

From: Geoff Carr [mailto:ghcarr@nru-nw.com]
Sent: Friday, September 14, 2012 2:54 PM
To: Chalier, Annick E (BPA) - PFP-6
Cc: John Saven; mstratman@nru-nw.com
Subject: NRU Additional comments on the Load Growth Rate issue.

Annick, could you see that these additional comments get posted?

On August 28th NRU submitted comments on the issue of cost recovery for a 5 aMW purchase of above HWM power for the Load Growth Rate participants. In those comments we supported the position that the entire Load Growth Rate Pool customer base (about 672 aMW in total RHWMs) should pick up this cost in FY 2015 since BPA manages the Load Growth rate pool on behalf of those customers. Our objective was to recover these costs on a broad and equitable manner. We continue to support that position but would like to amend our comments to suggest that the entire Load Growth rate pool should pick up these costs, but that no individual customer should pay more than, for example, 3 to 7 percent of these costs (actual percentage to be determined). Also, these costs should be allocated based on Tier 1 load. After discussion of the WPAG proposal and examining the effect of pro rata recovery based on the various allocation methods shown on the Load Growth Rate Remarketing tool spreadsheet certain individual utilities paid a much larger portion of these costs due to their size. Putting a percentage limit on cost recovery would ameliorate this effect.

A spreadsheet illustrating this concept is attached at a, for example, 5% capped level.

Geoff Carr
Assistant Director
Northwest Requirements Utilities
825 NE Multnomah, Suite 1135
Portland, OR 97232
Phone: (503) 233-5823
Cell: (503) 819-6713
E mail: ghcarr@nru-nw.com