Transmission Services

Subject: Customer Comments on the 2009 Network Open Season Precedent Transmission Service Agreement (PTSA)

Customer: Powerex

Received: May 11, 2009

Powerex has been unable to conduct a comprehensive review of the revisions to the 2009 Network Open Season Precedent Transmission Service Agreement at this time. Our initial comments are set out below. We may have additional comments once we've completed our review.

Direct Assignment Facilities:

Powerex agrees that BPA should advise customers that transmission system expansions may include direct assignment facilities, and that the costs for such facilities may be directly assigned to the customer needing those facilities. However, we're not sure it's necessary to include the concept of Direct Assignment Facilities in the PTSA as we believe that the focus of the PTSA should be on evaluating TSRs that involve potential network upgrades for TSRs that will pay either embedded or incremental cost rates.

In any event, we note that the definition of Direct Assignment Facilities contained in the PTSA is inconsistent with the definition in BPA's tariff. We believe Transmission Services should revise the definition in the PTSA to reflect the tariff definition.

Definition of "Bridge":

A bridge is defined as being a type of Conditional Firm Service which converts to Transmission Service upon the energization of Expansion Facilities "or upon an earlier determination by Bonneville pursuant to this Agreement". Powerex would appreciate it if Transmission Services would give some examples of when Conditional Firm Service may convert to Transmission Service prior to the energization of Expansion Facilities.

Definition of Eligible TSR:

This definition has been changed to refer to "all existing network TSRs not currently in the authorization process that do not currently have a PTSA". We find this phrase confusing and would appreciate it if Transmission Services would provide some clarification.

Section 4(b) - Consistent with Queue Priority in OASIS:

The PTSA has been revised in various places so that it now refers to "consistent with queue priority" instead of "consistent with queue priority in OASIS". Were these changes made because Transmission Services believes the words "in OASIS" are redundant? If not, Powerex would appreciate it if Transmission Services would explain the rationale for making the changes.

Section 4(f) (1) and (2) - Extensions of Commencement of Service and Treatment of Competitions under Section 17.7 of the OATT:

We found these sections confusing and are still analyzing the impacts of the proposed changes. We understand that Transmission Services is continuing to review this

language with a view to improving its clarity. We look forward to reviewing the revised language.

Sections 4 and 6 – Determination of ATC Availability:

The references to "Determination of ATC Availability" in the previous PTSA have been revised to refer to "Determination of Ability to Provide Transmission Service". Powerex would appreciate it if Transmission Services would explain the rationale for these changes.

Section 5 – Requirements Prior to Construction of Expansion Facilities:

We are confused about the nexus between the 2008 NOS and the 2009 NOS. It is unclear to us how the outstanding 2008 NOS TSRs that could go forward at incremental cost rates fit into Transmission Services' evaluation of new construction.

Section 5(a)(2) – Customer Obligation to Provide Information for Cluster Studies:

Under this section, Customers must provide Bonneville with the information required in Exhibit B, and update Bonneville if such information is revised. Exhibit B requires the customer to provide the POR and POD and states that "in the event information provided under this Exhibit B may be revised, the Customer will provide notice of such revisions to Bonneville."

Under FERC policy, changes in PORs and PODs result in a new request for service that goes to the back of the queue. If a customer changes its POR and/or POD during the NOS, how will Transmission Services treat that TSR if must use OASIS queue priority for offering service if capacity becomes available due to the queue re-stack or for offers of Conditional Firm Service?

Section 5(c) and (d) – NEPA Compliance and Decision to Build:

We note there are a number of changes in these sections and would appreciate it if Transmission Services would explain the rationale for these changes. (We were not certain whether these were simply intended to clarify the existing process or whether they represent a more substantive change.)

Other Comments:

We understand that Transmission Services is contemplating making changes to sections 19.10 and 32.6 of the OATT. We encourage Transmission Services to give customers the opportunity to review the proposed changes prior to filing the PTSA with FERC and, in any event, prior to the commencement of the NOS.

Thank you for the opportunity to provide comments.