

ATTACHMENT 2
(Proposed 2010 Transmission Rate Schedule)

B. FAILURE TO COMPLY PENALTY CHARGE AND ASSESSMENT OF OTHER COSTS RESULTING FROM THE FAILURE TO COMPLY

1. RATE FOR FAILURE TO COMPLY PENALTY CHARGE

If a party fails to comply with the BPA-TS's curtailment, redispatch, or load shedding orders, the party will be assessed the Failure to Comply Penalty Charge. The Failure to Comply Penalty Charge shall be 1000 mills per kilowatthour.

Parties who are unable to comply with a curtailment, load shedding, or redispatch order due to a force majeure on their system will not be subject to the Failure to Comply Penalty Charge provided that they immediately notify the BPA-TS of the situation upon occurrence of the force majeure. BPA, however, will still assess the party costs incurred by BPA-TS in order to manage the reliability of the FCRTS that are caused by the failure to comply as provided in this section.

2. BILLING FACTORS

The Billing Factor for the Failure to Comply Penalty Charge shall be the kilowatthours that were not curtailed or redispatched in any of the following situations:

- a.** Failure to shed load when directed to do so by BPA-TS in accordance with the Load Shedding provisions of the Open Access Transmission Tariff or any other applicable agreement between the parties. This includes failure to shed load pursuant to such orders within the time period specified by the North American Electric Reliability Council (NERC), Western Electric Coordinating Council (WECC), or Northwest Power Pool (NWPP) criteria.
- b.** Failure of a generator in the BPA Control Area or which directly interconnect to the FCRTS to change generation levels when directed to do so by the BPA-TS. This includes failure to change generation levels pursuant to such orders within the time period specified by NERC, WECC, or NWPP criteria.
- c.** Failure to curtail or redispatch a reservation or schedule or failure to curtail or redispatch actual transmission use of the Contract or Service Agreement when directed to do so by the BPA-TS in accordance with the curtailment or redispatch provisions of the

Open Access Transmission Tariff or any other applicable agreement between the parties. This includes failure to curtail or redispatch pursuant to such scheduling protocols or orders within the time period specified by NERC, WECC, or NWPP criteria.

3. ASSESSMENT OF OTHER COSTS RESULTING FROM THE FAILURE TO COMPLY

In addition to the Failure to Comply Penalty Charge, the party will be assessed any costs incurred by BPA-TS in order to manage the reliability of the FCRTS that are caused by the failure to comply, including, but not limited to, monetary penalties imposed on BPA by a Regional Entity, Electric Reliability Organization, or FERC, for a violation of a Reliability Standard authorized under Section 215 of the of the Energy Policy Act of 2005.

4. INAPPLICABILITY OF GENERATION IMBALANCE CREDIT

If, as a result of a party's failure to comply, actual energy delivered is greater than the energy scheduled in a schedule hour, Generation Imbalance credits under Section III.B of the Ancillary Services and Control Area Services Rate Schedule will not apply.