

Subject: PSE Customer Proposal for Failure to Comply

Re: Suggestion for BPA's 2012 Transmission Rates: A deadband or "de minimus" exemption in the application of the Failure to Comply Penalty Charge

Puget Sound Energy, Inc (PSE) respectfully requests that BPA consider implementing a deadband or "de minimus" exemption in the application of the Failure to Comply Penalty Charge as part of BPA's 2012 Rate Case. It is requested that this suggestion be added to BPA's 2012 Rate Case Transmission Parking Lot Topics for workshop discussion of the concept and, if acceptable, for development of an appropriate specified deadband level.

Under such an exemption, parties who fail to comply with a dispatch, curtailment, load shedding, or redispatch order but such failure does not exceed the specified deadband would not be subject to the Failure to Comply Penalty Charge. This approach would recognize that curtailment levels generally cannot be achieved precisely and are susceptible to some minor variability and would recognize that a proposed penalty for a failure to comply that falls within the specified deadband is insignificant. This concept is roughly similar to the deadband for Imbalances Within Deviation Band 1 in connection with the Generation Imbalance Service.

If BPA would like to discuss this suggestion or would like further information, please do not hesitate to contact Robert Cahail at PSE.

Thank you.

Robert Cahail
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