



Western
Area Power
Administration

WAPA-UGP 2020 Transmission & Ancillary Services Formula Rates – Annual Update

October 29, 2019

Customer Information Meeting

Billings, MT and via WebEx

Presented by:

Steve Sanders, WAPA-UGP Operations
and Transmission Advisor



Purpose of Meeting

- Present the calculated WAPA-UGP 2020 Transmission & Ancillary Services Formula Rates (and 2018 True-ups)
 - Per October 16, 2019 email to SPP “Formula Rate Posting Information Notification” exploder.
- 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



Key Updates in 2020 Rate Recalculations

- WAPA-UGP has included estimated costs associated with the first Base Plan Upgrades (BPUs) that it is installing at SPP's direction:
 - New 115/69-kV Roberts County Substation
 - Lewis & Clark-Richland 115kV line re-conductor
- SPP collects revenue requirements for BPUs under Schedule 11 of the SPP OATT, on a "Zonal" and "Regional" basis. "Zonal" costs are recovered within the local pricing zone while "Regional" costs are recovered across the entire SPP footprint.
- Per SPP direction, the Annual Transmission Revenue Requirement (ATTR) for BPUs are to be calculated per BPU project/facility, and separately reported for the Zonal and Regional components.



Key Updates in 2020 Rate Recalculations (Cont'd)

- WAPA-UGP has included BPU calculations in worksheets:
 - **Base Plan Upgrades** – Shows the BPUs, details on equipment included in each BPU, and allocation of equipment between “Zonal” / “Regional”.
 - **Zonal Worksheet** – Shows the Zonal SPP Schedule 11 ATRR calculation for the BPUs.
 - **Regional Worksheet** – Shows the Regional SPP Schedule 11 ATRR calculation for the BPUs.
- WAPA-UGP has incorporated the Schedule 11 ATRRs on the “**WAUGP-ATRR 2020 est**” worksheet in Lines 1 and 10. Line 11 is the Schedule 9 (UMZ) Net ATRR.



Key Updates in 2020 Rate Recalculations (Cont'd)

1	GROSS REVENUE REQUIREMENT	(line 76 + line 10)
	REVENUE CREDITS	(Note R)
2	Short-Term Firm Point-to-Point Transmission Service Credit	
3	Non-Firm Point-to-Point Transmission Service Credit	
4	Revenue from Existing Transmission Agreements	
5	Scheduling, System Control, and Dispatch Service Credit	
6	Account No. 454	(line 115)
7	Account No. 456	(line 119)
8	TOTAL REVENUE CREDITS	
9	PRIOR PERIOD TRUE-UP (Under-collection)	
10	Total Net Schedule 11 Revenue Requirement	(zonal + regional totals)
11	NET REVENUE REQUIREMENT	(line 1 - line 8 + line 9 - line 10)

“WAUGP-ATRR 2020 est” worksheet



WAPA-UGP 2020 Rates Summary/Notices

Type of Service	Rate	Effective
Annual Transmission Revenue Requirement (ATRR) SPP OATT Schedule 9 (UMZ)	\$136,755,373	01/01/2020
Scheduling, System Control and Dispatch Service (SSCD) for SPP OATT Schedule 1	\$11,534,163	01/01/2020
Regulation and Frequency Response Service *	\$401,190	01/01/2020
Energy Imbalance Service * Index for Prevailing Market Energy Rate for EI	(see Note 1) not yet determined	01/01/2020
Generator Imbalance Service * Index for Prevailing Market Energy Rate for GI	(see Note 1) not yet determined	01/01/2020
Operating Reserves-Spinning Reserve Service and Supplemental Reserve Service *	\$355,695 (see Note 2)	01/01/2020

Note 1: WAPA-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 WAPA-UGP's intent to initiate financial charging will be posted on WAPA-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.

Note 2: Index for Prevailing Market Energy Rate for Reserves: SPP Integrated Marketplace at Miles City DC Tie (MCWEST).

* For WAPA-UGP's WAUW Balancing Authority Area in the Western Interconnection



WAPA-UGP 2020 Rates Summary/Notices (Cont'd)

Type of Service	Rate	Effective
Annual Transmission Revenue Requirement SPP OATT Schedule 11 - Zonal	\$ 688,116	01/01/2020
Annual Transmission Revenue Requirement SPP OATT Schedule 11 - Regional	\$ 110,067	01/01/2020
Total Schedule 11 ATTR	\$ 798,183	

WAPA-UGP 2020 Rates Summary/Notices (In Rates folder on WAPA-UGP OASIS)

<http://www.oasis.oati.com/woa/docs/WAPA/WAPAdocs/WAPA-UGP-Rates-2020-0101.pdf>



Annual Comparison

	CY2018 (est)	CY2019 (est)	CY2020 (est)
Gross Annual Transmission Revenue Requirement (ATRR)	\$150,606,142	\$154,119,059	\$158,070,735 (Incl. Sched 11)
Revenue Credits (Incl. Sched 11 ATRRs)	\$(17,521,618)	\$(20,701,627)	\$(18,764,020)
True-up	\$195,354	\$2,138,142	\$1,753,159
Sched 11 ATRRs (Zonal + Regional)	\$0	\$0	\$798,183
Net ATRR (Sched 9)	\$133,279,878	\$135,555,574	\$136,755,373
Gross Plant	\$1,438,721,122	\$1,512,649,198	\$1,522,421,803



Annual Comparison (cont.)

	CY2018 (est)	CY2019 (est)	CY2020 (est)
Gross SSCD /1	\$11,607,518	\$12,441,896	\$10,681,455
Revenue Credits	\$407,927	\$582,885	\$742,107
True-Up /2	\$(2,288,252)	\$(1,759,781)	\$(1,594,814)
Net SSCD	\$8,911,338	\$10,099,229	\$11,534,163
Net Regulation /3	\$188,791	\$258,356	\$401,190
Net Reserves /3	\$174,628	\$245,764	\$355,695

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

/2 Prior-year True-Up of ACTUAL Net SSCD Rev. Req'm't (for transmission) and ACTUAL SSCD Revenues (for transmission)

/3 Including associated true-ups



Rate Recalculation Details

- The details of the WAPA-UGP 2020 Estimate and 2018 True-Up rate calculations (Effective 1/1/2020) are posted on WAPA-UGP's OASIS <http://www.oasis.oati.com/wapa/index.html> under the "Rates Calculation" subfolder in the "Rates" folder, or directly at the following URLs:
- <http://www.oasis.oati.com/WAPA/WAPAdocs/WAPA-UGP-Trans-Anc-Service-Rates-ESTIMATE-2020-0101.pdf> (PDF)
- <http://www.oasis.oati.com/WAPA/WAPAdocs/WAPA-UGP-Trans-Anc-Service-Rates-ESTIMATE-2020-0101.xlsx> (Excel)
- <http://www.oasis.oati.com/WAPA/WAPAdocs/WAPA-UGP-Trans-Anc-Service-Rates-2018-TrueUp.pdf> (PDF)
- <http://www.oasis.oati.com/WAPA/WAPAdocs/WAPA-UGP-Trans-Anc-Service-Rates-2018-TrueUp.xlsx> (Excel)



SSCD True-Up

- SSCD Costs are included in Gross Transmission ATRR, and must be deducted to get Net Transmission ATRR (in both Estimate and Actual calculations). Therefore, differences between the SSCD estimate and actuals costs are reflected in the Transmission ATRR True-Up. This is NOT the SSCD True-up.
- Separate SSCD True-Up in AS1 Ancillary Rate
 - True-Up = Actual SSCD Revenue Requirement (for transmission) – Actual revenue received (for transmission). Add to Forward Year Estimate.



2020 Facility Changes

- New facilities added in following categories:
 - Cost recovery for new Base Plan Upgrades (BPUs).
- New/changed facilities summarized in worksheet in Excel file labeled “Facilities Changes 2020”



2020 Facility Changes (cont.)

WAPA-UGP	Description
Roberts County	New 115/69-kV substation added due to 2017 ITP. NTC ID 200452. 115-kV portion will be regionally shared.
Lewis & Clark-Richland	Reconductor 0.1 miles of 115-kV Transmission Line to increase rating due to 2018 ITP. NTC ID 210497. This project will be regionally shared.



More Information

WAPA-UGP OASIS Home Page (See Rates Folder)

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

SPP Member Related Posting Page

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

WAPA-UGP Rates Information

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

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Comment Addresses

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

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Comments must be received by
November 20, 2019.

