

Rate Schedule UGP-NT1
January 1, 2010
Supersedes 2005 Schedule

**UNITED STATES DEPARTMENT OF ENERGY
WESTERN AREA POWER ADMINISTRATION**

**UPPER GREAT PLAINS REGION
INTEGRATED SYSTEM**

**ANNUAL TRANSMISSION REVENUE REQUIREMENT FOR
NETWORK INTEGRATION TRANSMISSION SERVICE**

Effective

January 1, 2010, through December 31, 2014, or until superseded by another rate schedule.

Applicable

The Transmission Customer shall compensate the Upper Great Plains Region (UGPR) each month for Network Transmission Service under the applicable Network Integration Transmission Service Agreement and annual revenue requirement outlined below. The formula for the annual revenue requirement used to calculate the charges for this service under this schedule was developed and may be modified under applicable Federal laws, regulations, and policies.

UGPR may modify the charges for Network Integration Transmission Service upon written notice to the Transmission Customer. Any change to the charges to the Transmission Customer for Network Integration Transmission Service shall be as set forth in a revision to this rate schedule developed under applicable Federal laws, regulations, and policies and made part of the applicable Transmission Customer's Service Agreement. UGPR shall charge the Transmission Customer under the revenue requirement then in effect.

Formula Rate

Monthly Charge =

$$\text{Transmission Customer's Load-Ratio Share} \times \frac{\text{Annual Revenue Requirement for IS Transmission Service}}{12 \text{ months}}$$

Annual Revenue Requirement

A recalculated annual revenue requirement will go into effect every January 1 based on updated financial data. UGPR will notify the Transmission Customer annually of the recalculated annual revenue requirement on or before September 1.

**UNITED STATES DEPARTMENT OF ENERGY
WESTERN AREA POWER ADMINISTRATION**

**UPPER GREAT PLAINS REGION
INTEGRATED SYSTEM**

**LONG-TERM FIRM AND SHORT-TERM FIRM POINT-TO-POINT
TRANSMISSION SERVICE**

Effective

January 1, 2010, through December 31, 2014, or until superseded by another rate schedule.

Applicable

The Transmission Customer shall compensate the Upper Great Plains Region (UGPR) each month for Reserved Capacity under the applicable Firm Point-to-Point Transmission Service Agreement and rates outlined below. The formula rates used to calculate the charges for service under this schedule were developed and may be modified under applicable Federal laws, regulations, and policies.

UGPR may modify the rate for Firm Point-to-Point Transmission Service upon written notice to the Transmission Customer. Any change to the rate for Firm Point-to-Point Transmission Service shall be as set forth in a revision to this rate schedule developed under applicable Federal laws, regulations, and policies and made part of the applicable Transmission Customer's Service Agreement. UGPR shall charge the Transmission Customer under the rate then in effect.

Discounts

Three principal requirements apply to discounts for transmission service as follows: (1) any offer of a discount made by UGPR must be announced to all eligible Transmission Customers solely by posting on the Open Access Same-Time Information System (OASIS); (2) any Transmission Customer-initiated requests for discounts, including requests for use by one's

wholesale merchant or an affiliate's use, must occur solely by posting on the OASIS; and (3) once a discount is negotiated, details must be immediately posted on the OASIS. For any discount agreed upon for service on a path, from Point(s) of Receipt to Point(s) of Delivery, UGPR must offer the same discounted transmission service rate for the same time period to all eligible Transmission Customers on all unconstrained transmission paths that go to the same point(s) of delivery on the Transmission System.

Formula Rate

$$\text{Firm Point-to-Point Transmission Rate} = \frac{\text{Annual IS Transmission Service Revenue Requirement}}{\text{IS Transmission System Total Load}}$$

Rate

A recalculated rate will go into effect every January 1 based on the above formula and updated financial and load data. UGPR will notify the Transmission Customer annually of the recalculated rate on or before September 1.

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NON-FIRM POINT-TO-POINT TRANSMISSION SERVICE

Effective

January 1, 2010, through December 31, 2014, or until superseded by another rate schedule.

Applicable

The Transmission Customer shall compensate Upper Great Plains Region (UGPR) for Non-Firm Point-to-Point Transmission Service under the applicable Non-Firm Point-to-Point Transmission Service Agreement and rate outlined below. The formula rates used to calculate the charges for service under this schedule were developed and may be modified under applicable Federal laws, regulations, and policies.

UGPR may modify the rate for Non-Firm Point-to-Point Transmission Service upon written notice to the Transmission Customer. Any change to the rate for Non-Firm Point-to-Point Transmission Service shall be as set forth in a revision to this rate schedule developed under applicable Federal laws, regulations, and policies and made part of the applicable Transmission Customer's Service Agreement. UGPR shall charge the Transmission Customer under the rate then in effect.

Discounts

Three principal requirements apply to discounts for transmission service as follows: (1) any offer of a discount made by UGPR must be announced to all eligible Transmission Customers solely by posting on the Open Access Same-Time Information System (OASIS); (2) any

Transmission Customer-initiated requests for discounts, including requests for use by one's wholesale merchant or an affiliate's use, must occur solely by posting on the OASIS; and (3) once a discount is negotiated, details must be immediately posted on the OASIS. For any discount agreed upon for service on a path, from Point(s) of Receipt to Point(s) of Delivery, UGPR must offer the same discounted transmission service rate for the same time period to all eligible Transmission Customers on all unconstrained transmission paths that go to the same point(s) of delivery on the Transmission System.

Formula Rate

$$\begin{array}{l} \text{Maximum Non-Firm} \\ \text{Point-to-Point} \end{array} = \frac{\text{Firm Point- to-Point Transmission Rate x 1000 Mills/\$}}{730 \text{ hours/month}}$$

Rate

A recalculated rate will go into effect every January 1 based on the above formula and updated financial and load data. UGPR will notify the Transmission Customer annually of the recalculated rate on or before September 1.

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SCHEDULING, SYSTEM CONTROL, AND DISPATCH SERVICE

Effective

January 1, 2010, through December 31, 2014, or until superseded by another rate schedule.

Applicable

This service is required to schedule the movement of power through, out of, within, or into the Western Area Upper Great Plains Balancing Authorities (WAUE and WAUW). The charges for Scheduling, System Control, and Dispatch Service are to be based on the rate outlined below. The formula rate used to calculate the charges for service under this schedule was developed and may be modified under applicable Federal laws, regulations, and policies.

The rate will be applied to all schedules for IS non-Transmission Customers. Western will accept any reasonable number of schedule changes over the course of the day without any additional charge.

The charges for Scheduling, System Control, and Dispatch Service may be modified upon written notice to the customer. Any change to the charges for the Scheduling, System Control, and Dispatch Service shall be as set forth in a revision to this rate schedule developed under applicable Federal laws, regulations, and policies and made part of the applicable Transmission Customer's Service Agreement.

Upper Great Plains Region (UGPR) shall charge the non-Transmission Customer under the rate then in effect.

Formula Rate

Rate per Tag per Day =

$$\frac{\text{Annual Revenue Requirement for Scheduling, System Control, and Dispatch Service}}{\text{Number of Daily Tags per Year}}$$

Rate

A recalculated rate will go into effect every January 1 based on the above formula and data. UGPR will notify the customer annually of the recalculated rate on or before September 1.

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**REACTIVE SUPPLY AND VOLTAGE CONTROL FROM
GENERATION SOURCES SERVICE**

Effective

January 1, 2010, through December 31, 2014, or until superseded by another rate schedule.

Applicable

To maintain transmission voltages on all transmission facilities within acceptable limits, generation facilities under the control of the Western Area Upper Great Plains balancing authorities (WAUE and WAUW) are operated to produce or absorb reactive power. Thus, Reactive Supply and Voltage Control from Generation Sources Service (Reactive Service) must be provided for each transaction on the transmission facilities. The amount of Reactive Service that must be supplied with respect to the Transmission Customer's transaction will be determined based on the Reactive Service necessary to maintain transmission voltages within limits that are generally accepted in the region and consistently adhered to by Western.

The Transmission Customer must purchase this service from the Transmission Provider. The charges for such service will be based upon the rate outlined below. The formula rate used to calculate the charges for service under this schedule was developed and may be modified under applicable Federal laws, regulations, and policies.

The charges for Reactive Service may be modified upon written notice to the Transmission Customer. Any change to the charges for Reactive Service shall be as set forth in a revision to this rate schedule developed to applicable Federal laws, regulations, and policies and made part

of the applicable Transmission Customer's Service Agreement. Upper Great Plains Region (UGPR) shall charge the Transmission Customer under the rate then in effect.

Any waiver of this charge or any crediting arrangements for Reactive Service must be documented in the Transmission Customer's Service Agreement.

Formula Rate

$$\text{Reactive Service Rate} = \frac{\text{Annual Revenue Requirement for VAR support}}{\text{Load Requiring VAR Support}}$$

Rate

A recalculated rate will go into effect every January 1 based on the above formula and updated financial and load data. UGPR will notify the Transmission Customer annually of the recalculated rate on or before September 1.

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REGULATION AND FREQUENCY RESPONSE SERVICE

Effective

January 1, 2010, through December 31, 2014, or until superseded by another rate schedule.

Applicable

Regulation and Frequency Response Service (Regulation) is necessary to provide for the continuous balancing of resources, generation, and interchange with load and for maintaining scheduled interconnection frequency at 60 cycles per second (60 Hz). Regulation is accomplished by committing on-line generation whose output is raised or lowered, predominantly through the use of automatic generating control equipment, as necessary to follow the moment-by-moment changes in load. The obligation to maintain this balance between resources and load lies with the Western Area Upper Great Plains balancing authorities (WAUE and WAUW) operator. The Transmission Customer must either purchase this service from Western or make alternative comparable arrangements to satisfy its Regulation obligation. The charges for Regulation are outlined below. The amount of Regulation will be set forth in the applicable Transmission Customer's Service Agreement.

Western supports the installation of renewable sources of energy but recognizes that certain operational constraints exist in managing the significant fluctuations that are a normal part of

their operation. When Western purchases power resources to provide Regulation and Frequency Response Service to intermittent renewable generation resources serving load within Western's Control Areas, costs for these regulation resources will become part of Western's Regulation and Frequency Response Service charges. However, Western has marketed the maximum practical amount of power from each of its projects leaving little or no flexibility for provision of additional power services. Consequently, Western will not regulate for the difference between the output of an intermittent generator located within Western's Control Area and a delivery schedule from that generator serving load located outside of Western's Control Area. Intermittent generators serving load outside Western's Control Area will be required to pseudo-tie or dynamically schedule their generation to another Control Area.

An intermittent resource, for the limited purpose of these Rate Schedules, is an electric generator that is not dispatchable and cannot store its fuel source and, therefore, cannot respond to changes in demand or respond to transmission security constraints.

The formula rate used to calculate the charges for service under this schedule was developed and may be modified under applicable Federal laws, regulations, and policies.

Charges for Regulation may be modified upon written notice to the Transmission Customer. Any change to the Regulation charges shall be as set forth in a revision to this rate schedule developed under applicable Federal laws, regulations, and policies and made part of the applicable Transmission Customer's Service Agreement. The Upper Great Plains Region (UGPR) shall charge the Transmission Customer under the rate then in effect.

Transmission Customers will not be charged for this service if they receive Regulation from another source, or self-supply it for their own load. Any waiver of this charge or any crediting arrangement for Regulation must be documented in the Transmission Customer's Service

Agreement.

Formula Rate

$$\text{Regulation Rate} = \frac{\text{Annual Revenue Requirement for Regulation}}{\text{Load in the Control Area Requiring Regulation}}$$

Rate

A recalculated rate will go into effect every January 1 based on the above formula and updated financial and load data. UGPR will notify the Transmission Customer annually of the recalculated rate on or before September 1.

If resources are not available from a Western resource, the UGPR will offer to purchase the Regulation and pass through the costs, plus an amount for administration, to the Transmission Customer.

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ENERGY IMBALANCE SERVICE

Effective

January 1, 2010, through December 31, 2014, or until superseded by another rate schedule.

Applicable

Energy Imbalance Service is provided when a difference occurs between scheduled and actual delivery of energy to a load located within Western's Control Areas over a single hour. The Transmission Customer must either obtain this service from Western or make alternative comparable arrangements to satisfy its Energy Imbalance Service obligation.

Western may charge a Transmission Customer a penalty for either hourly energy imbalances under this Schedule UG-AS4 or hourly generator imbalances under Rate Schedule UGP-AS7 for imbalances occurring during the same hour, but not both, unless the imbalances aggravate rather than offset each other.

The formula rate used to calculate the charges for service under this schedule was developed and may be modified under applicable Federal laws, regulations, and policies.

The charges for Energy Imbalance Service may be modified upon written notice to the Transmission Customer. Any change to the charges for Energy Imbalance shall be as set forth in a revision to this rate schedule developed under applicable Federal laws, regulations, and policies

and made part of the applicable Service Agreement. Upper Great Plains Region (UGPR) shall charge the Transmission Customer under the rate then in effect.

Formula Rate

For deviations within +/- 1.5 percent (with a minimum of 2 MW) of the scheduled transaction to be applied hourly to any energy imbalance that occurs as a result of Transmission Customer's scheduled transaction(s) will be netted on a monthly basis and settled financially, at the end of the month, at 100 percent of the average incremental cost.

Deviations greater than +/- 1.5 percent up to 7.5 percent (or greater than 2 MW up to 10 MW) of the scheduled transaction to be applied hourly to any energy imbalance that occurs as a result of Transmission Customer's scheduled transaction(s) will be settled financially, at the end of each month. When energy taken in a schedule hour is greater than the energy scheduled, the charge is 110 percent of incremental cost. When energy taken is less than the scheduled amount, the credit is 90 percent of the incremental cost.

Deviations greater than +/- 7.5 percent (or 10 MW) of the scheduled transaction to be applied hourly to any energy imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be settled at 125 percent of Western's incremental cost when energy taken in a schedule hour is greater than the energy scheduled or 75 percent of Western's incremental cost when energy taken by a Transmission Customer is less than the scheduled amount.

Western's incremental cost will be based upon a representative hourly energy index or combination of indexes. The index to be used will be posted on Western's OASIS <http://www.oatioasis.com/wapa/index.html> at least 30 days prior to use for determining the Western incremental cost and will not be changed more often than once per year unless Western determines that the existing index is no longer a reliable price index.

Rate

The pricing and penalty for deviations in the above deviation bandwidths is as specified above.

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OPERATING RESERVE - SPINNING RESERVE SERVICE

Effective

January 1, 2010, through December 31, 2014, or until superseded by another rate schedule.

Applicable

Spinning Reserve Service (Reserves) is needed to serve load immediately in the event of a system contingency. Reserves may be provided by generating units that are on-line and loaded at less than maximum output. The Transmission Customer must either purchase this service from Western or make alternative comparable arrangements to satisfy its Reserves obligation. The charges for Reserves are outlined below. The amount of Reserves will be set forth in the applicable Transmission Customer's Service Agreement.

The formula rate used to calculate the charges for service under this schedule was developed and may be modified under applicable Federal laws, regulations, and policies.

The charges for Reserves may be modified upon written notice to the Transmission Customer. Any change to the charges for Reserves shall be as set forth in a revision to this rate schedule developed pursuant to applicable Federal laws, regulations, and policies and made part of the applicable Transmission Customer's Service Agreement. Upper Great Plains Region (UGPR) shall charge the Transmission Customer under the rate then in effect.

Formula Rate

$$\text{Reserves Rate} = \frac{\text{Annual Revenue Requirement for Reserves}}{\text{Load Requiring Reserves}}$$

Rate

A recalculated rate will go into effect every January 1 based on the above formula and updated financial and load data. UGPR will notify the Transmission Customer annually of the recalculated rate on or before September 1.

If resources are not available from a Western resource, UGPR will offer to purchase the Reserves and pass through the costs, plus an amount for administration, to the Transmission Customer.

In the event that Reserves are called upon for emergency use, UGPR will assess a charge for energy used at the prevailing market energy rate in the region. The Transmission Customer would be responsible for providing transmission service to get the Reserves to its destination.

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OPERATING RESERVE - SUPPLEMENTAL RESERVE SERVICE

Effective

January 1, 2010, through December 31, 2014, or until superseded by another rate schedule.

Applicable

Supplemental Reserve Service (Reserves) 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. Reserves may be provided by generating units that are on-line but unloaded, by quick-start generation or by interruptible load. The Transmission Customer must either purchase this service from Western or make alternative comparable arrangements to satisfy its Reserves obligation. The charges for Reserves are outlined below. The amount of Reserves will be set forth in the applicable Transmission Customer's Service Agreement.

The formula rate used to calculate the charges for service under this schedule was developed and may be modified under applicable Federal laws, regulations, and policies.

The charges for Reserves may be modified upon written notice to the Transmission Customer. Any change to the charges for Reserves shall be as set forth in a revision to this rate schedule developed under applicable Federal laws, regulations, and policies and made part of the applicable Service Agreement. Upper Great Plains Region (UGPR) shall charge the Transmission Customer under the rate then in effect.

Formula Rate

$$\text{Reserves Rate} = \frac{\text{Annual Revenue Requirement for Reserves}}{\text{Load Requiring Reserves}}$$

Rate

A recalculated rate will go into effect every January 1 based on the above formula and updated financial and load data. The UGPR will notify the Transmission Customer annually of the recalculated rate on or before September 1.

If resources are not available from a Western resource, UGPR will offer to purchase the Reserves and pass through the costs, plus an amount for administration, to the Transmission Customer.

In the event Reserves are called upon for Emergency Energy, UGPR will assess a charge for energy used at the prevailing market energy rate in the region. The Transmission Customer would be responsible for providing transmission service to get the Reserves to its destination.

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GENERATOR IMBALANCE SERVICE

Effective

January 1, 2010, through December 31, 2014, or until superseded by another rate schedule. Western will not charge for Generator Imbalance Service until Western's OATT is revised to provide for Generator Imbalance Service.

Applicable

Generator Imbalance Service is provided when a difference occurs between the output of a generator located within the Transmission Provider's Control Area and a delivery schedule from that generator to (1) another Control Area or (2) a load within the Transmission Provider's Control Area over a single hour. Western will offer this service, to the extent that it is feasible to do so from its own resources or from resources available to it, when Transmission Service is used to deliver energy from a generator located within its Control Area. The Transmission Customer must either purchase this service from Western or make alternative comparable arrangements, which may include use of non-generation resources capable of providing this service, to satisfy its Generator Imbalance Service obligation. Western may charge a Transmission Customer a penalty for either hourly generator imbalances under this Schedule UG-AS7 or hourly energy imbalances under Rate Schedule UGP-AS4 for imbalances occurring

during the same hour, but not both, unless the imbalances aggravate rather than offset each other.

Intermittent generators serving load outside Western's Control Area will be required to pseudo-tie or dynamically schedule their generation to another Control Area.

An intermittent resource, for the limited purpose of these Rate Schedules, is an electric generator that is not dispatchable and cannot store its fuel source and, therefore, cannot respond to changes in demand or respond to transmission security constraints.

The formula rate used to calculate the charges for service under this schedule was developed and may be modified under applicable Federal laws, regulations, and policies.

The charges for Generator Imbalance Service may be modified upon written notice to the Transmission Customer. Any change to the charges for Generator Imbalance shall be as set forth in a revision to this rate schedule developed under applicable Federal laws, regulations, and policies and made part of the applicable Service Agreement. Upper Great Plains Region (UGPR) shall charge the Transmission Customer under the rate then in effect.

Formula Rate

Western bases the rate on deviation bands as follows: deviations within +/- 1.5 percent (with a minimum of 2 MW) of the scheduled transaction to be applied hourly to any generator imbalance that occurs as a result of Transmission Customer's scheduled transaction(s) will be netted on a monthly basis and settled financially, at the end of the month, at 100 percent of the average incremental cost. Deviations greater than +/- 1.5 percent up to 7.5 percent (or greater than 2 MW up to 10 MW) of the scheduled transaction to be applied hourly to any generator imbalance that occurs as a result of Transmission Customer's scheduled transaction(s) will be settled financially, at the end of each month. When energy delivered in a schedule hour from the generation resource is less than the energy scheduled, the charge is 110 percent of incremental

cost. When energy delivered from the generation resource is greater than the scheduled amount, the credit is 90 percent of the incremental cost. Deviations greater than +/- 7.5 percent (or 10 MW) of the scheduled transaction to be applied hourly to any generator imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be settled at 125 percent of Western's highest incremental cost for the day when energy delivered in a schedule hour is less than the energy scheduled or 75 percent of Western's lowest daily incremental cost when energy delivered from the generation resource is greater than the scheduled amount. As an exception, an intermittent resource will be exempt from this deviation band and will pay the deviation band charges for all deviations greater than the larger of 1.5 percent or 2 MW. An intermittent resource, for the limited purpose of these schedules, is an electric generator that is not dispatchable and cannot store its fuel source and therefore cannot respond to transmission security constraints.

Deviations from scheduled transactions responding to directives by the Transmission Provider, a balancing authority, or a reliability coordinator shall not be subject to the deviation bands identified above and, instead, shall be settled financially, at the end of the month, at 100 percent of incremental cost. Such directives may include instructions to correct frequency decay, respond to a reserve sharing event, or change output to relieve congestion.

Western's incremental cost will be based upon a representative hourly energy index or combination of indexes. The index to be used will be posted on Western's OASIS <http://www.oatiaoasis.com/wapa/index.html> at least 30 days prior to use for determining the Western incremental cost and will not be changed more often than once per year unless Western determines that the existing index is no longer a reliable price index.

Rate

The pricing and penalty for deviations in the above deviation bandwidths is as specified above.

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TRANSMISSION SERVICE PENALTY RATE FOR UNRESERVED USE

Effective

January 1, 2010, through December 31, 2014, or until superseded by another rate schedule.

Applicable

The Transmission Customer shall compensate the Upper Great Plains Region (UGPR) each month for Unreserved Use of Transmission Service under the applicable Transmission Service rates as outlined below. The formula for the transmission service rate used to calculate the charges for this service under this schedule was developed and may be modified under applicable Federal laws, regulations, and policies.

UGPR may modify the charges for Unreserved Use of Transmission Service upon written notice to the Transmission Customer. Any change to the charges to the Transmission Customer for Unreserved Use of Transmission Service shall be as set forth in a revision to this rate schedule developed under applicable Federal laws, regulations, and policies and made part of the applicable Transmission Customer's Service Agreement. UGPR shall charge the Transmission Customer under the applicable transmission service rate then in effect.

Penalty Rate

Unreserved Use of Transmission Service is provided when a Transmission Customer uses transmission service that it has not reserved or uses transmission service in excess of its reserved capacity. A Transmission Customer that has not secured reserved capacity or exceeds its firm or non-firm reserved capacity at any point of receipt or any point of delivery will be assessed Unreserved Use Penalties under new Rate Schedule UGP-TSP1. Charges for Unreserved Use will be implemented when Western's revised OATT becomes effective. Western will provide written notification to its Transmission Customers prior to implementing the Penalty Rate for Unreserved Use and will also post a notification on its OASIS web site indicating the implementation of Transmission Service Penalty Rate for Unreserved Use.

The penalty charge for a Transmission Customer that engages in Unreserved Use is 200 percent of Western's approved transmission service rate for point-to-point transmission service assessed as follows: the Unreserved Use Penalty for a single hour of unreserved use will be based upon the rate for daily firm point-to-point service. The Unreserved Use Penalty for more than one assessment for a given duration (e.g., daily) will increase to the next longest duration (e.g., weekly). The Unreserved Use Penalty charge for multiple instances of unreserved use (for example, more than 1 hour) within a day will be based on the rate for daily firm point-to-point service. The penalty charge for multiple instances of unreserved use isolated to 1 calendar week would result in a penalty based on the charge for weekly firm point-to-point service. The penalty charge for multiple instances of unreserved use during more than 1 week during a calendar month is based on the charge for monthly firm point-to-point service.

A Transmission Customer that exceeds its firm reserved capacity at any Point of Receipt or Point of Delivery or an Eligible Customer that uses Transmission Service at a Point of Receipt or

Point of Delivery that it has not reserved is required to pay for all Ancillary Services identified in Western's OATT that were provided by Western and associated with the unreserved service on the IS system. The Transmission Customer or Eligible Customer will pay for Ancillary Services based on the amount of transmission service it used, but did not reserve.

Rate

The rate for Unreserved Use of Transmission Service is 200 percent of the approved transmission service rate for point-to-point transmission service assessed as described above.