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**Sent:** Wednesday, August 29, 2012 3:29 PM  
**To:** Tech Forum  
**Cc:** M.Johnson@flathead.coop; J.Goroski@flathead.coop  
**Subject:** BP14 Transmission Rate Case – Rate Schedules Proposed Changes

Flathead Comments on proposed changes to Transmission Rate Schedules:

- Flathead's Customer System Peak rarely coincides with BPA's Generation or Transmission System Peak and rarely contributes significantly to any BPA Transmission constraint that we are aware of. This is partially because Flathead is in a different time-zone than many of the larger loads in BPA's service area and the needs of other areas usually occur later than at Flathead. In addition, Flathead has considerably less summer air conditioning load than the rest of the region and historically does not significantly contribute to summer peaks. With the implementation of BPA Power-side TRM billing on CSP instead of GSP, Flathead was in the top 10 of utilities that paid more under the new rate design, partially because of the lost diversity credit. It appears the Flathead is again going to pay more than average from a rate design change with the moving of the Transmission-side billing determinant from the time when the Transmission System actually peaks to the CSP. We understand the obvious consistency benefit this has to BPA billing and the proper implementation of a 12 NCP Cost Allocation approach. However, we want to make sure that BPA is aware that Flathead and most of the other mountain time-zone customers will again experience greater than the average overall rate increases and that should be accounted for elsewhere in the new rates.
- Flathead supports the Recovery Peak and NT Metering Billing Adjustments.
- Current Utility Delivery customers will pay increased amounts with the change to the language in the Delivery Charge, Section A.2.a, eliminating the diversity credit that may have been apparent. We understand this again, makes sense, but BPA should acknowledge that UD segment customers are making concessions on this one if it proceeds.

Thanks,

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