

Western Area Power Administration Upper Great Plains Region (Western-UGP)

Transmission & Ancillary Services Formula Rates

2016 Update

Customer Information Meeting

October 29, 2015

9 a.m. MDT, Billings, MT and via Webex



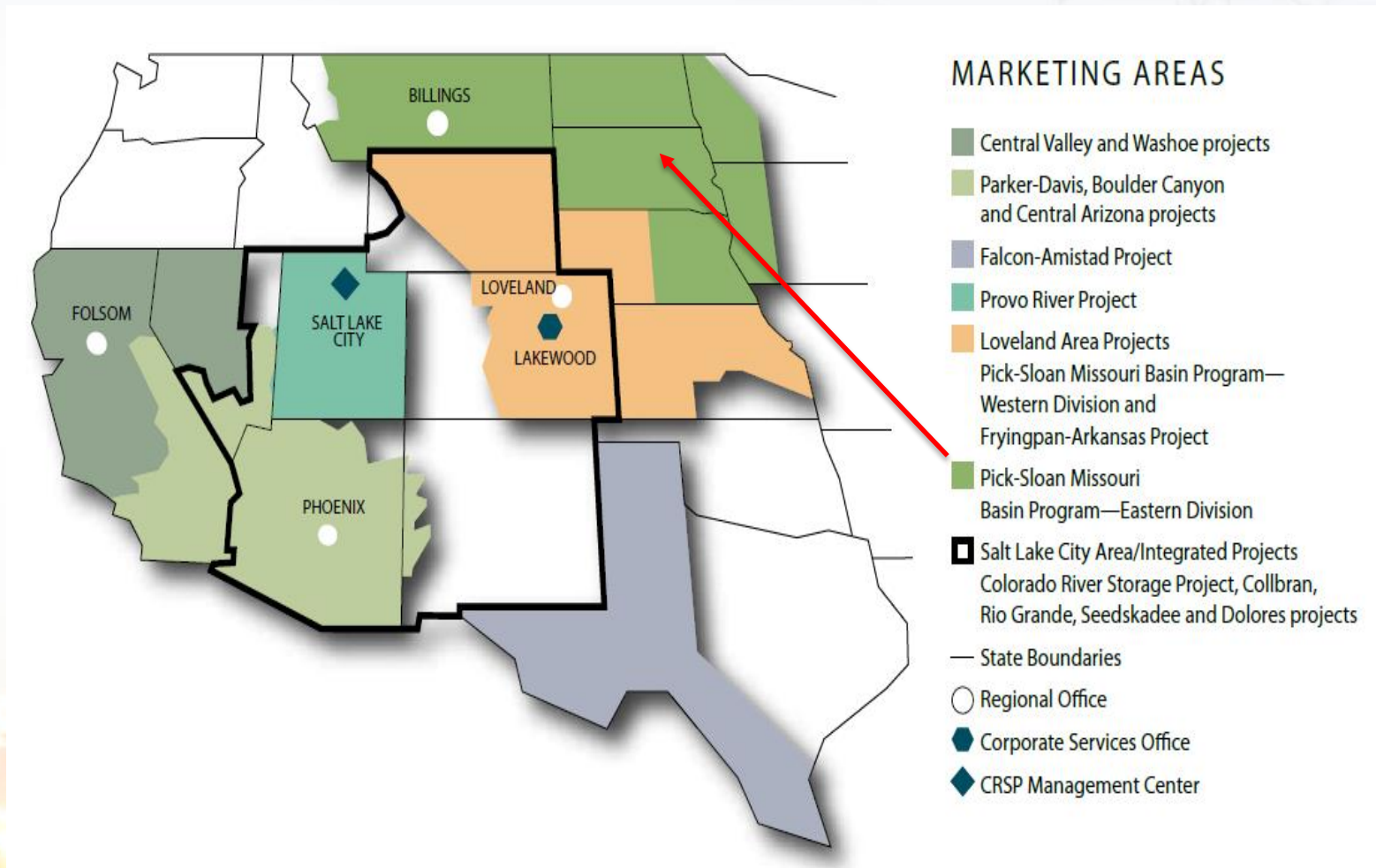
Introductions

- Lloyd Linke – Vice-President of Operations for Upper Great Plains (UGP)
- Steve Sanders – Operations and Transmission Advisor (UGP)
- Gary Hoffman – Attorney-Advisor
- Linda Cady-Hoffman – Rates Manager (UGP)
- Sara Baker – Public Utilities Specialist (UGP)

Purpose of Meeting

- As provided for in the *Federal Register* Notice published July 27, 2015 (80 FR 44342):
 - Western will provide customers the opportunity to discuss and comment on the recalculated revenue requirements on or before October 31 of each year.
- This meeting provides an opportunity to discuss the proper application of data in the formula rates, not the rate formulas themselves.

Western Area Power Administration Upper Great Plains Region (Western-UGP)



Transition from Integrated System (IS) to Southwest Power Pool, Inc. (SPP)

- Western-UGP joined SPP as a Transmission Owner on October 1, 2015, at which time Transmission Service on the IS under Western's Tariff was no longer available.
- Transmission Service on Western-UGP's transmission facilities transferred to functional control of SPP is provided by SPP under the SPP Tariff.
 - Western-UGP's revenue requirement for transmission service is included in rate calculations for the Upper Missouri Zone (UMZ), or Zone 19, and all Ancillary Services are under the SPP Tariff.

Western-UGP Postings for 2016 Rates

- On Western-UGP OASIS home page
<http://www.oasis.oati.com/wapa/index.html> :
 - Customer Letter announcing updated 2016 rates (10/6/15)
 - UGP Rates Calculations for 1/1/2016 (includes lists of Western-UGP facilities, and classification under SPP Tariff Attachment AI (eligible or non-eligible)) *
 - UGP Rates Calculations for 1/1/2016 (Excel version with live formulas)
 - UGP 2016 Rates Summary/Notices
 - UGP Rate Schedules
 - Integrated System (IS) True-Up Calculations for 2014
<http://www.oasis.oati.com/WAPA/WAPAdocs/IS-Trans-Anc-Service-Rates-2014-TrueUp.pdf>

* One-Line Diagrams showing these included facilities are available upon request. The diagrams include CEII material and therefore require execution of a Non-Disclosure Agreement with Western-UGP.

SPP Web Site – Links to OASIS for path to Western-UGP Rates Information

www.spp.org

The screenshot displays the SPP website interface. The browser address bar shows <http://www.spp.org/>. The website header includes navigation links: About Us, Organizational Groups, Governance, Events, and a Search bar. The main navigation menu features: Stakeholder Center, Engineering, Markets & Operations (highlighted), and Regional Entity. The Markets & Operations dropdown menu is open, listing: Integrated Marketplace, Market Monitoring, Net Benefits Test, Outage Coordination, TCR Markets, Marketplace Portal, and OASIS. A red arrow points to the OASIS link. The main content area features a banner for 'TRANSMISSION OWNER SELECTION PROCESS' and a 'Price Contour Map' showing a map of the SPP region with a color-coded legend. To the right, there is a 'Generation Mix' pie chart and a 'Forecast vs. Actual' line graph. The URL at the bottom of the browser is <http://www.spp.org/markets-operations/>.

Price Contour Map

Generation Mix

FORECAST VS. ACTUAL for 10/28 at 09:25 (Central Time)

SPP Web Site – Links to OASIS for path to Western-UGP Rates Information (cont'd)

Browser window showing the OASIS web site. The address bar displays https://www.oasis.oati.com/spp_default.html. The page title is "OATI webOASISSM Production Node".

The page features a navigation bar with links: [Registration](#) | [About](#). Below the navigation bar, there is a banner for "Southwestern Power Administration U.S. Department of Energy".

The main content area displays a grid of logos for various power utilities and organizations, including:

- EMPIRE (SERVICES YOU COUNT ON)
- Grand River Dam Authority
- ITC
- Midwest Energy, Inc.
- KCP&L
- CREATERRA/SIOUX OPERATIONS COMPANY
- SPP Southwest Power Pool
- WFEC CONTROL AREA SERVICES
- Western AREA POWER ADMINISTRATION
- Westar Energy
- Nebraska Public Power District
- OPPD Omaha Public Power District

A red arrow points from the text "Western-UGP OASIS home page hosted on SPP OASIS" to the SPP Southwest Power Pool logo.

Additional elements on the page include:

- A banner for "OATI webOASISSM Production Node" with the tagline "YOUR ENERGY | OUR SOLUTIONS".
- Copyright notice: ©2001 OATI webOASISSM - Open Access Technology International, Inc. All Rights Reserved.
- A button labeled "WebOASIS Production Node Login".

Western-UGP OASIS Home Page

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

Rates Postings (and other postings)

Registration | About | HOME

OATI webOASISSM Production Node

Production Node Login

Western-UGP OASIS Home Page

This is the OASIS home page for Western Area Power Administration-Upper Great Plains Region (Western-UGP) hosted on the Southwest Power Pool, Inc. (SPP) OASIS

Historic information for the Western-UGP / Basin Electric Power Cooperative / Heartland Consumers Power District integrated transmission system called the Integrated System (IS) in the MAPP and WECC Regions is also available on this page.

Recent News, **Last Updated: 10/09/2015** (2 Items)
(See "News" Folder for older News and Historic IS News)

10/07/2015 (Updated) (New UGP Trans. & Anc. Service Rates Posting): Notice - New UGP Rates Effective 01/01/2016 Posted

As described in the October 6, 2015, letter to Customers ([Customer-Letter-UGP-Trans-Anc-Service-Rates-2015-1006.pdf](#)), Western-UGP is updating its rates for transmission and ancillary services for the Pick-Sloan Missouri Basin Program-Eastern Division (P-SMBP--ED) that are utilized in the SPP Zone 19 pricing zone (also referred to as the Upper Missouri Zone or UMZ) and also in its WAUW Balancing Authority Area. The letter to Customers and details of the 2016 UGP rate calculations are posted under the "Rates Calculation" subfolder in the "UGP Trans-Anc-Service Rates" folder, or directly at the following URL: [UGP-Trans-Anc-Service-Rates-Calc-2016-0101.pdf](#)

Western-UGP will host a meeting to provide customers and other interested parties an opportunity to discuss and comment on these recalculated revenue requirements on October 29, 2015, at 9:00a.m. MDT at Western's offices located at 2900 4th Avenue North, 6th Floor, Billings, MT. The meeting will also be available via WebEx. For those desiring to attend the meeting in person or via WebEx, please contact Sara Baker at (406) 255-2924 or sbaker@wapa.gov before October 29, 2015, for meeting or WebEx access information.

Western-UGP has also posted the IS 2014 True-Up calculation under the "Historic IS Rates" subfolder in the "UGP Trans-Anc-Service Rates" folder, or directly at the following URL: [IS-Trans-Anc-Service-Rates-2014-TrueUp.pdf](#)

If you have any questions, please contact Steve Sanders at (406) 255-2840 (sanders@wapa.gov).

10/01/15: Status of Western-UGP Membership in SPP: Impacts to Existing IS Customers

Documents

- [NAESB Home Page](#)
- [Standards of Conduct](#)
- [Business Practices, Waivers, and Exemptions](#)
- OASIS Notices
- Business Practices
- Interconnection Requests
- News
- **Rates**
- [UGP 2015 Rates Summary/Notices](#)
- [UGP 2016 Rates Summary/Notices](#)
- [UGP Rate Schedules](#)
- Rates Calculations
 - [UGP Rates \(Excel\) - 1/1/2016](#)
 - [UGP Rates - 1/1/2016](#)
 - [Customer Letter - 10/6/2015](#)
 - [UGP Rates - 10/1/2015](#)
 - [Customer Letter - 7/8/15](#)
- SPP Integration
- Standards of Conduct
- System Impact Studies
- System Information
- Tariff
- Transmission Planning
- Historic IS Info - Rates
- Historic IS Info - ATC Information

Western-UGP Postings for 2016 Rates

- On SPP Member Related Postings (In Winzip file under Western Area Power Administration Information)

<http://sppoasis.spp.org/documents/SWPP/MemberRelatedPostings/MemberRelatedPostings.asp> :

- File named “2016 Rate Book final.xlsx” -- UGP Rates Calculations for 1/1/2016 (includes lists of Western-UGP facilities, and classification under SPP Tariff Attachment AI (eligible or non-eligible)) *

* One-Line Diagrams showing these included facilities are available upon request. The diagrams include CEII material and therefore require execution of a Non-Disclosure Agreement with Western Area Power Administration - Upper Great Plains Region.

SPP Web Site – Links to OASIS for path to Member Related Postings Information

www.spp.org

The screenshot displays the SPP website interface. The browser address bar shows <http://www.spp.org/>. The website header includes navigation links: About Us, Organizational Groups, Governance, Events, and a Search bar. Social media icons for Twitter, Facebook, and YouTube are present, along with buttons for CREATE ACCOUNT and LOGIN. The main navigation bar features the SPP logo and the following categories: Stakeholder Center, Engineering, Markets & Operations (highlighted), and Regional Entity. A large banner image with the text "Learn more about proposals for Competitive Upgrades." and a button for "TRANSMISSION OWNER SELECTION PROCESS" is visible. A red arrow points to the "OASIS" link in the Markets & Operations dropdown menu. Below the banner, there are three sections: "Price Contour Map" (a map of the SPP region with a color-coded legend), "Generation Mix" (a pie chart showing the mix for 10/28 at 09:20 (Central Time) with categories: Coal 43.847%, Gas 30.051%, Wind 21.4201%, Hydro 4.5440%, and Nuclear 0.1241%), and "FORECAST VS. ACTUAL for 10/28 at 09:25 (Central Time)" (a line graph comparing forecast and actual values over time). The URL <http://www.spp.org/markets-operations/> is visible in the browser's address bar.

SPP Web Site – Links to OASIS for path to Member Related Postings Information (cont'd)

The screenshot shows a web browser window displaying the SPP web site. The address bar shows the URL https://www.oasis.oati.com/spp_default.html. The browser tabs include "SteveSanders (www.oasis.oati.c...", "Home - Southwest Power Pool", "OATI OASIS", and "OATI webOasis". The browser's menu bar includes "File", "Edit", "View", "Favorites", "Tools", and "Help". The browser's toolbar includes "Price Matrix", "OATI webSDX - User Login", "Concur", "eDNA Web", "ePerformance", "ESS Login", "OATI OASIS", "OATI OATI WebPlus", "Reliability Standards", "SPP OASIS", "SPP-RTWG", "Standards Voting", and "TWC weather.com".

The web site has a yellow header bar with the text "Registration | About" on the left and "OATI webOASISSM Production Node" on the right. Below the header bar, there is a banner for "Southwestern Power Administration U.S. Department of Energy". To the right of the banner is a large image of power lines with the "OATI webOASIS" logo and the text "YOUR ENERGY | OUR SOLUTIONS". Below the banner is a copyright notice: "©2001 OATI webOasisSM - Open Access Technology International, Inc. All Rights Reserved." Below the copyright notice is a button labeled "WebOASIS Production Node Login".

The main content area features a grid of logos for various power utilities and organizations. A red arrow points to the "SPP Southwest Power Pool" logo, which is located in the bottom left corner of the grid. The logo for "WTEC CONTROL AREA SERVICES" is also visible, and the red arrow points to it from the text "SPP's OASIS home page hosted on SPP OASIS".

The logos include:

- Southwestern Power Administration U.S. Department of Energy
- EMPIRE SERVICES YOU COUNT ON
- Grand River Dam Authority
- OATI webOASIS YOUR ENERGY | OUR SOLUTIONS
- ©2001 OATI webOasisSM - Open Access Technology International, Inc. All Rights Reserved.
- WebOASIS Production Node Login
- ITC
- Midwest Energy, Inc.
- KCP&L
- CREATERS/ISSUERS OPERATIONS COMPANY
- SPP Southwest Power Pool
- WTEC CONTROL AREA SERVICES
- Western AREA POWER ADMINISTRATION
- Westar Energy
- Nebraska Public Power District
- OPPD Omaha Public Power District

SPP Web Site – Links to OASIS for path to Member Related Postings Information

The screenshot shows the SPP OASIS website interface. The browser address bar displays <https://www.oasis.oati.com/SWPP/index.html>. The page features a header with the SPP logo and a "Production Node Login" button. Below the header, a welcome message reads: "--Welcome to the Southwest Power Pool OASIS--". The main content area is divided into two sections: "Documents" on the left and "SPP OASIS" on the right. The "Documents" section contains a list of links, including "NAESB Home Page", "Standards of Conduct", "Performance Metrics", "Business Practices, Waivers, and Exemptions", "Marketplace Information", "ATC Information", "OASIS Notices", "SPP BA Information", "Business Practice Revision Items", "SPP Regional Tariff", "Transmission", and "General". The "General" section includes links to "SPP Corporate Website", "Delayed Offering", "Discretion Log and Late Tag Exceptions", "Email List Signup", "Code of Conduct", "Updated SPP Memo of Authority 04/16/2015", "Computer Outage Policy", "Node Maintenance", "Past Due List", "Member Related Postings", and "CWG Communications Matrix". A red arrow points to the "Member Related Postings" link. The "SPP OASIS" section contains an "UPDATES" section with links to "DC Ties Update", "Delayed Offering", "OOME Directives", and "NDR Curtailments". A red arrow points to the "Member Related Postings" link in the sidebar. Below the "UPDATES" section, there are three notices: "Notice of posting: 2017 ITP10 Economic Model Pass 1", "Notice of posting: 2016 ITPNT Needs Assessment", and "Notice of posting: 2017 ITP10 and RCAR II Powerflow Models". Each notice includes a link to click for more details.

Content Management

Documents

- NAESB Home Page
- Standards of Conduct
- Performance Metrics
 - ACE - Prior Year 1-Minute Averages
 - ACE - Prior Year 10-Minute Averages
 - Interface Definitions
 - Marketplace Portal
 - Marketplace Public Data for Re-pricing
- Business Practices, Waivers, and Exemptions
- Marketplace Information
- ATC Information
- OASIS Notices
- SPP BA Information
- Business Practice Revision Items
- SPP Regional Tariff
- Transmission
- General
 - SPP Corporate Website
 - Delayed Offering
 - Discretion Log and Late Tag Exceptions
 - Email List Signup
 - Code of Conduct
 - Updated SPP Memo of Authority 04/16/2015
 - Computer Outage Policy
 - Node Maintenance
 - Past Due List
 - **Member Related Postings**
 - CWG Communications Matrix

Production Node Login

--Welcome to the Southwest Power Pool OASIS--

SPP OASIS

UPDATES

- [DC Ties Update](#) - Updated 10-25-2015 12:23 CPT
- [Delayed Offering](#) - Updated 8-2-2013 08:35 CPT
- [OOME Directives](#) - Updated 08-05-2015 09:42 CPT
- [NDR Curtailments](#) - Updated 10-26-2015 14:55 CPT

Notice of posting: 2017 ITP10 Economic Model Pass 1
[Please click here for more details.](#)

Notice of posting: 2016 ITPNT Needs Assessment
[Please click here for more details.](#)

Notice of posting: 2017 ITP10 and RCAR II Powerflow Models
[Please click here for more details.](#)

Western-UGP Notifications for 2016 Rates

- Customer Letter dated 10/6/15 announcing updated 2016 rates sent to all of Western-UGP's Transmission Customers
- Notification also provided via the SPP Markets and Operations Policy Committee (MOPC), Board of Directors/Members Committee, and Regional Tariff Working Group (RTWG) email exploders.
- Announcement/rate calculations posted on Western-UGP's OASIS home page
- Announcement/rate calculations posted on Western-UGP's regional Rate Web page.

UGP 2016 Rates Summary/Notices

<http://www.oasis.oati.com/WAPA/WAPAdocs/Western-UGP-Rates-2016-0101.pdf>

**Transmission and Ancillary Services Rates for
Western-UGP facilities and services in Southwest Power Pool, Inc. (SPP) and
for
Western-UGP's WAUW Balancing Authority Area in the Western
Interconnection**

**(Rates Effective 01/01/2016 per 10/06/15 Letter to Transmission Customers
and Other Interested Parties)**

Type of Service	Rate	Effective
Transmission Service: (Rates expire 12/31/16)		
Annual Transmission Revenue Requirement (UMZ)	\$138,325,368	01/01/16
Scheduling, System Control and Dispatch Service (<i>Annual Revenue Requirement</i> for Schedule 1 under SPP Tariff)	\$ 12,218,940	01/01/16

UGP 2016 Rates Summary/Notices (cont'd)

<http://www.oasis.oati.com/WAPA/WAPAdocs/Western-UGP-Rates-2016-0101.pdf>

WAUW Balancing Authority Area Related Ancillary Service: (Rates expire 12/31/16)

Regulation and Frequency Response Service (<i>Annual Revenue Requirement</i>)	\$ 308,284	01/01/16
--	------------	----------

Energy Imbalance Service (EI) Index for Prevailing Market Energy Rate for EI	(See Note 1) (Not yet determined)	01/01/16 *
---	--------------------------------------	------------

Generator Imbalance Service (GI) Index for Prevailing Market Energy Rate for GI	(See Note 2) (Not yet determined)	01/01/16 *
--	--------------------------------------	------------

Operating Reserves – Spinning Reserve Service and Supplemental Reserve Service (Reserves) (<i>Annual Revenue Requirement</i>)	\$ 236,842 (See Note 3)	01/01/16
---	----------------------------	----------

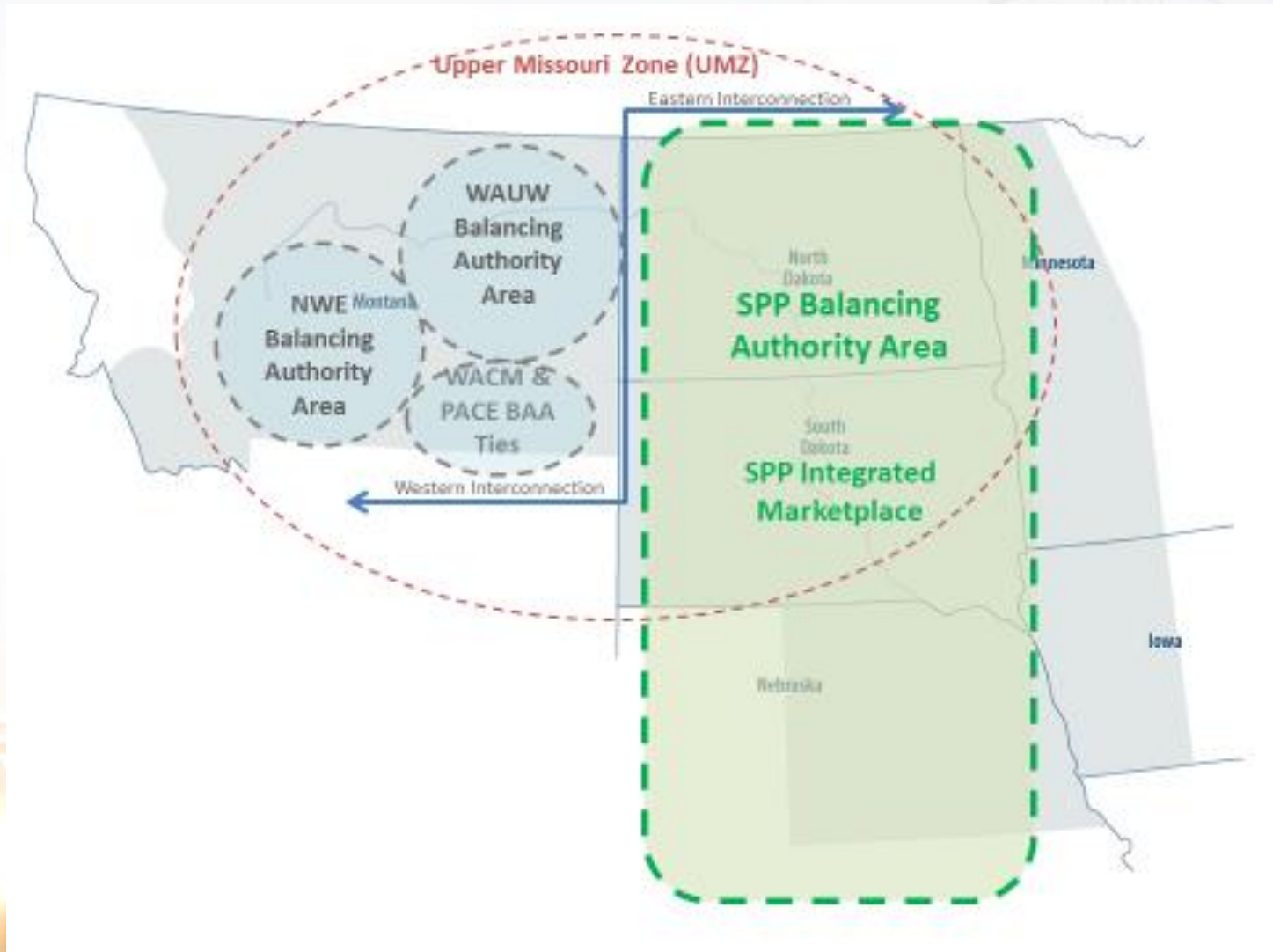
Index for Prevailing Market Energy Rate for Reserves:	SPP Integrated Marketplace Interface at Miles City DC Tie (MCWEST)	01/01/16
---	--	----------

*** Western-UGP has elected to delay financial settlement for Energy Imbalance and Generator Imbalance until such time as certain billing procedures are finalized. Prior to charging and billing for these services on a financial basis, notice of Western-UGP's intent to initiate financial charging will be posted on Western-UGP's OASIS web site. Until the new financial settlement of Energy Imbalance is implemented, monthly energy imbalance accounts will be maintained, as in the past. These accounts will be repaid within the following month.**

Western-UGP Transmission Rates and Ancillary Service Rates in WAUW

- Transmission service on Western-UGP's facilities located in WAUW is provided by SPP under the SPP Open Access Transmission Tariff (SPP Tariff).
- Western-UGP is still the Balancing Authority ("BA") for its WAUW Balancing Authority Area ("BAA").
- The WAUW ancillary services and coordination between Western-UGP as the Balancing Authority and SPP as the Transmission Provider in the Western Interconnection is described in Attachment AS of the SPP Tariff entitled "*Contract Services Agreement between Western Area Power Administration and Southwest Power Pool, Inc.*"

Western-UGP Transmission Facilities, Western Interconnection Operations



Western-UGP 2016 Estimated Rates

- Transmission Service (WAUGP-ATTR)
- Scheduling, System Control and Dispatch Service (WAUGP-AS1)
- Regulation & Frequency Response Service (WAUW-AS3)
- Operating Reserves Service-Spinning and Supplemental (WAUW-AS5 & 6)
- Energy Imbalance (WAUW-AS4)
- Generator Imbalance (WAUW-AS7)

Transmission Service

- Costs for eligible transmission facilities are included per Attachment AI of SPP's Tariff.
- Western-UGP is using revenue requirement calculation templates and annualizing transmission investment and transmission-related costs including:
 - Operations & Maintenance
 - Interest
 - Administrative & General
 - Depreciation

Forward-Looking Formula Transmission Rates

- Allows Western-UGP to accurately match cost-recovery with cost incurrence.
- Uses projections to estimate transmission costs for upcoming year in the ATRR.
- True-up cost estimates with actual costs
 - Revenue requirements will be recalculated each year
 - Western-UGP will recover no more and no less than actual transmission costs for the year.

2016 Estimated Annual Transmission Revenue Requirement (ATRR)

Western-UGP Estimated Annual Revenue Requirement \$	2016 ATRR \$
Gross Revenue Requirement	145,449,367
Revenue Credits	2,199,999
Scheduling, System Control & Dispatch	12,218,940
Subtotal	131,030,428
Prior-Period True-up (2014)	7,294,940
Total Annual Transmission Revenue Requirement	\$ 138,325,368

Scheduling, System Control & Dispatch Service

- Required to schedule movement of power through, out of, within or into SPP and/or Western Area Power Administration, Upper Great Plains West Balancing Authority Area (WAUW).
- Western-UGP's annual revenue requirement is utilized by SPP to calculate regional SPP Schedule 1 rate for:
 - SPP through and out transactions; and,
 - Zonal SPP Schedule 1 rate for the UMZ.

Scheduling, System Control & Dispatch Service (cont'd)

- Annualize Western-UGP's transmission investment and transmission-related costs for providing SSCD including:
 - Operations & Maintenance
 - Interest
 - Administrative & General
 - Depreciation
- Uses projections to estimate SSCD costs for upcoming year in the ARR.
- True-up cost estimates with actual costs
 - Rate are recalculated each year
 - Western-UGP recovers no more and no less than actual costs for the year.

Scheduling, System Control & Dispatch Service Estimated Revenue Requirement

Western-UGP Scheduling, System Control and Dispatch Service	2016 ATRR \$
Operation & Maintenance Expense	11,144,767
A&G Expense	202,065
Depreciation Expense	283,578
Cost of Capital (Weighted Composite Interest Rate * Net Plant Investment)	588,529
Revenue Requirement	12,218,940
Estimated SSCD Revenue (\$) from non-Transmission facilities	0
Revenue Requirement (4) for SSCD for Transmission facilities	\$ 12,218,940

Regulation & Frequency Response Service (WAUW)

- Western-UGP provides Regulation and Frequency Response Service in the WAUW as the Balancing Authority (BA).
- Service provided primarily by U.S. Army Corps of Engineers (Corps) facilities at Fort Peck.
- Western-UGP's annual revenue requirement is recovered under the SPP Tariff, Attachment AS:
 - “Schedule 3 – Western Interconnection, Regulation and Frequency Response Service – Western Interconnection”
- See Western-UGP's Rate Schedule for Regulation and Frequency Response Service – WAUW for additional information.

Regulation & Frequency Response Service Rate (WAUW)

Western-UGP Regulation & Frequency Response Service	2016 ATRR \$
Corps Fixed Charge Rate	18.399%
Corps Generation Net Plant Costs (\$)	463,375,442
Capacity Used for Regulation (kW-yr)	8,861
Total Regulation Revenue Requirement (including true-up) (\$)	\$ 308,284

Operating Reserves Service-Spinning and Supplemental (WAUW)

- Western-UGP provides service in the WAUW as the BA.
- Will substitute the reserve requirement of the reserve sharing group under which Western-UGP is currently a member for its transmission system in the Western Interconnection.
- Western-UGP's annual revenue requirement is recovered under the SPP Tariff, Attachment AS:
 - “Schedule 5 – Western Interconnection, Operating Reserve – Spinning Reserve Service – Western Interconnection”
 - “Schedule 6 – Western Interconnection, Operating Reserve – Supplemental Reserve Service – Western Interconnection”

Operating Reserves Service-Spinning and Supplemental Rate (WAUW)

Western-UGP Operating Reserves Service – Spinning & Supplemental	FY 2016 ATRR (proposed SPP)
Corps Fixed Charge Rate	18.399%
Corps Generation Net Plant Costs (\$)	463,375,442
Plant Capacity (kW)	2,500,000
Western's Max Load in WAUW Control Area (kW)	134,000
Max Generation in WAUW Control Area (kW)	97,500
Capacity used for Reserves (kW)	6,945
Annual Reserves Revenue Requirement (including any true-up) (\$)	\$ 236,842

Operating Reserves Service-Spinning and Supplemental (cont'd)

- Western-UGP has no long-term reserves available beyond its own internal requirements.
- At SPP's request, and if it is capable of doing so, Western-UGP will acquire needed resources and pass the costs on to the SPP Transmission Customer.
- In the event that Reserve Services are called upon, Western-UGP will assess a charge for energy used at the prevailing market energy rate in the WAUW based upon Western-UGP's Rate Schedules for Operating Reserve – Spinning Reserve Service – WAUW and Operating Reserve – Supplemental Reserve Service – WAUW
- See Western-UGP Rates Summary/Notices postings on OASIS for information.

Energy Imbalance Service (WAUW)

- Western-UGP's charges for Energy Imbalance Service are recovered under the SPP Tariff, Attachment AS :
 - “Schedule 4 – Western Interconnection, Energy Imbalance Service – Western Interconnection”
- Charges based upon Western-UGP's Rate Schedule for Energy Imbalance Service – WAUW
- See Western-UGP Rates Summary/Notices postings on OASIS for information.

Energy Imbalance Service (WAUW) – (Financial Basis - *When implemented.*)

Per Rate Schedule:

Three deviation bandwidths – applied hourly to any energy imbalance as a result of Transmission Customer's scheduled transaction(s) -

- 1. Deviations within $\pm 1.5\%$ (minimum 2 MW)** will be netted on a monthly basis and settled financially at the end of the month at 100% of the average incremental cost for the month.

Energy Imbalance Service (cont'd)

- 2. Deviations greater than $\pm 1.5\%$ up to 7.5% (greater than 2 MW up to 10 MW) will be settled financially at the end of the month at:**
- 110% of incremental cost when energy taken in a schedule hour is greater than energy scheduled; and
 - 90% of incremental cost when energy taken in a schedule hour is less than the scheduled amount.

Energy Imbalance Service (cont'd)

3. Deviations greater than $\pm 7.5\%$ (or 10 MW) will be settled financially at the end of the month at:

- 125% of the highest incremental cost that occurs that day when energy taken in a schedule hour that is greater than energy scheduled; or
- 75% of the lowest incremental cost that occurs that day when energy taken is less than the scheduled amount.

Energy Imbalance Service (cont'd)

Incremental Cost -

- Western-UGP's incremental cost will be based upon a representative hourly energy index or combination of indexes.
- Index will be posted on OASIS prior to use.
- Will not be changed more often than once per year (unless Western-UGP determines existing index is no longer a reliable price index).

Generator Imbalance Service (WAUW)

- Western-UGP's charges for Generator Imbalance Service are recovered under the SPP Tariff, Attachment AS :
 - “Schedule 9 – Western Interconnection, Generator Imbalance Service – Western Interconnection”
- Charges based upon Western-UGP's Rate Schedule for Generator Imbalance Service – WAUW
- See Western-UGP Rates Summary/Notices postings on OASIS for information.

Generator Imbalance Service (WAUW) (Financial Basis - *When implemented.*)

Per Rate Schedule:

Three deviation bandwidths – applied hourly to any energy imbalance as a result of Transmission Customer's scheduled transaction(s).

- 1. Deviations within $\pm 1.5\%$ (minimum 2 MW)** will be netted on a monthly basis and settled financially at the end of the month at 100% of the average incremental cost for the month.

Generator Imbalance Service (cont'd)

- 2. Deviations greater than $\pm 1.5\%$ up to 7.5% (greater than 2 MW up to 10 MW) will be settled financially at the end of the month at:**
- 110% of incremental cost when energy taken in a schedule hour is greater than energy scheduled; and
 - 90% of incremental cost when energy taken in a schedule hour is less than the scheduled amount.

Generator Imbalance Service (cont'd)

3. Deviations greater than $\pm 7.5\%$ (or 10 MW) will be settled financially at the end of the month at:

- 125% of the highest incremental cost that occurs that day when energy taken in a schedule hour that is greater than energy scheduled; or
- 75% of the lowest incremental cost that occurs that day when energy taken is less than the scheduled amount.

Exception: Intermittent resources will be exempt from this deviation band and will pay the deviation band charges for all deviations greater than the larger of 1.5% or 2 MW.

Generator Imbalance Service (cont'd)

Incremental Cost:

- Western-UGP's incremental cost - based upon representative hourly energy index or combination of indexes.
- Index posted on OASIS prior to use.
- Will not be changed more often than once per year (unless Western-UGP determines existing index is no longer a reliable price index).

Generator Imbalance Service (cont'd)

- Per Rate Schedule, the SPP Transmission Customer will incur a charge for either *hourly generator imbalances* or *hourly energy imbalances for imbalances occurring within the same hour*, but not both, unless the imbalances aggravate rather than offset each other.

More Information

Western-UGP OASIS Home Page

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

SPP Member Related Posting Page

<http://sppoasis.spp.org/documents/SWPP/MemberRelatedPostings/MemberRelatedPostings.asp>

UGP Rates Information

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

Lloyd Linke (605) 882-7500 - lloyd@wapa.gov

Steve Sanders (406) 255-2840 - sanders@wapa.gov

Linda Cady-Hoffman (406) 255-2920 - cady@wapa.gov

Comment Addresses

Please send written comments by email to UGPTRates@wapa.gov or to the address below:

Rates Manager

Upper Great Plains Region, Western Area Power Administration
2900 4th Ave North, Billings, MT 59101-1266

Fax: (406) 255-2900

Comments must be received by
November 16, 2015.