

Western Area Power Administration Upper Great Plains Region (Western-UGP)

Transmission & Ancillary Services Formula Rates

2016 Update

Customer Information Meeting

October 29, 2015

9 a.m. MDT, Billings, MT and via Webex



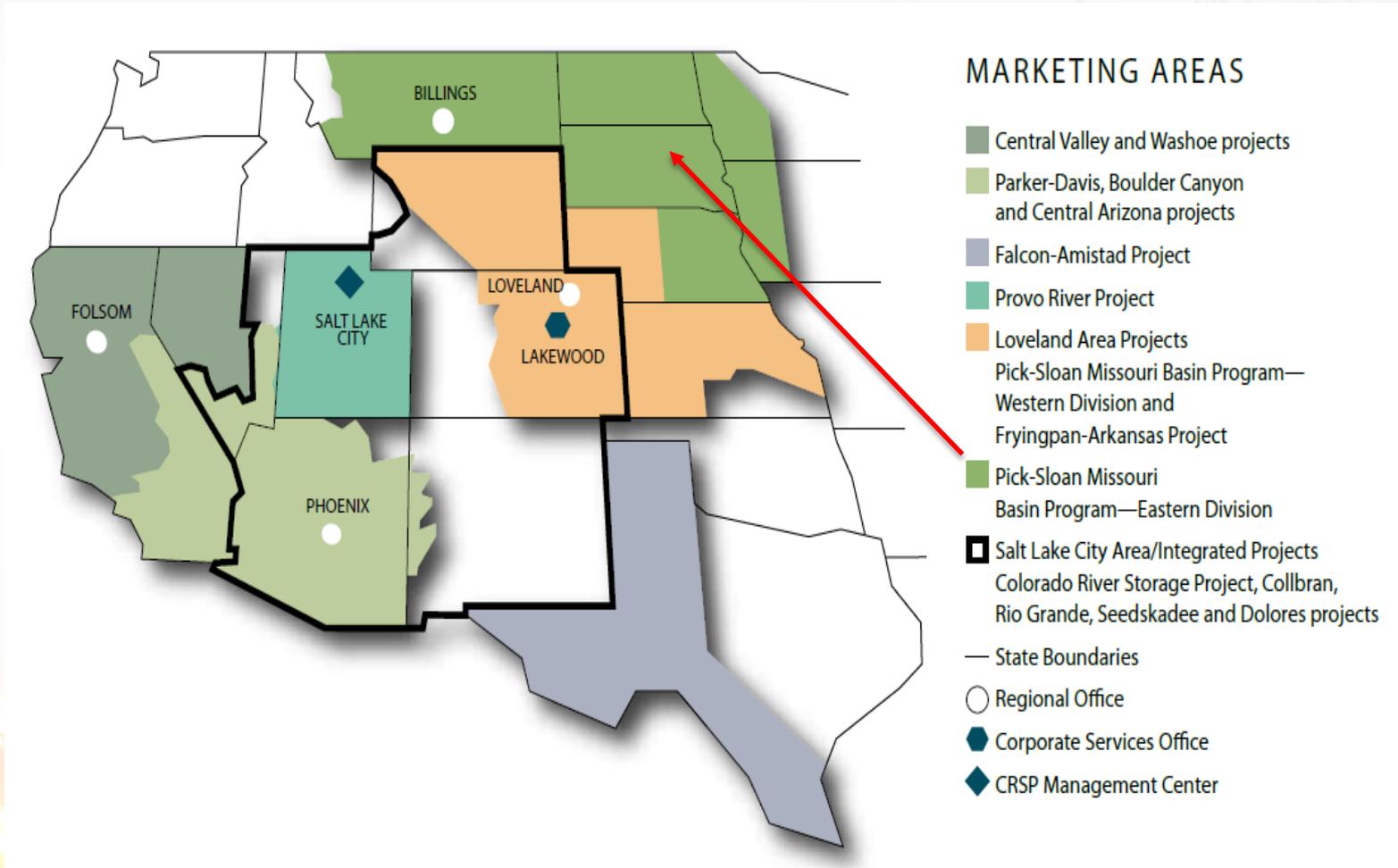
Introductions

- Lloyd Linke – Vice-President of Operations for Upper Great Plains (UGP)
- Steve Sanders – Operations and Transmission Advisor (UGP)
- Gary Hoffman – Attorney-Advisor
- Linda Cady-Hoffman – Rates Manager (UGP)
- Sara Baker – Public Utilities Specialist (UGP)

Purpose of Meeting

- As provided for in the *Federal Register* Notice published July 27, 2015 (80 FR 44342):
 - Western will provide customers the opportunity to discuss and comment on the recalculated revenue requirements on or before October 31 of each year.
- This meeting provides an opportunity to discuss the proper application of data in the formula rates, not the rate formulas themselves.

Western Area Power Administration Upper Great Plains Region (Western-UGP)



Transition from Integrated System (IS) to Southwest Power Pool, Inc. (SPP)

- Western-UGP joined SPP as a Transmission Owner on October 1, 2015, at which time Transmission Service on the IS under Western's Tariff was no longer available.
- Transmission Service on Western-UGP's transmission facilities transferred to functional control of SPP is provided by SPP under the SPP Tariff.
 - Western-UGP's revenue requirement for transmission service is included in rate calculations for the Upper Missouri Zone (UMZ), or Zone 19, and all Ancillary Services are under the SPP Tariff.

Western-UGP Postings for 2016 Rates

- On Western-UGP OASIS home page
<http://www.oasis.oati.com/wapa/index.html> :
 - Customer Letter announcing updated 2016 rates (10/6/15)
 - UGP Rates Calculations for 1/1/2016 (includes lists of Western-UGP facilities, and classification under SPP Tariff Attachment AI (eligible or non-eligible)) *
 - UGP Rates Calculations for 1/1/2016 (Excel version with live formulas)
 - UGP 2016 Rates Summary/Notices
 - UGP Rate Schedules
 - Integrated System (IS) True-Up Calculations for 2014
<http://www.oasis.oati.com/WAPA/WAPAdocs/IS-Trans-Anc-Service-Rates-2014-TrueUp.pdf>

* One-Line Diagrams showing these included facilities are available upon request. The diagrams include CEII material and therefore require execution of a Non-Disclosure Agreement with Western-UGP.

SPP Web Site – Links to OASIS for path to Western-UGP Rates Information

www.spp.org

The screenshot shows the SPP website interface. At the top, there is a navigation bar with links for "About Us", "Organizational Groups", "Governance", "Events", and a search function. Below this is a secondary navigation bar with "Stakeholder Center", "Engineering", "Markets & Operations", and "Regional Entity". The "Markets & Operations" menu is expanded, showing options like "Integrated Marketplace", "Market Monitoring", "Net Benefits Test", "Outage Coordination", "TCR Markets", "Marketplace Portal", and "OASIS". A red arrow points to the "OASIS" link. Below the navigation is a large banner with the SPP logo and a call to action: "Learn more about proposals for Competitive Upgrades. TRANSMISSION OWNER SELECTION PROCESS". The banner also includes the tagline "Helping our members work together to keep the lights on". Below the banner are three main content areas: "Price Contour Map" (a map of the SPP region with price contours), "Generation Mix" (a pie chart showing the mix of energy sources for 10/28 at 09:20), and "Forecast vs. Actual" (a line chart comparing forecast and actual values for 10/28 at 09:25). The "Generation Mix" chart data is as follows:

| Source | Percentage |
|---------|------------|
| Coal | 43.3447% |
| Wind | 21.4202% |
| Nuclear | 8.4241% |
| Hydro | 4.3446% |
| Solar | 0.0081% |
| Other | 11.9983% |

The "Forecast vs. Actual" chart shows two lines: a blue line for the forecast and a red line for actual values, plotted against time from 28 Oct to 4 Nov.

<http://www.spp.org/markets-operations/>

100%

SPP Web Site – Links to OASIS for path to Western-UGP Rates Information (cont'd)

Registration | About OATI webOASISSM Production Node

Southwestern Power Administration
U.S. Department of Energy

EMPIRE
SERVICES YOU COUNT ON

Grand River Dam Authority

OATI webOASISSM YOUR ENERGY | OUR SOLUTIONS

©2001 OATI webOASISSM - Open Access Technology International, Inc. All Rights Reserved.

WebOASIS Production Node Login

Western-UGP OASIS home page hosted on SPP OASIS

Nebraska Public Power District
Omaha Public Power District

Western-UGP OASIS Home Page

<http://www.oasis.oati.com/wapa/index.html>

Rates Postings (and other postings)

Registration | About | HOME

OATI webOASISSM Production Node

Production Node Login

Western-UGP OASIS Home Page

This is the OASIS home page for Western Area Power Administration-Upper Great Plains Region (Western-UGP) hosted on the Southwest Power Pool, Inc. (SPP) OASIS

Historic information for the Western-UGP / Basin Electric Power Cooperative / Heartland Consumers Power District integrated transmission system called the Integrated System (IS) in the MAPP and WECC Regions is also available on this page.

Recent News, **Last Updated: 10/09/2015** (2 Items)
(See "News" Folder for older News and Historic IS News)

10/07/2015 (Updated) (New UGP Trans. & Anc. Service Rates Posting): Notice - New UGP Rates Effective 01/01/2016 Posted

As described in the October 6, 2015, letter to Customers ([Customer-Letter-UGP-Trans-Anc-Service-Rates-2015-1006.pdf](#)), Western-UGP is updating its rates for transmission and ancillary services for the Pick-Sloan Missouri Basin Program-Eastern Division (P-SMBP--ED) that are utilized in the SPP Zone 19 pricing zone (also referred to as the Upper Missouri Zone or UMZ) and also in its WAUW Balancing Authority Area. The letter to Customers and details of the 2016 UGP rate calculations are posted under the "Rates Calculation" subfolder in the "UGP Trans-Anc-Service Rates" folder, or directly at the following URL: [UGP-Trans-Anc-Service-Rates-Calc-2016-0101.pdf](#)

Western-UGP will host a meeting to provide customers and other interested parties an opportunity to discuss and comment on these recalculated revenue requirements on October 29, 2015, at 9:00a.m. MDT at Western's offices located at 2900 4th Avenue North, 6th Floor, Billings, MT. The meeting will also be available via WebEx. For those desiring to attend the meeting in person or via WebEx, please contact Sara Baker at (406) 255-2924 or sbaker@wapa.gov before October 29, 2015, for meeting or WebEx access information.

Western-UGP has also posted the IS 2014 True-Up calculation under the "Historic IS Rates" subfolder in the "UGP Trans-Anc-Service Rates" folder, or directly at the following URL: [IS-Trans-Anc-Service-Rates-2014-TrueUp.pdf](#)

If you have any questions, please contact Steve Sanders at (406) 255-2840 (sanders@wapa.gov).

10/04/15 : Status of Western UGP Membership in SPP, Impacts to Existing IS Customers

Documents

- [NAESB Home Page](#)
- [Standards of Conduct](#)
- [Business Practices, Waivers, and Exemptions](#)

OASIS Notices

- Business Practices
- Interconnection Requests
- News
- Rates**

- UGP 2015 Rates Summary/Notices
- UGP 2016 Rates Summary/Notices
- UGP Rate Schedules
- Rates Calculations
 - UGP Rates (Excel) - 1/1/2016
 - UGP Rates - 1/1/2016
 - Customer Letter - 10/6/2015
 - UGP Rates - 10/1/2015
 - Customer Letter - 7/8/15

SPP Integration

- Standards of Conduct
- System Impact Studies
- System Information
- Tariff
- Transmission Planning
- Historic IS Info - Rates
- Historic IS Info - ATC Information

Western-UGP Postings for 2016 Rates

- On SPP Member Related Postings (In Winzip file under Western Area Power Administration Information)
<http://sppoasis.spp.org/documents/SWPP/MemberRelatedPostings/MemberRelatedPostings.asp> :
 - File named “2016 Rate Book final.xlsx” -- UGP Rates Calculations for 1/1/2016 (includes lists of Western-UGP facilities, and classification under SPP Tariff Attachment AI (eligible or non-eligible)) *

* One-Line Diagrams showing these included facilities are available upon request. The diagrams include CEII material and therefore require execution of a Non-Disclosure Agreement with Western Area Power Administration - Upper Great Plains Region.

SPP Web Site – Links to OASIS for path to Member Related Postings Information

www.spp.org

The screenshot shows the SPP website interface. At the top, there is a browser window with the URL <http://www.spp.org/>. Below the browser window is a navigation bar with links for "About Us", "Organizational Groups", "Governance", "Events", and a search bar. There are also social media icons for Twitter, Facebook, and YouTube, along with "CREATE ACCOUNT" and "LOGIN" buttons.

The main content area features the SPP logo and a navigation menu with categories: "Stakeholder Center", "Engineering", "Markets & Operations", and "Regional Entity". The "Markets & Operations" menu is expanded, showing a list of links: "Integrated Marketplace", "Market Monitoring", "Net Benefits Test", "Outage Coordination", "TCR Markets", "Marketplace Portal", and "OASIS". A red arrow points to the "OASIS" link.

Below the navigation menu, there are three data visualization panels:

- Price Contour Map:** A map of the SPP region showing price contours. A legend on the left lists price ranges from \$4.00 to \$12.00.
- Generation Mix:** A pie chart titled "GENERATION MIX for 10/28 at 09:20 (Central Time)". The data is as follows:

| Source | Percentage |
|-------------------|------------|
| Coal | 43.3447% |
| Wind | 21.4202% |
| Nuclear | 8.4241% |
| Hydro | 4.3446% |
| Solar | 0.0581% |
| Dispatch Fuel Oil | 0.1% |
- Forecast vs. Actual:** A line chart titled "FORECAST VS. ACTUAL for 10/28 at 09:25 (Central Time)". The y-axis represents power in MW, ranging from 0 to 35,000. The x-axis shows time from 28 Oct to 4 Nov.

At the bottom left, the URL <http://www.spp.org/markets-operations/> is visible. At the bottom right, there is a zoom level indicator set to 100%.

SPP Web Site – Links to OASIS for path to Member Related Postings Information (cont'd)

The screenshot shows a web browser window displaying the SPP web site. The address bar shows the URL https://www.oasis.oati.com/spp_default.html. The browser tabs include "SteveSanders (www.oasis.oati.c...", "Home - Southwest Power Pool", "OATI OASIS", and "OATI webOasis". The page header features a yellow navigation bar with "Registration | About" and "OATI webOASISSM Production Node".

The main content area displays a grid of member logos, including:

- Southwestern Power Administration U.S. Department of Energy
- EMPIRE SERVICES YOU COUNT ON
- Grand River Dam Authority
- ITC
- Midwest Energy, Inc.
- OG&E electric services
- KCP&L
- SPRINTER MISSOURI OPERATIONS COMPANY
- SPP Southwest Power Pool
- WTEC CONTROL AREA SERVICES
- Western AREA POWER ADMINISTRATION
- Westar Energy
- Nebraska Public Power District
- OPPD Omaha Public Power District

A red arrow points from the text "SPP's OASIS home page hosted on SPP OASIS" to the SPP Southwest Power Pool logo.

The OATI webOASIS banner includes the text "OATI webOASIS YOUR ENERGY | OUR SOLUTIONS". Below the banner, the copyright notice reads: "©2011 OATI webOasisSM - Open Access Technology International, Inc. All Rights Reserved." A "WebOASIS Production Node Login" button is also visible.

SPP's OASIS home page hosted on SPP OASIS

SPP Web Site – Links to OASIS for path to Member Related Postings Information

The screenshot shows a web browser window displaying the SPP OASIS website. The browser's address bar shows the URL <https://www.oasis.oati.com/SWPP/index.html>. The page features a navigation menu on the left with categories like Documents, Performance Metrics, Business Practices, and General. A red arrow points to the 'Member Related Postings' link in the General section. The main content area includes a 'Production Node Login' button, a welcome message, and an 'UPDATES' section with several links and dates. Below the updates, three notices are displayed with red text and blue underlined links for more details.

Production Node Login

--Welcome to the Southwest Power Pool OASIS--

SPP OASIS

UPDATES

- [DC Ties Update](#) - Updated 10-25-2015 12:23 CPT
- [Delayed Offering](#) - Updated 8-2-2013 08:35 CPT
- [OOME Directives](#) - Updated 08-05-2015 09:42 CPT
- [NDR Curtailments](#) - Updated 10-26-2015 14:55 CPT

Notice of posting: 2017 ITP10 Economic Model Pass 1
[Please click here for more details.](#)

Notice of posting: 2016 ITPNT Needs Assessment
[Please click here for more details.](#)

Notice of posting: 2017 ITP10 and RCAR II Powerflow Models
[Please click here for more details.](#)

Western-UGP Notifications for 2016 Rates

- Customer Letter dated 10/6/15 announcing updated 2016 rates sent to all of Western-UGP's Transmission Customers
- Notification also provided via the SPP Markets and Operations Policy Committee (MOPC), Board of Directors/Members Committee, and Regional Tariff Working Group (RTWG) email exploders.
- Announcement/rate calculations posted on Western-UGP's OASIS home page
- Announcement/rate calculations posted on Western-UGP's regional Rate Web page.

UGP 2016 Rates Summary/Notices

<http://www.oasis.oati.com/WAPA/WAPAdocs/Western-UGP-Rates-2016-0101.pdf>

**Transmission and Ancillary Services Rates for
Western-UGP facilities and services in Southwest Power Pool, Inc. (SPP) and
for
Western-UGP's WAUW Balancing Authority Area in the Western
Interconnection**

**(Rates Effective 01/01/2016 per 10/06/15 Letter to Transmission Customers
and Other Interested Parties)**

| Type of Service | Rate | Effective |
|--|----------------------|------------------|
| Transmission Service: (Rates expire 12/31/16) | | |
| Annual Transmission Revenue Requirement (UMZ) | \$138,325,368 | 01/01/16 |
| Scheduling, System Control and Dispatch Service (<i>Annual Revenue Requirement</i> for Schedule 1 under SPP Tariff) | \$ 12,218,940 | 01/01/16 |

UGP 2016 Rates Summary/Notices (cont'd)

<http://www.oasis.oati.com/WAPA/WAPAdocs/Western-UGP-Rates-2016-0101.pdf>

WAUW Balancing Authority Area Related Ancillary Service: (Rates expire 12/31/16)

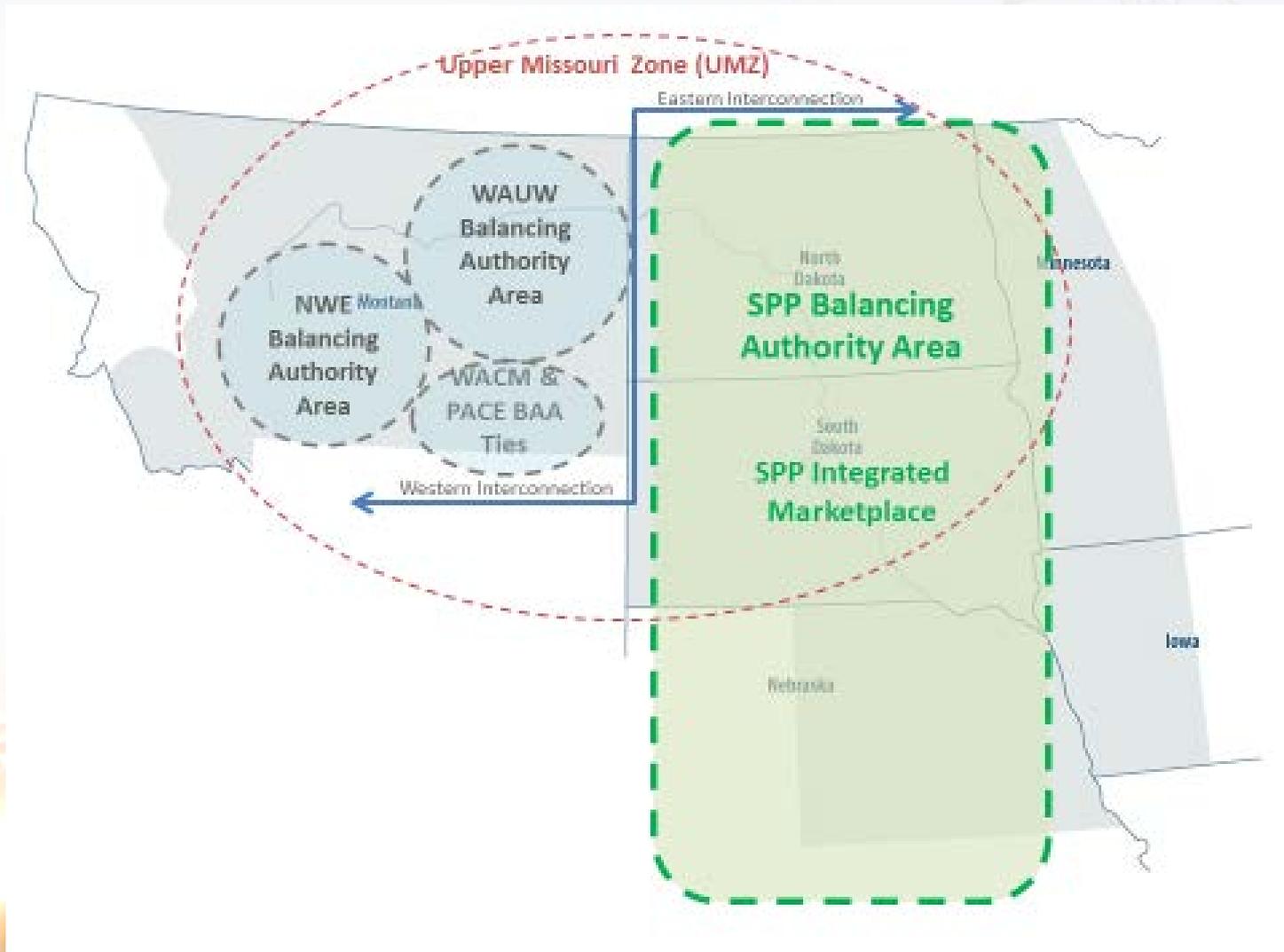
| | | |
|---|--|------------|
| Regulation and Frequency Response Service (<i>Annual Revenue Requirement</i>) | \$ 308,284 | 01/01/16 |
| Energy Imbalance Service (EI) Index for Prevailing Market Energy Rate for EI | (See Note 1) (Not yet determined) | 01/01/16 * |
| Generator Imbalance Service (GI) Index for Prevailing Market Energy Rate for GI | (See Note 2) (Not yet determined) | 01/01/16 * |
| Operating Reserves – Spinning Reserve Service and Supplemental Reserve Service (Reserves) (<i>Annual Revenue Requirement</i>) | \$ 236,842 (See Note 3) | 01/01/16 |
| Index for Prevailing Market Energy Rate for Reserves: | SPP Integrated Marketplace Interface at Miles City DC Tie (MCWEST) | 01/01/16 |

*** Western-UGP has elected to delay financial settlement for Energy Imbalance and Generator Imbalance until such time as certain billing procedures are finalized. Prior to charging and billing for these services on a financial basis, notice of Western-UGP's intent to initiate financial charging will be posted on Western-UGP's OASIS web site. Until the new financial settlement of Energy Imbalance is implemented, monthly energy imbalance accounts will be maintained, as in the past. These accounts will be repaid within the following month.**

Western-UGP Transmission Rates and Ancillary Service Rates in WAUW

- Transmission service on Western-UGP's facilities located in WAUW is provided by SPP under the SPP Open Access Transmission Tariff (SPP Tariff).
- Western-UGP is still the Balancing Authority ("BA") for its WAUW Balancing Authority Area ("BAA").
- The WAUW ancillary services and coordination between Western-UGP as the Balancing Authority and SPP as the Transmission Provider in the Western Interconnection is described in Attachment AS of the SPP Tariff entitled "*Contract Services Agreement between Western Area Power Administration and Southwest Power Pool, Inc.*"

Western-UGP Transmission Facilities, Western Interconnection Operations



Western-UGP 2016 Estimated Rates

- Transmission Service (WAUGP-ATTR)
- Scheduling, System Control and Dispatch Service (WAUGP-AS1)
- Regulation & Frequency Response Service (WAUW-AS3)
- Operating Reserves Service-Spinning and Supplemental (WAUW-AS5 & 6)
- Energy Imbalance (WAUW-AS4)
- Generator Imbalance (WAUW-AS7)

Transmission Service

- Costs for eligible transmission facilities are included per Attachment AI of SPP's Tariff.
- Western-UGP is using revenue requirement calculation templates and annualizing transmission investment and transmission-related costs including:
 - Operations & Maintenance
 - Interest
 - Administrative & General
 - Depreciation

Forward-Looking Formula Transmission Rates

- Allows Western-UGP to accurately match cost-recovery with cost incurrence.
- Uses projections to estimate transmission costs for upcoming year in the ATRR.
- True-up cost estimates with actual costs
 - Revenue requirements will be recalculated each year
 - Western-UGP will recover no more and no less than actual transmission costs for the year.

2016 Estimated Annual Transmission Revenue Requirement (ATRR)

| Western-UGP Estimated Annual Revenue Requirement \$ | 2016 ATRR \$ |
|--|-----------------------|
| Gross Revenue Requirement | 145,449,367 |
| Revenue Credits | 2,199,999 |
| Scheduling, System Control & Dispatch | 12,218,940 |
| Subtotal | 131,030,428 |
| Prior-Period True-up (2014) | 7,294,940 |
| Total Annual Transmission Revenue Requirement | \$ 138,325,368 |

Scheduling, System Control & Dispatch Service

- Required to schedule movement of power through, out of, within or into SPP and/or Western Area Power Administration, Upper Great Plains West Balancing Authority Area (WAUW).
- Western-UGP's annual revenue requirement is utilized by SPP to calculate regional SPP Schedule 1 rate for:
 - SPP through and out transactions; and,
 - Zonal SPP Schedule 1 rate for the UMZ.

Scheduling, System Control & Dispatch Service (cont'd)

- Annualize Western-UGP's transmission investment and transmission-related costs for providing SSCD including:
 - Operations & Maintenance
 - Interest
 - Administrative & General
 - Depreciation
- Uses projections to estimate SSCD costs for upcoming year in the ARR.
- True-up cost estimates with actual costs
 - Rates are recalculated each year
 - Western-UGP recovers no more and no less than actual costs for the year.

Scheduling, System Control & Dispatch Service Estimated Revenue Requirement

| Western-UGP Scheduling, System Control and Dispatch Service | 2016 ATRR \$ |
|---|----------------------|
| Operation & Maintenance Expense | 11,144,767 |
| A&G Expense | 202,065 |
| Depreciation Expense | 283,578 |
| Cost of Capital (Weighted Composite Interest Rate * Net Plant Investment) | 588,529 |
| Revenue Requirement | 12,218,940 |
| Estimated SSCD Revenue (\$) from non-Transmission facilities | 0 |
| Revenue Requirement (4) for SSCD for Transmission facilities | \$ 12,218,940 |

Regulation & Frequency Response Service (WAUW)

- Western-UGP provides Regulation and Frequency Response Service in the WAUW as the Balancing Authority (BA).
- Service provided primarily by U.S. Army Corps of Engineers (Corps) facilities at Fort Peck.
- Western-UGP's annual revenue requirement is recovered under the SPP Tariff, Attachment AS:
 - “Schedule 3 – Western Interconnection, Regulation and Frequency Response Service – Western Interconnection”
- See Western-UGP's Rate Schedule for Regulation and Frequency Response Service – WAUW for additional information.

Regulation & Frequency Response Service Rate (WAUW)

| Western-UGP Regulation & Frequency Response Service | 2016 ATRR \$ |
|---|--------------|
| Corps Fixed Charge Rate | 18.399% |
| Corps Generation Net Plant Costs (\$) | 463,375,442 |
| Capacity Used for Regulation (kW-yr) | 8,861 |
| Total Regulation Revenue Requirement (including true-up) (\$) | \$ 308,284 |

Operating Reserves Service-Spinning and Supplemental (WAUW)

- Western-UGP provides service in the WAUW as the BA.
- Will substitute the reserve requirement of the reserve sharing group under which Western-UGP is currently a member for its transmission system in the Western Interconnection.
- Western-UGP's annual revenue requirement is recovered under the SPP Tariff, Attachment AS:
 - “Schedule 5 – Western Interconnection, Operating Reserve – Spinning Reserve Service – Western Interconnection”
 - “Schedule 6 – Western Interconnection, Operating Reserve – Supplemental Reserve Service – Western Interconnection”

Operating Reserves Service-Spinning and Supplemental Rate (WAUW)

| Western-UGP Operating Reserves Service – Spinning & Supplemental | FY 2016 ATRR (proposed SPP) |
|--|-----------------------------|
| Corps Fixed Charge Rate | 18.399% |
| Corps Generation Net Plant Costs (\$) | 463,375,442 |
| Plant Capacity (kW) | 2,500,000 |
| Western’s Max Load in WAUW Control Area (kW) | 134,000 |
| Max Generation in WAUW Control Area (kW) | 97,500 |
| Capacity used for Reserves (kW) | 6,945 |
| Annual Reserves Revenue Requirement (including any true-up) (\$) | \$ 236,842 |

Operating Reserves Service-Spinning and Supplemental (cont'd)

- Western-UGP has no long-term reserves available beyond its own internal requirements.
- At SPP's request, and if it is capable of doing so, Western-UGP will acquire needed resources and pass the costs on to the SPP Transmission Customer.
- In the event that Reserve Services are called upon, Western-UGP will assess a charge for energy used at the prevailing market energy rate in the WAUW based upon Western-UGP's Rate Schedules for Operating Reserve – Spinning Reserve Service – WAUW and Operating Reserve – Supplemental Reserve Service – WAUW
- See Western-UGP Rates Summary/Notices postings on OASIS for information.

Energy Imbalance Service (WAUW)

- Western-UGP's charges for Energy Imbalance Service are recovered under the SPP Tariff, Attachment AS :
 - “Schedule 4 – Western Interconnection, Energy Imbalance Service – Western Interconnection”
- Charges based upon Western-UGP's Rate Schedule for Energy Imbalance Service – WAUW
- See Western-UGP Rates Summary/Notices postings on OASIS for information.

Energy Imbalance Service (WAUW) – (Financial Basis - *When implemented.*)

Per Rate Schedule:

Three deviation bandwidths – applied hourly to any energy imbalance as a result of Transmission Customer’s scheduled transaction(s) -

- 1. Deviations within $\pm 1.5\%$ (minimum 2 MW)** will be netted on a monthly basis and settled financially at the end of the month at 100% of the average incremental cost for the month.

Energy Imbalance Service (cont'd)

- 2. Deviations greater than $\pm 1.5\%$ up to 7.5% (greater than 2 MW up to 10 MW) will be settled financially at the end of the month at:**
- 110% of incremental cost when energy taken in a schedule hour is greater than energy scheduled;
and
 - 90% of incremental cost when energy taken in a schedule hour is less than the scheduled amount.

Energy Imbalance Service (cont'd)

3. Deviations greater than $\pm 7.5\%$ (or 10 MW) will be settled financially at the end of the month at:

- 125% of the highest incremental cost that occurs that day when energy taken in a schedule hour that is greater than energy scheduled; or
- 75% of the lowest incremental cost that occurs that day when energy taken is less than the scheduled amount.

Energy Imbalance Service (cont'd)

Incremental Cost -

- Western-UGP's incremental cost will be based upon a representative hourly energy index or combination of indexes.
- Index will be posted on OASIS prior to use.
- Will not be changed more often than once per year (unless Western-UGP determines existing index is no longer a reliable price index).

Generator Imbalance Service (WAUW)

- Western-UGP's charges for Generator Imbalance Service are recovered under the SPP Tariff, Attachment AS :
 - “Schedule 9 – Western Interconnection, Generator Imbalance Service – Western Interconnection”
- Charges based upon Western-UGP's Rate Schedule for Generator Imbalance Service – WAUW
- See Western-UGP Rates Summary/Notices postings on OASIS for information.

Generator Imbalance Service (WAUW) (Financial Basis - *When implemented.*)

Per Rate Schedule:

Three deviation bandwidths – applied hourly to any energy imbalance as a result of Transmission Customer's scheduled transaction(s).

- 1. Deviations within $\pm 1.5\%$ (minimum 2 MW)** will be netted on a monthly basis and settled financially at the end of the month at 100% of the average incremental cost for the month.

Generator Imbalance Service (cont'd)

- 2. Deviations greater than $\pm 1.5\%$ up to 7.5% (greater than 2 MW up to 10 MW) will be settled financially at the end of the month at:**
- 110% of incremental cost when energy taken in a schedule hour is greater than energy scheduled;
and
 - 90% of incremental cost when energy taken in a schedule hour is less than the scheduled amount.

Generator Imbalance Service (cont'd)

3. Deviations greater than $\pm 7.5\%$ (or 10 MW) will be settled financially at the end of the month at:

- 125% of the highest incremental cost that occurs that day when energy taken in a schedule hour that is greater than energy scheduled; or
- 75% of the lowest incremental cost that occurs that day when energy taken is less than the scheduled amount.

Exception: Intermittent resources will be exempt from this deviation band and will pay the deviation band charges for all deviations greater than the larger of 1.5% or 2 MW.

Generator Imbalance Service (cont'd)

Incremental Cost:

- Western-UGP's incremental cost - based upon representative hourly energy index or combination of indexes.
- Index posted on OASIS prior to use.
- Will not be changed more often than once per year (unless Western-UGP determines existing index is no longer a reliable price index).

Generator Imbalance Service (cont'd)

- Per Rate Schedule, the SPP Transmission Customer will incur a charge for either *hourly generator imbalances* or *hourly energy imbalances for imbalances occurring within the same hour*, but not both, unless the imbalances aggravate rather than offset each other.

More Information

Western-UGP OASIS Home Page

<http://www.oasis.oati.com/wapa/index.html>

SPP Member Related Posting Page

<http://sppoasis.spp.org/documents/SWPP/MemberRelatedPostings/MemberRelatedPostings.asp>

UGP Rates Information

<https://www.wapa.gov/regions/UGP/rates/pages/rates.aspx>

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Steve Sanders (406) 255-2840 - sanders@wapa.gov

Linda Cady-Hoffman (406) 255-2920 - cady@wapa.gov

Comment Addresses

Please send written comments by email to UGPTRates@wapa.gov or to the address below:

Rates Manager

Upper Great Plains Region, Western Area Power Administration
2900 4th Ave North, Billings, MT 59101-1266
Fax: (406) 255-2900

Comments must be received by
November 16, 2015.