

## Transfer Service

- Technical meetings on Transfer Service clearly premised the discussions that all changes in policy would take place in 2011 and be implemented along with Regional Dialogue. The proposal now changes that premise by saying numerous policy suggestions will be implemented “upon finalization of the Regional Dialogue policy”. The discussion in the working group meetings would have been very different had we known it was the intention to move the implementation dates forward. This creates a true hardship for small utilities {like UIUC} and could make utility operation financially infeasible.
- Direct Assignment Guidelines:
  - Many small new tribal utilities will be subject to these guidelines. They are not clear.
  - From our reading, these guidelines will not apply unless the sole use or benefit of facilities is for a particular (BPA) Transmission Customer. {The facilities in question between BPA and UIUC would therefore not be covered and no part of the policy would apply to UIUC. Further, these facilities are not “specified in the Service Agreement” so again the policy will not apply to UIUC???
  - {The UIUC facilities are “subject to the {BPA} delivery charge” so again the policy will not apply. From this we understand that if a utility is paying the BPA delivery charge, the facilities can not be directly assigned. This would lead to a duplication of charges.}
  - {The policy also states, “the transfer customer would be responsible for wholesale distribution costs beyond the step-down substation.” This is acceptable if the policy begins application in 2011. To make this policy retroactive is a unilateral change (breach) of the UIUC contract which is not acceptable. We assume that if the facilities are not direct assignment facilities under the description, this statement does not apply.}
  - The meaning of the following statement is unclear: “BPA reserves the right to assess the GTA Delivery Charge when third-party transmission providers roll in costs that would normally be directly assigned by other providers”. Please provide an example.
  - The policy uses the term “new facilities”, “new service” “new transfer service” and “new transmission provider owned facility”. When is something “new”? We agree that it is “new” if it is changed under a contract being signed in 2011 or is a contractual change thereafter.
  - The section on “Supplemental Guidelines Regarding Replacement with Higher Capacity Facility or Addition of a Transformer in Parallel” is unclear.
  - “Customer Arrangements Directly with the Third-Party Transmission Provider” may be unduly restrictive- why would this be required for all PODs and not just PODs similarly situated?
- Transfer Service for Annexed Load – the requirement that BPA would arrange and pay for transfer service for annexed loads upon written confirmation from the gaining and losing utility that they both agree to the annexation gives service providers a veto on new utilities. This is unacceptable. {It also appears to be directed solely to one existing situation at Yakama Power.} We can think of no policy reason for this condition.