

UNITED STATES OF AMERICA
U.S. DEPARTMENT OF ENERGY
BEFORE THE
BONNEVILLE POWER ADMINISTRATION

2007 WHOLESale POWER RATE)
ADJUSTMENT PROCEEDING) BPA Docket WP-07

ORDER ADOPTING REVISED SCHEDULE

Background. On February 13, 2006, Bonneville Power Administration (BPA) filed a Motion to Amend Order Establishing Schedule, WP-07-M-15, (Motion). That Motion described the recent FERC cases regarding the Transmission Business Line (TBL), their effect upon TBL obligations and relationships to BPA and other power generators and the impact to the Initial Proposal in this proceeding. BPA noted that there would be effects on independent power producers who previously did not have reason to participate in this proceeding and asserted that they should be given an opportunity to participate from this stage of the proceedings forward. BPA also outlined the steps it had planned to take to advise these persons of the addition of this supplemental issue to the instant proceeding.¹ BPA noted that certain dates were tentative and would be discussed at the February 16, 2006, Scheduling Conference, but indicated that then-current parties to the proceeding had interposed no objections to BPA's proposed schedule revisions.²

On February 16, 2005, A Scheduling Conference was held and the proposed schedule was tendered by BPA counsel for consideration by parties in attendance. Later that day, BPA filed a Motion to Amend Order Establishing Schedule, WP-07-M-24, along with a copy of the revised schedule, affixed hereto as Attachment A, and requested that an Order be issued no later than 5:00 p.m. PST on February 22, 2006. According to Bonneville, the schedule is divided into two sections: the first sets out the schedule for the main proceeding; the second section provides dates for the supplemental proceeding.

For the first section, BPA proposes to change the due date for rebuttal testimony from Monday, February 27, 2006 to Friday, March 3, 2006. This change, in turn, moves back the dates for clarification, data requests and motions to strike associated with rebuttal. Surrebuttal is also added to the first section. The first week of cross-examination is eliminated from the schedule as well.

The second section set out the dates for data requests and motions to strike with respect to the BPA supplemental direct case, the Parties' direct case, clarification, data requests and motions to strike on the Parties' direct cases, rebuttal and cross-examination. No dates were

¹ *Motion*, pp. 1-2.

² *Id.*, pp. 2-3.

set for clarification of the BPA supplemental proposal, data requests or motions to strike for rebuttal in the supplemental schedule. BPA notes that none of the parties in attendance at the scheduling conference objected to waiving these processes and asserts that the schedule proposed will not delay completion of these proceedings. In its Motion, BPA also enumerated the assent of two dozen parties and their affiliated members to the proposed schedule.³

TransAlta Centralia Generation, LLC (TransAlta) petitioned to intervene in the proceeding that same day and appeared at the conference. By Order WP-07-O-13, entered February 17, 2006, TransAlta was granted party status. On February 17, 2006, TransAlta filed an Answer to Bonneville Power Administration's Motion to Amend Order Establishing Schedule and Motion for an Alternative Amended Schedule (Answer).

TransAlta claims that "the Amended Schedule does not does not provide it with sufficient time to prepare a complete and comprehensive response" and proposes an alternative schedule.⁴ TransAlta contends that BPA bears responsibility for this problem because its Motion was filed February 8, 2006, but TransAlta did not learn of it until February 13, 2006, due to BPA's inadequate notice.⁵ TransAlta's proposed schedule contains one-week delays in the time for data requests and parties' direct cases to be submitted and a three-day delay in cross-examination. TransAlta notes that, because BPA had shared the proposed schedule with the rate case parties prior to submitting it, those parties had more advance notice than TransAlta and that, "the Amended Schedule is unreasonable given the importance and complexity of the issues" and denies TransAlta and other similarly situated parties "a meaningful opportunity to understand the Supplemental Issue and present any questions or arguments."⁶

On February 21, 2006, BPA filed an Answer to TransAlta's Objection to Proposed Amended Schedule (BPA Reply), asking that I adopt their originally proposed schedule. BPA asserts that the time allotted is adequate

because the supplemental issue is merely a revision to one component of the proposed revenue forecast that PBL is anticipating it will receive from providing reactive power to TBL. As compared to the full rate proceeding with multiple complex issues, this supplemental issue proceeding is limited to a relatively simple change in the revenue forecast...this is only a first step and the non-affiliate generators will have additional opportunities to challenge BPA's decisions regarding compensation for reactive power. It is also worth noting that the Hearing Officer has recognized that TBL rates and terms and conditions are outside of the scope of this proceeding, which removes most of the complexity of the supplemental issue.⁷

³ *Id.*

⁴ *Answer*, p. 2.

⁵ *Id.*

⁶ *Id.*, pp. 3-4.

⁷ *BPA Reply*, pp. 1-2.

BPA contends that because there is only one issue, the time, while abbreviated, is adequate. Furthermore, after cross-examination, the supplemental issue is linked back up with the full rate case schedule and all parties, including TransAlta, will have ample time to prepare briefs, oral argument and briefs on exception.⁸

With respect to the alternative schedule proposed by TransAlta, BPA claims that it is unworkable, because there is inadequate time provided for data responses following the data request deadlines and allowing adequate time for data responses “would push the entire schedule back into April.”⁹

Finally, BPA asserts that TransAlta has mischaracterized the events surrounding the notice to prospective parties and their alleged prejudice therefrom and relates the circumstances as to when and how information on the supplemental case was available to the public.¹⁰

Discussion. This rate case is notable for its comprehensiveness, number of participants and the sheer volume of the record now being created. Consensus, a sense of urgency and diligence is necessary to on the part of all participants if the proceeding is to be concluded in a timely manner. Rarely has any party been completely pleased with all elements of the schedule. However, I find that when a broad, if not unanimous, consensus among parties with divergent interests has been reached, then the schedule is reasonable *per se*.

On February 17, 2006, by Order WP-07-O-13, I granted petitions to intervene filed, not only by TransAlta, but by Calpine Corporation, the Northwest Independent Power Producers and PPM Energy, Inc., all of whose interests in this rate case arise out of issues to be examined in the supplemental proceedings. I note that none of them interposed any objection to the proposed schedule at the scheduling conference or joined in TransAlta’s objections either to the schedule itself or to the manner in which notice of the proceedings was given. I therefore conclude that the schedule proposed by BPA is reasonable and should be adopted.

ORDER

The Motion to Amend Order Establishing Schedule filed by Bonneville Power Administration IS GRANTED. The Schedule for the remainder of this proceeding, set forth in Attachment A, IS ADOPTED.

⁸ *Id.*, pp. 2-3.

⁹ *Id.*, p. 3.

¹⁰ *Id.*, pp. 4-5.

SO ORDERED, February 22, 2006

/s/ Allan J. Arlow
Allan J. Arlow, ALJ
WP-07
BPA Hearing Officer

ATTACHMENT A

Amended Schedule 2007 Wholesale Power Rate Adjustment Proceeding

I. Primary Case - BPA Docket WP-07

The following procedural schedule is established for BPA's 2007 Wholesale Power Rate Adjustment Proceeding (WP-07) initiated to determine 2007 wholesale power rates:

A. Prehearing Stage

1. BPA Direct Case/Prehearing Conference: November 21, 2005
2. Clarification & Settlement Discussions: December 5, 2005 – December 9, 2005
3. Motions to Strike: December 9, 2005
4. Data Request Deadline: December 9, 2005
5. Answers to Motions to Strike: December 15, 2005
6. Data Response Deadline: December 16, 2005

Field Hearings:

November 29, 2005
Springfield City Hall
225 Fifth Street
Springfield, OR 97477

November 30, 2005
West Coast Kalispell Center Hotel
20 North Main
Kalispell, MT 59901

December 1, 2005
Red Lion at the Park
303 W. North River Drive
Spokane, WA 99201

December 5, 2005
Red Lion Hotel on the Falls
475 River Parkway
Idaho Falls, ID 83402

December 6, 2005
Sheraton, Ballroom
1320 Broadway Plaza
Tacoma, WA 98402

December 7, 2005
Doubletree Hotel
1000 NE Multnomah St.
Portland, OR 97232

B. Parties File Direct Case: January 20, 2006

1. *Optional - Parties File Prehearing Briefs: January 25, 2006*
2. Clarification: January 30, 2006 – February 2, 2006
3. Settlement Discussions: February 3, 2006
4. Motions to Strike: February 7, 2006
5. Data Request Deadline: February 7, 2006
6. Close of Participant Comments: February 13, 2006
7. Answers to Motions to Strike: February 14, 2006
8. Data Response Deadline: February 14, 2006

C. Litigants File Rebuttal. March 3, 2006

1. Clarification. March 7-8, 2006.
2. Data Request Deadline. March 8, 2006
3. Motions to Strike. March 8, 2006
4. Sur-Rebuttal. March 13, 2006
5. Data Response Deadline. March 15, 2006
6. Answers to Motions to Strike. March 15, 2006

D. Hearing Stage

1. Cross Examination: March 20-24, 2006

E. Briefing and Decision Stage

1. Initial Briefs filed: April 17, 2006
2. Oral Argument: April 26-27, 2006

3. Draft ROD Issued: May 26, 2006
4. Briefs on Exceptions: June 9, 2006
5. Final ROD – Final Studies: July 7, 2006

II. Supplemental Issue - BPA Docket WP-07

A. BPA Direct Case (Supplemental Issue)

1. BPA Announces Supplemental Issue Proposal. February 13, 2006
2. Comment Period on Supplemental Issue Begins. February 13, 2006
3. Deadline for Supplemental Issue interveners to file Petitions to Intervene. February 16, 2006
4. Scheduling Conference. 1:00 pm February 16, 2006
5. Motions to Strike (Supplemental Issue). February 23, 2006
6. Data Request Deadline (Supplemental Issue). February 23, 2006
7. Answers to Motions to Strike (Supplemental Issue). February 28, 2006
8. Data Response Deadline (Supplemental Issue). March 1, 2006

B. Parties Direct Case

1. Parties File Direct Case (Supplemental Issue). March 6, 2006
2. Close of Participant Comment Period (Supplemental Issue). March 6, 2006
3. Clarification (Parties Direct Case (Supplemental Issue)). March 7, 2006
4. Data Request Deadline (Supplemental Issue). March 10, 2006
5. Motions to Strike (Supplemental Issue). March 10, 2006
6. Answers to Motions to Strike (Supplemental Issue). March 17, 2006
7. Data Response Deadline (Supplemental Issue). March 17, 2006

C. Parties file Rebuttal (Supplemental Issue). March 21, 2006

D. Cross Examination (Supplemental Issue). March 24, 2006