

BPA'S 1996

ANCILLARY PRODUCTS AND SERVICES RATE

**SCHEDULE APS-96
ANCILLARY PRODUCTS AND SERVICES**

SECTION I. AVAILABILITY

This rate schedule is available for ancillary services necessary to support the firm or non-firm delivery of power from resources to loads using the Federal Columbia River Transmission System (FCRTS) facilities. The ancillary services available under this rate schedule are: Energy Imbalance; Control Area Reserves for Resources; Control Area Reserves for Interruptible Purchases; Load Regulation; and Transmission Losses. These services are defined in section III.A of BPA's General Rate Schedule Provisions (GRSPs). This schedule also is available for ancillary services of a similar nature as BPA may be ordered to make available 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).

This rate schedule also is available for discounted rates for ancillary services, as applicable, pursuant to section II.A of BPA's GRSPs.

Sales under this schedule are made subject to BPA's GRSPs. For sales under this rate schedule, bills shall be rendered and payments due pursuant to BPA's GRSPs and Billing Procedures.

SECTION II. RATES AND BILLING FACTORS

For each service, the rate(s) and associated billing factor(s) are identified below. Applicable adjustments and special rate provisions are listed for each service. This rate schedule contains five subsections, corresponding to the services offered under this rate schedule:

Section II.A. Energy Imbalance

Section II.B. Control Area Reserves for Resources

Section II.C. Control Area Reserves for Interruptible Purchases

Section II.D. Load Regulation

Section II.E. Transmission Losses

A. ENERGY IMBALANCE

The rates below for Energy Imbalance apply to uses of the FCRTS where there are differences between the hourly scheduled amounts and the hourly metered amounts of power deliveries to load and from resources within the BPA control area. The rates shall not apply to scheduled transmission of power using the FCRTS that is not delivered to load or does not originate from resources within the BPA control area.

1. RATES FOR POSITIVE DEVIATIONS

The Purchaser shall pay BPA the applicable rates for Positive Deviations as provided below.

1.1 Rates for Positive Deviations within Energy Imbalance Band

1.1.1 Demand Charge for Generation Capacity

\$0.87 per kilowatt per month of Billing Demand.

1.1.2 Energy Rate

The energy rate shall not exceed the rates below:

| <i>Applicable Months</i> | <i>HLH Rate</i> | <i>LLH Rate</i> |
|--------------------------|-----------------|-----------------|
| September - December | 18.60 mills/kWh | 17.50 mills/kWh |
| January - March | 19.00 mills/kWh | 17.80 mills/kWh |
| April | 16.80 mills/kWh | 16.10 mills/kWh |
| May - June | 9.20 mills/kWh | 8.00 mills/kWh |
| July | 11.30 mills/kWh | 9.80 mills/kWh |
| August | 16.10 mills/kWh | 13.90 mills/kWh |

1.2 Rate for Positive Deviations Greater than the Energy Imbalance Band

1.2.1 Demand Charge for Generation Capacity

\$0.87 per kilowatt per month of Billing Demand.

1.2.2 Energy Rate

100 mills per kWh.

2. BILLING FACTORS FOR POSITIVE DEVIATIONS

2.1 Billing Factors for Positive Deviations within the Energy Imbalance Band

2.1.1 Billing Demand for Generation Capacity

The billing demand shall be the Positive Deviation that occurs during the hour of the Monthly Federal System Peak Load.

2.1.2 HLH Billing Energy

If the direction of the monthly HLH Energy Imbalance account is positive, then the billing energy shall be the Net Monthly HLH kilowatthours of Positive Deviation within the Band.

2.1.3 LLH Billing Energy

If the direction of the monthly LLH Energy Imbalance account is positive, then the billing energy shall be the Net Monthly LLH kilowatthours of Positive Deviation within the Band.

2.2 Billing Factors for Positive Deviations Greater than the Energy Imbalance Band

2.2.1 Billing Demand for Generation Capacity

The billing demand shall be the Positive Deviation less 1.5 percent of the scheduled transaction that occurs during the hour of the Monthly Federal System Peak Load.

2.2.2 HLH Billing Energy

The billing energy shall be the total monthly HLH kilowatthours of energy greater than the +1.5 percent Energy Imbalance Band on any HLH.

2.2.3 LLH Billing Energy

The billing energy shall be the total monthly LLH kilowatthours of energy greater than the +1.5 percent Energy Imbalance Band on any LLH.

3. CREDIT OR PAYMENT FOR NEGATIVE DEVIATION ENERGY IMBALANCE

BPA shall credit or pay the Purchaser, as applicable, for Negative Deviations as provided below.

3.1 Energy Credit or Payment for Negative Deviations within the Energy Imbalance Band

If BPA determines the Negative Deviation was an Intentional Deviation and/or if BPA is in Spill Condition during same billing period as Negative Deviation occurs, the credit or payment for Negative Deviations is zero for the billing month. Otherwise, the credit or payment shall be equal to the applicable rates in effect in section A.1.1.2 of this rate schedule.

3.2 Energy Credit or Payment for Negative Deviations Greater than the Energy Imbalance Band

If BPA determines the Negative Deviation was an Intentional Deviation and/or if BPA is in Spill Conditions during same billing period as Negative Deviation occurs, the credit or payment for Negative Deviations outside the +1.5 percent Energy Imbalance Band shall be zero for the billing month. Otherwise the credit or payment shall not exceed:

| <i>Applicable Months</i> | <i>HLH Credit or Payment</i> | <i>LLH Credit or Payment</i> |
|--------------------------|--------------------------------------|--------------------------------------|
| September - December | 9.30 mills/kWh | 8.70 mills/kWh |
| January - March | 9.50 mills/kWh | 8.90 mills/kWh |
| April | 8.40 mills/kWh | 8.00 mills/kWh |
| May - June | 4.60 mills/kWh | 4.00 mills/kWh |
| July | 5.60 mills/kWh | 4.90 mills/kWh |
| August | 8.00 mills/kWh | 7.00 mills/kWh |

4. BILLING FACTORS FOR NEGATIVE DEVIATION ENERGY IMBALANCE

4.1 Billing Factors for Negative Deviation within the Energy Imbalance Band

4.1.1 HLH Billing Energy

If the direction of the monthly HLH Energy Imbalance account is negative, then the billing energy shall be the Net Monthly HLH kilowatthours of Negative Deviation within the -1.5 percent Energy Imbalance Band on any HLH.

4.1.2 LLH Billing Energy

If the direction of the monthly LLH Energy Imbalance account is negative, then the billing energy shall be the Net Monthly LLH kilowatthours of Negative Deviation within the -1.5 percent Energy Imbalance Band on any LLH.

4.2 Billing Factor for Negative Deviations Greater than the Energy Imbalance Band

4.2.1 HLH Billing Energy

The billing energy shall be the total monthly HLH kilowatthours of Negative Deviation outside the -1.5 percent Energy Imbalance Band on any HLH.

4.2.2 LLH Billing Energy

The billing energy shall be the total monthly LLH kilowatthours of Negative Deviation outside the -1.5 percent Energy Imbalance Band on any LLH.

B. CONTROL AREA RESERVES FOR RESOURCES

The rates below for Control Area Reserves For Resources apply to all hydroelectric and non-hydroelectric generating resources with a generating capacity of 3 MW or greater located in BPA's control area. The rates do not apply to a resource that has a generating capacity of less than 3 MW (Small Resource); provided however, if the purchaser has multiple Small Resources and the total generating capacity of those multiple Small Resources is greater than 6 MW, then only the first 3 MW of the total generating capacity of those multiple Small Resources is exempt from the rates below.

The rates are available for Full or Partial Service. Full Service shall be provided, unless BPA agrees to provide Partial Service to meet the resource owner's control area reserve obligations. If BPA provides Full Service, the rates and billing factors in sections 1 and 2, respectively, shall apply. If BPA provides Partial Service, the rates and billing factors for the appropriate service in sections 3 and 4, respectively, shall apply.

1. RATES FOR CONTROL AREA RESERVES FOR RESOURCES (FULL SERVICE)

1.1 Rate for Control Area Reserves for Hydroelectric Resources

The rate shall not exceed \$0.27 per kilowatt per month of billing demand.

1.2 Rate for Control Area Reserves for Non-Hydroelectric Resources

The rate shall not exceed \$0.36 per kilowatt per month of billing demand.

2. BILLING FACTORS FOR CONTROL AREA RESERVES FOR RESOURCES (FULL SERVICE)

2.1 Billing Demand

If BPA receives the appropriate metering information regarding the Purchaser's resource(s), regardless of resource type, then the billing demand shall be determined as specified in section 2.1.1 below. Otherwise, for the Purchaser's hydroelectric resource(s) the billing demand shall be determined in accordance with section 2.1.2, and for the Purchaser's thermal and any other non-hydroelectric resource(s) the billing demand shall be determined in accordance with section 2.1.3.

2.1.1 Billing Demand for Metered Resources

For service applicable to the Purchaser's resource(s) regardless of type for which BPA receives the appropriate metering information, the billing demand shall be the average metered energy for each resource for the billing month.

2.1.2 Billing Demand for Unmetered Hydroelectric Resources

For service applicable to the Purchaser's hydroelectric resource(s) for which BPA does not receive the appropriate metering information, the billing demand shall be the total Resource Capability, as specified in section B.2.1.4, for the Purchaser's hydroelectric resource(s), multiplied by a capacity factor not to exceed 0.60. BPA may agree to a capacity factor other than 0.60 based on the historical and planned operation of the resource(s).

2.1.3 Billing Demand for Unmetered Non-Hydroelectric Resources

For service applicable to the Purchaser's thermal resource(s) and any other non-hydroelectric resource(s) for which BPA does not receive the appropriate metering information, the billing demand shall be the total Resource Capability for the Purchaser's thermal resource(s) and any other non-hydroelectric resource(s), multiplied by a capacity factor not to exceed 0.90. BPA may agree to a capacity factor other than 0.90 based on the historical and planned operation of the resource(s).

2.1.4 Resource Capability

For service under the 1981 Contracts, the Resource Capability, expressed in kilowatts, shall be equal to the peak capability of the Purchaser's Firm Resource(s) specified in the Firm Resources Exhibit, and the peak capability of other resources specified in the Service Charges Exhibit. For 1996 Contracts and all other agreements, the Resource Capability shall be the Monthly Resource Peaking Capability as specified in the Agreement.

3. RATES FOR CONTROL AREA RESERVES FOR RESOURCES (PARTIAL SERVICE)

3.1 Rate for Non-Spinning Operating Reserve

The rate shall not exceed \$4.38 per kilowatt per month of billing demand.

3.2 Rate for Spinning Operating Reserve

The rate shall not exceed \$5.39 per kilowatt per month of billing demand.

3.3 Rate for Generation Following

The rate shall not exceed \$0.02 per kilowatt per month of billing demand.

4. BILLING FACTORS FOR CONTROL AREA RESERVES FOR RESOURCES (PARTIAL SERVICE)

4.1 Billing Demand

The Billing Demand for Control Area Reserves for Resources (Partial Service) shall be the billing demand for the appropriate component of the Control Area Reserves for Resources in accordance with sections 4.1.1, 4.1.2 and 4.1.3 below.

4.1.1 Billing Demand for Non-Spinning Operating Reserves

The billing demand for Non-Spinning Operating Reserves shall be the contract demand.

4.1.2 Billing Demand for Spinning Operating Reserves

The billing demand for Spinning Operating Reserves shall be the contract demand.

4.1.3 Billing Demand for Generation Following

The billing demand for Generation Following shall be determined pursuant to section 2 above.

C. CONTROL AREA RESERVES FOR INTERRUPTIBLE PURCHASES

The rate below for Control Area Reserves for Interruptible Purchases applies to the schedules of all power purchases imported into BPA's control area that are designated as subject to interruption.

1. RATE

The rate shall not exceed 2.87 mills per kilowatthour.

2. BILLING FACTOR

The billing factor shall be the sum of scheduled amounts of Interruptible Purchases per billing month.

D. LOAD REGULATION

The rate below for Load Regulation applies to all retail and plant load within the BPA control area and BPA customer load served by transfer service outside of BPA's control area. If a Purchaser is taking Load Regulation service under multiple rate schedules, the Purchaser shall pay for Load Regulation for its total retail or plant load under only one rate schedule during the Billing Period.

1. RATE

The rate shall not exceed 0.28 mills per kilowatthour.

2. BILLING FACTOR

The billing factor for Load Regulation shall be the measured monthly kilowatthours of the Receiving Party's Total Retail or Total Plant Load.

E. TRANSMISSION LOSSES

The rate below for Transmission Losses applies to all Transmission Losses that occur on the BPA transmission system that are purchased from BPA.

1. RATE

The rate shall not exceed 22.80 mills per kilowatthour.

2. BILLING FACTOR

The billing factor shall be the amount of losses for the billing month calculated as specified in the applicable Agreement.