

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

CENTRAL VALLEY PROJECT

NETWORK INTEGRATION TRANSMISSION SERVICE

Effective:

October 1, 2024, through September 30, 2029, or until superseded, whichever occurs earlier.

Available:

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

Applicable:

To customers receiving Central Valley Project (CVP) Network Integration Transmission Service (NITS).

Character and Conditions of Service:

Transmission service for three-phase, alternating current at 60-hertz, delivered and metered at the voltages and points of delivery or receipt, adjusted for losses, and delivered to points of delivery. This service includes scheduling and system control and dispatch service needed to support the transmission service.

Formula Rate:

The formula rate for CVP NITS includes three components:

Component 1:

The NITS revenue requirement equals the CVP Transmission Revenue Requirement (TRR) less the CVP firm point-to-point revenue. Each NITS customer's allocation is based on the

following formula:

$$\text{NITS Monthly Charge} = \frac{\text{NITS Customer's Load-Ratio Share}}{\text{Load-Ratio Share}} \times \frac{\text{Annual NITS TRR}}{12}$$

Where:

NITS customer's load ratio share = The NITS customer's load, hourly, or in accordance with approved policies or procedures, (including behind the meter generation minus the NITS customer's adjusted Base Resource) coincident with the monthly CVP transmission system peak, averaged over a 12-month rolling period, expressed as a ratio.

Annual Network TRR = The total CVP TRR less revenue from long-term contracts for the CVP transmission between WAPA-SN and other parties.

The Annual Network TRR will be revised when the formula rate from Component 1 of the CVP Transmission Rate under Rates Schedule CV-T4 is revised.

Component 2:

Any charges or credits associated with the creation, termination, or modification to any tariff, contract, or rate schedule accepted or approved by FERC or other regulatory body will be passed on to each relevant customer. The 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.

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.

Billing:

NITS will be billed monthly under the formula rate.

Adjustment for Losses:

Losses incurred for service under this rate schedule will be accounted for as agreed to by the parties in accordance with the service agreement.

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.