1.20 Network Transmission System

The transmission facilities owned and/or operated by Bonneville excluding interties and generation integration facilities.

1.21 Network Upgrade

Upgrades to transmission facilities that are integrated with and support Bonneville's Network Transmission System and which are constructed by Bonneville to satisfy, at least in part, an Application, the addition of a new Member System, or the 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.

1.22 Opportunity Costs

Net loss of revenue or the net increase in generation cost caused by displacing one transaction with another when the transmission system is so constrained that both transactions cannot be handled at the same time. Opportunity costs do not include any loss of revenues resulting from competition or foregone revenues from purchase and resale transactions to serve other than Native Load Customer or Network Load.

1.23 Service Agreement

The initial agreement and amendments thereto between Bonneville and a Customer for Network Integration Service under this Tariff.

1.24 System Impact Study

An assessment by Bonneville of: (i) the adequacy of the Network Transmission System to accommodate a request for Network Integration Service; and/or (ii) the incremental new facilities or upgrades that would be needed by Bonneville in providing such service pursuant to the terms of this Tariff.

2. Nature of Network Integration Service

2.1 Scope of Service

Network Integration Service is a transmission service that allows Customers to efficiently and economically utilize their Network Resources and other generation resources to serve their Network Load located in Bonneville's Service Area. Network Integration Service requires the Customer to provide, or purchase from Bonneville, certain Ancillary Control Area Services. Bonneville will offer these Ancillary Control Area Services, pursuant to an appropriate service agreement, on a nondiscriminatory basis to any Customer required hereunder to purchase or provide such services as a precondition to receiving Network Service.

In the event that Bonneville provides a credit for the cost of certain Customerowned transmission facilities pursuant to section 5.6, Bonneville shall be entitled to use such facilities, at no additional charge, to provide the same scope of services for its Native Load Customers and its Network Integration Service Customers. as those services made available to the Customer pursuant to this Tariff. In the absence of such a credit, Bonneville shall be entitled to such service pursuant to a FERC-approved tariff that provides service comparable to that which the Customer provides for its own load.

2.2 Firm Service

A Customer shall have the right to use this Tariff for the delivery of power from Network Resources to Network Loads on a basis that is comparable to Bonneville's use of its Network Transmission System to reliably serve its Native Load Customers. Except as otherwise provided in section 2.5, service over Bonneville's Network Transmission System for the delivery of power from Network Resources to Network Load shall have priority over all nonfirm uses of Bonneville's Network Transmission System by Bonneville or third parties.

2.3 Nonfirm Service

A Customer also may use this Tariff to deliver energy to its Network Loads from resources that have not been designated as Network Resources. Such deliveries shall be on a nonfirm basis, subject to available capacity, but on an equal basis with Bonneville's use of economy energy to service Native Load Customers, subject to section 2.5 below, and at no additional transmission charge. Curtailments of nonfirm service shall be governed by section 10 and shall be implemented on a nondiscriminatory basis among all other nonfirm uses of Bonneville's Network Transmission System, including Bonneville's nonfirm uses of the system, except where such service is displaced pursuant to section 2.5 below.

2.4 Restrictions on Use of Service

Network Integration Service shall not be used for: (i) wholesale sales of capacity or energy by the Customer or its Member Systems to third parties; or (ii) directly or indirectly providing transmission service by the Customer to third parties. An Eligible Customer may not receive service pursuant to more than one service agreement that applies this Tariff during any billing period.

2.5 Bonneville Right to Displace

Bonneville shall have the right to displace Customer Network Resources and nonfirm purchases, at a cost which keeps the Customer whole, in the event of a transmission bottleneck to the extent that such displacement reduces the bottleneck, if Bonneville finds it necessary in order to avoid spill on the Federal power system or on the systems of Network Integration Service Customers.

3. Availability of Network Integration Service

3.1 General Conditions

In accordance with the provisions of this Tariff, Network Integration Service shall be provided by Bonneville to allow a Customer to integrate, plan, economically dispatch, and regulate designated Network Resources to serve the Customer's consolidated Network Load, via Bonneville's Network Transmission System, as a single Control Area in the same manner that Bonneville performs those functions for Bonneville's Native Load Customers.

3.2 Control Area Requirement

As a condition of obtaining Network Integration Service, the Customer shall: (i) operate as a Control Area under applicable guidelines of the NERC, the WSCC, the NWPP, and BRCS; or (ii) satisfy its responsibility to be operated as a Control Area by contract with Bonneville; or (iii) by contract with another entity which Bonneville accepts as sufficient to satisfy NERC, WSCC, NWPP, and BRCS requirements. Bonneville shall not unreasonably refuse to accept contractual arrangements with another entity for such service.

3.3 Bonneville Responsibilities

Bonneville shall plan, construct, operate, and maintain its Network Transmission System in accordance with Good Utility Practice in order to provide the Customer with Network Integration Service within and across Bonneville's Control Area in accordance with this Tariff. Bonneville shall include the Customer's Network Load in its transmission system planning and shall, consistent with Good Utility Practice, endeavor to construct and place into service sufficient transmission capacity to deliver the Customer's Network Resources to serve Network Load on a basis comparable to Bonneville's delivery of its own generating and purchased resources to Bonneville's Native Load Customers. If the Customer meets its Control Area responsibilities without placing its