



## **Business Practice: Designation and Termination of Network Resources for Network Service Customers.**

**Posted:**                    March 17, 2008  
**Effective:**                March 17, 2008  
**Revision No.:**            2

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The following process addresses requests for designation and termination of Designated Network Resources (DNRs).

This business practice may be modified from time-to-time, as various issues surrounding Order 890 implementation are addressed. In particular, please note that PGE made a filing under section 205 of the Federal Power Act (FPA), 16 U.S.C. § 824d, and Part 35 of the Federal Energy Regulatory Commission's (Commission) regulations, 18 C.F.R. § 35 (2006) in conjunction with other regional utilities (collectively referred to as the Pacific NW IOUs), proposing changes to Section 30.3 of the OATT to allow utilities to provide notice of undesignation at any time, but no later than the firm pre-schedule deadline for temporary termination periods of a day or longer, or no later than 20 minutes before the first hour for undesignation periods of less than a day.

On September 9, 2007 FERC issued a Notice Granting Extension of Effective Date. The Commission granted an extension of the effective date of the minimum lead time for undesignating network resources adopted in Order No. 890. The Commission also noted that during this extension a transmission provider who wishes to establish a minimum lead-time for undesignating network resources may specify that deadline in its business practices, pending a further order in this proceeding.

On September 11, 2007 FERC issued an Order dismissing the Pacific NW IOUs' application for a variation from the pro forma OATT as moot. FERC stated that it will revisit the issue of the minimum lead time for undesignating network resources in an order to be issued in the rulemaking proceeding. Until such time as the Commission issues such an order, the minimum lead-times specified in this business practice will remain in effect.

On March 14, 2008 PGE made a filing under section 205 of the Federal Power Act (FPA), 16 U.S.C. § 824d, and Part 35 of the Federal Energy Regulatory Commission's (Commission) regulations, 18 C.F.R. § 35 (2006) in conjunction with other regional utilities (collectively referred to as the Pacific NW IOUs), proposing changes to Section 30.1 and 30.3 of the OATT to allow utilities to temporarily terminate resources delivered from a common NERC registered POR as a single Network Resource. PGE has requested that FERC grant an effective date of March 17, 2008 for these changes. PGE has revised this Business Practice to implement the

requested changes. Customers wishing to terminate resource in accordance with the proposed changes should seek the advice of their legal counsel regarding any issues associated with taking such actions prior to FERC ruling on the Section 205 filing.

All requests for designation and undesignation of Network Resources must be submitted in writing. Forms should be faxed to 503-464-7796 with an electronic copy mailed to PGE Transmission and Reliability Services.

### **1) Process for Designation of Network Resources**

- i) Designated Network Resources (DNR) request forms will be posted on PGE's OASIS. There are forms for "On-System" DNR requests and "Off-System" DNR requests. "Off-System" resources are those resources requiring 3<sup>rd</sup> party transmission service or transmission arrangements on an external transmission system(s) to serve the Network Customer's Network Load.
- ii) Prior to submitting new Off-System DNR requests, the Network Customer must submit a request(s) for Network Integration Transmission Service (NITS) via PGE's OASIS. To expedite this process, it is suggested that the customer pre-confirm this NITS request, but be aware pre-confirmed requests cannot be withdrawn. A pre-confirmed request for firm NITS requires submittal of a Network Resource Attestation, as described in Section 3 below.
- iii) All DNR request(s) must be a minimum of one day, starting at midnight and ending at midnight. These requests must be block capacity requests; they may not contain hourly MW profiles.
- iv) PGE will process DNR requests as soon as practicable, but must acknowledge DNR requests within ten (10) days of receipt. Within fifteen (15) days of receipt, PGE will either post an acceptance statement on PGE's OASIS (providing notice that the DNR request is not deficient) or fax a deficiency statement to the Network Customer. The deficiency statement will include an explanation of the nature of the deficiency. Wherever possible, PGE will attempt to remedy deficiencies through informal communications with the Eligible Customer. If such efforts are unsuccessful, PGE shall return the Application without prejudice to the Eligible Customer filing a new or revised Application, which will be assigned a new queue priority.
- v) A Network Customer may choose to aggregate transmission service requests for Off-System DNRs into a single NITS request. To do so, these Off-System DNRs must impact the same delivery points to PGE's system and be for the same term (begin- and end-date) of service. If any one or more of the aggregated remote DNRs is found to be deficient, PGE will counteroffer the associated NITS request's capacity. Customers are expected to closely monitor the status of their NITS requests and respond to Counteroffers.
- vi) This business practice supports temporary termination of resources as a group for those resources identified as associated with a common NERC registered Point-of-Receipt (POR). The Transmission Provider will review the POR identified with each DNR and will verify that the POR is listed on the NERC Registry and that the DNRs are appropriately associated with the identified POR.
- vii) If the required data of a previously submitted and approved designation for a Network Resource is modified, that resource must be undesignated and a new designation

request must be made in order to ensure firm NITS. In particular, changes to the following required data triggers a request for a new designation of the Network Resource to ensure firm transmission: Identification of the control area(s) from which the power will originate, delivery point(s) to the Transmission Provider's Transmission System, transmission arrangements on the external Transmission Systems(s).

- viii) Nothing in this business practice guarantees that a request to designate or undesignated a particular Network Resource will be granted. For example, such requests may be denied for reliability reasons or because the POR is not listed on the NERC Registry or the DNRs are not appropriately associated with the identified POR. If such a request is denied for reliability reasons, a description of the denial shall be posted in accordance with 18 C.F.R. 37.6(e)(2).

## 2) **Guidelines for Completing Designation Forms**

- a) Designation of Network Resources must be completed pursuant to Section 29.2(v) of PGE's OATT. Customers must utilize the appropriate forms. The following should be used as a guideline when describing a Network Resource:
- i) For Off-System Network Resources, when identifying the control area(s) from which the power will originate, entries such as "not applicable," blank, or any non-control area reference is not an acceptable response; the Network Customer may cite any or all valid control areas.
  - ii) For Off-System Network Resources, when describing transmission arrangements on the external transmission system(s), entries such as "not applicable" or a blank response are not acceptable. Any third-party transmission services needed to deliver power from the resource from the point at which the Network Customer takes delivery of the resource to PGE's Transmission System must be firm. The Network Customer may respond with:
    - (1) An OASIS assignment reference number with the host OASIS node identified;
    - (2) Documentation sufficient to enable PGE to confirm that transmission arrangements on external transmission system(s) are firm.<sup>1</sup>
  - iii) When describing the Network Resource's operating restrictions, a blank is not an acceptable response; Network Customers may respond with "not applicable" or "none." Specifics of a power purchase agreement, such as seasonal delivery periods should be described in the operating restrictions to the extent possible.
  - iv) When describing the approximate variable cost for redispatch of the Network Resource a dollar per MWh amount is required. An application will be deemed deficient in the event of any non-numeric response, such as "not applicable" or a blank.
- b) Additionally, to support temporary terminations of a group, the appropriate NERC registered Point of Receipt (POR) associated with the Network Resource will be identified. Entries such as "not applicable" or a blank response are not acceptable.

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<sup>1</sup> When requesting to designate off-system resources, Network Customers need only provide information regarding transmission service purchased by the Network Customer to move the power from the point of purchase to the delivery point on PGE's Transmission System. PGE will not need to confirm the firmness of transmission "upstream" of the network customer's point of purchase.

### **3) Network Resource Attestations**

- a) DNR requests must include an attestation that the new network resource satisfies the following conditions (“Network Resource Attestation”):
  - i) The Network Customer owns the resource, has committed to purchase generation pursuant to an executed contract, or has committed to purchase generation where execution of a contract is contingent upon the availability of NITS; and
  - ii) The Network Resources do not include any resources, or any portion thereof, that are committed for sale to non-designated third party load or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis.
- b) Attestations must be provided by the earlier of (a) 15 days of the date the service request is confirmed or (b) before the firm scheduling deadline of the first day the service commences, provided that if the request is pre-confirmed, the attestation must be provided at the time the request is submitted. A designation request lacking such attestation will be deemed deficient and denied. The attestation form is included as part of the DNR request forms posted on PGE’s OASIS website.

### **4) DNR Temporary Termination Process**

- a) A Temporary Termination is a request to un-designate a DNR that is submitted concurrently with a request to re-designate that network resource at a specific point in time. Such a termination is accomplished through the submittal of a completed Termination of Network Resource Form which is posted on PGE’s OASIS. Submittals must be received by no later than the firm pre-schedule deadline (10:00am Pacific time) for temporary termination periods of a day or longer, or no later than 20 minutes before the first hour for temporary termination periods of less than a day. Submittals should be faxed to 503-464-7796 and to the attention of PGE Transmission and Reliability Services.
- b) The Temporary Termination may be for any duration within the DNR’s original start and stop dates and times. Temporary Terminations may not be made within the hour for that hour.
- c) Temporary Termination requests must be accompanied with an attestation to ensure redesignation of the DNR (and reinstatement of associated NITS).
- d) For the Temporary Termination period (described in the form as the termination start and redesignation start dates and times), NITS associated with the DNR will be released as Available Transmission Capacity. After the Temporary Termination Period the Network Customer shall retain its right to service from the applicable DNR.
- e) Designated Network Resources identified with a common NERC registered POR may be temporarily terminated in full or in part as a group. For these group terminations identify the associated resource POR of the group in place of the resource name on the Termination of Network Resource Form.

### **5) DNR Indefinite Termination Process**

- a) An Indefinite Termination of a DNR is made using the same form as the Temporary Termination; however do not enter a redesignation start date and time.
- b) Indefinite Termination of a DNR request does not require an attestation.
- c) Upon approval of an Indefinite Termination of a DNR request, associated NITS will be released as Available Transmission Capacity. The Network Customer shall not retain its

right to service from the applicable DNR; a new request to designate the resource would be required.

**6) Posting of DNRs**

- a) PGE will post on OASIS the required DNR information for each Network Customer. Information concerning operating restrictions and approximate variable generating costs will be redacted from these postings. DNR-related postings will be updated as needed.

**Table 1 – Deadlines for DNR Designation and Termination**

	DNR Designation	Daily Terminations	Hourly Terminations
Submittal Deadline	15 days prior to desired commencement of DNR <sup>2</sup>	10:00am preschedule day	No later than 20 minutes before the hour
Minimum Increment	One Day	One Day	One Hour

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<sup>2</sup> PGE will process DNR requests as soon as reasonably practicable prior to the 15-day deadline.