

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
BEFORE THE
BONNEVILLE POWER ADMINISTRATION

**Suspension of the Financial Reserves)
Policy Surcharge for the Remainder of)
the BP-20 Rate Period)**

BPA File No.: BP-20E

**PETITION TO INTERVENE OF
THE PUBLIC POWER COUNCIL**

Pursuant to Section 1010.6 of the Rules of Procedure of the Bonneville Power Administration (BPA or Bonneville) and the Federal Register Notice dated June 22, 2020,¹ the Public Power Council (PPC) hereby petitions for leave to intervene as a party in the above-captioned proceeding.

I. Grounds for Intervention:

BPA commenced this proceeding to provide rate relief to millions of Pacific Northwest ratepayers during the COVID-19 pandemic by suspending the application of the Power and Transmission Financial Reserves Policy (FRP) Surcharge for the remainder of the BP-20 rate period. This proposal will impact BPA’s power rates. Specifically, “[i]n FY 2021, this proposal would reduce power rates, as the FRP Surcharge triggered in FY 2020 and is expected to again trigger in FY 2021.”² However, because the FRP Surcharge is a “risk adjustment” mechanism that floats on top of BPA’s base power rates, its temporary suspension will not impact BPA’s BP-20 base power rates and will not impair BPA’s ability to recover system costs, make scheduled Treasury payments, or meet any of the agency’s other statutory ratemaking directives.

¹ Suspension of the Financial Reserves Policy Surcharge for the Remainder of the BP-20 Rate Period, 85 Fed. Reg. 37,444 (June 22, 2020).

² *Id.*

And, BPA’s proposal “should not impact transmission rates as the FRP Surcharge did not trigger in FY 2020 and is not expected to trigger in FY 2021.”³

PPC is a non-profit trade organization that represents the common interests of the consumer-owned electric utilities in the Pacific Northwest that are statutory preference customers of BPA. PPC’s members purchase power from the agency at cost and represent over 90 percent of BPA’s Tier 1 sales. All of PPC’s members also purchase transmission and ancillary services from BPA at the rates set by BPA. Overall, including power and transmission, Northwest public power pays nearly 70 percent of the agency’s total costs.

Pursuant to Section 1010.6(b) of BPA’s Rules of Procedure, “[e]ntities that directly purchase power or transmission services under Bonneville’s rate schedules, or trade organizations representing those entities, will be granted intervention, based on a petition filed in conformity with this Section 1010.6.” PPC is a trade organization within the meaning of Section 1010.6(b) and has a direct and substantial interest in participating in this proceeding.

All pleadings, materials, and other communications relating to this proceeding should be served on the following individuals:

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Wherefore, PPC requests that this petition to intervene be granted and PPC be made a formal party to this proceeding.

³ *Id.*

II. Statement of Position:

PPC strongly supports BPA staff's initial proposal, as well as the scope, expedited process, and schedule set out for this proceeding. In the unprecedented economic circumstances caused by the COVID-19 pandemic, BPA's public power customers need substantive financial rate relief. This can be expeditiously achieved through a temporary suspension of the FRP Surcharge without materially affecting BPA's overall cost recovery or financial condition. Importantly, BPA staff does not propose to abandon the underlying FRP or sound financial practices more generally. Rather, the initial rate proposal presents a targeted agency response to extraordinary economic circumstances and PPC urges the Administrator to adopt this proposal as quickly as possible.

DATED this 24th day of June, 2020.

Respectfully submitted,

/s/ Irene A. Scruggs

Irene A. Scruggs

General Counsel

Public Power Council

CERTIFICATE OF SERVICE

I hereby certify that on June 24, 2020, I electronically filed the foregoing by uploading it to the Bonneville Power Administration's secure website. Pursuant to Section 1010.10(a) of the Rules of Procedure of the Bonneville Power Administration, such filing constitutes service on all Litigants.

Submitted by,

/s/ Irene A. Scruggs

Irene A. Scruggs

General Counsel

Public Power Council