



## Transmission and Ancillary Service Rate Changes FAQ

### **Q1: Which rates are changing?**

A: On May 26, 2011, PacifiCorp made a transmission rate case filing at the Federal Energy Regulatory Commission (“FERC” or the “Commission”) to implement updated cost-based formula rates for transmission service and rates for certain ancillary services taken under PacifiCorp’s Open Access Transmission Tariff (“OATT”). On February 22, 2013, PacifiCorp and several of its transmission customers filed a settlement agreement with the Federal Energy Regulatory Commission (“FERC” or the “Commission”) resolving all matters in the transmission rate case filing. As part of the settlement, PacifiCorp filed a motion to establish certain of the settlement rates on an interim basis prior to the Commission’s final approval of the settlement. Upon final approval of the settlement by the Commission, PacifiCorp will calculate and distribute refunds for rates charged for Schedules 2, 3, 3A, 5, 6, and 10 from January 1, 2012 until the date when the Commission authorized PacifiCorp to charge settlement rates on an interim basis. The refund associated with rates produced by the Formula Rate (OATT Attachment H-1) shall be performed concurrent with and pursuant to the True-Up process described in the Protocols (OATT Attachment H-2).

The Commission granted the motion for interim rate relief on February 28, 2013, which granted PacifiCorp’s request to place settlement rates in effect as of March 1, 2013, for the following OATT Schedules: 3 (Regulation and Frequency Response Service), 3A (Generation Regulation and Frequency Response Service), 5 (Operating Reserve – Spinning Reserve), 6 (Operating Reserve – Supplemental Reserve), and PacifiCorp’s real power loss factors under Schedule 10 and granted PacifiCorp’s request to place the settlement rate for Schedule 2 in effect as of May 1, 2013. The motion also granted PacifiCorp’s request to implement the Formula Rate agreed upon in settlement on an interim basis as of June 1, 2013, consistent with the effective date and procedures set forth in the Formula Rate’s annual update and true-up processes, included in PacifiCorp’s Tariff.

### **Q2: What are the new rates?**

A: The settlement rates approved by the Commission to be established on an interim basis pending the Commission’s final approval of the settlement are as follows:

- Schedule 2 (Reactive Supply and Voltage Control from Generation or Other Sources Service): \$0.55 kw-yr, effective May 1, 2013
- Schedule 3 (Regulation and Frequency Response Service): \$2.90 kw-yr, effective March 1, 2013

- Schedule 3A (Generator Regulation and Frequency Response Service): \$2.90 kw-yr, effective March 1, 2013
- Schedule 5 (Operating Reserve – Spinning Reserve Service): \$0.32 MWh, effective March 1, 2013
- Schedule 6 (Operating Reserve – Supplemental Reserve Service): \$0.29 MWh, effective March 1, 2013
- The real power loss factor pursuant to Schedule 10 of PacifiCorp’s OATT shall be 4.26%, effective March 1, 2013.

A summary table reflecting current pricing has also been posted to OASIS at the following location:

[https://www.oasis.oati.com/PPW/PPWArchivedocs/Pricing\\_for\\_FAQ\\_2013050120130430160656.pdf](https://www.oasis.oati.com/PPW/PPWArchivedocs/Pricing_for_FAQ_2013050120130430160656.pdf)

**Q3: How will this affect Transmission Customers?**

A:

- All transmission customers taking service pursuant to the PacifiCorp OATT Schedules noted above. Transmission customers taking service under transmission agreements which pre-date the OATT and specify different charges than what is provided for in the OATT are not subject to the new rates and charges absent a separate filing by PacifiCorp at FERC proposing to update individual contract rates.
- Charges for Schedules 5 and 6 are based upon megawatt-hour actual deliveries. Schedules 3 and 3A are charged based on the Transmission Customer’s Reserved Capacity for Point-to-Point Transmission Service or the Transmission Customer’s Monthly Network Load for Network Integration Transmission Service.
- With the implementation of a revised Schedule 10 loss factor, transmission customers will see a 4.26% capacity adjustment on all OASIS reservations for point-to-point transmission service. The basis for making this adjustment is to ensure that capacity charges for all customers consistently include a component for losses. In designing the new rates, this adjustment was made to all customer types included in PacifiCorp’s rate calculation. Making this change lowers the overall proposed transmission rate which is applied to a customer’s reserved capacity.

If you have any questions or comments please contact:

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