

## **Business Practice #32: Crediting Parties for Unreserved Use Penalty Revenues**

*Posted:* March 1, 2013  
*Effective:* March 16, 2013  
*Revision No.:* 5.0

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### **Notice**

A redline version of the most recent revisions to this business practice is available at: <https://www.oasis.oati.com/woa/docs/PPW/PPWdocs/BP32red.pdf>

### **Policy Reference**

In Order No. 890, the Federal Energy Regulatory Commission (“FERC”) required Transmission Providers to develop a mechanism for distributing operational penalty revenues collected as a result of Schedule 11 of PacifiCorp’s Open Access Transmission Tariff (“OATT”), “Unauthorized Use of Transmission Service.”

### **Definitions**

No definitions other than the following and those currently contained in the OATT are required for this business practice.

Annual Period - The calendar year (January 1 - December 31).

Refund Eligible Customer - Any Native Load Customer or Transmission Customer that did not incur a penalty for Unreserved Use (as defined in Schedule 11), including any Transmission Customers who are subject to unreserved use under contract terms which are substantively equivalent to the terms set forth in Schedule 11 of PacifiCorp’s OATT, in a particular month, and that has either (1) a valid Service Agreement that is (a) under PacifiCorp’s OATT and (b) in effect on any date between the start date and end date of the Annual Period, (2) other transmission contract effective during the same relevant time period.

A valid Service Agreement is an agreement for any of the following services:

- Firm Point-To-Point Transmission Service (Short-Term, Long-Term)
- Non-Firm Point-To-Point Transmission Service
- Network Integration Transmission Service

### **Purpose**

The purpose of this business practice is to describe the procedures for calculating and distributing Unreserved Use penalty revenues to Refund Eligible Customers.

### **Practice**

#### ***Distribution of Unreserved Use Penalties***

PacifiCorp will calculate the total penalty revenues for Unreserved Use for each calendar month. The calculation and allocation of such penalty revenues to Refund Eligible Customers will also be performed on a monthly basis. The total penalty revenues

collected for Unreserved Use for each calendar month will be allocated to each Refund Eligible Customer on a pro-rata basis according to their respective transmission usage during the corresponding month in which Unreserved Use penalties were assessed to offending customers. Transmission usage for Point-To-Point Transmission Service shall be the sum of each megawatt hour of reservation on PacifiCorp’s Open-Access Same-Time Information System (“OASIS”) system for the calendar month. Transmission usage for Network Integration Transmission Service usage shall be the sum of the Network Load for each hour or delivery point load, including transmission losses, for the calendar month.

The distribution of the total monthly penalty revenues collected and owed to Refund Eligible Customers will occur subsequent to the end of each Annual Period, which distribution shall be no later than the filing deadline of PacifiCorp’s annual compliance report on operational penalty assessments and distributions to FERC.

Unreserved Use penalties that occurred during an Annual Period, but were collected in the subsequent Annual Period, will be considered in the distribution of Unreserved Use penalty revenues for the subsequent Annual Period.

Unreserved Use penalties in dispute at the end of an Annual Period will be excluded from the penalty distribution calculations for such Annual Period and an adjustment for such penalties will be made, as appropriate, in a subsequent Annual Period depending upon the date of resolution.

**Contact for Assistance:**  
[BusinessPractices@PacifiCorp.com](mailto:BusinessPractices@PacifiCorp.com)

**Revision History**

<b>Version</b>	<b>Date</b>	<b>Change Summary</b>
5.0	3/1/13	Revised the “Refund Eligible Customer” definition. Posted for comment, effective March 16, 2013.
4.0	11/28/12	Notice section updated with new web OASIS link.
3.0	2/22/2012	Revised to add further clarity and formatted the business practice to standard template.
2.0	4/15/2011	Further clarify what entities are eligible to receive penalty revenue and the frequency of penalty calculations and distribution consistent with Order Nos. 890 & 890-A.
1.0	7/13/2007	Business Practice required by Order No. 890