

**UNITED STATES DEPARTMENT OF ENERGY
WESTERN AREA POWER ADMINISTRATION
DESERT SOUTHWEST REGION
Pacific Northwest-Pacific Southwest Intertie Project**

NONFIRM TRANSMISSION SERVICE

Effective:

The first day of the first full billing period beginning on or after May 1, 2013, and will remain in effect through April 30, 2018, or until superseded by another rate schedule.

Applicable:

To nonfirm transmission service customers where capacity and energy are supplied to the Northwest-Pacific Southwest Intertie Project (Intertie) transmission system at points of interconnection with other systems and transmitted and delivered, less losses, to points of delivery on the Intertie transmission system.

Rate:

The nonfirm transmission service rate is 2.21 mills for each kilowatt per hour. Discounts may be offered from time-to-time in accordance with Western's Open Access Transmission Tariff (OATT).

Billing:

Western will bill nonfirm transmission service customers monthly by applying the rate listed above to the amount of capacity reserved.

Character and Conditions of Service:

Alternating current at 60 hertz, three-phase, interruptible, delivered and metered at the voltages and points of delivery established by service agreement or in advance by Western. Curtailment conditions shall be determined by Western and in accordance with Western's OATT.

Adjustments for Reactive Power:

There shall be no entitlement to transfer of reactive kilovolt amperes at delivery points, except when such transfers may be mutually agreed upon by the customer and Western or their authorized representatives.

Adjustment for Losses:

Capacity and energy losses incurred in connection with the transmission and delivery of capacity and energy under this rate schedule shall be supplied by the customer in accordance with the service agreement or contract. If losses are not fully provided by a customer, charges for financial compensation may apply.

Unreserved Use:

Western will assess a charge for any unreserved use of the transmission system. Unreserved use occurs when a customer uses transmission service that it has not reserved or uses transmission service in excess of its reserved capacity. Unreserved use may also include a customer's failure to curtail transmission when requested.

Rate Schedule INT-NFT4
(Supersedes Rate Schedule INT-NFT3)

The charge for unreserved use is two times the maximum allowable rate for the service at issue, assessed as follows: The penalty for a single hour of unreserved use is based on the daily short-term rate. The penalty for more than one assessment of unreserved use for any given duration (e.g., daily) increases to next longest duration (e.g., weekly). The penalty for multiple instances of unreserved use (e.g., more than one hour) within a day is based on the daily short-term rate. The penalty for multiple instances of unreserved use isolated to one calendar week is based on the weekly short-term rate. The penalty for multiple instances of unreserved use during more than one week in a calendar month is based on the monthly short-term rate.

A customer that exceeds its reserved capacity at any point of receipt or point of delivery, or a customer that uses transmission service at a point of receipt or point of delivery that it has not reserved, is required to pay for all ancillary services that were provided by the Western Area Lower Colorado (WALC) Balancing Authority and associated with the unreserved use. The customer will pay for ancillary services based on the amount of transmission service used and not reserved.