

**XX.X UNRESERVED USE PENALTIES**

**xx.xx Overview**

In accordance with the OATT, Rate Schedules 01 and 02, BCTC applies a penalty charge at the rate of 125 percent of the maximum hourly delivery charge

**xx.xx Application of Unreserved Use Penalties**

BCTC typically discovers unreserved use of its system after the fact on the basis of a customer complaint that its reservation was scheduled upon by another party or through its own internal checks.

If unreserved use is discovered and sufficient time remains in real-time, BCTC will notify the offending customer and request that customer withdraw its e-Tag to allow the affected customer to resubmit its e-Tag. If the affected customer is able to resubmit its e-Tag, BCTC will waive applying the unreserved use penalty on the offending customer.

If unreserved use is discovered and insufficient time or no time remains in real-time to allow the affected customer to resubmit its e-Tag, BCTC will apply an unreserved use penalty on the offending customer .

BCTC will apply its penalty rate based on the period of unreserved use, not the period for which service is reserved.

Ancillary services charges will be applied to unreserved use at the tariff rate.

**xx.xx Calculation of Unreserved Use Penalties**

Unreserved use will be billed at the maximum hourly delivery charge specified in Rate Schedules 01 and 02 of the OATT. The penalty rate for unreserved use is 125 percent of the maximum hourly delivery charge specified in Rate Schedules 01 and 02 for all unauthorized usage, applied to the period of unreserved use, not the period for which service is reserved, if reserved. The following two examples illustrate the calculation of the penalty rate.

**xx.xxx Example 1**

Reservation	=	100 MW
Schedule	=	130 MW
Unreserved Use	=	30 MW

$$\text{Total Charge for Service} = [100 \text{ MW} * \text{Applicable rate for service}] + [30 \text{ MW} * \text{Maximum Firm Rate}] + [30 \text{ MW} * \text{Maximum Firm Rate} * 125 \text{ percent}]$$

**xx.xxx Example 2**

Reservation	=	0 MW
Schedule	=	130 MW
Unreserved Use	=	130 MW

$$\text{Total Charge for Service} = [130 \text{ MW} * \text{Maximum Firm Rate}] + [130 \text{ MW} * \text{Maximum Firm Rate} * 125 \text{ percent}]$$

**xx.xx Distribution of Unreserved Use Penalties**

BCTC will distribute all unreserved use penalties that it collects to all non-offending transmission customers in the same monthly billing cycle in which the unreserved use occurred.

- The allocation of unreserved use penalties to such customers will be pro rata based on the total MW amount of reservations of each customer in that monthly billing cycle.
- BCTC will credit the account to such customers, as applicable, in the monthly billing cycle that follows assessment of the unreserved use penalty.

BCTC will not distribute unreserved use penalties if the total amount collected within the monthly billing cycle is less than \$1,000.

- This amount reflects a threshold for cost-effective administration that will allow BCTC to avoid the administrative burden and associated cost in distributing small amounts of penalty revenue.