

**Integrated Transmission System (IS)****Network and Point-to-Point (P-t-P) Transmission and Ancillary/Interconnected****Operations Services Rates and Losses****Effective 01/01/2015****Per Letter to Customers 09/22/2014****Integrated Transmission System Network and Point-to-Point (P-t-P) Rates and Losses**

Transmission Service Type	Network Load Ratio Share	Yearly Firm P-t-P	Monthly Firm P-t-P	Weekly Firm P-t-P	Daily Firm P-t-P	Monthly Non-Firm P-t-P	Weekly Non-Firm P-t-P	Daily Non-Firm P-t-P	Hourly Non-Firm P-t-P
Price	\$16,709,171.25/month	\$35,040/Mw Year	\$2,920/Mw Month	\$673.85/Mw Week	\$96.26/Mw Day	\$2,920/Mw Month	\$673.85/Mw Week	\$96.26/Mw Day	\$4.00/Mw Hour
Losses	4% (8)								

Ancillary/Interconnected Operations Services Rates

Service Type	Scheduling, System Control and Dispatch (1)	Reactive Supply and Voltage Control from Generation Sources (2)			Regulation and Frequency Response (3)			Unreserved Use Penalty (10)	
Price	\$38.34 per Tag per Day	\$20/Mw Month	\$4.62/Mw Week	\$0.66/Mw Day	2.7 cents/Mw Hour	\$60/Mw Month	\$13.85/Mw Week	\$1.98/Mw Day	200%

Ancillary/Interconnected Operations Services Rates

Service Type	Energy Imbalance (4)	Generator Imbalance (9)	Operating Reserves - Spinning Reserve (5), Supplemental Reserve (6)		
Price	i) For deviations within +/- 1.5% (min of 2 MW) of the scheduled transaction, 100% of average incremental cost; ii) For deviations greater than +/- 1.5% up to 7.5% (or greater than 2 MW up to 10 MW) of the scheduled transaction, 110% of the incremental cost when energy taken is greater than energy scheduled and 90% of the incremental cost when energy taken is less than scheduled; iii) For deviations greater than +/- 7.5% (or 10 MW) of the scheduled transaction, 125% of incremental cost when energy taken is greater than energy scheduled and 75% of incremental cost when energy taken is less than scheduled.	i) For deviations within +/- 1.5% (min of 2 MW) of the scheduled transaction, 100% of average incremental cost; ii) For deviations greater than +/- 1.5% up to 7.5% (or greater than 2 MW up to 10 MW) of the scheduled transaction, 110% of the incremental cost when energy delivered is less than energy scheduled and 90% of the incremental cost when energy delivered is greater than scheduled; iii) For deviations greater than +/- 7.5% (or 10 MW) of the scheduled transaction, 125% of incremental cost when energy delivered is less than energy scheduled and 75% of incremental cost when energy delivered is greater than scheduled. As an exception, an intermittent resource will be exempt from this deviation band and will pay the deviation band charges for all	\$220/Mw Month for each	\$50.77/Mw Week for each	\$7.25/Mw Day each

		deviations greater than the larger of 1.5% or 2 MW.		
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Notes

(1) As per Western's Open Access Transmission Service Tariff, the Western Area Power Administration - Upper Great Plains Region (WAPA) will charge a Scheduling, System Control, and Dispatch (S&D) Ancillary Service fee for all transactions that involve the movement of energy into, out of or through the Upper Great Plains Region control area(s).

In applying the S&D fee the following notes of clarification will be applied:

A. There is no additional S&D fee applied for transmission purchased under the WAPA tariff, as this fee is currently included in the transmission rate.

B. An S&D fee will be applied to those transactions that use transmission other than the WAPA tariff but still require the movement of energy into, out of or through the WAPA control area.

C. The S&D fee is based on one fee per OASIS request per day. Multiple OASIS requests will each have their own S&D fee assessed.

(2) Reactive Supply and Voltage Control from Generation Sources Service is Mandatory (provided by WAPA) and must be purchased when purchasing transmission under the Western Tariff. The charge is based on the following:

A. Point-to-Point Transmission Service Customers

(i) The Transmission Reservation, not the energy schedule.

B. Other Customers with Load inside of the Control Area

(i) The Transmission Customer's metered Load(s), or calculated Load(s) (if meters are not available), or a combination of the metered and calculated Load(s) (when some meters are available), each Month at the time of the WAPA transmission system peak.

(3) Regulation and Frequency Response Service is Required (provided by the WAPA, self provided, or provided by a third party) for all Customers with Load inside the Control Area. The charge is based on the following:

A. The Transmission Customer's metered Load(s), or calculated Load(s) (if meters are not available), or a combination of the metered and calculated Load(s) (when some meters are available), each Month at the time of the WAPA transmission system peak.

(4) Energy Imbalance Service is provided when a difference occurs between scheduled and actual delivery of energy to a load located within Western's Control Areas over a single hour. The Transmission Customer must either obtain this service from Western or make alternative comparable arrangements to satisfy its Energy Imbalance Service obligation. Western may charge a Transmission Customer a penalty for either hourly energy imbalances under Schedule UG-AS4 or hourly generator imbalances under Rate Schedule UGP-AS7 for imbalances occurring during the same hour, but not both, unless the imbalances aggravate rather than offset each other.

Note: Western has elected to delay charging (financial settlement) for the new Energy Imbalance until such time as certain billing procedures are finalized. Prior to charging and billing for these services, notice of Western's intent to initiate charging will be posted to Western'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. This imbalance is determined by comparing the actual generation and/or scheduled energy to the metered Load(s), (or calculated Load(s) if meters are not available), or a combination of the metered and calculated Load(s) (when some meters are available).

(5) Operating Reserve - Spinning Reserve Service (service needed to serve load immediately in the event of a system contingency) is Required (provided by WAPA, self provided, or provided by a third party) for all Customers with Load inside the Control Area. The Charge is based on the following:

A. The Transmission Customer's metered Load(s), or calculated Load(s) (if meters are not available), or a combination of the metered and calculated Load(s) (when some meters are available), each month at the time of the WAPA transmission system system peak. These charges are for providing the service. If energy is actually supplied, UGPR will assess a charge for energy used at the prevailing market energy rate in the region.

6) Operating Reserve - Supplemental Reserve Service (Service needed to serve load in the event of a system contingency; that is not available immediately to serve load, but is available within a short period of time) is Required (provided by WAPA, self provided, or provided by a third party) for all Customers with Load inside the Control Area. The Charge is based on the following:

A. The Transmission Customer's metered Load(s), or calculated Load(s) (if meters are not available), or a combination of the metered and calculated Load(s) (when some meters are available), each month at the time of the WAPA transmission system system peak. These charges are for providing the service. If energy is actually supplied, UGPR will assess a charge for energy used at the prevailing market energy rate in the region.

(7) These rates are recalculated each year, with any changes taking effect normally on Jan 1st. Unless superceded, these Transmission Service Rate Schedules shall remain in effect until December 31, 2016 (per 12/02/2014 Federal Register Notice).

(8) Losses for schedules within, through, into, or out of Western's East Control Area (WAUE) are to be delivered to the WAUE control area. Losses for schedules within, through, into, or out of Western's West Control Area (WAUW) that do not meet the above requirements shall be delivered to the WAUW control area. **Transfer capability must be sufficient on constrained paths to allow for delivery of losses across such interfaces, if desired by a transmission customer, and a transmission reservation for delivery of the losses will be required to reserve necessary ATC on constrained paths.** There will be no charge under Western's Tariff for the additional transmission capacity required to supply Western's losses. The losses required, will be supplied based on the following procedures:

- A. Losses are based on the energy scheduled, not the reservation.
An energy schedule is directly related to its associated tagged transaction. Per WECC rules, losses for transactions within the WECC region (including Westerns WAUW BA) are required to be accounted for via separate tagged transactions. Therefore for transactions within WECC, individual loss schedules (tagged transactions) for WAPA transmission losses are required for each energy schedule (tagged transaction).
- B. A minimum of 1 MW of losses will be supplied for all energy transactions.
- C. Losses for On-peak energy schedules will be supplied On-peak, and losses supplied for Off-peak energy schedules will be supplied Off-peak. These losses should also be supplied on a percentage basis during the same hour(s) the energy is scheduled.
- D. Losses for **any** single hour energy schedules = .04 (the current loss percentage) X the energy scheduled (rounded to the nearest whole number, with a 1 MW minimum), and are to be supplied during that same hour.
- E. Losses for **any** multiple hour energy schedules =
Off-peak losses = .04 (the current loss percentage) X the total off peak energy scheduled (rounded to the nearest whole number, with a 1 MW minimum)
On-peak losses = .04 (the current loss percentage) X the total on peak energy scheduled (rounded to the nearest whole number, with a 1 MW minimum)
- F. An extension or adjustment of a specific tagged transaction (energy schedule) is still considered one energy schedule.**

(9) Generator Imbalance Service is provided when a difference occurs between the output of a generator located within the Transmission Provider's Control Area and a delivery schedule from that generator to (1) another Control Area or (2) a load within the Transmission Provider's Control Area over a single hour. Western will offer this service, to the extent that it is feasible to do so from its own resources or from resources available to it, when Transmission Service is used to deliver energy from a generator located within its Control Area. The Transmission Customer must either purchase this service from Western or make alternative comparable arrangements, which may include use of non-generation resources capable of providing this service, to satisfy its Generator Imbalance Service obligation. Western may charge a Transmission Customer a penalty for either hourly generator imbalances under this Schedule UG-AS7 or hourly energy imbalances under Rate Schedule UGP- AS4 for imbalances occurring during the same hour, but not both, unless the imbalances aggravate rather than offset each other. Intermittent generators serving load outside Western's Control Area will be required to pseudo-tie or dynamically schedule their generation to another Control Area. An intermittent resource, for the limited purpose of these Rate Schedules, is an electric generator that is not dispatchable and cannot store its fuel source and, therefore, cannot respond to changes in demand or respond to transmission security constraints.

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

(10) Unreserved Use of Transmission Service is provided when a Transmission Customer uses transmission service that it has not reserved or uses transmission service in excess of its reserved capacity. A Transmission Customer that has not secured reserved capacity or exceeds its firm or non-firm reserved capacity at any point of receipt or any point of delivery will be assessed Unreserved Use Penalties under new Rate Schedule UGP-TSP1. Charge is 200% of the transmission service rate for point-to-point service assessed as follows: the penalty for a single hour will be based upon the rate for daily firm point-to-point service; the penalty for more than one assessment of a given duration (e.g. daily) will increase to the next longest duration (e.g. weekly); the penalty charge for multiple instances of unreserved use within a day will be based on the rate for daily firm point-to-point service; the penalty charge for multiple instances of unreserved use isolated to 1 calendar week would result in a penalty based on the charge for weekly firm point-to-point service; and the penalty charge for multiple instances of unreserved use during more than 1 week during a calendar month is based on the charge for monthly firm point-to-point service.

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www.oasis.oati.com/wapa/index.html		www.oasis.oati.com/wapa/wapadocs/WAPA-UGPR-Timing-Requirements.pdf

If you have any questions, please contact: Steve Sanders (WAPA, Billings, MT), (406) 255-2840 or Kass Portra (WAPA, Billings, MT), (406-255-2842)

Last Updated on 12/31/2014, By Steve Sanders

Recent Update History:

01/01/15: Rates updated to reflect 2015 Recalculated IS Rates, effective 01/01/2015, as outlined in 09/22/2014 letter to customers.

07/31/14: Rates updated to reflect UPDATED 2014 IS Rates, effective 01/01/2014, as outlined in 07/30/2014 letter to customers.

01/01/14: Rates updated to reflect 2014 Recalculated IS Rates, effective 01/01/2014, as outlined in 09/13/2013 letter to customers.

01/01/13: Rates updated to reflect 2013 Recalculated IS Rates, effective 01/01/2013, as outlined in 09/07/2012 letter to customers.

01/01/12: Rates updated to reflect 2012 Recalculated IS Rates, effective 01/01/2012, as outlined in 12/27/2011 letter to customers.

09/28/11: Outdated references related to MAPP Schedule F service for the Scheduling & Dispatch fee in Note (1) were removed. Other minor link corrections and cleanup.

12/31/10: Rates updated to reflect 2011 IS Rates, effective 01/01/2011, as outlined in 12/20/2010 letter to customers.

12/31/09: Rates updated to reflect 12/29/2009 letter to customers and 12/29/2009 Federal Register Notice. Added Unreserved Use Penalty to table, and new Footnote 10. Added new Energy Imbalance and Generator Imbalance to the table, updated Footnote 4 and added new Footnote 9. Footnotes 5 and 6 updated to reflect UGPR charge at prevailing market energy rate in the region. Footnote 7 updated to reflect change to Jan 1st rate updates, and updated rate schedules effective through 2014.

11/30/09: Footnote 8 updated to clarify losses.