

ATTACHMENT T

SUMMARY OF RTO WEST TRANSMISSION OPERATING AGREEMENT

(This document is intended only as a general summary and guide and is not intended to be used in any way for legal interpretation of the Transmission Operating Agreement)

1. Effective Date and Termination.

- TOA is effective only after the executed copy is approved by FERC without change unacceptable to either party. It shall terminate:
- upon mutual agreement of all parties to TOAs;
- upon withdrawal by the Participating Transmission Owner (“PTO”) after two years’ notice; or
- immediately upon notice from the PTO if RTO West fails, after a request for assurance and passage of a reasonable amount of time, to comply with any of its obligations to the PTO.
- Withdrawing PTO must continue to take service over other PTO facilities that remain in RTO West Transmission System from RTO West.
- Withdrawing PTO must provide replacement interconnection agreements to generators and loads interconnected with its system comparable to the agreements such loads and generators had with RTO West.
- Withdrawing PTO must continue to provide to RTO West those transmission services needed by RTO West to meet its service commitments with third parties entered into between the Transmission Service Commencement Date and the date of the PTO’s withdrawal.

2. Facilities Inclusion.

- PTO must include in RTO West Transmission System at least those facilities that meet the definition of RTO West Controlled Transmission Facilities (see attached definitions). PTO shall be allowed to (1) include any additional facilities, except for generation-integration facilities, and (2) from time to time remove any such additional facilities.
- New facilities meeting the definition of RTO West Controlled Transmission Facilities that are constructed or acquired by the PTO shall be incorporated into the RTO West Transmission System upon request of RTO West.
- Any facilities that the PTO is requested by RTO West or ordered by FERC to construct or acquire may be incorporated into the RTO West Transmission System at the PTO’s request, and RTO West shall not object to the inclusion of the reasonable costs thereof.
- Nothing is intended to restrict the right of the PTO to obtain revenue recovery, pursuant to applicable orders authorizing such revenue recovery, for any other transmission facilities, except generation-integration transmission facilities, added to the RTO West Transmission System.

- Public utilities that have transferred transmission facilities to an Independent Transmission Company would execute agreements with RTO West to, among other things, (1) have the TOA apply to any transmission facilities retained by the public utility and that meet the definition of RTO Controlled Transmission Facilities, (2) provide Ancillary Services bids to RTO West when needed, (3) execute a Generation Integration Agreement and Load Integration Agreement with RTO West, (4) apply to the public utility's distribution facilities the obligations of the TOA relating to new and existing physical interconnections with electric utilities and generators, and (5) take RTO West service 1:0 serve any Non-Converted Transmission Agreements retained by the utility.

3. RTO West Provision of Transmission Service.

- After the Transmission Service Commencement Date (December 1:5, 2001 or later), RTO West shall have the exclusive right and obligation to provide to eligible customers, on an open and nondiscriminatory basis, all transmission services and ancillary services over the RTO West Transmission System.
- For Federal Columbia River Transmission System facilities of the Bonneville Power Administration, the statutory transmission priorities under Northwest Power Act section 9(i)(3) for particular resources and under the Energy Policy Act of 1992 for Northwest load shall apply.
- To comply with the above named priorities and any treaty obligations to deliver power, the BPA Administrator may direct RTO West to make certain deliveries. BPA shall be responsible for any resulting damages to RTO West or to third parties if RTO West is in compliance with its obligations to BPA under the TOA to implement these priorities and delivery obligations but transactions still have to be interrupted.
- The PTO must provide in any transmission agreement executed after September 30, 2001 but before the Transmission Service Commencement Date a right, exercisable by either party or by RTO West, to convert the service to RTO West service. Such conversion would require (1) the customer to pay to the PTO a transfer charge or the Company Rate, as appropriate, and (2) RTO West to provide Firm Transmission Rights ("FTRs") to the customer comparable to those granted to holders of other converted transmission agreements.
- The PTO shall petition FERC (or other appropriate regulatory authority) for a change to its open access transmission tariff to eliminate rollover rights for existing contracts that (1) rely on such tariff for their existence and (2) are not necessary to provide adequate power supply to loads served from the PTO's Electric System. A one-time opportunity to extend the term of such contracts, subject to available transmission capacity, shall be offered before the Transmission Service Commencement Date as a substitute for the eliminated roll-over rights.
- The PTO shall not enter into any transmission agreements for service over the RTO West Transmission System after the Transmission Service Commencement Date unless ordered to do so by FERC or a court.

- RTO West is authorized to provide transmission services over facilities of the PTO that are not part of the RTO West Transmission System to transmit power (1) to the RTO West Transmission System from generators not connected directly to the RTO West Transmission System and (2) from the RTO West Transmission System to Electric Utilities not connected directly to the RTO West Transmission System.

4. Ancillary Services.

- RTO West shall be the provider of last resort for Ancillary Services.
- RTO West shall arrange for Ancillary Services, on a day-ahead or hour-ahead basis only, for the provision of Ancillary Services requested from RTO West except as described below, and except for black start and voltage support service, which may be provided on other than a day-ahead or hour-ahead basis.
- If there is no competitive market for Ancillary Services, RTO West may arrange for Ancillary Services for periods longer than one day if the services will be provided within the first six (6) months after the Transmission Service Commencement Date.
- RTO West shall be the sole provider of scheduling and dispatch services.
- RTO West shall solicit bids for Ancillary Services. If insufficient bids are received to meet its obligations, RTO West shall direct the PTO to submit a bid, and the PTO shall submit a bid to the extent it is capable of providing such Ancillary Service. To the extent practicable, RTO West shall require the submission of bids from PTOs on a not unduly discriminatory or preferential basis.
- The PTO reserves the right to self-provide, or self-track to meet the PTO's needs, any Ancillary Services that the PTO is permitted by FERC to provide.
- RTO West shall facilitate the establishment of an external mechanism or mechanisms for the marketing of Ancillary Services and shall certify mechanisms that meet specified criteria, including a requirement that market participants are allowed to buy, sell, and trade Ancillary Services for periods longer than one year.

5. Control and Operation of Transmission Facilities.

- RTO West shall assume Operational Control of the existing control areas of the PTOs and shall have the right to operate them as a single RTO West Control Area.
- On and after the Transmission Service Commencement Date, RTO West shall exercise Operational Control over the RTO West Controlled Transmission Facilities.
- RTO West may modify the thermal and other operating parameters established by the PTO for its facilities only through dispute resolution.
- In operating the RTO West Control Area and the RTO West Controlled Transmission System, RTO West shall comply with (1) Good Utility Practice, (2) all applicable standards of NERC and WSCC, (3) all applicable requirements of regulatory agencies with authority over operations, and (4) the PTO's operating

reliability criteria, dispatch standing orders, and operating bulletins unless and until modified by RTO West, provided that any such modifications comply, at a minimum, with applicable NERC and WSCC standards.

- RTO West shall engage sufficient staff who are adequately trained and qualified in a manner consistent with Good Utility Practice and the requirements of WSCC and NERC.
- RTO West shall have the right to direct automatic or manual control over RTO West Critical Control Facilities.
- To the extent an RTO West Critical Control Facility is comprised of contractual rights of the PTO to interrupt power supplies to third parties or to require third parties to interrupt generation, RTO West shall pay to the PTO or to the third party any contractual charges for the reservation or exercise of such rights, including any contractual liquidated damages, as specified in the applicable agreement.
- RTO West shall coordinate maintenance outage schedules on RTO West Critical Control Facilities.
- The PTO shall make good faith efforts to maintain (1) its contractual rights and obligations with third parties for Remedial Action Schemes until the expiration of the applicable contracts and (2) for three (3) years from the Transmission Service Commencement Date Remedial Action Schemes provided without contract by the PTO that are necessary to maintain the transmission path ratings in the 1998 WSCC Path Rating Catalogue.
- RTO West shall approve or reject proposed maintenance outages on the RTO West Controlled Transmission Facilities and the RTO West Critical Control Facilities. RTO West shall pay to the PTO any costs incurred by the PTO as the result of any RTO West directive to change the timing of scheduled outages that had been previously approved by RTO West.
- RTO West shall develop and implement on an annual basis performance standards for operation, management, and financial control of RTO West.
- RTO West shall keep such records as are necessary for the efficient operation of the RTO West Transmission System and, except as necessary to protect confidential information, shall make such records available upon request for inspection by the PTO.
- On and after the Transmission Service Commencement Date, RTO West shall, directly or by contract with the Pacific Northwest Security Coordinator, perform all functions required of a Security Coordinator.
- The PTO shall continue to operate, or contract with another entity to operate, a fully equipped control center staffed by qualified operating personnel responsible for carrying out the following functions under RTO West's direction and coordination:
 - Switching orders and clearances. The PTO reserves the right to conform to its safety practices and standards when responding to RTO West directions.
 - Log maintenance.
 - Provide to RTO West information for monitoring and analysis functions.

- Monitor and evaluate power and reactive flows and voltage levels and take action to maintain security of the RTO West Transmission System.
- Restore the RTO West Transmission System after interruptions.
- Coordinate transmission facility maintenance outages with RTO West.
- Execute actions required by the Security Coordinator, subject to applicable contractual, statutory, and environmental limitations.
- Carry out all other operating functions not assumed by RTO West.
- Ensure that its personnel performing the duties specified above (1) comply with the information access requirements of the FERC Code of Conduct and (2) give no undue preference to any market participant.
- A PTO may unilaterally request approval from FERC to perform RTO functions. To the extent such request is approved by FERC, the TOA, the RTO West Tariff, and other governing documents shall be amended accordingly.

6. Expansions, Upgrades, and Physical Interconnections.

- The PTO shall maintain sufficient transfer capability (by redispatch of generation facilities or other means) on its RTO West Controlled Transmission Facilities to satisfy firm rights it has granted and that still exist on the Transmission Service Commencement Date; provided that if a reduction in transfer capability results from events outside the PTO's control, the PTO's obligation shall be determined by the terms of the pre-existing contracts. In the event a reduction in transfer capability of the PTO's RTO West Controlled Transmission Facilities existing as of the Transmission Service Commencement Date affects additional transmission service commitments, RTO West shall determine the extent to which restoration is needed, and the PTO shall restore such reduced transfer capability (by redispatch of generation facilities or other means) as determined by RTO West. If the PTO fails to restore transfer capability within a commercially reasonable period, RTO West may take such actions as needed to maintain such -transfer capability and shall be entitled to recover the costs of such actions as an additional charge on the PTO's Company Loads.
- The PTO must permit new physical interconnections with its system to serve new or existing loads or new or existing generating facilities subject only to (1) reasonable terms and conditions related to such physical interconnection, (2) receipt of necessary regulatory approvals, and (3) compliance with applicable environmental assessment, planning, and reliability requirements.
- If the interconnecting parties are unable to reach agreement within sixty (60) days (or such extended period as may be agreed or is necessary to comply with applicable environmental requirements), RTO West may compel the PTO to participate in expedited dispute resolution. The arbitrator shall be instructed to accept the PTO's proposed interconnection agreement terms if they are either (1) (i) reasonable, (ii) not contrary to FERC requirements, (iii) do not conflict with a GIA or LIA that the interconnecting party will execute with RTO West, (iv) are not in conflict with interconnection standards adopted by RTO West, and (v) are not unreasonably discriminatory or preferential with respect to the PTO's other

comparable interconnection agreements or (2) are required pursuant to the interconnection standards adopted by RTO West. Arbitration decisions may be appealed to FERC.

- The PTO's interconnection standards shall apply to the PTO's system, but RTO West may modify the PTO's standards as they apply to the PTO's RTO West Controlled Transmission Facilities, provided that any such modifications comply with applicable NERC and WSCC reliability and safety requirements.
- RTO West agrees to take necessary actions to protect the PTO's facilities in the event of failure of the interconnecting party to comply with any such requirements.
- In support of upgrades and expansions determined by RTO West to be needed, the PTO must, consistent with applicable law:
- Permit the installation and interconnection of such upgrades and expansions to its RTO West Controlled Transmission Facilities. The PTO's interconnection standards shall apply unless and until modified by RTO West, provided that any such modifications comply with applicable NERC and WSCC reliability and safety requirements.
- Cooperate with RTO West, to the extent permitted under applicable law, to obtain necessary siting and other permits and licenses, to obtain necessary rights-of-way, and with the planning and construction of the upgrade or expansion.
- Subject to the exception below, take necessary and appropriate steps, to the extent permitted under applicable law, to exercise its eminent domain authority, take appropriate regulatory and judicial actions to condemn necessary rights-of-way, and, if necessary, acquire legal ownership of such upgrades.
- If the PTO may not exercise such eminent domain authority under applicable law, RTO West reserves its right to file a request for construction of facilities pursuant to section 211 of the Federal Power Act.
- The PTO shall not be obligated to incur or assume any of the costs of such cooperation; exercise of eminent domain authority, regulatory, or judicial actions; or legal ownership except as provided in rates charged pursuant to an RTO West Tariff.
- If the PTO fails to promptly and completely comply with its obligations with respect to upgrades or expansions, RTO West may exercise any remedy available to it including (1) petitioning FERC for an order under sections 210 or 211 of the Federal Power Act or (2) arranging for the upgrade or expansion through a third party and assigning the costs pursuant to its rate-setting authority under the TOA and under its tariff.

7. Transmission Owner Generation and Loads. PTO must integrate its electric generation units, loads, and other transmission and distribution facilities to the RTO West Transmission System under the standard form Generation Integration and Load Integration Agreements.

8. Pre-Existing Third Party Generation Interconnections. Generators interconnected with the PTO's system under pre-existing agreements may either (1) request the PTO to negotiate so as to allow replacement of the integration provisions of such agreements with an RTO West Generation Integration Agreement or (2) request the PTO to negotiate instructions, consistent with the pre-existing agreement, to govern access to the RTO West Transmission System.

- If the parties are unable to agree on instructions under (2) above, INTO West may compel arbitration.

9. Pre-Existing Transmission Agreements.

- Each PTO shall suspend through a separate Suspension Agreement the transmission service and ancillary service provisions in its pre-existing transmission agreements with other PTOs. The transmission revenue associated with long-term wheeling and short-term firm and nonfirm wheeling; under the suspended services will be converted to transfer charges among the PTOs during the Company Rate Period.
- The transfer charges shall be fixed unless a PTO elects to have its transfer charges increase or decrease based on the PTO's unit costs.
- Transfer charges may increase if service is provided for load growth.
- The PTO shall make a good faith offer to third parties holding existing transmission agreements to suspend or terminate such agreement in return for FTRs and payment to the PTO of transfer charges or the Company Rate, as appropriate. If the offer is declined, the PTO shall attempt to negotiate appropriate modifications to procedures in the existing agreement to be consistent with RTO West operating procedures, deadlines, and other protocols.
- RTO West shall provide to the Executing Transmission Owner all transmission services necessary to satisfy its obligations under pre-existing, nonconverted transmission agreements with non-PTO customers. The PTO shall provide for the scheduling of such service under such pre-existing agreements directly with RTO West unless the transmission customer itself arranges for scheduling with RTO West.

10. Firm Transmission Rights ("FTRs").

- Each PTO shall receive FTRs on the RTO West Controlled Transmission System to (1) replace its firm rights under pre-existing transmission agreements, (2) use its own facilities to serve loads connected to its transmission system and not covered by a pre-existing transmission agreement, and (3) use its own facilities to serve obligations under bundled power sale, exchange, coordination, or other obligations not covered by a pre-existing transmission agreement.
- RTO West shall also satisfy each PTO's obligations under nonconverted transmission agreements with parties that are not PTOs by either (1) granting FTRs sufficient to meet such obligations or (2) withholding sufficient transmission capacity to accept schedules under the nonconverted transmission agreements.

- RTO West shall market the FTRs associated with pre-existing ownership of RTO West transmission system capacity, or for rights to control such capacity through contract, for which there are no firm rights of use pursuant to a pre-existing contract and shall allocate the revenues to the PTO.
- FTRs comparable to the firm rights held under pre-existing contracts shall also be granted to any other entity agreeing to suspend transmission service rights under pre-existing contracts.
- Each year during the Company Rate Period, the PTO shall submit load growth projections for the following year for (1) its obligations to serve loads connected to its system and (2) its nonconverted transmission agreements providing for service to load growth of third parties. Before the annual FTR auction, RTO West shall allocate any unencumbered firm transmission capacity on PTO's transmission facilities and on other PTO transmission facilities to the extent pre-existing contracts provided for service over such facilities for load growth, as needed and without additional charge to meet the PTO's reasonable, load growth projections. Similarly, FTRs for load growth will be made available without charge to transmission customers of PTOs where the pre-existing transmission agreement of such customers provides for such load growth.
- FTRs shall be extended beyond the initial term of a pre-existing contract if the contract contains explicit rollover rights that do not depend on the PTO's open access transmission tariff for their existence and the transmission rights holder so elects. Any pre-existing transmission agreement for delivery of power to meet loads served from the PTO's system shall be deemed to include rollover rights.
- FTRs shall be based on two feasible dispatches (on-peak and off-peak:) for each month.
- If the initial allocation of FTRs exceeds the capability of a flowpath after compliance by all PTOs with their obligations to maintain transfer capability, the capability shall be allocated through negotiations.

11. Protection of PTO's Obligations and Responsibilities. The PTO shall not be required to take actions that would violate NERC or WSCC requirements, its, FERC licenses, other FERC requirements, its NRC licenses or NRC requirements, applicable governmental laws or regulations, applicable nonpower requirements with which the PTO is obligated to comply (including, without limitation, environmental laws, regulations, court and administrative orders, or biological opinions), or its safety requirements.

12. Maintenance Performance Plan. RTO West and the PTO shall negotiate a performance plan for maintenance of RTO West Controlled Transmission Facilities that specifies reasonable minimum reliability and availability requirements. If a performance plan has not been jointly developed within one year of the Transmission Service Commencement Date, either party may invoke dispute resolution to resolve any disputes as to the minimum elements of an appropriate performance plan.

13. Planning. Except as stated below, RTO West shall assume primary responsibility for planning of the RTO West Controlled Transmission Facilities and shall have the right to review proposals for additions or modifications to all such facilities.

- PTOs that have been found by FERC to be independent from control of market participants or are otherwise entitled to exercise such authority may plan their Transmission Facilities and make additions, modifications, and expansions thereto, except that RTO West shall have primary planning responsibility and final decision-making authority with respect to RTO West Controlled Transmission Facilities. If the additions or modifications or expansions to such facilities do not impair reliability or bulk transmission capability of the RTO West Transmission System, RTO West shall not unreasonably delay or withhold the requested approval.
- In planning the RTO West Transmission System, RTO West shall comply with (1) Good Utility Practice, (2) all applicable standards of NERC and WSCC, and (3) all applicable requirements of regulatory agencies with authority over planning.

14. Rates.

- Each PTO shall establish rates to charge RTO West for use of its transmission facilities pursuant to its own ratemaking requirements.
- Each PTO shall establish Company Costs and Company Billing Determinants during the Company Rate Period.
- The Company Rate to be included in RTO West's charges to the Executing Transmission Owner's Company Loads shall be calculated pursuant to the following formula:

Company Rate = (Company Costs +/- Transfer Charges +/- Transmission Facility Cost Sharing Payments - FTR Revenue Allocation) / (Company Billing Determinants)

FTR Revenue Sharing means an allocation of the revenue from the sale of Firm Transmission Rights allocated to the Executing Transmission Owner to replace ownership and contract rights to firm transmission capability for which there are no firm rights pursuant to Pre-Existing Transmission Agreements.

Transmission Facility Cost Sharing Payments means such payments as are specified in the RTO West Tariff, in response to requests by entities constructing and/or operating Transmission Facilities, that will benefit the Company Loads served by one or more Participating Transmission Owners other than the entity constructing and/or operating such Transmission Facilities, with such payments intended by RTO West to equitably allocate the costs related to such Transmission Facilities among the Company Loads benefiting from the facilities.

- RTO West Tariff shall specify that Company Rates are to be billed by RTO West as a billing agent for the PTO and that all applicable bills shall provide for

payment of the Company Rate portion directly to a payment agent designated by the PTO.

- During the Company Rate Period, RTO West's charges for use of the RTO West Transmission System shall be comprised of (1) Company Rate charges, (2) transfer charges for use of BPA's facilities and imposed on utilities listed in Exhibit H that do not become PTOs, (3) compensation to RTO West for its costs of operations, and (4) any stranded costs.
- During the Company Rate Period, RTO West shall compensate the PTO for its lost revenues related to pre-RTO levels of short-term firm and nonfirm wheeling that cannot be recovered through transfer charges.
- After the Company Rate Period, RTO West shall set rates to recover revenues (i) adequate to recover the PTO's annual revenue requirement and (ii) that continue to be collected in a manner that satisfies all obligations of the Bonneville Power Administration for the payment of costs of certain nuclear generating projects.
- The PTO retains the right to unilaterally file with FERC for performance-based rates and other incentive-oriented rate recovery mechanisms if FERC determines that the PTO is independent from control of market participants or otherwise entitled to exercise such authority.
- Nothing in the TOA is intended to create, modify, or extinguish any right or obligation of either party regarding recovery by the PTO through transmission charges of its Stranded Costs.
- The PTO reserves the right to file rate schedules with FERC for the recovery of Stranded Costs and to collect Stranded Costs with respect to wholesale and retail loads with access to the PTO's transmission facilities. Any load shall be deemed to access such facilities if and to the extent (1) the point(s) of interconnection of such load with the RTO West Transmission System are or were with such transmission facilities or (2) such load is not directly connected to the transmission facilities but would have had insufficient transmission interconnections with transmission providers other than the PTO to receive the power being wheeled to such load.
- The RTO West tariff shall contain an automatic adjustment clause or other provision that provides for the recovery of such Stranded Costs as a surcharge for transmission service to such loads.
- By June 1 of each year, the PTO shall report to RTO West its costs in the most recent calendar or fiscal year for those items that are the basis of the rates to RTO West in the PTO's rate schedule, including rate base, expenses, and transmission facilities constructed or retired during the reporting period.
- RTO West shall not add any charges to BPA's revenue requirement that would provide RTO West with a profit or return on federal assets.
- With respect to PTOs whose rates are not required to be accepted for filing or approved by FERC, any costs of such PTOs that would not be allowed under FERC standards, adapted as necessary to recognize relevant differences between such PTOs and public utilities, shall be recoverable only from loads taking transmission service at points of delivery on the PTO's system.

- Any costs, losses, liabilities, or penalties incurred by a PTO in conjunction with the loss of tax-exempt status of any of its bonds resulting from transfer of Operational Control of the PTO's Transmission Facilities to RTO West, or the use of any capacity on any of such facilities pursuant to any such transfer, shall be recoverable only from loads taking transmission service at points of delivery on the PTO's system.
- Costs reasonably incurred by a PTO in connection with issuance of bonds in replacement of tax-exempt bonds allocable to transmission facilities included in the RTO West Transmission System and the costs of any increased debt service shall be recoverable from RTO West.

15. Liability. Each PTO must execute an Agreement Limiting Liability Among RTO West Participants.

16. Dispute Resolution.

- A dispute resolution mechanism is available to resolve any dispute arising under the Agreement except disputes relating to rates charged by RTO West or the PTO.
- May be used to resolve disputes over which provisions of a transmission agreement between Executing Transmission Owners should be suspended.
- Dispute resolution mechanism involves:
- Reasonable efforts to informally settle;
- Appointment of a facilitator;
- If not resolved within 30 days after first meeting with facilitator, any disputing party may commence an arbitration process.
- Notice of arbitration shall be posted on the RTO Web site.
- Parties select an arbitrator through mutual agreement or by striking names from a list of ten (10) qualified individuals.
- Three (3) member arbitration panel option is available to either party if it commits to paying the costs of the two (2) additional arbitrators.
- Arbitrator determines discovery procedures, intervention rights, procedures for taking evidence, what written submittals may be made, and other procedural matters.
- Unless the parties otherwise agree, all intervenors must agree to be bound by the provisions that apply to the disputing parties.
- Within 115 days of his/her selection, the arbitrator shall select the proposed award of one of the parties or intervenors (baseball arbitration) unless the agreement provides otherwise for a particular type of dispute.
- Unless appealed, no award shall be considered precedential in any other arbitration related to a different dispute.
- Arbitration costs shall be borne by the party or parties whose proposed award was not selected, except that the parties shall bear their own costs associated with attorney and witness fees.
- Any party may appeal the arbitrator's decision to FERC or to a court where FERC has no jurisdiction, within thirty (30) days of its issuance.
- Similar Canadian dispute resolution mechanisms exist for disputes involving transmission facilities within Canada or interconnection or transmission service provided through such facilities, except that appeals go to the appropriate Canadian Regulatory Authority or Canadian court.

17. Miscellaneous.

- If (1) the PTO withdraws from RTO West and (2) other Executing Transmission Owners whose facilities serve loads that would provide one-half or more of RTO West's remaining revenues also give notice of their intent to withdraw within one year before or after the PTO's withdrawal notice, the PTO shall be responsible for a share of RTO West's net costs, if any, of terminating its operations and winding up its corporate existence.

- The PTO's share shall equal the ratio of the Company Costs or other rates, charges, or fees established by the PTO for use of its transmission facilities to the total of such Company Rates or other rates, charges, or fees so established by all Executing Transmission Owners from whom RTO West is able to collect payments assessed for its costs of terminating operations and winding up.
- Nothing in the TOA shall be interpreted to supersede the requirements of any existing agreement unless otherwise expressly stated in the TOA.
- Each PTO may elect to include in its TOA with RTO West a provision by which RTO West agrees not to use the PTO's Transmission Facilities to deliver service to or on behalf of end use customers if FERC would be prohibited from ordering such service under section 212(h) of the Federal Power Act unless (1) such service is required by authority of competent jurisdiction, (2) the end use customer is a direct service industrial customer as defined in the Northwest Power Act, or (3) such service has been agreed to by the retail utility that formerly served the end use customer.

Definitions

“Company Billing Determinants” means those billing determinants for calculating the Company Loads to which Company Rates will apply, in such amount and calculated in such manner as proposed by the Executing Transmission Owner and accepted for filing or approved by the FERC.

“Company Costs” means the costs of the Executing Transmission Owner incurred in connection with the ownership and operation of the Transmission Facilities, including any applicable performance or incentive payments, as the Executing Transmission Owner may propose and the FERC may accept for filing or approve. Company Costs shall not include (1) any Transfer Payments to be made or to be received by the Executing Transmission Owner or (2) any payment or receipt of Transmission Facility Cost Sharing Payments that have been allocated under the RTO West Tariff. Company Costs shall be reduced by any Lost Revenue Amounts applicable to the Executing Transmission Owner.

“Company Loads” means, if the Executing Transmission Owner is the Bonneville Power Administration or a “public utility” as defined by the Federal Power Act, those loads interconnected with the Electric System of the Executing Transmission Owner; provided that loads served under General Transfer Agreements (including loads served through new delivery points but not loads served in additional service territories annexed after the date of this Agreement) shall be deemed the Company Loads of the Executing Transmission Owner taking service for such loads under the applicable General Transfer Agreement.

“Company Rate Period” means the period commencing on the Transmission Service Commencement Date and extending through December 14, 2011.

“Electric System” means a single integrated electric power grid usually characterized by ownership, rental, lease, control, or operation by a single person or entity. An Electric System consists of electric distribution facilities or transmission facilities, or any combination thereof, and includes transmission lines, distribution lines, substations, switching stations, and all associated equipment for transmitting or distributing the flow of power. The term “Electric System” shall include any devices or equipment by which information is originated on an electric system or by the person operating such system, by which such information is transmitted and by which such information is received either for information or for operation of the system.

“Firm Transmission Right” means the right to schedule, on a firm basis, one megawatt of electric power and energy over a particular Flowpath in one direction for a particular hour.

“Flowpath” means one or more RTO West Controlled Transmission System facilities for which transmission use is managed through requiring Firm Transmission Rights in order to schedule in a particular direction.

“Operational Control” means the rights of RTO West under this Agreement and under the applicable RTO West tariff to direct the Executing Transmission Owner to operate the Transmission Facilities and other electric plant affecting the reliability of the RTO West Transmission System for the purpose of affording comparable non-discriminatory transmission access and meeting applicable reliability criteria for the RTO West Transmission System.

“RTO West Controlled Transmission Facilities” means those Transmission Facilities over which RTO West shall exercise Operational Control. Unless the FERC approves an exception, these shall include all Transmission Facilities that have a material impact on (1) transfer capabilities of RTO West managed constraint paths between its Congestion Management Zones, (2) the ability to transfer electric power and energy within Congestion Management Zones, and (3) the ability to transfer electric power and energy into or out of the RTO West Transmission System. A Transmission Facility shall be deemed to have a material impact on transfer capabilities between Congestion Management Zones or into or out of the RTO West Transmission System if such transfer capabilities would change if the Transmission Facility were removed. A Transmission Facility shall be deemed to have a material impact on transfer capabilities within Congestion Management Zones if such Transmission Facilities carry ten percent (10%) or more of the electric power and energy transferred through parallel paths through a Congestion Management Zone. The classification of the low-voltage side of a transformer will determine whether such transformer must be included, and substation facilities radial to a transformer must be included if the transformer is included. The Executing Transmission Owner shall not be required to include those Transmission Facilities that are radial to load.

“RTO West Critical Control Facilities” means those facilities, protective relay systems, and Remedial Action Schemes for which RTO West requires more direct control than as otherwise provided herein through the Operational Control of RTO West Controlled Transmission Facilities. Such more direct control may include automatic control, supervision control, or other forms of control, including the ability to provided control direction by voice.

“Stranded Costs” means any amounts charged by a Participating Transmission Owner to RTO West (1) for the recovery of power costs that the Participating Transmission Owner is unable to fully recover through its revenues for the sale of power or (2) for the recovery of any costs the Executing Transmission Owner is allowed by the FERC to charge loads that reduce or eliminate the purchase of power from the Executing Transmission Owner or that reduce or eliminate their contributions to paying for any portion of the Electric System of the Executing Transmission Owner.

“Transmission Service Commencement Date” means the date that RTO West commences its provision of Transmission Services and Operational Control over the RTO West Transmission System.