



Transmission Services

Conditional Firm Transmission Service, Version 15

Response to Customer Comments

Posted: October 19, 2012

This document contains the Transmission Customer comments and Transmission Services' response to those comments for the Conditional Firm Transmission Service, Version 15, Business Practice posted for review from September 17, 2012 through October 9, 2012.

Thank you for your comments.

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1. Portland General Electric (PGE)

Portland General Electric (PGE) appreciates the opportunity to comment on the proposed revision to the Conditional Firm Transmission Service (CFS), Version 15 business practice.

- A. PGE requests clarification as to why BPA has put forward the proposed changes in version 15, most particularly the change allowing short term resales and redirects of CFS that have not been firmed up. PGE is concerned that allowing for resales and redirects for 'non firmed' up transmission could lead to some unintended consequences. Currently, BPA is working with regional transmission customers on the impacts of short-term firm competition under BPA's Tariff Compliance Projects (TCAP) and believes the proposed changes to this business practice should be incorporated at these regional discussions. Non-firmed CFS resales and redirects have not been raised at these TCAP meetings and should be closely evaluated for its potential impacts on short term competition.

Transmission Service's Response

The proposed methodology for handling CFS resales and redirects that are not "firmed up" were discussed during public meetings specific to this topic, including a previous CBPI meeting, as well as a meeting on September 25th. This methodology is presently an interim solution; alternate methods for management of granted Conditional Firm service are being assessed.

The impact on short-term competitions has been evaluated. A resale of CF has no impact on Short-term competition as resales are not subject to preemption or competition. A redirect of CF service in the Short-term market is treated like any other firm redirect for the purposes of preemption and competition; both firm and CF redirects are competed as they are considered original requests for service.

- B. PGE would also like clarification on the 'non firmed' up portion of CFS under a resale scenario and what NERC priority code will be designated on the resale? In addition, for the 'non firmed' up portion of a CFS under a redirect process, will the new reservation still hold a 1-NS designation (CFS business practice v.14, Section L, part 3)?

Transmission Service's Response

"Non firmed up" portions of CFS, if resold, would retain NERC Priority 6 scheduling rights. Redirect requests in the Short-term market for NERC Priority 1 or 7 scheduling rights may be submitted for "non firmed up" portions of CFS; these requests would be processed in a manner identical to existing practices for Short-term Firm redirects.

- C. Under the proposed business practice language when a long term 'non firmed' CFS redirect remains in pending queue (Version 15, Section L, part 3), can BPA clarify what they mean by "until BPA develops the functionality to process such requests"? Does BPA foresee any functionality issues or system issues to process these redirects?

Transmission Service's Response

An assessment pertaining to functionality and system modifications required to support processing of Long-term redirect requests is underway. BPA will provide updates as soon as this assessment produces reasonable estimates related to schedule and scope for this objective.