



March 30, 2012

BPA Tech Forum

Subject: COSA Cost Allocation Alternatives

Northern Wasco County People's Utility District (NWCPUD) appreciates the opportunity to comment on the cost allocation methodologies presented at the Transmission Cost of Service Analysis (COSA) workshops. NWCPUD is a publicly-owned utility using Network Transmission (NT) to serve its approximately 9,780 retail customers.

BPA currently uses a modified one coincidental peak ("1 CP") allocation methodology to allocate the costs of the Network segment to the various classes of wholesale transmission services using that segment. However, over the course of several COSA workshops, BPA staff has demonstrated that if BPA followed the Federal Energy Regulatory Commission's ("FERC") approach to cost allocation it would use a twelve monthly coincident peak ("12 CP") allocation methodology. As stated in the Northwest Requirements Utilities comments and NT Customer Proposal, the 12 CP method clearly meets all of the FERC tests when applied to the load characteristics and planning criteria for the BPA Network transmission segment.

NWCPUD firmly believes that BPA should allocate Network segment transmission costs using the 12 coincident peak cost method in the COSA for the FY 2014-2015 transmission rate case. The 12 CP allocation method has long been used by the Federal Energy Regulatory Commission (FERC) for allocation of demand related costs. The 12 CP method will result in the equitable allocation of costs of the Network between federal and non-federal users of the transmission system as well as between the various transmission services involving use of the Network segment.

Thank you for considering these comments.

Sincerely,

Kurt J. Conger
Director of Power Supply, Transmission and Regulatory Policy