



Western  
Area Power  
Administration

# UGP 2022 Transmission & Ancillary Services Formula Rates

October 1, 2021

Annual Meeting  
via WebEx

Presented by:  
Steve Sanders, UGP Operations and  
Transmission Advisor



# Purpose of Annual Meeting

- Present the calculated WAPA Upper Great Plains Region (UGP) 2022 Transmission & Ancillary Services Formula Rates (and 2020 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-2022-0101.xlsx](#)

[WAPA-UGP-Trans-Anc-Service-Rates-2020-TrueUp-Templates.xlsx](#)



# Notification of Annual Meeting for 2022 Rate Update / Postings

- OASIS Posting on UGP's home page on 9/23/2021.
  - [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 9/23/2021.



# UGP 2022 Rates Summary/Notices

(Rates Effective 01/01/2022, Expire 12/31/2022)

| Type of Service   | Rate                      |
|---|---------------------------|
| Annual Transmission Revenue Requirement - SPP Schedule 9 (UMZ)  | \$136,384,993             |
| Annual Transmission Revenue Requirement - SPP Schedule 11 Total   | \$871,754                 |
| Annual Transmission Revenue Requirement - SPP Schedule 11 Zonal   | \$771,989                 |
| Annual Transmission Revenue Requirement - SPP Schedule 11 Regional  | \$99,765                  |
| Scheduling, System Control and Dispatch Service (SSCD for SPP OATT Schedule 1)  | \$10,273,068              |
| Regulation and Frequency Response Service *   | \$289,081                 |
| Operating Reserves-Spinning Reserve Service and Supplemental Reserve Service *  | \$283,557<br>(See Note 1) |
| Note 1: Index for Prevailing Market Energy Rate for Reserves: SPP Integrated Marketplace at Miles City DC Tie (MCWEST). |                           |
| * For UGP's WAUW Balancing Authority Area (BAA) in the Western Interconnection  |                           |

[WAPA-UGP-Rates-2022-0101.pdf](#)



# UGP 2022 Rates Summary/Notices

(Rates Effective 01/01/2022, Expire 12/31/2022)

| Type of Service   | Rate       |
|---|------------|
| Energy Imbalance Service<br><b>Western Energy Imbalance Service Market (WEIS Market) *</b>    | See Note 1 |
| Generator Imbalance Service<br><b>Western Energy Imbalance Service Market (WEIS Market) *</b> | See Note 1 |

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.

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.

\* For UGP's WAUW Balancing Authority Area (BAA) in the Western Interconnection



# ATTR Comparison

| ATTR Components                   | CY2020 (est) /1      | CY2021 (est)         | CY2022 (est)         | Diff (2022 vs 2021)  |
|-----------------------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Gross ATTR (Sch 9)</b>         | <b>\$156,860,972</b> | <b>\$159,272,879</b> | <b>\$160,025,370</b> | <b>+\$752,491</b>    |
| Revenue Credits                   | \$(18,782,353)       | \$(19,507,284)       | \$(22,918,425)       | -\$3,411,141         |
| True-up                           | \$(1,752,993)        | \$7,289,377          | \$(721,952)          | -\$8,011,329         |
| <b>Net ATTR (Sch 9)</b>           | <b>\$136,325,626</b> | <b>\$147,054,972</b> | <b>\$136,384,993</b> | <b>-\$10,669,979</b> |
| Gross Plant (Sch 9)               | \$1,522,421,803      | \$1,546,543,055      | \$1,565,254,710      | +\$18,711,655        |
| <b>Net ATTR (Sch 11 Zonal)</b>    | <b>\$666,093</b>     | <b>\$793,667</b>     | <b>\$771,989</b>     | <b>-\$21,678</b>     |
| <b>Net ATTR (Sch 11 Regional)</b> | <b>\$111,344</b>     | <b>\$120,918</b>     | <b>\$99,765</b>      | <b>-\$21,153</b>     |

/1 Rate updates effective October 1, 2020.



# Other Annual Revenue Requirement (ARR) Comparison

| ARR Components           | CY2020 (est) /1     | CY2021 (est)        | CY2022 (est)        | Diff (2022 vs 2021) |
|--------------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Gross SSCD /2</b>     | <b>\$10,681,455</b> | <b>\$11,370,493</b> | <b>\$12,798,966</b> | <b>+\$1,428,473</b> |
| Revenue Credits          | \$742,107           | \$804,820           | \$959,631           | +\$154,811          |
| True-Up /3               | \$1,594,814         | \$115,912           | \$(1,566,266)       | -\$1,682,178        |
| <b>Net SSCD</b>          | <b>\$11,534,163</b> | <b>\$10,681,584</b> | <b>\$10,273,068</b> | <b>-\$408,516</b>   |
| <b>Net Regulation /4</b> | <b>\$400,928</b>    | <b>\$447,694</b>    | <b>\$289,081</b>    | <b>-\$158,613</b>   |
| <b>Net Reserves /4</b>   | <b>\$409,789</b>    | <b>\$487,465</b>    | <b>\$283,557</b>    | <b>-\$203,908</b>   |

/1 Rate updates effective October 1, 2020.

/2 Scheduling, System Control and Dispatch Service (Schedule 1 in SPP OATT)

/3 Prior-year True-Up of ACTUAL Net SSCD Rev. Req'm't (for transmission) and ACTUAL SSCD Revenues (for transmission)

/4 Including associated true-ups



# Other ARR Comparison (cont.)

| ARR Components          | CY2020 (est) /1  | CY2021 (est)     | CY2022 (est)     | Diff (2022 vs 2021) |
|-------------------------|------------------|------------------|------------------|---------------------|
| <b>Gross Regulation</b> | <b>\$291,973</b> | <b>\$336,755</b> | <b>\$343,498</b> | <b>+\$6,743</b>     |
| True-Up                 | \$108,955        | \$110,939        | \$(54,417)       | <b>-\$165,356</b>   |
| <b>Net Regulation</b>   | <b>\$400,928</b> | <b>\$447,694</b> | <b>\$289,081</b> | <b>-\$158,613</b>   |
|                         |                  |                  |                  |                     |
| <b>Gross Reserves</b>   | <b>\$255,530</b> | <b>\$286,171</b> | <b>\$291,901</b> | <b>+\$5,730</b>     |
| RSG Cost                | \$68,305         | \$65,525         | \$42,123         | -\$23,402           |
| True-Up                 | \$85,954         | \$135,769        | \$(50,468)       | <b>-\$186,237</b>   |
| <b>Net Reserves</b>     | <b>\$409,789</b> | <b>\$487,465</b> | <b>\$283,557</b> | <b>-\$203,908</b>   |

/1 Rate updates effective October 1, 2020.





# 2022 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 A1/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”



# 2022 Facility Changes

| Western-UGP                          | Description  |
|--------------------------------------|--|
| Lewis – Richland 115 kV Ckt 1, 72052 | 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. |
| Roberts County                       | Addition of 115kV breakers 5456 and 5652 due to East River adding Roberts Co – Britton Line to SPP   |
| Towner                               | Customer Funded. 115-kV Bay Addition for CPEC.   |
| Sulphur                              | Customer Funded for Wind Project on Newell-Maurine Line, 3 breaker 115-kV ring bus.  |
| Brookings                            | New breaker and half yard to replace the old main and transfer yard. Planned prior to SPP integration.                                       |
| Miles City 2                         | 115 Line Bay for MDU (customer funded) and Cap Bank Addition (20% customer funded)   |
| Martin                               | Maintenance replacement of substation equipment. Ownership transfer from LaCreek to WAPA. Facilities already qualified for SPP inclusion.    |
| Devils Lake                          | New 115-kV Yard, control building, panels, etc.  |
| Kildeer – Charlie Creek              | Line Rebuild. Not a new line but was part of Watford City-Beulah line.   |
| New Underwood                        | Customer Funded. New 115-kV bay.   |
| Watertown                            | 230-kV Breaker 1082 replaced and ownership changed to WAPA. Facilities are already included in SPP.  |
| Williston                            | 115-kV Breaker 1162 replaced and ownership changed to WAPA. Facilities are already included in SPP.  |



# 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.



# 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

Fax: (406) 255-2900

Comments and Information Requests are due by  
**October 15, 2021.**



# Questions?

