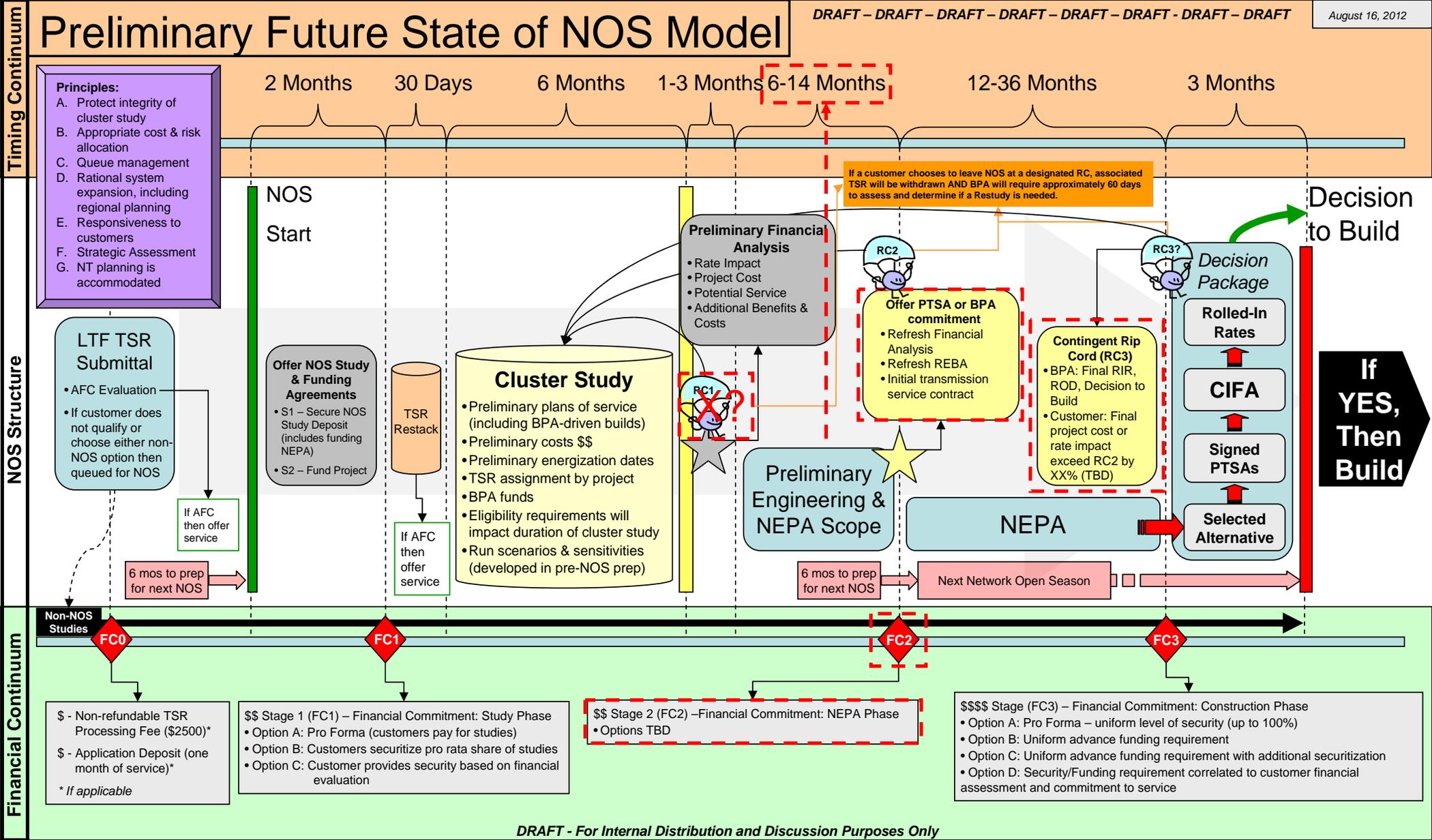


Preliminary Future State of NOS Model



- Principles:**
- A. Protect integrity of cluster study
 - B. Appropriate cost & risk allocation
 - C. Queue management
 - D. Rational system expansion, including regional planning
 - E. Responsiveness to customers
 - F. Strategic Assessment
 - G. NT planning is accommodated

2 Months 30 Days 6 Months 1-3 Months **6-14 Months** 12-36 Months 3 Months

NOS Start

If a customer chooses to leave NOS at a designated RC, associated TSR will be withdrawn AND BPA will require approximately 60 days to assess and determine if a Restudy is needed.

Decision to Build

LTF TSR Submittal

- AFC Evaluation
- If customer does not qualify or choose either non-NOS option then queued for NOS

Offer NOS Study & Funding Agreements

- S1 – Secure NOS Study Deposit (includes funding NEPA)
- S2 – Fund Project

TSR Restack

Cluster Study

- Preliminary plans of service (including BPA-driven builds)
- Preliminary costs \$\$\$
- Preliminary energization dates
- TSR assignment by project
- BPA funds
- Eligibility requirements will impact duration of cluster study
- Run scenarios & sensitivities (developed in pre-NOS prep)

Preliminary Financial Analysis

- Rate Impact
- Project Cost
- Potential Service
- Additional Benefits & Costs

Offer PTSA or BPA commitment

- Refresh Financial Analysis
- Refresh REBA
- Initial transmission service contract

Contingent Rip Cord (RC3)

- BPA: Final RIR, ROD, Decision to Build
- Customer: Final project cost or rate impact exceed RC2 by XX% (TBD)

Decision Package

- Rolled-In Rates
- CIFA
- Signed PTSAs
- Selected Alternative

If YES, Then Build

If AFC then offer service

6 mos to prep for next NOS

If AFC then offer service

6 mos to prep for next NOS

Next Network Open Season

Non-NOS Studies **FC0** **FC1** **FC2** **FC3**

Non-NOS Studies

- \$ - Non-refundable TSR Processing Fee (\$2500)*
- \$ - Application Deposit (one month of service)*

* If applicable

\$\$ Stage 1 (FC1) – Financial Commitment: Study Phase

- Option A: Pro Forma (customers pay for studies)
- Option B: Customers securitize pro rata share of studies
- Option C: Customer provides security based on financial evaluation

\$\$\$ Stage 2 (FC2) – Financial Commitment: NEPA Phase

- Options TBD

\$\$\$\$ Stage (FC3) – Financial Commitment: Construction Phase

- Option A: Pro Forma – uniform level of security (up to 100%)
- Option B: Uniform advance funding requirement
- Option C: Uniform advance funding requirement with additional securitization
- Option D: Security/Funding requirement correlated to customer financial assessment and commitment to service