

March 8, 2019

Dear Customers:

Under the TC-20 Settlement Agreement (Settlement), BPA agreed to offer at least two opportunities for customers to convert their long-term firm transmission product designation from either Point-to-Point (PTP) to Network Integration (NT) transmission service or from NT to PTP (*see* TC-20 Settlement Agreement, Attachment 1: Terms, part 2(i)). These opportunities are referred to as product conversion windows.

Work related to the first product conversion window is expected to commence by early summer 2019. The second window is expected to begin prior to the BP-24 rate case.

To commence the first product conversion process, BPA is requesting that customers provide written notice of their interest in participating in the product conversion process by 4:30 P.M. April 9, 2019. A customer that provides notice of interest in product conversion will not be required to convert its service. The initial notice of interest will allow BPA to better determine how many customers are interested in product conversion and to begin an analysis of the service contracts of those interested customers. BPA hopes to begin product conversion feasibility analysis by the end of April 2019.

Each customer considering converting from PTP to NT should include with its notice:

- Resources it is considering designating to serve load (including behind the meter resources),
- Amount of each designation, and
- Identify the existing PODs for product conversion.

Each customer considering converting from NT to PTP should provide the following:

- POR-POD combinations for the PTP rights it wishes to obtain,
- Associated capacity for each desired contract path.

The notice of interest should be sent to [techforum@bpa.gov](mailto:techforum@bpa.gov).

Customers that do not provide an initial notice of interest in converting by 4:30 P.M. April 9, 2019 will not be eligible to participate in the first product conversion window, but will remain eligible to participate in the second window, expected to commence prior to the BP-24 rate case. A customer that elects to convert service in the first window will not be eligible to convert back to its current service during the second window. These windows do not limit the ability for a customer to request product conversion at the expiration of their existing transmission service.

Proposed Product Conversion Guidelines are attached to this notice. BPA looks forward to beginning discussions with customers that indicate their interest in the product conversion process.

If you have any questions, please contact your Transmission Account Executive.

## Proposed Product Conversion Guidelines

Below are the guidelines for customers interested in conversion to consider:

- Conversion will be offered to all transmission customers on a non-discriminatory basis
- The OATT and associated Business Practices will apply to the prospective service
- BPA will:
  - Offer educational information in order to prepare customers for a decision to convert and to help with the transition
  - Share with stakeholders the anticipated rate impacts of the overall conversion
  - Share an example/estimate of the customer's revised service bill
  - Evaluate the path impacts of converting service, reflective of the resources expected to serve load
  - Evaluate any conditional firm service, pending Transmission Service Requests, participation in studies or builds, and other considerations, and determine their applicability to the converted service
- For conversion to NT:
  - Resources must be identified and attested to as owned, purchased or leased
  - Only long-term firm PTP capacity currently serving load is eligible for conversion
  - The customer must identify how all load service will be accomplished
  - NT service cannot be used for third-party marketing purposes
  - To the extent that the converting customers elect to retain existing PTP service for third-party marketing purposes, they can retain it as-is under their existing PTP contracts
- If a customer has insufficient capacity rights to serve their load at the time of conversion, a request will need to be entered into the queue over OASIS
- Early termination of the non-converted PTP rights will not be considered as part of the conversion process
- If there is any additional metering or equipment required by the conversion, customer responsibility determinations will be made in alignment with our current business practices