



December 23, 2014

By eTariff Filing

Hon. Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, DC 20426

Re: Nevada Power Company and Sierra Pacific Power Company, d/b/a NV Energy
OATT Revisions to Comply With Order No. 789's Adoption of
Reliability Standard BAL-002-WECC-2, Docket No. ER14-2979-001¹
Docket No. ER15-_____

Dear Ms. Bose:

On September 30, 2014, as amended on October 22, 2014, Nevada Power Company and Sierra Pacific Power Company, d/b/a NV Energy (collectively, NV Energy) filed amendments to Schedule 5 (Spinning Reserve Service) and Schedule 6 (Supplemental Reserve Service) of its tariff to reflect compliance with the requirements of new regional Reliability Standard BAL-002-WECC-2 (Contingency Reserve), which the Commission approved in Order No. 789.² On December 18, 2014, the Commission accepted, subject to modification, NV Energy's proposed revisions to its OATT, effective October 1, 2014 as requested.³

The Commission has directed NV Energy to re-file Schedules 5 and 6 to reflect the settlement tariff rates accepted by Chief Administrative Law Judge Wagner, subject to Commission approval, and effective September 1, 2014.⁴ As explained further below, NV Energy hereby submits a new tariff sheet to reflect those rates and comply with the Commission's directive.

¹ This filing represents NV Energy's third submission in furtherance of the Commission's Order No. 789, which submissions have previously appeared before the Commission in Docket No. ER14-2979. NV Energy is the public pseudonym for the affiliated public utilities Nevada Power Company and Sierra Pacific Power Company. On October 24, 2014, NV Energy requested in Docket No. ER15-179-000 that the Commission authorize the relocation of the joint tariff assigned to NV Energy, Inc. from the NV Energy tariff database to a newly-created Nevada Power Company tariff database. Sierra Pacific Power Company submitted a standing concurrence to the OATT in the new tariff database in Docket No. ER15-182-000. On that same day, NV Energy also requested termination of the NV Energy Inc. tariff database and company identifier, as well as termination of Sierra Pacific Power Company's concurrence with that tariff, in Docket Nos. ER15-185-000 and ER15-181-000, respectively. The Office of Energy Market Regulation accepted by Letter Order on December 15, 2014 the relocation of the NV Energy OATT to the Nevada Power tariff database effective November 1, 2014. See Docket No. ER15-179-000. Accordingly, the instant compliance filing must be submitted under a new docket number in order to properly link this filing with the OATT filed in the new Nevada Power Company tariff database.

² *Regional Reliability Standard BAL-002-WECC-2 - Contingency Reserve*, Order No. 789, 145 FERC ¶ 61,141 (2013) (Order No. 789).

³ *NV Energy Inc.*, Order Conditionally Accepting Tariff Revisions, 149 FERC ¶ 61,230 at P10 (2014).

⁴ *Id.* P 12.

I. COMMUNICATIONS

Communications and correspondence related to this filing should be sent to the following:

James McMorran
Manager, Transmission Business Services
NV Energy
6100 Neil Road
Reno, Nevada 89511
(775) 834-4640
JMcMorran@nvenergy.com

Lauren Rosenblatt
Attorney*
NV Energy
6226 W. Sahara Avenue
Las Vegas, Nevada 89146
(702) 402-5794
LRosenblatt@nvenergy.com
*Admitted in New York, District of Columbia, and Virginia; certification as corporate counsel in Nevada pending.

II. DESCRIPTION AND CONTENTS OF THIS FILING

On November 21, 2013, the Commission issued Order No. 789, approving the regional Reliability Standard BAL-002-WECC-2 of the Western Electricity Coordinating Council (WECC). This regional Reliability Standard applies to balancing authorities and reserve sharing groups in the WECC Region and is meant to specify the quantity and types of contingency reserves required to ensure reliability under normal and emergency conditions. The amount of total contingency reserves – both spinning and supplemental – must equal the sum of three percent of hourly integrated load plus three percent of hourly integrated generation. Balancing authorities in the region must implement the standard as of October 1, 2014.

Consistent with the new regional Reliability Standard, NV Energy revised its tariff Schedules 5 and 6 to require transmission customers to purchase an amount of spinning reserves under Schedule 5 equal to 1.5% of the customer's reserved capacity for point-to-point service, or 1.5 percent of the customer's monthly network load as determined for each month pursuant to the tariff methodology; plus 1.5 percent of the capacity of a generating resource (including Designated Network Resources) identified as the source in the transmission customer's transmission schedule and located within or scheduled to NV Energy's control area. Transmission customers must purchase an equivalent quantity of supplemental reserves under the revised Schedule 6. The Commission accepted new Schedules 5 and 6 as just and reasonable, effective October 1, 2014.⁵

As of September 30, 2014 when NV Energy first filed revised Schedules 5 and 6, Chief Administrative Law Judge Wagner had recently accepted settlement rates in the pending NV Energy rate case, authorizing NV Energy to institute the interim rates effective September 1, 2014.⁶ The tariff Schedules 5 and 6 on file at the time, however, did not reflect those interim

⁵ *Id.* P 10.

⁶ *NV Energy, Inc.* Order of Chief Judge Granting Motion for Interim Rate Relief, 148 FERC ¶ 63,017 (2014) (order issued September 24, 2014).

effective settlement rates. NV Energy filed tariff sheet redlines and revisions against the filed rates; the submitted Schedules 5 and 6 therefore reflected the new language consistent with the new WECC reliability standard, but did not reflect the interim effective settled rates. NV Energy is, and has been, operating under that revised tariff until full Commission acceptance of the same. As of October 1, 2014, NV Energy has assessed charges for spinning and supplemental reserves consistent with regional Reliability Standard BAL-002-WECC-2 and with the interim effective settlement rates. NV Energy pledged to revise and file amendments to the Schedule 5 and 6 tariff pages to reflect both the regional Reliability Standard BAL-002-WECC-2 and the interim rates once the interim tariff were accepted by the Commission. In the instant docket, however, the Commission ordered NV Energy to submit those pledged revisions on or before January 2, 2015.⁷

In compliance with the Commission's directive in this docket, NV Energy hereby submits revised tariff sheets for Schedules 5 and 6 that reflect both the language accepted pursuant to Order No. 789 and the regional Reliability Standard BAL-002-WECC-2, and the interim effective settlement rates. NV Energy understands that acceptance of these tariff sheets is subject to the outcome of the rate case settlement proceeding, Docket No. ER13-1605-005, which is pending Commission approval.⁸ The contents of this filing, attached to this transmittal letter, include the following:

- Clean copy of the tariff for publishing in eLibrary; and
- Redlined tariff sheet showing changes against Schedules 5 and 6 currently on file in the Nevada Power tariff database.⁹

III. SERVICE

NV Energy will serve a copy of this filing on all current Schedule 5 and Schedule 6 customers, and also post a copy of this filing on its OASIS. In addition, NV Energy will serve a copy of this filing on the Public Utilities Commission of Nevada and each person designated on the official service list maintained by the Secretary of the Commission for Docket No. ER14-2979-000.

IV. EFFECTIVE DATE

Pursuant to the Commission's order in this docket, the Commission has accepted revised Schedules 5 and 6 of the NV Energy OATT, with this modification, as effective October 1, 2014.

⁷ 149 FERC ¶ 61,230 at P12.

⁸ *Id.*

⁹ *See supra*, note 1.

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V. CONCLUSION

For the reasons set forth above, NV Energy respectfully submits the revised Schedules 5 and 6 of its OATT as directed by the Commission.

Sincerely,

/s/ Lauren Rosenblatt

Lauren Rosenblatt, Attorney*

NV Energy

6226 W. Sahara Avenue

Las Vegas, NV 89146

(702) 402-5794

LRosenblatt@nvenergy.com

*Admitted in NY, DC, and VA; certification as corporate counsel in NV pending.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served by electronic mail, a copy of the foregoing document on transmission customers of Nevada Power Company and Sierra Pacific Power Company, d/b/a NV Energy, and also posted the contents of this filing on NV Energy's OASIS. I have also served the foregoing document on the Public Utilities Commission of Nevada and each person designated on the official service list maintained by the Secretary of the Commission for Docket No. ER14-2979-000.

Dated at Reno, Nevada, this 23rd day of December 2014

/s/ Patti Pastrell

Patti Pastrell
NV Energy
6100 Neil Rd
Reno, NV 89511

CLEAN TARIFF SHEETS

SCHEDULE 5 AND SCHEDULE 6

Schedule 5: Operating Reserve - Spinning Reserve Service

Spinning Reserve Service is needed to serve load immediately in the event of a system contingency. Spinning Reserve Service may be provided by generating units that are on-line and loaded at less than maximum output and by non-generation resources capable of providing this service. The Transmission Provider must offer this service when the transmission service is used to serve load within its Control Area and to support firm sales from generators located within the Control Area. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements to satisfy its Spinning Reserve Service obligation. A Transmission Customer who makes alternative comparable arrangements to satisfy its Spinning Reserve Service obligation must have capacity pre-scheduled for the reserves, including but not limited to Transmission Capacity, and must adhere to WECC Operating Criteria to satisfy its Spinning Reserve Service obligation. In the event that the Transmission Customer makes alternative comparable arrangements to satisfy its Spinning Reserve Service obligation and the reserves are not available, the Transmission Customer will be billed for the resulting energy imbalance at 200% of the applicable Schedule 4 Market Proxy Price plus Schedule 5 Spinning Reserve Service obligations equivalent to three months charges.

The amount of and charges for Spinning Reserve Service are set forth below. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator.

The Transmission Customer must provide a level of Spinning Reserves equal to the sum of: 1) 1.5 percent of the Transmission Customer's reserved capacity for Point-to-Point Transmission Service or 1.5% of the Transmission Customer's Monthly Network Load for Network Integration Transmission Service; plus 2) 1.5% of the capacity of a generating resource (including designated Network Resources) identified as the "source" in the Transmission Customer's transmission schedule and located within or dynamically transferred to Transmission

Provider's Control Area. The Operating Reserves will provide the Transmission Customer with a one-hour reserve to cover a loss of their source of supply. Maximum Rates:

\$7,500.00/MW per month

1,730.77/MW per week

288.46/MW per day on-peak

247.25/MW per day off-peak

18.03/MW per hour on-peak

10.30/MW per hour off-peak

The On-Peak Period for Daily service shall be all hours Monday through Saturday, excluding holidays as designated annually by the NERC. The On-Peak period for Hourly service shall consist of Hour Ending (HE) 0700 through HE 2200 PST, Monday through Saturday. The Off-Peak periods shall consist of HE 0100 through HE 0600, HE 2300 and HE 2400 PST, Monday through Saturday; HE 0100 through HE 2400 PST on Sunday and additional Off-Peak days (holidays) as designated annually by NERC. The total charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the Daily rate specified above times the highest amount in megawatts of Reserved Capacity times the Spinning Reserve percentage in any hour during such day. In addition, the total charge in any week, pursuant to a reservation for Hourly or Daily service, shall not exceed the Weekly rate specified above times the highest amount in megawatts of Reserved Capacity times the Spinning Reserve percentage in any hour during such week.

Notwithstanding the above, in the event that the Transmission Provider does not have sufficient Operating Reserves to provide this service in addition to its prior commitments, the Transmission Provider will acquire the Operating Reserves and directly charge the Transmission Customer the incremental cost of providing the Operating Reserves. The Transmission Provider will file the incremental cost rate under Section 205 and include the charge in the Transmission Customer's service agreement.

Schedule 6: Operating Reserve - Supplemental Reserve Service

Supplemental Reserve Service is needed to serve load in the event of a system contingency; however, it is not available immediately to serve load but rather within a short period of time. Supplemental Reserve Service may be provided by generating units that are on-line but unloaded, by quick-start generation or by interruptible load or other non-generation resources capable of providing this service. The Transmission Provider must offer this service when the transmission service is used to serve load within its Control Area and to support firm sales from generators located within the Control Area. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements to satisfy its Supplemental Reserve Service obligation. A Transmission Customer who makes alternative comparable arrangements to satisfy its Supplemental Reserve Service obligation must have capacity pre-scheduled for the reserves, including but not limited to Transmission Capacity, and must adhere to WECC Operating Criteria to satisfy its Supplemental Reserve Service obligation. In the event that the Transmission Customer makes alternative comparable arrangements to satisfy its Supplemental Reserve Service obligation and the reserves are not available, the Transmission Customer will be billed for the resulting energy imbalance at 200% of the applicable Schedule 4 Market Proxy Price plus Schedule 6 Supplemental Reserve Service obligations equivalent to three months charges.

The amount of and charges for Supplemental Reserve Service are set forth below. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator.

The Transmission Customer must provide a minimum level of Supplemental Reserves equal to the sum of: 1) 1.5 percent of the Transmission Customer's reserved capacity for Point-to-Point Transmission Service or 1.5% of the Transmission Customer's Monthly Network Load for Network Integration Transmission Service; plus 2) 1.5% of the capacity of a generating resource (including designated Network Resources) identified as the "source" in the

Transmission Customer's transmission schedule and located within or dynamically transferred to Transmission Provider's Control Area. The Operating Reserves will provide the Transmission Customer with a one-hour reserve to cover a loss of their source of supply.

Maximum Rates:

\$6,600.00/MW per month

1,523.08/MW per week

253.85/MW per day on-peak

217.58/MW per day off-peak

15.87/MW per hour on-peak

9.07/MW per hour off-peak

The On-Peak Period for Daily service shall be all hours Monday through Saturday, excluding holidays as designated annually by the NERC. The On-Peak period for Hourly service shall consist of Hour Ending (HE) 0700 through HE 2200 PST, Monday through Saturday. The Off-Peak periods shall consist of HE 0100 through HE 0600, HE 2300 and HE 2400 PST, Monday through Saturday; HE 0100 through HE 2400 PST on Sunday and additional Off-Peak days (holidays) as designated annually by NERC. The total charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the Daily rate specified above times the highest amount in megawatts of Reserved Capacity times the Supplemental Reserve percentage in any hour during such day. In addition, the total charge in any week, pursuant to a reservation for Hourly or Daily service, shall not exceed the Weekly rate specified above times the highest amount in megawatts of Reserved Capacity times the Supplemental Reserve percentage in any hour during such week.

Notwithstanding the above, in the event that the Transmission Provider does not have sufficient Operating Reserves to provide this service in addition to its prior commitments, the Transmission Provider will acquire the Operating Reserves and directly charge the Transmission customer the incremental cost of providing the Operating Reserves. The Transmission Provider will file the incremental cost rate under Section 205 and include the charge in the Transmission Customer's service agreement.

MARKED TARIFF SHEETS

SCHEDULE 5 AND SCHEDULE 6

Schedule 5: Operating Reserve - Spinning Reserve Service

Spinning Reserve Service is needed to serve load immediately in the event of a system contingency. Spinning Reserve Service may be provided by generating units that are on-line and loaded at less than maximum output and by non-generation resources capable of providing this service. The Transmission Provider must offer this service when the transmission service is used to serve load within its Control Area and to support firm sales from generators located within the Control Area. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements to satisfy its Spinning Reserve Service obligation. ~~in accordance with WECC “Minimum Operating Reliability Criteria”, Contingency Reserve and Additional Reserve for Interruptible Imports sections.~~ A Transmission Customer who makes alternative comparable arrangements to satisfy its Spinning Reserve Service obligation must have capacity pre-scheduled for the reserves, including but not limited to Transmission Capacity, and must adhere to WECC Operating Criteria to satisfy its Spinning Reserve Service obligation. In the event that the Transmission Customer makes alternative comparable arrangements to satisfy its Spinning Reserve Service obligation and the reserves are not available, the Transmission Customer will be billed for the resulting energy imbalance at 200% of the applicable Schedule 4 Market Proxy Price~~Energy Imbalance~~ Incremental Energy Cost plus Schedule 5 Spinning Reserve Service obligations equivalent to three months charges.

The amount of and charges for Spinning Reserve Service are set forth below. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator.

_____ The Transmission Customer must provide a level of ~~Spinning~~Operating Reserves equal to the ~~sum~~Operating Reserve Percent of: ~~1) 1.5 percent its transmission load that is supplied with firm resources and a level of Operating Reserves equal to the interruptible imports of the Transmission~~ Customer’s reserved capacity~~Customer. The levels of Operating Reserve~~

~~must be in accordance with WECC “Minimum Operating Reliability Criteria”, Contingency Reserve and Additional Reserve for Point-to-Point Transmission Service or 1.5% of the Transmission Customer’s Monthly Network Load for Network Integration Transmission Service; plus 2) 1.5% of the capacity of a Interruptible Imports sections. Interruptible imports include energy purchases from a single generating resource (including designated Network Resources) identified as the “source” in the Transmission Customer’s transmission schedule and located within or dynamically transferred to Transmission Provider’s Control Area. unit (unit contingent) or energy purchases across a non-firm Transmission path.~~ The Operating Reserves will provide the Transmission Customer with a one-hour reserve to cover a loss of their source of supply. ~~The Transmission Customer shall agree to purchase a minimum one-half of its Operating Reserve requirements from Spinning Reserves. Any additional amount of Spinning Reserve Service above the minimum can also be purchased from the Transmission Provider.~~

~~For Point-to-Point Transmission Service, the rate shall be applied to the Spinning Reserve percentage times the Reserved Capacity. For Network Integration Transmission Service, the rate shall be applied to the Spinning Reserve percentage times the Transmission Customer’s Monthly Network Load as determined for each month pursuant to the methodology set forth in Section 34.2 of this Tariff.~~

Minimum Operating Reserve Requirements:

Operating Reserve Percent, thermal	7.0%
Operating Reserve Percent, hydro	5.0%
Spinning Reserve Percent, thermal	3.5%
Spinning Reserve Percent, hydro	2.5%

Maximum Rates:

- \$7,500.00/MW per month
- 1,730.77/MW per week
- 288.46/MW per day on-peak
- 247.25/MW per day off-peak
- 18.03/MW per hour on-peak

10.30/MW per hour off-peak

The On-Peak Period for Daily service shall be all hours Monday through Saturday, excluding holidays as designated annually by the NERC. The On-Peak period for Hourly service shall consist of Hour Ending (HE) 0700 through HE 2200 PST, Monday through Saturday. The Off-Peak periods shall consist of HE 0100 through HE 0600, HE 2300 and HE 2400 PST, Monday through Saturday; HE 0100 through HE 2400 PST on Sunday and additional Off-Peak days (holidays) as designated annually by NERC. The total charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the Daily rate specified above times the highest amount in megawatts of Reserved Capacity times the Spinning Reserve percentage in any hour during such day. In addition, the total charge in any week, pursuant to a reservation for Hourly or Daily service, shall not exceed the Weekly rate specified above times the highest amount in megawatts of Reserved Capacity times the Spinning Reserve percentage in any hour during such week.

Notwithstanding the above, in the event that the Transmission Provider does not have sufficient Operating Reserves to provide this service in addition to its prior commitments, the Transmission Provider will acquire the Operating Reserves and directly charge the Transmission Customer the incremental cost of providing the Operating Reserves. The Transmission Provider will file the incremental cost rate under Section 205 and include the charge in the Transmission Customer's service agreement.

Schedule 6: Operating Reserve - Supplemental Reserve Service

Supplemental Reserve Service is needed to serve load in the event of a system contingency; however, it is not available immediately to serve load but rather within a short period of time. Supplemental Reserve Service may be provided by generating units that are on-line but unloaded, by quick-start generation or by interruptible load or other non-generation resources capable of providing this service. The Transmission Provider must offer this service when the transmission service is used to serve load within its Control Area and to support firm sales from generators located within the Control Area. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements to satisfy its Supplemental Reserve Service obligation. ~~in accordance with WECC “Minimum Operating Reliability Criteria”, Contingency Reserve and Additional Reserve for Interruptible Imports sections.~~ A Transmission Customer who makes alternative comparable arrangements to satisfy its Supplemental Reserve Service obligation must have capacity pre-scheduled for the reserves, including but not limited to Transmission Capacity, and must adhere to WECC Operating Criteria to satisfy its Supplemental Reserve Service obligation. In the event that the Transmission Customer makes alternative comparable arrangements to satisfy its Supplemental Reserve Service obligation and the reserves are not available, the Transmission Customer will be billed for the resulting energy imbalance at 200% of the applicable Schedule 4 Market Proxy Price~~Energy Imbalance Incremental Energy Cost~~ plus Schedule 6 Supplemental Reserve Service obligations equivalent to three months charges.

The amount of and charges for Supplemental Reserve Service are set forth below. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator.

The Transmission Customer must provide a minimum level of Supplemental Reserves equal to the sum of: 1) 1.5 percent of the Transmission Customer’s reserved capacity for Point-to-Point Transmission Service or 1.5% of the Transmission Customer’s Monthly Network Load

~~for Network Integration Transmission Service; plus 2) 1.5% of the capacity of a generating resource (including designated Network Resources) identified as the “source” in the Transmission Customer’s transmission schedule and located within or dynamically transferred to Transmission Provider’s Control Area. Operating Reserves equal to the Operating Reserve Percent of its transmission load that is supplied with firm resources and a level of Operating Reserves equal to the interruptible imports of the Transmission Customer. The levels of Operating Reserve must be in accordance with WECC “Minimum Operating Reliability Criteria”, Contingency Reserve and Additional Reserve for Interruptible Imports sections. Interruptible imports include energy purchases from a single generating unit (unit contingent) or energy purchases across a non-firm transmission path. The Operating Reserves will provide the Transmission Customer with a one-hour reserve to cover a loss of their source of supply. The Transmission Customer shall agree to purchase one half of its Operating Reserve requirements from Spinning Reserves and the remainder of the Operating Reserve requirements from Supplemental Reserves.~~

~~For Point to Point Transmission Service, the rate shall be applied to the Supplemental Reserve percentage times the Reserved Capacity. For Network Integration Transmission Service, the rate shall be applied to the Supplemental Reserve percentage times the Transmission Customer’s Monthly Network Load as determined pursuant to the methodology set forth in Section 34.2 of this Tariff.~~

~~Minimum Operating Reserve Requirements:~~

Operating Reserve Percent, thermal	7.0%
Operating Reserve Percent, hydro	5.0%
Supplemental Reserve Percent, thermal	3.5%
Supplemental Reserve Percent, hydro	2.5%

Maximum Rates:

- \$6,600.00/MW per month
- 1,523.08/MW per week
- 253.85/MW per day on-peak

217.58/MW per day off-peak

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The On-Peak Period for Daily service shall be all hours Monday through Saturday, excluding holidays as designated annually by the NERC. The On-Peak period for Hourly service shall consist of Hour Ending (HE) 0700 through HE 2200 PST, Monday through Saturday. The Off-Peak periods shall consist of HE 0100 through HE 0600, HE 2300 and HE 2400 PST, Monday through Saturday; HE 0100 through HE 2400 PST on Sunday and additional Off-Peak days (holidays) as designated annually by NERC. The total charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the Daily rate specified above times the highest amount in megawatts of Reserved Capacity times the Supplemental Reserve percentage in any hour during such day. In addition, the total charge in any week, pursuant to a reservation for Hourly or Daily service, shall not exceed the Weekly rate specified above times the highest amount in megawatts of Reserved Capacity times the Supplemental Reserve percentage in any hour during such week.

Notwithstanding the above, in the event that the Transmission Provider does not have sufficient Operating Reserves to provide this service in addition to its prior commitments, the Transmission Provider will acquire the Operating Reserves and directly charge the Transmission customer the incremental cost of providing the Operating Reserves. The Transmission Provider will file the incremental cost rate under Section 205 and include the charge in the Transmission Customer's service agreement.