

Guidelines Regarding Requests for Transfer Service to New Points of Delivery

Bonneville is obligated to provide transfer service to Transfer Service Customers' existing Points of Delivery (POD) as listed in the Regional Dialogue Power Sales Agreement (RD Agreement). Bonneville's transfer service obligation is also described in the Agreement Regarding Transfer Service (ARTS). These guidelines apply to existing Transfer Service Customers and will be used to determine when Bonneville will assume financial or administrative responsibilities in connection with adding new transfer PODs. In accordance with sections 2.2 and 2.3 below, these guidelines do not preclude Transfer Service Customers from making and paying for alternative arrangements.

Before assuming financial or administrative responsibility for a new POD, through bilateral agreement under the RD Agreement, Bonneville will consider the following criteria and guidelines. These guidelines will be used for internal and external guidance on decision making as it relates to expanding transfer service to any eligible Bonneville customer consistent with existing policies and law. Bonneville reserves the right to unilaterally clarify and modify these guidelines as it deems necessary.

1. General Principles:

- 1.1. Bonneville Power Services, Transmission Services, and the Customer will work together to determine the best overall plan of service. Determining the best plan of service may require (1) that the customer submit a transmission service request to Bonneville Transmission and be responsible for any required Bonneville Transmission system impact and facilities study costs, and (2) that Bonneville Power initiate system impact and facilities studies with the third party transmission provider, with the customer agreeing to reimburse Bonneville for the study costs undertaken.
- 1.2. The Customer's unique situation will be considered along with any additional overarching policy implications at the time the determination is made.
- 1.3. In determining the best plan of service, Bonneville and the Customer should include, where reasonable, plans to evaluate the construction of transmission or distribution facilities to serve the Customer's existing or new PODs using the Federal Columbia River Transmission System (FCRTS). Bonneville Transmission does not build distribution facilities, however the Customer's best plan of service may involve the Customer integrating their own, or new, distribution level facilities.

- 1.4. If the best plan of service includes building transmission or distribution facilities to directly connect a new POD to the FCRTS, Bonneville Transmission will work with the Customer to develop any near-term and long-term arrangements to facilitate such plan of service. Bonneville Transmission will not build or own any new distribution facilities required to connect the new POD directly to the FCRTS.
- 1.5. Bonneville Transmission will follow applicable Business Practices, cost allocation guidelines, project funding and approval processes, direct assignment and other policies that are considered whenever Bonneville Transmission evaluates a plan of service for a potential transmission build.

2. General Policy Regarding Transfer Service to New PODs.

- 2.1 As a general policy, Bonneville does not assume financial or administrative responsibility for a new transfer POD in the following circumstances:
 - 2.1.1 If directly connecting the new POD to the FCRTS is comparable to transfer service. See Section 3 for criteria in assessing options.
 - 2.1.2 If the new POD is only to improve system reliability to a level that exceeds existing acceptable industry standards.
 - 2.1.3 If the new POD is only for redundancy or emergency back-up service (i.e. a convenience POD).
 - 2.1.4 If the new POD is only for unidentified or speculative load growth; load identified in Bonneville's 10-year load and resource forecast of the Customer is presumed identified and not speculative.
 - 2.1.5 If the customer is shifting load from an existing POD to a new POD that increases Bonneville's existing Transfer Service costs.
 - 2.1.6 If the new POD is for service to a New Large Single Load (NLSL) served by non-federal power.
- 2.2 If however, Bonneville determines that it will not be financially responsible for a new POD, and a Customer still wishes to pursue transfer service, Bonneville may facilitate the arrangement with the third-party transmission provider; however, the Customer will be fully responsible for all costs associated with the new POD,

including the transmission charges for transfer service assessed to Bonneville. The Customer may also choose to work directly with the third-party transmission provider to obtain service for the new transfer POD at their own cost.

2.3 If Bonneville determines that transfer service is the best overall plan of service, the Customer may still pursue the option of directly connecting to the FCRTS.

3. Factors in Evaluating Best Overall Plan of Service to New PODs

Bonneville will evaluate whether the best overall plan of service is to directly connect the Customer's new POD to the FCRTS or provide a new POD with transfer service. In making such evaluation, Bonneville will consider, among other factors, the following criteria:

- 3.1. **Cost** – The cost of transfer service will be compared against the cost of directly connecting to the FCRTS. Such cost comparison should consider, among other items, the total cost of facility improvements or builds associated with directly connecting the Customer to the FCRTS (including lifecycle costs to build, maintain, replace and retire facilities), the useful life of the facilities, comparable costs of facility improvements associated with connecting the Customer to the transfer provider's system, any distribution costs associated with improvements to the Customer's system with each POD, the estimated cost of ongoing third-party transmission charges to Bonneville, and any financial incentives to directly connect offered by Bonneville. Costs and impacts to the Customer (Customer facility costs, source system reliability of BPA or transfer provider, equipment maintainability, etc) will also be considered.
- 3.2. **Distance** – Bonneville will take into consideration the proximity of existing transmission facilities of either Bonneville Transmission or a third-party transmission provider.
- 3.3. **Time Frame** — Bonneville will take into consideration any time constraints that the Customer or Bonneville may be under for developing the new POD.
- 3.4. **Voltage** — Bonneville will take into consideration the voltage of the new POD and any new facilities to be built by Bonneville or the third-party transmission provider. Costs for low-voltage facilities will be directly assigned to the Customer consistent with Bonneville's direct assignment guidelines.

- 3.5. **Reliability** — Bonneville will take into consideration any material differences in service quality between the POD's identified.
- 3.6. **Other Factors** – Bonneville may take into consideration other factors including, but not limited to, engineering, operation and maintenance, accessibility, load permanence, environmental, and legal complexities.