



Transmission Services

Network Open Season 2008 Bulletin, Version 9

Response to Customer Comments

Posted: January 18, 2013

This document contains the Transmission Customer comments and Transmission Services' response to those comments for the Network Open Season 2008 Bulletin, Version 9, posted for review from September 21, 2012 through October 19, 2012.

Thank you for your comments.

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1. Powerex

- A. Section 7.a.i of the bulletin says "Transmission Services will initiate a competition with a 2008 PTSA as the Defender when all of the following conditions are met:" one of which is "The Challenger does not have a PTSA." Powerex is concerned that by excluding customers with PTSAs from being permitted to challenge a Deferral, this may allow for a new entrant in the queue to receive service ahead of a pending PTSA request. This outcome disadvantages and discriminates against customers who have already committed to taking service.

Transmission Service's Response

Running deferral competitions where both the defender and challenger are PTSA holders potentially undermines the NOS process. In a deferral competition, a defender with a 2008 PTSA can opt to not match the start date of the challenger, thereby releasing its capacity to the challenger. If both the defender and challenger are PTSA holders in that instance, BPA loses revenue supporting the NOS build(s), which may be needed to enable service to the defender. This creates upward rate pressure not accounted for in BPA's Commercial Infrastructure Financing Analysis (CIFA). BPA's rolled-in rate determination is informed primarily by the CIFA. If BPA loses revenue as a result of a deferral competition, it impacts the CIFA and, in turn, potentially undermines BPA's rolled-in rates determination to justify building new transmission facilities. For this reason, BPA excluded PTSA holders as challengers when the defender holds a 2008 PTSA.

Moreover, BPA has committed to customers with a PTSA to provide transmission service upon a rolled-in rates determination and decision to build any necessary projects to enable service to the customer's transmission service request. Further, customers with PTSAs maintain the ability to obtain transmission service in advance of the build(s) identified for their requests if the needed capacity otherwise becomes available through changes in AFC. This policy does not unduly discriminate against customers holding PTSAs.

- B. Section 7.a.i of the bulletin states “Transmission Services will initiate a competition with a 2008 PTSA as the Defender when all of the following conditions are met:” one of which is “The Challenger is an original request for service.” Existing Long Term Firm customers have the ability to modify their Points of Receipt and Delivery. As these modifications are to be treated as new requests, they should not be precluded from the ability to compete with a Deferral request should the redirect require transmission capacity that might be released through competition.

Transmission Service’s Response

BPA excluded redirects from being eligible challengers to defenders with 2008 PTSAs for the same reasons as stated above with respect to challengers with a PTSA. Because redirects do not provide BPA with additional revenue if a defender with a 2008 PTSA releases its capacity to the redirect challenger, BPA loses revenue and the CIFA is impacted. Such changes could potentially undermine BPA’s rolled-in rates determination to justify building new transmission facilities.

- C. Section 7.b.i states “Customers with 2008 PTSAs are eligible to compete as Challengers in deferral competitions, except where the Defender is also a 2008 PTSA.” As previously stated, Powerex is concerned that this rule would allow a new entrant to the queue to possibly receive transmission service ahead of a pending PTSA customer who has been waiting for a transmission infrastructure build-out to access those rights. In our view, this is inconsistent with open access principles, and is unduly discriminatory.

Transmission Service’s Response

As stated in BPA’s response to A, above, BPA is committed to providing service to customers with 2008 PTSAs upon a rolled-in rates determination and decision to build any necessary projects to enable service to the customer’s transmission service request. Further, customers with PTSAs maintain the ability to obtain transmission service in advance of the build(s) identified for their requests if the needed capacity otherwise becomes available through changes in AFC. This policy does not unduly discriminate against customers holding 2008 PTSAs.

- D. Finally, Powerex would appreciate it if BPA advised customers how it intends to address deferrals for Network Open Season PTSAs that were not part of the 2008 process.

Transmission Service’s Response

See section 4(e) of the 2009 and 2010 PTSAs.