

Draft language for Regional Dialogue Master Contract Template
Section 10, Delivery and associated definitions
January 30, 2008

2. DEFINITIONS *(09/04/07 Version)*

Reviewer's Note: The following definitions are from Section 2 and are included in this document because they are used in section 9, Delivery.

- (a) "Annexed Load" *(12/17/07 Version)* means existing load and service territory «Customer Name» acquired from another utility, by means of annexation, merger, purchase or trade, and authorized by a final state or court action, for which «Customer Name» has obtained an ownership interest in the facilities necessary to serve the load.
- (b) "Firm Requirements Power" *(10/17/07 Version)* means firm power that is sold to «Customer Name» to meet BPA's obligations under sections 5(b), (c), and (d) of the Northwest Power Act, and which BPA makes continuously available. Firm Requirements Power does not include Surplus Firm Power.
- (e) "Points of Delivery" or "POD" *(01/18/08 Version)* means the points where power is transferred from a transmission provider to the customer.
- (f) "Points of Metering" or "POM" *(10/15/07 Version)* means the points at which power is measured.

10. DELIVERY *(11/29/07 Version)*

(a) **Definitions**

- (1) "Integrated Network Segment" means those facilities of the Federal Columbia River Transmission System that are required for the delivery of bulk power supplies, the costs for which are recovered through generally applicable rates, and that are identified as facilities in the Integrated Network Segment, or its successor, in the BPA segmentation study for the applicable transmission rate period as determined in a hearing establishing or revising BPA's transmission rates pursuant to section 7(i) of the Northwest Power Act.
- (2) "Primary Points of Receipt" means the points on the Pacific Northwest transmission system where Firm Requirements Power is forecasted to be made available by Power Services to

«Customer Name» for purposes of obtaining a long-term firm transmission contract.

- (3) “Scheduling Points of Receipt” means the points on the Pacific Northwest transmission system where Firm Requirements Power is made available by Power Services to «Customer Name» for purposes of transmission scheduling.
- (4) “Third Party Transmission Provider” means a transmission provider other than BPA that delivers power to «Customer Name».
- (5) “Transfer Service” means the transmission, distribution and other services provided by a Third Party Transmission Provider to deliver electric energy and capacity over its transmission system.

[BEGIN 10(b) Transmission Service OPTIONS

(b) Transmission Service

Option 1: Include the following for customers who are NOT served by transfer:

- (1) «Customer Name» is responsible for delivery of power from the Scheduling Points of Receipt.

Option 2: Include the following for customers who ARE served by transfer.

- (1) «Customer Name» is responsible for delivery of power from the Scheduling Points of Receipt, except as provided by BPA under section 10(f) of the body of this Agreement.

END 10(b) Transmission Service OPTIONS]

- (2) «Customer Name» shall provide at least 60 days notice to Power Services prior to changing control areas.
- (3) At «Customer Name»’s request, BPA shall provide «Customer Name» with Primary Points of Receipt and other information needed to enable «Customer Name» to obtain long-term firm transmission for delivery of power sold under this Agreement. If required by Transmission Services for purposes of transmission scheduling, Power Services shall provide «Customer Name» with Scheduling Points of Receipt. Power Services has the right to provide power to «Customer Name» at Scheduling Points of Receipt that are different than the Primary Points of Receipt. BPA shall reimburse «Customer Name» for any incremental, direct, non-administrative costs incurred by «Customer Name» to comply with delivering Firm Requirements Power from such a Scheduling Point of Receipt to «Customer Name»’s load if all of the following conditions

have been met:

- (A) «Customer Name» has requested long-term firm transmission service to deliver its Firm Requirements Power using the Primary Points of Receipt and other information provided by Power Services; and
- (B) This condition only applies if «Customer Name» has long-term Point to Point (PTP) transmission service (as defined in BPA's Open Access Transmission Tariff) for delivery of Firm Requirements Power to its load: «Customer Name» has submitted a request to redirect its long-term firm PTP transmission service to deliver Firm Requirements Power from the Scheduling Point of receipt on a firm basis, but that request was not granted; and,
- (C) «Customer Name»'s transmission schedule was curtailed due to non-firm status under PTP transmission service or its secondary service status under Network Integration transmission service (as defined in BPA's Open Access Transmission Tariff) and «Customer Name» can provide proof of the reimbursable costs incurred to replace the curtailed schedule.

(c) **Liability for Delivery**

Notwithstanding section 18(i), Hold Harmless, «Customer Name» waives any claims against BPA arising under this Agreement for nondelivery of power to any points beyond the applicable Points of Receipt. BPA shall not be liable for any third-party claims related to the delivery of power after it leaves the Points of Receipt. In no event will either party be liable under this Agreement to the other party for damage that results from any sudden, unexpected, changed, or abnormal electrical condition occurring in or on any electric system, regardless of ownership. These limitations on liability apply regardless of whether or not this Agreement provides for transfer service.

[BEGIN 10(d) Real Power Losses OPTIONS

Include in LOAD FOLLOWING and BLOCK templates (but not Block/Slice):

Option 1: Include the following if customer purchases the load following or block products and is NOT served by Transfer.

(d) **Real Power Losses (09/03/07 Version)**

BPA is responsible for the real power losses necessary to deliver Firm Requirements Power across the Federal Columbia River Transmission System.

*Include in **LOAD FOLLOWING and BLOCK** templates (but not Block/Slice):*
Option 2: Include the following if customer purchases the load following or block products and IS served by Transfer.

- (d) **Real Power Losses (09/03/07 Version)**
BPA is responsible for the real power losses necessary to deliver Firm Requirements Power across the Federal Columbia River Transmission System and the Third Party Transmission Provider's system.

*Include in **BLOCK/SLICE** template:*

Option 1: Include the following if customer purchases the Slice/Block product and is NOT served by Transfer.

- (d) **Real Power Losses (10/16/07 Version)**
BPA is responsible for the real power losses necessary to deliver Firm Requirements Power under the Block power product across the Federal Columbia River Transmission System. «Customer Name» shall be responsible for all real power losses associated with the delivery of power under the Slice power product.

*Include in **BLOCK/SLICE** template:*

Option 2: Include the following if customer purchases the Slice/Block product and IS served by Transfer.

- (d) **Real Power Losses (10/16/07 Version)**
BPA is responsible for the real power losses necessary to deliver Firm Requirements Power under the Block power product across the Federal Columbia River Transmission System and across the Third Party Transmission Provider's system.

«Customer Name» shall be responsible for all real power losses associated with the delivery of power under the Slice power product except BPA will be responsible for real power losses associated with the delivery of Firm Requirements Power across the Third Party Transmission Provider's system to «Customer Name»'s load.

END 10(d) Real Power Losses OPTIONS]

- (e) **Points of Metering Losses (09/20/07 Version)**
BPA shall adjust measured amounts of power to account for losses, if any, that occur between the points where power enters «Customer Name»'s system and the respective Points of Metering.
- (f) **Delivery by Transfer (11/29/07 Version)**
Subject to the limitations included in section 10(f) of the body of this Agreement, BPA shall acquire and pay for Transfer Service to deliver Firm Requirements Power to «Customer Name»'s PODs, as listed in Exhibit F, Metering. In the event that a conflict exists between the provisions of this Agreement and the Agreement Regarding Transfer Service (ARTS) «Agreement No.», this Agreement shall govern.

- (1) **Ancillary Services**
BPA shall acquire and pay for Ancillary Services (as defined in BPA’s Open Access Transmission Tariff) needed for «Customer Name»’s Transfer Service subject to the following limitations:
- (A) «Customer Name» shall reimburse BPA for regulation service at the applicable or equivalent Transmission Services rate.
- (B) BPA shall pay for the Ancillary Service(s) charged by a Third-Party Transmission Provider to deliver Firm Requirements Power to the PODs listed in Exhibit F, Metering, only if «Customer Name» is also purchasing such Ancillary Service(s) from Transmission Services to deliver Firm Requirements Power to the PODs in Exhibit F, Metering. If at any time «Customer Name» is not purchasing Ancillary Service(s) from Transmission Services to deliver Firm Requirements Power to one or more of the PODs listed in Exhibit F, Metering, then «Customer Name» shall reimburse BPA for the Ancillary Service(s) charges BPA incurs from the Third-Party Transmission Provider to deliver power to such POD(s), at the applicable or equivalent Transmission Services Ancillary Services rate.
- (2) **Low Voltage Delivery (01/29/08 Version)**
Low Voltage Delivery is service over the Low Voltage Segment of any Third Party Transmission Provider’s system. “Low Voltage Segment” means the facilities of a Third-Party Transmission Provider that are equivalent to the voltage level of the facilities excluded by Transmission Services from the Integrated Network Segment. The parties shall list «Customer Name»’s PODs that require Low Voltage Delivery in Exhibit F, Metering. For such PODs, «Customer Name» shall pay Power Services the applicable General Transfer Agreement (GTA) Delivery Charge, or its successor rate, consistent with the applicable BPA Wholesale Power Rate Schedules and GRSPs.
- (3) **Direct Assignment Costs**
In accordance with Transmission Services “Guidelines for Direct Assignment Facilities,” and the “Final Supplemental Guidelines for Direct Assignment of Facilities Costs Incurred Under Transfer Agreements” included in BPA’s Long Term Regional Dialogue Final Policy, July 2007, or successor policies, «Customer Name» shall pay BPA for all directly assigned costs, including but not limited to, facility or system studies costs, construction costs, upgrade costs, and expansion costs, or other

capital costs for facilities directly associated with service to any «Customer Name» PODs assessed by the Third Party Transmission Provider to BPA.

(4) **Penalties Assessed By the Third Party Transmission Provider**

BPA has the right to directly pass through to «Customer Name» any penalty charges assessed by the Third Party Transmission Provider that are associated with BPA's acquisition of Transfer Service to the PODs identified in Exhibit F, Metering. Such charges may include, but are not limited to, power factor penalties or excessive energy imbalance penalties.

(5) **Removal of PODs**

BPA may terminate deliveries at a POD if «Customer Name» consents to the termination or if BPA determines that «Customer Name»'s requirements for power at such point may be adequately supplied under reasonable conditions and circumstances at different POD(s):

- (A) directly from the FCRTS,
- (B) indirectly from the facilities of another transmission owner/operator, or
- (C) both.

(6) **Non-Federal Deliveries** *(01/29/08 Version)*

If «Customer Name» has an existing non-federal resource or is acquiring a non-federal resource necessary to serve its retail load above the established rate period HWM, and «Customer Name» has requested that BPA assist in the acquisition of transmission services for such resource, BPA shall offer «Customer Name» a separate agreement for specific terms and conditions under which BPA will obtain the Transfer Service on a Third Party Transmission Provider's system for delivery of that resource to «Customer Name»'s system. BPA shall develop the agreement consistent with the principles of service specified in Exhibit I, Principles of Non-federal Transfer Service.

(7) **Annexed Loads**

- (A) Subject to the limitations of subsections (B) and (C) below, BPA shall arrange and pay for the network component of Transfer Service for federal power

deliveries to serve «Customer Name»'s Annexed Load. «Customer Name» shall provide BPA written notice of any Annexed Load acquired greater than 1 megawatt no later than 90 days prior to the commencement of service to the Annexed Load.

- (B) BPA's obligation to provide Transfer Service to «Customer Name»'s Annexed Load is limited by the megawatt caps and process for annexed and new public customers set forth in BPA's Long Term Regional Dialogue Final Policy, July 2007, and its successor policies.
- (C) BPA's obligation to provide Transfer Service to «Customer Name»'s Annexed Load is further limited by the \$10 per average megawatt hour cap and process set forth in BPA's Long Term Regional Dialogue Final Policy, July 2007, and its successor policies. «Customer Name» shall reimburse BPA for the costs of the network component of Transfer Service that exceeds the \$10 per average megawatt hour cap.