

BPA Transmission COSA Development Focus Group

Friday, October 14



Process

- Do you have any suggestions concerning the process BPA and the customers use to develop the COSA?
 - Should BPA hire a consultant or facilitator?
 - Should we use the TRS model as a starting place or start from scratch?
 - Are you aware of other large transmission providers who have performed COSAs? Should we research how other transmission providers with significant amount of NT and PTP customers allocate costs?

Ratemaking Steps

- What ratemaking steps should be included in the COSA process? How much time should be spent exploring each topic?
 - Division of costs between Transmission and Generation?
 - Revenue Requirement?
 - Segmentation methodology and analysis?
 - Allocation of costs within Network segment?
 - Rate design?
 - Other?

Montana Intertie

- In the 2012 Settlement, BPA agreed to reexamine the Montana Intertie rate. Should that be included as part of the COSA process or separately?

Historical Versus Future Data

- What data should be used—historical or future test period?

Issues and Methodologies

- Do you have any suggestions concerning what issues we should focus on, or methodologies we should consider?

Other Topics

- Do you have any suggestions concerning what issues we should focus on, or methodologies we should consider?
- Are there any other topics you would like to discuss?
- What do you expect to get out of the COSA discussion? An analysis? An understanding of how we do it currently?
- What should our objective be?
- What are some principles to approach this?
- What would it take to for you to say that this was a successful process?

Appendix



Excerpts from the Transmission Partial Settlement Agreement

6. Before the start of the 2014 rate case, BPA will:
 - (a) work with interested transmission customers in an open and collaborative forum to define the parameters of a cost of service study that includes consideration of alternative methodologies for allocating demand-related costs and that determines the costs of BPA's major transmission services,
 - (b) complete an illustrative cost of service study using forecasted data from a recent fiscal year, and
 - (c) share the cost of service model with customers to ensure clear and transparent cost of service determinations. BPA will use the methodology from the study in the initial proposal for the 2014 rate case to prepare rate designs and allocate costs among rate classes.