



## **Transmission Business Line (TBL)**

### **Guidelines for Direct Assignment Facilities**

Effective: January 1, 1999

#### **Definition of Direct Assignment Facilities (applicable to: PTP, NT, NTP, IS, and IM service)**

Direct Assignment Facilities (as defined in Bonneville's Open-Access Transmission Tariff) are: "facilities that have been or are constructed (or caused to be constructed) by Bonneville for the sole use and benefit of a particular Transmission Customer requesting service under this Tariff, the costs of which may be directly assigned to the Transmission Customer in accordance with applicable Commission policy. Direct Assignment Facilities shall be specified in the Service Agreement that governs service to the Transmission Customer.

These Guidelines are to assist in interpretation of the above definition. In addition to the above, Direct Assignment Facilities are new facilities, or portions thereof, built in order to provide customer-requested service pursuant to BPA's open-access transmission tariff or the 1981 Power Sales Contract, that are either:

1. not integrated with the Integrated Network, or
2. not supporting the reliability or efficiency of the Integrated Network for the general benefit of users of such system

Looped service, unless demonstrated otherwise, is presumed to be "integrated" and to support the Integrated Network. Examples of facilities that have no potential for supporting the Integrated Network are:

1. short radials off a loop;
2. lines having a capacity closely matched with the load requesting service; and
3. lines designed for operation at voltages below 34.5 kV.

#### **Other Definitions:**

"New facilities", as the term is used in this document, means facilities with respect to which the agreement to construct was finalized on or after the effective date of these Guidelines.

"Reliability of the Integrated Network" means meeting the standards of reliability as determined in BPA's Reliability Criteria.

"Integrated Network" means the segment of the Federal Columbia River Transmission System for which the transmission facilities provide the bulk of transmission of electric power within the Pacific Northwest. The Integrated Network Segment is further described in the 2002 Final Rate Proposal Segmentation Study, TR-02-FS-BPA-02, pages 3-4.

#### **Voltages below 34.5 kV:**

Any new facilities at voltages below 34.5 kV that meet the definition of Direct Assignment Facilities will not be subject to the Delivery Charge defined in the General Rate Schedule Provisions. The cost of new facilities meeting the definition will be directly assigned to the customer.

**Equivalent capacity replacement of rolled-in facilities:**

Notwithstanding the above, replacement of an existing BPA-owned facility with a new facility of equal capability would not be directly assigned unless the facility being replaced is directly assigned or subject to a facility-specific pricing mechanism.

**Replacement with higher capacity facility:**

The costs for a new facility which meets the above definition of Direct Assignment Facility and which not only replaces an existing BPA-owned facility but also adds transmission capacity, may have the costs that exceed the cost of replacing the previous capacity directly assigned to the benefiting customer.

If BPA installs a facility such as a transformer that is larger and more expensive than the standard size needed over a prudent planning horizon, and the larger size is installed for BPA's convenience, the Direct Assignment cost to the customer shall not exceed the equivalent cost of the appropriate standard size facility. BPA, at its option, may at a later time replace such facility with a smaller size, consistent with current service obligations, at no additional cost to the customer.

**Paralleling an existing Delivery Transformer:**

When a new transformer that would be directly assigned is installed in parallel with an existing transformer that is subject to a Delivery Charge, the load will be prorated between the two transformers in accordance with the way power flows through the transformers, or in accordance with another methodology as specified in the interconnection agreement. Only the amount of load deemed to be served through the old transformer will be subject to the Delivery Charge, whereas the costs of the new transformer will be directly assigned to the customer.

**Construction Option:**

A customer may elect to construct and own facilities in lieu of BPA construction and ownership, consistent with BPA design and interconnection standards that include, but are not restricted to, prudent utility safety requirements. Generally BPA will perform any work within BPA stations at the customer's expense. Facilities owned by the customer are not subject to BPA transmission charges. An operation and maintenance contract may be negotiated for a separate charge.

**Appeal Mechanism:**

Customers may appeal a BPA decision about Direct Assignment as provided in the tariff or contract under which service is provided, or as otherwise provided by law.

**If a facility is determined to be a Direct Assignment Facility:**

- BPA prefers use of the Advanced Funding rate (AF) if BPA is asked to build.
- If the UFT rate is used, BPA will require a compatible contract commitment for transmission service and/or an exit charge to protect BPA from unrecovered investment.