

DEPARTMENT OF ENERGY**Bonneville Power Administration****Proposed Open Access Transmission Tariff; Public Hearing and Opportunities for Public Review and Comment**

AGENCY: Bonneville Power Administration (BPA), Department of Energy (DOE).

ACTION: Notice of Hearing on Proposed Open Access Transmission Tariff.

SUMMARY: BPA File No.: TC-02. BPA requests that all comments and documents intended to become part of the Official Record in this process contain the file designation number TC-02.

BPA's Transmission Business Line (TBL) is proposing open access non-rate terms and conditions for transmission services over the Federal Columbia River Transmission System (FCRTS). Such terms and conditions are proposed to be effective October 1, 2001. By this notice, the TBL is announcing commencement of a formal administrative proceeding, procedures for intervention, and a comment period for non-party participants.

DATES: Persons wishing to become formal parties to the proceeding must notify BPA's TBL in writing of their intention to do so, in accordance with the requirements stated in this Notice. Petitions to intervene must be received by 4:30 p.m. on March 27, 2000.

The formal administrative proceeding will begin with a pre-hearing conference at 9:00 a.m. on March 29, 2000. The Initial Proposal will be available to parties at that time.

Persons wishing to comment on the proposed transmission terms and conditions who are not formal parties to the proceeding ("participants") must submit written comments on the proposal by June 15, 2000, to be considered in the Record of Decision (ROD).

ADDRESSES:

1. Petitions to intervene should be addressed as follows: Todd Miller, Hearing Clerk-LT-7, Bonneville Power Administration, 905 NE 11th Ave., Portland, Oregon 97232. In addition, a copy of the petition must be served concurrently on and directed to BPA's General Counsel, Attention Mr. Stephen R. Larson LT-7, Office of General Counsel, 905 NE 11th Ave., Portland, Oregon 97232.

2. Written comments by participants should be submitted to the Corporate Communication Manager-KC-7, Bonneville Power Administration, P.O.

Box 12999, Portland, Oregon 97212. You may also e-mail your comments to: comment@bpa.gov. Comments from participants are incorporated into the Official Record and will be considered by the Hearing Officer and the Administrator.

3. The pre-hearing conference will be held in the BPA Rates Hearing Room, 2nd floor, 911 NE 11th Ave., Portland, Oregon, on March 29, 2000.

FOR FURTHER INFORMATION CONTACT:

Information may also be obtained from Mr. Michael Hansen-KC-7, Public Involvement and Information Specialist, Bonneville Power Administration, P.O. Box 3621, Portland, Oregon 97208-3621; by phone (503) 230-4328, toll free at 1-800-622-4519; or via e-mail to mshansen@bpa.gov.

Responsible Official: Mr. Dennis Metcalf, Transmission Rate Case Manager, is the official responsible for the development of BPA's Open Access Tariff.

SUPPLEMENTARY INFORMATION:**Electronic Access and Copies**

The proposed Open Access Tariff may be obtained from the TBL website at www.transmission.bpa.gov/ratecase.htm. To receive a hard copy, contact BPA's Public Information Office at 905 NE 11th Ave., 1st floor, Portland, Oregon 97232; by phone to (503) 230-4328 or toll-free 1-800-622-4519.

Concurrent Transmission Rate Adjustment Proceeding

BPA will hold a Transmission Rate Adjustment proceeding concurrently with this proceeding. BPA is also publishing in the **Federal Register** a separate notice regarding the proposed 2002-2003 transmission and ancillary services rates.

Issued in Portland, Oregon, on February 28, 2000.

Judith A. Johansen,

Administrator and Chief Executive Officer.

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Part I—Introduction and Procedural Background

BPA's existing Open Access Tariff was approved by the Federal Energy Regulatory Commission (Commission) as an acceptable reciprocity open access tariff. BPA's TBL is now proposing to establish revised terms and conditions of general applicability for transmission services over the FCRTS. The Federal

Power Act amendments, passed by Congress in the Energy Policy Act of 1992, provide that BPA may institute a formal regional hearing on transmission terms and conditions which it proposes to establish for general applicability, 16 U.S.C. 824k(i)(2). If the BPA Administrator determines to hold such a hearing, notice of the hearing is to be provided in the **Federal Register** with a written explanation of the reasons why the terms and conditions are being proposed. The hearing must adhere to the procedural requirements of paragraphs (1) through (3) of section 7(i) of the Pacific Northwest Electric Power Planning and Conservation Act, 16 U.S.C. 839e(i), except that the Hearing Officer shall make a recommended decision to the Administrator, including the reasons and bases for such recommendations, on all material issues of fact, law, or discretion presented on the record. The BPA Administrator shall then make a determination based on the record, setting forth the reasons for reaching any findings and conclusions which may differ from those of the Hearing Officer. At the conclusion of this hearing, BPA intends to again file the Administrator's decision with the Commission for approval as a reciprocity tariff.

This proceeding will be governed by Section 1010.9 of BPA's Procedures Governing Bonneville Power Administration Rate Hearings (Procedures), 51 FR 7611 (1986), as modified by the Hearing Officer at the pre-hearing conference. Section 1010.7 of the Procedures prohibits *ex parte* communications. *Ex parte* limitations were imposed beginning January 24, 2000. Because it is the TBL's largest customer, BPA's Power Business Line (PBL) is expected to intervene as a party to this proceeding. Consequently, the *ex parte* rules will apply to communications between the PBL and the TBL.

A proposed Schedule for the formal hearing is stated below. A final Schedule will be established by the Hearing Officer at the pre-hearing conference.

March 27, 2000—Petitions to Intervene
March 29, 2000—Pre-hearing

Conference and Filing of BPA Direct Case

May 22, 2000—Parties File Direct Cases
June 15, 2000—Close of Participant

Comments

June 19, 2000—Litigants File Rebuttal Testimony

July 11, 2000—Cross-Examination Begins

August 14, 2000—Initial Briefs Filed

August 18, 2000—Oral Argument Before the Administrator

September 11, 2000—Hearing Officer's Recommendations
 September 29, 2000—Draft ROD issued
 October 13, 2000—Briefs on Exceptions
 November 3, 2000—Final ROD—Final Studies

Part II—Scope and Purpose of Hearing

These revised terms and conditions are being proposed to (1) incorporate more of the wording of the Commission's *pro forma* open access tariff than is the case with BPA existing Open Access Tariff; (2) implement a Network Contract Demand transmission service in addition to the *pro forma* Point-to-Point and Network Integration Transmission services; and (3) implement various other modifications to the *pro forma* tariff, including a congestion management mechanism, which BPA believes will provide more reliable and efficient transmission services to its customers. The proposed revised Open Access Tariff is proposed to be effective October 1, 2001.

One non-rate term and condition issue is being decided in BPA's current 2002 power rate proceeding. That issue is whether BPA's TBL will pay for the acquisition of transmission service over intervening network equivalent non-Federal transmission facilities for delivery of non-Federal power to certain of its customers ("GTA customers"). This issue will not be revisited in this proceeding. The Administrator directs the Hearing Officer to exclude from the record any material attempted to be submitted or arguments attempted to be made in the hearing regarding this issue.

Part III—Public Participation

A. Distinguishing Between "Participants" and "Parties"

BPA distinguishes between "participants in" and "parties to" the hearings. Apart from the formal hearing process, BPA will receive comments, views, opinions, and information from "participants," who are defined in the BPA Procedures as persons who may submit comments without being subject to the duties of, or having the privileges of, parties. Participant's written comments will be made part of the official record and considered by the Administrator. Participants are not entitled to participate in the pre-hearing conference; may not cross-examine parties' witnesses, seek discovery, or serve or be served with documents; and are not subject to the same procedural requirements as parties. Additional information may be obtained from the TBL website at www.transmission.bpa.gov/ratecase.htm.

Written comments by participants will be included in the record if they are received by June 15, 2000. This date follows the anticipated submission of BPA's and all other parties' direct cases. Written views, supporting information, questions, and arguments should be submitted to BPA's Manager of Corporate Communications at the address listed in the ADDRESSES section.

Persons wishing to become a party to this Open Access Transmission Terms and Conditions proceeding must notify BPA in writing. Petitioners may designate no more than two (2) representatives upon whom service of documents will be made. Petitions to intervene shall state the name and address of the person requesting party status, and the person's interest in the hearing.

Petitions to intervene as parties in the rate proceeding are due to the Hearing Officer by 4:30 p.m. on March 27, 2000. The petitions should be directed to: Todd Miller, Hearing Clerk—LT-7, Bonneville Power Administration, 905 NE 11th Ave., Portland, Oregon 97232.

Petitioners must explain their interests in sufficient detail to permit the Hearing Officer to determine whether they have a relevant interest in the hearing. Pursuant to Rule 1010.1(d) of BPA's Procedures, BPA waives the requirement in Rule 1010.4(d) that an opposition to an intervention petition be filed and served 24 hours before the pre-hearing conference. Any opposition to an intervention petition may instead be made at the pre-hearing conference. Any party, including BPA, may oppose a petition for intervention. Persons who have been denied party status in any past BPA rate proceeding shall continue to be denied party status unless they establish a significant change of circumstances. All timely applications will be ruled on by the Hearing Officer. Late interventions are strongly disfavored. Opposition to a late petition to intervene filed after the pre-hearing conference shall be filed and received by BPA within two (2) days after service of the petition.

B. Developing the Record

The hearing record will include, among other things, the transcripts of the hearing, written material submitted entered into the record by BPA and the parties, written comments from participants, and other material accepted into the record by the Hearing Officer. The Hearing Officer then will review the record, will supplement it if necessary, and will certify the record to the Administrator for decision.

The Administrator will develop Final Open Access Transmission terms and

conditions based on the entire record, including the hearing record certified by the Hearing Officer, the recommendations of the Hearing Officer, and comments received from participants. The Administrator will then issue a Draft Record of Decision. Parties will have an opportunity to respond to the Draft Record of Decision as provided in BPA's Procedures. The Administrator will then issue a Final Record of Decision with the Final Open Access Tariff and will serve copies of the Final Record of Decision on all parties. At the conclusion of the proceeding, BPA will file its Open Access Tariff with the Commission for review and approval as an acceptable reciprocity tariff.

BPA must continue to meet with customers in the ordinary course of business during this proceeding. To comport with the procedural rule prohibiting *ex parte* communications, BPA will provide necessary notice of meetings involving issues raised in the proceeding to allow for participation by all parties to the proceeding. Parties should be aware, however, that such meetings may be held on very short notice and they should be prepared to devote the necessary resources to participate fully in every aspect of the proceeding.

Part IV—Summary of Proposal

BPA is proposing an Open Access Tariff based on the *pro forma* tariff contained in the Commission's Order 888-A. The following is a brief summary of the major modifications being proposed to the *pro forma* tariff:

- Addition of a third Open Access Transmission service, Network Contract Demand service, which combines flexible use of Network Resources with the ability either to serve native load or to make third party sales; the flexibility to use Network Resources at Points of Receipt is matched by the flexibility at Points of Delivery to take firm service at Secondary Points of Delivery, if capacity is available.

- Addition of a redispatch congestion management mechanism based on incremental and decremental bids from resource owners.

- Change from a first-come, first-served approach to a first-to-confirm approach.

- Addition of an option for customers requesting Long-Term Firm Point-to-Point or Network Contract Demand service to maintain priority access prior to executing a service agreement by paying a Capacity Holding Fee which will be credited towards the customer's first month's bill if the customer executes a Service Agreement.

- Addition of the right of applicants for Short-Term Firm Point-to-Point service to pre-confirm their requests.
- The ability of Point-to-Point customers to request Daily Firm service with a term ranging from one (1) day to 364 days.
- The addition of Hourly Firm service.
- The elimination of any reference to BPA native load.
- The elimination of the BPA Power Business Line's obligation to redispatch its generation to provide transmission capacity in response to service requests.
- The elimination of "bumping" rights among requests for Firm Point-to-Point service.
- Clarification of the mechanism for postponing the commencement of firm transmission service.
- The elimination of any application deposit or processing fee.

- Addition of an explicit obligation to transfer service under the Open Access Tariff to the tariff of a Regional Transmission Organization (RTO), when formed.
- Elimination of the Load Ratio Share concept from Network Integration Service.
- Addition of a right of Network Integration Customers to deduct Customer-Served Load from the base charge applied to Network Load.
- Addition of a definition for dynamic scheduling.
- Elimination of the reservation priority for existing customers when their contracts expire.
- Losses—Consistent with the pro forma tariff, TBL is including loss percentages in the tariffs. Because of time constraints, TBL has not rerun the loss studies, so the loss percentages

have not changed from the current ones in place since October 1, 1996. These losses are based on average losses by segment. TBL believes a methodology based on incremental losses (perhaps constrained to just recover total losses) would provide a more accurate price signal concerning the impact of resource and load location and their shape over time. This could result in more efficient resource location, more efficient generation dispatch, and a more equitable assignment of the cost of losses. TBL is considering developing such a loss recovery methodology after the conclusion of this Terms and Condition proceeding. TBL requests comments on this idea from customers and other interested parties.

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