Duke Energy Comments on WEQ Annual Plan Item 7.b

Submitted by Alan Pritchard

Duke Energy supports the OASIS Subcommittee’s recommendation for 2015 WEQ Annual Plan Item 7.b (Modify NAESB standards WEQ-001-9.5, WEQ-001-10.5, and related standards to be consistent with FERC policy). The recommendation was produced by a diverse group which deserves commendation for its commitment and diligence in addressing an extremely pressing issue for the industry.

The most contentious issue that the Subcommittee wrestled with was the question of what rules should apply to a Redirect on a firm basis from a conditional firm PTP reservation (i.e., a reservation which has not yet passed the conditional reservation deadline established in OATT Section 13.2). A substantial debate on this issue is documented in the [Final Minutes](https://www.naesb.org/pdf4/weq_oasis021915fm.doc) of the meeting of February 19, 2015. In that meeting the Subcommittee decided to remain silent on treatment of a Redirect on a firm basis from a conditional firm PTP reservation and let the Transmission Providers who wish administer such redirects to modify their business practices in order to handle these redirects. The Subcommittee later incorporated this position in the recommendation by adding the following paragraph to Business Practice Standard WEQ-001-9:

“The following Business Practice Standards WEQ-001-9.1 through WEQ-001-9.8.1 are defined in order to enhance consistency of the reservation process that applies to Redirects on a firm basis from Parent Reservations that are unconditional, as described in pro forma tariff section 13.2. The Transmission Provider shall specify any reservation process that applies to Redirects on a firm basis from Parent Reservations that are conditional, as described in pro forma tariff section 13.2, in its Business Practices that are posted in accordance with Business Practice Standard WEQ-001-13.1.4.”

Duke objects to establishment of NAESB Business Practice Standards that require a Transmission Provider to allow Redirects on a firm basis from Parent Reservations that are conditional. OATT Section 22.2 does not address the “Conditionality” status of a reservation, but it assumes that there is a Service Agreement listing the POR and POD in existence. This assumption is erroneous for short term firm service, as there is no Service Agreement that lists a POR and POD for short-term firm service. But, the provision implies that a short-term firm reservation must be Unconditional before it may redirected (i.e., there is a final binding contract in place). Duke believes a reservation thus should not be permitted to seek to be redirected until it becomes Unconditional.

The paragraph quoted above represents an acceptable compromise position.