing system or add this function to the new billing system, thereby delaying its completion until the pilot program was more than half over. Either option would increase costs for little benefit. Therefore, BPA believes that its proposed deviation substantially conforms or is superior to the *pro forma* tariff.

BPA surveyed a number of transmission providers in the Pacific Northwest and elsewhere regarding how they handle reassignments. All transmission providers BPA contacted said that they process fewer than ten reassignments per month and handle the reassignments manually. On BPA's system, on the other hand, there are currently as many as 1,800 reassignments per month – this was the number of reassignments in both

March and April 2008 – and removal of the price cap may increase this number. This huge number exists largely because, unlike most other transmission providers, BPA offers hourly firm transmission; approximately 95 percent of the reassignments are of hourly firm.

Therefore, BPA considered adopting the *pro forma* provision for all but hourly reassignments. Not only would this approach be of questionable benefit, however – it would cover only five percent of reassignments – but BPA is not equipped to handle even the 90 or so transactions per month that such an approach would entail. BPA would have to manually track and appropriately credit and surcharge 90 bills per month, an accounting task that would be fraught with the prospect of error. In addition, the assignee could itself reassign all or part of the transmission assigned to it, and the second assignee could do the same, on down the line. BPA’s billing system is not equipped to work back up the chain from the last assignee to determine the appropriate bill for each customer.

In addition, in order to ensure it received full payment BPA would need to delay crediting the assignor until it received payment from the assignee, thus charging the assignee and crediting the assignor in different months for the same transmission. BPA would need to modify its systems to allow this delay in the billing process, and would need to be able to unwind the transactions to identify the responsible party if a payment was not made. BPA’s systems are not currently capable of performing these functions. BPA would have to handle the billing manually – a prodigious task – until systems were in place.

BPA concluded that it can perform these functions reliably only if they are automated. By the time automation was in place, however, the pilot program would be

almost over. BPA has struggled for over ten years with separate billing systems for power and transmission bills and currently has two billing systems without vendor support and lacking critical controls. Given the risks of imminent failure, BPA recently hired a contractor to create a combined billing system and to retire BPA's antiquated transmission billing system.

In order to accommodate the transmission resales, BPA would either have to make considerable enhancements to the current system or add the resales function to the combined billing project. Enhancements to the current system would be out-of-date in a year when the new billing system is in place, thereby entailing a considerable expenditure for an exceptionally short-term gain (perhaps only a few months). On the other hand, adding this function to the combined billing project would delay the project (currently due to be completed in June 2009) and thereby increase the risk of failure of the current system. Moreover, even this option would entail only a short-term gain, as a year or less would remain in the pilot program when the project was done.

The third option is to undertake the enhancements for the transmission resales after the combined billing project is completed. Although this course would have the advantage of not delaying the project, it would probably leave even less time before the pilot ended.

Therefore, BPA believes it is the best interest of BPA and its customers to delay a decision on financial facilitation until it is known whether the price cap will be lifted permanently. As noted in section (a), neither BPA nor the Commission has decided whether to lift the cap after the pilot program ends. If the Commission ultimately lifts the

price cap permanently, and if BPA does the same, BPA can reconsider whether to act as the intermediary in transmission resales.

Because BPA will not be acting as the intermediary, its public utility customers will need market-based rate authority in order to make reassignments of transmission. BPA has discussed this requirement with its customers and with Commission staff and understands that the Commission will be receptive to its customers' market-based transmission rate filings.

Finally, because BPA will not be performing the credit and surcharge function, BPA has not adopted Attachment A-1, the form of service agreement for resale of transmission. BPA is aware that the Commission has said that the standard umbrella agreement is insufficient for use with assignments. *Southern Co. Services, Inc.*, 123 FERC ¶ 61,030 (2008). Unlike BPA, however, Southern Company adopted the tariff provision under which the transmission provider credits or surcharges the reseller. Section 4 of Attachment A-1 provides for the credit and surcharge and would not apply to BPA. In all other respects, the standard umbrella agreement appears sufficient for assignments; assignments have always been permitted under the open access tariff without a special service agreement, and BPA has never executed separate service agreements with its customers for assignments. Therefore, BPA believes that its current practice of using its standard umbrella agreement for assignments substantially conforms or is superior to the *pro forma* tariff.

### 13. Part III, Preamble

BPA has deleted the reference to economy energy, which appears to limit the use of secondary network service to the delivery of economy energy. In Order No. 890 the

Commission declined to adopt this restriction, which it had previously proposed. Order 890, P 1601. Therefore, the reference in the preamble to economy energy is misleading.

14. Sections 28.3, 28.7, and 33.4, Conditional Firm Service for Network Service Customers

BPA has amended these sections to include conditional firm service for network integration transmission customers. In Order 890, the Commission, invited transmission providers to propose conditional firm network service. Order 890, P 1093. BPA's network integration customers strongly urged BPA to add this option, and BPA has included conditional firm service for network customers, to be provided under the same rules that apply to conditional firm service for point-to-point customers. BPA expects to implement both services at the same time.

15. Sections 29.2(viii), 30.1, 30.2, 30.4, 1.26, and 1.29, Undesignation of Network Resources

BPA proposes to require undesignation of network resources to make a third-party sale only if the sale is for one year or more. In Order 890-A the Commission said that, if the transmission provider's ATC methodology allows for flexibility in implementing undesignation of network resources, the transmission provider may propose a variation from the *pro forma* tariff. Order 890-A, P 951. BPA's ATC methodology allows for such flexibility because it relies on load forecast data instead of network resource designations to determine ATC. Each year BPA makes a load forecast for each season. When the load forecast is reduced (for example, from winter to spring), BPA reduces the transmission capacity set aside to serve load even if the amount of designated resources is unchanged.

Therefore, at least as to short-term undesignations, the methodology in effect calculates ATC as if the resources had been undesignated, and further undesignation is unnecessary (for reasons explained below, BPA proposes to require undesignation for long-term sales). Because requiring undesignation of network resources on a short-term basis would not increase ATC, and because, as explained below, BPA's proposal will benefit Northwest energy markets, the proposal substantially conforms or is superior to the *pro forma* tariff.

To calculate ATC, BPA first determines, for each month, the typical generation level of every Northwest generation project that affects BPA's system – that is, a change in the generation level of the project changes power flows on BPA's system (BPA does not include those projects whose effect on BPA's system is trivial). BPA assumes that the project generates at this level for each hour during the month; that is, it assumes a single dispatch for each project rather than continuous redispatch of various generators to serve load.

Because the capacity of the Northwest power system exceeds total loads, BPA then scales the generation values down to the amount required to meet monthly forecasts of peak load. For example, if the system capacity in a given season is twice the forecast load, BPA scales the generation values down by half to determine the amount of transmission capacity needed by that project to serve load. Thus, if a given project's typical generation is 1,000 MW, BPA scales the generation values down by half and sets aside 500 MW of transmission capacity for that project to serve load. BPA performs these calculations for each season, determining four generation patterns for the year, and updates its calculations annually based on the most recent information.

Under the ATC methodology, therefore, transmission capacity held out to serve load is based on BPA's forecast of load for each season rather than on the capacity that would be needed to transmit all the generation of designated network resources. The amount of generation designated as network resources does not affect the ATC analysis. For example, assume that BPA's network customers have designated 7,000 MW of network resources and that BPA forecasts a peak winter load of 6,000 MW and a peak spring load of 5,000 MW. Under the ATC methodology, BPA will set aside 6,000 MW of transmission capacity to serve load during the winter and 5,000 MW of transmission capacity during the spring.

As noted above, BPA updates its ATC calculations annually. Therefore, BPA factors undesignations of more than one year into the assumed resource dispatch for the following year's ATC calculations, and reduces or eliminates the amount of transmission capacity set aside for a resource that has been undesignated. Therefore, BPA proposes to retain the undesignation requirement for third-party sales of one year or more.

As shown above, however, because it bases ATC on seasonal load projections, the methodology in effect already takes into account the undesignation of network resources for short-term sales: ATC held out to serve load is lower in off-peak seasons, and transmission capacity above that needed to serve loads is freed up. Because forecasts are based on peak loads, requiring undesignation for short-term sales would increase ATC by some small but definite amount. The benefits of any increase, however, would be more than offset by the resulting harm to Pacific Northwest power markets.

Many Northwest parties believe that the harm to the spot power markets would be severe. In Order 890-B the Commission acknowledged that restrictions on the use of

designated resources “can have a negative impact on real-time liquidity” and said that transmission providers have the right to propose superior terms and conditions to address such concerns. *Preventing Undue Discrimination and Preference in Transmission Service*, 123 FERC ¶ 61,299, P 246 (2008). The Commission added that it “encourage[s] network customers and transmission provider merchant functions to work with their transmission providers to explore ways to accommodate the more flexible use of designated resources.” *Id.*

That is exactly what BPA has done in making this proposal. (Although the Commission was responding to comments made by TAPS on specific issues related to undesignation, BPA believes the point applies more broadly.) Historically the Pacific Northwest has had a robust spot market for energy on which many parties rely heavily. Discussions with BPA’s customers have convinced BPA that a requirement to undesignate network resources to make short-term firm sales would reduce the amount of energy offered in the spot market. According to these customers, the transaction costs of undesignation, largely in the form of staff time, would make many spot market transactions uneconomic – the shorter-term the transaction the more uneconomic it would be. Therefore, a requirement to undesignate could undermine the liquidity of the Northwest’s highly valued spot market and thereby increase electric rates.

Finally, the Commission said that requests for deviations should address its concern that customers may have the incentive to designate unlimited generation resources if they may make third-party sales without undesignation. Order 890-A, P 951. For two reasons BPA believes this will not be a problem.

First, under BPA's ATC methodology, even if customers did designate excess resources the same amount of ATC would be available to the market. As noted above, the transmission capacity BPA sets aside to serve loads is based on forecasts of peak load and is unaffected by an increase in designated resources. Therefore, the market would not suffer even if customers did over-designate network resources.

Second, under section 30.7 of the *pro forma* tariff network customers may designate a resource as a network resource only if they own or have committed to purchase the generation. Although, as the Commission noted, adding designated resources does not increase the network customer's transmission costs, it does increase the customer's energy costs. It seems unlikely that customers would build or commit to purchase generation not needed to serve load and then designate the generation as a network resource. Unless the customer had a purchaser for the power, it would be taking a significant financial risk. And if the customer did have a purchaser, there would be no need to designate the resource for load service.

This is especially true under BPA's proposal, which allows only short-term sales from designated resources. If a network customer has a long-term purchaser for its generation, it will have to undesignate the resource to make the sale. On the other hand, if the customer were counting on a series of short-term sales, it would be taking a significant risk in acquiring and designating a resource in the hopes of sufficient sales. At least under BPA's proposal, there seems little incentive for the customer to do so.

#### 16. Section 35.2, Network Operating Agreement

Section 35.2 of the pre-Order 890 tariff provided that network customers that operate as control areas must do so under applicable guidelines of the North American

Electric Reliability Council and the applicable regional reliability council. The Commission has deleted these references and substituted a reference to the Electric Reliability Organization. BPA has added a statement that the customer must also follow the guidelines of the regional reliability organization. If the ERO delegates authority to a regional reliability organization, that organization may also issue control area guidelines that are binding on participants in the bulk-power markets. Just as the prior tariff required adherence to guidelines of the regional reliability council, it is appropriate that the current tariff require adherence to guidelines of the regional reliability organization.

17. Schedules 4, 7, and 8, Energy Imbalance Service and Firm and Non-Firm Point-to-Point Service

BPA has deleted the specific rate provisions from these schedules. Although BPA previously included these provisions in its tariff, BPA is deleting them because BPA must set its rates through a statutory hearing process. 16 U.S.C. § 839e(i). BPA cannot legally set its rates simply by including them in its tariff and filing the tariff with the Commission.

Moreover, BPA can change the rate only through its statutory process. Therefore, if BPA included the rate in its tariff and then changed the rate, it would also have to amend the tariff (unlike a public utility, which can amend both its rate and tariff in the same process). Unless these two events were timed precisely, for at least some period BPA's rate schedule and its tariff would conflict. To avoid both that result and a potential violation of its ratemaking procedures, BPA is deviating from the *pro forma* tariff to ensure that its rates are subject only to the appropriate statutory process.

For the same reason BPA has not included a mechanism for crediting imbalance penalty revenues (or penalty revenues for unauthorized increases) to non-offending

transmission customers. The crediting of these revenues is a component of rates, and BPA has always addressed all penalty issues related to rates in its statutory ratemaking process. In addition, the review standard for reciprocity tariff rates is that the non-public utility must charge itself rates that are comparable to the rates it charges others. *Orlando Utilities Comm'n*, 122 FERC ¶ 61,089 (2008) P. 26. BPA charges itself the same imbalance rates it charges others. BPA will apply any penalty distribution mechanism it develops in its statutory process equally to itself and others.

#### 18. Schedules 5 and 6, Operating Reserves

BPA's existing schedules 5 and 6 provide that BPA will offer operating reserve service when the transmission service is used to serve load from generation located in BPA's control area. This language has been appropriate because existing WECC guidelines based the control area's operating reserve requirements on generation in the control area.

However, the WECC is considering changing its requirements, and is considering adopting a standard under which the control area's operating reserve requirement is based on both generation and load. If it does so, the current tariff language will be inappropriate. Because the WECC has not adopted a new standard yet, however, BPA has revised schedules 5 and 6 to provide that the transmission provider must offer operating reserve service to meet the transmission customer's operating reserve service obligation, determined in accordance with standards of the ERO or regional reliability organization. With this language, BPA will be able to offer the service to the appropriate customers regardless of the standards the WECC ultimately adopts.

19. Schedule 9 and Section 3, Generator Imbalance Service

BPA has omitted schedule 9 and the language in section 3 regarding generator imbalance service. BPA's rate schedules include generator imbalance service, and BPA has offered this service to all generators located within its control area. (BPA establishes rates pursuant to a statutory hearing process separate from the process for amending its tariff. A given rate schedule applies if a separate agreement – such as the transmission service agreement and tariff – provides for the service in the rate schedule.)

However, the extraordinary increase in wind generation locating in BPA's control area – at levels far more than projections BPA made only a few years ago – has fueled a comparable increase in demand for generator imbalance service and placed enormous strain on BPA's reserve capacity. BPA has only recently been able to begin addressing the operational issues caused by this influx of wind. BPA is assessing both the reserve capacity of the Federal Columbia River Power System (FCRPS) and the availability of reserve capacity on the market. It must complete these assessments before it can determine how best to address generator imbalance in its tariff.

In addition, BPA has engaged in a two-year-long public process with its stakeholders to determine the terms and conditions of its new tariff. Because BPA has only recently realized the magnitude of the generation imbalance issue, it has not yet fully engaged its stakeholders on this issue. As a Federal agency we are particularly sensitive to the need for open public processes and must conduct a thorough public airing of the issue before making a final decision regarding generation imbalance. Rather than delay our Order 890 filing, however, we are making our filing without Schedule 9.

The generation imbalance issue has become critical because of the change in the nature of generation imbalance service caused by the increase in wind generation. Historically, generator imbalance service was primarily an energy settlement service: BPA would charge or credit the generator for the monthly deviation between scheduled energy and delivered energy. Because the deviations were manageable, the service placed little strain on BPA's reserve capacity.

The large increase in wind generation, however, has changed this dynamic. Because of wind's variable output and the associated scheduling errors, deviations have become far more significant and BPA must set aside considerable capacity to ensure it can address imbalances and thereby maintain reliability. BPA is still struggling to determine how to reliably integrate all the new wind generation coming online.

To put the issue in perspective, only ten years ago BPA integrated its first 25-MW wind plant into its system. Today, approximately 1,500 MW of wind generation are interconnected within BPA's control area. BPA expects 2,000 MW to be interconnected by the end of 2008, and more than 4,300 MW by the end of 2011 – almost triple the amount interconnected today. BPA has over 15,000 MW of wind generation in its generation interconnection queue, and as much as 800 – 1,200 MW of wind could interconnect every year through 2015.

To begin to address the within-hour imbalances caused by the influx of wind generation, BPA established a wind integration rate for fiscal year 2009. This rate captured the moment-to-moment variations in wind output but not the hourly deviations between scheduled and actual generation that are covered by generation imbalance service. Based on an assumed 2,880 MW of wind generation in BPA's control area by

the end of FY 09, BPA forecast a need for 270 MW of reserve generation capacity for the within-hour, or moment-to-moment, variations in wind output.

Because deviations between scheduled and actual wind generation are significant, however, BPA does intend to establish rates for the 2010-2011 rate period that capture this difference. After adding the generation imbalance component BPA has forecast a need for 1,700 MW of reserve capacity to support wind generation, a more than six-fold increase from the forecast of reserves for fiscal year 2009. Until now load balancing requirements have exceeded the balancing requirements for wind. In the 2010-11 rate period the wind fleet is expected to dominate the balancing requirements.

BPA has also taken other steps to address the operational issues raised by the increase in wind generation. The agency has begun to assess the capability of the FCRPS to provide reserves for the increased demands being placed on the system. The variability of the hydroelectric system's fuel supply (rain and snow) and the restrictions on FCRPS operations because of statutorily mandated non-power purposes (for example, flood control, endangered species mitigation, and navigation) complicate the assessment. BPA not only must determine whether it has the physical capability to adjust generation in response to need but must also evaluate, under a range of water conditions and operating circumstances, the risk that providing capacity reserves places on its ability to meet its other obligations. In particular, BPA must determine whether providing large amounts of reserves would force it to rely excessively on short-term energy markets to serve load.

As to obtaining reserves from the market, BPA has issued a request for information to solicit interest from third parties able to supply reserve capacity. BPA

expects to follow up the RFI with a request for proposals. Once that process is complete, BPA will be in a much stronger position to assess its ability to obtain reserve capacity from the market.

BPA understands that Schedule 9 includes language under which the transmission provider may limit its obligation to provide generator imbalance service. Given how much BPA still must learn about its reserve capacity, however, at least at this point BPA is hesitant to rely on this language. For example, BPA is not yet in a position to determine how much generator imbalance it can provide from its own resources and how much it must obtain from the market, and it will be unable to resolve this question quickly.

In addition, unlike Schedule 3, under which the transmission provider must offer regulation service to transmission service serving load within the transmission provider's control area, under Schedule 9 the transmission provider must offer generation imbalance service to all generation in its control area, regardless of the location of the load. Because most of the wind generation in BPA's control area serves load in other control areas, BPA is especially concerned about this difference in the transmission provider's obligations. Because it is difficult if not impossible to provide generation imbalance service without also providing regulation service, BPA wonders whether the Commission intended to expand the transmission provider's obligations in this way.

Within 60 to 90 days of filing this petition BPA will issue a work plan for resolving the generation imbalance issue with the region. Once BPA has finished its assessments and its stakeholder process it will file any appropriate OATT modifications. In the meantime BPA will evaluate proposed interconnection agreements to determine

whether it can offer generation imbalance service and if not what alternatives may be available. In the interim, BPA believes that its tariff substantially conforms or is superior to the *pro forma* tariff. Its proposal is very similar to Schedule 9, given the language in Schedule 9 under which the transmission provider can limit its obligation to provide generation imbalance service. BPA is simply asking for time to determine whether that language or some other form of limitation is the best option for its system and the Pacific Northwest.

In addition, BPA believes its tariff substantially conforms or is superior to the *pro forma* tariff because BPA's rate schedule includes a rate for generator imbalance; because BPA has included generator imbalance service in all interconnection agreements it has entered into to date; because the great influx of wind generation into BPA's control area has created significant operational issues that are not easily resolved (BPA believes it is the only transmission provider that has such a large amount of wind generation proportionate to load and that has adopted the *pro forma* tariff); because, under these circumstances, prudence dictates caution regarding generator imbalance; and because BPA is working diligently with its stakeholders to resolve these issues in the most beneficial way for the region.

20. Attachments A and F, Point-to-Point and Network Integration Service Agreements

BPA has deleted a number of deviations that existed between its point-to-point service agreement and the *pro forma* PTP service agreement, and, where the same deviations were present in the NT service agreement, BPA has amended the NT agreement to conform. In addition, BPA has added one substantive deviation to both service agreements, incorporating by reference section 202 of Executive Order No.

11246, “Equal Employment Opportunity.” Under section 202, the contractor agrees not to discriminate against any employee or applicant for employment on the basis of race, creed, color, or national origin. Federal contracting agencies are required to include this provision in all of their contracts. In adding it to the service agreements BPA is correcting an oversight.

## **B. Additions to BPA’s Tariff Pursuant to Order 890**

BPA has made the following additions to its tariff in response to the Commission’s directives in Order 890:

1. Sections 1.3.1, 1.36.1, 2.2(a), 19.10, 32.6, Exhibit A (for Precedent Agreements), and Exhibit O – Cluster Studies and Network Open Season

As noted above, BPA submitted these tariff changes in a separate filing on March 31, 2008, to implement its network open season process.

2. Section 11 and Attachment N, Creditworthiness Procedures

Consistent with Order 890, BPA has deleted Section 11 and incorporated reasonable credit review procedures as Attachment N (Attachment L in the Order 890 tariff). As permitted by the Commission, however, BPA will post its Attachment N on its OASIS rather than add it as part of its open access tariff. *Orlando Utilities Comm’n*, 122 FERC ¶ 61,089 (2008) P. 14. However, BPA has included a copy of its Attachment N with this filing.

BPA’s Attachment N specifies the qualitative and quantitative criteria BPA uses to determine the level of secured and unsecured credit required of transmission customers. It also contains the following elements: (1) A summary of the procedure for determining the level of secured and unsecured credit; (2) a list of the acceptable types of

collateral; (3) a procedure for providing customers with reasonable notice of changes in credit levels and collateral requirements; (4) a procedure for providing customers, upon request, a written explanation of any change in credit levels or collateral requirements; (5) a reasonable opportunity to contest determinations of credit levels or collateral requirements; and (6) a reasonable opportunity to post additional collateral, including curing any determination of non-creditworthiness.

3. Sections 17.5, 19.1, 19.10, 32.1 and 32.6, Cluster Studies

In Order 890 the Commission required transmission providers to adopt tariff language that describes how the transmission provider will process requests for cluster studies and how it will structure customers' obligations when they have joined a cluster. The Commission gave each transmission provider discretion to determine whether a transmission customer can opt out of a cluster study and to develop its own clustering procedures. Order 890, P 1371.

On March 31, 2008, BPA submitted its cluster study provisions as part of its network open season filing with the Commission (docket No. NJ08-7). The Commission asked for additional detail to inform customers when BPA will process requests to cluster transmission service studies outside of an open season. *Bonneville Power Administration*, 123 FERC ¶ 61,264, P 47 (2008). BPA has amended sections 19.10 and 32.6 of its tariff to address the Commission's concerns.

BPA's cluster study procedures provide that BPA may conduct cluster studies on its own initiative or upon customer request. If customers request a cluster study, BPA will determine whether it can reasonably accommodate the request.

When BPA performs a cluster study, it will require customers to sign either precedent transmission service agreements or cluster study agreements. In docket No. NJ08-7 the Commission approved BPA's tariff provisions regarding precedent transmission service agreements, which apply when BPA conducts a network open season. *Id.* P 37. These provisions require BPA to bear the cost of the cluster study and include other details regarding the agreements.

When BPA performs a cluster study outside of a network open season it will require customers to sign cluster study agreements. Each customer that signs a cluster study agreement must bear a share of the study costs based on the proportion of the customer's requested capacity to the total capacity requested by all customers in the cluster.

In its order in docket No. NJ08-7 the Commission asked BPA to add detail to section 19.10(ii) of the tariff, which provided that BPA "may" require customers to sign cluster study agreements. *Id.* P 47. BPA has added language in section 19.10(ii) and in section 32.6 (the equivalent section for network integration service) specifying that it will require customers to sign cluster study agreements unless it requires them to sign precedent transmission service agreements. BPA has also added criteria specifying when it will conduct a cluster study outside of a network open season (thereby requiring customers to sign cluster study agreements). For example, BPA may conduct a cluster study when it has completed an economic study under Attachment K and when constructing new facilities that the study identifies would facilitate providing service to multiple pending service requests; and when preliminary analysis indicates that the cluster study would benefit the integration of new renewable resources.

A customer may opt out of a cluster study either before or after signing a cluster study agreement. If BPA notifies the customer that it will perform a cluster study that will include the customer's request, the customer may opt out of the cluster by requesting an individual study within 10 days of BPA's notice. If the customer has already signed a cluster study agreement, it must withdraw its request on OASIS, and it remains liable for its share of the study costs. Customers that have signed precedent transmission service agreements, however, may not withdraw from a cluster study. One of the primary purposes of the precedent agreements is to establish binding service commitments so that BPA can evaluate its ability to provide service at embedded cost rates. Allowing customers that sign precedent transmission service agreements to opt out of the cluster study would be inconsistent with these commitments and with the network open season process.

Given the favorable response to BPA's first open season and the benefits of cluster studies (BPA described these benefits in its petition accompanying its open season proposal), BPA intends to perform individual studies only when a customer requests an individual study. In BPA's recent network open season, 28 customers representing approximately 150 service requests and 6400 MW signed precedent transmission service agreements, and BPA currently is conducting a cluster study for these requests. BPA believes that clustering service requests maximizes the potential to provide service to the greatest number of requests.

At this point, however, BPA has a process to conduct open seasons only with respect to requests for service over its network facilities. BPA's transmission system includes the network segment, which consists of facilities that provide service within the

Pacific Northwest, and several interties, which connect the Northwest with other regions. BPA intends to study all requests for service over the network as part of a network open season. To provide customers certainty regarding the timing of studies, BPA expects to conduct a network open season at least once each year.

BPA does not yet have an open season process for the interties. In its order in docket No. NJ08-7 the Commission encouraged BPA to work with stakeholders to extend the open season process to the interties. BPA is planning such a stakeholder process, and expects the discussions to take significant time and effort. In the interim BPA intends to study requests for service over the interties in clusters, but will not conduct an intertie open season until it has completed discussions with stakeholders and developed the necessary procedures and agreements.

#### 4. Attachment C, Methodology to Assess Available Transfer Capability

In Order No. 890, the Commission directed each transmission provider to include its ATC calculation methodology in its OATT. Transmission providers will revise their ATC methodologies after NERC and NAESB issue final ATC reliability standards and business practices. Order 890 ¶¶ 323, 325.

BPA established its ATC methodology in November 2003 through a broad stakeholder process that included representatives from its various transmission customer groups, and BPA has updated the methodology several times since then. BPA's revised Attachment C contains a high-level description of its ATC methodology and links to BPA's ATC Methodology on BPA's website, which describes the methodology in detail.

BPA is actively participating in the NERC and NAESB ATC drafting committees and the WECC ATC Task force. As of the date of this filing NERC and NAESB have

not finalized the ATC reliability standards and business practices. BPA intends to revise Attachment C when the NERC ATC reliability standards and NAESB business practices are finalized.

**C. Other Modifications to BPA’s Tariff to Conform to the Pro Forma Tariff**

BPA is adopting the following amendments to its tariff, all of which eliminate existing deviations and conform BPA’s tariff to the *pro forma* tariff:

1. Sections 1.8.1 and 31.7, Customer-Served Load

BPA proposes slight modifications to sections 1.8.1 and 31.7, two provisions that BPA included in its original tariff in 1996 and that do not appear in the *pro forma* tariff. Section 1.8.1 defines Customer-Served Load, which is load that the Transmission Customer serves from sources internal to its system, and section 31.7 describes the process under which a Transmission Customer declares, increases, or decreases the amount of Customer-Served Load. The Commission previously determined that these provisions substantially conform or are superior to the *pro forma* tariff. *United States Dept. of Energy – Bonneville Power Admin.*, 84 FERC ¶ 61,068 (1998) and *United States Dept. of Energy – Bonneville Power Admin.*, 94 FERC ¶ 61,317 (2001).

The Customer-Served Load provisions provide modest rate relief for certain network service customers. The modifications reflect an agreement BPA reached with its transmission customers in settling its 2006 transmission rate case. In accordance with that settlement agreement, BPA is amending its tariff to provide that Customer-Served Load cannot exceed the annual amounts specified in the Network Customer’s Service Agreement as of October 1, 2005, and that the Customer-Served Load provision terminates as of October 1, 2011.

Because this provision is not part of the *pro forma* tariff, restricting or deleting it substantially conforms or is superior to the *pro forma* tariff. In addition, as noted above, BPA and virtually all of its transmission customers agreed as part of BPA's rate case settlement that BPA would make these changes.

2. Section 2.3, Conversion of Existing Agreements

BPA included this provision in its original tariff in 1996. It allows conversion of certain grandfathered agreements to *pro forma* agreements until March 1, 2002. BPA is deleting this provision because it has been moot for some time.

3. Section 12.0, Dispute Resolution

Section 12.0 provides for specific dispute resolution procedures for transmission customers that are members of the Western Regional Transmission Association or the Northwest Regional Transmission Association. BPA is deleting this provision because these organizations no longer exist.

4. Section 13.2(iii), Reservation Priority

BPA's existing tariff provides that the deadline for pre-emption of hourly requests for transmission service is 2:00 p.m. "or as soon as practicable thereafter." BPA has deleted the language in quotation marks. The deadline for pre-emption must be clear, and inclusion of that language was a mistake. It is not in the *pro forma* tariff.

5. Sections 13.6 and 33.1, Curtailments

BPA has added language to these sections providing that curtailments may be made to maintain reliable operation of the transmission provider's transmission system and on systems "directly and indirectly interconnected with the Transmission Provider's

Transmission System.” This is *pro forma* language that has not been in BPA’s tariff. BPA is adding it to achieve consistency with the *pro forma* tariff.

6. Section 13.8, Scheduling of Firm Point-to-Point Transmission Service

BPA has deleted language under which schedules for hourly firm transmission were due after schedules for all other firm transmission. BPA can process schedules most efficiently if all schedules are due at the same time.

However, recognizing that plans can change quickly, BPA has left the provision under which customers may reserve hourly firm transmission up to 20 minutes before the hour of delivery.

7. Section 22.1, Modifications on a Non-Firm Basis

BPA’s existing tariff provides that transmission customers taking firm point-to-point service may request service “on an hourly non-firm basis” over receipt and delivery points other than those specified in the service agreement. BPA is changing this phrase to read that customers may request service “on a non-firm basis,” in conformance with the *pro forma* tariff.

8. Section 37, Interconnection Procedures

Section 37 of BPA’s tariff, which is not in the *pro forma* tariff, states that interconnection procedures may be found in Exhibit J. Exhibit J, which the Commission previously approved, included procedures for interconnection of generators, loads, and neighboring systems. When BPA adopted the LGIP and LGIA, BPA amended Exhibit J to limit it to interconnection of loads and neighboring systems. However, BPA neglected to amend section 37 to conform to the amendment to Exhibit J. Therefore, BPA is now amending section 37.

9. Schedule 10, Real Power Loss Calculation

Schedule 10 lists the loss factors BPA applies to transmission service. BPA's existing schedule 10 includes a provision under which BPA and the customer may agree to lower loss factors for the period October 1, 2001, through September 30, 2003. BPA is deleting this provision because it is moot.

**D. Amendments Unrelated to Order 890**

1. Attachment G, Network Operating Agreement

In the Network Operating Agreement BPA has added a definition of its document, Technical Requirements for Interconnection to the BPA Transmission Grid, and references to the document. This document is posted on BPA's web site and sets forth BPA's technical requirements for interconnection of lines, loads, and generating resources. These additions make more transparent to the customers the technical requirements to which they are subject.

2. Large Generation Interconnection Agreement, section 30.11, Reservation of Rights

BPA has deleted this article, under which both the transmission provider and the interconnection customer have a right to make a unilateral filing with the Commission for a modification of the agreement. As a Federal power marketing administration, BPA is not subject to the Commission's jurisdiction under the Federal Power Act, and BPA does not file its agreements with the Commission. The Commission accepted the same deviation by the *Western Area Power Administration*. *Western Area Power Administration*, 119 FERC ¶ 61,329 (2007) ("WAPA Tariff Filing").

Although BPA included section 30.11 in its original LGIP and LGIA filing, BPA is deleting this provision to be consistent with the filing it is making today of its Small

Generation Interconnection Procedures and Small Generation Interconnection Agreement.

**E. Small Generator Interconnection Procedures and Agreement**

BPA proposes the following deviations to the Small Generator Interconnection Procedures and the Small Generator Interconnection Agreement:

1. Small Generator Interconnection Procedures

- a. Sections 1.1.1, 2, and 3.1, Attachment 1- Definitions of “10 kW Inverter Process” and “Fast Track Process”; Attachment 2 – Section Entitled “Processing Fee or Deposit” and Entry Fields on Page 4 Regarding Certified Components, and Attachments 6to 8

BPA has deleted the *pro forma* SGIP’s “Fast Track Process” and “10 kW Inverter Process.” BPA provides open access transmission service over high-voltage transmission facilities and generally does not interconnect generation to the distribution-level facilities described in the SGIP’s Fast Track and 10 kW Inverter Processes. In addition, BPA is subject to the National Environmental Policy Act (NEPA), 42 U.S.C. § 4321, *et seq.* (2006), and other environmental laws, which require BPA to perform environmental review of generator interconnections. The timeline under the Fast Track Process does not allow for environmental review.

BPA will process all small generator interconnection requests under the standard study process of the *pro forma* SGIP. Thus, BPA has deleted any reference to the certification of Small Generating Facility equipment by a nationally recognized testing laboratory, since certification would be inapplicable under the study process. Finally, BPA has renumbered Attachments 6 through 8 to become Attachments 3 through 5, respectively.

The Commission approved these deviations in the WAPA Tariff Filing. *Id.*

b. Section 1.1.3

BPA has deleted section 1.1.3 because BPA does not currently have any executed interconnection agreements with small generating facilities and has not approved any small generating facilities for interconnection. BPA expects all small generator interconnection requests to be processed under BPA's SGIP. The Commission approved the same deviation in the WAPA Tariff Filing. *Id.*

c. Sections 1.1.3, 1.3, 3.2.1, 3.2.2, 3.2.3, 3.4.2, 3.4.3, 3.5.1, 3.5.7, 4.1, and 4.6; Attachment 1- New Definition of "Reasonable Efforts"; Attachment 3- Sections 10.0 and 12.0; Attachment 4- Sections 7.0, 9.0, and 12.0; and Attachment 5- Sections 7.0, 8.0, and 10.0

BPA has added a definition of "reasonable efforts" and amended the above provisions so that a reasonable efforts standard applies to all timelines in the SGIP. The Commission approved the definition and the same deviations in the WAPA Tariff Filing because of WAPA's status as a non-profit Federal power marketing administration. *Id.* As a fellow Federal power marketing administration BPA is subject to the same cost-based constraints as WAPA. BPA will use reasonable efforts to process interconnection requests on a non-discriminatory basis for all Interconnection Customers, including Federal generators that interconnect to BPA's transmission system.

d. Section 1.3 and Attachment 2 (Title and Last Sentence of Section Formerly Entitled "Processing Fee or Deposit"); Attachment 8 (renumbered 5) Section 4.0

BPA has amended section 1.3 to increase the feasibility study deposit to \$5,000 or the estimated study cost, whichever is greater, in order to obtain sufficient funds to begin work on an interconnection request. As a non-profit Federal agency, BPA cannot advance Federal funds to cover costs incurred to perform system studies for each generator interconnection request. For similar reasons, and because BPA is statutorily

required to recover its costs, BPA has also clarified that the facilities study will provide a “non-binding good faith” estimate of the costs of the interconnection. The Commission approved the same amendment in the WAPA Tariff Filing. *Id.* BPA has also removed references to a processing fee in section 1.3 since BPA will not require a fee. The Commission also approved this amendment in the WAPA Tariff Filing. *Id.*

- e. Sections 3.3.2, 3.4.7, and 3.5.5, and Attachment 3 – Sections 9.0, 11.0, and 12.0, Attachment 4 – Sections 10.0, 11.0, and 12.0, and Attachment 5 – Sections 6.0, 9.0, and 10.0.

BPA has amended these sections to require the Interconnection Customer to pay the estimated study costs before BPA begins the study. As noted above, BPA requires advance payment for all interconnection studies and cannot obligate Federal funds to cover the costs associated with each interconnection customer’s interconnection system studies. The Commission approved a comparable amendment in the WAPA Tariff Filing. *Id.*

- f. Sections 3.2.4, 3.3.4, 3.4.5, 3.5.7, and 4.8

BPA has amended these sections to ensure compliance with NEPA. Under NEPA, BPA, like all other Federal agencies, must consider the environmental effects of its proposed actions (including agreeing to allow a generation interconnection) and prepare appropriate environmental documentation before deciding whether to take an action. BPA performs an analysis under NEPA before agreeing to interconnect a new small generator to its transmission system. Therefore, BPA has amended these sections to provide that BPA will decide whether to offer an SGIA after it fulfills its statutory obligations under NEPA. The Commission approved a similar amendment in its August 17, 2005, order approving BPA’s Large Generation Interconnection Procedures and

Large Generation Interconnection Agreement. *United States Dept. of Energy, Bonneville Power Admin.*, 112 FERC ¶ 61,195, P 8–10 (2005).

g. Sections 4.2.2 and 4.2.3

BPA has amended these sections to include an option for informal dispute resolution before the parties invoke the Commission’s dispute resolution service. This amendment is consistent with the dispute resolution procedures in the Large Generator Interconnection Procedures. BPA has preserved the option to utilize the Commission’s dispute resolution service in the event a dispute cannot be resolved on an informal basis.

h. Section 4.3

BPA has removed all references to accommodating state or local metering regulations or regulations promulgated by the Commission. As a Federal agency BPA is not subject to state authority or to the Commission’s regulations. This amendment is consistent with the Commission’s August 17, 2005 order approving BPA’s Large Generation Interconnection Procedures. *Id.*

i. Sections 4.5.2 and 4.5.2.2

BPA has amended section 4.5.2 to allow BPA to disclose confidential information if required by the Freedom of Information Act (FOIA), 5 U.S.C. § 552, *et. seq.*.

Although section 4.5.2 generally permits disclosure when required by law, BPA is careful to include in its contracts specific references to FOIA given the significance of FOIA and its uniqueness to the Federal government.

BPA has deleted section 4.5.2.2 because specific performance is not available as a remedy against the Federal government. To avoid a one-sided agreement, BPA deleted

the section in its entirety rather than provide that only BPA is entitled to specific performance. Each party will have the rights available to it under law.

- j. Attachment 6 (renumbered 3), section 13; Attachment 7 (now 4), section 13; and Attachment 8 (renumbered 5), section 11

Because BPA is a Federal agency, its contracts are governed by Federal law. BPA has amended these sections to read that the study agreements will be governed by Federal law. The Commission accepted a similar amendment in the August 17, 2005 order. *Id.*

- k. Attachments 6 (renumbered 3), 7 (renumbered 4), and 8 (renumbered 5), section 2.0

Section 2.0 of each of these attachments provides that the feasibility study will be performed “in accordance with the Open Access Transmission Tariff.” In order to avoid confusion between the *pro forma* Tariff and BPA’s as-filed Tariff, BPA revised the specified provisions to read that the feasibility study would be performed “in accordance with the Transmission Provider’s Tariff.” The Commission approved this amendment in the WAPA Tariff Filing.

- l. Attachment 3, section 21; Attachment 7 (renumbered 4), section 21; and Attachment 5, section 19

BPA has deleted these sections because BPA is not subject to the Commission’s jurisdiction under the Federal Power Act, nor does BPA file its agreements with the Commission. The Commission accepted a similar amendment in the August 17, 2005 order and in the WAPA Tariff Filing. *Bonneville*, 112 FERC ¶ 61,195; *Western*, 119 FERC ¶ 61,329.

## 2. Small Generator Interconnection Agreement

### a. Article 1.1

Consistent with BPA's requested deviation in the SGIP, BPA proposes to remove all references to the Fast Track Process and 10 kW Inverter Process.

### b. Article 1.5, Responsibilities of the Parties:

BPA has added Article 1.5.1, Compliance with WECC Reliability Criteria. BPA's proposed Article 1.5.1 adheres to the Reliability Management System Agreement (RMS) entered into between the Western Systems Coordinating Council (the predecessor to the WECC) and major transmission providers in the Pacific Northwest, under which the transmission providers agreed to include certain language in every new generation interconnection agreement. The Commission has previously accepted the addition of this language in the August 17, 2005, order approving BPA's LGIP filing, and in compliance filings by public utilities. *Bonneville*, 112 FERC ¶ 61,195, at P 15–16; *see also Puget Sound Energy, Inc.*, 107 FERC ¶ 61,287, at P 14 (2004); *Arizona Pub. Serv. Co.*, 107 FERC ¶ 61,255, at P 28. (2004).

### c. Article 2.1.1

BPA has amended this article to provide that the Interconnection Customer is responsible for any costs associated with inspection of facilities to be interconnected to the Federal Columbia River Transmission System. As a Federal Agency, BPA must inspect all facilities that connect to the Federal Columbia River Transmission System for compliance with certain reliability, safety and security requirements and with BPA's Technical Requirements for Interconnection to the BPA Transmission Grid. The

Commission approved a similar amendment in the WAPA Tariff Filing. *Western*, 119 FERC ¶ 61,329.

d. Article 3.1, Effective Date

BPA has deleted the provision under which the transmission provider files each SGIA with the Commission. Public utilities must file their contracts with the Commission. As a non-jurisdictional utility, BPA does not do so, nor are its contracts contingent on acceptance by the Commission. Therefore, BPA has deleted this provision as inapplicable. The Commission accepted a similar amendment in the August 17, 2005, order regarding BPA's LGIA. *Bonneville*, 112 FERC ¶ 61,195.

e. Article 3.3, Termination

For the reasons stated immediately above, BPA has deleted the provision under which the transmission provider files a notice of termination of an SGIA for acceptance by the Commission. This provision is inapplicable to BPA because, as a non-public utility, BPA is not required to notify the Commission or to seek the Commission's approval when BPA terminates a contract. The Commission accepted a similar amendment in the August 17, 2005, order. *Id.*

f. Article 3.3.2

BPA has added a new section 3.3.2 under which BPA may terminate an SGIA and disconnect the generator if the small generator ceases operation for three consecutive years. This provision will allow BPA to save funds that would otherwise be required to maintain and operate aging interconnection facilities that are no longer used. The Commission approved the same addition in the WAPA Tariff Filing. *Western*, 119 FERC ¶ 61,329.

g. Articles 3.4.2 and 3.4.4

BPA has amended these articles to incorporate the reasonable efforts standard, discussed above with respect to the LGIP. The Commission approved the same amendments in the WAPA Tariff Filing. *Id.*

h. Article 5.2.1, Repayment of Amounts Advanced for Network Upgrades

BPA has deleted the provision in Article 5.2.1 which entitles the interconnection customer to a cash repayment for Network Upgrades “including any tax gross-up or other tax-related payments associated with Network Upgrades.” Since BPA is not a taxable entity, this provision is unnecessary.

i. Article 6.3, Financial Security Arrangements

BPA has deleted the provision in Article 6.3 under which the security provided by the interconnection customer must be consistent with the Uniform Commercial Code of the jurisdiction where the point of interconnection is located. BPA’s contracts are governed by Federal law and are not subject to the UCC. The Commission accepted a similar amendment in the August 17, 2005, order. *Bonneville*, 112 FERC ¶ 61,195.

j. Article 7.3, Indemnity

BPA has deleted the provisions of Article 7.3 under which the indemnifying party assumes the defense of the other party against a claim for damages. As a Federal agency, BPA is represented in litigation by the United States Department of Justice. The Bonneville Project Act provides that the BPA Administrator

shall be represented in the prosecution and defense of all litigation, affecting the status or operation of [the] Bonneville project by the United States attorneys for the districts, respectively, in which such litigation may arise, or by such attorney or attorneys as the Attorney General may

designate as authorized by law, in conjunction with the regularly employed attorneys of the Administrator. 16 U.S.C. § 832k(b).

In addition, the statute establishing the Department of Justice provides that “[e]xcept as otherwise authorized by law, the conduct of litigation in which the United States, an agency, or officer thereof is a party . . . is reserved to officers to the Department of Justice, under the direction of the Attorney General.” 28 U.S.C. § 516. Therefore, BPA cannot accept representation by the other party to an interconnection agreement. By the same token, the Department of Justice will not undertake to represent a non-Federal party, nor can BPA’s attorneys do so. The Commission accepted a similar amendment in its order on rehearing approving BPA’s LGIA. *United States Dept. of Energy, Bonneville Power Admin.*, 113 FERC ¶ 61,005 (2005).

BPA also proposes to omit Article 7.3 for generators that are subject to the Agreement Limiting Liability Among Western Interconnected Electric Systems (WIES). BPA is a party to this comprehensive agreement, which establishes the parties’ liability in the event of damage to any member’s electric system. Article 7.3 would establish a separate and contradictory liability regime in those cases in which the Interconnection Customer is also a party to the WIES agreement. The Commission approved the same amendment in the August 17, 2005, order approving BPA’s LGIA. *Bonneville*, 112 FERC ¶ 61,195.

k. Article 8, Insurance

Article 8 requires both the transmission provider and the interconnection customer to carry insurance or to self-insure. The Federal government does not carry insurance and is not self-insured. Therefore, BPA has amended Article 8.1 to exempt Federal generators from this requirement and has deleted Article 8.2, which applies to the

transmission provider. The Commission accepted a similar amendment in the August 17, 2005, order. *Id.*

l. Article 9, Confidentiality

BPA has added a provision under which it may disclose confidential information to comply with FOIA, for the reasons stated above with respect to SGIP section 4.5.2. The Commission accepted a similar amendment to BPA's LGIA in the August 17, 2005, order. *Id.*

m. Article 10, Disputes

BPA has amended this section to reflect the proposed informal dispute resolution process in BPA's SGIP, which allows for informal dispute resolution before the parties invoke the Commission's dispute resolution service. This amendment is consistent with the dispute resolution procedures in the Large Generator Interconnection Agreement. BPA has preserved the option to utilize the Commission's dispute resolution service in the event a dispute cannot be resolved on an informal basis.

n. Article 11, Taxes

BPA has deleted the requirement in Article 11.1 that the transmission provider follow applicable tax laws and regulations. As a Federal agency BPA is not a taxable entity. For the same reason BPA has deleted the provision in Article 11.2 that requires the interconnection customer to cooperate with the transmission provider to maintain the transmission provider's tax status. BPA has retained the requirement that it cooperate with the interconnection customer to maintain the interconnection customer's tax status. The Commission accepted a similar amendment in the August 17, 2005, order. *Id.*

o. Article 12.1, Governing Law, Regulatory Authority, and Rules

BPA has amended Article 12.1 to read that the SGIA will be governed by Federal law. As discussed above, BPA's contracts are governed by Federal law. The Commission accepted a similar amendment in the August 17, 2005, order. *Id.*

p. Article 12.2, Amendment

Article 12.2 provides that the parties may amend the SGIA by written agreement or under Article 12.12. Article 12.12 allows either party to amend the agreement unilaterally through a filing with the Commission under the Federal Power Act. BPA has deleted the reference to Article 12.12 in Article 12.2 because BPA is not subject to the Commission's jurisdiction under the Federal Power Act, nor does BPA file its agreements with the Commission.

q. Article 12.10, Environmental Releases

BPA has substituted its standard environmental language for the language of the *pro forma* SGIA in article 12.10. Under the *pro forma* language, the parties' only obligation is to notify the other party of the release of hazardous substances and of any remediation activities. BPA's language requires each party to remediate releases of hazardous substances on property underlying the small generation facility or the interconnection facilities and releases of hazardous substances that migrate from such property. This provision substantially conforms to or is superior to the *pro forma* provision because it ensures that the parties protect the environment and comply with all applicable environmental laws. The Commission accepted a similar amendment in the August 17, 2005, order. *Id.*

r. Article 12.12, Reservation of Rights

BPA has deleted Article 12.12 in its entirety. As discussed above, as a Federal power marketing administration BPA is not subject to the Commission's jurisdiction under the Federal Power Act, nor does BPA file its agreements with the Commission. The Commission accepted a similar amendment in the August 17, 2005, order and in the WAPA Tariff Filing.

WHEREFORE, BPA respectfully asks the Commission to grant its petition and find that its Open Access Transmission Tariff, as amended, substantially conforms or is superior to the *pro forma* tariff.

DATED this 3<sup>rd</sup> day of October, 2008.

Respectfully submitted,

*/s/ Barry Bennett*

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