

BCTC Comments on October 30, 2009 Customer Information Session

A) Short Term Pre-emption and Competition

Slide 17 – Preferred start time for competition process

The comments received from customers ranged from starting the process as early as possible (eg. Closer to midnight) to keeping the status quo, and are summarized as follows:

- TransCanada prefers the process start time remain at 8 AM PPT so as not to impact the customer's current process.
- Capital Power suggests the earliest possible start of midnight in order to realize the full potential benefit from the new functionality.
- NorthPoint also suggests an earlier start time of 6 AM PPT.
- Powerex does not have any comments at this time.

BCTC has considered the comments and believes that there is value to be realized by having an earlier start time than 8 AM PPT. However, BCTC also recognizes the impact to customer's processes a midnight start time may impose, and the logistics and cost involved in having the appropriate staff available in the early hours of the day.

Therefore, BCTC believes that an earlier start time of 6 AM PPT is a reasonable and balanced approach. The earlier start time also aligns with the usual start times for workdays in trading shops in WECC. BCTC will finalize the start time after further evaluation and assessment of impacts during the testing phase of the project.

Slide 19 – Timelines for customer response

All customer letters state and confirm that the timelines associated with competition are sufficient as outlined in BCTC Business Practice 6.

Slide 19 – Matching requests will not be masked

All customer letters state and confirm that there are no concerns with matching requests not being masked.

Other Comments on Pre-emption and Competition

NorthPoint disagreed with the proposal to allow one matching request within the timeline allotted.

BCTC wishes to clarify further the reasons for allowing only one matching request. In the case of a Matching Window being opened with multiple customers submitting matching requests, a matching request is not processed until the close of the Matching Window. A customer would not know if a matching request submitted during the window is valid or invalid until the window is closed. If multiple matching requests were allowed for each customer, there could be multiple matching requests that may be valid, thus causing system complexities on choosing between multiple valid requests for the same customer. To avoid these situations and issues, BCTC believes that the most reasonable approach is to allow each customer to submit one matching request during a matching timeline.

TransCanada requests that it may be beneficial for BCTC to provide a working model for the Matching Window. Due to the complexity of developing such a model and the time required to build a fully tested application for this purpose, BCTC does not believe that this will be an efficient

use of resources. In addition, there would be risks that the model can not be built to BCTC specifications and it cannot be fully tested because it only provides a small subset of transmission scheduling functionality. BCTC instead has provided further examples of the Matching Window.

B) Release of Unscheduled Firm

Slide 24 – Release of Unscheduled Firm

All customer letters support the release of Unscheduled Firm to be done at the top of the hour instead of xx:10. BCTC will configure the new system to release all unscheduled Firm transmission at the top of an hour.

However, there were various options suggested by customers as to when the Unscheduled Firm should be released.

- TransCanada states that the unscheduled Firm should be released one hour prior to delivery.
- NorthPoint states that the unscheduled Firm should be released at least two hours prior to delivery (or maybe longer), and align with the Alberta market.
- Powerex did not specify a preferred time, but requested that BCTC align itself with current energy market rules and practices.
- Capital Power did not specify a preferred time for release.

Based on the comments received, BCTC believes that the most reasonable and balanced approach for the release of unscheduled firm would be one hour prior to delivery. After the project is implemented and operational for an extended time period, BCTC would review with customers if there is a wish to move this release time to two hours prior to delivery.

Other Comments on Release of Unscheduled Firm

Powerex has stated in their comments that the increased capability in setting the configuration time for release of unscheduled firm will allow BCTC to re-instate curtailed transmission. BCTC wishes to clarify further that curtailments only occur 20 minutes prior to the delivery hour and do not occur earlier than 20 minutes to the delivery hour. BCTC also notes that curtailments and re-instatements are not directly tied to the release of unscheduled firm capacity. Powerex suggests that BCTC would be able to re-instate transmission rights prior to the ramp for the delivery hour, but BCTC wishes to clarify that curtailments made at 20 minutes prior to the delivery hour will not be re-instated within 10 minutes prior to ramp start.

C) Super-Blanket and Blanket

Slide 28 – Super-Blanket and Blanket

The comments received from customers ranged from removal of the functionality to elimination once more effective and efficient industry mechanisms are developed.

BCTC believes that certain customers value the use of Blanket functionality and also recognizes that NAESB is working towards developing industry mechanisms that would allow for aggregation of transmission products. Therefore, BCTC will eliminate the SuperBlanket functionality and maintain the Blanket functionality. BCTC will follow industry developments at NAESB and will eliminate Blanket functionality once more effective and efficient mechanisms are implemented.

Other comments on Super-Blanket and Blanket

TransCanada stated that removal of the SuperBlanket/Blanket would eliminate the problem of one entity scheduling on another entities' transmission. BCTC wishes to clarify that this case would not occur for SuperBlanket and Blanket scheduling because the scheduling system will only use a particular customer's reservations and not schedule on multiple customers.

D) Curtailment Process

Slide 32 – Change in primary determinant formula for initiation of curtailments

NorthPoint and Powerex both state support for the move to simplify the determination of a constraint.

TransCanada expressed concerns regarding the definition of System Operating Limit (SOL) and the possibility of a detrimental impact on the Firm Transmission rights into Alberta.

BCTC wishes to clarify that BCTC will adhere to the recent BCUC decision on Firm Sales to Alberta, and the proposed change of the primary determinant will not have a negative impact on Firm Transmission rights to Alberta. BCTC also wishes to clarify that BCTC's proposal on the curtailment determinant is equivalent but simpler than the current determinant.

Currently the formula used to determine if curtailment is required is as follows:

(i) Current Formula used = **TTC – TRM – Tx Sales + (Tx Sales – Energy) + Counterflow Energy**

(ii) BCTC new proposed formula = **TTC – TRM – Energy + Counterflow Energy**

BCTC wishes to clarify that both formulas (i) and (ii) are mathematically equivalent, but formula (ii) reduces the computation by not including Tx Sales. Since the formulas are mathematically equivalent, there should be no adverse impacts on any transmission rights.

BCTC is also reviewing the recent FERC Order 729 regarding NERC ATC Standards, and will be reviewing the definitions and terminologies to determine what changes would be required to current definitions. BCTC will review its definitions of SOL in relation to FERC Order 729.

Slide 38 – Curtailment Charges/Refunds

BCTC received various comments and feedback on the elimination of refunds for internal BC constraints. These comments are summarized as follows:

- Powerex supported BCTC's proposal to eliminate refunds for internal BC constraints.
- Capital Power requested that further historical data be compiled before feedback could be provided.
- TransCanada finds the BCTC proposal acceptable as long as there is a cap on the amount of internal constraints that will not be refunded.
- NorthPoint objected to the proposal and expressed concerns over long periods of planned and unplanned outages that would affect service into Alberta.

As customers have expressed concerns over the length of possible outages and the option that refunds be provided for those extenuating circumstances and extended periods, BCTC is evaluating the option of providing refunds for outages that last longer than a set threshold. The threshold could be set to x number of days, where any outages longer than the number would be refunded and all other curtailments would not be refunded.

BCTC has also compiled the data of information that shows that all the BC constraints over the time period amount to less than 1.0 % of the total Long Term volume that is billed across Alberta and US paths.

	Total 2008	Total until Nov 2009
LT Volume in MWh	11,102,976	9,818,407
LT Billed Volume in MWh	11,013,974	9,735,891
Percentage refund for Internal constraints	0.80%	0.84%

E) Additional Topics Identified by Customers

Queue Hoarding and Flooding

Powerex and TransCanada expressed concerns over the assessment and subsequent processes and procedures of Queue Hoarding and Flooding. BCTC wishes to clarify that any new practice(s) or procedure(s) related to these topics will be presented to customers prior to implementation. BCTC commits to holding further discussions with customers on these topics in the future.