

# **Section 9 Customer Comments TransAlta**

The following are customer comments received from TransAlta regarding BPA's proposed revision to Section 9 of the Open Access Transmission Tariff

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August 1, 2008

Ms. Cathy Ehli  
Vice President, Transmission Marketing and Sales  
Bonneville Power Administration Transmission Services  
PO Box 491, Vancouver, WA 98666

Re: Bonneville Power Administration's Proposed Revision to Section 9 of Its Open Access  
Transmission Tariff

Dear Ms. Ehli,

I am writing to you regarding the Bonneville Power Administration's ("BPA") proposed revision to Section 9 of its Open Access Transmission Tariff ("OATT"). TransAlta Corporation ("TransAlta") strongly believes that BPA should not adopt the changes proposed for Section 9, or at a minimum defer such changes pending more fulsome consultation with interested parties.

TransAlta has a material interest in this matter. It is a BPA customer and has significant generating assets in the Pacific Northwest, including the Centralia and Big Hanaford Generating Facilities totaling over 1,600 MW, and has plans to develop additional generation in the region. TransAlta also maintains an active trading & marketing business throughout the Pacific Northwest.

BPA has proposed deleting provisions of Section 9 that require a change to OATT terms and conditions to be effective "*upon, and only upon, a determination by the Commission that (i) such change is just and reasonable and not unduly discriminatory or preferential, or (ii) such change meets the non-public utility reciprocity requirements pursuant to a request for declaratory order under 18 CFR § 35.28(e).*" BPA seeks to replace these clauses with language that significantly reduces the requirements to be met by BPA before making changes to the OATT terms. More specifically, changes may be made at BPA's discretion subject only to BPA providing notice of proposed changes, an opportunity for Transmission Customers ("Customers") and other interested parties to comment, and a response to comments by BPA.

Little or no persuasive evidence of a need for change has been provided to customers, and the potential for abuse of such unfettered discretion is disconcerting. It is difficult to see how customers will benefit by providing BPA relatively unfettered discretion to amend the terms of the OATT at any time by removing an arm's length third party review of proposed changes against a well established pro forma OATT and a "just and reasonable and not

unduly discriminatory or preferential standard”. The change requirements proposed by BPA provide cold comfort to customers such as TransAlta. We will have no meaningful remedy if BPA changes terms affecting the quality of BPA transmission and interconnection service, rights to service or the procedures for acquiring service. If in the event of a transmission service dispute with BPA regarding BPA’s OATT, BPA could simply change its OATT. Further, if adopted, our existing transmission and interconnection agreements would consist of whatever terms BPA believes are appropriate.

TransAlta submits that BPA should abandon these changes to Section 9 in the OATT, or at a minimum defer any changes pending more fulsome consultation with effected parties.

Yours Truly,  
Sterling Koch  
Director & General Counsel  
Regulatory & Legal Affairs  
TransAlta Corporation

cc: Steve Wright  
Vicki VanZandt