

Bullet Point Summary Major Areas of Open Issues Related to Cataloguing and Conversion

- **Customer Involvement in Initial Cataloguing Process (Even When Not Converting)**
 - Some customers believe that even if they continue to rely on their existing contact rights, the way in which the transmission provider's obligations are catalogued could still affect them.
 - Some customers are concerned that the shift from the current system of transmission service to the RTO West system could affect customers' underlying transmission rights (as distinct from whether those rights are correctly catalogued). They also believe that there may be aspects of current business relationships or procedures that would be difficult, or perhaps impossible, to effectively capture in the cataloguing process.
 - Some customers are concerned that if they must decide whether to convert, they will not fully understand the consequences of converting if they haven't helped catalogue the underlying rights.
 - In P 104 of the September 18, 2002 FERC order issued in response to the RTO West Stage 2 filing, FERC ordered modification of dispute resolution provisions related to failure of the transmission provider and the customer to agree on Catalogued Transmission Rights before conversion – the provisions placing the burden of proof on the customer were unacceptable to FERC.
 - Some customers feel it is important that if a transmission provider elects to involve its customers in the initial cataloguing process, the transmission provider must treat all customer classes in the same way during the process.
 - Some transmission providers believe that it is important to build in mutuality to the extent that customers participate in the initial cataloging process – that transmission customers should not be able to impose heavy costs and work loads on transmission providers and then decide to “walk away” from the process if they don't like the outcome.
 - Timing issues – how can the cataloguing process be completed before there is an independent, operational RTO West?
- **RTO West Verification of Catalogued Transmission Rights and Corresponding Sufficiency Testing of Congestion Management Assets**
 - Some participants believe that RTO West will need an independent means to “audit” the validity of a Participating Transmission Owner's initial catalogue entries to be sure that

the Participating Transmission Owner is neither overstating nor understating its pre-existing transmission obligations.

- Others disagree, believing that Participating Transmission Owners will not want to understate their obligations because if they do, they won't be able to get service from RTO West to honor those obligations. They also believe that Participating Transmission Owners will not want to overstate their obligations because that would increase the burden to provide Congestion Management Assets.
- Among the participants who believe that RTO West should independently verify the validity of Participating Transmission Owner catalogue entries, some propose that RTO West should do this by asking all customers with rights to transmission service on Participating Transmission Owner facilities to submit to RTO West their (the customer's) views of how the rights should be cataloged. They further propose that these submissions should inform RTO West's sufficiency testing process.
- **Making All the Pre-Existing Rights "Fit" on the System by Relying on Netting, Diversity, Etc.**
 - The expectation that RTO West will have sufficient assets to honor the aggregate "pool" of pre-existing transmission rights (as reflected in Catalogued Transmission Rights) rests on an assumption that use of the existing rights under RTO West operations will be analogous to customers' use of those rights under today's system.
 - The difference between all possible uses of transmission rights and actual use of transmission rights is sometimes referred to as "shrinkage" of the CTR pool, which is expected to occur through the day-ahead scheduling process.
 - Some participants are concerned that there could be major changes in how CTRs are used as compared to today's use of the underlying rights when we shift to the RTO West system of locational price signals – that rights holders will have new incentives extract more value from their underlying rights, which will in turn impose new, unintended costs on RTO West or Participating Transmission Owners.
- **Other Issues.**
 - How will multi-party transmission contracts be handled?
 - How will we deal with existing contracts that contain prohibitions on shifting the service obligation to another party?