

Response to California ISO Data Request

Grid Management Charge - Control Area Services

California ISO PTO – Billing units based on estimates of CVP generation, transmission deliveries on the California-Oregon Transmission Project (COTP) and the Pacific AC Intertie (PACI), as well as custom product deliveries for Western's Full Load Service Customers. Figures and underlying assumptions associated with each of these resources were provided to the California Independent System Operator (California ISO) on July 1, 2003 in response to the California ISO's initial data request.

Metered Subsystem – Billing units reduced from California ISO Participation Transmission Owner (PTO) Alternative by approximately 1,400,000 MWh, reflecting estimated deliveries from Western Area Power Administration (Western) to the Sacramento Municipal Utility District (SMUD).

Control Area Scenarios – Billing units reduced by from the California ISO PTO Alternative by approximately 3,700,000 MWh, reflecting deliveries from Western for SMUD of approximately 1,400,000, Federal Control Area customer loads of approximately 1,000,000, transmission imports of approximately 600,000 MWh, and Custom Product deliveries of approximately 700,000 MWh).

Grid Management Charge - Inter-Zonal Scheduling

California ISO PTO – Billing units represent Western deliveries imported on the COTP and PACI, based on 177 MW and 400 MW, respectively. Operating Transfer Capability of the California-Oregon Intertie assumed to be 4500 MW. Utilization of the COTP and PACI are estimated to be 45% and 65% respectively.

Metered Subsystem – Assumes operational control of Western entitlements on the COTP and PACI are not transferred to the California ISO. Inter-Zonal Scheduling component of the Grid Management Charge deemed not applicable.

Control Area Scenarios – Assumes operational control of Western entitlements on the COTP and PACI are not transferred to the California ISO. Inter-Zonal Scheduling component of the Grid Management Charge deemed not applicable.

Grid Management Charge - Ancillary Services and Real-Time Energy Operations

California ISO PTO – Billing units represent ancillary service requirements that Western is assumed to purchase from the California ISO ancillary service market in order to meet its estimated reserve requirements and deviation charges of three percent based on total Western deliveries.

Metered Subsystem – Billing units represent ancillary service requirements that Western is assumed to purchase from the California ISO ancillary service market in order to meet

its estimated reserve requirements and deviation charges of three percent based on total Western deliveries less Western deliveries to customer directly connected to Western's transmission system.

Control Area Scenarios - Billing units represent ancillary service requirements that Western is assumed to purchase from the California ISO ancillary service market in order to meet its estimated reserve requirements. Plus deviation charges of three percent applied to total Western deliveries less loads associated with Federal Control Area customer loads, less applicable Western deliveries to customers directly connected to Western's transmission system.

Transmission Service - Local Component

All Alternatives - Billing units represent total Western deliveries less customer loads directly connected to Western transmission system that take service at below 230-kV, less Custom Product deliveries. The billing units do not include custom product deliveries. This exclusion applied under all scenarios.

Transmission Service - Regional Component

All Alternatives - Billing units represent total Western deliveries less customer loads directly connected to Western transmission system that take service at above 230-kV, less Custom Product deliveries. The billing units do not include custom product deliveries. This exclusion applied under all scenarios.

Ancillary Services

Estimates of ancillary services available from CVP facilities were based on a study performed for Reclamation in 2000. The available ancillary services for each service from CVP facilities and reserve margins assumed in the analysis were provided to the California ISO on July 16, 2003. Ancillary service billing units represent ancillary service that Western is assumed to purchase from the California ISO ancillary service market in order to meet its ancillary service requirements.

Spinning Reserve - It is assumed that Western can meet the spinning reserve requirements from Central Valley Project (CVP) facilities under each of the Operational Alternatives. Therefore billing units for spinning reserve purchases are 0 MWh.

Non-Spinning Reserve - It is assumed that Western can meet the non-spinning reserve requirements from CVP facilities under each of the operational alternatives. Therefore billing units for non-spinning reserve purchases are 0 MWh.

Replacement Reserve - It is assumed that Western will purchase its necessary replacement reserve requirements in the California ISO ancillary service market. Assumptions regarding replacement reserve requirements were provided to the California ISO

Regulation - It is assumed that Western can provide regulation service from CVP facilities under each of the operational alternatives. Therefore billing units for regulation service are 0 MWh.

Transmission Congestion

California ISO PTO - Billing units based on assumed utilization of the COTP and PACI entitlements including an assumption that the California-Oregon Intertie is congested 26 percent of the time. Assumption regarding the assumed utilization for Western's entitlement on the COTP and PACI were provided to the California ISO on July 1, 2003 in response to its initial data request.

Metered Subsystem and Control Area Scenarios - Operational control of Western's entitlements on the COTP and PACI are not transferred to the California ISO. Therefore, billing units associated with transmission congestion charges are assumed to be 0 MWh.

Reliability Services

California ISO PTO - Billing units based on estimates of CVP generation, transmission deliveries on the COTP and the PACI, as well as custom product deliveries for Western's Full Load Service Customers.

Metered Subsystem - Billing units based on estimates of the total of CVP generation, transmission deliveries, and custom product deliveries less deliveries to customer loads directly connected to Western's transmission system (estimated be approximately 2,700,000 MWh).

Control Area Scenarios - Billing units based on estimates of the total of CVP generation, transmission deliveries, and custom product deliveries less deliveries to customer loads directly connected to Western's transmission system, custom product deliveries, and Federal Control Area customer loads.

The remaining charge categories follow the same logic as that used in the Reliability Services charge category. The billing units for the Unaccounted for Energy do not include custom product deliveries. This exclusion applied under all scenarios.

Ancillary Services

Information regarding the availability of ancillary services and reserve margin assumed was provided to the California ISO on July 12, 2003.