

REPORT OF RTO FILING UTILITIES RE RTO WEST PRICING
DETERMINATIONS

RTO West pricing will be load-based Company Rates, with details as set out in the following attached documents:

“COMPANY RATES AND ALLOCATION OF FTR REVENUES”
“HOW COMPANY RATES WORK THROUGH THE TOA, THE RTO WEST TARIFF
AND THE PAYMENT AGENT AGREEMENT, WITH APPENDED
DIAGRAMS”

In addition to the pricing description in the attached memoranda, the pricing resolutions also provided:

1. The Company Rate must be retained by RTO West through December 15, 2011.
2. RTO West shall have the right to determine how to allocate its uplift charges (included any recovery of the costs of intra-zonal congestion clearing), as well as its charges for Ancillary Services.
3. Both transmission service and ancillary services under GTA agreements (regardless of delivery voltage) would be replaced by RTO West service. A transfer payment would be paid to the provider of such GTA service, which transfer payment would be adjustable for changes in GTA loads. GTA transfer payments will be calculated in substantially the same manner as GTA payments currently are calculated. Throughout the Company Rate period, GTA customers would pay the Company Rate of the PTO that was providing the transfer payment (e.g., BPA customers now served under GTAs would pay BPA’s Company Rate.) GTA ancillary services would be acquired from RTO West or in the bilateral market. New GTA delivery points would be accommodated at the Company Rate of the PTO that was providing the transfer payment. New service areas that might be annexed by GTA customers, however, would pay the Company Rate of the PTO actually providing the interconnected service.
4. Transfer charges may be adjustable, provided that (a) each PTO shall be allowed at the time it executes its Transmission Operating Agreement to elect whether transfer charges related that PTO’s transmission services shall be fixed or adjustable and (b) the adjustments shall be made based on actual transmission costs, through a formula administered by an independent third party (such as the RTO), and (c) the adjustments shall be made only at such time as the PTO electing adjustable transfer charges modifies its Company Rates.
5. The RTO’s pricing proposal to eliminate volumetric export charges will be contingent on the granting of reciprocal elimination of volumetric export charges by neighboring RTOs.

The following RTO pricing issues remain under discussion:

1. Whether “imputed” transmission components of a PTO’s long-term or short-term power sales are appropriately included in the calculation of Company Rate transfer charges.
2. Whether the transfer charges with respect to long-term wheeling contracts for off-system deliveries within the RTO area continue beyond the end of the relevant contract terms.
3. Whether a load may change its Company Rate by changing the PTO facilities to which it is interconnected.