

Business Practice: Billing for Price Capped Non-Firm Point-To-Point Transmission Service That Is Subject To Reductions

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Effective: August 1, 2009
Revision No.: 0

1. Purpose

To provide Transmission Customers clarity on how reductions are applied to non-firm point-to-point reservations that are subject to the price cap specified in PGE's Open Access Transmission Tariff (OATT) Schedule 8.

2. Definitions

- 2.1. Point-To-Point Transmission Service: Point-To-Point Transmission Service is for the receipt of capacity and energy at designated Point(s) of Receipt and the transfer of such capacity and energy to designated Point(s) of Delivery.
- 2.2. **Non-Firm Point-To-Point Transmission Service:** Point-To-Point Transmission Service that is reserved and scheduled on an as-available basis and is subject to Curtailment or Interruption as set forth in Section 14.7, Part II , of PGE's OATT. Non-Firm Point-To-Point Transmission Service is available on a stand-alone basis for periods ranging from one hour to one month.
- 2.3. **Reserved Capacity:** The maximum amount of capacity and energy that the Transmission Provider agrees to transmit for the Transmission Customer over the Transmission Provider's Transmission System between the Point(s) of Receipt and the Point(s) of Delivery under Part II of PGE's OATT. Reserved Capacity shall be expressed in terms of whole megawatts on a sixty (60) minute interval (commencing on the clock hour) basis.

3. Requirements

- 3.1. Per Schedule 8 of the OATT, section (5): "The total demand charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the rate specified in section (3) above [\$0.020/kW of Reserved Capacity per day On-peak or \$0.017/kW of Reserved Capacity per day Off-peak] times the highest amount in kilowatts of Reserved Capacity in any hour during such day. In addition, the total demand charge in any week, pursuant to a reservation for Hourly or Daily delivery, shall not exceed the rate specified in section (2) above [\$0.121/kW of Reserved Capacity per week] times the highest amount in kilowatts of Reserved Capacity in any hour during such week."

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4. Practice

- 4.1. PGE examines each Hourly Non-firm Reservation that starts at the beginning of the day (Hour Beginning at 00:00) by calculating each hour's Transmission Service charge and deducting any reductions (Curtailments or Interruptions) that apply to that hour. If the Transmission Customer was allowed to schedule above the reduced capacity, then PGE will add the incremental scheduled amount to that hour's transmitted MWs.
- 4.2. The total Transmission Service Charge for each hour is calculated by multiplying that hour's rate times the net of the reservation, reduction, and over-schedule.
- 4.3. All of the individual hours' Transmission Service Charges are added together to calculate the Daily Transmission Service Charge for that one day of that Hourly Non-firm Reservation.
- 4.4. The net transmitted MWs for each hour are examined to find the one hour within that day that contains the maximum transmitted MWs.
- 4.5. That maximum transmitted MWs are multiplied by the Daily On-peak or Daily Off-peak rate to determine what the Daily Cap would be for that day.
- 4.6. If the Daily Cap is less than the total Daily Transmission Service Charge of the net transmitted MWs, then the Daily Cap rate is used to determine the Transmission Service Charge for that day of the Hourly Non-firm Reservation.
- 4.7. All of the reductions are taken into account to determine the maximum transmitted MWs. No reductions will be deducted from the Transmission Service Charge that is based on the Daily Cap rate.
- 4.8. The same practice will be applied to Daily Reservations to ensure their Net Weekly Transmission Service Charge does not exceed the Weekly Capped rate.

5. References

- 5.1. N/A

6. Revision History

| Revision | Date | Change Summary |
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| 0 | June 30, 2009 | ▪ Original |
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