



A LIMITED LIABILITY PARTNERSHIP
1050 Thomas Jefferson Street, NW
Seventh Floor
Washington, DC 20007
(202) 298-1800 Phone
(202) 338-2416 Fax

GARY D. BACHMAN
(202) 298-1880
gdb@vnf.com

SUBMITTED VIA ELECTRONIC FILING

February 6, 2013

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

**Re: *Puget Sound Energy, Inc.*, Docket Nos. ER11-3735-____
ER13-__-____**

**Compliance Filing Regarding Revisions to Settlement and Submission
of Schedules 3 and 13 of Puget Sound Energy, Inc.'s Open Access
Transmission Tariff**

Dear Secretary Bose:

Pursuant to the January 7, 2013, order issued by the Federal Energy Regulatory Commission ("FERC" or "Commission") in the above-captioned proceeding, Puget Sound Energy, Inc. ("PSE") hereby submits this compliance filing (i) revising Article IX of the Stipulation and Offer of Settlement ("Settlement"), and (ii) submitting through eTariff Schedules 3 and 13 of PSE's Open Access Transmission Tariff ("OATT").¹

¹ *Puget Sound Energy, Inc.*, 142 FERC ¶ 61,018 (2013) ("Settlement Order").

Kimberly D. Bose
Page 2
February 6, 2013

I. COMMUNICATIONS

Communications regarding this compliance filing should be addressed to the following persons:

Tom DeBoer
Puget Sound Energy, Inc.
PSE-11N
P.O. Box 97034
Bellevue, WA 98009-9734
Phone: (425) 462-3495
Fax: (425) 462-3414
tom.deboer@pse.com

Gary D. Bachman
Richard P. Bonnifield
Justin Moeller
Van Ness Feldman, LLP
Seventh Floor
1050 Thomas Jefferson St., N.W.
Washington, D.C. 20007
Phone: 202-298-1880
Fax: 202-338-2416
gdb@vnf.com
rpb@vnf.com
jpx@vnf.com

II. BACKGROUND

On June 6, 2011, as supplemented on August 25, 2011,² PSE submitted for filing revisions to Schedule 3 (Regulation and Frequency Response Service) and Schedule 13 (Regulation and Frequency Response Service for Generators Selling Outside of Control Area) of its OATT. On October 20, 2011, the Commission issued an order accepting and suspending PSE's proposed Schedules 3 and 13 revisions for a five-month period making them effective January 5, 2012, subject to refund.³ The Commission's October 20, 2011, order also established hearing and settlement judge procedures.⁴ On October 26, 2011, Chief Administrative Law Judge ("Chief Judge") Wagner appointed Administrative Law Judge Steven A. Glazer as the Settlement Judge.

On September 14, 2012, PSE, on behalf of itself and the intervenors, filed a Settlement that resolved all issues in this proceeding. The Settlement included proposed revisions to Schedules 3 and 13 that reflected the terms of the Settlement. Concurrent with the filing of the September 14, 2012 Settlement, PSE filed an unopposed motion to place interim rates into effect as of September 1, 2012. On September 20, 2012, Chief Judge Wagner issued an order granting PSE's request for interim rates to be effective

² PSE's August 25, 2011 supplemental filing was in response to the Commission's August 5, 2011, deficiency letter issued in this proceeding.

³ *Puget Sound Energy, Inc.*, 137 FERC ¶ 61,063 at PP 1, 70 & Ordering Paragraph (A) (2011) ("Hearing Order").

⁴ *Id.* at PP 69-75.

Kimberly D. Bose
 Page 3
 February 6, 2013

September 1, 2012.⁵ On October 15, 2012, Settlement Judge Glazer certified the uncontested Settlement to the Commission.⁶ On January 7, 2013, the Commission approved the Settlement, but directed PSE to revise Article IX of the Settlement,⁷ and to formally submit the revised versions of Schedule 3 and 13 through eTariff.⁸

III. REVISIONS TO ARTICLE IX OF THE SETTLEMENT AGREEMENT

In compliance with the Commission's Settlement Order, PSE hereby submits for filing the following substitute language for Article IX of the Settlement:

Article IX. Standard of Review for Settlement Modification

The standard of review for any modifications to this Settlement proposed by a non-settling party or the Commission acting *sua sponte*, shall be the just and reasonable standard. Modifications to this Settlement proposed by a Party shall be the most strict standard set forth in *United Gas Pipeline Co. v. Mobile Gas Serv. Corp.*, 350 U.S. 348 (1956); *Federal Power Commission v. Sierra Pacific Power Co.*, 350 U.S. 348 (1956); *Morgan Stanley Capital Group, Inc. v. Pub. Util. Dist. No. 1 of Snohomish, Washington*, 128 S. Ct. 2733, 171 L. Ed. 2d 607 (2008); or *NRG Power Marketing, LLC, et al., v. Maine Public Utilities Commission*, 558 U.S. ___, 130 S. Ct. 693 (2010).

This language is consistent with the Commission's order in *High Island Offshore System, LLC*⁹ and complies with the Commission's Settlement Order in this proceeding.

IV. SCHEDULES 3 AND 13

In further compliance with the Commission's Settlement Order, PSE hereby submits for filing Schedules 3 and 13 of its OATT, which reflect the terms and rates

⁵ *Puget Sound Energy, Inc.*, Order of Chief Judge Granting Motion for Interim Rate Relief, Docket Nos. ER11-3735-000 *et al.* (Sept. 20, 2012) ("Interim Rate Order").

⁶ *Puget Sound Energy, Inc.*, 141 FERC ¶ 63,004 (2012).

⁷ Settlement Order at PP 5-9.

⁸ Settlement Order at P 10.

⁹ 135 FERC ¶ 61,105 (2011).

Kimberly D. Bose
Page 4
February 6, 2013

agreed upon in the Settlement, and which are effective as of January 5, 2012 pursuant to the Hearing Order¹⁰ and Article III of the Settlement.

PSE will make any necessary refunds to its Schedule 3 and 13 customers within 60 days, pursuant to 18 C.F.R. § 35.19a(a), and submit a refund report to the Commission within 30 days of the date refunds are issued pursuant to 18 C.F.R. § 35.19a(b). Because the Settlement rates for Schedules 3 and 13 were previously accepted as interim rates effective September 1, 2012 by Chief Judge Wagner,¹¹ refunds will be limited to the period January 5, 2012 through August 31, 2012.

In addition to this transmittal letter, PSE is including an eTariff XML filing package containing the necessary filing materials as well as clean and redline version of the revised tariff sections.

V. SERVICE

PSE will post a copy of this filing on its OASIS (<http://www.oatioasis.com/PSEI>). A copy of this filing is also available for public inspection in PSE's offices at 10885 N.E. 4th Street, Bellevue, Washington.

VI. CONCLUSION

For the reasons set forth above, PSE respectfully requests that the Commission accept PSE's proposed revisions to Article IX of the Settlement, and accept PSE's eTariff submission of revised Schedules 3 and 13 effective January 5, 2012.

Respectfully submitted,

/s/ Gary D. Bachman

Gary D. Bachman
Richard P. Bonnifield
Justin P. Moeller
Van Ness Feldman LLP
1050 Thomas Jefferson St. NW
Seventh Floor
Washington, DC 20007
(202) 298-1800

Attorneys for Puget Sound Energy, Inc.

¹⁰ See note 3, *supra*.

¹¹ *Id.*

CERTIFICATE OF SERVICE

I hereby certify that I have this day caused to be served the foregoing document upon each person designated on the official service list compiled by the Secretary in the above-captioned docket.

Dated at Washington, D.C. this 6th day of February, 2013.

/s/ Justin P. Moeller
Justin P. Moeller
Van Ness Feldman LLP
1050 Thomas Jefferson St. NW
Seventh Floor
Washington, DC 20007
(202) 298-1800

Attorney for Puget Sound Energy, Inc.

SCHEDULE 3

Regulation and Frequency Response Service

Regulation and Frequency Response Service is necessary to provide for the continuous balancing of resources (generation and interchange) with load and for maintaining scheduled Interconnection frequency at sixty cycles per second (60 Hz). Regulation and Frequency Response Service is accomplished by committing on-line generation whose output is raised or lowered (predominantly through the use of automatic generating control equipment) and by other non-generation resources capable of providing this service as necessary to follow the moment-by-moment changes in load. The obligation to maintain this balance between resources and load lies with the Transmission Provider (or the Control Area operator that performs this function for the Transmission Provider). The Transmission Provider must offer this service when the transmission service is used to serve load within its Control Area. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements to satisfy its Regulation and Frequency Response Service obligation. The amount of and charges for Regulation and Frequency Response 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 Provider may charge the Transmission Customer under either Schedule 3 or Schedule 13 for the regulation and frequency response burden imposed by the Transmission Customer, but not both.

A Transmission Customer purchasing Regulation and Frequency Response Service will be required to purchase as such service an additional amount of reserved capacity equal to ~~1.21.0~~ percent of the Transmission Customer's Reserved Capacity for Point-To-Point Transmission Service or ~~1.21.0~~ percent of the Transmission Customer's Network Load responsibility for Network Integration Transmission Service. The billing determinants for this service shall be reduced by any portion of the ~~1.21.0~~ percent purchase obligation that a Transmission Customer obtains from third parties or supplies itself. The charge for Regulation and Frequency Response Service provided by the Transmission Provider under this Tariff will be:

<u>Annual Rate</u>	<u>\$126.00/kW-year</u>
<u>Monthly Rate</u>	<u>\$10.50/kW-month</u>
<u>Weekly Rate</u>	<u>\$2.423/kW-week</u>
<hr/>	
<u>Peak daily:</u>	<u>\$0.40385/kW-day</u>
<u>Off-peak daily:</u>	<u>\$0.434615/kW-day</u>
<hr/>	
<u>Peak hourly:</u>	<u>25.24/mills/kWh</u>
<u>Off-peak hourly:</u>	<u>14.42/mills/kWh</u>
<u>Annual Rate</u>	<u>\$148.69/kW-year</u>
<u>Monthly Rate</u>	<u>\$12.39/kW-month</u>

Formatted: Left: 1.5", Right: 1"

Formatted: Space Before: 6 pt, After: 6 pt,
Line spacing: single

Formatted: Indent: First line: 0.94", Line
spacing: single, Tab stops: 4", Left

Weekly Rate	\$2.859/kW-week
Peak daily:	\$0.4765/kW-day
Off-peak daily:	\$0.4084/kW-day
Peak hourly:	29.78/mills/kWh
Off-peak hourly:	17.02/mills/kWh

SCHEDULE 3

Regulation and Frequency Response Service

Regulation and Frequency Response Service is necessary to provide for the continuous balancing of resources (generation and interchange) with load and for maintaining scheduled Interconnection frequency at sixty cycles per second (60 Hz). Regulation and Frequency Response Service is accomplished by committing on-line generation whose output is raised or lowered (predominantly through the use of automatic generating control equipment) and by other non-generation resources capable of providing this service as necessary to follow the moment-by-moment changes in load. The obligation to maintain this balance between resources and load lies with the Transmission Provider (or the Control Area operator that performs this function for the Transmission Provider). The Transmission Provider must offer this service when the transmission service is used to serve load within its Control Area. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements to satisfy its Regulation and Frequency Response Service obligation. The amount of and charges for Regulation and Frequency Response 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 Provider may charge the Transmission Customer under either Schedule 3 or Schedule 13 for the regulation and frequency response burden imposed by the Transmission Customer, but not both.

A Transmission Customer purchasing Regulation and Frequency Response Service will be required to purchase as such service an additional amount of reserved capacity equal to 1.21 percent of the Transmission Customer's Reserved Capacity for Point-To-Point Transmission Service or 1.21 percent of the Transmission Customer's Network Load responsibility for Network Integration Transmission Service. The billing determinants for this service shall be reduced by any portion of the 1.21 percent purchase obligation that a Transmission Customer obtains from third parties or supplies itself. The charge for Regulation and Frequency Response Service provided by the Transmission Provider under this Tariff will be:

Annual Rate	\$126.00/kW-year
Monthly Rate	\$10.50/kW-month
Weekly Rate	\$2.423/kW-week
Peak daily:	\$0.40385/kW-day
Off-peak daily:	\$0.434615/kW-day
Peak hourly:	25.24/mills/kWh
Off-peak hourly:	14.42/mills/kWh

SCHEDULE 13

Formatted: Font: (Default) Times New Roman

**Regulation and Frequency Response Service for
Generators Selling Outside of Control Area**

Regulation and Frequency Response Service is necessary to provide for the continuous balancing of resources (generation and interchange) with load and for maintaining scheduled Interconnection frequency at sixty cycles per second (60 Hz). Regulation and Frequency Response Service is accomplished by committing on-line generation whose output is raised or lowered (predominantly through the use of automatic generating control equipment) and by other non-generation resources capable of providing this service as necessary to follow the moment-by-moment changes for a generator located within the Control Area that is selling outside of the Control Area.

The obligation to maintain this balance between resources and the generator's schedule lies with the Transmission Provider (or the Control Area operator that performs this function for the Transmission Provider). The generator located within the Control Area selling outside of the Control Area that is a Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements for the provision of generator regulation service, including the option to self-supply such service, to satisfy its Regulation and Frequency Response Service obligation. For the limited purpose of self-supplying Regulation and Frequency Response service, a non-dispatchable generator's volumetric purchase obligation is 15% of the non-dispatchable generator's point-to-point transmission service reservation.

The amount of and charges rates for Regulation and Frequency Response Service are set forth below, and will be applied to a Transmission Customer's Reserved Capacity for Point-To-Point Transmission Service to determine the applicable charge. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the generator that is a Transmission Customer are to reflect only a pass-through of the costs to the Transmission Provider by that Control Area operator. The Transmission Provider may charge a Transmission Customer under either Schedule 3 or 13 for the regulation and frequency response burden imposed by the Transmission Customer, but not both.

A(a) For any wind or other non-dispatchable generator that is a Transmission Customer delivering energy outside of the control area from a dispatchable generation resource and purchasing Regulation and Frequency Response Service will be required to purchase as such service an additional amount of reserved capacity equal to 2.0 percent of the Transmission Customer's Reserved Capacity for Point To Point Transmission Service or 2.0 percent of the Transmission Customer's Network Load responsibility for Network Integration Transmission Service. The billing determinants for this service shall be reduced by any portion of the 2.0 percent purchase obligation that a Transmission Customer obtains from third parties or supplies itself, provided by the Transmission Provider under Schedule 13 of this Tariff:

(i) the Base Rate charge will be:

Formatted: Normal

Annual Rate: \$18.60/kW-year
Monthly Rate: \$1.55/kW-month
Weekly Rate: \$0.358/kW-week

Peak daily: \$0.05962/kW-day
Off-peak daily: \$0.05110/kW-day

Peak hourly: 3.73/mills/kWh
Off-peak hourly: 2.13/mills/kWh

- (ii) the Transmission Customer must submit, either manually or through a mutually agreeable automated process, transmission schedules derived from a T-30 persistence forecast for each hourly scheduling interval. A T-30 persistence forecast consists of the average actual output of the generation facility between T-31 to T-30 minutes preceding the scheduling interval. Transmission Customers shall make all reasonable efforts to schedule consistent with T-30 persistence forecasts; however, the Transmission Provider and any Transmission Customer will develop operating protocols to allow for exceptions to automatic persistence-based scheduling in appropriate circumstances (e.g., due to unforeseen circumstances or Force Majeure events) and with mutual agreement.
- (iii) The Transmission Provider will offer a Base Rate discount of 30 percent off the Base Rate charge in exchange for a commitment to submit a T-30 persistence schedule for each and every 30-minute scheduling interval. Specifically, the Transmission Customer may elect this discounted rate option with 90 days prior notice to the Transmission Provider to commence 30-30 scheduling, and 90 days prior notice to cease 30-30 scheduling. The availability of this 30 percent Base Rate discount is conditioned on the Transmission Customer's ability to submit and transact using 30-minute schedules for exports out of the Transmission Provider's Balancing Authority Area ("BAA"). Transmission Customers shall make all reasonable efforts to schedule consistent with T-30 persistence forecasts; however, the Transmission Provider and any Transmission Customer will develop operating protocols to allow for exceptions to automatic persistence-based scheduling in appropriate circumstances (e.g., due to unforeseen circumstances or Force Majeure events) and with mutual agreement.
- (iv) The Transmission Provider will offer a Base Rate discount of 50 percent discount off the Base Rate charge in exchange for a commitment to submit a T-25 persistence schedule for each and every 15-minute scheduling interval. A T-25 persistence schedule consists of the average output of the generation facility between T-26 to T-25 minutes preceding the scheduling interval. Specifically,

Formatted: Font: Not Bold

Formatted: Font: Not Bold

Formatted: Font: Not Bold

Formatted: Font: Not Bold

Formatted: Normal, Indent: Left: 1.5", Space After: 6 pt, Tab stops: 4.19", Left

Formatted: Font: Not Bold

Formatted: Font: Not Bold

Formatted: Normal, Indent: Left: 1", Hanging: 0.5"

the Transmission Customer may elect this 50 percent Base Rate discount with 90 days prior notice to the Transmission Provider to commence 25-15 scheduling and 90 days prior notice to cease 25-15 scheduling. The availability of this Base Rate discount is conditioned on the Transmission Customer's ability to submit and transact using 15-minute schedules for exports out of the Transmission Provider's BAA. Transmission Customers shall make all reasonable efforts to schedule consistent with T-25 persistence forecasts; however, the Transmission Provider and any Transmission Customer will develop operating protocols to allow for exceptions to automatic persistence-based scheduling in appropriate circumstances (e.g., due to unforeseen circumstances or Force Majeure events) and with mutual agreement.

~~(b) A For any dispatchable generator that is a Transmission Customer delivering energy outside of the control area from wind and other non dispatchable generation resources and purchasing Regulation and Frequency Response Service will be required to purchase as such service an additional amount of reserved capacity equal to 16.77 percent of the Transmission Customer's Reserved Capacity for Point To Point Transmission Service or 16.77 percent of the Transmission Customer's Network Load responsibility for Network Integration Transmission Service. The billing determinants for this service shall be reduced by any portion of the 16.77 percent purchase obligation that a Transmission Customer obtains from third parties or supplies itself.~~

Formatted: Font: (Default) Times New Roman

~~The charge for Regulation and Frequency Response Service provided by the Transmission Provider under Schedule 13 of this Tariff, the Base Rate charge will be:~~

Formatted: Indent: First line: 0", Space After: 0 pt

Annual Rate: \$148.269/kW-year
 Monthly Rate: \$120.10539/kW-month
 Weekly Rate: \$02.024859/kW-week

Peak daily: \$0.0040765/kW-day
 Off-peak daily: \$0.003464084/kW-day

Formatted: Font: Not Bold

Formatted: Font: Not Bold

Peak hourly: 290.7825/mills/kWh
 Off-peak hourly: 170.0214/mills/kWh

Formatted: Font: Not Bold

Formatted: Font: Not Bold

SCHEDULE 13

Regulation and Frequency Response Service for Generators Selling Outside of Control Area

Regulation and Frequency Response Service is necessary to provide for the continuous balancing of resources (generation and interchange) with load and for maintaining scheduled Interconnection frequency at sixty cycles per second (60 Hz). Regulation and Frequency Response Service is accomplished by committing on-line generation whose output is raised or lowered (predominantly through the use of automatic generating control equipment) and by other non-generation resources capable of providing this service as necessary to follow the moment-by-moment changes for a generator located within the Control Area that is selling outside of the Control Area.

The obligation to maintain this balance between resources and the generator's schedule lies with the Transmission Provider (or the Control Area operator that performs this function for the Transmission Provider). The generator located within the Control Area selling outside of the Control Area that is a Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements for the provision of generator regulation service, including the option to self-supply such service, to satisfy its Regulation and Frequency Response Service obligation. For the limited purpose of self-supplying Regulation and Frequency Response service, a non-dispatchable generator's volumetric purchase obligation is 15% of the non-dispatchable generator's point-to-point transmission service reservation.

The rates for Regulation and Frequency Response Service are set forth below, and will be applied to a Transmission Customer's Reserved Capacity for Point-To-Point Transmission Service to determine the applicable charge. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the generator that is a Transmission Customer are to reflect only a pass-through of the costs to the Transmission Provider by that Control Area operator. The Transmission Provider may charge a Transmission Customer under either Schedule 3 or 13 for the regulation and frequency response burden imposed by the Transmission Customer, but not both.

(a) For any wind or other non-dispatchable generator that is a Transmission Customer purchasing Regulation and Frequency Response Service provided by the Transmission Provider under Schedule 13 of this Tariff:

(i) the Base Rate charge will be:

Annual Rate:	\$18.60/kW-year
Monthly Rate:	\$1.55/kW-month
Weekly Rate:	\$0.358/kW-week
Peak daily:	\$0.05962/kW-day
Off-peak daily:	\$0.05110/kW-day
Peak hourly:	3.73/mills/kWh
Off-peak hourly:	2.13/mills/kWh

- (ii) the Transmission Customer must submit, either manually or through a mutually agreeable automated process, transmission schedules derived from a T-30 persistence forecast for each hourly scheduling interval. A T-30 persistence forecast consists of the average actual output of the generation facility between T-31 to T-30 minutes preceding the scheduling interval. Transmission Customers shall make all reasonable efforts to schedule consistent with T-30 persistence forecasts; however, the Transmission Provider and any Transmission Customer will develop operating protocols to allow for exceptions to automatic persistence-based scheduling in appropriate circumstances (e.g., due to unforeseen circumstances or Force Majeure events) and with mutual agreement.
- (iii) The Transmission Provider will offer a Base Rate discount of 30 percent off the Base Rate charge in exchange for a commitment to submit a T-30 persistence schedule for each and every 30-minute scheduling interval. Specifically, the Transmission Customer may elect this discounted rate option with 90 days prior notice to the Transmission Provider to commence 30-30 scheduling, and 90 days prior notice to cease 30-30 scheduling. The availability of this 30 percent Base Rate discount is conditioned on the Transmission Customer's ability to submit and transact using 30-minute schedules for exports out of the Transmission Provider's Balancing Authority Area ("BAA"). Transmission Customers shall make all reasonable efforts to schedule consistent with T-30 persistence forecasts; however, the Transmission Provider and any Transmission Customer will develop operating protocols to allow for exceptions to automatic persistence-based scheduling in appropriate circumstances (e.g., due to unforeseen circumstances or Force Majeure events) and with mutual agreement.
- (iv) The Transmission Provider will offer a Base Rate discount of 50 percent discount off the Base Rate charge in exchange for a commitment to submit a T-25 persistence schedule for each and every 15-minute scheduling interval. A T-25 persistence schedule consists of the average output of the generation facility between T-26 to T-25 minutes preceding the scheduling interval. Specifically, the Transmission Customer may elect this 50 percent Base Rate discount with 90 days prior notice to the Transmission Provider to commence 25-15 scheduling and 90 days prior notice to cease 25-15 scheduling. The availability of this Base Rate discount is conditioned on the Transmission Customer's ability to submit and transact using 15-minute schedules for exports out of the Transmission Provider's BAA. Transmission Customers shall make all reasonable efforts to schedule consistent with T-25 persistence forecasts; however, the Transmission Provider and any Transmission Customer will develop operating protocols to allow

for exceptions to automatic persistence-based scheduling in appropriate circumstances (e.g., due to unforeseen circumstances or Force Majeure events) and with mutual agreement.

- (b) For any dispatchable generator that is a Transmission Customer purchasing Regulation and Frequency Response Service provided by the Transmission Provider under Schedule 13 of this Tariff, the Base Rate charge will be:

Annual Rate:	\$1.26/kW-year
Monthly Rate:	\$0.105/kW-month
Weekly Rate:	\$0.024/kW-week
Peak daily:	\$0.0040/kW-day
Off-peak daily:	\$0.00346/kW-day
Peak hourly:	0.25/mills/kWh
Off-peak hourly:	0.14/mills/kWh

FERC rendition of the electronically filed tariff records in Docket No. ER13-00894-000

Filing Data:

CID: C000171

Filing Title: Compliance Filing In Docket No. ER11-3735

Company Filing Identifier: 106

Type of Filing Code: 80

Associated Filing Identifier:

Tariff Title: Open Access Transmission Tariff

Tariff ID: 113

Payment Confirmation:

Suspension Motion:

Tariff Record Data:

Record Content Description, Tariff Record Title, Record Version Number, Option Code:

Schedule 3, 008.00 Regulation & Frequency Response Service, 1.0.0, A

Record Narrative Name:

Tariff Record ID: 45

Tariff Record Collation Value: 5300000 Tariff Record Parent Identifier: 1

Proposed Date: 2012-01-05

Priority Order: 600

Record Change Type: CHANGE

Record Content Type: 1

Associated Filing Identifier:

SCHEDULE 3

Regulation and Frequency Response Service

Regulation and Frequency Response Service is necessary to provide for the continuous balancing of resources (generation and interchange) with load and for maintaining scheduled Interconnection frequency at sixty cycles per second (60 Hz). Regulation and Frequency Response Service is accomplished by committing on-line generation whose output is raised or lowered (predominantly through the use of automatic generating control equipment) and by other non-generation resources capable of providing this service as necessary to follow the moment-by-moment changes in load. The obligation to maintain this balance between resources and load lies with the Transmission Provider (or the Control Area operator that performs this function for the Transmission Provider). The Transmission Provider must offer this service when the transmission service is used to serve load within its Control Area. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements to satisfy its Regulation and Frequency Response Service obligation. The amount of and charges for Regulation and Frequency Response 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 Provider may charge the Transmission Customer under either Schedule 3 or Schedule 13 for the regulation and frequency response burden imposed by the Transmission Customer, but not both.

A Transmission Customer purchasing Regulation and Frequency Response Service will be required to purchase as such service an additional amount of reserved capacity equal to 1.21 percent of the Transmission Customer's Reserved Capacity for Point-To-Point Transmission Service or 1.21 percent of the Transmission Customer's Network Load responsibility for Network Integration Transmission Service. The billing

determinants for this service shall be reduced by any portion of the 1.21 percent purchase obligation that a Transmission Customer obtains from third parties or supplies itself. The charge for Regulation and Frequency Response Service provided by the Transmission Provider under this Tariff will be:

Annual Rate	\$126.00/kW-year
Monthly Rate	\$10.50/kW-month
Weekly Rate	\$2.423/kW-week
Peak daily:	\$0.40385/kW-day
Off-peak daily:	\$0.434615/kW-day
Peak hourly:	25.24/mills/kWh
Off-peak hourly:	14.42/mills/kWh

Record Content Description, Tariff Record Title, Record Version Number, Option Code:
 Schedule 13, 017B Regulatn & Freq Resps Serv Gen Sellg Outsld Cntrl Are, 2.0.0, A
 Record Narrative Name:
 Tariff Record ID: 151
 Tariff Record Collation Value: 6250000 Tariff Record Parent Identifier: 1
 Proposed Date: 2012-01-05
 Priority Order: 700
 Record Change Type: CHANGE
 Record Content Type: 1
 Associated Filing Identifier:

SCHEDULE 13

Regulation and Frequency Response Service for Generators Selling Outside of Control Area

Regulation and Frequency Response Service is necessary to provide for the continuous balancing of resources (generation and interchange) with load and for maintaining scheduled Interconnection frequency at sixty cycles per second (60 Hz). Regulation and Frequency Response Service is accomplished by committing on-line generation whose output is raised or lowered (predominantly through the use of automatic generating control equipment) and by other non-generation resources capable of providing this service as necessary to follow the moment-by-moment changes for a generator located within the Control Area that is selling outside of the Control Area.

The obligation to maintain this balance between resources and the generator's schedule lies with the Transmission Provider (or the Control Area operator that performs this function for the Transmission Provider). The generator located within the Control Area selling outside of the Control Area that is a Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements for the provision of generator regulation service, including the option to self-supply such service, to satisfy its Regulation and Frequency Response Service obligation. For the limited purpose of self-supplying Regulation and Frequency Response service, a non-dispatchable generator's volumetric purchase obligation is 15%

of the non-dispatchable generator's point-to-point transmission service reservation.

The rates for Regulation and Frequency Response Service are set forth below, and will be applied to a Transmission Customer's Reserved Capacity for Point-To-Point Transmission Service to determine the applicable charge. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the generator that is a Transmission Customer are to reflect only a pass-through of the costs to the Transmission Provider by that Control Area operator. The Transmission Provider may charge a Transmission Customer under either Schedule 3 or 13 for the regulation and frequency response burden imposed by the Transmission Customer, but not both.

(a) For any wind or other non-dispatchable generator that is a Transmission Customer purchasing Regulation and Frequency Response Service provided by the Transmission Provider under Schedule 13 of this Tariff:

(i) the Base Rate charge will be:

Annual Rate:	\$18.60/kW-year
Monthly Rate:	\$1.55/kW-month
Weekly Rate:	\$0.358/kW-week
Peak daily:	\$0.05962/kW-day
Off-peak daily:	\$0.05110/kW-day
Peak hourly:	3.73/mills/kWh
Off-peak hourly:	2.13/mills/kWh

(ii) the Transmission Customer must submit, either manually or through a mutually agreeable automated process, transmission schedules derived from a T-30 persistence forecast for each hourly scheduling interval. A T-30 persistence forecast consists of the average actual output of the generation facility between T-31 to T-30 minutes preceding the scheduling interval. Transmission Customers shall make all reasonable efforts to schedule consistent with T-30 persistence forecasts; however, the Transmission Provider and any Transmission Customer will develop operating protocols to allow for exceptions to automatic persistence-based scheduling in appropriate circumstances (e.g., due to unforeseen circumstances or Force Majeure events) and with mutual agreement.

(iii) The Transmission Provider will offer a Base Rate discount of 30 percent off the Base Rate charge in exchange for a commitment to submit a T-30 persistence schedule for each and every 30-minute scheduling interval. Specifically, the Transmission Customer may elect this discounted rate option with 90 days prior notice to the Transmission Provider to commence 30-30 scheduling, and 90 days prior notice to cease 30-30 scheduling. The availability of

this 30 percent Base Rate discount is conditioned on the Transmission Customer's ability to submit and transact using 30-minute schedules for exports out of the Transmission Provider's Balancing Authority Area ("BAA"). Transmission Customers shall make all reasonable efforts to schedule consistent with T-30 persistence forecasts; however, the Transmission Provider and any Transmission Customer will develop operating protocols to allow for exceptions to automatic persistence-based scheduling in appropriate circumstances (e.g., due to unforeseen circumstances or Force Majeure events) and with mutual agreement.

- (iv) The Transmission Provider will offer a Base Rate discount of 50 percent discount off the Base Rate charge in exchange for a commitment to submit a T-25 persistence schedule for each and every 15-minute scheduling interval. A T-25 persistence schedule consists of the average output of the generation facility between T-26 to T-25 minutes preceding the scheduling interval. Specifically, the Transmission Customer may elect this 50 percent Base Rate discount with 90 days prior notice to the Transmission Provider to commence 25-15 scheduling and 90 days prior notice to cease 25-15 scheduling. The availability of this Base Rate discount is conditioned on the Transmission Customer's ability to submit and transact using 15-minute schedules for exports out of the Transmission Provider's BAA. Transmission Customers shall make all reasonable efforts to schedule consistent with T-25 persistence forecasts; however, the Transmission Provider and any Transmission Customer will develop operating protocols to allow for exceptions to automatic persistence-based scheduling in appropriate circumstances (e.g., due to unforeseen circumstances or Force Majeure events) and with mutual agreement.

(b) For any dispatchable generator that is a Transmission Customer purchasing Regulation and Frequency Response Service provided by the Transmission Provider under Schedule 13 of this Tariff, the Base Rate charge will be:

Annual Rate:	\$1.26/kW-year
Monthly Rate:	\$0.105/kW-month
Weekly Rate:	\$0.024/kW-week
Peak daily:	\$0.0040/kW-day
Off-peak daily:	\$0.00346/kW-day
Peak hourly:	0.25/mills/kWh
Off-peak hourly:	0.14/mills/kWh

Document Content(s)

106-bbb1f9fc-7524-491d-a682-1aaffec30713.DOCX.....	1-5
106-20daaf6f-0f9c-4b5d-ab15-6eb81acd83c9.PDF.....	6-7
106-c75aaa79-65a2-49c1-93d1-e5b3be6e9ddc.PDF.....	8-8
106-e97b9f8b-69af-4df1-a171-13a9030d6c36.PDF.....	9-11
106-ff3e88cd-1ab8-4b62-909f-ce130761887a.PDF.....	12-14
FERC GENERATED TARIFF FILING.RTF.....	15-18