

*Excerpt from*  
**PARTIAL TRANSMISSION SETTLEMENT AGREEMENT**  
**Bonneville Power Administration 2012 Rate Case**

2. a) The Settlement Proposal does not include an agreement on the level of the Montana Intertie (IM) rate. The Administrator will decide in a contested process in the 2012 rate case whether to set the IM rate at the rate shown on Attachment 1 (the proposal is in the alternative, depending on whether the Montana exchange is terminated) or at zero. However, BPA staff will propose that the Administrator adopt all of the other rates shown on Attachment 1 whether or not the Administrator decides to set the IM rate at zero. The only issue in the contested process will be whether the IM rate should be set at the rate shown in Attachment 1 or at zero.
  
- b) In addition, during the Rate Period BPA will hold a public process to discuss with all interested parties the future of the IM, Eastern Intertie (IE), and Townsend-Garrison (TGT) rates. The workshops will include discussion of the existing rate treatment and potential alternative rate treatments of the costs of BPA's share of Montana Intertie transmission capacity and the costs of the Eastern Intertie. BPA will include in its initial proposal in the 2014 rate case a proposal for the rate treatment of the above costs, including proposals regarding the existence and level of the IM, EI, and TGT rates.