



LETTER NO. L-39-06

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Log No. 15346

VIA E-MAIL

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July 24, 2006

Mr. Marcel Reghelini
Director, Regulatory Affairs
British Columbia Transmission Corporation
Suite 1100, Four Bentall Centre
1055 Dunsmuir Street PO Box 49260
Vancouver, BC V7X 1V5

Dear Mr. Reghelini:

Re: British Columbia Transmission Corporation ("BCTC")
Open Access Transmission Tariff ("OATT")

In a June 30, 2006 filing, BCTC seeks relief from compliance with three potential discrepancies between its Business Practices and the standards adopted by FERC in Order No. 676, to be implemented July 1, 2006. The three areas involve reservation timing requirements, provisions for discouraging Queue Hoarding and Flooding, and standards for notifying customers of curtailments or interruptions.

BCTC states that the confirmation timelines adopted by FERC in Order No. 676 have been in place since Order No. 638 was issued by FERC in 2000. Moreover, BCTC notes its confirmation times have been shorter than FERC-mandated timelines for some time, and it has thus exceeded the FERC benchmark in terms of meeting customer preferences. BCTC states that significant systems investment would be required to change its confirmation timelines to accord with Order No. 676.

BCTC says that it intends to analyze the provisions designed to discourage Queue Hoarding and Flooding to determine whether to adopt them as part of its own Business Practices, consulting with the OASIS system administrator and the WestTrans consortium as part of this effort. BCTC states that to adopt these provisions may require a significant effort, and any changes would therefore not likely be undertaken before Fall 2006.

BCTC's practice is to notify its customers directly when they have been curtailed or interrupted, and to provide a reason code as soon as possible. BCTC notes that Order No. 676 would require that as a transmission provider curtails or interrupts certain hours of a transmission request, it post a reduction of its capacity to the TSR in real-time, which will in turn notify the customer. BCTC posts such curtailments and interruptions a day later. BCTC believes that its practice of immediately advising customers meets the intent of Order No. 676. It considers that there is no practical advantage to other market participants being advised in real-time of a curtailment or interruption of another customer. Further, BCTC notes it has received no requests to change its current practice. BCTC states that to change to real-time posting would require system changes best considered as part of a major systems upgrade.

The Commission grants BCTC relief from the confirmation timelines adopted by FERC Order No. 676.

The Commission grants BCTC relief from the provisions for Queue Hoarding and Flooding. The Commission requests that BCTC report to the Commission on Queue Hoarding and Flooding as part of the December 31, 2006 filing on OATT rate design matters.

The Commission considers that it should properly seek customer comment on the standards for notifying customers of curtailments or interruptions. The Commission requests customer comments by August 4, 2006. The Commission requests that BCTC respond to comments by August 11, 2006. The Commission grants interim relief from this standard, and expects to issue a final decision for this standard after receiving customer comments, if any.

Yours truly,

Original signed by

Robert J. Pellatt

CMS/dg
Attachment

cc: BCTC OATT-IOI Intervenor (OATT-IOI-RI)
BCTC NEOATT 2006 – Intervenor (BCTC-NEOATT-RI)