

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

CENTRAL VALLEY PROJECT

SCHEDULE OF RATE FOR NETWORK INTEGRATION TRANSMISSION SERVICE

Effective:

October 1, 2011, through September 30, 2019. [Note: This rate schedule was extended by Rate Order No. WAPA-185 through September 30, 2024.]

Available:

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

Applicable:

To customers receiving Central Valley Project (CVP) Network Integration Transmission Service (NITS).

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 CVP NITS includes three components:

Component 1:

The NITS revenue requirement equals the CVP transmission revenue requirement (TRR)

less the CVP firm point-to-point revenue. Each NITS customer's allocation is based on the following formula:

NITS customer's monthly demand charge = NITS customer's load ratio share x 1/12 of the Annual Network TRR.

Where:

NITS customer's load ratio share = The NITS customer's load, hourly, or in accordance with approved policies or procedures, (including behind the meter generation minus the NITS customer's adjusted Base Resource) coincident with the monthly CVP transmission system peak, averaged over a 12-month rolling period, expressed as a ratio.

Annual Network TRR = The total CVP TRR less revenue from long-term contracts for the CVP transmission between Western and other parties.

The Annual Network TRR will be revised when the formula rate from Component 1 of the CVP Transmission Rate under Rates Schedule CV-T3 is revised.

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:

NITS will be billed monthly under the formula rate.

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.