



Western
Area Power
Administration

UGP 2023 Transmission & Ancillary Services Formula Rates

September 21, 2022

Annual Meeting via Net Conference

Presented by:
Steve Sanders, UGP Strategic Electric
Industry Restructuring Advisor

Purpose of Annual Meeting

- Present the calculated WAPA Upper Great Plains Region (UGP) 2023 Transmission & Ancillary Services Formula Rates (and 2021 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-2023-0101.xlsx](#)

[WAPA-UGP-Trans-Anc-Service-Rates-2021-TrueUp-Templates.xlsx](#)



Notification of Annual Meeting for 2023 Rate Update / Postings

- OASIS Posting on UGP's home page on 9/9/2022.
 - [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) on 9/9/2022.



UGP 2023 Rates Summary/Notices

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

Type of Service	Rate
Annual Transmission Revenue Requirement - SPP Schedule 9 (UMZ)	\$122,145,031
Annual Transmission Revenue Requirement - SPP Schedule 11 Total	\$599,099
Annual Transmission Revenue Requirement - SPP Schedule 11 Zonal	\$527,517
Annual Transmission Revenue Requirement - SPP Schedule 11 Regional	\$71,583
Scheduling, System Control and Dispatch Service (SSCD for SPP OATT Schedule 1)	\$9,887,722
Regulation and Frequency Response Service *	\$151,338
Operating Reserves-Spinning Reserve Service and Supplemental Reserve Service *	\$155,094 (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-2023-0101.pdf](#)



UGP 2023 Rates Summary/Notices

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

Type of Service	Rate
Energy Imbalance Service Western Energy Imbalance Service Market (WEIS Market) *	See Note 1
Generator Imbalance Service Western Energy Imbalance Service Market (WEIS Market) *	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	CY2021 (est)	CY2022 (est) REV 1	CY2023 (est)	Diff (2023 vs 2022)
Gross ATRR (Sch 9)	\$159,272,879	\$160,025,370	\$154,317,743	-5,707,627
Revenue Credits	\$(19,507,284)	\$(22,918,449)	\$(22,281,833)	+636,616
True-up	\$7,289,377	\$(721,970)	\$(9,890,879)	-\$9,168,909
Net ATRR (Sch 9)	\$147,054,972	\$136,384,951	\$122,145,031	-\$14,239,920
Gross Plant (Sch 9)	\$1,546,543,055	\$1,565,254,710	\$1,582,202,984	+\$16,948,274
Net ATRR (Sch 11 Zonal)	\$793,667	\$772,005	\$527,517	-\$244,488
Net ATRR (Sch 11 Regional)	\$120,918	\$99,767	\$71,583	-\$28,184



Other Annual Revenue Requirement (ARR) Comparison

ARR Components	CY2021 (est)	CY2022 (est) REV 1	CY2023 (est)	Diff (2023 vs 2022)
Gross SSCD /1	\$11,370,493	\$12,798,990	\$10,852,193	-\$1,946,797
Revenue Credits	\$804,820	\$959,430	\$567,214	-\$392,216
True-Up /2	\$115,912	\$(1,566,249)	\$(397,257)	+\$1,168,992
Net SSCD	\$10,681,584	\$10,273,311	\$9,887,722	-\$385,589
Net Regulation /3	\$447,694	\$289,081	\$151,338	-\$137,743
Net Reserves /3	\$487,465	\$283,557	\$155,094	-\$128,463

/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	CY2021 (est)	CY2022 (est) REV 1	CY2023 (est)	Diff (2023 vs 2022)
Gross Regulation	\$336,755	\$343,498	\$297,280	-\$46,218
True-Up	\$110,939	\$(54,417)	\$(145,942)	-\$91,525
Net Regulation	\$447,694	\$289,081	\$151,338	-\$137,743
Gross Reserves	\$286,171	\$291,901	\$280,808	-\$11,093
RSG Cost	\$65,525	\$42,123	\$38,360	-\$3,763
True-Up	\$135,769	\$(50,468)	\$(164,074)	-\$113,606
Net Reserves	\$487,465	\$283,557	\$155,094	-\$128,463



2023 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”



2023 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.
Flandreau	Customer Funded. New 69-kV Breaker 2252 and associated switches.
Brookings	Customer Funded. New 69-kV Breaker 952 and associated switches.
Huron	Take over ownership of 230-kV Breaker 682 and associated switches. Was already in Zone.
Devils Lake	Rebuilt Substation. Addition of two 115-kV breakers/switches and 115-kV cap bank and removal of 41.8-kV cap bank.
Miles City 2	115-kV Line Bay for MDU (customer funded) and Cap Bank Addition (20% customer funded).
Kildeer – 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 15th.
- 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 or by mail to the address below:

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Comments and Information Requests are due by
October 15, 2022.



Questions?

