

the proceeding. Any person wishing to become a party must file a notice of intervention or motion to intervene, as appropriate. Such notices, motions, or protests must be filed on or before the comment date. On or before the comment date, it is not necessary to serve motions to intervene or protests on persons other than the Applicant.

The Commission encourages electronic submission of protests and interventions in lieu of paper using the "eFiling" link at <http://www.ferc.gov>. Persons unable to file electronically should submit an original and 14 copies of the protest or intervention to the Federal Energy Regulatory Commission, 888 First Street, NE., Washington, DC 20426.

This filing is accessible on-line at <http://www.ferc.gov>, using the "eLibrary" link and is available for review in the Commission's Public Reference Room in Washington, DC. There is an "eSubscription" link on the Web site that enables subscribers to receive e-mail notification when a document is added to a subscribed docket(s). For assistance with any FERC Online service, please e-mail [FERCOnlineSupport@ferc.gov](mailto:FERCOnlineSupport@ferc.gov), or call (866) 208-3676 (toll free). For TTY, call (202) 502-8659.

*Comment Date:* 5 p.m. Eastern Time on January 12, 2010.

**Kimberly D. Bose,**  
*Secretary.*

[FR Doc. 2010-186 Filed 1-8-10; 8:45 am]

**BILLING CODE 6717-01-P**

## DEPARTMENT OF ENERGY

### Federal Energy Regulatory Commission

[Docket No. EL10-26-000]

#### City of Riverside, CA, California Independent System Operator Corporation; Notice of Filing

January 4, 2010.

Take notice that on December 22, 2009, City of Riverside, California and the California Independent System Operator Corporation filed its seventh annual revision to its Transmission Revenue Balancing Account Adjustment, to become effective January 1, 2010.

Any person desiring to intervene or to protest this filing must file in accordance with Rules 211 and 214 of the Commission's Rules of Practice and Procedure (18 CFR 385.211, 385.214). Protests will be considered by the Commission in determining the appropriate action to be taken, but will

not serve to make protestants parties to the proceeding. Any person wishing to become a party must file a notice of intervention or motion to intervene, as appropriate. Such notices, motions, or protests must be filed on or before the comment date. On or before the comment date, it is not necessary to serve motions to intervene or protests on persons other than the Applicant.

The Commission encourages electronic submission of protests and interventions in lieu of paper using the "eFiling" link at <http://www.ferc.gov>. Persons unable to file electronically should submit an original and 14 copies of the protest or intervention to the Federal Energy Regulatory Commission, 888 First Street, NE., Washington, DC 20426.

This filing is accessible on-line at <http://www.ferc.gov>, using the "eLibrary" link and is available for review in the Commission's Public Reference Room in Washington, DC. There is an "eSubscription" link on the Web site that enables subscribers to receive e-mail notification when a document is added to a subscribed docket(s). For assistance with any FERC Online service, please e-mail [FERCOnlineSupport@ferc.gov](mailto:FERCOnlineSupport@ferc.gov), or call (866) 208-3676 (toll free). For TTY, call (202) 502-8659.

*Comment Date:* 5 p.m. Eastern Time on January 12, 2010.

**Kimberly D. Bose,**  
*Secretary.*

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**BILLING CODE 6717-01-P**

## DEPARTMENT OF ENERGY

### Federal Energy Regulatory Commission

[Docket No. ER10-505-000]

#### Dynegy Services Plum Point LLC; Supplemental Notice That Initial Market-Based Rate Filing Includes Request for Blanket Section 204 Authorization

January 4, 2010.

This is a supplemental notice in the above-referenced proceeding of Dynegy Services Plum Point LLC's application for market-based rate authority, with an accompanying rate tariff, noting that such application includes a request for blanket authorization, under 18 CFR part 34, of future issuances of securities and assumptions of liability.

Any person desiring to intervene or to protest should file with the Federal Energy Regulatory Commission, 888 First Street, NE., Washington, DC 20426,

in accordance with Rules 211 and 214 of the Commission's Rules of Practice and Procedure (18 CFR 385.211 and 385.214). Anyone filing a motion to intervene or protest must serve a copy of that document on the Applicant.

Notice is hereby given that the deadline for filing protests with regard to the applicant's request for blanket authorization, under 18 CFR part 34, of future issuances of securities and assumptions of liability, is January 25, 2010.

The Commission encourages electronic submission of protests and interventions in lieu of paper, using the FERC Online links at <http://www.ferc.gov>. To facilitate electronic service, persons with Internet access who will eFile a document and/or be listed as a contact for an intervenor must create and validate an eRegistration account using the eRegistration link. Select the eFiling link to log on and submit the intervention or protests.

Persons unable to file electronically should submit an original and 14 copies of the intervention or protest to the Federal Energy Regulatory Commission, 888 First Street, NE., Washington, DC 20426.

The filings in the above-referenced proceeding are accessible in the Commission's eLibrary system by clicking on the appropriate link in the above list. They are also available for review in the Commission's Public Reference Room in Washington, DC. There is an eSubscription link on the Web site that enables subscribers to receive e-mail notification when a document is added to a subscribed docket(s). For assistance with any FERC Online service, please e-mail [FERCOnlineSupport@ferc.gov](mailto:FERCOnlineSupport@ferc.gov) or call (866) 208-3676 (toll free). For TTY, call (202) 502-8659.

**Kimberly D. Bose,**  
*Secretary.*

[FR Doc. 2010-184 Filed 1-8-10; 8:45 am]

**BILLING CODE 6717-01-P**

## DEPARTMENT OF ENERGY

### Southwestern Power Administration

#### Integrated System Power Rates

**AGENCY:** Southwestern Power Administration, DOE.

**ACTION:** Notice of Rate Order.

**SUMMARY:** Pursuant to Delegation Order Nos. 00-037.00, effective December 6, 2001, and 00-001.00C, effective January 31, 2007, the Deputy Secretary has approved and placed into effect on an

interim basis Rate Order No. SWPA-62, which increases the power rates for the *Integrated System pursuant to the following Integrated System Rate Schedules*:

Rate Schedule P-09, Wholesale Rates for Hydro Peaking Power  
Rate Schedule NFTS-09, Wholesale Rates for Non-Federal Transmission/ Interconnection Facilities Service  
Rate Schedule EE-09, Wholesale Rate for Excess Energy

*The rate schedules supersede the existing rate schedules shown below:*

Rate Schedule P-06A, Wholesale Rates for Hydro Peaking Power (superseded by P-09)  
Rate Schedule NFTS-06A, Wholesale Rates for Non-Federal Transmission/ Interconnection Facilities Service (superseded by NFTS-09)  
Rate Schedule EE-06, Wholesale Rate for Excess Energy (superseded by EE-09)

The effective period for the rate schedules specified in Rate Order No. SWPA-62 is January 1, 2010, through September 30, 2013.

**FOR FURTHER INFORMATION CONTACT:** Mr. James K. McDonald, Assistant Administrator, Office of Corporate Operations, Southwestern Power Administration, Department of Energy, Williams Center Tower I, One West Third Street, Tulsa, Oklahoma 74103, (918) 595-6690, [jim.mcdonald@swpa.gov](mailto:jim.mcdonald@swpa.gov)

**SUPPLEMENTARY INFORMATION:**

Southwestern Power Administration's (Southwestern) Administrator has determined based on the 2009 Integrated System Current Power Repayment Study, that existing rates will not satisfy cost recovery criteria specified in Department of Energy Order No. RA 6120.2 and Section 5 of the Flood Control Act of 1944. The finalized 2009 Integrated System Power Repayment Studies (PRSs) indicate that an increase in annual revenue of \$17,330,858, or 10.8 percent, beginning January 1, 2010, will satisfy cost recovery criteria for the Integrated System projects. The proposed Integrated System rate schedules would increase annual revenues from \$160,255,300 to \$177,586,158, to recover increased investments and replacements in the hydroelectric generating and transmission facilities and increased operations and maintenance costs for both Southwestern and the U.S. Army's Corps of Engineers (Corps). Additionally, the PRS analyzes the Purchased Power Deferral Account

which indicated no change was needed for the Purchased Power Adder which is used to recover average year purchased energy costs. This proposal also continues the size and frequency of the Administrator's Discretionary Purchased Power Adder Adjustment (Adjustment). This Adjustment allows the Administrator to adjust the Purchased Power Adder twice annually, limited to  $\pm$ \$0.0067 per kilowatt-hour per year as necessary, at his/her discretion, under a formula-type rate, with notification to the Federal Energy Regulatory Commission, to maintain the balance at a level that will recover average year purchased power costs.

The Administrator has followed Title 10, Part 903 Subpart A, of the Code of Federal Regulations, "Procedures for Public Participation in Power and Transmission Rate Adjustments and Extensions" in connection with the proposed rate schedule. On September 23, 2009, Southwestern published notice in the **Federal Register**, (74 FR 48527), of a 60-day comment period, together with a combined Public Information and Comment Forum, to provide an opportunity for customers and other interested members of the public to review and comment on the proposed rate increase for the Integrated System. The forum was canceled since no one expressed an intention to participate. Written comments were accepted through November 23, 2009. No comments were received.

Information regarding this rate proposal, including studies and other supporting material, is available for public review and comment in the offices of Southwestern Power Administration, Williams Center Tower I, One West Third Street, Tulsa, Oklahoma 74103. Following review of Southwestern's proposal within the Department of Energy, I approved, Rate Order No. SWPA-62, on an interim basis, which increases the existing Integrated System annual revenue requirement to \$177,586,158 per year for the period January 1, 2010 through September 30, 2013.

Dated: December 30, 2009.

**Daniel Poneman,**

*Deputy Secretary.*

UNITED STATES OF AMERICA  
DEPARTMENT OF ENERGY  
DEPUTY SECRETARY OF ENERGY

In the matter of: Southwestern Power Administration) Integrated System Rates: Rate Order No. SWPA-62.

ORDER CONFIRMING, APPROVING AND PLACING INCREASED POWER RATE SCHEDULES IN EFFECT ON AN INTERIM BASIS (\_\_\_\_\_)

Pursuant to Sections 302(a) and 301(b) of the Department of Energy Organization Act, Public Law 95-91, the functions of the Secretary of the Interior and the Federal Power Commission under Section 5 of the Flood Control Act of 1944, 16 U.S.C. 825s, relating to the Southwestern Power Administration (Southwestern) were transferred to and vested in the Secretary of Energy. By Delegation Order No. 00-037.00, the Secretary of Energy delegated to the Administrator of Southwestern the authority to develop power and transmission rates, delegated to the Deputy Secretary of the Department of Energy the authority to confirm, approve, and place in effect such rates on an interim basis and delegated to the Federal Energy Regulatory Commission (FERC) the authority to confirm and approve on a final basis or to disapprove rates developed by the Administrator under the delegation. The Deputy Secretary issued this interim rate order pursuant to that delegation.

**BACKGROUND**

FERC confirmation and approval of the following Integrated System (System) rate schedules was provided in FERC Docket No. EF09-4011-000 issued on June 24, 2009, (127 FERC ¶ 62,232) effective for the period January 1, 2009, through September 30, 2010:

Rate Schedule P-06A, Wholesale Rates for Hydro Peaking Power  
Rate Schedule NFTS-06A, Wholesale Rates for Non-Federal Transmission/ Interconnection Facilities Service.

FERC confirmation and approval of the following System rate schedule was provided in FERC Docket No. EF07-4011-000 issued February 27, 2007, (118 FERC ¶ 62,162) for the period October 1, 2006, through September 30, 2010:

Rate Schedule EE-06, Wholesale Rate for Excess Energy.

Southwestern prepared a 2009 Current Power Repayment Study (PRS) which indicated that the existing rates would not satisfy present financial criteria regarding repayment of investment within a 50-year period due to increased investments, replacements and operations and maintenance expenses in the U.S. Army Corps of Engineers (Corps) hydroelectric generating facilities and Southwestern's transmission facilities. The initial Revised PRS indicated the need for an 11.9 percent revenue increase.

An informal meeting was held in June 2009 with Southwestern's customer representatives to review the repayment and rate design processes and present the basis for the proposed revenue increase. At this informal meeting, suggestions from Southwestern's customers relating to investment service lives were discussed. As a result of the discussion, Southwestern made the determination to revise the proposed PRS. Upon completion of those changes in June 2009, Southwestern prepared a final 2009 Revised PRS for the System

resulting in approximately a one percent decrease in needed revenues from the initial proposal. Another informal meeting was tentatively scheduled for July 2009. However, none of Southwestern's customers requested to convene the meeting and as a result, none was held.

The final 2009 Revised PRS indicates that an increase in annual revenues of \$17,330,858 (10.8 percent) is necessary beginning January 1, 2010, to accomplish repayment in the required number of years. Accordingly, Southwestern has prepared proposed rate schedules based on the additional revenue requirement and the 2009 Rate Design Study which allocates the revenue requirement to the various System rate schedules to ensure repayment.

Title 10, Part 903, Subpart A of the Code of Federal Regulations, "Procedures for Public Participation in Power and Transmission Rate Adjustments and Extensions," has been followed in connection with the proposed rate adjustments. More specifically, opportunities for public review and comment on proposed System power rates during a 60-day period were announced by notice published in the **Federal Register**, September 23, 2009, (74 FR 48527). The consultation and comment period was shortened from the 90 days provided for in the regulations by the Administrator in accordance with Sec. 903.14 of 10 CFR part 903, because of the pre-issuance consultations that were held with Southwestern's customers and the need to assure new rates are in place by January 1, 2010. A Public Information and Comment Forum scheduled for October 7, 2009, in Tulsa, Oklahoma, was canceled since no one expressed an intent to attend. Southwestern mailed copies of the proposed June 2009 PRS and Rate Design Studies to customers and interested parties that requested the data, for review and comment during the formal period of public participation. Written comments were due by November 23, 2009.

No comments were received during the public participation process. Following the conclusion of the comment period on November 23, 2009, the 2009 Power Repayment and Rate Design Studies were finalized. The Administrator made the decision to submit the rate proposal for interim approval and implementation.

## DISCUSSION

### General

The existing rate schedules as developed in the 2006 Integrated System PRS were the basis for the revenue determination in the System Current PRS. The Current PRS indicates that existing rates are insufficient to produce the annual revenues necessary to accomplish repayment of the capital investment as required by Section 5 of the Flood Control Act of 1944 and Department of Energy (DOE) Order No. RA 6120.2.

The Revised PRS indicates it is necessary to increase annual revenues by \$17,330,858 or 10.8 percent, which satisfies the cost recovery criteria outlined in DOE Order No. RA 6120.2 and Section 5 of the Flood Control Act of 1944.

In Southwestern's 2009 Rate Design proposal, rates were designed to recover the

additional revenue requirements. The monthly demand charge for the sale of Federal hydroelectric power has increased. The base energy and supplemental energy charges also reflect an increase over the current rate. In addition, transmission charges for non-Federal, firm service have increased. Those customers taking transformation service will be affected by an increase in that rate component. The increases to the transmission charges are due to including projected additions and replacements to Southwestern's aging transmission facilities since the last rate change.

Consistent with FERC's Order No. 888, Southwestern will continue charging for the six ancillary services under Rate Schedule P-09 and Rate Schedule NTFS-09, and offering network transmission service under Rate Schedule NFTS-09. Southwestern's rate design has separated the six ancillary services for all transmission service. Two ancillary services, Scheduling, System Control and Dispatch Service together with Reactive and Voltage Support Service, are required for every transmission transaction. These charges are also a part of the capacity rate for Federal power. This is consistent with Southwestern's long-standing practice of charging for the sale and delivery of Federal power in its Federal demand charge. The four remaining ancillary services will be made available to any transmission user within Southwestern's balancing area, including Federal power customers. The rate schedules for Peaking Power and Non-Federal Transmission Service reflect these charges. Network transmission service is provided to those who request the service, within Southwestern's balancing area, but only for non-Federal deliveries. The rate for and application of this service are identified in the Non-Federal Transmission/Interconnection Facilities Service Rate Schedule, NFTS-09.

With respect to the Purchased Power Adder (Adder), Southwestern is proposing, as in all previous proposals beginning with the 1983 implementation of the purchased power rate component, that the Adder is set equal to the current average long-term purchased power revenue requirement. As shown in the Rate Design Study, the amount is determined by dividing the estimated total average direct purchased power costs by Southwestern's total annual contractual 1200-hour peaking energy commitments to the customers (exclusive of contract support arrangements). In this rate proposal, the resulting Adder does not change from the current \$0.0067 per kWh of peaking energy. The total revenue created through application of this Adder should enable Southwestern to cover its average annual purchased power costs.

## COMMENTS AND RESPONSES

Southwestern received no comments or questions during the public participation period.

## AVAILABILITY OF INFORMATION

Information regarding this rate proposal, including studies, comments and other supporting material, is available for public

review and comment in the offices of Southwestern Power Administration, One West Third Street, Tulsa, OK 74103.

## ADMINISTRATION'S CERTIFICATION

The June 2009 Revised PRS indicates that the increased power rates will repay all costs of the Integrated System including amortization of the power investment consistent with the provisions of Department of Energy Order No. RA 6120.2. In accordance with Delegation Order No. 00-037.00, December 6, 2001, and Section 5 of the Flood Control Act of 1944, the Administrator has determined that the proposed System rates are consistent with applicable law and the lowest possible rates consistent with sound business principles.

## ENVIRONMENT

The environmental impact of the proposed System rates was evaluated in consideration of DOE's guidelines for implementing the procedural provisions of the National Environmental Policy Act and was determined to fall within the class of actions that are categorically excluded from the requirements of preparing either an Environmental Impact Statement or an Environmental Assessment.

## ORDER

In view of the foregoing and pursuant to the authority delegated to me by the Secretary of Energy, I hereby confirm, approve and place in effect on an interim basis, effective January 1, 2010, the following Southwestern Integrated System Rate Schedules which shall remain in effect on an interim basis through September 30, 2013, or until the FERC confirms and approves the rates on a final basis.

Dated: December 30, 2009.

Daniel Poneman  
Deputy Secretary.

## UNITED STATES DEPARTMENT OF ENERGY SOUTHWESTERN POWER ADMINISTRATION

### RATE SCHEDULE P-09<sup>1</sup> WHOLESALE RATES FOR HYDRO PEAKING POWER

*Effective:* During the period January 1, 2010, through September 30, 2013, in accordance with Rate Order No. SWPA-62 issued by the Deputy Secretary of Energy on December 30, 2009.

*Available:* In the marketing area of Southwestern Power Administration (Southwestern), described generally as the States of Arkansas, Kansas, Louisiana, Missouri, Oklahoma, and Texas.

*Applicable:* To wholesale Customers which have contractual rights from Southwestern to purchase Hydro Peaking Power and associated energy (Peaking Energy and Supplemental Peaking Energy).

*Character and Conditions of Service:* Three-phase, alternating current, delivered at approximately 60 Hertz, at the nominal voltage(s), at the points of delivery, and in such quantities as are specified by contract.

### Definitions of Terms:

"Customer" is the entity which is utilizing and/or purchasing hydroelectric power and

<sup>1</sup> Supersedes Rate Schedule P-06A

associated energy and services from Southwestern pursuant to this rate schedule.

The "Demand Period" used to determine maximum integrated rates of delivery for the purpose of power accounting is the 60-minute period which begins with the change of hour. The term "peak demand" means the highest rate of delivery, in kilowatts, for any Demand Period during a particular month, at any particular point of delivery.

For the purposes of this Rate Schedule, the term "point of delivery" is used to mean either a single physical point at which electric power and energy are delivered from the System of Southwestern (defined below), or a specified set of delivery points which together form a single, electrically integrated load. "Peak demand" for such set of delivery points is computed as the coincidental highest rate of delivery among the specified points rather than as the sum of peak demands for each individual physical point of delivery.

The term "Peaking Contract Demand" means the maximum rate in kilowatts at which Southwestern is, by contract, obligated to deliver Peaking Energy during any Demand Period. Unless otherwise provided by contract, the "Peaking Billing Demand" for any month shall be equal to the "Peaking Contract Demand."

The term "Uncontrollable Force," as used herein, shall mean any force which is not within the control of the party affected, including, but not limited to failure of water supply, failure of facilities, flood, earthquake, storm, lightning, fire, epidemic, war, riot, civil disturbance, labor disturbance, sabotage, or restraint by court of general jurisdiction, which by exercise of due diligence and foresight such party could not reasonably have been expected to avoid.

The term "System of Southwestern" means the high-voltage transmission lines and related facilities Southwestern owns and operates, and/or has contractual rights to such transmission facilities owned by others.

"Ancillary Services" are those services necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation of the System of Southwestern in accordance with good utility practice. Definitions of the Ancillary Services are as follows:

"Scheduling, System Control, and Dispatch Service" is provided by Southwestern as Balancing Authority Area operator and is in regard to interchange and load-match scheduling and related system control and dispatch functions.

"Reactive Supply and Voltage Control from Generation Sources Service" is provided at transmission facilities in the System of Southwestern to produce or absorb reactive power and to maintain transmission voltages within specific limits.

"Regulation and Frequency Response Service" is the continuous balancing of generation and interchange resources accomplished by raising or lowering the output of on-line generation as necessary to follow the moment-by-moment changes in load and to maintain frequency within a Balancing Authority Area.

"Spinning Operating Reserve Service" maintains generating units on-line, but

loaded at less than maximum output, which may be used to service load immediately when disturbance conditions are experienced due to a sudden loss of generation or load.

"Supplemental Operating Reserve Service" provides an additional amount of operating reserve sufficient to reduce Area Control Error to zero within 10 minutes following loss of generating capacity which would result from the most severe single contingency.

"Energy Imbalance Service" corrects for differences over a period of time between schedules and actual hourly deliveries of energy to a load. Energy delivered or received within the authorized bandwidth (defined below) for this service is accounted for as an inadvertent flow and is returned to the providing party by the receiving party in accordance with standard utility practice.

*Energy Associated with Hydro Peaking Power:*

**PEAKING ENERGY:** 1,200 kilowatthours of Peaking Energy per kilowatt of Peaking Contract Demand will be furnished during each contract year.

**SUPPLEMENTAL PEAKING ENERGY:** Supplemental Peaking Energy (in addition to Peaking Energy) will be furnished if and when determined by Southwestern to be available, and at rates of delivery which do not exceed the Customer's Peaking Contract Demand.

*Monthly Rates for Peaking Contract Demand:*

**CAPACITY CHARGE FOR HYDRO PEAKING POWER:** \$4.06 per kilowatt of Peaking Billing Demand.

*Services Associated with Capacity Charge for Hydro Peaking Power*

The capacity charge for Hydro Peaking Power includes such transmission services as are necessary to integrate Southwestern's resources in order to reliably deliver Hydro Peaking Power and associated energy to Customers. This capacity charge also includes two ancillary services charges, Scheduling, System Control and Dispatch Service and Reactive Supply and Voltage Control from Generation Sources Service.

*Secondary Transmission Service under Capacity Associated with Hydro Peaking Power*

Customers may utilize the capacity associated with Peaking Contract Demand for the transmission of non-Federal energy, on a non-firm, as-available basis, at no additional charge for such transmission service or associated Ancillary Services, under the following terms and conditions:

(1) The sum of the capacity, for any hour, which is used for Peaking Energy, Supplemental Peaking Energy, and Secondary Transmission Service, may not exceed the Peaking Contract Demand;

(2) The non-Federal energy transmitted under such secondary service is delivered to the Customer's point of delivery for Hydro Peaking Power;

(3) The Customer commits to provide Real Power Losses associated with such deliveries of non-Federal energy; and

(4) Southwestern determines that sufficient transfer capability exists between the point of receipt into the System of Southwestern of such non-Federal energy and the Customer's

point of delivery for Hydro Peaking Power for the time period that such secondary transmission service is requested.

*Rates for Energy Associated with Hydro Peaking Power:*

(a) **PEAKING ENERGY CHARGE:** \$0.0086 per kilowatthour of Peaking Energy delivered; plus (c).

**SUPPLEMENTAL ENERGY CHARGE:** \$0.0086 per kilowatthour of Supplemental Peaking Energy delivered

(b) A purchased power adder of \$0.0067 per kilowatthour of Peaking Energy delivered, as adjusted by the Administrator, Southwestern, in accordance with the procedure within this rate schedule. This adder does not apply to:

Supplemental Peaking Energy, or Sales to any Customer which, by contract, has assumed the obligation to supply energy to fulfill the minimum of 1,200 kilowatthours of Peaking Energy per kilowatt of Peaking Contract Demand during a contract year (Contract Support Arrangements).

*Monthly Rates for Transformation Service:*  
**CAPACITY CHARGES FOR TRANSFORMATION SERVICE:** A charge of \$0.42 per kilowatt will be assessed for capacity used to deliver energy at any point of delivery at which Southwestern provides transformation service for deliveries at voltages of 69 kilovolts or less from higher voltage facilities.

*Application of Capacity Charges for Transformation Service*

For any particular month, charges for transformation service will be assessed on the greater of (1) that month's actual peak demand, or (2) the highest peak demand recorded during the previous 11 months, at any point of delivery. For the purpose of this Rate Schedule, the peak demand will be based on all deliveries, of both Federal and non-Federal energy, from the System of Southwestern, at such point during such month.

*Rates for Ancillary Services:*

**CAPACITY CHARGES FOR ANCILLARY SERVICES:**

(a) Regulation and Frequency Response Service: Monthly rate of \$0.09 per kilowatt of Peaking Billing Demand.

(b) Spinning Operating Reserve Service: Monthly rate of \$0.0092 per kilowatt of Peaking Billing Demand

Daily rate of \$0.00042 per kilowatt for non-Federal generation inside Southwestern's Balancing Authority Area.

(c) Supplemental Operating Reserve Service:

Monthly rate of \$0.0092 per kilowatt of Peaking Billing Demand

Daily rate of \$0.00042 per kilowatt for non-Federal generation inside Southwestern's Balancing Authority Area.

(d) Energy Imbalance Service: \$0.0 per kilowatt for all reservation periods.

*Availability of Ancillary Services*

Regulation and Frequency Response Service and Energy Imbalance Service are available only for deliveries of power and energy to load within Southwestern's Balancing Authority Area. Spinning and Supplement Operating Reserve Services are

available only for deliveries of non-Federal power and energy generated by resources located within Southwestern's Balancing Authority Area and for deliveries of all Hydro Peaking Power and associated energy from and within Southwestern's Balancing Authority Area. Where available, such Ancillary Services must be taken from Southwestern; unless, arrangements are made in accordance with the "Provision of Ancillary Services by Others" section of this rate schedule.

*Application of Ancillary Services Charges*

For any month, the charges for Ancillary Services listed above for deliveries of Hydro Peaking Power shall be based on the Peaking Billing Demand.

The daily charge for Spinning and Supplemental Operating Reserve Services for non-Federal generation inside Southwestern's Balancing Authority Area shall be applied to the greater of Southwestern's previous day's estimate of the peak, or the actual peak, in kilowatts, of the internal non-Federal generation.

*Provision of Ancillary Services by Others*

Customers for which Ancillary Services are made available as specified above, must inform Southwestern by written notice of the Ancillary Services which they do not intend to take and purchase from Southwestern, and of their election to provide all or part of such Ancillary Services from their own resources or from a third party.

Subject to Southwestern's approval of the ability of such resources or third parties to meet Southwestern's technical and operational requirements for provision of such Ancillary Services, the Customer may change the Ancillary Services which it takes from Southwestern and/or from other sources at the beginning of any month upon the greater of 60 days notice or upon completion of any necessary equipment modifications necessary to accommodate such change;

Provided; that if the Customer chooses not to take Regulation and Frequency Response Service, which includes the associated Regulation Purchased Adder, the Customer must pursue these services from a different host Balancing Authority; thereby moving all metered loads and resources from Southwestern's Balancing Authority Area to the Balancing Authority Area of the new host Balancing Authority. Until such time as that meter reconfiguration is accomplished, the Customer will be charged for the Regulation and Frequency Response Service and Regulation Purchased Adder then in effect. The Customer must notify Southwestern by July 1 of this choice, to be effective January 1 of the subsequent calendar year. Provided; that such Customers shall be assessed for all costs incurred by Southwestern for the Regulation Purchased Adder for the calendar year in which they give notice. Such assessment will be paid in twelve equal monthly payments during the subsequent calendar year.

*Regulation Purchased Adder*

From time to time, at Southwestern's sole discretion, Southwestern will make a determination that additional regulation purchases are necessary in order to meet its Balancing Authority Area requirements. With the exception of the initial year of

implementation, this Regulation Purchased Adder will be estimated annually before May 1, and Southwestern will provide written notice to Customers of the estimated Regulation Purchased Adder charge to be recovered in the next calendar year.

Provided; that should Southwestern incur additional costs beyond the estimate, such cost will be included in the Regulation Purchased Adder for that same calendar year.

The monthly charge will be placed into effect from January 1 through December 31. The cost for such Regulation Purchased Adder shall be recovered by Customers located within Southwestern's Balancing Authority Area on a non-coincident peak load-ratio share (LRS) basis, divided into twelve equal monthly payments. If the Regulation Purchased Adder is determined and applied under rate schedule NFTS-09, then it shall not be applied here.

The Regulation Purchased Adder is based on the following formula rate, calculated to include the costs incurred by Southwestern for regulation purchases for the previous calendar year.

*REGULATION PURCHASED ADDER FORMULA:*

$$RPA = (LRS_{customer} \times RP) \div 12$$

Where:

$$LRS_{customer} = (\text{Net Load} + \text{Generation for the Customer Peak Hour}) \div \text{Balancing Area Authority Non-Coincident Peak Load}$$

$$RP = (\text{Dollar per MWh of Regulation Purchased} - \text{Supplemental Energy Rate}) \times \text{Total MWh of Regulation Purchased.}$$

With factors defined as follows:

$$RPA = \text{The Customer's specific monthly dollar amount of Regulation Purchased Adder.}$$

$$LRS_{customer} = \text{The ratio of net load and generation for the customer peak hour in the previous calendar year, to the sum of the non-coincident net load and generation for each customer in the Balancing Authority Area for the same period.}$$

$$RP = \text{The dollar amount per megawatthour of regulation purchased, less the supplemental energy rate times the total megawatthour of regulation purchased.}$$

*Limitations on Energy Imbalance Service*

Energy Imbalance Service primarily applies to deliveries of power and energy which are required to satisfy a Customer's load. As Hydro Peaking Power and associated energy are limited by contract, the Energy Imbalance Service bandwidth specified for Non-Federal Transmission Service does not apply to deliveries of Hydro Peaking Power, and therefore Energy Imbalance Service is not charged on such deliveries. Customers who consume a capacity of Hydro Peaking Power greater than their Peaking Contract Demand may be subject to a Capacity Overrun Penalty.

*Application of Capacity Overrun Penalty*

Customers which have loads within Southwestern's Balancing Authority Area are obligated by contract to provide resources, over and above the Hydro Peaking Power and associated energy purchased from Southwestern, sufficient to meet their loads. A Capacity Overrun Penalty shall be applied only when the formulas provided in

Customers' contracts indicate an overrun on Hydro Peaking Power, and investigation determines that all resources, both firm and non-firm, which were available at the time of the apparent overrun were insufficient to meet the Customer's load.

*CAPACITY OVERRUN PENALTY*

For each hour during which Hydro Peaking Power was provided at a rate greater than that to which the Customer is entitled, the Customer will be charged a capacity overrun penalty at the following rates:

| Months associated with charge                          | Rate per kilowatt |
|--|-------------------|
| March, April, May, October, November, December .....   | \$0.15            |
| January, February, June, July, August, September ..... | \$0.30            |

*Application of Energy Overrun Penalty:*

By contract, the Customer is subject to limitations on the maximum amounts of Peaking Energy which may be scheduled during any month or during any four consecutive months. When the Customer schedules an amount in excess of such maximum amounts for any month, or schedules more than 1,200 hours of Peaking Energy per kilowatt of Peaking Contract Demand in any contract year, such Customer is subject to the Energy Overrun Penalty.

*ENERGY OVERRUN PENALTY:* For each kilowatthour of overrun: \$0.0946 per kilowatthour.

*Real Power Losses*

Customers are required to self-provide all Real Power Losses for non-Federal energy transmitted by Southwestern on behalf of such Customers under the provisions detailed below.

Real Power Losses are computed as four (4) percent of the total amount of non-Federal energy transmitted by Southwestern. The Customer's Monthly Real Power Losses are computed each month on a megawatthour basis as follows:

$$ML = .04 \times NFE$$

with the factors defined as follows:

ML = The total monthly loss energy, rounded to the nearest megawatthour, to be scheduled by a Customer for receipt by Southwestern for Real Power Losses associated with non-Federal energy transmitted on behalf of such Customer; and

NFE = The amount of non-Federal energy that was transmitted by Southwestern on behalf of a Customer during a particular month.

The Customer must schedule or cause to be scheduled to Southwestern, Real Power Losses for which it is responsible subject to the following conditions:

(1) The Customer shall schedule and deliver real power losses back to Southwestern during the second month after they were incurred by Southwestern in the transmission of the Customer's non-Federal power and energy over the System of Southwestern.

(2) On or before the twentieth day of each month, Southwestern shall determine the amount of non-Federal loss energy it

provided on behalf of the Customer during the previous month and provide a written schedule to the Customer setting forth hour-by-hour the quantities of non-Federal energy to be delivered to Southwestern as losses during the next month.

(3) Real Power Losses not delivered to Southwestern by the Customer, according to the schedule provided, during the month in which such losses are due shall be billed by Southwestern to the Customer to adjust the end-of-month loss energy balance to 0 megawatthours and the Customer shall be obliged to purchase such energy at the following rates:

| Months associated with charge                          | Rate per kilowatthour |
|--|-----------------------|
| March, April, May, October, November, December .....   | \$0.15                |
| January, February, June, July, August, September ..... | \$0.30                |

(4) Real Power Losses delivered to Southwestern by the Customer in excess of the losses due during the month shall be purchased by Southwestern from the Customer at a rate per megawatthour equal to Southwestern's rate per megawatthour for Supplemental Peaking Energy, as set forth in Southwestern's then-effective Rate Schedule for hydro peaking power to adjust such hourly end-of-month loss energy balance to 0 megawatthours.

**Requirements Related to Power Factor:** Any Customer served from facilities owned by or available by contract to Southwestern will be required to maintain a power factor of not less than 95 percent and will be subject to the following provisions.

**Determination of Power Factor:** The power factor will be determined for all Demand Periods and shall be calculated under the formula:

$$PF = (kWh) \div \sqrt{(kWh^2 + rkVAh^2)},$$

with the factors defined as follows:

PF = the power factor for any Demand Period of the month.

kWh = the total quantity of energy which is delivered during such Demand Period to the point of delivery or interconnection.

rkVAh = the total quantity of reactive kilovolt-ampere-hours (kvars) delivered during such Demand Period to the point of delivery or interconnection.

**Power Factor Penalty and Assessment:** The Customer shall be assessed a penalty for all Demand Periods of a month where the power factor is less than 95 percent lagging. For any Demand Period during a particular month such penalty shall be in accordance with the following formula:

$$C = D \times (.95 - LPF) \times \$0.10$$

with the factors defined as follows:

C = The charge in dollars to be assessed for any particular Demand Period of such month that the Determination of Power Factor "PF" is calculated to be less than 95 percent lagging.

D = The Customer's demand in kilowatts at the point of delivery for such Demand

Period in which a low power factor was calculated.

LPF = The lagging power factor, if any, determined by the formula "PF" for such Demand Period.

If C is negative, then C = zero (0).

**Application of Power Factor Penalty:** The Power Factor Penalty is applicable to radial interconnections with the System of Southwestern. The total Power Factor Penalty for any month shall be the sum of all charges "C" for all Demand Periods of such month. No penalty is assessed for leading power factor. Southwestern, in its sole judgment and at its sole option, may determine whether power factor calculations should be applied to a single physical point of delivery or to multiple physical points of delivery where a Customer has a single, electrically integrated load served through multiple points or interconnections. The general criteria for such decision shall be that, given the configuration of the Customer's and Southwestern's systems, Southwestern will determine, in its sole judgment and at its sole option, whether the power factor calculation more accurately assesses the detrimental impact on Southwestern's system when the above formula is calculated for a single physical point of delivery or for a combination of physical points or for an interconnection as specified by an Interconnection Agreement.

Southwestern, at its sole option, may reduce or waive power factor penalties when, in Southwestern's sole judgment, low power factor conditions were not detrimental to the System of Southwestern due to particular loading and voltage conditions at the time the power factor dropped below 95 percent lagging.

**Adjustment for Reduction in Service:** If, during any month, the quantity of Peaking Contract Demand of Southwestern's 1200 hour peaking power sales customers that is scheduled by the customer for delivery is reduced by Southwestern for a period or periods of not less than two consecutive hours by reason of an outage caused by either an Uncontrollable Force or by the installation, maintenance, replacement or malfunction of generation, transmission and/or related facilities on the System of Southwestern, or insufficient pool levels, the Customer's capacity charges for such month will be reduced for each such reduction in service by an amount computed under the formula:

$$R = (C \times K \times H) \div S$$

with the factors defined as follows:

R = the dollar amount of reduction in the monthly total capacity charges for a particular reduction of not less than two consecutive hours during any month, except that the total amount of any such reduction shall not exceed the product of the Customer's capacity charges associated with Hydro Peaking Power times the Peaking Billing Demand.

C = the Customer's capacity charges associated with Hydro Peaking Power for the Peaking Billing Demand for such month.

K = the reduction in kilowatts in Peaking Billing Demand for a particular event.

H = the number of hours duration of such particular reduction.

S = the number of hours that Peaking Energy is scheduled during such month, but not less than 60 hours times the Peaking Contract Demand.

Such reduction in charges shall fulfill Southwestern's obligation to deliver Peaking Power and Peaking Energy.

**Procedure for Determining Southwestern's Net Purchased Power Adder Adjustment**

Not more than twice annually, the Purchased Power Adder of \$.0067 (6.7 mills) per kilowatthour of Peaking Energy, as noted in this Rate Schedule, may be adjusted by the Administrator, Southwestern, by an amount up to a total of ±\$.0067 (6.7 mills) per kilowatthour per year, as calculated by the following formula:

$$ADJ = (PURCH - EST + DIF) \div SALES$$

with the factors defined as follows:

ADJ = the dollar amount of the total adjustment, plus or minus, to be applied to the Net Purchased Power Adder, rounded to the nearest \$.0001 per kilowatthour, provided that the total ADJ to be applied in any year shall not vary from the then-effective ADJ by more than \$.0067 per kilowatthour;

PURCH = the actual total dollar cost of Southwestern's System Direct Purchases as accounted for in the financial records of the Southwestern Federal Power System for the period;

EST = the estimated total dollar cost (\$15,064,500 per year) of Southwestern's System Direct Purchases used as the basis for the Purchased Power Adder of \$.0067 per kilowatthour of Peaking Energy;

DIF = the accumulated remainder of the difference in the actual and estimated total dollar cost of Southwestern's System Direct Purchases since the effective date of the currently approved Purchased Power Adder set forth in this rate schedule, which remainder is not projected for recovery through the ADJ in any previous periods;

SALES = the annual Total Peaking Energy sales projected to be delivered (2,241,300,000 KWh per year) from the System of Southwestern, which total was used as the basis for the \$.0067 per kilowatthour Purchased Power Adder.

**UNITED STATES DEPARTMENT OF ENERGY SOUTHWESTERN POWER ADMINISTRATION**

**RATE SCHEDULE NFTS-09<sup>1</sup> WHOLESALE RATES FOR NON-FEDERAL TRANSMISSION/INTERCONNECTION FACILITIES SERVICE**

**Effective:** During the period January 1, 2010, through September 30, 2013, in accordance with Rate Order No. SWPA-62 issued by the Deputy Secretary of Energy on December 30, 2009.

**Available:** In the region where Southwestern Power Administration (Southwestern) owns and operates high-voltage transmission lines and related facilities, and/or has contractual rights to

<sup>1</sup> Supersedes Rate Schedule NFTS-06A

such transmission facilities owned by others (System of Southwestern).

*Applicable:* To Customers which have executed Service Agreements with Southwestern for the transmission of non-Federal power and energy over the System of Southwestern or for its use for interconnections. Southwestern will provide services over those portions of the System of Southwestern in which the Administrator, Southwestern, in his or her sole judgment, has determined that uncommitted transmission and transformation capacities in the System of Southwestern are and will be available in excess of the capacities required to market Federal power and energy pursuant to Section 5 of the Flood Control Act of 1944 (58 Stat. 887,890; 16 U.S.C. 825s).

*Character and Conditions of Service:* Service will be provided as 3-phase, alternating current, at approximately 60 Hertz, and at the voltage level of the point(s) specified by Service Agreement or Transmission Service Transaction.

*Definitions of Terms:*

A Customer is the entity which is utilizing and/or purchasing services from Southwestern pursuant to this rate schedule.

A "Service Agreement" is a contract executed between a Customer and Southwestern for the transmission of non-Federal power and energy over the System of Southwestern or for interconnections. Service Agreements include:

"Firm Transmission Service Agreements" that provide for reserved transmission capacity on a firm basis, for a particular point-to-point delivery path.

"Non-Firm Transmission Service Agreements" that provide for the Customer to request transmission service on a non-firm basis.

"Network Transmission Service Agreements" that provide for the Customer to request firm transmission service for the delivery of capacity and energy from the Customer's network resources to the Customer's network load, for a period of one year or more.

"Interconnection Agreements" that provide for the use of the System of Southwestern and recognize the exchange of mutual benefits for such use or provide for application of a charge for Interconnection Facilities Service.

A "Service Request" is made under a Transmission Service Agreement through the Southwest Power Pool, Inc. (SPP) Open Access Same-Time Information System (OASIS) for reservation of transmission capacity over a particular point-to-point delivery path for a particular period. When a Service Request is approved by SPP, it becomes a "Transmission Service Transaction." The Customer must submit hourly schedules for actual service in addition to the Service Request.

"Firm Point-to-Point Transmission Service" is transmission service reserved on a firm basis between specific points of receipt and delivery pursuant to either a Firm Transmission Agreement or to a Transmission Service Transaction. "Non-Firm Point-to-Point Transmission Service" is transmission service reserved on a non-firm basis for specific points of receipt and

delivery pursuant to a Transmission Service Transaction. "Network Integration Transmission Service" is transmission service provided under Part III of Southwestern's Open Access Transmission Service Tariff which provides the Customer with firm transmission service for the delivery of capacity and energy from the Customer's resources to the Customer's load.

"Secondary Transmission Service" is associated with Firm Point-to-Point Transmission Service and Network Integration Transmission Service. For Firm Point-to-Point Transmission Service, it consists of transmission service provided on an as-available, non-firm basis, scheduled within the limits of a particular capacity reservation for transmission service, and scheduled from points of receipt, or to points of delivery, other than those designated in a Long-Term Firm Transmission Agreement or a Transmission Service Transaction for Firm Point-to-Point Transmission Service. For Network Integration Transmission Service, Secondary Transmission Service consists of transmission service provided on an as-available, non-firm basis, from resources other than the Network Resources designated in a Network Transmission Service Agreement, to meet the Customer's Network Load. The charges for Secondary Transmission Service, other than Ancillary Services, are included in the applicable capacity charges for Firm Point-to-Point Transmission Service and Network Integration Transmission Service.

The "Demand Period" used to determine a maximum integrated rate of delivery for the purposes of power accounting is the 60-minute period which begins with the change of hour. The term "Peak Demand" means the highest rate of delivery, in kilowatts, for any Demand Period during a particular month, at any particular point of delivery or interconnection.

For the purposes of this rate schedule, the term "Point of Delivery" is used to mean either a single physical point to which electric power and energy are delivered from the System of Southwestern, or a specified set of delivery points which together form a single, electrically integrated load. Peak Demand for such set of points is computed as the coincidental highest rate of delivery among the specified points rather than as the sum of peak demands for each individual physical point.

"Ancillary Services" are those services necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation of the System of Southwestern in accordance with good utility practice. Ancillary Services include:

"Scheduling, System Control, and Dispatch Service" ("Scheduling") is provided by Southwestern as Balancing Authority Area operator and is in regard to interchange and load-match scheduling and related system control and dispatch functions.

"Reactive Supply and Voltage Control from Generation Sources Service" ("Reactive Supply") is provided at transmission facilities in the System of Southwestern to produce or absorb reactive power and to maintain transmission voltages within specific limits.

"Regulation and Frequency Response Service" is the continuous balancing of generation and interchange resources accomplished by raising or lowering the output of on-line generation as necessary to follow the moment-by-moment changes in load and to maintain frequency within a Balancing Authority Area.

"Spinning Operating Reserve Service" maintains generating units on-line, but loaded at less than maximum output, which may be used to service load immediately when disturbance conditions are experienced due to a sudden loss of generation or load.

"Supplemental Operating Reserve Service" provides an additional amount of operating reserve sufficient to reduce Area Control Error to zero within 10 minutes following loss of generating capacity which would result from the most severe single contingency.

"Energy Imbalance Service" corrects for differences over a period of time between schedules and actual hourly deliveries of energy to a load.

"Interconnection Facilities Service" provides for the use of the System of Southwestern to deliver energy and/or provide system support at an interconnection.

*Rates for Firm Point-to-Point Transmission Service:*

**CAPACITY CHARGES FOR FIRM TRANSMISSION SERVICE:**

Monthly: \$1.18 per kilowatt of transmission capacity reserved in increments of one month of service or invoiced in accordance with a longer term agreement  
Weekly: \$0.295 per kilowatt of transmission capacity reserved in increments of one week of service  
Daily: \$0.0536 per kilowatt of transmission capacity reserved in increments of one day of service

*Service Associated with Capacity Charges for Firm Point-to-Point Transmission Service:* The capacity charge for firm transmission service includes Secondary Transmission Service, but does not include charges for Ancillary Services associated with actual schedules.

*Application of Capacity Charges for Firm Point-to-Point Transmission Service:* Capacity charges for firm transmission service are applied to quantities reserved by contract under a Firm Transmission Agreement or in accordance with a Transmission Service Transaction.

Customers, unless otherwise specified by contract, will be charged on the greatest of (1) the Peak Demand at any particular point of delivery during a particular month, rounded up to the nearest whole megawatt, or (2) the highest Peak Demand recorded at such point of delivery during any of the previous 11 months, rounded up to the nearest whole megawatt, or (3) the capacity reserved by contract; which amount shall be considered such Customer's reserved capacity. Secondary Transmission Service for such Customers shall be limited during any month to the most recent Peak Demand on which a particular Customer is billed or to the capacity reserved by contract, whichever is greater.

*Rates for Non-Firm Point-to-Point Transmission Service:*

**CAPACITY CHARGES FOR NON-FIRM TRANSMISSION SERVICE:**

- Monthly: 80 percent of the firm monthly charge of transmission capacity reserved in increments of one month of service
- Weekly: 80 percent of the firm monthly charge divided by 4 of transmission capacity reserved in increments of one week of service
- Daily: 80 percent of the firm monthly charge divided by 22 of transmission capacity reserved in increments of one day of service
- Hourly: 80 percent of the firm monthly charge divided by 352 of transmission capacity reserved in increments of one hour of service

*Application of Charges for Non-Firm Point-to-Point Transmission Service:* Capacity charges for Non-Firm Transmission Service are applied to quantities reserved under a Transmission Service Transaction, and do not include charges for Ancillary Services.

*Rates for Network Integration Transmission Service:*

**ANNUAL REVENUE REQUIREMENT FOR NETWORK INTEGRATION SERVICE:**  
\$13,107,700

**MONTHLY REVENUE REQUIREMENT FOR NETWORK INTEGRATION SERVICE:**  
\$1,092,308

**NET CAPACITY AVAILABLE FOR NETWORK INTEGRATION SERVICE:**  
929,000 kW

**CAPACITY CHARGE FOR NETWORK INTEGRATION TRANSMISSION SERVICE:**  
\$1.18 per kilowatt of Network Load (\$1,092,308/929,000 kW)

*Application of Charge for Network Integration Transmission Service:*

Network Integration Transmission Service is available only for deliveries of non-Federal power and energy, and is applied to the Customer utilizing such service exclusive of any deliveries of Federal power and energy. The capacity on which charges for any particular Customer utilizing this service is determined on the greatest of (1) the Peak Demand at any particular point of delivery during a particular month, rounded up to the nearest whole megawatt, or (2) the highest Peak Demand recorded at such point of delivery during any of the previous 11 months, rounded up to the nearest whole megawatt.

For those Customers taking Network Integration Transmission Service who are also taking delivery of Federal Power and Energy, the Peak Demand shall be determined by subtracting the energy scheduled for delivery of Federal Power and Energy for any hour from the metered demand for such hour.

Secondary transmission Service for such Customers shall be limited during any month to the most recent Peak Demand on which a particular Customer is billed. Charges for Ancillary Services shall also be assessed.

*Real Power Losses*

Customers are required to self-provide all Real Power Losses for non-Federal energy transmitted by Southwestern on behalf of such Customers under the provisions detailed below.

Real Power Losses are computed as four (4) percent of the total amount of non-Federal

energy transmitted by Southwestern. The Customer's Monthly Real Power Losses are computed each month on a megawatthour basis as follows:

$$ML = .04 \times NFE$$

with the factors defined as follows:

ML = The total monthly loss energy, rounded to the nearest megawatthour, to be scheduled by a Customer for receipt by Southwestern for Real Power Losses associated with non-Federal energy transmitted on behalf of such Customer; and

NFE = The amount of non-Federal energy that was transmitted by Southwestern on behalf of a Customer during a particular month.

The Customer must schedule or cause to be scheduled to Southwestern, Real Power Losses for which it is responsible subject to the following conditions:

(1) The Customer shall schedule and deliver real power losses back to Southwestern during the second month after they were incurred by Southwestern in the transmission of the Customer's non-Federal power and energy over the System of Southwestern.

(2) On or before the twentieth day of each month, Southwestern shall determine the amount of non-Federal loss energy it provided on behalf of the Customer during the previous month and provide a written schedule to the Customer setting forth hour-by-hour the quantities of non-Federal energy to be delivered to Southwestern as losses during the next month.

(3) Real Power Losses not delivered to Southwestern by the Customer, according to the schedule provided, during the month in which such losses are due shall be billed by Southwestern to the Customer to adjust the end-of-month loss energy balance to 0 megawatthours and the Customer shall be obliged to purchase such energy at the following rates:

| Months associated with charge                          | Rate per kilowatt hour |
|--|------------------------|
| March, April, May, October, November, December .....   | \$0.15                 |
| January, February, June, July, August, September ..... | \$0.30                 |

(4) Real Power Losses delivered to Southwestern by the Customer in excess of the losses due during the month shall be purchased by Southwestern from the Customer at a rate per megawatthour equal to Southwestern's rate per megawatthour for Supplemental Peaking Energy, as set forth in Southwestern's then-effective Rate Schedule for hydro peaking power to adjust such hourly end-of-month loss energy balance to 0 megawatthours.

*Monthly Capacity Charges for Transformation Service:* A charge of \$0.42 per kilowatt will be assessed for capacity used to deliver energy at any point of delivery at which Southwestern provides transformation for deliveries at voltages of 69 kilovolts or less from higher voltage facilities.

*Application of Capacity Charges for Transformation Service:* For any particular

month, charges for transformation service will be assessed on the greater of (1) that month's actual Peak Demand, or (2) the highest Peak Demand recorded during the previous 11 months. For the purpose of this rate schedule, the Peak Demand will be based on all deliveries, of both Federal and non-Federal energy, from the System of Southwestern, at such point during such month.

*Rates for Ancillary Services:*  
**CAPACITY CHARGES FOR ANCILLARY SERVICES ASSOCIATED WITH TRANSMISSION SERVICES:**

(a) Scheduling, System Control, and Dispatch Service:

Monthly: \$0.07 per kilowatt of transmission capacity reserved in increments of one month of service or invoiced in accordance with a Long-Term Firm Transmission Agreement or Network Transmission Service Agreement

Weekly: \$0.018 per kilowatt of transmission capacity reserved in increments of one week of service

Daily: \$0.0032 per kilowatt of transmission capacity reserved in increments of one day of service

Hourly: \$0.00020 per kilowatt of transmission energy delivered as non-firm transmission service.

(b) Reactive Supply and Voltage Control from Generation Sources Service:

Monthly: \$0.04 per kilowatt of transmission capacity reserved in increments of one month of service or invoiced in accordance with a Long-Term Firm Transmission Agreement or Network Transmission Service Agreement

Weekly: \$0.010 per kilowatt of transmission capacity reserved in increments of one week of service

Daily: \$0.0018 per kilowatt of transmission capacity reserved in increments of one day of service

Hourly: \$0.00011 per kilowatt of transmission energy delivered as non-firm transmission service.

(c) Regulation and Frequency Response Service:

Monthly: \$0.09 per kilowatt of transmission capacity reserved in increments of one month of service or invoiced in accordance with a Long-Term Firm Transmission Agreement or Network Transmission Service Agreement

Weekly: \$0.023 per kilowatt of transmission capacity reserved in increments of one week of service

Daily: \$0.0041 per kilowatt of transmission capacity reserved in increments of one day of service

Hourly: \$0.00026 per kilowatt of transmission energy delivered as non-firm transmission service.

(d) Spinning Operating Reserve Service:

Monthly: \$0.0092 per kilowatt of transmission capacity reserved in increments of one month of service or invoiced in accordance with a Long-Term Firm Transmission Agreement or Network Transmission Service Agreement

Weekly: \$0.0023 per kilowatt of transmission capacity reserved in increments of one week of service



Daily: \$0.00042 per kilowatt of transmission capacity reserved in increments of one day of service

Hourly: \$0.00003 per kilowatt of transmission energy delivered as non-firm transmission service.

(e) Supplemental Operating Reserve Service:

Monthly: \$0.0092 per kilowatt of transmission capacity reserved in increments of one month of service or invoiced in accordance with a Long-Term Firm Transmission Agreement or Network Transmission Service Agreement

Weekly: \$0.0023 per kilowatt of transmission capacity reserved in increments of one week of service

Daily: \$0.00042 per kilowatt of transmission capacity reserved in increments of one day of service

Hourly: \$0.00003 per kilowatt of transmission energy delivered as non-firm transmission service.

(f) Energy Imbalance Service: \$0.0 per kilowatt for all periods of reservation.

*Availability of Ancillary Services:*

Scheduling and Reactive Supply Services are available for all transmission services in and from the System of Southwestern and shall be provided by Southwestern. Regulation and Frequency Response Service and Energy Imbalance Service listed above are available only for deliveries of power and energy serving load within Southwestern's Balancing Authority Area and shall be provided by Southwestern, unless, subject to Southwestern's approval, they are provided by others. Spinning and Supplemental Operating Reserve Services are available only for deliveries of power and energy generated by resources located within Southwestern's Balancing Authority Area and shall be provided by Southwestern, unless, subject to Southwestern's approval, they are provided by others.

*Application of Ancillary Services Charges:*

Charges for all Ancillary Services are applied to the reserved or network transmission service taken by the Customer in accordance with the rates listed above when such services are provided by Southwestern.

The charges for Ancillary Services are considered to include Ancillary Services for any Secondary Transmission Service, except in cases where Ancillary Services (c) through (f) are applicable to a Secondary Transmission Service transaction, but are not applicable to the firm capacity reservation under which Secondary Transmission Service is provided. When charges for Ancillary Services are applicable to Secondary Transmission Service, the charge for the Ancillary Service shall be the hourly rate applied to all energy transmitted utilizing the Secondary Transmission Service.

*Provision of Ancillary Services by Others:*

Customers for which Ancillary Services (c) through (f) are made available as specified above must inform Southwestern by written notice of the Ancillary Services which they do not intend to take and purchase from Southwestern, and their election to provide all or part of such Ancillary Services from their own resources or a third party. Such

notice requirements also apply to requests for Southwestern to provide Ancillary Services when such services are available as specified above.

Subject to Southwestern's approval of the ability of such resources or third parties to meet Southwestern's technical and operational requirements for provision of such Ancillary Services, the customer may change the Ancillary Services which it takes from Southwestern and/or from other sources at the beginning of any month upon the greater of 60 days written notice or upon the completion of any necessary equipment modifications necessary to accommodate such change;

Provided; that if the Customer chooses not to take Regulation and Frequency Response Service, which includes the associated Regulation Purchased Adder, the Customer must pursue these services from a different host Balancing Authority; thereby moving all metered loads and resources from Southwestern's Balancing Authority Area to the Balancing Authority Area of the new host Balancing Authority. Until such time as that meter reconfiguration is accomplished, the Customer will be charged for the Regulation and Frequency Response Service and Adder then in effect. The Customer must notify Southwestern by July 1 of this choice, to be effective January 1 of the subsequent calendar year. Provided; that such Customers shall be assessed for all costs incurred by Southwestern for the Regulation Purchased Adder for the calendar year in which they give notice. Such assessment will be paid in twelve equal monthly payments during the subsequent calendar year.

*Regulation Purchased Adder:*

From time to time, at Southwestern's sole discretion, Southwestern will make a determination that additional regulation purchases are necessary in order to meet its Balancing Authority Area requirements. With the exception of the initial year of implementation, this Regulation Purchased Adder will be estimated annually before May 1, and Southwestern will provide written notice to Customers of the estimated Regulation Purchased Adder charge to be recovered in the next calendar year. Provided; that should Southwestern incur additional costs beyond the estimate, such cost will be included in the Regulation Purchased Adder for that same calendar year.

The monthly charge will be placed into effect from January 1 through December 31. The cost for such Regulation Purchased Adder shall be recovered by Customers located within Southwestern's Balancing Authority Area on a non-coincident peak load-ratio share (LRS) basis, divided into twelve equal monthly payments. If the Regulation Purchased Adder is determined and applied under rate schedule P-09, then it shall not be applied here.

The Regulation Purchased Adder is based on the following formula rate, calculated to include the costs incurred by Southwestern for regulation purchases for the previous calendar year.

**REGULATION PURCHASED ADDER FORMULA**

$$RPA = (LRS_{\text{customer}} \times RP) + 12$$

Where:

$$LRS_{\text{customer}} = (\text{Net Load} + \text{Generation for the Customer Peak Hour}) + \text{Balancing Area Authority Non-Coincident Peak Load.}$$

$$RP = (\text{Dollar per MWh of Regulation Purchased} - \text{Supplemental Energy Rate}) \times \text{Total MWh of Regulation Purchased.}$$

With factors defined as follows:

$$RPA = \text{The Customer's specific monthly dollar amount of Regulation Purchased Adder.}$$

$$LRS_{\text{customer}} = \text{The ratio of net load and generation for the customer peak hour in the previous calendar year, to the sum of the non-coincident net load and generation for each customer in the Balancing Authority Area for the same period.}$$

$$RP = \text{The dollar amount per megawatthour of regulation purchased, less the supplemental energy rate times the total megawatthour of regulation purchased.}$$

*Limitations on Energy Imbalance Service:*

Energy Imbalance Service is authorized for use only within a bandwidth of  $\pm 1.5$  percent of the actual requirements of the load at a particular point of delivery, for any hour, compared to the resources scheduled to meet such load during such hour. Deviations which are greater than  $\pm 1.5$  percent, but which are less than  $\pm 2,000$  kilowatts, are considered to be within the authorized bandwidth. Deviations outside the authorized bandwidth are subject to a Capacity Overrun Penalty.

Energy delivered or received within the authorized bandwidth for this service is accounted for as an inadvertent flow and will be netted against flows in the future. The inadvertent flow in any given hour will only be offset with the flows in the corresponding hour of a day in the same category. The two categories of days are weekdays and weekend days/North American Electric Reliability Council holidays. This process will result in a separate inadvertent accumulation for each hour of the two categories of days. The hourly accumulations in the current month will be added to the hourly inadvertent balances from the previous month, resulting in a month-end balance for each hour.

The Customer is required to adjust the scheduling of resources in such a way as to reduce the accumulation towards zero. It is recognized that the inadvertent hourly flows can be both negative and positive, and that offsetting flows should deter a significant accumulation of inadvertent. In the event any hourly month-end balance exceeds 12 MWh, the excess will be subject to the *Application of Capacity Overrun Penalty or the Unauthorized Use of Energy Imbalance Service by Overscheduling of Resources* provisions, depending on the direction of the accumulation.

*Application of Capacity Overrun Penalty:*

Customers, who receive deliveries within Southwestern's Balancing Authority Area, are obligated to provide resources sufficient to meet their loads. Such obligation is not related to the amount of transmission capacity that such Customers may have reserved for transmission service to a particular load. Customers whose resources are scheduled by Southwestern are not

subject to this provision. In the event that a Customer under schedules its resources to meet its load, resulting in a difference between resources and actual metered load (adjusted for transformer losses as applicable) outside the authorized bandwidth for Energy Imbalance Service for any hour, then such Customer is subject to the following penalty:

**CAPACITY OVERRUN PENALTY:** For each hour during which energy flows outside the authorized bandwidth, the Customer will be obliged to purchase such energy at the following rates:

| Months associated with charge                          | Rate per kilowatt |
|--|-------------------|
| March, April, May, October, November, December .....   | \$0.15            |
| January, February, June, July, August, September ..... | 0.30              |

**Unauthorized Use of Energy Imbalance Service by Overscheduling of Resources:** In the event that a Customer schedules greater resources than are needed to meet its load, such that energy flows at rates beyond the authorized bandwidth for the use of Energy Imbalance Service, Southwestern retains such energy at no cost to Southwestern and with no obligation to return such energy. Customers whose resources are scheduled by Southwestern are not subject to this provision.

**Application of Charge for Interconnection Facilities Service:** Any Customer that requests an interconnection from Southwestern which, in Southwestern's sole judgment and at its sole option, does not provide commensurate benefits or compensation to Southwestern for the use of its facilities shall be assessed a capacity charge for Interconnection Facilities Service. For any month, charges for Interconnection Facilities Service shall be assessed on the greater of (1) that month's actual Peak Demand, or (2) the highest Peak Demand recorded during the previous eleven months, as metered at the interconnection. The use of Interconnection Facilities Service will be subject to power factor provisions as specified in this rate schedule. The interconnection customer shall also schedule and deliver Real Power Losses pursuant to the provisions of this Rate Schedule based on metered flow through the interconnection where Interconnection Facilities Services is assessed.

**Rate for Interconnection Facilities Service:** The monthly capacity charge for Interconnection Facilities Service: \$1.18 per kilowatt

**Requirements Related to Power Factor:** Any Customer served from facilities owned by or available by contract to Southwestern will be required to maintain a power factor of not less than 95 percent and will be subject to the following provisions.

**Determination of Power Factor:** The power factor will be determined for all Demand Periods and shall be calculated under the formula:

$$PF = kWh \div \sqrt{(kWh^2 + rkVAh^2)},$$

with the factors defined as follows:

PF = the power factor for any Demand Period of the month.

kWh = the total quantity of energy which is delivered during such Demand Period to the point of delivery or interconnection.

rkVAh = the total quantity of reactive kilovolt-ampere-hours (kvars) delivered during such Demand Period to the point of delivery or interconnection.

**Power Factor Penalty and Assessment:** The Customer shall be assessed a penalty for all Demand Periods of a month where the power factor is less than 95 percent lagging. For any Demand Period during a particular month such penalty shall be in accordance with the following formula:

$$C = D \times (.95 - LPF) \times \$0.10$$

with the factors defined as follows:

C = The charge in dollars to be assessed for any particular Demand Period of such month that the Determination of Power Factor "PF" is calculated to be less than 95 percent lagging.

D = The Customer's demand in kilowatts at the point of delivery for such Demand Period in which a low power factor was calculated.

LPF = The lagging power factor, if any, determined by the formula "PF" for such Demand Period.

If C is negative, then C = zero (0).

**Application of Power Factor Penalty:**

The Power Factor Penalty is applicable to radial interconnections with the System of Southwestern. The total Power Factor Penalty for any month shall be the sum of all charges "C" for all Demand Periods of such month. No penalty is assessed for leading power factor. Southwestern, in its sole judgment and at its sole option, may determine whether power factor calculations should be applied to a single physical point of delivery or to multiple physical points of delivery where a Customer has a single, electrically integrated load served through multiple points or interconnections. The general criteria for such decision shall be that, given the configuration of the Customer's and Southwestern's systems, Southwestern will determine, in its sole judgment and at its sole option, whether the power factor calculation more accurately assesses the detrimental impact on Southwestern's system when the above formula is calculated for a single physical point of delivery or for a combination of physical points or for an interconnection as specified by an Interconnection Agreement.

Southwestern, at its sole option, may reduce or waive power factor penalties when, in Southwestern's sole judgment, low power factor conditions were not detrimental to the System of Southwestern due to particular loading and voltage conditions at the time the power factor dropped below 95 percent lagging.

**UNITED STATES DEPARTMENT OF ENERGY SOUTHWESTERN POWER ADMINISTRATION**

**RATE SCHEDULE EE-09<sup>1</sup> WHOLESALE RATE FOR EXCESS ENERGY**

**Effective:** During the period January 1, 2010, through September 30, 2013, in accordance with Rate Order No. SWPA-62 issued by the Deputy Secretary of Energy on December 30, 2009.

**Available:** In the marketing area of Southwestern Power Administration (Southwestern), described generally as the States of Arkansas, Kansas, Louisiana, Missouri, Oklahoma, and Texas.

**Applicable:** To electric utilities which, by contract, may purchase Excess Energy from Southwestern.

**Character and Conditions of Service:** Three-phase, alternating current, delivered at approximately 60 Hertz, at the nominal voltage and points of delivery specified by contract.

**Energy Associated with this Rate Schedule:** Excess Energy will be furnished at such times and in such amounts as Southwestern determines to be available.

**Transmission and Related Ancillary Services:** Transmission service for the delivery of Excess Energy shall be the sole responsibility of such customer purchasing Excess Energy.

**Rate for Excess Energy:** Energy Charge: \$0.0086 per kilowatthour.

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**BILLING CODE 6450-01-P**

**DEPARTMENT OF ENERGY**

**Federal Energy Regulatory Commission**

[Docket No. RM98-1-000]

**Records Governing Off-the-Record Communications; Public Notice**

January 4, 2010.

This constitutes notice, in accordance with 18 CFR 385.2201(b), of the receipt of prohibited and exempt off-the-record communications.

Order No. 607 (64 FR 51222, September 22, 1999) requires Commission decisional employees, who make or receive a prohibited or exempt off-the-record communication relevant to the merits of a contested proceeding, to deliver to the Secretary of the Commission, a copy of the communication, if written, or a summary of the substance of any oral communication.

Prohibited communications are included in a public, non-decisional file associated with, but not a part of, the decisional record of the proceeding. Unless the Commission determines that the prohibited communication and any responses thereto should become a part

<sup>1</sup> Supersedes Rate Schedule EE-06.