

Proposed in Rate Order No. WAPA-207

Rate Schedule CV-~~F13~~F14
(Supersedes Schedule CV-~~F12~~F13)

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

CENTRAL VALLEY PROJECT

SCHEDULE OF RATES FOR BASE RESOURCE AND FIRST PREFERENCE POWER

Effective:

October 1, ~~2011~~2024, through September 30, ~~2019~~2029, or until superseded, whichever occurs earlier. ~~[Note: This rate schedule was extended by Rate Order No. WAPA-185 through September 30, 2024.]~~

Available:

~~Within~~ In the ~~marketing~~ area served by the Western Area Power Administration (~~Western~~WAPA), Sierra Nevada Customer Service Region (~~SN~~).

Applicable:

To the Base Resource (BR) and First Preference (FP) Power Customers.

Character and Conditions of Service:

Alternating current, 60-hertz, three-phase, delivered and metered at the voltages and points established by contract. This service includes the Central Valley Project (CVP) transmission (to include reactive supply and voltage control from Federal generation sources needed to support the transmission service), spinning reserve service, and supplemental reserve service.

Formula Rate:

~~The formula rate includes three components.:~~

Component 1:

Power Revenue Requirement (PRR):

Western WAPA-SN will develop the PRR ~~prior to before~~ ^[S11] the start of each fiscal year (FY). The PRR will be divided ~~in~~ ^{into} ~~[S12]~~ two 6-month periods, October through March, and April through September, based on FP and BR percentages. The PRR ~~for the April through September period~~ will be reviewed in March of each year. ~~The review will analyze financial data from the October through February period, to the extent information is available, as well as forecasted data for the March through September period.~~ ^[S13] If there is a change of \$5 million or more, the PRR will be recalculated for the entire FY. The PRR is allocated to FP Customers and BR Customers based on formula rates, as adjusted for Hourly Exchange (HE), FP true-up calculation and midyear adjustments.

Example of PRR Allocation to FP and BR		
Component	Formula	Allocation
Annual PRR		\$70,000,000
FP Customers' Allocation (Total FP % = 5%)	$\$70,000,000 \times 5\%$	\$3,500,000
Remaining PRR Allocated to BR	$\$70,000,000 - \$3,500,000$	\$66,500,000
<i>Note: This example is intended to show the PRR allocation to the customer groups and is not adjusted for billing, midyear adjustments or FP true up calculation.</i> ^[S14]		

FP Power Formula Rate:

The annual FP customer allocation is equal to the annual PRR multiplied by the relevant FP percentage. ~~The formula rate for FP power has three components.~~ ^[S15]

Component 1:

$$\text{FP Customer Percentage} = \frac{\text{FP Customer Load}}{\text{Gen} + \text{Power Purchases} - \text{Project Use}}$$

$$\text{FP Customer Charge} = \frac{\text{FP Revenue Requirement}}{\text{MRR}} \times \text{FP Customer Percentage} \times \text{PPR}$$

$$\text{FP Customer Percentage} = \frac{\text{FP Customer Load}}{\text{Gen} + \text{Power Purchases} - \text{Project Use}}$$

Where:

FP Customer Load = An FP Customer's forecasted annual load ~~in megawatthours~~ (MWh)

Gen = ~~The~~ Forecasted annual CVP ~~, Lewiston~~ and Washoe generation (MWh)

Power Purchases = Power purchases for Project Use and FP loads (MWh)

Project Use = ~~The~~ Forecasted annual Project Use loads (MWh)

~~MRR = Monthly PRR.~~

~~Western WAPA-SN will develop each FP customer's percentage prior to before [S16] the start of each FY, and . During March of each FY, each FP customer reviewed in March every year. If , as a result of the review, there is a change in a FP customer's percentage of more than one-half of 1 percent, the percentage will be revised for the full FY for the April through September period and billing will be adjusted over the remaining 6 monthsing adjustments made for the October through March period to reflect the revised percentage.~~

FP Customer	Year 1 FP % (Based on estimate)	Year 1 FP and BR PRR Allocation	Year 1 Actual FP % (Determined during Year 2)	Year 1 FP and BR Actual (adjusted) PRR Allocation	Difference (Applied in Year 3)
Customer A	0.35%	\$262,500	0.38%	\$285,000	\$22,500
Customer B	0.90%	\$675,000	0.85%	\$637,500	(\$37,500)
Customer C	2.80%	\$2,100,000	2.90%	\$2,175,000	\$75,000
Customer D	0.75%	\$562,500	0.75%	\$562,500	\$0
Total	4.80%	\$3,600,000	4.88%	\$3,660,000	\$60,000
BR Customers	Contractual %	\$71,400,000	Contractual %	\$71,340,000	(\$60,000)
Total PRR (Year 1)		\$75,000,000	Total PRR	\$75,000,000	\$0 [S17]

In addition, ~~Western WAPA-SN is adopting will perform~~ a true-up methodology for FP Customers each year ~~in order [S18]~~ to ensure FP Customers pay their proportionate share of the PRR. ~~[S19] - The FP customers' percentage is limited to a percentage of the PRR. The percentages in~~ The table below ~~shows are~~ the maximum percentages for each FP customer that will be applied to the ~~M~~PRR. ~~during the rate period October 1, 2011, through September 30, 2016. The maximum percentages were determined based on a critically dry year where there are hydrologic conditions that result in low CVP generation and, consequently, low levels of BR.~~ ~~[S10]~~ An FP percentages cannot exceed the maximum except in instances where a ~~individual~~ FP

customers' percentage increases due to load growth. If ~~these~~ maximum percentages are ~~used for determining the FP customer charges exceeded~~ for more than one year, ~~Western WAPA-SN~~ will ~~reevaluate and update~~ customer ~~maximum~~ percentages ~~from the formula rate versus the maximum percentage and make adjustments as appropriate.~~

FP Actual Maximum Percentages Effective Rate Period FY 2012 through FY 2016	
FP Customer	Maximum FP Customer Percentage Applied to the PMRR ^[WAPA11]
Sierra Conservation Center	Not yet updated
Calaveras Public Power Agency	
Trinity Public Utilities District	
Tuolumne Public Power Agency	
Chicken Ranch Rancheria	
Total	

~~Below is a sample calculation for an FP customer's monthly charge for power.~~ [SJ12]

Example: FP Monthly Customer Charge Calculation	
Numerator	
— FP Customer's Load—MWh	10,000
Denominator	
— Washoe Generation—MWh	2,500
— CVP Generation—MWh	3,700,000
— PU Load—MWh	(1,200,000)
— PU Purchase—MWh	47,000
Calculated Percentage	
— FP Customer's Percentage	0.39%
Monthly Power Revenue Requirement (MRR)	\$3,333,333
FP Customer Monthly Charge = (FP % x MRR)	\$13,000

Component 2:

~~Any charges or credits associated with the creation, termination, or modification to any tariff, contract, or rate schedule accepted or approved by the Federal Energy Regulatory Commission (FERC) or other regulatory bodies will be passed on to each relevant customer. The FERC's or other regulatory bodies' 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 relevant customer FERC's or other regulatory bodies' accepted or approved charges or credits in the same manner Western is charged or~~

~~credited. If FERC's or other regulatory bodies' accepted or approved charges or credits cannot be passed through directly to the relevant customer in the same manner Western is charged or credited, the charges or credits will be passed through using Component 1 of the formula rate.~~

~~**Component 3:**~~

~~— Any charges or credits from the Host Balancing Authority (HBA) applied to Western for providing this service will be passed through directly to the relevant customer in the same manner Western is charged or credited to the extent possible. If the HBA's costs or credits cannot be passed through to the relevant customer in the same manner Western is charged or credited, the charges or credits will be passed through using Component 1 of the formula rate. [S113]~~

BR Formula Rate:

The annual BR ~~customer allocation~~ revenue requirement is equal to the annual P ~~— To~~ ~~Variable Resources (VR) Customers requesting scheduling for this service. [S114] A scheduling charge is applicable to VR customers requesting WAPA SN to schedule CPP purchases.~~

RR less the annual FP ~~customer allocation~~ revenue requirement. ~~The annual BR customer allocation is equal to the annual PRR multiplied by the relevant BR percentage. [The formula rate for BR has three components. [S115]~~

~~**Component 1:**~~

$$\text{BR Revenue Requirement} = \text{Customer Allocation} = (\text{BR PRR} \times \text{BR}\%)$$

Where:

~~BR RR = BR Monthly Revenue Requirement (RR)~~

BR% = BR percentage for each customer as indicated in the BR contract after adjustments for programs, such as HE, if applicable.

After the FP Customers' share of the annual PRR has been determined, including a prior period true-up from the FP formula rate, the remainder of the annual PRR is recovered from the BR Customers. ~~BR Customers' allocation will also be adjusted by the amount of under or overpayment by FP Customers.~~ The BR Revenue Requirement will be collected in two 6-month periods; ~~25%.~~ ~~For~~ for October through March, and 25 percent of the BR RR will be collected. ~~75% for~~ d. ~~For~~ April through September., ~~75 percent of the BR RR will be collected.~~ The monthly BR RR is calculated by dividing the BR 6-month RR by six. The revenues from the sale of surplus BR will be applied to the annual BR RR for the following FY.

~~—An example of a reallocation program is the HE program. BR Customers pay for exchange energy, hourly or seasonally, by adjusting the BR percentage that is applied to the BR RR. Adjustments to a customer's BR percentage for seasonal exchanges will be reflected in the customer's BR contract.~~

~~—An illustration [S116] of the adjustment to a customer's BR percentage for HE energy is shown in the example below.~~

Example of BR Percentage Adjustments for HE Energy						
BR Customer	BR % from Contract	Hourly BR = 30 MWh	Customer's BR > Load	Customers Receiving HE	BR Delivered (Adj'd for HE)	Revised BR %
Customer A	20%	6	3	0	3	10.0%
Customer B	10%	3	0	1	4	13.3%
Customer C	70%	21	0	2	23	76.7%
Total	100%	30	3	3	30	100.0%

Component 2:

Any charges or credits associated with the creation, termination, or modification to any tariff, contract, or rate schedule [S117] by FERC or other regulatory bodies will be passed on to each relevant customer. The [S118] charges or credits apply to the service to which this rate methodology applies. When possible, WAPA-SN will pass through charges or credits

directly to the customer in the same manner WAPA-SN is charged or credited. When not possible, the charges or credits will be passed through using Component 1 of the formula rate.~~Any charges or credits associated with the creation, termination, or modification to any tariff, contract, or rate schedule accepted or approved [S119] by FERC or other regulatory bodies will be passed on to each relevant customer. The FERC's or other regulatory bodies' accepted or approved [S120] charges or credits apply to the service to which this rate methodology applies. When possible, Western WAPA-SN will pass through directly to the relevant customer FERC's or other regulatory bodies' accepted or approved charges or credits directly to the customer in the same manner Western WAPA-SN is charged or credited. When not possible, If FERC's or other regulatory bodies' accepted or approved charges or credits cannot be passed through directly to the relevant customer in the same manner Western is charged or credited, the charges or credits will be passed through using Component 1 of the formula rate.~~

Component 3:

Any charges or credits from the Host Balancing Authority for providing this service will be passed on to each relevant customer. When possible, WAPA-SN will pass through charges and credits~~Any charges or credits from the HBA applied to Western for providing this service~~directly will be passed through directly to the relevant customer in the same manner Western WAPA-SN is charged or credited to the extent possible. When not possible, If the HBA's costs or credits cannot be passed through to the relevant customer in the same manner Western is charged or credited, the charges or credits will be passed through using Component 1 of the formula rate.

Billing:

Billing for BR and FP power will occur monthly using the respective formula rate. Any adjustment made at midyear ~~is applicable~~ applies ^(S121) to the entire FY and is billed over the remainder of the FY.

Adjustment for Losses:

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

~~Adjustment for~~ Audit Adjustments:

Financial audit adjustments that apply to the formula rate under this rate schedule will be evaluated on a case-by-case basis to determine the appropriate treatment for repayment and cash flow management.

UNITED STATES DEPARTMENT OF ENERGY
WESTERN AREA POWER ADMINISTRATION

CENTRAL VALLEY PROJECT

~~SCHEDULE OF RATES FOR~~ **CUSTOM PRODUCT POWER**

Effective:

October 1, ~~2011~~2024, through September 30, ~~2019~~2029, or until superseded, whichever occurs earlier. ~~[Note: This rate schedule was extended by Rate Order No. WAPA-185 through September 30, 2024.]~~

Available:

~~Within~~ In the ~~marketing~~ area served by the Western Area Power Administration (~~Western~~WAPA), Sierra Nevada Customer Service Region (~~SN~~).

Applicable:

To ~~WAPA-SN~~ customers that contract ~~with Western~~ for ~~Custom Product Power (CPP)~~. ~~[SJ1]CPP means firm capacity and energy, provided by WAPA, refers to power purchased by WAPA in addition to a customer's Base Resource, to meet its a customer's load.~~

To ~~WAPA-SN~~ Variable Resources (VR) Customers requesting scheduling for this service. ~~[SJ2]A scheduling charge is applicable to VR customers requesting WAPA-SN to schedule CPP purchases.~~

~~To Variable Resources (VR) Customers requesting scheduling for this service. VR Customers will pay a scheduling charge to recover Western's cost for scheduling VR CPP service. [SJ3][SJ4]~~

Character and Conditions of Service:

Alternating current, 60-hertz, three-phase, delivered and metered at the voltages and points established by contract, in accordance with approved policies and procedures.

Formula Rate:

The formula rate ~~for CPP~~ includes three components:

Component 1:

~~All charges and credits The customer will pay all costs incurred in the provision providing of CPP will be passed through to the customer. 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 CPP. The CPP includes, but is not limited to, supplemental power and Base Resource (BR) firming power. If in the event customer advance funding is used to purchase CPP, then allocation of surplus CPP sales will be determined based on customer's account status.~~

~~If the CPP is funded through appropriations, Federal reimbursable, or use of receipts authority, the cost of the CPP is passed through to the customer(s) for whom Western has made the purchase. The CPP funded through appropriations, Federal reimbursable, or use of receipts authority that is surplus to the load requirements of the customer(s) will be sold. Proceeds from the sale of surplus CPP funded through use of receipts, Federal reimbursable, or appropriations authority will be applied to the CPP purchase cost for the customer(s) to the extent possible. If the cost of the CPP is fully recovered and proceeds remain from the sale of surplus CPP, the remaining proceeds will be used to reduce the Power Revenue Requirement (PRR). [S15]~~

~~The table below illustrates the pass through of the CPP costs to each customer and the treatment of proceeds from the sale [S16] of surplus CPP funded through appropriations, Federal~~

reimbursable, or use of receipts authority. As shown below, customers A, B, and C are responsible for paying the full costs of the CPP purchase made by Western (total CPP revenue requirement (RR) is \$780). The CPP RR of \$780 is reduced by the sale of 1 megawatt-hour (MWh) at \$45, which reduces the CPP RR to \$735. Therefore, the reduced CPP RR of \$735 is prorated to each customer based on the amount of CPP purchased on their behalf.

Example: CPP Cost Recovery with Proceeds from Sales of Surplus CPP Use of Receipts, Federal Reimbursable, or Appropriations Authority						
If Western made a CPP purchase of 13 MW for the hour @ \$60/MWh = \$780						
	CPP Purchased (MWh)	CPP USED (MWh)	CPP Costs	Surplus CPP sold	Proceeds from excess CPP sales	CPP Customer Charges
Customer A	5	5		0		\$283
Customer B	4	4		0		\$226
Customer C	4	3		1		\$226
Total	13	12	\$780	1	\$45	\$735

Notes: 1. Western sold 1 MWh of CPP at \$45/MWh = \$45. 2. Proceeds from the sale of surplus CPP reduce the CPP costs prorated based on the amount of CPP purchased.

—WAPA-SN will assess a [S17] VR scheduling charge per schedule per day to cover the administrative costs Effective October 1, 2011, Western will charge \$37.91 per schedule per day to cover its administrative costs for procuring and scheduling CPP if the customer has not contracted with Western for this type of service through other agreements CPP.

$$\text{Daily Charge Per Schedule} = \frac{\text{Fully Burdened Hourly Rate} \times \text{Minutes Per Schedule}}{60 \text{ Minutes}}$$

If the actual number of schedules for the month is not available, Western WAPA-SN will estimate the number of schedules for the month and apply the \$37.91 per schedule VR

scheduling charge to the estimated number of schedules.

—The table below depicts the VR scheduling charge per schedule for the effective rate period.

<u>VR Scheduling Charge (Per Schedule) Effective Rate FY 2012 through FY 2016</u>					
<u>FY</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<u>VR Scheduling Charge Per Schedule</u>	<u>\$37.91</u>	<u>\$39.04</u>	<u>\$40.21</u>	<u>\$41.42</u>	<u>\$42.66</u>

Component 2:

Any charges or credits associated with the creation, termination, or modification to any tariff, contract, or rate schedule accepted or approved [§18] by FERC or other regulatory body will be passed on to each relevant customer. The [§19] charges or credits apply to the service to which this rate methodology applies. When possible, WAPA-SN will pass through charges or credits directly to the customer in the same manner WAPA-SN is charged or credited. When not possible, the charges or credits will be passed through using Component 1 of the formula rate.

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

Component 3:

Any charges or credits from the Host Balancing Authority for providing this service will be passed on to each relevant customer. When possible, WAPA-SN will pass through charges and credits directly to the customer in the same manner WAPA-SN is charged or credited. When not possible, the charges or credits will be passed through using Component 1 of the formula rate.

~~Any charges or credits from the Host Balancing Authority (HBA) applied to Western for providing this service will be passed through directly to the relevant customer in the same manner Western is charged or credited to the extent possible. If the HBA's costs or credits cannot be passed through to the relevant customer in the same manner Western is charged or credited, the charges or credits will be passed through using Component 1 of the formula rate.~~

Billing:

Billing for CPP and VR scheduling charge occurs monthly ~~using the formula rate.~~

Adjustments for Losses:

All losses incurred for the delivery of CPP under this rate schedule shall be the responsibility of the customer that has contracted for this service.

~~Adjustment for~~ Audit Adjustments:

Financial audit adjustments that apply to the formula rate under this rate schedule will be evaluated on a case-by-case basis to determine the appropriate treatment for repayment and cash flow management.