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May 18, 2018

VIA E-TARIFF

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

**Re: PacifiCorp, Docket Nos. ER17-219-____, EL17-27-____
eTariff Compliance Filing for Schedules 3, 3A, 5, and 6**

Dear Secretary Bose:

Pursuant to Part 35 of the Federal Energy Regulatory Commission's (the "Commission") Rules of Practice and Procedure,¹ and in compliance with the Commission's order in *PacifiCorp*, 163 FERC ¶ 61,035 (2018) ("April 2018 Order"), PacifiCorp hereby submits this transmittal letter and revised tariff sheets for its Open Access Transmission Tariff ("OATT") Schedules 3, 3A, 5, and 6. In an order issued on February 2, 2017, the Commission accepted, subject to refund, PacifiCorp's proposed revisions to Schedules 3, 3A, 5, and 6, and established hearing and settlement judge procedures for these Schedules.²

Following settlement judge procedures, the parties to this proceeding reached a settlement, which was approved by the Commission in the April 2018 Order. However, the April 2018 Order required PacifiCorp to submit a compliance filing to file revised tariff records for Schedules 3, 3A, 5 and 6.³ PacifiCorp respectfully requests that the Commission accept this filing as compliant with the April 2018 Order, effective January 1, 2018.

PacifiCorp also notes that the settlement contemplated that the filing of Attachments U and V, which contain the revised criteria for self-supply of services under Schedules 5 and 6, would occur on a later date to be agreed to by the settlement parties.⁴ In accordance with Section 3.1 of the settlement, the parties have agreed to an effective date of July 1, 2018 for the

¹ 18 C.F.R. Part 35 (2018).

² *PacifiCorp*, 158 FERC ¶ 61,121 (2017) ("February 2017 Order").

³ April 2018 Order at P 8.

⁴ *PacifiCorp*, ER17-219-002, Offer of Settlement, at Section 3.1 (filed Jan. 31, 2018).

filing of Attachments U and V, and PacifiCorp is thus simultaneously making a separate filing with those tariff records and requesting a July 1, 2018 effective date.⁵

I. BACKGROUND

On October 28, 2016, PacifiCorp filed proposed updates to five OATT Schedules: Schedule 3, Regulation and Frequency Response Service; Schedule 3A, Generator Regulation and Frequency Response Service; Schedule 5, Operating Reserve – Spinning Reserve Service; and Schedule 6, Operating Reserve – Supplemental Reserve Service (together the “Regulation and Operating Reserve Schedules”); and Schedule 11, Unauthorized Use of Transmission Service—to which only minor clarifying revisions were proposed (“Initial Filing”).⁶ The then effective rates in these schedules were the product of a 2011 “black box” settlement that had become effective in March 2013 (the “2013 Schedules”).⁷ PacifiCorp explained that the purpose of the revisions to the Regulation and Operating Reserve Schedules were to: (1) permit PacifiCorp to better allocate the costs and benefits of providing reserve service among customer groups; (2) ensure reliable operation of the PacifiCorp transmission system; and (3) make certain that PacifiCorp recovered the costs of providing regulation reserve and operating reserve services. In addition, the proposed revisions for Regulation reserve provided for differentiated rates to reflect the variability in costs associated with variable energy resources (“VERs”), resources that are not VERs (“Non-VERs”), and load.

In response to protests and certain errors noted by Utah Municipal Power Agency and Deseret Generation & Transmission Co-operative, Inc. (“Deseret”), on December 14, 2016, PacifiCorp filed a response (“Answer”), which also amended PacifiCorp’s complaint.⁸ In particular, in its Answer, PacifiCorp removed third-party shares of units at the Hunter power plant from the facilities that are likely to provide ancillary services, and corrected the amount of Deseret’s peak load subject to Schedule 3 charges.⁹ These changes would reduce the rates from those PacifiCorp first proposed in its Initial Filing, and in an effort to be responsive to these changes, PacifiCorp proposed in its Answer to file updated ancillary service schedules in a

⁵ PacifiCorp notes that the effective date for the interim tariff records for Schedules 3, 3A, 5, and 6 is February 1, 2018. PacifiCorp understands that the tariff records with a later-in-time effective date (i.e., February 1, 2018) will appear as effective in the eTariff viewer rather than the tariff records filed herewith with the effective date of January 1, 2018. Because PacifiCorp is making conforming changes to Schedules 3, 3A, 5, and 6 to show the agreed-to 2017 rates under those schedules, as approved by the Commission, PacifiCorp is also refiling those tariff records with the concurrent filing of Attachments U and V and requesting an effective date of July 1, 2018 to bring forward the correct tariff record as the currently-effective tariff record.

⁶ *PacifiCorp*, Docket No. ER17-219-000, Transmittal Letter at 1 (filed Oct. 28, 2016) (“PacifiCorp Transmittal Letter”).

⁷ *Id.*; February 2017 Order at P 2.

⁸ February 2017 Order at P 38 (finding that PacifiCorp’s December 14, 2016 Answer to be an amendment to its October 28, 2016 filing).

⁹ *Id.*

future compliance filing.¹⁰ PacifiCorp made that compliance filing on March 3, 2017,¹¹ which the Commission accepted on June 7, 2017.¹²

Following the issuance of the Commission's February 2017 Order, all parties to this proceeding engaged in settlement discussions before Judge Glazer. The settlement discussions ultimately resulted in an uncontested settlement, which PacifiCorp filed with the Commission on January 31, 2018.¹³ The Commission accepted the parties' uncontested offer of settlement in its April 2018 Order.

II. DESCRIPTION OF FILING

In compliance with the Commission April 2018 Order,¹⁴ PacifiCorp is submitting revised tariff sheets for Schedules 3, 3A, 5, and 6 that reflect the rates and self-supply of ancillary services concepts agreed to by all parties to this proceeding in the uncontested offer of settlement approved by the Commission.

III. ADDITIONAL INFORMATION

A. Requested Effective Date

Consistent with the April 2018 Order, PacifiCorp respectfully requests an effective date of January 1, 2018 for the Schedules 3, 3A, 5, and 6 rates.¹⁵ PacifiCorp respectfully requests waiver of the Commission's prior notice requirements in order to permit this requested effective date. The Commission has authority to waive the sixty day notice requirement upon a showing of "good cause."¹⁶

¹⁰ *Id.*; see also PacifiCorp Answer at 54.

¹¹ *PacifiCorp*, Docket No. ER17-219-001, Ancillary Services Compliance Filing (filed March 3, 2017) ("1st Compliance Filing").

¹² *PacifiCorp*, Docket No. ER17-219-001, Delegated Letter Order (June 7, 2017) (accepting 1st Compliance Filing).

¹³ *PacifiCorp*, ER17-219-002, Offer of Settlement (filed Jan. 31, 2018).

¹⁴ April 2018 Order at P 8.

¹⁵ April 2018 Order at P 3 where the Commission notes, "The Settlement essentially establishes two sets of black-box rates for ancillary services, over two periods. For Schedules 3 and 3A, the first set of rates is effective from July 13, 2017 through December 31, 2017, and the second set, beginning January 1, 2018. For Schedules 5 and 6, the first set of rates is effective February 13, 2017, and the second, beginning January 1, 2018."

¹⁶ See *Central Hudson Gas & Electric Corp.*, 60 FERC ¶ 61,106 at 61,338, *order on reh'g*, 61 FERC ¶ 61,089 (1992).

Good cause exists to waive the prior notice requirements because all parties have agreed that the rates shall become effective as of that date, and the Commission has already approved January 1, 2018 as the effective date in its April 2018 Order.

B. Documents Included with this Filing

PacifiCorp is submitting an eTariff XML filing package that consists of the following materials:

- This Transmittal Letter;
- Revised tariff records, as approved by the Commission in the April 2018 Order, for filing in eTariff;
- Redline Comparisons of Schedules 3, 3A, 5, and 6; and
- Clean versions of the revised Tariff records, for filing in eLibrary.

IV. CONCLUSION

PacifiCorp respectfully requests that the Commission accept the tariff records contained herein for filing and permit an effective date of January 1, 2018 for OATT Schedules 3, 3A, 5, and 6.

Respectfully Submitted,

/s/ Amie V. Colby
Amie V. Colby

Attorney for PacifiCorp

CERTIFICATE OF SERVICE

I hereby certify that on this, the 18th day of May, 2018, I have caused a copy of the foregoing document to be served via electronic mail on the official service list compiled by the Office of the Secretary for the above-referenced proceedings.

/s/ Jessica Zahnow

Jessica Zahnow
Senior Compliance Specialist for PacifiCorp

May 18, 2018
Portland, OR

SCHEDULE 3

Regulation and Frequency Response Service

Regulation and Frequency Response Service is necessary to provide for the continuous balancing of resources (generation and interchange) with load and for maintaining scheduled Interconnection frequency at sixty cycles per second (60 Hz). Regulation and Frequency Response Service is accomplished by committing on-line generation whose output is raised or lowered (predominantly through the use of automatic generating control equipment) and by other non-generation resources capable of providing this service as necessary to follow the moment-by-moment changes in load. The obligation to maintain this balance between resources and load lies with the Transmission Provider (or the BA that performs this function for the Transmission Provider).

The Transmission Provider must offer this service when the Transmission Service is used to serve load within its BAA. The Transmission Customer must purchase this service from the Transmission Provider, self-supply the service, or make alternative comparable arrangements to satisfy its Regulation and Frequency Response Service obligation as further described in applicable PacifiCorp business practices. The Transmission Provider will take into account the speed and accuracy of regulation resources in its determination of Regulation and Frequency Response reserve requirements, including as it reviews whether a self-supplying Transmission Customer has made alternative comparable arrangements. Upon request by the self-supplying Transmission Customer, the Transmission Provider will share with the Transmission Customer its reasoning and any related data used to make the determination of whether the Transmission Customer has made alternative comparable arrangements.

For purposes of serving load under this schedule, the amount of and charges for Regulation and Frequency Response Service are differentiated by load, Variable Energy Resources (VERs), and resources that are not VERs (Non-VERs). The Transmission Customer shall pay a total Regulation and Frequency Response Service charge under this tariff equal to the sum of the charges applicable to the customer's load, VERs, and Non-VERs, as set forth below. To the extent the BA performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that BA.

Charge for Regulation and Frequency Response Service:

The load charges below apply to all load served by Network Integration Transmission Service or by Point-To-Point Transmission Service. Firm imports do not reduce the load obligation.

The rates below are applied to the Transmission Customer's Monthly Network Load for Network Integration Transmission Service or to the load served by Point-To-Point Transmission Service.

Load

	Effective Rates from July 13, 2017 through December 31, 2017	Effective Rates beginning January 1, 2018
1. Yearly Rate	\$2.25 per kW-Year	\$2.124 per kW-Year
2. Monthly Rate	\$0.188 per kW-Month	\$0.177 per kW-Month

The charges below apply to all generators serving Network Load and are differentiated by the type of resources (VERs or Non-VERs) serving that load. The applicable differentiated rate below is applied to customers by charging the monthly rate times the nameplate capacity of the generator.

Each year by December 1, the Transmission Customer shall provide to the Transmission Provider, attestation of the nameplate capacity of VERs and Non-VERs owned or controlled by the Transmission Customer and located within the BAA.

VERs - Uncommitted Scheduling

	Effective Rates from July 13, 2017 through December 31, 2017	Effective Rates beginning January 1, 2018
1. Yearly Rate	\$6.984 per kW-Year	\$6.593 per kW-Year
2. Monthly Rate	\$0.582 per kW-Month	\$0.549 per kW-Month

VERs - Committed Scheduling

To qualify for this committed scheduling rate for a month, during every hour of that month (except as specified below), a VER customer must utilize and submit into BSAP by 57 minutes prior to the operating hour (T-57), consistent with PacifiCorp's EIM Business Practice, hour-ahead base schedules consistent with PacifiCorp's VER forecast vendor's forecast available as of no more than 72 minutes prior to the operating hour (T-72) without modification or manual override of the hour-ahead forecast, fifteen-minute schedule, and five-minute schedule. In any calendar month for up to two operating hour

intervals, a VER customer may utilize and submit into BSAP by T-57, hour-ahead schedules consistent with PacifiCorp's VER forecast vendor's forecast available as of up to 90 minutes prior to the operating hour (T-90), without modification or manual override of the hour-ahead forecast, fifteen-minute schedule, and five-minute schedule, and still be eligible for this rate. Use and submission into BSAP of hour-ahead schedules older than PacifiCorp's VER forecast vendor's forecast at T-90 in any hour during a calendar month will make a VER customer ineligible for this rate in that month.

	Effective Rates from July 13, 2017 through December 31, 2017	Effective Rates beginning January 1, 2018
1. Yearly Rate	\$5.965 per kW-Year	\$5.631 per kW-Year
2. Monthly Rate	\$0.497 per kW-Month	\$0.469 per kW-Month

Non-VERs

	Effective Rates from July 13, 2017 through December 31, 2017	Effective Rates beginning January 1, 2018
1. Yearly Rate	\$1.90 per kW-Year	\$1.794 per kW-Year
2. Monthly Rate	\$0.158 per kW-Month	\$0.150 per kW-Month

Self-Supply:

A Network Customer may choose to self-supply its Regulation and Frequency Response Service obligation consistent with the requirements herein and PacifiCorp's business practices and consistent with the settlement in Docket Nos. ER17-219 and EL17-27.

The total charge for failure to self-supply shall not exceed the Monthly Rate pursuant to this Schedule 3 times the highest amount in megawatts not covered under self-supply.

SCHEDULE 3

Regulation and Frequency Response Service

Regulation and Frequency Response Service is necessary to provide for the continuous balancing of resources (generation and interchange) with load and for maintaining scheduled Interconnection frequency at sixty cycles per second (60 Hz). Regulation and Frequency Response Service is accomplished by committing on-line generation whose output is raised or lowered (predominantly through the use of automatic generating control equipment) and by other non-generation resources capable of providing this service as necessary to follow the moment-by-moment changes in load. The obligation to maintain this balance between resources and load lies with the Transmission Provider (or the BA that performs this function for the Transmission Provider).

The Transmission Provider must offer this service when the Transmission Service is used to serve load within its BAA. The Transmission Customer must purchase this service from the Transmission Provider, self-supply the service, or make alternative comparable arrangements to satisfy its Regulation and Frequency Response Service obligation as further described in applicable PacifiCorp business practices. The Transmission Provider will take into account the speed and accuracy of regulation resources in its determination of Regulation and Frequency Response reserve requirements, including as it reviews whether a self-supplying Transmission Customer has made alternative comparable arrangements. Upon request by the self-supplying Transmission Customer, the Transmission Provider will share with the Transmission Customer its reasoning and any related data used to make the determination of whether the Transmission Customer has made alternative comparable arrangements.

For purposes of serving load under this schedule, the amount of and charges for Regulation and Frequency Response Service are differentiated by load, Variable Energy Resources (VERs), and resources that are not VERs (Non-VERs). The Transmission Customer shall pay a total Regulation and Frequency Response Service charge under this tariff equal to the sum of the charges applicable to the customer's load, VERs, and Non-VERs, as set forth below. To the extent the BA performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that BA.

Charge for Regulation and Frequency Response Service:

The load charges below apply to all load served by Network Integration Transmission Service or by Point-To-Point Transmission Service. Firm imports do not reduce the load obligation.

The rates below are applied to the Transmission Customer's Monthly Network Load for Network Integration Transmission Service or to the load served by Point-To-Point Transmission Service.

Load

- ~~1. Yearly Rate \$2.124 per kW-Year~~
- ~~2. Monthly Rate \$0.177 per kW-Month~~

	<u>Effective Rates from July 13, 2017 through December 31, 2017</u>	<u>Effective Rates beginning January 1, 2018</u>
<u>1. Yearly Rate</u>	<u>\$2.25 per kW-Year</u>	<u>\$2.124 per kW-Year</u>
<u>2. Monthly Rate</u>	<u>\$0.188 per kW-Month</u>	<u>\$0.177 per kW-Month</u>

The charges below apply to all generators serving Network Load and are differentiated by the type of resources (VERs or Non-VERs) serving that load. The applicable differentiated rate below is applied to customers by charging the monthly rate times the nameplate capacity of the generator.

Each year by December 1, the Transmission Customer shall provide to the Transmission Provider, attestation of the nameplate capacity of VERs and Non-VERs owned or controlled by the Transmission Customer and located within the BAA.

VERs - Uncommitted Scheduling

- ~~1. Yearly Rate \$6.593 per kW-Year~~
- ~~2. Monthly Rate \$0.549 per kW-Month~~

	<u>Effective Rates from July 13, 2017 through December 31, 2017</u>	<u>Effective Rates beginning January 1, 2018</u>
<u>1. Yearly Rate</u>	<u>\$6.984 per kW-Year</u>	<u>\$6.593 per kW-Year</u>
<u>2. Monthly Rate</u>	<u>\$0.582 per kW-Month</u>	<u>\$0.549 per kW-Month</u>

VERs - Committed Scheduling

To qualify for this committed scheduling rate for a month, during every hour of that month (except as specified below), a VER customer must utilize and submit into BSAP by 57 minutes prior to the operating hour (T-57), consistent with PacifiCorp's EIM Business Practice, hour-ahead base schedules consistent with PacifiCorp's VER forecast vendor's forecast available as of no more than 72 minutes prior to the operating hour (T-72) without modification or manual override of the hour-ahead forecast, fifteen-minute schedule, and five-minute schedule. In any calendar month for up to two operating hour intervals, a VER customer may utilize and submit into BSAP by T-57, hour-ahead schedules consistent with PacifiCorp's VER forecast vendor's forecast available as of up to 90 minutes prior to the operating hour (T-90), without modification or manual override of the hour-ahead forecast, fifteen-minute schedule, and five-minute schedule, and still be eligible for this rate. Use and submission into BSAP of hour-ahead schedules older than PacifiCorp's VER forecast vendor's forecast at T-90 in any hour during a calendar month will make a VER customer ineligible for this rate in that month.

- ~~1. Yearly Rate \$5.631 per kW-Year~~
- ~~2. Monthly Rate \$0.469 per kW-Month~~

	<u>Effective Rates from July 13, 2017 through December 31, 2017</u>	<u>Effective Rates beginning January 1, 2018</u>
<u>1. Yearly Rate</u>	<u>\$5.965 per kW-Year</u>	<u>\$5.631 per kW-Year</u>
<u>2. Monthly Rate</u>	<u>\$0.497 per kW-Month</u>	<u>\$0.469 per kW-Month</u>

Non-VERs

- ~~1. Yearly Rate \$1.794 per kW-Year~~
- ~~2. Monthly Rate \$0.150 per kW-Month~~

	<u>Effective Rates from July 13, 2017 through December 31, 2017</u>	<u>Effective Rates beginning January 1, 2018</u>
<u>1. Yearly Rate</u>	<u>\$1.90 per kW-Year</u>	<u>\$1.794 per kW-Year</u>
<u>2. Monthly Rate</u>	<u>\$0.158 per kW-Month</u>	<u>\$0.150 per kW-Month</u>

Self-Supply:

A Network Customer may choose to self-supply its Regulation and Frequency Response Service obligation consistent with the requirements herein and PacifiCorp's business practices ~~and~~ and consistent with the settlement in Docket Nos. ER17-219 and EL17-27.

The total charge for failure to self-supply shall not exceed the Monthly Rate pursuant to this Schedule 3A times the highest amount in megawatts not covered under self-supply.

SCHEDULE 3A

Generator Regulation and Frequency Response Service

Generator Regulation and Frequency Response Service is necessary to provide for the continuous balancing of resources (generation and interchange) with load and for maintaining scheduled Interconnection frequency at sixty cycles per second (60 Hz). Generator Regulation and Frequency Response Service is accomplished by committing on-line generation whose output is raised or lowered (predominantly through the use of automatic generating control equipment) as necessary to follow the moment-by-moment changes for a generator located within the BAA. The obligation to maintain this balance between resources and the generator's schedule lies with the Transmission Provider (or the BAA that performs this function for the Transmission Provider).

The Transmission Provider must offer this service when transmission service is provided for a generator physically or electrically located in the Transmission Provider's BAA. Generator Regulation and Frequency Response Service applies to the extent that a Transmission Customer is not already subject to Regulation and Frequency Response Service provided under Schedule 3. When applicable, the Transmission Customer must purchase Generator Regulation and Frequency Response Service from the Transmission Provider, self-supply the service, or make alternative comparable arrangements, as further described in applicable PacifiCorp business practices which may include self-supplying regulation reserve capacity from generation or non-generation resources or through dynamically scheduling its generation to another BAA. The Transmission Provider will take into account the speed and accuracy of regulation resources in its determination of Generator Regulation and Frequency Response reserve requirements, including as it reviews whether a self-supplying Transmission Customer has made alternative comparable arrangements. Upon request by the self-supplying Transmission Customer, the Transmission Provider will share with the Transmission Customer its reasoning and any related data used to make the determination of whether the Transmission Customer has made alternative comparable arrangements.

For purposes of exports or Third-Party Sales, the amount of and charges for Generator Regulation and Frequency Response Service are differentiated by the type of exporting resource (Variable Energy Resources (VERs) or resources that are not VERs (Non-VERs)) and are set forth below. To the extent a BA performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission

Provider by that BA. The Transmission Provider may not charge a Transmission Customer for regulation reserves under both Schedule 3 and Schedule 3A for the same transaction.

Charge for Generator Regulation and Frequency Response Service:

The charges below apply to generation that originates in the PacifiCorp BAA and terminates in another BAA or for any resource not designated as a Network Resource. The applicable differentiated rate below is applied to customers by charging the monthly rate times the nameplate capacity of the generator.

Each year by December 1, the Transmission Customer shall provide to the Transmission Provider, attestation of the nameplate capacity of VERs and Non-VERs owned or controlled by the Transmission Customer and located within the BAA.

VERs - Uncommitted Scheduling

	Effective Rates from July 13, 2017 through December 31, 2017	Effective Rates beginning January 1, 2018
1. Yearly Rate	\$6.984 per kW-Year	\$6.593 per kW-Year
2. Monthly Rate	\$0.582 per kW-Month	\$0.549 per kW-Month

VERs - Committed Scheduling

To qualify for this committed scheduling rate for a month, during every hour of that month (except as specified below), a VER customer must utilize and submit into BSAP by 57 minutes prior to the operating hour (T-57), consistent with PacifiCorp's EIM Business Practice, hour-ahead base schedules consistent with PacifiCorp's VER forecast vendor's forecast available as of no more than 72 minutes prior to the operating hour (T-72) without modification or manual override of the hour-ahead forecast, fifteen-minute schedule, and five-minute schedule. In any calendar month for up to two operating hour intervals, a VER customer may utilize and submit into BSAP by T-57, hour-ahead schedules consistent with PacifiCorp's VER forecast vendor's forecast available as of up to 90 minutes prior to the operating hour (T-90), without modification or manual override of the hour-ahead forecast, fifteen-minute schedule, and five-minute schedule, and still be eligible for this rate. Use and submission into BSAP of hour-ahead schedules older than PacifiCorp's VER forecast vendor's forecast at T-90 in any hour during a calendar month will make a VER customer ineligible for this rate in that month.

	Effective Rates from July 13, 2017 through December 31, 2017	Effective Rates beginning January 1, 2018
1. Yearly Rate	\$5.965 per kW-Year	\$5.631 per kW-Year
2. Monthly Rate	\$0.497 per kW-Month	\$0.469 per kW-Month

Non-VERs

	Effective Rates from July 13, 2017 through December 31, 2017	Effective Rates beginning January 1, 2018
1. Yearly Rate	\$1.90 per kW-Year	\$1.794 per kW-Year
2. Monthly Rate	\$0.158 per kW-Month	\$0.150 per kW-Month

Self-Supply:

A Network Transmission Customer may choose to self-supply its Generator Regulation and Frequency Response Service obligation consistent with the requirements herein and PacifiCorp's business practices and consistent with the settlement in Docket Nos. ER17-219 and EL17-27.

The total charge for failure to self-supply shall not exceed the Monthly Rate pursuant to this Schedule 3A times the highest amount in megawatts not covered under self-supply.

SCHEDULE 3A

Generator Regulation and Frequency Response Service

Generator Regulation and Frequency Response Service is necessary to provide for the continuous balancing of resources (generation and interchange) with load and for maintaining scheduled Interconnection frequency at sixty cycles per second (60 Hz). Generator Regulation and Frequency Response Service is accomplished by committing on-line generation whose output is raised or lowered (predominantly through the use of automatic generating control equipment) as necessary to follow the moment-by-moment changes for a generator located within the BAA. The obligation to maintain this balance between resources and the generator's schedule lies with the Transmission Provider (or the BAA that performs this function for the Transmission Provider).

The Transmission Provider must offer this service when transmission service is provided for a generator physically or electrically located in the Transmission Provider's BAA. Generator Regulation and Frequency Response Service applies to the extent that a Transmission Customer is not already subject to Regulation and Frequency Response Service provided under Schedule 3. When applicable, the Transmission Customer must purchase Generator Regulation and Frequency Response Service from the Transmission Provider, self-supply the service, or make alternative comparable arrangements, as further described in applicable PacifiCorp business practices which may include self-supplying regulation reserve capacity from generation or non-generation resources or through dynamically scheduling its generation to another BAA. The Transmission Provider will take into account the speed and accuracy of regulation resources in its determination of Generator Regulation and Frequency Response reserve requirements, including as it reviews whether a self-supplying Transmission Customer has made alternative comparable arrangements. Upon request by the self-supplying Transmission Customer, the Transmission Provider will share with the Transmission Customer its reasoning and any related data used to make the determination of whether the Transmission Customer has made alternative comparable arrangements.

For purposes of exports or Third-Party Sales, the amount of and charges for Generator Regulation and Frequency Response Service are differentiated by the type of exporting resource (Variable Energy Resources (VERs) or resources that are not VERs (Non-VERs)) and are set forth below. To the extent a BA performs this service for the Transmission Provider, charges to the

Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that BA. The Transmission Provider may not charge a Transmission Customer for regulation reserves under both Schedule 3 and Schedule 3A for the same transaction.

Charge for Generator Regulation and Frequency Response Service:

The charges below apply to generation that originates in the PacifiCorp BAA and terminates in another BAA or for any resource not designated as a Network Resource. The applicable differentiated rate below is applied to customers by charging the monthly rate times the nameplate capacity of the generator.

Each year by December 1, the Transmission Customer shall provide to the Transmission Provider, attestation of the nameplate capacity of VERs and Non-VERs owned or controlled by the Transmission Customer and located within the BAA.

VERs - Uncommitted Scheduling

- ~~1. Yearly Rate \$6.593 per kW-Year~~
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	<u>Effective Rates from July 13, 2017 through December 31, 2017</u>	<u>Effective Rates beginning January 1, 2018</u>
<u>1. Yearly Rate</u>	<u>\$6.984 per kW-Year</u>	<u>\$6.593 per kW-Year</u>
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VERs - Committed Scheduling

To qualify for this committed scheduling rate for a month, during every hour of that month (except as specified below), a VER customer must utilize and submit into BSAP by 57 minutes prior to the operating hour (T-57), consistent with PacifiCorp's EIM Business Practice, hour-ahead base schedules consistent with PacifiCorp's VER forecast vendor's forecast available as of no more than 72 minutes prior to the operating hour (T-72) without modification or manual override of the hour-ahead forecast, fifteen-minute schedule, and five-minute schedule. In any calendar month for up to two operating hour intervals, a VER customer may utilize and submit into BSAP by T-57, hour-ahead schedules consistent with PacifiCorp's VER forecast vendor's forecast available as of up to 90 minutes prior to the operating

hour (T-90), without modification or manual override of the hour-ahead forecast, fifteen-minute schedule, and five-minute schedule, and still be eligible for this rate. Use and submission into BSAP of hour-ahead schedules older than PacifiCorp's VER forecast vendor's forecast at T-90 in any hour during a calendar month will make a VER customer ineligible for this rate in that month.

1. ~~Yearly Rate~~ ~~\$5.631 per kW-Year~~
 2. ~~Monthly Rate~~ ~~\$0.469 per kW-Month~~

	<u>Effective Rates from July 13, 2017 through December 31, 2017</u>	<u>Effective Rates beginning January 1, 2018</u>
1. <u>Yearly Rate</u>	<u>\$5.965 per kW-Year</u>	<u>\$5.631 per kW-Year</u>
2. <u>Monthly Rate</u>	<u>\$0.497 per kW-Month</u>	<u>\$0.469 per kW-Month</u>

Non-VERs

1. ~~Yearly Rate~~ ~~\$1.794 per kW-Year~~
 2. ~~Monthly Rate~~ ~~\$0.150 per kW-Month~~

	<u>Effective Rates from July 13, 2017 through December 31, 2017</u>	<u>Effective Rates beginning January 1, 2018</u>
1. <u>Yearly Rate</u>	<u>\$1.90 per kW-Year</u>	<u>\$1.794 per kW-Year</u>
2. <u>Monthly Rate</u>	<u>\$0.158 per kW-Month</u>	<u>\$0.150 per kW-Month</u>

Self-Supply:

A Network Transmission Customer may choose to self-supply its Generator Regulation and Frequency Response Service obligation consistent with the requirements herein and PacifiCorp's business practices ~~and consistent with the settlement in Docket Nos. ER17-219 and EL17-27.~~

The total charge for failure to self-supply shall not exceed the Monthly Rate pursuant to this Schedule 3A times the highest amount in megawatts not covered under self-supply.

SCHEDULE 5

Operating Reserve - Spinning Reserve Service

Spinning Reserve Service is needed to serve load in the BAA and to support other transmission usage sourced from generation in the BAA including exports and sales. Spinning Reserve Service may be provided by generating units that are on-line and loaded at less than maximum output and by non-generation resources capable of providing this service. The Transmission Provider must offer this service when the transmission service is used to serve load within its BAA and to support other transmission usage sourced from generation in the BAA including exports and sales. The Transmission Customer must purchase this service from the Transmission Provider, self-supply the service, or make alternative comparable arrangements to satisfy its Spinning Reserve Service obligation. The amount of and charges for Spinning Reserve Service are set forth below. To the extent the BA performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that BA.

Charges for Spinning Reserve Service:

Under the current NERC Regional Reliability Standard BAL-002-WECC, the Transmission Provider is required to maintain a minimum amount of contingency reserve equal to the sum of three percent of hourly integrated load plus three percent of hourly integrated generation with at least half as spinning. Consistent with the Transmission Provider operating in accordance with this reliability standard, the charges for Schedule 5 below apply one and one-half percent to load and one and one-half percent to generation.

For load, the rates below are charged to a Network Customer's hourly integrated load (including losses).

For generation, the rates below are applied to customers by charging actual hourly generation delivered to the Transmission Provider at the Point of Receipt.

The rate shall be an Hourly Rate of:

	Effective rates February 13, 2017 through December 31, 2017	Effective rates beginning January 1, 2018
Schedule 5 (Spinning Reserves)	\$0.16 per MWh	\$0.151 per MWh

Self-Supply:

A Transmission Customer may choose to self-supply all or a portion of its reserve obligation.

The total reserve obligation for a Transmission Customer who self-supplies is determined by the currently-effective version of the NERC Regional Reliability Standard BAL-002-WECC. The requirement is currently equal to the sum of one and one-half percent of hourly integrated load plus one and one-half percent of hourly integrated generation. For a Transmission Customer choosing to self-supply a portion of its reserve obligation, the billing determinants for supplemental purchases of Schedule 5 reserve service shall be determined by: (1) identifying the difference between the amount self-supplied during each hour each month and the Transmission Customer's full requirement, as determined by NERC Regional Reliability Standard BAL-002-WECC; (2) charging the Transmission Customer the Hourly Rate multiplied by the amount of megawatts identified in (1) where the Transmission Customer failed to supply its full requirement for each hour, if any failure occurred.

The Transmission Customer shall schedule that portion which it will self-supply and/or supply from third parties pursuant to procedures set forth in the business practices of the Transmission Provider. During any period that a Transmission Customer has scheduled self-supply and/or supply from third parties but fails to provide the full amount scheduled due to partial or full forced outage of the generation source or a transmission curtailment or interruption, the Transmission Customer shall purchase the shortfall at the Hourly Rate, as described in the proceeding section.

Spinning Reserve Service to be Provided:

The Transmission Provider, using its generators controlled by automatic generation control, will provide the capacity required to provide Spinning Reserve Service for a Transmission Customer. Upon an outage of a generation resource for which Spinning Reserve Service has been purchased from the Transmission Provider, the Transmission Provider will provide replacement capacity commencing immediately upon such outage until the earlier of (1) the restoration of such resource to service by the Transmission Customer or (2) the end of ten (10) full minutes after the occurrence of such outage.

To the extent that the Transmission Provider determines that a Transmission Customer's specific Spinning Reserve Requirements are not being fully met through the purchase of Spinning Reserve Service as provided above, the Transmission Provider reserves the right (upon

filing with the Commission) to require such Transmission Customer to purchase a greater amount of Spinning Reserve Service.

SCHEDULE 5

Operating Reserve - Spinning Reserve Service

Spinning Reserve Service is needed to serve load in the BAA and to support other transmission usage sourced from generation in the BAA including exports and sales. Spinning Reserve Service may be provided by generating units that are on-line and loaded at less than maximum output and by non-generation resources capable of providing this service. The Transmission Provider must offer this service when the transmission service is used to serve load within its BAA and to support other transmission usage sourced from generation in the BAA including exports and sales. The Transmission Customer must purchase this service from the Transmission Provider, self-supply the service, or make alternative comparable arrangements to satisfy its Spinning Reserve Service obligation. The amount of and charges for Spinning Reserve Service are set forth below. To the extent the BA performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that BA.

Charges for Spinning Reserve Service:

Under the current NERC Regional Reliability Standard BAL-002-WECC, the Transmission Provider is required to maintain a minimum amount of contingency reserve equal to the sum of three percent of hourly integrated load plus three percent of hourly integrated generation with at least half as spinning. Consistent with the Transmission Provider operating in accordance with this reliability standard, the charges for Schedule 5 below apply one and one-half percent to load and one and one-half percent to generation.

For load, the rates below are charged to a Network Customer's hourly integrated load (including losses).

For generation, the rates below are applied to customers by charging actual hourly generation delivered to the Transmission Provider at the Point of Receipt.

The rate shall be an Hourly Rate of:

	Effective rates February 13, 2017 through December 31, 2017	Effective rates beginning January 1, 2018
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Schedule 5 (Spinning Reserves)	\$0.16 per MWh	\$0.151 per MWh
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Self-Supply:

A Transmission Customer may choose to self-supply all or a portion of its reserve obligation.

The total reserve obligation for a Transmission Customer who self-supplies is determined by the currently-effective version of the NERC Regional Reliability Standard BAL-002-WECC. The requirement is currently equal to the sum of one and one-half percent of hourly integrated load plus one and one-half percent of hourly integrated generation. For a Transmission Customer choosing to self-supply a portion of its reserve obligation, the billing determinants for supplemental purchases of Schedule 5 reserve service shall be determined by: (1) identifying the difference between the amount self-supplied during each hour each month and the Transmission Customer's full requirement, as determined by NERC Regional Reliability Standard BAL-002-WECC; (2) charging the Transmission Customer the Hourly Rate multiplied by the amount of megawatts identified in (1) where the Transmission Customer failed to supply its full requirement for each hour, if any failure occurred.

The Transmission Customer shall schedule that portion which it will self-supply and/or supply from third parties pursuant to procedures set forth in the business practices of the Transmission Provider. During any period that a Transmission Customer has scheduled self-supply and/or supply from third parties but fails to provide the full amount scheduled due to partial or full forced outage of the generation source or a transmission curtailment or interruption, the Transmission Customer shall purchase the shortfall at the Hourly Rate, as described in the proceeding section.

Spinning Reserve Service to be Provided:

The Transmission Provider, using its generators controlled by automatic generation control, will provide the capacity required to provide Spinning Reserve Service for a Transmission Customer. Upon an outage of a generation resource for which Spinning Reserve Service has been purchased from the Transmission Provider, the Transmission Provider will provide replacement capacity commencing immediately upon such outage until the earlier of (1) the restoration of such resource to service by the Transmission Customer or (2) the end of ten (10) full minutes after the occurrence of such outage.

To the extent that the Transmission Provider determines that a Transmission Customer's specific Spinning Reserve Requirements are not being fully met through the purchase of Spinning Reserve Service as provided above, the Transmission Provider reserves the right (upon filing with the Commission) to require such Transmission Customer to purchase a greater amount of Spinning Reserve Service.

SCHEDULE 6

Operating Reserve - Supplemental Reserve Service

Supplemental Reserve Service is needed to serve load in the BAA and to support other transmission usage sourced from generation in the BAA including exports and sales; however, it is not available immediately to serve load but rather within a short period of time. Supplemental Reserve Service may be provided by generating units that are on-line but unloaded, by quick-start generation or by interruptible load or other non-generation resources capable of providing this service. The Transmission Provider must offer this service when the transmission service is used to serve load within its BAA and to support other transmission usage sourced from generation in the BAA including exports and sales. The Transmission Customer must purchase this service from the Transmission Provider, self-supply the service, or make alternative comparable arrangements to satisfy its Supplemental Reserve Service obligation. The amount of and charges for Supplemental Reserve Service are set forth below. To the extent the BA performs this service for the Transmission Provider; charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that BA.

Charges for Supplemental Reserve Service:

Under the current NERC Regional Reliability Standard BAL-002-WECC, the Transmission Provider is required to maintain a minimum amount of contingency reserve equal to the sum of three percent of hourly integrated load plus three percent of hourly integrated generation with at least half as spinning. Consistent with the Transmission Provider operating in accordance with this reliability standard, the charges for Schedule 6 below apply one and one-half percent to load and one and one-half percent to generation.

For load, the rates below are charged to a Network Customer's hourly integrated load (including losses).

For generation, the rates below are applied to customers by charging actual hourly generation delivered to the Transmission Provider at the Point of Receipt.

The rate shall be an Hourly Rate of:

	Effective Rates from February 13, 2017 through December 31,	Effective Rates beginning January 1, 2018
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	2017	
Schedule 6 (Supplemental Reserves)	\$0.16 per MWh	\$0.151 per MWh

Self-Supply:

A Transmission Customer may choose to self-supply all or a portion of its reserve obligation.

The total reserve obligation for a Transmission Customer who self-supplies is determined by the currently-effective version of the NERC Regional Reliability Standard BAL-002-WECC. The requirement is currently equal to the sum of one and one-half percent of hourly integrated load plus one and one-half percent of hourly integrated generation. For a Transmission Customer choosing to self-supply a portion of its reserve obligation, the billing determinants for supplemental purchases of Schedule 6 reserve service shall be determined by: (1) identifying the difference between the amount self-supplied during each hour of each month and the Transmission Customer's full requirement, as determined by NERC Regional Reliability Standard BAL-002-WECC; (2) charging the Transmission Customer the Hourly Rate multiplied by the amount of megawatts identified in (1) where the Transmission Customer failed to supply its full requirement for each hour, if any failure occurred.

The Transmission Customer shall schedule that portion which it will self-supply and/or supply from third parties pursuant to procedures set forth in the Business Practices of the Transmission Provider. During any period that a Transmission Customer has scheduled self-supply and/or supply from third parties but fails to provide the full amount scheduled due to partial or full forced outage of the generation source or a transmission curtailment or interruption, the Transmission Customer shall purchase the shortfall at the hourly rate.

Supplemental Reserve Service to be Provided:

The Transmission Provider, using its generators controlled by automatic generation control, will provide the capacity required to provide Supplemental Reserve Service for a Transmission Customer. Upon an outage of a generation resource for which Supplemental Reserve Service has been purchased from the Transmission Provider, the Transmission Provider will provide replacement capacity commencing at the end of ten (10) full minutes after such outage until the earlier of (1) the restoration of such resource to service by the Transmission Customer or (2) the end of the first full hour

immediately following such outage.

To the extent that the Transmission Provider determines that a Transmission Customer's specific Supplemental Reserve Requirements are not being fully met through the purchase of Supplemental Reserve Service as provided above, the Transmission Provider reserves the right (upon filing with the Commission) to require such Transmission Customer to purchase a greater amount of Supplemental Reserve Service.

SCHEDULE 6

Operating Reserve - Supplemental Reserve Service

Supplemental Reserve Service is needed to serve load in the BAA and to support other transmission usage sourced from generation in the BAA including exports and sales; however, it is not available immediately to serve load but rather within a short period of time. Supplemental Reserve Service may be provided by generating units that are on-line but unloaded, by quick-start generation or by interruptible load or other non-generation resources capable of providing this service. The Transmission Provider must offer this service when the transmission service is used to serve load within its BAA and to support other transmission usage sourced from generation in the BAA including exports and sales. The Transmission Customer must purchase this service from the Transmission Provider, self-supply the service, or make alternative comparable arrangements to satisfy its Supplemental Reserve Service obligation. The amount of and charges for Supplemental Reserve Service are set forth below. To the extent the BA performs this service for the Transmission Provider; charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that BA.

Charges for Supplemental Reserve Service:

Under the current NERC Regional Reliability Standard BAL-002-WECC, the Transmission Provider is required to maintain a minimum amount of contingency reserve equal to the sum of three percent of hourly integrated load plus three percent of hourly integrated generation with at least half as spinning. Consistent with the Transmission Provider operating in accordance with this reliability standard, the charges for Schedule 6 below apply one and one-half percent to load and one and one-half percent to generation.

For load, the rates below are charged to a Network Customer's hourly integrated load (including losses).

For generation, the rates below are applied to customers by charging actual hourly generation delivered to the Transmission Provider at the Point of Receipt.

The rate shall be an Hourly Rate of:

	Effective Rates	Effective Rates
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	from February 13, 2017 through December 31, 2017	beginning January 1, 2018
Schedule 6 (Supplemental Reserves)	\$0.16 per MWh	\$0.151 per MWh

Self-Supply:

A Transmission Customer may choose to self-supply all or a portion of its reserve obligation.

The total reserve obligation for a Transmission Customer who self-supplies is determined by the currently-effective version of the NERC Regional Reliability Standard BAL-002-WECC. The requirement is currently equal to the sum of one and one-half percent of hourly integrated load plus one and one-half percent of hourly integrated generation. For a Transmission Customer choosing to self-supply a portion of its reserve obligation, the billing determinants for supplemental purchases of Schedule 6 reserve service shall be determined by: (1) identifying the difference between the amount self-supplied during each hour of each month and the Transmission Customer's full requirement, as determined by NERC Regional Reliability Standard BAL-002-WECC; (2) charging the Transmission Customer the Hourly Rate multiplied by the amount of megawatts identified in (1) where the Transmission Customer failed to supply its full requirement for each hour, if any failure occurred.

The Transmission Customer shall schedule that portion which it will self-supply and/or supply from third parties pursuant to procedures set forth in the Business Practices of the Transmission Provider. During any period that a Transmission Customer has scheduled self-supply and/or supply from third parties but fails to provide the full amount scheduled due to partial or full forced outage of the generation source or a transmission curtailment or interruption, the Transmission Customer shall purchase the shortfall at the hourly rate.

Supplemental Reserve Service to be Provided:

The Transmission Provider, using its generators controlled by automatic generation control, will provide the capacity required to provide Supplemental Reserve Service for a Transmission Customer. Upon an outage of a generation resource for which Supplemental Reserve Service has been purchased from the Transmission Provider, the Transmission Provider will provide replacement capacity commencing at the end of ten (10) full

minutes after such outage until the earlier of (1) the restoration of such resource to service by the Transmission Customer or (2) the end of the first full hour immediately following such outage.

To the extent that the Transmission Provider determines that a Transmission Customer's specific Supplemental Reserve Requirements are not being fully met through the purchase of Supplemental Reserve Service as provided above, the Transmission Provider reserves the right (upon filing with the Commission) to require such Transmission Customer to purchase a greater amount of Supplemental Reserve Service.