

Frequently Asked Questions regarding Schedule 1 True-up Adjustment and Responses to Customer Inquiries

Question 1

Since you pass through costs from WACM, and WACM schedules per-tag, but you charge scheduling on a MWhr basis, isn't there a chance that you are over/under charging for the service? I appreciate that we'd just be responsible for the embedded WACM scheduling costs if we enter a WAPA transmission system (LAPT/CRCM), thus a non-issue. However, if we sell to PacifiCorp at DJ, then we're only subject to CUS fees, and thus may be see scheduling charges in excess of the per-tag. See example:

-WACM scheduling is currently \$38.84 / tag / day. So, whether we schedule 20 MW or 200 MW, the cost is \$38.84. So, for 31 days, one month, the cost is \$1,204.04

-BHBE scheduling is \$79.00 MW / Month. Assuming we schedule to production, and base our assessment on an average net capacity factor of 40% (of 200 MW), we're looking at \$6,320.

So, it appears to me that, on average, we'd be paying significantly more than pass through for scheduling.

Response 1

The BHBE Schedule 1 charges include, but are not limited to, the pass through from WAPA (Schedule 1 – Sheet No. 114 “O&M – Acct 561” includes the pass through expenses) – there is a caveat however: The BHBE Schedule 1 rate was modified in May 2009, so the WAPA pass through is not reflected in the current posted rates. There is an annual true up mechanism that will occur next June 1 (see the last paragraph of Schedule 1 – Sheet No. 114a), the estimate at this time for the rates after the true up are:

Annual Rate		1.397	/	kW-YR
Monthly Rate		0.116	/	kW-Mo
Weekly Rate		0.027	/	kW-Wk
Daily Rate	365 days/Yr	0.004	/	kW-Day
Hourly Rate	8760 hours/Yr	0.159	/	MWH