

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

IN THE MATTER OF	)	BPA Docket No.: BP-20E
	)	
SUSPENSION OF THE FINANCIAL	)	
RESERVES POLICY SURCHARGE FOR	)	
THE REMAINDER OF THE BP-20 RATE	)	
PERIOD; PUBLIC HEARING AND	)	PETITION TO INTERVENE AND
OPPORTUNITIES FOR PUBLIC REVIEW	)	COMMENTS OF TRANSALTA
AND COMMENT	)	ENERGY MARKETING (U.S.) INC.

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Pursuant to the notice appearing in the Federal Register Vol. 85, No. 120 Monday, June 22, 2020, TransAlta Energy Marketing (U.S.) Inc. (“TEMUS”) respectfully petitions to intervene as a party in this proceeding. TEMUS’ concerns relate to the Bonneville Power Administration’s (“BPA”) proposed financial reserves policy for the remainder of the BP–20 rate period. In Sections I and II below, TEMUS provides statements in support of this request, and due to BPA’s extremely expedited BP-20E process, TEMUS has also included comments on the policy in Section III.

**I. PETITION TO INTERVENE**

TEMUS is a corporation organized under the laws of the State of Delaware, with an office in Portland Oregon, head office in Calgary, Alberta, Canada and electric generation facilities in the State of Washington. This proceeding concerns changes to BPA’s financial policy implementation that could impact financial reserves attributed to BPA’s Transmission Business Line of which TEMUS is a

customer. As TEMUS is directly impacted by this proceeding and its interests cannot be adequately represented by another party, it respectfully requests that it be allowed to intervene as a party.

## **II. COMMUNICATIONS**

Communications in connection with this filing should be sent via e-mail to:

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service

## **III. COMMENTS OF TEMUS**

TEMUS understands the challenges and uncertainties that the COVID-19 pandemic has caused all of BPA's customers and does not oppose suspending the Financial Reserves Policy Surcharge ("FRP Surcharge") in order to provide BPA's power customers economic relief. However, TEMUS contends that in BPA's haste to provide timely relief for its power customers, it has not adequately addressed two fundamental issues.

First, as described in the BP-18 rate proceeding's Record of Decision (BP-18-A-04,

July 2017), the Financial Reserves Surcharge was created in an effort to “[replenish] financial reserves to support BPA’s credit ratings, liquidity, equity between business lines and future rate stability.” *Id.* at P-3. It is clear today that BPA’s Power Business Line (“PBL”) needs financial reserve support, because the maximum FPR Surcharge of \$30M was triggered for fiscal year 2020 and is expected to trigger again in FY 2021 to manage and maintain the PBL’s minimum threshold of 60 days cash on hand. Testimony of Daniel H. Fisher and Rebecca E. Fredrickson, BP-20E-E-BPA-01 at 2. TEMUS agrees that the present extraordinary situation requires extraordinary measures, like suspending the FPR Surcharge, but the proposal offers BPA’s customers no supporting evidence that its long-term financial health will be unharmed and BPA offers no analysis of potential increases to borrowing cost should BPA’s credit rating decrease as a result of suspending the FRP Surcharge.

The second and more important unaddressed issue is how PBL’s financial reserves will eventually be restored to the levels dictated by the FRP. This is concerning for transmission customers, like TEMUS, because suspending the FRP Surcharge provides no relief for transmission customers now and no economic protections later if BPA’s financial health worsens due to the suspension itself or due to the suspension being piled onto other factors already dragging on BPA’s financial health.

TEMUS requests that BPA take two immediate actions to address these issues:

1. As part of the BP-20E process, supplement the BP-20E-E-BPA-01 testimony with an Attachment 3 analyzing risks to BPA’s credit rating and borrowing costs that suspending the FRP Surcharge could cause.
2. Add to the BP-22 rate case process a reconvened discussion about BPA’s Financial Reserve Policy with the express intent of

- a. discovering how PBL's financial reserves will be restored to FRP standards;
- b. determining how transmission customers will be protected from cost increases that may result from that effort; and
- c. mitigating negative impacts to the Transmission Business Line's financial reserves.

#### **IV. CONCLUSION**

For the reasons stated herein, TEMUS respectfully requests that it be allowed to intervene in the BP-20E proceeding as a party and that BPA act on the two actions described above.

DATED this 24th of June, 2020.

Respectfully submitted

/s/ Lindsay Zaitsoff  
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*Attorney for TEMUS*

## CERTIFICATE OF SERVICE

I hereby certify that I have on this day served a copy of the foregoing PETITION TO INTERVENE AND COMMENTS OF TRANSALTA ENERGY MARKETING (U.S.) INC. upon the Hearing Officer through the Secure Website and the Hearing Clerk for this proceeding via email at BP20Eclerk@gmail.com.

DATED this 24th day of June, 2020.

*/s/ Lindsay Zaitsoff*  
Lindsay Zaitsoff