

October 14, 2009



Web Site ♦  
[www.tapsgroup.org](http://www.tapsgroup.org)

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 Fred Clark, AL  
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 Doug Curry, NE  
 Nick Guarriello, FL

**CONTACTS ♦**

**Roy Thilly, Chairman**

WPPI Energy  
 1425 Corporate Center Drive  
 Sun Prairie, WI 53590  
 608.834.4500  
 Fax 608.837.0274  
[rthilly@wppienergy.org](mailto:rthilly@wppienergy.org)

**Robert McDiarmid  
 Cindy Bogorad**

Spiegel & McDiarmid LLP  
 1333 New Hampshire Avenue, NW  
 Washington, DC 20036  
 202.879.4000  
 Fax 202.393.2866  
[robert.mcdiarmid@spiegelmc.com](mailto:robert.mcdiarmid@spiegelmc.com)  
[cynthia.bogorad@spiegelmc.com](mailto:cynthia.bogorad@spiegelmc.com)

**Deborah Sliz**

Morgan Meguire LLC  
 1225 I Street, NW  
 Suite 1150  
 Washington, DC 20005  
 202.661.6192  
 Fax 202.661.6182  
[dsliz@morganmeguire.com](mailto:dsliz@morganmeguire.com)

**Robert Talley**

Talley & Associates  
 2121 K Street, NW  
 Suite 650  
 Washington, DC 20037  
 202.296.4114  
 Fax 202.296.2409  
[Tmq1@erols.com](mailto:Tmq1@erols.com)

**William J. Gallagher**

Special Projects Chief  
 Vermont Public Power Supply  
 Authority  
 802.244.7678  
 Fax 802.244.6889  
[bqallagher@vpps.com](mailto:bqallagher@vpps.com)

**NON-COMPREHENSIVE INFORMAL COMMENTS OF TAPS ON WEQ  
 OASIS BUSINESS PRACTICES FOR NETWORK SERVICE**

***OASIS Subcommittee Request No. 2009 AP Item 2(a)(i)(1-8), 2009 AP Item  
 3(b)(i)(1), and 2009 AP Item 3(a)(i), “Network Service on OASIS”  
 (revised October 1, 2009)***

TAPS submits the following selected comments. This is based on a preliminary review of the current draft, which we expect will evolve considerably in response to the informal comments, and we reserve the right to provide further comments, even as to material unchanged in future versions that is not commented on here. We do not identify numerous typographical/spelling errors, etc. Our aim is to focus primarily on areas where the draft business practices appear not to accurately reflect the OATT requirements as elaborated on in the Order 890 series of orders.

**General**

- The descriptions of whether a purchase qualifies as a DNR appear too restrictive. They reference the seller’s ability to curtail for purposes of fulfilling obligations under a reserve sharing program, but not the seller’s ability to curtail without penalty to serve seller’s native/network load (see OATT Section 30.4 as modified in Order 890-B). This relates to the draft definition of DNR, as well as Section 001-xx(2).2.2.2.3.1.2.
- Not clear what “Transmission Capacity Allocation” (“TCA”) is. Does this refer to a request for capacity-based NITS (without DNR) under certain TPs’ OATTs who offer such service?
- We do not understand the references in several instances to the “primary” TP.

**Section 001-12 TRANSFERS**

- Last sentence of initial paragraph (“Resales may not be Transferred.”) appears to be incorrect. FERC allows further assignments of resold transmission. See Order 890-A P 427.
- Sections 001-12.1.2 and 001-12.5.2 suggest the TP could deny an assignment (by requiring that the TP must agree to/approve the Transfer). We do not understand that the TP can veto an assignment.
- The language added to Section 001-12.1.3 would be correct only if the FOTC’s obligations (as well as its rights) are permanently transferred/terminated, which does not automatically occur (see Order 890-A at P 425).

- ♦ **An association of transmission-dependent utilities and other supporters of equal, non-discriminatory transmission access and vigorously competitive wholesale electric markets. TAPS members are located in more than 35 states, including:** Alabama . Arizona . California . Colorado . Connecticut . Delaware . Florida . Illinois . Indiana . Iowa . Kansas . Kentucky . Louisiana . Maine . Massachusetts . Michigan . Minnesota . Mississippi . Missouri . Nebraska . New Hampshire . New Mexico . North Carolina . North Dakota . Ohio . Oklahoma . Pennsylvania . Rhode Island . South Carolina . South Dakota . Utah . Vermont . Virginia . West Virginia . Wisconsin . Wyoming

- Section 001-12.2 appears to conflict with the Order 890 rulings, which allow the TP to continue to hold the FOTC responsible for payment for the reservation. See Order 890-A at P 425 and n. 166.
- Section 001-12.3.2 appears to be incorrect – the stop time of the transfer should occur *no later than* the stop time of the Parent Reservation, but could stop sooner.
- Section 001-12.4.3 refers to transfers of NITS Application. Do not understand – wouldn't it be transfer of a NITS Agreement?

#### Section 001-20 ROLLOVER RIGHTS

Generally, these provisions do not appear to take into account the special rollover rules adopted by FERC with respect to NITS, and in particular the different "matching" requirements. For instance, the NITS customer's rollover rights are a function of the duration of its NITS Agreement, rather than any DNR. Also, if there is a competing request that a NITS customer must match in exercising its rollover rights, it may match by extending the term of the NITS Agreement (rather than the term of the DNR), unless it is a head-to-head competition with another NITS customer. See Order 890-A, PP 645, 666-67.

#### Section 001-xx Negotiations for NITS Application

- "EXECUTED" seems to ignore the possibility that an application could be granted, but the parties have a dispute regarding the terms of the NITS Agreement and the customer requests that the agreement be filed unexecuted.
- 001-xx.3 and 001-xx.3.2 are identical except for the last word. It appears that the word "not" may be missing from the first one (before the word "sufficient").

#### Section 001-xx(1) Negotiations for TCA, DNR and DNL

- 001.xx(1).2.1 suggests there may be situations in which the TP is not obligated to provide partial service (when it is able to do so). We are not aware of any such exception to the TP's obligation to provide partial service where possible, and this appears to conflict with 001-xx(2).2.2.1.3.
- 001-xx(1).3 suggests the TP may have "other ... requirements" for accepting DNRs. Not clear how/why this would be the case.
- 001-xx(1).4 is incomplete.
- 001-xx(1).4.1 appears to be incorrect.
- 001-xx(1).4.3 – do not understand.
- 001-xx(1).8 – TP should be able to make this change only if *the customer has not acted* within the specified time frame.
- 001-xx(1).9 suggests that multiple rebids will be possible, while elsewhere it is suggested that multiple negotiations are not permitted.

#### Section 001-xx(2) Business Practice Requirements for NITS Application

- 001-xx(2).2.2.2.1 and 2.2.2.2 appear to conflict; 2.2.2.2 is correct (at least as to permanent undesignations; see Order 890-A at P 950).

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- Protections afforded with respect to temporary undesignations (including those discussed in Order 890 PP 1541-42) must be clearly reflected in 001-xx(2).3.

For Transmission Access Policy Study Group



William J. Gallagher  
Special Projects Chief  
Vermont Public Power Supply Authority  
Post Office Box 298  
Waterbury Center, VT 05677-0298