

**2012 BPA Rate Case Customer Workshop**  
**June 15, 2010**  
**Purchases for Tier 2 Rate Service**



## Steps to Pursue a Mid-C Purchase for a Tier 2 Cost Pool

- Step 1. Define Tier 2 Load Obligation.
- Step 2. Survey market for purchase delivered to Mid-C.
- Step 3. Once price point is met, execute purchase.
- Step 4. Public notification of purchase.
- Step 5. Determine whether or not to pursue firm transmission and add to NT-MOA.

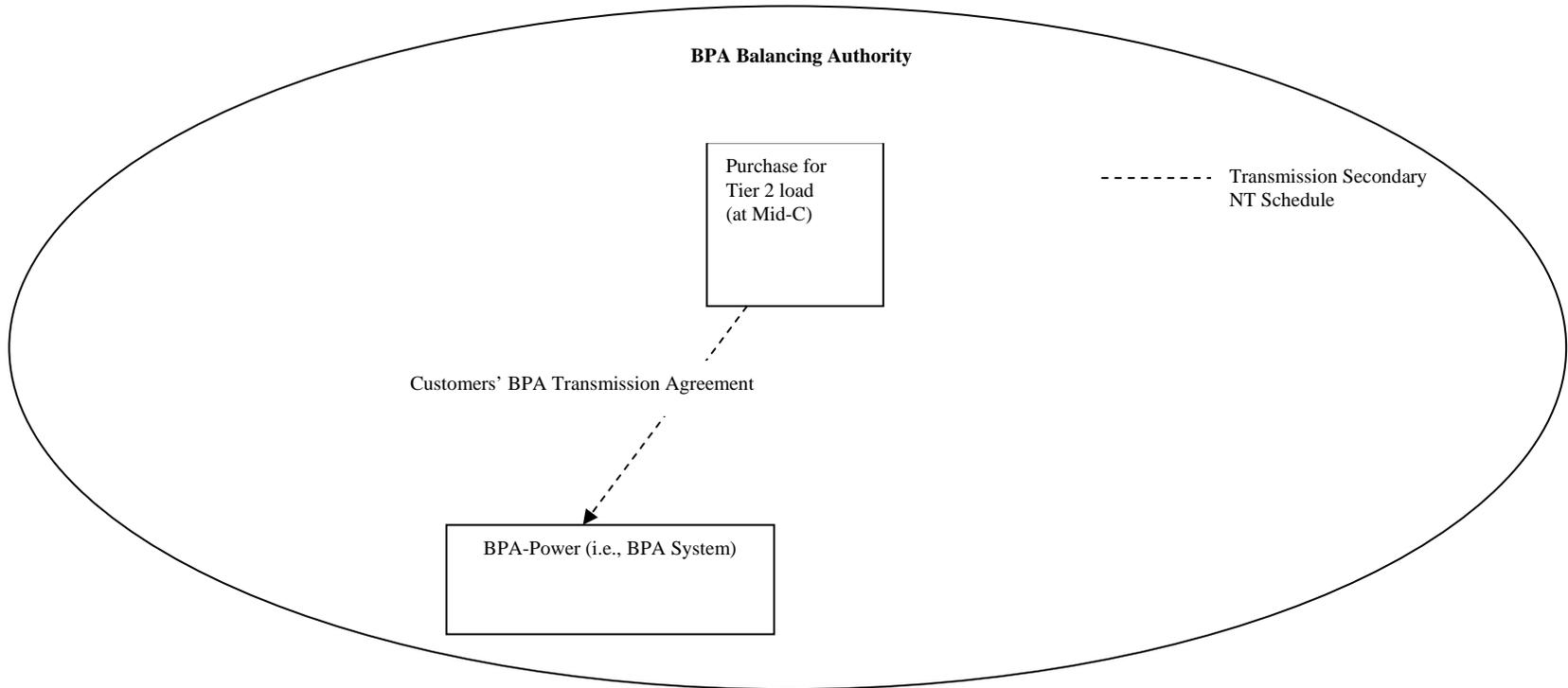


## Steps to Pursue a Mid-C Purchase for a Tier 2 Cost Pool, Continued...

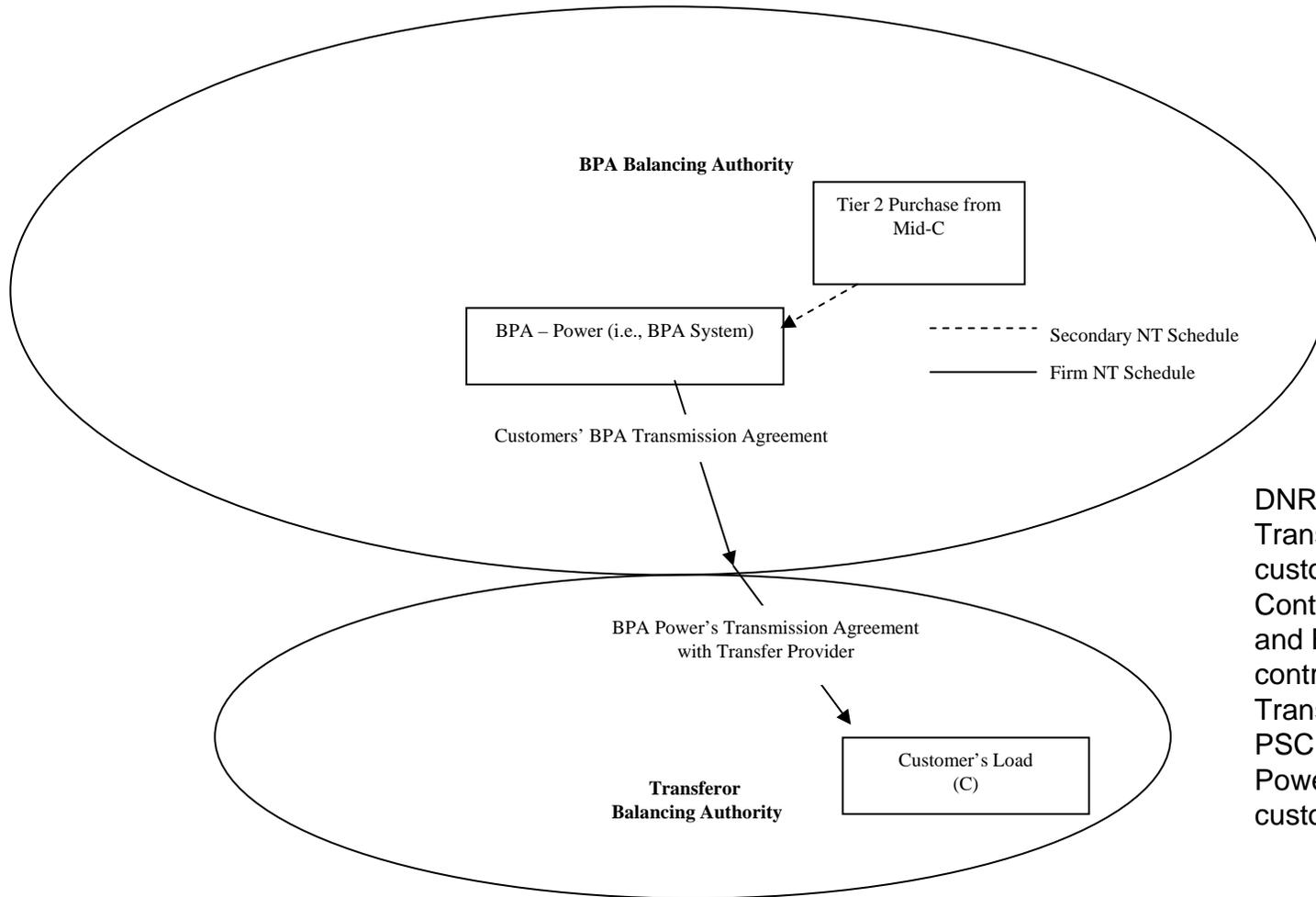
- Step 5a. If yes, because a Mid-C BAA is providing a sleeve arrangement, deliveries from a Mid-C BAA to BPA-Power POD will use eTags on secondary NT transmission until firm NT transmission is granted. Once firm NT is granted and the purchase is added to the NT MOA, no eTag is necessary (based on current practice).
  
  - Step 5b. If no, because no Mid-C BAA is providing a sleeve arrangement, deliveries from Mid-C to BPA-Power POD will use eTags on secondary NT transmission.
- 5b is the path BPA has pursued for its FY 2012 and 2013 purchases. Customers chose not to pursue the sleeve arrangement BPA had offered to facilitate, so BPA did not execute that arrangement.



# Mid-C Purchase to Meet Tier 2 Rate Obligation



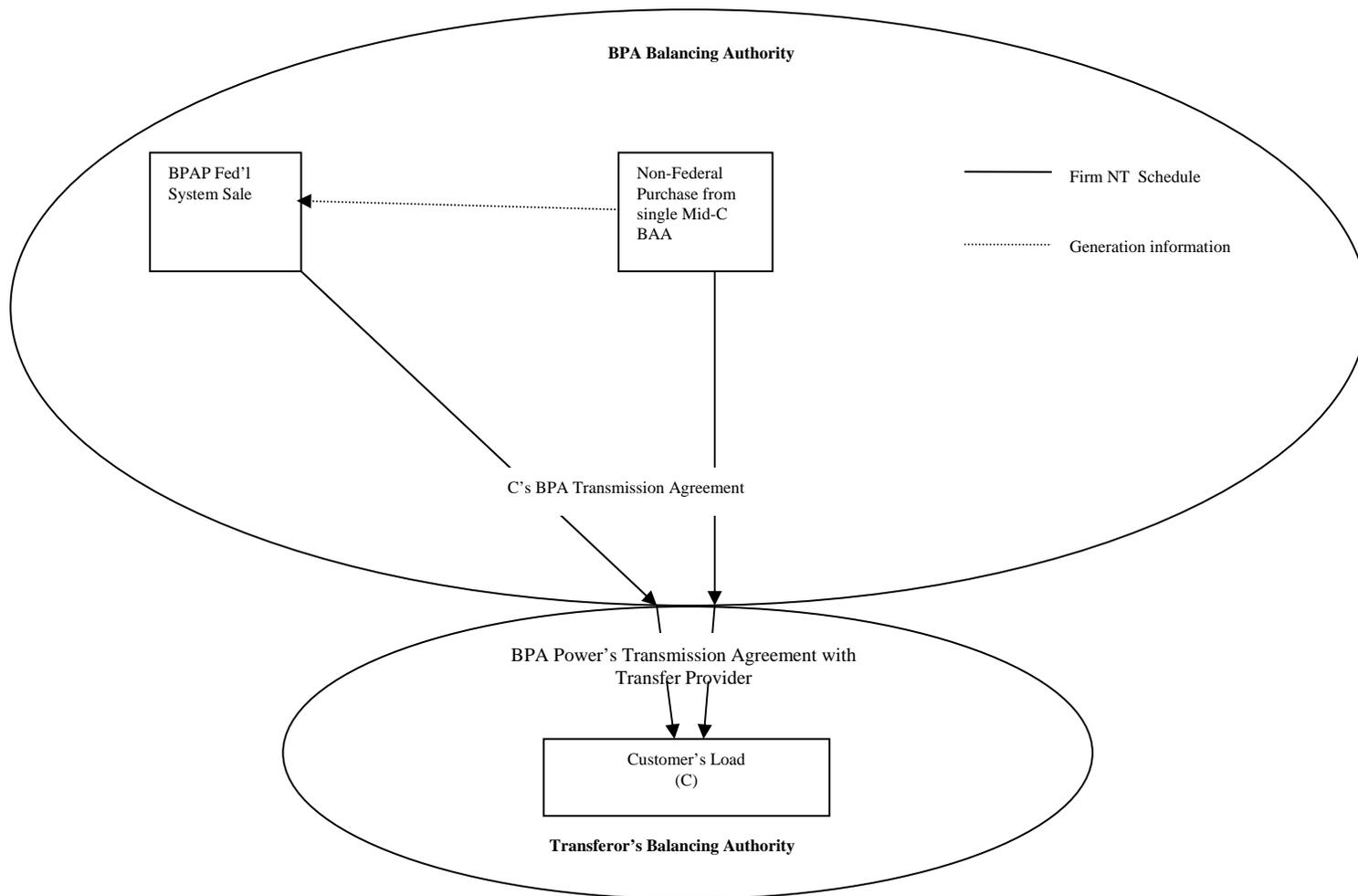
# How are Loads Served by Transfer?



DNR in both Transfer customer's NT Contract with TS and BPA Power's contract with Transfer provider is PSC between BPA Power and customer.



# How are Loads Served by Transfer with Non-Federal Resources?



DNRs in both Transfer customer's NT Contract with TS and BPA Power's contract with Transfer provider are 1) PSC between BPA Power and customer; and 2) non-federal purchase.



## For Purchases to Meet Above-RHWM Load Obligations

- During a transmission event:
  - For purchases BPA makes and delivers to the BPA system on Secondary NT, there could be curtailments. eTag will be cut and replacement power provided at a market price.
  - For purchases BPA makes that have been granted Firm NT, there should be redispatch.
  - For purchases customers make and deliver on Secondary NT to their loads, there could be curtailments. eTag will be cut. If TCMS applies, replacement power is provided at a market price. There could also be planned outages. If TCMS applies, replacement transmission will be provided. If TCMS does not apply in these circumstances, customer can procure replacement power or replacement transmission.
  - For purchases customers make and deliver on Firm NT, there should be redispatch. In some circumstances there could be a planned outage, in which case TCMS applies and replacement transmission is provided.

