

# **Business Practices Document**

## **Schedule 20A-NEP**

**(Issued on November 1, 2007)**



## Schedule 20A (HVDC Service)

### Business Practices Document

#### Section 1

#### List of Contents

- **Introduction**
  - Purpose of Document
  - Overview of Transmission Service in New England
- **Definitions**
- **Applicable Schedules**
  - Services Applicable to these Business Practices
  - Additional Services Provided Under the ISO-NE Tariff
- **Ancillary Services**
- **Procedures for Arranging Transmission Service**
- **OASIS**
  - Services Available on OASIS
  - OASIS Staff Contact Info
  - OASIS Timing Requirements
  - Transmission Service Requests
  - Submittal Window
  - Valid TSRs in the Submittal Window
  - ATC Allocation Methodology if Sufficient Capacity is Unavailable
  - Reassignment of Transmission Service (Resale)
  - Deposits
  - Discounts
  - Posting Curtailments and Interruptions
  - Posting Scheduling Information
- **General Terms and Conditions**
  - Creditworthiness
  - Services and Rates
- **Designation of Network Resources**
- **Methodologies for Transmission Capacity**
  - TTC Methodology
  - ATC Methodology
  - TRM Methodology
  - CBM Methodology

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## **Schedule 20A (HVDC Service)**

### **Section 2**

#### **Business Practices**

##### **I. Introduction**

###### **a. Purpose of Document**

This Business Practices document contains the procedures used by New England Power Company ("Transmission Provider" or "Company") to provide Point-To-Point Transmission over the Phase I/II HVDC Facilities ("Phase I/II HVDC Service-TF") pursuant to the Company's Schedule 20A, a schedule contained within Section II of the ISO-NE Open Access Transmission Tariff ("ISO-NE OATT"). These practices ("Business Practices") are intended to supplement and clarify the terms and conditions of service described in Schedule 20A. Unless noted here as procedures implemented in compliance with the Federal Energy Regulatory Commission ("FERC") Order No. 890, to the extent there is a conflict between these Business Practices and the ISO-NE OATT, the ISO-NE OATT controls. Reading the information in these Business Practices does not relieve the customer of the obligation to read and understand (a) the applicable Tariffs and Service Agreements, (b) ISO-NE Market Rule 1, (c) ISO-NE Manuals, (d) ISO-NE Standard Operating Procedures or associated business process requirements. All services provided and taken under any Tariff or Service Agreement are subject to the conditions and terms of the approved tariffs regardless of the information contained in these Business Practices. The Company will be filing amendments to Schedule 20A-NEP in compliance with Order 890 on or before October 11, 2007. At that time, and at other times deemed necessary by the Company, these Business Practices may be modified according to the Company's Process for Amending Business Practices.

###### **b. Overview of Transmission Service in New England**

Effective February 1, 2005, ISO New England (ISO-NE) began operating as the Regional Transmission Organization for New England. Transmission owning companies, as signatories to the Transmission Operating Agreement became Participating Transmission Owners (PTO) in this RTO. The governing document for providing transmission service in New England is the ISO New England Transmission, Markets and Services Tariff (ISO-NE Tariff). Section II of the ISO-NE Tariff provides the rates terms and conditions for transmission service over the regional transmission system. Schedule 20A of Section II of the ISO-NE Tariff provides the rates terms and conditions associated with providing transmission service over the Phase I/II HVDC transmission facilities. (Local Service is provided for under Schedule 21, as outlined in the **Business Practices for Schedule 21.**)

##### **II. Definitions**

Defined terms are capitalized in this document. Unless otherwise specified in these Business Practices, please refer to the ISO-NE Tariff, Section I, II and Schedule 20A for the definition of terms capitalized in these Business Practices.



## Schedule 20A (HVDC Service)

### III. Applicable Schedules

#### a. Services applicable to these Business Practices

[Schedule 20A](#) of the ISO OATT contains the terms and conditions that are common to all Schedule 20A Service Providers for transmission services over the Phase I/II HVDC transmission facilities. Schedule 20A-NEP contains the Company's specific rates, terms and conditions for transmission service provided over these facilities. The Company offers Point-to-Point, both firm and non-firm.

#### b. Additional Services Provided Under the ISO-NE Tariff

The ISO-NE Tariff contains the terms and conditions for regional transmission services over the Pool Transmission Facilities ("PTF") that are provided by ISO-NE. Transmission Customers interested in obtaining any of the services offered over these facilities should refer to [Schedules 8 and 9](#) of the ISO-NE Tariff.

[Schedule 21](#) of the ISO OATT contains the terms and conditions that are common for all local transmission services that are provided by the PTOs. [Schedule 21-NEP](#) contains the Company's specific rates, terms and conditions for transmission service provided over these facilities.

Additionally, generators interested in interconnecting to the regional transmission system should refer to [Schedule 22](#) and [Schedule 23](#) of the ISO OATT, which contains the terms and conditions that are common for all large and small generator interconnection services that are provided by the PTOs.

### IV. Ancillary Services

There are no Ancillary Services required by the Company under Schedule 20A. Please note that the customer may be responsible for acquiring additional ancillary services under the ISO-NE Tariff, as a customer taking service under the ISO-NE Tariff. See Schedules 2-7 of the ISO-NE OATT.

### V. Procedures for Arranging Transmission Service

In order to initiate service under this Schedule, an [Application](#) must be completed and forwarded according to the instructions provided in the application, along with the information requested under the Company's Creditworthiness Procedures. The Application will be reviewed according to the terms of Schedule 20A. The Eligible Customer will be notified if there are any questions and a Service Agreement will be forwarded for execution once the Application has been deemed to be complete and the terms of the Creditworthiness Procedures have been met.

### VI. OASIS

#### a. Services Available on OASIS

Requests for Firm and Non-Firm Point-To-Point Transmission Service provided for under the terms of Schedule 20A should be made over the Company's [OASIS](#) site.



## Schedule 20A (HVDC Service)

### b. OASIS Staff Contact Info

Ed Kremzier 508.389.3688  
 Nat Hancock 518.433.5086  
 Carol Teixeira 315.428.6104  
 Mary Reidy 315.428.5326  
 Anita Everts 315.428.6950

### c. OASIS Timing Requirements

The maximum and minimum lead times for requesting service are as follows:

Provider	ServiceID	Short Name ↓	Special Timing	Duration			Lead Time			
				Min	Max	Type	Min	Units	Max	Units
NEP	5582	<a href="#">ANNUAL HVDC IN</a>	No	1		YEAR	30	Days	60	Days
NEP	5583	<a href="#">ANNUAL HVDC OUT</a>	No	1		YEAR	30	Days	60	Days
NEP	590	<a href="#">DAIL HVDC NF PTP OUT</a>	No	1	6	DAY	1	Days	21	Days
NEP	516	<a href="#">DAILY HVDC F PTP IN</a>	No	1	6	DAY	1	Days	21	Days
NEP	592	<a href="#">DAILY HVDC F PTP OUT</a>	No	1	6	DAY	1	Days	21	Days
NEP	511	<a href="#">DAILY HVDC NF PTP IN</a>	No	1	6	DAY	1	Days	21	Days
NEP	591	<a href="#">HOUR HVDC NF PTP OUT</a>	No	1	24	HOUR	60	Minutes	21	Days
NEP	510	<a href="#">HOURL HVDC NF PTP IN</a>	No	1	24	HOUR	60	Minutes	21	Days
NEP	589	<a href="#">MNTH HVDC NF PTP OUT</a>	No	1	12	MONTH	7	Days	60	Days
NEP	593	<a href="#">MONTH HVDC F PTP OUT</a>	No	1	12	MONTH	7	Days	60	Days
NEP	575	<a href="#">MONTH HVDC NF PTP IN</a>	No	1	12	MONTH	7	Days	60	Days
NEP	514	<a href="#">MONTHL HVDC F PTP IN</a>	No	1	12	MONTH	7	Days	60	Days
NEP	515	<a href="#">WKLY HVDC F PTP IN</a>	No	1	4	WEEK	7	Days	21	Days
NEP	594	<a href="#">WKLY HVDC F PTP OUT</a>	No	1	4	WEEK	7	Days	21	Days
NEP	576	<a href="#">WKLY HVDC NF PTP IN</a>	No	1	4	WEEK	3	Days	21	Days
NEP	587	<a href="#">WKLY HVDC NF PTP OUT</a>	No	1	4	WEEK	3	Days	21	Days

### d. Transmission Service Requests

Transmission Customers may leave the price field of the TSR form blank. If left blank, the Schedule 20A Service Provider will interpret the requested price as that of the appropriate filed rate for that service.

The JTSIN OASIS software product allows only the posting of weekly offerings on a Monday to Monday basis. Similarly, monthly postings are allowed on a calendar month basis and yearly service is allowed on a calendar year basis. Requests for yearly service can be QUEUED between November 2nd and December 2nd of each year.

### e. Submittal Window

The Company will address Queue Flooding, Queue Hoarding and Denial of Service in accordance with in NAESB WEQ-001. If the Company detects any of the above activities the Company may extend the Submittal Window by additional 5 minute increments to accommodate valid TSRs.

Order 890 at paragraph 1418 requires Service Providers that offer transmission services subject to "no earlier than" provisions in their OASIS timing requirements to adopt a submittal window to determine service request priorities. The transmission services under Schedule 20A of the OATT are subject to such a provision. Although nearly simultaneous submittals have not been



### **Schedule 20A (HVDC Service)**

experienced for services provided under Schedule 20A, the Schedule 20A Service Providers are adopting a five minute window of time (“Submittal Window”) within which all requests will be deemed to have been submitted simultaneously. The Submittal Window will initially be used for yearly and monthly services. Software revisions will be required for this window to be applied to monthly, weekly, daily and hourly service and the Schedule 20A Service Providers are investigating this upgrade with the vendor.

#### **f. Valid TSRs in the Submittal Window**

The Company will Refuse those TSRs for the same Increment and Class of service from the same Transmission Customer which, in aggregate, exceeds the Company’s posted ATC. A single TSR will be Refused if it exceeds the posted ATC. If the Company receives multiple Identical Service Requests for the entire posted ATC within the Submittal Window, only one of those TSRs will be considered valid. The remaining Identical Service Requests will be Refused.

#### **g. ATC Allocation Methodology if Sufficient Capacity is Unavailable**

All valid TSRs for the same level of service will be allocated a pro rata share of the ATC for that period pursuant to this Section. If a customer Withdraws its TSR after it has been Accepted but prior to the Customer Confirmation Time Limit as identified in FERC Order 638, the pro rata allocation of ATC for the remaining valid TSRs will be recalculated and the TSRs will be updated accordingly on OASIS.

The Company reserves the right to develop additional allocation criteria in the event that the above criteria do not address a particular situation that occurs during the Submittal Window.

Paragraph 1422 of the order requires transmission providers to propose a method for allocating transfer capability if sufficient capacity is not available to meet all TSRs submitted within the specified time period. NEP will allocate capacity for the longest duration requests on a pro-rata share based on the following order: pre-confirmed Firm, Firm, pre-confirmed Non-Firm and Non-Firm. If the total amount of pre-confirmed Firm TSRs exceed NEP’s Firm ATC, each pre-confirmed Firm TSR will be multiplied by NEP’s Firm ATC and divided by the total MWs of valid pre-confirmed Firm TSRs. If the total amount of pre-confirmed Firm TSRs do not exceed ATC, then any remaining Firm TSRs will be allocated similarly across remaining Firm ATC. Non-Firm TSRs would follow the same methodology for any remaining ATC.

#### **h. Reassignment of Transmission Service (Resale)**

Transmission Customers with Firm Point-to-Point transmission service rights may post those rights for resale once for each path (interface) used by the rights. Because transmission rights are assigned by Point of Receipt (POR) and Point of Delivery (POD), it is strongly recommended that customers posting their rights for resale include the POR and POD under "Seller Comments" of the posting.

In accordance with FERC Order No. 890 and until such time as the FERC approves the Company’s revised Schedule 20A, to be filed on or before October 11, 2007, the following additional requirements for reassignment of transmission service shall apply:

1. Compensation to Resellers shall be at rates established by agreement with the Assignee;
2. The Assignee must execute a Service Agreement with the Schedule 20A Service Provider prior to the date on which the reassigned service commences that will



### **Schedule 20A (HVDC Service)**

govern the provision of reassigned service(Prior to the execution of the Service Agreement, the Assignee must provide a completed Application to the Company and comply with the Company's Creditworthiness requirements);

3. All sales or assignments of transmission capacity must be conducted through or otherwise posted on the Schedule 20A Service Provider's OASIS on or before the date the reassigned service commences;
4. The Schedule 20A Service Provider shall credit or charge the Reseller, as appropriate, for any differences between the price reflected in the Assignee's Service Agreement and the Reseller's Service Agreement with the Schedule 20A Service Provider.

#### **i. Deposits**

Under Section 4.3 of Schedule 20A of ISO-NE's FERC Electric Tariff No.3, the Service Provider can require a deposit at the time of Application for Phase I/II HVDC Service. NEP has chosen to defer this requirement until a monthly or yearly firm request, made under an active Service Agreement, has been confirmed.

A deposit amount equal to one month's service is due prior to the commencement of firm monthly service, even when multiple months are requested within a single transaction. The deposit will carry applicable interest in accordance with Commission regulations from the date that the payment is received by NEP until the date that the deposit is returned to the customer, which in no event shall be later than the expiration of the Service Agreement in accordance with the tariff.

#### **j. Discounts**

Discounts are available for non-firm service provided under Schedule 20A and are offered at the sole discretion of the Schedule 20A Service Provider on the OASIS. When a discounted transaction is confirmed by any customer, a simultaneous offer is made of the same discounted rate for the same period of time to all eligible customers on the same path serving the same point of delivery as the originally discounted service.

Discounts are not available for firm service.

#### **k. Posting Curtailments and Interruptions**

Information on affected Transmission Reservation from Curtailments can be found at: <https://oasis.iso-ne.com/oasis/NEP/data/curtailquery>

#### **l. Posting Scheduling Information**

Information on Schedules from Transmission Reservations can be found here: <https://oasis.iso-ne.com/oasis/NEP/data/schedulequery>

### **VII. General Terms and Conditions**

#### **a. Creditworthiness**

For the purpose of determining the ability of the Transmission Customer to meet its obligations related to requested transmission service, the Company may require reasonable credit review procedures in accordance with Schedule 20A. The Company's current credit review procedures, contained in its Creditworthiness Policy, may be amended from time to time in accordance with



### **Schedule 20A (HVDC Service)**

these Business Practices. These current procedures will remain in effect until a revision of the Company's creditworthiness requirements is provided in Attachment L to Schedule 20A, which will be filed at FERC as part of the Company's overall compliance filing for Order No. 890.

The Company's currently effective Creditworthiness Policy can be downloaded from:

<http://www.nationalgridus.com/oasis/keydocs.asp>

#### **b. Services and Rates**

The Company's transmission services and rates can be found at:

[http://www.nationalgridus.com/oasis/transmission\\_rate\\_summary.asp](http://www.nationalgridus.com/oasis/transmission_rate_summary.asp)

### **VIII. Designation of Network Resources**

Most Schedule 20A Providers do not offer Network Service over the Phase I/II HVDC-TF. Those Schedule 20A Providers that do offer Network Service have no customers taking such service. In either case, the New England market, as administered by the ISO-NE Tariff is subject to central dispatch and as such, does not require the identification of Network Resources for the day-to-day operation of the markets. Schedule 20A, as being part of Section II of the ISO-NE OATT provides services consistent with the facilitation of the regional market and does not require an identification of Network resources separate from that of ISO-NE as described in the following: [http://oasis.iso-ne.com/documents/ferc\\_order\\_890.html](http://oasis.iso-ne.com/documents/ferc_order_890.html)

### **IX. Methodologies for Transfer Capability**

#### **a. TTC Methodology**

The Total Transfer Capability (TTC) Methodology is described in **Section 4** of the [TTC Methodology document](#).

#### **b. ATC Methodology**

The Available Transfer Capability (ATC) Methodology is described in **Section 4** of the [ATC Methodology Document](#) .

#### **c. TRM Methodology**

The Transmission Reserve Margin (TRM) Methodology is described in **Section 3.3** of the [ATC Methodology Document](#).

#### **d. Capacity Benefit Margin**

The Capacity Benefit Margin (CBM) Methodology is described in **Section 3.2** of the [ATC Methodology Document](#)