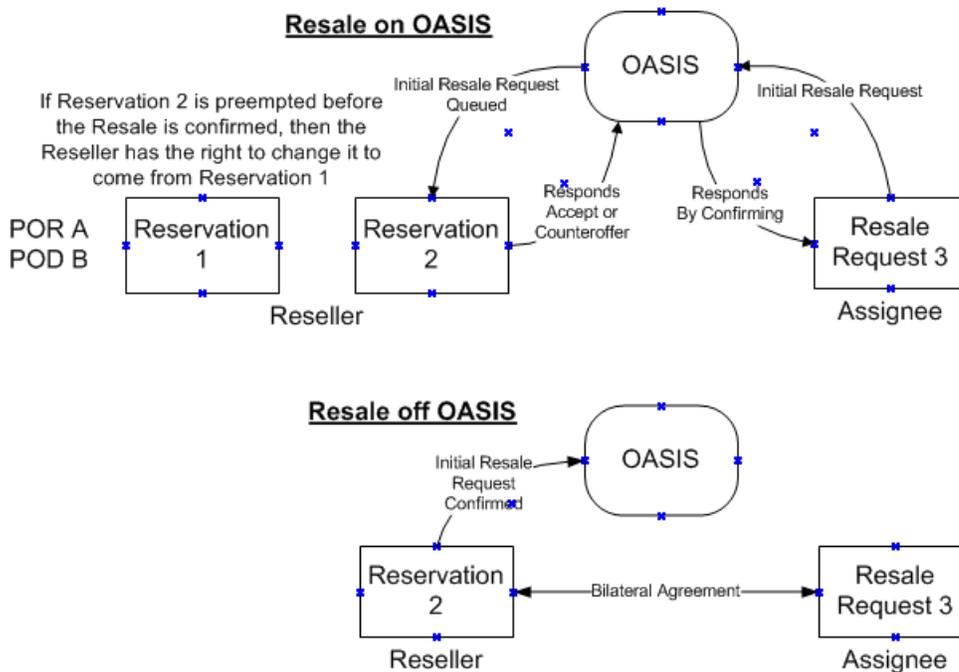


Concepts Regarding Preemption and Competition Involving Resale Requests and Reservations

001.11.7 Preemption Involving Resale Requests and Reservations

The following rules apply to preemption of parent reservations that have associated Resale requests or reservations.

001-11.7.1 Pending Resale Requests - Resale on OASIS only.



001-11.7.1.1 The Reseller is responsible for changing the parent reservation associated with a pending Resale request to another parent reservation in OASIS when the originally (or former) parent reservation(s) of the Resale is preempted. If the Reseller does not change the parent reservation identified in OASIS within, the Transmission Provider will assign the Resale request to a final OASIS state of Invalid (?), Refused (?), or Declined (?). [Tom-A case could be made for using any of these status states. [Invalid since parent identified is invalid. Refused since there is not sufficient ATC to support the resale. Declined because resale request does not meet terms and conditions allowing a resale.] The NAESB OS will need to decide.

For Implementation Guide: We need to develop some specific timeframes for when a Reseller has to take this action and possibly when TP takes its action if Reseller does not. Bob – This is a question for customers.



001-11.7.2 Resale Reservations of Parent Reservations Subject to Preemption

001.11.7.2.1 The Reseller that has all or a portion of the capacity of its parent reservation Displaced or Recalled to satisfy a higher priority request through preemption is responsible for managing its transmission rights and schedules to ensure that it does not **oversell or overschedule** transmission in that instance. The Reseller may be subject to additional charges and/or penalties from the Transmission Provider if the Reseller **oversells or overschedules** transmission. BZ Note – If a reseller oversells his scheduling rights, it seems that he is overscheduled and should receive a UIC if he doesn't recall enough resold scheduling rights to cover it. Or do we need a separate charge for overselling?

001-11.7.2.1.1 In managing its transmission rights, the Reseller shall have the unilateral right to Recall resold capacity when its parent reservation is Displaced or Recalled **in whole or in part** due to preemption.

001-11.7.2.1.2 The Reseller shall immediately notify all Assignees when resold capacity from a parent reservation is lost through preemption. BZ Note – How do we enforce this? How immediate is immediately? Would it be better for the TP to notify the downstream Assignees? The TP already notifies all downstream Assignees when a competition of the original parent is underway. Why can't the TP let the Assignees know of the outcome (lost capacity or did not lose capacity)?

001-11.7.2.1.3 A Reseller (formerly the Assignee) that subsequently resells capacity to another Assignee is likewise responsible for managing its transmission rights and schedules to ensure that it does not overschedule transmission when preemption occurs. Upon notice from the Reseller from the prior (or earlier) Resale transaction, the subsequent Reseller is also required to immediately notify all Assignees when resold capacity from an upstream parent reservation is lost through preemption. BZ Note – If the TP has notified all of the downstream Assignees that capacity has been lost by the original reseller, then it seems that it is up to the TCs to work it out. No more notifications are needed.

001.11.7.2.2 If the Reseller does not take action sufficient to adjust or manage its transmission rights and schedules due to preemption of a parent reservation, the Transmission Provider may take appropriate action to ensure that scheduled transmission does not exceed the transmission rights of the Reseller and/or Assignee. The Transmission Provider may also assess additional charges and/or penalties if the Reseller and Assignee do not reduce their transmission schedules as a result of preemption.

001-11.7.2.3 The holder of the original parent reservation with the Transmission Provider that is subject to preemption is responsible for exercising the right-of-first refusal in any competition impacting resold scheduling rights.

001-11.7.3 Resale Reservations of Parent Reservations No Longer Subject to Preemption

001-11.7.3.1 Once the preemption timeframe for a parent reservation has closed based upon the conditional reservation deadlines for Firm service or the timeframes set forth in Table X.X for Non-Firm service, Resale reservations are no longer subject to displacement through preemption.

For Implementation Guide:

013-X.X Upon confirmation of a Resale request, capacity needed for scheduling moves from the parent reservation to the Resale reservation. Capacity needed for preemption remains with the parent reservation while it is subject to preemption pursuant to the conditional reservation deadlines for Firm service or the timeframes set forth in Table X.X for Non-Firm service.

001.11.7.2.4.1 If a Reseller loses capacity due to preemption, the full amount of scheduling rights credited to the challenger will be recalled from the parent reservation and given to the challenger even if some or all of the parent reservation has been resold. If more scheduling rights are recalled from the parent reservation than the parent reservation has remaining, then the Parent Reservation will have a scheduling right deficit.

More implementation standards will need to be written with respect to timeframes that customers will have to take action by. This is particularly the case when there are multiple levels of resales.

Concepts Regarding Preemption and Competition Involving Firm Redirects of Resale Reservations

001-X.XX.X A Redirect on a Firm Basis of a Resale reservation is a new request for service. It is treated as an original request for service in regarding to reservation priority and conditionality.

001-X.XX.X The right-of-first refusal moves from the parent reservation of Resale reservation to a Redirect on a Firm Bases of said Resale once the Redirect is confirmed.

001-X.XX.X Until a Redirect on a Firm Basis of a Resale reservation is Confirmed, the Scheduling Capacity remains with the Resale Reservation and the Preemptable Capacity with the Parent Reservation(s) of the Resale Reservation. Once the Redirect is Confirmed, the Scheduling and Preemptable Capacity will move to the Redirect.

001-X.XX.X A Transmission Customer may only Redirect on a Firm Basis an aggregated Resale Reservation when all Parent Reservations of the Resale are unconditional. This includes scenarios where there are multiple, successive Resale Reservations that include at least one aggregated Resale.

Implementation Guide (WEQ-013)

013.x.x The Transmission Provider shall separately track capacity available for preemption (Preemptable Capacity) and capacity available for scheduling rights (Scheduling Capacity).

013.x.x.1 Preemptable Capacity of a parent reservation is reduced when a Redirect, Transfer, or Recall request of that parent reservation is Confirmed. Preemptable Capacity is reduced to zero once a parent reservation is not longer subject to preemption based on the conditional reservation deadlines for Firm service or the timeframes set forth in WEQ Table X.X for Non-Firm service.

013.x.x.2 Scheduling Capacity of a parent reservation is reduced ~~via~~ when a Redirect, Transfer, Resale, or Recall request of that parent reservation is Confirmed.