Sierra Nevada Region
Custom Product Power Rate Schedule
Summary

Oct 30, 2008 Informal Rates Process
Discussion Purposes Only

Formula Rate:

The Customer will pay all costs incurred in the provision of Custom Product Power. These costs will be passed through to the Customer. The methodology used to calculate the amount of the pass through will be based on the type of funding used to purchase the Custom Product Power. Custom Product Power includes, but is not limited to, supplemental power and Base Resource (BR) firming power.

Since January 1, 2005 only funded CPP with appropriations and use of receipts.

CPP Cost Recovery with Proceeds from Sales of Surplus CPP
Use of Receipts, Federal Reimbursable, or Appropriations Authority

Western made a CPP purchase of 13 MW for the hour @ $10/MWh = $130

	CPP Purchased (MWh)	CPP USED (MWh)	CPP Costs	Surplus CPP sold	Proceeds from excess CPP sales	CPP Customer Charges
Customer A	6	6		0		$70.80
Customer B	4	4		0		$47.20
Customer C	3	0		3		$0.00
Total	13	10	$130	3	$12	$118.00

Notes:
1. Western sold 3 MWh of CPP at $4/MWh = $12.
2. Proceeds from the sale of surplus CPP reduce the CPP Costs prorated based on the amount of CPP used.

Scheduling charge of $31.07 per schedule.
Administrative costs for procuring and scheduling Custom Product Power if the Customer has not contracted with Western for this type of service through other agreements. If the actual number of schedules for the month is not available, Western will estimate the number of schedules for the month and apply the $31.07 per schedule charge to the estimated number of schedules.

Component 2 and Component 3 Language from the Post 2004 Rate Case

Component 2:

Any charges or credits associated with the creation, termination, or modification to any tariff, contract, or schedule accepted or approved by the Federal Energy Regulatory Commission (Commission) or other regulatory body will be passed on to each appropriate Customer. The Commission or other regulatory body 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 appropriate Customer, the Commission or other regulatory body accepted or approved charges or credits in the same manner Western is charged or credited. If the Commission or other regulatory body accepted or approved charges or credits cannot be passed through directly to the appropriate Customer, the charges or credits will be passed through using Component 1 of the FP power formula rate.

Component 3:

Any charges or credits from the Host Control Area (HCA) applied to Western for providing this service will be passed through directly to the appropriate Customer in the same manner Western is charged or credited, to the extent possible. If the HCA costs or credits cannot be passed through to the appropriate Customer in the same manner Western is charged or credited, the charges or credits will be passed through using Component 1 of the FP power formula rate.