



Western  
Area Power  
Administration

# UGP 2019 Transmission & Ancillary Services Formula Rates

October 30, 2018

Customer Information Meeting

Billings, MT and via WebEx

Presented by:

Steve Sanders, UGP Operations and  
Transmission Advisor

# Purpose of Meeting

- Present the calculated UGP 2019 Transmission & Ancillary Services Formula Rates (and 2017 True-ups)
- 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



# UGP 2019 Rates Summary/Notices

Type of Service	Rate	Effective
Annual Transmission Revenue Requirement (ATRR for UMZ)	\$137,323,326	01/01/2019
Scheduling, System Control and Dispatch Service (SSCD for SPP OATT Schedule 1)	\$10,427,084	01/01/2019
Regulation and Frequency Response Service *	\$251,596	01/01/2019
Energy Imbalance Service * Index for Prevailing Market Energy Rate for EI	(see Note 1) not yet determined	01/01/2019
Generator Imbalance Service * Index for Prevailing Market Energy Rate for GI	(see Note 1) not yet determined	01/01/2019
Operating Reserves-Spinning Reserve Service and Supplemental Reserve Service *	\$239,688 (see Note 2)	01/01/2019
<p>Note 1: 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.</p> <p>Note 2: Index for Prevailing Market Energy Rate for Reserves: SPP Integrated Marketplace at Miles City DC Tie (MCWEST).</p> <p>* For UGP's WAUW Balancing Authority Area in the Western Interconnection</p>		



# Annual Comparison

	CY2017 (est)	CY2018 (est)	CY2019 (est)
<b>Gross Annual Transmission Revenue Requirement (ATRR)</b>	<b>\$149,874,331</b>	<b>\$150,606,142</b>	<b>\$155,294,178</b>
Revenue Credits	\$(19,805,925)	\$(17,521,618)	\$(20,700,675)
True-up	\$16,967,212	\$195,354	\$2,729,823
<b>Net ATRR</b>	<b>\$147,035,618</b>	<b>\$133,279,878</b>	<b>\$137,323,326</b>
Gross Plant	\$1,363,411,106	\$1,438,721,122	\$1,529,824,892



# Annual Comparison (cont.)

	CY2017 (est)	CY2018 (est)	CY2019 (est)
<b>Gross SSCD /1</b>	<b>\$12,063,539</b>	<b>\$11,607,518</b>	<b>\$12,440,944</b>
Revenue Credits	\$443,560	\$407,927	\$415,127
True-Up /2	\$580,847	\$(2,288,252)	\$(1,598,733)
<b>Net SSCD</b>	<b>\$12,200,825</b>	<b>\$8,911,338</b>	<b>\$10,427,084</b>
<b>Net Regulation /3</b>	<b>\$301,656</b>	<b>\$188,791</b>	<b>\$251,596</b>
<b>Net Reserves /3</b>	<b>\$257,621</b>	<b>\$174,628</b>	<b>\$239,688</b>

/1 Scheduling, System Control and Dispatch Service (Schedule 1 in SPP OATT)

/2 Prior-year True-Up of ACTUAL Net SSCD Rev. Req'm't (for transmission) and ACTUAL SSCD Revenues (for transmission)

/3 Including associated true-ups



# Annual comparison (cont.)

- True-up from the Integrated System (IS) is no longer being included (last true-up was in 2017 estimate for IS wrap-up in actual 2015 costs)
- Revenues received for Schedule 1 (SSCD) service may be adjusted which will impact future revenue requirement.



# SSCD True-Up

- SSCD Costs are included in Gross Transmission ATRR, and must be deducted to get Net Transmission ATRR (in both Estimate and Actual calculations). Therefore, differences between the SSCD estimate and actuals costs are reflected in the Transmission ATRR True-Up. This is NOT the SSCD True-up. (See detailed explanation/example in previous 2018 Rates Customer Mtg. Presentation)
- Separate SSCD True-Up in AS1 Ancillary Rate
  - True-Up = Actual SSCD Revenue Requirement (for transmission) – Actual revenue received (for transmission). Add to Forward Year Estimate.
  - For 2017, \$10,499,904-\$12,098,637 = \$(1,598,733)



# 2019 Facility Changes

- A number of new facilities added:
  - Cost recovery for all non-GI related facilities is 100% Zonal in UMZ. No UGP Regional cost recovery yet (likely in 2020 rates due to SPP NTCs assigned to UGP).
  - Network Upgrades identified as pre-SPP join requirements and therefore not part of SPP Planning Process.
  - Maintenance replacements per UGP requirements.
  - GI related facilities due to pre-SPP join GI requests. Facilities funded by Interconnect Customers. No costs in UGP Transmission Plant yet (likely in 2020 rates due to recent legacy GI crediting).
  - New load interconnections. Facilities funded by Customer. No costs in UGP Transmission Plant yet.
- New/changed facilities now summarized in worksheet in .XLS labeled “Facilities Changes 20XX” (Pg. 40 in 2019 PDF)



# 2019 Facility Changes (cont.)

Western-UGP	Description
Brookings	Maintenance replacement of substation equipment. Ownership transfer of Breakers 1562 and 1762 from City of Brookings to WAPA.
Martin	Maintenance replacement of substation equipment. Ownership transfer from LaCreek to WAPA. Facilities already qualified for SPP inclusion.

Worksheet in .XLS labeled “Facilities Changes 2019” (Pg. 40 in 2019 PDF)



# More Information

Western-UGP OASIS Home Page (See Rates Folder)

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

SPP Member Related Posting Page

<http://opsportal.spp.org/OASIS/Directory/Member%20Related%20Postings>

UGP Rates Information

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

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# Comment Addresses

Please send written comments by email to [UGPTRates@wapa.gov](mailto:UGPTRates@wapa.gov) or to the address below:

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Comments must be received by  
**November 20, 2018.**

