

Comments on NT Redispatch by the PTP Coalition

The following organizations engaged in the PTP Coalition (Avista, Franklin, Iberdrola, MSR, Powerex, Seattle City Light, Snohomish PUD and, Tacoma Power) are submitting these comments on BPA's proposed cost recovery of NT Redispatch.

The PTP Coalition supports rate recovery of redispatch costs and because BPA proposes to allocate these costs exclusively to NT customers, is generally indifferent in terms of the cost recovery alternatives BPA has proposed. However, given the magnitude of the cost of Redispatch, which has averaged under \$400,000 each fiscal year (considering actual expenses during FY 2009, 2010 and 2011) and is expected to be less than \$400,000 in FY 2012, we question the appropriateness of collecting these expenses via a Formula Rate or a combined embedded revenue requirement and Formula Rate. More specifically, we raised concerns that the administrative costs involved in devising and implementing a Formula rate are too great, given the projected expense involved. Therefore, we suggest that Alternative 1, recovering all Redispatch costs in the network revenue requirement associated with NT customers, is the correct (least-cost) approach.

To the extent that BPA can demonstrate that PTP customers benefit from Discretionary Redispatch, then that portion of Discretionary Redispatch should be allocated to PTP customers

Additionally, we are interested in learning about BPA's efforts to meet the requirements of its tariff (Sections 33.2 and 33.3) which direct the Transmission Provider to redispatch all Network Resources and the Transmission Provider's own resources on a least-cost basis and share in the proportionate costs of such.

33.2 Transmission Constraints

During any period when the Transmission Provider determines that a transmission constraint exists on the Transmission System, and such constraint may impair the reliability of the Transmission Provider's system, the Transmission Provider will take whatever actions, consistent with Good Utility Practice, that are reasonably necessary to maintain the reliability of the Transmission Provider's system. Except as provided in Attachment M, to the extent the Transmission Provider determines that the reliability of the Transmission System can be maintained by redispatching resources, the Transmission Provider will initiate procedures pursuant to the Network Operating Agreement to redispatch all Network Resources and the Transmission Provider's own resources on a least-cost basis without regard to the ownership of such resources. Any redispatch under this section may not unduly discriminate between the Transmission Provider's use of the Transmission System on behalf of its Native Load Customers and any Network Customer's use of the Transmission System to serve its designated Network Load.

33.3 Cost Responsibility for Relieving Transmission Constraints

Except as provided in Attachment M, when the Transmission Provider implements least cost redispatch procedures in response to a transmission constraint, the Transmission Provider and Network Customers will each bear a proportionate share of the total redispatch cost based on their respective Network Load.

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