

**WESTERN MONTANA ELECTRIC
GENERATING & TRANSMISSION COOPERATIVE, INC.**

P.O. Box 1000 Missoula, MT 59806

September 5, 2012

Tech Forum
Bonneville Power Administration
911 NE 11th Ave.
Portland, Oregon 97232
techforum@bpa.gov

Re: BP14 Transmission Rate Case—NT Customers' Utility Delivery Charge Proposal
[Submitted Electronically to techforum@bpa.gov]

Western Montana Electric Generating and Transmission Cooperative, Inc. (WMGT) offers the following comments on the NRU/PNGC/WPAG proposal for resolving the Utility Delivery Charge issue for BPA-owned facilities. It is important to understand that the impact of this issue on WMGT members is primarily through the past approach of setting the GTA Delivery Charge equal to the Utility Delivery Charge even though these are separate and distinct issues. Four utilities of WMGT (Glacier, Missoula, Ravalli and Vigilante Electric Cooperatives) take delivery of their BPA power under a GTA between BPA and Northwestern Energy.

WMGT is supportive of the NRU/PNGC/WPAG proposal whereby BPA would adopt a policy in the FY 2014-2015 rate case under which it would fix the Utility Delivery Charge at an established rate for 3 rate periods which would be based on the \$1.119 per kW/month rate and would change in step with the NT rate changes to provide certainty for affected utilities to negotiate purchase of low voltage facilities. This however does not mean that WMGT is necessarily supportive of the past approach to set the GTA Delivery Charge equal to that of the Utility Delivery Charge.

Instead of simply continuing the practice of setting the GTA Delivery Charge equal to the Utility Delivery Charge, BPA should provide a more transparent analysis of the cost and rationale behind setting these rates at the same level. It may be that setting these rates at the same level is appropriate and consistent with a desire to maintain postage stamp rates but it is also undeniable that GTA served customers do not have the same flexibility to make an economic decision on whether to acquire the low voltage facilities or pay the Utility Delivery Charge.

Thank you for the opportunity to comment on the Utility Delivery Charge proposal. Please feel free to contact me with any questions you have about these comments.

Sincerely,

Joe Lukas
General Manager