

## **NRU, PNGC Power, and WPAG Comments on BPA's Proposed Billing Determinant**

September 19, 2012

BPA has asked for comments on its proposed changes for the FY 2014/2015 Transmission Rate Schedules. These rate schedule changes were described at the last two Rate Case Workshops. In making these changes BPA is attempting to, among other things, make its billing determinants consistent with its proposed move to 12 NCP cost allocation. Therefore, BPA staff is suggesting that NT customers be billed based on their peak demand on the transmission system, whenever it occurs during the month.

### **NT Base Charge and Related NT demand based Billing Determinant**

We, along with the NT Customer Coalition, continue to support 12 CP cost allocation, not the BPA proposed 12 NCP allocation. We, therefore, do not believe that BPA's proposed change to the NT billing determinants are necessary for the purposes identified by BPA (i.e., consistency between the demand allocator and NT billing determinants is already achieved if BPA adopts 12 CP for cost allocation).

Further, while we understand that BPA's proposal to change the billing determinants is consistent with BPA's proposed 12 NCP demand allocator, it represents a major change in BPA's approach to billing its NT customers for which BPA has provided no data on how it will impact those customers. Therefore it is not possible at this time for us to assess the merits of BPA's proposal without a clear understanding of its impacts. Accordingly, we request that BPA promptly analyze the impacts of changing the transmission demand billing determinant to the customer's demand at the hour of the Network Customer System Peak on a customer by customer basis so that customers can respond using the best available information.

We appreciate the BPA Staff Proposal to correct for the "Recovery Peak" effect in NT billing, which is necessary if BPA moves to a peak other than at the hour of the BPA Transmission system peak.

### **Utility Delivery Charge Billing Determinant**

BPA has proposed changing the billing determinant for the Utility Delivery Charge (UDC) to the peak demand on each Delivery facility. Currently the UDC billing determinant is the same determinant as that used for the NT Base Charge.

We propose that BPA retain the use of the same billing determinant as that used for the NT Base Charge for two reasons. First, the amount of revenue expected to be collected from the UDC can be equally well collected regardless of what the billing determinant is. Changing the billing determinant simply shifts costs among customers who pay the charge. Use of the same billing determinant allows utilities to plan, develop, and implement demand side or smart

meter programs on a consistent basis because these programs would all be aimed at reducing demand on the same hour. Having different hours for NT Base Charge and UDC billing determinants confounds demand side and other programs.

A second reason to use the same hour as the billing determinant for the NT Base Charge and the UDC is administrative efficiency. BPA and each utility must store peak hour data for use as a billing determinant. As load corrections come in, that peak hour may change resulting in a re-running of the hourly data, and rebilling. Having two sets of peak data doubles this administrative burden. Dealing with load correction, billing corrections, and storage of data, having multiple peak hour billing determinants (NT Base, plus one for each UDC facility) will be administratively burdensome on BPA and utilities, without any commensurate benefits.

Thank you for the opportunity to comment.