



Western  
Area Power  
Administration

# UGP 2024 Transmission & Ancillary Services Formula Rates

September 15, 2023

## Annual Meeting via Net Conference

Presented by:  
Steve Sanders, UGP Strategic Advisor

# Purpose of Annual Meeting

- Present the calculated WAPA Upper Great Plains Region (UGP) 2024 Transmission & Ancillary Services Formula Rates (and 2022 True-ups) for the Southwest Power Pool, Inc. (SPP) Upper Missouri Zone (“UMZ”/Zone 19) and SPP broader footprint – **Based upon Rate Order No. WAPA-188**
- As provided for in the UGP Transmission and Ancillary Formula Rate Implementation Protocols (“Protocols”):
  - UGP will provide Initial Posting of the Annual Update on or around September 1 each year, and, within at least seven calendar days’ notice but not more than twenty calendar days, host a meeting for Interested Parties to discuss the Annual Update.
  - This meeting provides an opportunity to discuss the proper application of data in the formula rates, not the rate formulas themselves.

[WAPA-UGP-Trans-Anc-Service-Rates-ESTIMATE-Templates-2024-0101.xlsx](#)

[WAPA-UGP-Trans-Anc-Service-Rates-2022-TrueUp-Templates.xlsx](#)



# Notification of Annual Meeting for 2024 Rate Update / Postings

- OASIS Posting on UGP's home page on 9/1/2023.
  - [UGP's OASIS home page](#)
- Corresponding postings on the **SPP Member Related Postings** website in the “Western Area Power Administration UGP Information.zip” link, and applicable information on UGP's internal rate website.
- Customer/stakeholder email to SPP Service List “Formula Rate Posting Information Notification” exploder ([frpin@spplist.spp.org](mailto:frpin@spplist.spp.org)) on 9/2/2023.



# UGP 2024 Rates Summary/Notices

(Rates Effective 01/01/2024, Expire 12/31/2024)

Type of Service	Rate
Annual Transmission Revenue Requirement - SPP Schedule 9 (UMZ)	\$133,796,823
Annual Transmission Revenue Requirement - SPP Schedule 11 Total	\$1,887,734
Annual Transmission Revenue Requirement - SPP Schedule 11 Zonal	\$1,409,864
Annual Transmission Revenue Requirement - SPP Schedule 11 Regional	\$477,870
Scheduling, System Control and Dispatch Service (SSCD for SPP OATT Schedule 1)	\$11,519,541
Regulation and Frequency Response Service *	\$337,456
Operating Reserves-Spinning Reserve Service and Supplemental Reserve Service *	\$356,336 (See Note 1)
<p>Note 1: Index for Prevailing Market Energy Rate for Reserves: SPP Integrated Marketplace at Miles City DC Tie (MCWEST). (For Energy provided by WAPA as BA) Energy provided by the Western Power Pool (WPP) Reserve Sharing group, if applicable, will be at the pass-thru charge assessed by the WPP.</p>	
<p>* For UGP's WAUW Balancing Authority Area (BAA) in the Western Interconnection</p>	

[WAPA-UGP-Rates-2024-0101.pdf](#)



# UGP 2023 Rates Summary/Notices

## (Rates Effective 01/01/2023, Expire 12/31/2023)

Type of Service	Rate
Energy Imbalance Service <b>Western Energy Imbalance Service Market (WEIS Market) *</b>	See Note 1
Generator Imbalance Service <b>Western Energy Imbalance Service Market (WEIS Market) *</b>	See Note 1
<p>Note 1: UGP is participating in the WEIS Market in the WAUW as the Balancing Authority (BA). Charges to the SPP Transmission Customer will reflect only the passthrough of the applicable charges associated with the WEIS Market assessed to UGP as the WAUW BA for embedded load and/or generation in the WAUW of such SPP Transmission Customer that does not make adequate alternate arrangements in the WEIS Market or other alternative comparable arrangements pursuant to the SPP Tariff to satisfy its Energy Imbalance Service obligation.</p> <p>UGP will apply Energy Imbalance Service and Generator Imbalance Service charges under its Rate Schedules in its WAUW BAA based upon the WEIS Market providing such services. All load and resources within UGP's WAUW BAA will be subject to settlement under the WEIS Market pursuant to the provisions of the WEIS Tariff, and charges to customers for these ancillary services will be based upon the WEIS Market rates, terms, and conditions.</p> <p>* For UGP's WAUW Balancing Authority Area (BAA) in the Western Interconnection</p>	



# ATTR Comparison

ATTR Components	CY2022 (est) REV 1	CY2023 (est) REV 1	CY2024 (est)	Diff (2024 vs 2023)
<b>Gross ATRR (Sch 9)</b>	<b>\$160,025,370</b>	<b>\$154,445,505</b>	<b>\$159,291,524</b>	<b>+4,846,019</b>
Revenue Credits	\$(22,918,449)	\$(22,281,839)	\$(23,202,890)	-\$921,051
True-up	\$(721,970)	\$(9,743,484)	\$(2,291,811)	<b>+7,451,673</b>
<b>Net ATRR (Sch 9)</b>	<b>\$136,384,951</b>	<b>\$122,420,182</b>	<b>\$133,796,823</b>	<b>+\$11,376,641</b>
Gross Plant (Sch 9)	\$1,565,254,710	\$1,583,488,803	\$1,607,999,967	+\$24,511,164
<b>Net ATRR (Sch 11 Total)</b>	<b>\$871,772</b>	<b>\$599,104</b>	<b>\$1,887,734</b>	<b>+1,288,630</b>
<b>Net ATRR (Sch 11 Zonal)</b>	<b>\$772,005</b>	<b>\$527,520</b>	<b>\$1,409,864</b>	<b>+882,344</b>
<b>Net ATRR (Sch 11 Regional)</b>	<b>\$99,767</b>	<b>\$71,584</b>	<b>\$477,870</b>	<b>+\$406,286</b>



# Other Annual Revenue Requirement (ARR) Comparison

ARR Components	CY2022 (est) REV 1	CY2023 (est) REV 1	CY2024 (est)	Diff (2024 vs 2023)
<b>Gross SSCD /1</b>	<b>\$12,798,990</b>	<b>\$10,852,199</b>	<b>\$11,804,150</b>	<b>+\$951,951</b>
Revenue Credits	\$959,430	\$566,753	\$730,107	+\$163,354
True-Up /2	\$(1,566,249)	\$(396,740)	\$445,498	+\$842,238
<b>Net SSCD</b>	<b>\$10,273,311</b>	<b>\$9,887,706</b>	<b>\$11,519,541</b>	<b>+\$1,631,835</b>
<b>Net Regulation /3</b>	<b>\$289,081</b>	<b>\$151,338</b>	<b>\$337,456</b>	<b>+\$186,118</b>
<b>Net Reserves /3</b>	<b>\$283,557</b>	<b>\$155,094</b>	<b>\$356,336</b>	<b>+\$201,242</b>

/1 Scheduling, System Control and Dispatch Service (Schedule 1 in SPP OATT)

/2 Prior-year True-Up of ACTUAL Net SSCD Revenue Requirement (for transmission) and ACTUAL SSCD Revenues (for transmission)

/3 Including associated true-ups



# Other ARR Comparison (cont.)

ARR Components	CY2022 (est) REV 1	CY2023 (est) REV 1	CY2024 (est)	Diff (2024 vs 2023)
<b>Gross Regulation</b>	<b>\$343,498</b>	<b>\$297,280</b>	<b>\$312,402</b>	<b>+\$15,122</b>
True-Up	\$(54,417)	\$(145,942)	\$25,054	<b>+\$170,996</b>
<b>Net Regulation</b>	<b>\$289,081</b>	<b>\$151,338</b>	<b>\$337,456</b>	<b>+\$186,118</b>
<b>Gross Reserves</b>	<b>\$291,901</b>	<b>\$280,808</b>	<b>\$277,928</b>	<b>-\$2,880</b>
RSG Cost	\$42,123	\$38,360	\$35,551	-\$2,809
True-Up	\$(50,468)	\$(164,074)	\$42,857	<b>+\$206,931</b>
<b>Net Reserves</b>	<b>\$283,557</b>	<b>\$155,094</b>	<b>\$356,336</b>	<b>+\$201,242</b>





# 2024 Facility Changes

- New facilities added (or removed) shown in the following categories:
  - Cost recovery for all non-GI related facilities in UMZ is allocated between Schedule 9 (100% Zonal) and Schedule 11 for Base Plan Upgrades assigned to UGP in UMZ (where a portion of such costs are allocated as Regional and/or a portion as Zonal).
  - Maintenance replacements per UGP requirements.
  - New load/transmission interconnections. Facilities generally funded by Customer resulting in no additional costs in UGP Transmission Plant.
  - Changes due to SPP Tariff Attachment AI/Guidance Document annual reviews.
  - Network Upgrades identified as ***pre-SPP join requirements*** (Zonal costs under legacy IS) and therefore not part of SPP Planning Process.
  - GI related facilities due to ***pre-SPP join GI requests***. Facilities funded by Interconnect Customers. Crediting costs included in UGP Transmission Plant as expense booked.
- New/changed facilities are summarized in worksheet labeled “WS-11-FacChanges”



# 2024 Facility Changes

Western-UGP	Description
Fargo-Moorhead	Moorhead Reactor, UID 143159, Structures, Relay, Meter, RTU.
Bismarck	Bismarck Reactor, UID 143157, Reactors, Breaker, Switches.
Oahe-Glenham	Oahe 230-kV Terminal Upgrades, UID 122734, Structures, Conductor.
Oahe-Glenham	Sully Buttes-Whitlock 230-kV Line Clearance Increase, UID 143613, Structures.
Oahe-Glenham	Whitlock-Glenham 230-kV Clearance Increase, UID 143614, Structures.
White	Take over ownership of 2462 from East River, which already was qualified for AI Inclusion.
Sioux City 2	Removal of Transformer KU1B / replace Transformer KU1A, remove switches 8291, 8281.
Gregory	The substation was rebuilt to an expandable ring bus.
Williston	Take over ownership of 1162 from Basin Electric, which already was qualified for AI Inclusion.
North Bend	Customer funded 230-kV 4 breaker ring switching station added due to GIA and customer interconnection request.
Bismarck O&M Service Center	New Building.
Sioux Falls O&M Service Center	New Building.
Huron	Take over ownership of 230-kV Breaker 682 and assoc. switches, which was already qualified for AI inclusion.
Killdeer -Charlie Creek	Line Rebuild. Not a new line but was part of Watford City-Beulah line.



# UGP Rate Implementation Protocols / Timelines

- Under Rate Order No. WAPA-188, UGP developed updated Protocols. UGP's updated Formula Rate Templates and Protocols are incorporated into the SPP Tariff.
- Protocols are posted on UGP's OASIS, SPP Member Related Postings site, and UGP's rates website.
- The updated Protocols set forth the process and timelines for UGP's Annual Updates, including Stakeholder review of the updated rates.



# UGP Rate Implementation Protocols / Timelines

- Stakeholder comments and Information Requests under the Protocols are due October 15<sup>th</sup>.
- UGP will make good faith effort to respond to Information Requests within 15 calendar days.
- The Protocols outline additional procedures for Informal and Formal Challenges.
- UGP's Final Posting of the updated rates occurs on or around December 15th.



# Upcoming UGP Formula Rate Updates

- UGP's current formula rates expire on 9/30/2025 under Rate Order No. WAPA-188. UGP plans to start its formal public process in 2024 to update its rates.
- Section 39.3(k) of the SPP Open Access Transmission Tariff (Tariff), recognizes the unique approval authority for UGP's formula rates pursuant to statute, regulation, and the Dept of Energy's delegation to the Federal Energy Regulatory Commission.
- Upon Commission approval of UGP's rates under its separate process, UGP will then have SPP file its Attachment H updates with the Commission to incorporate its rate updates into the SPP Tariff.



# More Information

UGP OASIS Home Page (See Rates Folder)

<http://www.oasis.oati.com/wapa/index.html>

SPP Member Related Posting Page

<https://opsportal.spp.org/OASIS/Directory/Member%20Related%20Postings>

UGP Rates Information

<https://www.wapa.gov/regions/UGP/rates/Pages/rates.aspx>

UGP Contacts

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# Comment Addresses

Please send written comments by email to [UGPTRates@wapa.gov](mailto:UGPTRates@wapa.gov) or by mail to the address below:

Rates Manager  
Upper Great Plains Region, Western Area Power  
Administration  
2900 4<sup>th</sup> Ave North, Billings, MT 59101-1266  
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Comments and Information Requests are due by  
**October 15, 2023.**



# Questions?

