

## PROCESS FOR NEW TRANSMISSION PRODUCT DEVELOPMENT

**Problem Statement:** The Transmission Business Line has little or no ATC available to sell in many parts of its transmission system. In addition, the Queue for long-term firm service is long, and the process for managing the queue is complex and time consuming. This has led some customers to argue that new products, in addition to those contained in FERC's pro forma tariff, be developed in an attempt to more fully utilize existing transmission capacity. In the past, TBL has had some success as well as significant difficulties in developing and implementing new products. The difficulties have been in precisely defining the products, achieving FERC approval for tariff changes and, in particular, developing systems for implementing the reservation, scheduling, and billing of the products.

An initial assessment and preliminary scoping of the following Business Impacts will be required in considering new product development:

- Product definition
- Tariff change/impacts
- Rate impact
- System Requirements, including lead time
- Staff and resource requirements (number of staff and skills required)
- Policy and Business Practice Impacts
- Effect on currently scheduled systems development work

The TBL will establish a Business Practice Technical Forum, New Products sub-team, comprised of both TBL and customers representation (chaired and facilitated by the TBL) to provide initial assessment and preliminary scoping.

### **Role of the Business Practice Technical Forum, New Products sub-team:**

- Clearly define the proposed product
- Facilitate the development of the necessary analysis to address the Business Impacts

### **TBL's Role:**

- Chair and Facilitate Sub-team
- Serve as Decision Maker
- Establish Standards for pre-decisional documentation
- Draft Open Access Transmission Tariff revisions and file with FERC (must receive FERC approval under reciprocity standard)
- Develop rates in 7(i) process and file with FERC
- Develop systems to implement new products

**Given these requirements it is unlikely that any new products could be developed and implemented in the FY2006 – 2007 rate period.**

**Next Steps:**

September BP Technical Forum:

- TBL to present standards and pre-decisional requirements for discussion
- Establish New Products Sub-team