Response to Customer Comments – Reservation Priority

Version 10

This document contains customer comments and BPA Transmission Services’ response to the Insert Business Practice Name, Version # posted for review from Insert Dates.

For more information on business practices out for comment, visit the BPA Transmission Business Practices Comments and Responses page.

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A. Opatrny Consulting, Inc.

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<th>BPA Response</th>
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<tr>
<td>Is this Business Practice intended to be used to enable Transmission customers to convert their Service Agreement from PTP to NT (and vice versa) at the time of Service Agreement renewal?</td>
<td>This change in Business Practice enables Transmission customers to request to change OATT services (e.g. from PTP to NT) at the time of Service Agreement renewal. The insertion of B.7. (B.6. after final formatting) clarifies reservation priority and provisions for contract renewal embedded in section 2.2. of BPA's tariff. If a customer requests to change OATT services at the time of renewal, BPA will study the request as a new request for service.</td>
</tr>
<tr>
<td>Comment</td>
<td>BPA Response</td>
</tr>
<tr>
<td>Is this Business Practice intended to be used to allow Transmission customers to convert particular reservations from PTP to NT (and vice versa)?</td>
<td>Please refer to answer to question (1). This business practice does not allow Transmission customers to request to convert services before their contract is eligible for renewal.</td>
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<tr>
<td>Comment</td>
<td>BPA Response</td>
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<td>Under section B., is the following language being kept in the Business Practice? “A Customer must submit its Renewal Request at least one year prior to the termination date of the Existing Exhibit under its Service Agreement.”</td>
<td>Yes. This language is located in Section B.1 of the Business Practice and will be kept in the Business Practice.</td>
</tr>
<tr>
<td>Comment</td>
<td>BPA Response</td>
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<tr>
<td>Is BPA requiring that the product type conversion be requested at least one year prior to the termination date of the Existing Exhibit under a customer’s Service Agreement? If not, is there any deadline for the conversion request other than before the customer confirms its renewal?</td>
<td>Yes. This language is located in Section B.1 of the Business Practice and will be kept in the Business Practice.</td>
</tr>
</tbody>
</table>
**request?**

**BPA Response**

BPA is requiring that the conversion request be submitted on the same day as the renewal request or before Renewal request is Confirmed. See response to question number 9 for meaning of “Confirmed.”

**Comment**

What is “product type conversion” – a term used in paragraph B. 7.? Please provide an example.

**BPA Response**

Product type conversion used in paragraph B.7. (B.6. after final formatting) is not a term - simply that when a customer exercises reservation priority rights, the customer may request to convert to a different OATT service (and only at the time of renewal) for each individual Transmission Service Requests.

Example: Customer has a confirmed LTF PTP TSR effective from 1/1/2018 to 1/1/2023, and the last day they are eligible to submit a renewal request is 1/1/2022. At that time they can request for identical service that would be valid from 1/1/2023 to 1/1/2028 or request to convert that to an NT service. The customer’s NT service request would need to satisfy all of the application requirements applicable to NT service.

**Comment**

What is a “Parent Reservation” – a term used in paragraph B.7.? Please provide an example.

**BPA Response**

A Parent Reservation is "A Confirmed TSR from which service is being deferred, redirected, or renewed" (See BPA Transmission Business Practices Acronyms and Glossary)

Example: Customer has a confirmed LTF PTP TSR effective from 1/1/2018 to 1/1/2023, and customer submits a renewal request before or on 1/1/2022. Once the renewal request is submitted, LTF PTP TSR effective from 1/1/2018 to 1/1/2023 is the parent reservation. Once the TSR renewal is confirmed for 1/1/2023 to 1/1/2028, it becomes the new Parent Reservation for the next renewal request.

**Comment**

Please explain the difference between a “Parent Reservation” and the “Service Agreement.”

**BPA Response**

A Parent Reservation is "A Confirmed TSR from which service is being deferred, redirected, or renewed". (See BPA Transmission Business Practices Acronyms and Glossary)

Service Agreement is "The initial agreement and any amendments or supplements thereto entered into by the Transmission Customer and the Transmission Provider for service under the Tariff" (See BPA's OATT 1.43 on page 9). BPA Transmission Business Practices Acronyms and Glossary will be updated to include this term.

**Comment**

How will BPA conduct the evaluation (referenced in paragraph B.7.) in order to determine whether or not it has Available Transfer Capability to award the requested “product type conversion”, recognizing other queues, competing requests, conditional service, etc.?

**BPA Response**

Since PTP and NT service are different, each product type conversion would be assessed differently depending on elements of the request (POR, POD, DNR location, Network Load attributes, Network Load growth, etc). For ATC allocation purposes, a customer may be able to retain capacity already attributed to their existing contract. However, all transmission needs above existing contractual rights must be studied in queue order.
Comment
What is the meaning of the capitalized word “Confirming” in paragraph B.7.?

BPA Response
“Confirmed” is an OASIS action that puts a TSR in a final state; therefore, the terminology is capitalized throughout our Business Practices.

B. Powerex

Comment
BPA recently made numerous changes to the “Reservation Priority” Business Practice, specifically subsection B.7, which appears to present an opportunity for customers to initiate “product type conversion”, such as PTP to NT or vice versa, at the time of renewal.
A potential PTP/NT Conversion Window had been a topic of discussion last year in BPA’s Transmission Load Service (TLS) customer meetings. During the March 31, 2016 TLS meeting, BPA stated they would not proceed with a PTP/NT Conversion Window without first clarifying the attributes of the conversion window, and that due to potential rate impacts, any Conversion Window would be tied to the BP-20 Rate Case. BPA also sought additional customer comment on a potential PTP/NT Conversion Window by circulating a questionnaire. In the subsequent May 5, 2016 TLS stakeholder meeting, answers to customer inquiries regarding the drivers of the PTP/NT conversion window, the possible rate impacts, and the impacts to transmission rights, among other important questions, remained unclear. Despite the lack of clarity, Powerex was comfortable with the fact that BPA proposed further analysis and engagement, and that, given the potential rate implications of a conversion window, BPA would hold sufficient stakeholder engagement prior to the BP-20 rate case.

Powerex is therefore concerned to see what appears to be a PTP/NT conversion opportunity inserted into the “Reservation Priority” Business Practice without the aforementioned stakeholder engagement. Powerex would like BPA to explain whether the insertion of subsection B.7 into the Reservation Priority Business Practice indeed presents a PTP/NT or NT/PTP conversion opportunity. If so, Powerex requests subsection B.7 be removed from the “Reservation Priority” Business Practice at this time until the customer consultation discussed above is held.

BPA Response
BPA would like to clarify and separate the insertion of B.7 (B.6 after final formatting) into the Reservation Priority Business Practice from March and May TLS discussions.

The insertion of B.7 (B.6 after final formatting) clarifies reservation priority and provisions for contract renewal embedded in section 2.2. of BPA’s tariff. When Customers exercise reservation priority rights, Customers may request to change OATT services (and only at the time of renewal). If a customer requests to change OATT services at the time of renewal, BPA will study the request as a new request for service.

At the March and May TLS discussions, BPA was addressing the possibility of holding a special, one-time conversion window unrelated to exercising reservation priority rights due to changes/clarifications in how BPA implements the OATT-based Transmission Products. If/when a coordinated PTP/NT conversion window is held, any customer would be able to request conversion, even if their service contract(s) are not yet due for renewal at the time of election.
BPA remains committed to conducting thorough analysis and facilitating sufficient stakeholder engagement.
engagement prior to making a final determination regarding holding a conversion window.