DRAFT SCHEDULE 10

Capacity for Generator Balancing Services

Capacity for Generator Balancing Services is necessary to ensure the capacity is available to provide the energy for service under Schedule 9, Generator Imbalance Service, as well as to provide regulation and frequency response for generation, in order to maintain scheduled Interconnection frequency at sixty cycles per second (60 Hz). The obligation to maintain the capacity under this schedule 10 lies with the Transmission Provider (or the Balancing Authority that performs this function for the Transmission Provider).

The Transmission Provider must offer to provide this service to generation electrically located in the Transmission Provider's Control Area to the extent it will not unreasonably impair reliability. The Transmission Provider will establish a long-term planning process in its Business Practices and utilize that planning process to forecast the capacity needed to provide this service. The Transmission Provider will offer to provide such service up to the forecast quantity from its resources or resources available to it.

The Transmission Customer must either purchase this capacity for generator balancing services from the Transmission Provider or make alternative comparable arrangements, to satisfy its obligation.

The charges for Capacity for Generator Balancing Services are set forth in BPA's "Transmission, Ancillary, and Control Area Services Rate Schedules and General Rate Schedule Provisions", or its successor. To the extent the Balancing Authority performs this service for the Transmission Provider charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Balancing Authority.

The Transmission Provider may charge the Transmission Customer for Capacity for Generator Balancing Service under this Schedule and for Frequency and Response Service under Schedule 3, since Capacity needs for load and generation may aggravate rather than offset each other.