

**UNITED STATES DEPARTMENT OF ENERGY  
WESTERN AREA POWER ADMINISTRATION**

**PACIFIC ALTERNATING CURRENT INTERTIE PROJECT**

**SCHEDULE OF RATE FOR POINT-TO-POINT TRANSMISSION SERVICE**

Effective:

October 1, 2011, through September 30, 2016.

Available:

Within the marketing area served by the Western Area Power Administration (Western),  
Sierra Nevada Customer Service Region (SNR).

Applicable:

To customers receiving Pacific Alternating Current Intertie (PACI) firm and/or non-firm  
point-to-point transmission service.

Character and Conditions of Service:

Transmission service for three-phase, alternating current at 60-hertz, delivered and metered  
at the voltages and points of delivery or receipt, adjusted for losses, and delivered to points of  
delivery. This service includes scheduling and system control and dispatch service needed to  
support the transmission service.

Formula Rate:

The formula rate for PACI firm and non-firm transmission includes three components:

Component 1:

$\frac{\text{PACI Transmission Revenue Requirement (TRR)}}{\text{Western's PACI Seasonal Capacity}}$
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Where:

PACI TRR = PACI Seasonal TRR includes Western's costs associated with facilities that support the transfer capability of the PACI.

Western's PACI Seasonal Capacity = Western's share of PACI capacity (subject to curtailment) under the current California-Oregon Intertie (COI) transfer capability for the season. The three seasons are defined as follows: Summer—June through October; Winter—November through March; and Spring—April through May.

Western will update the rate resulting from Component 1 at least 15 days before the start of each COI rating season. Rate change notifications will be posted on Western's Open Access Same Time Information System.

Component 2:

Any charges or credits associated with the creation, termination, or modification to any tariff, contract, or rate schedule accepted or approved by the Federal Energy Regulatory Commission (FERC) or other regulatory bodies will be passed on to each relevant customer. The FERC's or other regulatory bodies' accepted or approved charges or credits apply to the service to which this rate methodology applies. When possible, Western will pass through directly to the relevant customer FERC's or other regulatory bodies' accepted or approved charges or credits in the same manner Western is charged or credited. If FERC's or other regulatory bodies' accepted or approved charges or credits cannot be passed through directly to the relevant customer in the same manner Western is charged or credited, the charges or credits

will be passed through using Component 1 of the formula rate.

Component 3:

Any charges or credits from the Host Balancing Authority (HBA) applied to Western for providing this service will be passed through directly to the relevant customer in the same manner Western is charged or credited to the extent possible. If the HBA's costs or credits cannot be passed through to the relevant customer in the same manner Western is charged or credited, the charges or credits will be passed through using Component 1 of the formula rate.

Billing:

The formula rate above applies to the maximum amount of capacity reserved for periods ranging from 1 hour to 1 month, payable whether used or not. Billing will occur monthly.

Adjustment for Losses:

Losses incurred for service under this rate schedule will be accounted for as agreed to by the parties in accordance with the service agreement.

Adjustment for Audit Adjustments:

Financial audit adjustments that apply to the formula rate under this rate schedule will be evaluated on a case-by-case basis to determine the appropriate treatment for repayment and cash flow management.