



Department of Energy

Bonneville Power Administration
P.O. Box 491
Vancouver, Washington 98666-0491

TRANSMISSION SERVICES

January 5, 2009

In reply refer to: TSPQ/TPP-2

Re: 2010-2011 Partial Transmission Rate Case Settlement Agreement

BPA Transmission Services has attached to this e-mail a proposed Transmission Services Rate Case Partial Settlement Agreement for your review and signature. Because we are sending the Settlement Agreement to both individual customers and organizations representing various customer groups, you may receive more than one email.

The Settlement Agreement, which Transmission Services negotiated with parties to the 2010-2011 transmission rate case, settles all transmission rates and the two required ancillary services (Scheduling, System Control and Dispatch Service and Reactive Supply and Voltage Control from Generation Sources Service), and includes changes to several other rate schedules. It does not include the remaining ancillary service rates or the control area service rates, which remain as active issues in the BPA rate case.

If you intend to sign the settlement agreement, please sign and return it by close of business on Friday, January 16, 2009, to:

Bonneville Power Administration
Attn: Sarah Bermejo, TSPQ/TPP-2
P. O. Box 61409
Vancouver, WA 98666-1409

If Transmission Services concludes that there is sufficient consensus supporting the Settlement Agreement, Transmission Services will execute the Settlement Agreement and issue an initial proposal as outlined in the agreement.

If sending by fax, please fax only the executed signature page of the Settlement Agreement by COB Friday, January 16, 2009, to the attention of Sarah Bermejo at (360) 619-6961 (fax). In addition, you must then promptly mail the entire signed settlement agreement to the above address.

Please list with your signature the entity on whose behalf you are signing the settlement agreement. If you are signing the Settlement Agreement on behalf of more than one entity, please list on the signature page all the entities you are representing.

Any questions may be directed to your Transmission Account Executive.

Sincerely,

/s/ Edison G. Elizeh
Edison G. Elizeh
Supervisor, Transmission Commercial Business Assessment

PARTIAL SETTLEMENT AGREEMENT
Bonneville Power Administration 2010 Transmission Rate Case

The undersigned signatories to this Partial Settlement Agreement hereby agree to the following:

1. In the Bonneville Power Administration (BPA) 2010 Transmission Rate Case (Rate Case), BPA Transmission Services (TS) will submit a proposal (Settlement Proposal) to establish rates for fiscal years 2010-2011 (Rate Period) for all transmission services as shown in Attachment 1. This Settlement Proposal will include changes to the Failure to Comply Penalty Charge, the Unauthorized Increase Charge, the Reactive Supply and Voltage Control from Generation Sources Service rate schedule, the Scheduling, System Control, and Dispatch Service rate schedule, and the availability section of the Network Integration Rate, all shown in redline on Attachment 2. The Settlement Proposal will include no other changes to existing rate schedules for the services listed above or to the general rate schedule provisions as they relate to the services listed above; except that TS has the right to propose a formula or formulas for all incremental cost rates and to propose the structure and elements of a public process for determining and allocating costs when BPA offers transmission service at an incremental cost rate. The incremental cost rate is not part of the Settlement Proposal, and the parties have the right to challenge any aspect of the formulas and public process that TS proposes.
2. The ancillary services Regulation and Frequency Response Service, Energy Imbalance Service, Operating Reserve – Spinning Reserve Service, Operating Reserve – Supplemental Reserve Service, and Generation Imbalance Service, and all control area services, are not included in this settlement. All issues concerning these services, including the amount and pricing of the reserve capacity needed for such services, will be litigated in the power rate case, docket number WP-10. All issues concerning rate design and the rate schedules for these services will be litigated in this transmission rate case, docket number TR-10. BPA reserves the right to propose changes to the rates, rate schedules, and associated general rate schedule provisions for these services, and the signatories to this settlement preserve the right to litigate all issues concerning these services.
3. During 2009, BPA will hold discussions with all interested parties regarding segmentation, cost of service methodology, and rate design for future transmission rates. Such discussions will include, but not be limited to, ratemaking to recover the costs of the Utility Delivery segment, and the costs of transmission facilities that comprised the former Northern Intertie transmission segment. Parties may raise other topics for BPA's consideration that are relevant to the design of transmission rates. In the discussions, BPA will establish protocols for how it will respond to issues raised.
4. BPA will hold a public process to develop a business practice for implementing the revised Failure to Comply Penalty Charge, and BPA will not assess such charge before it has adopted a final business practice.

5. The signatories agree not to contest any aspect of the Settlement Proposal, or, with respect to the rates included in the Settlement Proposal and established for the Rate Period, any of the elements thereof, the methodologies and principles used to derive such rates, or any aspect of the rate schedules or general rate schedule provisions, or any other issue that is included in the Settlement Proposal. The signatories further agree to waive their rights to cross-examination and discovery with respect thereto, except in response to issues raised by any party in such proceeding that is not a signatory to this Partial Settlement Agreement. If, however, TS does not submit a Settlement Proposal consistent with the terms of this Partial Settlement Agreement, the signatories may contest any aspect of the Settlement Proposal.

6. The signatories intend that revised Attachment M (Attachment 3 to this Partial Settlement Agreement) will replace the existing Attachment M in BPA's Open Access Transmission Tariff (Tariff). BPA will submit revised Attachment M to FERC for approval as an amendment to BPA's Tariff. The signatories agree not to protest such proposed amendment at FERC or in any other forum. Nothing in this Partial Settlement Agreement limits a signatory's right to argue in an appropriate forum that, when making curtailments, BPA has not curtailed on a non-discriminatory basis the schedules(s) that effectively relieve the constraint.

7. The signatories will move the Hearing Officer to specify a date, within a reasonable time of the prehearing conference in the Rate Case, by which any party to the Rate Case that has not executed this Partial Settlement Agreement must object to the settlement proposed in this Partial Settlement Agreement and identify each issue included in the Settlement Proposal that such Rate Case party chooses to preserve for hearing. If no Rate Case party objects to the Settlement Proposal and preserves issues for hearing, TS shall propose to the Administrator that he adopts the Settlement Proposal in its entirety and BPA shall submit the revised Attachment M to FERC as a proposed amendment to BPA's Tariff. In the event that any Rate Case party does so object to the Settlement Proposal, TS may, but shall not be required to, revise the Settlement Proposal as it believes appropriate and BPA may, but shall not be required to, revise Attachment M as it believes appropriate, either after such Rate Case party states its objection or after parties file their direct testimony. If TS decides to revise the Settlement Proposal, or if BPA decides to revise Attachment M, the parties will meet promptly to discuss a new procedural schedule that they will propose to the Hearing Officer, allowing TS or BPA, as the case may be, a reasonable time in which to present a revised proposal and the parties a reasonable time to respond to such revised proposal. In that event, the signatories may contest any aspect of the revised proposal.

8. Nothing in this Partial Settlement Agreement is intended in any way to alter the Administrator's authority and responsibility to periodically review and revise the Administrator's transmission rates or the signatories' rights to challenge such revisions.

9. If the Administrator establishes transmission rates in accordance with the Settlement

Proposal and submits such rates to FERC for confirmation and approval under the applicable standards of the Northwest Power Act or as a reciprocity filing, the signatories agree not to challenge such confirmation and approval of such rates or any element thereof, including the methodologies and principles used to establish such rates, or support or join any such challenge, and agree not to challenge such rates or any element thereof, including the methodologies and principles used to establish such rates, in any judicial forum.

10. The signatories agree that they will not assert in any forum that anything in this Partial Settlement Agreement or any action with regard to this Partial Settlement Agreement taken or not taken by any signatory, the Hearing Officer, the Administrator, FERC, or a court, creates or implies any procedural or substantive precedent or creates or implies agreement to any underlying principle or methodology, or creates any precedent under any contract between BPA and any signatory.

11. By executing this Partial Settlement Agreement, no signatory waives any right to pursue BPA Tariff dispute resolution procedures consistent with BPA's Tariff (including without limitation any complaint concerning implementation of BPA's Tariff) or any claim that a particular charge, methodology, practice or rate schedule has been improperly applied.

12. Nothing in this Partial Settlement Agreement amends any contract or modifies rights or obligations or limits the remedies available thereunder.

This Partial Settlement Agreement may be executed in counterparts.

_____ for
_____ Date _____
Party



Attachment 1 Summary of Rate Levels

	Units	Proposed 2010 Rates	
		FPT-10.1	FPT-10.3
FPT-10.1 and FPT-10.3			
M-G Distance.....	\$/kW-mi-yr	0.0587	0.0587
M-G Miscellaneous Facilities.....	\$/kW-yr	3.35	3.35
M-G Terminal.....	\$/kW-yr	0.68	0.68
M-G Interconnection Terminal.....	\$/kW-yr	0.61	0.61
S-S Transformation.....	\$/kW-yr	6.31	6.31
S-S Interconnection Terminal.....	\$/kW-yr	1.73	1.73
S-S Intermediate Terminal.....	\$/kW-yr	2.44	2.44
S-S Distance.....	\$/kW-mi-yr	0.5772	0.5772
Overall FPT Rate.....	\$/kW-yr	15.93	15.93
Overall FPT Rate.....	\$/kW-mo	1.327	1.327
IR-10			
Demand.....	\$/kW-mo	1.498	
NT-10			
Base Rate (\$/kW-mo).....	\$/kW-mo	1.298	
Load Shaping (\$/kW-mo).....	\$/kW-mo	0.367	
Base plus Load Shaping.....	\$/kW-mo	1.665	
PTP-10			
Demand.....	\$/kW-mo	1.298	
Daily Block 1 (day 1 thru 5).....	\$/kW-day	0.060	
Daily Block 2 (day 6 and beyond).....	\$/kW-day	0.046	
Hourly.....	mills/kWh	3.74	
Utility Delivery			
Demand.....	\$/kW-mo	1.119	
IS-10			
Demand.....	\$/kW-mo	1.293	
Daily Block 1 (day 1 thru 5).....	\$/kW-day	0.060	
Daily Block 2 (day 6 and beyond).....	\$/kW-day	0.045	
Hourly.....	mills/kWh	3.72	
IM-10			
Demand.....	\$/kW-mo	1.312	
Daily Block 1 (day 1 thru 5).....	\$/kW-day	0.061	
Daily Block 2 (day 6 and beyond).....	\$/kW-day	0.043	
Hourly.....	mills/kWh	3.78	
Intertie East			
IE-10.....	mills/kWh	1.13	

Attachment 1 Summary of Rate Levels

	Units	Proposed 2010 Rates
Power Factor Penalty Charge		
Demand -- Lagging.....	\$/kVAr-mo	0.28
Demand -- Leading.....	\$/kVAr-mo	0.24
 Scheduling Control and Dispatch ('10)		
Demand.....	\$/kW-mo	0.203
Daily Block 1 (day 1 thru 5)....	\$/kW-day	0.010
Daily Block 2 (day 6 and beyond).	\$/kW-day	0.006
Hourly.....	mills/kWh	0.59
 Generation Supplied Reactive ('10)		
Demand.....	\$/kW-mo	0.000
Daily Block 1 (day 1 thru 5)....	\$/kW-day	0.000
Daily Block 2 (day 6 and beyond).	\$/kW-day	0.000
Hourly.....	mills/kWh	0.00

Attachment 2
Scheduling, System Control and Dispatch Service

SECTION II. ANCILLARY SERVICE RATES

A. SCHEDULING, SYSTEM CONTROL AND DISPATCH SERVICE

The rates below apply to Transmission Customers taking Scheduling, System Control and Dispatch Service from BPA-TS. These rates apply to both firm and non-firm transmission service. Transmission arrangements on the Network, on the Southern Intertie, and on the Montana Intertie are each charged separately for Scheduling, System Control and Dispatch Service.

1. RATES

a. Long-Term Firm PTP Transmission Service and NT Service

The rate shall not exceed \$0.203 per kilowatt per month.

b. Short-Term Firm and Non-Firm PTP Transmission Service

For each reservation, the rates shall not exceed:

(1) Monthly, Weekly, and Daily Firm and Non-Firm Service

(a) Days 1 through 5 \$0.010 per kilowatt per day

(b) Day 6 and beyond \$0.006 per kilowatt per day

(2) Hourly Firm and Non-Firm Service

The rate shall not exceed 0.59 mills per kilowatthour.

2. BILLING FACTORS

a. Point-To-Point Transmission Service

For Transmission Customers taking Point-to-Point Transmission Service (PTP, IS, and IM rates), the Billing Factor for each rate specified in section 1.a., 1.b.(1), and for the Hourly Firm PTP Transmission Service rate specified in 1.b.(2) shall be the Reserved Capacity, which is the greater of:

- (1) the sum of the capacity reservations at the Point(s) of Receipt, or
- (2) the sum of the capacity reservations at the Point(s) of Delivery.

The Reserved Capacity for Firm PTP Transmission Service shall not be adjusted for any Short-Distance Discounts or for any modifications on a non-firm basis in determining the Scheduling, System Control and Dispatch Service Billing Factor.

The Billing Factor for the rate specified in section 1.b.(2) for Hourly Non-Firm Service shall be the ~~scheduled kilowatt hours. Upon 60 day's notice by BPA-TS, the Billing Factor for the rate specified in section 1.b.(2) for Hourly Non-Firm Service shall become the~~ Reserved Capacity and:

~~When Reserved Capacity becomes the Billing Factor for Hourly Non-Firm Service,~~ the following shall apply:

- i. If the need for Curtailment is caused by conditions on the Federal Columbia River Transmission System, the Billing Factor will be as follows:
 - a. If Hourly Non-Firm PTP Transmission Service is Curtailed or Interrupted before the close of the hourly non-firm scheduling window, the Billing Factor will be the Reserved Capacity minus the curtailed capacity.
 - b. If Hourly Non-Firm PTP Transmission Service is Curtailed or Interrupted after the close of the hourly non-firm scheduling window, the Billing Factor will be the Transmission Customer's actual schedule in the hour.
- ii. If the need for Curtailment is caused by conditions on another transmission provider's transmission system, the Billing Factor will be the Reserved Capacity.

These Billing Factors apply to all PTP transmission service under the Open Access Transmission Tariff regardless of whether the

Transmission Customer actually uses (schedules) the transmission.

b. Network Integration Transmission Service

For Transmission Customers taking Network Integration Transmission Service, the Billing Factor for the rate specified in section 1.a. shall equal the NT Base Charge Billing Factor determined pursuant to section III.A. of the Network Integration Rate Schedule (NT-~~0810~~).

c. Adjustment for Customers Subject to the Unauthorized Increase Charge (UIC)

For Transmission Customers taking Point-to-Point Transmission Service (PTP, IS, and IM rate schedules) that are subject to a UIC in a billing month, the Billing Factor for the billing month shall be the Billing Factor calculated above plus the UIC Billing Factor calculated under section II.G.2.a. of the GRSPs.

For Transmission Customers taking Network Integration Transmission Service that are subject to a UIC in a billing month, the Billing Factor for the billing month shall be the Billing Factor calculated above plus the UIC Billing Factor calculated under section II.G.2.b. of the GRSPs.

Attachment 2 Failure to Comply Penalty Charge

FAILURE TO TO COMPLY PENALTY CHARGE AND AASSESSMENT OF OOTHER CCOSTS RRESULTING FFROM THE FFailure TO CCOMPLY

1. RATE FOR FAILURE TO COMPLY PENALTY CHARGE

If a party fails to comply with the BPA-TS's dispatch, curtailment, redispatch, or load shedding orders, the party will be assessed the Failure to Comply Penalty Charge. The Failure to Comply Penalty Charge shall be 1000 mills per kilowatthour.

Parties who are unable to comply with a dispatch, curtailment, load shedding, or redispatch order due to a force majeure on their system will not be subject to ~~this penalty~~ the Failure to Comply Penalty Charge provided that they immediately notify the BPA-TS of the situation upon occurrence of the force majeure.

1. RATE

~~The rate shall be the highest of:~~

- ~~a. 100 mills per kilowatthour;~~
- ~~b. any costs incurred by the BPA-TS in order to manage the reliability of the FCRTS due to the failure to comply;~~
- ~~c. an hourly market price index plus 10%.~~

~~The hourly market price index will be the larger of the California ISO Real-Time Hourly Average Energy Price or the Dow Jones Mid-Columbia Firm Index Price for the hour(s) when the failure to comply occurred.~~

2. BILLING FACTORS

The Billing Factor for the Failure to Comply Penalty Charge shall be the kilowatthours that were not curtailed ~~or~~, redispatched, shed, changed, or limited within ten minutes after issuance of the order in any of the following situations:

- a. Failure to shed load when directed to do so by BPA-TS in accordance with the Load Shedding provisions of the Open Access Transmission Tariff or any other applicable agreement between the parties. This includes failure to shed load pursuant to such orders within the time period specified by the North American Electric Reliability Council (NERC), Western Electricity Coordinating Council (WECC), or Northwest Power Pool (NWPP) criteria.
- b. Failure of a generator in the BPA Control Area or which directly interconnects to the FCRTS to change or limit generation levels when directed to do so by the BPA-TS in accordance with Good Utility Practice as defined in the OATT. This includes failure to change generation levels pursuant to such orders within the time period specified by NERC, WECC, or NWPP criteria.
- c. Failure to curtail or redispatch a reservation or schedule or failure to curtail or redispatch actual transmission use of the Contract or Service Agreement when directed to do so by the BPA-TS in accordance with the curtailment or redispatch provisions of the Open Access Transmission Tariff or any other applicable agreement between the parties. This includes failure to curtail or redispatch pursuant to such scheduling protocols or orders within the time period specified by NERC, WECC, or NWPP criteria.

3. ASSESSMENT OF OTHER COSTS RESULTING FROM THE FAILURE TO COMPLY

In addition to the Failure to Comply Penalty Charge, the party ~~may~~ will be assessed the costs of alternate measures taken by BPA-TS in order to manage the reliability of the FCRTS due to the failure to comply.

The party ~~may~~ will also be assessed monetary penalties imposed on BPA by a Regional Reliability Organization, Electric Reliability Organization, or FERC, for a violation of a Reliability Standard authorized under Section 215 of the Energy Policy Act of 2005, to the extent that the violation was caused by the party's failure to comply.

Attachment 2 Unauthorized Increase Charge

G. UNAUTHORIZED INCREASE CHARGE (UIC)

Transmission Customers taking Point-to-Point Transmission Service under the PTP, IS, and IM Rate Schedules shall be assessed the UIC when they exceed their capacity reservations at any Point of Receipt (POR) or Point of Delivery (POD). Transmission Customers taking Network Integration Transmission Service under the NT Rate Schedule shall be assessed the UIC if their Actual Customer-Served Load (CSL) is less than their Declared CSL. BPA-TS will notify a Transmission Customer that is subject to a UIC once BPA-TS has verified the UIC amount.

1. RATE

a. Point-To-Point Transmission Service (PTP, IS, and IM Rate Schedules)

Lower of (i) 100 mills per kilowatthour plus the price cap established by FERC for spot market sales of energy in the WECC, or (ii) 1000 mills per kilowatthour.- If FERC eliminates the price cap, the rate will be 500 mills per kilowatthour.

~~(1) Long-Term Transmission Service~~

~~The UIC rate shall be two (2) times the PTP, IS, or IM rate per kilowatt per month for Long-Term Firm PTP Transmission Service as specified in section II.A. of the applicable rate schedule.~~

~~(2) Monthly, Weekly, and Daily Transmission Service~~

~~The UIC rate shall be two (2) times the rate per kilowatt for transmission service, calculated by applying the rates per kilowatt per day specified in section II.B.1 of the applicable rate schedule to the total number of days of the transmission reservation.~~

~~The UIC rate shall not exceed two (2) times the PTP, IS, or IM rate per kilowatt per month for Long-Term Firm Transmission Service.~~

~~(3) Hourly Transmission Service~~

~~The UIC rate shall be two (2) times the rate per kilowatt for transmission service, calculated by applying the rate per kilowatthour specified in section II.B.2 of the applicable~~

~~rate schedule to the total number of hours of the transmission reservation.~~

b. Network Integration Transmission Service (NT Rate Schedule)

\$2.596 per kilowatt per month

2. BILLING FACTORS

a. Point-To-Point Transmission Service (PTP, IS, and IM Rate Schedules)

For each hour of the monthly billing period, BPA-TS shall determine the amount by which the Transmission Customer exceeds its capacity reservation at each POD and POR, to the extent practicable. BPA-TS shall use hourly measurements based on a 10-minute moving average to calculate actual demands at PODs associated with loads that are one-way dynamically scheduled and at PORs associated with resources that are one-way dynamically scheduled. To calculate actual demands at PODs and PORs that are associated with two-way dynamic schedules, BPATS shall use instantaneous peak demands for each hour. Actual demands at all other PODs and PORs will be based on 60-minute integrated demands or transmission schedules.

For each hour, BPA-TS will sum these amounts that exceed capacity reservations: 1) for all PODs, and 2) for all PORs. The Billing Factor for the monthly billing period shall be the greater of the ~~total of the highest one-hour~~ POD sum hourly amounts or ~~highest one-hour~~ the total of the POR sum hourly amounts.

b. Network Integration Transmission Service (NT Rate Schedule)

In each billing month on the hour of the Monthly Transmission Peak Load, the Billing Factor shall equal the Declared CSL minus the Actual CSL.

3. UIC RELIEF

a. Criteria for Waiving or Reducing the UIC

Under appropriate circumstances, BPA-TS may waive or reduce the UIC to a Transmission Customer on a non-discriminatory basis. A Transmission Customer seeking a reduction or waiver must demonstrate

good cause for relief, including ~~a demonstration~~ ong that the event that resulted in the UIC:

~~1. The event which resulted in the UIC~~

~~(a) was the result of an equipment failure or outage that could not reasonably have been foreseen by the customer; and~~

~~a did not result in harm to BPA-TS's transmission system or transmission services, or to any other Transmission Customer; or~~

~~2. The event which resulted in the UIC~~

~~i. (1) was inadvertent or was the result of an equipment failure or outage that the Transmission Customer could not have reasonably foreseen;~~

~~ii. (2) ecould not have been avoided by the exercise of reasonable care;~~
~~and~~

~~iii. (3) ddid not result in harm to BPA-TS's transmission system or transmission services, or to any other Transmission Customer; ~~and~~~~

~~iv. was not part of a recurring pattern of conduct by the Transmission Customer.~~

If a waiver or reduction is granted to a Transmission Customer, notice of such waiver or reduction will be posted on the BPA-TS's OASIS.

~~If the Transmission Customer is subject to a UIC in a month, but has not received notice from the BPA-TS of such UIC by billing or otherwise, and the Transmission Customer is also subject to UIC(s) in the following month(s) due to the lack of notice, then the BPA-TS may bill the Transmission Customer for the highest UIC in the series. The UIC for all other months (including the first month(s) if it does not have the highest UIC) in such a series will be waived.~~

b. Transmission Rate if BPA-TS Waives or Reduces the UIC

If BPA-TS waives or reduces the UIC, the Transmission Customer remains subject to the applicable rates, including Ancillary Services rates, for the Transmission Customer's transmission demand. The following rates shall apply to transmission demand that exceeds the capacity reservations of a Transmission Customer taking service under the PTP, IS or IM Rate Schedules if BPA-TS waives or reduces the UIC:

(1) If BPA-TS waives or reduces the UIC for excess transmission demand in one or more hours in the same calendar day, the rate for

one day of service under section II.B.1 of the applicable PTP, IS or IM rate schedule shall apply.

(2) If BPA-TS waives or reduces the UIC for excess transmission demand on multiple calendar days in the same calendar week, the rate for seven days of service under section II.B.1 of the applicable PTP, IS or IM rate schedule shall apply.

(3) If BPA-TS waives or reduces the UIC for excess transmission demand in one or more hours in multiple calendar weeks in the same calendar month, the rate for the number of days in the month of service under section II.B.1 of the applicable PTP, IS or IM rate schedule shall apply.

For a Transmission Customer taking Point-to-Point Transmission Service under the PTP, IS or IM Rate Schedules, the Billing Factor for rates in this section 3.b shall be: (a) the Transmission Customer's highest excess transmission demand for which BPA-TS waives the UIC; or (b) if BPA-TS reduces the UIC, the Transmission Customer's highest excess transmission demand that is not subject to the UIC as a result of the reduction.

If BPA-TS waives or reduces the UIC for a Transmission Customer taking Network Integration Service, the rate in section II of the NT Rate Schedule shall apply. The Billing Factor shall be as specified in section III of the NT Rate Schedule, except that the Billing Factor for the Base Charge under section III.A shall not be reduced for that portion of the transmission demand for which BPA-TS waives or reduces the UIC.

Attachment 2
Reactive Supply and Voltage Control from Generation Sources Service

SECTION II. ANCILLARY SERVICE RATES

B. REACTIVE SUPPLY AND VOLTAGE CONTROL FROM GENERATION SOURCES SERVICE

The rates below apply to Transmission Customers taking Reactive Supply and Voltage Control from Generation Sources (GSR) Service from BPA-TS. These rates apply to both firm and non-firm transmission service. Transmission arrangements on the Network, on the Southern Intertie, and on the Montana Intertie are each charged separately for Reactive Supply and Voltage Control from Generation Sources Service.

1. RATES

The rates for GSR Service will be set on a quarterly basis, beginning October 2009~~7~~, according to the formulas below. Rates for Long-Term PTP and NT Service and for Short-Term Monthly, Weekly and Daily Service (sections a. and b.(1), below) shall be calculated to three decimal places. Rates for Hourly Service (section b.(2), below) shall be calculated to two decimal places.

a. Long-Term Firm PTP Transmission Service and NT Service

The rate, in dollars per kilowatt per month (\$/kW/mo), shall not exceed:

$$\frac{4(N_q + U_{q-1} + Z_{q-1})}{bd - 4S_q}$$

Where:

bd = ~~407,916,470,532~~ MW-mo = Average of forecasted FY 20~~10~~~~08~~ and FY ~~2009-2011~~ GSR Service billing determinants. Each annual billing determinant is the sum of the 12 monthly billing determinants.

N_q = Non-federal GSR cost to be paid by BPA-TS under a FERC-approved rate during the relevant quarter, as anticipated prior to the quarter. (\$)

U_{q-1} = Payments of non-federal GSR cost made in the preceding quarter(s) that were not included in the

effective rate for the preceding quarter(s). Any refunds received by BPA-TS would reduce this cost. U_{q-1} is a true-up for any deviation of non-federal GSR costs from the amount used in a previous quarter's GSR rate calculation. For calculating the GSR rate effective October 1, 2009~~7~~, U_{q-1} is zero. (\$)

S_q = Reduction in effective billing demand for approved self-supply of reactive during the relevant quarter, as anticipated prior to the quarter. (MW-mo)

Z_{q-1} = A dollar true-up for under- or overstatement of reactive self-supply in rate calculations for the preceding quarter(s). For calculating the GSR rate effective October 1, 2009~~7~~, Z_{q-1} is zero. Z_{q-1} will be calculated by multiplying the under- or overstated megawatt amount of self-supply by the GSR rate that was effective during the quarter of self-supply deviation. (\$)

“Relevant quarter” refers to the 3-month period for which the rate is being determined.

b. Short-Term Firm and Non-Firm PTP Transmission Service

(1) Monthly, Weekly, and Daily Firm and Non-firm Service

For each reservation, the rates shall not exceed:

(a) Days 1 through 5 (\$/kW/day)

$$\text{Long-Term Service Rate} * \frac{12 \text{ months}}{52 \text{ weeks} * 5 \text{ days}}$$

(b) Day 6 and beyond (\$/kW/day)

$$\text{Long-Term Service Rate} * \frac{12 \text{ months}}{52 \text{ weeks} * 7 \text{ days}}$$

(2) Hourly Firm and Non-Firm Service (mills/kilowatthour)

The rate shall not exceed:

$$\text{Long-Term Service Rate} * \frac{1000 \text{ Mills} * 12 \text{ months}}{52 \text{ weeks} * 5 \text{ days} * 16 \text{ hours}}$$

Where:

The “Long-Term Service Rate” specified in the formulas in sections 1.b.(1)(a) and (b), and 1.b.(2), above, is the rate determined in section 1.a., Long-Term Firm PTP Transmission Service and NT Service, in \$/kW/mo.

2. BILLING FACTORS

a. Point-To-Point Transmission Service

For Transmission Customers taking Point-to-Point Transmission Service (PTP, IS, and IM rates), the Billing Factor for each rate specified in section 1.a., 1.b.(1) and for Hourly Firm PTP Transmission Service specified in 1.b.(2) shall be the Reserved Capacity, which is the greater of:

1. the sum of the capacity reservations at the Point(s) of Receipt, or
2. the sum of the capacity reservations at the Point(s) of Delivery.

The Reserved Capacity for Firm PTP Transmission Service shall not be adjusted for any Short-Distance Discount or for any modifications on a non-firm basis in determining the Reactive Supply and Voltage Control from Generation Sources Service Billing Factor.

The Billing Factor for the rate specified in section 1.b.(2) for Hourly Non-Firm Service shall be ~~the scheduled kilowatthours. Upon 60 day’s notice by BPA-TS, the Billing Factor for the rate specified in section 1.b.(2) for Hourly Non-Firm Service shall become the~~ Reserved Capacity and .-

~~When Reserved Capacity becomes the Billing Factor for Hourly Non-Firm Service,~~ the following shall apply:

- i. If the need for Curtailment is caused by conditions on the Federal Columbia River Transmission System, the Billing Factor will be as follows:

- a. If Hourly Non-Firm PTP Transmission Service is Curtailed or Interrupted before the close of the hourly non-firm scheduling window, the Billing Factor will be the Reserved Capacity minus the curtailed capacity.
- b. If Hourly Non-Firm PTP Transmission Service is Curtailed or Interrupted after the close of the hourly non-firm scheduling window, the Billing Factor will be the Transmission Customer's actual schedule in the hour.
- ii. If the need for Curtailment is caused by conditions on another transmission provider's transmission system, the Billing Factor will be the Reserved Capacity.

These Billing Factors apply to all PTP transmission service under the Open Access Transmission Tariff regardless of whether the Transmission Customer actually uses (schedules) the transmission.

b. Network Integration Transmission Service

For Transmission Customers taking Network Integration Transmission Service, the Billing Factor for the rate specified in section 1.a. shall equal the NT Base Charge Billing Factor determined pursuant to section III.A. of the Network Integration Rate Schedule (NT-08).

c. Adjustment for Self-Supply

The Billing Factors in sections 2.a. and 2.b. above may be reduced as specified in the Transmission Customer's Service Agreement to the extent the Transmission Customer demonstrates to BPA-TS's satisfaction that it can self-provide Reactive Supply and Voltage Control from Generation Sources Service.

d. Adjustment for Customers Subject to the Unauthorized Increase Charge (UIC)

For Transmission Customers taking Point-to-Point Transmission Service (PTP, IS, and IM rate schedules) that



are subject to a UIC in a billing month, the Billing Factor for the billing month shall be the Billing Factor calculated above plus the UIC Billing Factor calculated under section II.G.2.a. of the GRSPs.

For Transmission Customers taking Network Integration Transmission Service that are subject to a UIC in a billing month, the Billing Factor for the billing month shall be the Billing Factor calculated above plus the UIC Billing Factor calculated under section II.G.2.b. of the GRSPs.

Attachment 2
NT-0810
Network Integration Rate

SECTION I. AVAILABILITY

This schedule supersedes Schedule NT-~~0608~~. It is available to Transmission Customers taking Network Integration Transmission (NT) Service over Federal Columbia River Transmission System Network and Delivery facilities and to NT Transmission Customers taking Conditional Firm Service. Terms and conditions of service are specified in the Open Access Transmission Tariff. This schedule is available also for transmission service of a similar nature that may be ordered by the Federal Energy Regulatory Commission (FERC) pursuant to sections 211 and 212 of the Federal Power Act (16 U.S.C. §§824j and 824k). Service under this schedule is subject to BPA-TS's General Rate Schedule Provisions (GRSPs).

Attachment 3 Attachment M Procedures for redispatch

This attachment establishes parameters and procedures for redispatch of the federal hydro system and alternative means for redispatch by BPA's Power Services (PS) at the request of BPA's Transmission Services (TS). TS may request redispatch during any period when TS determines that a transmission constraint exists on the Transmission System and such constraint may impair the reliability of the system. TS may not request redispatch under this Attachment M to make additional firm or non-firm transmission sales.

Definitions

Under this Attachment M, redispatch includes:

- 1) the intentional incrementing or decrementing of generating units or projects by PS, or the limitation of generation at specific locations by PS, at the request of TS, and
- 2) transmission purchases and/or power purchases or sales made by PS to respond to requests for redispatch.

There are three types of redispatch under this Attachment M:

- A. Emergency Redispatch is redispatch requested by TS upon declaration of a "system emergency" as that term is defined by the North American Electric Reliability Council (NERC).
- B. NT Firm Redispatch is redispatch requested by TS for the purpose of maintaining firm network transmission (NT) schedules after TS has curtailed non-firm point-to-point (PTP) schedules and secondary network schedules in a sequence consistent with the NERC curtailment priority. For NT Firm Redispatch, TS shall request redispatch from PS and shall curtail firm PTP schedules in amounts proportionate to the non-secondary NT and firm PTP flows on the affected transmission flowgates at the time of the request.
- C. Discretionary Redispatch is redispatch requested by TS prior to its curtailment of any firm or non-firm PTP schedules or secondary NT schedules for the purpose of avoiding or ameliorating curtailments.

Provisions

1. PS must comply with requests for Emergency Redispatch even if PS must violate non-power constraints.
2. PS must comply with requests for NT Firm Redispatch to the extent that it can do so without violating non-power constraints.
3. PS may respond to requests for Discretionary Redispatch by offering, at each generating unit or project, either no redispatch or any amount of redispatch up to the amount requested at each generating unit or project.
4. TS may request redispatch for the following maximum time periods:
 - a) If TS requests redispatch before twenty minutes after the hour, TS may request redispatch only for the remainder of the hour.
 - b) If TS requests redispatch at or after twenty minutes after the hour, TS may request redispatch for the remainder of the hour and the next hour.



- c) If TS requests Discretionary Redispatch and, before the expiration of the period for which it has requested Discretionary Redispatch, requests NT Firm Redispatch at the same generating units or projects, the amount of Discretionary Redispatch, if any, that PS provided shall be treated as having been provided in response to the request for NT Firm Redispatch for purposes of calculating the proportionate amounts of non-secondary NT Redispatch and firm PTP curtailments that must take place in response to the OTC violation that resulted in the need for redispatch.
5. In response to any redispatch request, including requests for redispatch specific to Network Load located either within or outside of the BPA control area, PS may provide redispatch through redispatch of federal generation, purchases and/or sales of energy, or purchases of transmission. PS will inform TS at the time of the request if it intends to implement the redispatch through purchases or sales.