

**Congestion Model Content Group**  
**Task FTRA-3: Non-Converted Transmission Rights**  
**Version 2 June 18, 2001**

**Background:** The RTOW West (RTOW) compliance filing in stage 1 provided two options for identifying transmission rights necessary to meet the obligations of non-converted contracts and load service obligations:

To satisfy obligations the participating transmission owners have under transmission agreements that the customer decides not to convert to RTOW service, **RTOW West, under rules to be determined, shall either grant FTRs sufficient to meet such obligations or withhold transmission capacity sufficient for RTOW West to accept schedules under the noncovered agreements.** (Attachment M to Supplemental Compliance Filing and Request for Declaratory Order Pursuant to Order 2000) (Emphasis added).

Tasks identified by the congestion model workgroup are to discuss the two non-converted “options” from Stage 1 filing and develop recommendations as between the two options. In addition, the group is to identify issues associated with non-converted transmission rights regarding the congestion model.

**FTRA-3 Recommendations:**

- 1.1 RTOW should undertake the actions described below at the same time as pre-existing contracts and load service obligations are translated to RTOW transmission rights – namely, after conversion when the initial inventory of RTOW transmission rights is conducted. Acknowledge the following considerations:
  - Transmission rights arising from Point to Point (PTP), Network Integration (NT), and pre-Order 888 transmission contracts are translated for purposes of initial inventory and of management.
  - A methodology must be developed to reassess translations of converted and non-converted transmission rights prior to RTOW commencement date (meaning the date when RTOW is energized and providing service), in order to account for changes such as new transmission contracts and system capability improvements or degradations.
  - A methodology must be developed to reassess translations of converted and non-converted transmission rights prior to RTOW commencement date, if the RTOW transmission system is overallocated at the time of translation.
- 1.2 During the initial inventory, non-converted PTP contracts should be translated to firm transmission rights (FTRs). Thereafter, those FTRs should be managed by the participating transmission owner (PTO) to meet its obligations pursuant to the non-converted PTP contract. The translation should utilize the same allocation methodology as was used for converted contracts. Acknowledge the following consideration:
  - The allocation methodology for converted contracts is not complete at this time.

- 1.2.1** After the initial inventory described in 1.2 above, non-converted PTP contracts may be converted to RTOW service by the rights holder (the transmission customer). Such rights holder should be allocated FTRs arising from the non-converted PTP contract by the PTO; and such FTRs should be managed by the rights holder (or its Schedule Coordinator).
- 1.3** During the initial inventory, non-converted NT and pre-Order 888 transmission contracts (e.g. FPT, IR, etc.) should be translated into FTR estimates. Non-converted NT and pre-Order 888 transmission contracts should be managed as non-converted transmission rights (NCRs) to meet the PTO's obligations pursuant to the non-converted NT or pre-Order 888 contract. An NCR is the bundle of rights and obligations existing under such non-converted contract. After the initial inventory, NCRs sufficient to meet the PTO's obligations under its non-converted NT and pre-Order 888 transmission contracts should be withheld and managed by [the PTO] [RTOW on behalf of the PTO] pursuant to NCR Instructions. Acknowledge the following considerations:
- Non-converted NT and pre-Order 888 contracts may not translate directly to the RTOW model of FTRs, RTRs and NTRs.
  - NCRs are to be no better or worse off as a result of RTOW.
  - The group needs further discussion re: whether it is preferable to have NCRs managed by the PTO or by RTOW on behalf of the PTO.

**FTRA-3 Open Issues:**

- Treatment of flexible PTP contracts.
- Treatment of non-converted NT or pre-888 contracts that convert to RTOW service after RTOW commencement date.
- Treatment of PTO transmission contracts (NT or PTP) that begin service after RTOW commencement date, and are non-converted.
- Treatment of PTO bundled power and transmission contracts (PTO to PTO contracts, and PTO to non-PTO contracts) that extend beyond RTOW commencement date.
- Analysis or estimates by PTOs of potential magnitude of non-converted contracts, economic or otherwise.
- Acknowledge that the RTOW filing be reexamined so that NCRs are taken into account where appropriate.