

RTO West Tariff

Definitions

Ancillary Services: Those services that are necessary to support the transmission of energy from resources to loads while maintaining reliable operation of the Transmission System in accordance with Good Utility Practice. *[NOTE: from SMD tariff]*

Company Load: The portion of the Executing Transmission Owner's Interconnected Load associated with (1) Load Service Obligation (converted or non-converted) plus, (2) network contracts converted to RTO West Transmission Services other than Non-Converted Transmission Service, (3) incremental load service beyond any Transmission Services provided in addition to Non-Converted Transmission Service or converted Transmission Services for which a Transfer Charge is paid. *[NOTE: from TOA]*

Direct Assignment Facilities: Facilities or portions of facilities that are constructed for the sole use/benefit of a particular Customer requesting service under the Tariff. Direct Assignment Facilities shall be specified in the Service Agreement that governs service to the Customer and shall be subject to Commission approval. *[NOTE: from SMD tariff]*

Load Service Obligation: Transmission service to loads with respect to which the Executing Transmission Owner has a legal obligation to provide such transmission service. For purposes of cataloguing transmission rights, transmission used to satisfy obligations under a General Transfer Agreement or similar contractual obligation of Bonneville's shall be considered a Load Service Obligation of the party delivering energy to load and returning energy to its counterparty. For purposes of contract conversion, loads served by General Transfer Agreements are Company Loads of Bonneville, and general transfer agreements under which Bonneville contracts with a Participating Transmission Owner to provide delivered energy on behalf of the Participating Transmission Owner are Company Loads of the Participating Transmission Owner. *[NOTE: from TOA]*

Pre-Existing Transmission Agreements And Obligations: Those Transmission Agreements and Load Service Obligations, including those with the Merchant Function of the Executing Transmission Owner, in effect immediately before the Transmission Service Commencement Date. *[NOTE: from TOA]*

Transfer Charges: Those charges to be paid to or received from other entities in connection with the suspension and conversion of Pre-Existing Transmission Agreements And Obligations. The Transfer Charge shall equal the amount of money (or the internal credit) that the Executing Transmission Owner received for services provided under the Pre-Existing Transmission Agreements And Obligations during the Reference Year, adjusted, if applicable, for unit costs as set forth in Exhibit H to this Agreement. As Transfer Charges are established by other Participating Transmission Owners, RTO West shall set forth such Transfer Charges in Exhibit H (Schedule 2) and provide the Executing

Transmission Owner with a revised copy of such Exhibit H (Schedule 2). Transfer Charges for a Participating Transmission Owner may include amounts receivable from the Participating Transmission Owner's Merchant Function. *[NOTE: from TOA. Also, Transfer charges are for PTP conversions. See e.g., page 13 of Pricing White Paper. Definition needs to be refined accordingly.]*

Rates and Charges

[NOTE: This draft does not include planning and expansion charges. We do not know how they fit at this time.]

1. Rates and Charges Applicable to Each Transmission Service.

1.1 Non-Converted Transmission Service. Participating Transmission Owners that are Transmission Customers shall pay RTO West the following charges:

- 1.1.1 Real Power Losses pursuant to Section 2.3.
- 1.1.2 Congestion charges *only to the extent that a PTO has agreed to pay Congestion Charges as part of its obligation to provide Congestion Management Assets in order to cover some or all redispatch determined to be needed in connection with the PTOs catalogued transmission rights.*
- 1.1.3 Ancillary services charges pursuant to Section 3;
- 1.1.4 Grid Management Charge pursuant to Section 2.6.

This Tariff does not address payments for services under Non-Converted Transmission Agreements and Obligations by Customers of PTOs.

1.2 Transmission Use Service. The charges applicable to Transmission Use Service varies depending upon the type of Transmission Customer, as set forth below:

- 1.2.1 **Company Loads.** Company Load taking Transmission Use Service shall pay RTO West the following charges:
 - 1.2.1.1 Company Rate (including Transfer Charges pursuant to Section 2.4, if applicable, as part of the Company Rate calculation). *[NOTE: Confirmed that transfer charges that provide access to an external access point are included in the company rate calculation and when paid exempt the company load from paying the external access fee to the extent it has CTR or FTO to that point. See Pricing White Paper page 13.]*
 - 1.2.1.2 Real Power Losses pursuant to Section 2.3.
 - 1.2.1.3 Congestion charges to the extent if any not covered by cataloged transmission rights or financial transmission options pursuant to Section 2.5.

- 1.2.1.4 Ancillary services charges pursuant to Section 3.
- 1.2.1.5 External Interface Access Fee (to the extent applicable) pursuant to Section 2.2, or in the alternative a Transfer Charge (to the extent applicable) pursuant to Section 2.4.
- 1.2.1.6 Backstop Cost Recovery Fee (if one is adopted and to the extent applicable) pursuant to Section 2.4.3.
- 1.2.1.7 Grid Management Charge pursuant to Section 2.6.

1.2.2 **Transmission Customers Converting PTP [type] Contracts.** Transmission Customers Converting Point-to-Point [type] contracts and taking Transmission Use Service shall pay RTO West the following charges. For purposes of this section PTP type contracts are contracts for fixed amount of demand (as opposed to contracts that are billed on a load-ratio share). *[NOTE: See Page 13, footnote 13 of Pricing White Paper. Are there any exceptions? The White Paper indicates that there might be exceptions.]*

- 1.2.2.1 Transfer Charge pursuant to Section 2.2.
- 1.2.2.2 Real Power Losses pursuant to Section 2.3.
- 1.2.2.3 Congestion charges to the extent if any not covered by cataloged transmission rights or financial transmission options pursuant to Section 2.5.
- 1.2.2.4 Ancillary services charges pursuant to Section 3.
- 1.2.2.5 External Interface Access Fee (to the extent applicable) pursuant to Section 2.2, or in the alternative a Transfer Charge (to the extent applicable) pursuant to Section 2.4.
- 1.2.2.6 Backstop Cost Recovery Fee (if one is adopted and to the extent applicable) pursuant to Section 2.4.3.
- 1.2.2.7 Grid Management Charge pursuant to Section 2.6.

1.2.3 **Loads Not in RTO West Control Area.** Loads (not in RTO West Control Area) taking Transmission Use Service shall pay RTO West the following charges:

- 1.2.3.1 Real Power Losses pursuant to Section 2.3.
- 1.2.3.2 Congestion charges to the extent if any not covered by cataloged transmission rights or financial transmission options pursuant to Section 2.5. *[NOTE: Congestion charges are applicable, but seems issues and who receives what payment needs to be worked out in SSG-WI.]*
- 1.2.3.3 Ancillary services charges pursuant to Section 3.
- 1.2.3.4 External Interface Access Fee pursuant to Section 2.2.
- 1.2.3.5 Grid Management Charge pursuant to Section 2.6.

2. Description of Rates and Charges

2.1 **Company Rate.** A charge to access the RTO West Transmission System [Islands?] calculated pursuant to Exhibit G of the RTO West Transmission Operating Agreement which is restated herein as Schedule 1. *[NOTE: We*

need to define which Company Rate applies to each load.]

- 2.2 Transfer Charge.** A payment for service under a converted Pre-Existing Transmission Agreement that is based on the transmission service charges paid by a PTO's transmission service customer under the Pre-Existing Transmission Agreement and calculated pursuant to Exhibit H of the RTO West Transmission Operating Agreement which is restated herein as Schedule 2.
- 2.3 Real Power Loss Charge.** Real Power Losses are associated with all Transmission Services. RTO West is not obligated to provide Real Power Losses. *[NOTE: The work of the Market Design workgroup may require this section to be revised.]*
- 2.4 External Interface Access Fee, Replacement Revenue Pool, and Backstop Recovery Mechanism.** *[NOTE: Consider consolidating and streamlining Sections 2.4.1 and 2.4.3, and placing Section 2.4.2 in a separate portion of the Tariff.]*
- 2.4.1 **External Interface Access Fee.** Transmission Customers scheduling energy from a point within or through RTO West for delivery at an External Interface Point must have External Interface Access, which may be obtained by: (1) taking Non-Converted Transmission Service to serve Non-Converted Transmission Agreements that provided access to an External Interface Point; (2) conversion of a Pre-Existing Transmission Agreement And Obligation that provided access to an External Interface Point; or (3) payment of the External Interface Access Fee to RTO West, pursuant to Exhibit I of the RTO West Transmission Operating Agreement which is restated herein as Schedule 3.
- 2.4.2 **Replacement Revenue Pool.** Revenues from External Interface Access Fees and surplus revenues from the congestion management system shall be allocated to the Executing Transmission Owners pursuant to Exhibit I of the RTO West Transmission Operating Agreement which is restated herein as Schedule 3.
- 2.4.3 **Backstop Cost Recovery Fee.** When a sustained under- or over-collection of the Revenue Recovery Target occurs, RTO West shall develop an appropriate charge, the Backstop Cost Recovery Fee, or adjustment pursuant to Exhibit I of the RTO West Transmission Operating Agreement which is restated herein as Schedule 3.
- 2.5 Congestion Charges.** <Need details from Market Design Workgroup>

- 2.6 Grid Management Charge.** RTO West shall recover its administrative and operating costs, including the costs associated with the development and formation of RTO West, from all schedules submitted to RTO West through a dollar-per-megawatt-hour (“\$/MWh”) charge pursuant to Exhibit J of the RTO West Transmission Operating Agreement which is restated herein as Schedule 4.
- 2.7 Planning and Expansion Charges:** <Need proposal from RTO West >
- 2.7.1 Direct Assignment Facilities
 - 2.7.2 Study Costs
 - 2.7.3 Etc.
- 3. Ancillary Services Charges:** <Need details from Market Design Workgroup>

SCHEDULE 1

EXHIBIT G
RTO WEST TRANSMISSION OPERATING AGREEMENT
(2002)

COMPANY RATES

The Company Rate to be included in RTO West's charges to the Executing Transmission Owner's Company Loads during the Company Rate Period shall be calculated pursuant to the following formula:

$$\begin{aligned} \text{Company Rate} = & [(\text{Company Costs +/- Transfer Charges} - \text{Revenues from Non-} \\ & \text{converted Transmission Agreements} + \text{Costs of Non-converted} \\ & \text{Transmission Agreements})] / (\text{Company Billing Determinants}) \\ & + [(\text{Transmission Facility Cost Sharing Payments} - \text{Allocated} \\ & \text{Merchant Function External Interface Access Fee Revenue} - \\ & \text{Replacement Revenue Pool Allocation (if applicable)} + \text{TOA} \\ & \text{Costs Allocation})] / (\text{ETO Interconnected Load Billing} \\ & \text{Determinants}) \end{aligned}$$

The terms in the formula that are not Transmission Operating Agreement defined terms are defined as follows:

Allocated Merchant Function External Interface Access Fee Revenue means revenues from an Executing Transmission Owner's affiliated merchant for use of External Interface Points located on the facilities owned by an Executing Transmission Owner. These revenues are not included in the Replacement Revenue Pool, but are credited directly to the Executing Transmission Owner to lower revenue requirements.

Revenue from Non-Converted Transmission Agreements means the payments from Pre-Existing Transmission Agreements that do not convert to RTO West Transmission Use Service that are made to the Executing Transmission Owner provider as provided by those agreements.

Cost of Non-converted Transmission Agreements are payments made by an Executing Transmission Owner for transmission purchased from other transmission providers, which are included in Company Rates as part of the elimination of pancaking.

Replacement Revenue Pool Allocation means the allocated share of revenues collected

from External Interface Access Fees, surplus revenues from Congestion Management, and revenues from the Backstop Recovery Mechanism, if triggered as described in Exhibit I.

TOA Costs Allocation means an Executing Transmission Owner's allocated share of TOA Costs.

SCHEDULE 2

EXHIBIT H
RTO WEST TRANSMISSION OPERATING AGREEMENT
(2002)

ANNUAL TRANSFER CHARGE AMOUNTS

The Executing Transmission Owner agrees that for purposes of calculating Company Rates, the Transfer Charges set forth herein and applicable to the Executing Transmission Owner shall be applied by RTO West for the associated agreements that are converted to RTO West Transmission Service, other than Non-Converted Transmission Service, for the term of the Pre-Existing Transmission Agreements. This Exhibit H will be revised any time additional Pre-Existing Transmission Agreements with a term of one (1) year or longer are converted to Transmission Service other than Non-Converted Transmission Service. Transfer Charges for such agreements will be based on the most recent contract information, including the current Executing Transmission Owner transmission rate applicable to that agreement. Conversion of a network agreement serving an Executing Transmission Owner's Interconnected Load will not result in a Transfer Charge, because the Interconnected Load will pay the Executing Transmission Owner's Company Rate after conversion.

If the Executing Transmission Owner has a Pre-Existing Transmission Agreement with another Participating Transmission Owner that

- (1) is necessary to meet its own load service obligations within RTO West,
- (2) expires during the Company Rate period and
- (3) provides for rollover rights, pursuant to the agreement or the Participating Transmission Owner's Open Access Transmission Tariff,

then upon expiration of the agreement, the agreement shall be automatically extended through the remaining term of the Company Rate Period, and the Executing Transmission Owner shall

- (i) continue to receive service pursuant to the agreement, and
- (ii) pay the Participating Transmission Owner's applicable contract charge for non-converted pre-existing open access transmission tariff agreements. This provision will not apply if and when the Executing Transmission Owner no longer needs the service under the agreement to meet its own load service obligations within RTO West.

If the Executing Transmission Owner voluntarily converts a Pre-Existing Transmission Agreement with another Participating Transmission Owner (so that is subject to a Transfer Charge for at least the remaining duration of the Company Rate Period), the provisions that apply generally to conversion of Pre-Existing Transmission Agreements shall apply to such conversion.

If (1) a pre-Order 888 contract has pricing provisions different from the Open Access Transmission Tariff, (2) the Executing Transmission Owner customer extended the service beyond the expiration date in the contract pursuant to a Rollover Right and (3) the Rollover Right did not include a right to continuation of the non-Open Access Transmission Tariff pricing provisions, then the Executing Transmission Owner shall adjust the contract charges or Transfer Charges for service after the original expiration date to be consistent with its Open Access Transmission Tariff.

Executing Transmission Owner — Bonneville

A. Transfer Charges receivable from:

- (1) Transmission Customer A
 - (a) Long-Term Wheeling Revenues: (list agreement, duration and amount) **[Note: Amounts listed will include the total of all such long-term wheeling revenues received from the Transmission Customer and from its affiliates.]**
- (2) Transmission Customer B, etc.

B. Bonneville does/does not elect for the Transfer Charge adjustment provisions of this Exhibit H to apply to all Transfer Charges set forth above (other than those Transfer Charges identified above as nonadjustable under applicable Pre-Existing Transmission Agreements).

[Repeat the same listings for every potential Executing Transmission Owner with Transfer Charge rights or obligations, including Canadian entities and Electric Utilities served under Company Rates of Executing Transmission Owners.]

Transfer Charge Adjustment:

If an Executing Transmission Owner has elected not to apply the Transfer Charge Adjustment, its Transfer Charge entitlements as shown above throughout the Company Rate Period shall be the amounts as stated in this Exhibit H. If an Executing Transmission Owner has elected to apply the Transfer Charge Adjustment, upon any filing of a Company Cost change (after the initial Company Cost filing), RTO West shall determine, consistent with the Executing Transmission Owner's statutory ratemaking process and using a prospective, two-year test period, the increase or decrease in such Executing Transmission Owner's unit transmission costs based upon the filed (i) Company Costs, (ii) adjustments and (iii) load data used to calculate its Company Rate pursuant to the formula in Exhibit G to the Transmission Operating Agreement. Such unit-cost percentage increase or decrease shall be filed with FERC for acceptance or approval if applicable and applied to adjust all Transfer Charges specified in this Exhibit H as owed to such Executing Transmission Owner, other than those Transfer Charges identified above as non-adjustable under applicable Pre-Existing Transmission Agreements.

SCHEDULE 3

EXHIBIT I

RTO WEST TRANSMISSION OPERATING AGREEMENT
(2002)

EXTERNAL INTERFACE ACCESS FEE,
REPLACEMENT REVENUE POOL AND
BACKSTOP RECOVERY MECHANISM

An RTO West Transmission Customer scheduling from a point within or through the RTO West Transmission System to an External Interface Point must have External Interface Access that it can obtain in one of three ways: (1) purchase from RTO West by payment of the External Interface Access Fee, (2) receive upon conversion of a Pre-Existing Transmission Agreement that provided access to an External Interface Point or (3) be a Executing Transmission Owner taking Non-Converted Transmission Service from Pre-Existing Transmission Agreements And Obligations that provided access to an External Interface Point. The External Interface Points are listed in this Exhibit I.

Revenues from External Interface Access Fees and surplus revenue produced by the congestion management system will be combined to form the Replacement Revenue Pool, which shall be allocated to the Executing Transmission Owners to replace (1) historical revenues generated from short-term and nonfirm transmission service and (2) revenues lost after RTO West start-up as a result of expiring long-term contracts. If there is a sustained under- or over-collection of the Revenue Recovery Target, the Backstop Recovery Mechanism will be triggered to adjust revenues flowing into the Replacement Revenue Pool as described below.

I. External Interface Access Fee

The External Interface Access Fee will be calculated based on the average cost of the RTO West Transmission System, i.e., a system-wide "Postage Stamp" rate. The External Interface Access Fee will be discountable by RTO West only to maximize collections of the Replacement Revenue Pool, with all sales at a given External Interface Point for a given time receiving the same discount. Discounting at one External Interface Point does not require discounting at another External Interface Point, and discounting for a given time period does not require discounting for a different time period. External Interface Access may be resold to other RTO West Transmission Customers and, if purchased at full price from RTO West, may be used at any External Interface Point. If purchased at a discount, use will be limited to the External Interface Point to which the discount applied. If External Interface Access is derived from a Pre-Existing Transmission Agreement, its use will be limited to the External Interface Point named in the agreement. Rates for the External Interface Access Fee will be published for Annual, Monthly, Weekly, Daily and Hourly periods (or strips) and shall be calculated as follows:

- A. Annual Service—The rate for Annual Service shall not exceed the sum of all the Executing Transmission Owners Company Costs divided by the 12 CP demand of the RTO West Transmission System, including both internal loads and exports.
- B. Monthly Service—The rate for Monthly Service shall not exceed the rate for Annual Service divided by 12 months.
- C. Weekly Service—The rate for Weekly Service shall not exceed the rate for Annual Service divided by 52 weeks.
- D. Daily Service—The rate for Daily Service shall not exceed the rate for Weekly Service divided by 6 days.
- E. Hourly Service—The rate for Hourly Service shall not exceed the rate for Daily Service divided by 16 peak hours.

II. Replacement Revenue Pool

The Replacement Revenue Pool is made up of revenues from External Interface Access Fees and from the surplus revenues produced by the Congestion Management System, i.e., revenues from FTO Auctions and the net revenues from over and under collection of congestion clearing activities. External Interface Access Fee revenues from a Executing Transmission Owner's merchant function for use of External Interface Points located on the transmission facilities owned by that Executing Transmission Owner are credited directly to the Executing Transmission Owner to revenue requirements, as specified in Exhibit G. These revenues are not included in the Replacement Revenue Pool.

If the Backstop Recovery Mechanism is triggered by under-collection, as described below, the revenues from additional charges instituted to correct a shortfall will become part of the Replacement Revenue Pool.

A. Revenue Recovery Target—The Revenue Recovery Target is a fixed dollar amount equal to the average of the sum of non-firm and short-term revenues collected by each Executing Transmission Owner from entities other than that Executing Transmission Owner's affiliates for a set of calendar years beginning with 1999 and running until the last full calendar year that immediately precedes RTO West's commencement of operations (the Reference Period). The Revenue Recovery Target will be adjusted for lost revenues resulting from long-term contracts that expire during the Company Rate Period by an amount equal to the revenue from the expiring contract during the last year of the Reference Period. A complete year of revenue from an agreement will be included as the last full calendar year revenue if the agreement had a service commencement date after January 1 in the last year of the Reference Period or in any year following the last year of the Reference Period.

B. Annual Recovery Differential—The Annual Recovery Differential will be equal to the annual collections by the Replacement Revenue Pool minus the Revenue Recovery Target.

C. Replacement Revenue Pool Allocation—Each year, RTO West will allocate the annual collections flowing into the Replacement Recovery Pool, with over- and under-collections flowing through to Executing Transmission Owners. Each Executing Transmission Owner shall receive a share of the Replacement Revenue Pool equal to the annual balance in Replacement Revenue Pool times an allocator equal to the Executing Transmission Owner's revenues included in the Revenue Recovery Target divided by total Revenue Recovery Target.

III. Backstop Recovery Mechanism

A. Backstop Recovery Mechanism Triggers—When a sustained under or over collection of the Revenue Recovery Target occurs, the Backstop Recovery Mechanism will be triggered. The Backstop Recovery Mechanism will be triggered by an under-recovery, if the cumulative sum of the Annual Recovery Differentials is negative and the absolute value of the cumulative sum exceeds the absolute value of the difference between the lowest annual short-term and nonfirm revenue in the Reference Period and the average annual short-term and nonfirm revenue in the Reference Period. The Backstop Recovery Mechanism will be triggered by an over-recovery, if the cumulative sum of the Annual Recovery Differentials is positive and the cumulative sum exceeds the difference between the highest annual short-term and nonfirm revenue in the Reference Period and the average annual short-term and nonfirm revenue in the Reference Period.

B. Correction of Sustained Under- or Over-Recovery—If the Backstop Recovery Mechanism is triggered by under-recovery, RTO West will develop an appropriate charge or charges to correct the cumulative shortfall and recover the Revenue Recovery Target on a prospective basis. If the Backstop Recovery Mechanism is triggered by over collection, RTO West will propose an appropriate mechanism for adjusting the cumulative over collection and recover the Revenue Recovery Target on a prospective basis. The actual design and application of a Backstop Cost Recovery fee will be left to RTO West if the backstop mechanism is triggered. In establishing appropriate charges, RTO West will consider possible causal relationships and the minimization of cost shifting and ensure that all customers' uses contribute to the recovery of the fixed costs of the system.

SCHEDULE 4

EXHIBIT J
GRID MANAGEMENT CHARGE

The Grid Management Charge (GMC) is a formula rate designed to recover certain RTO West administrative and operating costs, as specified below. The GMC will be a dollar-per-megawatt-hour (\$/MWh) charge levied on all schedules submitted to RTO West.

Calculation of GMC

The GMC will be calculated as follows and will be revised periodically as needed, but no less than once every twelve (12) months. (*Note: References to account numbers below are to those used for FERC Form 1.*)

Grid Management Charge = Revenue Requirement / (Loads + Exports)

Where:

Revenue Requirement = Operating Expenses + Debt Service – Interest Earnings – Reserve Transfer

Loads = the total annual energy delivered under Transmission Use Service + total annual energy delivered under Non-Converted Transmission Service

Exports = the total annual energy scheduled out of RTO West under Transmission Use Service or Non-Converted Transmission Service

Where:

Operating Expenses = O&M Expenses plus certain Taxes Other Than Income Taxes (Account 408.1); provided that any taxes subject to allocation under section 25.20 of the Transmission Operating Agreements between RTO West and Initial Participating Transmission Owners shall not be included in Operating Expenses for calculation of GMC.

O&M Expenses = Transmission O&M Expenses (Accounts 560-574) plus Customer Accounting Expenses (Accounts 901-905) plus Customer Service and Information Expenses (Accounts 906-910) plus Sales Expenses (Accounts 911-917) plus Administrative & General Expenses (Accounts 920-935); provided that costs properly allocated to the management of congestion by RTO West shall not be included in O&M Expenses for calculation of the GMC.

Debt Service = for any fiscal year, scheduled principal and interest payments,

sinking fund payments related to balloon maturates, repayment of commercial paper notes, net payments required pursuant to a payment obligation or payments due on any RTO West notes. This amount includes the current year accrued principal and interest payments; provided that costs properly allocated to the management of congestion by RTO West shall not be included in Debt Service for calculation of the GMC.

Interest Earnings = Interest earnings on Operating and Capital Reserve balances (Account 419). Interest on bond or note proceeds specifically designated for capital projects or capitalized interest is excluded; provided that interest costs properly allocated to the management of congestion by RTO West shall not be included in Interest Earnings for calculation of the GMC.

Reserve Transfer = the projected reserve balance for year-end of the prior fiscal year less the Reserve Requirement as adopted by the RTO West Board of Directors and FERC; provided that the cost of reserves properly allocated to the management of congestion by RTO West shall not be included in the Reserve Transfer for calculation of the GMC. If such amount is negative, the amount may be divided by (*e.g., two (2)*) so that the reserve is replenished within a (*e.g., two-(2-)*) year period. (Account 128 subaccounts)

Reserve Requirement = (*e.g., fifteen percent (15%)*) of Annual Operating Expenses; provided that the cost of reserves properly allocated to the management of congestion by RTO West shall not be included in the Reserve Transfer for calculation of the GMC.

Extraordinary expenses or losses that, consistent with generally accepted accounting practices, can be booked to accounts other than the accounts listed above shall not be included in such accounts for calculation of the GMC. No costs other than costs specified in this Exhibit shall be included in the calculation of the GMC.