

BOATT Automation Update

Customer Forum 36

October 25, 2012



BOATT Automation Update

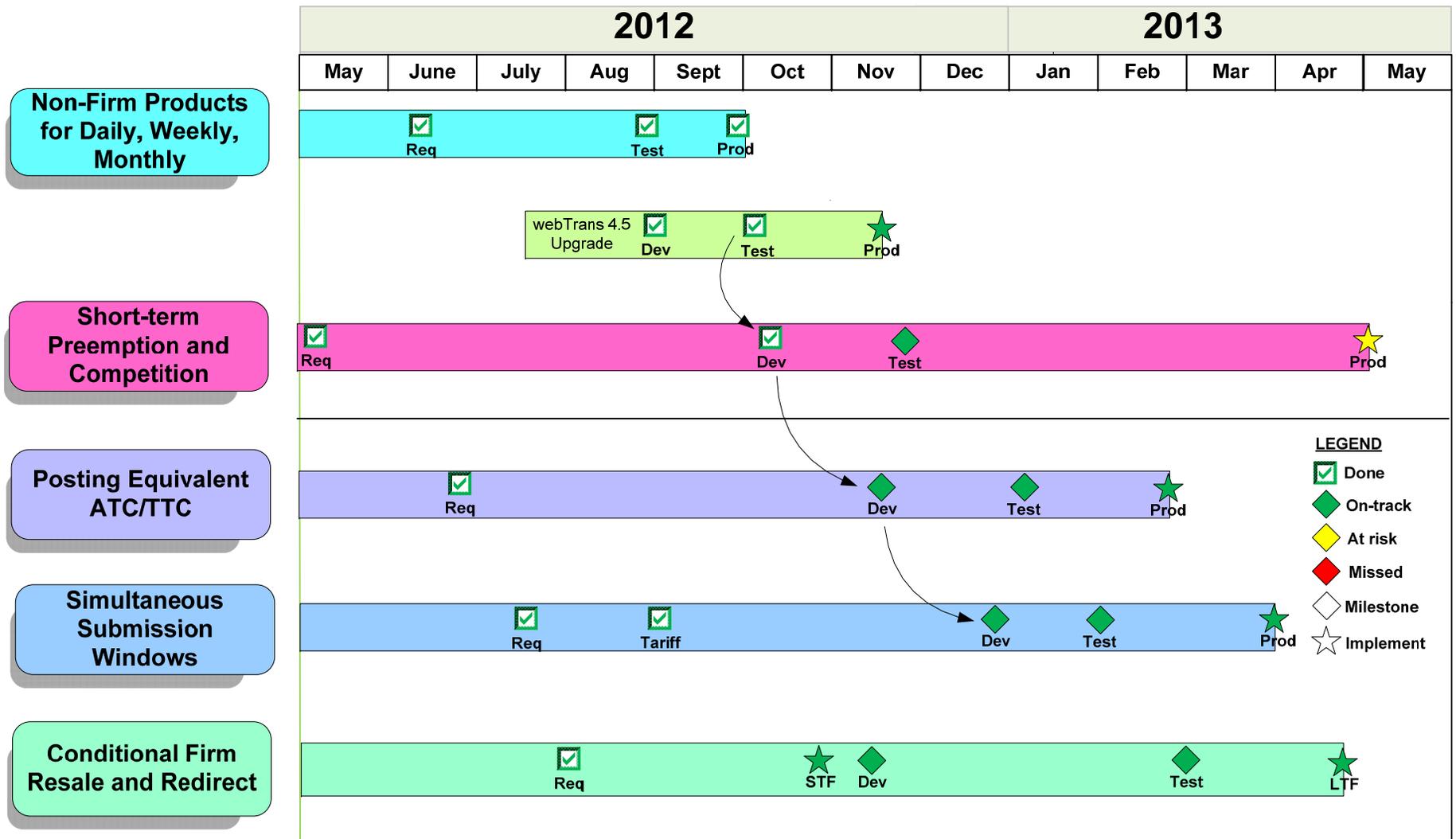
❖ Background:

- BPAT filed an OATT with FERC on 3/29/12 seeking reciprocity.
- BPAT committed to completing 6 automation efforts by April '13.

❖ Status:

- 4 of 6 projects are dependent on an OATI webTrans 4.5 upgrade currently being tested for implementation end of Nov '12. This effort will take 5 of the original 12 month effort.
- An integrated OATI development schedule has been finalized for driving these 4 projects from Nov '12 through April '13 (next slide).
- Status update to FERC is in the process of being filed as follows:
 - ✓ Non-Firm Daily/Weekly/Monthly: Completed end of Sept '12.
 - ◆ CF Resales/Redirects for short-term: On-track for end of Oct '12.
 - ◆ Posting Equivalent ATC: On-track for early March '13.
 - ◆ SSW: On-track for late March '13.
 - ◆ CF Resales/Redirects for long-term: On-track for end of April '13.
 - ◆ Preemption/Competition: Risk for April '13.

BOATT Automation Schedule



Non-firm Products for Daily, Weekly, Monthly

- ✓ Status: Completed
 - ❖ Products offered on Sept 28 for service starting Oct 1.
 - ❖ 15 requests and 3 reservations granted to date (as of 10/10/12).

Posting of Equivalent ATC

- ◆ Status: On-track for early March '13
 - ❖ Will calculate EqATC for all POR/POD combinations used in past year.
 - ❖ EqATC will be posted to a new screen in webOASIS each hour (under ATC Information menu).
 - ❖ 20 days of history will be maintained under "AFC/Flowgate Reports."
 - ❖ 5 years of history will be maintained under "Archive."
 - ❖ Posted values are for information-only. There is no change to the ATC/AFC that we are selling to.

Conditional Firm Resales/Redirects for short-term

◆ Status: On-track

- ✓ Business Practice has been posted.
- ❖ Resale and Redirects to be enabled on Oct 22.
- ❖ No change to the current process for giving priority access to STF for holders of CF service. Firm-up process will be the same as before.
- ❖ Redirects will be limited to STF service only.
- ❖ Resales will be restricted as follows.
 - No aggregation is allowed for Conditional Firm service.
 - Assignee must have a signed contract exhibit for CF service.
 - Resales of duration greater than 364 days is disallowed until April '13.

Conditional Firm Resales/Redirects for long-term

◆ Status: On-track for April '13

- ❖ Requires development for both internal and vendor software.
- ❖ Resale restrictions on aggregation and contract exhibits will still apply.

Simultaneous Submission Windows

- ◆ Status: On-track for late March '13
 - ✓ Policy decision was made in June to use a “lottery” approach for awarding constrained capacity within the SSW.
 - ✓ Filed a revised tariff with FERC in Sept indicating the “lottery” method.
 - ❖ A 5 minute SSW will be used on Firm service only. Non-firm will be excluded from SSW requirement.
 - ❖ The 5 minute window will start when the respective market opens (e.g., 10:00am for hourly and midnight for all other services).
 - ❖ Activation of the SSW capability will depend on FERC approval of our revised tariff.
 - ❖ A conference call will be scheduled with customers in early 2013 discussing interaction between SSW and Preemption/Competition.

Short-term Preemption/Competition

- ◆ Status: High risk for April '13
 - ❖ We appreciate the strong customer engagement both regionally and with NAESB to define regulatory guidance for preemption/competition.
 - ❖ We recognize the uncertainty for all of us: We will not have complete guidance from NAESB or final solutions from OATI by April '13. Nevertheless, we are committed to meeting our commitment to FERC.
 - ❖ Policy decision process has started evaluating an interim “best case” model that may be doable by April '13:
 - Using pro-forma conditional windows and standard S&CP timing settings as discussed in our meetings, our analysis shows minimal market impact outside of the hourly market.
 - As a result, this “best case” model for April does not include preemption or competition in the hourly market.
 - Only 0.5% of all Daily / Weekly / Monthly PTP and NT reservations during FY12 would have been subject to a preemption/competition process.
 - There are many technical issues remaining, but the impact seems manageable based on the low number of reservations that would be affected.

Short-term Preemption/Competition – Next Steps

- ❖ Customer feedback on this interim approach is welcome.
- ❖ No final policy decisions have been made at this time. Expect a decision by the end of 2012.
- ❖ An April implementation (if any) would be a phased approach by product.
- ❖ The functional testing timeline is still very tight, so April '13 remains a high-risk schedule regardless.
- ❖ Regardless of the go/no-go for April, BPAT will continue our regional and NAESB engagement until the NAESB process on defining the guidelines for preemption/competition are completed.
- ❖ This interim model will certainly continue to evolve beyond April '13 based on NAESB guidance and OATI capability.