PAINE HAMBLEN LLP

ATTORNEYS

Gary A. Dahlke

September 10, 2007

Hon. Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 first St., N.E.
Washington, DC 20426

RE: ***Avista Corporation***
Docket No. OA07-___-000
Compliance Filing for Order No. 890

Dear Secretary Bose:

Pursuant to Order No. 890, *Preventing Undue Discrimination and Preference in Transmission Service*, 118 FERC ¶ 61,119, P 140 (2007) ("Order No. 890"), Avista Corporation ("Avista") hereby submits for filing with the Federal Energy Regulatory Commission ("Commission") its Attachment C to its Open Access Transmission Tariff ("OATT").

I. CONTENTS OF FILING

Avista respectfully tenders for filing an electronic copy of the following documents:

1. Transmittal letter;

2. Redline version showing revisions to Avista's OATT; and

3. Clean version of the pages of Avista's OATT revised by this compliance filing.

II. COMMUNICATION

Avista respectfully requests that the following persons be included on the official service list in these proceedings and that all communications concerning this filing be addressed to them:

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Manager, Transmission Services
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III. DESCRIPTION OF FILING

This filing is submitted on behalf of Avista Corporation ("Avista") in response to Order No. 890 and the Notice of Electronic Filing Guidelines for Open Access Transmission Tariffs issued on April 6, 2007.

Order No. 890 requires transmission providers to include in Attachment C to their OATT detailed descriptions for calculating both firm and non-firm ATC.[1] Accordingly, Avista submits its revised Attachment C, which includes the detailed descriptions for calculating ATC required by Order No. 890.

Avista has paginated the additional pages of Attachment C as "First Revised Sheet No. 109a" etc., on a temporary basis. This avoids repagination of the OATT filed July 13, 2007. When Avista files its Attachment K on December 6, 2007, Avista will repaginate the entire OATT from Attachment C on and revise the Table of Contents.

V. CONCLUSION

Avista respectfully requests that the Commission accept the provisions discussed herein and highlighted on the attached tariff sheets for filing with an effective date of September 11, 2007. Thank you for your consideration of the documents submitted herewith.

Very truly yours,

PAINE HAMBLEN LLP

Gary A. Dahlke
Gary A. Dahlke

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Enclosures

[1] Order No. 890 at PP 207-13.

ATTACHMENT C

Methodology To Assess Available Transmission Capability

This Attachment C contains the Transmission Provider's methodology for determining Available Transfer Capability.

(1) Description of Mathematical Algorithm Used to Calculate Firm And Non-Firm ATC

To determine firm and non-firm Available Transfer Capability (ATC), the Transmission Provider uses the following algorithms for the various horizons:

Scheduling Horizon:

(a) Firm ATC = TTC - TRM - CBM - ETC - Committed Firm TSRs

(b) Non-Firm ATC = TTC – Committed Firm Tags – Committed Non-Firm Tags + Committed Firm Counter-schedule Tags + Committed Non-Firm Counter-schedule Tags

Operating Horizon:

(c) Firm ATC = TTC - TRM - CBM - ETC - Committed Firm TSRs

(d) Non-Firm ATC = TTC – Committed Firm Tags – Committed Non-Firm Tags + Committed Firm Counter-schedule Tags + Committed Non-Firm Counter-schedule Tags

Planning Horizon:

(e) Firm ATC = TTC - TRM - CBM - ETC - Committed Firm TSRs

(f) Non-Firm ATC = TTC – Committed Firm TSRs – Committed Non-Firm TSRs

Acronyms Used in Equations

ATC = Available Transfer Capability

CBM = Capacity Benefit Margin

ETC = Existing Transmission Commitments

TRM = Transmission Reliability Margin

TSR = Transmission Service Request

TTC = Total Transfer Capability

Definitions

The term "Committed" means a TSR that is in confirmed status or an E-Tag that has been accepted.

The Scheduling Horizon is defined as period of time beginning with the current hour and extending two hours.

The Operating Horizon is defined as the period begins at end of the Scheduling Horizon and extends through the end of the last day that has been or is being prescheduled.

The Planning Horizon is defined as the period of time that begins at the end of the Operating Horizon and extends through the end of the FERC required posting period.

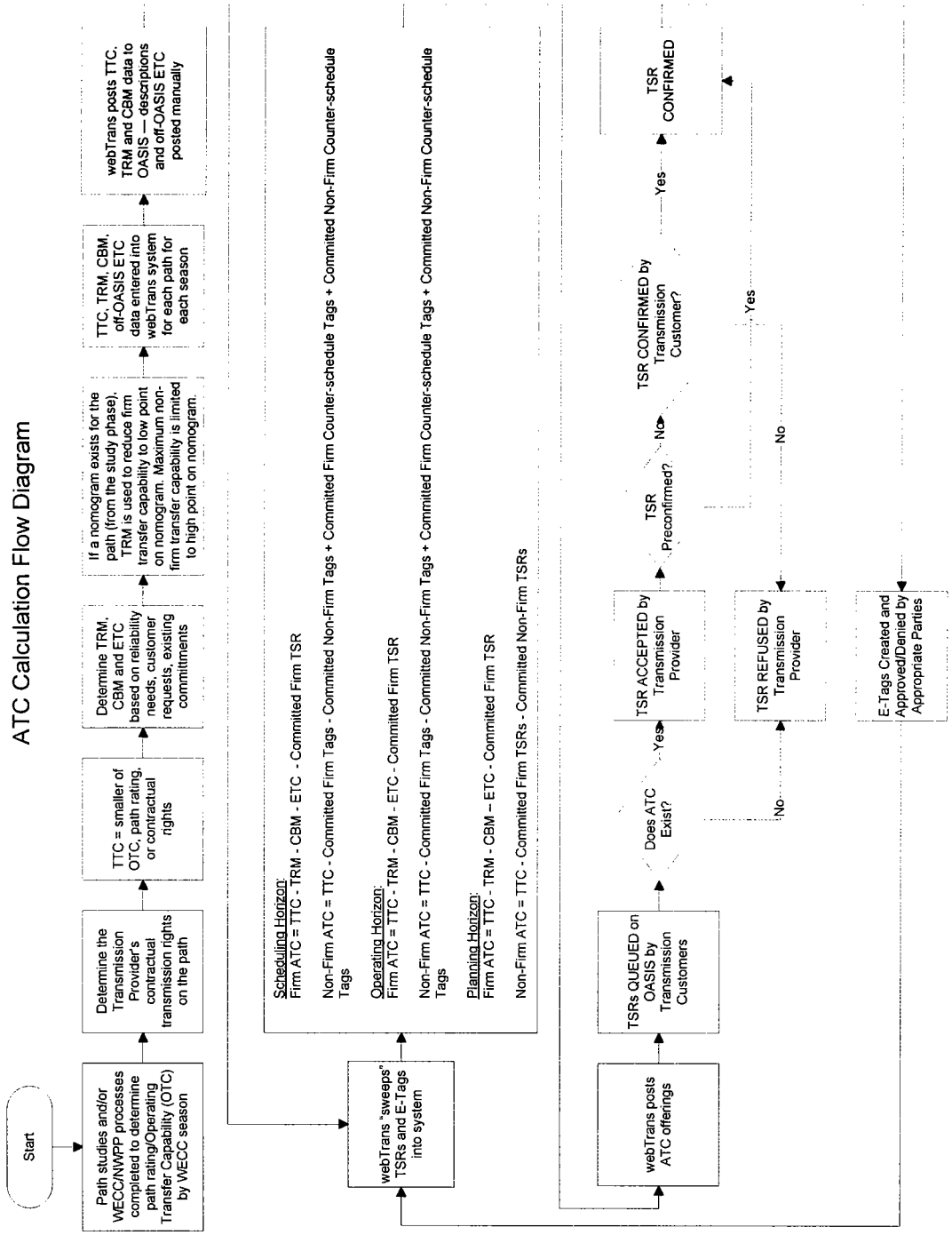
Detailed Description

Equations (1)(a), (1)(c), and (1)(e): The same algorithm is used to determine the Firm ATC for all horizons. In these equations, Firm ATC is calculated by subtracting TRM, CBM, and ETC from the TTC.

Equations (1)(b) and (1)(d): The same algorithm is used to determine the Non-Firm ATC in the Scheduling and Operating Horizons. In these equations, Non-Firm ATC is calculated by subtracting Committed Firm Tags and Committed Non-Firm Tags TRM; and adding the appropriate counter-schedules which increase ATC. Subtracting the Committed Firm Tags accomplishes two things: since a Firm Tag must have an accompanying Firm TSR, this properly accounts for Firm TSRs, and it will release non-Tagged Firm TSRs for use as Non-Firm.

Equation (1)(f): Since E-Tags are typically entered only during the Scheduling and Operating Horizons, there is no way to account for tags in the determination of Non-Firm ATC in the Planning Horizon. Therefore, this equation is very simple: Non-Firm ATC is calculated by subtracting the Committed Firm and Non-Firm TSRs from the TTC.

(2) Process Flow Diagram Illustrating Various Steps Through Which ATC is Calculated



Filed in compliance with Order No. 890, *Preventing Undue Discrimination and Preference in Transmission Service*, 72 Fed. Reg. 12,266 (Mar. 15, 2007).

3) Detailed Description of How Each ATC Component is Calculated for the Operating and Planning Horizons

(a) Total Transfer Capability (TTC)

(i) Definition

From the Western Electricity Coordinating Council (WECC) ATC document[1]: "TTC represents the reliability limit of a transmission path at any specified point in time. It is a variable quantity, dependent upon operating conditions in the near term and forecasted conditions in the long term."

TTC may also be defined as the amount of electric power that can be transferred over the interconnected transmission network in a reliable manner while meeting all of a specific set of defined pre- and post-contingency system conditions.

As described below, the TTC is also dependent on transmission rights the Transmission Provider may have on a transmission path.

(ii) Calculation Methodology

1. For transmission facilities that will affect the Western Interconnection, the determination of TTC is accomplished through the WECC Path Rating Process. Seasonal Operating Transfer Capability (OTC) studies are completed to determine the limit at which a transmission path can be operated at and still meet reliability requirement under a credible contingency condition. The study results are reviewed and approved through Northwest Power Pool (NWPP) Northwest Operations Study Group (NOPSG) and WECC Operating Transfer Capability Planning Committee (OTCPC) regional processes. For normal operation, with the full transmission system in-service, the TTC for each path will be the non-simultaneous transfer capability listed in the WECC Path Rating Catalog.

[1] "Determination of Available Transfer Capability," dated June 2001, http://www/wecc.biz/documents/library/procedures/ATC-apprdec01.pdf.

2. TTC is determined either prior to a new transmission component being brought into service or when a modification to a transmission component would affect the TTC.

3. Once the TTC determination is made, it remains fixed and changes only if there is a physical or operational change to the transmission system or a transmission component which requires a change to TTC.

4. When transmission facilities are jointly owned, the capacity is allocated between the owners based on the joint ownership or participation agreement; therefore, the TTC of the jointly owned facilities will be based upon the capacity allocated to the Transmission Provider.

5. If a WECC defined path must be separated into components to properly allow for the commercial use of the path and its components, the components' TTCs will be based on the same studies used to determine the path OTC or the thermal rating of the components. The sum of the components' TTCs will not exceed the path OTC.

6. For internal constraints, the net of local load and local generation may be used to determine TTC and/or ATC.

7. The rating for those paths without a WECC approved path is based on power flow analysis and thermal capability.

8. Additional information regarding determination of TTC for specific paths may be posted and updated from time to time on Transmission Provider's OASIS.

(iii) Databases Used in TTC Assessments

As required by the NWPP NOPSG, WECC OTCPC, and Good Utility Practice, the system base cases developed by the WECC members are used by the Transmission Provider in its TTC assessments.

(iv) Assumptions Used in TTC Assessments

To ensure reliability is maintained within the Western Interconnection, many variations in load and generation levels, credible contingency situations, are studied to determine the TTC of any path.

(b) Existing Transmission Commitments (ETC)

(i) Definition

ETC is any transmission that is already committed for use.

There are four types of committed uses recognized as ETC: (1) native load uses, (2) prudent reserves, (3) existing commitments for purchase/exchange/deliveries/sales, and (4) existing commitments for transmission service. ETC may also include forecasts to secure capacity to accommodate future native load growth and good faith requests for future transmission service.

(ii) Calculation Methodology To Determine Transmission Capacity Set Aside for Native Load And Network Load:

Native load and network service type contracts are modeled using the megawatt quantity and other terms which are determined consistent with the OATT and the transmission customer's loads and resources forecasts.

(iii) Incorporation of Point-To-Point Transmission Service Requests

For existing, confirmed TSRs and to properly account for potential roll-over requests, point-to-point type contracts are modeled using the specified megawatt quantity, point of receipt, and point of delivery.

(iv) Accounting for Rollover Rights

In its determination of ATC, the Transmission Provider must assume that a Transmission Customer having the ability to do so, will rollover its existing long term TSR. To account for this, transmission in the amount of the confirmed TSR is set aside, thereby reducing the ATC by the same amount.

(v) Process For Ensuring that Non-Firm Capacity is Release Properly

Transmission reservations that are not scheduled will be made available and posted on OASIS as non-firm ATC.

(c) Available Flowgate Capacity (AFC) Methodology

The Transmission Provider does not use an AFC methodology to calculate ATC.

(d) Transmission Reliability Margin (TRM)

(i) Definition

TRM is the amount of transmission transfer capability necessary to provide a reasonable level of assurance that the interconnected transmission network will be secure under a broad range of uncertainties in system conditions. TRM accounts for the inherent uncertainty in system conditions and system modeling, and the need for operating flexibility to ensure reliable system operation as system conditions change.

(ii) Calculation Methodology

The Transmission Provider does not use a calculation methodology in it determination of TRM.

(iii) Databases Used in TRM Assessments

The Transmission Provider does not use any databases in its TRM assessments.

(iv) Conditions Under Which the Transmission Provider Uses TRM

TRM amounts are path-specific and are to be determined by the Transmission Provider on an annual basis. The Transmission Provider may utilize TRM for the following (the TRM value will consist of the single largest (most limiting) of the following components):

1. Operating Reserves or Contingency Reserves

The transmission capacity required to utilize the Transmission Provider's operating reserves for the period immediately following a contingency (currently up to 59 minutes following the contingency). The amount of operating reserves required is the Transmission Provider's most severe single contingency. This component is subject to change if there is a change in the outage performance of the Transmission Provider's Network Resources, or if a new resource larger than the current level is constructed in the Transmission Provider's Balancing Authority Area. This component may be applied to any import transmission path.

Specific applications of TRM for this purpose are outlined on the Transmission Provider's OASIS.

2. Operating Nomograms

On paths with operating nomograms TRM is utilized to reflect the difference between firm and non-firm transmission in its firm and non-firm ATC calculations for the path. The firm TTC is based upon the low point on the nomogram, with the TRM representing the amount of additional transmission that can be sold non-firm. If this non-firm transmission is sold during preschedule, the transmission may be curtailed in real time based on system conditions. This component may be applied to any transmission path that has an operating nomogram identified as part of the WECC Path Rating Process.

3. Load Forecast Error

The Load Forecast Error component, based on errors in projecting Native Load and Network Customer Load growth. This component is designed to accommodate transmission for additional purchases that may be needed to serve Native Load and Network Customer Load, and has two elements. The first element is based on the error that occurs in projecting Native Load and Network Customer Load, assuming normal weather occurs. The second element is the impact of severe weather as compared to normal weather. This component may be applied to any internal or import transmission path.

4. Variation in generation dispatch and the variability and uncertainty in determining losses

This component is designed to accommodate transmission for the uncertainty in transmission loading. Specific applications of TRM for this purpose are outlined on he Transmission Provider's OASIS.

(e) Capacity Benefit Margin (CBM) Practice

The CBM value represents the transmission that the Transmission Provider retains to import generation that the Transmission Provider needs to meet its installed reserve margin (TRM is used to import operating reserves). The amount of installed reserves required is the Transmission Provider's most severe single contingency. The level of CBM is subject to change if there is a change in the outage performance of the Transmission Provider's Network Resources, or if a new resource larger than the current level is constructed in the Transmission Provider's Balancing Authority Area.

Specific applications of CBM are outlined on the Transmission Providers OASIS. Should any LSE in the Transmission Provider's Balancing Authority Area request CBM be set aside, these requests must be made on the OASIS via a Transmission Service Request, which will allow unused (i.e., unscheduled/un-tagged) CBM to be released for non-firm use. Requests for CBM will be evaluated on a case-by-case basis based on the transmission availability. The Transmission Provider will also reevaluate its own need for CBM annually. Such reevaluation will take into account any changes in system conditions that might affect the need for CBM.

(f) Capacity Benefit Margin (CBM)

(i) Definition

CBM is the amount of firm transmission transfer capability reserved by Load Serving Entities (LSEs) within the Transmission Provider's Balancing Authority Area to enable access to generation from interconnected systems to meet generation reliability requirements commencing at the end of any hour that a loss of generation occurs in. CBM is a uni-directional quantity with identifiable beneficiaries, and its use is intended only for the time of emergency generation deficiencies. CBM Transmission shall only be an import quantity and shall be available following a generator contingency for the time period commencing at the end of the hour a generator contingency occurred in.

(ii) Databases Used in its CBM Assessments

The Transmission Provider does not use any databases in its CBM assessments.

(iii) No Double-Counting of Contingency Outages When Performing CBM, TTC, and TRM Calculations

Since TTC is based upon path rating studies that incorporate contingency outages, and the Transmission Providers determination and utilization of CBM and TRM are independent of contingency outages, there can be no double-counting of contingency outages.

(g) Procedures for Allowing the Use of CBM

If the Transmission Provider determines CBM is required, the following CBM practice will be used.

CBM can only be used by a LSE within the Transmission Providers Balancing Authority Area if the following two requirements have been met:

1. A LSE is experiencing a generation deficiency; and

2. There is no ATC remaining on the path to import energy.

Before CBM can be used the following steps must be taken:

1. All non-firm sales have been terminated.

2. Direct-Control Load Management has been implemented.

3. Customer interruptible demands have been interrupted.

~~**(Subject to revision on September 11, 2007 Compliance Filing)**~~

~~Avista Corp. will assess the capability of Avista Corp.'s Transmission System to provide the service requested using the criteria and process for this assessment as detailed in Sections 4 and 5 of Avista Corp.'s annual FERC Form 715 submittal. In determining the level of capacity available for new requests for Point-to-Point Transmission Service Avista Corp. may exclude, from capacity to be made available for new requests for Point-to-Point Transmission Service, that capacity needed to meet current and reasonably forecasted loads of Native Load Customers and Network Customers, and to meet contractual obligations existing prior to May 1, 1996.~~

ATTACHMENT C

Methodology To Assess Available Transmission Capability

This Attachment C contains the Transmission Provider's methodology for determining Available Transfer Capability.

(1) Description of Mathematical Algorithm Used to Calculate Firm And Non-Firm ATC

To determine firm and non-firm Available Transfer Capability (ATC), the Transmission Provider uses the following algorithms for the various horizons:

Scheduling Horizon:

(a) Firm ATC = TTC - TRM - CBM - ETC - Committed Firm TSRs

(b) Non-Firm ATC = TTC – Committed Firm Tags – Committed Non-Firm Tags + Committed Firm Counter-schedule Tags + Committed Non-Firm Counter-schedule Tags

Operating Horizon:

(c) Firm ATC = TTC - TRM - CBM - ETC - Committed Firm TSRs

(d) Non-Firm ATC = TTC – Committed Firm Tags – Committed Non-Firm Tags + Committed Firm Counter-schedule Tags + Committed Non-Firm Counter-schedule Tags

Planning Horizon:

(e) Firm ATC = TTC - TRM - CBM - ETC - Committed Firm TSRs

(f) Non-Firm ATC = TTC – Committed Firm TSRs – Committed Non-Firm TSRs

Acronyms Used in Equations

ATC = Available Transfer Capability

CBM = Capacity Benefit Margin

ETC = Existing Transmission Commitments

TRM = Transmission Reliability Margin

TSR = Transmission Service Request

TTC = Total Transfer Capability

Definitions

The term "Committed" means a TSR that is in confirmed status or an E-Tag that has been accepted.

The Scheduling Horizon is defined as period of time beginning with the current hour and extending two hours.

The Operating Horizon is defined as the period begins at end of the Scheduling Horizon and extends through the end of the last day that has been or is being prescheduled.

The Planning Horizon is defined as the period of time that begins at the end of the Operating Horizon and extends through the end of the FERC required posting period.

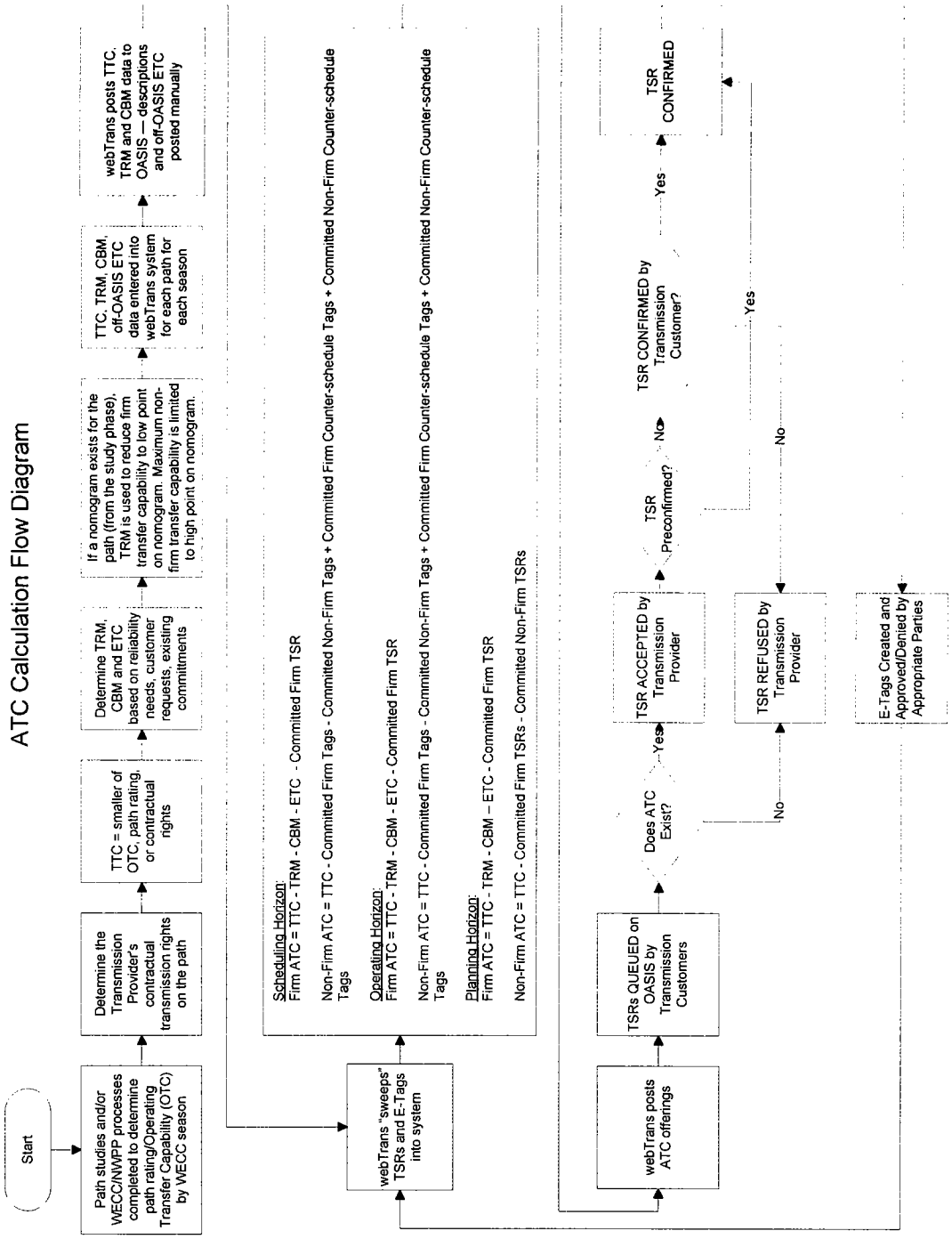
Detailed Description

Equations (1)(a), (1)(c), and (1)(e): The same algorithm is used to determine the Firm ATC for all horizons. In these equations, Firm ATC is calculated by subtracting TRM, CBM, and ETC from the TTC.

Equations (1)(b) and (1)(d): The same algorithm is used to determine the Non-Firm ATC in the Scheduling and Operating Horizons. In these equations, Non-Firm ATC is calculated by subtracting Committed Firm Tags and Committed Non-Firm Tags TRM; and adding the appropriate counter-schedules which increase ATC. Subtracting the Committed Firm Tags accomplishes two things: since a Firm Tag must have an accompanying Firm TSR, this properly accounts for Firm TSRs, and it will release non-Tagged Firm TSRs for use as Non-Firm.

Equation (1)(f): Since E-Tags are typically entered only during the Scheduling and Operating Horizons, there is no way to account for tags in the determination of Non-Firm ATC in the Planning Horizon. Therefore, this equation is very simple: Non-Firm ATC is calculated by subtracting the Committed Firm and Non-Firm TSRs from the TTC.

(2) Process Flow Diagram Illustrating Various Steps Through Which ATC is Calculated



Filed in compliance with Order No. 890, *Preventing Undue Discrimination and Preference in Transmission Service*, 72 Fed. Reg. 12,266 (Mar. 15, 2007).

3) Detailed Description of How Each ATC Component is Calculated for the Operating and Planning Horizons

(a) Total Transfer Capability (TTC)

(i) Definition

From the Western Electricity Coordinating Council (WECC) ATC document[1]: "TTC represents the reliability limit of a transmission path at any specified point in time. It is a variable quantity, dependent upon operating conditions in the near term and forecasted conditions in the long term."

TTC may also be defined as the amount of electric power that can be transferred over the interconnected transmission network in a reliable manner while meeting all of a specific set of defined pre- and post-contingency system conditions.

As described below, the TTC is also dependent on transmission rights the Transmission Provider may have on a transmission path.

(ii) Calculation Methodology

1. For transmission facilities that will affect the Western Interconnection, the determination of TTC is accomplished through the WECC Path Rating Process. Seasonal Operating Transfer Capability (OTC) studies are completed to determine the limit at which a transmission path can be operated at and still meet reliability requirement under a credible contingency condition. The study results are reviewed and approved through Northwest Power Pool (NWPP) Northwest Operations Study Group (NOPSG) and WECC Operating Transfer Capability Planning Committee (OTCPC) regional processes. For normal operation, with the full transmission system in-service, the TTC for each path will be the non-simultaneous transfer capability listed in the WECC Path Rating Catalog.

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2. TTC is determined either prior to a new transmission component being brought into service or when a modification to a transmission component would affect the TTC.

3. Once the TTC determination is made, it remains fixed and changes only if there is a physical or operational change to the transmission system or a transmission component which requires a change to TTC.

4. When transmission facilities are jointly owned, the capacity is allocated between the owners based on the joint ownership or participation agreement; therefore, the TTC of the jointly owned facilities will be based upon the capacity allocated to the Transmission Provider.

5. If a WECC defined path must be separated into components to properly allow for the commercial use of the path and its components, the components' TTCs will be based on the same studies used to determine the path OTC or the thermal rating of the components. The sum of the components' TTCs will not exceed the path OTC.

6. For internal constraints, the net of local load and local generation may be used to determine TTC and/or ATC.

7. The rating for those paths without a WECC approved path is based on power flow analysis and thermal capability.

8. Additional information regarding determination of TTC for specific paths may be posted and updated from time to time on Transmission Provider's OASIS.

(iii) Databases Used in TTC Assessments

As required by the NWPP NOPSG, WECC OTCPC, and Good Utility Practice, the system base cases developed by the WECC members are used by the Transmission Provider in its TTC assessments.

(iv) Assumptions Used in TTC Assessments

To ensure reliability is maintained within the Western Interconnection, many variations in load and generation levels, credible contingency situations, are studied to determine the TTC of any path.

(b) Existing Transmission Commitments (ETC)

(i) Definition

ETC is any transmission that is already committed for use.

There are four types of committed uses recognized as ETC: (1) native load uses, (2) prudent reserves, (3) existing commitments for purchase/exchange/deliveries/sales, and (4) existing commitments for transmission service. ETC may also include forecasts to secure capacity to accommodate future native load growth and good faith requests for future transmission service.

(ii) Calculation Methodology To Determine Transmission Capacity Set Aside for Native Load And Network Load:

Native load and network service type contracts are modeled using the megawatt quantity and other terms which are determined consistent with the OATT and the transmission customer's loads and resources forecasts.

(iii) Incorporation of Point-To-Point Transmission Service Requests

For existing, confirmed TSRs and to properly account for potential roll-over requests, point-to-point type contracts are modeled using the specified megawatt quantity, point of receipt, and point of delivery.

(iv) Accounting for Rollover Rights

In its determination of ATC, the Transmission Provider must assume that a Transmission Customer having the ability to do so, will rollover its existing long term TSR. To account for this, transmission in the amount of the confirmed TSR is set aside, thereby reducing the ATC by the same amount.

(v) Process For Ensuring that Non-Firm Capacity is Release Properly

Transmission reservations that are not scheduled will be made available and posted on OASIS as non-firm ATC.

(c) Available Flowgate Capacity (AFC) Methodology

The Transmission Provider does not use an AFC methodology to calculate ATC.

(d) Transmission Reliability Margin (TRM)

(i) Definition

TRM is the amount of transmission transfer capability necessary to provide a reasonable level of assurance that the interconnected transmission network will be secure under a broad range of uncertainties in system conditions. TRM accounts for the inherent uncertainty in system conditions and system modeling, and the need for operating flexibility to ensure reliable system operation as system conditions change.

(ii) Calculation Methodology

The Transmission Provider does not use a calculation methodology in it determination of TRM.

(iii) Databases Used in TRM Assessments

The Transmission Provider does not use any databases in its TRM assessments.

(iv) Conditions Under Which the Transmission Provider Uses TRM

TRM amounts are path-specific and are to be determined by the Transmission Provider on an annual basis. The Transmission Provider may utilize TRM for the following (the TRM value will consist of the single largest (most limiting) of the following components):

1. Operating Reserves or Contingency Reserves

The transmission capacity required to utilize the Transmission Provider's operating reserves for the period immediately following a contingency (currently up to 59 minutes following the contingency). The amount of operating reserves required is the Transmission Provider's most severe single contingency. This component is subject to change if there is a change in the outage performance of the Transmission Provider's Network Resources, or if a new resource larger than the current level is constructed in the Transmission Provider's Balancing Authority Area. This component may be applied to any import transmission path.

Specific applications of TRM for this purpose are outlined on the Transmission Provider's OASIS.

2. Operating Nomograms

On paths with operating nomograms TRM is utilized to reflect the difference between firm and non-firm transmission in its firm and non-firm ATC calculations for the path. The firm TTC is based upon the low point on the nomogram, with the TRM representing the amount of additional transmission that can be sold non-firm. If this non-firm transmission is sold during preschedule, the transmission may be curtailed in real time based on system conditions. This component may be applied to any transmission path that has an operating nomogram identified as part of the WECC Path Rating Process.

3. Load Forecast Error

The Load Forecast Error component, based on errors in projecting Native Load and Network Customer Load growth. This component is designed to accommodate transmission for additional purchases that may be needed to serve Native Load and Network Customer Load, and has two elements. The first element is based on the error that occurs in projecting Native Load and Network Customer Load, assuming normal weather occurs. The second element is the impact of severe weather as compared to normal weather. This component may be applied to any internal or import transmission path.

4. Variation in generation dispatch and the variability and uncertainty in determining losses

This component is designed to accommodate transmission for the uncertainty in transmission loading. Specific applications of TRM for this purpose are outlined on he Transmission Provider's OASIS.

(e) Capacity Benefit Margin (CBM) Practice

The CBM value represents the transmission that the Transmission Provider retains to import generation that the Transmission Provider needs to meet its installed reserve margin (TRM is used to import operating reserves). The amount of installed reserves required is the Transmission Provider's most severe single contingency. The level of CBM is subject to change if there is a change in the outage performance of the Transmission Provider's Network Resources, or if a new resource larger than the current level is constructed in the Transmission Provider's Balancing Authority Area.

Specific applications of CBM are outlined on the Transmission Providers OASIS. Should any LSE in the Transmission Provider's Balancing Authority Area request CBM be set aside, these requests must be made on the OASIS via a Transmission Service Request, which will allow unused (i.e., unscheduled/un-tagged) CBM to be released for non-firm use. Requests for CBM will be evaluated on a case-by-case basis based on the transmission availability. The Transmission Provider will also reevaluate its own need for CBM annually. Such reevaluation will take into account any changes in system conditions that might affect the need for CBM.

(f) Capacity Benefit Margin (CBM)

(i) Definition

CBM is the amount of firm transmission transfer capability reserved by Load Serving Entities (LSEs) within the Transmission Provider's Balancing Authority Area to enable access to generation from interconnected systems to meet generation reliability requirements commencing at the end of any hour that a loss of generation occurs in. CBM is a uni-directional quantity with identifiable beneficiaries, and its use is intended only for the time of emergency generation deficiencies. CBM Transmission shall only be an import quantity and shall be available following a generator contingency for the time period commencing at the end of the hour a generator contingency occurred in.

(ii) Databases Used in its CBM Assessments

The Transmission Provider does not use any databases in its CBM assessments.

(iii) No Double-Counting of Contingency Outages When Performing CBM, TTC, and TRM Calculations

Since TTC is based upon path rating studies that incorporate contingency outages, and the Transmission Providers determination and utilization of CBM and TRM are independent of contingency outages, there can be no double-counting of contingency outages.

(g) Procedures for Allowing the Use of CBM

If the Transmission Provider determines CBM is required, the following CBM practice will be used.

CBM can only be used by a LSE within the Transmission Providers Balancing Authority Area if the following two requirements have been met:

1. A LSE is experiencing a generation deficiency; and

2. There is no ATC remaining on the path to import energy.

Before CBM can be used the following steps must be taken:

1. All non-firm sales have been terminated.

2. Direct-Control Load Management has been implemented.

3. Customer interruptible demands have been interrupted.

CBM can only be used by a LSE within the Transmission Providers Balancing Authority Area if the following two requirements have been met:

1. A LSE is experiencing a generation deficiency; and

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