

Western Area Power Administration

Rocky Mountain Region (WACM) CURRENT BUSINESS PRACTICES

Effective Date, October 1, 2015

Business Practices Revision Table

*(Changes to the business rules for this revision period are indicated in **Red**)*

Revision Date	Revision
09/25/2015	Transmission and Ancillary Services Rates (LAPT, WACM, & CRCM)
07/30/2014	Transmission Request Timing Table
10/01/2013	Transmission and Ancillary Services Rates (LAPT, WACM, & CRCM)
11/16/2012	Modification to WACM Loss Rate
9/30/2012	Transmission and Ancillary Services Rates (LAPT, WACM, & CRCM)
3/4/2012	VAR Support Charging
2/17/2012	Rollover Requests & Losses on DC Tie

GENERAL INFORMATION

The following are the Current Business Practices and timing requirements for the Rocky Mountain Region. In certain sections, implementation of new business practices is clearly identified with an effective date. This document provides requirements for the transmission reservation and energy scheduling processes. The following Transmission Service Providers are included under these requirements:

- LAPT - Loveland Area Projects
- CRCM - Colorado River Storage Project
- BEPW - Basin Electric Power Cooperative-West

All business practices listed are considered current unless otherwise noted.

ACCEPTANCE OF OASIS REQUESTS

Acceptance of OASIS requests will be granted only if the ATC is available.

- System conditions will prevail.

ACCEPTABLE QUANTITY OF REQUESTS

The continued grossly inefficient method of accessing WACM's OASIS node by various parties to submit numerous duplicate requests to secure a single reservation is seriously degrading the performance of multiple systems and negatively affecting all transmission customers. Therefore, effective May 21, 2001, the following business practices will be STRICTLY adhered to and there will be NO exceptions:

- **Transmission Requests On or Across LAPT, CRSP, or BEPW Systems**: WACM will deem EIGHT (8) or more requests for the same posted path submitted by the same customer within any ONE (1) clock hour to be an abuse of the system. If the same customer submits EIGHT (8) or more of these requests within any ONE (1) clock hour, all of those requests will be refused. Requests include any request that is submitted, regardless of state that the request may be in or become.
- **Monthly Non-firm Requests**: For the first twelve (12) hours of the request timing window (00:00:00 to 12:00:00, 60 calendar days prior to the start of service), only ONE (1) request per posted path will be allowed per clock hour. Multiple requests for service submitted during this time frame will result in ALL requests for the abused clock hour being refused. This practice only applies to the first 12 hours of the request timing window. After the 12 hours have passed, the practice of 8 requests, as stated above, will apply. Requests include any request that is submitted, regardless of state that the request may be in or become.

UNRESERVED USE OF TRANSMISSION (Schedule 10)

Unreserved use is defined as unscheduled or untagged use of the transmission system and any affiliated ancillary service, which exceeds reserved capacity at any point of delivery or receipt. Unreserved use may also include a Transmission Customer's failure to curtail transmission when requested.

- The rate for Unreserved Use of Transmission is 200 percent of LAP's approved rate for firm Point-to-Point for the type of service at issue. The minimum rate used, even for 1 hour of Unreserved Use, will be the daily firm Point-to-Point rate. The maximum rate used will be the monthly firm Point-to-Point rate.
- Additionally, as stated above, the Transmission Customer may also be subject to applicable Balancing Authority ancillary service charges against their unreserved use.
- For detailed information in this regard refer to Assessing Unreserved Use Penalty Business Practice.

SCHEDULING PATHS

- Transaction schedules must be tagged from the same POR/POD combination as identified in the confirmed OASIS Reservation.
- Transaction schedules that do not match POR/POD as identified in OASIS will not be allowed and the E-tag will be denied.

CONSTRAINED PATHS

Western - RMR manages five constrained interfaces involving multiple transmission owners, referred to as:

- TOT-1A, Northwest Colorado – Southeast Utah
- TOT-2A, Southwest Colorado - New Mexico & Arizona
- TOT-3, Southeast Wyoming - Eastern Colorado
- TOT-5, Western Colorado - Eastern Colorado
- YT-South, Southern Montana – Northern Wyoming

Many transactions taking place across the Colorado River Storage Project (CRSP) and/or Loveland Area Projects (LAP) transmission systems involve at least one of these interfaces. Three of these paths are qualified paths for unscheduled flow mitigation through the WECC UFAS procedures. WECC refers to these paths as:

- Path 30 (TOT-1A)
- Path 31 (TOT-2A)
- Path 36 (TOT-3) (A competing path with Path 66 California - Oregon)

Any of the above paths may become overloaded as a result of unscheduled flow. Coordinated phase shifter operation and/or schedule reductions may be required on the qualified paths. The WACM Balancing Authority Operator may determine that current system conditions are such that the anticipated schedule(s) cannot be implemented, and adjustments to the existing schedules may be required.

CREDIT FOR OUTAGES/CURTAILMENTS

Non-Firm:

- Credit will be provided to the customer for all curtailments occurring on a specific purchased path caused by outages to that path.
- No credit will be provided for outages or curtailments occurring on other facilities that may impact transactions on a purchased transmission path.

Firm:

- No credit will be provided for Planned Maintenance Outages, or, a Forced Outage, on a specific purchased transmission path.
- No credit will be provided for outages or curtailments occurring on other facilities that may impact transactions on a specific purchased transmission path.

- For detailed information in this regard refer to Crediting Policy for System Outages Business Practice.

OASIS 1.4 UPGRADE AND RELATED SERVICES

Effective March 1, 2001, as part of the OASIS S&CP 1.4 upgrade, the following new types of services are currently not offered and any request of these types will be INVALID:

- Deferral
- Resale (case by case basis)

When Western-RMR is capable of offering some or all of the above services, these business practices will be revised and re-posted to reflect any new offerings.

Expanded Transmission Service:

- Redirect: Redirect will be available only on all firm reservations. Redirect service has been expanded to include all firm reservations (Long Term, Short Term) as of July 20, 2004. For non-firm redirect of firm services, requests shall be submitted as Secondary Hourly from Alternate POR/POD.
- Partial Service: If WACM cannot accommodate customer's request in its entirety for lack of ATC, WACM will Counteroffer the transmission capacity that is available as practicable within real-time conditions.

TRANSMISSION LOSS COLLECTION

Transmission losses will be assessed for all real-time and prescheduled transactions on transmission facilities managed by Western - RMR as follows:

- **Import Transaction:** Import Transactions are those which show the source as a Balancing Authority outside of WACM and a sink in WACM; excluding network service transactions from designated or non-designated resources.
- **Export Transaction:** Export transactions are those transactions that show the source as WACM and the sink as another Balancing Authority.
- **Wheeled-Through Transactions:** Wheeled-through transactions are those transactions that flow through the entire WACM system for which WACM is an intermediary Balancing Authority/Scheduling Entity (neither the Source/Generating Balancing Authority nor the Sink/Load Balancing Authority).

Loss Percentages (effective December 1, 2012) are as follows:

- CRCM 5% *
- LAPT 5%
- BEPW 5.5%

If more than one Transmission Service Provider is used in one transaction, the higher of the percentages shall apply.

Effective July 1, 2002, Western began assessing an additional 1.7% loss on schedules across Sidney DC Tie during the times when

Sidney and Stegall DC Ties are running in opposite direction. These additional losses will be assessed financially by taking the invoice from Nebraska Public Power District (or its agent or successor organization) and apportioning a share of that invoice in that same month (e.g., January opposite losses bill received by Western in February would be billed in February). Billable shares shall be determined by percentage ratio calculated by each entity's scheduled energy during all hours (in the billing period in question) of opposite operations (aggregated for each direction and then summed), divided by the total of that same formula aggregated over all applicable entities. The percentage ratio shall be applied to the NPPD invoice to calculate the assessment to be billed to each entity.

***NOTICE TO TRANSMISSION CUSTOMERS 9/30/10:**

Pursuant to RMR's Open Access Transmission Tariff (OATT), Attachment A (Firm Point-to-Point), Section 9.1.1; Attachment B (Non-Firm Point-to-Point), Section 9.1.1; and Attachment F (Network Integration Service), Section 4.1.1, this posting constitutes official notification that RMR is adjusting the specified transmission loss rate applicable to transmission service. This rate is applicable to service provided by Loveland Area Projects Transmission (LAPT and/or CRCM). Effective December 1, 2012, the new loss rate for services under the OATT will be 5 % of the transmission service amount.

Transmission Service Providers Loss Responsibility to WACM Balancing Authority:

This provision applies to all the Transmission Service Providers (TSP) who market transmission inside WACM Balancing Authority (BA). Those TSPs include but are not limited to the following entities: BEPW, BHBE, CRCM, CSU, LAPT, PNM, PRPA, PSCO, TEPC, TSGT, UMPS, and **SWPP**. The loss responsibility for all outgoing transactions (interchanges starting in WACM BA) falls on the last TSP inside WACM BA as identified in the e-tag. The loss responsibility for wheeling transactions (interchanges which does not source from WACM or sink in WACM) falls on the last TSP in WACM as identified in the e-tag. The loss responsibility for certain incoming interchanges such as those which sink in Black Hills Power Sub Balancing Authority (BHP) or Colorado Springs Utilities Sub Balancing Authority (CSU) falls on the last TSP before entering CSU or BHP Sub Balancing Authority.

The above provisions may not apply if there are pre-existing contractual arrangements or other specified method for loss assessment.

TRANSMISSION LOSSES SERVICE: CALCULATION AND SETTLEMENT

Transmission losses will be assessed against all real-time and prescheduled transactions on transmission facilities managed by the Western Area Power Administration or within the Western Area Colorado Missouri Balancing Authority (WACM).

Transmission Customers will be allowed the option of either:

- 1) Returning in-kind energy to settle their transmission loss obligations with the WACM; or
- 2) Settling the loss obligation financially using the WACM weighted hourly average purchase price.

For those Transmission Customers selecting 1), above, they further have the option of scheduling the energy concurrently or seven days in arrears, in the same energy profile. This selection of an option for energy settlement must be made on an annual basis. Two types of customers are eligible to take Transmission Losses Service:

- 1) Transmission Customers who are purchasing Point-to-Point Transmission Service managed by WACM (generally wheeled-through activity); and
- 2) Transmission Customers who are taking both Transmission Losses Service and Imbalance Service from WACM.

The calculation, settlement, and pricing of the loss obligations incurred by both of these types of Transmission Customers, differ as outlined below.

Transmission Losses Service for Customers Taking Only Point-to-Point Transmission Service (No Imbalance Service Taken):

Transmission Customers taking only Point-to-Point Transmission Service will also be allowed the option of either:

- 1) Returning in-kind energy to settle their transmission loss obligations with WACM; or
- 2) Settling the loss obligation financially using the WACM weighted hourly average purchase price.

For those Transmission Customers selecting 1), above, they further have the option of scheduling the energy concurrently or seven days in arrears, in the same energy profile. Transmission Customers must select an option for energy repayment (concurrent or seven days in arrears) and be measured against that selection on an annual basis. It is the transmission customer's responsibility to notify Western via an e-mail their preference before the start of the schedule.

Pricing for Transmission Losses Service for Point-to-Point Transmission Customers

The pricing for Transmission Losses Service for Point-to-Point Transmission Customers is the WACM weighted hourly average purchase price. When there is no real-time purchase within the hour, the pricing defaults will be applied in the following order:

1. Weighted average purchase pricing for the day (on- and off-peak).
2. Weighted average purchase pricing for the current month (on- and off-peak).
3. Weighted average purchase pricing for the prior month (on- and off-peak).
4. Weighted average purchase pricing for the month prior to the prior month (on- and off-peak), and continuing in this manner until purchase pricing is located.

Those Transmission Customers with loads within the WACM may request to have their export activity loss calculations integrated into their Energy/Generator Imbalance Service calculations.

Calculating and Tagging Point-to-Point Transmission Loss Obligations

For these Point-to-Point Transmission Service transactions that are to be settled as energy-in-kind, the loss obligation will be calculated hourly, but rounded on a daily basis, using standard rounding criteria (.49 and lower being rounded down to the nearest whole MW, and .50 and higher being rounded up to the nearest whole MW).

Transmission losses for both prescheduled and real-time Point-to-Point Transmission Service transactions can be submitted using one aggregated electronic tag for each activity, for all losses applicable to the prescheduled or real-time activity. In the comment field of the electronic tags, it must be clearly designated as a "Prescheduled Loss Tag for mm/dd/yy" or "Real-time Loss Tag for mm/dd/yy". The profile shall be flat MW schedules separated into on-peak and off-peak periods. The last PSE on the tag must be coded as WACM.

Settlement for Transmission Losses Service for Point-to-Point Transmission Service Transactions

- **Settlement for Deficient Energy Return:** If ‘energy return’ is indicated as the preferred method by the Transmission Customer, and the loss obligation is underpaid (either partially or in full), the balance due will be settled financially using the WACM weighted hourly average purchase price and billed on a calendar month basis. Financial settlement will always be the default when losses promised to be delivered are not received by WACM.
- **Settlement for Surplus Energy Return:** If ‘energy return’ is indicated as the preference, and the loss obligation is overpaid, the overpaid amount of energy is lost to the Transmission Customer and no credit is given. No financial compensation or energy return will be provided by WACM for overpayment of loss obligations. There should be no condition beyond the control of the Transmission Customer that results in overpayment. The Transmission Customers are entirely in control of knowing how much energy they schedule and calculating and scheduling to repay for losses.

Transmission Customers Taking Imbalance Service (Schedules 4 and 9):

Transmission Customers who take Imbalance Service from WACM also have the same option for all loss obligation energy returns (concurrent or seven days in arrears, same profile); however, the Imbalance Service calculation will still be calculated hourly, with all resources and obligations measured within that hour, without regard to when the losses were to have covered an obligation.

When a customer taking Imbalance Service overpays its energy settlement for its loss obligations, the overpaid energy will appear in the context of the measurement of the customer’s total resources and obligations, measured hourly, and the customer will be credited financially for the losses over delivered.

The opposite will occur if a customer taking Imbalance Service underpays its energy settlement for its loss obligations; e.g., the underpaid energy will appear in the context of the measurement of the customer’s total resources and obligations, measured hourly, and the customer will be charged **financially** for losses under delivered.

Pricing and Settlement for Imbalance Service (See Energy Imbalance and Generator Imbalance below)

DELIVERY POINTS FOR TRANSMISSION LOSSES

Scheduled losses can be delivered to any POR on the LAPT, CRCM, or BEPW system, except for SCSE (Sidney Converter Station East). The Sidney Converter Station is a controlled device and appropriate transmission capacity **MUST** be reserved on the Sidney Converter Station to deliver losses to SCSW (Sidney Converter Station West).

HOURLY NON-FIRM REQUESTS

- To maximize transmission availability, ATC for Hourly Non-Firm capacity is calculated hourly at 15 minutes past the hour.
- Requests for Hourly Non-Firm reservations must be submitted via the OASIS and in accordance with the timing requirements listed in the table below.

- All reservations must be requested through the OASIS website. Verbal requests and confirmations will be permitted within the posted timing requirements should the WACM OASIS website become inoperative. No exceptions will be allowed for operational problems originating at the customer's site.
- Some Real-Time Hourly requests will be refused for insufficient ATC based on system conditions. As system conditions fluctuate, the OASIS may show ATC available, but it may be refused.
- At no time will a request be accepted when the ATC posted as available is at zero, regardless of system conditions.

ENERGY SCHEDULES

- Per WECC Approved Regional Criteria, an approved transaction tag must accompany all pre-scheduled non-real-time energy transactions. If there is no valid tag, the schedule will not be implemented.
- Tags for real-time energy transactions shall be submitted in accordance with NERC Interchange Standards, WECC Regional Criteria, and Transmission Provider's Business Practices.

MONTHLY NON-FIRM TRANSMISSION REQUESTS

- Requests for Monthly Non-Firm reservations may be requested for one month, which is the maximum term for non-firm transmission (see section 14.5, Western's Tariff).
- When submitting a request for Monthly Non-Firm, it is possible that the request could fall within the timing requirement 60-day "no earlier than" window to permit requesting successive months, however, a separate request must be submitted for each month of service.

FIRM TRANSMISSION REQUESTS

Requests for Short-Term Firm Transmission Service must be made through the OASIS.

- For a valid request for Daily, Weekly or Monthly Firm Transmission Service for which Western has ATC, a response will be made to the requestor within the timing requirements listed below. All Weekly and Monthly Transmission Service requests will initially be placed in Received mode.
- All requests for Long-Term Firm Transmission Service must be made through the OASIS.
- All Long-Term Firm Transmission requests will initially be placed in STUDY mode.
- The non-refundable processing fee is required for all Long-Term Transmission Service requests and it must be received by Western within 5 business days of the OASIS request, or the request will be INVALID.
- Information required for a complete application, as defined in section 17.2 of the Tariff, must be received via facsimile (970) 490-7213, (use the Transmission Service Application form found at http://www.oatiaoasis.com/cwo_default_WACM.html under any of WACM Transmission Service Providers) within 5 business days of the OASIS request, or the request will be INVALID.

- A Service Agreement will be forwarded after Western receives the required information.

Rollover Requests:

Any existing Long-Term customer with a contract term of five (5) years or more that wishes to exercise its reservation priority must make an application for its new service term following the usual pro forma tariff procedures. Notification to exercise a right of first refusal for Long-term Firm under Section 2.2 of the pro forma tariff must be received by the Transmission Service Provider no less than one (1) year prior to the date an existing Long-term contract ends and the commencement of the new service. In addition, the request to exercise roll over rights on WACM OASIS should be made by selecting Request Type of “Renewal”. Long Term customer with a contract term of less than five (5) years must make their request sixty (60) days prior to the termination of service.

FIXED RATES (Schedule 8 and Schedule 7, respectively)

PROJECT	LAPT (10/01/2015-09/30/2016)	CRCM (10/01/2015-09/30/2016)	BEPW	PROJECT	LAPT (10/01/2015-09/30/2016)	CRCM (10/01/2015-09/30/2016)	BEPW
Hourly Non- Firm (\$/MW-hour)	\$5.42	\$1.75	\$1.49	Hourly Firm (MW-day)	N/A	N/A	N/A
Daily Non- Firm (\$/MW- day)	\$130.00	\$40.00	\$36.00	Daily Firm (MW-day)	\$130.00	\$40.00	\$36.00
Weekly Non-Firm (\$/MW-week)	\$910.00	\$290.00	\$250.00	Weekly Firm (MW-week)	\$910.00	\$290.00	\$250.00
Monthly Non-Firm (\$/MW-month)	\$3,960.00	\$1,280.00	\$1,090.00	Monthly Firm (MW-month)	\$3,960.00	\$1,280.00	\$1,090.00
Yearly Non-Firm (\$/MW-year)	N/A	N/A	N/A	Yearly Firm (MW-year)	\$47,480.00	\$15,300.00	\$13,040.00

ANCILLARY SERVICES (in accordance with Schedules 1, 2, 3, 4, & 9 of the Tariff and applicable rate schedules)

- Scheduling, System Control, and Dispatch Service (Schedule 1):**

This service is required to schedule the movement of power through, out of, within, or into a Control Area. This service can be provided only by the operator of the Control Area in which the transmission facilities used for transmission service are located. According to Schedule 1 of the Tariff, the Transmission Customer must purchase this service from the Transmission Provider or the Control Area Operator (WACM BA). The Transmission Service Providers' charges for Scheduling, System Control and Dispatch Services are included in the applicable Transmission Service rate.

WACM's current rate for this service is **\$20.80** per schedule per day and it will be divided equally among the transmission providers inside WACM displayed in the schedules physical segment.

- Reactive Supply and Voltage Support (VAR Support) (Schedule 2):**

In order to maintain transmission voltages on the Transmission Service Provider's transmission facilities within acceptable limits, generation facilities under the control of the Control Area Operator (WACM) are operated to produce or absorb reactive

power. Thus, the transmission customer must purchase this service from the Transmission Service Provider or the Control Area Operator (WACM BA). The charges for VAR Support service are as follows:

Services	Cost
Hourly	\$0.223/MW Hour
Daily	\$5.00/MW Day
Weekly	\$38.00/MW Week
Monthly	\$163.00/MW Month

Customers with generators providing WACM with VAR Support may be excluded from the application of this rate. VAR Support charges will be assessed to all point to point transmission reservations. Western will use OASIS reservations (TSR) in assessing VAR Support charges regardless if the reservation is scheduled or not.

- **Regulation and Frequency Response (Schedule 3):**

This service is necessary to provide for the continuous balancing of resources, generation and interchange, with load, and for maintaining scheduled interconnection frequency at sixty cycles per second. This is accomplished by committing on-line generation output to raise or lower generation to follow the moment-by-moment changes in load.

There are two different applications of this rate:

1. Load-based Assessment
2. Self-provision Assessment

The charges for such service are as follows:

Services	Cost
Hourly	\$0.333/MW Hour
Daily	\$8.00/MW Day
Weekly	\$56.00/MW Week
Monthly	\$244.00/MW Month

Alternative Arrangements:

Exporting Intermittent Resource Requirement: An entity that exports the output from an intermittent generator to another balancing authority will be required to dynamically meter or dynamically schedule that resource out of WACM to another balancing authority unless arrangements, satisfactory to Western, are made for that entity to acquire this service from a third party or self-supply (as outlined below). An intermittent generator is one that is volatile and variable due to factors beyond direct operational control and, therefore, is not dispatchable.

Self- or Third-party supply: Western may allow an entity to supply some or all of its required Regulation and Frequency Response Service, or contract with a third party to do so, even without well-defined boundary metering. This entity must have revenue quality metering at every load and generation point, accurate as defined by NERC, to include MW flow data availability at 6-second or smaller intervals. Western will evaluate the entity's metering, telecommunications and regulating resource, as well as the required level of regulation, and determine whether the entity qualifies to self-supply under this provision. If approved, the entity is required to enter into a separate agreement with Western which will specify the terms of the self-supply application.

- **Energy Imbalance Service (Schedule 4):**

Western Provides Energy Imbalance Service when there is a difference between a Customer's resources and obligations. Energy Imbalance is calculated as resources minus obligations (adjusted for transmission and transformer losses) for any combination of scheduled transfers, transactions, or actual load integrated over each hour. Customers within WACM must either obtain this service from WACM or make alternative comparable arrangements to satisfy their Energy Imbalance Service obligation.

Pricing and Settlement for Energy Imbalance Service

1. An imbalance of less than or equal to 1.5 percent of metered load (or 4 MW, whichever is greater) for any hour is settled financially at 100 percent of the WACM weighted average hourly price.
2. An imbalance between 1.5 percent and 7.5 percent of metered load (or 4 to 10 MW, whichever is greater) for any hour is settled financially at 90 percent of the WACM weighted average hourly price when net energy scheduled exceeds metered load or 110 percent of the WACM weighted average hourly price when net energy scheduled is less than metered load.
3. An imbalance greater than 7.5 percent of metered load (or 10 MW, whichever is greater) for any hour is settled financially at 75 percent of the WACM weighted average hourly price when net energy scheduled exceeds metered load or 125 percent of the WACM weighted average hourly price when net energy scheduled is less than metered load.

All Energy Imbalance Service provided by WACM is accounted for hourly and settled financially. The WACM aggregate imbalance determines the pricing used in all deviation bands. A surplus dictates the use of sales pricing; a deficit dictates the

use of purchase pricing. When no hourly data is available, the pricing defaults for sales and purchase pricing are applied in the following order:

1. Weighted average sale or purchase pricing for the day (on- and off-peak).
2. Weighted average sale or purchase pricing for the current month (on- and off-peak).
3. Weighted average sale or purchase pricing for the prior month (on- and off-peak).
4. Weighted average sale of purchase pricing for the month immediately prior to the prior month (on- and off-peak), and continuing in this manner until sale or purchase pricing is located.

- **Generator Imbalance Service (Schedule 9):**

The WACM provides Generator Imbalance Service when there is a difference between a Customer's resources and obligations. Generator Imbalance is calculated as actual generation minus scheduled generation for each hour. Customers inside WACM must either obtain this service from WACM or make alternative arrangements to satisfy their Generator Imbalance Service obligations. This rate applies to all jointly-owned generators, intermittent generators, and any non-intermittent generators serving load only outside WACM, unless other arrangements have been made.

Pricing and Settlement for Generator Imbalance Service

1. An imbalance of less than or equal to 1.5 percent of metered generation (or 4 MW, whichever is greater) for any hour is settled financially at 100 percent of the WACM weighted average hourly price.
2. An imbalance between 1.5 percent and 7.5 percent of metered generation (or 4 to 10 MW, whichever is greater) for any hour is settled financially at 90 percent of the WACM weighted average hourly price when actual generation exceeds scheduled generation or 110 percent of the WACM weighted average hourly price when actual generation is less than scheduled generation.
3. An imbalance greater than 7.5 percent of metered generation (or 10 MW, whichever is greater) for any hour is settled financially at 75 percent of the WACM weighted average hourly price when actual generation exceeds scheduled generation or 125 percent of WACM weighted average hourly price when actual generation is less than scheduled generation.

Intermittent generators are exempt from 25 percent penalties. All intermittent imbalances greater than 1.5 percent of metered generation are subject only to a 10 percent penalty.

All Generator Imbalance Service provided by WACM is accounted for hourly and settled financially. The WACM aggregate imbalance determines the pricing used in all deviation bands. A surplus dictates the use of sale pricing; a deficit dictates the use of purchase pricing. When no hourly data is available, the pricing defaults for sales and purchase pricing are applied in the

following order:

1. Weighted average sale or purchase pricing for the day (on- and off-peak).
2. Weighted average sale or purchase pricing for the current month (on- and off-peak).
3. Weighted average sale or purchase pricing for the prior month (on- and off-peak).
4. Weighted average sale or purchase pricing for the month immediately prior to the prior month (on- and off-peak), and continuing in this manner until sale or purchase pricing is located.

A complete list of transmission and ancillary services rates are available at the following links:

Loveland Area Project (LAPT Transmission Service Provider)

<http://www.wapa.gov/regions/rm/rates/pages/rates.aspx>

Colorado River Storage Project (CRCM Transmission Service Provider)

<http://www.wapa.gov/regions/crsp/rates/pages/rates.aspx>

FIRM TRANSMISSION SERVICE REQUESTS

TERMS OF SERVICE

TRANSMISSION REQUESTS					RESPONSE TIME			DISPLACE/SUPERSEDE	
Service Type	Term	Curtailment Priority	No Later Than	No Earlier Than	Provider Evaluation Time Limit	System Impact Study	Customer Confirmation Time Limit after ACCEPTED or COUNTEROFFER	No Later Than	Right of First Refusal
Network	1-10 Years	7	(60) Calendar Days Prior To Initial Month	10-Years Prior To Start of Service	(30) Calendar Days	(60) Calendar Days	(15) Calendar Days	N/A	N/A
Fixed Or Sliding Yearly 1-10 Yr.	Fixed Or Sliding Yearly 1-10 Yr.	7	** (60) Calendar Days Prior To Initial Month	10-Years Prior To Start of Service	(30) Calendar Days	(60) Calendar Days	(15) Calendar Days	N/A	N/A
Firm Point-to-Point	Fixed Monthly (Calendar Month) 1-11 Months	7	(14) Calendar Days Prior To Start Of Service	120 Calendar days Prior To Start of Service	(30) Calendar Days ¹	(60) Calendar Days	4 Days	1-Month Prior To Commencement Of Service	24-Hours
Firm Point-to-Point	Fixed or Sliding Weekly 1-4 Weeks	7	(2) Business Days Prior To Start of Service	60 Calendar days Prior To Start of Service	(30) Calendar Days ¹	(60) Calendar Days	48 Hours	1-Week Prior To Commencement Of Service	24-Hours
Firm Point-to-Point	Fixed Daily (Calendar Day) 1-6 Days	7	1400 Day Prior To Start of Service	30 Calendar days Prior To Start of Service	(30) Calendar Days ¹	(30) Calendar Days	<24 Hrs ² – 120 Min ² >24 Hrs ² – 24 Hrs	1-Day Prior To Commencement Of Service	24-Hours Or Up To 1-Day Prior To schedule Start, Whichever Is Less
Network Service From Non-Designated Resources	Based On Network Reservation	6	1400 Day Prior To Start of Service	As Soon As Practicable	(1) Business Day	N/A	Optional	1000 Day Prior	N/A

1. Subject to expedited time requirements of Section 17.1 of the pro forma tariff. Transmission Service Providers should make best efforts to respond within 72 hours, or prior to the scheduling deadline, whichever is earlier.
2. Time QUEUED prior to start of service. Less than (<), Greater than (>). Example: <24 Hrs – Request submitted within 24 hours prior to the start of service.

** Customers with a point to point contract term of five (5) years or more must make a request for its new service no later than one (1) year prior to termination of service.

TRANSMISSION REQUESTS					RESPONSE TIME			DISPLACE/SUPERSEDE	
Service Type	Term	Curtailment Priority	No Later Than	No Earlier Than	Provider Evaluation Time Limit	System Impact Study	Customer Confirmation Time Limit after ACCEPTED or COUNTEROFFER	No Later Than	Right of First Refusal ¹
Non-Firm Point-to-Point	(Fixed Monthly) 1-Calendar Month	5	1400 Day Prior To Start of Service	60-Calendar Days Prior To Start of Service	2-Calendar Days	N/A	24 Hours	1400 Day Prior To Start of Service	24-Hours Or 1400 Prior To Schedule Start – Whichever Is Less
Non-Firm Point-to-Point	(Fixed or Sliding Weekly) 1- 4 Weeks	4	1400 Day Prior To Start of Service	(14) Calendar Days Prior To Start of Service	4 Hours or As Soon as Practicable	N/A	24 Hours	1400 Day Prior To Start of Service	24-Hours Or 1400 Prior To Schedule Start – Whichever Is Less
Non-Firm Point-to-Point	(Fixed Daily) 1-6 days	3	1400 Day Prior To Start of Service	(2) Calendar Days Prior To Start of Service	30-Minutes or As Soon as Practicable	N/A	120 Minutes	1400 Day Prior To Start of Service	24-Hours Or 1400 Prior To Schedule Start – Whichever Is Less
Non-Firm Point-to-Point	(Fixed Hourly) 1-24 Hrs Within One Calendar Day	2	20-Mins Prior To Start of Service	0600 Day Prior to Start of Service	30-Minutes or As Soon As Practicable	N/A	<1 Hrs ² - 5 Min. 1>24 Hrs ² – 5 Min. 24 Hrs ² > - 10 Min.	1400 Day Prior To Start of Service	Immediately On Notification
Firm Point-to-Point from Secondary POD &/or POR	Based On Firm Reservation	1	30-Mins Prior To Start of Service	0600 Day Prior To Start of Service	30-Minutes or As Soon As Practicable	N/A	<1 Hrs ² - 5 Min. 1>24 Hrs ² – 5 Min. 24 Hrs ² > - 10 Min.	1400 Day Prior To Start of Service	N/A

- The right of first refusal applies only with respect to requests for service that are being preempted by competing, longer-term requests for non-firm point-to-point transmission service.
- Time QUEUED prior to start of service. Less than (<), Greater than (>).
Example: <1 Hrs – Request submitted within 1 hour prior to the start of service.