

CAPACITY MANAGEMENT PROCEDURES AGREEMENT
Avista, Bonneville, Idaho Power, NorthWestern and PacifiCorp

**Managing Capacity Associated with the Amps Line, Hot Springs
and Burke points, and the Montana-to-Northwest Path**

FREQUENTLY ASKED QUESTIONS

- Q. What is the main reason for the change of scheduling practices for the Interface?*
- A. The main reason for the creation of the Capacity Management Procedures was the fact that the current scheduling practices were not in full compliance with mandatory NERC standards. The applicable standard requires all Balancing Authorities on an interchange to verify both BA and TP adjacency. NWMT was not able to provide such verification for all transactions crossing the Interface.
- Q. What benefits are achieved with the new Procedures?*
- A. 1. With the new common points named AVAT.NWMT and BPAT.NWMT (reflecting a single-interface representation of the Amps Line, Hot Springs, Burke and the Montana-to-Northwest Path), customers no longer have to be concerned with multiple points of receipt and delivery between the various transmission providers for deliveries across the Montana-to-Northwest Path (also known as Path 8).
2. Transmission Providers will be able to effectively manage parallel and interconnected transmission capacities to ensure that the maximum amount of ATC is made available to customers wishing to cross Path 8.
3. The revised scheduling protocols will enable Transmission Providers to clearly demonstrate compliance with applicable standards.
4. Customers will continue to have the ability to choose which transmission provider(s) they wish to use for deliveries across Path 8.
- Q. With these Capacity Management Procedures, must a customer purchase additional transmission service from any of the transmission providers (NWMT, BPAT, IPCO, AVAT, PPW) in order to keep pre-existing transactions intact?*
- A. No. The affected transmission providers can accommodate all pre-existing confirmed transmission service reservations (TSRs) under the Procedures. Customers with confirmed TSRs and who have previously scheduled power under these TSRs will continue to be able to do so, although the applicable tagging protocols will be revised.
- Q. If customers already have TSRs in place, will they be expected to create new TSRs on any of the transmission providers' OASIS sites in order to accommodate these capacity management procedures?*
- A. No. Except for new transactions that start after May 31, 2009, customers will not need to request new TSRs on the OASIS. Existing TSRs may need to be modified to reflect revised point of receipt or point of delivery naming conventions under the Procedures. Transmission providers will work with customers to facilitate any such changes.

Q. *Can a customer source or sink power at the Interface?*

A. No. The AVAT.NWMT and BPAT.NWMT points shall not be a designated *source* or *sink* for any scheduled transaction. Neither shall the AVAT.NWMT and BPAT.NWMT points be used in any bounce-back or ricochet fashion. All schedules to the Interface from the west must exit the Interface to the east. All schedules to the Interface from the east must exit the Interface to the west.

Q. *Can a customer purchase or sell power at the Interface?*

A. Yes. Just as customers can normally purchase or sell power at the edge of a transmission provider's system, customers can make purchases and sales at the AVAT.NWMT and BPAT.NWMT points. When scheduled or tagged, however, all transactions must move through and across the Interface. While power may be purchased and sold at the Interface, the source or sink for such power cannot be at the Interface.

Q. *What transmission capacity must a customer reserve to enable a scheduled transaction to move through and across the Interface, including the Montana-to-Northwest Path?*

A. To attain a complete transmission path from source to sink, a customer must acquire transmission capacity both *to and from* the Interface, that is, on *both sides* of the Interface. Customers who do not acquire transmission capacity on both sides of the Interface will be unable to use their reserved capacity on the one side and will be unable to cross the Interface.

Q. *Do the Capacity Management Procedures impact any previous transmission or interconnection requests that currently reside in the queue of any of the participating transmission providers?*

A. No. The Procedures clarify how the transmission providers are to manage their respective transmission capacities both to and from the Interface. No capacity is being exchanged or otherwise sold between transmission providers. Accordingly, the Procedures do not impact any capacity that may apply to a pending transmission or interconnection request. The Procedures may impact the naming conventions used for points of receipt or points of delivery or may impact how tags are structured for transactions ultimately using such capacity.