

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

PacifiCorp))))	Docket Nos. ER17-219-____ EL17-27-____ (consolidated)
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**UNOPPOSED MOTION OF PACIFICORP
TO IMPLEMENT SETTLEMENT RATES ON AN INTERIM BASIS
AND REQUEST FOR SHORTENED COMMENT PERIOD AND EXPEDITED ACTION**

**To: The Honorable Carmen A. Citron
Chief Administrative Law Judge**

**The Honorable Steven A. Glazer
Presiding Settlement Judge**

Pursuant to Rule 212 of the Federal Energy Regulatory Commission (“FERC” or “Commission”) Rules of Practice and Procedure, 18 C.F.R. § 385.212 (2017), PacifiCorp hereby respectfully submits this Unopposed Motion to Implement Settlement Rates on an Interim Basis and Request for Shortened Comment Period and Expedited Action (“Motion”). Specifically, PacifiCorp requests that the Chief Administrative Law Judge (“Chief Judge”) place the interim rates attached hereto agreed to as between PacifiCorp and Utah Associated Municipal Power Systems (“UAMPS”), Deseret Generation & Transmission Co-operative, Inc. (“Deseret”), Utah Municipal Power Agency (“UMPA”), Bonneville Power Administration (“BPA”), Avangrid Renewables, LLC, and NextEra Energy Resources, LLC (collectively, the “Combined Customers” and with PacifiCorp, the “Settling Parties”)¹ into effect on an interim basis until the Commission acts on the Offer of Settlement (“Settlement”) in the above-captioned proceedings.

¹ In addition to the Settling Parties, the following entities are parties to this proceeding but have not taken an active role: American Wind Energy Association, Renewable Northwest; EDP Renewables North America LLC

The rates submitted herein reflect the agreement of the Settling Parties, and approval of these rates is necessary in order for them to go into effect beginning on February 1, 2018. Granting this Motion will not prejudice the interests of any party to this proceeding and is in the public interest as it permits settlement rates to be placed into effect on an interim basis, pending the Commission’s consideration of the Settlement. The rates, terms, and conditions proposed herein are the same rates, terms, and conditions on which the Settling Parties have come to agreement and have proposed in the Settlement. PacifiCorp has notified the Commission’s Trial Staff and the Combined Customers of its intent to file this Motion. PacifiCorp is authorized to state that each of the Combined Customers supports these requests for interim rates, expedited consideration and waiver set out in this motion.

I. BACKGROUND

PacifiCorp is an indirect, wholly-owned subsidiary of Berkshire Hathaway Energy Company. PacifiCorp provides delivery of electric power and energy to approximately 1.8 million retail electric customers in six western states. PacifiCorp provides transmission services, transmission planning, and system operations for all six states through its PacifiCorp Transmission operating unit. PacifiCorp delivers electricity to its retail electric customers through its Pacific Power and Rocky Mountain Power operating units.

On October 28, 2016, PacifiCorp filed with the Commission in Docket No. ER17-219 “Revisions to Open Access Transmission Tariff” to amend its Open Access Transmission Tariff (“OATT”) to update rates for PacifiCorp’s: 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 –

(“EDP”); Public Power Council (“PPC”); the Western Area Power Administration (“WAPA”); and Powerex Corporation (“Powerex”).

Supplemental Reserve Service (the “Regulation and Operating Reserve Schedules”). Additionally, PacifiCorp proposed minor clarifying revisions to Schedule 11, Unauthorized Use of Transmission Service (the “Initial Filing”). 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.

On November 28, 2016, the following parties filed motions to intervene and comments or protests (collectively, the “Initial Protests”): BPA;² American Wind Energy Association, Renewable Northwest, and Avangrid Renewables;³ NextEra;⁴ Deseret;⁵ UAMPS;⁶ and UMPA.⁷ Additionally, EDP, PPC, WAPA, and Powerex filed doc-less Motions to Intervene.

² *PacifiCorp*, Docket No. ER17-219, Bonneville Power Administration Motion to Intervene and Protest (Nov. 28, 2016).

³ *PacifiCorp*, Docket No. ER17-219, Protest of American Wind Energy Association, Renewable Northwest, and Avangrid Renewables (Nov. 28, 2016).

⁴ *PacifiCorp*, Docket No. ER17-219, Motion to Intervene and Comments of NextEra Energy Resources, LLC (Nov. 28, 2016).

⁵ *PacifiCorp*, Docket No. ER17-219, Motion to Intervene, Protest, Request for Partial Rejection, and Requests for Hearing, Five-Month Suspension, Institution of a Section 206 Proceeding, and Settlement Judge Procedures of Deseret Generation & Transmission Co-operative, Inc. (Nov. 28, 2016).

⁶ *PacifiCorp*, Docket No. ER17-219, Motion to Intervene, Protest and Request for Rejection or, in the Alternative, Suspension, Hearing and Institution of a Section 206 Proceeding of Utah Associated Municipal Power Systems (Nov. 28, 2016).

⁷ *PacifiCorp*, Docket No. ER17-219, Utah Municipal Power Agency’s Protest and Request for Suspension and Hearing (Nov. 28, 2016).

PacifiCorp filed an answer to the Initial Protests on December 14, 2016 (the “First Answer”).⁸ On December 15, 2016, FERC issued a letter establishing December 14, 2016 as the filing date for this proceeding based on the information contained within the First Answer.⁹

On January 4, 2017, UMPA, Deseret, BPA, and UAMPS filed supplemental protests or responses to the First Answer (the “Supplemental Protests”).¹⁰ PacifiCorp answered the Supplemental Protests on January 17, 2017.¹¹

On February 2, 2017, the Commission issued an order accepting and suspending PacifiCorp’s proposed rates, instituting a Section 206 proceeding (Docket No. EL17-27-000), and establishing hearing and settlement judge procedures (“February 2 Order”).¹² The Commission accepted and suspended the proposed revisions to Schedules 3 and 3A for five months, to be effective July 13, 2017, subject to refund.¹³ The Commission accepted the proposed revisions to Schedules 5 and 6, to be effective February 13, 2017, subject to refund, and instituted the Section 206 investigation to determine if a further rate decrease may be warranted.¹⁴ In the Commission’s February 2 Order, it accepted PacifiCorp’s proposed revisions to Schedule 11 without suspension or hearing, so those revisions are not at issue in this

⁸ *PacifiCorp*, Docket No. ER17-219, Motion for Leave to File Answer; Answer of PacifiCorp to Protests, Comments and Motions Seeking Rejection or Institution of a Section 206 Proceeding; and Request for Waiver (Dec. 14, 2016).

⁹ *PacifiCorp*, Docket No. ER17-219, Letter Informing that the Filing Date for this Proceeding is Dec. 14, 2016 (Dec. 15, 2016).

¹⁰ *See PacifiCorp*, Docket No. ER17-219, Utah Municipal Power Agency’s Supplemental Protest and Renewed Request for Suspension and Hearing (Jan. 4, 2017); *PacifiCorp*, Docket No. ER17-219, Supplemental Protest and Response of Deseret Generation & Transmission Co-operative, Inc. (Jan. 4, 2017); *PacifiCorp*, Docket No. ER17-219, Bonneville Power Administration Response to PacifiCorp’s Answer (Jan. 4, 2017); and *PacifiCorp*, Docket No. ER17-219, Renewed and Supplemental Protest of Utah Associated Municipal Power Systems (Jan. 4, 2017).

¹¹ *PacifiCorp*, Docket No. ER17-219, Motion for Leave to File Answer and Answer of PacifiCorp (Jan. 17, 2017).

¹² *PacifiCorp*, 158 FERC ¶ 61,121 (2017).

¹³ *Id.* at PP 1, 40 and Ordering Paragraph (A).

¹⁴ *Id.* at PP 1, 40-41 and Ordering Paragraph (B).

proceeding.¹⁵ The Commission further directed that a compliance filing be made by PacifiCorp within 30 days of the date of the order correcting the rates set forth in Schedules 3, 3A, 5 and 6 as proposed in its First Answer.¹⁶

On February 7, 2017, the Chief Judge issued an order appointing the Honorable Steven A. Glazer as Settlement Judge for this case.¹⁷

PacifiCorp submitted its compliance filing on March 3, 2017 to correct its eTariff records, as directed by the Commission.¹⁸ No parties filed comments or protests to the compliance filing. On June 7, 2017, the Commission issued a letter order accepting the compliance filing.¹⁹

The Settling Parties met with Judge Glazer for settlement conferences on February 23, 2017; April 27, 2017; June 15, 2017; October 31, 2017; and December 7, 2017. In addition, the Settling Parties have held numerous additional settlement discussions via telephone, in addition to technical conferences on July 10-11, 2017 and September 25, 2017. As a result of the settlement conferences and discussions, the Settling Parties have reached Settlement. That Settlement is being filed simultaneously with this Motion. This Settlement resolves all remaining outstanding issues in Docket Nos. ER17-219 and EL17-27. PacifiCorp is requesting that the Settlement be presented to Judge Glazer for certification to the Commission. In order to place the agreed-upon settlement rates into effect as soon as possible upon approval by the

¹⁵ *Id.* at PP 1, 47 and Ordering Paragraph (C).

¹⁶ *Id.* at PP 1, 41 and Ordering Paragraph (D).

¹⁷ *PacifiCorp*, Docket Nos. ER17-219 and EL17-27, Order of Chief Judge Designating Settlement Judge (Feb. 7, 2017).

¹⁸ *PacifiCorp*, Docket No. ER17-219, eTariff Compliance Filing (Mar 6, 2017).

¹⁹ *PacifiCorp*, Docket No. ER17-219, Letter Order (June 7, 2017).

Commission, PacifiCorp hereby requests permission to put them into effect on an interim basis pending Commission approval of the Settlement.

II. MOTION TO IMPLEMENT SETTLEMENT RATES ON AN INTERIM BASIS

Under section 375.307(a)(1)(iv) of the Commission’s Regulations, the Chief Administrative Law Judge has been delegated the authority to approve “uncontested motions that would result in lower interim settlement rates, pending Commission action on settlement agreements.” As a result, PacifiCorp respectfully requests that the Chief Judge place the interim rates attached hereto into effect on an interim basis until the Commission acts on the Settlement in Docket Nos. ER17-219 and EL17-27. The changes to the ancillary services rates contained in Schedules 3, 3A, 5, and 6 as agreed to by the parties in the Settlement reflect a decrease to the currently effective rates as described below:

	Currently effective rate, subject to refund	Settling Parties Agreed Rates effective through December 31, 2017 ²⁰	Settling Parties Agreed Rates for Interim Rate filing effective beginning February 1, 2018 ²¹
Schedule 3 (Load rate)	2.996 \$/kW-year	2.25 \$/kW-year	2.124 \$/kW-year
Schedules 3 and 3A (Non-VER rate)	2.526 \$/kW-year	1.90 \$/kW-year	1.794 \$/kW-year-
Schedules 3 and 3A (VER rate for uncommitted scheduling)	10.114 \$/kW-year	6.984 \$/kW-year	6.593 \$/kW-year
Schedules 3 and 3A (VER rate for 60-minute committed scheduling)	n/a	5.965 \$/kW-year	5.631 \$/kW-year

²⁰ Pursuant to the Settlement Agreement, the rates for Schedules 3 and 3A are effective from July 13, 2017 to December 31, 2017. *See, supra*, n. 13. In addition, the rates for Schedules 5 and 6, are effective from February 13, 2017 through December 31, 2017. *See, supra*, n. 14.

²¹ The Settling Parties have agreed that the rates in this column will go into effect on January 1, 2018. However, for purposes of this interim rate filing, the rates will go into effect February 1, 2018.

	Currently effective rate, subject to refund	Settling Parties Agreed Rates effective through December 31, 2017 ²⁰	Settling Parties Agreed Rates for Interim Rate filing effective beginning February 1, 2018 ²¹
Schedule 5 (Spinning Reserves)	0.19 \$/MWh	0.16 \$/MWh	0.151 \$/MWh
Schedule 6 (Supplemental Reserves)	0.23 \$/MWh	0.16 \$/MWh	0.151 \$/MWh

Revised tariff sheets agreed to under the Settlement reflecting the settled rates and marked versions of the tariff sheets showing the changes to the currently-effective tariff sheets are also included in this filing. Allowing the settled rates to go into effect on an interim basis pending the Commission’s review and approval will allow PacifiCorp’s customers to have the benefit of paying the lower rates beginning with the February billing cycle before the Settlement is approved by the Commission, and will reduce PacifiCorp’s refund and associated interest obligation to Combined Customers if and when approved.

III. REQUEST FOR EXPEDITED CONSIDERATION AND WAIVERS

PacifiCorp respectfully requests that the Chief Judge act expeditiously on this Motion. PacifiCorp and the Combined Customers have reached a settlement, and the interim rates will allow PacifiCorp’s customers to begin paying the lower rates in February before the Settlement is approved by the Commission. Accordingly, PacifiCorp requests a shortened notice period of five (5) days for responses to this Motion, which will then be due on or before February 7, 2018. PacifiCorp also requests waiver of any applicable requirements, including waiver of the 60-day prior notice and filing requirement, necessary to permit the interim rates to go into effect on February 1, 2018, as described above. PacifiCorp is authorized to state that each of the Combined Customers supports these requests for interim rates, expedited consideration and waiver set out in this motion. Neither Commission Staff nor any of the other parties to the

proceeding have indicated that they intend to file an opposition to either the imposition of the interim rates, waiver or the expedited consideration.

IV. CONCLUSION

WHEREFORE, for the reasons set forth above, PacifiCorp requests that the Chief Judge grant the Motion and all necessary waivers of the Commission's rules and regulations to permit the interim rates attached hereto to become effective February 1, 2018, and remain effective until final resolution of these proceedings, and that the Chief Judge consider this Motion on an expedited basis as discussed herein.

Respectfully Submitted,

/s/ Amie V. Colby

Amie V. Colby
Attorney for PacifiCorp

Certificate of Service

I hereby certify that I have this day served a copy of the foregoing document on the official service list for these proceedings as established and maintained by the Commission's Secretary.

Dated at Portland, OR this 31st day of January 2018.

/s/ Jessica Zahnow _____

Jessica Zahnow
Senior Compliance Specialist for PacifiCorp

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

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

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

Non-VERs

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

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 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	\$2.996 <u>2.124</u> per kW-Year
2.	Monthly Rate	\$0.250 <u>0.177</u> per kW-Month
3.	Weekly Rate	\$0.058 per kW Week
4.	Daily Rate, On Peak	\$0.012 per kW Day
5.	Daily Rate, Off Peak	\$0.008 per kW Day
6.	Hourly Rate, On Peak	\$0.720 per MWh
7.	Hourly Rate, Off Peak	\$0.343 per MWh

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	\$10.114 <u>6.593</u> per kW-Year
2.	Monthly Rate	\$0.843 per kW-Month
3.	Weekly Rate	\$0.194 per kW Week
4.	Daily Rate, On Peak	\$0.039 per kW Day
5.	Daily Rate, Off Peak	\$0.028 per kW Day
6.	Hourly Rate, On Peak	\$2.431 per MWh
7.	Hourly Rate, Off Peak	\$1.158 per MWh <u>0.549</u> 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.

<u>1. Yearly Rate</u>	<u>\$5.631 per kW-Year</u>
<u>2. Monthly Rate</u>	<u>\$0.469 per kW-Month</u>

Non-VERs

1. Yearly Rate	\$2.526 <u>1.794</u> per kW-Year
2. Monthly Rate	\$0.211 <u>0.150</u> per kW-Month
3. Weekly Rate	\$0.049 per kW Week
4. Daily Rate, On Peak	\$0.010 per kW Day
5. Daily Rate, Off Peak	\$0.007 per kW Day
6. Hourly Rate, On Peak	\$0.607 per MWh
7. Hourly Rate, Off Peak	\$0.289 per MWh

~~**Discount for Intra-hour Scheduling by VERs:**~~

~~A VERs customer that commits to submit a balanced 15 minute schedule may be eligible to receive a rate discount of up to 13.8 percent. A balanced 15 minute schedule consists of transactions of either 15 minute or integrated hourly e-Tag schedules following the VERs forecast, as defined in Attachment T. The Transmission Customer may elect to receive this discount with 90 days prior notice of intent and is conditioned on the Transmission Customer's ability to submit and transact using 15-minute schedules as well as persistently following the forecast. The VERs customer will receive the discount each month where the customer has persistently followed the forecast, which is~~

~~defined as a customer balancing within ten percent above or below the forecast for at least 80% of the intervals during the 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.

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:

• ~~\$0.19 per MWh~~

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

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, 2017	Effective Rates 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.

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:

~~• \$0.23 per MWh~~

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

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.