

CONDITIONAL FIRM SERVICE (CFS)

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1.0 OVERVIEW

Pursuant to Section 15.4(c) BC Hydro's <u>Open Access Transmission TariffOpen Access</u> <u>Transmission Tariff</u> (OATT), Conditional Firm Service (CFS) is a form of Long-Term Firm Point-to-Point (LTFPTP) transmission service that <u>Transmission Service</u>. BC Hydro <u>offersmay offer CFS to</u> <u>the Transmission Customer</u> when there is insufficient <u>long-term firm_Long-Term Firm Point-to-</u> <u>Point</u> Available Transfer Capability (ATC) to <u>meetaccommodate</u> the Transmission Customer's full <u>request or Partial ServiceCompleted Application</u> for <u>Full</u> LTFPTP transmission service. <u>CFS</u> <u>Transmission Service or Partial LTFPTP Transmission Service¹. BC Hydro offers CFS with the</u> <u>condition that the service</u> may be curtailed prior to other firm service under pre-specified curtailment conditions. <u>Refer to BC Hydro's Business Practice on Submitting a Long Term Firm</u> <u>Point-To-Point Transmission Service Request for information on submitting a LTFPTP</u> transmission request.

¹ As defined per OATT Section 19.7.



These Business Practices provide clarification of the rules, standards and practices used by BC Hydro to implement its OATT.

While the terms of BC Hydro's OATT and these Business Practices govern, the Transmission Customers should also refer to the NAESB WEQ Business Standards and WECC Regional Criteria, which BC Hydro has followed in most, but not all, respects. BC Hydro also complies with the Mandatory Reliability Standards adopted by the BCUC.

2.0 AVAILABILITY OF CFS

CFS is a long-term transmission_Long-Term Firm Point-to-Point Transmission Service with a requested service and not available for short-term. period of one year or longer². In response to a Completed Application (per Section 17.2 of BC Hydro's OATT) forfor a LTFPTP Transmission Service, BC Hydro will make a determination Request³ (TSR), BC Hydro will process the TSR in gueue priority and will typically determine ATC⁴ through the study process and its assumptions. Consequently, BC Hydro may offer CFS, as requested by the Transmission Customer, in whole (Full CFS) or in part (Partial CFS) if firm transmission capacity is not sufficient to accommodate the capacity requested in the Completed Application.

<u>As discussed below and with the exception</u> of ATC. CFS may be the BPAT>AESO and the BCHA>AESO paths, a Transmission Customer can elect to take CFS that is offered as either:

- i. a "Substitute Service" for a Transmission Customer who does not wish to commit to a study agreement and/or Network Upgrades and can accept a lower curtailment priority level than that of LTFPTP Transmission Service; or
- ii. an interim "Bridging Service" for a Transmission Customer who can accept a lower curtailment priority level than that of LTFPTP Transmission Service while studies and/or Network Upgrades are undertaken for the possibility of acquiring Full or Partial LTFPTP Transmission Service in the future.

3.0IF ELIGIBILITY

<u>CFS cannot be requested by the Transmission Customer on OASIS; rather, BC Hydro offers the</u> <u>Transmission Customer CFS when all of the following eligibility conditions are met:</u>

- i. The Transmission Customer submits a Completed Application for LTFPTP Service.
- ii. The TSR related to the Completed Application has a stop time exceeding 1 year.
- iii. The Transmission Customer is next in the queue.
- iv. The Transmission Customer requests that CFS be studied when determining the assumptions for the system study.
- v. BC Hydro determines that it does not have adequate ATC to accommodate the full request or provide Partial Service.

² Please refer to BC Hydro's Business Practice on Submitting a Long-Term Firm Point-To-Point Transmission Service Request ³ Please refer to Section 17.2 of BC Hydro's OATT

⁴ Please refer to BC Hydro's Business Practice on Processing of Long-Term Firm Point-to-Point Transmission Service Requests



i.vi. BC Hydro determines that there is not adequate ATC to satisfy the full or Partial Service for capacity requested in the Completed Application and if the terms for CFS outlined below are met. ATC that could be granted for CFS (ATC for CFS).

<u>BC Hydro will decline Transmission Customer's Completed Application when either of the</u> <u>following conditions apply to the TSR related to the Completed Application:</u>

i. A stop time less than 1 year of when CFS becomes available from the queue.ii. Less than 12 months remaining in the term of the TSR that is in the queue

4.0 CFS SERVICE AGREEMENT

<u>BC Hydro will tender a CFS Service Agreement to the Transmission Customer based on eligibility</u> as set out in section 3.0 above. Depending on the ATC for CFS on the Completed Application, a <u>CFS Service Agreement may be for Full CFS or Partial CFS</u>.

4.1 Service Agreement

For All Paths Excluding BCHA>AESO and BPAT>AESO Paths

BC Hydro will tender the following to the Transmission Customer:

- i. <u>A Service Agreement for Full CFS or Partial CFS, as applicable; and</u>
- ii. A study agreement (either a System Impact Study Agreement or a Facilities Study Agreement), as applicable.

For BCHA>AESO and BPAT>AESO Paths

<u>BC Hydro will only tender to the Transmission Customer a Service Agreement for Full</u> <u>CFS or Partial CFS, as applicable.</u>

Pursuant to BCUC Order G-110-08, TTC on this path is limited to 850MW, firm sales are limited to 480MW, and CFS offerings are limited to 305MW. Furthermore, facilities studies have been suspended; therefore, no study agreements will be tendered.

4.2 Offer Timelines and Conditions

<u>Pursuant to</u> Refer to BC Hydro's OATT Business Practice on Processing of Long-Term Firm Pointto Point Transmission Service Requests for information on BC Hydro's evaluation of submitted LTFPTP TSRs.

2.1 Definitions

Forecasted Period: means a 24-month period.



Current Forecasted Period: means a Forecasted Period starting from the month following.

Initial Forecasted Period: means the first Forecasted Period from the Start-date of a CFS Service Agreement.

2.2 Determination of ATC for CFS

BC Hydro determines ATC for CFS for the Current Forecasted Period as follows:

1. Use BC Hydro's short-term monthly Firm ATC, which BC Hydro posts daily on OASIS for the current month plus the next 12 months, as estimates for the first year's monthly Firm ATC for CFS.

Use the values obtained in 1. above as estimates for the second year's monthly Firm ATC for CFS for a total of 24 months of monthly Firm ATC.<u>BC Hydro's OATT Section 17.6, the</u> Transmission Customer has up to 15 days to accept BC Hydro's CFS offer and/or study agreement (if applicable) after it is tendered by BC Hydro; otherwise, the offer is deemed Withdrawn. The table below describes the outcomes and/or next steps for the Transmission Customer given the response to the offer(s).

Transmission Customer Response			Actions
<u>#</u>	<u>CFS</u> <u>Agreement</u> <u>Executed</u>	<u>Study</u> <u>Agreement</u> <u>Executed</u>	
<u>1</u>	<u>Full CFS</u>	Yes	The Transmission customer will be granted the CFS, which will serve as a bridging service until the conclusion of the studies, at which point: a) If the study concludes that Network Upgrades are not needed to provide Full LTFPTP transmission service, then the CFS will be upgraded to Full LTFPTP Transmission service. b) If the study concludes that Network Upgrades are needed to provide LTFPTP Transmission service. b) If the study concludes that Network Upgrades are needed to provide LTFPTP Transmission Service in part or in full: i) If the customer commits to Network Upgrades via a Facilities Study Agreement, then the full or partial amount of CFS will be upgraded to LTFPTP Transmission Service once the upgrades are in service, as applicable. ii) If the customer does not commit to Network Upgrades, the CFS will serve as a substitute service.



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<u>2</u>	Partial CFS	Yes The	e actions depend on the subject of the Study Agreement.
			a) If the Study Agreement is for "firming up" the Partial CFS to acquire LTFPTP Transmission Service only:
			The TSR's status will be updated to COUNTEROFFER with the Partial CFS granted as a bridging service until the studies conclude.
			If the study concludes that Network Upgrades are not needed to provide LTFPTP Transmission Service in part or in full, then the applicable portion of Partial CFS will be upgraded to LTFPTP Transmission service.
			If the study concludes that Network Upgrades are needed to provide LTFPTP Transmission Service to the Partial CFS in part or in full:
			 If the customer commits to Network Upgrades via a Facilities Study Agreement, then the applicable amount of CFS will be upgraded to LTFPTP Transmission Service once the upgrades are in service.
			 If the customer does not commit to Network Upgrades, the Partial CFS will serve as a substitute service.
			The Transmission Customer shall, within five (5) business days after the CFS Service Agreement is executed, submit on OASIS one or more new Supplementary TSR(s) in order to maintain the queue priority of the remaining capacity and/or term ⁵ .
			b) If the Study Agreement is for the remaining capacity only:
			• The TSR's status will be updated to COUNTEROFFER with the Partial CFS granted as a substitute service.
			The Transmission Customer shall, within 5 business days after the CFS Service Agreement is executed, submit on OASIS a TSR for the remaining capacity and/or term, which will be updated with STUDY status; after which Processing of Long-Term Point-to-Point Transmission Service Requests Business Practice applies.
			c) If the Study Agreement is for "firming up" the full capacity of the TSR:
			• The Transmission customer will be granted the Partial CFS, which will serve as a bridging service until the conclusion of the studies, at which point:
			If the study concludes that Network Upgrades are not needed to provide Full LTFPTP Transmission Service, then the Full LTFPTP Transmission service will be granted.
			If the study concludes that Network Upgrades are needed to provide LTFPTP <u>Transmission Service in part or in full:</u>
			 If the customer commits to Network Upgrades via a Facilities Study Agreement, then the applicable amount of capacity will be upgraded to and/or granted LTFPTP Transmission Service once the upgrades are in service.
			 If the customer does not commit to Network Upgrades, the Partial CFS will serve as a substitute service.
			• The Transmission Customer shall, within 5 business days after the CFS Service Agreement is executed, submit on OASIS a TSR for the remaining capacity and/or term, which will be updated with STUDY status.



	Transmission Customer Response		Actions
<u>#</u>	<u>CFS</u> <u>Agreement</u> Executed	<u>Study</u> <u>Agreement</u> Executed	
3	Full CFS	No	The Transmission customer will be granted the CFS as a substitute service.
4	Partial CFS	No	The TSR's status will be updated to COUNTEROFFER with the Partial CFS granted as a substitute service.
5	No	Yes	The TSR will retain its position in the queue in STUDY status and will receive no further consideration for CFS. If the study concludes that Network Upgrades are not needed to provide Full LTFPTP transmission service, then BC Hydro will tender a Service Agreement for full LTFPTP Transmission Service to the Transmission Customer ⁶ . If the study concludes that Network Upgrades are needed to provide Full LTFPTP transmission service, and the Transmission Customer commits to Network Upgrades via a Facilities Study Agreement, then BC Hydro will tender a Service Agreement for full LTFPTP Transmission Service to the Transmission Customer does not execute the Service Agreement, then the TSR will be deemed Withdrawn and be removed from the queue.
<u>6</u>	<u>No</u>	<u>No</u>	The TSR will be deemed Withdrawn and be removed from the queue.

5.0 TRANSMISSION QUEUE PRIORITY AND PROCESSING

When a full CFS or partial CFS Service Agreement is executed, the associated TSR(s) will remain in the queue as a placeholder for the purpose of determining the order of firming, when firm transmission service becomes available⁶.

6.0 FIRMING UP CFS

BC Hydro will convert CFS to firm Transmission Service ("firm up") before offering Short-Term Firm ATC to the market. All existing CFS Transmission Reservations (Confirmed TSRs with CFS) on the same path will be firmed up automatically by BC Hydro, at the same time, only when there is sufficient Short-Term Firm ATC for a period of time, for all of the CFS Transmission Reservations on that path. CFS Transmission Reservations that have been firmed up are no longer conditional for those periods, and they will be curtailed pro-rata with other Firm Transmission Reservations.

7.0

3. For BC to US Path only, the monthly Firm ATC is determined by using BC Hydro's forecast monthly loads, forecast monthly generation dispatching pattern, and transmission system configuration. The resulting monthly firm transfer capabilities are the monthly Firm ATC after allowing for the requirement of BC Hydro's domestic customers and other committed use. To mitigate uncertainty risk in forecasting BC Hydro's requirements for domestic customers, BC Hydro will adjust the monthly Firm ATC for CFS for the BC to US path as follows:

⁵ Refer to section 3.1 of the Long-Term Firm Point-to-Point Partial Service Business Practice to submit the Supplementary TSR(s).
 ⁶ Please refer to section 3.5 of BC Hydro's Business Practice on Processing of Long-Term Firm Point-to-Point Transmission Service Requests



- Set the monthly Firm ATC for CFS for the months of November, December, January and February to zero to account for the uncertain timing of the weather dependent system peak.
- Reduce the monthly Firm ATC for CFS in the second year based on BC Hydro's projected growth rate for integrated system demand.
- 4. Using the calculated monthly Firm ATC for CFS, BC Hydro will make path-specific CFS offers as discussed below. Unconditional periods (months) where CFS has the same curtailment as other firm services and conditional periods (months) where CFS can be curtailed prior to other firm services.
- 5. If the monthly Firm ATC is less than the capacity requested, BC Hydro will offer firm service in an amount equal to the monthly Firm ATC, and conditional service for the balance of requested capacity subject to TTC limitation (i.e., TTC ≥ Transmission Reliability Margin + Existing Firm Commitments + CFS).

3.0 CFS CURTAILMENT CONDITIONS PRIORITY

BC Hydro offers CFS based on monthly path-specific curtailment priorities as determined by the ATC in Section 2 above.

During conditional periods, CFS has the same curtailment priority as Secondary Network Transmission Service (curtailed pro-rata with Type 1 Secondary Network transmission serviceEconomy); and during unconditional periods CFS has the same curtailment priority as other Firm transmission services (curtailed pro-rata with other Firm transmission service).]⁷.

⁷ Please refer to BC Hydro's Business Practice on Curtailment of Transmission and Energy.



4.9 SHORT-TERM FIRM ATC

Short-Term Firm ATC (i.e. hourly, daily, weekly or monthly) will be awarded to CFS Transmission Customers, to convert the conditional service amounts to firm service amounts ("firm up") prior to being offered to the market. All confirmed CFS reservations on the same path will be firmed up automatically by BC Hydro at the same time only when there is sufficient Firm ATC for all of the confirmed CFS reservations on that path. Therefore, if BC Hydro is offering Short-Term Firm ATC to the market for any periods (e.g. hour, day, week, or month, as applicable), the confirmed CFS reservations have been firmed up and is no longer conditional for those periods, and they will be curtailed pro-rata with other Firm transmission services.

5.0 PRICING

CFS will be charged the same price as LTFPTP transmission service as defined in Rate Schedule 01 of BC Hydro's OATT.

69.0 CFS SERVICE AGREEMENT BIENNIAL REASSESSMENT

6.1 Service Agreement

If BC Hydro determines that it does not have adequate ATC to satisfy the full or Partial Service of the capacity requested on the Completed Application Pursuant to Section 15.4(c) of BC Hydro's OATT, BC Hydro will tenderretains the right to reassess on a biennial basis (i.e. every two years) CFS associated with the Transmission Customer:

(i) A Service Agreement for full or partial CFS, as applicable; and

(ii) An applicable study agreement (either a System Impact Study Agreement or Facilities Study Agreement).

If the <u>Customer's</u> Transmission Customer rejects the CFS offer but executes a study agreement, the LTFPTP TSR will retain its position in the queue in STUDY status and will receive no further consideration for CFS. With respect to TSR(s) submitted for service on the BPAT-AESO or BCHA-AESO paths, refer to section 6.3 of this business practice.

If a partial CFS Service Agreement and a study agreement are executed, BC Hydro shall notify the Transmission Customer by setting the amount of CFS offered over time in the LTFPTP TSR and update the request status to COUNTEROFFER on OASIS. For more information, refer to section 4.1 of the Business Practice on Long-Term Firm Point-to-Point Partial Service.

Similar to the standards on processing of Partial Service, within five (5) Business Days after returning the signed partial CFS Service Agreement, the Transmission Customer shall submit on OASIS one or more new Supplementary TSR(s) in order to maintain the



queue priority of the remaining capacity and/or term. Refer to section 3.1 of the Long-Term Firm Point-to-Point Partial Service Business Practice to submit the Supplementary TSR(s).

If only the CFS Service Agreement is executed, CFS serves as a substitute service for Transmission Customers who do not wish to commit to Network Upgrades and can accept a lower curtailment priority level than that of firm service.

If both the CFS Service Agreement and a study agreement are executed, the CFS serves as a bridge service until:

- (i) The conclusion of all applicable studies if the Transmission Customer decides not to commit to Network Upgrades, the CFS serves as a substitute service from this point on; or
- (ii) The completion of Network Upgrades where the projected in-service date is later than the requested Start-date - if the Transmission Customer has executed a LTFPTP Service Agreement for service that requires Networks Upgrades.

The Service Agreement for CFS will include firm service in an amount equal to the monthly Firm ATC, and conditional service for the balance of requested capacity for the Initial Forecasted Period based on information available when the Service Agreement is tendered. If the term of the Service Agreement extends beyond the Initial Forecasted Period, the monthly firm service amount and conditional service amount for the subsequent Forecasted Period will be provided at the biennial reassessment as detailed in Section 7.0.

6.2 BC to US Path and AB to US Path

The short-term monthly load forecast covers current month and next 12 months. As described in section 2.0 above, this monthly load forecast-Reservation that is used to determine the next 24 monthly Firm ATC for CFS for the BC to US Path. The determination of monthly Firm ATC beyond month 24th for this path is not covered by the approved methodology. Therefore, at any given time:

- There is sufficient information for determining monthly firm service amount for the Initial Forecasted Period for a CFS Service Agreement with Start-date within a month;
- There is insufficient information for determining monthly firm service amount for the entire Initial Forecasted Period for a CFS Service Agreement with Start-date more than a month from the current date; and
- If there is no information for determining monthly firm service amount for any month within a Forecasted Period, monthly firm service amount for that month will be assumed equal to zero.



Example 1 as a +

A-Completed Application submitted on 2 April 2011 for Transmission Service on BC to US Path for 200 MW with service Start-date of 1 June 2011. In accordance with OATT timelines, BC Hydro must tender a study agreement or Service Agreement by 2 May 2011. At this time:

- The Current Forecasted Period is from 1 June 2011 to 1 June 2013
- The Initial Forecasted Period for this request is from 1 June 2011 to 1 June 2013
- There is sufficient information for determining monthly firm service amount and monthly conditional service amount for all months within the Initial Forecasted Period.

Assuming the projected growth for integrated system demand is 3% and the current posted monthly Firm ATC is as shown in column 2 of Table 1, then the second year's monthly Firm ATC, the Initial Forecasted Period monthly firm service amount and conditional service amount are as shown in column 3, 4 and 5 respectively.

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Month	Assumed Posted	Second Year's	Initial Fored	asted Period
	Firm ATC	Estimated Firm ATC	Firm Service	Conditional
			Amount	Service Amount
Jun-11	1280		200	θ
Jul-11	1280		200	θ
Aug-11	1212		200	θ
Sep-11	568		200	θ
Oct-11	178		178	22
Nov-11	150		1 Ө	200
Dec-11	51		1 Ө	200
Jan-12	51		1 Ө	200
Feb-12	4 16		1 Ө	200
Mar-12	802		200	θ
Apr-12	1242		200	θ
May-12	1242		200	θ
Jun-12		1242	200	θ
Jul-12		1242	200	θ
Aug-12		1176	200	θ
Sep-12		551	200	θ
Oct-12		173	173	27
Nov-12		146	θ	200
Dec-12		49	θ	200
Jan-13		49	θ	200
Feb-13		404	1 Ө	200
Mar-13		778	200	θ
Apr-13		1205	200	θ
May-13		1205	200	θ

Note 1: Set to zero in accordance with step 3, section 2.0 above.



Example 2:

A Completed Application submitted on 2 April 2011 for Transmission Service on BC to US Path for 200 MW with service Start-date of 1 August 2011. In accordance with OATT timelines, BC Hydro must tender a study agreement or Service Agreement by 2 May 2011. At this time:

- The Current Forecasted Period is from 1 June 2011 to 1 June 2013
- The Initial Forecasted Period for this request is from 1 August 2011 to 1 August 2013
- There is insufficient information for determining monthly firm service amount and monthly conditional service amount for all months within the Initial Forecasted Period.

Assuming the projected growth for integrated system demand is 3% and the current posted monthly Firm ATC is as shown in column 2 of Table 2, then the second year's monthly Firm ATC, the Initial Forecasted Period monthly firm service amount and conditional service amount are as shown in column 3, 4 and 5 respectively.

Table 2				
Month	Assumed Posted	Second Year's	Initial Forec	asted Period
	Firm ATC	Estimated Firm ATC	Firm Service	Conditional
			Amount	Service Amount
Aug-11	1212		200	θ
Sep-11	568		200	θ
Oct-11	178		178	22
Nov-11	150		θ	200
Dec-11	51		θ	200
Jan-12	51		θ	200
Feb-12	4 16		θ	200
Mar-12	802		200	θ
Apr-12	1242		200	θ
May-12	1242		200	θ
Jun-12		1242	200	θ
Jul-12		1242	200	θ
Aug-12		1176	200	θ
Sep-12		551	200	θ
Oct-12		173	173	27
Nov-12		146	θ	200
Dec-12		49	θ	200
Jan-13		49	θ	200
Feb-13		404	θ	200
Mar-13		778	200	θ
Apr-13		1205	200	θ
May-13		1205	200	θ
Jun-13	NA	NA	² ₽	200
Jul-13	NA	NA	2 θ	200

Note 2: Estimated Firm ATC for June and July 2013 is not available. Firm service amounts for these two months are set to zero.

Market Policy & Operations



Example 3:

A Completed Application submitted on 2 April 2011 for Transmission Service on BC to US Path for 200 MW with service Start-date of 1 June 2013. In accordance with OATT timelines, BC Hydro must tender a study agreement or Service Agreement by 2 May 2011. At this time:

- The Current Forecasted Period is from 1 June 2011 to 1 June 2013
- The Initial Forecasted Period for this request is from 1 June 2013 to 1 June 2015
- There is insufficient information for determining monthly firm service amount and monthly conditional service amount for all months of the Initial Forecasted Period.

Assuming the projected growth for integrated system demand is 3% and the current posted monthly Firm ATC is as shown in column 2 of Table 3, then the second year's monthly Firm ATC, the Initial Forecasted Period monthly firm service amount and conditional service amount are as shown in column 3, 4 and 5 respectively.

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Month	Assumed Posted	Second Year's	Initial Forec	asted Period
	Firm ATC	Estimated Firm ATC	Firm Service	Conditional
			Amount	Service Amount
Jun-13	NA		θ _ε	200
Jul-13	NA		θ _ε	200
Aug-13	NA		θ _ε	200
Sep-13	NA		θ _ε	200
Oct-13	NA		3 Ф	200
Nov-13	NA		θ ^ε	200
Dec-13	NA		θ	200
Jan-14	NA		θ _ε	200
Feb-14	NA		θ ^ε	200
Mar-14	NA		с	200
Apr-14	NA		θ ^ε	200
May-14	NA		θ	200
Jun-14		NA	θ ^ε	200
Jul-14		NA	θ _ε	200
Aug-14		NA	θ ^ε	200
Sep-14		NA	θ ^ε	200
Oct-14		NA	θ ^ε	200
Nov-14		NA	θ ε	200
Dec-14		NA	θ ^ε	200
Jan-15		NA	θ ^ε	200
Feb-15		NA	θ ^ε	200
Mar-15		NA	θ ^ε	200
Apr-15		NA	θ ^ε	200
May-15		NA	θ ^ε	200

Note 3: Estimated Firm ATC for all months within the Initial Forecasted Period is not available. Firm service amounts for all months are set to zero.



6.3 BC to AB Path

Pursuant to BCUC Order G-110-08 and G-45-10, Long-Term firm sales on this path are limited to 480 MW and the TTC is limited at 850 MW. Those Long-Term transmission service requests on the BC-AB Path and US-AB Path in the queue will remain in the queue until the requests expire (refer to section 4.0 of BC Hydro's Business Practice on *Processing of Long-Term Firm Point to Point Transmission Service Requests*). Any additional Firm ATC above the 480 MW Long Term firm sales limit will be offered to the transmission service requests in queue priority. CFS offers are limited to 305 MW (i.e. 850 MW less TRM less 480 MW). CFS is offered based on queue priority and since the existing requests will remain in the queue pending increases in Alberta's import capability, CFS will not be offered to lower ranked service requests even if the offers for CFS are rejected by those Transmission Customers with first priority on the 305MW.

7.0 BIENNIAL REASSESSMENT

CFS is provided to the Transmission Customer on the condition that BC Hydro will reassess the conditions for curtailment of transmission service biennially.

7.1 CFS Biennial Reassessment

CFS as Substitute Service.

Pursuant to Section 13.4 of BC Hydro's OATT, BC Hydro will provide the Transmission Customer with the results of its biennial reassessment of the available Firm ATC and conditional Firm ATC for the CFS no later than ninety (90) Calendar Days prior to the date on which such new levels of unconditional Firm ATC and conditional Firm ATC for CFS will be applied.

<u>BC Hydro does not reassess</u> CFS <u>being taken</u> as <u>Bridgea Bridging</u> Service Biennial Reassessment does not apply to CFS as bridge Service.

For BC to US Path and AB to US Path, monthly firm service amount and conditional service amount are available only for the Initial Forecasted Period at the time when the CFS Service Agreement is signed. As such, BC Hydro will follow CFS Biennial Reassessment process to provide the Transmission Customer with available monthly firm service amount and conditional service amount for the subsequent Forecasted Period. Customers whose study agreement(s) or Network Upgrades are underway.

7.2 9.1 Response to Reassessment Results

- a) If the conditional Firm ATC levels become more onerous to the Transmission Customer in any given month, reassessment increases the curtailment conditions the Transmission Customer may choose to either continue with the service with the new levels curtailment conditions, or to discontinue the service:
 - If the Transmission Customer decides to continue service, the Service Agreement with the new curtailment conditions and/or does not provide the notice contemplated in



<u>subsection b) below, the Service Agreement related to the Transmission Reservation</u> for CFS will be amended accordingly.

- If the Transmission Customer decides to discontinue service, the Transmission Customer is required to inform BC Hydro in writing at least thirty (30) Calendar Days in advance that it chooses to discontinue the service on the date the new conditional Firm levels changecurtailment conditions become effective.
- b) If the conditional Firm levels become less onerous toreassessment decreases the Transmission Customer, curtailment conditions or the curtailment conditions remain unchanged, both parties will remain contractually bound to continue the CFS transmission service until the next reassessment or until the Service Agreement terminates, whichever comes first.

7.3 Rollover of CFS

10.0 ROLLOVER

Pursuant to Section 2.2 of BC Hydro's OATT, Transmission Customers with Service Agreements for CFS Transmission Service of five years or longer have are subjected to the same right, and terms and rollover conditions, to rollover its service for any number of years and rights as other Long-Term Transmission Service Customers outlined stated in Section 4 of BC Hydro's OATT Business Practice on Submitting a Long-Term Firm Point to Point Transmission Service Request.

The Transmission Customer requesting to rollover existing service must submit a rollover request on OASIS pursuant to Section 17.1 of the OATT. The Transmission Customer must submit the TSR as type RENEWAL and reference the original LTFPTP OASIS ID (Aref) in the Related Ref field. The Renewal Request must be received by BC Hydro no less than one Calendar Year prior to the date on which the reservation expires, rolls over, or is renewed.

10.1 7.3.1



Rollover Rights Coincide with Biennial Assessment

For <u>a CFS Service Agreement</u> with rollover rights that <u>coincidecoincides</u> with BC Hydro's biennial <u>assessmentreassessment</u> of CFS, BC Hydro shall provide the CFS Transmission Customer with information on reassessed curtailment conditions at least 30 Calendar Days prior to the relevant rollover deadline. In addition, BC Hydro shall have the right to reassess the curtailment conditions for service at the end of the first year of service that has been rolled over.

For example, a Transmission Customer taking CFS with a 5-year term must declare its intent to rollover service on or before the start of the 5th year of service, for service starting on the 6th year, coincident with the 2nd biennial review. BC Hydro shall provide the CFS Transmission Customer with the results of reassessment at least 30 Calendar Days prior to the end of the 4th year of service for CFS in years 6 and 7.

10.2 7.3.2 Rollover Rights Do Not Coincide with Biennial Assessment

For <u>a_CFS_Service Agreement</u> with rollover rights that do not coincide with BC Hydro's biennial <u>assessmentreassessment</u> of the CFS, BC Hydro shall have the right to reassess the curtailment conditions prior to rollover. BC Hydro shall provide the CFS Transmission Customer with <u>conditional Firm levelsnew conditions from the</u> <u>reassessment, as</u> applicable, when the CFS is rolled-_over, at least 30 Calendar days prior to the relevant rollover deadline.

For example, a Transmission Customer taking CFS with a 6-year term must declare its intent to rollover service on or before the start of the 6th year of service, for service starting on the 7th year, not coincident with the 3rd-biennial review. BC Hydro shall provide the CFS Transmission Customer with results of reassessment at least 30 Calendar days prior to the end of the 5th year of service for years 7 and 8.

8.0

11.0 OTHER TERMS AND CONDITIONS

1) CFS Transmission Service may be used to support imports from Non-Designated Network Resources. However, it is not Network Economy service as defined in BC Hydro's OATT or Business Practice on Network Economy. The Transmission Customer will be charged according to Section 5 of this Business Practice.

CFS Transmission Service has the same Redirect and Resale rights as LTFPTP Transmission Service. However, Firm Transmission Service cannot be redirected to CFS on <u>a</u>short-term basis. Refer to BC Hydro's OATT Business Practices on *Redirect of a Transmission Reservation* and *Resale*-&, Transfer<u>and Consolidation</u> of Transmission Rights for more information.



Document Change History

Issue	Reason for Issue	Date
<u>4</u>	4 Updated Language and re-ordered content	
3	Updated procedures to clarify language on CFS Service	April 29, 2019
2	Updated hyperlink to OATT under bchydro.com	July 23, 2015
1	OATT Amendment Implementation.	March 10, 2011

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