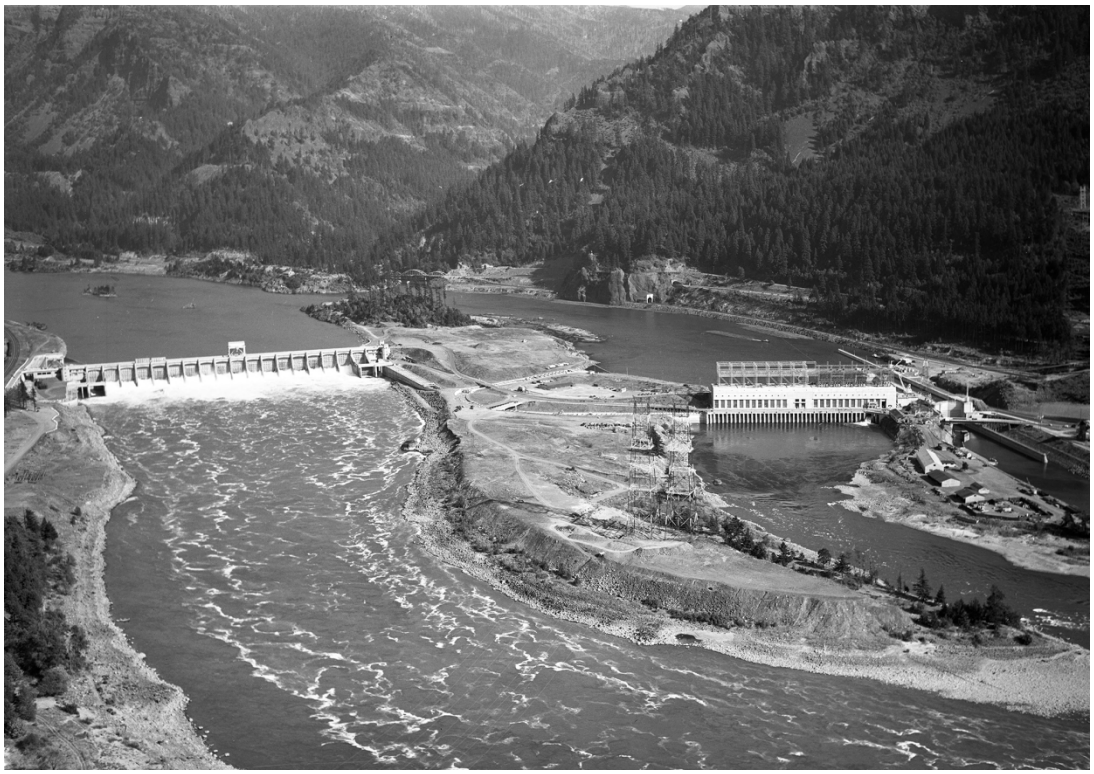
B O N N E V I L L E P O W E R A D M I N I S T R A T I O N

2018 Transmission, Ancillary, and Control Area Service Rate Schedules and General Rate Schedule Provisions (FY 2018–2019)



October 2017

United States Department of Energy
Bonneville Power Administration
905 N.E. 11th Avenue
Portland, OR 97232

Bonneville Power Administration's 2018 Transmission, Ancillary, and Control Area Service Rate Schedules and General Rate Schedule Provisions, effective October 1, 2017, and contained herein, were approved on an interim basis by the Federal Energy Regulatory Commission on September 25, 2017. *U.S. Dep't of Energy – Bonneville Power Admin.,* 160 FERC ¶ 61,112 *and* 160 FERC ¶ 61,113 (2017).

These Transmission, Ancillary, and Control Area Service Rate Schedules and General Rate Schedule Provisions reflect all errata corrections as of the date of publication.

BONNEVILLE POWER ADMINISTRATION

2018 TRANSMISSION, ANCILLARY, AND CONTROL AREA SERVICE RATE SCHEDULES AND GENERAL RATE SCHEDULE PROVISIONS

TABLE OF CONTENTS **Page**

TRANSMISSION, ANCILLARY, AND CONTROL AREA SERVICE RATE SCHEDULES 1

FPT-18.1 Formula Power Transmission Rate 3
FPT-18.3 Formula Power Transmission Rate 7
IR-18 Integration of Resources Rate 9
NT-18 Network Integration Rate 13
PTP-18 Point-To-Point Rate 17
IS-18 Southern Intertie Rate 21
IM-18 Montana Intertie Rate 25
UFT-18 Use-of-Facilities Transmission Rate 29
AF-18 Advance Funding Rate 31
TGT-18 Townsend-Garrison Transmission Rate 33
PW-18 WECC and Peak Service Rate 35
OS-18 Oversupply Rate 37
IE-18 Eastern Intertie Rate 39
ACS-18 Ancillary and Control Area Service Rates 41

GENERAL RATE SCHEDULE PROVISIONS 71

Section I. Generally Applicable Provisions 73
- A. Approval Of Rates 75
- B. General Provisions 75
- C. Notices 75
- D. Billing and Payment 75

Section II. Adjustments, Charges, and Special Rate Provisions 77
- A. Delivery Charge 79
- B. Failure To Comply Penalty Charge 80
- C. Rate Adjustment Due To FERC Order Under FPA § 212 82
- D. Reservation Fee 83
- E. Transmission and Ancillary Services Rate Discounts 84
- F. Unauthorized Increase Charge (UIC) 85
- G. Power CRAC, Power RDC, and NFB Mechanisms 87
- H. Transmission Cost Recovery Adjustment Clause (Transmission CRAC) 90
- I. Transmission Reserves Distribution Clause (Transmission RDC) 94
- J. Intentional Deviation Penalty Charge 98
- K. Modified Tier 1 Cost Allocators (TOCA) for Oversupply Rate 100

Section III. Definitions 105
1. Ancillary Services 107
2. Balancing Authority Area 107
3. Billing Factor 107
4. Control Area 107
5. Control Area Services 108
6. Daily Service 108
7. Direct Assignment Facilities 108
8. Direct Service Industry (DSI) Delivery 108
9. Dispatchable Energy Resource 108
10. Dispatchable Energy Resource Balancing Service 109
11. Dynamic Schedule 109
12. Dynamic Transfer 109
13. Eastern Intertie 109
14. Energy Imbalance Service 109
15. Federal Columbia River Transmission System 109
16. Federal System 109
17. Generation Imbalance 110
18. Generation Imbalance Service 110
19. Heavy Load Hours (HLH) 110
20. Hourly Non-Firm Service 110
21. Integrated Demand 110
22. Light Load Hours (LLH) 110
23. Long-Term Firm Point-To-Point (PTP) Transmission Service 111
24. Main Grid 111
25. Main Grid Distance 111
26. Main Grid Interconnection Terminal 111
27. Main Grid Miscellaneous Facilities 111
28. Main Grid Terminal 111
29. Measured Demand 112
30. Metered Demand 112
31. Montana Intertie 112
32. Monthly Services 112
33. Monthly Transmission Peak Load 113
34. Network 113
35. Network Integration Transmission (NT) Service 113
36. Network Load 113
37. Network Upgrades 113
38. Non-Firm Point-to-Point (PTP) Transmission Service 113
39. Operating Reserve – Spinning Reserve Service 114
40. Operating Reserve – Supplemental Reserve Service 114
41. Operating Reserve Requirement 114
42. Persistent Deviation 115
43. Point of Delivery (POD) 116
44. Point of Integration (POI) 116

45. Point of Interconnection (POI) 116
46. Point of Receipt (POR) 116
47. Ratchet Demand 116
48. Reactive Power 116
49. Reactive Supply and Voltage Control from Generation Sources Service 117
50. Regulation and Frequency Response Service 117
51. Reliability Obligations 117
52. Reserved Capacity 117
53. Scheduled Demand 118
54. Scheduling, System Control, and Dispatch Service 118
55. Secondary System 118
56. Secondary System Distance 118
57. Secondary System Interconnection Terminal 118
58. Secondary System Intermediate Terminal 118
59. Secondary Transformation 119
60. Short-Term Firm Point-to-Point (PTP) Transmission Service 119
61. Southern Intertie 119
62. Spill Condition 119
63. Spinning Reserve Requirement 119
64. Station Control Error 120
65. Super Forecast Methodology 120
66. Supplemental Reserve Requirement 120
67. Total Transmission Demand 120
68. Transmission Customer 120
69. Transmission Demand 120
70. Transmission Provider 121
71. Utility Delivery 121
72. Variable Energy Resource 121
73. Variable Energy Resource Balancing Service 121
74. Weekly Service 121

This page intentionally left blank.

TRANSMISSION, ANCILLARY, AND CONTROL AREA SERVICE RATE SCHEDULES

This page intentionally left blank.

FPT-18.1
FORMULA POWER TRANSMISSION RATE

SECTION I. AVAILABILITY

This schedule supersedes the FPT-16.1 rate schedule for all firm transmission agreements that provide for application of FPT rates that may be adjusted not more frequently than once a year. This schedule is applicable only to such transmission agreements executed prior to October 1, 1996. It is available for firm transmission of non-Federal power using the Main Grid and/or Secondary System of the Federal Columbia River Transmission System. This schedule is for full-year and partial-year service and for either continuous or intermittent service when firm transmission service is required. For facilities at voltages lower than the Secondary System, a different rate schedule may be specified. Service under this schedule is subject to the General Rate Schedule Provisions (GRSPs), which follow the rate schedules in this document.

SECTION II. RATES

The monthly charge per kilowatt (kW) shall be one-twelfth of the sum of the Main Grid Charge and the Secondary System Charge, as applicable and as specified in the agreement.

The Main Grid and Secondary System charges are calculated for each quarter according to the following formula:

$$\left(1 + \frac{GSR_q}{\$1.662/kW/mo}\right) * \text{FPT Base Charges}$$

Where:

GSR_q	=	The ACS-18 Reactive Supply and Voltage Control From Generation Sources Service Rate for Long-Term Firm PTP Transmission Service and NT Service, section II.B.1.a., that is effective for the quarter for which the FPT rate is being calculated, in $/kW/mo.
FPT Base Charges	=	The following annual Main Grid and Secondary System charges:

MAIN GRID CHARGES		
1.	Main Grid Distance	$0.0701 per mile
2.	Main Grid Interconnection Terminal	$0.73/kW
3.	Main Grid Terminal	$0.81/kW
4.	Main Grid Miscellaneous Facilities	$4.00/kW
SECONDARY SYSTEM CHARGES		
1.	Secondary System Distance	$0.6896 per mile
2.	Secondary System Transformation	$7.54/kW
3.	Secondary System Intermediate Terminal	$2.91/kW
4.	Secondary System Interconnection Terminal	$2.06/kW

Main Grid Distance and Secondary System Distance charges shall be calculated to four decimal places. All other Main Grid and Secondary System charges shall be calculated to two decimal places.

The Main Grid Charge per kilowatt shall be the sum of one or more of the Main Grid annual charges, as specified in the agreement. The Secondary System Charge per kilowatt shall be the sum of one or more of the Secondary System annual charges, as specified in the agreement.

SECTION III. BILLING FACTORS

Unless otherwise stated in the agreement, the Billing Factor for the rates specified in section II shall be the largest of:

A. The Transmission Demand;

B. The highest hourly Scheduled Demand for the month; or

C. The Ratchet Demand.

SECTION IV. ADJUSTMENTS, CHARGES, AND OTHER RATE PROVISIONS

A. ANCILLARY SERVICES

Ancillary Services that may be required to support FPT transmission service are available under the ACS rate schedule. FPT customers do not pay the ACS charges for Scheduling, System Control, and Dispatch Service or Reactive Supply and Voltage Control from Generation Sources Service, because these services are included in FPT service.

B. FAILURE TO COMPLY PENALTY

Customers taking service under this rate schedule are subject to the Failure to Comply Penalty Charge, specified in GRSP II.B.

C. TRANSMISSION COST RECOVERY ADJUSTMENT CLAUSE

Customers taking service under this rate schedule are subject to the Transmission Cost Recovery Adjustment Clause, specified in GRSP II.H.

D. TRANSMISSION RESERVES DISTRIBUTION CLAUSE

Customers taking service under this rate schedule are subject to the Transmission Reserves Distribution Clause, specified in GRSP II.I.

This page intentionally left blank.

FPT-18.3
FORMULA POWER TRANSMISSION RATE

SECTION I. AVAILABILITY

This schedule supersedes the FPT-16.3 rate schedule for all firm transmission agreements that provide for application of FPT rates that may be adjusted not more frequently than once every three years. This schedule is applicable only to such transmission agreements executed prior to October 1, 1996. It is available for firm transmission of non-Federal power using the Main Grid and/or Secondary System of the Federal Columbia River Transmission System. This schedule is for full-year and partial-year service and for either continuous or intermittent service when firm transmission service is required. For facilities at voltages lower than the Secondary System, a different rate schedule may be specified. Service under this schedule is subject to the General Rate Schedule Provisions (GRSPs), which follow the rate schedules in this document.

SECTION II. RATES

The monthly charge per kilowatt (kW) shall be one-twelfth of the sum of the Main Grid Charge and the Secondary System Charge, as applicable and as specified in the agreement.

The Main Grid and Secondary System charges are calculated for each quarter according to the following formula:

$$\left(1 + \frac{GSR_q}{\$1.634/kW/mo}\right) * \text{FPT Base Charges}$$

Where:

GSR_q	=	The ACS-18 Reactive Supply and Voltage Control From Generation Sources Service Rate for Long-Term Firm PTP Transmission Service and NT Service, section II.B.1.a., that is effective for the quarter for which the FPT rate is being calculated, in $/kW/mo.
FPT Base Charges	=	The following annual Main Grid and Secondary System charges:

MAIN GRID CHARGES		
1.	Main Grid Distance	$0.0700 per mile
2.	Main Grid Interconnection Terminal	$0.73/kW
3.	Main Grid Terminal	$0.81/kW
4.	Main Grid Miscellaneous Facilities	$3.99/kW
SECONDARY SYSTEM CHARGES		
1.	Secondary System Distance	$0.6884 per mile
2.	Secondary System Transformation	$7.53/kW
3.	Secondary System Intermediate Terminal	$2.91/kW
4.	Secondary System Interconnection Terminal	$2.06/kW

Main Grid Distance and Secondary System Distance charges shall be calculated to four decimal places. All other Main Grid and Secondary System charges shall be calculated to two decimal places.

The Main Grid Charge per kilowatt shall be the sum of one or more of the Main Grid annual charges, as specified in the agreement. The Secondary System Charge per kilowatt shall be the sum of one or more of the Secondary System annual charges, as specified in the agreement.

SECTION III. BILLING FACTORS

Unless otherwise stated in the agreement, the Billing Factor for the rates specified in section II shall be the largest of:

A. The Transmission Demand;

B. The highest hourly Scheduled Demand for the month; or

C. The Ratchet Demand.

SECTION IV. ADJUSTMENTS, CHARGES, AND OTHER RATE PROVISIONS

A. ANCILLARY SERVICES

Ancillary Services that may be required to support FPT transmission service are available under the ACS rate schedule. FPT customers do not pay the ACS charges for Scheduling, System Control, and Dispatch Service or Reactive Supply and Voltage Control from Generation Sources Service, because these services are included in FPT service.

B. FAILURE TO COMPLY PENALTY

Customers taking transmission service under FPT agreements are subject to the Failure to Comply Penalty Charge, specified in GRSP II.B.

IR-18
INTEGRATION OF RESOURCES RATE

SECTION I. AVAILABILITY

This schedule supersedes the IR-16 rate schedule and is available for transmission of non-Federal power for full-year firm transmission service and non-firm transmission service in amounts not to exceed the customer's total Transmission Demand using Federal Columbia River Transmission System Network and Delivery facilities. This schedule is applicable only to Integration of Resource (IR) agreements executed prior to October 1, 1996. Service under this schedule is subject to the General Rate Schedule Provisions (GRSPs), which follow the rate schedules in this document.

SECTION II. RATES

The IR rates in sections A and B, below, are calculated each quarter. These rates shall be calculated to three decimal places. The monthly IR rate shall be as provided in section A or section B.

A. RATE

The rate shall be the sum of:

1. $1.793 per kilowatt per month ($/kW/mo); and

2. ACS-18 Reactive Supply and Voltage Control From Generation Sources Service Rate for Long-Term Firm PTP Transmission Service and NT Service, section II.B.1.a., effective for the quarter for which the IR rate is being calculated, in $/kW/mo.

B. SHORT DISTANCE DISCOUNT (SDD) RATE

For Points of Integration (POI) specified in the IR agreement as being short-distance POIs, for which Network facilities are used for a distance of less than 75 circuit miles, the monthly rate shall be the sum of:

1. ACS-18 Scheduling, System Control, and Dispatch Rate for Long-Term Firm PTP Transmission Service, section II.A.1.b; and

2. ACS-18 Reactive Supply and Voltage Control From Generation Sources Service Rate for Long-Term Firm PTP Transmission Service and NT Service, section II.B.1.a., effective for the quarter for which the IR rate is being calculated, in $/kW/mo; and

3. (0.6 + (0.4 * transmission distance/75)) * $1.471/kW/mo

Where:

The transmission distance is the circuit miles between a designated POI for a generating resource of the customer and a designated Point of Delivery serving load of the customer. Short-distance POIs are determined by BPA after considering factors in addition to transmission distance.

SECTION III. BILLING FACTORS

The Billing Factor for rates specified in section II shall be the largest of:

A. The annual Transmission Demand, or, if defined in the agreement, the annual Total Transmission Demand;

B. The highest hourly Scheduled Demand for the month; or

C. The Ratchet Demand.

To the extent that the agreement provides for the IR customer to be billed for transmission service in excess of the Transmission Demand or Total Transmission Demand, as defined in the agreement, at an hourly non-firm rate, such excess transmission service shall not contribute to the Billing Factor for the IR rates in section II, provided that the IR customer requests such treatment and BPA approves such request in accordance with the prescribed provisions in the agreement. The rate for transmission service in excess of the Transmission Demand will be pursuant to the Point-to-Point Rate (PTP-18) for Hourly Non-Firm Service.

When the Scheduled Demand or Ratchet Demand is the Billing Factor, short-distance POIs shall be charged the Rate specified in section II.A. for the amount in excess of Transmission Demand.

SECTION IV. ADJUSTMENTS, CHARGES, AND OTHER RATE PROVISIONS

A. ANCILLARY SERVICES

Ancillary Services that may be required to support IR transmission service are available under the ACS rate schedule. IR customers do not pay the ACS charges for Scheduling, System Control, and Dispatch Service or Reactive Supply and Voltage Control from Generation Sources Service, because these services are included in IR service.

B. DELIVERY CHARGE

Customers taking service over Delivery facilities are subject to the Delivery Charge, specified in GRSP II.A.

C. FAILURE TO COMPLY PENALTY

Customers taking service under this rate schedule are subject to the Failure to Comply Penalty Charge, specified in GRSP II.B.

D. RATCHET DEMAND RELIEF

Under appropriate circumstances, BPA 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 that 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's transmission system or transmission services, or to any other Transmission Customer; or

2. The event that 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'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 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 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.

E. SELF-SUPPLY OF REACTIVE SUPPLY AND VOLTAGE CONTROL FROM GENERATION SOURCES SERVICE

A credit for self-supply of Reactive Supply and Voltage Control from Generation Sources Service will be available for IR customers on a basis equivalent to the credit for PTP Transmission Customers.

F. TRANSMISSION COST RECOVERY ADJUSTMENT CLAUSE

Customers taking service under this rate schedule are subject to the Transmission Cost Recovery Adjustment Clause, specified in GRSP II.H.

G. TRANSMISSION RESERVES DISTRIBUTION CLAUSE

Customers taking service under this rate schedule are subject to the Transmission Reserves Distribution Clause, specified in GRSP II.I.

NT-18
NETWORK INTEGRATION RATE

SECTION I. AVAILABILITY

This schedule supersedes the NT-16 rate schedule. It is available to Transmission Customers taking Network Integration Transmission (NT) Service over Federal Columbia River Transmission System Network and Delivery facilities, including Conditional Firm (CF) 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 the General Rate Schedule Provisions (GRSPs), which follow the rate schedules in this document.

SECTION II. RATE

$1.727 per kilowatt per month

SECTION III. BILLING FACTOR

The monthly Billing Factor shall be the customer's Network Load on the hour of the Monthly Transmission System 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 GRSP II.A.

C. FAILURE TO COMPLY PENALTY

Customers taking NT Service under this rate schedule are subject to the Failure to Comply Penalty Charge, specified in GRSP II.B.

D. 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 (1) is designated as a Network Resource (DNR) in the customer's NT Service Agreement for at least 12 months, and (2) 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:

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

Where:

Average Generation during HLH = The output serving Network Load during HLH on a firm basis 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 Point(s) of Delivery (POD) to the total DNR SD designated capacity.

The output serving Network Load is:

1. in the case of a scheduled DNR SD, the sum of firm schedules to Network Load.
2. in the case of Behind the Meter Resources, the metered output of the resource.

NT Rate = $1.727 per kilowatt per month

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

1. 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 2 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.
2. The amount of designated capacity from all DNR SD allocated to any POD may not exceed the POD's peak load.
3. 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.

E. DIRECT ASSIGNMENT FACILITIES

BPA 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.

F. 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 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.

G. 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 GRSP II.C.

H. TRANSMISSION COST RECOVERY ADJUSTMENT CLAUSE

Customers taking service under this rate schedule are subject to the Transmission Cost Recovery Adjustment Clause, specified in GRSP II.H.

I. TRANSMISSION RESERVES DISTRIBUTION CLAUSE

Customers taking service under this rate schedule are subject to the Transmission Reserves Distribution Clause, specified in GRSP II.I.

PTP-18
POINT-TO-POINT RATE

SECTION I. AVAILABILITY

This schedule supersedes the PTP-16 rate schedule. It is available to Transmission Customers taking Point-to-Point (PTP) Transmission Service over Federal Columbia River Transmission System (FCRTS) Network and Delivery facilities, including Conditional Firm (CF) Transmission Service , and for hourly non-firm service over such FCRTS facilities for customers with Integration of Resources agreements. Terms and conditions of PTP 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 the General Rate Schedule Provisions (GRSPs), which follow the rate schedules in this document.

SECTION II. RATES

A. LONG-TERM FIRM PTP TRANSMISSION SERVICE

$1.471 per kilowatt per month

B. SHORT-TERM FIRM AND NON-FIRM PTP TRANSMISSION SERVICE

For each reservation, the rates shall not exceed:

1. Monthly, Weekly, and Daily Firm and Non-Firm Service

a. Days 1 through 5 $0.068 per kilowatt per day

b. Day 6 and beyond $0.048 per kilowatt per day

2. Hourly Firm and Non-Firm Service

4.23 mills per kilowatthour

SECTION III. BILLING FACTORS

A. ALL FIRM AND NON-FIRM SERVICE

The Billing Factor for each rate specified in sections II.A. and II.B. for all service shall be the Reserved Capacity, which is the greater of:

1. the sum of the capacity reservations at the Point(s) of Receipt (POR), or

2. the sum of the capacity reservations at the Point(s) of Delivery (POD).

B. REDIRECT SERVICE

Redirecting Long-Term Firm PTP to Short-Term Firm PTP service will not result in an additional charge if the capacity reservation does not exceed the amount reserved in the existing service agreement.

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 PTP Transmission Service on the Network are available under the ACS rate schedule.

B. DELIVERY CHARGE

Customers taking PTP Transmission Service over Delivery facilities are subject to the Delivery Charge, specified in GRSP II.A.

C. FAILURE TO COMPLY PENALTY

Customers taking service under this rate schedule are subject to the Failure to Comply Penalty Charge, specified in GRSP II.B.

D. INTERRUPTION OF NON-FIRM PTP TRANSMISSION SERVICE

If daily, weekly, or monthly Non-Firm PTP Transmission Service is interrupted, the rates charged under section II.B.1. shall be prorated over the total hours in the day to give credit for the hours of such interruption.

For Hourly Non-Firm Service, the rates charged under section II.B.2. shall apply as follows:

1. If the need for curtailment is caused by conditions on the FCRTS, the Billing Factor will be as follows:

    a. If Hourly Non-Firm PTP Transmission Service is curtailed or interrupted before the close of the hourly non-firm scheduling window, the Billing Factor will be the Reserved Capacity minus the curtailed capacity.

    b. If Hourly Non-Firm PTP Transmission Service is curtailed or interrupted after the close of the hourly non-firm scheduling window, the Billing Factor will be the Transmission Customer's actual schedule in the hour.

2. If the need for curtailment is caused by conditions on another transmission provider's transmission system, the Billing Factor will be the Reserved Capacity.

E. RESERVATION FEE

Customers that postpone the commencement of Long-Term Firm Point-To-Point Transmission Service by requesting an extension of the Service Commencement Date will be subject to the Reservation Fee, specified in GRSP II.D.

F. SHORT-DISTANCE DISCOUNT (SDD)

Reservations for Long-Term Firm PTP Transmission Service that use BPA transmission facilities for a distance of less than 75 circuit miles shall receive a SDD. The SDD shall be designated in the PTP Service Agreement.

For reservations receiving a SDD, BPA will multiply the billing factors in section III.A. by the following factor to calculate the customer's monthly transmission bill:

0.6 + (0.4 * transmission distance / 75).

System sales do not qualify for SDD. If a set of contiguous PODs qualifies for an SDD, the transmission distance used in the calculation of the SDD shall be between the POR and the POD farthest from the POR.

If the customer redirects, on a firm or non-firm basis, any portion of Reserved Capacity from a reservation receiving a SDD for any period of time during a month, the SDD shall not be applied to the entire reservation for that month.

G. UNAUTHORIZED INCREASE CHARGE

Customers that exceed their capacity reservations at any POR or POD shall be subject to the Unauthorized Increase Charge, specified in GRSP II.F.

H. DIRECT ASSIGNMENT FACILITIES

BPA 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 PTP Transmission Customer under an applicable rate schedule.

I. INCREMENTAL COST RATES

The rates specified in section II are applicable to service over available transmission capacity. Customers requesting new or increased firm service that would require BPA to construct Network Upgrades to alleviate a capacity constraint may be subject to incremental cost rates for such service if incremental cost is higher than embedded cost. Incremental cost rates would be developed pursuant to section 7(i) of the Northwest Power Act.

J. 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 GRSP II.C.

K. TRANSMISSION COST RECOVERY ADJUSTMENT CLAUSE

Customers taking service under this rate schedule are subject to the Transmission Cost Recovery Adjustment Clause, specified in GRSP II.H.

L. TRANSMISSION RESERVES DISTRIBUTION CLAUSE

Customers taking service under this rate schedule are subject to the Transmission Reserves Distribution Clause, specified in GRSP II.I.

IS-18
SOUTHERN INTERTIE RATE

SECTION I. AVAILABILITY

This schedule supersedes the IS-16 rate schedule. It is available to Transmission Customers taking Point-to-Point Transmission (PTP) Service over the Federal Columbia River Transmission System (FCRTS) Southern Intertie facilities. Terms and conditions of service are specified in the Open Access Transmission Tariff or, for customers that 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 the General Rate Schedule Provisions (GRSPs), which follow the rate schedules in this document.

SECTION II. RATES

A. LONG-TERM FIRM PTP TRANSMISSION SERVICE

$1.038 per kilowatt per month

B. SHORT-TERM FIRM AND NON-FIRM PTP TRANSMISSION SERVICE

For each reservation, the rates shall not exceed:

1. Monthly, Weekly, and Daily Firm and Non-Firm Service

a. Days 1 through 5 $0.048 per kilowatt per day

b. Day 6 and beyond $0.034 per kilowatt per day

2. Hourly Firm and Non-Firm Service

9.56 mills per kilowatthour

BPA intends to provide discounted service for Hourly Non-Firm Service in the south-to-north direction. BPA will post such discount on OASIS pursuant to section II.E of the GSRPs. The following principles will apply to any such discount:

a. Providing a discount for service in one direction will not require the same discount to be provided in the other direction.
b. Providing a discount for service on the Southern Intertie will not require a discount to be provided for service on the Network or other segments.

SECTION III. BILLING FACTORS

A. ALL FIRM SERVICE AND MONTHLY, WEEKLY, AND DAILY NON-FIRM SERVICE

The Billing Factor for each rate specified in sections II.A. and II.B. for all services shall be the Reserved Capacity, which is the greater of:

1. the sum of the capacity reservations at the Point(s) of Receipt (POR), or

2. the sum of the capacity reservations at the Point(s) of Delivery (POD).

For Southern Intertie transmission agreements executed prior to October 1, 1996, the Billing Factor shall be as specified in the agreement.

B. REDIRECT SERVICE

Redirecting Long-Term Firm PTP to Short-Term Firm PTP service will not result in an additional charge if the capacity reservation does not exceed the amount reserved in the existing service agreement.

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 PTP Transmission Service on the Southern Intertie are available under the ACS rate schedule.

B. FAILURE TO COMPLY PENALTY

Customers taking service under this rate schedule are subject to the Failure to Comply Penalty Charge specified in GRSP II.B.

C. INTERRUPTION OF NON-FIRM PTP TRANSMISSION SERVICE

If daily, weekly, or monthly Non-Firm PTP Transmission Service is interrupted, the rates charged under section II.B.1. shall be prorated over the total hours in the day to give credit for the hours of such interruption.

For Hourly Non-Firm Service, the rates charged under section II.B.2. shall apply as follows:

1. If the need for curtailment is caused by conditions on the FCRTS, the Billing Factor will be as follows:

    a. If Hourly Non-Firm PTP Transmission Service is curtailed or interrupted before the close of the hourly non-firm scheduling window, the Billing Factor will be the Reserved Capacity minus the curtailed capacity.

    b. If Hourly Non-Firm PTP Transmission Service is curtailed or interrupted after the close of the hourly non-firm scheduling window, the Billing Factor will be the Transmission Customer's actual schedule in the hour.

2. If the need for curtailment is caused by conditions on another transmission provider's transmission system, the Billing Factor will be the Reserved Capacity.

D. RESERVATION FEE

Customers that postpone the commencement of Long-Term Firm Point-To-Point Transmission Service by requesting an extension of their Service Commencement Date will be subject to the Reservation Fee specified in GRSP II.D.

E. UNAUTHORIZED INCREASE CHARGE

Customers that exceed their capacity reservations at any POR or POD shall be subject to the Unauthorized Increase Charge, specified in GRSP II.F.

F. DIRECT ASSIGNMENT FACILITIES

BPA 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 Transmission Customer under an applicable rate schedule.

G. INCREMENTAL COST RATES

The rates specified in section II are applicable to service over available transmission capacity. Customers requesting new or increased firm service that would require BPA to construct new facilities or upgrades to alleviate a capacity constraint may be subject to incremental cost rates for such service if incremental cost is higher than embedded cost. Incremental cost rates would be developed pursuant to section 7(i) of the Northwest Power Act.

H. 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 GRSP II.C.

I. TRANSMISSION COST RECOVERY ADJUSTMENT CLAUSE

Customers taking service under this rate schedule are subject to the Transmission Cost Recovery Adjustment Clause, specified in GRSP II.H.

J. TRANSMISSION RESERVES DISTRIBUTION CLAUSE

Customers taking service under this rate schedule are subject to the Transmission Reserves Distribution Clause, specified in GRSP II.I.

IM-18
MONTANA INTERTIE RATE

SECTION I. AVAILABILITY

This schedule supersedes the IM-16 rate schedule. It is available to Transmission Customers taking Point-to-Point (PTP) Transmission Service on the Eastern Intertie. 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 the General Rate Schedule Provisions (GRSPs), which follow the rate schedules in this document.

SECTION II. RATES

A. LONG-TERM FIRM PTP TRANSMISSION SERVICE

$0.509 per kilowatt per month

B. SHORT-TERM FIRM AND NON-FIRM PTP TRANSMISSION SERVICE

For each reservation, the rates shall not exceed:

1. Monthly, Weekly, and Daily Short-Term Firm and Non-Firm Service

a. Days 1 through 5 $0.023 per kilowatt per day

b. Day 6 and beyond $0.017 per kilowatt per day

2. Hourly Firm and Non-Firm Service

1.46 mills per kilowatthour

SECTION III. BILLING FACTORS

A. ALL FIRM SERVICE AND MONTHLY, WEEKLY, AND DAILY NON-FIRM SERVICE

The Billing Factor for each rate specified in section II.A. and II.B. for all services shall be the Reserved Capacity, which is the greater of:

1. the sum of the capacity reservations at the Point(s) of Receipt (POR), or

2. the sum of the capacity reservations at the Point(s) of Delivery (POD).

B. REDIRECT SERVICE

Redirecting Long-Term Firm PTP to Short-Term Firm PTP service will not result in an additional charge if the capacity reservation does not exceed the amount reserved in the existing service agreement.

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 PTP Transmission Service on the Montana Intertie are available under the ACS rate schedule.

B. FAILURE TO COMPLY PENALTY CHARGE

Customers taking service under this rate schedule are subject to the Failure to Comply Penalty Charge, specified in GRSP II.B.

C. INTERRUPTION OF NON-FIRM PTP TRANSMISSION SERVICE

If daily, weekly, or monthly Non-Firm PTP Transmission Service is interrupted, the rates charged under section II.B.1. shall be prorated over the total hours in the day to give credit for the hours of such interruption.

For Hourly Non-Firm Service, the rates charged under section II.B.2. shall apply as follows:

1. If the need for curtailment is caused by conditions on the Federal Columbia River Transmission System, the Billing Factor will be as follows:

    a. If Hourly Non-Firm PTP Transmission Service is curtailed or interrupted before the close of the hourly non-firm scheduling window, the Billing Factor will be the Reserved Capacity minus the curtailed capacity.

    b. If Hourly Non-Firm PTP Transmission Service is curtailed or interrupted after the close of the hourly non-firm scheduling window, the Billing Factor will be the Transmission Customer's actual schedule for the hour.

2. If the need for curtailment is caused by conditions on another transmission provider's transmission system, the Billing Factor will be the Reserved Capacity.

D. RESERVATION FEE

Customers that postpone the commencement of Long-Term Firm Point-To-Point Transmission Service by requesting an extension of their Service Commencement Date will be subject to the Reservation Fee, specified in GRSP II.D.

E. UNAUTHORIZED INCREASE CHARGE

Customers that exceed their capacity reservations at any POR or POD shall be subject to the Unauthorized Increase Charge, specified in GRSP II.F.

F. DIRECT ASSIGNMENT FACILITIES

BPA 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 Transmission Customer under an applicable rate schedule.

G. INCREMENTAL COST RATES

The rates specified in section II are applicable to service over available transmission capacity. Customers requesting new or increased firm service that would require BPA to construct new facilities or upgrades to alleviate a capacity constraint may be subject to incremental cost rates for such service if incremental cost is higher than embedded cost. Incremental cost rates would be developed pursuant to section 7(i) of the Northwest Power Act.

H. 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 GRSP II.C.

I. TRANSMISSION COST RECOVERY ADJUSTMENT CLAUSE

Customers taking service under this rate schedule are subject to the Transmission Cost Recovery Adjustment Clause, specified in GRSP II.H.

J. TRANSMISSION RESERVES DISTRIBUTION CLAUSE

Customers taking service under this rate schedule are subject to the Transmission Reserves Distribution Clause, specified in GRSP II.I.

This page intentionally left blank.

UFT-18
USE-OF-FACILITIES TRANSMISSION RATE

SECTION I. AVAILABILITY

This schedule supersedes the UFT-16 rate schedule unless otherwise provided in the agreement, and is available for firm transmission over specified Federal Columbia River Transmission System (FCRTS) facilities. Service under this schedule is subject to the General Rate Schedule Provisions (GRSPs), which follow the rate schedules in this document.

SECTION II. RATE

The monthly charge per kilowatt of Transmission Demand/capacity reservations specified in the agreement shall be one-twelfth of the annual cost of capacity of the specified facilities divided by the sum of Transmission Demands/capacity reservations (in kilowatts) using such facilities. Such annual cost shall be determined in accordance with section III.

SECTION III. DETERMINATION OF TRANSMISSION RATE

A. From time to time, but not more often than once a year, BPA shall determine the following data for the facilities that have been constructed or otherwise acquired by BPA and that are used to transmit electric power:

1. The annual cost of the specified FCRTS facilities, as determined from the capital cost of such facilities and annual cost ratios developed from the Federal Columbia River Power System financial statement, including interest and amortization, operation and maintenance, administrative and general, and general plant costs.

   The annual cost per kilowatt of facilities listed in the agreement that are owned by another entity and used by BPA for making deliveries to the transferee shall be determined from the costs specified in the agreement between BPA and such other entity.

2. The yearly noncoincident peak demands of all users of such facilities or other reasonable measurement of the facilities' peak use.

B. The monthly charge per kilowatt of billing demand shall be one-twelfth of the sum of the annual cost of the FCRTS facilities used, divided by the sum of Transmission Demands/capacity reservations. The annual cost per kilowatt of Transmission

Demand/capacity reservation for a facility constructed or otherwise acquired by BPA shall be determined in accordance with the following formula:

$$\frac{A}{D}$$

Where:

A = The annual cost of such facility as determined in accordance with A.1. above.
D = The sum of the yearly noncoincident demands on the facility as determined in accordance with A.2. above.

For facilities used solely by one customer, BPA may charge a monthly amount equal to the annual cost of such sole-use facilities, determined in accordance with section III.A.1., divided by 12.

For facilities used by more than one customer, BPA may charge a monthly amount equal to the annual cost of such facilities prorated based on relative use of the facilities, divided by 12.

SECTION IV. DETERMINATION OF BILLING FACTORS

Unless otherwise stated in the agreement, the Billing Factor shall be the largest of:

A. The Transmission Demand/capacity reservation in kilowatts specified in the agreement;

B. The highest hourly Measured or Scheduled Demand for the month; or

C. The Ratchet Demand.

SECTION V. ADJUSTMENTS, CHARGES, AND OTHER RATE PROVISIONS

A. ANCILLARY SERVICES

Ancillary services that are required to support UFT transmission service are available under the ACS rate schedule.

B. FAILURE TO COMPLY PENALTY

Customers taking service under this rate schedule are subject to the Failure to Comply Penalty Charge, specified in GRSP II.B.

AF-18
ADVANCE FUNDING RATE

SECTION I. AVAILABILITY

This schedule supersedes the AF-16 rate schedule and is available to customers that execute an agreement that provides for BPA to collect capital and related costs through advance funding or other financial arrangement for specified BPA-owned Federal Columbia River Transmission System (FCRTS) facilities used for:

A. Interconnection or integration of resources and loads to the FCRTS;

B. Upgrades, replacements, or reinforcements of the FCRTS for transmission service; or

C. Other transmission service arrangements, as determined by BPA.

Service under this schedule is subject to the General Rate Schedule Provisions (GRSPs), which follow the rate schedules in this document.

SECTION II. CHARGE

The charge is:

A. The sum of the actual capital and related costs for specified FCRTS facilities, as provided in the agreement. Such actual capital and related costs include, but are not limited to, costs of design, materials, construction, overhead, spare parts, and all incidental costs necessary to provide service as identified in the agreement; or

B. An advance payment equal to the sum of the capital and related costs for specified FCRTS facilities, as provided in the agreement. A credit for some or all of the amount advanced will be applied against charges for transmission service, as provided in the agreement. The charges for transmission service shall be at the rate for the applicable transmission service.

SECTION III. PAYMENT

A. ADVANCE PAYMENT

Payment to BPA shall be specified in the agreement as one of the following options:

1. A lump sum advance payment;

2. Advance payments pursuant to a schedule of progress payments; or

3. Other payment arrangement, as determined by BPA.

Such advance payment or payments shall be based on an estimate of the capital and related costs for the specified FCRTS facilities as provided in the agreement.

B. ADJUSTMENT TO ADVANCE PAYMENT

For charges under section II.A., BPA shall determine the actual capital and related costs of the specified FCRTS facilities as soon as practicable after the date of commercial operation, as determined by BPA. The customer will either receive a refund from BPA or be billed for additional payment for the difference between the advance payment and the actual capital and related costs.

TGT-18
TOWNSEND-GARRISON TRANSMISSION RATE

SECTION I. AVAILABILITY

This schedule supersedes the TGT-16 rate schedule and is available to companies that are parties to the Montana Intertie Agreement (Contract No. DE-MS79-81BP90210, as amended), which provides for firm transmission over BPA's section (Garrison to Townsend) of the Montana Intertie. Service under this schedule is subject to the General Rate Schedule Provisions (GRSPs), which follow the rate schedules in this document.

SECTION II. RATE

The monthly charge shall be one-twelfth of the sum of the annual charges listed below, as applicable and as specified in the agreements for firm transmission. The Townsend-Garrison 500-kV lines and associated terminal, line compensation, and communication facilities are a separately identified portion of the Federal Columbia River Transmission System. Annual revenues plus credits for government use should equal annual costs of the facilities, but in any given year there may be a surplus or a deficit. Such surplus or deficit for any year shall be accounted for in the computation of annual costs for succeeding years. Revenue requirements for firm transmission use will be decreased by any revenues received from non-firm use and credits for all government use. The general methodology for determining the firm rate is to divide the revenue requirement by the total firm capacity requirements. Therefore, the higher the total capacity requirements, the lower the unit rate will be.

If BPA provides firm transmission service in its section of the Montana (Eastern) Intertie in exchange for firm transmission service in a customer's section of the Montana Intertie, the payment by BPA for such transmission services provided by such customer will be made in the form of a credit in the calculation of the Intertie Charge for such customer.

A. NON-FIRM TRANSMISSION CHARGE

This charge will be filed as a separate rate schedule, the Eastern intertie (IE) rate.

B. INTERTIE CHARGE FOR FIRM TRANSMISSION SERVICE

$$\text{Intertie Charge} = \left[\left((TAC / 12) - NFR \right) * \frac{(CR - EC)}{TCR} \right]$$

SECTION III. DEFINITIONS

A. TAC = Total Annual Costs of facilities associated with the Townsend-Garrison 500 kV Transmission line including terminals, and prior to extension of the 500 kV portion of the Federal Transmission System to Garrison, the 500/230 kV transformer at Garrison. Such annual costs are the total of: (1) interest and amortization of associated Federal investment and the appropriate allocation of general plant costs; (2) operation and maintenance costs; (3) allowance for BPA's general administrative costs that are appropriately allocable to such facilities, and (4) payments made pursuant to section 7(m) of Public Law 96-501 with respect to these facilities. Total Annual Costs shall be adjusted to reflect reductions to unpaid total costs as a result of any amounts received, under agreements for firm transmission service over the Montana Intertie, by BPA on account of any reduction in Transmission Demand, termination, or partial termination of any such agreement or otherwise to compensate BPA for the unamortized investment, annual cost, removal, salvage, or other cost related to such facilities.

B. NFR = Non-firm Revenues, which are equal to (1) the product of the Non-firm Transmission Charge described in II.A. above and the total non-firm energy transmitted over the Townsend-Garrison line segment under such charge during such month; plus (2) revenue received by BPA under any other rate schedules for non-firm transmission service in either direction over the Townsend-Garrison line segment during such month.

C. CR = Capacity Requirement of a customer on the Townsend-Garrison 500 kV transmission facilities as specified in its firm transmission agreement.

D. TCR = Total Capacity Requirement on the Townsend-Garrison 500-kV transmission facilities as calculated by adding (1) the sum of all Capacity Requirements (CR) specified in transmission agreements described in section I and (2) BPA's firm capacity requirement. BPA's firm capacity requirement shall be no less than the total of the amounts, if any, specified in firm transmission agreements for use of the Montana Intertie.

E. EC = Exchange Credit for each customer, which is the product of (1) the ratio of investment in the Townsend-Broadview 500 kV transmission line to the investment in the Townsend-Garrison 500 kV transmission line and (2) the capacity BPA obtains in the Townsend-Broadview 500 kV transmission line through exchange with such customer. If no exchange is in effect with a customer, the value of EC for such customer shall be zero.

PW-18
WECC AND PEAK SERVICE RATE

SECTION I. AVAILABILITY

This schedule supersedes the PW-16 rate schedule. The rate below applies to all loads in the BPA Control Area except for loads of customers billed directly by WECC or by Peak Reliability. The WECC and Peak Service rate recovers the costs billed to BPA by WECC and Peak Reliability based on loads in the BPA Control Area. Service under this schedule is subject to the General Rate Schedule Provisions (GRSPs), which follow the rate schedules in this document.

SECTION II. RATES

A. WECC RATE

0.05 mills per kilowatthour

B. PEAK RATE

0.05 mills per kilowatthour

SECTION III. BILLING FACTORS

The Billing Factor is the customer's total load in the BPA Control Area, in kilowatthours.

This page intentionally left blank.

OS-18
OVERSUPPLY RATE

SECTION I. AVAILABILITY

This schedule supersedes the OS-16 rate schedule. The Oversupply Rate applies to generators in the BPA Balancing Authority Area that are specified as the source on transmission schedules for the hours that BPA displaces generation pursuant to the Open Access Transmission Tariff (OATT), Attachment P (Oversupply Event Hours), and to customers that purchase power under the Priority Firm Power, Industrial Firm Power, or New Resources Firm Power rate, for the charges to BPA Power Services under section II.C.

The Oversupply Charge shall collect the amounts paid pursuant to OATT Attachment P for the period October 1, 2017, through September 30, 2019. The Oversupply Charge shall remain in effect until all costs incurred pursuant to OATT Attachment P during the FY 2018-2019 rate period are billed and fully paid. Service under this schedule is subject to the General Rate Schedule Provisions (GRSPs), which follow the rate schedules in this document.

SECTION II. CHARGE

A. OVERSUPPLY RATE

For each month, the Oversupply rate in dollars per megawatthour ($/MWh) shall be:

$$\frac{\textit{Displacement Cost}}{\sum \textit{Scheduled Generation}}$$

Where:

Displacement Cost = the amount BPA paid pursuant to OATT Attachment P to displace output from generating facilities for the calendar month, in dollars.

Scheduled Generation = For each generator in the BPA Balancing Authority Area, the sum of transmission schedules (e-Tags) during Oversupply Event Hours that specify such generator as the source, in megawatthours.

The after-the-fact schedule shall be used for power dynamically transferred out of BPA's Balancing Authority Area.

$\sum$ *Scheduled Generation* = the sum of all Scheduled Generation, in megawatthours.

B. OVERSUPPLY BILLING FACTORS

The billing factor for the monthly Oversupply Rate is the sum of the customer's Scheduled Generation during the month.

C. OVERSUPPLY CHARGES TO BPA POWER SERVICES

Charges to BPA Power Services for its applicable Scheduled Generation under this rate schedule shall be billed to customers purchasing under the Priority Firm Power, Industrial Firm Power, or New Resources Firm Power rate schedules using a Modified TOCA. The charge for each such customer shall be the Oversupply Charge amount charged to BPA Power Services multiplied by each customer's Modified Tier 1 Cost Allocator (TOCA). The Modified TOCA for each customer for each fiscal year is specified in GRSP II.K.

SECTION III. BILLING

A. OVERSUPPLY CHARGE

The Oversupply charge shall be included on bills for the month after Displacement Costs are incurred, subject to the billing cap; *i.e.,* there will be a one-month lag between Scheduled Generation and billing the Oversupply charge. Any Displacement Cost not billed because of the billing cap, or because BPA was unable to determine the full amount of Displacement Cost for the month, shall be included on the following month's bill, subject to the billing cap, and on subsequent bills as necessary until all Displacement Costs have been billed.

B. BILLING CAP

Total billing to all customers for the Oversupply Charges may not exceed $8 million in any one month. If the total Oversupply Charges exceed $8 million in any month, the excess over $8 million shall be billed in the following month, subject to this billing cap. If the billing cap is exceeded in such following month, excess charges shall be billed in each subsequent month, subject to this billing cap, until all charges are billed.

C. BILLING FOR OVERSUPPLY CHARGES TO BPA POWER SERVICES

The charge for BPA Power Services costs (section II.C) shall be separately included on each applicable customer's transmission bill.

IE-18
EASTERN INTERTIE RATE

SECTION I. AVAILABILITY

This schedule supersedes the IE-16 rate schedule and is available to companies that are parties to the Montana Intertie Agreement (Contract No. DE-MS79-81BP90210, as amended) for non-firm transmission service on the portion of Eastern Intertie capacity that exceeds BPA's firm transmission rights. Service under this schedule is subject to the General Rate Schedule Provisions (GRSPs), which follow the rate schedules in this document.

SECTION II. RATE

The rate shall not exceed 1.46 mills per kilowatthour.

SECTION III. BILLING FACTOR

The Billing Factor shall be the scheduled kilowatthours, unless otherwise specified in the Montana Intertie Agreement.

SECTION IV. ADJUSTMENTS, CHARGES, AND OTHER RATE PROVISIONS

A. ANCILLARY SERVICES

Ancillary services that may be required to support IE transmission service are available under the ACS rate schedule.

B. FAILURE TO COMPLY PENALTY

Customers taking service under this rate schedule are subject to the Failure to Comply Penalty Charge, specified in GRSP II.B.

This page intentionally left blank.

ACS-18
ANCILLARY AND CONTROL AREA SERVICE RATES

SECTION I. AVAILABILITY

This schedule supersedes the ACS-16 rate schedule. It is available to all Transmission Customers taking service under the Open Access Transmission Tariff and other contractual arrangements. This schedule also is available 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's General Rate Schedule Provisions (GRSPs), which follow the rate schedules in this document.

A. ANCILLARY SERVICES

Ancillary Services are needed with transmission service to maintain reliability within and among the Control Areas affected by the transmission service. The Transmission Provider is required to provide, and the Transmission Customer is required to purchase, the following Ancillary Services: (a) Scheduling, System Control, and Dispatch, and (b) Reactive Supply and Voltage Control from Generation Sources.

In addition, the Transmission Provider is required to offer to provide the following Ancillary Services only to the Transmission Customer serving load within the Transmission Provider's Control Area: (a) Regulation and Frequency Response, and (b) Energy Imbalance. The Transmission Customer serving load within the Transmission Provider's Control Area is required to acquire these Ancillary Services, whether from the Transmission Provider, from a third party, or by self-supply.

The Transmission Provider is also required to offer to provide (a) Operating Reserve – Spinning and (b) Operating Reserve – Supplemental to the Transmission Customer in accordance with applicable NERC, WECC, and NWPP standards. The Transmission Customer taking these services in the Transmission Provider's Control Area is required to acquire these Ancillary Services, whether from the Transmission Provider, from a third party, or by self-supply in accordance with applicable NERC, WECC, and NWPP standards.

The Transmission Customer may not decline the Transmission Provider's offer of Ancillary Services unless it demonstrates that it has acquired the Ancillary Services from another source. The Transmission Customer must list in its Application which Ancillary Services it will purchase from the Transmission Provider.

Ancillary Services available under this rate schedule are:

1. Scheduling, System Control, and Dispatch Service
2. Reactive Supply and Voltage Control from Generation Sources Service
3. Regulation and Frequency Response Service
4. Energy Imbalance Service
5. Operating Reserve – Spinning Reserve Service
6. Operating Reserve – Supplemental Reserve Service

B. CONTROL AREA SERVICES

Control Area Services are available to meet the Reliability Obligations of a party with resources or loads in the BPA Control Area. A party that is not satisfying all of its Reliability Obligations through the purchase or self-provision of Ancillary Services must purchase Control Area Services to meet its Reliability Obligations. Control Area Services are also available to parties with resources or loads in the BPA Control Area that have Reliability Obligations but do not have transmission agreements with BPA. Reliability Obligations for resources or loads in the BPA Control Area shall be determined consistent with the applicable NERC, WECC, and NWPP standards.

Control Area Services available under this rate schedule are:

1. Regulation and Frequency Response Service
2. Generation Imbalance Service
3. Operating Reserve – Spinning Reserve Service
4. Operating Reserve – Supplemental Reserve Service
5. Variable Energy Resource Balancing Service
6. Dispatchable Energy Resource Balancing Service

SECTION II. ANCILLARY SERVICE RATES

A. SCHEDULING, SYSTEM CONTROL, AND DISPATCH SERVICE

The rates below apply to Transmission Customers taking Scheduling, System Control, and Dispatch Service from BPA. These rates apply to both firm and non-firm transmission service. Transmission arrangements on the Network, on the Southern Intertie, and on the Montana Intertie are each charged separately for Scheduling, System Control, and Dispatch Service.

1. RATES

a. NT Service

The rate shall not exceed $0.376 per kilowatt per month.

b. Long-Term Firm PTP Transmission Service

The rate shall not exceed $0.322 per kilowatt per month.

c. Short-Term Firm and Non-Firm PTP Transmission Service

For each reservation, the rates shall not exceed:

(1) Monthly, Weekly, and Daily Firm and Non-Firm Service

(a) Days 1 through 5 $0.015 per kilowatt per day

(b) Day 6 and beyond $0.011 per kilowatt per day

(2) Hourly Firm and Non-Firm Service

The rate shall not exceed 0.93 mills per kilowatthour.

2. BILLING FACTORS

a. Point-To-Point Transmission Service

For Transmission Customers taking Point-to-Point Transmission Service (PTP, IS, and IM rates), the Billing Factor for each rate specified in sections 1.b. and 1.c.(1) and for the Hourly Firm PTP Transmission Service rate specified in 1.c.(2) shall be the Reserved Capacity, which is the greater of:

(1) the sum of the capacity reservations at the Point(s) of Receipt, or

(2) the sum of the capacity reservations at the Point(s) of Delivery.

The Reserved Capacity for Firm PTP Transmission Service shall not be adjusted for any Short-Distance Discounts or for any modifications on a non-firm basis in determining the Scheduling, System Control, and Dispatch Service Billing Factor.

The Billing Factor for the rate specified in section 1.b.(2) for Hourly Non-Firm Service shall be the Reserved Capacity, and the following shall apply:

(1) If the need for curtailment is caused by conditions on the Federal Columbia River Transmission System, the Billing Factor will be as follows:

(a) If Hourly Non-Firm PTP Transmission Service is curtailed or interrupted before the close of the hourly non-firm scheduling window, the Billing Factor will be the Reserved Capacity minus the curtailed capacity.

(b) If Hourly Non-Firm PTP Transmission Service is curtailed or interrupted after the close of the hourly non-firm scheduling window, the Billing Factor will be the Transmission Customer's actual schedule in the hour.

(2) If the need for curtailment is caused by conditions on another transmission provider's transmission system, the Billing Factor will be the Reserved Capacity.

These Billing Factors apply to all PTP transmission service under the Open Access Transmission Tariff regardless of whether the Transmission Customer actually uses (schedules) the transmission.

b. Network Integration Transmission Service

For Transmission Customers taking Network Integration Transmission Service, the Billing Factor for the rate specified in section 1.a. shall equal the NT rate Billing Factor determined pursuant to section III.A. of the Network Integration Rate Schedule (NT-18).

c. Adjustment for Customers Subject to the Unauthorized Increase Charge (UIC)

For Transmission Customers taking Point-to-Point Transmission Service (PTP, IS, and IM rate schedules) that are subject to a UIC in a billing month, the Billing Factor for the billing month shall be the Billing Factor calculated above plus the UIC Billing Factor calculated pursuant to section II.F.2.a. of the GRSPs.

B. REACTIVE SUPPLY AND VOLTAGE CONTROL FROM GENERATION SOURCES SERVICE

The rates below apply to Transmission Customers taking Reactive Supply and Voltage Control from Generation Sources (GSR) Service from BPA. These rates apply to both firm and non-firm transmission service. Transmission arrangements on the Network, the Southern Intertie, and the Montana Intertie are each charged separately for Reactive Supply and Voltage Control from Generation Sources Service.

1. RATES

The rates for GSR Service will be calculated for each quarter, beginning October 2017, according to the formulas below. The rates will be posted on BPA's website and updated as needed. Rates for Long-Term PTP and NT Service and for Short-Term Monthly, Weekly and Daily Service (sections a. and b.(1), below) shall be calculated to three decimal places. Rates for Hourly Service (section b.(2), below) shall be calculated to two decimal places.

a. Long-Term Firm PTP Transmission Service and NT Service

The rate, in dollars per kilowatt per month ($/kW/mo), shall not exceed:

$$\frac{4(N_q + U_{q-1} + Z_{q-1})}{bd - 4S_q}$$

Where:

bd = 501,314 MW-mo = Average of forecasted FY 2018 and FY 2019 GSR Service billing determinants. Each annual billing determinant is the sum of the 12 monthly billing determinants.

N_q = Non-Federal GSR cost ($) to be paid by BPA under a FERC-approved rate during the relevant quarter, as anticipated prior to the quarter.

U_{q-1} = Payments of non-Federal GSR cost ($) made in the preceding quarter(s) that were not included in the effective rate for the preceding quarter(s). Any refunds received by BPA would reduce this cost. U_{q-1} is a true-up for any deviation of non-Federal GSR costs from the amount used in a previous quarter's GSR rate calculation. For calculating the GSR rate effective October 1, 2017, U_{q-1} is zero.

S_q = Reduction in effective billing demand (MW-mo) for approved self-supply of reactive during the relevant quarter, as anticipated prior to the quarter.

Z_{q-1} = True-up ($) for under- or overstatement of reactive self-supply in rate calculations for the preceding quarter(s). For calculating the GSR rate effective October 1, 2017, Z_{q-1} is zero. Z_{q-1} will be calculated by multiplying the under- or overstated megawatt amount of self-supply by the GSR rate that was effective during the quarter of self-supply deviation.

"Relevant quarter" refers to the 3-month period for which the rate is being determined.

b. Short-Term Firm and Non-Firm PTP Transmission Service

(1) Monthly, Weekly, and Daily Firm and Non-firm Service

For each reservation, the rates shall not exceed:

(a) Days 1 through 5 ($/kW/day)

$$\text{Long-Term Service Rate} * \frac{12 \text{ months}}{52 \text{ weeks} * 5 \text{ days}}$$

(b) Day 6 and beyond ($/kW/day)

$$\text{Long-Term Service Rate} * \frac{12 \text{ months}}{52 \text{ weeks} * 7 \text{ days}}$$

(2) Hourly Firm and Non-Firm Service (mills/kilowatthour)

The rate shall not exceed:

$$\text{Long-Term Service Rate} * \frac{12 \text{ months}}{52 \text{ weeks} * 5 \text{ days} * 16 \text{ hours}}$$

Where:

The "Long-Term Service Rate" specified in the formulas in sections 1.b.(1)(a) and (b) and section 1.b.(2), above, is the rate determined in section 1.a., Long-Term Firm PTP Transmission Service and NT Service, in $/kW/mo.

2. BILLING FACTORS

a. Point-To-Point Transmission Service

For Transmission Customers taking Point-to-Point Transmission Service (PTP, IS, and IM rates), the Billing Factor for each rate specified in sections 1.b. and 1.c.(1) and for Hourly Firm PTP Transmission Service specified in 1.c.(2) shall be the Reserved Capacity, which is the greater of:

(1) the sum of the capacity reservations at the Point(s) of Receipt, or

(2) the sum of the capacity reservations at the Point(s) of Delivery.

The Reserved Capacity for Firm PTP Transmission Service shall not be adjusted for any Short-Distance Discount or for any modifications on a non-firm basis in determining the Reactive Supply and Voltage Control from Generation Sources Service Billing Factor.

The Billing Factor for the rate specified in section 1.b.(2) for Hourly Non-Firm Service shall be the Reserved Capacity, and the following shall apply:

(1) If the need for curtailment is caused by conditions on the Federal Columbia River Transmission System, the Billing Factor will be as follows:

(a) If Hourly Non-Firm PTP Transmission Service is curtailed or interrupted before the close of the hourly non-firm scheduling window, the Billing Factor will be the Reserved Capacity minus the curtailed capacity.

(b) If Hourly Non-Firm PTP Transmission Service is curtailed or interrupted after the close of the hourly non-firm scheduling window, the Billing Factor will be the Transmission Customer's actual schedule in the hour.

(2) If the need for curtailment is caused by conditions on another transmission provider's transmission system, the Billing Factor will be the Reserved Capacity.

These Billing Factors apply to all PTP transmission service under the Open Access Transmission Tariff regardless of whether the Transmission Customer actually uses (schedules) the transmission.

b. Network Integration Transmission Service

For Transmission Customers taking Network Integration Transmission Service, the Billing Factor for the rate specified in section 1.a. shall equal the NT rate Billing Factor determined pursuant to section III.A. of the Network Integration Rate Schedule (NT-18).

c. Adjustment for Self-Supply

The Billing Factors in sections 2.a. and 2.b. above may be reduced as specified in the Transmission Customer's Service Agreement to the extent the Transmission Customer demonstrates to BPA's satisfaction that it can self-provide Reactive Supply and Voltage Control from Generation Sources Service.

d. Adjustment for Customers Subject to the Unauthorized Increase Charge (UIC)

For Transmission Customers taking Point-to-Point Transmission Service (PTP, IS, and IM rate schedules) that are subject to a UIC in a billing month, the Billing Factor for the billing month shall be the Billing Factor calculated above plus the UIC Billing Factor calculated pursuant to section II.F.2.a. of the GRSPs.

C. REGULATION AND FREQUENCY RESPONSE SERVICE

The rate below for Regulation and Frequency Response (RFR) Service applies to Transmission Customers serving loads in the BPA Control Area. Regulation and Frequency Response Service provides the generation capability to follow the moment-to-moment variations of loads in the BPA Control Area and maintain the power system frequency at 60 Hz in conformance with NERC and WECC reliability standards.

1. RATE

The rate shall not exceed 0.13 mills per kilowatthour.

2. BILLING FACTOR

The Billing Factor is the customer's total load in the BPA Control Area, in kilowatthours.

D. ENERGY IMBALANCE SERVICE

The rates below apply to Transmission Customers taking Energy Imbalance Service from BPA. Energy Imbalance Service is taken when there is a difference between scheduled and actual energy delivered to a load in the BPA Control Area during a scheduling period. Accounting for hourly schedules will be on an hourly basis, and accounting for intra-hour schedules will be on the customer's shortest scheduling period in the hour.

1. RATES

a. Imbalances Within Deviation Band 1

Deviation Band 1 applies to deviations that are less than or equal to (i) ± 1.5 percent of the scheduled amount of energy, or (ii) ± 2 MW, whichever is larger in absolute value. BPA will maintain deviation accounts showing the net Energy Imbalance (the sum of positive and negative deviations from schedule for each period) for Heavy Load Hour (HLH) and Light Load Hour (LLH) periods. Return energy may be scheduled at any time during the month to bring the deviation account balances to zero at the end of each month. BPA will approve the hourly schedules of return energy. The customer shall make the arrangements and submit the schedule for the balancing transaction.

The following rates will be applied when a deviation balance remains at the end of the month:

(1) When the monthly net energy (determined for HLH and LLH periods) taken by the Transmission Customer is greater than the energy scheduled, the charge is BPA's incremental cost based on the applicable average HLH and average LLH incremental cost for the month.

(2) When the monthly net energy (determined for HLH and LLH periods) taken by the Transmission Customer is less than the energy scheduled, the credit is BPA's incremental cost based on the applicable average HLH and LLH incremental cost for the month.

b. Imbalances Within Deviation Band 2

Deviation Band 2 applies to the portion of the deviation (i) greater than ± 1.5 percent of the scheduled amount of energy or (ii) ± 2 MW, whichever is larger in absolute value, up to and including (i) ± 7.5 percent of the scheduled amount of energy or (ii) ± 10 MW, whichever is larger in absolute value.

(1) When energy taken by the Transmission Customer in a schedule period is greater than the energy scheduled, the charge is 110 percent of BPA's incremental cost.

(2) When energy taken by the Transmission Customer in a schedule period is less than the scheduled amount, the credit is 90 percent of BPA's incremental cost.

c. Imbalances Within Deviation Band 3

Deviation Band 3 applies to the portion of the deviation (i) greater than ± 7.5 percent of the scheduled amount of energy, or (ii) greater than ± 10 MW of the scheduled amount of energy, whichever is larger in absolute value.

(1) When energy taken by the Transmission Customer in a schedule period is greater than the energy scheduled, the charge is 125 percent of BPA's highest incremental cost that occurs during that day. The highest daily incremental cost shall be determined separately for HLH and LLH.

(2) When energy taken by the Transmission Customer in a schedule period is less than the scheduled amount, the credit is 75 percent of BPA's lowest incremental cost that occurs during that day. The lowest daily incremental cost shall be determined separately for HLH and LLH.

2. OTHER RATE PROVISIONS

a. BPA Incremental Cost

BPA's incremental cost will be based on an hourly energy index in the Pacific Northwest. If no adequate hourly index exists, an alternative index will be used. BPA will post the name of the index to be used on its OASIS Web site at least 30 days prior to its use. BPA will not change the index more often than once per year unless BPA determines that the existing index is no longer a reliable price index.

For any hour(s) that the energy index is negative, no credit is given for positive deviations (actual energy delivered is more than scheduled).

b. Spill Conditions

For any day that the Federal System is in a Spill Condition, no credit is given for negative deviations (actual energy delivered is less than scheduled) for any period of that day.

If the energy index is negative in any hour that the Federal System is in a Spill Condition:

(1) For negative deviations (energy taken is less than the scheduled energy) within Band 1, no credit will be given.

(2) For negative deviations (energy taken is less than the scheduled energy) within Band 2, the charge is the energy index for that hour.

(3) For negative deviations (energy taken is less than the scheduled energy) within Band 3, the charge is the energy index for that hour.

c. Persistent Deviation

The following penalty charges shall apply to each Persistent Deviation (GRSP III.42):

(1) No credit is given when energy taken is less than the scheduled energy.

(2) When energy taken exceeds the scheduled energy, the charge is the greater of (i) 125 percent of BPA's highest incremental cost that occurs during that day, or (ii) 100 mills per kilowatthour.

If the energy index is negative in any hour(s) in which there is a negative deviation (energy taken is less than the scheduled energy) that BPA determines to be a Persistent Deviation, the charge is the energy index for that hour.

If BPA assesses a persistent deviation penalty charge in any scheduled period for a positive deviation, BPA will not also assess a charge pursuant to section II.D.1. of this ACS-18 schedule.

Reduction or Waiver of Persistent Deviation Penalty

BPA, at its sole discretion, may waive all or part of the Persistent Deviation penalty charge if (i) the customer took mitigating action(s) to avoid or limit the Persistent Deviation, including but not limited to changing its schedule to mitigate the magnitude or duration of the deviation, or (ii) the Persistent Deviation was caused by extraordinary circumstances.

E. OPERATING RESERVE – SPINNING RESERVE SERVICE

The rates below apply to Transmission Customers taking Operating Reserve – Spinning Reserve Service from BPA, and to generators in the BPA Control Area for settlement of energy deliveries. Spinning Reserve Service is needed to serve load immediately in the event of a system contingency. BPA will determine the Transmission Customer's Spinning Reserve Requirement in accordance with applicable NERC, WECC, and NWPP standards.

1. RATES

a. For customers that elect to purchase Operating Reserve –Spinning Reserve Service from BPA, the rate shall not exceed 11.98 mills per kilowatthour.

b. For customers that are required to purchase Operating Reserve – Spinning Reserve Service from BPA because they defaulted on their self-supply or third-party supply obligations, the rate shall be 13.78 mills per kilowatthour.

For energy delivered, the generator shall, as directed by BPA, either:

(1) Purchase the energy at the hourly market index price, but not less than zero, applicable at the time of occurrence, or

(2) Return the energy at the times specified by BPA.

2. BILLING FACTORS

a. The Billing Factor for the rates specified in sections 1.a. and 1.b. is the Transmission Customer's Spinning Reserve Requirement determined in accordance with applicable NERC, WECC and NWPP standards. BPA will post on its OASIS Web site the Spinning Reserve Requirement.

b. The Billing Factor for energy delivered when Spinning Reserve Service is called upon is the energy delivered, in kilowatthours.

F. OPERATING RESERVE – SUPPLEMENTAL RESERVE SERVICE

The rates below apply to Transmission Customers taking Operating Reserve – Supplemental Reserve Service from BPA and to generators in the BPA Control Area for settlement of energy deliveries. Supplemental Reserve Service is available within a short period of time to serve load in the event of a system contingency. BPA will determine the Transmission Customer's Supplemental Reserve Requirement in accordance with applicable NERC, WECC, and NWPP standards.

1. RATES

a. For customers that elect to purchase Operating Reserve – Supplemental Reserve Service from BPA, the rate shall not exceed 9.92 mills per kilowatthour.

b. For customers that are required to purchase Operating Reserve – Supplemental Reserve Service from BPA because they defaulted on their self-supply or third-party supply obligations, the rate shall be 11.41 mills per kilowatthour.

For energy delivered, the Transmission Customer (for interruptible imports only) or the generator shall, as directed by BPA, either:

(1) Purchase the energy at the hourly market index price, but not less than zero, applicable at the time of occurrence, or

(2) Return the energy at the times specified by BPA.

The Transmission Customer shall be responsible for the settlement of delivered energy associated with interruptible imports. The generator shall be responsible for the settlement of delivered energy associated with generation in the BPA Control Area.

2. BILLING FACTORS

a. The Billing Factor for the rates specified in sections 1.a. and 1.b. is the Transmission Customer's Supplemental Reserve Requirement determined in accordance with applicable NERC, WECC and NWPP standards. BPA will post on its OASIS Web site the Supplemental Reserve Requirement.

b. The Billing Factor for energy delivered when Supplemental Reserve Service is called upon is the energy delivered, in kilowatthours.

SECTION III. CONTROL AREA SERVICE RATES

A. REGULATION AND FREQUENCY RESPONSE SERVICE

The rate below applies to all loads in the BPA Control Area that are receiving Regulation and Frequency Response Service from the BPA Control Area, and such Regulation and Frequency Response Service is not provided for under a BPA transmission agreement. Regulation and Frequency Response Service provides the generation capability to follow the moment-to-moment variations of loads in the BPA Control Area and maintain the power system frequency at 60 Hz in conformance with NERC and WECC reliability standards.

1. RATE

The rate shall not exceed 0.13 mills per kilowatthour.

2. BILLING FACTOR

The Billing Factor is the customer's total load in the BPA Control Area, in kilowatthours.

B. GENERATION IMBALANCE SERVICE

The rates below apply to generation resources in the BPA Control Area if Generation Imbalance Service is provided for in an interconnection agreement or other arrangement. Generation Imbalance Service is taken when there is a difference between scheduled and actual energy delivered from generation resources in the BPA Control Area during a scheduling period. Accounting for hourly schedules will be on an hourly basis, and accounting for intra-hour schedules will be on the customer's shortest scheduling period in the hour.

1. RATES

a. Imbalances Within Deviation Band 1

Deviation Band 1 applies to deviations that are less than or equal to (i) ± 1.5 percent of the scheduled amount of energy, or (ii) ± 2 MW, whichever is larger in absolute value. BPA will maintain deviation accounts showing the net Generation Imbalance (the sum of positive and negative deviations from schedule for each period) for Heavy Load Hour (HLH) and Light Load Hour (LLH) periods. Return energy may be scheduled at any time during the month to bring the deviation account balances to zero at the end of each month. BPA will approve the hourly schedules of return energy. The customer shall make the arrangements and submit the schedule for the balancing transaction.

The following rates will be applied when a deviation balance remains at the end of the month:

(1) When the monthly net energy (determined for HLH and LLH periods) delivered from a generation resource is less than the energy scheduled, the charge is BPA's incremental cost based on the applicable average HLH and average LLH incremental cost for the month.

(2) When the monthly net energy (determined for HLH and LLH periods) delivered from a generation resource is greater than the energy scheduled, the credit is BPA's incremental cost based on the applicable average HLH and LLH incremental cost for the month.

b. Imbalances Within Deviation Band 2

Deviation Band 2 applies to the portion of the deviation (i) greater than ± 1.5 percent of the scheduled amount of energy or (ii) ± 2 MW, whichever is larger in absolute value, up to and including (i) ± 7.5 percent

of the scheduled amount of energy or (ii) ± 10 MW, whichever is larger in absolute value.

(1) When energy delivered in a schedule period from the generation resource is less than the energy scheduled, the charge is 110 percent of BPA's incremental cost.

(2) When energy delivered in a schedule period from the generation resource is greater than the scheduled amount, the credit is 90 percent of BPA's incremental cost.

c. Imbalances Within Deviation Band 3

Deviation Band 3 applies to the portion of the deviation (i) greater than ± 7.5 percent of the scheduled amount of energy, or (ii) greater than ± 10 MW of the scheduled amount of energy, whichever is larger in absolute value.

(1) When energy delivered in a schedule period from the generation resource is less than the energy scheduled, the charge is 125 percent of BPA's highest incremental cost that occurs during that day. The highest daily incremental cost shall be determined separately for HLH and LLH.

(2) When energy delivered in a schedule period from the generation resource is greater than the scheduled amount, the credit is 75 percent of BPA's lowest incremental cost that occurs during that day. The lowest daily incremental cost shall be determined separately for HLH and LLH.

2. OTHER RATE PROVISIONS

a. BPA Incremental Cost

BPA's incremental cost will be based on an hourly energy index in the Pacific Northwest. If no adequate hourly index exists, an alternative index will be used. BPA will post the name of the index to be used on its OASIS Web site at least 30 days prior to its use. BPA will not change the index more often than once per year unless BPA determines that the existing index is no longer a reliable price index.

For any hour(s) that the energy index is negative, no credit is given for positive deviations (actual generation less than scheduled).

b. Spill Conditions

For any day that the Federal System is in a Spill Condition, no credit is given for negative deviations (actual generation greater than scheduled) for any period of that day.

If the energy index is negative in any hour that the Federal System is in a Spill Condition:

(1) For negative deviations (actual generation greater than scheduled) within Band 1, no credit will be given.

(2) For negative deviations (actual generation greater than scheduled) within Band 2, the charge is the energy index for that hour.

(3) For negative deviations (actual generation greater than scheduled) within Band 3, the charge is the energy index for that hour.

c. Persistent Deviation for Generation

Persistent Deviation for generation applies to (i) Dispatchable Energy Resources operating in the BPA Balancing Authority Area and (ii) Variable Energy Resources operating in the BPA Balancing Authority Area that are participating in the Customer Supplied Generation Imbalance ("CSGI") Pilot Program.

The following penalty charges shall apply to each Persistent Deviation (GRSP III.42):

No credit is given for negative deviations (actual generation greater than scheduled) for any hour(s) that the imbalance is a Persistent Deviation (as determined by BPA).

For positive deviations (actual generation less than scheduled) that are determined by BPA to be Persistent Deviations, the charge is the greater of (i) 125 percent of BPA's highest incremental cost that occurs during that day, or (ii) 100 mills per kilowatthour.

If the energy index is negative in any hour(s) in which there is a negative deviation (actual generation greater than scheduled) that BPA determines to be a Persistent Deviation, the charge is the energy index for that hour.

If BPA assesses a Persistent Deviation Penalty charge in any scheduled period for a positive deviation, BPA will not also assess a charge pursuant to section 1 of this ACS-18 Generation Imbalance Service rate schedule.

New generation resources undergoing testing before commercial operation are exempt from the Persistent Deviation penalty charge for up to 90 days.

Reduction or Waiver of Persistent Deviation Penalty

BPA, at its sole discretion, may waive all or part of the Persistent Deviation penalty charge if (a) the customer took mitigating action(s) to avoid or limit the Persistent Deviation, including but not limited to changing its schedule to mitigate the magnitude or duration of the deviation, or (b) the Persistent Deviation was caused by extraordinary circumstances.

d. No Credit for Negative Deviations During Curtailments

No credit is provided for negative deviations (actual generation greater than schedules) during scheduling periods when a schedule from a generator is curtailed.

e. Exemption from Deviation Band 2

The 10 percent penalty charge under section 1.b., Imbalances Within Deviation Band 2, will not apply to customers participating in a committed 15-minute scheduling program in accordance with the ACS-18 Variable Energy Resources Balancing Service rates, section III.E.2.a.(2) and III.E.3.a.(1).

f. Exemptions from Deviation Band 3

The following resources are not subject to Deviation Band 3:

(1) wind resources
(2) solar resources
(3) new generation resources undergoing testing before commercial operation for up to 90 days

Unless otherwise stated in this section 2, all deviations greater than ± 1.5 percent or ± 2 MW will be charged consistent with section 1.b., Imbalances Within Deviation Band 2.

C. OPERATING RESERVE – SPINNING RESERVE SERVICE

Operating Reserve – Spinning Reserve Service must be purchased by a party with generation in the BPA Control Area that is receiving this service from BPA and such Spinning Reserve Service is not provided for under a BPA transmission agreement. Service is being received if there are no other qualifying resources providing this required reserve service in conformance with NERC, WECC, and NWPP standards. BPA will determine the Control Area Service Customer's Spinning Reserve Requirement in accordance with applicable NERC, WECC, and NWPP standards.

1. RATES

a. For customers that elect to purchase Operating Reserve – Spinning Reserves from BPA, the rate shall not exceed 11.98 mills per kilowatthour.

b. For customers that are required to purchase Operating Reserve – Spinning Reserve Service from BPA because they defaulted on their self-supply or third-party supply obligations, the rate shall be 13.78 mills per kilowatthour.

For energy delivered, the customer shall, as directed by BPA, either:

(1) Purchase the energy at the hourly market index price, but not less than zero, applicable at the time of occurrence, or

(2) Return the energy at the times specified by BPA.

2. BILLING FACTORS

a. The Billing Factor for the rates specified in sections 1.a. and 1.b. is the Spinning Reserve Requirement determined in accordance with applicable NERC, WECC and NWPP standards. BPA will post on its OASIS Web site the Spinning Reserve Requirement.

b. The Billing Factor for energy delivered when Spinning Reserve Service is called upon is the energy delivered, in kilowatthours.

D. OPERATING RESERVE – SUPPLEMENTAL RESERVE SERVICE

Operating Reserve – Supplemental Reserve Service must be purchased by a party with generation in the BPA Control Area that is receiving this service from BPA, and such Supplemental Reserve Service is not provided for under a BPA transmission agreement. Service is being received if there are no other qualifying resources providing this required reserve service in conformance with NERC, WECC, and NWPP standards. BPA will determine the Control Area Service Customer's Supplemental Reserve Requirement in accordance with applicable NERC, WECC, and NWPP standards.

1. RATES

a. For customers that elect to purchase Operating Reserve – Supplemental Reserve Service from BPA, the rate shall not exceed 9.92 mills per kilowatthour.

b. For customers that are required to purchase Operating Reserve – Supplemental Reserve Service from BPA because they defaulted on their self-supply or third-party supply obligations, the rate shall be 11.41 mills per kilowatthour.

For energy delivered, the customer shall, as directed by BPA, either:

(1) Purchase the energy at the hourly market index price, but not less than zero, applicable at the time of occurrence, or

(2) Return the energy at the times specified by BPA.

2. BILLING FACTORS

a. The Billing Factor for the rates specified in sections 1.a. and 1.b. is the Supplemental Reserve Requirement determined in accordance with applicable NERC, WECC and NWPP standards. BPA will post on its OASIS Web site the Supplemental Reserve Requirement.

b. The Billing Factor for energy delivered when Supplemental Reserve Service is called upon is the energy delivered, in kilowatthours.

E. VARIABLE ENERGY RESOURCE BALANCING SERVICE

1. APPLICABILITY

The rates contained in this rate schedule apply to all wind and solar generating facilities of 200 kW nameplate rated capacity or greater in the BPA Control Area except as provided in section 2.c. of this rate schedule.

Variable Energy Resource Balancing Service ("VERBS" or "Balancing Service") is comprised of three components: regulating reserves (which compensate for moment-to-moment differences between generation and load), following reserves (which compensate for larger differences occurring over longer periods of time during the hour), and imbalance reserves (which compensate for differences between the generator's schedule and the actual generation during an hour). Variable Energy Resource Balancing Service is required to help maintain the power system frequency at 60 Hz and to conform to NERC and WECC reliability standards.

2. BALANCING SERVICE FOR WIND RESOURCES

The total charge for Balancing Service is the applicable rate in section 2.a., below, plus Direct Assignment Charges under section 4 and Intentional Deviation Penalty Charges under section 5.

a. BALANCING SERVICE RATES

(1) <u>Rate for 30/60 Committed Scheduling</u>

This rate is applicable to customers taking Balancing Service that commit to receive BPA's 30-minute signal for each 60-minute schedule period (30/60 committed scheduling) and submit schedules that are consistent with the signal or that result in less imbalance for the scheduling period.

(a)	Regulating Reserves	$0.13 per kilowatt per month
(b)	Following Reserves	$0.42 per kilowatt per month
(c)	Imbalance Reserves	$0.46 per kilowatt per month

(2) <u>Rate for 30/15 Committed Scheduling</u>

This rate is applicable to customers taking Balancing Service that commit to receive BPA's 30-minute signal for each 15-minute schedule period (30/15 committed scheduling) and submit

schedules that are consistent with the signal or that result in less imbalance for the scheduling period.

(a)	Regulating Reserves	$0.13 per kilowatt per month
(b)	Following Reserves	$0.42 per kilowatt per month
(c)	Imbalance Reserves	$0.16 per kilowatt per month

(3) <u>Rate for Uncommitted Scheduling</u>

This rate is applicable to customers taking Balancing Service that do not commit to 30/60 or 30/15 scheduling ("uncommitted scheduling").

(a)	Regulating Reserves	$0.13 per kilowatt per month
(b)	Following Reserves	$0.42 per kilowatt per month
(c)	Imbalance Reserves	$0.67 per kilowatt per month

(4) <u>Rate for Customer Supplied Generation Imbalance</u>

This rate is applicable to customers taking Balancing Service under the Customer Supplied Generation Imbalance Pilot Program.

The rate shall be $0.49 per kilowatt per month.

b. BILLING FACTOR

The Billing Factor for rates in section 2.a. is as follows:

(1) For each wind plant, or phase of a wind plant, that has completed installation of all units no later than the 15th of the month prior to the billing month, the billing factor in kW will be the greater of the maximum one-hour generation or the nameplate of the plant. A unit has completed installation when it has generated and delivered power to the BPA system.

(2) For each wind plant, or phase of a wind plant, for which some but not all units have been installed by the 15th day of the month prior to the billing month, the billing factor will be the maximum measured hourly output of the plant through the 15th day of the prior month in kW.

(3) For each wind plant, or phase of a wind plant, where none of the units have been installed on or before the 15th of the month prior to the billing month, but some units have been installed before the start of the billing month, the billing factor will be zero.

c. EXCEPTIONS

(1) The rates under section 2.a. above will not apply to a Variable Energy Resource, or portion of a Variable Energy Resource, that, in BPA's determination, has put in place, tested, and successfully implemented in conformance to the criteria specified in BPA business practices, no later than the 15th day of the month prior to the billing month, the dynamic transfer of plant output out of BPA's Balancing Authority Area to another Balancing Authority Area.

(2) Individual rate components under section 2.a.(1)-(3) above will not apply to a Variable Energy Resource, or portion of a Variable Energy Resource, that, in BPA's determination, has put in place, tested, and successfully implemented in conformance to criteria specified in BPA business practices, no later than the 15th day of the month prior to the billing month, self-supply of that component of Balancing Service, including by contractual arrangements for third-party supply.

3. BALANCING SERVICE FOR SOLAR RESOURCES

The total charge for this service is the applicable rate in section 3.a, below, plus Direct Assignment Charges under section 4 and Intentional Deviation Penalty Charges under section 5.

a. RATES

(1) Rate for 30/15 Committed Scheduling

This rate is applicable to customers taking Balancing Service that commit to receive BPA's 30-minute signal for each 15-minute schedule period (30/15 committed scheduling) and submit schedules that are consistent with the signal or that result in less imbalance for the scheduling period.

$0.21 per kilowatt per month

(2) Rate for Hourly Scheduling

This rate is applicable to customers taking Balancing Service that do not commit to 30/15 scheduling.

$0.28 per kilowatt per month

b. BILLING FACTOR

For each solar plant that has completed installation no later than the 15th of the month prior to the billing month, the billing factor in kW will be the greater of the maximum one-hour generation or the nameplate of the plant. A unit has completed installation when it has generated and delivered power to the BPA system.

c. EXCEPTIONS

See section 2.c. above.

4. DIRECT ASSIGNMENT CHARGES

BPA shall directly assign to the customer the cost of incremental balancing reserve capacity purchases that are necessary to provide Variable Energy Resource Balancing Service to the customer if:

a. the customer elected to self-supply in accordance with section 2.c. but is unable to self-supply one or more components to Variable Energy Resource Balancing Service; or

b. the customer has a projected generator interconnection date after FY 2019, but chooses to interconnect during the FY 2018–2019 rate period; or

c. the customer elected to take service under section 2.a.(1), 2.a.(2), or 3.a.(1) above, but fails to conform to the committed scheduling criteria specified in BPA business practices; or

d. the customer elected to take service under section 2.a.(1), 2.a.(2), or 3.a.(1) above, but chooses to take a Balancing Service scheduling option with a longer scheduling period in accordance with the criteria specified in BPA business practices; or

e. the customer elected to dynamically transfer its resource out of BPA's Balancing Authority Area, but the resource remains in the BPA Balancing Authority Area after the date specified in the customer election.

When determining the balancing reserve capacity requirement for a resource subject to direct assignment charges, BPA will round the incremental increase down to the nearest whole megawatt.

Customers that are subject to direct assignment charges will be billed for all costs incurred above $0.305 per kilowatt-day for any incremental balancing reserve capacity acquisitions. Customers billed for direct assignment charges will also be billed at the applicable VERBS rate in section 2.

5. INTENTIONAL DEVIATION PENALTY CHARGE

Customers taking Variable Energy Resources Balancing Service under this rate schedule are subject to the Intentional Deviation Penalty Charge specified in GRSP II.J.

F. DISPATCHABLE ENERGY RESOURCE BALANCING SERVICE

The rate below applies to all Dispatchable Energy Resources of 3 MW nameplate rated capacity or greater in the BPA Control Area except as provided in section 3 below. Dispatchable Energy Resource Balancing Service ("DERBS") is required to help maintain the power system frequency at 60 Hz and to conform to NERC and WECC reliability standards.

The total charge for service is the charge determined by applying the rates in section 1 below, plus Direct Assignment Charges in section 4 below.

1. RATES

The rates for Dispatchable Energy Resource Balancing Service shall not exceed:

a. Incremental Reserves 20.42 mills per kW maximum hourly deviation
b. Decremental Reserves 3.43 mills per kW maximum hourly deviation

2. BILLING FACTORS

a. The hourly billing factor for use of Incremental Reserves is the maximum of the absolute value of the five-minute average negative Station Control Error (under-generation), including ramp periods, that exceeds 3 MW for that hour.

b. The hourly billing factor for use of Decremental Reserves is the maximum of the five-minute average positive Station Control Error (over-generation), including ramp periods, that exceeds 3 MW for that hour.

3. EXCEPTIONS

a. This rate will not apply to a Dispatchable Energy Resource, or portion of a Dispatchable Energy Resource, that, in BPA's determination, has put in place, tested, and successfully implemented no later than the 15th day of the month prior to the billing month the dynamic transfer of plant output out of BPA's Balancing Authority Area to another Balancing Authority Area.

b. This rate will not apply to a Dispatchable Energy Resource, or portion of a Dispatchable Energy Resource, for any schedule period in which the Dispatchable Energy Resource has called on contingency reserve.

c. This rate will not apply to a Dispatchable Energy Resource, or portion of a Dispatchable Energy Resource, for any hour in which the Dispatchable Energy Resource has been ordered by BPA or a host utility within BPA's

Balancing Authority Area to generate at a level different from the schedule or generation estimate that the Dispatchable Energy Resource submitted to BPA for any schedule period during that hour.

d. Five-minute average station control periods where system frequency deviates by more than 68 mHz shall be excluded from determining the maximum positive (Decremental) or negative (Incremental) value of five-minute station control error for the hour.

4. DIRECT ASSIGNMENT CHARGES

BPA shall directly assign to the customer the cost of incremental balancing reserve capacity purchases that are necessary to provide Dispatchable Energy Resource Balancing Service to the customer if:

a. the customer elected to self-supply but is unable to self-supply the Dispatchable Energy Resource Balancing Service; or

b. a customer has a projected generator interconnection date after FY 2019 but chooses to interconnect during the FY 2018-2019 rate period;

c. a customer operating in another Balancing Authority Area chooses to dynamically transfer into the BPA Balancing Authority Area during the FY 2018-2019 rate period; or

d. the customer elected to dynamically transfer its resource out of BPA's Balancing Authority Area but the resource remains in the BPA Balancing Authority Area after the date specified in the customer election.

When determining the balancing reserve capacity requirement for a resource subject to direct assignment charges, BPA will round the incremental increase down to the nearest whole megawatt.

Customers that are subject to direct assignment charges will be billed for all costs incurred above $0.305 per kilowatt-day for any incremental balancing reserve capacity acquisitions. Customers billed for direct assignment charges will also be billed at the DERBS rates in section 1.

SECTION IV. ADJUSTMENTS, CHARGES, AND OTHER RATE PROVISIONS

A. 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 GRSP II.C.

B. RATE ADJUSTMENT DUE TO BPA POWER SERVICES ADJUSTMENTS, CHARGES, AND SPECIAL RATE PROVISIONS

Customers taking Regulation and Frequency Response Service, Operating Reserve – Spinning Reserve Service, or Operating Reserve – Supplemental Reserve Service under this rate schedule are subject to the Power Risk Mechanisms specified in the BPA Power Rate Schedules, specified in GRSPs II.O, II.P, and II.Q.

C. RATE ADJUSTMENT FOR TRANSMISSION COST RECOVERY ADJUSTMENT CLAUSE AND TRANSMISSION RESERVES DISTRIBUTION CLAUSE

Customers taking Scheduling, System Control, and Dispatch Service under this rate schedule are subject to the Transmission Cost Recovery Adjustment Clause and the Transmission Reserves Distribution Clause, specified in GRSPs II.H and II.I.

GENERAL RATE SCHEDULE PROVISIONS

This page intentionally left blank.

SECTION I. GENERALLY APPLICABLE PROVISIONS

This page intentionally left blank.

A. Approval Of Rates

BPA has requested that the Federal Energy Regulatory Commission grant approval to make these rate schedules and GRSPs effective on October 1, 2017. All rate schedules shall remain in effect until they are replaced or expire on their own terms.

B. General Provisions

These BP-18 rate schedules and the GRSPs associated with these schedules supersede BPA's BP-16 rate schedules (which became effective October 1, 2015) to the extent stated in the Availability section of each rate schedule. These schedules and GRSPs shall be applicable to all BPA contracts, including contracts executed both prior to and subsequent to enactment of the Pacific Northwest Electric Power Planning and Conservation Act (Northwest Power Act). All sales under these rate schedules are subject to the following acts, as amended: the Bonneville Project Act (P.L. 75-329), 16 U.S.C.§ 832; the Pacific Northwest Consumer Power Preference Act (P.L. 88-552), 16 U.S.C.§ 837; the Federal Columbia River Transmission System Act (P.L. 93-454), 16 U.S.C.§ 838; the Northwest Power Act (P.L. 96-501), 16 U.S.C.§ 839; and the Energy Policy Act of 1992 (P.L. 102-486), 16 U.S.C.§ 824(i)–(l).

These BP-18 rate schedules do not supersede any previously established rate schedule that is required, by agreement, to remain in effect.

If a provision in an executed agreement is in conflict with a provision contained herein, the former shall prevail.

C. Notices

For the purpose of determining elapsed time from receipt of a notice applicable to rate schedule and GRSP administration, a notice shall be deemed to have been received at 0000 hours on the first calendar day following actual receipt of the notice.

D. Billing and Payment

1. BILLING PROCEDURE

Within a reasonable time after the first day of each month, BPA shall submit an invoice to the Transmission Customer for the charges for all services furnished under the Tariff and other agreements during the preceding month. The invoice shall be paid by the Transmission Customer within twenty (20) days of receipt. All payments shall be made in immediately available funds payable to BPA, or by wire transfer to a bank named by BPA.

2. INTEREST ON UNPAID BALANCES

Interest on any unpaid amounts (including amounts placed in escrow) shall be calculated in accordance with the methodology specified for interest on refunds in the Commission's regulations at 18 C.F.R. § 35.19a(a)(2)(iii). Interest on delinquent amounts shall be calculated from the due date of the bill to the date of payment. When payments are made by mail, bills shall be considered as having been paid on the date of receipt by BPA.

3. CUSTOMER DEFAULT

In the event the Transmission Customer fails, for any reason other than a billing dispute as described below, to make payment to BPA on or before the due date as described above, and such failure of payment is not corrected within thirty (30) calendar days after BPA notifies the Transmission Customer to cure such failure, a default by the Transmission Customer shall be deemed to exist. Upon the occurrence of a default, BPA may notify the Transmission Customer that it plans to terminate services in sixty (60) days. The Transmission Customer may use the dispute resolution procedures to contest such termination. In the event of a billing dispute between BPA and the Transmission Customer, BPA will continue to provide service under the Service Agreement as long as the Transmission Customer (i) continues to make all payments not in dispute, and (ii) pays into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If the Transmission Customer fails to meet these two requirements for continuation of service, then BPA may provide notice to the Transmission Customer of its intention to suspend service in sixty (60) days, in accordance with Commission policy.

SECTION II. ADJUSTMENTS, CHARGES, AND SPECIAL RATE PROVISIONS

This page intentionally left blank.

A. Delivery Charge

Transmission Customers shall pay a Delivery Charge for service over DSI Delivery and Utility Delivery facilities and equipment.

1. RATES

a. DSI Delivery

Use-of-Facilities (UFT-18) Rate, section III

b. Utility Delivery

$1.283 per kilowatt per month

2. BILLING FACTOR

a. Utility Delivery

The monthly Billing Factor for the Utility Delivery rate in section 1.b. shall be the total load on the hour of the Monthly Transmission Peak Load at the Points of Delivery specified as providing Utility Delivery service.

The monthly Utility Delivery Billing Factor shall be adjusted for customers that pay for Utility Delivery service under the Use-of-Facilities (UFT) rate schedule. The kilowatt credit shall equal the transmission service over the Delivery facilities and equipment used to calculate the UFT charge. This adjustment shall not reduce the Utility Delivery Charge billing factor below zero.

3. ADJUSTMENTS, CHARGES, AND OTHER RATE PROVISIONS

a. Transmission Cost Recovery Adjustment Clause

Customers taking service under this rate schedule are subject to the Transmission Cost Recovery Adjustment Clause, specified in GRSP II.H.

b. Transmission Reserves Distribution Clause

Customers taking service under this rate schedule are subject to the Transmission Reserves Distribution Clause, specified in GRSP II.I.

B. Failure To Comply Penalty Charge

If a party fails to comply with BPA's dispatch, curtailment, redispatch, or load shedding orders, the party will be assessed the Failure to Comply Penalty Charge. Parties that 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 BPA of the situation upon occurrence of the *force majeure*.

1. RATES

The Failure to Comply Penalty Charge shall be the greater of 500 mills per kilowatthour or 150 percent of an hourly energy index in the Pacific Northwest.

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

2. BILLING FACTOR

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 (10) minutes after issuance of the order in any of the following situations:

a. Failure to shed load when directed to do so by BPA 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 BPA in accordance with Good Utility Practice as defined in the OATT. This includes failure to 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 BPA 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.

C. Rate Adjustment Due To FERC Order Under FPA § 212

If, after review by FERC, the NT, PTP, ACS, IS, or IM rate schedule, as initially submitted to FERC, is modified to satisfy the standards of section 212(i)(1)(B)(ii) of the Federal Power Act (16 U.S.C. § 824k(i)(1)(B)(ii)) for FERC-ordered transmission service, then such modifications shall automatically apply to the rate schedule for non-section 212(i)(1)(B)(ii) transmission service. The modifications for non-section 212(i)(1)(B)(ii) transmission service, as described above, shall be effective only prospectively from the date of the final FERC order granting final approval of the rate schedule for FERC-ordered transmission service pursuant to section 212(i)(1)(B)(ii). No refunds shall be made or additional costs charged as a consequence of this prospective modification for any non-section 212(i)(1)(B)(ii) transmission service that occurred under the rate schedule prior to the effective date of such prospective modification.

D. Reservation Fee

The Reservation Fee is a non-refundable fee that shall be charged to any PTP Transmission Service customer that postpones the Commencement of Service by requesting an extension of the Service Commencement Date specified in the executed Service Agreement.

The Reservation Fee shall be specified in the executed Agreement for transmission service.

1. FEE

The Reservation Fee is nonrefundable and equal to one month's charge for each extension of the Service Commencement Date for the requested Long-Term Firm Point-to-Point Transmission Service.

2. PAYMENT

The Reservation Fee payment for an Extension of the Commencement of Service must be received by BPA Transmission Services within 30 calendar days of the Service Commencement Date of the Transmission Service Request being deferred. If the 30th calendar day is on a Saturday, Sunday or Federal Holiday, the Reservation Fee is due no later than the following Business Day.

E. Transmission and Ancillary Services Rate Discounts

BPA may offer discounted rates for transmission service and for ancillary services provided in conjunction with the provision of transmission service. Three principal requirements apply to discounts for transmission and ancillary services, as follows:

1. any offer of a discount made by BPA must be announced to all Eligible Customers solely by posting on the OASIS;

2. any customer-initiated requests for discounts (including requests for use by one's wholesale merchant or an affiliate's use) must occur solely by posting on the OASIS; and

3. once a discount is negotiated, details must be immediately posted on the OASIS.

For any discount agreed upon for transmission service on a path, from point(s) of receipt to point(s) of delivery, BPA must offer the same discounted transmission service rate for the same time period to all Eligible Customers on all unconstrained transmission paths that connect to the same point(s) of delivery on the same segment of the transmission system.

A discount agreed upon for an Ancillary Service must be offered for the same period to all Eligible Customers on BPA's transmission system.

F. Unauthorized Increase Charge (UIC)

Transmission Customers taking Point-to-Point Transmission Service under the PTP, IS, and IM rate schedules shall be assessed the UIC when they exceed their capacity reservations at any Point of Receipt (POR) or Point of Delivery (POD). BPA will notify a Transmission Customer that is subject to a UIC once BPA has verified the UIC amount.

1. RATES

a. Point-To-Point Transmission Service (PTP, IS, and IM Rate Schedules)

The UIC rate shall be the lesser of (i) 100 mills per kilowatthour plus the price cap established by FERC for spot market sales of energy in the WECC, or (ii) 1000 mills per kilowatthour. If FERC eliminates the price cap, the rate will be 500 mills per kilowatthour.

2. BILLING FACTORS

a. Point-To-Point Transmission Service (PTP, IS, and IM Rate Schedules)

For each hour of the monthly billing period, BPA shall determine the amount by which the Transmission Customer exceeds its capacity reservation at each POD and POR, to the extent practicable. BPA shall use hourly measurements based on a 10-minute moving average to calculate actual demands at PODs associated with loads that are one-way dynamically scheduled and at PORs associated with resources that are one-way dynamically scheduled. To calculate actual demands at PODs and PORs that are associated with two-way dynamic schedules, BPA shall use instantaneous peak demands for each hour. Actual demands at all other PODs and PORs will be based on 60-minute integrated demands or transmission schedules.

For each hour, BPA will sum these amounts that exceed capacity reservations for all PODs and for all PORs. The Billing Factor for the monthly billing period shall be the greater of the total of the POD hourly amounts or the total of the POR hourly amounts.

3. UIC RELIEF

a. Criteria for Waiving or Reducing the UIC

Under appropriate circumstances, BPA may waive or reduce the UIC to a Transmission Customer on a non-discriminatory basis. A Transmission

Customer seeking a reduction or waiver must demonstrate good cause for relief, including demonstrating that the event that resulted in the UIC:

(1) was inadvertent or was the result of an equipment failure or outage that the Transmission Customer could not have reasonably foreseen;

(2) could not have been avoided by the exercise of reasonable care; and

(3) did not result in harm to BPA's transmission system or transmission services, or to any other Transmission Customer.

If a waiver or reduction is granted to a Transmission Customer, notice of such waiver or reduction will be posted on the BPA OASIS Web site.

b. Transmission Rate if BPA Waives or Reduces the UIC

If BPA waives or reduces the UIC, the Transmission Customer remains subject to the applicable rates, including Ancillary Services rates, for the Transmission Customer's transmission demand. The following rates shall apply to transmission demand that exceeds the capacity reservations of a Transmission Customer taking service under the PTP, IS, or IM rate schedules if BPA waives or reduces the UIC:

(1) If BPA waives or reduces the UIC for excess transmission demand in one or more hours in the same calendar day, the rate for one day of service under section II.B.1. of the applicable PTP, IS, or IM rate schedule shall apply.

(2) If BPA waives or reduces the UIC for excess transmission demand on multiple calendar days in the same calendar week, the rate for seven days of service under section II.B.1. of the applicable PTP, IS, or IM rate schedule shall apply.

(3) If BPA waives or reduces the UIC for excess transmission demand in one or more hours in multiple calendar weeks in the same calendar month, the rate for the number of days in the month of service under section II.B.1. of the applicable PTP, IS, or IM rate schedule shall apply.

For a Transmission Customer taking Point-to-Point Transmission Service under the PTP, IS, or IM rate schedules, the Billing Factor for rates in this section 3.b. shall be: (a) the Transmission Customer's highest excess transmission demand for which BPA waives the UIC; or (b) if BPA reduces the UIC, the Transmission Customer's highest excess transmission demand that is not subject to the UIC as a result of the reduction.

G. Power CRAC, Power RDC, and NFB Mechanisms

The Power Cost Recovery Adjustment Clause (Power CRAC), Power Reserves Distribution Clause (Power RDC), and NFB Mechanisms (the NFB Adjustment and the Emergency NFB Surcharge) are detailed in the BPA Power Rate Schedules, GRSPs II.O, II.P, and II.Q.

The Power CRAC and the Emergency NFB Surcharge are upward adjustments to certain Power and Transmission rates. The Power RDC is a deployment of reserves for risk attributed to Power for high-value purposes such as debt retirement and rate reduction. If the Power RDC triggers and the Administrator elects to deploy some reserves under the RDC toward rate reduction, this would be effected through a Dividend Distribution (DD), a downward adjustment to certain Power and Transmission rates. The NFB Adjustment is an upward adjustment to the cap on the amount of incremental BPA revenue that can be generated by a Power CRAC during a fiscal year. Except as otherwise provided, the Power CRAC, Power RDC, and Emergency NFB Surcharge apply to the following Ancillary and Control Area Service (ACS) rate schedules:

- Regulation and Frequency Response Service
- Operating Reserve – Spinning Reserve Service
- Operating Reserve – Supplemental Reserve Service

1. ACS CUSTOMER CHARGES FOR THE POWER CRAC

A specific fraction of the Power CRAC Amount (the total incremental BPA revenue to be collected in a fiscal year if the Power CRAC triggers) will be allocated to each of the three ACS rates subject to the Power CRAC—Regulating and Frequency Response Service (the RFRS CRAC Amount); Operating Reserve – Spinning (the ORSp CRAC Amount); and Operating Reserve – Supplemental (the ORSu CRAC Amount). These rates will be allocated the following fractions of the Power CRAC Amount:

Regulation and Frequency Response Service:	0.38%
Operating Reserve – Spinning Reserve Service:	1.55%
Operating Reserve – Supplemental Reserve Service:	1.55%

The RFRS CRAC Amount, ORSp CRAC Amount, and ORSu CRAC Amount are equal to the Power CRAC multiplied by the respective allocation fractions above. The RFRS, ORSp, and ORSu CRAC Amounts are converted to the RFRS, ORSp, and ORSu CRAC Percentages by dividing the RFRS, ORSp, and ORSu CRAC Amounts by the most recent forecast of revenues for the relevant fiscal year at the RFRS, ORSp, and ORSu rates.

Line items will be added to the bills for each service during the 12 months of the applicable year by multiplying the relevant CRAC Percentage times each of the applicable rates times the billing factors for each rate for each customer.

2. ACS CUSTOMER CREDIT FOR THE POWER DD

A specific fraction of the Power DD Amount (the total decremental BPA revenue to be collected in a fiscal year if the Power DD triggers) will be allocated to each of the three ACS rates subject to the Power CRAC as described above in Section II.G.1., ACS Customer Charges for the Power CRAC.

The RFRS DD Amount, ORSp DD Amount, and ORSu DD Amount are equal to the Power DD multiplied by the respective allocation fractions above. The RFRS, ORSp, and ORSu DD Amounts are converted to the RFRS, ORSp, and ORSu DD Percentages by dividing the RFRS, ORSp, and ORSu DD Amounts by the most recent forecast of revenues for the relevant fiscal year at the RFRS, ORSp, and ORSu rates.

Line items showing a credit will be added to the bills for each service during the 12 months of the applicable year by multiplying the relevant DD Percentage times each of the applicable rates times the billing factors for each rate for each customer.

3. ACS CUSTOMER CHARGES FOR THE EMERGENCY NFB SURCHARGE

A specific fraction of the Emergency NFB Surcharge Amount (the total incremental BPA revenue to be collected in a fiscal year if the Emergency NFB Surcharge triggers) will be allocated to each of the three ACS rates subject to the Emergency NFB Surcharge as described above in Section II.G.1., ACS Customer Charges for the Power CRAC.

The RFRS Surcharge Amount, ORSp Surcharge Amount, and ORSu Surcharge Amount are equal to the Power Emergency NFB Surcharge Amount multiplied by the respective allocation fractions above. The RFRS, ORSp, and ORSu Surcharge Amounts are converted to the RFRS, ORSp, and ORSu Surcharge Percentages by dividing the RFRS, ORSp, and ORSu Surcharge Amounts by the most recent forecast of revenues for the relevant fiscal year at the RFRS, ORSp, and ORSu rates.

Line items will be added to the bills for each service during the 12 months of the applicable year by multiplying the relevant Surcharge Percentage times each of the applicable rates times the billing factors for each rate.

4. POWER CRAC, POWER RDC, AND NFB MECHANISM RATE PROVISIONS

The Power CRAC, Power RDC, and NFB Mechanism rate provisions specified in the Power Rate Schedules, GRSPs II.O, II.P, and II.Q, are incorporated by reference.

H. Transmission Cost Recovery Adjustment Clause (Transmission CRAC)

The Transmission CRAC is an upward adjustment to certain rates that can apply during FY 2018 or FY 2019 or both. It applies to these Transmission rates:

- Network Integration Rate (NT-18)
- Point-to-Point Rate (PTP-18)
- Formula Power Transmission Rate (FPT-18.1)
- Southern Intertie Point-to-Point Rate (IS-18)
- Utility Delivery Rate (GRSPs Section II. A. 1. b.)
- Scheduling, Control, and Dispatch Rate (ACS-18)
- Integration of Resources Rate (IR-18)
- Montana Intertie Rate (IM-18)

1. CALCULATIONS FOR THE TRANSMISSION CRAC

Prior to the beginning of each fiscal year of the rate period (that is, each "applicable year"), BPA will forecast the end-of-year Accumulated Calibrated Net Revenue for Transmission (Transmission ACNR) for the fiscal year preceding the applicable year. If the forecast Transmission ACNR is less than the Transmission CRAC Threshold for that applicable year by at least $5 million, the Transmission CRAC will trigger and a rate increase will go into effect beginning on October 1 of the applicable year.

a. Calculating the Transmission Calibrated Net Revenue (Transmission CNR) and Transmission Accumulated Calibrated Net Revenue (Transmission ACNR)

The Transmission CNR is the Transmission Net Revenue (NR) plus the Transmission Net Revenue Calibration (Transmission NR Calibration).

Transmission NR for any given fiscal year is defined as transmission function accrued revenue less accrued expenses (in accordance with Generally Accepted Accounting Principles).

The Transmission NR Calibration is the sum of the effects of a class of differences, one difference calculated for each event not forecast in the BP-18 rate case that affects Transmission NR and Transmission cash flow differently by more than $5 million. "Transmission cash flow" here means changes in Financial Reserves Available for Risk Attributed to Transmission. Such events include certain debt management transactions, settlements of contracts, and others. For each event, the impact of the event on Transmission NR will be subtracted from the impact on Transmission cash flow.

The Transmission ACNR is Transmission CNR accumulated since the end of FY 2016. A forecast of Transmission ACNR is used to determine whether the Transmission CRAC Threshold has been reached, and if so, the required Transmission CRAC Amount to be collected. The forecast of Transmission ACNR for use in determining the Transmission CRAC that will apply to FY 2018 rates will be the forecast of Transmission CNR for FY 2017. The forecast of Transmission ACNR for use in determining the Transmission CRAC that will apply to FY 2019 rates will be the sum of the actual Transmission CNR for FY 2017 plus the forecast of Transmission CNR for FY 2018.

b. Calculating the Transmission CRAC Amount

The Transmission CRAC Threshold is an amount of ACNR below which Transmission is considered to have experienced an Underrun. The Underrun amount is equal to the Transmission CRAC Threshold minus forecast Transmission ACNR.

The Transmission CRAC Amount is based on the Underrun, limited by the Maximum Transmission CRAC Recovery Amount (the Transmission CRAC Cap). There are three possibilities:

(1) If the Underrun is less than $5 million, there is no Transmission CRAC.

(2) If the Underrun is greater than or equal to $5 million and less than or equal to $100 million, the Transmission CRAC Amount is equal to the Underrun.

(3) If the Underrun is equal to or greater than $100 million, the Transmission CRAC Amount is equal to $100 million.

The Transmission CRAC Cap and Thresholds are shown in Table B

Table B
Transmission CRAC Annual Thresholds and Caps
(dollars in millions)

ACNR Calculated Near End of Fiscal Year	*CRAC Applied to Fiscal Year*	*Threshold Measured in ACNR*	*Threshold Measured in Reserves for Risk*	*Maximum CRAC Amount (Cap)*
2017	2018	($249)	$99	$100
2018	2019	($212)	$99	$100

c. Converting the Transmission CRAC Amount to the Transmission CRAC Percentage and Calculating Revised Rates

The Transmission CRAC percentage is calculated by dividing the Transmission CRAC Amount by the sum of the most recent forecasts of revenues from the applicable rates for the applicable year.

The Transmission CRAC percentage plus 1.0 is then multiplied by each of the applicable rates, which yields revised rates.

2. TRANSMISSION CRAC NOTIFICATION PROCESS

BPA shall follow these notification procedures:

a. Financial Performance Status Reports

Each quarter, BPA shall post to its external Web site (www.bpa.gov) preliminary, unaudited, year-to-date aggregate financial results for the transmission function, including Transmission ACNR.

For the Second and Third Quarter Reviews, BPA shall post to its external Web site (www.bpa.gov) the preliminary, unaudited, end-of-year forecast of Transmission ACNR.

b. Notification of Transmission CRAC Trigger

BPA shall complete a forecast of end-of-year Transmission ACNR in July 2017 for use in calculating the Transmission CRAC applicable to rates in FY 2018, and in September 2018 for use in calculating the Transmission CRAC applicable to rates in FY 2019. If the Transmission CRAC triggers, then BPA shall notify all Customers and rate case parties by late July 2017 of the amount by which BPA intends to adjust rates for FY 2018 due to the Transmission CRAC, and by late September 2018 of the amount by which BPA intends to adjust rates for FY 2019.

Notification will be posted on BPA's Web site and will include the following:

1) the forecast of Transmission ACNR for the current fiscal year;

2) the Transmission NR and the Transmission NR Calibration for FY 2017 in the case of the Transmission CRAC applicable to FY 2019 rates;

3) the Transmission CRAC Amount; and

4) the Transmission CRAC Percentage.

The notification shall also describe the data and assumptions relied upon by BPA for all Transmission ACNR determinations. BPA shall make such data, assumptions, and documentation, if non-proprietary and non-privileged, available for review upon request.

Associated with any notification of Transmission CRAC calculations as described above, BPA shall conduct a workshop(s) to explain the Transmission ACNR calculations, describe the calculation of the Transmission CRAC Amount and allocations to various rates, and demonstrate that the Transmission CRAC has been implemented in accordance with these GRSPs. The workshop(s) will provide an opportunity for public comment.

If the Transmission CRAC applicable to FY 2018 rates triggers, then on or about July 31, 2017, BPA will post to the BPA Web site the final Transmission CRAC calculations. If the Transmission CRAC applicable to FY 2019 rates triggers, then on or about September 28, 2018, BPA will post to the BPA Web site the final Transmission CRAC calculations.

I. Transmission Reserves Distribution Clause (Transmission RDC)

The Transmission RDC is a distribution of financial reserves to purposes such as debt retirement, incremental capital investment, or rate reduction (a Dividend Distribution, or DD) during FY 2018 or FY 2019 or both.

If the RDC quantitative criteria (below) are met, the Administrator will determine how much of any RDC, if any, would be applied to debt reduction, incremental capital investment, a DD, or any other uses.

A DD applies to these Transmission rates:

- Network Integration Rate (NT-18)
- Point-to-Point Rate (PTP-18)
- Formula Power Transmission Rate (FPT-18.1)
- Southern Intertie Point-to-Point Rate (IS-18)
- Utility Delivery Rate (GRSPs Section II. A. 1. b.)
- Scheduling, System Control, and Dispatch Rate (ACS-18)
- Integration of Resources Rate (IR-18)
- Montana Intertie Rate (IM-18)

1. CALCULATIONS FOR THE TRANSMISSION RDC

Prior to the beginning of each fiscal year of the rate period (that is, each "applicable year"), BPA will forecast the end-of-year Transmission Accumulated Calibrated Net Revenue (Transmission ACNR) and BPA Accumulated Calibrated Net Revenue (BPA ACNR) for the fiscal year preceding the applicable year. If the forecast Transmission ACNR is greater than the Transmission RDC Threshold for that applicable year by at least $5 million and the forecast BPA ACNR is greater than the BPA RDC Threshold for that applicable year by at least $5 million, the Administrator will determine the amount, if any, of a Transmission RDC. If the Administrator determines that part of the RDC will be a DD, the resulting rate decrease will go into effect beginning on October 1 of the applicable year.

a. Calculating the BPA ACNR

The BPA ACNR is the sum of the Transmission ACNR and the Power ACNR. *See* Transmission GRSP II.H.1(a) and Power GRSP II.O.1(a).

b. Calculating the Transmission RDC Amount

The Transmission RDC can only trigger if (1) Transmission ACNR exceeds the Transmission RDC Threshold, measured in Transmission

ACNR, and (2) BPA ACNR exceeds the BPA RDC Threshold, measured in BPA ACNR.

The Transmission RDC Amount is the reduction in financial reserves for risk attributed to Transmission caused by using reserves to retire debt, incrementally fund capital projects, decrease rates by means of a Transmission DD, or further other Transmission objectives during the year of application. The Transmission RDC Amount will be the smallest of the forecast Transmission ACNR less the Transmission RDC Threshold, the forecast BPA ACNR less the BPA RDC Threshold, and the Transmission RDC Cap, or a smaller amount if the Administrator so elects.

Table C
Transmission RDC Annual Thresholds and Caps
(dollars in millions)

ACNR Calculated Near End of Fiscal Year	*RDC Applied to Fiscal Year*	*Threshold Measured in Transmission ACNR*	*Threshold Measured in Transmission Reserves for Risk*	*Maximum RDC Amount (Cap)*
2017	2018	($150)	$199	$200
2018	2019	($113)	$199	$200

Table D
BPA RDC Annual Thresholds
(dollars in millions)

Calculated Near End of Fiscal Year	*RDC Applied to Fiscal Year*	*Threshold Measured in BPA ACNR*	*Threshold Measured in BPA Reserves for Risk*
2017	2018	$506	$606
2018	2019	$758	$606

c. Converting a Transmission DD to the Transmission DD Percentage and Calculating Revised Rates

The Transmission DD percentage is calculated by dividing the Transmission DD Amount by the sum of the most recent forecasts of revenues from the applicable rates for the applicable year.

The Transmission DD percentage minus 1.0 is then multiplied by each of the applicable rates, which yields revised rates.

2. TRANSMISSION RDC NOTIFICATION PROCESS

BPA shall follow these notification procedures:

a. Financial Performance Status Reports

Each quarter, BPA shall post to its external Web site (www.bpa.gov) preliminary, unaudited, year-to-date aggregate financial results for the transmission function, including Transmission ACNR and BPA ANR.

For the Second and Third Quarter Reviews, BPA shall post to its external Web site (www.bpa.gov) the preliminary, unaudited, end-of-year forecast of Transmission ACNR and BPA ACNR.

b. Notification of Transmission RDC Trigger

BPA shall complete a forecast of end-of-year Transmission ACNR and BPA ACNR in July 2017 for use in calculating the Transmission RDC for FY 2018, and in September 2018 for use in calculating the Transmission RDC for FY 2019. If the Transmission RDC triggers, BPA shall notify all Customers and rate case parties by late July 2017 of the amounts BPA intends to use, and by late September 2018 of the amounts BPA intends to use in these ways for FY 2019.

Notification will be posted on BPA's Web site and will include the following:

1) the forecast of Transmission ACNR and BPA ACNR for the current fiscal year;

2) the Transmission NR and the Transmission NR Calibration for FY 2017 in the case of the Transmission RDC applicable to FY 2019;

3) the Transmission RDC Amount;

4) the amounts to be used to retire debt, incrementally fund capital projects or other high-value Transmission purposes, or adjust rates for FY 2018 due to the Transmission DD Amount; and

5) the Transmission DD Percentage.

The notification shall also describe the data and assumptions relied upon by BPA for all Transmission ACNR and BPA ACNR determinations.

BPA shall make such data, assumptions, and documentation, if non-proprietary and non-privileged, available for review upon request.

Associated with any notification of Transmission RDC calculations as described above, BPA shall conduct a workshop(s) to explain the Transmission ACNR and BPA ACNR calculations, describe the calculation of the Transmission DD Amount and allocations to various rates, and demonstrate that the Transmission RDC has been implemented in accordance with these GRSPs. The workshop(s) will provide an opportunity for public comment.

If the Transmission RDC applicable to FY 2018 rates triggers, then on or about July 31, 2017, BPA will post to the BPA Web site the final Transmission RDC calculations. If the Transmission RDC applicable to FY 2019 rates triggers, then on or about September 28, 2018, BPA will post to the BPA Web site the final Transmission RDC calculations.

J. Intentional Deviation Penalty Charge

1. APPLICABILITY

Except as otherwise provided, the Intentional Deviation Penalty Charge applies to Variable Energy Resources taking service at the ACS-18 Variable Energy Resources Balancing Service rate.

Exceptions:

a. New Variable Energy Resources undergoing testing before commercial operation are exempt from the Intentional Deviation Penalty Charge during testing for up to 90 days.

b. Customers participating in the Customer Supplied Generation Imbalance ("CSGI") Pilot Program are not subject to the Intentional Deviation Penalty Charge.

2. RATE

For each Intentional Deviation event, the Intentional Deviation Penalty Charge rate shall be $100 per megawatthour (MWh).

An Intentional Deviation event occurs when:

ABS(Intentional Deviation Measurement Value – Resource Schedule) > 1

(See section 3, below, for definition of terms.)

3. BILLING FACTOR

The Billing Factor in MWh shall be:

ABS(Intentional Deviation Measurement Value – Resource Schedule) – 1

Multiplied by

Minutes of schedule divided by 60 minutes

Where:

ABS = the absolute value of the term in parentheses.

Intentional Deviation Measurement Value = one of the following:

1) for wind generating customers taking VERBS under rate schedule section 2.a., the applicable schedule value provided by BPA;

2) for solar generating customers taking VERBS under rate schedule section 3.a., the applicable schedule value provided by BPA.

Resource Schedule = for each wind or solar resource, the amount in megawatts of generation that is scheduled by the customer for the scheduling period.

Minutes of schedule = 15 if a 15-minute schedule, 30 if a 30-minute schedule, or 60 if a 60-minute schedule.

4. OTHER PROVISIONS

Exemption from Intentional Deviation Penalty Charge

A customer that schedules its resource to a value other than the Intentional Deviation Measurement Value is exempt from the Intentional Deviation Penalty Charge for a scheduling period if

ABS(Station Control Error) ≤ ABS(Intentional Deviation Measurement Value Error) + 1 MW

Where:

ABS(Intentional Deviation Measurement Value Error) = the absolute value of the Station Control Error that *would have resulted* from a schedule that was set equal to the resource's applicable Intentional Deviation Measurement Value.

K. Modified Tier 1 Cost Allocators (TOCA) for Oversupply Rate

BPA Customer ID	Customer Name	Modified TOCAs	
		FY 2018	FY 2019
10005	Alder Mutual	0.0000784	0.0000782
10015	Asotin County PUD #1	0.0000833	0.0000824
10024	Benton County PUD #1	0.0292395	0.0289494
10025	Benton REA	0.0086666	0.0085806
10027	Big Bend Elec Coop	0.0088895	0.0088013
10029	Blachly Lane Elec Coop	0.0025590	0.0025336
10044	Canby, City of	0.0029503	0.0029210
10046	Central Electric Coop	0.0118903	0.0117724
10047	Central Lincoln PUD	0.0225684	0.0223993
10055	Albion, City of	0.0000577	0.0000573
10057	Ashland, City of	0.0030607	0.0030303
10059	Bandon, City of	0.0011022	0.0010939
10061	Blaine, City of	0.0012706	0.0012580
10062	Bonners Ferry, City of	0.0007728	0.0007651
10064	Burley, City of	0.0020431	0.0020228
10065	Cascade Locks, City of	0.0003453	0.0003419
10066	Centralia, City of	0.0035403	0.0034915
10067	Cheney, City of	0.0022976	0.0022748
10068	Chewelah, City of	0.0003890	0.0003861
10070	Declo, City of	0.0000521	0.0000516
10071	Drain, City of	0.0002756	0.0002737
10072	Ellensburg, City of	0.0034838	0.0034493
10074	Forest Grove, City of	0.0038761	0.0038377
10076	Heyburn, City of	0.0006998	0.0006928
10078	McCleary, City of	0.0005400	0.0005347
10079	McMinnville, City of	0.0128095	0.0126824
10080	Milton, Town of	0.0010804	0.0010697
10081	Milton-Freewater, City of	0.0014313	0.0014171
10082	Minidoka, City of	0.0000149	0.0000147
10083	Monmouth, City of	0.0012149	0.0012028
10086	Plummer, City of	0.0005732	0.0005675
10087	Port Angeles, City of	0.0045501	0.0045163
10089	Richland, City of	0.0150871	0.0149374
10091	Rupert, City of	0.0013687	0.0013551
10094	Soda Springs, City of	0.0004411	0.0004367
10095	Sumas, Town of	0.0005292	0.0005239
10097	Troy, City of	0.0002960	0.0002931
10101	Clallam County PUD #1	0.0110445	0.0109349
10103	Clark County PUD #1	0.0440937	0.0437933

BPA Customer ID	Customer Name	Modified TOCAs	
		FY 2018	FY 2019
10105	Clatskanie PUD	0.0124785	0.0121722
10106	Clearwater Power	0.0034689	0.0034344
10109	Columbia Basin Elec Coop	0.0017605	0.0017430
10111	Columbia Power Coop	0.0004356	0.0004293
10112	Columbia River PUD	0.0082726	0.0082065
10113	Columbia REA	0.0054756	0.0054213
10116	Consolidated Irrigation District #19	0.0000331	0.0000328
10118	Consumers Power	0.0066350	0.0065691
10121	Coos Curry Elec Coop	0.0057361	0.0056791
10123	Cowlitz County PUD #1	0.0797813	0.0789897
10136	Douglas Electric Cooperative	0.0026743	0.0026543
10142	East End Mutual Electric	0.0003903	0.0003865
10144	Eatonville, City of	0.0004817	0.0004778
10156	Elmhurst Mutual P & L	0.0046687	0.0046368
10157	Emerald PUD	0.0072573	0.0071853
10158	Energy Northwest	0.0003893	0.0003855
10170	Eugene Water & Electric Board	0.0350025	0.0347263
10172	U.S. Airforce Base, Fairchild	0.0008154	0.0008114
10173	Fall River Elec Coop	0.0048127	0.0047649
10174	Farmers Elec Coop	0.0000737	0.0000730
10177	Ferry County PUD #1	0.0014586	0.0013905
10179	Flathead Elec Coop	0.0242340	0.0239935
10183	Franklin County PUD #1	0.0170474	0.0168783
10186	Glacier Elec Coop	0.0027057	0.0026947
10190	Grant County PUD #2	0.0007541	0.0007466
10191	Grays Harbor PUD #1	0.0188860	0.0186941
10197	Harney Elec Coop	0.0033051	0.0032723
10202	Hood River Elec Coop	0.0019028	0.0018839
10203	Idaho County L & P	0.0009027	0.0008937
10204	Idaho Falls Power	0.0096998	0.0096243
10209	Inland P & L	0.0152373	0.0150861
10230	Kittitas County PUD #1	0.0014095	0.0013955
10231	Klickitat County PUD #1	0.0053254	0.0052726
10234	Kootenai Electric Coop	0.0074086	0.0073351
10235	Lakeview L & P (WA)	0.0045911	0.0045682
10236	Lane County Elec Coop	0.0040477	0.0040075
10237	Lewis County PUD #1	0.0160252	0.0159072
10239	Lincoln Elec Coop (MT)	0.0020092	0.0019893
10242	Lost River Elec Coop	0.0013636	0.0013609
10244	Lower Valley Energy	0.0124986	0.0123745
10246	Mason County PUD #1	0.0013055	0.0012926

BPA Customer ID	Customer Name	Modified TOCAs	
		FY 2018	FY 2019
10247	Mason County PUD #3	0.0116111	0.0114959
10256	Midstate Elec Coop	0.0066009	0.0065378
10258	Mission Valley	0.0055133	0.0054586
10259	Missoula Elec Coop	0.0039201	0.0038812
10260	Modern Elec Coop	0.0038184	0.0037805
10273	Nespelem Valley Elec Coop	0.0008544	0.0008459
10278	Northern Lights	0.0049072	0.0048815
10279	Northern Wasco County PUD	0.0094082	0.0093149
10284	Ohop Mutual Light Company	0.0014437	0.0014321
10285	Okanogan County Elec Coop	0.0009484	0.0009390
10286	Okanogan County PUD #1	0.0066694	0.0066032
10288	Orcas P & L	0.0035930	0.0035574
10291	Oregon Trail Coop	0.0114283	0.0113884
10294	Pacific County PUD #2	0.0050625	0.0050290
10304	Parkland L & W	0.0020076	0.0019932
10306	Pend Oreille County PUD #1	0.0000000	0.0000000
10307	Peninsula Light Company	0.0099302	0.0098437
10326	U.S. Naval Base, Bremerton	0.0042306	0.0041886
10331	Raft River Elec Coop	0.0053172	0.0052645
10333	Ravalli County Elec Coop	0.0026896	0.0026629
10338	Riverside Elec Coop	0.0003447	0.0003413
10342	Salem Elec Coop	0.0055201	0.0054792
10343	Salmon River Elec Coop	0.0016779	0.0016613
10349	Seattle City Light	0.0754206	0.0753012
10352	Skamania County PUD #1	0.0022512	0.0022332
10354	Snohomish County PUD #1	0.1142959	0.1145352
10360	Southside Elec Lines	0.0009829	0.0009731
10363	Springfield Utility Board	0.0139352	0.0138315
10369	Surprise Valley Elec Coop	0.0023871	0.0023634
10370	Tacoma Public Utilities	0.0554876	0.0565413
10371	Tanner Elec Coop	0.0016026	0.0015867
10376	Tillamook PUD #1	0.0080086	0.0079489
10378	Coulee Dam, City of	0.0002780	0.0002773
10379	Steilacoom, Town of	0.0006940	0.0006907
10388	Umatilla Elec Coop	0.0164477	0.0162845
10391	United Electric Coop	0.0043547	0.0043115
10406	U.S. DOE Albany Research Center	0.0000665	0.0000659
10408	U.S. Naval Station, Everett (Jim Creek)	0.0002131	0.0002109
10409	U.S. Naval Submarine Base, Bangor	0.0028731	0.0028485
10426	U.S. DOE Richland Operations Office	0.0026740	0.0045013
10434	Vera Irrigation District	0.0039450	0.0039059

BPA Customer ID	Customer Name	Modified TOCAs	
		FY 2018	FY 2019
10436	Vigilante Elec Coop	0.0027822	0.0027546
10440	Wahkiakum County PUD #1	0.0007249	0.0007177
10442	Wasco Elec Coop	0.0019267	0.0019140
10446	Wells Rural Elec Coop	0.0139125	0.0137744
10448	West Oregon Elec Coop	0.0012035	0.0011916
10451	Whatcom County PUD #1	0.0038659	0.0038275
10482	Umpqua Indian Utility Cooperative	0.0004003	0.0003963
10502	Yakama Power	0.0024515	0.0025383
13927	Kalispel Tribe Utility	0.0005917	0.0005858
10597	Hermiston, City of	0.0018365	0.0018182
10706	Port of Seattle - SETAC In'tl. Airport	0.0025100	0.0024851
11680	Weiser, City of	0.0009193	0.0009102
12026	Jefferson County PUD #1	0.0064695	0.0064240
10007	Alcoa	0.0071017	0.0109630
10312	Port Townsend Paper	0.0018614	0.0018430
10298	PNGC Aggregate	0.0762502	0.0755231

This page intentionally left blank.

SECTION III. DEFINITIONS

This page intentionally left blank.

1. Ancillary Services

Ancillary Services are those services that are necessary to support the transmission of energy from resources to loads while maintaining reliable operation of BPA's Transmission System in accordance with Good Utility Practice. Ancillary Services include:

a. Scheduling, System Control, and Dispatch
b. Reactive Supply and Voltage Control from Generation Sources
c. Regulation and Frequency Response
d. Energy Imbalance
e. Operating Reserve – Spinning
f. Operating Reserve – Supplemental

Ancillary Services are available under the ACS rate schedule.

2. Balancing Authority Area

See definition in Control Area.

3. Billing Factor

The Billing Factor is the quantity to which the rate specified in the rate schedule is applied. When the rate schedule includes rates for several products, there may be a Billing Factor for each product.

4. Control Area

A Control Area (also known as Balancing Authority Area) is an electric power system or combination of electric power systems to which a common automatic generation control scheme is applied in order to:

a. match at all times the power output of the generators within the electric power system(s) and the import of energy from entities outside the electric power system(s) with the load within the electric power system(s) and the export of energy to entities outside the electric power system(s);

b. maintain scheduled interchange with other Control Areas, within the limits of Good Utility Practice;

c. maintain the frequency of the electric power system(s) within reasonable limits in accordance with Good Utility Practice; and

d. provide sufficient generating capacity to maintain operating reserves in accordance with Good Utility Practice.

5. Control Area Services

Control Area Services are available to meet the Reliability Obligations of a party with resources or loads in the BPA Control Area. A party that is not satisfying all of its Reliability Obligations through the purchase or self-provision of Ancillary Services may purchase Control Area Services to meet its Reliability Obligations. Control Area Services are also available to parties with resources or loads in the BPA Control Area that have Reliability Obligations but do not have a transmission agreement with BPA. Reliability Obligations for resources or loads in the BPA Control Area are determined by applying the North American Electric Reliability Council (NERC), Western Electricity Coordinating Council (WECC), and Northwest Power Pool (NWPP) reliability criteria. Control Area Services include, without limitation:

a. Regulation and Frequency Response Service
b. Generation Imbalance Service
c. Operating Reserve – Spinning Reserve Service
d. Operating Reserve – Supplemental Reserve Service
e. Variable Energy Resource Balancing Service
f. Dispatchable Energy Resource Balancing Service

6. 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.

7. Direct Assignment Facilities

Direct Assignment Facilities are facilities or portions of facilities that are constructed by BPA for the sole use and benefit of a particular Transmission Customer requesting service under the Open Access Transmission Tariff, the costs of which may be directly assigned to the Transmission Customer in accordance with applicable Federal Energy Regulatory Commission policy. Direct Assignment Facilities shall be specified in the service agreement that governs service to the Transmission Customer.

8. Direct Service Industry (DSI) Delivery

The DSI Delivery segment consists of equipment necessary to deliver power to DSI customers at low voltages (i.e., 6.9 or 13.8 kV).

9. Dispatchable Energy Resource

For purposes of the ACS rate schedule, a Dispatchable Energy Resource is any non-Federal thermally based generating resource that schedules its output or is included in BPA's Automatic Generation Control system.

10. Dispatchable Energy Resource Balancing Service

Dispatchable Energy Resource Balancing Service (DERBS) is a Control Area Service that provides imbalance reserves (which compensate for differences between a thermal generator's schedule and the actual generation during an hour). DERBS is required to help maintain the power system frequency at 60 Hz and to conform to NERC and WECC reliability standards.

11. Dynamic Schedule

See definition in Dynamic Transfer Operating and Scheduling Business Practice.

12. Dynamic Transfer

See definition in Dynamic Transfer Operating and Scheduling Business Practice.

13. Eastern Intertie

The Eastern Intertie is the segment of the FCRTS for which the transmission facilities consist of the Townsend-Garrison double-circuit 500 kV transmission line segment, including related terminals at Garrison.

14. Energy Imbalance Service

Energy Imbalance Service is provided when a difference occurs between the scheduled and actual delivery of energy to a load located within a Control Area. BPA must offer this service when the transmission service is used to serve load within BPA's Control Area. The Transmission Customer must either purchase this service from BPA or make alternative comparable arrangements specified in the Transmission Customer's Service Agreement to satisfy its Energy Imbalance Service obligation.

15. Federal Columbia River Transmission System

The Federal Columbia River Transmission System (FCRTS) is the transmission facilities of the Federal Columbia River Power System, which include all transmission facilities owned by the government and operated by BPA, and other facilities over which BPA has obtained transmission rights.

16. Federal System

The Federal System is the generating facilities of the Federal Columbia River Power System, including the Federal generating facilities for which BPA is designated as marketing agent; the Federal facilities under the jurisdiction of BPA; and any other facilities:

a. from which BPA receives all or a portion of the generating capability (other than station service) for use in meeting BPA's loads to the extent BPA has the right to receive such capability ("BPA's loads" do not include any of the loads of any BPA customer that are served by a non-Federal generating resource purchased or owned directly by such customer that may be scheduled by BPA);

b. that BPA may use under contract or license; or

c. to the extent of the rights acquired by BPA pursuant to the 1961 U.S.-Canada Treaty relating to the cooperative development of water resources of the Columbia River Basin.

17. Generation Imbalance

Generation Imbalance is the difference between the scheduled amount and actual delivered amount of energy from a generation resource in the BPA Control Area.

18. Generation Imbalance Service

Generation Imbalance Service is provided when there is a difference between scheduled and actual energy delivered from generation resources in the BPA Control Area during a schedule period.

19. Heavy Load Hours (HLH)

Heavy Load Hours (HLH) are all those hours in the period beginning with the hour ending 7 a.m. through hour ending 10 p.m., Monday through Saturday, Pacific Prevailing Time (Pacific Standard Time or Pacific Daylight Time, as applicable), except for holidays recognized by NERC.

20. Hourly Non-Firm Service

Hourly Non-firm Service is non-firm transmission service under Part II of the Open Access Transmission Tariff in hourly increments.

21. Integrated Demand

Integrated Demand is the quantity derived by mathematically "integrating" kilowatthour deliveries over a 60-minute period. For one-way dynamic schedules, demand is integrated on a rolling ten-minute basis.

22. Light Load Hours (LLH)

Light Load Hours (LLH) are all those hours in the period beginning with the hour ending 11 p.m. through hour ending 6 a.m., Monday through Saturday and all hours Sunday, Pacific Prevailing Time (Pacific Standard Time or Pacific Daylight Time, as applicable).

BPA considers as LLH six holidays classified according to NERC Standards as LLH. Memorial Day, Labor Day and Thanksgiving occur on the same day each year: Memorial Day is the last Monday in May; Labor Day is the first Monday in September; and Thanksgiving Day is the fourth Thursday in November. New Year's Day, Independence Day, and Christmas Day fall on predetermined dates each year. In the event that a holiday falls on a Sunday, the holiday is celebrated the Monday immediately following that Sunday, so that Monday is also LLH all day. If a holiday falls on a Saturday, the holiday remains on that Saturday, and that Saturday is classified as LLH.

23. Long-Term Firm Point-To-Point (PTP) Transmission Service

Long-Term Firm Point-to-Point Transmission Service is Firm Point-To-Point Transmission Service under Part II of the Open Access Transmission Tariff with a term of one year or more.

24. Main Grid

As used in the FPT rate schedule, the Main Grid is that portion of the Network facilities with an operating voltage of 230 kV or more.

25. Main Grid Distance

As used in the FPT rate schedules, Main Grid Distance is the distance in airline miles on the Main Grid between the Point of Integration (POI) and the Point of Delivery (POD), multiplied by 1.15.

26. Main Grid Interconnection Terminal

As used in the FPT rate schedules, Main Grid Interconnection Terminal refers to Main Grid terminal facilities that interconnect the FCRTS with non-BPA facilities.

27. Main Grid Miscellaneous Facilities

As used in the FPT rate schedules, Main Grid Miscellaneous Facilities refers to switching, transformation, and other facilities of the Main Grid not included in other components.

28. Main Grid Terminal

As used in the FPT rate schedules, Main Grid Terminal refers to the Main Grid terminal facilities located at the sending and/or receiving end of a line, exclusive of the Interconnection terminals.

29. Measured Demand

The Measured Demand is that portion of the customer's Metered or Scheduled Demand for transmission service from BPA under the applicable transmission rate schedule. If transmission service to a point of delivery or from a point of receipt is provided under more than one rate schedule, the portion of the measured quantities assigned to any rate schedule shall be as specified by contract. The portion of the total Measured Demand so assigned shall be the Measured Demand for transmission service for each transmission rate schedule.

30. Metered Demand

Except for dynamic schedules, the Metered Demand in kilowatts shall be the largest of the 60-minute clock-hour Integrated Demands at which electric energy is delivered (received) for a transmission customer:

a. at each point of delivery (receipt) for which the Metered Demand is the basis for the determination of the Measured Demand;

b. during each time period specified in the applicable rate schedule; and

c. during any billing period.

Such largest Integrated Demand shall be determined from measurements made in accord with the provisions of the applicable contract and these GRSPs. This amount shall be adjusted as provided herein and in the applicable agreement between BPA and the customer.

For one-way Dynamic Schedules, the Metered Demand in kilowatts shall be the largest ten-minute moving average of the load (generation) at the point of delivery (receipt). The ten-minute moving average shall be assigned to the hour in which the ten-minute period ends. For two-way Dynamic Schedules, the Metered Demand in kilowatts shall be the largest instantaneous value of the Dynamic Schedule during the hour.

31. Montana Intertie

The Montana Intertie is the double-circuit 500 kV transmission line and associated substation facilities from Broadview Substation to Garrison Substation.

32. Monthly Services

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

33. Monthly Transmission Peak Load

Monthly Transmission Peak Load is the peak loading on the Federal Transmission System during any hour of the designated billing month, determined by the largest hourly integrated demand produced from the sum of Federal and non-Federal generating plants in BPA's Control Area and metered flow into BPA's Control Area.

34. Network

The Network consists of facilities that transmit power from Federal and non-Federal generation sources, from interconnections with other utilities, or from the interties, to the load centers of BPA's transmission customers in the Pacific Northwest, to interconnections with other utilities, or to other segments (*e.g.*, an intertie or delivery segment).

35. Network Integration Transmission (NT) Service

Network Integration Transmission (NT) Service is the transmission service provided under Part III of the Open Access Transmission Tariff.

36. Network Load

Network Load is the load that a Network Customer designates for Network Integration Transmission Service under Part III of the Open Access Transmission Tariff. The Network Customer's Network Load shall include all load served by the output of any Network Resources designated by the Network Customer. A Network Customer may elect to designate less than its total load as Network Load but may not designate only part of the load at a discrete Point of Delivery.

Where an Eligible Customer has elected not to designate a particular load at discrete Points of Delivery as Network Load, the Eligible Customer is responsible for making separate arrangements under Part II of the Tariff for any Point-to-Point Transmission Service that may be necessary for such non-designated load.

37. Network Upgrades

Network Upgrades are modifications or additions to transmission-related facilities that support the BPA Transmission System for the general benefit of all users of such Transmission System.

38. Non-Firm Point-to-Point (PTP) Transmission Service

Non-Firm Point-To-Point Transmission Service is Point-To-Point Transmission Service under the Open Access Transmission Tariff that is reserved and scheduled on an as-available basis and is subject to curtailment or interruption as set forth in section 14.7

under Part II of the Tariff. Non-Firm PTP Transmission Service is available on a stand-alone basis for periods ranging from one hour to one month.

39. Operating Reserve – Spinning Reserve Service

Operating Reserve – Spinning Reserve Service is needed to serve load immediately in the event of a system contingency. Spinning Reserve Service may be provided by generating units that are on-line and loaded at less than maximum output. BPA must offer this service in accordance with applicable NERC, WECC, and NWPP standards. The Transmission Customer or Control Area Service Customer must either purchase this service from BPA or make alternative comparable arrangements to satisfy its Spinning Reserve Service obligation. The Transmission Customer's or Control Area Service Customer's obligation is determined consistent with NERC, WECC, and NWPP criteria.

40. Operating Reserve – Supplemental Reserve Service

Operating Reserve – Supplemental Reserve Service is needed to serve load in the event of a system contingency. It is not available immediately to serve load, but rather within a short period of time. Supplemental Reserve Service may be provided by generating units that are on-line but unloaded, by quick-start generation, or by interruptible load. BPA must offer this service in accordance with applicable NERC, WECC, and NWPP standards. The Transmission Customer or Control Area Service Customer must either purchase this service from BPA or make alternative but comparable arrangements to satisfy its Supplemental Reserve Service obligation. The Transmission Customer's or Control Area Service Customer's obligation is determined consistent with NERC, WECC, and NWPP criteria.

41. Operating Reserve Requirement

Operating Reserve Requirement is a party's total operating reserve obligation (spinning and supplemental) to the BPA Control Area. A party is responsible for purchasing or otherwise providing Operating Reserves associated with its transactions that impose a reserve obligation on the BPA Control Area.

The specific amounts required are determined consistent with NERC Policies, the NWPP Operating Manual, "Contingency Reserve Sharing Procedure," and WECC Standards.

42. Persistent Deviation

A Persistent Deviation event is one or more of the following:

a. **For Generation Imbalance Service only:**

All hours or scheduled periods in which either a negative deviation (actual generation greater than scheduled) or positive deviation (generation is less than scheduled) exceeds:

(1) both 15 percent of the schedule and 20 MW in each scheduled period for three consecutive hours or more in the same direction;

(2) both 7.5 percent of the schedule and 10 MW in each scheduled period for six consecutive hours or more in the same direction;

(3) both 1.5 percent of the schedule and 5 MW in each scheduled period for twelve consecutive hours or more in the same direction; or

(4) both 1.5 percent of the schedule and 2 MW in each scheduled period for twenty-four consecutive hours or more in the same direction.

b. **For Energy Imbalance Service only:**

All hours or scheduled periods in which either a negative deviation (energy taken is less than the scheduled energy) or positive deviation (energy taken is greater than energy scheduled) exceeds:

(1) both 15 percent of the schedule and 20 MW in each scheduled period for three consecutive hours or more in the same direction;

(2) both 7.5 percent of the schedule and 10 MW in each scheduled period for six consecutive hours or more in the same direction;

(3) both 1.5 percent of the schedule and 5 MW in each scheduled period for twelve consecutive hours or more in the same direction; or

(4) both 1.5 percent of the schedule and 2 MW in each scheduled period for twenty-four consecutive hours or more in the same direction.

c. A pattern of under- or over-delivery or over- or under-use of energy occurs generally or at specific times of day.

43. Point of Delivery (POD)

A Point of Delivery is a point on the BPA Transmission System, or transfer points on other utility systems pursuant to section 36 of the Open Access Transmission Tariff, where capacity and energy transmitted by BPA will be made available to the Receiving Party under Parts II and III of the Tariff or to the Transmission Customer under other BPA transmission service agreements. The Point(s) of Delivery shall be specified in the Service Agreement for Long-Term Firm Point-to-Point Service, Network Integration Transmission Service, and other BPA transmission services.

44. Point of Integration (POI)

A Point of Integration is the contractual interconnection point where power is received from the customer. Typically, a point of integration is located at a resource site, but it could be located at some other interconnection point.

45. Point of Interconnection (POI)

A Point of Interconnection is a point where the facilities of two entities are interconnected. This term is used in certain pre-Open Access Transmission Tariff service agreements and has the same meaning as "Point of Integration" and "Point of Receipt."

46. Point of Receipt (POR)

A Point of Receipt is a point of interconnection on the BPA Transmission System where capacity and energy will be made available to BPA by the Delivering Party under Parts II and III of the Open Access Transmission Tariff. The Point(s) of Receipt shall be specified in the Service Agreement for Long-Term Firm Point-to-Point Service, Network Integration Transmission Service, and other BPA transmission services.

47. Ratchet Demand

The Ratchet Demand in kilowatts or kilovars is the maximum demand established during a specified period of time during or prior to the current billing period. The Ratchet Demand shall be the maximum demand established during the previous 11 billing months. If a Transmission Demand has been decreased pursuant to the terms of the transmission agreement during the previous 11 billing months, such decrease will be reflected in determining the Ratchet Demand.

48. Reactive Power

Reactive Power is the out-of-phase component of the total volt-amperes in an electric circuit. Reactive Power Demand is expressed in kilovars or kVAr, and Reactive Power Energy is expressed in kilovarhours or kVArh.

49. Reactive Supply and Voltage Control from Generation Sources Service

Reactive Supply and Voltage Control from Generation Sources Service is required to maintain voltage levels on BPA's transmission facilities within acceptable limits. In order to maintain transmission voltages on BPA's transmission facilities within acceptable limits, generation facilities (in the Control Area where the BPA transmission facilities are located) are operated to produce (or absorb) reactive power. Thus, Reactive Supply and Voltage Control from Generation Sources Service must be provided for each transaction on BPA's transmission facilities. The amount of Reactive Supply and Voltage Control from Generation Sources Service that must be supplied with respect to the Transmission Customer's transaction will be determined based on the reactive power support necessary to maintain transmission voltages within limits that are generally accepted in the region and consistently adhered to by BPA. The Transmission Customer must purchase this service from BPA.

50. Regulation and Frequency Response Service

Regulation and Frequency Response Service is necessary to provide for the continuous balancing of resources (generation and interchange) with load and for maintaining scheduled Interconnection frequency at sixty cycles per second (60 Hz). Regulation and Frequency Response Service is accomplished by committing on-line generation whose output is raised or lowered (predominantly through the use of automatic generation control equipment) as necessary to follow the moment-by-moment changes in load. The obligation to maintain this balance between resources and load lies with BPA. BPA must offer this service when the transmission service is used to serve load within its Control Area. The Transmission Customer must either purchase this service from BPA or make alternative comparable arrangements to satisfy its Regulation and Frequency Response Service obligation.

51. Reliability Obligations

Reliability Obligations are the obligations that a party with resources or loads in the BPA Control Area must provide in order to meet minimum reliability standards. Reliability Obligations shall be determined consistent with applicable NERC, WECC, and NWPP standards. BPA offers Ancillary Services and Control Area Services to allow resources or loads to meet their Reliability Obligations.

52. Reserved Capacity

Reserved Capacity is the maximum amount of capacity and energy that BPA agrees to transmit for the Transmission Customer over the BPA Transmission System between the Point(s) of Receipt and the Point(s) of Delivery under Part II of the Open Access Transmission Tariff. Reserved Capacity shall be expressed in terms of whole megawatts on a sixty (60)-minute interval (commencing on the clock hour) basis. In cases where Dynamic Schedules are involved, the Reserved Capacity must be set at a level to

accommodate (i) a demand equal to the largest ten-minute moving average of the load or generation expected to occur during the contract period for one-way Dynamic Schedules used to transfer generation or load from one Control Area to another Control Area; or (ii) a demand equal to the instantaneous peak demand, for each direction, of the supplemental Control Area service request expected to occur during the contract period for two-way Dynamic Transfers used to provide supplemental Control Area services. The supplemental Control Area service response shall always be the lesser of the Control Area service request or the Reserved Capacity associated with the supplemental Control Area service.

53. Scheduled Demand

Scheduled Demand is the hourly demand at which electric energy is scheduled for transmission on the FCRTS.

54. Scheduling, System Control, and Dispatch Service

Scheduling, System Control, and Dispatch Service is an Ancillary Service required to schedule the movement of power through, out of, within, or into a Control Area. This service can be provided only by the operator of the Control Area in which the transmission facilities used for transmission service are located. The Transmission Customer must purchase this service from BPA.

55. Secondary System

As used in the FPT rate schedules, Secondary System is that portion of the Network facilities with an operating voltage greater than or equal to 69 kV and less than 230 kV.

56. Secondary System Distance

As used in the FPT rate schedules, Secondary System Distance is the number of circuit miles of Secondary System transmission lines between the secondary Point of Integration and either the Main Grid or the secondary Point of Delivery (POD), or between the Main Grid and the secondary POD.

57. Secondary System Interconnection Terminal

As used in the FPT rate schedules, Secondary System Interconnection Terminal refers to the terminal facilities on the Secondary System that interconnect the FCRTS with non-BPA facilities.

58. Secondary System Intermediate Terminal

As used in the FPT rate schedules, Secondary System Intermediate Terminal refers to the first and last terminal facilities in the Secondary System transmission path, exclusive of the Secondary System Interconnection terminals.

59. Secondary Transformation

As used in the FPT rate schedules, Secondary Transformation refers to transformation from Main Grid to Secondary System facilities.

60. Short-Term Firm Point-to-Point (PTP) Transmission Service

Short-Term Firm Point-To-Point Transmission Service is Firm Point-To-Point Transmission Service under Part II of the Open Access Transmission Tariff with a term of less than one year. Short-Term Firm Point-To-Point Transmission Service with a duration of less than one calendar day is sometimes referred to as Hourly Firm Point-To-Point Transmission Service.

61. Southern Intertie

The Southern Intertie is the segment of the FCRTS that includes, but is not limited to, the major transmission facilities consisting of two 500-kV AC lines from John Day Substation to the Oregon-California border; a portion of the 500-kV AC line from Buckley Substation to Summer Lake Substation; and the 500-kV AC Intertie facilities, which include Captain Jack Substation, the Alvey-Meridian AC line, one 1,000-kV DC line between the Celilo Substation and the Oregon-Nevada border, and associated substation facilities.

62. Spill Condition

Spill Condition, for the purpose of determining credit or payment for Deviations under the Energy Imbalance and Generation Imbalance rates, exists when spill physically occurs on the BPA system due to lack of load or market. Spill due to lack of load or market typically occurs during periods of high flows or flood control implementation, but can also occur at other times. Discretionary spill, where BPA may choose whether to spill, does not constitute a Spill Condition. Spill for fish is included in discretionary spill and is not a Spill Condition.

63. Spinning Reserve Requirement

Spinning Reserve Requirement is a portion of a party's Operating Reserve Requirement to the BPA Control Area. A party is responsible for purchasing or otherwise providing Operating Reserve – Spinning Reserve Service associated with its transactions that impose a reserve obligation on the BPA Control Area.

The specific amounts required are determined consistent with NERC Policies, the NWPP Operating Manual, "Contingency Reserve Sharing Procedure," and WECC Standards.

64. Station Control Error

Station Control Error is the difference between the amount of generation scheduled from a generator and the actual output of that generator.

65. Super Forecast Methodology

The Super Forecast Methodology is an algorithm that selects the best forecast for predicting generation from a particular project based on historical performance. The customer may submit its forecast for use by the methodology and its forecast will be used if it out-performs the BPA forecast vendors. BPA will deliver the model results to the customer each scheduling period electronically.

66. Supplemental Reserve Requirement

Supplemental Reserve Requirement is a portion of a party's Operating Reserve Requirement to the BPA Control Area. A party is responsible for purchasing or otherwise providing Operating Reserve – Supplemental Reserve Service associated with its transactions that impose a reserve obligation on the BPA Control Area. The specific amounts required are determined consistent with NERC Policies, the NWPP Operating Manual, "Contingency Reserve Sharing Procedure," and WECC Standards.

67. Total Transmission Demand

Total Transmission Demand is the sum of all the transmission demands as defined in the applicable agreement.

68. Transmission Customer

A Transmission Customer is any Eligible Customer (or its Designated Agent) under the Open Access Transmission Tariff that (i) executes a Service Agreement, or (ii) requests in writing that BPA file with the Commission a proposed unexecuted Service Agreement to receive transmission service under Part II of the Tariff. In addition, a Transmission Customer is an entity that has executed any other transmission service agreement with BPA.

69. Transmission Demand

Transmission Demand is the maximum amount of capacity BPA agrees to make available to transmit energy for the Transmission Customer over the BPA Transmission System between the Point(s) of Integration/Interconnection/Receipt and the Point(s) of Delivery.

70. Transmission Provider

A Transmission Provider, such as BPA, owns, controls, or operates facilities used for the transmission of electric energy in interstate commerce and provides transmission service under the Open Access Transmission Tariff and other agreements.

71. Utility Delivery

The Utility Delivery segment consists of facilities and equipment that transform and deliver energy to a utility's distribution system at (or close to) the utility's prevailing distribution voltage.

72. Variable Energy Resource

A Variable Energy Resource is an electric generating facility that is characterized by an energy source that: (1) is renewable; (2) cannot be stored by the facility owner or operator; and (3) has variability that is beyond the control of the facility owner or operator. This includes, for example, wind, solar photovoltaic, and hydrokinetic generating facilities. This does not include, for example, hydroelectric, geothermal, biomass, or process steam generating facilities.

73. Variable Energy Resource Balancing Service

Variable Energy Resource Balancing Service (VERBS) is a Control Area Service comprised of three components: regulating reserves (which compensate for moment-to-moment differences between generation and load); following reserves (which compensate for larger differences occurring over longer periods of time during the hour); and imbalance reserves (which compensate for differences between the generator's schedule and the actual generation during an hour). Variable Energy Resource Balancing Service is required to help maintain the power system frequency at 60 Hz and to conform to NERC and WECC reliability standards.

74. Weekly Service

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

This page intentionally left blank.

BONNEVILLE POWER ADMINISTRATION
DOE/BP-4824 • October 2017