

# **Unauthorized Increase Charge (UIC) Follow-Up Questions**

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Response to a customer's questions at the  
June 29, 2016 Transmission Rates Workshop

# Response to UIC Questions

- **Customer Question:** How many UIC events took place over the past 5 years?
  - If possible please provide a count for BPA Network versus BPA Intertie events.
    - **BPA Response:** We do not have this information by Network vs Intertie. Over the past 5 years there have been 43 instances.
  - Did you see an increase in UIC events beginning July 2013 (UIC billing factor change)?
    - **BPA Response:** We saw an increase in FY 2014 and then a decrease after that FY.

# Response to UIC Questions

- **Customer Question:** How many waivers were granted over the past 5 years?
  - What were the reasons for granting versus non-granting a waiver?
    - **BPA Response:** BPA has determined that five customers who were originally billed for UIC had their bills corrected after further review.

# Response to UIC Questions

- **Customer Question:** How did BPA arrive at the existing UIC design?
  - **BPA Response:** The current UIC design was adopted in the TR-10 settlement and explained in BPA's testimony. (see Bermejo *et al.*, TR-10-E-BPA-06, at 4-7). The UIC design was developed to ensure there was no incentive for customers to deliberately exceed their capacity reservations. The rate was developed by creating a range of the Price cap plus 100 mills per kilowatthour or 500 mills per kilowatthour. If FERC eliminates the price cap, then it would be the 500 mills per kilowatthour. FERC has not eliminated the price cap.

# Response to UIC Questions

- **Customer Question:** How is BPA's UIC design aligned with other transmission providers' UIC designs and with FERC guidance regarding UIC?
  - **BPA Response:** BPA believes that this rate is needed to incent proper scheduling, and if we were to apply as FERC described, it could be higher than what we currently are charging. The FERC language in Order-890 is related to charging a UIC rate that is twice the “relevant point-to point rate.” For Long Term PTP service, this would be a \$ per KW rate. Alternatively, Bonneville charges a mills per kilowatt hour rate for the energy associated with the UIC. Two times the Firm PTP monthly rate applied to a single hour would be a higher penalty rate than exists today. For non-pervasive behavior Bonneville provides an opportunity to seek a waiver of the UIC.