



Informal Rate Process Transmission Rates: CVP, PACI and COTP Public Meeting Notes

Meeting Date: June 25, 2009, 10:00 AM – 2:00 PM
Location: 114 Parkshore Dr., Folsom, CA. 95630

June 25, 2009, Agenda

1. Welcome
 - ▶ Introductions and Agenda
 - ▶ Review Transmission Action Item List
2. Facility Assignment Review
 - ▶ Document revisions to network transmission system (IP 1.1), &
 - ▶ Discuss (by facility) transmission versus non-transmission facility designation (i.e. TRR vs. PRR) (IP 2.1)
3. Follow-up to COTP usage question from April 23rd meeting
 - ▶ Discuss the COTP 77 MW use over 1 year period; show as a percentage of what was available. (IP 3.1)
4. Labor cost allocation percentage on TSS desk,
 - ▶ Allocation of each project – CVP, COTP, and PACI (IP 5.1)
5. Overview Transmission Rate Schedules
 - ▶ Transmission of Western Power by others (CV-TPT6)
6. Conclusion of meeting
 - ▶ Request for additional questions/issues for the focus of the next group of meeting
 - ▶ Close out of non-ancillary service transmission rate schedules
 - ▶ Next meeting Ancillary Services

1. Introduction & Review of Transmission Action Item List

This is the ninth informal rates meeting and the second transmission meeting. It was noted that since the last customer meeting, SNR had completed and responded to item # IP4.1. In addition, new action items (IP 1.1, 2.1, 3.1, 5.1) were also reviewed and noted as pending at this time. For further explanation on all the action items (both completed as well as pending), please refer to the Transmission action list posted on our website.

2. Facility Assignment Review

Phil Sanchez, Operations, Lead Electrical Engineer, and Regina Rieger, Rates, Public Utility Specialist, reviewed facility assignment of Western's assets (transmission lines, switchyards and substations, and miscellaneous facilities) assigned to transmission and non transmission. Review focused first on changes to facilities since the May 2004 Rate Brochure, and second on all remaining facilities. Changes to facility percentages since May 2004 occurred because either (1) the addition of new assets, or (2) percentage assigned to transmission and non-transmission changed due to impact of new assets or overall facility allocation change.

Rates also presented the impact of currently funded projects on facilities assigned to transmission and non-transmission, and estimated future rate based on projected O&M, depreciation, and interest costs, and facilities assigned to transmission.

3. Follow-up to COTP usage question from April 23, 2009, Meeting

Deb Dietz explained Western's utilization of 77 MW.

- Western's Response: Action completed. At the July 14, 2009, CCC meeting, Deb Dietz presented and discussed the data and answered all questions related to the subject.

4. Labor cost allocation percentage on TSS desk

Phil Sanchez provided evaluation of TSS desk based on labor hours. Customers inquired if review could be based on energy to account for seasonal variations.

Additional action required to see how costs should be split between CVP, COTP and PACI.

- Western's Response: Action completed at the October 29, 2009, informal rates meeting. Phil Sanchez, operations staff presented project percentages based on a review of number of tags processed in calendar year 2008. See October 29, 2009 meeting notes located at:
http://www.wapa.gov/sn/marketing/rates/ratesProcess/informalProcess/Docs/October_29_Informal_Rates_Customer_Meeting_Notes

5. Transmission of Western Power by Others

Padmini Palwe, Rates, presented and reviewed rate schedule CV-TPT6. The existing rate schedule is allocating costs appropriately to customers taking this service. Hence, Western is not proposing any changes to the CV-TPT6 rate schedule going into the formal rate process.

6. Conclusion of Meeting

Charles Faust, Rates Manager, cancelled July 2009 informal rates meeting, because we completed Power and Transmission Informal Rate meetings. The next meeting is scheduled for Thursday, October 29, 2009, which will address Ancillary Services. He invited attendees to submit topics for discussion for upcoming meetings.

New Action Items:

Customers requested seven action items during this meeting, which are listed below. These are included in the new Transmission Action Item List (AIL) available on the web.

- 1) Under miscellaneous facilities, operations center, explain assets titled Sacramento Dispatch Office, Sacramento Energy Center, and Sacramento Area Operations Center (Nannette Engelbrite);
 - Western's response:
 - "Sacramento Dispatch Office (FID: SDO): The costs are related to:
 - (a) Replacement of VHF antenna, SCADA Master Station upgrade, and Replace BOR 50kv UPS with 30kv UPS at SDO - retirements as 50KV was Reclamation's unit.
 - Sacramento Energy Center: (FID: SES): The costs are related to:
 - (a) Rooftop solar photovoltaic panels & supporting equip, install donated PV modules & monitor Beta test site, and TV closed circuit - Folsom SES camera system and facility alarm monitoring access equip upgrade.
 - The remaining facility is the Sacramento Area Operations Center (FID: SPO), this is the Westerns Sierra Nevada Region's operations center.
 - No further action required.
- 2) Add a column to facilities tab document to compare data from Rate Brochure 2004 to Current (David Cohen).
 - Western's Response: Action complete. Worksheet posted on rates website, under June 25, 2009 meeting date located at <http://www.wapa.gov/sn/marketing/rates/ratesProcess/informalProcess/25june2009>
- 3) Reference FERC criteria to differentiate transmission vs. non-transmission on highlighted lines (Ed Roman).
 - Western's Response: This action item is covered under number 4 below.
- 4) Insert a column on facilities worksheet to include facilities status (i.e., gen tie line, radial load, etc.) (Ed Roman, C. Flynn).

- Western's Response: Action complete. Worksheet posted on rates website, under June 25, 2009 meeting date located at <http://www.wapa.gov/sn/marketing/rates/ratesProcess/informalProcess/25june2009>
- 5) For use with FERC filing, consider reviewing Administrative and General Expense allocated as a function of labor rather than facilities assigned to transmission/non-transmission (David Cohen).
- Western's response: During internal review, Western will consider reviewing costs allocated as a function of labor.
- 6) In future rate projection, we used the current denominator (2363 MW) in estimating our future rate projection. Nannette Englebrite suggested we estimate future MW resulting from SVS project and other possible sources. Action completed on December 1, 2009 with posting of Proposed Capital Improvement Projects Estimated Rate Effect on Transmission.
- Western's response: Action completed on December 1, 2009 with posting of Proposed Capital Improvement Projects Estimated Rate Effect on Transmission. See [www.oatiaoasis.com/WASN/WASNdocs/Market_Notification_of_Transmission_Rate_Increase_\(SVS\)_12-1-09.pdf](http://www.oatiaoasis.com/WASN/WASNdocs/Market_Notification_of_Transmission_Rate_Increase_(SVS)_12-1-09.pdf)
- 7) Provide facilities and future rate presentation in excel worksheet to customers (David Cohen).
- Western's Response: Action completed. The requested document was sent to David Cohen via email.

Attendance Roster

Name	Agency
Kathleen Rustrum	Tuolumne Public Power Agency
Nick Zettel	City of Redding
James Takehara	City of Roseville
David Cohen	Navigant Consulting, representing TANC
Lee Terry	California Department of Water Resources
Rick Buckingham	California Department of Water Resources
Ron Davis	BEW Engineering
Steve Hill	Modesto Irrigation District
Nannette Engelbrite	Northern California Power Agency
Rick Coleman	Trinity Public Utilities District
Ed Roman	SMUD
Stuart Robertson	RBI/PWRPA/ESPA
Ed Chang	Flynn
Gerry Cupp	City of Shasta Lake
Tom Miller	City of Shasta Lake
Paul Landry	Bureau of Reclamation
Charles Faust	Western Area Power Administration
Deb Dietz	Western Area Power Administration
Megan Jones	Western Area Power Administration
Russell Knight	Western Area Power Administration
Sonja Anderson	Western Area Power Administration
Steve Richardson	Western Area Power Administration
Pete Garris	Western Area Power Administration
Tom Patton	Western Area Power Administration
Regina Rieger	Western Area Power Administration
Padmini Palwe	Western Area Power Administration
Phil Sanchez	Western Area Power Administration