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Subject: TransAlta Comments on Tariff Automation Efforts

Matt;

As part of BPA's Tariff Automations Efforts, TransAlta is providing comments on the following efforts and tariff provisions.

- Posting of Equivalent ATC
- Conditional-Firm Resales and Redirects
- Non-firm Products for Daily / Weekly / Monthly
- Simultaneous Submission Windows (SSW)

TransAlta plans to comment on Short-term Preemption and Competition provisions as that process continues with NAESB and at BPA forums.

General Comments

CBPI Conference Calls
TransAlta agrees that the regularly scheduled Commercial Business Process Improvement ("CBPI") conference call is a logical venue for Tariff Automation topics because of systems overlap between the two.

Posting Tariff Automation Information and History
BPA must decide and declare which website will host Tariff Automation information. It is currently scattered between the BPA OATT Workshop and CBPI websites. Please choose one.

Additional Meetings
TransAlta supports the meeting plan suggested during the May 16, 2012 workshop: If educational sessions are offered, please do so on-line via Live Meeting. When in-

person meetings make sense for debate and discussion, please group the topics together to minimize travel. If a customer consult would help design a better solution or vet a proposal, please ask.

Posting of Equivalent ATC

TransAlta's responses to BPA's questions are embedded below.

1. Please identify your preference for where the Equivalent ATC/TTC values are posted on OASIS (eg, under Sys Data, Offerings, or somewhere else)?

   Answer: Please post ATC on the Offerings page and TRANSOFFERING template.

2. How often do you foresee using this capability?

   Answer: More often than Sys Data is queried today.

3. What benefit do you see this capability provides? Do you foresee any changes to your business by having this capability?

   Answer: Posting ATC on the Offerings page and TRANSOFFERING template will match the method used by most North American Transmission Providers and make customers' desk procedures uniform. Similarly, customer and Joint Initiative tools, like ITAP, will be streamlined by dropping special functionality necessary for Sys Data.

4. Do you have any other comments or suggestions about our proposed approach?

   Answer: No.

5. Do you feel further customer workshops and/or conference calls are necessary for this project, other than the planned discussions at the monthly CBPI Conference Call?

   Answer: No, but please advise customers if BPA's planned approach does <u>not</u> follow OASIS S&CP guidelines for Offerings and the TRANSOFFERING template.

Conditional-Firm Resales and Redirects

1. CF service may be resold during the time that it has Priority 6 scheduling rights. Child resale "firm ups" occur as if they are still part of the parent CF service. In the event where partial STF capacity remains to "firm up" some (but not all) of the children, what is the most equitable way to distribute this remaining capacity? Should it be based on queue time of the resale or some other criteria? We are not aware of any guidance from FERC or NAESB on this matter.

   Answers: Partial firm-ups of CF resales (children) should occur based on queue order, similar to the method of firming-up CF parents.

2. CF service uses specific contract exhibits. Should an assignor be prohibited from reselling service to an assignee who has not signed the contract agreement? Why or why not?

   Answer: This topic may need more discussion because it is unclear why assignees should execute CF exhibits. Exhibits are appropriate for Transfers that convey all associated rights and obligations to the assignee. For resales, however, assignees need only abide by conditional curtailments, just like they must comply with normal curtailments and other BPA dispatch orders, correct? The fact that the service being resold is CF does not seem to warrant an exhibit.

3. How do you see this capability changing how you do business?

   Answer: This capability lifts a prohibition and enables CF customers to exercise all the rights inherent in the service. BPA should expect that CF customers will resell and redirect CF similar to firm service.

4. Do you feel further customer workshops and/or conference calls are necessary for this project, other than the planned discussions at the monthly CBPI Conference Call?

   Answer: No dedicated workshops should be necessary, but please keep CF Resales and Redirects on the agenda of all planned conference calls so customers know the pace and direction of progress.

Non-firm Products for Daily / Weekly / Monthly

1. Please review the proposed product definition attributes from the slides. Do you have any concerns about how BPA proposes to define these products?

   Answer: No.

2. How often do you foresee using these products? How will the availability of these products change how you do business?

   Answer: These answers depend on the availability of firm capacity, which will directly influence the popularity of non-firm.

3. Do you feel further customer workshops and/or conference calls are necessary for this project, other than the planned discussions at the monthly CBPI Conference Call?

   Answer: No.

Simultaneous Submission Windows (SSW)

1. Would you prefer a fixed or rolling start to the simultaneous window?

   Answer: Fixed.

2. What window duration is preferred for each of the transmission services? Remember, FERC requires a minimum of 5 minutes.

   Answer: 5 minutes.

3. The window is required for Firm. Should we optionally subject non-Firm to the simultaneous window also?

   Answer: Also applying SSW to non-firm service is not necessary.

4. Which transmission allocation should we use? Please provide a rationale for your choice. If there are options you specifically do NOT want us to consider, please indicate why.

   Answer: TransAlta prefers the lottery option where each entity's maximum volume TSR (if multiple TSRs have been submitted by the same entity) is

eligible for selection. Lottery is preferred because of the winner's chances for full grant, as opposed to varying lower allocations likely with the other methods.

5. Do you support the change to split BPA's Hourly market opening to have Firm open at 9:00am and non-Firm remain at 10:00am?

   Answer: Yes.

6. Currently, the market opens for many of BPA's transmission services at midnight. One customer requested that we move these to a new time (e.g., 6:00am). Do you support such a change? If so, which services and which time do you prefer?

   Answer: TransAlta supports midnight SSW Opens, which is a uniform and standard practice.

7. How do you see this capability changing how you do business?

   Answer: No change. SSW just takes the competition out of one area of the transmission market.

8. Do you feel further customer workshops and/or conference calls are necessary for this project, other than the planned discussions at the monthly CBPI Conference Call?

   Answer: No.

Sincerely,

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