BONNEVILLE POWER ADMINISTRATION

OPEN ACCESS TRANSMISSION TARIFF

Effective December 18, 1998 (revised June 16, 1999)¹

¹ Classification of Firm Transmission Service, section 12.7(c), has been revised to eliminate the option of "shaped" first year Long-Term Firm Transmission Service. No other changes have been made to the previous version of the Tariff (effective date December 18, 1998).

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BONNEVILLE POWER ADMINISTRATION

OPEN ACCESS TRANSMISSION TARIFF

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1 **I. COMMON SERVICE PROVISIONS**

2 **1 DEFINITIONS**

3 **1.1 Ancillary Services**

4 Ancillary Services are those services necessary to support the transmission of power from
5 resources to loads while maintaining reliable operation of the Federal Columbia River
6 Transmission System in accordance with Good Utility Practice.

7 **1.2 Application**

8 A request by an Eligible Customer for transmission service pursuant to the provisions of
9 this Tariff.

10 **1.3 Business Day**

11 The days Monday through Friday, excluding days observed as holidays by Bonneville. If
12 Bonneville provides Transmission Customers the option of 7-day scheduling, "Business Day" shall
13 be, for purposes of sections 12.7(d), 13.6, and 17.1(c) (scheduling), the days of the week that
14 Bonneville and the Transmission Customer both designate as business days. If BPA provides the
15 Transmission Customer the option of 7-day reservations, "Business Day" shall be, for purposes of
16 sections 16.1(b) and 17.1(b) (requests for service), the days of the week that Bonneville and the
17 Transmission Customer both designate as business days.

18 **1.4 Commission**

19 The Federal Energy Regulatory Commission.

20 **1.5 Completed Application**

21 An Application that satisfies all of the information and other requirements, including any
22 required Processing Fee, of this Tariff.

1 **1.6 Construction Agreement**

2 An agreement between the Parties that provides a complete description of the facilities to
3 be built as recommended in the Facilities Study, construction responsibilities, allocation of costs,
4 and facility ownership. The agreement may include provisions assigning operations and
5 maintenance responsibilities.

6 **1.7 Control Area**

7 A Control Area is the electrical (not necessarily geographical) area within which a
8 controlling utility operating under all North American Electric Reliability Council standards has
9 the responsibility to adjust its generation on an instantaneous basis to match internal load and
10 power flow across interchange boundaries to other Control Areas.

11 **1.8 Curtailement**

12 A reduction in firm or nonfirm transmission service in response to a transmission capacity
13 shortage as a result of system reliability conditions.

14 **1.9 Customer-Served Load**

15 Customer-Served Load is the monthly amount in megawatts of the Transmission
16 Customer's Network Load that the Transmission Customer elects to serve on a firm basis from
17 sources internal to its system or over nonfederal transmission facilities or pursuant to contracts
18 other than the Network Integration Service Agreement. The Transmission Customer will not be
19 charged for basic service under the Network Integration Service Agreement for the Customer-
20 Served Load.

21 **1.10 Delivering Party**

22 The entity supplying the capacity and/or energy to be transmitted at Point(s) of
23 Interconnection.

1 **1.11 Designated Agent**

2 Any entity that performs actions or functions required under this Tariff on behalf of
3 Bonneville, an Eligible Customer, or the Transmission Customer.

4 **1.12 Direct Assignment Facilities**

5 Facilities that have been or are constructed (or caused to be constructed) by Bonneville for
6 the sole use and benefit of a particular Transmission Customer requesting service under this
7 Tariff, the costs of which may be directly assigned to the Transmission Customer in accordance
8 with applicable Commission policy. Direct Assignment Facilities shall be specified in the Service
9 Agreement that governs service to the Transmission Customer.

10 **1.13 Eligible Customer**

11 (i) Any electric utility (including any power marketer), Federal power marketing
12 agency, or any person generating electric energy for sale for resale is an Eligible Customer under
13 the Tariff. With respect to Network Integration Service, a power supplier acting in such capacity
14 shall be an Eligible Customer only to the extent that it acts as a Designated Agent for an Eligible
15 Customer, except that Bonneville may be an Eligible Customer for delivery of power under
16 Service and Exchange Agreements existing as of March 25, 1996, and for Bonneville's power
17 sales, if such delivery of power or such power sales are to (1) a direct-service industrial customer
18 or (2) a Bonneville power customer whose total retail load is equal to or less than 50 aMW during
19 calendar year 1995. An entity may not use both Network Integration Service and any other
20 Bonneville transmission service contracted for after the effective date of this Tariff to serve its
21 native load over the Integrated Network Transmission System. Electric energy sold or produced
22 by an Eligible Customer may be electric energy produced in the United States, Canada or México.
23 However, with respect to transmission service that the Commission is prohibited from ordering by

1 Section 212(h) of the Federal Power Act, an entity is eligible only if the service is provided
2 pursuant to a voluntary offer of such service by Bonneville.

3 (ii) If provided for separately by contract or policy, Bonneville's direct service
4 industrial customers shall be considered Eligible Customers. Any retail customer taking
5 unbundled transmission service pursuant to a voluntary offer of such service by Bonneville is an
6 Eligible Customer under the Tariff.

7 **1.14 Facilities Study**

8 An engineering study conducted by Bonneville to determine the required modifications to
9 its Federal Columbia River Transmission System, including the estimated cost and scheduled
10 completion date for such modifications, that will be required to provide a requested transmission
11 service in accordance with the results of the System Impact Study.

12 **1.15 Federal Columbia River Transmission System (FCRTS)**

13 The Federal government's transmission facilities under Bonneville's control, and any other
14 transmission capacity which Bonneville has a right to use by contract or lease.

15 **1.16 Firm Transmission Service**

16 Long-Term Firm Transmission Service and Short-Term Firm Transmission Service over
17 the Federal Columbia River Transmission System under Part II of this Tariff that is reserved
18 and/or scheduled on a firm basis and that is of the same priority as that of Bonneville's firm use.

19 **1.17 Good Utility Practice**

20 Any of the practices, methods and acts engaged in or approved by a significant portion of
21 the electric utility industry in the Western System Coordinating Council's (WSCC) area during the
22 relevant time period, or any of the practices, methods and acts which, in the exercise of
23 reasonable judgment in light of the facts known at the time the decision was made, could have
24 been expected to accomplish the desired result at the lowest reasonable cost consistent with good

business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be a range of acceptable practices, methods, or acts generally accepted in the region and consistently adhered to by Bonneville.

1.18 Hourly Nonfirm Transmission Service

Nonfirm Transmission service over the Federal Columbia River Transmission System under Part II of this Tariff that is scheduled pursuant to Section 13.6 of this Tariff and that is of the same priority as that of Bonneville's nonfirm use of the FCRTS.

1.19 Integrated Network Transmission System

The Federal Columbia River Transmission System facilities excluding the Southern and Eastern Interties and Generation-Integration segment facilities.

1.20 Interruption

A reduction in nonfirm transmission service due to economic reasons pursuant to Section 13.7.

1.21 Long-Term Firm Transmission Service

Firm Point-to-Point Transmission Service over the Federal Columbia River Transmission System under Part II of this Tariff that is reserved and/or scheduled for a term of one (1) year or more and that is of the same priority as that of Bonneville's firm use of the Federal Columbia River Transmission System.

1.22 Member System

An Eligible Customer operating as a part of a lawful combination, partnership, association, or joint action agency composed exclusively of Eligible Customers.

1.23 Network Customers

Entities receiving transmission service pursuant to the terms of Part III of this Tariff.

1 **1.24 Network Integration Transmission Service**

2 Transmission Service, provided under Part III of this Tariff, which allows a Transmission
3 Customer to integrate, plan, economically dispatch and regulate its Network Resources to serve
4 its Network Load in a manner comparable to that in which Bonneville utilizes its Integrated
5 Network Transmission System. Network Integration Transmission Service also may be used by
6 the Transmission Customer to deliver nonfirm energy purchases on an as available basis to its
7 Network Load without additional charge.

8 **1.25 Network Load**

9 The load of a Network Customer, including the entire load of all Member Systems
10 designated pursuant to Section 30, under Part III of this Tariff. The entire load includes the retail
11 energy load during any given time period plus distribution losses and system power requirements.
12 A Network Customer's Network Load shall not be reduced to reflect any portion of such load
13 served by the output of any generating facilities owned, or generation purchased, by the Network
14 Customer, its Member Systems or other customers it serves under this Tariff.

15 **1.26 Network Resources**

16 Designated resources used by a Network Customer to provide electric service to its
17 Network Load consistent with reliability criteria generally accepted in the region. Network
18 Resources shall include all owned and purchased Transmission Customer generating resources
19 that are located in the Bonneville Control Area or connected to the Electric System of such
20 Network Customer, any Member System or its other customers serviced under this Tariff. A
21 Network Customer also may designate as Network Resources any generating resources (or
22 portion thereof) located in another utility's Control Area and power purchased by the Network
23 Customer from another utility and used to provide reliable service to Network Load. Network
24 Resources shall not include that portion of the capacity of any such generating resource that is

1 committed on a firm basis for sale to third parties not designated as Network Load or which
2 otherwise cannot be called upon to meet the Network Customer's Network Load on a non-
3 interruptible basis.

4 **1.27 Network Upgrades**

5 Modifications and/or additions to transmission-related facilities that are integrated with
6 and support Bonneville's Federal Columbia River Transmission System to satisfy, at least in part,
7 an Application as well as provide for the general benefit of users of such Federal Columbia River
8 Transmission System.

9 **1.28 Nonfirm Transmission Service**

10 Short-Term Nonfirm and Hourly Nonfirm Transmission Service over Bonneville's Federal
11 Columbia River Transmission System under Part II of this Tariff that is scheduled on an as-
12 available basis and is subject to Curtailment or Interruption. Nonfirm Transmission Service is also
13 available in conjunction with reservations of Firm Transmission Service for any term subject to the
14 conditions set forth in Section 21.1 under this Tariff.

15 **1.29 Open Access Same-Time Information System (OASIS)**

16 The information system and standards of conduct contained in Part 37 of the
17 Commission's regulations and all additional requirements implemented by subsequent Commission
18 order dealing with OASIS.

19 **1.30 Parties**

20 Bonneville and the Transmission Customer receiving service under this Tariff.

1 **1.31 Point(s) of Delivery**

2 Point(s) on Bonneville's Federal Columbia River Transmission System or transfer points
3 on other utility systems where capacity and/or energy transmitted by Bonneville
4 will be made available to the Receiving Party under Part II of this Tariff. The Point(s) of Delivery
5 shall be specified in the Service Agreement.

6 **1.32 Point(s) of Interconnection**

7 Point(s) on Bonneville's Federal Columbia River Transmission System where capacity
8 and/or energy will be made available to Bonneville by the Delivering Party under Part II of this
9 Tariff. For the purpose of this Tariff, the term Point of Interconnection has the same meaning as
10 the terms Point of Interconnection and Point of Integration as defined in the General Rate
11 Schedule Provisions. The Point(s) of Interconnection shall be specified in the Service Agreement.

12 **1.33 Point-to-Point Transmission Service**

13 The reservation and/or transmission of power on either a firm basis and/or nonfirm basis
14 from the Point(s) of Interconnection to the Point(s) of Delivery under Part II of this Tariff,
15 including any Ancillary Services that are provided by Bonneville in conjunction with such service.

16 **1.34 Receiving Party**

17 The entity receiving the capacity and/or energy transmitted by Bonneville to Point(s) of
18 Delivery.

19 **1.35 Regional Transmission Association**

20 A voluntary organization of transmission owners, transmission users and other entities
21 approved by the Commission to efficiently coordinate transmission planning (and expansion),
22 operation and use on a regional (and interregional) basis.

1 **1.36 Reservation Fee**

2 A fee paid by a Transmission Customer under Part II of this Tariff to preserve its priority
3 to service with respect to other Applicants if service to the Transmission Customer is to be
4 deferred in time.

5 **1.37 Service Agreement**

6 The initial agreement and any amendments thereto entered into by the Transmission
7 Customer and Bonneville for service under this Tariff.

8 **1.38 Service Commencement Date**

9 The date Bonneville begins to provide service pursuant to the terms of an executed
10 Service Agreement, or the date Bonneville begins to provide service in accordance with the
11 provisions of section 14.3 or section 28.1 of this Tariff.

12 **1.39 Short-Term Firm Transmission Service**

13 Point-to-Point Transmission Service over the Federal Columbia River Transmission
14 System under Part II of this Tariff that is reserved and/or scheduled for a duration of one (1)
15 calendar day up to one (1) year and that is of the same priority as that of Bonneville's firm use of
16 the Federal Columbia River Transmission System.

17 **1.40 Short-Term Nonfirm Transmission Service**

18 Nonfirm Point-to-Point Transmission Service over the Federal Columbia River
19 Transmission System under Part II of this Tariff that is reserved and/or scheduled daily, weekly,
20 or monthly for renewable terms of not more than 30 days each and that is of the same priority as
21 that of Bonneville's nonfirm use of the Federal Columbia River Transmission System.

22 **1.41 System Impact Study**

23 An assessment by Bonneville of (a) the adequacy of the Federal Columbia River
24 Transmission System to accommodate a request for Firm Transmission Service or Network

1 Integration Transmission Service and/or (b) any costs (e.g., system redispatch, Direct Assignment
2 Facilities or Network Upgrades) that would be incurred to accommodate a request for
3 transmission service pursuant to the terms of this Tariff based on information then available to
4 Bonneville.

5 **1.42 System Operating Committee**

6 A group made up of representatives from the Transmission Customers and Bonneville
7 established to coordinate operating criteria and other technical considerations required for
8 implementation of Part III of this Tariff.

9 **1.43 System Operations Agreement**

10 An agreement that contains the terms and conditions under which the Transmission
11 Customer shall operate its facilities and the technical and operational matters associated with the
12 implementation of this Tariff.

13 **1.44 Transmission Customer**

14 Any Eligible Customer that (a) executes a Service Agreement; or (b) receives transmission
15 service under Part II, section 14.3, or Part III, section 28.1, of this Tariff including, without
16 limitations, Bonneville.

17 **1.45 Transmission Demand**

18 The maximum amount of capacity and/or energy that Bonneville agrees to transmit for the
19 Transmission Customer over Bonneville's Federal Columbia River Transmission System between
20 the Point(s) of Interconnection and the Point(s) of Delivery under Part II of this Tariff.
21 Transmission Demand shall be expressed in terms of whole megawatts on a sixty (60) minute
22 interval (commencing on the clock hour) basis.

1 **1.46 Transmission Service**

2 Point-to-Point Transmission Service over Bonneville's Federal Columbia River
3 Transmission System provided under Part II of this Tariff. Transmission Service will be provided
4 on a firm and/or nonfirm basis.

5 **1.47 Valid Request**

6 A Completed Application that satisfies on an ongoing basis all of the requirements under
7 Part II of the Tariff.

8
9 **2 ANCILLARY SERVICES**

10 Ancillary Services are needed with transmission service to maintain reliability within and
11 among the Control Areas affected by the transmission service. Bonneville will provide, and the
12 Transmission Customer will acquire from Bonneville, the following Ancillary Services:
13 i) Scheduling and Dispatch Services, and ii) Reactive Supply and Voltage Control from
14 Generation Sources. In addition, Bonneville will offer to sell Transmission Losses to all
15 Transmission Customers taking transmission service from Bonneville. The Transmission
16 Customer may either purchase Transmission Losses from Bonneville or return losses to
17 Bonneville.

18 Bonneville will offer the following Ancillary Services to Transmission Customers serving
19 load or integrating generation within Bonneville's Control Area: i) Load Regulation, ii) Energy
20 Imbalance, iii) Control Area Reserves for Resources, and iv) Control Area Reserves for
21 Interruptible Purchases. A Transmission Customer serving load or integrating generation within
22 Bonneville's Control Area must acquire these Ancillary Services from Bonneville or from another
23 supplier, or provide them by self-supply. The Transmission Customer must accept Bonneville's
24 offer, unless it demonstrates that it has acquired these Ancillary Services from another source

consistent with Good Utility Practice and in a manner that is technically achievable. The Transmission Customer must list in its Application which of these Ancillary Services it will purchase from Bonneville.

Three principal requirements apply to discounts for Ancillary Services provided by Bonneville in conjunction with its provision of transmission services as follows: (1) any offer of a discount made by Bonneville shall be announced to all Eligible Customers solely by posting on the OASIS; (2) any customer-initiated requests for discounts (including requests for use by Bonneville's wholesale merchant function) must occur solely by posting on the OASIS; and (3) once a discount is negotiated, details shall be immediately posted on the OASIS. A discount agreed upon for an Ancillary Service shall be offered for the same period to all Eligible Customers on Bonneville's system. The Ancillary Services are listed below and are described in Schedules 1-7.

2.1 Scheduling and Dispatch Service

This service is described in Schedule 1.

2.2 Reactive Supply and Voltage from Generation Sources

This service is described in Schedule 2.

2.3 Control Area Reserves for Resources Service--Spinning Operating Reserves, Non-Spinning Operating Reserves, and Generation Following

These services are described in Schedule 3.

2.4 Control Area Reserves for Interruptible Purchases Service--Non-Spinning Operating Reserves

This service is described in Schedule 4.

2.5 Load Regulation Service

This service is described in Schedule 5.

1 **2.6 Energy Imbalance**

2 This service is described in Schedule 6.

3 **2.7 Transmission Losses**

4 This service is described in Schedule 7.

5
6 **3 OPEN ACCESS SAME-TIME INFORMATION SYSTEM (OASIS)**

7 Terms and conditions regarding Open Access Same-Time Information System and
8 standards of conduct are set forth in 18 CFR § 37 of the Commission's regulations (Open Access
9 Same-Time Information System and Standards of Conduct for Public Utilities). In the event
10 available transmission capability as posted on the OASIS is insufficient to accommodate a request
11 for firm transmission service, additional studies may be required as provided by the Tariff
12 pursuant to Sections 18 and 31.

13
14 **4 RECIPROCITY**

15 The Transmission Customer receiving transmission service under this Tariff agrees to
16 provide, if requested by Bonneville, comparable service to Bonneville on similar terms and
17 conditions over transmission facilities owned or controlled, or which will be owned or controlled
18 by the Transmission Customer and its affiliates. A Transmission Customer that has on file with
19 the Commission transmission tariffs of general applicability that meet the Commission's
20 comparability of service standard shall be deemed to meet this reciprocity requirement. If a
21 Transmission Customer and its affiliates do not own or control transmission facilities, then
22 Bonneville may require the Transmission Customer to designate the other party to the transaction
23 as the provider of reciprocal service for purposes of this section if it owns or controls transmission

1 facilities unless the other party is subject to section 211 of the Federal Power Act or is a member
2 of a FERC-approved Regional Transmission Association.

4 **5 BILLING AND PAYMENT**

5 **5.1 Billing**

6 Bonneville may render estimated bills for any month. Estimated bills are payment
7 obligations that are subject to all payment provisions including late payment charges. A final bill
8 will always follow an estimated bill.

9 Bills for transmission services shall be rendered by Bonneville on the Transmission
10 Customer's monthly bill. Failure to receive a bill shall not release the Transmission Customer
11 from liability for payment. If requested by the Transmission Customer, Bonneville will
12 electronically transmit the Transmission Customer's monthly bill to the Transmission Customer on
13 the issue date of the bill, provided the Parties have compatible electronic equipment. Bonneville
14 may elect to electronically transmit only that portion of the bill showing the amount owed. If the
15 entire bill is not provided by electronic means, Bonneville will also send the Transmission
16 Customer a complete copy of its monthly bill by mail.

17 **(a) Due Date**

18 Payment shall be due by close of business on the 20th day after the date of the bill
19 (Due Date). This requirement also holds for revised bills. If the 20th day is a Saturday, Sunday,
20 or Federal holiday, the Due Date shall be the next Business Day.

21 **(b) Payments of \$50,000 or more**

22 (1) If the Customer's monthly bill from Bonneville is \$50,000 or more, the
23 Customer must pay by wire transfer using procedures established by Bonneville's Financial

Services Group, unless the Customer has obtained the right to pay by mail as provided in section 5.1(b)(2). Wire transfer amounts are due and payable on the Due Date.

(2) The Customer may pay its bill by mail even if the amount exceeds \$50,000, provided the following conditions have been met:

(a) The Customer gives Bonneville 30 days' notice of its intent to pay by mail;

(b) The Customer ensures that Bonneville receives full payment by the above-stated Due Date; and

(c) The Customer has not incurred late payment charges while paying its bills by mail.

(c) Payments of Less than \$50,000

If the Customer's monthly bill from Bonneville is less than \$50,000, the customer may pay the bill by mail. Payment for such bills will be accepted as timely if the payment is postmarked by the Due Date. Payments shall be mailed to:

Bonneville Power Administration
PO Box 6040
Portland, OR 97228-6040

(d) Computation of Bills

Bills for products and services purchased under this agreement shall be rounded to whole dollar amounts, by eliminating any amount of which is less than 50 cents and increasing any amount from 50 cents through 99 cents to the next higher dollar.

(e) Estimated Bills

At its option, Bonneville may elect to render an estimated bill for a month to be followed at a subsequent billing date by a final bill for that month. Such estimated bill shall have the validity of, and be subject to, the same payment provisions as a final bill.

1 **(f) Late Payment**

2 Bills not paid in full on or before close of business on the Due Date shall be subject
3 to an interest charge of one-twentieth percent (0.05 percent) applied each day to the unpaid
4 balance. This interest charge shall be assessed on a daily basis until such time as the unpaid
5 amount is paid in full. Remittances received by mail which are not required to be paid by wire
6 transfer will be accepted without assessment of the charges referred to in the preceding sentence
7 of this section 5.1(f), provided the postmark indicates the payment was mailed on or before the
8 Due Date.

9 **(g) Revised Bills**

10 As necessary, Bonneville may render revised bills. The date of a revised bill shall
11 be its issue date.

12 (1) If the amount of the revised bill is more than the amount of the previous
13 bill, the previous bill remains due on its Due Date, and the additional amount is due on the Due
14 Date of the revised bill.

15 (2) If the amount of the revised bill is less than the amount of the previous bill,
16 the obligation to pay the previous bill is satisfied by payment of the revised bill on the Due Date of
17 the previous bill.

18 (3) If the revised bill changes the party to whom money is due, the previous bill
19 is canceled and the amount owed the other party is due on the Due Date of the revised bill.

20 (4) If payment of the previous bill results in an overpayment, a refund is due on
21 the later of (a) the due date of the revised bill, or (b) 20 days from the receipt of the payment for
22 the original bill.

1 **5.2 Customer Default**

2 (a) In the event the Transmission Customer fails, for any reason other than a billing
3 dispute as described below, to make payment to Bonneville on or before the Due Date as
4 described above, and such failure of payment is not corrected within thirty (30) calendar days
5 after Bonneville notifies the Transmission Customer to cure such failure, a default by the
6 Transmission Customer shall be deemed to exist. Upon the occurrence of a default, Bonneville
7 may notify the Transmission Customer that it plans to terminate service in sixty (60) days. The
8 Transmission Customer may use the dispute resolution procedures to contest such termination.

9 (b) In the event of a billing dispute between Bonneville and the Transmission
10 Customer, Bonneville will continue to provide service under the Service Agreement as long as the
11 Transmission Customer: (a) continues to make all payments not in dispute; and (b) pays into an
12 independent escrow account the portion of the invoice in dispute, pending resolution of such
13 dispute. If the Transmission Customer fails to meet these two requirements for continuation of
14 service, then Bonneville will provide notice to the Transmission Customer of its intention to
15 suspend service in sixty (60) days, in accordance with Commission policy.

16 **5.3 Records**

17 Bonneville and the Transmission Customer shall keep such records as may be needed to
18 afford a clear history of all transactions under this Tariff. The originals of all such records shall be
19 retained for a minimum of 2 years plus the current year (or such longer period as may be required
20 by any regulatory commission having jurisdiction), and copies shall be delivered to the other Party
21 on request.

22
23 **6 ACCOUNTING FOR BONNEVILLE'S USE OF THE TARIFF**

24 Bonneville shall record the following amounts, as outlined below.

1 **6.1 Transmission Revenues**

2 Bonneville shall include in a separate operating revenue account or subaccount the
3 revenues it receives from Transmission Service that it provides itself under Part II and Part III of
4 this Tariff.

5 **6.2 Study Costs and Revenues**

6 Bonneville shall include in a separate transmission operating expense account or
7 subaccount, costs properly chargeable to expense that are incurred to perform any System Impact
8 Studies or Facilities Studies that Bonneville undertakes to determine if Bonneville must construct
9 new transmission facilities or upgrades necessary for Bonneville to provide new transmission
10 service for itself under this Tariff; and include in a separate operating revenue account or
11 subaccount the revenues received for System Impact Studies or Facilities Studies performed when
12 such amounts are separately stated and identified in the Transmission Customer's billing under the
13 Tariff.

14
15 **7 REGULATORY FILINGS**

16 Nothing contained in this Tariff or any Service Agreement shall be construed as affecting
17 in any way the right of Bonneville to establish and revise new rates pursuant to Section 7(i) of the
18 Pacific Northwest Electric Power Planning and Conservation Act.

19 Nothing contained in this Tariff or any associated Service Agreement shall be construed as
20 affecting in any way the ability of any Party receiving service under this Tariff to exercise its rights
21 under Sections 211, 212, and 213 of the Federal Power Act and pursuant to the Commission's
22 rules and regulations promulgated thereunder.

1 **8 LIABILITY AND INDEMNIFICATION**

2 **8.1 Uncontrollable Forces**

3 Neither Bonneville nor the Transmission Customer shall be liable to the other for damages
4 for any act, omission or circumstance occasioned by or in consequence of any act of God, labor
5 disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion,
6 breakage or accident to machinery or equipment, or by any other cause or causes beyond such
7 Party's control, including any curtailment, order, regulation or restriction imposed by
8 governmental military or lawfully established civilian authorities, or by the making of necessary
9 repairs upon the property or equipment of either Party hereto.

10 **8.2 Electric Disturbance**

11 (a) For the purposes of this section an electric disturbance is any sudden, unexpected,
12 changed, or abnormal electric condition occurring in or on an electric system which causes
13 damage.

14 (b) Each Party shall design, construct, operate, maintain, and use its electric system in
15 conformance with accepted electric utility practices:

16 (1) to minimize electric disturbances such as, but not limited to, the abnormal
17 flow of power which may interfere with the electric system of the other Party or any electric
18 system connected with such other Party's electric system; and

19 (2) to minimize the effect on its electric system and on its customers of electric
20 disturbances originating on its own or another electric system.

21 (c) If Bonneville and the Transmission Customer are Parties to the agreement Limiting
22 Liability Among Western Interconnected Systems, such agreement shall continue in full force and
23 effect as between the Parties.

1 (d) During such time as a Party to this contract is not a Party to the Agreement
2 Limiting Liability Among Western Interconnected Systems, its relations with the other Party with
3 respect to system damages shall be governed by the following sentence, notwithstanding the fact
4 that the other Party may be a Party to said Agreement Limiting Liability Among Western
5 Interconnected Systems. A Party to this contract shall not be liable to the other Party for damage
6 to the other party's system, or facilities caused by an electric disturbance on the first party's
7 system, whether or not such electric disturbance is the result of negligence by the first party, if the
8 other party has failed to fulfill its obligations under subsection (b)(2) above.

9 (e) If one of the Parties to this contract is not a party to the Agreement Limiting
10 Liability Among Western Interconnected Systems, each party to this contract shall hold harmless
11 and indemnify the other party, its officers and employees, from any claims for loss, injury, or
12 damage suffered by those to whom the first party delivers power not for resale, which loss, injury,
13 or damage is caused by an electric disturbance on the other party's system, whether or not such
14 electric disturbance results from the negligence of such other Party, if such first party has failed to
15 fulfill its obligations under subsection (b)(2) above, and such failure contributed to the loss, injury,
16 or damage.

17 18 **9 CREDITWORTHINESS**

19 For the purpose of determining the ability of the Transmission Customer to meet its
20 obligations related to service hereunder, Bonneville may require reasonable credit review
21 procedures. This review shall be made in accordance with standard commercial practices. In
22 addition, Bonneville may require the Transmission Customer to provide and maintain in effect
23 during the term of the Service Agreement, an unconditional and irrevocable letter of credit as
24 security to meet its responsibilities and obligations under this Tariff, or an alternative form of

1 security proposed by the Transmission Customer and acceptable to Bonneville and consistent with
2 commercial practices established by the Uniform Commercial Code that protects Bonneville
3 against the risk of nonpayment.
4

5 **10 DISPUTE RESOLUTION**

6 **10.1 Dispute Resolution Procedures**

7 Any complaint arising concerning implementation of this Tariff shall be resolved as
8 follows:

9 (a) Through a dispute resolution process, pursuant to the terms of a Regional
10 Transmission Association governing agreement of which both Parties are members; or

11 (b) If both Parties are not members of the same Regional Transmission Association,
12 through a dispute resolution process agreed to by the Parties, or through a transmission complaint
13 filed with the Commission to the extent the Commission has jurisdiction over such dispute.

14 **10.2 Rights Under the Federal Power Act**

15 Nothing in this section shall restrict the rights of any Party to file a Complaint with the
16 Commission under relevant provisions of the Federal Power Act. In addition, use or application
17 of the arbitration provisions in this Section does not affect the jurisdiction of the Commission over
18 any matters arising under this Tariff.
19

20 **11. STANDARDS OF CONDUCT**

21 In implementing the provisions of this Tariff, the Parties shall comply with the following
22 standards of conduct:

1 **11.1 Standard of Nondiscrimination**

2 In performing its obligations under this Tariff, Bonneville shall apply the Tariff's provisions
3 in a nondiscriminatory manner to all users, including Bonneville's use of this Tariff.

4 **11.2 Communications with Eligible Customers**

5 Bonneville shall use all reasonable efforts to communicate promptly with all Eligible
6 Customers to resolve any questions regarding their requests for service and in a nondiscriminatory
7 manner.

8 **11.3 Standard of Due Diligence**

9 Where Bonneville or the Transmission Customer is required to complete activities or to
10 negotiate agreements as a condition of service under this Tariff, each Party shall use due diligence
11 to complete these actions within a reasonable time.

12 **11.4 Dispute Resolution Procedures**

13 If any Transmission Customer has a dispute or complaint that relates to the conduct of
14 Bonneville under this Tariff, the customer may use the dispute resolution procedures provided in
15 Section 10.

16
17 **II. POINT-TO-POINT TRANSMISSION SERVICE**

18 **PREAMBLE**

19 Bonneville will provide firm and nonfirm Point-to-Point Transmission Service over the Federal
20 Columbia River Transmission System pursuant to the terms and conditions of this Tariff. The
21 service that Bonneville will provide under this Tariff is for the receipt of capacity and energy at
22 designated Point(s) of Interconnection and the transmission of such capacity and energy to
23 designated Point(s) of Delivery. As an alternative to receiving service from the designated
24 Point(s) of Interconnection to the Point(s) of Delivery, the Transmission Customer may request

Bonneville to provide transmission service on a nonfirm, capacity-available basis, between Secondary Point(s) of Interconnection or Delivery in accordance with the provisions of this Tariff. Separate rates will be charged for service over Bonneville's Integrated Network and Bonneville's Southern and Eastern Interties.

12 NATURE OF FIRM TRANSMISSION SERVICE

12.1 Term

The minimum term of Firm Transmission Service shall be one calendar day, and the maximum term shall be specified in the Service Agreement consistent with Commission principles generally applicable to Point-to-Point Transmission Service.

12.2 Service Priority

Firm Transmission Service will be available on a first come, first served basis (i.e., in the chronological sequence in which each Applicant has requested service). An Application for Firm Transmission Service will have priority to available transmission capacity over an Application for Nonfirm Transmission Service under this Tariff. Firm Transmission Service will always have priority over Nonfirm Transmission Service under this Tariff. All requests for Firm Transmission Service and Network Integration Transmission Service will, among such requests, have equal access to available transmission capacity as determined in Section 14.2 below. Customers with existing Integration of Resources, Formula Power Transmission or Bonneville Sales agreement(s) for firm service over the Integrated Network will be deemed to have a continuing allocation of transmission capacity for such contracts beyond the term of such agreements for the amounts of transmission capacity, points of delivery, and points of interconnection stated in such agreements unless, prior to the termination of such agreement, the customer fails to provide Bonneville a minimum one (1) year notice of intent to convert service to this Tariff.

1 **12.3 Use of Firm Transmission Service by Bonneville**

2 Bonneville will take service under Part II or Part III of this Tariff when providing itself
3 firm transmission service for sale to and purchases for customers. With respect to any such
4 transactions made pursuant to an agreement that is in effect on the date this Tariff becomes
5 effective, Bonneville will be subject to the same procedures governing scheduling and curtailment
6 as are applicable to any Firm Transmission Service provided under this Tariff unless otherwise
7 required under the terms of such agreement. Bonneville will establish and maintain separate
8 accounts for its use of this Tariff pursuant to Section 6.

9 **12.4 Service Agreements**

10 Bonneville shall offer a standard form Service Agreement to an Eligible Customer when
11 it submits a Completed Application for Firm Transmission Service pursuant to Section 16 of this
12 Tariff and all other requirements in Part II of this Tariff are satisfied.

13 **12.5 Transmission Customer Obligations for Facility Additions or Redispatch Costs**

14 In cases where Bonneville determines that existing capacity on the Federal Columbia River
15 Transmission System is not adequate to provide requested Firm Transmission Service without:
16 (a) degrading or impairing the reliability of service to Network Customers and other Firm
17 Transmission Customers under Part II of this Tariff; or (b) interfering with Bonneville's ability to
18 meet firm contractual commitments to others in effect prior to the effective date of this Tariff, the
19 obligation to provide Firm Transmission Service upon expansion or upgrading of the Federal
20 Columbia River Transmission System pursuant to the terms of Section 14.4 of this Tariff shall be
21 subject to the Transmission Customer agreeing to compensate Bonneville for transmission facility
22 additions pursuant to the terms of Section 25 of this Tariff. To the extent Bonneville can relieve
23 such system constraint more economically by redispatching its system than through constructing

Network Upgrades, it shall do so, provided that the Eligible Customer agrees to compensate Bonneville pursuant to the terms of Section 25 of this Tariff.

12.6 Curtailment of Service

In the event that a Curtailment on Bonneville's Federal Columbia River Transmission System, or a portion thereof, is required to maintain reliable operation of such system, Curtailment of Firm Transmission Service will be allocated on a pro rata basis among Bonneville and its firm transmission customers when such pro rata Curtailments can be reasonably accommodated consistent with Good Utility Practice. Bonneville will notify all affected Transmission Customers in a timely manner of any scheduled transmission capacity reduction (e.g., scheduled maintenance). When Bonneville determines that an electrical emergency exists on its Federal Columbia River Transmission System and implements emergency procedures to curtail firm transmission service, the Transmission Customer shall make the required reductions upon request of Bonneville. However, Bonneville reserves the right to Curtail, in whole or in part, Firm Transmission Service provided under this Tariff when, in Bonneville's sole discretion, an emergency or other unforeseen condition impairs or degrades the reliability of its Federal Columbia River Transmission System. All Curtailments will be made on a non-discriminatory basis; however, Nonfirm Transmission Service shall be subordinate to Firm Transmission Service.

12.7 Classification of Firm Transmission Service

(a) Firm Transmission Service under Part II of this Tariff shall be Point-to-Point Transmission Service, although the Transmission Customer may: (1) change its Interconnection and Delivery Points to obtain service on a nonfirm basis consistent with the terms of Section 21.1 of this Tariff; or (2) request a modification to the Points of Interconnection and/or Delivery on a firm basis pursuant to the terms of Section 21.2 of this Tariff.

1 (b) A Transmission Customer may purchase Firm Transmission Service to make sales
2 of power from, or to integrate load with, multiple generating units that are interconnected with
3 the Federal Columbia River Transmission System. For such a purchase of Transmission Service,
4 the resources will have multiple Points of Interconnection. The Transmission Customer will be
5 required to provide to Bonneville the information identified in Section 16.2 of this Tariff.

6 (c) Bonneville shall provide firm deliveries of power from the Point(s) of
7 Interconnection to the Point(s) of Delivery. Each Point of Interconnection at which firm
8 transmission capacity is reserved by the Transmission Customer shall be set forth in the Service
9 Agreement along with a corresponding Transmission Demand associated with each Point of
10 Interconnection. Each Point of Delivery at which firm transmission capacity is reserved by the
11 Transmission Customer shall be set forth in the Service Agreement along with a corresponding
12 Transmission Demand associated with each Point of Delivery. For Long-Term Firm
13 Transmission Service, Transmission Demand shall be an annual amount. For Short-Term Firm
14 Transmission Service less than (1) year but equal to or more than one (1) month,
15 Transmission Demand shall be a monthly amount. Transmission Demand may be increased
16 annually in accordance with section 16. Transmission Demand may be reduced in accordance
17 with Section 16.9. The greater of either: (1) the sum of the Transmission Demands at the
18 Points(s) of Interconnection; or (2) the sum of the Transmission Demands at the Points(s) of
19 Delivery shall be the Transmission Customer's Transmission Demand. The Transmission
20 Customer will be billed for its Transmission Demand under the terms of the PTP-96 Rate
21 Schedule and any applicable intertie rate schedules or their successors. The Transmission
22 Customer may not exceed its firm Transmission Demand at each Point of Interconnection and
23 each Point of Delivery. Bonneville shall specify the rate treatment and all

1 related terms and conditions applicable in the event that a Transmission Customer exceeds its
2 Firm Transmission Demand at any Point of Interconnection and Point of Delivery.

3 (d) Schedules for the Transmission Customer's Firm Transmission Service must be
4 submitted to Bonneville no later than 10:00 a.m. of the Business Day prior to commencement of
5 service. Schedules submitted after 10:00 a.m. will be accommodated, if practicable. Hour-to-
6 hour schedules of any capacity and energy that is to be delivered must be stated in increments of
7 1,000 kilowatts (kW) per hour. Transmission Customers within Bonneville's service area with
8 multiple requests for Transmission Service at a Point of Interconnection, each of which is under
9 1,000 kW per hour, may consolidate their service requests at a common Point of Interconnection
10 into units of 1,000 kW per hour for scheduling and billing purposes. Scheduling changes will be
11 permitted up to twenty (20) minutes before the start of the next clock hour provided that the
12 Delivering Party and Receiving Party also agree to the schedule modification. Bonneville will
13 furnish to the Delivering Party's system operator, hour-to-hour schedules equal to those furnished
14 by the Receiving Party (unless reduced for losses) and shall deliver the capacity and energy
15 provided by such schedules. Should the Transmission Customer, Delivering Party or Receiving
16 Party revise or terminate any schedule, such party shall immediately notify Bonneville, and
17 Bonneville shall have the right to adjust accordingly the schedule for capacity and energy to be
18 received and to be delivered.

19 **12.8 Conversion of Existing Agreements**

20 Transmission Customers with existing Integration of Resources (IR) or Formula Power
21 Transmission (FPT) agreements who wish to convert those agreements into a Service Agreement
22 under Part II of this Tariff may do so subject to Section 14.5 and Section 16. A customer who
23 converts from IR or FPT service to PTP service must, unless otherwise agreed, maintain the level

of its Contract Demands existing on the date of conversion to the earlier of (i) when it would have had a right to reduce such demands under its IR or FPT contract or (ii) October 1, 2001.

13 NATURE OF NONFIRM TRANSMISSION

13.1 Term

Nonfirm Transmission Service will be available for periods ranging from one (1) hour to thirty (30) days. However, a Transmission Customer purchasing Short-Term Nonfirm Transmission Service may reserve a sequential term of Nonfirm Transmission Service (such as a sequential monthly term without having to wait for the initial term to expire before requesting another monthly term) for time periods up to six (6) months.

13.2 Service Priority

Nonfirm Transmission Service shall be available from transmission capability in excess of that needed for reliable service to: meet Bonneville's contractual commitments that were in effect prior to the effective date of this Tariff for firm wholesale purchases, exchanges, deliveries, sales, and firm transmission service; Network Customers; and other Transmission Customers taking Long-Term and Short-Term Firm Transmission Service. A higher priority will be assigned to Short-Term Nonfirm reservations with a longer duration of service. In the event the Federal Columbia River Transmission System is constrained, competing requests of equal duration will be prioritized based on the highest price offered by the Eligible Customer for the Transmission Service. Eligible Customers that have already reserved shorter term service have the right of first refusal to match any longer term reservation before being preempted. A longer term competing request for Short-Term Nonfirm Transmission Service will be granted if the Eligible Customer with the right of first refusal does not agree to match the competing request within 24 hours (or earlier if necessary to comply with the scheduling deadlines provided in section 13.6) for Short-

1 Term Nonfirm Transmission Service after notification by Bonneville. Transmission service for
2 Network Customers from resources other than designated Network Resources will have a higher
3 priority than any Nonfirm Transmission Service.

4 **13.3 Use of Nonfirm Transmission Service by Bonneville**

5 Bonneville will be subject to the rates, terms and conditions of service under Part II of this
6 Tariff when Bonneville provides itself Nonfirm Transmission Service in making any wholesale sale
7 pursuant to a contract entered into following the effective date of this Tariff. With respect to any
8 nonfirm wholesale sale made pursuant to a coordination agreement existing on the effective date
9 of this Tariff, Bonneville will be subject to the same procedures governing scheduling and
10 curtailment as are applicable to any Nonfirm Transmission Service requested and provided under
11 this Tariff. Bonneville also will establish and maintain separate accounts for its use of the Tariff
12 pursuant to Section 6.

13 **13.4 Service Agreements**

14 Bonneville shall offer a standard form Service Agreement to an Eligible Customer when it
15 submits a Completed Application for Nonfirm Transmission Service pursuant to Section 17 of this
16 Tariff and all other requirements of Part II of this Tariff are satisfied.

17 **13.5 Classifications of Nonfirm Transmission Service**

18 Nonfirm Transmission Service under Part II of this Tariff shall be Point-to-Point
19 Transmission Service. Nonfirm Transmission Service shall include Short-Term and Hourly
20 Nonfirm Transmission Service.

21 **13.6 Scheduling of Nonfirm Transmission**

22 Schedules for Short-Term Nonfirm Transmission Service must be submitted to Bonneville
23 no later than 10:00 a.m. of the Business Day prior to commencement of such service. Schedules
24 submitted after 10:00 a.m. will be accommodated, if practicable. Schedules for Hourly Nonfirm

1 Transmission Services must be submitted between 10:00 a.m. and 2:00 p.m. of the Business Day
2 prior to commencement of service. Schedules submitted after 2:00 p.m. will be accommodated, if
3 practicable. Hour-to-hour schedules of energy that is to be delivered must be stated in increments
4 of 1,000 kilowatt (kW) per hour. Transmission Customers within Bonneville's service area with
5 multiple requests for Transmission Service at a Point of Interconnection, each of which is under
6 1,000 kW per hour, may consolidate their schedules at a common Point of Interconnection into
7 units of 1,000 kW per hour. Scheduling changes will be permitted up to twenty (20) minutes
8 before the start of the next clock hour provided that the Delivering Party and Receiving Party also
9 agree to the schedule modification. Bonneville will furnish to the Delivering Party's system
10 operator, hour-to-hour schedules equal to those furnished by the Receiving Party (unless reduced
11 for losses) and shall deliver the capacity and energy provided by such schedules. Should the
12 Transmission Customer, Delivering Party or Receiving Party revise or terminate any schedule,
13 such party shall immediately notify Bonneville, and Bonneville shall have the right to adjust
14 accordingly the schedule for capacity and energy to be received and to be delivered.

15 **13.7 Curtailment or Interruption of Service**

16 Bonneville reserves the right to Curtail, in whole or in part, Nonfirm Transmission Service
17 provided under Part II of this Tariff for reliability reasons when an emergency or other unforeseen
18 condition threatens to impair or degrade the reliability of its Federal Columbia River Transmission
19 System. Bonneville reserves the right to Interrupt, in whole or in part, Nonfirm Transmission
20 Service provided under this Tariff for economic reasons to accommodate (1) a request for Firm
21 Transmission Service, (2) a request for Nonfirm Transmission Service of greater duration, (3) a
22 request for Nonfirm Transmission Service of equal duration with a higher price, or
23 (4) transmission service for Network Customers from non-designated resources. Bonneville also
24 will discontinue or reduce service to the Transmission Customer to the extent that deliveries for

transmission are discontinued or reduced at the Point(s) of Interconnection. Where required, Curtailments or Interruptions will be made on a non-discriminatory basis to the transaction(s) that effectively relieve the constraint; however, Nonfirm Transmission Service shall be subordinate to Firm Transmission Service. If multiple transactions require Curtailment or Interruption, to the extent practicable and consistent with Good Utility Practice, Curtailments or Interruptions will be made to the transactions of the shortest term (e.g., hourly nonfirm transactions will be Curtailed or Interrupted before daily nonfirm transactions and daily nonfirm transactions will be Curtailed or Interrupted before weekly nonfirm transactions). Transmission service for Network Customers from resources other than designated Network Resources will have a higher priority than any other Nonfirm Transmission Service. Nonfirm Transmission Service over secondary Point(s) of Interconnection and Point(s) of Delivery will have the same priority as all other Hourly Nonfirm Transmission Service. Bonneville will provide advance notice of Curtailment or Interruption where such notice can be provided consistent with Good Utility Practice.

14 SERVICE AVAILABILITY

14.1 General Conditions

Subject to the terms and conditions of this Tariff, Bonneville will provide Firm and Nonfirm Transmission Services over Bonneville's Federal Columbia River Transmission System (excepting capacity which is contracted for or leased and over which the owner is unwilling and is not required to allow such transmission services) to any Transmission Customer that has met the requirements of Section 15 of this Tariff. Nothing in this Tariff relieves or otherwise modifies the obligation of a Transmission Customer or Bonneville from performing its obligations under previously negotiated contractual commitments and agreements.

1 **14.2 Determination of Capacity Availability**

2 (a) Bonneville will respond to a Firm Transmission Service request by performing
3 studies, when necessary, that assess whether sufficient transmission capacity is available. The
4 amount of transmission capacity available will be computed on a point-to-point basis in the
5 direction of the requested service. In determining the level of capacity available for new
6 Transmission Service requests, Bonneville may exclude from capacity to be made available for
7 new Transmission Service requests that capacity needed to reliably meet: (1) current and
8 reasonably forecasted loads of its Network Integration Service Customers; (2) Firm Transmission
9 service obligations under this Tariff; (3) its contractual commitments for firm wholesale
10 purchases, exchanges, deliveries and sales which were in effect prior to the effective date of this
11 Tariff; (4) its contractual commitments for firm transmission service in effect prior to the effective
12 date of this Tariff; and (5) other requests for firm service previously received.

13 (b) Nothing herein is intended to waive any rights Bonneville may have to assess and
14 collect opportunity costs for historic uses of its Federal Columbia River Transmission System for
15 coordination transactions consistent with Commission policy.

16 (c) The methodology and the data used to develop the available transmission capacity
17 must be consistent with the information submitted in the FERC Form No. 715, Annual
18 Transmission Planning and Evaluation Report. A description of Bonneville's specific
19 methodology for assessing capacity availability is contained in Attachment C, which is attached to
20 and is part of this Tariff.

1 **14.3 Initiating Service in the Absence of an Executed Service Agreement**

2 If Bonneville and the Transmission Customer requesting Firm or Nonfirm Transmission
3 Service pursuant to this Tariff cannot agree on all the terms and conditions of the Service
4 Agreement, Bonneville shall offer a Service Agreement containing terms and conditions it deems
5 appropriate for such requested Transmission Service. Upon written notification by the
6 Transmission Customer to initiate service pursuant to the offered Service Agreement pending the
7 outcome of the dispute resolution process, Bonneville shall commence providing Transmission
8 Service subject to the Transmission Customer agreeing to: (a) compensate Bonneville at
9 whatever Bonneville rate the dispute resolution procedures determine for Point-to-Point
10 Transmission Service under this tariff; and (b) comply with the terms of this Tariff.

11 **14.4 Obligation to Expand or Modify Facilities**

12 If Bonneville determines that it cannot accommodate a Valid Request for Firm
13 Transmission Service because of constraints on its Federal Columbia River Transmission System,
14 Bonneville will use due diligence to either redispatch its system or to add or modify the necessary
15 facilities required to provide the requested Firm Transmission Service, provided the Transmission
16 Customer agrees to compensate Bonneville for such costs pursuant to the terms of Section 24 or
17 25 of this Tariff. Bonneville will conform to Good Utility Practice in determining the need for
18 new facilities and in the design and construction of such facilities and will charge for such facilities
19 in accordance with the provisions of Section 24 or 25 of this Tariff.

20 **14.5 Other Transmission Service Schedules**

21 Eligible Customers receiving service under transmission contracts in effect on the effective
22 date of this Tariff may continue to receive service under those contracts. Such customers may
23 also convert such transmission contracts to service under this Tariff, if they fulfill all other

obligations under the terms and conditions of their currently effective contracts, service agreements, or rate schedules with Bonneville and meet the conditions in sections 12.8 and 16.

15 CONDITIONS REQUIRED OF TRANSMISSION CUSTOMERS

Transmission Service shall be provided by Bonneville under Part II of this Tariff only if the following conditions are satisfied by the Transmission Customer.

15.1 Service Agreement and Creditworthiness

The Transmission Customer has executed a Service Agreement or is receiving service pursuant to Section 14.3 of this Tariff, and meets the creditworthiness criteria set forth in Section 9 of this Tariff.

15.2 Other Transmission Services and Facility Payment

The Transmission Customer will have final arrangements in place for any other transmission service necessary to effect the delivery from the generating source to the ultimate load prior to the time service under Part II of this Tariff commences. Furthermore, where facilities are constructed by Bonneville, the Transmission Customer agrees to pay for any facilities constructed and chargeable to such Transmission Customer under this Tariff, whether or not the Transmission Customer takes service for the full term of its reservation.

15.3 System Operation and Interconnection Requirements

Any Transmission Customer interconnected to Bonneville pursuant to an existing interconnection agreement shall interconnect and operate transmission and generation facilities in accordance with its interconnection agreement. A Transmission Customer which owns or operates transmission or generation facilities and desires to interconnect with Bonneville shall interconnect and operate such facilities in accordance with an interconnection agreement(s).

1 The Transmission Customer must designate a load control area for its loads and for its
2 resources. For loads and resources in Bonneville's control area, the Transmission Customer shall
3 be responsible for arranging for all Ancillary Services and any other control area requirements
4 needed to support each transaction under this tariff. Except as provided in Section 2, these
5 Ancillary Services and control area requirements can be provided by (i) the Transmission
6 Customer, (ii) Bonneville, or (iii) a third entity; and shall be provided in a manner consistent with
7 Good Utility Practice.

8 **15.4 Parallel Path**

9 The Transmission Customer's use of the Federal Columbia River Transmission System
10 when a parallel path issue is raised will be based on an analysis of the ratings of the affected
11 transmission facilities of the Transmission Customer, Bonneville, and any third party; the actual
12 power flows over those facilities; and each party's obligations across the facilities. This will apply
13 to both existing and planned facilities. Ratings and usage of facilities will be determined based on
14 applicable regional guidelines, such as the guidelines of the Northwest Regional Transmission
15 Association; the Western Systems Coordinating Council (WSCC) Reliability Criteria; the WSCC
16 Procedures for Regional Planning, Project Review, and Rating Transmission Facilities; and the
17 Northwest Power Pool Operating Manual. Power scheduled or deemed to flow over the
18 transmission facilities of the Transmission Customer, Bonneville, and any applicable third party
19 shall not exceed the ratings of those facilities.

21 **16 PROCEDURES FOR ARRANGING FIRM SERVICE**

22 **16.1 Application**

23 (a) A request for Long-Term Firm Transmission Service under this Tariff must contain
24 a written Application to: Bonneville Power Administration, Attention: Manager, Transmission

1 Business, P.O. Box 3621, Portland, Oregon 97208-3621 or by telefax (Telefax No. _____), at
2 least sixty (60) days prior to commencement of service. Bonneville will consider requests for
3 such firm service on shorter notice when feasible.

4 b) Requests for Short-Term Firm Transmission Service for periods of 1 month or
5 more shall be submitted by 10:00 a.m. on the Business Day prior to commencement of such
6 service and no earlier than sixty (60) days prior to commencement of service. Requests for Short-
7 Term Firm weekly service shall be submitted no earlier than 14 days and no later than 10:00 a.m.
8 on the Business Day prior to commencement of such service; and requests for Short-Term Firm
9 daily service shall be submitted no earlier than 7 days and no later than 10:00 a.m. on the Business
10 Day prior to commencement of such service.

11 (c) All Firm Transmission Service requests should be submitted by entering the
12 information listed below on Bonneville's OASIS. Prior to implementation of Bonneville's OASIS,
13 a Completed Application may be submitted by (i) transmitting the required information to
14 Bonneville by telefax (Telefax No. _____); or (ii) providing the information by telephone
15 over Bonneville's time recorded telephone line. Each of these methods will provide a time-stamped
16 record for establishing the priority of the Application.

17 **16.2 Completed Application**

18 A Completed Application shall provide all of the information included in 18 CFR § 2.20
19 including but not limited to the following:

20 (a) The identity, address, telefax number and telephone number of the entity
21 requesting service and of the Applicant's designated contact person.

22 (b) A statement that the entity requesting service is, or will be upon commencement of
23 service, an Eligible Customer under this Tariff.

1 (c) The location of the Point(s) of Interconnection and Point(s) of Delivery and the
2 identities of the Delivering Parties and the Receiving Parties.

3 (d) The identity of the Control Area from which the capacity and energy is to be
4 delivered to Bonneville at the Points of Interconnection and the identity of the Control Area to
5 which the capacity and energy is to be delivered by Bonneville at the Points of Delivery.

6 (e) An estimate of the capacity and energy expected to be delivered to the Receiving
7 Party.

8 (f) The Service Commencement Date and the term of the requested Transmission
9 Service.

10 (g) The transmission capacity requirement for each Point of Interconnection
11 (1,000 kW minimum) and each Point of Delivery (1,000 kW minimum) on Bonneville's Federal
12 Columbia River Transmission System. A customer may combine its requests for service in order
13 to satisfy the minimum transmission capacity requirement.

14 **16.3 Processing Fee**

15 An Application for Firm Transmission Service of one year duration or longer also shall
16 include a non-refundable processing fee of \$2500. Such fee shall be applicable to all Transmission
17 Customers. The fee is intended to cover expenses incurred by Bonneville to process a Completed
18 Application pursuant to sections 16.1, 16.2, 16.4, 16.5, 16.6, and 16.7. This fee does not apply to
19 costs to complete System Impact Studies or Facility Studies, or to add new facilities pursuant to
20 sections 18.2, 18.7, and 18.10.

21 **16.4 Notice of Deficient Application**

22 If an Application fails to meet the requirements of this Tariff, Bonneville shall notify the
23 entity requesting service within ten (10) days of receipt of the reasons for such failure. Bonneville
24 will attempt to remedy minor deficiencies in the Application through informal communications

1 with the Transmission Customer. If such efforts are unsuccessful, Bonneville shall return the
2 Application. Upon receipt of a new or revised Application that fully complies with the
3 requirements of this Tariff, the Transmission Customer shall be assigned a new priority consistent
4 with the date of the new or revised Application.

5 **16.5 Mutually Exclusive Application for Same Service**

6 In order to determine whether Applications for Point-to-Point Transmission Service
7 hereunder are duplicative or mutually exclusive of Applications filed by other parties, Bonneville
8 may request further information including, by way of illustration, a statement as to whether the
9 Application is being made in response to a competitive solicitation. If certain requests give
10 Bonneville a reasonable basis to believe that such requests are mutually exclusive, Bonneville may
11 ask the party making such a request to identify the ultimate purchaser of power and, if appropriate
12 under the circumstances, Bonneville may contact the ultimate purchaser to determine whether the
13 Applications are mutually exclusive. If Bonneville confirms that particular Applications hereunder
14 are mutually exclusive (e.g., the ultimate purchaser will buy from one but not all of the Eligible
15 Customers who have submitted Applications,) Bonneville reserves the right to process all such
16 Applications as though they were a single Application.

17 **16.6 Response to Valid Requests**

18 (a) Following receipt of a Completed Application for Long-Term Firm Transmission
19 Service, Bonneville shall make a determination of capacity availability as required in Section 18 of
20 this Tariff. Bonneville shall notify the Transmission Customer in writing either (a) that it will be
21 able to provide service under this Tariff without performing a System Impact Study, subject to the
22 requirements of the National Environmental Policy Act (NEPA) and other applicable
23 environmental laws; or (b) that a System Impact Study is needed to evaluate the impact of the
24 Application. Bonneville will provide such response as soon as practicable, but no later than

1 (1) sixty (60) days after the date of Bonneville's receipt of a Completed Application for Long-
2 Term Transmission Service over constrained transmission paths as identified in WSCC Path rating
3 Catalog (FERC 715), and (2) thirty (30) days for all other requests for Long-Term Firm
4 Transmission Service.

5 (b) For Short-Term Firm requests from one (1) month up to one (1) year, Bonneville
6 shall make a determination within fifteen (15) days of such request; for requests for weekly or
7 daily service, Bonneville shall respond within 4 hours.

8 **16.7 Tendering of Service Agreement**

9 Whenever Bonneville determines that a System Impact Study is not required and that the
10 service can be provided, it shall tender a Service Agreement within (i) sixty (60) days of receipt of
11 the Completed Application for Long-Term Firm Transmission Service; (ii) thirty (30) days of the
12 receipt of a Completed Application for Short-Term Firm Transmission Service for a period of one
13 (1) month or more; (iii) fifteen (15) days of receipt of a Completed Application for weekly Short-
14 Term Firm Transmission Service; and (iv) two (2) Business Days from receipt of a Completed
15 Agreement for daily Short-Term Firm Transmission Service; or as soon thereafter as possible after
16 the completion of any necessary environmental review and development of any necessary
17 environmental mitigation requirements. Where a System Impact Study is required, the provisions
18 of Section 18 of this Tariff will govern the tendering and execution of a Service Agreement
19 between Bonneville and a Transmission Customer. Failure of a Transmission Customer to
20 execute and return such Service Agreement or request the initiation of service under an
21 unexecuted Service Agreement pursuant to Section 14.3 within thirty (30) days after it is tendered
22 by Bonneville will be deemed a withdrawal and termination of the Application. Nothing herein
23 limits the right of a Transmission Customer to file another Application after such withdrawal and
24 termination.

1 **16.8 Extensions for Commencement of Service**

2 A Transmission Customer can defer the commencement of service by paying Bonneville a
3 Reservation Fee to reserve transmission capacity to accommodate such service. The
4 Transmission Customer may obtain yearly extensions for a reservation period up to a total of five
5 years. If during the reservation period, an Applicant submits a Completed Request for Firm
6 Transmission Service, and such request can be satisfied out of existing capacity only by releasing
7 the capacity reserved by the Transmission Customer, the request for Firm Transmission Service
8 submitted by the original Transmission Customer shall cease to be a Valid Request unless, within
9 thirty (30) days of notice by Bonneville of such competing request, the original Transmission
10 Customer agrees to pay Bonneville the full monthly charge for Firm Transmission Service
11 pursuant to this Tariff beginning with the Service Commencement Date specified in the new
12 Completed Request. In the event the Transmission Customer elects to release the reserved
13 transmission capacity, the Reservation Fees paid for the current and past years will be forfeited.

14 **16.9 Reduction in Transmission Demand and Termination of Service**

15 (a) A Transmission Customer may reduce Transmission Demand or terminate Firm
16 Transmission Service under this Tariff only upon the earlier of (i) 2 years after providing written
17 notice to Bonneville at the address provided in Section 16.1(a) of the Transmission Customer's
18 intention to terminate or reduce Transmission Demand or (ii) the termination date incorporated in
19 the Service Agreement.

20 (b) A Transmission Customer wishing to reduce or terminate service prior to the
21 expiration of the term specified in the Service Agreement will be responsible for all charges
22 related to the construction of facilities specified under the applicable Service Agreement and
23 which are owed to Bonneville as of the date of termination unless reassigned consistent with the
24 reassignment provisions of this Tariff.

1 **17 PROCEDURES FOR ARRANGING NONFIRM TRANSMISSION SERVICE**

2 **17.1 Application**

3 (a) A request for Short Term Nonfirm Transmission Service under this Tariff must be
4 submitted as a Completed Application to Bonneville by entering the information listed below on
5 Bonneville's OASIS. Prior to the implementation of the OASIS, Completed Applications may be
6 submitted (i) by transmitting the required information to Bonneville by telefax (Telefax No.
7 _____); or (ii) providing the information by telephone over Bonneville's time recorded
8 telephone line. Each of these methods will provide a time-stamped record for establishing the
9 service priority of the Application.

10 (b) Requests for monthly Short-Term Nonfirm Transmission Service shall be
11 submitted no earlier than 60 days before such service is to commence; requests for weekly Short-
12 Term Nonfirm Transmission Service shall be submitted no earlier than 14 Business Days before
13 service is to commence; and requests for daily Short-Term Nonfirm Transmission Service shall be
14 submitted no earlier than 7 Business Days before service is to commence. Requests for monthly,
15 daily, and weekly Short-Term Nonfirm Transmission Service shall be submitted no later than
16 10:00 a.m. on the Business Day prior to commencement of such service.

17 (c) Schedules for Hourly Nonfirm Transmission Service shall be submitted between
18 10:00 a.m. and 2:00 p.m. on the Business Day prior to commencement of such service.

19 **17.2 Completed Application**

20 A completed Application shall provide all of the information included in 18 CFR § 2.20
21 including but not limited to the following:

22 (a) The identity, address, telefax number and telephone number of the entity
23 requesting service and of its designated representative.

(b) A statement that the entity requesting service is, or will be upon commencement of service, an Eligible Customer under this Tariff.

(c) The Point(s) of Interconnection and the Point(s) of Delivery.

(d) The schedules requested at each Point of Interconnection and Point of Delivery.

(e) The proposed dates and hours for initiating and terminating transmission service hereunder. In addition to the information specified above, when required to properly evaluate system conditions, Bonneville also may ask the Transmission Customer to provide the following:

(i) the identity of the Control Area from which the capacity and energy is to be delivered to Bonneville at the Point(s) of Interconnection;

(ii) the identity of the Control Area to which the capacity and energy is to be delivered by Bonneville at the Point(s) of Delivery.

17.3 Response to Valid Requests

Bonneville shall respond (i) within 2 Business Days of receipt of a Completed Application for monthly Short-Term Nonfirm Service; (ii) within 4 hours of receipt of a Completed Application for weekly Short-Term Nonfirm service; and (iii) within 30 minutes of receipt of a Completed Application for daily Short-Term Nonfirm service.

17.4 Determination of Capacity Availability

(a) Following receipt of a request for Nonfirm Transmission Service, Bonneville will make a determination on a nondiscriminatory basis of capacity availability. Such determination shall be made daily with additional updates made for system changes during the day but not more frequently than once each hour. Hourly Nonfirm Transmission Service shall be made available for the next following clock hour from amounts of available capacity listed on Bonneville's OASIS.

1 **17.5 Transmission Customer Responsibility for Third-Party Arrangements**

2 Any scheduling arrangements that may be required by other electric systems shall be the
3 responsibility of the Transmission Customer requesting service. The Transmission Customer shall
4 provide, unless waived by Bonneville, notification to Bonneville identifying such systems and
5 authorizing them to schedule the energy to be transmitted by Bonneville pursuant to the Service
6 Agreement on behalf of the Receiving Party at the Point of Delivery or the Delivering Party at the
7 Point of Interconnection. However, Bonneville will undertake reasonable efforts to assist the
8 Transmission Customer in making such arrangements, including without limitation, providing any
9 information or data required by such other electric system pursuant to Good Utility Practice.
10

11 **18 DETERMINATION OF CAPACITY AVAILABILITY AND RESPONSIBILITY**
12 **FOR COSTS INCURRED IN PROVIDING FIRM TRANSMISSION SERVICE**

13 **18.1 Notice of Need for System Impact Study**

14 After receiving a request for service, Bonneville shall determine on a nondiscriminatory
15 basis whether a System Impact Study is needed in the same manner that it would determine if a
16 System Impact Study is needed for providing service to itself. If Bonneville determines that the
17 Federal Columbia River Transmission System may be inadequate to accommodate a request for
18 service and that either redispatching of its system, or alternatively, construction of Direct
19 Assignment Facilities or Network Upgrades could be required to provide the requested service, it
20 shall so inform the Applicant, pursuant to the timelines established in section 16.6 above. In such
21 cases, Bonneville shall tender an agreement (the "Study Agreement") pursuant to which the
22 Transmission Customer shall agree to reimburse Bonneville for performing the required System
23 Impact Study. A description of Bonneville's methodology for completing a System Impact Study
24 is provided in Attachment D.

1 **18.2 Study Agreement and Cost Responsibility**

2 (a) The Study Agreement will specify the estimated charge, based on Bonneville's
3 estimate of the actual cost and time for completion of the System Impact Study. The charge shall
4 be the actual cost of the study. The study shall identify:

5 (1) any system constraints and redispatch options, additional system or Direct
6 Assignment Facilities or Network Upgrades required to provide the requested service;

7 (2) a reasonable nonbinding estimate of the total projected cost and the
8 estimated time to complete the additional facilities or upgrades; and

9 (3) the portion of the estimated cost to be charged to the Transmission Customer.

10 A description of the methodology that will be used by Bonneville in assessing capacity available to
11 provide service is contained in Attachment C to this Tariff. The criteria specified in Attachment C
12 are provided to apprise the Transmission Customer of the criteria Bonneville intends to apply, but
13 shall not be deemed to bind the Commission in reviewing any dispute over the availability of
14 capacity to provide Firm Transmission Service. In performing the System Impact Study,
15 Bonneville shall rely, to the extent reasonably practicable, on existing transmission planning
16 studies. The Transmission Customer will not be assessed a charge for such existing studies;
17 however, the Transmission Customer will be responsible for charges associated with any
18 modifications to existing planning studies that are reasonably necessary in evaluating the impact of
19 the Transmission Customer's request for service on the Federal Columbia River Transmission
20 System.

21 (b) In cases where a single System Impact Study is sufficient for Bonneville to assess
22 capacity availability, in response to multiple Eligible Customers requesting service in relation to
23 the same competitive solicitation, the costs of that study shall be prorated among the Eligible
24 Customers.

1 (c) For a service request to remain a Valid Request, the Transmission Customer shall
2 execute the Study Agreement and return it to Bonneville within thirty (30) days. If the
3 Transmission Customer elects not to execute the Study Agreement, its application shall be
4 deemed withdrawn.

5 (d) For studies that Bonneville conducts on its own behalf, Bonneville shall book the
6 costs of the studies into a separate account.

7 **18.3 Performance of System Impact Study**

8 Upon receipt of an executed Study Agreement, Bonneville will use due diligence to
9 complete the required System Impact Study within a sixty (60) day period. In the event that
10 Bonneville is unable to complete the required studies within such time period, it shall so notify the
11 Transmission Customer and provide an estimated completion date along with an explanation of
12 the reasons why additional time is required to complete the required studies. A copy of the
13 completed study and related work papers shall be made available to the Transmission Customer.
14 Bonneville will use the same due diligence in completing the studies for a Transmission Customer
15 as it uses when completing studies for itself.

16 **18.4 Determining Need for New Facilities**

17 Bonneville may defer providing service until it completes construction of new transmission
18 facilities or upgrades needed to provide Firm Transmission Service whenever Bonneville
19 determines that providing the requested service would, without such new facilities or upgrades,
20 impair or degrade reliability of service to Network Integration Transmission Customers and other
21 Firm Transmission Customers under Part II of this Tariff, or interfere with service under
22 Bonneville's firm transmission and power contracts in effect prior to the effective date of this
23 Tariff. The costs of any new facilities to be charged to the Transmission Customer under this
24 Tariff will be specified in the Service Agreement prior to initiating service.

1 **18.5 Tendering of Service Agreement in the Absence of Need for New Facilities**

2 If the System Impact Study undertaken by Bonneville concludes that the Federal Columbia
3 River Transmission System will be adequate to accommodate all or part of a request for service or
4 that no costs are likely to be incurred for new transmission facilities or upgrades, within 15 days
5 of completion of the System Impact Study Bonneville shall tender a Service Agreement to the
6 Transmission Customer. In order for a request to remain a Valid Request, within thirty (30) days
7 of the receipt of the Service Agreement the Transmission Customer must execute such Agreement
8 or request service under an unexecuted service agreement pursuant to Section 14.3, or the
9 Application shall be deemed terminated and withdrawn.

10 **18.6 Tendering of Facilities Study Agreement Where Construction of New Facilities is**
11 **Contemplated**

12 If Bonneville determines that additions or upgrades to the Federal Columbia River
13 Transmission System are needed to supply the Transmission Customer's forecasted transmission
14 requirements, within thirty (30) days of the completion of the System Impact Study Bonneville
15 shall tender to the Transmission Customer a Facilities Study Agreement which establishes the date
16 for completion of such study and obligates the Transmission Customer to pay the costs of the
17 Facilities Study. If additional time is required, Bonneville shall notify the Transmission Customer
18 on a timely basis and provide an estimate of the time needed to reach a final determination along
19 with an explanation of the reasons why additional time is required to complete the study. When
20 completed, the Facilities Study will include (1) a detailed estimate of: (a) the cost of Direct
21 Assignment Facilities to be charged to the Transmission Customer; (b) the Transmission
22 Customer's appropriate share of the cost of any required Network Upgrades as determined
23 pursuant to the provisions of the Tariff; and (c) the time required to complete such construction
24 and initiate the requested service; and (2) a Construction Agreement. In order for a request to

1 remain a Valid Request, within thirty (30) days of the receipt of the Facilities Study Agreement,
2 the Transmission Customer shall execute such Agreement or the request shall be deemed
3 terminated and withdrawn.

4 **18.7 Due Diligence in Completing New Facilities**

5 If the Transmission Customer and Bonneville execute a Service Agreement and a
6 Construction Agreement directing Bonneville to undertake system additions, Bonneville shall use
7 due diligence to add necessary facilities or upgrade its Federal Columbia River Transmission
8 System within a reasonable time. Bonneville will not upgrade the capacity of its existing or
9 planned Federal Columbia River Transmission System in order to provide the requested Firm
10 Transmission Service if doing so would impair system reliability or otherwise impair or degrade
11 firm service to Network Integration Service customers, other firm Transmission Customers under
12 this Tariff, or interfere with service under Bonneville's firm transmission and power contracts in
13 effect prior to the effective date of this Tariff.

14 **18.8 Partial Interim Service**

15 If Bonneville determines that it will not have adequate transmission capacity to satisfy the
16 full amount of a Valid Request for Firm Transmission Service, Bonneville nonetheless shall be
17 obligated to offer and provide the portion of the requested Firm Transmission Service that can be
18 accommodated, including through redispatch, without addition of any facilities if the Transmission
19 Customer agrees to pay the appropriate cost for such service consistent with Commission policy.
20 However, Bonneville shall not be obligated to provide the incremental amount of requested Firm
21 Transmission Service that requires the addition of facilities or upgrades to the Federal Columbia
22 River Transmission System until such facilities or upgrades have been placed in service.

1 **18.9 Facilities Study Modifications**

2 Any change in design arising from inability to site or construct facilities as proposed will
3 require development of a new detailed cost estimate. New detailed cost estimates also will be
4 required in the event of new statutory or regulatory requirements that are effective before the
5 completion of construction or other circumstances beyond the control of Bonneville that affect the
6 final cost of new facilities or upgrades to be charged to the Transmission Customer pursuant to
7 the provisions of the Tariff.

8 **18.10 Expedited Procedures for New Facilities**

9 In lieu of the procedures set forth above, a Transmission Customer shall have the option
10 to expedite the process by requesting Bonneville to tender an "Expedited Service Agreement"
11 pursuant to which the Transmission Customer would direct Bonneville to complete the System
12 Impact Study, the Facilities Study and construct required facilities, and would agree to
13 compensate Bonneville for all costs incurred to perform these studies and construction services.
14 The Transmission Customer shall execute such an Expedited Service Agreement within thirty (30)
15 days of its receipt or the Transmission Customer's request for service will cease to be a Valid
16 Request and will be deemed terminated and withdrawn.

17
18 **19 PROCEDURES IF BONNEVILLE IS UNABLE TO COMPLETE NEW**
19 **TRANSMISSION FACILITIES FOR FIRM TRANSMISSION SERVICE**

20 **19.1 Delays or Constraints in Construction of New Facilities**

21 If any event occurs that will materially affect the time for completion of new facilities, or
22 the ability to complete them, Bonneville shall promptly notify the Transmission Customer. In
23 such circumstances, Bonneville shall within thirty (30) days of notifying the Transmission
24 Customer of such constraints convene a technical meeting with the Transmission Customer to

1 evaluate the alternatives available to the Transmission Customer. Bonneville also shall make
2 available to the Transmission Customer studies and work papers, including all information that is
3 in the possession of Bonneville that is reasonably needed by the Transmission Customer to
4 evaluate any alternatives.

5 **19.2 Alternatives to Constrained Facility Additions**

6 When the review process of Section 19.1 above determines that one or more alternatives
7 exist to the originally planned construction project, Bonneville shall present such alternatives for
8 consideration by the Transmission Customer. If, upon such presentation of alternatives by
9 Bonneville, the Transmission Customer desires to maintain the Service Agreement in effect
10 subject to such alternatives, it may request Bonneville to perform supplemental System Impact
11 Studies pursuant to Section 18 of this Tariff and to submit a revised Service Agreement. If the
12 Transmission Customer elects an alternative which involves a lesser quantity of Firm Transmission
13 Service or Nonfirm Transmission Service, and if no System Impact Studies are necessary,
14 Bonneville shall promptly tender a Service Agreement providing for the service. In the event
15 Bonneville concludes that no reasonable alternative exists and the Transmission Customer
16 disagrees, the Transmission Customer may seek relief under the dispute resolution procedures
17 under Section 10.

18 **19.3 Obligation for Costs Incurred**

19 If Bonneville and the Transmission Customer mutually agree that no other reasonable
20 alternatives exist and the requested service cannot be provided out of existing capacity under the
21 conditions of this Tariff, the obligation to provide the requested Firm Transmission Service
22 pursuant to this Tariff shall terminate. However, the Transmission Customer shall be responsible
23 for all actual costs incurred by Bonneville through the time construction was suspended.

1 **20 PROVISIONS RELATING TO TRANSMISSION CONSTRUCTION AND**
2 **SERVICES ON THE SYSTEMS OF OTHER UTILITIES**

3 **20.1 Responsibility for Third-Party System Additions**

4 Bonneville shall not be responsible for making arrangements for any necessary
5 engineering, permitting, and construction of transmission or distribution facilities on the system(s)
6 of any other entity or for obtaining any regulatory approval for such facilities. Bonneville will
7 undertake reasonable efforts to assist the Transmission Customer in obtaining such arrangements,
8 including without limitation, providing any information or data required by such other electric
9 system pursuant to Good Utility Practice.

10 **20.2 Coordination of Third-Party System Additions**

11 In circumstances where the need for transmission facilities or upgrades is identified
12 pursuant to the provisions of Part II of this Tariff, and if such upgrades further require the
13 addition of transmission facilities on other systems, Bonneville shall have the right to coordinate
14 construction on its own system with the construction required by others. Bonneville, after
15 consultation with the Transmission Customer and representatives of such other systems, may
16 defer construction of new transmission facilities on its own system pending the resolution of
17 obstacles to the timely completion of new transmission facilities on other systems that would be
18 needed to provide the requested service. Bonneville shall notify the Transmission Customer in
19 writing of the basis for its deferral decision and the specific obstacles which must be resolved
20 before it will initiate or resume construction of new facilities. Within 60 days of receiving written
21 notification by Bonneville of its intent to defer construction pursuant to this paragraph, the
22 Transmission Customer may challenge such a deferral decision in accordance with the dispute
23 resolution procedures of this Tariff.

21 **CHANGES IN SERVICE SPECIFICATIONS**

21.1 **Modifications on A Nonfirm Basis**

A Transmission Customer of Firm Transmission Service may request Bonneville to provide Hourly Nonfirm Transmission Service between Interconnection and Delivery Points other than those specified in the Service Agreement ("Secondary Interconnection and Delivery Points"), if such service does not cause the Transmission Customer to exceed its Transmission Demand, without incurring any additional transmission charges or executing a new Service Agreement, subject to the following conditions:

(a) Service provided over Secondary Interconnection and Delivery Points will be Hourly Nonfirm Transmission Service, on a capacity-available basis and will not displace any firm or nonfirm service previously reserved or scheduled by other parties under this Tariff or under other contracts in effect prior to the effective date of this Tariff.

(b) The sum of all Firm and Nonfirm Transmission Service provided to the Transmission Customer at any time pursuant to this section shall not exceed the Transmission Demand in the relevant Service Agreement under which such services are provided.

(c) The Transmission Customer shall retain its right to schedule Firm Point-to-Point Transmission Service at the Interconnection and Delivery Points specified in the relevant Service Agreement in the amount of its original Transmission Demand for such points.

(d) Service over Secondary Interconnection and Delivery Points on an Hourly Nonfirm basis shall not require the filing of a new Application for Nonfirm Transmission Service under this Tariff. However, all other requirements of Part II of the Tariff (except as to transmission rates) shall apply to Transmission Service over Secondary Interconnection and Delivery Point(s).

1 **21.2 Modification on A Firm Basis**

2 Any request by a Transmission Customer to modify Interconnection and/or Delivery
3 Points on a firm basis shall be treated as a new request for service in accordance with Section 16
4 hereof, except that such Transmission Customer shall not be obligated to pay any additional
5 transmission charge if the total Transmission Demand for the Integrated Network segment and the
6 intertie segment does not exceed the amount reserved in the existing Service Agreement. While
7 such new request is pending, the Transmission Customer shall retain its priority for service at the
8 existing firm Points of Interconnection and Delivery.

9
10 **22 SALE OR ASSIGNMENT OF TRANSMISSION SERVICE**

11 **22.1 Procedures for Assignment or Transfer of Service**

12 Subject to Commission approval of any necessary filings, a Transmission Customer may sell,
13 assign, or transfer all or a portion of its rights under its Service Agreement, but only to another
14 Eligible Customer (the "Assignee"). Where the Assignee will be assuming the scheduling and
15 payment obligations of the Transmission Customer, the Transmission Customer and the Assignee
16 shall notify Bonneville when any assignment occurs, and such assignment shall be for the remaining
17 term of the Service Agreement. Where the Assignee will not be assuming any of the scheduling or
18 payment obligations of the Transmission Customer, no notification will be necessary.

19 **22.2 Limitations on Assignment or Transfer of Service**

20 (a) Any sale, assignment or transfer shall not result in the Transmission Customer
21 receiving compensation that exceeds Bonneville's rate charged to the Transmission Customer for
22 the service sold, assigned, or transferred, and scheduling of such assignment must be
23 accomplished within the applicable reservation and scheduling windows.

1 (b) If the Assignee does not request any change in the Point(s) of Interconnection or
2 the Point(s) of Delivery, or a change in any other term or condition set forth in the original
3 Service Agreement, the Assignee will receive the same services as did the first Transmission
4 Customer and the priority of service for the Assignee will be the same as that of the original
5 Transmission Customer. If the Assignee requests a change in service, the priority of service will
6 be determined by Bonneville based on the date Bonneville receives notice of the proposed
7 assignment. Such notice must contain all the information required by Section 16 of this Tariff.

8 (c) If the Assignee requests a change in the Point(s) of Interconnection or Point(s) of
9 Delivery, or a change in any other term or condition set forth in the original Service Agreement,
10 Bonneville will consent to such change subject to the provisions of this Tariff, but only if to do so
11 will not impair the operation and reliability of the Federal Columbia River Transmission System,
12 and on the condition that the Assignee agrees to compensate Bonneville for performing any
13 System Impact Study needed to evaluate the capacity of the Federal Columbia River Transmission
14 System to accommodate the proposed change and any additional costs resulting from such
15 change. The original Transmission Customer shall remain liable for the performance of all
16 obligations under the Service Agreement, except as specifically agreed to by the Parties through
17 an amendment to the Service Agreement.

18 (d) Firm Transmission Service may be assigned in increments as short as one hour.

19 **22.3 Information on Assignment or Transfer of Service**

20 In accordance with Section 3, Transmission Customers or Assignees may use Bonneville's
21 OASIS to post capacity availability.

1 **23 METERING AND POWER FACTOR CORRECTION**

2 **23.1 Transmission Customer Obligations**

3 Unless otherwise agreed, the Transmission Customer shall be responsible for installing and
4 maintaining compatible metering and communications equipment to accurately account for the
5 generating capacity and associated energy being transmitted under this Tariff and to communicate
6 the information to the appropriate Bonneville facility. Such equipment shall remain the property
7 of the Transmission Customer.

8 **23.2 Bonneville Access to Metering Data**

9 Bonneville shall have access to metering data, which may reasonably be required to
10 facilitate measurements and billing under the Service Agreement.

11 **23.3 Power Factor**

12 The Transmission Customer is required to maintain a power factor within the same range
13 as Bonneville pursuant to Good Utility Practices at any Points of Interconnection between the
14 Transmission Customer's facilities and Bonneville's facilities at which Point-to-Point
15 Transmission Service is being provided under this Tariff.

17 **24 COMPENSATION FOR TRANSMISSION SERVICE**

18 Rates for Long-Term Firm Transmission Service and Short-Term Firm Transmission
19 Service are provided in the PTP-96 Rate Schedule or its successors and the applicable intertie rate
20 schedules. Rates for Short-Term Nonfirm Transmission Service are provided in the RNF-96 Rate
21 Schedule or its successor and the applicable intertie rate schedules. Rates for Hourly Nonfirm
22 Transmission Service are provided in the ET-96 Rate Schedule or its successors and in applicable
23 intertie rate schedules. Such rates may be changed by Bonneville in a proceeding under
24 Section 7(i) of the Pacific Northwest Electric Power Planning and Conservation Act. Bonneville

1 will apply the same rates to the transmission service it provides itself under this Tariff. Bonneville
2 shall book revenues for all transmission service it provides itself under this Tariff pursuant to
3 Section 6 of this Tariff.

4 5 **25 OTHER CHARGES**

6 **25.1 Other Charges**

7 The Transmission Customer may pay or be required to pay, consistent with the
8 Commission's pricing policy, some or all of the following additional charges described in the
9 applicable rate schedule: (1) Reactive Power charge; (2) Ancillary Services charges;
10 (3) Unauthorized Increase charge; (4) Reservation Fee; (5) charges for Direct Assignment
11 Facilities and Network Upgrades; (6) Opportunity Costs; (7) Redispatch costs; and (8) Delivery
12 Charges.

13 **25.2 Stranded Cost Recovery**

14 Bonneville may recover stranded costs from a Transmission Customer pursuant to this
15 transmission Tariff and section 7(i) of the Northwest Power Act.

16 **25.3 Termination Charge**

17 The term of service will be set forth in the Service Agreement. A firm Transmission
18 Customer wishing to terminate service prior to the expiration of the term will be responsible for
19 providing written notice pursuant to Section 16.9 of this Tariff, and will be responsible for
20 termination charges pursuant to Section 16.9 of this Tariff.

21 **25.4 Revision to Rates, Charges, and Loss Factors**

22 Bonneville may periodically revise rates, charges, and transmission loss factors and apply
23 such revisions to its Service Agreements.

III. NETWORK INTEGRATION TRANSMISSION SERVICE

PREAMBLE

Network Integration Transmission Service

Bonneville will provide Network Integration Transmission Service pursuant to the terms and conditions contained in this Tariff and Service Agreement. The service that Bonneville will provide under this Tariff allows a Transmission Customer to integrate, economically dispatch and regulate its current and planned Network Resources to serve its Network Load. Network Integration Transmission Service also may be used by the Transmission Customer to deliver nonfirm energy purchases to its Network Load without additional charge.

Relation to Point-to-Point Service

To the extent that the transmission path for moving power from a Network Resource to a Network Load includes the Eastern and Southern Interties, the terms and conditions for service over such intertie facilities are provided under Part II of this Tariff. Also, transmission service for third-party sales which are not designated as Network Load will be provided under Bonneville's Point-to-Point Transmission Service (Part II of this Tariff).

26. NATURE OF NETWORK INTEGRATION SERVICE

26.1 Scope of Service

Network Integration Service is a transmission service that allows Transmission Customers to efficiently and economically utilize their Network Resources and other generation resources to serve their Network Load located in Bonneville's Control Area and any additional load that may be designated pursuant to Section 30. A Network Integration Service Transmission Customer must obtain or provide certain Ancillary Services. Bonneville will offer these Ancillary Services, pursuant to an appropriate service agreement, on a nondiscriminatory basis to any Eligible

1 Customer required hereunder to purchase or provide such services as a precondition to receiving
2 Network Integration Service.

3 **26.2 Firm Service**

4 A Transmission Customer shall have the right to use this Tariff for the delivery of power
5 from Network Resources to Network Loads on a basis that is comparable to Bonneville's use of
6 its Integrated Network Transmission System. Service over Bonneville's Integrated Network
7 Transmission System for the delivery of power from Network Resources to Network Load shall
8 have priority over all nonfirm uses of Bonneville's Integrated Network Transmission System by
9 Bonneville or third parties.

10 **26.3 Nonfirm Service**

11 A Transmission Customer also may use this Tariff to deliver energy to its Network Loads
12 from resources that have not been designated as Network Resources. Such deliveries shall be on a
13 nonfirm basis, subject to available capacity and at no additional transmission charge. Unless
14 otherwise provided in Section 32, deliveries pursuant to this Tariff from resources other than
15 Network Resources will be curtailed after Nonfirm Transmission Service under Part II of this
16 Tariff.

17 **26.4 Direct Assignment Facilities**

18 The Service Agreement for Network Integration Service will establish the terms and
19 conditions for service over directly assigned facilities, including identifying the facilities providing
20 such service. In accordance with appropriate Commission policy, the Transmission Customer will
21 pay Bonneville for transmission service over such facilities as provided in the NT-96 Rate Schedule
22 or its successor.

1 **26.5 Restrictions on Use of Service**

2 Network Integration Service shall not be used for: (i) wholesale sales of capacity or
3 energy by the Transmission Customer or its Member Systems to entities not designated as their
4 Network Load; or (ii) directly or indirectly providing transmission service by the Transmission
5 Customer to third parties.

6
7 **27. AVAILABILITY OF NETWORK INTEGRATION SERVICE**

8 **27.1 General Conditions**

9 In accordance with the provisions of this Tariff, Network Integration Service shall be
10 provided by Bonneville to allow a Transmission Customer to integrate, plan, economically
11 dispatch, and regulate its Network Resources and nonfirm purchases to serve its Network Load,
12 via Bonneville's Integrated Network Transmission system, in a manner comparable to that in
13 which Bonneville utilizes its Integrated Network Transmission System.

14 **27.2 Network Operating Requirement**

15 As a condition of obtaining Network Integration Service, the Transmission Customer shall
16 execute a System Operations Agreement with Bonneville, or request in writing that Bonneville file a
17 proposed unexecuted System Operations Agreement. The System Operations Agreement will
18 recognize that the Transmission Customer shall either: (i) operate as a Control Area under
19 applicable guidelines of the NERC, the WSCC, and the NWPP, or (ii) satisfy its Control Area
20 requirements, including all Ancillary Services, by contracting with Bonneville; or (iii) satisfy its
21 Control Area requirements, including all Ancillary Services, by contracting with another entity which
22 Bonneville accepts as able to satisfy NERC, WSCC, and NWPP requirements. Bonneville shall not
23 unreasonably refuse to accept contractual arrangements with another entity for Ancillary Services.
24 The Transmission Customer and Bonneville acknowledge that parallel flow issues may arise between

1 them. The Transmission Customer's use of the Integrated Network Transmission System when such
2 parallel flow issue is raised will be based on an analysis of the ratings of the affected transmission
3 facilities of the Transmission Customer, Bonneville, and any third party; the actual power flows over
4 those facilities; and each party's obligations across the facilities. This will apply to both existing and
5 planned facilities. Ratings and usage of facilities will be determined based on applicable regional
6 guidelines, such as the guidelines of the Northwest Regional Transmission Association; the Western
7 Systems Coordinating Council (WSCC) Reliability Criteria; the WSCC Procedures for Regional
8 Planning, Project Review, and Rating Transmission Facilities; and the Northwest Power Pool
9 Operating Manual. Power scheduled, or deemed to flow, over the transmission facilities of the
10 Transmission Customer, Bonneville, and any applicable third party shall not exceed the ratings of
11 those facilities.

12 **27.3 Bonneville Responsibilities**

13 Bonneville shall plan, construct, operate, and maintain its Integrated Network
14 Transmission System in accordance with Good Utility Practice in order to provide the
15 Transmission Customer with Network Integration Service over Bonneville's Integrated Network
16 Transmission System in accordance with this Tariff. Bonneville shall include the Transmission
17 Customer's Network Load in its Integrated Network Transmission System planning and shall,
18 consistent with Good Utility Practice, endeavor to construct and place into service sufficient
19 transmission capacity to deliver the Transmission Customer's Network Resources to serve
20 Network Load on a basis comparable to Bonneville's delivery of its own generating and
21 purchased resources.

22 **27.4 Transmission Customer Redispatch Obligation**

23 As a condition of receiving Network Integration Service, a Transmission Customer agrees
24 to redispatch its Network and other resources as requested by Bonneville to create additional firm

transmission capacity on Bonneville's Integrated Network Transmission System to allow Bonneville to provide new firm transmission service. To the extent practicable, the redispatch of resources pursuant to this Section shall be on a least cost, nondiscriminatory basis as between all Network Integration Transmission Customers and Bonneville. Cost responsibility for redispatch is discussed in Section 32.

28. INITIATING SERVICE

28.1 Conditions Precedent for Receiving Service

Subject to the terms and conditions of this Tariff, Bonneville shall provide Network Integration Service to any Eligible Customer, provided that: (i) the Eligible Customer has completed an Application for service as provided under this Tariff; (ii) the Eligible Customer and Bonneville have completed the technical arrangements set forth in Section 28.6 below; and (iii) the Eligible Customer has executed a Service Agreement and a System Operations Agreement or requested in writing that Bonneville provide service under an unexecuted Service Agreement until the appropriate Regional Transmission Association and/or the Commission issue a final determination on disputed issues. The Eligible Customer must agree to (i) compensate Bonneville for services provided at whatever Bonneville rate the Commission ultimately approves for Network Integration Service under this Tariff and (ii) comply with the terms of this Tariff.

28.2 Application Procedures

An Eligible Customer requesting service under this Tariff must submit an Application to Bonneville with as much notice as possible but no later than 60 days in advance of the calendar month in which service is to commence. A Completed Application shall be submitted by entering the information below on Bonneville's OASIS. Prior to implementation of the OASIS, a Completed Application may be submitted by (i) transmitting the required information to

1 Bonneville by telefax (Telefax No. _____); or (ii) providing the information by telephone over
2 Bonneville time recorded telephone line. Each of these methods will provide a time-stamped
3 record for establishing the priority of the Application. A Completed Application shall provide all
4 of the following information:

5 (i) The identity, address, telefax number and telephone number of the party requesting
6 service and of the party's designated contact person.

7 (ii) A statement that the party requesting service is, or will be upon commencement of
8 service, an Eligible Customer under this Tariff.

9 (iii) A description of the Network Load (subdivided into the load of any Member
10 Systems or other customers whose loads are designated as Network Load). This
11 description should separately identify and provide the Eligible Customer's best estimate of
12 the total loads to be served at each transmission voltage level, and the loads to be served
13 from each Bonneville substation at the same transmission voltage level. The description
14 should include a 10-year forecast of seasonal load and resource requirements beginning
15 with the first year after the service is scheduled to commence.

16 (iv) The amount and location of any interruptible loads included in the Network Load.
17 This shall include the summer and winter capacity requirements for each interruptible load
18 (had such load not been curtailed), that portion of the load subject to curtailment, the
19 conditions under which a curtailment can be implemented and any limitations on the
20 amount and frequency of curtailments. An Eligible Customer should identify the amount of
21 curtailed customer load (if any) included in the 10-year load forecast provided in response
22 to (iii) above.

1 (v) A description of Network Resources (current and 10-year projection), which shall
2 include, for each Network Resource in an appropriate dynamic data format (PSS/E or
3 WSCC):

- 4 - Unit size and amount of capacity from that unit to be designated as
5 Network Resource.
- 6 - Var capability (both leading and lagging) of all generators.
- 7 - Operating restrictions.
 - 8 - Any periods of restricted operations throughout the year
 - 9 - Minimum loading level of unit
 - 10 - Normal operating level of unit
 - 11 - Any must-run unit designations required for system
12 reliability or contract reasons
- 13 - Approximate variable generating cost (\$/megawatthour) for redispatch
14 computations.
- 15 - Arrangements governing sale and delivery of power to third parties, which
16 are not designated Network Loads, from generating facilities located in the
17 Bonneville Control Area, where only a portion of unit output is designated
18 as a Network Resource.
- 19 - Description of purchased power designated as a Network Resource
20 including source of supply, Control Area location, transmission
21 arrangements, and delivery point(s) to the Bonneville Integrated Network
22 Transmission System.

23 (vi) Description of Eligible Customer's transmission system in an appropriate load flow
24 format (PSS/E, or WSCC):

- Description of all lines and transformers operated at 34.5 kilovolt and higher.
 - Operating restrictions needed for reliability.
 - Operating guides employed by system operators.
 - Contractual restrictions or committed uses of the Eligible Customer's transmission system, other than the Eligible Customer's Network Loads and Resources.
 - Location of Network Resources described in Section 4.2(v).
 - Ten (10)-year projection of system expansions or upgrades.
 - Transmission system maps that include any proposed expansions or upgrades.
 - Thermal ratings of Eligible Customer's Control Area transmission facilities.
 - Information identifying (i) facilities that are integrated with and support Bonneville's Integrated Network Transmission System; and (ii) how the Transmission Customer uses such facilities.
- (vii) Service commencement date and the term of the requested Network Integration Service.

Unless the Parties agree to a different time frame, Bonneville shall acknowledge the request within ten (10) days of receipt. The acknowledgment shall include a date by which a response will be sent to the Eligible Customer and a statement of any fees associated with responding to the request (e.g., system impact studies).

If an Application fails to meet the requirements of this Tariff, Bonneville shall notify the Eligible Customer requesting service within fifteen (15) days of receipt and specify the reasons for

1 such failure. Whenever possible Bonneville shall attempt to remedy minor deficiencies in the
2 Application through informal communications with the Eligible Customer. Bonneville shall not
3 divulge information from the Application to its Marketing Department.

4 **28.3 Insufficient Capacity**

5 In the event that there is insufficient capacity to initially meet the request, Bonneville shall
6 offer, at the Transmission Customer's expense, to make sufficient capacity available through
7 construction, redispach or by otherwise rearranging its own use of the Integrated Network
8 Transmission System.

9 **28.4 Processing Fee**

10 An Application for Network Integration Transmission Service also shall include a non-
11 refundable processing fee of \$2,500. Such fee shall be required of all Eligible Customers. The fee
12 is intended to cover expenses incurred by Bonneville to process a Completed Application
13 pursuant to sections 28.1, 28.2, and 28.6. This fee does not apply to costs to complete System
14 Impact Studies or Facility studies, and to add new facilities pursuant to sections 31.1, 31.2 and
15 31.4.

16 **28.5 Queue Priority**

17 Applications for Network Integration Service or requests to add new Network Resources or
18 new Member Systems, along with applications for other Bonneville firm transmission services, will
19 be assigned a priority according to the date and time upon which the application is received, with
20 the earliest application receiving the highest priority.

21 **28.6 Technical Arrangements to be Completed Prior to Commencement of Service**

22 Service under this Tariff shall not commence until Bonneville and the Transmission
23 Customer, or a third party which has contracted to provide Control Area Services, have installed
24 all metering facilities, remote terminal units, communications equipment, and associated equipment

1 necessary to ensure that the Transmission Customer's Network Loads and Network Resources
2 operate in a Control Area consistent with NERC, WSCC, and NWPP guidelines and any additional
3 requirements reasonably and consistently imposed to ensure the reliable operation of the Network
4 Integration Transmission System. Bonneville shall exercise reasonable efforts, in coordination with
5 the Transmission Customer, to complete such arrangements as soon as practical prior to the
6 Service Commencement Date.

7 **28.7 Transmission Customer Facilities**

8 Bonneville's provision of Network Integration Service shall be conditioned upon the
9 Transmission Customer's constructing, maintaining, and operating the facilities on its side of each
10 point of interconnection that are necessary to reliably interconnect and deliver power from the
11 Integrated Network Transmission system to the Transmission Customer and/or its Member
12 Systems. The Transmission Customer shall be solely responsible for constructing and/or installing
13 and operating all facilities on the Transmission Customer's side of each such interconnection point.

14 **28.8 Termination of Service**

15 A Transmission Customer may terminate service under Part III of this Tariff no earlier than
16 2 years after providing Bonneville with written notice of the Transmission Customer's intention to
17 terminate. A Transmission Customer's provision of notice to terminate service under this Tariff
18 shall not relieve the Transmission Customer of its obligation to pay Bonneville any rates, charges,
19 or fees, including charges related to the construction of Direct Assignment Facilities or Network
20 upgrades, for service previously provided under the applicable Service Agreement or the System
21 Operations Agreement, and which are owed to Bonneville as of the date of termination.

29. NETWORK RESOURCES

29.1 Designation of Network Resources

Network Resources shall include all generation owned or purchased by the Transmission Customer, except for capacity sold to entities not designated as Network Load. All of the owned and/or purchased resources that were serving such Transmission Customer's or its Member Systems' Network Loads under firm agreements entered into on or before the Service Commencement Date shall be designated as Network Resources. Such Network Resources shall remain Network Resources until the Transmission Customer terminates the designation.

29.2 Termination of Network Resources

A Transmission Customer may terminate the designation of all or part of a generating resource as a Network Resource if the Transmission Customer provides at least 60 days written notification to Bonneville that the terminated resource will not be operated to serve any portion of the Transmission Customer's Network Load for the time period that such resource is not designated as a Network Resource. The Transmission Customer may later redesignate the resource as a Network Resource in accordance with the provision of Section 29.5. If the Transmission Customer has committed to make a firm system sale to a third party not designated as a Network Load using a portion of the capacity of more than one Network Resource, Bonneville will treat each Network Resource as making a representative portion of such capacity sale based on the likely loadings of each generating resource that will occur under representative system conditions (e.g., off-peak and on-peak).

29.3 Operation of Network Resources

A Transmission Customer shall not operate any of its generating facilities located in the Transmission Customer's or Bonneville's Control Areas such that the output of those facilities exceeds the sum of: (i) the capacity from those facilities that have been designated as Network

Resources plus; (ii) the amount of power from those facilities scheduled for delivery to a third party which is not a designated Network Load. When a Transmission Customer sells power or energy to a third party which is not a designated Network Load from a Network Resource located within Bonneville's Control Area, the Transmission Customer shall arrange transmission service under the applicable Bonneville tariff or transmission agreement.

29.4 Transmission Arrangements for Network Resources Located Outside the Bonneville Control Area

It shall be the Transmission Customer's responsibility to make any transmission arrangements necessary for delivery of power produced from a Network Resource located outside the Bonneville Control Area to the Integrated Network Transmission System.

29.5 Designation of New Network Resources

A Transmission Customer may request the designation of a new Network Resource by providing Bonneville with as much advance written notice as practicable, but not less than 60 days. Bonneville must satisfy the requirements of applicable environmental statutes prior to committing to the additional service. In determining whether the Transmission Customer has provided sufficient notice for Bonneville to provide firm service from a newly designated Network Resource, Bonneville shall apply the same standards as it would apply to its own newly designated resources. Until Bonneville has completed transmission facilities or upgrades determined in accordance with Section 31 to be necessary for firm delivery of a new Network Resource to the Transmission Customer's Network Load, Bonneville will deliver power from such Network Resource pursuant to this Tariff but only to the extent that such service does not impair the reliability of service to existing Transmission Customers under this Tariff or to Bonneville's firm power and transmission contracts in effect prior to the effective date of this Tariff. Notice of a Transmission Customer's intent to designate a new Network Resource shall include sufficient

1 engineering and technical information to permit Bonneville to perform a System Impact Study
2 addressing the transmission requirements associated with delivery of such new Network Resource
3 to the Transmission Customer's Network Load as set forth in Section 28.2.

4 **29.6 Limitation on Designation of Network Resources**

5 A Transmission Customer shall designate an amount (in MW) of Network Resources that
6 it owns or has committed to purchase pursuant to an executed contract, or shall supply Bonneville
7 with such other evidence establishing that execution of a purchase contract is contingent upon the
8 availability of transmission service under this Tariff.

9
10 **30. DESIGNATION OF MEMBER SYSTEMS BY TRANSMISSION CUSTOMERS**
11 **RECEIVING NETWORK INTEGRATION SERVICE**

12 **30.1 Member Systems**

13 A Transmission Customer may designate the individual Member Systems on whose behalf
14 Bonneville shall provide Network Integration Service. The Member Systems shall be specified in
15 the Service Agreement.

16 **30.2 New Member Systems Connected With Bonneville**

17 A Transmission Customer shall provide Bonneville with as much advance written notice as
18 reasonably practicable of the designation of additional entities that will be added to Bonneville's
19 Control Area as new Member Systems. Bonneville shall provide Network Integration Service for
20 any such new Member System, provided that: (i) Bonneville reasonably determines in accordance
21 with Section 31 that the Integrated Network Transmission System can reliably accommodate such
22 new Member System; and (ii) the Transmission Customer agrees to pay, pursuant to the NT-96
23 Rate Schedule or its successors, the costs of any Direct Assignment facilities that Bonneville
24 reasonably determines must be installed to interconnect reliably such new Member System with

1 the Bonneville Integrated Network Transmission System in accordance with applicable
2 Commission policy. The engineering and technical specifications for any such new
3 interconnection shall be set forth in an amendment to the Service Agreement under the Tariff.
4 Until such Direct Assignment facilities are completed, Bonneville shall agree to provide Network
5 Integration Service out of existing transmission capacity, pursuant to the prioritization described
6 in Section 28.5 above, to the extent such service would not impair the reliability of service to
7 other Transmission Customers under this Tariff and the Point-to-Point tariff or to Bonneville's
8 firm power sales, and transmission contracts in effect on the effective date of this Tariff, and if the
9 Transmission Customer agrees to pay the costs incurred by Bonneville to provide such service.

10 **30.3 Member Systems Not Connected with Bonneville**

11 This Section applies to both initial designation pursuant to Section 6.1 and the subsequent
12 addition of new Member Systems. To the extent that a Transmission Customer desires to obtain
13 transmission service for a Member System that is not connected to the Integrated Network
14 Transmission System, the Transmission Customer shall have the option of: (i) electing to include
15 such Member System by including the entire load of that Member System as Network Load for all
16 purposes under Part III of this Tariff and designating Network Resources in connection with such
17 additional Network Load; or (ii) excluding the load of that Member System from its Network
18 Load and purchasing other transmission service from Bonneville. To the extent that a
19 Transmission Customer gives notice of its intent to add a new Member System as part of its
20 Network Load pursuant to this Section and sufficient capacity is not available on the Integrated
21 Network Transmission System to provide the requested service pursuant to the prioritization
22 described in Section 28.5 above, Bonneville shall perform a Facilities Study pursuant to Section
23 31.2. In addition, if the Transmission Customer so elects, to the extent the requested service can

1 be provided in whole or in part by redispatching the system, the Transmission Customer shall pay
2 the costs caused by the redispatch in accordance with Commission policy.

3 **30.4 New Interconnection Points**

4 To the extent a Transmission Customer desires to add a newly constructed
5 interconnection point between the Integrated Network Transmission System and a Member
6 System, the Transmission Customer shall provide Bonneville with as much advance written notice
7 as reasonably practicable; however, Bonneville shall not be obligated to provide additional service
8 with respect to such interconnection point until such new interconnection is established.
9 Bonneville shall add such new interconnection point provided that Bonneville reasonably
10 determines that the Bonneville Integrated Network Transmission System can reliably
11 accommodate such new interconnection point. The Transmission Customer shall be responsible
12 for the costs of any incremental facilities associated with such new interconnection. The
13 engineering and technical specifications for such new interconnection point shall be set forth in a
14 separate interconnection agreement to be negotiated by the Parties.

15 **30.5 Declared Customer-Served Load**

16 Declared Customer-Served Load is a list of 12 monthly numbers representing the
17 Transmission Customer's "Customer-Served Load" which must be provided to Bonneville if the
18 Transmission Customer desires to be billed for service to less than its Network Load for the basic
19 service under the NT-96 rate schedule. Decreases to any of these numbers represent increases in
20 service pursuant to this Tariff and shall be treated as a request for new service pursuant to Section
21 28 hereof, and increases to any of these numbers shall be treated as a termination of service and
22 shall require two (2) years notice. These numbers shall be specified in the Network Integration
23 Service Agreement.

1 **31. TRANSMISSION FACILITIES OR UPGRADES RELATED TO DESIGNATION OF**
2 **NEW NETWORK RESOURCES AND MEMBER SYSTEMS**

3 **31.1 System Impact Study**

4 Once a Transmission Customer provides Bonneville with notice of its intent to designate
5 a new Network Resource pursuant to Section 29.5, or a new Member System pursuant to
6 Section 30, Bonneville and the Transmission Customer shall execute an agreement under which
7 Bonneville shall perform a System Impact Study to determine the feasibility of integrating such
8 new Network Resource or new Member System into Bonneville's Integrated Network
9 Transmission System. In performing the System Impact Study, Bonneville shall apply the same
10 methods and criteria that it employs in integrating new resources acquired by Bonneville.
11 Bonneville shall complete the System Impact Study within 60 days or will provide the
12 Transmission Customer a written explanation of when the study will be completed and the reasons
13 for the delay. A Transmission Customer shall be responsible for the cost of the System Impact
14 Study and shall be provided with the results thereof, including relevant workpapers. Bonneville's
15 methodology for completing a System Impact Study is set forth in Attachment D.

16 **31.2 Facilities Study**

17 Based on the results of the System Impact Study, Bonneville also may perform, pursuant to
18 a separate agreement with the Transmission Customer, a Facilities Study addressing the detailed
19 engineering, design, and cost of incremental transmission facilities. The Facilities Study shall be
20 completed as soon as reasonably practicable and will be used by Bonneville to provide the
21 Transmission Customer with a detailed estimate of the cost for constructing incremental facilities.
22 The Transmission Customer shall be responsible for the costs of the Facilities Study and shall be
23 provided with the results thereof, including relevant workpapers. Bonneville shall be responsible for
24 the costs of any Facilities Study undertaken to determine the costs of adding incremental facilities

associated with Bonneville's addition of new resources. Such costs will be booked by Bonneville in accordance with Section 6.

31.3 Due Diligence

Bonneville shall use due diligence to install any transmission facilities required to integrate a new Network Resource or to interconnect a new Member System designated by the Transmission Customer in accordance with Section 30.

31.4 Transmission Costs Associated with Adding New Network Resources and New Member Systems

After the Service Commencement Date, the Transmission Customer and Bonneville each shall be responsible, consistent with Commission policy, for the incremental transmission facility costs associated with integration of their respective new Network Resources, new Member Systems and new Network Load.

31.5 Changes in Service Requests

Under no circumstances shall a Transmission Customer's decision to cancel or delay the addition of a new Network Resource and/or designation of a new Member System in any way reduce or relieve the Transmission Customer's obligation to pay the costs of any incremental facilities constructed by Bonneville and charged to the Transmission Customer pursuant to this Section or Section 30; provided, however, that upon receipt of a Transmission Customer's written notice of such a cancellation or delay, Bonneville shall use the same reasonable efforts to mitigate the costs and charges owed to Bonneville as it would to reduce its own costs and charges.

31.6 Annual Load and Resource Information Updates

A Transmission Customer shall provide Bonneville with annual updates of Network Load and Network Resource forecasts consistent with those included in its Application for Network Integration Service under this Tariff. The Transmission Customer also shall provide Bonneville

1 with timely written notice of material changes in any other information provided in its Application
2 relating to the Transmission Customer's Network Load, Network Resources, its transmission
3 system, or other aspects of its facilities or operations affecting Bonneville's ability to provide
4 reliable service under this Tariff.

6 **32. LOAD SHEDDING AND CURTAILMENTS**

7 **32.1 Emergency Procedures**

8 Prior to the commencement of service hereunder, Bonneville and the Transmission
9 Customer shall establish emergency load shedding and curtailment procedures with the objective
10 of responding to emergencies on the Integrated Network Transmission System. The Parties will
11 implement such programs during any period when Bonneville determines that a transmission
12 capacity constraint exists and such procedures are necessary to alleviate such constraint.
13 Bonneville will notify all affected Transmission Customers in a timely manner of any scheduled
14 interruption (e.g., scheduled maintenance).

15 **32.2 Least Cost Resource Redispatch to Alleviate Transmission Constraints**

16 During any period when Bonneville determines that a transmission constraint exists on the
17 Integrated Network Transmission System, and such constraint may impair the reliability of the
18 Bonneville system or adversely affect the economic operations of either Bonneville or a
19 Transmission Customer, and when sufficient time is available, Bonneville shall take whatever
20 actions, consistent with Good Utility Practice, that are reasonably necessary to maintain the
21 reliability of the Bonneville system and to avoid interruption of service. After nonfirm deliveries
22 from non-Network Resources are curtailed (but only to the extent that such curtailments help
23 relieve the transmission constraint), to the extent Bonneville determines that the reliability of the
24 Integrated Network Transmission System can be maintained by redispatching resources (including

1 reductions in off-system purchases and sales), Bonneville shall initiate procedures pursuant to the
2 System Operations Agreement or pursuant to provisions in individual service agreements to
3 redispatch Bonneville's and its Transmission Customers' resources on a least-cost basis without
4 regard to the ownership of such resources. Any redispatch under this Section shall not be unduly
5 discriminatory as between Bonneville and its Transmission Customers.

6 **32.3 Cost Responsibility for Least Cost Redispatch**

7 Whenever Bonneville implements least-cost redispatch procedures, pursuant to
8 Sections 27.4 and 32.2, to relieve a capacity constraint, Bonneville shall determine the total cost
9 impact of such procedures. Bonneville and its Transmission Customers shall each bear a
10 proportionate share of the total redispatch cost impact pursuant to FERC guidelines and as
11 implemented in the NT-96 Rate Schedule or its successor.

12 **32.4 Curtailments of Scheduled Deliveries**

13 To the extent that a transmission constraint on the Bonneville Integrated Network
14 Transmission System cannot be relieved through the implementation of least-cost redispatch
15 procedures and Bonneville determines that it is necessary for Bonneville and the Transmission
16 Customer to curtail scheduled deliveries, the Parties shall curtail such schedules in accordance
17 with previously established curtailment procedures.

18 **32.5 Allocation of Curtailment**

19 To the extent practicable and consistent with Good Utility Practice, any scheduling
20 curtailment shall be shared by Bonneville and its Transmission Customers on a pro rata basis,
21 unless otherwise agreed. Bonneville shall not direct a Transmission Customer to curtail schedules
22 to an extent greater than Bonneville would curtail Bonneville's schedules under similar
23 circumstances.

1 **32.6 Load Shedding**

2 To the extent that a transmission constraint exists on Bonneville's Integrated Network
3 Transmission System and Bonneville determines that it is necessary for Bonneville and the
4 Transmission Customer to shed load, the Parties shall shed load in accordance with previously
5 established load shedding procedures under the System Operations Agreement.

6 **32.7 System Reliability**

7 Notwithstanding any other provisions of this Tariff, Bonneville reserves the right, consistent
8 with Good Utility Practice and on a not unduly discriminatory basis, to interrupt Network
9 Integration Service, without liability on Bonneville's part, for the purpose of making necessary
10 adjustments to, changes in, maintenance of or repairs on its lines, substations, and facilities, and in
11 cases where the continuance of Network Integration Service would endanger persons or property.
12 In the event of any adverse condition(s) or disturbance(s) on the Bonneville system or on any other
13 system(s) directly or indirectly interconnected with the Bonneville system, Bonneville, consistent
14 with Good Utility Practice, also may interrupt Network Integration Service in order to: (i) limit the
15 extent or damage of the adverse condition(s) or disturbance(s); (ii) prevent damage to generating or
16 transmission facilities; or (iii) expedite restoration of service. Bonneville shall give the Transmission
17 Customer as much advance notice as is practicable in the event of such interruption. Any
18 interruption of Network Integration Service will be not unduly discriminatory relative to
19 Bonneville's use of the Integrated Network Transmission System. The Transmission Customer's
20 failure to respond to established emergency load shedding and curtailment procedures to relieve
21 emergencies on the Integrated Network Transmission System may be deemed by the Bonneville to
22 be a default under the service agreements that apply this Tariff and Bonneville may terminate
23 service under this Tariff.

1 **33. RATES AND CHARGES**

2 **33.1 Designation of Rates**

3 The Transmission Customer shall pay for services provided under this Tariff as provided in
4 rates schedules determined in a formal Bonneville rate hearing pursuant to Section 7(i) of the
5 Northwest Power Act. The rate for the transmission service under this Tariff is identified as the
6 Network Integration Transmission Rate (NT-96) or its successor, and the rate(s) for Ancillary
7 Services are contained in the Ancillary Power Service Rate (APS-96) or its successor. To the
8 extent that the Southern or Eastern Intertie segments are required to move power from a Network
9 Resource or other resource to a Network Load, appropriate intertie rates shall be applied to such
10 intertie use.

11 **33.2 Stranded Costs**

12 Bonneville may seek to recover stranded costs from a Transmission Customer pursuant to
13 this Tariff and pursuant to section 7(i) of the Northwest Power Act.
14

15 **34 OPERATING ARRANGEMENTS**

16 **34.1 Operation Under the System Operations Agreement**

17 A Transmission Customer shall plan, construct, operate, and maintain its facilities in
18 accordance with Good Utility Practice, which shall include, but not be limited to, all applicable
19 NERC and WSCC guidelines, or any generally accepted practices in the region that are
20 consistently adhered to by Bonneville as well as in conformance with the System Operations
21 Agreement.

22 **34.2 System Operations Agreement**

23 The terms and conditions under which the Transmission Customer shall operate its
24 facilities and the technical and operational matters associated with the implementation of this

1 Tariff shall be specified in a separate System Operations Agreement. The System Operations
2 Agreement shall provide for the Parties to: (i) operate and maintain equipment necessary for
3 incorporating the Transmission Customer within the Integrated Network Transmission System
4 (including, but not limited to, remote terminal units, metering, communication equipment, and
5 relaying equipment); (ii) transfer data between control centers (including, but not limited to, heat
6 rates and operational characteristics of Network Resources, generation schedules for units outside
7 the Integrated Network Transmission System, interchange schedules, unit outputs for redispatch
8 required under Section 32, voltage schedules, breaker and switch status, bus voltage, flow of real
9 and reactive power, loss penalty factors, and other real-time data; (iii) design and implement
10 software programs required for data links and constraint dispatching; (iv) exchange data on
11 forecasted loads and resources necessary for planning; and (v) address any other technical and
12 operational considerations required for implementation of this Tariff, including scheduling
13 protocols. The System Operations Agreement is provided in Attachment G.

15 **35. SYSTEM OPERATING COMMITTEE**

16 A System Operating Committee (Committee) shall be established to coordinate operating
17 criteria for the Parties' respective responsibilities under this Tariff including: (i) standards for the
18 design, operation, and maintenance of the facilities necessary to integrate Transmission Customer
19 Electric Systems with the Integrated Network Transmission System (including, but not limited to,
20 remote terminal units, metering, communications equipment, and relaying equipment);
21 (ii) information transfers between control centers (including, but not limited to, operational
22 characteristics of Network Resources, generation schedules for units outside the Integrated
23 Network Transmission System, interchange schedules, unit outputs for dispatch, voltage
24 schedules, loss factors, and other real-time data); (iii) Software programs required for data links

1 and constraint dispatching; (iv) information required for planning; (v) load curtailment procedures
2 in the event of transmission constraints or system emergencies; (vi) least-cost redispatch
3 procedures; and (vii) other technical and operational considerations required for implementation
4 of this Tariff. Each Transmission Customer and Bonneville shall have at least one representative
5 on the Committee. The Committee may establish such subcommittees as it deems necessary to
6 carry out its functions. The Committee shall meet from time to time as need requires, but no less
7 than once each calendar year, unless other arrangements are mutually agreed upon.

Schedule 1

Scheduling and Dispatch

Scheduling and Dispatch service is required to schedule the movement of power through, out of, within, or into Bonneville's Control Area. This service can be provided by Bonneville as the operator of the Federal Columbia River Transmission System. Scheduling and Dispatch service provides all scheduling and dispatching activities directly related to transmission scheduling and transmission dispatching of Bonneville's transmission system. These activities include: prescheduling of available Bonneville transmission capacity; real-time scheduling of available Bonneville transmission capacity; dispatch of Bonneville's transmission system; confirmation and verification of individual transmission schedules, including preschedules, after-the-fact or real time changes, scheduling return energy associated with Transmission Losses, and net interchange between control areas. The Transmission Customer must acquire this service from Bonneville.

The APS-96 rate schedule does not include a charge for Scheduling and Dispatch. If BPA develops a separate charge for Scheduling and Dispatch, then that charge will be applied to the Transmission Customer.

Schedule 2

Reactive Power Supply and Voltage Control from Generation Sources

Reactive Power Supply and Voltage Control from Generation Sources is necessary to maintain transmission voltages on the Federal Columbia River Transmission System within acceptable limits. This service will be provided by Bonneville from the generation facilities of the Federal System that are operated to produce (or absorb) reactive power. The amount of Reactive Power Supply and Voltage Control from Generation Sources that will be supplied will be determined based on the reactive power support necessary to maintain voltages at the levels specified in Bonneville's voltage schedules. The Transmission Customer must acquire this service from Bonneville.

The APS-96 rate schedule does not include a charge for Reactive Power Supply and Voltage Control from Generation Resources. The Reactive Power Charge described in BPA's General Rate Schedule Provisions is related to reactive power supplied from transmission facilities, and is distinct from Reactive Power Supply and Voltage Control from Generation Resources. If BPA develops a charge for Reactive Power Supply and Voltage Control from Generation Resources, then that charge will be applied to the Transmission Customer.

Schedule 3

Control Area Reserves for Resources

Control Area Reserves for Resources provides for the generation following needs and the spinning and non-spinning operating reserve obligations required to operate a resource located within Bonneville's Control Area. Control Area Reserves for Resources provide backup service, including regulating margin, spinning and non-spinning operating reserves and frequency control services for the remainder of the delivery hour when the resource incurs a forced outage. It does *not* provide for backup service for a forced outage period *longer than 60 minutes*. Spinning operating reserves are needed to serve load immediately in the event of a system contingency. Spinning operating reserves are provided by generating units that are on-line and loaded at less than maximum output. Non-spinning operating reserves are needed to serve load in the event of a system contingency on a sustained basis within 10 minutes. Non-spinning operating reserves may be provided by generating units that are on-line but unloaded, by quick-start generation or by interruptible load. Generation following is the instantaneous (second-to-second) regulation of the supply of firm power that Bonneville provides to follow variations in resources within the hour. These services are for resources in Bonneville's Control Area and the Transmission Customer may purchase them as a package or individually. The Transmission Customer must either purchase these services from Bonneville or make alternative comparable arrangements. The charges for these services are set forth in Bonneville's APS Rate Schedule or its successor.

Schedule 4

Control Area Reserves for Interruptible Purchases

Control Area Reserves for Interruptible Purchases provides the non-spinning operating reserves necessary to cover the non-spinning operating reserve obligation associated with purchases from outside the Bonneville Control Area that include energy or transmission components that are designated as interruptible during the hours of delivery. Bonneville will offer this service when the transmission service is used for interruptible purchases delivered to Bonneville's Control Area. The Transmission Customer must either purchase this service from Bonneville or make alternative comparable arrangements. The charge for this service is set forth in Bonneville's APS Rate Schedule or its successor.

Schedule 5

Load Regulation

Load Regulation is necessary to provide for the continuous balancing of resources (generation and interchange) with load and for maintaining scheduled interconnection frequency at sixty cycles per second (60 Hz). Load Regulation is accomplished by committing on-line generation whose output is raised or lowered (through the use of automatic generating control equipment) as necessary to supply firm power to follow variations in loads located within Bonneville's Control Area, on an instantaneous or second-by-second basis *within* the hour. The amount of Load Regulation provided is related to the Receiving Party's retail load variations. The obligation to maintain the balance between resources and load lies with the control area operator. Bonneville will offer this service when the transmission service is used to serve load within Bonneville's Control Area. The Transmission Customer must either purchase Load Regulation from Bonneville or make alternative comparable arrangements. The charge for Load Regulation is set forth in Bonneville's APS Rate Schedule or its successor.

Schedule 6

Energy Imbalance

Energy Imbalance Service is provided when a difference occurs between the hourly scheduled amount and the hourly metered (actual delivered) amount associated with transmission of power on the Federal Columbia River Transmission System. Bonneville offers this service when the transmission service is used to serve a load located in Bonneville's Control Area or from a generation resource located within Bonneville's Control Area. Bonneville shall allow an Energy Imbalance Band of +/- 1.5 percent of the schedule (with a required minimum band of +/- one megawatt) to be applied hourly to any energy imbalance that occurs as a result of the Transmission Customer's scheduled transmission to loads or from resources located in Bonneville's Control Area. The Transmission Customer must either purchase this service from Bonneville or make alternative comparable arrangements. The charges for Energy Imbalance are set forth in Bonneville's APS Rate Schedule or its successor.

Schedule 7

Transmission Losses

Transmission Losses are the real power losses that are dissipated during transmission over the Federal Columbia River Transmission System and are replaced by Bonneville. Bonneville will offer to sell Transmission Losses. The Transmission Customer may either purchase Transmission Losses from Bonneville or make arrangements to return losses to Bonneville. The charge for Transmission Losses is set forth in Bonneville's APS Rate Schedule or its successor.

ATTACHMENT A

Form of PTP Service Agreement Firm and Nonfirm Transmission Service

Service Agreement No. XXTX-XXXXX
Template Dated 12/8/98

SERVICE AGREEMENT
for
POINT-TO-POINT TRANSMISSION
executed by the
UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
acting by and through the
BONNEVILLE POWER ADMINISTRATION
and
CUSTOMER

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Exhibit A	(Statement of Specifications for Long-Term Firm Transmission Service)	
Exhibit B	(Facilities Charges)	
Exhibit C	(Ancillary Services)	

This TRANSMISSION SERVICE AGREEMENT is made and entered into this ____ day of _____ 199__, by and between the Bonneville Power Administration (hereinafter referred to as "BPA") and [Customer Name] (hereinafter referred to as "the Transmission Customer"). The Transmission Customer and BPA are sometimes referred to individually as "Party" and collectively as "Parties," as the context suggests below.

ARTICLE 1 SCOPE OF SERVICE AGREEMENT

1.1 TERMS AND CONDITIONS

BPA agrees to provide and the Transmission Customer agrees to take and pay for PTP Transmission Services in accordance with the provisions of this Service Agreement and the Open Access Transmission Tariff (Tariff). The Tariff in effect at the time of execution of this Service Agreement is hereby incorporated by this reference. BPA may change the terms and conditions of the Tariff upon, and only upon, a determination by the Commission that such change is just and reasonable and not unduly discriminatory or preferential. [Use the following sentence only if the term exceeds 2001.] BPA and the Transmission Customer agree that Transmission Service provided pursuant to this Service Agreement may be provided under a Commission-approved successor tariff after September 30, 2001, if BPA supersedes the Tariff.

1.2 STATEMENT OF SPECIFICATIONS FOR LONG-TERM FIRM TRANSMISSION SERVICE

The Statement of Specifications for Long-Term Firm PTP Transmission Service under this Service Agreement requested by the Transmission Customer for each individual transaction and accepted by BPA is hereby incorporated and made a part of this Service Agreement as Exhibit A and made applicable to that transaction.

1.3 WHOLESALE POWER AND TRANSMISSION RATES SCHEDULES

BPA's Wholesale Power and Transmission Rates Schedules are hereby incorporated by this reference.

1.4 FACILITIES CHARGES

All applicable charges pursuant to the Direct Assignment Facilities Provisions for existing facilities and facilities built as a result of this Service Agreement are hereby incorporated as Exhibit B.

1.5 ANCILLARY SERVICES

The Ancillary Services for PTP Transmission Service under this Service Agreement are hereby incorporated as Exhibit C.

1.6 TRANSMISSION SCHEDULING PROVISIONS

The Transmission Customer shall schedule transmission transactions in accordance with BPA's Transmission scheduling Provisions and Procedures as posted on BPA's OASIS located at the following Internet URL address:

<http://www.nwoasis.org/OASIS/BPA>

ARTICLE 2 DEFINITIONS

Unless otherwise defined herein, all capitalized terms shall have the meanings set forth in the Tariff.

ARTICLE 3

TERM OF SERVICE AGREEMENT

Service under this Service Agreement shall commence at 2400 hours on _____.
[Include the following parenthetical if the Transmission Customer elects Article 4.3
(Except as provided in Article 4.3,)] service under this Service Agreement shall terminate
on the earlier of: (a) 2400 hours on _____; or (b) 2400 hours on the date of
termination established pursuant to the Tariff. All liabilities and obligations incurred
under this Service Agreement shall be preserved until satisfied.

[If converting from IR or FPT must have a term through 9/30/2001] [If Direct Assignment
Facilities and/or Network Upgrades are required to be completed prior to commencement of
service and partial interim service is not possible, change the first sentence to read as
follows: Service under this Service Agreement shall commence on the later of: (a) 2400
hours on _____, or (b) the date on which construction of any Direct Assignment
Facilities and/or Network Upgrades is completed.]

ARTICLE 4

CHARGES AND PAYMENTS

4.1 CHARGES FOR TRANSMISSION SERVICE

The Transmission Customer shall pay BPA the applicable charges for services
provided hereunder pursuant to the BPA Wholesale Power and Transmission Rate
Schedules. [Include the following parenthetical if Article 4.3 is elected by the
Transmission Customer (Subject to the provisions of Article 4.3,)] BPA may change
the rates that apply to Transmission Service under this Service Agreement pursuant
to applicable law.

4.2 BILLING AND PAYMENT

Bills for all services provided under this Service Agreement shall be rendered
monthly by BPA and shall be payable in accordance with the Tariff.

Customer Option-4.3

4.3 COMMITMENT TO FIVE-YEAR RATE

The Transmission Customer agrees that prior to October 1, 2001, it hereby waives
its rights to: (a) decrease the amount (in megawatts (MW)) of Long-Term Firm
Transmission Demand, as set forth in Exhibit A, and (b) terminate service pursuant
to the Tariff. BPA agrees that such amount constitutes a firm commitment of
Transmission Demand through September 30, 2001. BPA will charge the
Transmission Customer for such amount of Long-Term Firm Transmission Demand
at the rates established for such service pursuant to the PTP-96, IS-96, or IM-96
rate schedules; and the Transmission Customer agrees to pay such rates pursuant
to and consistent with the Transmission Settlement Agreement dated April 4, 1996,
as adopted in the Administrator's Record of Decision adopting the 1996 Final Rate
Proposal (Document No. WP-96-A-02, part 2 of 2, Attachment 1). The Transmission
Customer's right to dispute any rate increase proposed by BPA to take effect prior to
October 1, 2001, shall be pursuant to the Transmission Settlement Agreement as
cited above.

[Include 4.4 if the Transmission Customer has an existing service territory under state law.]

4.4 LOAD REDUCTION DUE TO CHANGES IN FEDERAL OR STATE LAW

The Transmission Customer shall provide written notice to BPA as soon as practicable in the event that a retail consumer of the Transmission Customer obtains access to a power supplier other than the Transmission Customer because a regulatory, legislative, or judicial body of competent jurisdiction, not including any governing body, commission, or board of the Transmission Customer, has required that the Transmission Customer provide such access through the use of the Transmission Customer's transmission and/or distribution facilities, and the Transmission Customer thereby suffers a reduction in retail load. At a mutually agreeable time thereafter, BPA and the Transmission Customer shall initiate discussions to determine whether a change in the Transmission Customer's Transmission Demand, as designated in Exhibit A, Summary of Points of Interconnection and Points of Delivery, Description of Points of Interconnection, and Points of Delivery, is appropriate and, if so, the mitigation, if any, to which BPA is entitled.

Customer Option - 4.5

4.5 BPA APPROPRIATIONS REFINANCING ACT, PUBLIC LAW 104-134

The Transmission Customer and BPA agree that provisions of Section 3201(i) of Public Law 104-134 (BPA Refinancing Act) are incorporated in their entirety and hereby made a part of this Service Agreement.

**ARTICLE 5
NOTICES**

5.1 NOTICES RELATING TO PROVISIONS OF THE SERVICE AGREEMENT

Any notice, request, demand, or statement which is given to or made upon either Party by the other Party under any of the provisions of this Service Agreement, except those specified in Article 5.2 below, shall be in writing and shall be considered delivered when either personally delivered to the following or deposited in the mail postage prepaid and properly addressed to the following:

If to [Customer Name]

If to BPA

Customer Name

Bonneville Power Administration

Title

P. O. Box 491

Address

Vancouver, WA 98666-0491

City State

Attention:

Attention: (Name of Customer
Contact)

Transmission Account Executive for
[Customer Name]

Title:

Phone: (360) 418-

Phone: () ____-

Fax: (360) 418-

Fax: () ____-

5.2 NOTICES OF AN OPERATING NATURE

Any notice, request, or demand pertaining to matters of an operating nature, exclusive of requests for additional or modified Transmission Service under the Tariff, shall be sufficient if given in writing, by telephone, by facsimile, or orally in person to the person designated in writing by the Party as its representative for such purposes, provided that should such notice, request, or demand not be in writing, confirmation thereof shall be made in writing as soon as reasonably practicable thereafter, upon request of the Party being served. The representative for receiving notices pursuant to this Article and such representative's address shall be communicated by the Parties under separate letter within 45 days from the date of execution of this Service Agreement.

ARTICLE 6 MISCELLANEOUS

6.1 INTERCONNECTION WITH OTHER SYSTEMS

Nothing contained in this Service Agreement shall restrict or limit either Party from establishing, altering, or terminating interconnection points with any entity not a party to this Service Agreement or amending or entering into such agreements.

6.2 GOVERNING LAW

This Service Agreement shall be interpreted, construed, and enforced in accordance with Federal law.

Customer Option 1 - 6.3

6.3 AMENDMENTS

Except as provided in Article 1.1 and Article 6.4, and unless otherwise mutually agreed in writing by the Parties, BPA may change this Service Agreement upon, and only upon, a determination by the Commission that such change is just, reasonable and not unduly discriminatory or preferential. Otherwise, this Service Agreement may be amended only upon mutual agreement of the Parties, which amendment shall be reduced to writing and executed by both Parties.

Customer Option 2, replace 6.3 above and adds new 6.4; Tariff Revisions; Change paragraph numbering for remainder of Article 6

6.3 AMENDMENTS

Except as provided in Articles 1.1, 6.4, and 6.5, this Service Agreement may be amended only upon the mutual agreement of the Parties, which amendment shall be reduced to writing and executed by both Parties.

6.4 TARIFF REVISIONS

In the event that BPA proposes to revise the Tariff, either on its own initiative or in response to a directive or order of the Commission, BPA may revise this Service Agreement to remove any irreconcilable differences between this Service Agreement and the proposed revised Tariff, provided that BPA has given the Transmission Customer a copy of the proposed revised Tariff and proposed revised Service Agreement not less than 60 days prior to the date BPA submits such proposed revised Tariff and proposed revised Service Agreement to the Commission for

approval, and provided the Commission approves the proposed revised Tariff and proposed revised Service Agreement. Within 30 days of receiving the proposed revised Tariff and proposed revised Service Agreement, the Transmission Customer may provide BPA notice of its intent to terminate this Service Agreement in the event that the Commission approves the revised Service Agreement. If the Transmission Customer provides BPA such notice, and the Commission then approves the revised Service Agreement, the Transmission Customer may terminate this Service Agreement by providing BPA an additional notice of its intent to do so, so long as the Transmission Customer provides such additional notice within 30 days after the effective date of Commission approval of the revised Service Agreement. If the Transmission Customer terminates the Service Agreement pursuant to this Article 6.4, the Transmission Customer shall replace the Transmission Service provided under this Service Agreement by commencing other transmission service under the Tariff.

6.4 REVISION OF EXHIBITS

If any changes to Exhibits A, B, or C are necessary to reflect changes specified below, new exhibits shall be substituted for the exhibits then in effect and shall become effective as of the date specified therein. The Transmission Customer may use the dispute resolution procedures available under the Tariff to challenge such changes.

- 6.4.1 Subject to the rights and obligations of the Parties as set forth in the Tariff, if the Parties agree to change Exhibit A pursuant to this Service Agreement, BPA shall prepare a revised Exhibit A. BPA reserves the unilateral right to amend contiguous point of delivery provisions in Exhibit A of this Service Agreement.
- 6.4.2 If the Parties agree to change Exhibit B, BPA shall prepare a new Exhibit B. BPA reserves the right to revise Exhibit B annually to reflect changes consistent with the provisions of Exhibit B, section 1.
- 6.4.3 If the Parties agree to change Exhibit C, BPA shall prepare a new Exhibit C. BPA reserves the right to update the loss factors identified in Exhibit C, section 2, Transmission Loss Factors.

6.5 TEMPORARY LOAD SHIFTS AND MAINTENANCE NOTIFICATION

The Parties may temporarily interrupt, reduce, or shift deliveries of electric power if any such Party determines that such interruption, reduction, or load shift is necessary or desirable in case of system emergencies or operational constraints on the system of either Party, or to install equipment in, make repairs to, make replacement within, conduct investigations and inspections of, or perform other maintenance work on the Parties' facilities. To the extent reasonable or appropriate, the Parties will use temporary facilities or equipment to minimize the effect of any such interruption, reduction, or load shift.

The Transmission Customer must submit a report concerning any such interruption, reduction, or load shift to BPA within 4 days of such interruption, reduction, or load

shift. Reports may be made by telephone, mail, or other electronic processes. The point of contact for each Party will be designated pursuant to Article 5.2 of this Service Agreement. On receipt of the Transmission Customer's report, BPA will adjust the Transmission Customer's billing determinants pursuant to BPA's billing procedures. If the Transmission Customer does not submit the report within 4 days of the interruption, reduction, or load shift, BPA shall assess charges based on available data.

6.6 SEVERABILITY

In the event any of the terms, covenants, or conditions of this Service Agreement, or any amendment hereto, or the application of such terms, covenants, or conditions shall be held invalid as to any Party or circumstance by the Commission or by any court having jurisdiction, all other terms, covenants, and conditions of this Service Agreement or any amendment hereto, and their application shall remain in full force and effect.

6.7 COMPUTATION OF TIME

To compute any period of time prescribed or allowed by this Service Agreement, the day of the act, event, or default from which the designated period of time begins to run shall not be included. The last day of the period so computed shall be included unless it is a Saturday, Sunday, or legal holiday, in which event the period shall run until the end of the next day which is neither a Saturday, Sunday, or legal holiday. For purposes of the administration of this Service Agreement, Pacific Time shall be used.

6.8 NO THIRD PARTY BENEFICIARIES

This Service Agreement creates rights and obligations only between the Parties hereto. The Parties hereto do not intend to create any obligation or promise of performance to any other person or entity nor have the Parties conferred any right to enforce this Service Agreement or any remedy upon any third person or entity other than the Parties hereto, their respective successors and assigns.

6.9 WAIVERS

Any waiver at any time by either Party of its rights with respect to a default under this Service Agreement, or with respect to any other matter arising in connection with this Service Agreement, shall not be deemed a waiver with respect to any other or subsequent default or matter.

6.10 SUCCESSORS AND ASSIGNS

This Service Agreement shall inure to the benefit of and be binding upon the Parties and their respective successors and assigns.

6.11 SERVICE AGREEMENT GOVERNS

In the event of any irreconcilable difference between the Tariff and this Service Agreement, the language of this Service Agreement shall govern.

6.12 TERMINATION OF PRIOR AGREEMENT

[Use only if Transmission Customer has an existing transmission agreement.] Transmission Customer's Contract No. _____, is hereby terminated.

[6.13 - To be included only if the customer has a BPA Power Sales Contract and if the customer does not elect Article 4.3; change paragraph numbering for the remainder of Article 6.]

6.13 CONVERSION OF 1981 POWER SALES CONTRACT TO PTP TRANSMISSION SERVICE

6.13.1 This Article 6 shall apply through September 30, 2001.

6.13.2 Annual Peak Demand

The Transmission Customer's annual peak demand is established at XXX megawatts (MW). Such annual peak demand does not include generation transmitted over non-FCRTS transmission facilities.

6.13.3 Reductions in Annual Demand

The Transmission Customer agrees that for each year of this Service Agreement, the sum of the annual Transmission Demands at points of delivery listed in Exhibit A of this Service Agreement shall be equal to or greater than the annual peak demand specified in Article 6.13.1, less the following amounts:

6.13.3.1 The total annual demands that another entity or entities have in PTP Service Agreements for Long-Term Firm Transmission Service at the points of delivery listed in Exhibit A that provide service to the Transmission Customer. If the demand in any such entity's PTP Service Agreement varies by month, the annual demand shall be the minimum monthly demand.

6.13.3.2 The annual demand in other BPA transmission agreements with the Transmission Customer to the extent that such demand is used to serve the Transmission Customer's load at the points of delivery listed in Exhibit A. If the demand in any such agreement varies by month, the annual demand shall be the minimum monthly demand.

6.13.4 Documentation

Upon the written request of BPA which is received by the Transmission Customer on or before August 31 of any year, the Transmission Customer shall submit to BPA on or before October 1 of such year, documentation which demonstrates compliance with Articles 6.13.2 and 6.13.3. Such documentation shall include the following:

- 6.13.4.1 Any evidence that the Transmission Customer's annual peak demand in article 6.13.1 should be reduced.
- 6.13.4.2 A listing of all transmission contracts, including identifying contract numbers, contract demands, and transmission providers, which are used to deliver to each Point of Delivery listed in Exhibit A.
- 6.13.4.3 A listing of all of the Transmission Customer's generation located in BPA's Control Area.
- 6.13.4.4 A listing of any other generation or power purchases the Transmission Customer is using to provide firm power service to its facilities.

6.13.5 Review of Documentation

BPA shall review the Transmission Customer's annual submittal of such documentation and notify the Transmission Customer by November 1 whether the Transmission Customer's documentation is acceptable. The Transmission Customer shall cure any deficiencies by November 15.

6.14 RELATED AGREEMENTS

[Use only if Transmission Customer has a related System Impact Study and/or a Facilities Study agreement.] Reference System Impact Study Contract No. XXXXX and/or Facilities Study Contract No. XXXXX.

6.15 ENTIRE AGREEMENT

This Service Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof, and there are no other understandings or agreements between the Parties with respect hereto.

**ARTICLE 7
SIGNATURES**

The signatories represent that they are authorized to enter into this Service Agreement on behalf of the Party for whom they sign.

CUSTOMER NAME

UNITED STATES OF AMERICA
Department of Energy
Bonneville Power Administration

By: _____

By: _____

Name: _____
(Print/Type)

Name: _____
(Print/Type)

Title: _____

Title: Transmission Account Executive

Date: _____

Date: _____

(W:\TMC\CT\TEMPLATE\ferc\PTP_s.DOC) mm/dd/yy {Insert date of finalized contract here.}

Exhibit A
STATEMENT OF SPECIFICATIONS FOR
LONG-TERM FIRM TRANSMISSION SERVICE

1. TERM OF TRANSACTION

Start Date: at 2400 hours on [insert date, ex. September 30, 1998].

Termination Date: The earlier of : (a) 2400 hours on [insert date, ex. September 30, 2001]; or (b) 2400 hours on the termination date established pursuant to Article 3 of this Service Agreement.

2. SUMMARY OF POINTS OF INTERCONNECTION AND POINTS OF DELIVERY/DELIVERING PARTY/CONTROL AREA/RECEIVING PARTY/SCHEDULING AGENT

Delivering Party (Resource) ^{1/}	POI (Voltage)	POI Control Area	Maximum POI Demand (kW)	POD (Voltage)	POD Control Area	Maximum POD Demand (kW)	Receiving Party	Scheduling Agent ^{2/}
			See Sect. 3 Below [use this if demands change during the contract term]			See Sect. 3 Below [use this if demands change during the contract term]		
Total Transmission Demand			^{3/}			^{3/} ^{4/}		

[Use footnote No. 3 if the Short Distance Discount applies. Use footnote No. 4 if contiguous points of delivery applies.]

^{1/} If the Delivering Party or Resource is not known at the time of application, the Transmission Customer or its Scheduling Agent shall identify the Delivering Party and Resource at the time of preschedule.

^{2/} A single designated scheduling agent will act in all capacities for the Transmission Customer pursuant to BPA's Transmission Scheduling Provisions.

^{3/} The Short-Distance Discount (SDD) is applied to the Transmission Customer's monthly Transmission Demand for the purpose of computing the monthly bill. Reference Exhibit A, section 8, for the SDD Transmission Demand.

^{4/} The Transmission Customer's designated contiguous points of delivery are subject to the following terms.

- (a) All points of delivery on the delivery side must be interconnected through a transmission or distribution system. If the customer's system is operated normally open, the customer and BPA shall agree to an operating plan for any load shifting between and/or among points of delivery in the contiguous set in order to prevent adverse impacts on the reliability of the FCRTS. The points of delivery must be significantly interconnected electrically on both high side and low side.

- (b) In the event of a credible outage, each point of delivery within the contiguous set must be capable of providing electric backup service to any other point of delivery of that contiguous set so that retail customers within the load center served by the contiguous set of points of delivery realize no interruption in service. However, if a substation or interconnection serves two or more PODs at different voltage levels and the source is a single transmission line, the PODs may be considered contiguous if there are reasonable technical and/or historical bases for doing so.
- (c) All points of delivery in the set of contiguous points of delivery must be located on the same side of a constraint or potential constraint. Shifts in loads from one point of delivery to another point of delivery in the contiguous set may not adversely affect any constraint, such as those posted on BPA's Open Access Same-Time Information System (OASIS).
- (d) The Transmission Customer may not direct BPA to deliver a specific amount of demand to a specific point of delivery within the contiguous set of points of delivery. BPA has no obligation to deliver specific amounts to the delivery points which constitute the contiguous set of points of delivery. BPA has no obligation to construct new facilities at or between points of delivery. BPA has no obligation to construct new facilities at or between points of delivery included in the contiguous set of points of delivery as long as BPA can deliver to combines demand to the contiguous sets of points of delivery.
- (e) All points of delivery within the contiguous set of points of delivery must be in a single Control Area; all power associated with the contiguous set of points of delivery must be scheduled.
- (f) All points of delivery associated with the Southern Intertie are specifically excluded from consideration as part of a contiguous set of points of delivery. Big Eddy, John Day, California-Oregon Border, and Nevada-Oregon Border are independent points of delivery.
- (g) The utility requesting contiguous points of delivery must be capable of receiving electric service at each of the points of delivery in the contiguous set. If the utility is requesting contiguous points of delivery in order to deliver to a third party, then that third party must be capable of receiving delivery at each of the points of delivery in the contiguous set.
- (h) Where appropriate, the Transmission Customer must agree to use limits on the individual points of delivery included in the contiguous set of points of delivery.
- (i) Contiguous points of delivery are granted for real power only. Issues associated with reactive power shall be covered by separate procedures.
- (j) These criteria shall be reviewed annually. An individual customer's situation shall be reviewed if there are any changes in how its system is served or impacted by any transmission system conditions. BPA reserves the right to modify any characteristics of a customer's contiguous point of delivery if changes in a system warrant such modification.

3. SUMMARY OF POINTS OF INTERCONNECTION AND POINTS OF DELIVERY [Use this section 3 only if the POI or POD demands change during the contract term, otherwise this information is stated in section 2 above]

(a) [Start Date - End Date:]

Point of Interconnection (Voltage)	Maximum Transmission Demand (kW)	Point of Delivery (Voltage)	Maximum Transmission Demand (kW)
Substation kV		Substation kV	
Total Transmission Demand			

4. **DESCRIPTION OF POINTS OF INTERCONNECTION**

- (a) [Insert Name] **Substation**

Location:

Voltage: kV

Metering:

5. **POINTS OF DELIVERY**

- (a) **Description of Points of Delivery** [If there are no transfer points of delivery subparagraph (b) below, delete this heading and start (a) with the "Name of Point of Delivery"]

- (1) **[Insert the name of Point of Delivery]:**

Location:

Voltage:

Metering:

Metering Loss Adjustment: [Use only if adjustment applies] BPA will adjust for losses between the Transmission Customer's Point of Delivery and point of metering. Such adjustments shall be specified in written correspondence between BPA and the Transmission Customer.

Exceptions: [List any exceptions that apply]

- (b) **Point(s) of Delivery Served by Transfer.** [Include only if it applies] The Transmission Customer, its Agent, or its power supplier is responsible for arrangements required to transmit power over the facilities of the Intervening System described in this section to points of delivery contained herein. To the extent the Transmission Customer is reliant upon agreements between BPA and the Intervening System owner for such arrangements, or if BPA has otherwise arranged to provide financial assistance to the Transmission Customer to secure such transmission service to the points of delivery from the Intervening System owner, service to the Transfer Points of Delivery are subject to the PTP-96 rate schedule, or its successor.

Transmission Service under this Service Agreement shall encompass all Integrated Network Transmission System facilities, as defined by the Tariff, necessary to serve the Transmission Customer's Network Load.

For purposes of this section 6(b), the following definitions shall apply:

"Name of Transfer Point" means the point where BPA delivers power to the Intervening System.

"Point of Receipt from Intervening System" means the point where BPA or a third party receives power from the Intervening System prior to delivery of power to the Point of Delivery.

"Point of Delivery" means the point where the Transmission Customer takes delivery of power from either: (1) the FCRTS or (2) the Intervening System.

- (1) [Insert the **Name of Transfer Point**]: [List Point of Replacement here]

Location:

Voltage:

BPA's Point of Receipt from Intervening System: [Include only if applicable]

Transmission Customer Point of Delivery and Point of Metering: [List the locations where the Transmission Customer takes final delivery of power from the transferor. If the point of metering is different than the point of delivery, list point of metering under a separate heading]

Metering Loss Adjustment: [Use only if adjustment applies]

Exception:

6. **DESIGNATION OF PARTY SUBJECT TO RECIPROCAL SERVICE OBLIGATION**

[When applicable identify the name of the Transmission Customer and its affiliate]

7. **NAME(S) OF ANY INTERVENING SYSTEMS PROVIDING TRANSMISSION SERVICE** [Only include if using transfer, if yes, include name of transfer agent]

8. **SHORT-DISTANCE DISCOUNT (SDD)**
[0.6 + (0.4 x transmission distance/75)]

Points of Delivery	Circuit Miles from (Name POI)	Adjusted SDD POI Demand (kW) ^{1/}	Adjusted SDD POD Demand (kW) ^{1/}
Substation			
Substation			

^{1/} The SDD is not available for Transmission Demand to secondary points of interconnection or delivery. If a secondary Point of Interconnection or Point of Delivery is requested, including contiguous points of delivery, for any period of time during the month, the SDD shall not be applied for that month. If a set of contiguous points of delivery qualify for a SDD, the transmission distance used in the calculation of SDD shall be between the farthest Point of Delivery and the Point of Interconnection.

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Exhibit B
FACILITIES CHARGES

Facilities Charges are not required at this time for the service under this Service Agreement. [Delete if there are charges]

1. USE-OF-FACILITIES COSTS FOR WHICH THE TRANSMISSION CUSTOMER IS RESPONSIBLE

(a) Calculation of Charges Pursuant to the UFT-96 Rate Schedule

<u>Facility</u>	<u>Investment</u> <small>1/</small>	<u>I&A Annual Cost Ratio</u> <small>2/</small>	<u>I&A Annual Cost</u>	<u>O&M Annual Cost</u> <small>3/</small>	<u>Sum of Non- Coincidental Demands</u>	<u>\$/kW/yr</u>
Substation	\$	%	\$	\$		\$
Total UFT Charge =						\$0./kW/mo
kW to apply UFT charge to:						0 kW

(b) Changes in Costs and Demands. BPA may revise Exhibit B annually to reflect changes in: (1) the yearly noncoincidental demands on the facility under this Service Agreement and other agreements; (2) I&A annual cost ratios; (3) O&M annual costs; and (4) investments in facilities.

2. DIRECT ASSIGNMENT FACILITIES CHARGES

[List any facilities designated as Direct Assignment Facilities and the Rate]

3. FORMER UFT FACILITIES

[If the Transmission Customer changes their PSC or converts their FPT or IR contract to PTP, list former UFT facilities and state how costs are covered in this Service Agreement.]

1/ 199X computation.

2/ Based on ACR table dated _____

3/ Based on O&M table dated _____

Exhibit C
ANCILLARY SERVICES

1. ANCILLARY SERVICES PROVIDED

	<u>Provided By</u>	<u>Contract No.</u>
(a) Scheduling and Dispatch	BPA (TBL ^{1/})	
(b) Energy Imbalance	[provider]	
(c) Control Area Reserves for Resources	[provider]	
(d) Control Area Reserves for Interruptible Purchases	[provider]	
(e) Load Regulation	[provider]	
(f) Reactive Supply and Voltage Control	BPA (TBL)	
(g) Transmission Losses	[provider]	

[If the provider is BPA (PBL) add footnote to define: BPA's Power Business Line.]

Compensation for Transmission Losses associated with the delivery of power over the FCRTS under this Service Agreement shall be governed by the following provisions:

- (1) **Transmission Losses Associated with Federal Power**
Losses associated with Federal power purchased pursuant to BPA's PF-96, NR-96, and IP-96 Wholesale Power and Transmission Rate Schedules [and the Summer Seasonal Product under Contract No. 96MS-YYYYY or Contract No. DE-MS79-XXBPYYYYY], are provided by BPA and included in the rate for such power. No additional compensation is required.
- (2) **Transmission Losses Associated with Non-Federal Power and Other Classes of Federal Power**
The Transmission Customer shall compensate BPA for losses BPA incurs when providing Transmission Service over the FCRTS for non-Federal power and other classes of Federal power (unless otherwise specified in the Transmission Customer's contract for the purchase of such power), integrated at Points of Interconnection, except those amounts associated with purchases specified in 1(g)(1) above. The compensation shall be determined by multiplying the amount of power

^{1/} BPA's Transmission Business Line.

delivered under this Service Agreement by the applicable Loss Factor listed below in section 2; and

- (A) adding the resulting amount to the billing factor for the Transmission Customer's purchases of Federal power; or
 - (B) Transmission Customer purchasing the resulting amount from BPA pursuant to the APS-96 rate schedule (or its successor) for Transmission Losses. The options for purchasing losses (i.e. fixed price, NYMEX) shall be specified in the annual notification letter described in section 1(g)(4)(A) below; or
 - (C) Transmission Customer returning the resulting amount to BPA from a single Control Area 168 hours after the time of delivery of power for which loss compensation is required.
- (3) **Transmission Losses Associated with Delivery Facilities**
Transmission Losses associated with Delivery Facilities shall be determined annually, by Fiscal Year ^{2/} pursuant to the following procedure:
- (A) determining the ratio of power delivered over Delivery Facilities to the total power delivered to the Transmission Customer over the FCRTS; and
 - (B) multiplying the resulting ratio by the total amount of power delivered to the Transmission Customer less amounts described in 1(g)(1) above; and
 - (C) multiplying the result derived in step 1(g)(3)(B) by the Delivery Facility loss factor listed below in section 2; and
 - (D) Transmission Customer purchasing the resulting amount from BPA pursuant to the APS-96 rate schedule (or its successor) for Transmission Losses. The options for purchasing losses (i.e. fixed price, NYMEX) shall be specified in the annual notification letter described in section 1(g)(4)(A) below.
- (4) **Notification**
- (A) Each Fiscal Year except the Fiscal Year during which this Service Agreement is executed, BPA shall send a letter by August 1 requesting that the Transmission Customer choose one of the methods described in section 1(g)(2). The Transmission Customer shall indicate in the letter its choice

^{2/} Fiscal Year is defined as the twelve-month period from October 1 through September 30.

for compensating BPA for transmission losses during the following Fiscal Year, countersign the letter and return one copy to BPA by September 1 of the then current Fiscal Year. The countersigned letter shall serve as the Transmission Customer's confirmation and shall constitute a revision to section 1(g)(5) of Exhibit C.

- (B) If the Transmission Customer selects option 1(g)(2)(C) above, the Transmission Customer shall designate on the letter the single Control Area the Transmission Customer will use during the subsequent Fiscal Year.
- (C) In the event that, in any Fiscal Year, the Transmission Customer does not notify BPA by September 1 of the method it has chosen, the Transmission Customer's compensation method shall be the method used for the then current Fiscal Year.

(5) **Transmission Customer's Method of Compensation of Annual Transmission Losses during a Fiscal Year**

The Transmission Customer has elected to purchase Transmission Losses, pursuant to the APS-96 rate schedule, at a rate of _____ mills per kWh for the period 2400 hours _____, 1998, through 2400 hours September 30, 1999.

[or]

The Transmission Customer has elected to purchase Transmission Losses pursuant to the APS-96 rate schedule based on the NYMEX energy price for the period 2400 hours _____, 1998, through 2400 hours September 30, 1999.

[or]

The Transmission Customer has elected to return Transmission Losses for the period 2400 hours _____, 1998, through 2400 hours September 30, 1999. The Transmission Customer will return the losses from a single Control Area in the Pacific Northwest, as defined in the Pacific Northwest Electric Power Planning and Conservation Act. The name of that Control Area is [insert name of Control Area here].

Not applicable at this time because the Transmission Customer does not have any non-Federal power or other classes of Federal power in accordance with section 1(g)(2). [Use this language if the Transmission Customer does not have any non-Federal resources]

2. TRANSMISSION LOSS FACTORS

Network Loss Factor: 1.9 percent of kWh delivered

ET Loss Factor: 1.9 percent of kWh delivered

Delivery Facility Loss Factor: 0.6 percent of kWh delivered

IS Loss Factor: 3.0 percent of kWh delivered

BPA reserves the right, after consultation with the Transmission Customer, to review the loss methodology and to revise this Exhibit C as appropriate, but not more frequently than once in a 12-month period, to incorporate loss factors which represent then-current FCRTS operating conditions. BPA shall prepare a new Exhibit C incorporating any revision and the revised Exhibit shall become effective as of the date specified therein.

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ATTACHMENT B

Form of PTP Service Agreement Direct Service Industrial Customers

Service Agreement No. XXTX-XXXXX
Template Date 12/9/98

SERVICE AGREEMENT

for

POINT-TO-POINT TRANSMISSION

executed by the

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

acting by and through the

BONNEVILLE POWER ADMINISTRATION

and

DIRECT SERVICE INDUSTRIAL CUSTOMER

Index

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Exhibit A	(Statement of Specifications for Long-Term Firm Transmission Service)	
Exhibit B	(Facilities Charges)	
Exhibit C	(Ancillary Services)	
Exhibit D	(Stability Reserves)	

This TRANSMISSION SERVICE AGREEMENT is made and entered into this _____ day of _____, _____, by and between the Bonneville Power Administration (hereinafter referred to as "BPA") and [NAME OF CUSTOMER] (hereinafter referred to as "the Transmission Customer"). The Transmission Customer and BPA are sometimes referred to individually as "Party" and collectively as "Parties," as the context suggests below.

ARTICLE 1 SCOPE OF SERVICE AGREEMENT

1.1 TERMS AND CONTITIONS

The terms and conditions under which PTP Transmission Service is offered and accepted are pursuant to this Service Agreement and the Open Access Transmission Tariff (Tariff). The Tariff in effect at the time of execution of this Service Agreement is hereby incorporated by this reference. BPA may change the terms and conditions of the Tariff applicable to each such transaction upon, and only upon, a determination by the Commission that such change is just and reasonable and not unduly discriminatory or preferential; provided, however, that, unless the Commission or a court of competent jurisdiction issues an opinion or order holding that BPA's Direct Service Industrial (DSI) customers are not Eligible Customers under the Tariff or under any successor tariff, or that such DSI customers are not eligible to purchase transmission service under the PTP-96 rate schedule or any successor rate schedule, BPA shall not modify the definition of Eligible Customer under the Tariff to exclude the Transmission Customer as an Eligible Customer, or modify the PTP-96 rate schedule so that it is not available to the Transmission Customer, if such modification is to take effect during the term of this Service Agreement. [USE THE FOLLOWING SENTENCE ONLY IF THE TERM EXCEEDS 2001] BPA and the Transmission Customer agree that transmission service provided pursuant to this Service Agreement may be provided under a Commission-approved successor tariff after September 30, 2001, if BPA supersedes the Tariff.

1.2 STATEMENT OF SPECIFICATIONS FOR LONG-TERM FIRM TRANSMISSION SERVICE

The Statement of Service Specifications for Long-Term Firm PTP Transmission Service requested by the Transmission Customer for each individual transaction and accepted by BPA is hereby incorporated as Exhibit A and made applicable to that transaction.

1.3 FACILITIES CHARGES

All applicable charges pursuant to the Direct Assignment Facilities Provisions for existing facilities and facilities built as a result of this Service Agreement are hereby incorporated as Exhibit B.

1.4 ANCILLARY SERVICES

The Ancillary Services for PTP Transmission Service under this Service Agreement are hereby incorporated as Exhibit C.

1.5 STABILITY RESERVES

Provisions concerning Stability Reserves are hereby incorporated as Exhibit D. The Transmission Customer agrees to provide Stability Reserves for the term of this

Service Agreement, and for the term of any transmission service that BPA provides the Transmission Customer under any other agreement, if the Transmission Customer submitted the request for transmission service for such transaction or under such agreement prior to the date on which other end-use customers become eligible for the same or comparable BPA transmission service over BPA facilities without a requirement that they provide Stability Reserves. This obligation shall survive any termination of this Service Agreement.

1.6 TRANSMISSION SCHEDULING PROVISIONS

The Transmission Customer shall schedule transmission transactions in accordance with BPA's Transmission Scheduling Provisions and Procedures as posted on BPA's OASIS located at the following Internet URL address:

<http://www.nwoasis.org/OASIS/BPA>

1.7 RELATIONSHIP OF THE PARTIES

BPA agrees to provide and the Transmission Customer agrees to take and pay for PTP Transmission Service in accordance with the provisions of the Tariff and this Service Agreement. Upon determining that a request by the Transmission Customer for Firm PTP Transmission Service meets the requirements of this Service Agreement and the Tariff in effect and applicable to new service requests, BPA shall offer to incorporate the Statement of Specifications for the requested service into Exhibit A. The Transmission Customer's rights to service under the Tariff are limited to the amount of power it could have purchased from BPA under subsection 5(a) of its 1981 Power Sales Contract (hereinafter referred to as Contract Demand), plus the megawatts for transmission losses associated with such Contract Demand; provided, that for purposes of this Service Agreement, upon the Transmission Customer's request, and if transmission capacity is available, the Transmission Demand shall be increased to reflect the increase in Contract Demand to which the Transmission Customer would have been entitled under subsection 5(d), Technological Allowances, of the 1981 Power Sales Contract if the Transmission Customer's Power Sales Contract (and all other DSI power sales contracts) were in effect as of the date of the Transmission Customer's request; provided further, that for purposes of this Service Agreement, the Transmission Customer's Contract Demand shall not be reduced by any termination under section 2 of the 1981 Power Sales Contract. The transmission service made available to the Transmission Customer under this Agreement shall be used for delivery of power and energy to the Transmission Customer's production facilities for consumption; provided that the Transmission Customer may assign unused transmission capacity rights to other Eligible Customers. The assignee of such rights shall not be obligated by such assignment to provide Stability Reserves to BPA unless the assignee is a DSI Customer of BPA, or unless the assignee uses such rights to deliver power to a DSI customer of BPA, in which case the Transmission Customer shall include in the instrument of assignment a provision requiring the assignee to provide Stability Reserves to BPA up to the amount of the capacity rights assigned. The Transmission Customer may accept an assignment of a PTP agreement and/or transmission capacity from any other Eligible Customer, provided that if the Transmission Customer uses such assigned agreement and/or capacity to transmit non-Federal power, Exhibit D shall apply to such transmission, and provided further

that the sum of the Transmission Customer's Transmission Demand under this Service Agreement, the Transmission Demand under all Service Agreements of which it has accepted assignment, and the transmission capacity of which it has accepted assignment shall not exceed Contract Demand plus the megawatts for transmission losses associated with such Contract Demand.

- 1.8 The Transmission Customer may request service under this Agreement in excess of the limitation in Article 1.7. Requests for service in excess of such limitation shall be subject to BPA's precedent and policy of providing transmission capacity to its DSI customers in excess of their Contract Demand.

ARTICLE 2 DEFINITIONS

Unless otherwise defined herein, all capitalized terms shall have the meaning set forth in the Tariff.

ARTICLE 3 TERM OF THE SERVICE AGREEMENT

3.1 EFFECTIVE DATE

This Service Agreement shall commence at 2400 hours on _____ and, [except as provided in Article 4.3,] service under this Service Agreement shall terminate at 2400 hours on _____.

3.2 ADDITIONAL SERVICE AGREEMENT

Upon termination or expiration of this Service Agreement, and subject to the outcome of National Environmental Policy Act review, BPA shall offer to extend transmission services provided hereunder, of the same quality as, and at terms and conditions consistent with, those offered to entities with the right to request transmission service under Section 211 of the Federal Power Act (FPA), provided that, unless the Transmission Customer's obligation to provide stability reserves has expired pursuant to Article 1.5, the Transmission Customer shall continue to provide Stability Reserves pursuant to the terms of Exhibit D or such other terms as the Parties shall agree upon.

ARTICLE 4 CHARGES AND PAYMENTS

4.1 CHARGES FOR TRANSMISSION SERVICE

The Transmission Customer shall pay BPA the applicable charges for Transmission Services provided hereunder pursuant to the BPA Wholesale Power and Transmission Rates Schedules.

4.2 BILLING AND PAYMENT

Bills for all services provided under this Service Agreement shall be rendered monthly by BPA and shall be payable in accordance with the Tariff.

Customer Option 4.3

4.3 COMMITMENT TO FIVE YEAR RATE

The Transmission Customer agrees that, until October 1, 2001, it hereby waives its right to: (a) decrease the amount (in megawatts (MW)) of Long-Term Firm Transmission Demand set forth in Exhibit A, and (b) terminate service pursuant to the Tariff. BPA agrees that such amount constitutes a firm commitment of Transmission Demand through September 30, 2001. Through September 30, 2001, BPA shall charge the Transmission Customer for such amount of Long-Term Firm Transmission Demand at the rates currently established for such service pursuant to the PTP-96, IS-96, or IM-96 rate schedules, and the Transmission Customer agrees to pay such rates pursuant to and consistent with the Transmission Settlement Agreement dated April 4, 1996, as adopted in the Administrator's Record of Decision adopting the 1996 Final Rate Proposal (Document No. WP-96-A-02, part 2 of 2, Attachment I). The Transmission Customer's right to dispute any rate increase proposed by BPA to take effect prior to October 1, 2001, shall be pursuant to the Transmission Settlement Agreement.

Customer Option 4.4

4.4 BPA APPROPRIATIONS REFINANCING ACT, PUBLIC LAW 104-134

The Transmission Customer and BPA agree that provisions of Section 3201(i) of Public Law 104-134 (BPA Refinancing Act) are incorporated in their entirety and hereby made a part of this Service Agreement.

ARTICLE 5 NOTICES

5.1 NOTICES RELATING TO PROVISIONS OF THE SERVICE AGREEMENT

Any notice, request, demand or statement which is given to or made upon either Party by the other Party under any of the provisions of this Service Agreement, except those specified in Article 5.2 below, shall be in writing and shall be considered delivered when either personally delivered to the following or deposited in the mail postage prepaid and properly addressed to the following:

If to (Customer Name)

Customer Name
Title
Address
City, State

Attention: (Name of Customer Contact)
Title:
Phone
Fax:

If to BPA

Bonneville Power Administration
P. O. Box 491
Vancouver, WA 98666-0491
Attention: Transmission Account
Executive for: (Customer Name)
Phone: (360) 418-
Fax: (360) 418-

5.2 NOTICES OF AN OPERATING NATURE

Any notice, request or demand pertaining to matters of an operating nature, exclusive of requests for additional or modified transmission service under the Tariff, shall be sufficient if given in writing, by telephone, by facsimile, or orally in person to the person designated in writing by the Party as its representative for such purposes, provided that should such notice, request, or demand not be in writing, confirmation thereof shall be made in writing as soon as reasonably practicable thereafter, upon request of the Party being served. The representative for receiving notices pursuant to this Article and such representative's address shall be communicated by the Parties under separate letter within 45 days from the date of execution of this Service Agreement.

ARTICLE 6 DISPUTE RESOLUTION

6.1 GOOD FAITH EFFORT

The Parties shall make a good faith effort to resolve any dispute over the rights, obligations, or duties of the Parties arising under this Service Agreement without resort to this Article 6. Any such dispute that cannot be so settled shall be subject to arbitration consistent with the terms of this section. Disputes concerning either the level of a BPA rate or which rate or rate schedule applies to any transmission services offered under this Service Agreement shall not be subject to dispute resolution.

6.2 NOTICE OF ARBITRATION

If the Parties are unable to resolve their dispute, then either Party may begin the arbitration process by sending written notice to the other Party that it requests arbitration. The notice shall state the rights, obligations, or duties in dispute and the remedy sought in the arbitration. Within 30 days of receipt of such notice, the Party receiving such notice shall provide the other Party a reply that sets forth its position regarding the issues in dispute.

6.3 SELECTION OF ARBITRATOR

Within 15 days following the submission of the reply, the Parties shall agree upon an arbitrator, who shall be familiar with the policies governing the Northwest Interconnected Area transmission systems. If the Parties cannot agree on an Arbitrator, they shall take turns striking names from a list of ten qualified individuals supplied by the Northwest Regional Transmission Association (NRTA) from the list maintained by the NRTA Board, with a Party chosen by lot first striking a name. The last-remaining individual whose name is not struck shall be designated the Arbitrator.

6.4 SCHEDULE AND PROCEDURES

The Arbitrator shall establish a schedule and procedures for the arbitration. The Arbitrator may conduct the arbitration based solely on written submittals. The Arbitrator shall apply Federal law to resolve the dispute.

6.5 WRITTEN OPINION

The Arbitrator shall issue a written opinion deciding all issues necessary to resolve the dispute and explaining the basis of the decision and award. The Arbitrator shall issue such opinion no later than 115 days after his appointment as Arbitrator.

6.6 ARBITRATOR'S AWARD

The Arbitrator's award shall be final and binding on the Parties, provided that either Party may seek judicial review of the Arbitrator's award for fraud, misconduct, misrepresentation, or manifest error, and provided further that with respect to issues arising under the Constitution of the United States, BPA preserves its right to seek judicial resolution of the dispute notwithstanding any decision or award by the Arbitrator.

6.7 COSTS

Each Party shall pay all costs it incurs during the arbitration, including but not limited to attorney's fees and costs of expert witnesses. The costs of the Arbitrator shall be borne by the Party against whom the Arbitrator's decision was rendered.

**ARTICLE 7
SYSTEM OPERATIONS**

7.1 CONTROL AREA DESIGNATION

The Transmission Customer's designation of BPA as its Control Area under this Service Agreement shall not limit the Transmission Customer's right under section 19 of its Block Sales Agreement to change to another Control Area.

7.2 STABILITY RESERVES

The Transmission Customer shall provide BPA with Stability Reserves pursuant to Exhibit D. BPA shall compensate the Transmission Customer for providing such Stability Reserves according to the provisions of Exhibit D.

**ARTICLE 8
CONVERSION OF 1996 BLOCK SALE CONTRACT TO PTP TRANSMISSION
SERVICE**

[To be included if the customer has a 1996 Block Sale Contract and does not choose Article 4.3]

8.1 This Article shall apply through September 30, 2001.

8.2 ANNUAL PEAK DEMAND

The Transmission Customer's annual peak demand is established at XXX megawatts (MW). Such annual peak demand does not include generation transmitted over non-FCRTS transmission facilities.

8.3 REDUCTIONS IN ANNUAL DEMAND

The Transmission Customer agrees that for each year of this Service Agreement, the sum of the annual Transmission Demands at points of delivery listed in Exhibit A of

this Service Agreement shall be equal to or greater than the annual peak demand specified in Article 8.2, less the following amounts:

- 8.3.1 The total annual demands that another entity or entities have in PTP Service Agreements for Long-Term Firm Transmission Service at the points of delivery listed in Exhibit A. If the demand in any such entity's PTP Service Agreement varies by month, the annual demand shall be the minimum monthly demand.
- 8.3.2 The annual demand in other BPA transmission agreements with the Transmission Customer to the extent that such demand is used to serve the Transmission Customer's load at the points of delivery listed in Exhibit A. If the demand in any such agreement varies by month, the annual demand shall be the minimum monthly demand.

8.4 DOCUMENTATION

Upon the written request of BPA which is received by the Transmission Customer on or before August 31 of any year, the Transmission Customer shall submit to BPA on or before October 1 of such year, documentation which demonstrates compliance with Articles 8.2 and 8.3. Such documentation shall include the following:

- 8.4.1 any evidence that the Transmission Customer's annual peak demand in Article 8.2 should be reduced;
- 8.4.2 a listing of all transmission contracts, including identifying contract numbers, contract demands, and transmission providers, which are used to deliver to each Point of Delivery listed in Exhibit A;
- 8.4.3 a listing of all of the Transmission Customer's generation located in BPA's Control Area; and
- 8.4.4 a listing of any other generation or power purchases the Transmission Customer is using to provide firm power service to its facilities.

8.5 REVIEW OF DOCUMENTATION

BPA shall review the Transmission Customer's annual submittal of such documentation and notify the Transmission Customer by November 1 whether the Transmission Customer's documentation is acceptable. The Transmission Customer shall cure any deficiencies by November 15.

ARTICLE 9 MISCELLANEOUS

9.1 INTERCONNECTION WITH OTHER SYSTEMS

Nothing contained in this Service Agreement shall restrict or limit either Party from establishing, altering, or terminating interconnection points with any entity not a party to this Service Agreement, or from amending or entering into such agreements.

9.2 GOVERNING LAW

This Service Agreement shall be interpreted, construed, and enforced in accordance with Federal law.

Customer Option 1

9.3 AMENDMENTS

Except as provided in Article 1.1 and Article 9.5, and unless otherwise agreed in writing by the Parties, BPA may change this Service Agreement upon, and only upon, a determination by the Commission that such change is just, reasonable, and not unduly discriminatory or preferential. Otherwise, this Service Agreement may be amended only upon mutual agreement of the Parties, which amendment shall be reduced to writing and executed by both Parties.

Customer Option 2 - replaces 9.3 above and adds a new 9.4, Tariff Revisions. Change section numbering for remainder of Article 9.

9.3 AMENDMENTS

Except as provided in Articles 1.1, 9.4, and 9.5, this Service Agreement may be amended only upon the mutual agreement of the Parties, which amendment shall be reduced to writing and executed by both Parties.

9.4 TARIFF REVISIONS

In the event that BPA proposes to revise the Tariff, either on its own initiative or in response to a directive or order of the Commission, BPA may revise this Service Agreement (except for Exhibit D) to remove any irreconcilable differences between this Service Agreement and the proposed revised Tariff, provided that BPA has given the Transmission Customer a copy of the proposed revised Tariff and proposed revised Service Agreement not less than 60 days prior to the date BPA submits such proposed revised Tariff and such revised Service Agreement to the Commission for approval, and provided the Commission approves the proposed revised Tariff and revised Service Agreement. Within 30 days of receiving the proposed revised Tariff and revised Service Agreement, the Transmission Customer may provide BPA notice of its intent to terminate this Service Agreement in the event that the Commission approves the revised Service Agreement. If the Transmission Customer provides BPA such notice, and the Commission then approves the revised Service Agreement, the Transmission Customer may terminate this Service Agreement by providing BPA an additional notice of its intent to do so, so long as the Transmission Customer provides such additional notice within 30 days after the effective date of Commission approval of the revised Service Agreement. If the Transmission Customer terminates the Service Agreement pursuant to this Article 9.4, the Transmission Customer shall replace the transmission service provided under this Service Agreement by commencing other transmission service under the Tariff.

9.5 REVISION OF EXHIBITS

If any changes to Exhibits A, B, C, or D are necessary to reflect changes specified below, new exhibits shall be substituted for the exhibits then in effect, and shall become effective as of the date specified therein. The Transmission Customer may use the dispute resolution procedures of Article 6 to challenge such changes.

- 9.5.1 Subject to the rights and obligations of the Parties as set forth in the Tariff, if the Parties agree to change Exhibit A pursuant to this Service Agreement, BPA shall prepare a revised Exhibit A.
- 9.5.2 BPA reserves the right to revise Exhibit B annually to reflect changes consistent with the provisions of Exhibit B, section 1. BPA shall prepare a new Exhibit B.
- 9.5.3 If the Parties agree to change Exhibit C, BPA shall prepare a new Exhibit C. BPA reserves the right to update the loss factors identified in Exhibit C, section 2, Transmission Loss Factors.
- 9.5.4 If the Parties agree to change Exhibit D pursuant to this Service Agreement, BPA shall prepare a new Exhibit D.

9.6 SEVERABILITY

In the event any term, covenant, or condition of this Service Agreement, or any amendment hereto, or the application of such term, covenant, or condition shall be held invalid as to any Party or circumstance by the Commission or by any court having jurisdiction, all other terms, covenants, and conditions of this Service Agreement, or any amendment hereto, and their application shall remain in full force and effect.

9.7 COMPUTATION OF TIME

To compute any period of time prescribed or allowed by this Service Agreement, the day of the act, event, or default from which the designated period of time begins to run shall not be included. The last day of the period so computed shall be included unless it is a Saturday, Sunday, or legal holiday, in which event the period shall run until the end of the next day which is not a Saturday, Sunday, or legal holiday. For purposes of the administration of this Service Agreement, Pacific Time shall be used.

9.8 NO THIRD PARTY BENEFICIARIES

This Service Agreement creates rights and obligations only between the Parties hereto. The Parties hereto do not intend to create any obligation or promise of performance to any third person or entity, nor have the Parties conferred any right to enforce this Service Agreement or any remedy upon any person or entity other than the Parties hereto, their respective successors and assigns.

9.9 WAIVERS

Any waiver at any time by either Party of its rights with respect to a default under this Service Agreement, or with respect to any other matter arising in connection with this Service Agreement, shall not be deemed a waiver with respect to any other or subsequent default or matter.

9.10 SUCCESSORS AND ASSIGNS

This Service Agreement shall inure to the benefit of and be binding upon the Parties and their respective successors and assigns.

9.11 TRANSMISSION ON NON-FEDERAL SYSTEMS

BPA shall make best efforts to request and purchase, on the Transmission Customer's behalf, transmission services identified by the Transmission Customer from Northwest RTG members or Westside RTG members, or from any transmitting utility pursuant to sections 211 and 212 of the Federal Power Act. The amount so purchased (not including transmission purchased to deliver power from another transmission system to BPA's system) together with the Transmission Customer's Transmission Demand under this Service Agreement and the Transmission Demand and capacity of which the Transmission Customer has accepted assignment pursuant to Article 1.8, shall not exceed Contract Demand plus the megawatts for transmission losses associated with such Contract Demand. The Transmission Customer shall reimburse BPA for all of the costs incurred in complying with this provision.

9.12 SERVICE AGREEMENT GOVERNS

In the event of any irreconcilable difference between the Tariff and this Service Agreement, the language of this Service Agreement shall govern.

9.13 RELATED AGREEMENTS

[Use this article only if Transmission Customer has a related System Impact Study and/or a Facilities Study agreement.] Reference System Impact Study Contract No. XXXXX and/or Facilities Study Contract No. XXXXX.

9.14 ENTIRE AGREEMENT

This Service Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof, and there are no other understandings or agreements between the Parties with respect hereto.

**ARTICLE 10
SIGNATURES**

The signatories represent that they are authorized to enter into this Service Agreement on behalf of the Party for whom they sign.

**DIRECT SERVICE INDUSTRIAL
CUSTOMER**

UNITED STATES OF AMERICA
Department of Energy
Bonneville Power Administration

By: _____

By: _____

Name: _____
(Print/Type)

Name: _____
Print/Type

Title: _____

Title: Transmission Account Executive

Date: _____

Date: _____

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EXHIBIT A
STATEMENT OF SPECIFICATIONS FOR
LONG-TERM FIRM TRANSMISSION SERVICE

1. TERM OF TRANSACTION

Start Date: at 2400 hours on [Insert Date, ex. September 30, 1998]

Termination Date: at 2400 hours on [Insert Date, ex. September 30, 2001]

2. MAXIMUM AMOUNT OF CAPACITY AND/OR ENERGY TO BE TRANSMITTED AT EACH POINT OF INTERCONNECTION (POI) AND POINT OF DELIVERY (POD) (Total of which is not to exceed the Total Transmission Demand as described in section 4 of the Transmission Customer's IR contract): See section 3 below.

3. SUMMARY OF POINTS OF INTERCONNECTION AND POINTS OF DELIVERY/DELIVERING PARTY/CONTROL AREA/RECEIVING PARTY/SCHEDULING AGENT

Delivering Party ^{1/}	POI (Voltage)	POI Control Area	Maximum POI Demand (kW)	POD (Voltage)	POD Control Area	Maximum POD Demand (kW)	Receiving Party	Scheduling Agent ^{2/} (Phone Number)
			See Sect. 4Below [use this comment if demands change during the contract term]			See Sect. Below [use this comment if demands change during the contract term]		
Total Transmission Demand			^{3/}			^{3/}		

^{1/} If the Delivering Party or Resource is not known at the time of Application, the Transmission Customer or its Scheduling Agent shall identify the Delivering Party and Resource at the time of preschedule.

^{2/} A single designated Scheduling Agent will act in all capacities for the Transmission Customer pursuant to BPA's Transmission Scheduling Provisions.

^{3/} Short Distance Discount (SDD) is applied to the Transmission Customer's monthly Transmission Demand for the purpose of computing the monthly bill. Referenced Exhibit A, section 10, for the SDD Transmission Demand.

4. **SUMMARY OF POINTS OF INTERCONNECTION AND POINTS OF DELIVERY** [Use this section 4 only if the POI or POD demands change during the contract term, otherwise this information is stated in section 3 above]

(a) [Start Date - End Date:]

Point of Interconnection (Voltage)	Maximum Transmission Demand (kW)	Point of Delivery (Voltage)	Maximum Transmission Demand (kW)
Substation kV		Substation kV	
Total Transmission Demand			

[If Transmission Customer is deferring the commencement of service, make a note to Finance and Billing, at the end of the Summary of Points, stating the amount in kW and the reservation period.]

5. **DESCRIPTION OF POINTS OF INTERCONNECTION**

(a) [Insert Name] Substation

Location:

Voltage:

Metering:

(b) [Insert Name] Substation

Location:

Voltage:

Metering:

6. **POINTS OF DELIVERY**

(a) [Insert Name of the Point of Delivery] Substation

Location:

Voltage:

Metering:

Metering Loss Adjustment:

Exceptions:

(b) **[Insert Name of Point of Delivery] Substation**

Location:

Voltage:

Metering:

Metering Loss Adjustment:

Exceptions:

8. **DESIGNATION OF PARTY SUBJECT TO RECIPROCAL SERVICE OBLIGATION**
9. **NAME(S) OF ANY INTERVENING SYSTEMS PROVIDING TRANSMISSION SERVICE**
10. **SHORT DISTANCE DISCOUNT**
[0.6 + (0.4 x transmission distance/75)]

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**EXHIBIT B
FACILITIES CHARGES**

1. CHARGES ASSOCIATED WITH SERVICE OVER DSI DELIVERY FACILITIES

- (a) **(The DSI Delivery Charge uses Use-of-Facilities Charge Methodology)**

Facility	Investment	I&A Annual Cost Ratio	I&A Annual Cost	O&M Annual Cost	Demand (kW)	\$/kW/yr
----------	------------	-----------------------------	-----------------------	-----------------------	----------------	----------

Total Use-of-Facilities Charge = XXXXX \$/kW/mo

- (b) **Changes in Costs and Demands**

This Exhibit B may be revised annually to reflect changes in: (1) the yearly noncoincidental demands on the facility under this Service Agreement and other agreements; (2) I&A annual cost ratios; (3) O&M annual costs; and (4) investments in facilities. Any changes in the costs or demands used in calculating the Delivery Charge in this Exhibit B are subject to the dispute resolution provisions of Article 6.

2. DIRECT ASSIGNMENT FACILITIES CHARGES

[Insert Information]

3. FORMER UFT FACILITIES

[Insert Information]

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**EXHIBIT C
ANCILLARY SERVICES**

1. ANCILLARY SERVICES PROVIDED

	<u>Provided By</u>	<u>Contract No.</u>
(a) Scheduling and Dispatch	BPA TBL ^{1'}	
(b) Energy Imbalance	[provider]	
(c) Control Area Reserves for Resources	[provider]	
(d) Control Area Reserves for Interruptible Purchases	[provider]	
(e) Load Regulation	[provider]	
(f) Reactive Supply and Voltage Control	BPA TBL	
(g) Transmission Losses	[provider]	

[If the provider is BPA (PBL) add footnote to define]

Compensation for Transmission Losses associated with the delivery of power over the FCRTS under this Service Agreement shall be governed by the following provisions:

(1) Transmission Losses Associated with Federal Power

Losses associated with Federal power purchased pursuant to BPA's PF-96, NR-96, and IP-96 Wholesale Power and Transmission Rate Schedules [and the Summer Seasonal Product under Contract No. 96MS-YYYYY or Contract No. DE-MS79-XXBPYYYYY] are provided by BPA and included in the rate for such power. No additional compensation is required.

(2) Transmission Losses Associated with Non-Federal Power and Other Classes of Federal Power

The Transmission Customer shall compensate BPA for losses BPA incurs when providing transmission service over the FCRTS for non-Federal power and other classes of Federal power (unless otherwise specified in the Transmission Customer's contract for the purchase of such power) integrated at Points of Interconnection, except those amounts associated with purchases specified in 1(g)(1) above. The compensation shall be determined by multiplying the amount of power delivered under this Service Agreement by the applicable Loss Factor listed below in section 2; and

^{1'} BPA's Transmission Business Line

- (A) adding the resulting amount to the billing factor for the Transmission Customer's purchases of Federal power; or
 - (B) Transmission Customer purchasing the resulting amount from BPA pursuant to the APS-96 rate schedule (or its successor) for Transmission Losses. The options for purchasing losses (i.e. fixed price, NYMEX) shall be specified in the annual notification letter described in subsection 1(g)(4)(A) below; or
 - (C) Transmission Customer returning the resulting amount to BPA from a single control area 168 hours after the time of delivery of power for which loss compensation is required.
- (3) **Transmission Losses Associated with Delivery Facilities**
Transmission Losses associated with Delivery Facilities shall be determined annually, by Fiscal Year ^{2/} pursuant to the following procedure:
- (A) determining the ratio of power delivered over Delivery Facilities to the total power delivered to the Transmission Customer over the FCRTS; and
 - (B) multiplying the resulting ratio by the total amount delivered to the Transmission Customer less amounts described in 1(g)(1) above; and
 - (C) multiplying the result derived in step 1(g)(3)(B) by the Delivery Facility loss factor listed below in section 2; and
 - (D) Transmission Customer purchasing the resulting amount from BPA pursuant to the APS-96 rate schedule (or its successor) for Transmission Losses. The options for purchasing losses (i.e. fixed price, NYMEX) shall be specified in the annual notification letter described in subsection 1(g)(4)(A) below.
- (4) **Notification**
- (A) Each Fiscal Year except the Fiscal Year this Service Agreement is executed, BPA shall send a letter by August 1 requesting that the Transmission Customer choose one of the methods described in section 1(g)(2). The Transmission Customer shall indicate in the letter its choice for compensating BPA for transmission losses during the following

^{2/} Fiscal Year is defined as the twelve month period from October 1 through September 30.

Fiscal Year, countersign the letter and return one copy to BPA by September 1 of the then current Fiscal Year. The countersigned letter shall serve as the Transmission Customer's confirmation and shall constitute a revision to section 1(g)(5) of Exhibit C.

- (B) If the Transmission Customer selects option 1(g)(2)(C) above, the Transmission Customer shall inform BPA of the single control area the Transmission Customer will use during the subsequent Fiscal Year.
- (C) In the event that, in any Fiscal Year, the Transmission Customer does not notify BPA by September 1 of the method it has chosen, the Transmission Customer's compensation method shall be the method used for the then current Fiscal Year.

(5) Transmission Customer's Method of Compensation of Annual Transmission Losses during a Fiscal Year

The Transmission Customer has elected to purchase Transmission Losses, pursuant to the APS-96 rate schedule, at a rate of _____ mills per kWh for the period 2400 hours _____, 1998, through 2400 hours September 30, 1999.

[or]

The Transmission Customer has elected to purchase Transmission Losses pursuant to the APS-96 rate schedule based on the NYMEX energy price for the period 2400 hours _____, 1998, through 2400 hours September 30, 1999.

[or]

The Transmission Customer has elected to return Transmission Losses for the period 2400 hours _____, 1999, through 2400 hours September 30, 1999. The Transmission Customer will return the losses from a single Control Area in the Pacific Northwest, as defined in the Pacific Northwest Electric Power Planning and Conservation Act. The name of that Control Area is: [insert name of Control Area here]

[or]

Not applicable at this time because the Transmission Customer does not have any non-Federal power or other classes of Federal Power in accordance with section 1(g)(2). [Use this language if the

Transmission Customer does not have any non-Federal Resources.]

2. TRANSMISSION LOSS FACTORS

Network Loss Factor: 1.9 percent of kWh delivered

ET Loss Factor: 1.9 percent of kWh delivered

Delivery Facility Loss Factor: 0.6 percent of kWh delivered

IS Loss Factor: 3.0 percent of kWh delivered

BPA reserves the right, after consultation with the Transmission Customer, to review the loss methodology and revise this Exhibit C as appropriate, but not more frequently than once in a 12-month period, to incorporate loss factors which represent then-current FCRTS operating conditions. BPA shall prepare a new Exhibit C incorporating any revision and the revised exhibit shall become effective as of the date specified therein.

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EXHIBIT D STABILITY RESERVES

The Transmission Customer shall provide Stability Reserves up to the Transmission Demand, exclusive of Transmission Demand used for deliveries of firm power purchased under the Block Sale, for Transmission Services provided pursuant to this Service Agreement.

1. DEFINITIONS

- (a) "Event" is a system condition that results in the need for Stability Reserves. The beginning of an event shall be identified by a transfer trip or other signal from BPA to the Transmission Customer restricting delivery of energy under this Service Agreement. The end of the Event shall be identified by the BPA dispatcher's notification to the Transmission Customer that transmission of all energy to which the Transmission Customer is entitled under this Service Agreement has been restored, or notice to the Transmission Customer that service to the Transmission Customer's load will continue to be fully or partially restricted for reasons other than BPA Stability Reserves rights under this Service Agreement. Notwithstanding the foregoing, the Event will end (subject to reinstatement as provided herein) when an undervoltage or underfrequency load shedding signal is received by the Transmission Customer and, if such undervoltage or underfrequency load shedding signal is received by the Transmission Customer prior to Event Minute 3, then the entire Event shall be deemed an event of force majeure.

The Event shall be reinstated and continue as follows:

- (1) If the Event Duration was 5 Event Minutes or less, then the Event shall be reinstated if BPA restricts deliveries to the Transmission Customer pursuant to its Stability Reserve rights within 2 hours or less of the last Event Minute;
- (2) If the Event Duration was more than 5 Event Minutes but not more than 15 Event Minutes, then the Event shall be reinstated if BPA restricts deliveries to the Transmission Customer pursuant to its Stability Reserve rights within 4 hours or less of the last Event Minute;
- (3) If the Event Duration was more than 15 Event Minutes but not more than 22 Event Minutes, then the Event shall be reinstated if BPA restricts deliveries to the Transmission Customer pursuant to its Stability Reserve rights within 6 hours or less of the last Event Minute;
- (4) If the Event Duration was more than 22 Event Minutes, then the Event shall be reinstated if BPA restricts deliveries to the

Transmission Customer pursuant to its Stability Reserve rights within 8 hours or less of the last Event Minute.

- (b) "Event Duration" shall be the total cumulative Event Minutes of the Event.
- (c) "Event Minute" shall be the minutes of restriction (or any portion thereof) during an Event. If BPA restricts less than its full entitlement in any Event Minute, then for purposes of defining the Event, the Event Minutes and Event Duration, BPA shall be deemed to have restricted the entire amount of energy wheeled under this Service Agreement.
- (d) "Material Plant Damage" means the inability of the Transmission Customer to resume industrial production at all or any portion of its plant because of damage to plant production facilities resulting from a restriction; for example, the inability to resume electrolysis in one or more pots without rebuilding or substantially repairing such pot(s).
- (e) "Restricted Energy" means energy not made available to the Transmission Customer hereunder because of an Event, provided, however, that for purposes of this agreement, Restricted Energy shall not include energy scheduled under the Block Sale.
- (f) "Stability Reserves" are those reserves, provided by the Transmission Customer under this Service Agreement, that are necessary to ensure the stability of the Federal Columbia River Transmission System against losses of transmission facilities pursuant to the schemes in section 10 or any additional scheme(s) adopted pursuant to section 7 of this exhibit. Stability Reserves provided under this Service Agreement shall not include, without limitation: (1) stability reserves provided by the Transmission Customer in the Block Sale; or (2) operating reserves or forced outage reserves that BPA has acquired under the Block Sale or under other agreements.

2. AMOUNT OF STABILITY RESERVES

When necessary to provide Stability Reserves, BPA may restrict deliveries of energy wheeled under this Service Agreement to the Transmission Customer's aluminum smelter load (which shall not include wheel turning loads) pursuant to the schemes listed in Exhibit F and to the Transmission Customer's other loads under any additional or extended scheme(s) adopted pursuant to section 7 of this exhibit, for Stability Reserves in the following manner:

- (a) up to 100 percent of the Transmission Customer's energy subject to restriction under this Service Agreement for a period of up to 30 Event Minutes per Event;
- (b) provided, that BPA shall have the sole right to determine whether to restrict all or part of the Transmission Customer's energy subject to restriction hereunder, when an Event occurs.

For accounting purposes, the Transmission Customer's wheel turning load shall be deemed to be served by all of the Transmission Customer's energy suppliers (whether the sale is made directly to the Transmission Customer at its production facility or whether the sale is made at a remote point and the energy is wheeled to the Transmission Customer's production facility), in proportion to the total annual amounts of energy purchased from each such supplier, exclusive of energy purchased under the Block Sale; provided, that if the wheel turning load is served exclusively by a supplier other than BPA who contracted specifically to provide such wheel turning service, such wheel turning load shall be excluded from the allocation.

Notwithstanding any other provision of this Service Agreement, BPA shall use its best efforts to end an Event as soon as possible, and the Transmission Customer agrees to cooperate in development of mechanisms that will enhance BPA's ability to notify the Transmission Customer of the end of an Event.

Notwithstanding any other provision of this Service Agreement, including the breach and damages provisions, BPA shall have no contractual right under this Service Agreement which would cause the Transmission Customer to incur Material Plant Damages; provided, BPA shall not be liable for equitable relief or damages for such Material Plant Damage occurring within 45 Event Minutes or less of an Event pursuant to a Stability Reserve scheme listed in section 10 [*Stability Reserve Schemes*] of this exhibit or adopted pursuant to section 7 of this exhibit.

3. COMPENSATION FOR STABILITY RESERVES

- (a) For the right to restrict and for any restrictions provided pursuant to subsection (b) for the schemes listed in Exhibit F, BPA shall pay the Transmission Customer a "Reservation Fee" and a "Use Fee".

The Reservation Fee shall be \$0.20 per kilowatt-year for an amount equal to the Transmission Customer's Transmission Demand less the sum of the monthly demands under the Block Sale.

The Use Fee shall be 50 mills/kWh of Restricted Energy during Event Minutes 1 through 15 (or any portion thereof) of an Event; and 100 mills/kWh of Restricted Energy during the Event Minutes 16 through 30 (or any portion thereof) of an Event.

- (b) If the Transmission Customer's load is not connected to a scheme specified in section 10 of this exhibit, or additional or extended scheme adopted pursuant to section 7 of this exhibit, BPA shall have no obligation to pay for Stability Reserves.
- (c) The charges specified in this subsection shall not have any precedential effect for the purpose of determining reasonable Stability Reserve compensation under other agreements, or for determining reasonable Stability Reserve compensation for additional or extended scheme(s) adopted pursuant to section 7 of this exhibit. Neither Party shall introduce as evidence of

reasonable compensation this Service Agreement or anything herein related to the compensation for Stability Reserves in BPA's rate cases or similar forums or in a proceeding under section 7.

- (d) BPA's payment obligation hereunder shall not include payment for restrictions under events of force majeure or under rights provided by other agreements. Such restrictions include those restrictions associated with force majeure which cause undervoltage and underfrequency load shedding, future similar schemes of last resort, and outages of transmission facilities required for service hereunder.

4. LIQUIDATED DAMAGES

The Parties acknowledge that restrictions beyond those allowed by this Service Agreement may result in damage to and lost production by the Transmission Customer's aluminum reduction facilities prior to Material Plant Damage, which is difficult to quantify. If the Event Duration exceeds 30 Event Minutes, then BPA shall be liable to the Transmission Customer as follows:

- (a) 200 mills/kWh of Restricted Energy during Event Minutes 31 through 45 (or portion thereof) of an Event;
- (b) 400 mills/kWh of Restricted Energy during Event Minutes (or portion thereof), after Event Minute 45 of an Event;
- (c) provided, that in lieu of (b) above and at the Transmission Customer's option, if the Event Duration exceeds 45 Event Minutes, and the Transmission Customer incurs, in its determination, Material Plant Damage as a direct result of the restriction, then as to the portion of its production facilities that suffers Material Plant Damage, BPA and the Transmission Customer agree that these damages can be reasonably quantified and, therefore, for that portion of its production facilities, the Transmission Customer may recover actual damages (excluding only lost production and lost profits) pursuant to section 4 of this exhibit; but such actual damages shall not exceed \$30 per kW of plant production facilities suffering Material Plant Damage. The liquidated damages charges in (a) and (b), above, shall continue to apply to that portion of the Transmission Customer's load which does not suffer Material Plant Damage. For purposes of this calculation, the Material Plant Damage shall be deemed to occur at the beginning of Event Minute 46.

5. STORAGE

During a period of restriction under section 2 of this exhibit, during any further restriction of deliveries in breach of this Service Agreement, and during the period of the Transmission Customer's inability to take delivery due to such breach, all of the Transmission Customer's energy scheduled and delivered to BPA under this Service Agreement shall be deemed stored, at no charge, and shall not be spilled. Subject to transmission availability, BPA shall deliver such energy on demand to the Transmission Customer's facilities or to another entity for resale at no charge other than the transmission charge provided herein. The Transmission Customer shall

take from storage all such energy prior to purchasing any additional energy required to recover from the Event. If the Transmission Customer does not take the energy from storage within 48 hours of the end of the Event, BPA's obligation to return such energy shall terminate.

6. CONFIDENTIALITY

The Parties agree that all material related to plant technology, plant operations or to proving damages which is submitted by the Transmission Customer to BPA, the arbitrator or any other party in any proceeding under Article 6 of this Service Agreement is confidential. The Parties shall jointly request a protective order from the arbitrator: (a) preserving the confidentiality of such material; (b) limiting its use to such proceeding; and (c) requiring its return to the Transmission Customer at the conclusion of the proceeding. BPA agrees not to voluntarily disclose any such information outside the agency, and agrees to restrict access to and use of such information to employees necessary to and for purposes associated only with the conduct of such proceeding.

7. ADDITIONAL STABILITY RESERVE SCHEMES

To the extent BPA determines:

- (a) the need for additional Stability Reserve scheme(s) not listed in section 10 of this exhibit that would restrict, at a frequency and duration similar to the schemes listed in section 10, the energy subject to restriction under this Service Agreement; and
- (b) the need to apply Stability Reserve schemes listed in section 10 and additional Stability Reserve scheme(s) to energy wheeled under this Service Agreement to non-aluminum DSIs, or
- (c) the need for modifications to the elements of schemes listed in section 10 of this exhibit that would significantly change the expected frequency or duration of restrictions, then:
 - (1) BPA shall consult with the Transmission Customer on the need for operational characteristics as they affect the Transmission Customer, and compensation for such scheme(s), and;
 - (2) BPA shall consider alternative methods and costs, including purchases from non-DSIs, for obtaining such additional reserves.

The Transmission Customer agrees to cooperate in the development of such scheme(s) and shall not unreasonably withhold its consent to implementation of such scheme(s).

8. MAKE UP TRANSMISSION

When an Event ends, BPA shall permit, subject to Available Transmission Capacity, without additional demand or Unauthorized Increase charges, short-term, non-recurring demand overruns of the Transmission Customer's Transmission Demand.

9. ANNUAL ADJUSTMENTS AFTER OCTOBER 1, 1995

Subsequent to October 1, 1995, on the effective date of any IP Premium or successor rate adjustment thereafter, the fees and charges (SRC_x) identified in section 3 and section 4 of this exhibit shall be adjusted as follows:

$$\text{SRC}_x = \frac{\text{SRC base} * \text{IP-New}}{\text{IP-93}}$$

where SRC_x = Each of the stability reserve fees identified in section 3 and charges identified in section 4 of this exhibit, as adjusted hereunder, to be effective on the effective date of any IP or successor rate adjustment on or after October 1, 1995.

SRC Base = The stability reserve fees as specified in section 3 and the changes as specified in section 4 of this exhibit.

IP-New = Each newly adjusted average IP Premium rate or successor rate effective after October 1, 1995, in mills per kWh. Such IP Premium or successor rate shall be calculated at a load factor of 90 percent, and assuming a uniform demand in all months. If there is more than one IP Premium or successor rate, the average shall be determined by a weighting based on forecasted sales in the relevant rate case.

IP-93 = The average IP Premium rate in effect on October 1, 1993, in mills per kWh. Such average IP Premium rate shall be calculated at a load factor of 90 percent and assuming a uniform demand in all months. If there is more than one IP or successor rate, the average shall be determined by a weighting based on forecasted sales in the relevant rate case.

10. STABILITY RESERVE SCHEMES

Import Contingency Load Tripping Schemes: Remedial Action Scheme for the loss of the AC Intertie and Remedial Action Scheme for the loss of the DC Intertie.

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ATTACHMENT C

METHODOLOGY TO ASSESS TRANSFER CAPACITY AVAILABILITY

Bonneville will assess the capability of the transmission system to provide the service requested using the criteria and process for this assessment as detailed in Sections 4 and 5 of Bonneville's FERC Form 715 submittal. In determining the level of capacity available for new transmission service requests, Bonneville may exclude from capacity to be made available for new transmission service requests that capacity needed to reliably meet (1) current and reasonably forecasted loads of its Network Integration Service Customers; (2) its obligations to Transmission Customers under this Tariff; (3) its existing contractual commitments for firm wholesale purchases, exchanges, deliveries and sales in effect on the effective date of this Tariff; (4) its existing contractual commitments for firm transmission service in effect on the effective date of this Tariff; and (5) other requests for service previously received.

ATTACHMENT D
METHODOLOGY FOR COMPLETING A
SYSTEM IMPACT STUDY

Bonneville will complete a System Impact Study to assess the service requested consistent with the criteria outlined in Bonneville's annual FERC Form 715 submittal and consistent with Good Utility Practice and the standards, criteria and requirements of NERC, WSCC, NWPP, Bonneville and any applicable RTA. Computer models (powerflow, transient stability and short circuit) of the system will be used to simulate the behavior of the system under normal and outage conditions. The studies will consider different plausible scenarios and operating conditions and often may consider more than one season. The kinds of system problems identified will be equipment overloads, voltage concerns, and stability issues.

ATTACHMENT E

INDEX OF POINT-TO-POINT TRANSMISSION SERVICE CUSTOMERS

Customer	Effective Date
AIG Trading Corporation	9/26/97
American Electric Power	2/08/98
Amoco	3/01/98
Aquila Power	3/01/97
Avista Energy	8/01/97
BC Powerex	6/01/97
Benton County PUD	6/01/97
BPA/PBL	10/01/96
Chelan County PUD	6/01/97
Cinergy Services	1/01/97
Clatskanie	5/01/97
CNG Marketer	1/01/97
Columbia Falls Aluminum	10/01/98
ConAgra	2/20/98
Cook Inlet Energy Supply	9/15/97
CP West	10/01/96
Destec	12/31/97
Duke (Pan Energy)	12/27/96
Dupont Power Marketing, Inc	1/21/97
Electric Clearinghouse	1/01/97
Engage Energy	5/01/98
Enron	12/24/96
EWEB	7/09/97
Flathead Electric Coop	11/13/97
Forest Grove, City of	10/01/98
Franklin County PUD	6/01/97
Glendale, City of	6/01/97
Grays Harbor PUD	5/01/97
Heartland	1/02/97
Hinson Power	10/01/96
Idaho Power Company	6/25/97
Illinova	6/17/97
Kaiser Aluminum	*
Klickitat County PUD	9/30/97
LADWP	10/15/97

LG&E Power Marketing, Inc.	6/1/97
Montana Power Company	2/20/98
Morgan Stanley	4/01/97
MP Energy, Inc	7/10/97
New Energy Ventures	7/17/98
NorAm Energy	6/10/97
NP Energy	9/15/97
Okanogan County PUD	10/01/96
Pacific Gas & Electric	1/30/97
PacifiCorp	10/01/96
PECO Energy Co. - Power Team	6/01/97
Pend Orielle County PUD	10/1/97
PG&E Energy Trading	6/02/98
PNGC	2/20/98
Portland General Electric	10/01/96
Public Service Co. of New Mexico	2/20/98
Puget Sound Energy	*
Richland, City of	6/01/97
San Diego Gas & Electric	2/20/98
Seattle City Light	*
Snohomish County PUD	10/01/96
Southern California Edison	2/20/98
Southern Energy Marketing	11/01/96
Springfield Utility Board	9/30/97
Tacoma Power	7/08/97
Tacoma Power	1/29/98
TransAlta Energy Marketing Corp	8/06/97
TransAlta Energy Marketing Corp	8/15/97
TransCanada Power Corp	12/31/96
Vitol Gas & Electric, LLC	7/12/97
Washington Water Power	10/01/96
Williams Energy Services	2/03/98

* Operating under the provisions of Point-to-Point Transmission Service without a signed agreement.

ATTACHMENT F

Service Agreement for Network Integration Transmission Service

Service Agreement No. XXTX-XXXXX
Template Dated 12/10/98

SERVICE AGREEMENT
for
NETWORK INTEGRATION TRANSMISSION
executed by the
UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
acting by and through the
BONNEVILLE POWER ADMINISTRATION
and
CUSTOMER

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- Exhibit A** (Statement of Specifications for
Firm Transmission Service)
Exhibit B (Facilities Charges)
Exhibit C (Ancillary Services)

This FIRM TRANSMISSION SERVICE AGREEMENT is executed by the made and entered into this ____ day of _____, 1999, by and between the Bonneville Power Administration (hereinafter referred to as "BPA") and [Customer Name] (hereinafter referred to as "the Transmission Customer"). The Transmission Customer and BPA are sometimes referred to individually as "Party" and collectively as "Parties," as the context suggests below.

ARTICLE 1
SCOPE OF SERVICE AGREEMENT

1.1 TERMS AND CONDITIONS

BPA agrees to provide and the Transmission Customer agrees to take and pay for Network Integration (NT) Transmission Service in accordance with the provisions of this Service Agreement and the Open Access Transmission Tariff (Tariff). The Tariff in effect at the time of execution of this Service Agreement is hereby incorporated by this reference. BPA may change the terms and conditions of the Tariff upon, and only upon, a determination by the Commission that such change is just and reasonable and not unduly discriminatory or preferential. [Use the following sentence only if the term exceeds 2001.] BPA and the Transmission Customer agree that transmission service provided pursuant to this Service Agreement may be provided under a Commission-approved successor tariff after September 30, 2001, if BPA supersedes the Tariff.

1.2 STATEMENT OF SPECIFICATIONS FOR FIRM TRANSMISSION SERVICE

The Statement of Specifications for Firm NT Transmission Service under this Service Agreement requested by the Transmission Customer and accepted by BPA is hereby incorporated as Exhibit A.

1.3 WHOLESALE POWER AND TRANSMISSION RATE SCHEDULES

BPA's Wholesale Power and Transmission Rates Schedules are hereby incorporated by this reference.

1.4 FACILITIES CHARGES

All applicable charges pursuant to the Direct Assignment Facilities Provisions for existing facilities and facilities built as a result of this Service Agreement are hereby incorporated as Exhibit B.

1.7 ANCILLARY SERVICES

The Ancillary Services for NT Transmission Service under this Service Agreement are hereby incorporated as Exhibit C.

1.6 TRANSMISSION SCHEDULING PROVISIONS

The Transmission Customer shall schedule transmission transactions in accordance with BPA's Transmission Scheduling Provisions and Procedures as posted on BPA's OASIS located at the following Internet URL address:

<http://www.nwoasis.org/OASIS/BPA>

ARTICLE 2
DEFINITIONS

Unless otherwise defined herein, all capitalized terms shall have the meanings set forth in the Tariff.

ARTICLE 3 TERM OF THE SERVICE AGREEMENT

Service under this Service Agreement shall commence at 2400 hours on _____.
[Include the following parenthetical if the Customer elects Article 4.3 (Except as provided in Article 4.3,)] Service under this Service Agreement shall terminate on the earlier of:
(a) 2400 hours on _____; or (b) 2400 hours on the date of termination established pursuant to the Tariff. All liabilities and obligations incurred under this Service Agreement shall be preserved until satisfied.
[If Direct Assignment Facilities and/or Network Upgrades are required to be completed prior to commencement of service, and partial interim service is not possible, change the first sentence of this Article to read as follows: Service under this Service Agreement shall commence on the later of: (a) 2400 hours on _____ or (b) the date on which construction of any Direct Assignment Facilities and/or Network Upgrades is completed.]

ARTICLE 4 CHARGES AND PAYMENTS

4.1 CHARGES FOR TRANSMISSION SERVICE

The Transmission Customer shall pay BPA the applicable charges for services provided hereunder pursuant to the BPA Wholesale Power and Transmission Rate Schedules.

4.2 BILLING AND PAYMENT

Bills for all services provided under this Service Agreement shall be rendered monthly by BPA and shall be payable in accordance with the Tariff.

Customer Option - 4.3

4.3 COMMITMENT TO FIVE YEAR RATE

The Transmission Customer agrees that prior to October 1, 2001, it hereby waives its rights to: (a) increase the Declared Customer-Served Load amounts beyond the level (in megawatts (MW)) listed for each month in Exhibit A, section 8, and (b) terminate service pursuant to the Tariff. BPA agrees that the Transmission Customer's transmission requirement, less the Customer-Served Load amounts, constitutes a firm commitment of transmission demand through September 30, 2001. BPA will charge the Transmission Customer for such amount of firm transmission demand at the rates established for such service in the NT-96 rate schedule, and the Transmission Customer agrees to pay such rates pursuant to and consistent with the Transmission Settlement Agreement dated April 4, 1996, as adopted in the Administrator's Record of Decision adopting the 1996 Final Rate Proposal (Document No. WP-96-A-02, part 2 of 2, Attachment 1). The Transmission Customer's right to dispute any rate increase proposed by BPA to take effect prior to October 1, 2001, shall be pursuant to the Transmission Settlement Agreement as cited above.

Customer Option - 4.4

4.4 BONNEVILLE APPROPRIATIONS REFINANCING ACT, PUBLIC LAW 104-134

The Transmission Customer and BPA agree that the provisions of Section 3201(i) of Public Law 104-134 (BPA Refinancing Act) are incorporated in their entirety and hereby made a part of this Service Agreement.

ARTICLE 5 NOTICES

5.1 NOTICES RELATING TO PROVISIONS OF THE SERVICE AGREEMENT

Any notice, request, demand, or statement which is given to or made upon either Party by the other Party under any of the provisions of this Service Agreement, except those specified in Article 5.2 below, shall be in writing and shall be considered delivered when either personally delivered to the following or deposited in the mail postage prepaid and properly addressed to the following:

If to (Customer Name)

If to BPA

Customer Name

Bonneville Power Administration

Title

P. O. Box 491

Address

Vancouver, WA 98666-0491

City, State, Zip

Attention: Transmission Account Executive

Attention: Name of Customer

for: Customer Name

Contact

Phone (360) 418-

Title

Fax (360) 418-

Phone

Fax

5.2 NOTICES OF AN OPERATING NATURE

Any notice, request, or demand pertaining to matters of an operating nature, exclusive of requests for additional or modified Transmission Service under the Tariff, shall be sufficient if given in writing, by telephone, by facsimile, or orally in person to the person designated in writing by the Party as its representative for such purposes, provided that should such notice, request, or demand not be in writing, confirmation thereof shall be made in writing as soon as reasonably practicable thereafter, upon request of the Party being served. The representative for receiving notices pursuant to this Article and such representative's address shall be communicated by the Parties under separate letter within 45 days from the date of execution of this Service Agreement.

ARTICLE 6 MISCELLANEOUS

6.1 GOVERNING LAW

This Service Agreement shall be interpreted, construed, and enforced in accordance with Federal law.

Customer Option 1 - 6.2

6.2 AMENDMENTS

Except as provided in Article 1.1 and Article 6.12, and unless otherwise mutually agreed in writing by the Parties, BPA may change this Service Agreement upon, and only upon, a determination by the Commission that such change is just, reasonable and not unduly discriminatory or preferential. Otherwise, this Service Agreement may be amended only upon mutual agreement of the Parties, which amendment shall be reduced to writing and executed by both Parties.

Customer Option 2 replaces 6.2 above and adds 6.3, Tariff Revisions; Change paragraph numbering for remainder of Article 6

6.2 AMENDMENTS

Except as provided in Articles 1.1, 6.3, and 6.13, this Service Agreement may be amended only upon the mutual agreement of the Parties, which amendment shall be reduced to writing and executed by both Parties.

6.3 TARIFF REVISIONS

In the event that BPA proposes to revise the Tariff, either on its own initiative or in response to a directive or order of the Commission, BPA may revise this Service Agreement to remove any irreconcilable differences between this Service Agreement and the proposed revised Tariff, provided that BPA has given the Transmission Customer a copy of the proposed revised Tariff and proposed revised Service Agreement not less than 60 days prior to the date BPA submits such proposed revised Tariff and proposed revised Service Agreement to the Commission for approval, and provided the Commission approves the proposed revised Tariff and proposed revised Service Agreement. Within 30 days of receiving the proposed revised Tariff and proposed revised Service Agreement, the Transmission Customer may provide BPA notice of its intent to terminate this Service Agreement in the event that the Commission approves the revised Service Agreement. If the Transmission Customer provides such notice, and the Commission then approves the revised Service Agreement, the Transmission Customer may terminate the Service Agreement by providing BPA an additional notice of its intent to do so, so long as the Transmission Customer provides such additional notice within 30 days after the effective date of Commission approval of the revised Service Agreement. If the Transmission Customer terminates the Service Agreement pursuant to this Article 6.3, the Transmission Customer shall replace the transmission service provided under the Service Agreement by commencing other transmission service under the Tariff.

6.3 SEVERABILITY

In the event any term, covenant, or condition of this Service Agreement, or any amendment hereto, or the application of such term, covenant, or condition shall be held invalid as to any Party or circumstance by the Commission or by any court having jurisdiction, all other terms, covenants, and conditions of this Service Agreement or any amendment hereto and their application shall remain in full force and effect.

6.4 COMPUTATION OF TIME

To compute any period of time prescribed or allowed by this Service Agreement, the day of the act, event, or default from which the designated period of time begins to run shall not be included. The last day of the period so computed shall be included unless it is a Saturday, Sunday, or legal holiday; in which event the period shall run until the end of the next day which is neither a Saturday, Sunday, or legal holiday. For purposes of the administration of this Service Agreement, Pacific Time shall be used.

6.5 NO THIRD PARTY BENEFICIARIES

This Service Agreement creates rights and obligations only between the Parties hereto. The Parties hereto do not intend to create any obligation or promise of performance to any person or entity, nor have the Parties conferred any right to enforce this Service Agreement or any remedy upon any third person or entity other than the Parties hereto, their respective successors and assigns.

6.6 INTERCONNECTION WITH OTHER SYSTEMS

Nothing contained in this Service Agreement shall restrict or limit either Party from establishing, altering, or terminating interconnection points with any entity not a Party to this Service Agreement or from amending or entering into such agreements.

6.7 FACILITIES

Any facilities designated as Direct Assignment Facilities are identified in Exhibit B.

6.8 TRANSITION COSTS FOR TRANSFER AGREEMENTS

[Include this if any portion of the Transmission Customer's transmission service is provided by Transfer Agreement; Transfer Agreement(s) are referenced in Exhibit A, Names of Intervening Systems Providing Transmission Service.] To the extent that the Transmission Customer receives Transmission Service over facilities of a third party, and such service is provided pursuant to a contract between BPA and the third party (Transfer Agreement), the Transmission Customer shall, upon termination of this Service Agreement, reimburse BPA for any continuing costs under the Transfer Agreement which cannot be otherwise reasonably mitigated by BPA.

6.9 WAIVERS

Any waiver at any time by either Party of its rights with respect to a default under this Service Agreement, or with respect to any other matter arising in connection with this Service Agreement, shall not be deemed a waiver with respect to any other or subsequent default or matter.

6.10 ASSIGNMENT

This Service Agreement shall not be assigned except to facilitate a merger by or purchase of the Transmission Customer.

6.11 SERVICE AGREEMENT GOVERNS

In the event of any irreconcilable difference between the Tariff and this Service Agreement, the language of this Service Agreement shall govern.

6.12 REVISION OF EXHIBITS

If any changes to Exhibits A, B, or C are necessary to reflect changes specified below, new exhibits shall be substituted for the exhibits then in effect and shall become effective as of the date specified therein. The Transmission Customer may use the dispute resolution procedures available under the Tariff to challenge such changes.

6.12.1 Subject to the rights and obligations of the Parties as set forth in the Tariff, if the Parties agree to change Exhibit A pursuant to this Service Agreement, BPA shall prepare and issue a revised Exhibit A.

6.12.2 If the Parties agree to change Exhibit B, BPA shall prepare a new Exhibit B. BPA reserves the right to revise Exhibit B annually to reflect changes consistent with the provisions of Exhibit B, section 1.

6.12.4 If the Parties agree to change Exhibit C, BPA shall prepare a new Exhibit C. BPA reserves the right to update the loss factors identified in Exhibit C, section 2, Transmission Loss Factors.

6.13 TERMINATION OF PRIOR AGREEMENTS

[Use only if the Transmission Customer has an existing transmission agreement.] Transmission Customer's Contract, No. [____], is hereby terminated.

6.14 RELATED AGREEMENTS

[Use only if Transmission Customer has a related System Impact Study and/or a Facilities Study agreement.] Reference System Impact Study Contract No. XXXXX and/or Facilities Study Contract No. XXXXX.

6.15 SUCCESSORS AND ASSIGNS

This Service Agreement shall inure to the benefit of and be binding upon the Parties and their respective successors and assigns.

6.16 ENTIRE AGREEMENT

This Service Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof, and there are no other understandings or agreements between the Parties with respect hereto.

**ARTICLE 7
SIGNATURES**

The signatories represent that they are authorized to enter into this Service Agreement on behalf of the Party for whom they sign.

CUSTOMER NAME

UNITED STATES OF AMERICA
Department of Energy
Bonneville Power Administration

By _____

By _____

Name _____
(Print/Type)

Name _____
(Print/Type)

Title _____

Title Transmission Account Executive

Date _____

Date _____

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EXHIBIT A
STATEMENT OF SPECIFICATIONS FOR
FIRM TRANSMISSION SERVICE

1. TERM OF TRANSACTION

Start Date: at 2400 hours on [insert date, ex. September 30, 1998].

Termination Date: The earlier of: (a) 2400 hours on _____; or (b) 2400 hours on the termination date established pursuant to Article 3 of this Service Agreement.

2. NETWORK RESOURCES

(a) **Generation Owned by _____**

Resource	Capacity (MW)	Capacity Designated as Network Resource	Control Area	Scheduling Agent

(b) **Power Purchased by _____**

Source (Contract No.)	Capacity (MW)	Control Area (Delivered From)	Scheduling Agent

(c) **Total Network Resources equals 2(a) + 2(b)**

3. NETWORK LOAD

The Application provides the Transmission Customer's initial annual load and resource information. Annual load and resource information updates shall be submitted to BPA at the address specified in Article 5.1 of this Service Agreement, by September 30 of each year, unless otherwise agreed to by the Parties.

4. DESCRIPTION OF POINT(S) OF INTERCONNECTION

(a) **Non-Federal Resource Point of Interconnection**

Location:

Voltage:

Metering (Scheduled):

Transmission Demand Limit:

Delivering Party/Control Area:

Exception:

(b) **Federal Generation Point(s) of Interconnection**

Location: FCRTS

Voltage: Varies by Facility

Metering: Scheduled Quantity

Transmission Demand: Net Requirements

Delivering Party/Control Area: BPA Control Area

Exception:

5. **DESCRIPTION OF NETWORK POINT(S) OF DELIVERY**

- (a) **Point of Delivery** [If there are no transfer points of delivery subparagraph (b) below, delete this heading and start (a) with the "Name of Point of Delivery"]

[Insert the name of Point of Delivery]

Location:

Voltage:

Metering:

Metering Loss Adjustment: [Use only if adjustment applies]
BPA will adjust for losses between the Transmission Customer's Point of Delivery and point of metering. Such adjustments shall be specified in written correspondence between BPA and the Transmission Customer.

Exceptions: [List any exceptions that apply]

- (b) **Point(s) of Delivery Served by Transfer** [Include only if applicable]
The Transmission Customer, its Agent, or its power supplier is responsible for arrangements required to transmit power over the facilities of the Intervening System described in this section to points of delivery contained herein. To the extent the Transmission Customer is reliant upon agreements between BPA and the Intervening System owner for such arrangements, or if BPA has otherwise arranged to provide financial assistance to the Transmission Customer to secure such transmission service to the points of delivery from the Intervening System owner, service to the Transfer Points of Delivery are subject to the NT-96 rate schedule, or its successor.

Network Service under this Service Agreement shall encompass all Integrated Network Transmission System facilities, as defined by the Tariff, necessary to serve the Transmission Customer's Network Load.

For purposes of this section 5(b), the following definitions shall apply:

"Name of Transfer Point" means the point where BPA delivers power to the Intervening System.

"Point of Receipt from Intervening System" means the point where BPA or a third party receives power from the Intervening System prior to delivery of power to the Point of Delivery.

"Point of Delivery" means the point where the Transmission Customer takes delivery of power from either: (1) the FCRTS or (2) the Intervening System.

[Insert the Name of Transfer Point.] [list Point of Replacement here]

Location:

Voltage:

BPA's Point of Receipt from Intervening System
[Include only if applicable]

Point of Delivery:

Metering:

Metering Loss Adjustment: [Use only if adjustment applies]

Exception:

6. **DESIGNATION OF PARTY SUBJECT TO RECIPROCAL SERVICE OBLIGATION**

[When applicable identify the name of the Transmission Customer and its affiliate]

7. **NAME(S) OF ANY INTERVENING SYSTEMS PROVIDING TRANSMISSION SERVICE**

[Identify the names of the Transfer Agent(s) [Include Contract No.]

8. **DECLARED CUSTOMER-SERVED LOAD** [Required for Public Customers]

- (a) Declared Customer-Served Load (CSL) is the monthly amount in megawatts of the Transmission Customer's Network Load that the Transmission Customer elects not to serve under this Service Agreement.
- (b) Where a Transmission Customer's Network Load is served pursuant to a transmission agreement between BPA and a third party (which is not the Transmission Customer), in order for such load to qualify as a declared CSL, such transmission contract must be for Firm Transmission Service of at least one month to the Transmission Customer's system, and must include a point of delivery at the Transmission Customer's system. The amount of such load which will be treated as a declared CSL is limited to the demand amounts at the point of delivery set forth in such transmission agreement. This section 8(b) shall apply to this Service Agreement through September 30, 2001.
- (c) Identify for all CSL: [If Transmission Customer has CSPE, list the contract no. only.]

(1) **[Insert the name of Resource #1]**

- (A) *Amount.* (monthly kW) [Include amounts by month for five years]
- (B) *Supplied by.* (Transmission Supplier)(If BPA: Contract No. 97TX-xxxxx)
- (C) *Control Area Delivered From.* (BPA) or (CA)
- (D) *Primary point of delivery on (Customer) system.*

(2) **[Insert the name of Resource #2]**

- (A) *Amount.* (monthly kW)
- (B) *Supplied by.* (Transmission Supplier) (If BPA: Contract No. 97TX-xxxxx)
- (C) *Control Area Delivered From.* (BPA) or (CA)
- (D) *Primary point of delivery on (Customer) system.*

9. **OTHER PROVISIONS SPECIFIC TO THIS SERVICE AGREEMENT**

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EXHIBIT B FACILITIES CHARGES

Facilities Charges are not required at this time for the service under this Service Agreement. [Delete if there are charges]

1. USE-OF-FACILITIES COSTS FOR WHICH TRANSMISSION CUSTOMER IS RESPONSIBLE

(a) Calculation of Charges Pursuant to the UFT-96 Rate Schedule

<u>Facility</u>	<u>Investment</u> <small>1/</small>	<u>I&A Annual Cost Ratio</u> <small>2/</small>	<u>I&A Annual Cost</u>	<u>O&M Annual Cost</u> <small>3/</small>	<u>Sum of Non-Coincidental Demands</u>	<u>\$/kW/yr</u>
Substation	\$	%	\$	\$		\$
Total UFT Charge =						\$/kW/mo
kW to apply UFT charge to: 0 kW						

(b) **Changes in Costs and Demands.** This Exhibit B may be revised annually to reflect changes in: (a) the yearly noncoincidental demands on the facility under this Service Agreement and other agreements; (b) I&A annual cost ratios; (c) O&M annual costs; and (4) investments in facilities.

2. DIRECT ASSIGNMENT FACILITIES CHARGES

[List any facilities designated as Direct Assignment Facilities and the Rate]

3. **FORMER UFT FACILITIES.** [If the Transmission Customer makes changes to their PSC or converts their FPT or IR contract to NT, list former UFT facilities and state how costs are covered in this Service Agreement. (Delivery Segment or Network or still UFT)]

¹ 199X computation.

² Based on ACR table dated _____

³ Based on O&M table dated _____

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**EXHIBIT C
ANCILLARY SERVICES**

1. ANCILLARY SERVICES PROVIDED

	<u>Provided By</u>	<u>Contract No.</u>
(a) Scheduling and Dispatch	BPA (TBL ^{1/})	
(b) Energy Imbalance	[provider]	
(c) Control Area Reserves for Resources	[provider]	
(d) Control Area Reserves for Interruptible Purchases	[provider]	
(e) Load Regulation	[provider]	
(f) Reactive Supply and Voltage Control	BPA-TBL	
(g) Transmission Losses	[provider]	

[If the provider is BPA (PBL) add a footnote to define: BPA's Power Business Line]

Compensation for Transmission Losses associated with the delivery of power over the FCRTS under this Service Agreement shall be governed by the following provisions:

- (1) **Transmission Losses Associated with Federal Power** Losses associated with Federal power purchased pursuant to BPA's PF-96, NR-96 and IP-96 Wholesale Power and Transmission Rate Schedules [and the Summer Seasonal Product under Contract No. 96MS-YYYYY or Contract No. DE-MS79-XXBPYYYYY] are provided by BPA and included in the rate for such power. No additional compensation is required.

^{1/} BPA's Transmission Business Line.

(2) **Transmission Losses Associated with Non-Federal Power and Other Classes of Federal Power**

The Transmission Customer shall compensate BPA for losses BPA incurs when providing Transmission Service over the FCRTS for non-Federal power and other classes of Federal power (unless otherwise specified in the Transmission Customer's contract for the purchase of such power) integrated at Points of Interconnection, except those amounts of power associated with purchases specified in 1(g)(1) above. The compensation shall be determined by multiplying the amount of power delivered under this Service Agreement by the applicable Loss Factor listed below in section 2; and

- (A) adding the resulting amount to the billing factor for the Transmission Customer's purchases of Federal power; or
- (B) Transmission Customer purchasing the resulting amount from BPA pursuant to the APS-96 rate schedule (or its successor) for Transmission Losses. The options for purchasing losses (i.e. fixed price, NYMEX) shall be specified in the annual notification letter described in subsection 1(g)(4)(A) below; or
- (C) Transmission Customer returning the resulting amount to BPA from a single Control Area 168 hours after the time of delivery of power for which loss compensation is required.

(3) **Transmission Losses Associated with Delivery Facilities**

Transmission Losses associated with Delivery Facilities shall be determined annually, by Fiscal Year ^{2/}, pursuant to the following procedure:

- (A) determining the ratio of power delivered over Delivery Facilities to the total power delivered to the Transmission Customer over the FCRTS; and
- (B) multiplying the resulting ratio by the total amount of power delivered to the Transmission Customer less amounts described in 1(g)(1) above; and
- (C) multiplying the result derived in step 1(g)(3)(B) by the Delivery Facility loss factor listed below in section 2; and

^{2/} Fiscal Year is defined as the twelve-month period from October 1 through September 30.

- (D) Transmission Customer purchasing the resulting amount from BPA pursuant to the APS-96 rate schedule (or its successor) for Transmission Losses. The options for purchasing losses (i.e. fixed price, NYMEX) shall be specified in the annual notification letter described in subsection 1(g)(4)(A) below.

(4) Notification

- (A) Each Fiscal Year except the Fiscal Year during which this Service Agreement is executed, BPA shall send a letter by August 1 requesting that the Transmission Customer choose one of the methods described in section 1(g)(2). The Transmission Customer shall indicate in the letter its choice for compensating BPA for transmission losses during the following Fiscal Year, countersign the letter and return one copy to BPA by September 1 of the then current Fiscal Year. The countersigned letter shall serve as the Transmission Customer's confirmation and shall constitute a revision to section 1(g)(5) of Exhibit C.
- (B) If the Transmission Customer selects option 1(g)(2)(C) above, the Transmission Customer shall designate in the letter the single Control Area the Transmission Customer will use during the subsequent Fiscal Year.
- (C) In the event that, in any Fiscal Year, the Transmission Customer does not notify BPA by September 1 of the method it has chosen, the Transmission Customer's compensation method shall be the method used for the then current Fiscal Year.

(5) Transmission Customer's Method of Compensation of Annual Transmission Losses during a Fiscal Year

The Transmission Customer has elected to purchase Transmission Losses, pursuant to the APS-96 rate schedule, at a rate of _____ mills per kWh for the period 2400 hours _____, 1998, through 2400 hours September 30, 1999.

[or]

The Transmission Customer has elected to purchase Transmission Losses pursuant to the APS-96 rate schedule based on the NYMEX energy price for the period 2400 hours _____, 1998, through 2400 hours September 30, 1999.

[or]

The Transmission Customer has elected to return Transmission Losses for the period 2400 hours _____, 1998, through 2400

hours September 30, 1999. The Transmission Customer will return the losses from a single Control Area in the Pacific Northwest, as defined in the Pacific Northwest Electric Power Planning and Conservation Act. The name of that Control Area is: [insert name of Control Area here]

[or]

Not applicable at this time because the Transmission Customer does not have any non-Federal power or other classes of Federal Power in accordance with section 1(g)(2). [Use this language if the Transmission Customer does not have any non-federal resources.]

2. TRANSMISSION LOSS FACTORS

Network Loss Factor: 1.9 percent of kWh delivered

ET Loss Factor: 1.9 percent of kWh delivered

Delivery Facility Loss Factor: 0.6 percent of kWh delivered

IS Loss Factor: 3.0 percent of kWh delivered

BPA reserves the right, after consultation with the Transmission Customer, to review the loss methodology and revise this Exhibit C as appropriate, but not more frequently than once in a 12-month period, to incorporate loss factors which represent then-current FCRTS operating conditions. BPA shall prepare a new Exhibit C incorporating any revision and the revised Exhibit shall become effective as of the date specified therein.

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ATTACHMENT G

SYSTEM OPERATIONS PROVISIONS

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1. PURPOSE OF SYSTEM OPERATIONS PROVISIONS

The purpose of these Provisions is to identify contractual requirements related to service over BPA's transmission system. The Parties agree to adhere to good utility practice, including all applicable reliability criteria as observed in the region.

(a) These Provisions require the Parties to recognize that:

- (1) BPA's transmission system is directly or indirectly interconnected with transmission systems owned or operated by others;
- (2) The flow of power and energy between such systems shall be controlled by the physical and electrical characteristics of the facilities involved and the manner in which they are operated; and
- (3) Part of the power and energy being delivered under these Provisions may flow through such other systems rather than through BPA facilities. The Parties shall determine methods and take appropriate actions to assure maximum delivery of power and energy at the points of interconnection and delivery, and at additional or alternate points of receipt and delivery as established by the Parties.

b) The Parties shall:

- (1) Operate and maintain equipment¹ necessary for incorporating the Transmission Customer within BPA's transmission system.
- (2) Transfer data² between their respective control centers.
- (3) Use software programs required for data links and constraint dispatching.
- (4) Exchange data on forecasted loads and resources necessary for planning and operation.
- (5) Address other technical and operational considerations required for Tariff implementation, including scheduling protocols.

2. TERM

This Exhibit shall remain effective with the term of this Service Agreement.

3. ADMINISTRATION OF THE PROVISIONS

In the event of any irreconcilable differences between the Tariff and this Exhibit, the language of this Exhibit shall govern.

4. NOTICE

Notices or requests made by either Party regarding these Provisions shall be made to the representative of the other Party as indicated in this Service Agreement.

5. DEFINITIONS

Unless defined herein, capitalized terms refer to terms defined in the Tariff or in the Wholesale Power and Transmission Rate Schedules.

- (a) **Effective Control Action (ECA):** *An action which results in a specific mitigating response at a location(s) in the power system related to the disturbances of concern, thereby providing acceptable power system performance.*

¹ Necessary equipment includes, but is not limited to, remote terminal units, metering, communications equipment, telemetering equipment, and relaying equipment.

² Data includes, but is not limited to, data pertaining to instantaneous Spinning and Non-Spinning Operating Reserves, heat rates, fuel costs, and operational characteristics of Network Resources, generation schedules for Network Resources, interchange schedules, unit outputs for redispatch, voltage schedules, flows of real and reactive power, loss factors, switch status, breaker status, megawatt (MW)/megaVAR flow on lines, bus voltages, transformer taps and other Supervisory Control and Data Acquisition System (SCADA) and real-time data.

- (b) **Hourly Data Reported Hourly (HDRH):** *Hourly kilowatthour (kWh) and kilovarhour (kVarh) data provided to BPA at the end of each hour. HDRH is taken from sources such as the interchange kWh system.*
- (c) **Hourly Data Reported Monthly (HDRM):** *Hourly kWh and kVarh data provided at least monthly to BPA. HDRM is taken from sources such as the Revenue Metering System.*
- (d) **Most Severe Single Contingency (MSSC):** *A single contingency which results in the most adverse system performance under any operating condition or anticipated mode of operation.*
- (e) **Operational Constraints:** *Limitations on the ability of the transmission system to operate due to any system emergency, loading condition, or maintenance outage on BPA facilities, or on facilities of an interconnected utility, that make it prudent to reduce transmission system loadings, whether or not all facilities are in service.*
- (f) **Remedial Action Schemes (RAS):** *Sets of fast automatic control actions employed to ensure acceptable power system performance following electrical disturbances as determined by BPA powerflows and/or stability studies. These may include generator dropping and load tripping.*
- (g) **Revenue Metering System (RMS):** *A data collection system that electronically measures hourly demand and energy quantities for both kilowatt (kW) and kiloVArS. BPA uses this data on a HDRM basis.*
- (h) **Telemetry:** *A data collection system that provides BPA with kilowatt information on load, generation, and powerflow, on a continuous, instantaneous basis.*
- (i) **Transfer Agreement:** *A contract between BPA and the Transferor facilitating service to a BPA customer.*
- (j) **Transfer Customer:** *A BPA customer which receives its BPA power directly or indirectly from a Transferor.*
- (k) **Transferor:** *An entity that has electrical facilities over which BPA's power must be transmitted to serve BPA's customers.*
- (l) **Transmission Customer Resource:** *Any Transmission Customer-owned resource, regardless of resource location; and any third party (consumer or independent power producer) resource located in the Transmission Customer's service area.*

6. FACILITY REQUIREMENTS

(a) Ownership:

- (1) Equipment or salvageable facilities owned by one Party and installed on the property of the other Party shall remain the property of the owner, except as noted in this Exhibit.
- (2) A Party must identify its facilities installed on the other Party's property. Facilities include all movable equipment and other salvageable facilities which said Party installed on the other Party's property. Ownership of facilities must be made by affixing permanent suitable markers with the owner's name. The Parties shall jointly prepare an itemized list of the aforementioned equipment.
- (3) Each Party agrees to be responsible for the cost of complying with all applicable Federal, State, and local environmental laws for its own facilities, regardless of where the facilities are located.

(b) Safety Design:

BPA requires clearance of equipment during maintenance, modification, and testing. Facility interconnections between BPA and the Transmission Customer are to be designed and constructed to allow clearance of equipment using isolating devices. Isolation devices must produce a visible air gap between the energized facilities and the equipment to be worked on. Operating procedures associated with this interconnection must comply with BPA's Accident Prevention Manual and the Transmission Customer's safety manual.

(c) Access to Facilities:

- (1) Each Party agrees to grant permission to the other to enter each other's property. Permission to enter is to allow access to the Party who owns the equipment and facilities installed in the property of the other Party. Access is limited to³ performing operations and maintenance of the Party's equipment and facilities.
- (2) The inspecting Party shall be liable for any injury, loss, damage, or accident resulting from its inspection except as otherwise provided in this Exhibit.

³ Access is for purposes related to operations or maintenance of such facilities or equipment, including meter reading, inspection, or removal.

7. RESOURCE AND INTERCONNECTION PRINCIPLES AND REQUIREMENTS

(a) Operating Reserves:

- (1) The Transmission Customer shall meet its Spinning and Non-Spinning Operating Reserve obligations by either:
 - (A) purchasing Spinning and Non-Spinning Operating Reserves from BPA through the appropriate Ancillary Services; or
 - (B) meeting or arranging to have a third party meet all or part of its Spinning and Non-Spinning Operating Reserve requirement.

A Transmission Customer that meets its Spinning and/or Non-Spinning Operating Reserve requirement by alternative (B) above shall also meet the Interconnection requirements under this section.

The Operating Reserve requirement conforms to Western Systems Coordinating Council (WSCC), and Northwest Power Pool (NWPP) requirements. The Transmission Customer agrees that its Spinning and Non-Spinning Operating Reserve requirement may be changed by BPA to reflect WSCC and NWPP modifications.

- (2) The Transmission Customer's Operating Reserves requirement shall be either:
 - (A) as specified by the NWPP Operating Reserves Sharing Program; or
 - (B) as specified by the reliability criteria of the WSCC.

The Transmission Customer shall have additional Non-Spinning Operating Reserves equal to the Customer's purchases of interruptible energy less its sales of interruptible energy to any third parties, plus an additional amount of Operating Reserves equal to the Transmission Customer's on-demand obligations during the hour of delivery, less its on-demand rights.

- (3) The Transmission Customer shall restore its Operating Reserves to the required level, consistent with applicable regional criteria in instances of Operating Reserves deficiencies.
- (4) The Transmission Customer shall reserve unloaded firm transmission capacity at least equal to its Operating Reserve. Unloaded firm transmission capacity may be loaded with interruptible energy so that upon interruption of the energy, transmission service is available to replace such energy from the Operating Reserve.

- (5) BPA pools its Operating Reserve with Transmission Customers in its Control Area and all other NWPP Members through the NWPP Operating Reserve Sharing Program. Through this Exhibit, BPA gives the Transmission Customer the option of being included in the Reserve Sharing Program through the BPA Control Area requirement. A Transmission Customer electing to participate in the NWPP Operating Reserve Sharing Program through the BPA Control Area shall either pay BPA for meeting the specified Spinning and Non-Spinning Operating Reserve obligations for its resources, or shall preschedule with BPA its expected generation, and arrange for meeting the associated Spinning and Non-Spinning Operating Reserve obligation. Transmission Customers electing not to participate shall make available to BPA Operating Reserves equivalent to 100 percent of their MSSC as required by (North American Electric Reliability Council (NERC). BPA shall use the Transmission Customer's Operating Reserve to recover from the Transmission Customer's outages.

(b) **Remedial Action Schemes**

- (1) The Transmission Customer may be required (at its cost), to provide or assure the provision of its pro rata share of RAS required to support the transmission capacity of the transmission path the Transmission Customer uses.
- (2) If the Transmission Customer is required to provide RAS, then BPA and the Transmission Customer shall jointly plan and coordinate the implementation of the RAS. No Party shall unduly withhold consent regarding the implementation of the RAS. The Transmission Customer may implement the required RAS where it chooses on its system, as long as the required level of ECA is obtained. The level of reliability of the RAS design on the Transmission Customer's system shall be at least equal to the level of reliability employed in the design of the overall RAS.
- (A) The Transmission Customer's contribution to the total operational responsibility for the RAS shall be the ratio of the Transmission Customer's usage of BPA's share of the transmission path to the total rating of BPA's share of the transmission path.
- (B) BPA shall provide the appropriate control signals to the Transmission Customer.
- (C) The Transmission Customer shall provide the necessary equipment to receive and transmit control signals to and from its transmission, generation, and control center facilities to arm and initiate the appropriate ECA or actions determined by BPA.

(c) **Operation of Resources**

The Transmission Customer shall operate its generation resources in a manner consistent with Good Utility Practice, and the standards, criteria, and requirements

of NERC, WSCC, NWPP, BPA, and any applicable Regional Transmission Association (RTA).

The Transmission Customer shall pay the cost of necessary communications installations, modification of BPA's computer hardware and software, and all other costs incurred by BPA to support the operation of the Transmission Customer's resource in BPA's Control Area. These costs shall include accommodating the Transmission Customer's decisions to either change Control Areas or not supply its Spinning or Non-Spinning Operating Reserve obligation by purchasing from BPA.

Any resources used by the Transmission Customer to meet its Spinning and Non-Spinning Operating Reserve requirements⁴ shall meet the same WSCC, NWPP, and other applicable requirements, practices, and procedures as BPA's generating resources providing these same services including, Automatic Generation Control (AGC) capability, reserve availability, ramp rate, governor response, random testing, and a monthly startup test.

(d) Redispatch to Manage Transmission Constraints

- (1) BPA shall redispatch its and the Transmission Customer's Network Resources on a least-cost basis consistent with Good Utility Practice, regardless of ownership of said resources, if BPA determines that the redispatch of Network Resources⁵ to relieve an existing or potential transmission system constraint is the most effective way to ensure reliable operation of the transmission system. BPA shall inform the Transmission Customer of its redispatch practices.
- (2) The Transmission Customer shall submit to BPA by data link, when submitting its preschedules, verifiable incremental and decremental cost data for its Network Resources, which estimate cost to the Transmission Customer of changing the generation output for each of its Network Resources. The estimated costs shall be used, along with similar data for BPA's resources, as the basis for least-cost redispatch for the next day's operations; or the next days' operations if the preschedule is submitted on a Friday or the day before a holiday. BPA's grid operation staff shall keep the estimated cost data confidential, consistent with the Commission's Standards of Conduct.

The Transmission Customer must submit cost changes to BPA's control center if the costs change during the following day. BPA shall implement least-cost redispatch consistent with its existing contractual obligations and current practices for its own resources. The Transmission Customer is obligated to respond immediately to requests for redispatch from BPA's control center.

⁴ The Transmission Customer's Network Resources or a third party's generation resources.

⁵ Including reductions in off-system purchases.

- (3) The Transmission Customer may, at its own expense and during business hours, audit specific redispatch events, after notifying BPA. Either Party may request an audit of the other Party's cost data by an independent agent at the requesting Party's cost.

(e) **General Interconnection Principles**

- (1) Each Party shall cooperate with other interconnected systems in establishing arrangements or mitigation measures to minimize operational impacts on each other's systems.
- (2) Each Party recognizes that a Party's proposed new interconnection or modification of an existing interconnection between said Party's system and the system of a third party, may cause adverse effects on the system of the other Party. The Party making such interconnection or modification shall minimize, or otherwise compensate for adverse operational impacts to the other Party's system.

(f) **Interconnection Requirements**

The Transmission Customer shall plan, construct, operate, and maintain its facilities and system in accordance with Good Utility Practice, including, but not limited to, all applicable guidelines of NERC, WSCC, and NWPP, BPA and any applicable RTA, and generally accepted practices in the region adopted by BPA.

The Transmission Customer shall:

- (1) Acquire Ancillary Services, including those necessary to operate as a Control Area, consistent with Good Utility Practice and under the applicable guidelines of NERC, WSCC, NWPP, BPA, and of any applicable RTA;
- (2) Satisfy its Control Area requirements, including all Ancillary Services, by contracting with BPA; or
- (3) Satisfy its Control Area requirements, including all Ancillary Services, by contracting with another entity which can satisfy those requirements in a manner consistent with Good Utility Practice and the standards, criteria and requirements of NERC, WSCC, and NWPP, BPA and any applicable RTA.

(g) Generation Integration

- (1) Resources connected directly to BPA's transmission system are subject to compliance with the generation integration requirements consistent with Good Utility Practice, and all applicable standards of NERC, WSCC, NWPP, BPA and any applicable RTA, and any generally accepted practices in the region that are adopted by BPA.

All resources integrated into a Transmission Customer's system which, by virtue of their point of interconnection, are capable of energizing BPA facilities, must comply with safety requirements of the above standards, including those for relay protection, insulation coordination, switchgear and safety. This requirement typically applies to generators that are integrated into a system that is connected radially from a tapped BPA transmission line or BPA substation. Other resources integrated into a Transmission Customer's network are subject to the provision that all points of interconnection between BPA and the Transmission Customer must be operated and maintained in a manner consistent with Good Utility Practice.

- (2) The Transmission Customer agrees to notify BPA a minimum of 18 months prior to energization of a resource if such resource is expected to impact the BPA transmission system.

(h) Conditions of Service

- (1) The Parties may adopt operating procedures necessary to assure that delivery and receipt of real and reactive power and energy is accomplished with minimal interference with the interconnected systems. A Transmission Customer interconnecting with BPA's transmission system is obligated to follow the same procedures for interconnection and operation BPA uses for its own load and resources.
- (2) If the Transmission Customer purchases Ancillary Services from third parties, the Transmission Customer shall be responsible for contractual arrangements with the third parties that are consistent with the Tariff, this Exhibit, and other applicable rules developed and agreed to by the Parties.

8. POWER QUALITY

(a) Character of Service:

BPA shall make electric power available to the Transmission Customer in the form of 3-phase alternating current, at a nominal frequency of 60 hertz (hz), except as noted in this Exhibit.

(b) **Voltage Levels:**

(1) **Voltage Levels on the Integrated Network Transmission System**

BPA has the right to operate its transmission system as provided below and cannot accept any restriction of that right.

(A) **500 Kilovolt (kV) System**

BPA shall normally operate its 500 kV transmission system in a range from the nominal voltage to 10 percent above the nominal voltage (500 to 550 kV).

(B) **115 to 345 kV System**

BPA usually operates its 115 to 345 kV transmission system within +/-5 percent of the nominal voltage. BPA may allow some of its transmission lines or facilities to operate above or below the normal voltage limits where no substantive damage will occur from this operation.

(2) **Voltage Levels at Points of Delivery**

When the nominal voltage at the Transmission Customer's points of delivery is 115 kV or more, BPA shall deliver power to the Transmission Customer at the operating voltage of the transmission system. If the nominal voltage at the Transmission Customer's points of delivery is below 115 kV, the delivery voltage may differ from the operating voltage of the transmission system as a result of the "turns ratio" and impedance of the transformer providing the delivery service.

(3) **Voltage Schedules**

BPA shall determine and establish a voltage schedule for each critical or key substation. BPA shall issue a target voltage (setpoint) for the voltage schedule depending on the hourly operating requirements at each substation and at each point of generation interconnection. BPA may reset the voltage schedule at any time. The Transmission Customer agrees to take all appropriate actions to help BPA maintain the established voltage schedule.

(4) **Reactive Power**

Each Party agrees to design, construct, operate, and maintain its electric facilities in accordance with Good Utility Practice to minimize the reactive power requirements placed on the other Party.

During abnormal system conditions it may be necessary for BPA to request the Transmission Customer to supply additional reactive power from its reactive sources (relative to normal requirements) to maintain reasonable voltage levels. The Transmission Customer agrees to use its best efforts to comply with BPA's request.

(5) **Balancing Phase Demands**

The current on any one phase may not deviate by more than 5 percent from the average of the currents on all three phases, unless otherwise agreed by the Parties.

(6) **Voltage and Current Harmonic Control**

Each Party agrees to design, construct, operate, and maintain its electric facilities in accordance with Good Utility Practice to reduce, to acceptable levels, the harmonic currents and voltages which pass into the other Party's facilities. The Parties shall be guided by the recommended practices and requirements for harmonic control specified in The Institute of Electrical and Electronics Engineers, Inc. (IEEE) Electrical Power System Standard 519-1992, or its successor. The Parties shall accomplish harmonic reductions using equipment which is specifically designed, and permanently operated and maintained, as an integral part of the facilities of the Party who owns the system that generates the harmonics.

(7) **Voltage Fluctuation and Flicker**

IEEE Recommended Practices and Requirements for Harmonic Control in Electric Power Systems (IEEE Standard 519) provides definitions and limits on acceptable levels of voltage flicker. The Parties agree to control voltage flicker on their respective systems as required by the IEEE standard.

(8) **Voltage Imbalance**

When the Transmission Customer detects voltage imbalance at its points of delivery or points of interconnection with BPA, that could cause equipment damage, the Transmission Customer shall be responsible for taking appropriate action to prevent or minimize the damage and loss of service, and for reporting the condition to BPA's system operator or dispatcher.

9. DELIVERIES BY TRANSFER

- (a) If BPA delivers power to the Transmission Customer facilities through a Transferor, BPA shall use its best efforts to ensure that the Transferor provides service in a manner comparable in quality to direct Federal service.
- (b) Although a Transmission Customer may receive its BPA power service through a Transferor, the following contractual requirements relating to the installation, operation, and maintenance of facilities shall apply, through the transfer agreements between BPA and the transferor, as if the service were provided directly by BPA:
 - (1) requirements to reduce the Transmission Customer's reactive power requirements to acceptable levels;

- (2) requirements to reduce harmonics currents and voltages caused by the Transmission Customer's system or its consumers' loads to acceptable levels; and
- (3) requirements to reduce voltage flicker caused by the Transmission Customer's system on consumers' loads to acceptable levels.

10. SERVICE INTERRUPTIONS

(a) Maintenance Requirements

- (1) The Parties shall establish procedures to coordinate maintenance schedules of their generation resources and transmission and substation facilities, to ensure that sufficient transmission resources are available to maintain system reliability and reliability of service. The Parties shall use the standards of the NWPP for scheduling maintenance.
- (2) The Parties shall:
 - (A) obtain concurrence from the other Party, at least 72 hours before beginning any scheduled maintenance of its facilities that could impact the other Party's transmission system and/or the safety of either Party's system; and
 - (B) notify the other Party when maintenance will begin on a Network Resource, transmission line, or substation (operated at 60 kV and above) that could impact the other Party's transmission system. The Parties shall immediately notify each other of any unscheduled or forced outages and again when such unscheduled or forced outages end. The Parties shall notify and coordinate with each other prior to reconnecting the Network Resource, transmission line, or substation.
- (3) The Parties or a Transferor may temporarily interrupt, reduce, or shift deliveries of electric power if either Party determines that such interruption or reduction is necessary or desirable to perform maintenance work on the Parties' or the Transferor's facilities.
- (4) Maintenance schedules shall be posted on OASIS, pursuant to Commission requirements.

- (b) **Temporary Load Shifts and Maintenance Notification.** The Parties may temporarily interrupt, reduce, or shift deliveries of electric power if any such Party determines that such interruption, reduction, or load shift is necessary or desirable in case of system emergencies or operational constraints on the system of either Party, or to install equipment in, make repairs to, make replacement within, conduct investigations and inspections of, or perform other maintenance work on

the Parties' facilities. To the extent reasonable or appropriate, the Parties will use temporary facilities or equipment to minimize the effect of any such interruption, reduction, or load shift.

The Transmission Customer must submit a report concerning any such interruption, reduction, or load shift to BPA within 4 days of such interruption, reduction, or load shift. Reports may be made by telephone, mail, or other electronic processes. The point of contact for each Party will be designated pursuant to the Service Agreement. On receipt of the Transmission Customer's report, BPA will adjust the Transmission Customer's billing determinants pursuant to BPA's billing procedures. If the Transmission Customer does not submit the report within 4 days of the interruption, reduction, or load shift, BPA shall assess charges based on available data.

(c) Emergency or Breakdown Relief

- (1) A Party may request additional power from the other Party to meet its needs during a system emergency. The other Party shall supply as much of the requested power as possible, consistent with its reserve requirements and obligations to its customers.
- (2) If either Party supplies power to the other Party under section (A) above, and requests replacement of that power, the other Party shall make an equivalent amount of power available to the supplier at such times as agreed upon by the respective Parties' dispatchers. If the Party supplying the power does not request replacement of that power, the other Party shall pay for the power at the price established at the time of delivery.

11. EMERGENCY PLANNING AND OPERATION

- (a) BPA shall be responsible for planning, coordinating, and implementing emergency operation schemes. Examples of such schemes include the NWPP underfrequency load shedding program, the undervoltage load shedding program, and the system restoration plan. There may be additional schemes that meet the NWPP, WSCC, and RTA reliability planning objectives. If BPA identifies reliability objectives beyond the NWPP, WSCC, and RTA objectives, they shall be communicated to the Transmission Customer(s). The need to identify additional objectives may involve anticipated reduction in system restoration time following blackout or brownout emergencies.
- (b) The Transmission Customer shall:
 - (1) participate in the development of load shedding programs for system security;
 - (2) install and maintain the required load shedding relays, including underfrequency and undervoltage relays; and

- (3) participate in system restoration planning. Disputes with any of the requirements specified by BPA shall be resolved through the dispute resolution process described in the Tariff.

12. INFORMATION AND METERING REQUIREMENTS

Basic Metering Requirements At Transmission Customer Facilities

Specific products and services the Transmission Customer chooses may require additional metering. BPA shall identify additional metering requirements before the Transmission Customer makes its product selection.

(a) Points of Interconnection for Generation

The following metering requirements apply to points of generation interconnection onto BPA's system for the Transmission Customer's Resources. Resources shall be evaluated individually to determine metering requirements. BPA shall install and pay for additional meters it needs to meet planning, operational, or billing needs

Notwithstanding the provisions specified in sections (1) through (4), below, any Transmission Customer Resource of less than 15 MW located outside the Transmission Customer's own service area must be metered on an HDRM basis unless all three affected parties (BPA, the resource owner, and the utility within whose service area the resource resides) agree to a negotiated average hourly output.

For purposes of BPA determinations below, resource is equal to the sum of all resource components integrated at a single site.

(1) Existing and New Resources of Less Than 1 MW

Metering is not required if the Transmission Customer's resource has a peak capability of less than 1 MW, except, that BPA reserves the right to install metering at its own expense when necessary. BPA shall treat the resource as a "negative load" or negotiate an estimated hourly average output with the Transmission Customer.

(2) Existing Resources From 1 MW to 3 MW

If the Transmission Customer's resource has a peak capability of at least 1 MW but less than 3 MW, BPA shall:

- (A) meter the resource output on an HDRM basis; or
- (B) designate an output that is equal to the appropriate generation capacity factor⁶.

⁶ Peak Capability of the resource multiplied by a default capacity factor of 60 percent for hydro and 90 percent for all other resources.

(3) **Existing Resources From 3 MW to 15 MW**

If the Transmission Customer's resource has a peak capability of at least 3 MW but less than 15 MW, BPA shall determine to:

- (A) Use an appropriate generation capacity factor⁷, or
- (B) Install telemetering to meter the real and reactive output of any Transmission Customer resource. Said resource must be existing on the Effective Date of this Service Agreement.

(4) **Existing Resources Over 15 MW**

BPA may install telemetering⁸, to meter the real and reactive output of any Transmission Customer resource. Said resource must be 15 MW or more in size and existing on the Effective Date of this Service Agreement.

(5) **New Resources or Upgraded Resources from 1 MW to 3 MW**

For a resource acquired by the Transmission Customer after the Effective Date of this Service Agreement: The Transmission Customer must meter such resource hourly, at its own expense, to provide HDRM to BPA for billing purposes. The resource must be 1 MW to 3 MW in size, or upgrades to an existing resource, such that its peak capability is now at least 1 MW, but less than 3 MW. The Transmission Customer and BPA agree to negotiate the estimated average hourly output to be used for operational purposes.

(6) **New Resources or Upgraded Resources 3 MW or More**

For a resource with a peak capability of 3 MW or more, which is acquired by the Transmission Customer or one of its consumers after the Effective Date of this Agreement: The Transmission Customer shall meter such resource at its own expense, using telemetering and HDRH metering, unless another arrangement is approved by BPA. The reactive power (kVArh) metering must record both lagging and leading reactive power quantities.

(b) **Points of Automatic Generation Control (AGC) Interchange**

The following metering is required for each AGC Interchange point (a point on a Control Area boundary between two Control Areas):

- (1) Telemetering of the kW at such point; and

⁷ Peak Capability of the resource multiplied by a default factor of 60 percent for hydro and 90 percent for all other resources.

⁸ Analog and HDRH and HDRM metering.

- (2) Metering with HDRH capable of providing summaries, within 3 minutes of the end of each clock-hour, of the kWh and kVArh (lagging and leading) exchanged during the previous hour.

(c) **Other Electrical Connections**

- (1) The Transmission Customer must have all electrical interconnections with BPA (other than AGC interchange) points and points of generation integration metered for HDRM for both kWh and kVArh (lagging and leading) quantities, unless BPA grants an exception.
 - (A) BPA shall install hourly metering if the Transmission Customer wants to receive expedited metering installation. The Transmission Customer shall pay for costs for the expedited installation.
 - (B) BPA will not be responsible for performing maintenance for the metering if BPA agrees to other electronic metering arrangements as provided in (A) above, unless the Transmission Customer pays for the maintenance.
- (2) If there is no metering in place that reports data to BPA on an electronic basis every month, metering data collected by the Transmission Customer must be delivered to BPA's billing operation groups within 24 hours of the end of the billing period. BPA reserves the right to require other metering to be installed at the Transmission Customer's expense if the Transmission Customer's data is late more than twice in any 12-month period.

(d) **Metering for Total Retail Load**

For Transmission Customers taking Load Regulation Services from BPA: BPA and the Transmission Customer shall ensure that adequate metering equipment is available to measure the Transmission Customer Total Retail Load or Total Plant Load.

(e) **Eccentric Loads**

The Transmission Customer shall separately meter each of its Eccentric Loads using telemetering equipment or the equivalent. Transmission Customers purchasing Load Regulation from BPA must notify BPA if they have a consumer whose load qualifies as an Eccentric Load.

13. METERING COSTS

(a) **Metering of Existing Facilities**

BPA shall be responsible for costs of all BPA-required new meter installation or meter replacements at a Transmission Customer facility existing on the Effective Date of this Service Agreement.

The Transmission Customer shall be responsible for the costs of:

- (1) Any meter replacement or new installation at points of delivery which are not required to achieve the best overall plan of service (convenience points of delivery); and
 - (2) Meters needed because the Transmission Customer changes Control Areas or is displacing transmission from BPA; and/or meters requested by the Transmission Customers.
- (b) **Metering of New Transmission Customer Facilities**
BPA shall be responsible for costs associated with installation of BPA-approved metering at new facilities established after the Effective Date of this Service Agreement that are connected to BPA's transmission system.

The Transmission Customer shall be responsible for the costs of BPA approved metering for:

- (1) All points of generation (resource) integration; and
- (2) All AGC interchange points; and
- (3) All other points of electrical interconnection, including convenience points of delivery

14. COMMUNICATIONS

- (a) Unless communication links are already in existence, the Transmission Customer shall, at its own expense, install and maintain two such links between BPA and the Transmission Customer or its Scheduling Agent, for the purposes of scheduling. One communication link shall be used for data transfer and the other link for voice communication.
- (b) A Transmission Customer either contributing to its own Spinning and/or Non-Spinning Operating Reserve obligations or securing these services from a third party shall, at its own expense, install and maintain a minimum of three communications links between all parties for real-time operations purposes. Two redundant alternately routed communications links shall be used to pass necessary operating and reserves related information between BPA and the appropriate resources and/or third parties. The third link shall be used for voice communications purposes.

ATTACHMENT H

INDEX OF NETWORK INTEGRATION

TRANSMISSION SERVICE CUSTOMERS

Customer	Effective Date
Alder Mutual Light	10/01/96
Benton REA	7/02/97
BPA/PBL	10/01/96
Cheney, City of	4/22/97
Clallam County PUD	10/01/96
Clark PUD (PacifiCorp is Designated Agent)	8/01/97
Clearwater Power	12/01/97
Columbia River PUD	8/01/98
Eatonville, Town of	10/01/96
Ellensburg, City of	10/01/96
Elmhurst Mutual Power & Light	10/01/96
Fircrest, City of	10/01/96
Idaho County Light & Power	10/01/96
Inland Power & Light	10/01/96
Klickitat County PUD	2/20/98
Kootenai Electric Coop	5/22/97
Lakeview Light & Power Co.	10/01/96
Lewis County PUD	10/01/96
Mason County PUD #1	10/01/96
Mason County PUD #3	10/01/96
McCleary, City of	10/01/96
McMinnville, City of	4/15/97
Milton, City of	10/01/96
Northern Wasco PUD	4/30/97
Ohop Mutual Light	4/23/97
Pacific County PUD	10/01/96
Parkland Light & Water.	10/01/96
Peninsula Light	10/01/96
PNGC	10/01/96
Port Angeles City Light	10/01/96
Steilacoom, Town of	10/01/96
Tillamook PUD	10/01/96
Vera Water & Power	6/12/97
Wahkiakum County PUD	10/01/96
Wells Rural Electric	10/01/96
WMG&T for Glacier Electric Coop	10/01/96
WMG&T for Lincoln Electric Coop	10/01/96
WMG&T for Mission Valley	10/01/96
WMG&T for Missoula Electric Coop	3/24/97
WMG&T for Vigilante Electric Coop	3/28/97