

acquired by BPA shall be determined in accordance with the following formula:

A

D

Where:

A=The annual cost of such facility as determined in accordance with A.1. above.

D=The sum of the yearly noncoincident demands on the facility as determined in accordance with A.2. above.

The annual cost per kilowatt of facilities listed in the agreement which are owned by another entity, and used by BPA for making deliveries to the transferee, shall be determined from the costs specified in the agreement between BPA and such other entity.

Section IV. Determination of Billing Demand

Unless otherwise stated in the agreement, the factor to be used in determining the kilowatts of Billing Demand shall be the largest of:

A. The Transmission Demand in kilowatts specified in the agreement;

B. The highest hourly Measured or Scheduled Demand for the month, the Measured Demand being adjusted for power factor; or

C. The Ratchet Demand.

Schedule AF-96 Advance Funding Rate

Section I. Availability

This schedule is available to customers who execute an agreement that provides for BPA to collect capital and related costs through advance funding or other financial arrangement for specified BPA-owned Federal Columbia River Transmission System (FCRTS) facilities used for:

A. Interconnection or integration of resources and loads to the FCRTS;

B. Upgrades, replacements, or reinforcements of the FCRTS for transmission service; or

C. Other transmission service arrangements, as determined by BPA. Service under this schedule is subject to BPA's General Rate Schedule. Bills shall be rendered and payments due pursuant to BPA's Billing Procedures.

Section II. Rate

The charge is the sum of the actual capital and related costs for specified FCRTS facilities, as provided in the agreement. Such actual capital and related costs include, but are not limited to, costs of design, materials, construction, overhead, spare parts, and all incidental costs necessary to provide service as identified in the agreement.

Section III. Payment

A. Advance Payment

Payment to BPA shall be specified in the agreement as either:

1. A lump sum advance payment;
2. Advance payments pursuant to a schedule of progress payments; or
3. Other payment arrangement, as determined by BPA.

Such advance payment or payments shall be based on an estimate of the capital and related costs for the specified FCRTS facilities as provided in the agreement.

B. Adjustment to Advance Payment

BPA shall determine the actual capital and related costs of the specified FCRTS facilities as soon as practicable after the date of commercial operation, as determined by BPA. The customer will either receive a refund from BPA or be billed for additional payment for the difference between the advance payment and the actual capital and related costs pursuant to BPA's Billing Procedures.

Schedule TGT-96

Townsend-Garrison transmission rate

Section I. Availability

This schedule supersedes TGT-95 and shall apply to all agreements which provide for the firm transmission of electric power and energy over transmission facilities of BPA's section of the Montana [Eastern] Intertie. Service under this schedule is subject to BPA's General Rate Schedule Provisions and Adjustments, Charges, and Special Rate Provisions. Bills shall be rendered and payments due pursuant to BPA's Billing Procedures. Service under this schedule is subject to BPA's General Rate Schedule Provisions. Bills shall be rendered and payments due pursuant to BPA's Billing Procedures.

Section II. Rate

The monthly charge shall be one-twelfth of the sum of the annual charges listed below, as applicable and as specified in the agreements for firm transmission. The Townsend-Garrison 500-kV lines and associated terminal, line compensation, and communication facilities are a separately identified portion of the Federal Transmission System. Annual revenues plus credits for government use should equal annual costs of the facilities, but in any given year there may be either a surplus or a deficit. Such surpluses or deficits for any year shall be accounted for in the computation of annual costs for succeeding years. Revenue requirements for firm transmission use will be

decreased by any revenues received from nonfirm use and credits for all government use. The general methodology for determining the firm rate is to divide the revenue requirement by the total firm capacity requirements. Therefore, the higher the total capacity requirements, the lower will be the unit rate.

If the government provides firm transmission service in its section of the Montana [Eastern] Intertie in exchange for firm transmission service in a customer's section of the Montana Intertie, the payment by the government for such transmission services provided by such customer will be made in the form of a credit in the calculation of the Intertie Charge for such customer. During an estimated 1- to 3-year period following the commercial operation of the third generating unit at the Colstrip Thermal Generating Plant at Colstrip, Montana, the capability of the Federal Transmission System west of Garrison Substation may be different from the long-term situation. It may not be possible to complete the extension of the 500-kV portion of the Federal Transmission System to Garrison by such commercial operation date. In such event, the 500/230 kV transformer will be an essential extension of the Townsend-Garrison Intertie facilities, and the annual costs of such transformer will be included in the calculation of the Intertie Charge.

However, starting 1 month after extension to Garrison of the 500-kV portion of the Federal Transmission System, the annual costs of such transformer will no longer be included in the calculation of the Intertie Charge.

A. Nonfirm Transmission Charge

This charge will be filed as a separate rate schedule and revenues received thereunder will reduce the amount of revenue to be collected under the Intertie Charge below.

B. Intertie Charge for Firm Transmission Service

Intertie Charge = $[(TAC/12-NFR) \times (CR-EC) TCR]$

Section III. Definitions

A. TAC = Total Annual Costs of facilities associated with the Townsend-Garrison 500-kV Transmission line including terminals, and prior to extension of the 500-kV portion of the Federal Transmission System to Garrison, the 500/230 kV transformer at Garrison. Such annual costs are the total of: (1) Interest and amortization of associated Federal investment and the appropriate allocation of general plant costs; (2) operation and maintenance