

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

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

1. In the Bonneville Power Administration (BPA) 2012 rate case, BPA will submit a proposal (Settlement Proposal) to establish rates for transmission services for fiscal years 2012-2013 (Rate Period) (including alternatives for the Montana Intertie rate depending on whether BPA terminates the exchange in the Montana Intertie agreement) as shown in Attachment 1. The Settlement Proposal will also include the following changes to existing rate schedules, all shown on Attachment 2, and no other changes:
  - a. A change in the rate for the Failure to Comply Penalty Charge from 1000 mills per kilowatthour to the greater of 500 mills per kilowatthour, or 150% of an hourly energy index, or the WECC energy price cap on spot market sales.
  - b. Deletion of Customer-Served Load provisions from the Network Integration rate schedule and addition of a short-distance discount to such rate schedule.
  - c. Modification of section E of the Integration of Resources rate schedule, Ratchet Demand Relief, to provide that Ratchet Demand relief is not available in the month in which the Ratchet Demand was established and that for such month the customer will be assessed charges based upon its highest hourly Scheduled Demand for the month.
  - d. Modification of the definitions of Dynamic Schedule and Dynamic Transfer to be so that they are identical to the definitions that are adopted in the Dynamic Transfer Operating and Scheduling Business Practice.
  - e. Removal of the words “Short-Term Firm and Non-Firm PTP Transmission” from the definitions of Daily Service and Weekly Service; and replacement of the definitions for Monthly Firm Service and Monthly Non-Firm Service with a definition of Monthly Service that reads as follows: “*Monthly Service* is service that starts at 00:00 of any date and stops at 00:00 at least 28 days later, but less than or equal to 364 days later.”
  - f. Addition of a reference to conditional firm service in the availability clause of the Southern Intertie rate and the Montana Intertie rate. However, BPA will not offer conditional firm service based on system conditions before it modifies~~adds this service to~~ its open access transmission tariff to include this service, pursuant to the tariff modification procedures that exist at such time.

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2. (Placeholder for Montana Intertie) BPA recognizes that a number of parties advocate that BPA roll BPA's share of the Montana Intertie or the entire costs of the Eastern Intertie into the Network, and that those parties were planning on litigating these issues in the 2012 rate case. This settlement includes extension of the current Montana Intertie and Eastern Intertie rates (unless the exchange is terminated). However, BPA remains committed to giving parties a forum for making the case that the Montana Intertie or Eastern Intertie costs should be rolled into the Network. Therefore, during the Rate Period BPA will hold public workshops to discuss with the signatories and other interested parties whether to roll into the Network the costs of BPA's share of Montana Intertie transmission capacity or the costs of the Eastern Intertie. A decision on these issues will be made in BPA's 2014 rate case.
3. 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 rates issues concerning these services will be litigated in the 2012 rate case. 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.
4. The signatories acknowledge that BPA expects in future rate periods the costs of transmission service are expected to increase in future rate periods because of, among other things, additional cyber and physical security requirements, repairs to aging equipment, and construction of new lines. The signatories agree to collaborate with BPA in exploring ways to reduce rate pressures in future rate periods.
5. a) The Transmission Risk Analysis Model will not be part of the record in the rate case and will not be subject to discovery. Currently BPA has determined that if more than \$250 million of reserves attributed to Transmission Services (Transmission Reserves) were set aside for other purposes were made unavailable to Transmission Services during the Rate Period, transmission rates would fail to meet BPA's treasury payment probability standard of 95 percent. The signatories may not present evidence or argument in the 2012 rate case to challenge this determination.  
  
b) In its initial proposal, Power Services plans to rely on \$150 million in Transmission Reserves to mitigate risk. The signatories may present evidence and argument in the 2012 rate case that Power Services should rely on a different amount of Transmission Reserves to mitigate risk, from a minimum of zero to a maximum of concerning the amount of Transmission Reserves that Power Services may rely on to mitigate risk or for other purposes, but may not present evidence or argument that this amount should be more than \$250 million.  
  
c) In establishing final rates for the Rate Period, the Administrator has the right to determine that the amount of Transmission Reserves that can be set aside for other purposes made unavailable to Transmission Services during the Rate Period, and still

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allow Transmission Services to meet BPA's treasury payment probability standard, is less than \$250 million. If the Administrator does so, the signatories may not argue to FERC or in any judicial forum that an amount of Transmission Reserves greater than the amount so determined by the Administrator ~~could~~ may be set aside for other purposes ~~made unavailable to Transmission Services~~ during the Rate Period.

6. During the Rate Period, BPA will engage the signatories in discussions regarding the following issues:
  - a. Commercial practices under which BPA allocates dynamic transfer capability (DTC), taking account of self-supply and other regional initiatives;
  - b. Methodologies to determine the availability of DTC;
  - c. Ways to secure reliable and reasonable operational certainty for generators given the operational limits on the amount of DTC that BPA can make available;
  - d. The use and terms of dynamic transfer operating agreements to govern access to and use of DTC;
  - e. The appropriate use, if any, of the Northwest Power Pool Firm Contingent product code for wind; and
  - f. Ways through operational measures to potentially mitigate the adverse impacts of cumulative imbalances and patterns of under-delivery or over-use of energy on the FCRPS. These discussions will not include discussions of the Persistent Deviation charge.
7. Before issuing an initial proposal in BPA's 2014 rate case, BPA will make public its transmission rate design model and its transmission risk analysis model. The models will not include then-current data used for establishing transmission rates.
8. 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, BPA does not submit a proposal consistent with the terms of this Partial Settlement Agreement, the signatories may contest any aspect of its proposal.
9. 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, BPA shall propose to the Administrator that he adopt the Settlement Proposal in its entirety. If any rate case party does object to the Settlement Proposal, BPA may, but

shall not be required to, revise the Settlement Proposal as it believes appropriate, either after such rate case party states its objection or after parties file their direct testimony. If BPA decides to revise the Settlement Proposal, the signatories, together with any other interested rate case parties, will meet promptly to discuss a new procedural schedule that they will propose to the Hearing Officer, allowing BPA 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.

10. 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.
11. 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, the signatories will not challenge the confirmation and approval of the rates or any element thereof, including the methodologies and principles used to establish the rates, or support or join any such challenge, and will not challenge the rates or any element thereof, including the methodologies and principles used to establish the rates, in any judicial forum.
12. The signatories 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.
13. 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.
14. 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

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## Attachment 1 Summary of Transmission Rate Levels

	Units	Proposed 2012 Rates	
		FPT-12.1	FPT-12.3
<b>FPT-12.1 and FPT-12.3</b>			
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
<b>IR-12</b>			
Demand.....	\$/kW-mo	1.498	
<b>NT-12</b>			
Base Rate (\$/kW-mo).....	\$/kW-mo	1.298	
Load Shaping (\$/kW-mo).....	\$/kW-mo	0.367	
Base plus Load Shaping.....	\$/kW-mo	1.665	
<b>PTP-12</b>			
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	
<b>Utility Delivery</b>			
Demand.....	\$/kW-mo	1.119	
<b>IS-12</b>			
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	
<b>IM-12<sup>1</sup></b>			
		<b>Exchange Terminated</b>	<b>Exchange Not Terminated</b>
Demand.....	\$/kW-mo	0.598	1.312
Daily Block 1 (day 1 thru 5).....	\$/kW-day	0.028	0.061
Daily Block 2 (day 6 and beyond).....	\$/kW-day	0.020	0.043
Hourly.....	mills/kWh	1.72	3.78
<b>Intertie East</b>			
IE-12.....	mills/kWh	1.13	

<sup>1</sup> Only one set of IM rates will appear in the final rate schedules, depending on whether BPA has terminated the exchange.

## Attachment 1

### Summary of Transmission Rate Levels

	Units	Proposed 2012 Rates
<b>Power Factor Penalty Charge</b>		
Demand -- Lagging.....	\$/kVAr-mo	0.28
Demand -- Leading.....	\$/kVAr-mo	0.24
 <b>Scheduling Control and Dispatch ('12)</b>		
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
 <b>Generation Supplied Reactive ('12)</b>		
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

### Section II. Adjustments, Charges, and Special Rate Provisions

#### B. FAILURE TO COMPLY PENALTY CHARGE AND ASSESSMENT OF OTHER COSTS RESULTING FROM THE FAILURE TO COMPLY

##### 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 the greater of 500 mills per kilowatthour or 150% of an hourly energy index in the Pacific Northwest.

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If no adequate hourly index exists, an alternative index will be used. BPA-TS will post the name of the index to be used on the OASIS at least 30 days prior to its use. BPA-TS will not change the index more often than once per year unless BPA-TS determines that the existing index is no longer a reliable price index

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 the Failure to Comply Penalty Charge provided that they immediately notify the BPA-TS of the situation upon occurrence of the force majeure.

##### 2. BILLING FACTORS

The Billing Factor for the Failure to Comply Penalty Charge shall be the kilowatthours that were not curtailed, 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
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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 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 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, if the violation was caused by the party's failure to comply.

## Attachment 2

### NT-12 NETWORK INTEGRATION RATE

#### SECTION I. AVAILABILITY

This schedule supersedes Schedule NT-10. It is available to Transmission Customers taking Network Integration Transmission (NT) Service over Federal Columbia River Transmission System Network and Delivery facilities and to 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).

#### SECTION II. RATES

The monthly charge will be the sum of A and B.

##### A. BASE CHARGE

\$1.298 per kilowatt per month

##### B. LOAD SHAPING CHARGE

\$0.367 per kilowatt per month

#### SECTION III. BILLING FACTORS

##### A. BASE CHARGE

~~If no Declared Customer Served Load (CSL) is specified in the customer's NT Service Agreement, the~~ The monthly Billing Factor for the Base Charge specified in section II.A. shall be the customer's Network Load on the hour of the Monthly Transmission Peak Load.

~~2. A Customer's monthly NT bill shall be adjusted to reflect a Short Distance Discount (SDD) when a Customer has a resource that: (i) has been a designated Network Resource (DNR) for at least 12 months, (ii) is interconnected to the FCRTS or to the Customer's system, or is a Behind the Meter Resource, and (iii) uses FCRTS facilities for less than 75 circuit miles for delivery to the Network Load. A DNR that is a system sale does~~

not qualify for the SDD. Any Designated Network Resource that is eligible for the SDD (DNR SD) shall be noted as such in the NT Service Agreement.

If an amount of Declared CSL is specified in the customer's NT Service Agreement, the monthly Billing Factor for the Base Charge specified in section II.A. shall be a. or b:

The NT monthly bill will be reduced by a credit equal to:

$$\frac{\text{Avg. Generation of the DNR SD during HLHs}}{\text{during HLHs}} \times \text{NT Rate} \times \frac{75 - \text{Tx Distance}}{75} \times 0.4$$

Where:

Average Generation during HLHs = The DNR SD output serving Network Load, on a firm basis, during Heavy Load Hours (HLH) over the current billing month, divided by the number of HLH during the month, multiplied by the ratio of the Qualifying Capacity of the DNR SD output serving the Customer's Network Load POD(s) to the total DNR SD designated capacity.

NT Rate = NT Base Charge

Tx Distance = The contractually specified transmission distance measured in circuit miles between the DNR SD POR and the Customer's nearest Network Load POD or PODs. A circuit mile is one mile of transmission line distance regardless of the number of parallel transmission circuits.

BPA shall use the annual peak load for the POD nearest to the DNR SD to calculate how much of the DNR SD's designated capacity can be used by that POD. If the annual peak load of the closest POD is less than the DNR SD's designated capacity, then BPA shall use the next nearest POD that is within 75 circuit miles of the DNR SD, continuing until the DNR SD's designated capacity is fully allocated to the qualifying PODs. The Tx Distance shall be the sum of the distance from the DNR SD to each of the PODs, weighted by the DNR SD designated capacity allocated to each POD.

Capacity from separate DNR SD's will not be allocated to the same portion of a Customer's load.

For a DNR SD directly connected to the customer's system (including Behind the Meter Resources) or a DNR SD that does not use BPA's network facilities, the TX Distance shall be zero

Qualifying Capacity = The sum of all DNR SD designated capacity allocated to the Customer's Network POD(s).

For a DNR SD directly connected to the customer's system (including Behind the Meter Resources) or a DNR SD that does not use BPA's network facilities, the Qualifying Capacity shall be the total DNR SD designated capacity.

- a. ~~For the billing month, if the sum of the Actual CSLs occurring during Heavy Load Hours (HLH) is greater than or equal to 60 percent of the Declared CSL multiplied by the number of HLHs in the billing month, the monthly Billing Factor shall be the customer's Network Load on the hour of the Monthly Transmission Peak Load, less Declared CSL.~~
- b. ~~For the billing month, if the sum of the Actual CSLs occurring during HLH is less than 60 percent of the Declared CSL multiplied by the number of HLHs in the billing month, the monthly Billing Factor shall be the customer's Network Load on the hour of the Monthly Transmission Peak Load. The Billing Factor will be reduced by any megawatts charged the NT Unauthorized Increase Charge under section IV.F. for the month.~~

Where:

~~"Declared Customer Served Load (CSL)" is the monthly amount in megawatts of the Transmission Customer's Network Load that the Transmission Customer elects to serve on a firm basis from sources internal to its system or over non-Federal transmission facilities or pursuant to contracts other than the Network Integration Service Agreement. The customer's Declared CSL is contractually specified for each month. Declared Customer Served Load shall not exceed the annual amounts and shall be limited to the resources and contracts specified in the Service Agreement on October 1, 2005.~~

~~"Actual Customer Served Load (CSL)" is the actual hourly amount in megawatts of the Network Load that the customer serves on a firm basis from sources internal to its system or over non-Federal transmission facilities or pursuant to contracts other than the Network Integration Service Agreement.~~

## **B. LOAD SHAPING CHARGE**

The monthly Billing Factor for the Load Shaping Charge specified in section II.B. shall be the Network Load on the hour of the Monthly Transmission Peak Load.

## **SECTION IV. ADJUSTMENTS, CHARGES, AND OTHER RATE PROVISIONS**

### **A. ANCILLARY SERVICES**

Customers taking service under this rate schedule are subject to the ACS Scheduling, System Control and Dispatch Service Rate and the Reactive Supply and Voltage Control from Generation Sources Service Rate. Other Ancillary Services that are required to support NT Service are also available under the ACS

rate schedule.

**B. DELIVERY CHARGE**

Customers taking NT Service over Delivery facilities are subject to the Delivery Charge specified in section II.A. of the GRSPs.

**C. FAILURE TO COMPLY PENALTY**

Customers taking NT Service are subject to the Failure to Comply Penalty specified in section II.B. of the GRSPs.

**D. METERING ADJUSTMENT**

At those Points of Delivery that do not have meters capable of determining the demand on the hour of the Monthly Transmission Peak Load, the Billing Demand shall be calculated by substituting 1) the sum of the highest hourly demand that occurs during the billing month at all Points of Delivery multiplied by 0.79 for 2) Network Load on the hour of the Monthly Transmission Peak Load.

**E. POWER FACTOR PENALTY**

Customers taking service under this rate are subject to the Power Factor Penalty Charge specified in section II.C. of the GRSPs.

~~F. UNAUTHORIZED INCREASE CHARGE~~

~~If the Network Customer's Actual CSL is less than its Declared CSL, the Unauthorized Increase Charge specified in section II.G of the GRSPs shall be assessed.~~

**F. SHORT-DISTANCE DISCOUNT (SDD)**

A Customer's monthly NT bill shall be adjusted to reflect a Short Distance Discount (SDD) when a Customer has a resource that: (i) is designated as a Network Resource (DNR) in the customer's NT Service Agreement for at least 12 months, and (ii) uses FCRTS facilities for less than 75 circuit miles for delivery to the Network Load. A DNR that is a system sale (the DNR is not associated with a specific generating resource) does not qualify for the SDD. Any DNR that is eligible for the SDD (DNR SD) must be noted as such in the NT Service Agreement.

The NT monthly bill will be reduced by a credit equal to:

$$\frac{\text{Avg. Generation of the DNR SD during HLH}}{\text{NT Rate}} \times \frac{75 - \text{Tx Distance}}{75} \times 0.4$$

Where:

Average Generation

The output serving Network Load during HLH on a firm basis

during HLH = over the billing month, divided by the number of HLH during the month, multiplied by the ratio of the Qualifying Capacity of the DNR SD output serving the Customer's POD(s) to the total DNR SD designated capacity.

The output serving Network Load is:

- i) in the case of a scheduled DNR SD, the sum of firm schedules to Network Load; and
- ii) in the case of Behind the Meter Resources, the metered output of the resource.

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NT Rate = NT Base Charge

Tx Distance = The contractually specified distance measured in circuit miles between the DNR SD POR and the Customer's nearest POD(s) within 75 circuit miles of the DNR SD.

i) BPA shall use the peak load for the prior calendar year for the POD nearest to the DNR SD to calculate how much of the DNR SD's designated capacity is allocated to that POD. If the peak load for the prior calendar year of the closest POD is less than the DNR SD's designated capacity, then BPA shall use the next nearest POD that is within 75 circuit miles of the DNR SD, continuing until the DNR SD's designated capacity is fully allocated to the qualifying PODs, subject to section ii below. The Tx Distance shall be the sum of the distance from the DNR SD to each of the PODs, weighted by the DNR SD designated capacity allocated to each POD.

ii) The amount of designated capacity from all DNR SD allocated to any POD may not exceed the POD's peak load.

iii) For a DNR SD directly connected to the customer's system (including Behind the Meter Resources) or a DNR SD that does not use BPA's network facilities, the TX Distance shall be zero.

Qualifying Capacity = The sum of all DNR SD designated capacity allocated to the Customer's POD(s).

For a DNR SD directly connected to the customer's system (including Behind the Meter Resources) or a DNR SD that does not use BPA's network facilities, the Qualifying Capacity shall be the total DNR SD designated capacity.

Behind the Meter Resource = A resource that is used solely to serve the NT Customer's Network Load and is internal to the NT Customer's system.

## **G. DIRECT ASSIGNMENT FACILITIES**

BPA-TS shall collect the capital and related costs of a Direct Assignment Facility under the Advance Funding (AF) rate or the Use-of-Facilities (UFT) rate. Other associated costs, including but not limited to operations, maintenance, and general plant costs, also shall be recovered from the Network Customer under an applicable rate schedule.

**H. INCREMENTAL COST RATES**

The rates specified in section II are applicable to service over available transmission capacity. Network Customers that integrate new Network Resources, new Member Systems, or new native load customers that would require BPA-TS to construct Network Upgrades shall be subject to the higher of the rates specified in section II or incremental cost rates for service over such facilities. Incremental cost rates would be developed pursuant to section 7(i) of the Northwest Power Act.

**I. RATE ADJUSTMENT DUE TO FERC ORDER UNDER FPA § 212**

Customers taking service under this rate schedule are subject to the Rate Adjustment Due to FERC Order under FPA § 212 specified in section II.D. of the GRSPs

## Attachment 2

### IR-12 INTEGRATION OF RESOURCES RATE

#### SECTION IV. ADJUSTMENTS, CHARGES, AND OTHER RATE PROVISIONS

##### E. RATCHET DEMAND RELIEF

Under appropriate circumstances, BPA-TS may waive or reduce the Ratchet Demand. An IR customer seeking a reduction or waiver must demonstrate good cause for relief, including a demonstration that:

1. The event which resulted in the Ratchet Demand
  - (a) was the result of an equipment failure or outage that could not reasonably have been foreseen by the customer; and
  - (b) 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 Ratchet Demand
  - (a) was inadvertent;
  - (b) could not have been avoided by the exercise of reasonable care;
  - (c) did not result in harm to BPA-TS's transmission system or transmission services, or to any other Transmission Customer; and
  - (d) was not part of a recurring pattern of conduct by the IR customer.

If the IR customer causes a Ratchet Demand to be established in a series of months during which the IR customer has not received notice from BPA-TS of such Ratchet Demands by billing or otherwise, and the Ratchet Demand(s) established after the first Ratchet Demand were due to the lack of notice, then BPA-TS may establish a Ratchet Demand for the IR customer based on the highest Ratchet Demand in the series. This highest Ratchet Demand will be charged in the month it is established and the following 11 months. All other Ratchet Demands based on such a series (including the Ratchet Demand established in the first month if it is not the highest Ratchet Demand) will be waived.

Ratchet Demand Relief is not available in the month in which the Ratchet Demand was established. For that month, the Customer will be assessed charges based upon the highest hourly Scheduled Demand Billing Factor.

## Attachment 2

### Section III. Definitions

#### 8. Dynamic Schedule

~~A *Dynamic Schedule* is a telemeter reading or value which is updated in real time and which is used as a schedule in the Automatic Generation Control (AGC) and Area Control Error (ACE) equation of the BPA-TS and the integrated value of which is treated as a schedule for interchange accounting purposes. One-way Dynamic Schedules are commonly used for scheduling remote generation or remote load to or from another Control Area. Two-way Dynamic Schedules are commonly used to provide supplemental regulation or operating reserve support from one entity to another, usually between Control Areas. The Receiving Party sends the Delivering Party a requested Dynamic Schedule (the first part of the two-way schedule). The Delivering Party then responds with the official Dynamic Schedule of what actually is delivered to the Receiving Party (the second part of the two-way schedule).~~

Add definition adopted in Dynamic Transfer Operating and Scheduling Business Practice.

#### 12. Dynamic Transfer

Add definition adopted in Dynamic Transfer Operating and Scheduling Business Practice. ~~*Dynamic Transfer* is the provision of real-time monitoring, telemetering, computer software, hardware, communications, engineering, transmission capacity and energy accounting (including inadvertent interchange), and administration, including transmission scheduling, required to electronically move all or a portion of the real energy services associated with a generator or load out of one Control Area into another Control Area.~~

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#### 7. Daily Service

*Daily Service* is service that starts at 00:00 of any date and stops at 00:00 at least one (1) day later, but less than or equal to six (6) days later. *Daily Service* is Short Term Firm and Non-Firm PTP Transmission Service that starts at 00:00 of any date and stops at 00:00 at least one (1) day later, but less than or equal to six (6) days later.

#### 31. Monthly Non-Firm Service

~~Monthly Non-Firm Service is Non-Firm PTP Transmission Service that starts at 00:00 of any date and stops at 00:00 at least 28 days later, but less than or equal to 31 days later.~~

**33. Monthly Service**

*Monthly Service* is service that starts at 00:00 of any date and stops at 00:00 at least 28 days later, but less than or equal to 364 days later.

**73. Weekly Service**

*Weekly Service* is service that starts at 00:00 of any date and stops at 00:00 at least seven (7) days later, but less than or equal to 27 days later.

## Attachment 2

### IS-12 SOUTHERN INTERTIE RATE

#### SECTION I. AVAILABILITY

This schedule supersedes Schedule IS-10. It is available to Transmission Customers taking Point-to-Point Transmission Service over Federal Columbia River Transmission System (FCRTS) Southern Intertie facilities [and to Transmission Customers taking Conditional Firm \(CF\) PTP Transmission Service, if BPA adopts CF PTP Transmission Service over FCRTS Southern Intertie facilities](#). Terms and conditions of service are specified in the Open Access Transmission Tariff or, for customers who executed Southern Intertie agreements with BPA before October 1, 1996, will be as provided in the customer's agreement with BPA. 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).

### IM-12 MONTANA INTERTIE RATE

#### SECTION I. AVAILABILITY

This schedule supersedes Schedule IM-10. It is available to Transmission Customers taking Point-to-Point (PTP) Transmission Service on BPA's share of Montana Intertie transmission capacity [and to Transmission Customers taking Conditional Firm \(CF\) PTP Transmission Service, if BPA adopts CF PTP Transmission Service on its share of Montana Intertie transmission capacity](#). 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).