

**EXHIBIT NO. ___(RG-8)
2013 PSE PCORC
WITNESS: ROGER GARRATT**

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of
PUGET SOUND ENERGY, Inc.

For an Accounting Order Authorizing
Accounting Treatment Related to Payments
for Major Maintenance Activities

Docket No. UE-130583

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,
Complainant,

v.

PUGET SOUND ENERGY, INC.,
Respondent.

Docket No. UE-130617

In the Matter of the Petition of
PUGET SOUND ENERGY, Inc.

For an Accounting Order Authorizing the
Sale of the Water Rights and Associated
Assets for the Electron Hydroelectric Project
in Accordance with WAC 480-143 and
RCW 80.12.

Docket No. UE-131099

In the Matter of the Petition of
PUGET SOUND ENERGY, Inc.

For an Accounting Order Authorizing the
Sale of Interests in the Development Assets
Required for the Construction and Operation
of Phase II of the Lower Snake River Wind
Facility

Docket No. UE-131230

**FIRST EXHIBIT (NONCONFIDENTIAL) TO THE
PREFILED REBUTTAL TESTIMONY
OF ROGER GARRATT
ON BEHALF OF PUGET SOUND ENERGY, INC.**

AUGUST 28, 2013



LGI: Advanced Funding and Temporary Use of Interconnection Facilities, Version 1

Effective: 06/17/10

This Business Practice establishes an **Interconnection Party**¹'s requirements related to advance funding provisions for interconnection facilities as well as their temporary use of interconnection facilities under Large Generator Interconnection (LGI) Agreements.

A. Advance Funding of Interconnection Facilities

1. An Interconnection Party which submits a request for interconnection at a given **POI**² (Party A) shall provide funds in advance of construction for the construction of the **Initial Facilities**³, except as provided in step 2 below. Party A shall sign an Engineering and Procurement (E&P) Agreement or a Large Generator Interconnection Agreement (LGIA) to fund the Initial Facilities and establish an **Interconnection Date**⁴ and an entitlement to transmission credits.
2. An Interconnection Party (Party B) that submits a request for interconnection at a given POI after Party A has submitted a request must provide funds in advance of construction under the following circumstances:
 - a. Party B has signed an agreement (an E&P Agreement or an LGIA) to fund the Network Upgrades and establish an Interconnection Date and an entitlement to transmission credits; and
 - b. Party A has not signed an agreement to fund (an E&P Agreement or an LGIA) the Initial Facilities and establish an Interconnection Date or has established a later Interconnection Date.

¹i) a single customer, or ii) multiple customer that have executed an agreement to share advance funding costs for Network Upgrades. Multiple customers will be considered an Interconnection Party if Transmission Services receives an executed agreement to share advance funding costs for Network Upgrades, which lists each customer's share of the costs, within 90 days after Transmission Services' adoption of this policy or Transmission Services' tendering of the Engineering and Procurement Agreement to any customer, whichever is later.

²Point of Interconnection

³The Network Upgrades required to interconnect the Large Generating Facility of the first Interconnection Party to request an interconnection to BPA's Transmission System at a given Point of Interconnection (POI). Network Upgrades required to interconnect additional Large Generating Facilities, such as additional breakers or transformers, are not part of the Initial Facilities.

⁴The date for interconnection to an Interconnection Party as agreed to by the Interconnection Party and Transmission Services after all necessary studies have been completed.

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3. If step 2 above applies, Party B shall provide the following funds: i) funds for the construction of the Initial Facilities, plus funds for facilities needed solely to interconnect Party B. BPA Transmission Services shall determine which facilities are needed solely to interconnect Party A and which facilities are needed solely to interconnect Party B.
 4. If Party B has provided funds for the Initial Facilities in advance of construction, then, within 30 calendar days after signing an agreement to fund the Network Upgrades needed solely to interconnect Party A, Party A must pay BPA Transmission Services the funds for construction of the Network Upgrades needed solely to interconnect Party A, plus the amount of advance funding that Party B provided, minus i) the amount that Party B advanced for construction of Network Upgrades needed solely to interconnect Party B, and ii) the amount, if any, that BPA Transmission Services has refunded to Party B through credits to Party B.
 - a. Within 30 calendar days of receiving the funds from Party A, BPA Transmission Services will pay Party B the funds Party B provided for the Initial Facilities minus the amount, if any, that BPA Transmission Services has refunded to Party B for the Initial Facilities through credits to Party B. Party B shall continue to receive transmission credits only for funds advanced for Network Upgrades needed solely to interconnect Party B, if any.
 - b. Party A shall receive transmission credits pursuant to the LGIA.
 5. BPA Transmission Services will apply transmission credits to either party first to funds advanced for network additions required solely to interconnect that party and, once such credits are exhausted, to funds advanced for the Initial Facilities.

6. Examples:

- a. Under step 3 above, Party B provides the following funds:

Funds for the construction of Initial Facilities	\$100M
Funds needed solely to interconnect Party B	\$25M
Total funds supplied by Party B	\$125M

- b. Under step 4 above, Party A provides the following funds:

Funds needed solely to interconnect Party A	\$50M
Total Funds provided by Party B	\$125M
Minus funds needed solely to interconnect Party B	(\$25M)
Total Funds provided by Party A	\$150M
Total funding collected by BPA =	\$275M

- c. BPA accelerates credit repayment of \$100M to Party B (amount advanced for Initial Facilities). Credit balance for B is \$25M, credit balance for A is \$150M.

B. Temporary Use of Existing Network Facilities by Lower-Queued Customers

1. If two or more Interconnection Parties have requested interconnection at the same POI, which, until additional facilities are constructed, is sufficient to accommodate the Large Generating Facility of at least one but not all of the Interconnection Parties; and a lower-queued Interconnection Party or Parties establish Interconnection Dates before a higher-queued Interconnection Party does so, then:
 - a. The lower-queued Interconnection Party (or Parties, if the POI is sufficient to accommodate more than one Interconnection Party) may interconnect its Large Generating Facility on its established Interconnection Date, and
 - b. If the facilities needed to permanently interconnect any of the lower-queued Interconnection Parties are not completed by the Interconnection Date established for the higher-queued Interconnection Party, BPA will disconnect such lower-queued Interconnection Party's Large Generating Facilities until such facilities are completed.

C. Additional Information

Related Business Practices

- Generator Interconnection - Large
- [Transmission Credits](#)¹ - Generator - Large

Policy Reference

- [OATT](#): Attachment L, Standard Large Generator Interconnection Procedures (LGIP), including Standard Large Generator Interconnection Agreement (LGIA).

Version History

Version 1	06/17/10 New business practice.
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¹The credits earned by the Funding Customer for advance funding the costs of Network Upgrades.