

## **ATTACHMENT B**

### **DESCRIPTION OF CERTAIN CONTRACT BODY PROVISIONS**

Section 3. Sale and Purchase of Power – Statement of the basic buy and sell relationship for both Tier 1 and Tier 2.

Section 4. Provisions Applicable to All Purchasers

(a) Tier 1 System Capability – This section will state in text the basis (source) of the Tier 1 system capability, and point to the exhibit that lists the actual Tier 1 resources, the frequency of determination and the basis to changing them.

(b) Net Requirement Determination – This section will state in text what the net requirement is and what it entitles a customer to purchase in the Tier 1 and 2 construct. It will point to the exhibit that states the frequency of net requirement determinations, how the determination is made, how disputes are resolved.

(c) Contract High Water Mark – This will state what the CHWM is and what it is used for in the Tiered rate construct and it will point to the exhibit where the CHWM is stated. The exhibit will state the conditions for changing the CHWM, and how any change calculation is done.

(d) Rate Period High Water Mark – This section will state in text what components are used to determine the RPHWM and for what the RPHWM is used in the Tiered rates construct. It will point to the exhibit that will set out the frequency of the RPHWM calculation, and how the calculation is made.

(e) Amount of Requirement Power (Tier 1 and Tier 2 Amounts)- This section will state how often Tier 1 and Tier 2 elections are made, and the relationship between the CHWM, RPHWM, and net requirement in making such elections. It will also point to the exhibit in which the actual elections are made.

(f) Tier 1 Revenue Requirement – This section will state in text what the basis is for the Tier 1 revenue requirement, and will point to the exhibit that will list categorically the types of costs that Tier 1 can include.

Section 5. Tier 1 Product Selection – States the power purchase relationship selected by the customer for Tier 1 service, such as Block and load following (full, partial). It will point to the exhibits that contain specific provisions governing the business relationship, such as how a Block with shaping capacity purchaser interacts with BPA regarding the shaping capacity. It will also contain the steps to be taken to change the Tier 1 product selection.

Section 6. This is an identification of the rates under which the customer will purchase the power available under the business relationship selected.

Section 7. Tier 2 Product Selection – States the power purchase relationship selected by the customer for Tier 2 service, and may include overlapping or multiple Tier 2 selections. It will point to the exhibits that contain specific provisions governing the business relationship, the frequency with which selections must be made, and any rights and duties that arise from a particular selection. This exhibit will also have to interact with exhibits dealing with net requirements and non-federal resource use.

Section 8. This is an identification of the rates under which the customer will purchase the power available under the Tier 2 business relationship(s) selected.

## **DESCRIPTION OF THE CONTENTS OF CONTRACT EXHIBITS**

### **Exhibit A Tier 1 System Resources and Capability Determinations**

This Exhibit will list the Tier 1 system resources with their current capabilities and the frequency and manner of changing such capabilities.

### **Exhibit B System Obligations**

This Exhibit will list the existing off-the-top system obligations that limit the Tier 1 System resource capabilities for use in serving loads at the Tier 1 rate and will describe the general categories of future obligations that could reduce or have priority over Tier 1 service.

### **Exhibit C Contract High Water Mark**

This Exhibit will specify the utility's contract high water mark and describe the conditions under which such CHWM may change and the timing and manner of calculating a revised CHWM when appropriate.

### **Exhibit D Non-Federal Resources and Net Requirement Determination**

This Exhibit will list the utility's non-federal resource commitments by resource and resource shape and the amount of non-federal power to be supplied by the utility to serve its retail load during the rate period. It will also describe the timing and procures for amending such resource commitments and for determining the amount of non-federal power to be provided by the utility. This Exhibit will also describe the frequency and manner in which the utility's net requirements will be determined using a methodology described in the Exhibit, including how disputes are to be resolved, and it will state the utility's then current net requirements.

### **Exhibit E Rate Period High Water Mark**

This Exhibit will specify how and when the utility's Rate Period High Water Mark is to be determined based on its Contract High Water Mark and the Tier 1 System Capability. The Exhibit will also state the utility's then current RPHWM.

### **Exhibit F Tier 1 and Tier 2 Requirements Power Available to Customer**

This Exhibit state the respective responsibilities of BPA and the utility to serve the utility's above RPHWM load based on elections made by the utility. This Exhibit will specify the amount of Tier 1 and Tier 2 power available to the utility based on such elections and as determined using the methodologies and the data contained in Exhibits D and E.

### **Exhibit G Tier 2 Product Selection**

This Exhibit will identify the utility's Tier 2 product selections made pursuant to section 7 of the contract. The Exhibit will also specify detailed terms and conditions applicable to the specific product selected by the utility.

### **Exhibit H Tier 1 Product Provisions**

This Exhibit will contain the detailed terms and conditions applicable to the specific Tier 1 product (e.g. load following service, shaped block, etc.) selected by the utility.

**Exhibit I Tier 1 Revenue Requirement**

This Exhibit will list the categories of costs that will make up the Tier 1 revenue requirement and the detailed methodologies for allocating cost between Tier 1 and non-Tier1 when allocations are necessary.

**Exhibit J Applicable Rate Schedules**

The rate schedules and General Rate Schedule Provisions applicable to the utility will be attached as Exhibit J to the contract.

**Exhibit K Resource Support and Other Services**

This Exhibit will list any additional power services purchased by the utility from BPA and will contain the terms and conditions applicable to such services.

**Exhibit L Scheduling**

This Exhibit will specify the scheduling requirements applicable to the utility.

**Exhibit M Special Provisions Exhibit**

This Exhibit will contain any special contract provisions applicable to the utility.