1.3 Bonneville Service Area

The area consisting of the States of Oregon, Washington, and Idaho; the portion of the State of Montana west of the Continental Divide, and such portions of the States of Nevada, Utah, and Wyoming as are within the Columbia River drainage basin; and any contiguous areas, not in excess of 75 air miles from the just described area, which are a part of the service area of a rural electric cooperative customer served by Bonneville on the effective date of this Tariff which has a distribution system from which it serves both within and without such area.

1.4 Commission

The Federal Energy Regulatory Commission (FERC) or any successor Federal agency having regulatory jurisdiction over this Tariff.

1.5 Control Area

The set of generating units, electrical loads, and transmission facilities managed and overseen by a utility that is responsible for matching its generation and loads on an instantaneous basis.

1.6 Control Area Services (or Ancillary Control Area Services)

Any functions, practices, or services required by North American Electric Reliability Council (NERC), Western Systems Coordinating Council (WSCC), Northwest Power Pool (NWPP), or Bonneville Reliability Criteria and Standards (BRCS) for the safe and reliable operation of a Control Area and the connection of loads and resources to a Control Area.

1.7 Customer

An Eligible Customer that has executed a Service Agreement for Network Integration Service pursuant to this Tariff.

1.8 Customer Electric System

The electric system operated by a Customer to serve its Network Load in accordance with the terms of this Agreement and applicable reliability and operating criteria.

1.9 Direct Assignment Facilities

Transmission facilities which are not an integral part of, and do not support, the Network Transmission System and that are constructed by Bonneville to satisfy an Application under this Tariff, the addition of a new Member System, or addition of a new Network Resource and the costs of which Bonneville may recover directly from the Customer as provided in the NT–95 Rate Schedule or its successor.

1.10 Effective Date

The date upon which the Parties execute a Service Agreement in accordance with the terms and conditions of this Tariff.

1.11 Eligible Customer

A private or public corporation, governmental agency or authority, joint action agency, municipality, rural electric membership corporation or cooperative, person, or any lawful association of the foregoing which engages in the generation, transmission or distribution of electric energy at wholesale or retail and which will rely upon Bonneville's Network Transmission System to integrate effectively its Network Load and Network Resources. Bonneville's direct service industrial customers on the effective date of this Tariff shall be considered Eligible Customers. Other than Bonneville's direct service industrial customers, an Eligible Customer shall not include any entity for which the Commission is prohibited under sections 212(g) and (h) of the Federal Power Act (FPA) from ordering the provision of transmission service. An entity shall be an Eligible Customer only to the extent that it requests service to integrate some or all of the Network Loads of Eligible Customer(s) and a comparable amount of resources that have been designated Network Resources of such Eligible Customer(s).

1.12 Facilities Study

An engineering study conducted by Bonneville to determine the required modifications to Bonneville's Transmission System, including the cost and scheduled completion date for such modifications, which may be required in order to provide a requested Network Integration Service, to add a new Network Customer, to add a new Member System, or to add a Network Resource.

1.13 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 the lowest 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 a range of acceptable practices, methods, or acts.

1.14 Load Ratio Share

Ratio of a Customer's Network Load to Bonneville total load computed in accordance with the NT–95 Rate Schedule or its successor.

1.15 Member System

An Eligible Customer operating as a part of a lawful combination, partnership, association, or joint action agency composed exclusively of Eligible Customers.

1.16 Native Load Customers

Those wholesale and direct service industrial power sales customers on whose behalf Bonneville, by statute or contract, has an obligation to plan, construct and operate its system to provide reliable electric service.

1.17 Network Load

The designated load of a Customer in Bonneville's Service Area, including the entire load of all Member Systems designated pursuant to section 6. A Customer's Network Load shall not be reduced to reflect any portion of such load served by the output of any generating facilities owned, or generation purchased, by the Customer or its Member Systems.

1.18 Network Operating Agreement

An agreement that provides the technical and engineering provisions necessary to establish and operate a Customer Control Area utilizing Bonneville's Network Transmission System.

1.19 Network Resources

Designated non-Federal resources used by a Customer to provide electric service to its Network Load consistent with reliability criteria generally accepted in the region. Network Resources shall include all owned and purchased Customer non-Federal generating resources that are located in the Bonneville Control Area or connected to the Electric System of such Customer or any Member System. A Customer also may designate as Network Resources any non-Federal generating resources (or portion thereof) located in another utility's Control Area and power purchased by the Customer from another utility and used to provide reliable service to Network Load. Network Resources shall not include that portion of the capacity of any such generating resource that is committed on a firm basis for sale to third parties.