



**Eugene Water & Electric Board**

500 East 4th Avenue/Post Office Box 10148  
Eugene, Oregon 97440-2148  
541-685-7000  
www.eweb.org

February 15, 2019

Elliot Mainzer  
Administrator, Bonneville Power Administration  
Portland, OR 97232  
Submitted via the Rate Case Web Portal

RE: Proposed Settlement of BP-20 Power Rate Case

Dear Administrator Mainzer:

This letter is respectfully submitted by the Eugene Water & Electric Board (“EWEB”). EWEB is the largest publicly-owned electric and water utility in Oregon, and our electric system supplies service to 93,000 residential, commercial, and industrial customers in and around the city of Eugene.

EWEB would like to state our appreciation for the Bonneville Power Administration’s (“BPA”) considerable efforts, both in and outside the Integrated Program Review (“IPR”) process, to hold the overall projected power rate increase for the BP-20 Rate Period to an average of 2.9 percent. We are grateful for the progress BPA has made in implementing and improving cost controls, and we commend you and your staff for the hard work necessary to achieve this result.

Recognizing that BPA has already responded<sup>1</sup> with its preference to continue with the rate case process in lieu of entering into negotiations, EWEB would nonetheless like to express our support for WPAG’s recent letter to BPA<sup>2</sup> requesting that BPA schedule and hold a workshop with its power customers with the aim of settling the BP-20 power rates.

It is our opinion that the opportunity to settle the BP-20 rate case would provide considerable benefit to both BPA and its power customers. It is without question that settlement would enable BPA and its customers to avoid spending time, money, and considerable staff resources on what might otherwise be a long and expensive rate case process. As WPAG correctly noted, these resources could instead be deployed to address longer-term issues that bear on BPA’s future viability, such as implementation of BPA’s strategic plan and the transmission tariff settlement (if approved), development of new sources of revenue and exploration of joining the Western Energy Imbalance Market, to name a few. Given the scope and potential impact of the many issues facing our region, it is critical that they receive our collective and undivided attention.

---

<sup>1</sup> [BP-20-PR-BPA-01](#), “Letter in Response to Jan. 31, 2019 Letter by the Western Public Agencies Group.”

<sup>2</sup> [BP-20-ST-WG-01](#), “Letter Re: Proposed Settlement of BP-20 Power Rate Case.”

Further, upon review of BPA's initial proposal, we believe that there may be additional opportunities for BPA and its power customers to realize additional benefits, through refined revenue forecasting ahead of the final proposal. For example, in our opinion BPA's current Net Secondary Revenue Forecast may not accurately reflect the value of extra-regional sales, and given its expanded hedging practices and an upcoming shift in BPA's risk tolerances, we would further advocate for an increased assumption of firm surplus available during the BP-20 rate period. In lieu of attempting to litigate these issues, EWEB would appreciate the opportunity to work collaboratively with BPA and its power customers to identify a solution to the mutual benefit of all parties.

In closing, we believe that the recent success of the TC-20 process is indicative of the region's desire to work together to develop mutually beneficial outcomes. Additionally, BPA's successful identification of cost reductions sufficient to enable a projected average rate increase of 2.9 percent has undoubtedly served to build considerable goodwill throughout the region. EWEB respectfully encourages BPA to continue to build upon that goodwill by providing its power customers with an opportunity and forum in which to settle the BP-20 rate case.

Sincerely,



Susan Ackerman  
Chief Energy Officer  
Eugene Water & Electric Board