

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

WASHOE PROJECT, STAMPEDE DIVISION

SCHEDULE OF RATE FOR NON-FIRM POWER FORMULA RATE

Effective:

The first day of the first full billing period beginning on or after August 1, 2008, through September 30, 2017, or until superseded by another rate schedule, whichever occurs earlier.

Available:

Within the marketing area served by the Sierra Nevada Customer Service Region.

Applicable:

To preference customers under the 2004 Power Marketing Plan and the applicable third party(ies) who are under contract (Contractor) with Western.

Character and Conditions of Service:

Alternating current, 60 hertz, three-phase, delivered and metered at the voltages and points established by contract.

Non-Firm Power Formula Rate:

In order to serve project use loads and effectively market the energy from Stampede, Western has contracted with a third party Contractor that provides for a Stampede Energy Exchange Account (SEEA). The SEEA is an annual energy exchange account for Stampede energy. In the SEEA, the revenues from sales (generation revenues) made at the SEEA Rate are reduced by the project use and station service power costs and SEEA administrative costs. Western applies the

ratio of project use costs to the generation revenue recorded in the SEEA to determine a non-reimbursable percentage. One hundred percent minus this non-reimbursable percentage establishes a reimbursable percentage. This reimbursable percentage is then applied to the appropriate power-related costs to determine the reimbursable costs for repayment. The reimbursable costs are then netted against generation revenues made at the SEEA Rate. As stipulated under the 2004 Power Marketing Plan, any remaining reimbursable costs, to include interest and annual capital costs, are then transferred to the Central Valley Project for incorporation into the CVP Power Revenue Requirement.

The provisional formula rate for Stampede power is:

$\text{Stampede Annual Transferred PRR} = \text{Stampede Annual PRR} - \text{Stampede Revenue}$

Where:

Stampede Annual Transferred

Power Revenue Requirement (PRR) = Stampede Annual PRR as identified as a cost transferred to the CVP.

Stampede Annual PRR =

The total PRR for Stampede required to repay all annual costs, including interest, and the investment within the allowable period.

Stampede Revenue =

Revenue from applying the SEEA Rate to project generation.

Billing:

Billing for the SEEA Rate will be as specified in the service agreement.

Adjustment for Losses:

Losses will be accounted for under this rate schedule as stated in the service agreement.