

**BRITISH COLUMBIA HYDRO AND POWER AUTHORITY**

**Open Access Transmission Tariff (OATT)**

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ACCEPTED: \_\_\_\_\_

ORDER NO. \_\_\_\_\_

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COMMISSION SECRETARY

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### List of Attachments

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Attachment A-1: Form of Service Agreement for the Resale, Reassignment or Transfer of Short-Term Firm Point-To-Point Transmission Service

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- Attachment B: Form of Service Agreement for Long-Term Firm Point-To-Point Transmission Service
- Attachment B-1: Form of Service Agreement for the Resale, Reassignment or Transfer of Long-Term Firm Point-To-Point Transmission Service
- Attachment C: Methodology To Assess Available Transfer Capability
- Attachment D: Methodology for Completing a System Impact Study
- Attachment E: Index of Point-To-Point Transmission Service Customers
- Attachment F: Form of Service Agreement for Network Integration Transmission Service
- Attachment G: Network Operating Agreement
- Attachment H: Annual Transmission Revenue Requirement for Network Integration Transmission Service
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- Attachment J: Procedures for Addressing Parallel Flows
- Attachment K: Transmission Planning Process
- Attachment L: Creditworthiness Provisions
- Attachment M-1: Standard Generator Interconnection Procedures (SGIP) including Standard Generator Interconnection Agreement (SGIA)
- Attachment M-2: Transmission Service and Interconnection Service Procedures for CEAPS
- Attachment N: Deferral Credits for Long Term Point-To-Point Customers Who Participate in a Dispatch Option During Critical Peak Periods
- Attachment O: Recovery of New Facilities Costs
- Attachment P: Contingency Resource Plans (CRP) and Release of Capacity Not Required by Network Integration Transmission Service (NITS)
- Attachment Q-1: Dynamic Scheduling
- Attachment Q-2: Network Economy Service
- Attachment Q-3: Spinning Reserve and Contingency Reserve Transmission Service
- Attachment Q-4: Mixed Class Wheelthrough Service
- Attachment Q-5: Wheeling Rights Under Fortis BC Inc.'s Tariff Supplement No. 9

### List of Tariff Supplements

Tariff Supplement 78: Wheeling for Canal Plant Agreement Coordination Transfers

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**BC Hydro**

Open Access Transmission Tariff

Effective: 09 December 2010

OATT Terms and Conditions

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Tariff Supplement79: BC Hydro Generating Plant Interconnections

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Tariff Supplement 80: Network Economy Service

Tariff Supplement 81: AltaGas Northwest Projects Umbrella Agreement

### **List of Rate Schedules**

#### Section A. Transmission Rates for Services

Schedule 00: Network Integration Transmission Service

Schedule 01: Point-To-Point Transmission Service

Schedule 02: Reserved

Schedule 03: Scheduling, System Control, and Dispatch Service

Schedule 04: Reactive Supply and Voltage Control from Generation or Other Source Services

Schedule 05: Regulation and Frequency Response Service

Schedule 06: Energy Imbalance Service

Schedule 07: Operating Reserve (OR) – Spinning Reserve Service

Schedule 08: Operating Reserve (OR) – Supplemental Reserve Service

Schedule 09: Loss Compensation Service

Schedule 10: Real Power Losses

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**PART I. COMMON SERVICE PROVISIONS****1. Definitions****1.1 Affiliate**

With respect to a corporation, partnership or other entity, each such other corporation, partnership or other entity that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such corporation, partnership or other entity.

**1.2 Ancillary Services**

Those services that are necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation of the Transmission Provider's Transmission System in accordance with Good Utility Practice.

**1.3 Annual Transmission Costs**

The total annual cost of the Transmission System for purposes of Network Integration Transmission Service shall be the amount specified in Attachment H until amended by the Transmission Provider or modified by the Commission.

**1.4 Application**

A request by an Eligible Customer for transmission service pursuant to the provisions of the Tariff.

**1.4.1 Business Day**

Monday through Friday, excluding Statutory Holidays.

**1.4.2 Calendar Day**

Any day including Saturday, Sunday or a Statutory Holiday.

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**1.5 Commission**

The British Columbia Utilities Commission.

**1.6 Completed Application**

An Application that satisfies all of the information and other requirements of the Tariff, including any required deposit.

**1.7 Control Area**

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 capacity and energy purchased from entities outside the electric power system(s), with the load within 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.

**1.8 Curtailment**

A reduction in firm or non-firm transmission service in response to a transfer capability shortage as a result of system reliability conditions.

**1.9 Delivering Party**

The entity supplying capacity and energy to be transmitted at Point(s) of Receipt.

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**1.10 Designated Agent**

Any entity that performs actions or functions on behalf of the Transmission Provider, an Eligible Customer, or the Transmission Customer required under the Tariff.

**1.11 Direct Assignment Facilities**

Facilities or portions of facilities that are constructed by the Transmission Provider for the sole use/benefit of a particular Transmission Customer requesting service under the Tariff. Direct Assignment Facilities shall be specified in the Service Agreement that governs service to the Transmission Customer and may require Commission approval.

**1.11.1 Direct Damages**

Direct damage or loss excluding loss of profit, loss of revenue, loss of production, loss of earnings, loss of contract or any other incidental, consequential, punitive, special, exemplary, or indirect loss or damage whatsoever.

**1.12 Eligible Customer**

(i) Any electric utility (including the Transmission Provider and any power marketer or US Federal power marketing agency), or any person generating electric energy for sale for resale is an Eligible Customer under the Tariff. Electric energy sold or produced by such entity may be electric energy produced in Canada, the United States or Mexico; however, such entity is not eligible for transmission service that would be prohibited by Section 212(h)(2) of the US Federal Power Act; and (ii) Any retail customer taking unbundled transmission service for all or part of its energy purchase pursuant to a provincial requirement that the Transmission Provider offer the transmission service, or pursuant to a voluntary offer of such service by the Transmission Provider, is an Eligible Customer under the Tariff.

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**1.12.1 Energy Resource Interconnection Service**

An Interconnection Service that allows the Interconnection Customer to connect its Generating Facility to the Transmission Provider's Transmission System to be eligible to deliver the Generating Facility's electric output using the existing firm or non-firm capacity of the Transmission Provider's Transmission System on an as available basis. Energy Resource Interconnection Service in and of itself does not convey Transmission Service.

**1.13 Facilities Study**

An engineering study conducted by the Transmission Provider to determine the required modifications to the Transmission Provider's Transmission System, including the cost and scheduled completion date for such modifications, that will be required to provide the requested transmission service.

**1.14 Firm Point-To-Point Transmission Service**

Transmission Service under this Tariff that is reserved and/or scheduled between specified Points of Receipt and Delivery pursuant to Part II of this Tariff.

**1.15 Good Utility Practice**

Any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region, including any reliability

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-standards adopted by the Commission pursuant to section 125.2 of the British Columbia Utilities Commission Act.

**1.16 Interruption**

A reduction in non-firm transmission service due to economic reasons pursuant to Section 14.7.

**1.17 Load Ratio Share**

Ratio of a Network Customer's monthly Network Load to the Transmission Provider's monthly Transmission System load computed in accordance with Sections 34.2 and 34.3 of the Network Integration Transmission Service under Part III of the Tariff and calculated on a monthly basis.

**1.18 Load Shedding**

The systematic reduction of system demand by temporarily decreasing load in response to transmission system or area capacity shortages, system instability, or voltage control considerations under Part III of the Tariff.

**1.19 Long-Term Firm Point-To-Point Transmission Service**

Firm Point-To-Point Transmission Service under Part II of the Tariff with a term of one (1) year or more.

**1.20 Reserved****1.21 Network Customer**

An entity receiving transmission service pursuant to the terms of the Transmission Provider's Network Integration Transmission Service under Part III of the Tariff.

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**1.22 Network Integration Transmission Service**

The transmission service provided under Part III of the Tariff.

**1.23 Network Load**

The load that a Network Customer designates for Network Integration Transmission Service under Part III of the 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. If a Network Customer designates only part of the load at a discrete Point of Delivery, the Network Customer and the Transmission Provider must agree on a metering procedure to separate the part of load that is served by the Network Customer's NITS and the part of load that is served by a separate Point-To-Point Transmission Service. 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.

**1.24 Network Operating Agreement**

An executed agreement that contains the terms and conditions under which the Network Customer shall operate its facilities and the technical and operational matters associated with the implementation of Network Integration Transmission Service under Part III of the Tariff.

**1.25 Network Operating Committee**

A group made up of representatives from the Network Customer(s) and the Transmission Provider established to coordinate operating criteria and other technical

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-considerations required for implementation of Network Integration Transmission Service under Part III of this Tariff.

## **1.26 Network Resource**

Any designated generating resource owned, purchased or leased by a Network Customer under the Network Integration Transmission Service Tariff. Network Resources do not include any resource, or any portion thereof, that is committed for sale to third parties or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis, except for purposes of fulfilling obligations under a reserve sharing program.

### **1.26.1 Network Resource Interconnection Service**

An Interconnection Service that allows the Interconnection Customer to integrate its Generating Facility with the Transmission Provider's Transmission System in the same manner as all other Network Resources. Network Resource Interconnection Services in and of itself does not convey Transmission Service.

## **1.27 Network Upgrades**

Modifications or additions to transmission-related facilities that are integrated with and support the Transmission Provider's overall Transmission System for the general benefit of all users of such Transmission System.

## **1.28 Non-Firm Point-To-Point Transmission Service**

Point-To-Point Transmission Service under the 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 this Tariff. Non-Firm Point-To-Point Transmission Service is available on a stand-alone basis for periods ranging from one (1) hour to less than one (1) year.

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**1.29 Non-Firm Sale**

An energy sale for which receipt or delivery may be interrupted for any reason or no reason, without liability on the part of either the buyer or seller.

**1.30 Open Access Same-Time Information System (OASIS)**

An information system operated by or for the Transmission Provider that satisfies North American industry standards (including those prescribed for US electric utilities by the Federal Energy Regulatory Commission (FERC)) and all Commission requirements (including standards of conduct).

**1.31 Part I**

Tariff Definitions and Common Service Provisions contained in Sections 2 through 12.

**1.32 Part II**

Tariff Sections 13 through 27 pertaining to Point-To-Point Transmission Service in conjunction with the applicable Common Service Provisions of Part I and appropriate Schedules and Attachments.

**1.33 Part III**

Tariff Sections 28 through 35 pertaining to Network Integration Transmission Service in conjunction with the applicable Common Service Provisions of Part I and appropriate Schedules and Attachments.

**1.34 Parties**

The Transmission Provider and the Transmission Customer receiving service under the Tariff.

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**1.35 Point(s) of Delivery**

Point(s) on the Transmission Provider's Transmission System where capacity and energy transmitted by the Transmission Provider will be made available to the Receiving Party under Part II of the Tariff. The Point(s) of Delivery shall be specified in the Service Agreement for Long-Term Firm Point-To-Point Transmission Service.

**1.36 Point(s) of Receipt**

Point(s) of interconnection on the Transmission Provider's Transmission System where capacity and energy will be made available to the Transmission Provider by the Delivering Party under Part II of the Tariff. The Point(s) of Receipt shall be specified in the Service Agreement for Long-Term Firm Point-To-Point Transmission Service.

**1.37 Point-To-Point Transmission Service**

The reservation and transmission of capacity and energy on either a firm or non-firm basis from the Point(s) of Receipt to the Point(s) of Delivery under Part II of the Tariff.

**1.38 Power Purchaser**

The entity that is purchasing the capacity and energy to be transmitted under the Tariff.

**1.39 Pre-Confirmed Application**

An Application that commits the Eligible Customer to execute a Service Agreement upon receipt of notification that the Transmission Provider can provide the requested Transmission Service.

**1.40 Receiving Party**

The entity receiving the capacity and energy transmitted by the Transmission Provider to Point(s) of Delivery.

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**1.41 Regional Transmission Group (RTG)**

A voluntary organization of transmission owners, transmission users and other entities formed to efficiently coordinate transmission planning (and expansion), operation and use on a regional (and interregional) basis.

**1.42 Reserved Capacity**

The maximum amount of capacity of energy that the Transmission Provider agrees to transmit for the Transmission Customer over the Transmission Provider's Transmission System between the Point(s) of Receipt and the Point(s) of Delivery under Part II of the Tariff. Reserved Capacity shall be expressed in terms of whole megawatts on a sixty (60) minute interval (commencing on the clock hour) basis.

**1.43 Service Agreement**

The initial agreement and any amendments or supplements thereto entered into by the Transmission Customer and the Transmission Provider for Long-Term Firm Point-To-Point or Network Integration Transmission Service under the Tariff, and any requests for Short-Term Firm or Non-Firm Point-To-Point Transmission Service made pursuant to an Umbrella Agreement and confirmed over the Transmission Provider's OASIS.

**1.44 Service Commencement Date**

The date the Transmission Provider begins to provide service pursuant to the terms of an executed Service Agreement, or the date the Transmission Provider begins to provide service in accordance with Section 15.3 or Section 29.1 under the Tariff.

**1.45 Short-Term Firm Point-To-Point Transmission Service**

Firm Point-To-Point Transmission Service under Part II of the Tariff with a minimum term of one (1) hour and a maximum term of less than one (1) year.

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**1.46 Reserved****1.47 System Impact Study**

An assessment by the Transmission Provider of (i) the adequacy of the Transmission System to accommodate a request for either Firm Point-To-Point Transmission Service or Network Integration Transmission Service; and (ii) whether any additional costs may be incurred in order to provide transmission service.

**1.48 Third-Party Sale**

Any sale for resale to a Power Purchaser that is not designated as part of Network Load under the Network Integration Transmission Service.

**1.49 Transmission Customer**

Any Eligible Customer (or its Designated Agent) that (i) executes a Service Agreement; (ii) receives service under an Umbrella Agreement; or (iii) requests in writing that the Transmission Provider file with the Commission, a proposed unexecuted Service Agreement to receive transmission service under Part II of the Tariff. This term is used in the Part I Common Service Provisions to include customers receiving transmission service under Part II and Part III of this Tariff.

**1.50 Transmission Provider**

The British Columbia Hydro and Power Authority (BC Hydro).

**1.51 Transmission Provider's Monthly Transmission System Peak**

The maximum firm usage expressed in terms of whole megawatts on a sixty (60) minute interval (commencing on the clock hour) basis, of the Transmission Provider's Transmission System in a calendar month.

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**1.52 Transmission Service**

Point-To-Point Transmission Service provided under Part II of the Tariff on a firm and non-firm basis and Network Integration Transmission Service provided under Part III of the Tariff.

**1.53 Transmission System**

The facilities owned, controlled or operated by the Transmission Provider that are used to provide transmission service under Part II and Part III of the Tariff.

**1.54 Umbrella Agreement**

An agreement between the Transmission Provider and an Eligible Customer which provides all the information necessary to enable such Eligible Customer to receive Short-Term Firm or Non-Firm Point-To-Point Transmission Service under this Tariff without the necessity of first executing a Service Agreement. A form of Umbrella Agreement is attached as Attachment A.

**1.55 Working Day**

Any day in the week excluding weekends and as specified in the Transmission Provider's business practices.

**1.56 \$ or Dollar**

All dollar amounts in the Tariff are in Canadian dollars unless otherwise specified.

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**2. Renewal Procedures****2.1 Reserved****2.2 Reservation Priority For Existing Firm Service Customers**

Unless stated otherwise in the initial Service Agreement in accordance with Section 5 of Attachment B, existing firm service customers with a contract term of five-years or more, have the right to continue to take transmission service from the Transmission Provider when the contract expires, rolls over or is renewed. If at the end of the contract term, the Transmission Provider's Transmission System cannot accommodate all of the requests for transmission service, the existing firm service customer must agree to accept a contract term at least equal to a competing request by any new Eligible Customer and to pay the current just and reasonable rate, as approved by the Commission, for such service; provided that, the firm service customer shall have a right of first refusal at the end of such service only if the new contract is for five years or more. The existing firm service customer must provide notice to the Transmission Provider whether it will exercise its right of first refusal no less than one year prior to the expiration date of its transmission service agreement. Subject to Attachment P this transmission reservation priority for existing firm service customers is an ongoing right that may be exercised at the end of all firm contract terms of five years or longer.

**2.2.1 Transition**

Service agreements subject to a right of first refusal entered into prior to the date new rate schedules of the Transmission Provider adopting the reformed rollover language herein are made effective by the Commission or associated with a transmission service request received prior to the date new rate schedules of the Transmission Provider adopting the reformed rollover language herein are made effective by the Commission, unless terminated, will become subject to the five year/one year requirement on the first rollover date after the date new rate schedules of the Transmission Provider adopting the reformed rollover language herein are made effective by the Commission; provided

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that, the one-year notice requirement shall apply to such service agreements with five years or more left in their terms as of the date new rate schedules of the Transmission Provider adopting the reformed rollover language herein are made effective by the Commission.

### **3. 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: (i) Scheduling, System Control and Dispatch; and (ii) Reactive Supply and Voltage Control from Generation or other Sources.

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: (i) Regulation and Frequency Response; (ii) Energy Imbalance; (iii) Operating Reserve - Spinning; and (iv) Operating Reserve – Supplemental. 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 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 inform the Transmission Provider which Ancillary Services it will purchase from the Transmission Provider prior to the commencement of service requested. A Transmission Customer that exceeds its firm reserved capacity at any Point of Receipt or Point of Delivery or an Eligible Customer that uses Transmission Service at a Point of Receipt or Point of Delivery that it has not reserved is required to pay for all of the Ancillary Services identified in this section that were provided by the Transmission Provider associated with the unreserved service.

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-The Transmission Customer or Eligible Customer will pay for Ancillary Services based on the amount of transmission service it used but did not reserve.

The Transmission Provider shall specify the rate treatment and all related terms and conditions in the event of an unauthorized use of Ancillary Services by the Transmission Customer in the applicable Transmission Provider Rate Schedule 03 through Rate Schedule 09.

The specific Ancillary Services, prices and/or compensation methods are described on the Schedules that are attached to and made a part of the Tariff. Three principal requirements apply to discounts for Ancillary Services provided by the Transmission Provider in conjunction with its provision of transmission service as follows: (i) any offer of a discount made by the Transmission Provider must be announced to all Eligible Customers solely by posting on the OASIS; (ii) 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 (iii) once a discount is negotiated, details must be immediately posted on the OASIS. A discount agreed upon for an Ancillary Service must be offered for the same period to all Eligible Customers on the Transmission Provider's system. Sections 3.1 through 3.6 below list the six Ancillary Services.

### **3.1 Scheduling, System Control and Dispatch Service**

The rates and/or methodology are described in Rate Schedule 03. The Transmission Provider will provide dynamic scheduling in accordance with Attachment Q-1.

### **3.2 Reactive Supply and Voltage Control from Generation or Other Sources Service**

The rates and/or methodology are described in Rate Schedule 04.

### **3.3 Regulation and Frequency Response Service**

Where applicable the rates and/or methodology are described in Rate Schedule 05.

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**3.4 Energy Imbalance Service**

Where applicable the rates and/or methodology are described in Rate Schedule 06.

**3.5 Operating Reserve - Spinning Reserve Service**

Where applicable the rates and/or methodology are described in Rate Schedule 07.

**3.6 Operating Reserve - Supplemental Reserve Service**

Where applicable the rates and/or methodology are described in Rate Schedule 08.

**4. Open Access Same-Time Information System (OASIS)**

The Transmission Provider will follow North American industry standard terms and conditions (including those prescribed for US electric utilities by the FERC) and Commission requirements (including standards of conduct) in implementing, operating or utilizing the OASIS. In the event available transfer capability as posted on the OASIS is insufficient to accommodate a request for firm transmission service, additional studies may be required as provided by this Tariff pursuant to Sections 19 and 32.

The Transmission Provider shall post on OASIS and its public website an electronic link to all rules, standards and practices that (i) relate to the terms and conditions of transmission service, (ii) are not subject to a North American Energy Standards Board (NAESB) copyright restriction, and (iii) are not otherwise included in this Tariff. The Transmission Provider shall post on OASIS and on its public website an electronic link to the NAESB website where any rules, standards and practices that are protected by copyright may be obtained. The Transmission Provider shall also post on OASIS and its public website an electronic link to a statement of the process by which the Transmission Provider shall add, delete or otherwise modify the rules, standards and practices that are not included in this tariff. Such process shall set forth the means by which the Transmission Provider shall provide reasonable advance notice to Transmission Customers and Eligible Customers of any such additions, deletions or modifications, the

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associated effective date, and any additional implementation procedures that the Transmission Provider deems appropriate.

**5. Jurisdiction**

**5.1 Applicable Law**

This Tariff shall be governed by and construed in accordance with the laws of the Province of British Columbia.

**5.2 Modification of the Tariff**

The rates, terms and conditions of this Tariff are subject to decisions, orders, rules and regulations of the Commission and may be amended from time to time.

**5.3 Export Permits or Licence**

The Transmission Provider may refuse to provide Transmission Service to facilitate the export of electricity from Canada if BC Hydro has not been supplied with a copy of the exporter's permit or licence issued by the National Energy Board.

**6. Reciprocity**

A Transmission Customer receiving transmission service under this Tariff agrees to provide comparable transmission service that it is capable of providing to the Transmission Provider on similar terms and conditions over facilities used for the transmission of electric energy owned, controlled or operated by the Transmission Customer and over facilities used for the transmission of electric energy owned, controlled or operated by the Transmission Customer's corporate Affiliates. A Transmission Customer that is a member of, or takes transmission service from, a power pool, Regional Transmission Group, Regional Transmission Organization (RTO), Independent System Operator (ISO) or other transmission organization also agrees to provide comparable transmission service to the transmission-owning members of such

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power pool and Regional Transmission Group, RTO, ISO or other transmission organization on similar terms and conditions over facilities used for the transmission of electric energy owned, controlled or operated by the Transmission Customer and over facilities used for the transmission of electric energy owned, controlled or operated by the Transmission Customer's corporate Affiliates.

This reciprocity requirement applies not only to the Transmission Customer that obtains transmission service under the Tariff, but also to all parties to a transaction that involves the use of transmission service under the Tariff, including the power seller, buyer and any intermediary, such as a power marketer. This reciprocity requirement also applies to any Eligible Customer that owns, controls or operates transmission facilities that uses an intermediary, such as a power marketer, to request transmission service under the Tariff. If the Transmission Customer does not own, control or operate transmission facilities, it must include in its Application a sworn statement of one of its duly authorized officers or other representatives that the purpose of its Application is not to assist an Eligible Customer to avoid the requirements of this provision.

The requirements of this Section may be waived by the Transmission Provider for good cause shown.

## **7. Billing and Payment**

### **7.1 Billing Procedure**

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

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**7.2 Interest on Unpaid Balances**

Interest on any unpaid amounts (including amounts placed in escrow) shall be calculated based on the average prime rate of the Transmission Provider's lead bank plus two (2) percent for the applicable period. 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 the Transmission Provider.

**7.3 Customer Default**

In the event the Transmission Customer fails, for any reason other than a billing dispute as described below, to make payment to the Transmission Provider on or before the due date as described in Section 7.1, and such failure of payment is not corrected within thirty (30) Calendar Days after the Transmission Provider 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, the Transmission Provider may suspend service to the customer in accordance with Attachment L. In the event of a billing dispute between the Transmission Provider and the Transmission Customer, the Transmission Provider will continue to provide service under the Service Agreement or Umbrella 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 the Transmission Provider may provide notice to the Transmission Customer of its intention to suspend service in sixty (60) Calendar Days.

**8. Accounting for the Transmission Provider's Use of the Tariff**

The Transmission Provider shall record the following amounts, as outlined below.

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**8.1 Transmission Revenues**

Include in a separate operating revenue account or subaccount the revenues it receives from Transmission Service when making Third-Party Sales under Part II of the Tariff.

**8.2 Study Costs and Revenues**

Include in a separate transmission operating expense account or subaccount, costs properly chargeable to expenses that are incurred to perform any System Impact Studies or Facilities Studies which the Transmission Provider conducts to determine if it must construct new transmission facilities or upgrades necessary for its own uses, including making Third-Party Sales under the Tariff; and include in a separate operating revenue account or subaccount the revenues received for System Impact Studies or Facilities Studies performed when such amounts are separately stated and identified in the Transmission Customer's billing under the Tariff.

**9. Regulatory Filings**

Nothing contained in the Tariff or any Service Agreement shall be construed as affecting in any way the right of the Transmission Provider to unilaterally make application to the Commission for a change in rates, terms and conditions, charges, classification of service, Service Agreement, rule or regulation pursuant to the British Columbia Utilities Commission Act and the Commission's decisions, orders, rules and regulations promulgated there under.

Nothing contained in the Tariff or any Service Agreement shall be construed as affecting in any way the ability of any Party receiving service under the Tariff to exercise its rights under the British Columbia Utilities Commission Act and pursuant to the Commission's decisions, orders, rules and regulations promulgated thereunder.

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**10. Force Majeure, Indemnification, and Limitation of Liability****10.1 Force Majeure**

An event of Force Majeure means any act of God, labour disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any Curtailment, order, regulation or restriction imposed by governmental military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure event does not include an act of negligence or intentional wrongdoing. Neither the Transmission Provider nor the Transmission Customer will be considered in default as to any obligation under this Tariff if prevented from fulfilling the obligation due to an event of Force Majeure. However, a Party whose performance under this Tariff is hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations under this Tariff.

**10.2 Indemnification**

The Transmission Customer shall at all times indemnify, defend, and save the Transmission Provider harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demands, suits, recoveries, costs and expenses, court costs, legal fees, and all other obligations by or to third parties, arising out of or resulting from the Transmission Provider's performance of its obligations under this Tariff on behalf of the Transmission Customer, except in cases of gross negligence or intentional wrongdoing by the Transmission Provider.

**10.3 Limitation of Liability**

- (a) The Transmission Provider shall not be liable, whether based on contract, indemnification, warranty, tort, strict liability or otherwise, for any damages whatsoever, including, without limitation, Direct Damages, incidental, consequential, punitive, special, exemplary or indirect damages arising or resulting

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-from any act or omission in any way associated with service provided under this Tariff, including, but not limited to, any act or omission that results in an interruption, deficiency or imperfection of service, except to the extent that the Transmission Provider is found liable for gross negligence or intentional misconduct, in which case the Transmission Provider's liability will be limited to Direct Damages.

(b) The Transmission Provider shall not be liable for damages arising out of services provided under this Tariff, including, but not limited to, any act or omission that results in an interruption, deficiency or imperfection of service, occurring as a result of conditions or circumstances beyond the control of the Transmission Provider, as applicable, or resulting from electric system design common to the domestic electric utility industry or electric system operation practices or conditions common to the domestic electric utility industry.

**11. Creditworthiness**

The Transmission Provider's creditworthiness procedures are specified in Attachment L.

**12. Dispute Resolution Procedures**

**12.1 Dispute Resolution Procedures (RTG Members)**

Any dispute between the Transmission Provider and a Transmission Customer who is a member in a common RTG with the Transmission Provider and that involves Transmission Service under this Tariff (excluding Applications for rate changes or other changes to this Tariff, or to any Service Agreement or Umbrella Agreement under this Tariff, which shall be presented directly to the Commission for resolution) shall be resolved pursuant to the provisions of the applicable RTG Governing Agreement.

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**12.2 Internal Dispute Resolution Procedures (Non-RTG Members)**

Any dispute between the Transmission Provider and a Transmission Customer who is not a member in a common RTG with the Transmission Provider and involving transmission service under the Tariff (excluding applications for rate changes or other changes to the Tariff, or to any Service Agreement or Umbrella Agreement entered into under the Tariff, which shall be presented directly to the Commission for resolution) shall be referred to a designated senior representative of the Transmission Provider and a senior representative of the Transmission Customer for resolution on an informal basis as promptly as practicable. In the event the designated representatives are unable to resolve the dispute within thirty (30) Calendar Days or such other period as the Parties may agree upon by mutual agreement, such dispute may be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below.

**12.2.1 Consolidation of Arbitrations related to the Allocation of Transfer Capability**

If any dispute related to the calculation, allocation, sale or award of transfer capability, including a portion of transfer capability, on the Transmission System is submitted to arbitration, then all disputes related to the calculation, allocation, sale or award of that same transfer capability, including the same portion of that transfer capability, on the Transmission System, shall be submitted to arbitration and consolidated into a single arbitration. In the case of such a dispute, if the transfer capability at issue has been allocated to a Transmission Customer, that Transmission Customer may become a Party to the arbitration.

**12.3 External Arbitration Procedures (Non-RTG Members)**

- (a) Any arbitration initiated under the Tariff between Transmission Provider and a Transmission Customer who is not a member in a common RTG with the Transmission Provider shall be conducted in British Columbia before a single neutral arbitrator appointed by the Parties.

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- (b) In the case of a non-consolidated arbitration, if the Parties fail to agree upon a single arbitrator within ten (10) Calendar Days of the referral of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within twenty (20) Calendar Days select a third arbitrator to chair the arbitration panel.
- (c) In the case of a consolidated arbitration, if the Parties fail to agree upon a single arbitrator within ten (10) Calendar Days of the referral of the dispute to arbitration, the Parties will provide a notice to the British Columbia International Commercial Arbitration Centre in Vancouver, British Columbia (the Centre) to appoint an arbitrator pursuant to the Domestic Commercial Arbitration Rules of Procedure of the Centre as amended from time to time.
- (d) The arbitrator(s) shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall conduct the arbitration in British Columbia and shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall generally conduct the arbitration in accordance with the Commercial Arbitration Act of British Columbia.

#### **12.4 Arbitration Decisions**

Unless otherwise agreed or, in the case where Transmission Provider and Transmission Customer are members in a common RTG except as otherwise provided in an applicable RTG Governing Agreement, the arbitrator(s) shall render a decision within ninety (90) Calendar Days of appointment and shall notify the Parties in writing of such decision and the reasons therefor. The arbitrator(s) shall be authorized only to interpret and apply the provisions of the Tariff and any Service Agreement or Umbrella Agreement entered into under the Tariff and shall have no power to modify or change any of the above in any manner. The decision of the arbitrator(s) shall be final and

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-binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards of the Commercial Arbitration Act of British Columbia. The final decision of the arbitrator must also be filed with the Commission if it affects the Transmission Provider's rates, terms and conditions of service or facilities.

### **12.5 Costs**

Except as may be otherwise provided in an RTG Governing Agreement applicable to the Transmission Provider and a Transmission Customer who is a member in a common RTG with the Transmission Provider, each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable:

- (a) the cost of the arbitrator chosen by the Party to sit on the three member panel and one half of the cost of the third arbitrator chosen;
- (b) one half the cost of the single arbitrator jointly chosen by the Parties; or
- (c) in a consolidated arbitration, an equal share of the cost of the single arbitrator jointly chosen by the Parties or appointed by the Centre.

### **12.6 Rights Under The British Columbia *Utilities Commission Act***

Nothing in this section shall restrict the rights of any party to file a Complaint with the Commission under relevant provisions of the British Columbia Utilities Commission Act.

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**PART II. POINT-TO-POINT TRANSMISSION SERVICE****Preamble**

The Transmission Provider will provide Firm and Non-Firm Point-To-Point Transmission Service pursuant to the applicable terms and conditions of this Tariff. Point-To-Point Transmission Service is for the receipt of capacity and energy at designated Point(s) of Receipt and the transfer of such capacity and energy to designated Point(s) of Delivery. Customers taking Point-To-Point Transmission Service must obtain Ancillary Services pursuant to Section 3.

**13. Nature of Firm Point-To-Point Transmission Service****13.1 Term**

The minimum term of Firm Point-To-Point Transmission Service shall be one hour and the maximum term shall be specified in the Service Agreement.

**13.2 Reservation Priority**

(a) Subject to Section 15.8 and Section 15.9, Long-Term Firm Point-To-Point Transmission Service shall be available on a first-come, first-served basis i.e., in the chronological sequence in which each Transmission Customer has reserved service. If available transfer capability is insufficient to satisfy all requests and reservations, reservations for Long-Term Firm Point-To-Point Transmission Service will pre-empt all conditional Short-Term Firm Point-to-Point reservations.

(b) Reservations for Short-Term Firm Point-To-Point Transmission Service will be conditional based upon the length of the requested transaction or reservation. However, Pre-Confirmed Applications for Short-Term Point-to-Point Transmission Service will receive priority over earlier-submitted conditional requests that are not Pre-Confirmed and that have equal or shorter duration. Among requests or reservations with the same duration and, as relevant, pre-confirmation status (pre-confirmed, confirmed, or not confirmed), priority will be given to

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-an Eligible Customer's request or reservation that offers the highest price, followed by the date and time of the request or reservation.

(c) If the Transmission System becomes oversubscribed, requests for service may preempt competing reservations up to the following conditional reservation deadlines: one day before the commencement of daily service, one week before the commencement of weekly service, and one month before the commencement of monthly service. The conditional reservation deadline for hourly service will be specified in the Transmission Provider's Business Practices. Before the conditional reservation deadline, if available transfer capability is insufficient to satisfy all requests and reservations, an Eligible Customer with a reservation for shorter term service or equal duration service and lower price has the right of first refusal to match any longer term request or equal duration service with a higher price before losing its reservation priority. A longer term competing request for Short-Term Firm Point-To-Point Transmission Service will be granted if the Eligible Customer with the right of first refusal does not agree to match the competing request within 24 hours (or earlier if necessary to comply with the scheduling deadlines provided in section 13.8) from being notified by the Transmission Provider of a longer-term competing request for Short-Term Firm Point-To-Point Transmission Service. When a longer duration request preempts multiple shorter duration reservations, the shorter duration reservations shall have simultaneous opportunities to exercise the right of first refusal. Duration, price and time of response will be used to determine the order by which the multiple shorter duration reservations will be able to exercise the right of first refusal. After the conditional reservation deadline, service will commence pursuant to the terms of Part II of the Tariff.

(d) Firm Point-To-Point Transmission Service will always have a reservation priority over Non-Firm Point-To-Point Transmission Service under the Tariff. Reservation priority for Long-Term Firm Point-To-Point Transmission Service will be determined on the same basis as Network Customers. Reservation priorities for existing firm service customers are provided in Section 2.2.

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~~(d)~~(e) Where the Transmission Provider's business practices establish an earliest time at which requests for Firm Point-to-Point Transmission Service may be submitted, any requests for such service that are submitted within a 5 minute window following such earliest time shall be deemed to have been submitted simultaneously during such window. The otherwise applicable priorities shall apply to the allocation of transfer capability to such requests, except that transfer capability will not be allocated based on a first-come, first-served or chronological basis. To allocate transfer capability amongst requests of equal priority, the Transmission Provider will create a randomly determined pick order from the list of Eligible Customers that have submitted requests within the 5 minute window. In accordance with the pick order, the Transmission Provider will grant one request at a time out of the pool of requests of equal priority until all requests in the pool are granted or all available transfer capability is exhausted.

### **13.3 Use of Firm Transmission Service by the Transmission Provider**

The Transmission Provider will be subject to the rates, terms and conditions of Part II of the Tariff when making Third-Party Sales. The Transmission Provider will maintain separate accounting, pursuant to Section 8, for any use of the Point-To-Point Transmission Service to make Third-Party Sales.

### **13.4 Service Agreements**

Subject to Attachment M-2, the Transmission Provider shall offer a standard form Long-Term Firm Point-To-Point Transmission Service Agreement (Attachment B) to an Eligible Customer when it submits a Completed Application for Long-Term Firm Point-To-Point Transmission Service. Subject to Attachment M-2, the Transmission Provider shall offer a standard form Umbrella Agreement (Attachment A) to an Eligible Customer when it first submits a Completed Application for Short-Term Firm Point-To-Point Transmission Service pursuant to the Tariff. An Eligible Customer that uses Transmission Service at a Point of Receipt or Point of Delivery that it has not reserved and that has not executed a Service Agreement will be deemed, for the

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purposes of assessing any appropriate charges and penalties, to have executed the appropriate Service Agreement. The Service Agreement shall, when applicable, specify any conditional curtailment options selected by the Transmission Customer. Where the Service Agreement contains conditional curtailment options and is subject to a biennial reassessment as described in Section 15.4, the Transmission Provider shall provide the Transmission Customer notice of any changes to the curtailment conditions no less than 90 days prior to the date for imposition of new curtailment conditions. Concurrent with such notice, the Transmission Provider shall provide the Transmission Customer with the reassessment study and a narrative description of the study, including the reasons for changes to the curtailment conditions.

### **13.5 Transmission Customer Obligations for Facility Additions or Redispatch Costs**

In cases where the Transmission Provider determines that the Transmission System is not capable of providing Long-Term Firm Point-To-Point Transmission Service without: (i) degrading or impairing the reliability of service to Network Customers and other Transmission Customers taking Long-Term Firm Point-To-Point Transmission Service; or (ii) interfering with the Transmission Provider's ability to meet prior firm contractual commitments to others, the Transmission Provider will be obligated to expand or upgrade its Transmission System pursuant to the terms of Section 15.4. The Transmission Customer must agree to compensate the Transmission Provider for any necessary transmission facility additions pursuant to the terms of Section 27. To the extent the Transmission Provider can relieve any system constraint by redispatching the Transmission Provider's resources, it shall do so, provided that the Eligible Customer agrees to compensate the Transmission Provider pursuant to the terms of Section 27 and agrees to either (i) compensate the Transmission Provider for any necessary transmission facility additions or (ii) accept the service subject to a biennial reassessment by the Transmission Provider of redispatch requirements as described in Section 15.4. Any redispatch, Network Upgrade or Direct Assignment Facilities costs to be charged to the Transmission Customer on an incremental basis under the Tariff will be specified in the Service Agreement prior to initiating service.

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**13.6 Curtailment of Firm Transmission Service**

In the event that a Curtailment on the Transmission Provider's Transmission System, or a portion thereof, is required to maintain reliable operation of such system, Curtailments will be made on a non-discriminatory basis to the transaction(s) that effectively relieve the constraint. If multiple transactions require Curtailment, to the extent practicable and consistent with Good Utility Practice, the Transmission Provider will curtail service to Network Customers and Transmission Customers taking Firm Point-To-Point Transmission Service on an equal basis. All Curtailments will be made on a non-discriminatory basis, however, Non-Firm Point-To-Point Transmission Service shall be subordinate to Firm Transmission Service. Long-Term Firm Point-To-Point Service subject to conditions described in Section 15.4 shall be curtailed with secondary service, as described in Section 28.4, in cases where the conditions apply, but otherwise will be curtailed on a pro rata basis with other Firm Transmission Service. When the Transmission Provider determines that an electrical emergency exists on its Transmission System and implements emergency procedures to Curtail Firm Transmission Service, the Transmission Customer shall make the required reductions upon request of the Transmission Provider. However, the Transmission Provider reserves the right to Curtail, in whole or in part, any Firm Transmission Service provided under the Tariff when, in the Transmission Provider's sole discretion, an emergency or other unforeseen condition impairs or degrades the reliability of its Transmission System. The Transmission Provider will notify all affected Transmission Customers in a timely manner of any scheduled Curtailments.

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**13.7 Classification of Firm Transmission Service**

- (a) Transmission Customer taking Firm Point-To-Point Transmission Service may: (i) change its Point(s) of Receipt and Point(s) of Delivery to obtain service on a non-firm basis consistent with the terms of Section 22.1; or (ii) request a modification of the Points of Receipt or Delivery on a firm basis pursuant to the terms of Section 22.2.
  
- (b) The Transmission Customer may purchase transmission service to make sales of capacity and energy from multiple generating units that are on the Transmission Provider's Transmission System. For such a purchase of transmission service, the resources will be designated as multiple Points of Receipt, unless the multiple generating units are at the same generating plant in which case the units would be treated as a single Point of Receipt.
  
- (c) The Transmission Provider shall provide firm deliveries of capacity and energy from the Point(s) of Receipt to the Point(s) of Delivery. Each Point of Receipt at which firm transmission capacity is reserved by the Transmission Customer shall be set forth in the Firm Point-To-Point Service Agreement for Long-Term Firm Transmission Service along with a corresponding capacity reservation associated with each Point of Receipt. Points of Receipt and corresponding capacity reservations shall be as mutually agreed upon by the Parties for Short-Term Firm Transmission. Each Point of Delivery at which firm transfer capability is reserved by the Transmission Customer shall be set forth in the Long-Term Firm Point-To-Point Service Agreement for Long-Term Firm Transmission Service along with a corresponding capacity reservation associated with each Point of Delivery. Points of Delivery and corresponding capacity reservations shall be as mutually agreed upon by the Parties for Short-Term Firm Transmission. The greater of either: (i) the sum of the capacity reservations at the Point(s) of Receipt; or (ii) the sum of the capacity reservations at the Point(s) of Delivery shall be the Transmission Customer's Reserved Capacity. The Transmission Customer will be

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\_\_\_\_\_ -billed for its Reserved Capacity, in accordance with the terms of Rate Schedule 01. The Transmission Customer may not exceed its firm capacity reserved at each Point of Receipt and each Point of Delivery except as otherwise specified in Section 22. In the event that a Transmission Customer (including Third-Party Sales by the Transmission Provider) exceeds its firm reserved capacity at any Point of Receipt or Point of Delivery, the Transmission Customer shall pay to the Transmission Provider the applicable charges payable under Rate Schedule 01, for the amount of capacity that exceeded the firm reserved capacity or uses Transmission Service at a Point of Receipt or Point of Delivery that it has not reserved.

**13.8 Scheduling of Firm Point-To-Point Transmission Service**

Schedules for the Transmission Customer's Firm Point-To-Point Transmission Service must be submitted to the Transmission Provider no later than 10:00 a.m. or a reasonable time that is generally accepted in the region and is consistently adhered to by the Transmission Provider of the day prior to commencement of such service. Schedules submitted after 10:00 a.m. will be accommodated, if practicable. Hour-to-hour schedules of any capacity and energy that is to be delivered must be stated in increments of 1,000 kW per hour or a reasonable increment that is generally accepted in the region and is consistently adhered to by the Transmission Provider. Transmission Customers within the Transmission Provider's service area with multiple requests for Transmission Service at a Point of Receipt, each of which is under 1,000 kW per hour, may consolidate their service requests at a common point of receipt into units of 1,000 kW per hour for scheduling and billing purposes. Scheduling changes will be permitted up to twenty (20) minutes or a reasonable time that is generally accepted in the region and is consistently adhered to by the Transmission Provider before the start of the next clock hour provided that the Delivering Party and Receiving Party also agree to the schedule modification. The Transmission Provider will furnish to the Delivering Party's system operator, hour-to-hour schedules equal to those furnished by the Receiving Party (unless reduced for losses) and shall deliver the capacity and energy provided by such

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-schedules. Should the Transmission Customer, Delivering Party or Receiving Party revise or terminate any schedule, such party shall immediately notify the Transmission Provider, and the Transmission Provider shall have the right to adjust accordingly the schedule for capacity and energy to be received and to be delivered.

#### **14. Nature of Non-Firm Point-To-Point Transmission Service**

##### **14.1 Term**

Non-Firm Point-To-Point Transmission Service will be available for periods ranging from one (1) hour to less than one (1) year. A Purchaser of Non-Firm Point-To-Point Transmission Service will be entitled to reserve a sequential term of service (such as a sequential monthly term without having to wait for the initial term to expire before requesting another monthly term) so that the total time period for which the reservation applies is less than one (1) year subject to the requirements of Section 18.3.

##### **14.2 Reservation Priority**

Non-Firm Point-To-Point Transmission Service shall be available from transfer capability in excess of that needed for reliable service to Network Customers and other Transmission Customers taking Long-Term and Short-Term Firm Point-To-Point Transmission Service. A higher priority will be assigned first to requests or reservations with a longer duration of service and second to Pre-Confirmed Applications. In the event the Transmission System is constrained, competing requests of the same Pre-Confirmation status and equal duration will be prioritized based on the highest price offered by the Eligible Customer for the Transmission Service. Eligible Customers that have already reserved shorter term service have the right of first refusal to match any longer term request before being preempted. A longer term competing request for Non-Firm Point-To-Point Transmission Service will be granted if the Eligible Customer with the right of first refusal does not agree to match the competing request: (i) immediately for hourly Non-Firm Point-To-Point Transmission Service after notification by the Transmission Provider; and (ii) within 24 hours (or earlier if necessary to comply

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-with the scheduling deadlines provided in Section 14.6) for Non-Firm Point-To-Point Transmission Service other than hourly transactions after notification by the Transmission Provider. Transmission service for Network Customers from resources other than designated Network Resources will have a higher priority than any Non-Firm Point-To-Point Transmission Service. Non-Firm Point-To-Point Transmission Service over secondary Point(s) of Receipt and Point(s) of Delivery will have the lowest reservation priority under the Tariff.

Where the Transmission Provider's business practices establish an earliest time at which requests for Non-Firm Point-to-Point Transmission Service may be submitted, any requests for such service that are submitted within a 5 minute window following such earliest time shall be deemed to have been submitted simultaneously during such window. The otherwise applicable priorities shall apply to the allocation of transfer capability to such requests, except that transfer capability will not be allocated based on a first-come, first-served or chronological basis. To allocate transfer capability amongst requests of equal priority, the Transmission Provider will create a randomly determined pick order from the list of Eligible Customers that have submitted requests within the 5 minute window. In accordance with the pick order, the Transmission Provider will grant one request at a time out of the pool of requests of equal priority until all requests in the pool are granted or all available transfer capability is exhausted.

### **14.3 Use of Non-Firm Point-To-Point Transmission Service by the Transmission Provider**

The Transmission Provider will be subject to the rates, terms and conditions of Part II of the Tariff when making Third-Party Sales. The Transmission Provider will maintain separate accounting, pursuant to Section 8, for any use of Non-Firm Point-To-Point Transmission Service to make Third-Party Sales.

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**14.4 Umbrella Agreements**

The Transmission Provider shall offer a standard form Umbrella Agreement (Attachment A) to an Eligible Customer when it first submits a Completed Application for Non-Firm Point-To-Point Transmission Service pursuant to the Tariff.

**14.5 Classification of Non-Firm Point-To-Point Transmission Service**

Non-Firm Point-To-Point Transmission Service shall be offered under terms and conditions contained in Part II of the Tariff. The Transmission Provider undertakes no obligation under the Tariff to plan its Transmission System in order to have sufficient capacity for Non-Firm Point-To-Point Transmission Service. Parties requesting Non-Firm Point-To-Point Transmission Service for the transmission of firm power do so with the full realization that such service is subject to availability and to Curtailment or Interruption under the terms of the Tariff. In the event that a Transmission Customer (including Third-Party Sales by the Transmission Provider) exceeds its non-firm capacity reservation, the Transmission Customer shall pay to the Transmission Provider the applicable charges payable under Rate Schedule 01 for the amount of capacity that exceeded the non-firm Reserved Capacity. Non-Firm Point-To-Point Transmission Service shall include transmission of energy on an hourly basis and transmission of scheduled short-term capacity and energy on a daily, weekly or monthly basis, to a maximum term if less than one year for any one Application, in accordance with the terms of Rate Schedule 01.

**14.6 Scheduling of Non-Firm Point-To-Point Transmission Service**

Schedules for Non-Firm Point-To-Point Transmission Service must be submitted to the Transmission Provider no later than 2:00 p.m. or a reasonable time that is generally accepted in the region and is consistently adhered to by the Transmission Provider of the day prior to commencement of such service. Schedules submitted after 2:00 p.m. will be accommodated, if practicable. Hour-to-hour schedules of energy that is to be delivered must be stated in increments of 1,000 kW per hour or a reasonable increment

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that is generally accepted in the region and is consistently adhered to by the Transmission Provider. Transmission Customers within the Transmission Provider's service area with multiple requests for Transmission Service at a Point of Receipt, each of which is under 1,000 kW per hour, may consolidate their schedules at a common Point of Receipt into units of 1,000 kW per hour. Scheduling changes will be permitted up to twenty (20) minutes or a reasonable time that is generally accepted in the region and is consistently adhered to by the Transmission Provider before the start of the next clock hour provided that the Delivering Party and Receiving Party also agree to the schedule modification. The Transmission Provider will furnish to the Delivering Party's system operator, hour-to-hour schedules equal to those furnished by the Receiving Party (unless reduced for losses) and shall deliver the capacity and energy provided by such schedules. Should the Transmission Customer, Delivering Party or Receiving Party revise or terminate any schedule, such party shall immediately notify the Transmission Provider, and the Transmission Provider shall have the right to adjust accordingly the schedule for capacity and energy to be received and to be delivered.

#### **14.7 Curtailment or Interruption of Service**

The Transmission Provider reserves the right to Curtail, in whole or in part, Non-Firm Point-To-Point Transmission Service provided under the Tariff for reliability reasons when an emergency or other unforeseen condition threatens to impair or degrade the reliability of its Transmission System. The Transmission Provider reserves the right to interrupt, in whole or in part, Non-Firm Point-To-Point Transmission Service provided under the Tariff for economic reasons in order to accommodate: (i) a request for Firm Transmission Service; (ii) a request for Non-Firm Point-To-Point Transmission Service of greater duration; (iii) a request for Non-Firm Point-To-Point Transmission Service of equal duration with a higher price; (iv) transmission service for Network Customers from non-designated resources; or (v) transmission service for Firm Point-To-Point Transmission Service during conditional curtailment periods as described in Section 15.4. The Transmission Provider also will discontinue or reduce service to the Transmission Customer to the extent that deliveries for transmission are discontinued or

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-reduced at the Point(s) of Receipt. Where required, Curtailments or Interruptions will be made on a non-discriminatory basis to the transaction(s) that effectively relieve the constraint, however, Non-Firm Point-To-Point Transmission Service shall be subordinate to Firm Transmission Service. If multiple transactions require Curtailment or Interruption, to the extent practicable and consistent with Good Utility Practice, Curtailments or Interruptions will be made to transactions of the shortest term (e.g. hourly non-firm transactions will be Curtailed or Interrupted before daily non-firm transactions and daily non-firm transactions will be Curtailed or Interrupted before weekly non-firm transactions). Transmission service for Network Customers from resources other than designated Network Resources will have a higher priority than any Non-Firm Point-To-Point Transmission Service under the Tariff. Non-Firm Point-To-Point Transmission Service over secondary Point(s) of Receipt and Point(s) of Delivery will have a lower priority than any Non-Firm Point-To-Point Transmission Service under the Tariff. The Transmission Provider will provide advance notice of Curtailment or Interruption where such notice can be provided consistent with Good Utility Practice.

**15. Service Availability**

**15.1 General Conditions**

The Transmission Provider will provide Firm and Non-Firm Point-To-Point Transmission Service over, on or across its Transmission System to any Transmission Customer that has met the requirements of Section 16.

**15.2 Determination of Available Transfer Capability**

A description of the Transmission Provider's specific methodology for assessing available transfer capability posted on the Transmission Provider's OASIS (Section 4) is contained in Attachment C of the Tariff. In the event sufficient transfer capability may not exist to accommodate a request for Long-Term Firm Service, the Transmission Provider will respond by performing a System Impact Study

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**15.3 Initiating Service in the Absence of an Executed Service Agreement or Umbrella Agreement**

If the Transmission Provider and the Transmission Customer requesting Firm or Non-Firm Point-To-Point Transmission Service cannot agree on all the terms and conditions of the Point-To-Point Service Agreement or Umbrella Agreement, the Transmission Provider shall file with the Commission, within thirty (30) Calendar Days after the date the Transmission Customer provides written notification directing the Transmission Provider to file, an unexecuted Point-To-Point Service Agreement or Umbrella Agreement containing terms and conditions deemed appropriate by the Transmission Provider for such requested Transmission Service. The Transmission Provider shall commence providing Transmission Service subject to the Transmission Customer agreeing to: (i) compensate the Transmission Provider at whatever rate the Commission ultimately determines to be just and reasonable; and (ii) comply with the terms and conditions of the Tariff including posting appropriate security deposits in accordance with the terms of Section 17.3.

**15.4 Obligation to Provide Transmission Service that Requires Expansion or Modification of the Transmission System, Redispatch or Conditional Curtailment**

(a) If the Transmission Provider determines that it cannot accommodate a Completed Application for Long-Term Firm Point-To-Point Transmission Service because of insufficient capability on its Transmission System, the Transmission Provider will use due diligence to expand or modify its Transmission System to provide the requested Long-Term Firm Transmission Service, consistent with its planning obligations in Attachment K, provided the Transmission Customer agrees to compensate the Transmission Provider for such costs pursuant to the terms of Section 27. The Transmission Provider will conform to Good Utility Practice and its planning obligations in Attachment K, in determining the need for new facilities and in the design and construction of such facilities. The obligation applies only to those facilities that the Transmission Provider has the right to expand or modify.

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The Transmission Provider is not obligated under this Tariff to expand or modify its Transmission System to provide Short-Term Firm Point-To-Point Service.

- (b) If the Transmission Provider determines that it cannot accommodate a Completed Application for Long-Term Firm Point-To-Point Transmission Service because of insufficient capability on its Transmission System, the Transmission Provider will use due diligence to provide redispatch from its own resources until (i) Network Upgrades are completed for the Transmission Customer, (ii) the Transmission Provider determines through a biennial reassessment that it can no longer reliably provide the redispatch, or (iii) the Transmission Customer terminates the service because of redispatch changes resulting from the reassessment. The Transmission Provider shall not unreasonably deny self-provided redispatch or redispatch arranged by the Transmission Customer from a third party resource.
  
- (c) If the Transmission Provider determines that it cannot accommodate a Completed Application for Long-Term Firm Point-To-Point Transmission Service because of insufficient capability on its Transmission System, the Transmission Provider will offer the Firm Transmission Service with the condition that the Transmission Provider may curtail the service prior to the curtailment of other Firm Transmission Service under specified curtailment conditions. If the Transmission Customer accepts the service, the Transmission Provider will use due diligence to provide the service until (i) Network Upgrades are completed for the Transmission Customer, (ii) the Transmission Provider determines through a biennial reassessment that it can no longer reliably provide such service, or (iii) the Transmission Customer terminates the service because the reassessment increased the curtailment conditions.

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**15.5 Deferral of Service**

The Transmission Provider may defer providing service until it completes construction of new transmission facilities or upgrades needed to provide Long-Term Firm Point-To-Point Transmission Service whenever the Transmission Provider determines that providing the requested service would, without such new facilities or upgrades, impair or degrade reliability to any existing firm services.

**15.6 Other Transmission Service Schedules**

Eligible Customers receiving transmission service under other agreements on file with the Commission may continue to receive transmission service under those agreements until such time as those agreements may be modified by the Commission.

**15.7 Real Power Losses**

Real Power Losses are associated with all transmission service. The Transmission Provider is not obligated to provide Real Power Losses. The Transmission Customer is responsible for replacing losses associated with all transmission service as calculated by the Transmission Provider. The applicable Real Power Loss factors are set out in Rate Schedule 10. The Transmission Customer may elect to self-supply losses on its transmission services or to purchase Loss Compensation Service from the Transmission Provider pursuant to its Rate Schedule 09. A Transmission Customer who has elected to purchase Loss Compensation Service from the Transmission Provider will not be able to change its election.

A Transmission Customer who has elected to self-supply transmission losses, must submit a valid loss schedule with each energy schedule associated with its transmission service in accordance with the Transmission Provider's scheduling practices. If the

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Transmission Customer fails to submit a valid loss schedule with its energy schedule associated with its transmission reservation in accordance with the Transmission Provider's scheduling practices and

- (i) if the Transmission Customer has failed to submit a valid loss schedule with its energy schedule fewer than three times, the Transmission Provider will charge the Transmission Customer for Loss Compensation Service pursuant to its Rate Schedule 09, and inform the Transmission Customer the number of times the Transmission Customer has failed to submit valid loss schedule with its energy schedule; or
- (ii) if the Transmission Customer has been notified by the Transmission Provider that the Transmission Customer has failed to submit a valid loss schedule with its energy schedule three times, the Transmission Provider will (a) charge the Transmission Customer for Loss Compensation Service pursuant to its Rate Schedule 09, (b) the Transmission Customer will not be permitted to self supply losses; and (c) the Transmission Provider will notify the Transmission Customer of the commencement date for Loss Compensation Service.

### **15.8 Open Season**

At the Transmission Provider's option, requests for Long-Term Firm Point-To-Point Service may be aggregated, studied, and accommodated together. If the Transmission Provider elects to study requests for long-term service together, all Completed Applications received within a period not to exceed one hundred and eighty (180) Calendar Days (the Open Season Period) will be studied together provided that the Transmission Provider may study a Completed Application separately to the extent warranted by Good Utility Practice based upon the electrical remoteness of the service required and the resulting impacts on the system. Notwithstanding the provisions of Section 13.2, but subject to the provisions of (c) below, all Eligible Customers who submit Completed Applications within the Open Season Period shall have equal

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-reservation priority, behind Completed Applications submitted prior to the Open Season Period and ahead of Completed Applications submitted after the Open Season Period.

The Open Season Period shall have a fixed time interval based on fixed annual opening and closing dates. Any changes to the established Open Season Period shall be announced with a posting on the Transmission Provider's OASIS beginning at least one hundred and eighty (180) Calendar Days in advance of the change and continuing thereafter through the end date of the first Open Season Period that is to be modified.

The provisions of Section 19 apply to Completed Applications received within the Open Season Period except as set out in (a), (b) and (c) below.

(a) The costs of the System Impact Study shall be allocated pro rata based on the capacity requested among the Eligible Customers who have submitted Completed Applications within the Open Season Period and the costs of the Facilities Study shall be allocated, pro rata, based on the capacity requested, among those Eligible Customers who subsequently execute a Facilities Study Agreement tendered by the Transmission Provider in accordance with Section 19.4.

(b) Within fifteen (15) Calendar Days of the date on which the Transmission Provider delivers the Facilities Study or, where an Eligible Customer described in Section 15.9 makes an election pursuant to Section 15.9(c), on the first business day after the Transmission Provider has notified each Eligible Customer that has executed a Facilities Study Agreement of the election made, each Eligible Customer that has executed a Facilities Study Agreement shall indicate on OASIS whether it is willing to pay its applicable share of the good faith estimate of costs allocated in accordance with Attachment O, contained in the Facilities Study. Within thirty (30) Calendar Days of the date on which the Transmission Provider delivers the Facilities Study, the Transmission Provider shall tender a Service Agreement to each Eligible Customer that has indicated that it is willing to pay its applicable share of those costs. Each Service Agreement shall be contingent on execution by each other Eligible Customer

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-receiving a Service Agreement. Each Eligible Customer shall have fifteen (15) Calendar Days to execute its Service Agreement and provide the required letter of credit or other form of security. If any one or more Service Agreements are not executed or security not provided by the expiry of that fifteen-day period, the Transmission Provider shall, within fifteen (15) Calendar Days thereafter, reissue Service Agreements to those Eligible Customers that executed the previous Service Agreement apportioning the costs contained in the Facilities Study among those remaining Eligible Customers. Each of those remaining Eligible Customers shall have fifteen (15) Calendar Days to execute its Service Agreement and provide the required letter of credit or other form of security. If any one or more of those Service Agreements are not executed or security not provided, then the Transmission Provider shall continue to reissue Service Agreements as provided for above until all issued Service Agreements are executed and security provided, or until the last Service Agreement tendered was tendered to a single Eligible Customer.

- (c) Subject to 15.9(a) and Attachment M-2, any available transmission capability that can be provided to accommodate a request for service, in whole or in part, without modification or expansion of the Transmission Provider's Transmission System, shall be allocated to Eligible Customers on a first-come, first-serve basis, i.e., in the chronological sequence in which each has reserved service.

**15.9** An Eligible Customer that has submitted a Completed Application before the Open Season Period described in Section 15.8 may elect, prior to execution of a Service Agreement or the filing of an unexecuted Service Agreement with respect to the requested Transmission Service, to participate in the Open Season process described in Section 15.8. If such an Eligible Customer elects to participate in the Open Season process, the provisions of Section 15.8 apply to that Eligible Customer as though it had submitted a Completed Application within the Open Season period, except as set out in (a), (b), (c) and (d) below:

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- (a) Subject to Attachment M-2, the Eligible Customer shall have priority to any available transmission capability to accommodate its request without modification or expansion of the Transmission Provider's Transmission System on a first-come, first-serve basis, i.e., in the chronological sequence in which it requested service before the open season period.
- (b) The Facilities Study shall include a good faith estimate of costs allocated to the Eligible Customer in accordance with Attachment O on the basis that (i) the Eligible Customer's request was studied separately in accordance with its reservation priority and (ii) the Eligible Customer's request was studied as part of the Open Season process.
- (c) Within fifteen (15) Calendar Days of the date on which the Transmission Provider delivers the Facilities Study, the Eligible Customer shall indicate on OASIS whether it is willing to pay its applicable share of the good faith estimate of costs determined on the basis described in either (b)(i) or (b)(ii) above.
- (d) If the Eligible Customer indicates that it is willing to pay its applicable share of costs, as described in (c) above, the Transmission Provider shall, within thirty (30) Calendar Days of the date on which the Transmission Provider delivers the Facilities Study, tender a Service Agreement to the Eligible Customer in accordance with the Eligible Customer's election in (c) above.

**16. Transmission Customer Responsibilities**

**16.1 Conditions Required of Transmission Customers**

Point-To-Point Transmission Service shall be provided by the Transmission Provider only if the following conditions are satisfied by the Transmission Customer:

- (a) The Transmission Customer has submitted a Completed Application for service;

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- (b) The Transmission Customer meets the creditworthiness criteria set forth in Appendix L;
- (c) The Transmission Customer will have arrangements in place for any other transmission service necessary to effect the delivery from the generating source to the Transmission Provider prior to the time service under Part II of the Tariff commences;
- (d) The Transmission Customer agrees to pay for any facilities constructed and chargeable to such Transmission Customer under Part II of the Tariff and provide security for any Network Upgrades in accordance with Attachment O, whether or not the Transmission Customer takes service for the full term of its reservation;
- (e) The Transmission Customer provides the information required by the Transmission Provider's planning process established in Attachment K; and,
- (f) The Transmission Customer has executed a Point-To-Point Service Agreement or Umbrella Agreement or has agreed to receive service pursuant to Section 15.3.

**16.2 Transmission Customer Responsibility for Third-Party Arrangements**

Any scheduling arrangements that may be required by other electric systems shall be the responsibility of the Transmission Customer requesting service. The Transmission Customer shall provide, unless waived by the Transmission Provider, notification to the Transmission Provider identifying such systems and authorizing them to schedule the capacity and energy to be transmitted by the Transmission Provider pursuant to Part II of the Tariff on behalf of the Receiving Party at the Point of Delivery or the Delivering Party at the Point of Receipt. However, the Transmission Provider will undertake reasonable efforts to assist the Transmission Customer in making such arrangements, including without limitation, providing any information or data required by such other electric system pursuant to Good Utility Practice.

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**17. Procedures for Arranging Firm Point-To-Point Transmission Service**

**17.1 Application**

A request for Firm Point-To-Point Transmission Service for periods of one year or longer must contain an Application to BC Hydro at least sixty (60) Calendar Days in advance of the calendar month in which service is to commence. The Transmission Provider will consider requests for such firm service on shorter notice when feasible. Requests for firm service for periods of less than one year shall be made pursuant to an executed Umbrella Agreement. Request for Short-Term Firm Point-To-Point transmission service of less than one year shall be submitted no earlier than the number of Calendar Days specified by the Transmission Provider in its Business Practices before service is to commence. All Firm Point-To-Point Transmission Service requests must be submitted by entering the information listed below on the Transmission Provider's OASIS. If the Transmission Provider's OASIS is not functioning, a Completed Application may be submitted by: (i) transmitting the required information to the Transmission Provider by telefax; or (ii) providing the information by telephone over the Transmission Provider's time recorded telephone line. Each of these methods will provide a time-stamped record for establishing the priority of the Application.

**17.2 Completed Application**

A Completed Application shall provide all of the information listed below together with such other information as may be required by the Commission:

- (a) The identity, address, telephone number, email address and facsimile number of the entity requesting service;
- (b) A statement that the entity requesting service is, or will be upon commencement of service, an Eligible Customer under the Tariff;

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- (c) The location of the Point(s) of Receipt and Point(s) of Delivery and the identities of the Delivering Parties and the Receiving Parties;
- (d) The location of the generating facility(ies) supplying the capacity and energy and the location of the load ultimately served by the capacity and energy transmitted. The Transmission Provider will treat this information as confidential except to the extent that disclosure of this information is required by this Tariff, by regulatory or judicial order, for reliability purposes pursuant to Good Utility Practice or pursuant to RTG transmission information sharing agreements. The Transmission Provider shall treat this information consistent with its standards of conduct as approved by the Commission;
- (e) A description of the supply characteristics of the capacity and energy to be delivered;
- (f) An estimate of the capacity and energy expected to be delivered to the Receiving Party;
- (g) The Service Commencement Date and the term of the requested Transmission Service;
- (h) The transmission capacity requested for each Point of Receipt and each Point of Delivery on the Transmission Provider's Transmission System; customers may combine their requests for service in order to satisfy the minimum transmission capacity requirement;
- (i) A statement indicating that, if the Eligible Customer submits a Pre-Confirmed Application, the Eligible Customer will execute a Service Agreement upon receipt of notification that the Transmission Provider can provide the requested Transmission Service; and,

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- (j) Any additional information required by the Transmission Provider's planning process established in Attachment K.

The Transmission Provider shall treat this information consistent with its standards of conduct as approved by the Commission.

### **17.3 Deposit**

A Completed Application for Firm Point-To-Point Transmission Service also shall include a deposit of either one month's charge for Reserved Capacity or the full charge for Reserved Capacity for service requests of less than one month. If the Application is rejected by the Transmission Provider because it does not meet the conditions for service as set forth herein, or in the case of requests for service arising in connection with losing bidders in a Request For Proposals (RFP), said deposit less any reasonable costs incurred by the Transmission Provider in connection with the review of the losing bidder's Application shall be refunded with interest on the refundable amount. The deposit less any reasonable costs incurred by the Transmission Provider will also be refunded with interest on the refundable amount if the Transmission Provider is unable to complete new facilities needed to provide the service. If an Application is withdrawn or the Eligible Customer decides not to enter into a Service Agreement for Firm Point-To-Point Transmission Service, the deposit less reasonable costs incurred by the Transmission Provider to the extent such costs have not already been recovered by the Transmission Provider from the Eligible Customer shall be refunded with interest on the refundable amount. The Transmission Provider will provide to the Eligible Customer a complete accounting of all costs deducted from the refunded deposit, which the Eligible Customer may contest if there is a dispute concerning the deducted costs. If a Service Agreement for Firm Point-To-Point Transmission Service is executed, the deposit, with interest, will be returned to the Transmission Customer upon expiration or termination of the Service Agreement for Firm Point-To-Point Transmission Service. Applicable interest shall be computed at the average prime rate of Transmission Provider's lead bank for the applicable period, and shall be calculated from the day the deposit check is credited

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-to the Transmission Provider's account based on the refundable amount. Deposits associated with construction of new facilities are subject to the provisions of Section 19.

#### **17.4 Notice of Deficient Application**

Subject to Attachment M-2, if an Application fails to meet the requirements of the Tariff, the Transmission Provider shall notify the entity requesting service within fifteen (15) Calendar Days of receipt of the reasons for such failure. The Transmission Provider will attempt to remedy minor deficiencies in the Application through informal communications with the Eligible Customer. If such efforts are unsuccessful fifteen (15) Calendar Days after notifying the entity requesting service of the deficiencies, the Transmission Provider shall return the Application, along with any deposit, with interest. Upon receipt of a new or revised Application that fully complies with the requirements of Part II of the Tariff, the Eligible Customer shall be assigned a new priority consistent with the date of the new or revised Application.

#### **17.5 Response to a Completed Application**

Following receipt of a Completed Application for Firm Point-To-Point Transmission Service, the Transmission Provider shall make a determination of available transfer capability as required in Section 15.2. Subject to Attachment M-2, the Transmission Provider shall notify the Eligible Customer as soon as practicable, but not later than thirty (30) Calendar Days after the date of receipt of a Completed Application either: (i) if it will be able to provide service without performing a System Impact Study; or (ii) if such a study is needed to evaluate the impact of the Application pursuant to Section 19.1. Subject to Attachment M-2, responses by the Transmission Provider must be made as soon as practicable to all completed applications (including applications by its own merchant function) and the timing of such responses must be made on a non-discriminatory basis.

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**17.6 Execution of Service Agreement**

Subject to Attachment M-2, whenever the Transmission Provider determines that a System Impact Study is not required and that the service can be provided, it shall notify the Eligible Customer as soon as practicable but no later than thirty (30) Calendar Days after receipt of the Completed Application. Failure of an Eligible Customer to execute and return the Service Agreement or request the filing of an unexecuted service agreement pursuant to Section 15.3, within fifteen (15) Calendar Days after it is tendered by the Transmission Provider will be deemed a withdrawal and termination of the Application and any deposit submitted shall be refunded with interest. Nothing herein limits the right of an Eligible Customer to file another Application after such withdrawal and termination. Where a System Impact Study is required, the provisions of Section 19 will govern the execution of a Service Agreement.

**17.7 Extensions for Commencement of Service**

The Transmission Customer can obtain, subject to availability, up to five (5) one-year extensions for the commencement of service. The Transmission Customer may postpone service by paying a non-refundable annual reservation fee equal to one-month's charge for Firm Transmission Service for each year or fraction thereof within 15 days of notifying the Transmission Provider it intends to extend the commencement of service. If during any extension for the commencement of service an Eligible Customer submits a Completed Application for Firm Transmission Service, and such request can be satisfied only by releasing all or part of the Transmission Customer's Reserved Capacity, the original Reserved Capacity will be released unless the following condition is satisfied. Within thirty (30) Calendar Days, the original Transmission Customer agrees to pay the Firm Point-To-Point transmission rate for its Reserved Capacity concurrent with the new Service Commencement Date. In the event the Transmission Customer elects to release the Reserved Capacity, the reservation fees or portions thereof previously paid will be forfeited.

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**18. Procedures for Arranging Non-Firm Point-To-Point Transmission Service**

**18.1 Application**

Eligible Customers seeking Non-Firm Point-To-Point Transmission Service must submit a Completed Application to the Transmission Provider. Applications must be submitted by entering the information listed below on the Transmission Provider's OASIS. If the Transmission Provider's OASIS is not functioning, a Completed Application may be submitted by: (i) transmitting the required information to the Transmission Provider by telefax; or (ii) providing the information by telephone over the Transmission Provider's time recorded telephone line. Each of these methods will provide a time-stamped record for establishing the service priority of the Application.

**18.2 Completed Application**

A Completed Application shall provide all of the information listed below, together with such other information as may be required by the Commission:

- (a) The identity, address, telephone number and facsimile number of the entity requesting service;
- (b) A statement that the entity requesting service is, or will be upon commencement of service, an Eligible Customer under the Tariff;
- (c) The Point(s) of Receipt and the Point(s) of Delivery;
- (d) The maximum amount of capacity requested at each Point of Receipt and Point of Delivery; and
- (e) The proposed dates and hours for initiating and terminating transmission service hereunder.

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In addition to the information specified above, when required to properly evaluate system conditions, the Transmission Provider also may ask the Transmission Customer to provide the following:

- (f) The electrical location of the initial source of the power to be transmitted pursuant to the Transmission Customer's request for service; and
- (g) The electrical location of the ultimate load.

The Transmission Provider will treat this information in (f) and (g) as confidential at the request of the Transmission Customer except to the extent that disclosure of this information is required by this Tariff, by regulatory or judicial order, for reliability purposes pursuant to Good Utility Practice, or pursuant to RTG transmission information sharing agreements. The Transmission Provider shall treat this information consistent with its standards of conduct as approved by the Commission.

- (h) A statement indicating that, if the Eligible Customer submits a Pre-Confirmed Application, the Eligible Customer will execute a Service Agreement upon receipt of notification that the Transmission Provider can provide the requested Transmission Service.

### **18.3 Reservation of Non-Firm Point-To-Point Transmission Service**

Requests for monthly service shall be submitted no earlier than sixty (60) Calendar Days before service is to commence; requests for weekly service shall be submitted no earlier than fourteen (14) Calendar Days before service is to commence, requests for daily service shall be submitted no earlier than two (2) Working Days before service is to commence, and requests for hourly service shall be submitted no earlier than ~~noon~~ [midnight \(12:00 a.m.\)](#) the Working Day before service is to commence.

Requests for service received later than 2:00 p.m. on the Working Day before service is scheduled to commence will be accommodated if practicable, or such reasonable times that are generally accepted in the region and are consistently adhered to by the Transmission Provider.

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**18.4 Determination of Available Transfer Capability**

Following receipt of a tendered schedule the Transmission Provider will make a determination on a non-discriminatory basis of available transfer capability pursuant to Section 15.2. Such determination shall be made as soon as reasonably practicable after receipt, but not later than the following time periods for the following terms of service: (i) thirty (30) minutes for hourly service; (ii) thirty (30) minutes for daily service; (iii) four (4) hours for weekly service; and (iv) two (2) Calendar Days for monthly service, or such reasonable times that are generally accepted in the region and are consistently adhered to by the Transmission Provider.

**19. Additional Study Procedures For Long-Term Firm Point-To-Point Transmission Service Requests**

**19.1 Notice of Need for System Impact Study**

After receiving a request for service, the Transmission Provider shall determine on a non-discriminatory basis whether a System Impact Study is needed. A description of the Transmission Provider's methodology for completing a System Impact Study is provided in Attachment D. Subject to Attachment M-2, if the Transmission Provider determines that a System Impact Study is necessary to accommodate the requested service, it shall so inform the Eligible Customer, as soon as practicable. Once informed, the Eligible Customer shall timely notify the Transmission Provider if it elects to have the Transmission Provider study redispatch or conditional curtailment as part of the System Impact Study. If notification is provided prior to tender of the System Impact Study Agreement, the Eligible Customer can avoid the costs associated with the study of these options. Subject to Attachment M-2 the Transmission Provider shall within thirty (30) Calendar Days of receipt of a Completed Application, tender a System Impact Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the Transmission Provider for performing the required System Impact Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the

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~~System Impact Study Agreement and return it to the Transmission Provider with a refundable deposit of \$50,000 in accordance with Attachment L, within fifteen (15) Calendar Days. If the Eligible Customer elects not to execute the System Impact Study Agreement or not to provide the required deposit in accordance with Attachment L, its application shall be deemed withdrawn and its deposit, pursuant to Section 17.3, shall be returned.~~

## **19.2 System Impact Study Agreement and Cost Reimbursement**

- (a) The System Impact Study Agreement will clearly specify the Transmission Provider's estimate of the actual cost, and time for completion of the System Impact Study. The charge shall not exceed the actual cost of the study. In performing the System Impact Study, the Transmission Provider shall rely, to the extent reasonably practicable, on existing transmission planning studies. The Eligible Customer will not be assessed a charge for such existing studies; however, the Eligible Customer will be responsible for charges associated with any modifications to existing planning studies that are reasonably necessary to evaluate the impact of the Eligible Customer's request for service on the Transmission System.
- (b) If in response to multiple Eligible Customers requesting service in relation to the same competitive solicitation, a single System Impact Study is sufficient for the

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\_\_\_\_ Transmission Provider to accommodate the requests for service, the costs of that study shall be pro-rated among the Eligible Customers.

- (c) For System Impact Studies that the Transmission Provider conducts on its own behalf, the Transmission Provider shall record the cost of the System Impact Studies pursuant to Section 8.

**19.3 System Impact Study Procedures**

Upon receipt of an executed System Impact Study Agreement, the Transmission Provider will use due diligence to complete the required System Impact Study within a sixty (60) Calendar Day period. The System Impact Study shall identify (1) any system constraints, (2) redispatch options (when requested by an Eligible Customer) including an estimate of the cost of redispatch, (3) conditional curtailment criteria (when requested by an Eligible Customer), and (4) additional Direct Assignment Facilities or Network Upgrades required to provide the requested service. For customers requesting the study of redispatch options, the System Impact Study shall (1) identify all resources located within the Transmission Provider's Control Area that can significantly contribute toward relieving the system constraint and (2) provide a measurement of each resource's impact on the system constraint. If the Transmission Provider possesses information indicating that any resource outside its Control Area could relieve the constraint, it shall identify each such resource in the System Impact Study. In the event that the Transmission Provider is unable to complete the required System Impact Study within such time period, it shall so notify the Eligible Customer and provide an estimated completion date along with an explanation of the reasons why additional time is required to complete the required studies. A copy of the completed System Impact Study and related work papers shall be made available to the Eligible Customer as soon as the System Impact Study is complete. The Transmission Provider shall notify the Eligible Customer immediately upon completion of the System Impact Study if the Transmission System will be adequate to accommodate all or part of a request for service or that no costs are likely to be incurred for new transmission facilities or upgrades. In order for a

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-request to remain a Completed Application, within fifteen (15) Calendar Days of completion of the System Impact Study the Eligible Customer must execute a Service Agreement or request the filing of an unexecuted Service Agreement pursuant to Section 15.3, or the Application shall be deemed terminated and withdrawn.

#### **19.4 Facilities Study Procedures**

If a System Impact Study indicates that additions or upgrades to the Transmission System are needed to supply the Eligible Customer's service request, the Transmission Provider, within thirty (30) Calendar Days of the completion of the System Impact Study, shall tender to the Eligible Customer a Facilities Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the Transmission Provider for performing the required Facilities Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the Facilities Study Agreement and return it with a refundable deposit of \$100,000 in accordance with Attachment L to the Transmission Provider within fifteen (15) Calendar Days. If the Eligible Customer elects not to execute the Facilities Study Agreement or not to provide a deposit in accordance with Attachment L, its application shall be deemed withdrawn and its deposit, pursuant to Section 17.3, shall be returned. Upon receipt of an executed Facilities Study Agreement, the Transmission Provider will use due diligence to complete the required Facilities Study within a sixty (60) Calendar Day period. If the Transmission Provider is unable to complete the Facilities Study in the allotted time period, the Transmission Provider shall notify the Transmission Customer and provide an estimate of the time needed to reach a

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final determination along with an explanation of the reasons that additional time is required to complete the study. When completed, the Facilities Study will include a good faith estimate of: (i) the cost of Direct Assignment Facilities to be charged to the Transmission Customer; (ii) the Transmission Customer's appropriate share of the cost of any required Network Upgrades as determined pursuant to the provisions of Part II of the Tariff; and (iii) the time required to complete such construction and initiate the requested service. As soon as the Facilities Study is complete, the Transmission Provider shall make a copy of the completed Facilities Study available and tender a Service Agreement to the Transmission Customer. The Transmission Customer shall provide the Transmission Provider with a letter of credit or other reasonable form of security acceptable to the Transmission Provider equivalent to the costs of new facilities or upgrades in accordance with Attachment O and consistent with commercial practices as established under the laws of Canada and the Province of British Columbia. After being tendered with a Service Agreement, the Transmission Customer shall have thirty (30) Calendar Days to execute a Service Agreement or request the filing of an unexecuted Service Agreement and provide the required letter of credit or other form of security or the request will no longer be a Completed Application and shall be deemed terminated and withdrawn.

### **19.5 Facilities Study Modifications**

Any change in design arising from inability to site or construct facilities as proposed will require development of a revised good faith estimate. New good faith estimates also will be required in the event of new statutory or regulatory requirements that are effective before the completion of construction or other circumstances beyond the control of the Transmission Provider that significantly affect the final cost of new facilities or upgrades to be charged to the Transmission Customer pursuant to the provisions of Part II of the Tariff.

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**19.6 Due Diligence in Completing New Facilities**

The Transmission Provider shall use due diligence to add necessary facilities or upgrade its Transmission System within a reasonable time. The Transmission Provider will not upgrade its existing or planned Transmission System in order to provide the requested Firm Point-To-Point Transmission Service if doing so would impair system reliability or otherwise impair or degrade existing firm service.

**19.7 Partial Interim Service**

If the Transmission Provider determines that it will not have adequate transfer capability to satisfy the full amount of a Completed Application for Firm Point-To-Point Transmission Service, the Transmission Provider nonetheless shall be obligated to offer and provide the portion of the requested Firm Point-To-Point Transmission Service that can be accommodated without addition of any facilities and through redispatch. However, the Transmission Provider shall not be obligated to provide the incremental amount of requested Firm Point-To-Point Transmission Service that requires the addition of facilities or upgrades to the Transmission System until such facilities or upgrades have been placed in service.

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**19.8 Expedited Procedures for New Facilities**

In lieu of the procedures set forth above, the Eligible Customer shall have the option to expedite the process by requesting the Transmission Provider to tender at one time, together with the results of required studies, an “Expedited Service Agreement” pursuant to which the Eligible Customer would agree to compensate the Transmission Provider for all costs incurred pursuant to the terms of the Tariff. In order to exercise this option, the Eligible Customer shall request in writing an expedited Service Agreement covering all of the above-specified items within thirty (30) Calendar Days of receiving the results of the System Impact Study identifying needed facility additions or upgrades or costs incurred in providing the requested service. While the Transmission Provider agrees to provide the Eligible Customer with its best estimate of the new facility costs and other charges that may be incurred, such estimate shall not be binding and the Eligible Customer must agree in writing to compensate the Transmission Provider for all costs incurred pursuant to the provisions of the Tariff. The Eligible Customer shall execute and

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return such an Expedited Service Agreement within fifteen (15) Calendar Days of its receipt or the Eligible Customer's request for service will cease to be a Completed Application and will be deemed terminated and withdrawn.

### **19.9 Penalties for Failure to Meet Study Deadlines**

Sections 19.3 and 19.4 require a Transmission Provider to use due diligence to meet 60 day study completion deadlines for System Impact Studies and Facilities Studies.

- (a) The Transmission Provider is required to file a notice with the Commission in the event that more than twenty (20) percent of non-Affiliates' System Impact Studies and Facilities Studies completed by the Transmission Provider in any two consecutive calendar quarters are not completed within the study completion deadlines. Such notice must be filed within thirty (30) days of the end of the calendar quarter triggering the notice requirement.
- (b) For the purposes of calculating the percent of non-Affiliates' System Impact Studies and Facilities Studies processed outside of the study completion deadlines, the Transmission Provider shall consider all System Impact Studies and Facilities Studies that it completes for non-Affiliates during the calendar quarter. The percentage should be calculated by dividing the number of those studies which are not completed on time by the total number of completed studies. The Transmission Provider may provide an explanation in its notification filing to the Commission if it believes there are extenuating circumstances that prevented it from meeting the study completion deadlines.
- (c) The Transmission Provider is subject to an operational penalty if it completes ten (10) percent or more of non-Affiliates' System Impact Studies and Facilities Studies outside of the study completion deadlines for each of the two calendar quarters immediately following the quarter that triggered its notification filing to the Commission. The operational penalty will be assessed for each calendar quarter for which an operational penalty applies, starting with the calendar quarter immediately following the quarter that triggered the Transmission Provider's notification filing to the Commission. The

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-operational penalty will continue to be assessed each quarter until the Transmission Provider completes at least ninety (90) percent of all non-Affiliates' System Impact Studies and Facilities Studies within the deadline.

- (d) For penalties assessed in accordance with subsection (c) above, the penalty amount for each System Impact Study or Facilities Study shall be equal to \$500 for each day the Transmission Provider takes to complete that study beyond the deadline.

## **20. Procedures if the Transmission Provider is Unable to Complete New Transmission Facilities for Long-Term Firm Point-To-Point Transmission Service**

### **20.1 Delays in Construction of New Facilities**

If any event occurs that will materially affect the time for completion of new facilities, or the ability to complete them, the Transmission Provider shall promptly notify the Transmission Customer. In such circumstances, the Transmission Provider shall within thirty (30) Calendar Days of notifying the Transmission Customer of such delays, convene a technical meeting with the Transmission Customer to evaluate the alternatives available to the Transmission Customer. The Transmission Provider also shall make available to the Transmission Customer studies and work papers related to the delay, including all information that is in the possession of the Transmission Provider that is reasonably needed by the Transmission Customer to evaluate any alternatives.

### **20.2 Alternatives to the Original Facility Additions**

When the review process of Section 20.1 determines that one or more alternatives exist to the originally planned construction project, the Transmission Provider shall present such alternatives for consideration by the Transmission Customer. If, upon review of any alternatives, the Transmission Customer desires to maintain its Completed Application subject to construction of the alternative facilities, it may request the Transmission Provider to submit a revised Service Agreement for Long-Term Firm Point-To-Point Transmission Service. If the alternative approach solely involves Short-Term Firm or

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~~Non-Firm Point-To-Point Transmission Service~~, the Transmission Provider shall promptly tender an Umbrella Agreement for Short-Term Firm or Non-Firm Point-To-Point Transmission Service providing for the service. In the event the Transmission Provider concludes that no reasonable alternative exists and the Transmission Customer disagrees, the Transmission Customer may seek relief under the dispute resolution procedures pursuant to Section 12 or it may refer the dispute to the Commission for resolution.

**20.3 Refund Obligation for Unfinished Facility Additions**

If the Transmission Provider and the Transmission Customer mutually agree that no other reasonable alternatives exist and the requested service cannot be provided out of existing capability under the conditions of Part II of the Tariff, the obligation to provide the requested Firm Point-To-Point Transmission Service shall terminate and any refundable deposit made by the Transmission Customer shall be returned with interest calculated at a rate equal to the average prime rate of the Transmission Provider's lead bank for the applicable period. However, the Transmission Customer shall be responsible for all prudently incurred costs by the Transmission Provider through the time construction was suspended.

**21. Provisions Relating to Transmission Construction and Services on the Systems of Other Utilities**

**21.1 Responsibility for Third-Party System Additions**

The Transmission Provider shall not be responsible for making arrangements for any necessary engineering, permitting, and construction of transmission or distribution facilities on the system(s) of any other entity or for obtaining any regulatory approval for such facilities. The Transmission Provider will undertake reasonable efforts to assist the Transmission Customer in obtaining such arrangements, including without limitation, providing any information or data required by such other electric system pursuant to Good Utility Practice.

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**21.2 Coordination of Third-Party System Additions**

In circumstances where the need for transmission facilities or upgrades is identified pursuant to the provisions of Part II of the Tariff, and if such upgrades further require the addition of transmission facilities on other systems, the Transmission Provider shall have the right to coordinate construction on its own system with the construction required by others. The Transmission Provider, after consultation with the Transmission Customer and representatives of such other systems, may defer construction of its new transmission facilities, if the new transmission facilities on another system cannot be completed in a timely manner. The Transmission Provider shall notify the Transmission Customer in writing of the basis for any decision to defer construction and the specific problems which must be resolved before it will initiate or resume construction of new facilities. Within sixty (60) Calendar Days of receiving written notification by the Transmission Provider of its intent to defer construction pursuant to this section, the Transmission Customer may challenge the decision in accordance with the dispute resolution procedures pursuant to Section 12 or it may refer the dispute to the Commission for resolution.

**22. Changes in Service Specifications****22.1 Modifications On a Non-Firm Basis**

The Transmission Customer taking Firm Point-To-Point Transmission Service may request the Transmission Provider to provide transmission service on a non-firm basis over Point(s) of Receipt and Point(s) of Delivery other than those specified in the Service Agreement or agreed on pursuant to an Umbrella Agreement (Secondary Receipt and Delivery Points), in amounts not to exceed its firm capacity reservation, without incurring an additional Non-Firm Point-To-Point Transmission Service charge or executing a new Service Agreement or Umbrella Agreement, subject to the following conditions.

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- (a) Service provided over secondary Points of Receipt and Points of Delivery will be non-firm only, on an as-available basis and will not displace any firm or non-firm service reserved or scheduled by third-parties under the Tariff.
- (b) The sum of all Firm and Non-Firm Point-To-Point Transmission Service provided to the Transmission Customer at any time pursuant to this section shall not exceed the Reserved Capacity in the relevant Service Agreement or agreed on pursuant to an Umbrella Agreement under which such services are provided.
- (c) The Transmission Customer shall retain its right to schedule Firm Point-To-Point Transmission Service at the Point(s) of Receipt and Point(s) of Delivery specified in the relevant Service Agreement or agreed on pursuant to an Umbrella Agreement in the amount of its original capacity reservation.
- (d) Service over secondary Points of Receipt and Points of Delivery on a non-firm basis shall not require the filing of an Application for Non-Firm Point-To-Point Transmission Service under the Tariff. However, all other requirements of Part II of the Tariff (except as to transmission rates) shall apply to transmission service on a non-firm basis over secondary Points of Receipt and Points of Delivery.

**22.2 Modification On a Firm Basis**

Any request by a Transmission Customer to modify Point(s) of Receipt and Point(s) of Delivery on a firm basis shall be treated as a new request for service in accordance with Section 17 hereof, except that such Transmission Customer shall not be obligated to pay any additional deposit if the capacity reservation does not exceed the amount reserved in the existing Service Agreement or agreed on pursuant to an Umbrella Agreement. While such new request is pending, the Transmission Customer shall retain its priority for service at the existing firm Point(s) of Receipt and Point(s) of Delivery specified in its Service Agreement or agreed on pursuant to an Umbrella Agreement.

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**23. Sale or Assignment of Transmission Service****23.1 Procedures for Assignment or Transfer of Service**

Subject to Commission approval of any necessary filings, a Transmission Customer may sell, assign, or transfer all or a portion of its rights under its Service Agreement or Umbrella Agreement, but only to another Eligible Customer (the Assignee). The Transmission Customer that sells, assigns or transfers its rights under its Service Agreement or Umbrella Agreement is hereafter referred to as the Reseller.

Compensation to the Reseller shall not exceed the higher of: (i) the original rate paid by the Reseller; (ii) the Transmission Provider's maximum rate on file at the time of the assignment; or (iii) the Reseller's opportunity cost capped at the Transmission Provider's cost of expansion; provided that compensation to Resellers shall be at rates established by agreement between the Reseller and the Assignee. The Assignee must execute a service agreement with the Transmission Provider governing reassignments of transmission service prior to the date on which the reassigned service commences. The Transmission Provider shall charge the Reseller, as appropriate, at the rate stated in the Reseller's Service Agreement with the Transmission Provider or the associated OASIS schedule and credit the Reseller with the price reflected in the Assignee's Service Agreement with the Transmission Provider or the associated OASIS schedule; provided that, such credit shall be reversed in the event of non-payment by the Assignee. If the Assignee does not request any change in the Point(s) of Receipt or the Point(s) of Delivery, or a change in any other term or condition set forth in the original Service Agreement or Umbrella Agreement, the Assignee will receive the same services as did the Reseller and the priority of service for the Assignee will be the same as that of the Reseller. The Assignee will be subject to all terms and conditions of this Tariff. If the Assignee requests a change in service, the reservation priority of service will be determined by the Transmission Provider pursuant to Section 13.2.

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**23.2 Limitations on Assignment or Transfer of Service**

If the Assignee requests a change in the Point(s) of Receipt or Point(s) of Delivery on a firm basis, the request shall be treated as a new request for service in accordance with Section 22.2. If the Assignee requests a change in any other specifications set forth in the original Service Agreement or Umbrella Agreement, the Transmission Provider will consent to such change subject to the provisions of the Tariff, provided that the change will not impair the operation and reliability of the Transmission Provider's generation, transmission or distribution systems. The Assignee shall compensate the Transmission Provider for performing any System Impact Study needed to evaluate the capability of the Transmission System to accommodate the proposed change and any additional costs resulting from such change. The Reseller shall remain liable for the performance of all obligations under the Service Agreement or Umbrella Agreement, except as specifically agreed to by the Transmission Provider and the Reseller through an amendment to the Service Agreement or Umbrella Agreement.

**23.3 Information on Assignment or Transfer of Service**

In accordance with Section 4, all sales or assignments of capacity must be conducted through or otherwise posted on the Transmission Provider's OASIS on or before the date the reassigned service commences and are subject to Section 23.1. Resellers may also use the Transmission Provider's OASIS to post transmission capacity available for resale.

**24. Metering and Power Factor Correction at Point(s) of Receipt and Point(s) of Delivery**

**24.1 Transmission Customer Obligations**

Unless otherwise agreed, the Transmission Customer shall be responsible for installing and maintaining compatible metering and communications equipment to accurately account for the capacity and energy being transmitted under Part II of the Tariff and to

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communicate the information to the Transmission Provider. Such equipment shall remain the property of the Transmission Customer.

**24.2 Transmission Provider Access to Metering Data**

The Transmission Provider shall have access to metering data, which may reasonably be required to facilitate measurements and billing under the Service Agreement.

**24.3 Power Factor**

Unless otherwise agreed, the Transmission Customer is required to maintain a power factor within the same range as the Transmission Provider pursuant to Good Utility Practices. The power factor requirements are specified in the Service Agreement or Umbrella Agreement where applicable.

**25. Compensation for Transmission Service**

Rates for Firm and Non-Firm Point-To-Point Transmission Service are provided in Rate Schedule 01. The Transmission Provider shall use Part II of the Tariff to make its Third-Party Sales. The Transmission Provider shall account for such use at the applicable Tariff rates, pursuant to Section 8.

**26. Stranded Cost Recovery**

The Transmission Provider may seek to recover stranded costs from the Transmission Customer pursuant to this Tariff in accordance with the terms, conditions and procedures approved by the Commission.

**27. Compensation for New Facilities and Redispatch Costs**

Whenever a System Impact Study performed by the Transmission Provider in connection with the provision of Firm Point-To-Point Transmission Service identifies the need for new facilities, the Transmission Customer shall be responsible for such costs in

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-accordance with Attachment O. Whenever a System Impact Study performed by the Transmission Provider identifies capacity constraints that may be relieved by generation redispatch, the Transmission Provider shall use commercially reasonable efforts to procure generation resources for such redispatch and the Transmission Customer shall be responsible for the redispatch costs.

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**PART III. NETWORK INTEGRATION TRANSMISSION SERVICE**

**Preamble**

The Transmission Provider will provide Network Integration Transmission Service pursuant to the applicable terms and conditions contained in the Tariff and Service Agreement. Network Integration Transmission Service allows the Network Customer to integrate, economically dispatch and regulate its current and planned Network Resources to serve its Network Load. Network Integration Transmission Service also may be used by the Network Customer to deliver economy energy purchases to its Network Load from non-designated resources on an as-available basis without additional charge. Transmission service for sales to non-designated loads will be provided pursuant to the applicable terms and conditions of Part II of the Tariff.

**28. Nature of Network Integration Transmission Service**

**28.1 Scope of Service**

Network Integration Transmission Service is a transmission service that allows Network Customers to efficiently and economically utilize their Network Resources (as well as other non-designated generation resources) to serve their Network Load located in the Transmission Provider's Control Area and any additional load that may be designated pursuant to Section 31.3 of the Tariff. The Network Customer taking Network Integration Transmission Service must obtain or provide Ancillary Services pursuant to Section 3.

**28.2 Transmission Provider Responsibilities**

The Transmission Provider will plan, construct, operate and maintain its Transmission System in accordance with Good Utility Practice and its planning obligations in Attachment K in order to provide the Network Customer with Network Integration Transmission Service over the Transmission Provider's Transmission System. The Transmission Provider shall include the Network Customer's Network Load in its

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-Transmission System planning and shall, consistent with Good Utility Practice and Attachment K, and in accordance with Attachment P, endeavour to construct and place into service sufficient transfer capability to deliver the Network Customer's Network Resources to serve its Network Load.

### **28.3 Network Integration Transmission Service**

The Transmission Provider will provide firm transmission service over its Transmission System to the Network Customer for the delivery of capacity and energy from its designated Network Resources to service its Network Loads.

### **28.4 Secondary Service**

The Network Customer may use the Transmission Provider's Transmission System to deliver energy to its Network Loads from resources that have not been designated as Network Resources. Such energy shall be transmitted, on an as-available basis, at no additional charge. Secondary service shall not require the filing of an Application for Network Integration Transmission Service under the Tariff. However, all other requirements of Part III of the Tariff (except for transmission rates) shall apply to secondary service. Deliveries from resources other than Network Resources will have a higher priority than any Non-Firm Point-To-Point Transmission Service under Part II of the Tariff.

### **28.5 Real Power Losses**

Real Power Losses are associated with all transmission service. The Network Customer is responsible for replacing losses associated with all transmission service as calculated by the Transmission Provider. The applicable Real Power Loss factors are set out in Rate Schedule 10.

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**28.6 Restrictions on Use of Service**

The Network Customer shall not use Network Integration Transmission Service for: (i) sales of capacity and energy to non-designated loads; or (ii) direct or indirect provision of transmission service by the Network Customer to third parties. All Network Customers taking Network Integration Transmission Service shall use Point-To-Point Transmission Service under Part II of the Tariff for any Third-Party Sale which requires use of the Transmission Provider's Transmission System. The Transmission Provider shall specify any appropriate charges and penalties and all related terms and conditions applicable in the event that a Network Customer uses Network Integration Transmission Service or secondary service pursuant to Section 28.4 to facilitate a wholesale sale that does not serve a Network Load. All related terms and conditions are specified in Attachment Q-2 and Tariff Supplement No. ~~3~~[80](#) of the Transmission Provider.

**29. Initiating Service**

**29.1 Condition Precedent for Receiving Service**

Subject to the terms and conditions of Part III of the Tariff, the Transmission Provider will provide Network Integration Transmission Service to any Eligible Customer, provided that: (i) the Eligible Customer completes an Application for service as provided under Part III of the Tariff; (ii) the Eligible Customer and the Transmission Provider complete the technical arrangements set forth in Sections 29.3 and 29.4; (iii) the Eligible Customer executes a Service Agreement pursuant to Attachment F for service under Part III of the Tariff or requests in writing that the Transmission Provider file a proposed unexecuted Service Agreement with the Commission; and (iv) the Eligible Customer executes a Network Operating Agreement with the Transmission Provider pursuant to Attachment G.

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## 29.2 Application Procedures

An Eligible Customer requesting service under Part III of the Tariff must submit an Application, which shall include a deposit approximating the charge for one month of service in accordance with Attachment L, to the Transmission Provider as far as possible in advance of the month in which service is to commence. Unless subject to the procedures in Section 2, Completed Applications for Network Integration Transmission Service will be assigned a priority according to the date and time the Application is received, with the earliest Application receiving the highest priority. Applications must be submitted by entering the information listed below on the Transmission Provider's OASIS. If the Transmission Provider's OASIS is not functioning, a Completed Application may be submitted by: (i) transmitting the required information to the Transmission Provider by telefax; or (ii) providing the information by telephone over the Transmission Provider's time recorded telephone line. Each of these methods will provide a time-stamped record for establishing the service priority of the Application. A Completed Application shall provide all of the information listed below together with such other information as may be required by the Commission:

- (a) The identity, address, telephone number, email address and facsimile number of the party requesting service;
- (b) A statement that the party requesting service is, or will be upon commencement of service, an Eligible Customer under the Tariff;
- (c) A description of the Network Load at each delivery point. This description should separately identify and provide the Eligible Customer's best estimate of the total loads to be served at each transmission voltage level, and the loads to be served from each Transmission Provider substation at the same transmission voltage level. The description should include a ten (10) year forecast of summer and winter load and resource requirements beginning with the first year after the service is scheduled to commence;

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- (d) The amount and location of any interruptible loads included in the Network Load. This shall include the summer and winter capacity requirements for each interruptible load (had such load not been interruptible), that portion of the load subject to interruption, the conditions under which an interruption can be implemented and any limitations on the amount and frequency of interruptions. An Eligible Customer should identify the amount of interruptible customer load (if any) included in the 10 year load forecast provided in response to (c) above;
- (e) A description of Network Resources (current and 10-year projection). For each on-system Network Resource, such description shall include:
- i. Unit size and amount of capacity from that unit to be designated as Network Resource
  - ii. VAR capability (both leading and lagging) of all generators
  - iii. Operating restrictions
    1. Any periods of restricted operations throughout the year
    2. Maintenance schedules
    3. Minimum loading level of unit
    4. Normal operating level of unit
    5. Any must-run unit designations required for system reliability or contract reasons
  - iv. Approximate variable generating cost (\$/MWH) for redispatch computations
  - v. Arrangements governing sale and delivery of power to third parties from generating facilities located in the Transmission Provider Control Area, where only a portion of unit output is designated as a Network Resource;

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For each off-system Network Resource, such description shall include:

- vi. Identification of the Network Resource as an off-system resource
  - vii. Amount of power to which the customer has rights
  - viii. Identification of the control area from which the power will originate
  - ix. Delivery point(s) to the Transmission Provider's Transmission System
  - x. Transmission arrangements on the external transmission system(s)
  - xi. Operating restrictions, if any
    - 1. Any periods of restricted operations throughout the year
    - 2. Maintenance schedules
    - 3. Minimum loading level of unit
    - 4. Normal operating level of unit
    - 5. Any must-run unit designations required for system reliability or contract reasons
    - 6. Approximate variable generating cost (\$/MWH) for redispatch computations;
- (f) Description of Eligible Customer's transmission system:
- i. Load flow and stability data, such as real and reactive parts of the load, lines, transformers, reactive devices and load type, including normal and emergency ratings of all transmission equipment in a load flow format compatible with that used by the Transmission Provider
  - ii. Operating restrictions needed for reliability
  - iii. Operating guides employed by system operators

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- iv. Contractual restrictions or committed uses of the Eligible Customer's transmission system, other than the Eligible Customer's Network Loads and Resources
  - v. Location of Network Resources described in subsection (e) above
  - vi. 10 year projection of system expansions or upgrades
  - vii. Transmission System maps that include any proposed expansions or upgrades
  - viii. Thermal ratings of Eligible Customer's Control Area ties with other Control Areas;
- (g) Service Commencement Date and the term of the requested Network Integration Transmission Service. The minimum term for Network Integration Transmission Service is one (1) year;
- (h) A statement signed by an authorized officer from or agent of the Network Customer attesting that all of the Network Resources listed pursuant to Section 29.2(e) satisfy the following conditions: (1) the Network Customer owns the resource, has committed to purchase generation pursuant to an executed contract, or has committed to purchase generation where execution of a contract is contingent upon the availability of transmission service under Part III of the Tariff; and (2) the Network Resources do not include any resources, or any portion thereof, that are committed for sale to non-designated third party load or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis; and
- (i) Any additional information required of the Transmission Customer as specified in the Transmission Provider's planning process established in Attachment K.

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Subject to Attachment M-2, unless the Parties agree to a different time frame, the Transmission Provider must acknowledge the request within ten (10) Calendar Days of receipt. The acknowledgment must include a date by which a response will be sent to the Eligible Customer. Subject to Attachment M-2, if an Application fails to meet the requirements of this section, the Transmission Provider shall notify the Eligible Customer requesting service within fifteen (15) Calendar Days of receipt and specify the reasons for such failure. Wherever possible, the Transmission Provider will attempt to remedy deficiencies in the Application through informal communications with the Eligible Customer. If such efforts are unsuccessful fifteen (15) Calendar Days after notifying the Eligible Customer of the deficiencies, the Transmission Provider shall return the Application without prejudice to the Eligible Customer filing a new or revised Application that fully complies with the requirements of this section. The Eligible Customer will be assigned a new priority consistent with the date of the new or revised Application. The Transmission Provider shall treat this information consistent with its standards of conduct as approved by the Commission.

**29.3 Technical Arrangements to be Completed Prior to Commencement of Service**

Network Integration Transmission Service shall not commence until the Transmission Provider and the Network Customer, or a third party, have completed installation of all equipment specified under the Network Operating Agreement consistent with Good Utility Practice and any additional requirements reasonably and consistently imposed to ensure the reliable operation of the Transmission System. Subject to Attachment M-2, the Transmission Provider shall exercise reasonable efforts, in coordination with the Network Customer, to complete such arrangements as soon as practicable taking into consideration the Service Commencement Date.

**29.4 Network Customer Facilities**

The provision of Network Integration Transmission Service shall be conditioned upon the Network Customer's constructing, maintaining and operating the facilities on its side of

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each delivery point or interconnection necessary to reliably deliver capacity and energy from the Transmission Provider's Transmission System to the Network Customer. The Network Customer shall be solely responsible for constructing or installing all facilities on the Network Customer's side of each such delivery point or interconnection.

**30. Network Resources**

**30.1 Designation of Network Resources**

Network Resources shall include all generation owned, purchased or leased by the Network Customer designated to serve Network Load under the Tariff. Network Resources may not include resources, or any portion thereof, that are committed for sale to non-designated third party load or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis. Any owned or purchased resources that were serving the Network Customer's loads under firm agreements entered into on or before the Service Commencement Date shall initially be designated as Network Resources until the Network Customer terminates the designation of such resources.

**30.2 Designation of New Network Resources**

The Network Customer may designate a new Network Resource by providing the Transmission Provider with as much advance notice as practicable. A designation of a new Network Resource must be made through the Transmission Provider's OASIS by a request for modification of service pursuant to an Application under Section 29. This request must include a statement that the new network resource satisfies the following conditions: (1) the Network Customer owns the resource, has committed to purchase generation pursuant to an executed contract, or has committed to purchase generation where execution of a contract is contingent upon the availability of transmission service under Part III of the Tariff; and (2) The Network Resources do not include any resources, or any portion thereof, that are committed for sale to non-designated third party load or otherwise cannot be called upon to meet the Network Customer's Network Load on a

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-non-interruptible basis. The Network Customer's request will be deemed deficient if it does not include this statement and the Transmission Provider will follow the procedures for a deficient application as described in Section 29.2 of the Tariff.

### **30.3 Termination of Network Resources**

The Network Customer may terminate the designation of all or part of a generating resource as a Network Resource at any time but should provide notification to the Transmission Provider as soon as reasonably practicable.

### **30.4 Operation of Network Resources**

The Network Customer shall not operate its designated Network Resources located in the Network Customer's or Transmission Provider's Control Area such that the output of those facilities exceeds its designated Network Load, plus Non-Firm Sales delivered pursuant to Part II of the Tariff, plus losses, plus power sales under a reserve sharing program. This limitation shall not apply to changes in the operation of a Transmission Customer's Network Resources at the request of the Transmission Provider to respond to an emergency or other unforeseen condition, which may impair or degrade the reliability of the Transmission System. For all Network Resources not physically connected with the Transmission Provider's Transmission System, the Network Customer may not schedule delivery of energy in excess of the Network Resource's capacity, as specified in the Network Customer's Application pursuant to Section 29, unless the Network Customer supports such delivery within the Transmission Provider's Transmission System by either obtaining Point-to-Point Transmission Service or utilizing secondary service pursuant to Section 28.4. The Transmission Provider shall specify the rate treatment and all related terms and conditions applicable in the event that a Network Customer's schedule at the delivery point for a Network Resource not physically interconnected with the Transmission Provider's Transmission System exceeds the Network Resource's designated capacity, excluding energy delivered using secondary service or Point-to-Point Transmission Service.

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**30.5 Network Customer Redispatch Obligation**

As a condition to receiving Network Integration Transmission Service, the Network Customer agrees to redispatch its Network Resources as requested by the Transmission Provider pursuant to Section 33.2. To the extent practical, the redispatch of resources pursuant to this section shall be on a least cost, non-discriminatory basis between all Network Customers, and the Transmission Provider.

**30.6 Transmission Arrangements for Network Resources Not Physically Interconnected With the Transmission Provider**

The Network Customer shall be responsible for any arrangements necessary to deliver capacity and energy from a Network Resource not physically interconnected with the Transmission Provider's Transmission System. The Transmission Provider will undertake reasonable efforts to assist the Network Customer in obtaining such arrangements, including without limitation, providing any information or data required by such other entity pursuant to Good Utility Practice.

**30.7 Limitation on Designation of Network Resources**

The Network Customer must demonstrate that it owns or has committed to purchase generation pursuant to an executed contract in order to designate a generating resource as a Network Resource. Alternatively, the Network Customer may establish that execution of a contract is contingent upon the availability of transmission service under Part III of the Tariff.

**30.8 Use of Interface Capacity by the Network Customer**

There is no limitation upon a Network Customer's use of the Transmission Provider's Transmission System at any particular interface to integrate the Network Customer's Network Resources (or substitute economy purchases) with its Network Loads.

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-However, a Network Customer's use of the Transmission Provider's total interface capacity with other transmission systems may not exceed the Network Customer's Load.

### **30.9 Network Customer Owned Transmission Facilities**

The Network Customer that owns existing transmission facilities that are integrated with the Transmission Provider's Transmission System may be eligible to receive consideration either through a billing credit or some other mechanism. In order to receive such consideration the Network Customer must demonstrate that its transmission facilities are integrated into the plans or operations of the Transmission Provider to serve its power and transmission customers. For facilities added by the Network Customer subsequent to the date new rate schedules of the Transmission Provider implementing the proposed revisions herein are made effective by the Commission, the Network Customer shall receive credit for such transmission facilities added if such facilities are integrated into the operations of the Transmission Provider's facilities; provided however, the Network Customer's transmission facilities shall be presumed to be integrated if such transmission facilities, if owned by the Transmission Provider, would be eligible for inclusion in the Transmission Provider's annual transmission revenue requirement as specified in Attachment H. Calculation of any credit under this subsection shall be addressed in either the Network Customer's Service Agreement or any other agreement between the Parties.

## **31. Designation of Network Load**

### **31.1 Network Load**

The Network Customer must designate the individual Network Loads on whose behalf the Transmission Provider will provide Network Integration Transmission Service. The Network Loads shall be specified in the Service Agreement.

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**31.2 New Network Loads Connected With the Transmission Provider**

The Network Customer shall provide the Transmission Provider with as much advance notice as reasonably practicable of the designation of new Network Load that will be added to its Transmission System. A designation of new Network Load must be made by a request for a modification of service pursuant to a new Application under Section 29. The Transmission Provider will use due diligence to install any transmission facilities required to interconnect a new Network Load designated by the Network Customer. The costs of new facilities required to interconnect a new Network Load shall be determined in accordance with the procedures provided in Section 32.4 and shall be charged to the Network Customer in accordance with Commission policies.

**31.3 Network Load Not Physically Interconnected With the Transmission Provider**

This section applies to both initial designation pursuant to Section 31.1 and the subsequent addition of new Network Load not physically interconnected with the Transmission Provider. To the extent that the Network Customer desires to obtain transmission service for a load outside the Transmission Provider's Transmission System, the Network Customer shall have the option of: (i) electing to include the entire load as Network Load for all purposes under Part III of the Tariff and designating Network Resources in connection with such additional Network Load; or (ii) excluding that entire load from its Network Load and purchasing Point-To-Point Transmission Service under Part II of the Tariff. To the extent that the Network Customer gives notice of its intent to add a new Network Load as part of its Network Load pursuant to this section the request must be made by a request for modification of service pursuant to a new Application under Section 29.

**31.4 New Interconnection Points**

To the extent the Network Customer desires to add a new delivery point or interconnection point between the Transmission Provider's Transmission System and a

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-Network Load, the Network Customer shall provide the Transmission Provider with as much advance notice as reasonably practicable.

### **31.5 Changes in Service Requests**

Under no circumstances shall the Network Customer's decision to cancel or delay a requested change in Network Integration Transmission Service (e.g. the addition of a new Network Resource or designation of a new Network Load) in any way relieve the Network Customer of its obligation to pay the costs of transmission facilities constructed by the Transmission Provider and charged to the Network Customer as reflected in the Service Agreement. However, the Transmission Provider must treat any requested change in Network Integration Transmission Service in a non-discriminatory manner.

### **31.6 Annual Load and Resource Information Updates**

The Network Customer shall provide the Transmission Provider with annual updates of Network Load and Network Resource forecasts consistent with those included in its Application for Network Integration Transmission Service under Part III of the Tariff including, but not limited to, any information provided under section 29.2(i) pursuant to the Transmission Provider's planning process in Attachment K. The Network Customer also shall provide the Transmission Provider with timely written notice of material changes in any other information provided in its Application relating to the Network Customer's Network Load, Network Resources, its transmission system or other aspects of its facilities or operations affecting the Transmission Provider's ability to provide reliable service.

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**32. Additional Study Procedures For Network Integration Transmission Service Requests**

**32.1 Notice of Need for System Impact Study**

After receiving a request for service, the Transmission Provider shall determine on a non-discriminatory basis whether a System Impact Study is needed. A description of the Transmission Provider's methodology for completing a System Impact Study is provided in Attachment D. Subject to Attachment M-2, if the Transmission Provider determines that a System Impact Study is not necessary, the Transmission Provider shall within thirty (30) Calendar Days of receipt of a Completed Application tender a Service Agreement and, within fifteen (15) Calendar Days of the tendering of the Service Agreement, the Eligible Customer must execute a Service Agreement or request the filing of an unexecuted Service Agreement, or the Application shall be deemed terminated and withdrawn. Subject to Attachment M-2, if the Transmission Provider determines that a System Impact Study is necessary to accommodate the requested service, it shall so inform the Eligible Customer, as soon as practicable. Subject to Attachment M-2, in such cases, the Transmission Provider shall within thirty (30) Calendar Days of receipt of a Completed Application, tender a System Impact Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the Transmission Provider for performing the required System Impact Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the System Impact Study Agreement and return it with a refundable deposit of \$50,000 in accordance with Attachment L to the Transmission Provider within fifteen (15) Calendar Days. If the Eligible Customer elects not to execute the System Impact Study Agreement or not to provide the required deposit in accordance with Attachment L, its Application shall be deemed withdrawn and its deposit shall be returned pursuant to Section 17.3.

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**32.2 System Impact Study Agreement and Cost Reimbursement**

- (a) The System Impact Study Agreement will clearly specify the Transmission Provider's estimate of the actual cost, and time for completion of the System Impact Study. The charge shall not exceed the actual cost of the study. In performing the System Impact Study, the Transmission Provider shall rely, to the extent reasonably practicable, on existing transmission planning studies. The Eligible Customer will not be assessed a charge for such existing studies; however, the Eligible Customer will be responsible for charges associated with any modifications to existing planning studies that are reasonably necessary to evaluate the impact of the Eligible Customer's request for service on the Transmission System.
- (b) If in response to multiple Eligible Customers requesting service in relation to the same competitive solicitation, a single System Impact Study is sufficient for the Transmission Provider to accommodate the service requests, the costs of that study shall be pro-rated among the Eligible Customers.
- (c) For System Impact Studies that the Transmission Provider conducts on its own behalf, the Transmission Provider shall record the cost of the System Impact Studies pursuant to Section 8.

**32.3 System Impact Study Procedures**

Upon receipt of an executed System Impact Study Agreement, the Transmission Provider will use due diligence to complete the required System Impact Study within a sixty (60) Calendar Day period or as otherwise agreed to with the Network Customer. The System Impact Study shall identify (1) any system constraints, identified with specificity by transmission element or flowgate, (2) redispatch options (when requested by an Eligible Customer) including, to the extent possible, an estimate of the cost of redispatch, (3) available options for installation of automatic devices to curtail service (when requested by an Eligible Customer), and (4) additional Direct Assignment

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Facilities or Network Upgrades required to provide the requested service. For customers requesting the study of redispatch options, the System Impact Study shall (1) identify all resources located within the Transmission Provider's Control Area that can significantly contribute toward relieving the system constraint and (2) provide a measurement of each resource's impact on the system constraint. If the Transmission Provider possesses information indicating that any resource outside its Control Area could relieve the constraint, it shall identify each such resource in the System Impact Study. In the event that the Transmission Provider is unable to complete the required System Impact Study within such time period, it shall so notify the Eligible Customer and provide an estimated completion date along with an explanation of the reasons why additional time is required to complete the required studies. A copy of the completed System Impact Study and related work papers shall be made available to the Eligible Customer as soon as the System Impact Study is complete. The Transmission Provider will use the same due diligence in completing the System Impact Study for an Eligible Customer as it uses when completing studies for itself. The Transmission Provider shall notify the Eligible Customer immediately upon completion of the System Impact Study if the Transmission System will be adequate to accommodate all or part of a request for service or that no costs are likely to be incurred for new transmission facilities or upgrades. In order for a request to remain a Completed Application, within fifteen (15) Calendar Days of completion of the System Impact Study the Eligible Customer must execute a Service Agreement or request the filing of an unexecuted Service Agreement, or the Application shall be deemed terminated and withdrawn.

#### **32.4 Facilities Study Procedures**

If a System Impact Study indicates that additions or upgrades to the Transmission System are needed to supply the Eligible Customer's service request, the Transmission Provider, within thirty (30) Calendar Days of the completion of the System Impact Study, shall tender to the Eligible Customer a Facilities Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the Transmission Provider for performing the required Facilities Study. For a service request to remain a Completed Application, the

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-Eligible Customer shall execute the Facilities Study Agreement and return it with a refundable deposit of \$100,000 in accordance with Attachment L to the Transmission Provider within fifteen (15) Calendar Days. If the Eligible Customer elects not to execute the Facilities Study Agreement or not to provide the required deposit in accordance with Attachment L, its Application shall be deemed withdrawn and its deposit shall be returned pursuant to Section 17.3. Upon receipt of an executed Facilities Study Agreement, the Transmission Provider will use due diligence to complete the required Facilities Study within a sixty (60) Calendar Day period or as otherwise agreed to with the Network Customer. If the Transmission Provider is unable to complete the Facilities Study in the allotted time period, the Transmission Provider shall notify the Eligible Customer and provide an estimate of the time needed to reach a final determination along with an explanation of the reasons that additional time is required to complete the study. When completed, the Facilities Study will include a good faith estimate of: (i) the cost of Direct Assignment Facilities to be charged to the Eligible Customer; (ii) the Eligible Customer's appropriate share of the cost of any required Network Upgrades; and (iii) the time required to complete such construction and initiate the requested service. As soon as the Facilities Study is complete, the Transmission Provider shall make a copy of the completed Facilities Study available and tender a Service Agreement to the Eligible Customer. The Eligible Customer shall provide the Transmission Provider with a letter of credit or other reasonable form of security acceptable to the Transmission Provider equivalent to the costs of new facilities or upgrades in accordance with Attachment O and consistent with commercial practices as established under the laws of Canada and the Province of British Columbia. After being tendered with a Service Agreement, the Eligible Customer shall have sixty (60) Calendar Days to execute a Service Agreement or request the filing of an unexecuted Service Agreement and provide the required letter of credit or other form of security or the request no longer will be a Completed Application and shall be deemed terminated and withdrawn.

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**32.5 Penalties for Failure to Meet Study Deadlines**

Section 19.9 defines penalties that apply for failure to meet the study completion due diligence deadlines for System Impact Studies and Facilities Studies under Part II of the Tariff. These same requirements and penalties apply to service under Part III of the Tariff.

**33. Load Shedding and Curtailments**

**33.1 Procedures**

Prior to the Service Commencement Date, the Transmission Provider and the Network Customer shall establish Load Shedding and Curtailment procedures pursuant to the Network Operating Agreement with the objective of responding to contingencies on the Transmission System. The Parties will implement such programs during any period when the Transmission Provider determines that a system contingency exists and such procedures are necessary to alleviate such contingency. The Transmission Provider will notify all affected Network Customers in a timely manner of any scheduled Curtailment.

**33.2 Transmission Constraints**

During any period when the Transmission Provider determines that a transmission constraint exists on the Transmission System, and such constraint may impair the reliability of the Transmission Provider's system, the Transmission Provider will take whatever actions, consistent with Good Utility Practice, that are reasonably necessary to maintain the reliability of the Transmission Provider's system. To the extent the Transmission Provider determines that the reliability of the Transmission System can be maintained by redispatching resources, the Transmission Provider will initiate procedures pursuant to the Network Operating Agreement to redispatch all Network Resources on a least-cost basis without regard to the ownership of such resources. Any redispatch under this section may not unduly discriminate among any Network Customer's use of the Transmission System to serve its designated Network Load.

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**33.3 Cost Responsibility for Relieving Transmission Constraints**

Whenever the Transmission Provider implements least-cost redispatch procedures in response to a transmission constraint, the Network Customers will each bear a proportionate share of the total redispatch cost based on their respective Load Ratio Shares.

**33.4 Curtailments of Scheduled Deliveries**

If a transmission constraint on the Transmission Provider's Transmission System cannot be relieved through the implementation of least-cost redispatch procedures and the Transmission Provider determines that it is necessary to curtail scheduled deliveries, the Parties shall curtail such schedules in accordance with the Network Operating Agreement.

**33.5 Allocation of Curtailments**

The Transmission Provider shall, on a non-discriminatory basis, curtail the transaction(s) that effectively relieve the constraint. However, to the extent practicable and consistent with Good Utility Practice, any curtailment will be shared by the Network Customers in proportion to their respective Load Ratio Shares.

**33.6 Load Shedding**

To the extent that a system contingency exists on the Transmission Provider's Transmission System and the Transmission Provider determines that it is necessary for the Network Customer to shed load, the Network Customer shall shed load in accordance with previously established procedures under the Network Operating Agreement.

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**33.7 System Reliability**

Notwithstanding any other provisions of this Tariff, the Transmission Provider reserves the right, consistent with Good Utility Practice and on a not unduly discriminatory basis, to curtail Network Integration Transmission Service without liability on the Transmission Provider's part for the purpose of making necessary adjustments to, changes in, or repairs on its lines, substations and facilities, and in cases where the continuance of Network Integration Transmission Service would endanger persons or property. In the event of any adverse condition(s) or disturbance(s) on the Transmission Provider's Transmission System or on any other system(s) directly or indirectly interconnected with the Transmission Provider's Transmission System, the Transmission Provider, consistent with Good Utility Practice, also may curtail Network Integration Transmission Service in order to: (i) limit the extent or damage of the adverse condition(s) or disturbance(s); (ii) prevent damage to generating or transmission facilities; or (iii) expedite restoration of service. The Transmission Provider will give the Network Customer as much advance notice as is practicable in the event of such curtailment. The Transmission Provider shall specify the rate treatment and all related terms and conditions applicable in the event that the Network Customer fails to respond to established Load Shedding and Curtailment procedures.

**34. Rates and Charges**

The Network Customer shall pay the Transmission Provider for any Direct Assignment Facilities, Ancillary Services, and applicable study costs pursuant to this Tariff, along with the following:

**34.1 Monthly Demand Charge**

The Network Customer shall pay a monthly Demand Charge, which shall be determined by multiplying its Load Ratio Share times one twelfth (1/12) of the Transmission Provider's Annual Transmission Revenue Requirement specified in Attachment H.

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**34.2 Determination of Network Customer’s Monthly Network Load**

The Network Customer’s monthly Network Load is its hourly load expressed in terms of whole megawatts on a sixty (60) minute interval (commencing on the clock hour) basis (including its designated Network Load not physically interconnected with the Transmission Provider under Section 31.3) coincident with the Transmission Provider’s Monthly Transmission System Peak.

**34.3 Determination of Transmission Provider’s Monthly Transmission System Load**

The Transmission Provider’s monthly Transmission System load is the Transmission Provider’s Monthly Transmission System Peak minus the coincident peak usage of all Firm Point-To-Point Transmission Service customers pursuant to Part II of this Tariff plus the Reserved Capacity of all Firm Point-To-Point Transmission Service customers.

**34.4 Redispatch Charge**

The Network Customer shall pay a Load Ratio Share of any redispatch costs allocated among the Network Customers pursuant to Section 33. To the extent that the Transmission Provider incurs an obligation to the Network Customer for redispatch costs in accordance with Section 33, such amounts shall be credited against the Network Customer’s bill for the applicable month.

**34.5 Stranded Cost Recovery**

The Transmission Provider may seek to recover stranded costs from the Network Customer pursuant to this Tariff in accordance with the terms, conditions and procedures approved by the Commission.

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**35. Operating Arrangements****35.1 Operation Under the Network Operating Agreement**

The Network Customer shall plan, construct, operate and maintain its facilities in accordance with Good Utility Practice and in conformance with the Network Operating Agreement.

**35.2 Network Operating Agreement**

The terms and conditions under which the Network Customer shall operate its facilities and the technical and operational matters associated with the implementation of Part III of the Tariff shall be specified in the Network Operating Agreement. The Network Operating Agreement shall provide for the Parties to: (i) operate and maintain equipment necessary for integrating the Network Customer within the Transmission Provider's Transmission System (including, but not limited to, remote terminal units, metering, communications equipment and relaying equipment); (ii) transfer data between the Transmission Provider and the Network Customer (including, but not limited to, heat rates and operational characteristics of Network Resources, generation schedules for units outside the Transmission Provider's Transmission System, interchange schedules, unit outputs for redispatch required under Section 33, voltage schedules, loss factors and other real time data); (iii) use software programs required for data links and constraint dispatching; (iv) exchange data on forecasted loads and resources necessary for long-term planning; and (v) address any other technical and operational considerations required for implementation of Part III of the Tariff, including scheduling protocols. The Network Operating Agreement will recognize that the Network Customer shall either: (i) operate as a Control Area under applicable reliability standards adopted by the Commission; or (ii) satisfy its Control Area requirements, including all necessary Ancillary Services, by contracting with the Transmission Provider; or (iii) satisfy its Control Area requirements, including all necessary Ancillary Services, by contracting with another entity, consistent with Good Utility Practice, which satisfies applicable

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-reliability requirements. The Transmission Provider shall not unreasonably refuse to accept contractual arrangements with another entity for Ancillary Services. The Network Operating Agreement is included in Attachment G.

**35.3 Network Operating Committee**

A Network Operating Committee (Committee) shall be established to coordinate operating criteria for the Parties' respective responsibilities under the Network Operating Agreement. Each Network Customer shall be entitled to have at least one representative on the Committee. The Committee shall meet from time to time as need requires, but no less than once each calendar year.

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