**FY12-FY13 Transmission Staffing Scenario**

As part of the IPR process, Transmission received customer comments on a number of staffing issues. These included:

- Recommending BPA implement a succession planning initiative for the key Transmission Services areas.
- Ensuring there is sufficient staffing to efficiently perform in key areas, such as policy and rates, reliability compliance and operations.
- Validating there is sufficient staff to work on NERC standard compliance and operations. Includes ensuring a coordinated approach to NERC standard compliance, between BPA and its customers.
- Provide continuity in staff working on NT policy development
- Maintaining continuity in staffing and preservation of expertise in order to enable Transmission (and the customers) to move forward on pressing issues rather than spend time re-training staff.
- Dedicating sufficient resources to the interconnection process, the implementation of new operational capabilities, and important policy decisions,  in order to avoid delays in new renewable energy investment.
- Prioritizing and increasing spending levels for the Wind Integration Team (WIT) and other advances in transmission and ancillary services operations.
  Adding an 10-15 additional FTE are required to fully reach the potential of WIT.
- Committing more resources towards achieving FERC reciprocity status.

Based on this feedback, Transmission reviewed its staffing levels and has the following proposal.

| | Organization | IPR Program Area | CFTE | BFTE | TERM | Capital / Expense | Justification of Need for Position |
|---|---|---|---|---|---|---|---|
| | | | | | | | **Compliance** |
| 1 | Transmission Internal Operations | External Reimbursable Services | 4 | | | Reimbursable Expense | Develop new internal processes, ongoing program documentation and system enhancements to support ongoing customer coordination for NERC compliance associated with the Joint Registration Organization (JRO). This program supports up to 60 customers. Risk is non-compliance for BPA and its customers for those customers who elect the JRO option. |
| 2 | Transmission Engineering | Regulatory & Regional Association Fees | | 1 | | Expense | Additional support needed to provide advice and guidance to customers for NERC/CIP compliance associated with communications interphases - fiber, relays, etc. This is new ongoing core work specifically to provide customer support. Risk is non-compliance for BPA and its customers for those customers who elect the JRO option. |
| 3 | Transmission Customer Service Engineering | External Reimbursable Services | 2 | | | Reimbursable Expense | Provide ongoing annual technical coordination, review and certification for load serving entity (LSE) and distribution provider (DP) registered customers for NERC compliance. Risk is non-compliance for BPA and its customers. |

| | Organization | IPR Program Area | CFTE | BFTE | TERM | Capital / Expense | Justification of Need for Position |
|---|---|---|---|---|---|---|---|
| | | | | | | | **Compliance** |
| 4 | Marketing & Sales | Regulatory & Regional Association Fees | 1 | | | Expense | Technical modifications are required to BPA's webTrans system that only OATI can perform in order for BPA to be FERC compliant. The risk is that BPA won't meet the effective date for the NERC ATC Standards. |
| 5 | Transmission Commercial Systems | Regulatory & Regional Association Fees | | 2 | | Expense | Additional support needed to maintain additional commercial IT systems required under the NERC ATC Standards and Reciprocity. This includes integration with existing commercial systems, new enhancements, documentation, and new certification requirements. The risk is that BPA is non-compliant. |
| 6 | Transmission Account Services | Regulatory & Regional Association Fees | | | 1 | Expense | Additional support needed to process JRO Agreements. The risk is that BPA is non-compliant. |
| | | | | | | | **Wind Integration** |
| 7 | Transmission Planning | Internal Reimbursable Services | 1 | | | Reimbursable | Support for completing studies required for wind integration. Risk is non-compliance with LGIP. |
| 8 | Transmission Operations | Capital Program | | | 1 | Capital | Improving wind integration process with control center system environment and to respond to customer's needs. Risk is delay of project energization. |
| 9 | Transmission Engineering | Capital Program | | | 2 | Capital | Additional project managers are needed for wind integration projects. Risk is failure to execute projects. |
| 10 | Transmission Policy Development & Analysis | Scheduling Technical Support | | | 1 | Expense | Additional support needed to improve ancillary services required to implement the wind integration initiatives and to respond to customer needs. The risk is decreased reliability to the FCRPS. |

| | Organization | IPR Program Area | CFTE | BFTE | TERM | Capital / Expense | Justification of Need for Position |
|---|---|---|---|---|---|---|---|
| 11 | Transmission Policy Development & Analysis | Marketing Business Strategy | 1 | | | Expense | Additional support needed to improve customer access to existing and new intertie capacity, increase Dynamic Transfer Capability (DTC) between regions, reduce the risk of negative Northwest prices, and shift balancing service responsibilities to California Balancing Authority Areas (BAA).  Risks include the inability to export surplus wind power out of the region during periods of high water or non-power constraints on hydro operation, thereby creating a risk of negative prices, and inability to shift balancing service responsibilities to California BAAs due to lack of DTC. |
| | | | | | | | **NT Service** |
| 12 | Transmission Marketing & Sales | Scheduling Technical Support | | 1 | | Expense | Conversion of MBA Coop Student. Additional support needed to maintain additional commercial IT systems required under the NAESB NT Standards, which includes the Network Integration Transmission Service (NITS). This includes a new transacting system for just NT service, integration with existing commercial systems, new enhancements, and customer support.  The risk is that BPA is non-compliant in implementing new industry standards for NT Service. |
| 13 | Transmission Commercial Systems | Scheduling Technical Support | | 3 | | Expense | Additional support needed to maintain additional commercial IT systems required under the NAESB NT Standards, which includes the Network Integration Transmission Service (NITS). This includes a new transacting system for just NT service, integration with existing commercial systems, new enhancements, and customer support. The risk is that BPA is non-compliant in implementing new industry standards for NT Service. |
| 14 | Transmission Commercial Systems | Scheduling Technical Support | 3 | | | Expense | Additional support needed to setup the new Network Integration Transmission Service (NITS) model. This includes data population, testing, integration with other commercial systems, troubleshooting before the model is ready to be commercially available, and customer support.  The risk is that BPA is non-compliant in implementing new industry standards for NT Service. |
| | | TOTAL | 12 | 7 | 5 | | |

| FY12 Staffing Cost Rule of Thumb: | |
|---|---|
| BFTE | $102,000 |
| CFTE | $129,846 |

**CAPITAL:**

Capital FTE are already covered in the FY12-13 capital program and there is no resulting incremental IPR program increase. There are 3 Term BFTE added in lieu of CFTE. Although the budget rule of thumb for CFTE is $129,846, for most engineering functions the annual CFTE cost is typically $150-300K.

**EXPENSE:**

The incremental expense FTE is 14 with an associated annual expense program increase is $1,567,230. There are 2 Term BFTE and 7 permanent BFTE added in lieu of CFTE. These BFTE are added because the positions are inherently governmental and/or cost of CFTE significantly exceeds BFTE.

**REIMBURSABLE EXPENSE:**

Seven of the FTE are for reimbursable services and would be rate neutral.

| | EXPENSE FTE | | | CAPITAL FTE | |
|---|---|---|---|---|---|
| 5 | Expense CFTE | $649,230 | 0 | Capital CFTE | $0 |
| 7 | Expense BFTE | $714,000 | 0 | Capital BFTE | $0 |
| 2 | Expense Term BFTE | $204,000 | 3 | Capital Term BFTE | $306,000 |
| | Total annual cost | $1,567,230 | | Total annual cost | $306,000 |

| RATE IMPACT | |
|---|---|
| Rule of thumb rate impact for **expense program $6.2M = 1% change** | Rule of thumb for **capital program $66M = 1% change** |
| Rate Impact: 0.25% | Rate Impact: Not applicable |

*BPA Financial Disclosure Information: This information has been made publicly available by BPA on August 20, 2010 and does not contain Agency-approved Financial Information.*