

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

IN THE MATTER OF

2012 TIERED RATE METHODOLOGY
SUPPLEMENTAL PROCEEDING

) No. TRM-12S

) STATEMENT OF POSITION
) OF SALMON RIVER ELECTRIC
) COOPERATIVE

Pursuant to the Amended Procedural Schedule established by TRM-12S-HOO-06, Salmon River Electric Cooperative (SREC)¹ hereby submits its Statement of Position, as follows:

1. SREC supports BPA providing a utility with the opportunity to acquire a provisional Contract High Water Mark.

2. SREC is concerned with language in TRM-12S-E-BPA-01; Pg 13; 4.1.3.1.1; 1)b):

To otherwise qualify as material, the event must have must have caused a decrease in a single consumer's load (or interrelated load under common ownership) that resulted in the smaller of a 5 aMW or 10% decrease in the customer's Measured FY2010 Load.

Our concern is with term "event." In a BPA Public Workshop, May 21, 2009, BPA used a power point slide which used the following language:

Path 1 – Specific Load Loss Adjustment: A customer could request a load loss adjustment to its Measured FY 2010 Load for a load loss that occurs in FY 2009 – FY 2010:

- From a specific consumer load, for any reason, if the load loss is at least 5 aMW or 10% of the customer's Measured FY 2010 Load.

¹ SREC is a Member of Pacific Northwest Generating Cooperative (PNGC) and the "PNGC Group." SREC, PNGC and each other Member of PNGC each are parties to this proceeding. SREC's Statement of Position articulates its individual position on certain issues in this Supplemental Proceeding, which may differ from the positions stated by the other parties comprising the PNGC Group.

SREC questioned BPA at the May 21 Workshop about this very issue and was told that the intent of 4.1.3.1.1; 1) b) was that if for “any reason,” it did not have to be an “event,” that a utility had load loss meeting the threshold criteria, it would qualify under Path 1.

BPA should clarify this issue for the record.

3. The following language in TRM-12S-E-BPA-01; Pg14; 4.1.3.1.1; 2) is important to SREC:

BPA may use its judgment to grant a further upward adjustment to a customer’s Measured FY 2010 Load for an adjustment under 1a) or 1b) as long as the load does not exceed the highest continuous twelve-month average during FY 2007,2008 or 2009 for the load(s) on which the adjustment is made.

SREC serves a large mine load that represents two thirds of its total retail load. In 2007 the mine had load of 20aMW, while in 2008 the mine load was 25 aMW. In 2009 it is forecasted to have a load of 19 aMW. The mine’s best prediction for mine loads 2010 - 2014 is that there is a 60% chance of returning to full production (27 aMW) in 2010 and to be in full production 2011 - 2014. SREC’s concern is the possibility that the mine load does not return until 2011-14, and we have to serve historic load with Tier II or Non-Federal power. It should be noted that the mines load variations are not typically caused by an “event.”

DATED this 30th day of July, 2009.

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By s/ R. Erick Johnson
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