



October 22, 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-___

Dear Ms. Bose:

On September 30, 2014, Nevada Power Company and Sierra Pacific Power Company, d/b/a NV Energy (collectively, NV Energy) filed amendments (Original 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. 789.¹ NV Energy has since learned that the revisions to each Schedule failed to delete certain clauses and sentences that should have been deleted to comply with the new regional Reliability Standard and also failed to update a reference to Schedule 4, which necessitates a phrase change. In addition, NV Energy notices some minor typographical errors resulting from the edit that it desires to correct.

NV Energy hereby substitutes its Original Amendments with this new submission (the Revised Amendments) that shows all appropriate amendments to Schedules 5 and 6 in order to clearly comply with Order No. 789. The attached clean versions show Schedule 5 and Schedule 6 as NV Energy proposes they should read. The attached redlines show all changes that NV Energy proposed in its September 30, 2014 filing and also includes the aforementioned additional edits that will ensure that the revisions and tariff more clearly and fully comply with the substance of the new WECC regional Reliability Standard.

In addition to the Original Amendments, NV Energy has noted that Schedules 5 and 6 should include changing the reference to "Schedule 4 Energy Imbalance Incremental Energy Cost" that appears in both Schedules to "Schedule 4 Market Proxy Price." NV Energy's Revised Amendments propose this revision to properly conform the reference to Schedule 4 to the appropriate terminology used by Schedule 4 and thereby eliminate unnecessary confusion in the new and revised Schedules.

¹ *Regional Reliability Standard BAL-002-WECC-2 - Contingency Reserve*, Order No. 789, 78 Fed. Reg. 71,448 (Nov. 29, 2013), 145 FERC ¶61,141 (2013) ("Order No. 789").

NV Energy also inadvertently failed in the Original Amendments to delete all sentences and clauses necessary to comply with Order No. 789 and the new WECC Reliability Standard BAL-002-WECC-2. First, the Original Amendments should have deleted the reference to “WECC ‘Minimum Operating Reliability Criteria,’ Contingency Reserve and Additional Reserve for Interruptible Imports sections.” This language contradicts the changes in the standard authorized by Order No. 789. Second, the Original Amendments should have deleted the following sentence that appears in both Schedules, “Interruptible imports include energy purchases from a single generating unit (unit contingent) or energy purchases across a non-firm transmission path.” This sentence, like the two sentences previously preceding it in each of the Schedules, refers to interruptible imports. The Commission accepted NERC’s proposal to eliminate the use of the words “interruptible imports” in the new WECC regional Reliability Standard,² and NV Energy therefore deleted in its Original Amendments the two sentences preceding that sentence. For the same reason, NV Energy proposes to delete this sentence in these Revised Amendments. Third, NV Energy failed to delete two sentences regarding the purchase of reserves that are extraneous to, and therefore confuse, the formula for purchasing reserves as set forth in Reliability Standard BAL-002-WECC-2. The following such sentence requiring deletion appears in both Schedules 5 and 6: “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.” The other such sentence appears in Schedule 5 only: “Any additional amount of Spinning Reserve Service above the minimum can also be purchased from the Transmission Provider.” NV Energy deletes both of these sentences in these Revised Amendments.

In addition, NV Energy proposes a few minor edits in the Revised Amendments to fix typographical errors, including eliminating a comma and an extra space between words.³

The original filing requested an effective date of October 1, 2014, which coincides with the effective date of standard BAL-002-WECC-2. The good cause and reasons set forth below concerning the effective date continue to pertain. In addition, these additional revisions do not meaningfully change, but rather further, the revisions proposed in the September 30, 2014 filing.⁴

² *Id.* at PP 43-44.

³ On October 21, 2014, as NV Energy was preparing the Revised Amendments and this filing, Truckee Donner Public Utility District (Truckee) submitted a doc-less Motion to Intervene and Desert Generation & Transmission Co-operative, Inc. filed a Motion to Intervene and Protest (Deseret Motion) in this docket. In conversations between NV Energy and Truckee, Truckee advised that NV Energy should change the reference to Schedule 4 and also eliminate the previously-undeleted sentence mentioning interruptible imports. The Deseret Motion requested the same revisions, and also requested the deletion of the two sentences concerning purchase of reserves that were extraneous and confusing to the language of the Schedules. As discussed above, NV Energy agrees that these are proper revisions and incorporates them into the Revised Amendments, thereby rendering those comments moot.

⁴ The Deseret Motion included only one additional comment not discussed above. That comment concerned the charges associated with a Transmission Customer’s failure to provide spinning and/or supplemental reserves when it has made its own, alternative arrangements to provide them. NV Energy finds it inappropriate to address this issue here, as it is beyond the scope of complying with regional Reliability Standard BAL-002-WECC-2 and also would meaningfully change the tariff in ways not contemplated by Order No. 789. *See e.g., El Paso Natural Gas Co.,* Letter Order, 49 FERC ¶ 61,420 (1989).

I. COMMUNICATIONS

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

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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.

Under the currently effective Schedules 5 and 6 of NV Energy's tariff, NV Energy's customers must satisfy the contingency reserve requirement by purchasing each of spinning and supplemental reserves equal to the operating reserve percentage 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. For point-to-point transmission service, the rate is applied to the spinning or supplemental reserve percentage times the reserved capacity. For network integration transmission service the rate is applied to the spinning or supplemental reserve percentage times the transmission customer's monthly network load as determined for each month pursuant to a methodology described within the tariff. The minimum operating reserve requirement for thermal resources is 7%, i.e., 3.5% for each of spinning and supplemental reserves. The minimum operating reserve requirement for hydro is 5%, i.e., 2.5% for each of spinning and supplemental reserves.

Consistent with the new regional Reliability Standard, the revised tariff will 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 contents of this filing, attached to this transmittal letter, include the following:

- Clean and redlined copies of the tariff for publishing in eLibrary;⁵ and
- Proposed tariff sheets in rtf format.

III. SERVICE

NV Energy will serve a copy of this filing on all current transmission customers, and also post a copy of this filing on OASIS. In addition, NV Energy will serve the Public Utility Commission of Nevada and Nevada Bureau of Consumer Protection, as well those listed on the official service list for this docket.

IV. PROPOSED EFFECTIVE DATE AND REQUEST FOR WAIVER

NV Energy respectfully requests that the Commission accept this filing and tariff amendments with an effective date of October 1, 2014, which coincides with the effective date of standard BAL-002-WECC-2. Good cause exists to waive the 60-day prior notice requirement in this instance, which involves sections of a tariff that was pending resolution of rate case through and until September 19, 2014. Moreover, this filing furthers the purpose of amending NV Energy's transmission customer reserve obligations under Schedules 5 and 6 of the OATT to comply and be consistent with an obligation under a new, mandatory regional reliability standard that has been previously accepted and approved by the Commission. In addition, this filing was originally submitted before NV Energy had commenced implementing the requirements of the regional reliability standard.⁶

⁵ The attached redline compares the revised Schedules 5 and 6 against those in the common tariff filed under NV Energy, Inc. and effective as of January 1, 2014 for both Nevada Power Company and Sierra Pacific Power Company. *See NV Energy, Inc.*, 144 FERC ¶ 61,105 (2013). Since August 2013, that tariff has been subject to settlement discussions with the assistance of Administrative Law Judge Dring; on September 19, 2014, NV Energy filed a settlement intended to resolve all outstanding rate issues. That settlement is pending Commission approval in Docket No. ER13-1605-005. NV Energy simultaneously filed a Motion for Interim Rate Relief and Request for Expedited Action seeking authorization to implement the Settlement Rates on an interim basis, effective September 1, 2014. On September 24, 2014, Chief Administrative Law Judge Wagner found that acceptance of NV Energy's interim rates served the public interest because it allows customers to benefit without delay from the settlement's reduced rates; the Chief Judge accepted the Settlement Rates and authorized NV Energy to institute those reduced rates effective September 1, 2014. While the tariff pages submitted for filing today refer to the tariff pages currently on file with the Commission and rates contained therein, NV Energy intends, as of October 1, 2014, to implement regional Reliability Standard BAL-002-WECC-2 against the reduced rates contained in the interim effective Settlement Rates (subject to rebilling should the Commission reject the settlement). Should the Commission approve the settlement, NV Energy will submit revised tariff sheets for Schedules 5 and 6 that will set forth implementation of regional Reliability Standard BAL-002-WECC-2 against the Settlement Rates.

⁶ *Central Hudson Gas & Electric Co.*, 60 FERC ¶ 61,106 (1992), 61,338, *reh'g denied*, 61 FERC ¶ 61,089 (1992).

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V. CONCLUSION

For the reasons set forth above, NV Energy respectfully submits this filing and requests that the Commission accept its proposed OATT revisions effective October 1, 2014.

Sincerely,

/s/ Lauren Rosenblatt

Lauren Rosenblatt, Attorney*

NV Energy

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Las Vegas, NV 89146

(702) 402-5794

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*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 on the Public Utilities Commission of Nevada and Nevada Bureau of Consumer Protection and the official service list for Docket No. ER14-2979-000.

Dated at Reno, Nevada, this 22nd day of October, 2014.

/s/ Patti Pastrell

Patti Pastrell
NV Energy
6100 Neil Rd
Reno, NV 89511
775-834-4130

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:

\$8,280.00/MW per month

1,910.77/MW per week

318.46/MW per day on-peak

272.97/MW per day off-peak

19.90/MW per hour on-peak

11.37/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:

\$7,360.00/MW per month

1,698.46/MW per week

283.08/MW per day on-peak

242.64/MW per day off-peak

17.69/MW per hour on-peak

10.11/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 ~~Energy Imbalance Incremental Energy Cost~~ 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~~ Operating 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 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 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:

\$8,280.00/MW per month

1,910.77/MW per week

318.46/MW per day on-peak

272.97/MW per day off-peak

19.90/MW per hour on-peak

11.37/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 ~~Energy Imbalance Incremental Energy Cost~~ 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 Operating~~ 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 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.~~

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Operating Reserve Percent, thermal	7.0%
Operating Reserve Percent, hydro	5.0%
Supplemental Reserve Percent, thermal	3.5%
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Maximum Rates:

- \$7,360.00/MW per month
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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.