



Transmission Services

Network (NT) Transmission Service, Version 5

Response to Customer Comments

Posted: September 10, 2012

This document contains the Transmission Customer comments and Transmission Services' response to those comments for the Network (NT) Transmission Service, V5, Business Practice posted for review from July 25, 2012 through August 21, 2012.

Thank you for your comments.

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1. Pacific Northwest Generating Council (PNGC)

PNGC Power appreciates this opportunity to comment on BPA's proposed revisions to its Network Integration ("NT") Transmission Service, Version 5, Business Practice ("NT Business Practice") and the Impacts of Long Term Requests Available Transfer Capability ("ATC") Methodology, Version 10, document ("ATC Document"). PNGC Power holds a Network Integration Transmission Service Agreement (NT Agreement) through which power is delivered to our 14 rural electric distribution cooperative members in seven western states.

These NT Business Practice and ATC Document changes begin to recognize the reality that many of BPA's NT customers are serving portions of their load with non-federal resources. The new Regional Dialogue power sales contracts, which were signed in 2008 and under which power deliveries began in 2011, give BPA's preference customers the incentive and the mechanisms to bring non-federal resources to serve load. BPA's assumption prior to this time was that there was an "infinite" federal bus and that all NT preference customers were served from the federal system.

These changes will allow NT customers to reserve transmission for forecasted resources and give BPA better information about which resources NT Customers plan to meet load with. Resource development can be quite lengthy. Our power sales contract with BPA has long and binding notice periods for bringing in a non-federal resource. In this long lead time environment, having a mechanism to reserve transmission on a forecasted basis is critical to our ability to develop and bring non-federal resources to meet our load.

Specific comments on the NT Business Practice, Version 5

A. Section D.2.

1. At the end of D.2.a., please revise the phrase "included in the final resource forecast" to read "included in a final or updated resource forecast (as provided in B.6. above)." Customers can update their resource forecasts and submit a TSR throughout the year as new information becomes available, not just after a "final" resource forecast. The prior wording could have been construed to limit when forecasted resource TSRs could be submitted.

Transmission Service's Response

BPA will accept the suggested changes since these clarify the intent of section D.2.

2. Please revise section D.2.a.ii. as follows:

~~"The NT Customer is not required to submit a Network Resource Designation Form until the Customer designates a forecasted resource in accordance with section E.1, at the time of submittal of a TSR for a forecasted network resource, but is required to submit that form when completing that forecasted resource's designation as a Network Resource in accordance with section E.4 and E.5. below.~~

This language clarifies the procedure for forecasted resources and clarifies that sections E.4. and E.5. are the relevant sections to reference. Section E.5. does reference back to section E.1 so that reference is not lost.

Transmission Service's Response

BPA will accept the suggested changes since these clarify the intent of section D.2.a.ii.

3. **Section D.2.b.ii.** Please remove references to load. As NT customers, NT resources serve our entire NT load. There is no load need identified for any particular forecasted or designated Network Resource. The example does not actually clarify and should be deleted. Perhaps the language should read:

For alternate requests, BPA will not set aside or CONFIRM more in aggregate than the MW amount of the original TSR.

Transmission Service's Response

BPA has removed reference to load and will clarify the language in section D.2.b.ii as follows:

"If alternate FTSRs are submitted for alternate forecasted resources, and these are CONFIRMED, BPA will only set aside the amount of capacity needed to meet the MW demand being requested by any one of the FTSRs. BPA will not set aside an amount of capacity to meet the aggregate MW demand being requested by all alternate FTSRs."

Example: A customer submits three alternate forecasted resource TSRs, each with a 5 MW demand. If more than one of these TSRs can be CONFIRMED, BPA will only set aside sufficient capacity to meet 5 MW of demand as opposed to setting aside capacity to meet the aggregate 15 MW of demand.

We have no specific comments on the proposed ATC Methodology changes but do appreciate that BPA is implementing these much needed and long awaited changes that will make achieving the policy goals of load service with non-federal resources and resource development attainable for NT customers.

Transmission Service's Response

Thank you for your support.

2. Wells Rural Electric Co. (WREC)

Wells Rural Electric Co. (WREC) appreciates the opportunity to comment on BPA's proposed revisions to its Network Integration ("NT") Transmission Service, Version 5, Business Practice ("NT Business Practice") and Impacts of Long Term Requests Available Transfer Capability ("ATC") Methodology, Version 10, document ("ATC Document").

Wells Rural Electric Co. (WREC) is a consumer owned distribution cooperative serving residential, commercial, irrigation and industrial customers in Northern Nevada. WREC's service area is approximately 12,000 square miles serving approximately 6,000 customers. WREC is a requirements customer of BPA and receives transmission service via a BPA NT contract and BPA GTA service through Idaho Power and NV Energy transmission systems. WREC is a member of Northwest Requirements Utilities (NRU) and a member of Northwest Energy Management Services (NEMS) for non-federal Tier 2 power.

BPA is proposing important positive changes to its NT transmission planning policies that reflect the new world of Regional Dialogue and use of non-federal resources with no detrimental impact to customers that continue to rely fully on the federal system. These changes represent significant progress on BPA's behalf and provide a framework that reflects Regional Dialogue's goal of using of non-federal resources

to serve some A-RHWM load. As a member of NRU, WREC fully supports the comments submitted by NRU regarding the NT Business Practices.

WREC does feel there is still a need for BPA to develop a policy for building or upgrading the transmission system when capacity is not available to serve NT loads. Transmission upgrades can take a very long time to complete and must be planned for well in advance of NT loads. We urge BPA to continue working with NT customers to determine how transmission upgrades or builds needed to meet NT customer loads will be accommodated. Updating BPA's planning assumptions via forecast TSRs is an important step in the right direction but only half of the answer. The other half of the answer is how BPA, as the NT service provider, will provide service to NT customers when there is insufficient ATC available and/or insufficient sub-grid capacity available. As a member of NRU, WREC looks forward to continuing working with BPA on these issues.

We wish to express our support and appreciation for the hard work that has gone into developing these revised documents by BPA and other customers. Adoption of these documents will certainly expedite one of the primary drivers of Regional Dialogue, that being the development of non-federal resources.

[Transmission Services' Response](#)

[Thank you for your support as BPA continues working on these challenging issues.](#)

3. Northern Wasco County PUD (NWCPUD)

Northern Wasco County PUD (NWCPUD) appreciates the effort that BPA staff have put into development of the proposed NT ("NT BP") and ATC Business Practices ("ATC BP"), and offers these comments in support of the proposed practices ("Proposed BPs"). As a member of Northwest Requirements Utilities ("NRU"), NWCPUD also supports the comments submitted by NRU in this review and comment process.

Overall, the Proposed BPs are a reasonable launching point into reserving transmission service that is essential to load serving entities ("LSE") that must ensure reliable, low-cost service to Northwest consumers. Through the Regional Dialog, quantum changes have occurred in the structure of BPA power contracts that became effective during the past year and the Proposed BPs will be field tested in this new framework. For this reason, the Proposed BPs must be adapted, and revised if necessary, as BPA and its customers gain experience through their application.

- A. The addition of Section D of the NT BP for Forecasted Resources should help BPA plan prospectively for NT customer needs and provide customers with means to communicate future needs to BPA. Given the newness of these processes, and the many steps involved, it would be advisable that BPA allow customers to practice on the demo oasis with all validations and criteria enforced in a non-binding test environment. Given that certain manual steps are required by both

customer and BPA, might customers be able to reserve sessions for this purpose?

Transmission Services' Response

BPA is open to working one on one with customers to guide them through the new Business Practice procedures. Please contact your Transmission Account Executive with any questions and to schedule any necessary meetings, or to arrange a demo over OASIS.

While most of the NT BP appears conceptually workable for most requests, there were a few items that were unclear that may deserve additional attention:

- B. Section E.4. Should the first sentence be prefaced: "For LTF NT TSRs..." because the "no later than 60-days prior to service commencement date" would be outside the reservation window for anything but LTF TSRs of any service.

Transmission Services' Response

BPA will clarify section E.4. to state that it applies to Long-Term designations of Network Resources.

- C. Section F.1.a.ii. describes the POR for a generating resource within an LSE as the point of interconnection with BPA (POI). What if the LSE has more than one POI?

Transmission Services' Response

In that instance, when completing the TSR, the NT Customer should work with their Account Executive to determine the best way to complete the POR section.

4. Central Lincoln PUD

Central Lincoln PUD ("Central Lincoln") appreciates the opportunity to comment on BPA's proposed revisions to its Network Integration ("NT") Transmission Service, Version 5, Business Practice ("NT Business Practice"). Central Lincoln is a load following, consumer owned electric utility serving approximately 39,000 customers on the central Oregon coast. As an NT customer, Central Lincoln has traditionally relied on BPA Transmission Services to deliver power from the Federal Columbia River Power System ("FCRPS") to our customers. However, beginning shortly, Central Lincoln will also rely on BPA Transmission Services to deliver non-FCRPS power to serve our Above High Water Mark Load (AHWML). The revisions to the NT Business Practice will allow Central Lincoln to secure NT Transmission for non-FCRPS power in the future.

Before the Regional Dialogue Contracts, these revisions to the NT Business Practices were unneeded. Central Lincoln was a full requirements customer of BPA and BPA Transmission Services correctly assumed that Central Lincoln's load would be fully served by the FCRPS. This assumption is no longer correct under the

Regional Dialogue Contracts since BPA is now encouraging customers to serve AHWML with non-BPA power.

Without the revised NT Business Practice, it would be difficult for Central Lincoln to serve its AHWML with a resource other than BPA Tier 2 power. Current NT Business Practices make it much easier to secure transmission for BPA Tier 2 power than any other source. As a Load Following Customer, Central Lincoln's AHWML is difficult to forecast more than one Rate Period into the future. BPA does not finalize our load forecast, and thus our AHWML until the Rate Period before power delivery is to begin. Also, the Tier 1 system fluctuates +/- 200 aMW. It is difficult to secure transmission service with such short notice. However, this would not be an obstacle if Central Lincoln were to simply use BPA Tier 2 to serve its AHWML.

The revisions to the NT Business Practice helps to solve this problem by allowing Central Lincoln and other NT customers to reserve transmission based on a forecasted resource. Thus, we can plan to have a resource to serve our AHWML with transmission ready when we have the amounts finalized. Central Lincoln strongly supports BPA's proposed revisions to the NT Business Practice and appreciates the work that BPA Transmission Services has performed to develop and revise the NT Business Practice.

Transmission Services' Response

Thank you for your support.

5. PPL Energy Plus

PPL Energy Plus has the following questions for BPAT on Version 5 of the Network Integration (NT) Transmission Service Business Practice.

- A. The term "forecasted resources" in the introduction could mean forecasts of *existing* resources or forecasts of *new* resources; could BPA please clarify?

Transmission Services' Response

A forecasted resource is any resource which the NT Customer plans on designating as a Network Resource to serve Network Load. Forecasted resources could include either existing or new generating resources.

- B. There does not appear to be anything in the business practice to qualify the word "resource" as a Network Resource (i.e. one receiving Network Resource Interconnection Service or NRIS) yet Section E.2.b appears to be the FERC definition of "Network Resource". Could BPAT please clarify if the "resources" referred to in this document are Network Resources per OATT 1.26?

Transmission Services' Response

The term "resource" refers to any generating resource which could be designated as a Network Resource as defined in BPA's Tariff section 1.26. BPA will modify the NT BP to refer to "forecasted resources" as "forecasted Network Resources."

- C. Could BPAT please provide a cite where FERC requires a Network Transmission Service Request (NT-TSR) be submitted in addition to data submittal under OATT Section 31.6 (Load and Resource Surveys) in order to set aside transmission capacity for existing Network and Native load plus load growth and existing Network Resources?

Transmission Services' Response

Sections 30.2 and 31.2 of BPA's OATT and FERC's *pro forma* OATT state that designations of new Network Resources or Network Loads must be made through a modification of service pursuant to an Application (a request for transmission service). Further, section 29 states that Applications should be submitted by entering the required information on the Transmission Provider's OASIS. Thus, a transmission service request on OASIS is required to designate and obtain transmission service for new Network Resources or Network Loads. These requirements are in addition to the updates of Network Load and Network Resource forecasts required by section 31.6.

The submission of TSRs over OASIS for forecasted resources will enable NT Customers to reserve transmission capacity for those forecasted resources in a transparent manner, considering previously submitted requests in queue order.

- D. BPATs use of Network TSRs appears to be intended to time-stamp OATT Part III applications as directed under OATT Section 29.2, yet not restrict any rights and privileges associated with customers taking Network Integrated Transmission Service under Part III.
- a. Does BPAT believe NT-TSRs protect all rights of customers taking Network Integrated Transmission Service under Part III of the OATT? These rights include but are not limited to:
 - i. The right for Network and Native load to choose a resource
 - ii. The right to share congestion management cost with all other Network loads
 - iii. The right to have the transmission service provider build transmission for future load growth service with costs spread to all customers
 - iv. The rights described under OATT Part 2.2 involving roll-over rights, service agreement rights of first refusal, etc.
 - v. The priority rights NEASB is writing into the rules for short-term competition and pre-emption
 - vi. The right to Designate a System Sales as a Network Resource that customers now have under the OATT

Transmission Services' Response

The comments and statements above appear to be outside of the scope of the proposed NT BP modifications.

The intent of the NT BP modifications is to formalize a process under which transmission capacity may be reserved for forecasted resources, through the submission of a TSR over OASIS, to permit BPA to meet its planning obligation and allow NT Customers to reserve transmission capacity for those resources in queue order. The BP does not address cost sharing or short-term competitions.

Customers may contact their Account Executive if they have additional questions.

6. Flathead Electric

Flathead supports the comments submitted by NRU in support of the revisions to the NT business practice. It is important that NT customer may also submit TSRs for forecasted resources within the context of BPA's existing planning obligation.

In addition to offering our strong support and appreciation for the revised processes encompassed in the NT Business Practice, we would like to express our appreciation to BPA for continuing diligence in making sure NT customers have all the same service opportunities as other Transmission customers. These changes represent significant progress on BPA's behalf and provide a framework that reflects Regional Dialogue's goal of using of non-federal resources to serve some above-RHWM load.

Transmission Services' Response

Thank you for your support.

7. Western Public Agencies Group

The utilities that comprise the Western Public Agencies Group (WPAG) appreciate this opportunity to comment on comment on BPA's proposed revisions to its Network Integration ("NT") Transmission Service, Version 5, Business Practice ("NT Business Practice") and the Impacts of Long Term Requests Available Transfer Capability ("ATC") Methodology, Version 10, document ("ATC Business Practice"). Most of the WPAG utilities have Network Integration Transmission ("NT") Service Agreement with BPA which they use to transmit power for purposes of serving the Northwest consumers located within their service areas.

The WPAG utilities generally support the proposed changes to the NT Business Practice and the ATC Business Practice to allow reservations for forecasted resources. Allowing the use of forecasted resources is step in the right direction to implementing the goals and objectives of the Regional Dialogue power sales contracts to facilitate the development of non-federal resources by BPA's power customers to meet their load growth needs. We appreciate BPA staff's efforts in

developing these proposals. We do anticipate, however, that, given the slightly tedious nature of the requirements contained within the changes to the business practices, they may need to be modified as BPA and its customers gain experience in their application. Nonetheless, BPA should not hesitate to move forward with this proposal.

Transmission Services' Response

Thank you for your support. As BPA begins implementation and gains experience with the new process, it will be open to making modifications to ensure that the process provides the intended benefits.

8. Northwest Requirements Utilities (NRU)

Northwest Requirements Utilities ("NRU") appreciates the opportunity to comment on BPA's proposed revisions to its Network Integration ("NT") Transmission Service, Version 5, Business Practice ("NT Business Practice") and Impacts of Long Term Requests Available Transfer Capability ("ATC") Methodology, Version 10, document ("ATC Document").

NRU is a trade association composed of 50 Load Following customers who are all NT customers of BPA. Nearly half of the NRU membership has elected to use non-federal resources to serve some or all of their A-RHWM load under the Regional Dialogue contracts.

As NT customers, these utilities rely upon BPA Transmission Services to fulfill its requirements to NT customers under its open access transmission tariff, including its obligation to "endeavor to construct and place into service sufficient transfer capability"¹ to serve NT customers' network load with network resources.

Revisions to BPA's NT Business Practice Are Necessary to Fulfill the Goals of the Regional Dialogue.

BPA Transmission has historically planned the system using the assumption that all future NT load and load growth will be served with Designated Network Resources ("DNR") that are in customers' contracts at the time of BPA's planning analysis. When there is an insufficient amount of non-federal DNRs to serve forecasted load growth, BPA assumes that the DNR of the Federal Columbia River Power System ("FCRPS") serves that load. Accordingly, BPA reserves ATC from the FCRPS to serve NT customers' load. This was a reasonable assumption to make prior to Regional Dialogue, as most of BPA's NT customers were full requirements customers of BPA and relied wholly on the FCRPS to serve load growth. The implementation of the Regional Dialogue contracts and tiered rate methodology on October 1, 2011, entirely changed the playing field. Now, customers are encouraged to acquire non-federal resources to serve above rate period high water mark ("A-RHWM") loads. This means that NT customers need to secure firm transmission to transmit those non-federal resources to serve their load.

NRU Strongly Supports BPA's Proposed Revisions to the NT Business Practice and ATC Document.

NRU supports BPA's proposed revisions to both the NT Business Practice and the ATC Document because the revisions will allow BPA to incorporate the most up-to-date load/resource information in its planning studies. BPA currently reserves capacity for NT load growth using the assumption of the FCRPS; the revised Business Practice will allow BPA to use the most accurate information in its planning. Further, these changes will help BPA meet its requirements under the tariff to provide firm transmission service to NT customers to serve NT load, regardless of whether the resource is the FCRPS or not.

Specific Comments on the NT Business Practice

Below are specific comments NRU has on the proposed NT Business Practice.

- A. BPA should use a defined term, such as Forecast TSR ("FTSR"), to describe a TSR for a forecasted resource. This would make the business practice more precise and avoid confusion with TSRs for resources ready to be designated. For example, Section E.1.e. describes how to designate an "NT TSR" which could be misinterpreted to apply to TSRs for a forecasted resource as well. Such interpretation would negate the purpose of the proposed changes.

Transmission Services' Response

BPA will adopt the NRU suggestion and Forecasted Network Resource TSRs will be referred to as "FTSR" for purposes of the NT BP.

- B. Section E.2. discusses NT TSRs but appears to actually be describing the process for designating a network resource. If this is the case, it should be clarified.

Transmission Services' Response

Section E.2. refers to the requirements that must be met in order to designate a Network Resource. BPA will modify this section to clarify its application to the designation of Network Resources.

- C. Section D.2.b. should remove all references to "load." As NT customers, NT resources serve our entire NT load. There is no load need identified for any particular forecasted or designated Network Resource.

Transmission Services' Response

BPA has removed reference to load and will clarify the language in section D.2.b.ii as follows:

"If alternate FTSRs are submitted for alternate forecasted resources, and these are CONFIRMED, BPA will only set aside the amount of capacity needed to meet the MW demand being requested by any one of the FTSRs. BPA will not set aside an amount of capacity to meet the aggregate MW demand being requested by all alternate FTSRs."

Example: A customer submits three alternate forecasted resource TSRs, each with a 5 MW demand. If more than one of these TSRs can be CONFIRMED, BPA will only set aside sufficient capacity to meet 5 MW of demand as opposed to setting aside capacity to meet the aggregate 15 MW of demand.

- D. Please confirm that under Section D.2.b., Alternate Forecast TSRs, BPA will hold out sufficient capacity to ensure any of the alternates will be able to be confirmed upon submission of a TSR and DNR. We agree that the Business Practice is not the appropriate document for a detailed description of this process; perhaps the ATC Methodology is better suited.

Transmission Services' Response

Section D.2.b. is intended to illustrate that BPA will set aside, if the alternate TSRs can be CONFIRMED, sufficient capacity to accommodate the requested MW demand from any one of the alternate forecasted resource TSRs. However, BPA will not set aside capacity to meet all alternate forecasted resource TSRs in the aggregate.

- E. In Section D.3.c., it is unclear why BPA has provided two different standards for an increase or decrease to the demand amount (see Section D.3.a. and b.). In particular Section D.3.b.I.1. would allow the NT customer to increase the MW Demand of an existing forecasted resource that reflects only the increase of the MW demand for the forecasted resources and would then have a separate Queue time from the original forecasted resource TSR. BPA should allow NT customers to increase its duration through either an extension of the start date or stop date via a similar mechanism as that found in Section D.3.b.I.1.

Transmission Services' Response

Changes in start and stop dates affect the length of time for which capacity is associated with a TSR, and subsequent changes may affect other later submitted requests. Thus, BPA will only permit changes to start and stop dates for the already submitted forecasted resource TSR if these changes are within that TSR's existing start and stop dates because other later submitted TSRs will not be impacted by such modifications.

However, the provisions in the NT BP do not prevent an NT Customer from submitting a new TSR, with a new queue time, seeking to reserve capacity for a start date earlier than an already submitted TSR.

Example: The original TSR has a term of October 2013 to October 2014. If the customer needs service to start in October 2012, the customer would need to submit a new TSR (with a new queue time) with a term of October 2012 to October 2013. The customer would retain the original TSR with a term from October 2013 to October 2014.

- F. At the end of Section D.2.a., please revise the phrase "included in the final resource forecast" to read "included in a final or updated resource forecast (as provided in B.6. above)." Customers can update their resource forecasts and submit a TSR throughout the year as new information becomes available, not just after a "final" resource forecast. The prior wording could have been construed to limit when forecasted resource TSRs could be submitted.

Transmission Services' Response

BPA will accept the suggested changes since these clarify the intent of section D.2.

- G. Please revise Section D.2.a.ii. as follows: "The NT Customer is not required to submit a Network Resource Designation Form until the Customer designates a forecasted resource in accordance with section E.1. at the time of submittal of a TSR for a forecasted network resource, but is required to submit that form when completing that forecasted resource's designation as a Network Resource in accordance with section E.4 and E.5. below." This language clarifies the procedure for forecasted resources and clarifies that sections E.4. and E.5. are the relevant sections to reference. Section E.5. does reference back to section E.1 so that reference is not lost.

Transmission Services' Response

BPA will accept the suggested changes since these clarify the intent of section D.2.a.ii.

- H. The proposed approach to submitting forecast TSRs, modifying them, submitting actual TSRs, etc. is extremely cumbersome, especially for small resources and customers with limited staff. However, in the spirit of reaching a workable solution, NRU is willing to accommodate for these complexities and is optimistic that a more streamlined approach may be feasible in the future once we have had some time operating under these new processes. For example, one approach to better streamline this process is to create a MIDC Proxy that represents the PORs from all the MIDC balancing authority areas ("BAA"). Since BPA Transmission requires all market purchase to be sourced only from one specified BAA in order to obtain firm NT transmission, it will be very common for NT customers to request service from multiple MIDC BAAs (different marketers prefer different MIDC BAAs and their preferences also change over time due to changing circumstances). Using the MIDC Proxy would mimic the "alternate forecast TSR" process but in a simplified manner. A MIDC Proxy would help simplify the "alternate forecast TSR" in one instance (e.g., market purchases), but it is important to continue to retain the "alternate forecast TSR" provision for other circumstances as well.

Transmission Services' Response

BPA will continue exploring ways to make the process less cumbersome and will continue to be open to modifying the process in the future.

Need to Develop a Mechanism for Building or Upgrading the System When Capacity Is Not Available to Serve NT Loads.

In addition to offering our support and appreciation for the revised processes encompassed in the NT Business Practice and ATC Document, we urge BPA to continue working with NT customers to determine how upgrades or builds needed to meet NT customers' needs will be accommodated. Updating BPA's planning assumptions via forecast TSRs is an important step in the right direction but only half of the answer. The other half of the answer is how BPA, as the NT service provider, will provide service to NT customers when there is no ATC available and/or there is no subgrid capacity available. We look forward to continuing our work with BPA on these issues.

In conclusion, we again express our support and appreciation for the work that has gone into revising BPA's process for planning to serve NT load. Adoption of these documents will certainly help make one of the primary drivers of Regional Dialogue, the development of non-federal resources as needed to serve load, a reality. It is important that both sides (Power and Transmission) of the Agency are aligned in this regional policy, and these proposed revisions reflect the commitment of the Agency.

Finally, we encourage the Agency to be willing to modify these business practices if needed once BPA and NT customers have experience operating under them.

9. Cowlitz County PUD

Cowlitz PUD appreciates the opportunity to comment on the proposed revisions to BPA's Network Integration (NT) Transmission Service Business Practice, Version 5 ("NT Business Practice"). After reviewing the revised NT Business Practice, Cowlitz offers the following comments for BPA's consideration.

Need for Revisions to NT Business Practice

The implementation of Regional Dialogue contracts and the Tiered Rate Methodology present new challenges for NT customers, specifically with respect to acquiring or developing resources to serve above rate period high-water mark load. Historically, BPA Transmission has planned the system using the assumption that any load growth above what can be served by NT customers' Designated Network Resources would be served by the Federal Columbia River Power System. Consequently, ATC was reserved from the FCRPS to serve load growth associated with NT customers. Although this may have been appropriate in the context of past practices, the Regional Dialogue contracts have rendered this assumption outdated. Therefore, changes are needed to BPA practices in order to accurately reflect the resource decisions that NT customers will make.

The revisions that BPA has proposed for the NT Business Practice will result in two important improvements for BPA and its customers. First, BPA transmission planning will be based on more accurate assumptions regarding what resources NT customers will use to serve future load growth. Second, NT customers will be provided with a mechanism to reserve transmission on a forecast basis, which will assist those customers in meeting obligations related to Regional Dialogue contracts.

Specific Comments on NT Business Practice

- A. Forecast TSR Defined Term: The prior version of the NT Business Practice included only one type of TSR, whereas the revised business practice includes TSRs that are submitted for forecasted resources in addition to TSRs that are submitted when a customer is designating a resource (in association with the Network Resource Designation Form). For purposes of clarity, we recommend the creation of a separate defined

term, such as Forecast TSR (“FTSR”), to describe a TSR for a forecasted resource.

Transmission Services’ Response

BPA will adopt the suggestion and Forecasted Network Resource TSRs will be referred to as “FTSR” for purposes of the NT BP.

- B. Section D.2.a.: Cowlitz supports the following revision, proposed by PNGC in its comments:

At the end of D.2.a., please revise the phrase “included in the final resource forecast” to read “included in a final or updated resource forecast (as provided in B.6. above).” Customers can update their resource forecasts and submit a TSR throughout the year as new information becomes available, not just after a “final” resource forecast. The prior wording could have been construed to limit when forecasted resource TSRs could be submitted.

Transmission Services’ Response

BPA will accept the suggested changes since these clarify the intent of section D.2.

- C. Section D.2.a.ii.:

Cowlitz supports the following revision, proposed by PNGC in its comments:

Please revise section D.2.a.ii. as follows:

“The NT Customer is not required to submit a Network Resource Designation Form until the Customer designates a forecasted resource in accordance with section E.1. at the time of submittal of a TSR for a forecasted network resource, but is required to submit that form when completing that forecasted resources designation as a Network Resource in accordance with section E.4 and E.5. below.”

This language clarifies the procedure for forecasted resources and clarifies that sections E.4. and E.5 are the relevant sections to reference. Section E.5. does reference back to section E.1 so that reference is not lost.

Transmission Services’ Response

BPA will accept the suggested changes since these clarify the intent of section D.2.a.ii.

- D. Section D.2.b.: Cowlitz understands this provision to mean that BPA will hold sufficient capacity to meet any one of the alternate forecasted resources that a customer submits. In other words, the NT customer will retain the ability to confirm which of the alternates it ultimately chooses by designating such resource pursuant to the procedure set forth in the business practice. Please confirm that this understanding of Section D.2.b. is correct.

Transmission Services' Response

The description above is the correct intent of section D.2.b.

- E. Additionally, please remove references to load in D.2.b. NT resources serve the entire load of NT customers. There is no load need identified for any particular forecasted or designated Network Resource.

Transmission Services' Response

BPA will remove the references to "load" as suggested.

- F. Section E: There are several references in Section E to NT TSRs that need to be updated to reflect changes BPA has made to other sections of the NT Business Practice. Two examples follow:
 - i. Section E.1.e. requires that a Network Resource Designation Form must be completed no later than 5:00 PM on the same Business Day in which the NT TSR is queued. That requirement is not consistent with the process for submitting forecasted resource TSRs that BPA has implemented in the revised document and should be removed or otherwise revised.
 - ii. Section E.2 provides various requirements that an NT customer must satisfy in order to submit a TSR. However, given the revisions to the NT Business Practice these requirements should apply to the process for designating a network resource, not submitting a TSR.

Transmission Services' Response

Section E.1.e. has been modified to clarify that the LTF NT TSR applies to designated Network Resources.

Section E.2 has been modified to clarify that this section applies to TSRs to designate Network Resources.

Concluding Thoughts

Cowlitz appreciates the work done by BPA staff to improve the NT Business Practice and we support the adoption of a revised document that will both increase the accuracy of the transmission planning process and allow NT customers to meet the obligations present in the Regional Dialogue contracts. That said, the changes included in the NT Business Practice are only one element of the policy changes needed by NT customers. In addition, NT customers and BPA will need to address how BPA will provide NT service to NT customers when ATC or subgrid capacity is not available. Cowlitz looks forward to working with BPA in determining how upgrades or builds needed to meet NT customers needs will be accommodated.

Transmission Services' Response

Thank you for your support.

10. Idaho Falls Power

Idaho Falls Power appreciates the work that has gone into drafting version 5 of the NT Transmission Service business practice. We feel that a number of the concerns that were brought forward pertaining to integration of new network resources to serve future load growth were addressed by Bonneville staff. Version 5 has some well needed changes that give the NT customers the transmission delivery certainty that enables them to enter into long term resource commitments.

One area that might need some future thought is the requirement on power purchase agreements in requiring the identification of the source BAA along with the actual generators. Typically tagging generation from a single generating shaft would make an otherwise firm energy schedule unit contingent. The last area that was of concern is Section G, subsection 3 d. that states if no stop date is identified then the resource is permanently undesignated. This can lead to a devastating consequence and possibly a stranded asset in the event of a simple clerical error on a staff member's part. During the life span of a resource you could have hundreds of short term un-designations, thus escalating the potential of not specifying an end date in error. I would urge you to consider changing this to have a finite period of time.

Idaho Falls Power thanks staff for their effort and time that went into this latest version and we support the changes.

Transmission Services' Response

Thank you for your support.

11. Clark County PUD

Clark Public Utilities (Clark) would like to express its sincere thanks to BPA and, in particular, the BPA staff that worked to develop the Network Integration (NT) Transmission Service, Version 5, Business Practice (NT BP). The changes contained within the business practice are a marked improvement and will serve to assist Clark in meeting its changing business needs as a result of signing the Regional Dialogue Contracts. Clark appreciates the opportunity to comment on the business practice and proposes the following modifications. In addition, we ask that BPA work with its NT customers to understand how this NT BP will marry with the proposed changes to the Network Open Season (NOS) process and the anticipated revision of BPA's ATC methodology.

Clark believes the following changes to the cited NT BP subsections will further clarify and serve to more accurately reflect the intention of the relevant section.

A. Section B(3)(d)

This section should read:

For each forecasted, not yet designated resource the NT Customer must include the information in section 29.2(v) and (vi) of the OATT as further clarified by section F of this BP.

Transmission Services' Response

Section B.3.d. refers to the information that should be provided for each forecasted resource in the annual resource forecast submittal. Section F refers to additional requirements when designating a Network Resource, including informational requirements. Section F further has provisions related to the use PTP Service to serve Network Loads, evaluation of requests, etc...

At this time, BPA believes that no further clarification is required to section B.3.d. since section F contains additional requirements for designation of Network Resources.

B. Section D(2)(b)(ii)

The example in this section should be removed. How BPA reserves transmission is addressed in its ATC methodology and though the example is not entirely incorrect the actual process is more complex than this example suggests. As a result the example is misleading and may cause problems in subsequent discussions related to BPAs ATC Methodology.

Transmission Services' Response

BPA will remove the example from the NT BP.

C. Section D(2)(c), (d), and (e)

This section should read:

(c) Oasis LTF TSR Submittal Procedures for detailed information on the submission of TSRs, however,

i. Queue time for the forecasted resource TSR is established when the forecasted resource TSR is QUEUED on Oasis.

ii. When submitting the forecasted resource TSR, the NT Customer must enter the following information in to the customer comment field of the forecasted resource TSR: "This TSR is for a forecasted resource."

Transmission Services' Response

The use of the term "however" may imply that the two subsections are exceptions to the LTF TSR Submittal Procedures, which is not the case. For that reason, BPA believes that these sections are not subsets of each other and provide important provisions that are more properly outlined in separate sections. BPA will therefore retain the original language.

D. Section D(3)(a)(i)

This section references a "Conformance Original NT TSR" however no other section when referencing a conformance TSR includes the word "Original". This is an inconsistency that lacks clarity. Is a Conformance NT TSR the same as a Conformance Original NT TSR? Please provide additional clarification through a definition and/or use consistent terms throughout the document.

Transmission Services' Response

BPA will remove the reference to "Original" in the described section. "Conformance NT TSR" and "Conformance Original NT TSR" refer to the same TSR.

E. Section D(3)(c)

It is unclear why BPA has provided two different standards for an increase or decrease to the demand amount (see Section D(3)(a) and (b)). In particular Section D(3)(b)(l)(1) would allow the NT customer to increase the MW Demand of an existing forecasted resource that reflects only the increase of the MW demand for the forecasted resources and would then have a separate Queue time from the original forecasted resource TSR. BPA should allow NT customers to increase its duration through either an extension of the start date or stop date via a similar mechanism as that found in Section D(3)(b)(l)(1). For example, any extension in the duration of a forecasted TSR through an earlier start date or a later end date could be viewed as a separate request with a different Queue time.

Transmission Services' Response

Changes in start and stop dates affect the length of time for which capacity is associated with a TSR, and subsequent changes may affect other later submitted requests. Thus, BPA will only permit changes to start and stop dates for the already submitted forecasted resource TSR if these changes are within that TSR's existing start and stop dates because other later submitted TSRs will not be impacted by such modifications.

However, the provisions in the NT BP do not prevent an NT Customer from submitting a new TSR, with a new queue time, seeking to reserve capacity for a start date earlier than an already submitted TSR.

Example: The original TSR has a term of October 2013 to October 2014. If the customer needs service to start in October 2012, the customer would need to submit a new TSR (with a new queue time) with a term of October 2012 to October 2013. The customer would retain the original TSR with a term from October 2013 to October 2014.

F. Section E(1)(d)

This section should read:

Queue time is established when the TSR or forecasted TSR is QUEUED on OASIS.

Transmission Services' Response

The procedures for submission of forecasted resource TSRs are outlined in section D. In particular, section E.5.a.i. states how queue time is established when designating a previously forecasted resource.

BPA believes that no further clarification is required for section E.1.d.

G. Section E(1)(e)

This section should read:

For LTF NT TSRs, a Network Resource Designation Form must be complete and emails to TxRequests@bpa.gov no later than 5:00 PM, Pacific Prevailing Time (PPT) on the same Business Day in which the LTF NT TSR is Queued. For forecasted resource TSRs, a Network Resource Designation Form must be submitted consistent with section E(4) and (5) of this Business Practice....

Transmission Services' Response

Section E.5 of the NT Business Practice outlines the procedures for designating a previously forecasted resource. This same section clarifies that a Network Resource Designation Form is required to designate a previously forecasted resource as a Network Resource.

BPA believes that a clarification to section E.1.e. is not required at this time.

Clark would again like to thank BPA and its staff from Policy, Planning, and the Reservation desk for their diligence in crafting a business practice that seeks to meet the needs of its NT customers. Clark looks forward to continuing its work with BPA to ensure that the NT customer needs are being met. Additionally, we ask that BPA be willing to continually check back with its customers, review, and modify the relevant business practices if necessary after customers have had an actual opportunity to navigate them. Clark strongly urges BPA to address the issues that arise when there is no ATC available and a build is needed to grant service. This is a necessary next step in creating a working planning model for NT customers.

12. Eugene Water and Electric Board (EWEB)

EWEB appreciates the opportunity to comment on the proposed revisions to BPA's Network Integration (NT) Transmission Service Business Practice, Version 5 ("NT Business Practice"). After reviewing the revised NT Business Practice (BP), we are very pleased to see BPA has included revisions that allow BPA to pursue the most accurate information in its planning. These proposed changes will help BPA meet its requirement under the tariff to provide firm transmission service to NT customers to serve NT from non federal resources in addition to the FCRPS. For specific comment, EWEB fully supports those submitted by Cowlitz in their comments submitted August 21, 2012.

In addition to offering our support and appreciation for the revised processes encompassed in the NT Business Practice, we urge BPA to continue working with NT customers to determine how upgrades or builds needed to meet NT customers' needs will be accommodated. Updating BPA's planning assumptions via forecast TSRs is an important step in the right direction but only half of the answer. The other half of the answer is how BPA, as the NT service provider, will provide service to NT customers when there is no ATC available and/or there is no subgrid capacity available. We look forward to continuing our work with BPA on these issues.

Transmission Services' Response

Thank you for your support.