

For assistance, contact FERC Online Support.

n. Public notice of the filing of the initial development application, which has already been given, established the due date for filing competing applications or notices of intent. Under the Commission’s regulations, any competing development application must be filed in response to and in compliance with public notice of the initial development application. No competing applications or notices of intent may be filed in response to this notice.

o. With this notice, we are initiating informal consultation with the U.S. Fish and Wildlife Service and NOAA Fisheries under section 7 of the Endangered Species Act and the joint agency regulations thereunder at 50 CFR part 402; and NOAA Fisheries under section 305(b) of the Magnuson-Stevens

Fishery Conservation and Management Act and implementing regulations at 50 CFR 600.920. We are also initiating consultation with the Rhode Island State Historic Preservation Officer, as required by section 106 of the National Historic Preservation Act, and the implementing regulations of the Advisory Council on Historic Preservation at 36 CFR 800.2.

p. Based on the presence of an existing dam, the applicant’s coordination with federal and state agencies during the preparation of the application, and studies completed during pre-filing consultation, we accept the consultation that has occurred on this project during the pre-filing period as satisfying National Environmental Policy Act scoping. Based on a review of the application, resource agency consultation letters,

and comments filed to date, Commission staff intends to prepare a single environmental assessment (EA) for the proposed project. Commission staff determined that the issues that need to be addressed in its EA have been adequately identified during the pre-filing period, which included a public meeting, and no new issues are likely to be identified through additional scoping. The EA will consider assessing the potential effects of project construction and operation on geology and soils, aquatic, terrestrial, threatened and endangered species, recreation and land use, and cultural and historic resources.

q. *Procedural Schedule and Final Amendments:* The application will be processed according to the following preliminary schedule. Revisions to the schedule will be made as appropriate.

Milestone	Target date
Filing of comments, recommendations, and terms and conditions .....	August 2019.
Commission issues Environmental Assessment .....	December 2019.

r. Final amendments to the application must be filed with the Commission no later than 30 days from the issuance date of this notice.

Dated: June 11, 2019.

**Kimberly D. Bose,**  
Secretary.

[FR Doc. 2019-12738 Filed 6-14-19; 8:45 am]

**BILLING CODE 6717-01-P**

**DEPARTMENT OF ENERGY**

**Southwestern Power Administration**

**Integrated System Rate Schedule**

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

**ACTION:** Notice of rate order.

**SUMMARY:** The Assistant Secretary has approved and placed into effect on an interim basis Rate Order No. SWPA-73, which provides the following Integrated System Wholesale Rates for Hydro Peaking Power (P-13A) Rate Schedule: *Rate Schedule P-13A, Wholesale Rates for Hydro Peaking Power.*

**FOR FURTHER INFORMATION CONTACT:** Ms. Fritha Ohlson, Senior Vice President, Chief Operating Officer, Office of Corporate Operations, (918) 595-6684, [fritha.ohlson@swpa.gov](mailto:fritha.ohlson@swpa.gov), or facsimile transmission (918) 595-6684.

**SUPPLEMENTARY INFORMATION:** Pursuant to Delegation Order No. 00-037.00B, effective November 19, 2016, and Redelegation Order No. 00-002.10D,

effective June 4, 2019, Rate Order No. SWPA-73, is approved and placed into effect on an interim basis for the period July 1, 2019 through September 30, 2019, pursuant to the following rate schedule: *Rate Schedule P-13A, Wholesale Rates for Hydro Peaking Power*, which supersedes the existing Rate Schedule P-13, Wholesale Rates for Hydro Peaking Power. Southwestern Power Administration’s (Southwestern) Administrator determined that an additional section within Southwestern’s Integrated System P Rate Schedule was needed to provide a single instrument and procedure for establishing and making limited adjustments to its Peaking Energy Schedule Submission Time.

Established by a provision in each customer’s power sales contract, Southwestern’s current requirement is that customers submit Peaking Energy schedules to Southwestern on or before 2:00 p.m. Central Prevailing Time (CPT) of the day preceding the day for delivery of Peaking Energy. The existing power sales contracts permit a change to the Peaking Energy schedule submission time provided the time change is specified in Southwestern’s in-effect Rate Schedule for Hydro Peaking Power. Southwestern’s customers requested that Southwestern consider shifting the Peaking Energy schedule submission time later in the day, which allows Southwestern’s customers to best incorporate Federal hydropower in their energy resource portfolios and better

align with regional energy market considerations. Southwestern performed studies to determine if a change to the submission time would create any operational or financial issues. At this time, there are no significant issues identified with changing the Peaking Energy schedule submission time from 2:00 p.m. CPT to the proposed 2:30 p.m. CPT. Southwestern’s customers have expressed support for such a change. Therefore, Southwestern determined that it would pursue shifting its Peaking Energy schedule submission time from 2:00 p.m. CPT to 2:30 p.m. CPT.

For customers that schedule Peaking Energy with Southwestern, the customers’ power sales contracts contain a provision for submitting Peaking Energy schedules to Southwestern on or before 2:00 p.m. CPT of the day preceding the day for delivery of Peaking Energy, *unless otherwise specified in Southwestern’s in-effect Rate Schedule for Hydro Peaking Power.* However, the P-13 Rate Schedule had no provision for establishing or adjusting the time for customers to submit Peaking Energy schedules. The Administrator determined that adding the new Section 4.2 to the P-13 Rate Schedule, together with the corresponding definition of “Peaking Energy Schedule Submission Time” added as new Section 1.9, implements the desired change in Peaking Energy schedule submission time most efficiently. Additionally, the new Section 4.2 provides a procedure

by which the Administrator may adjust the Peaking Energy Schedule Submission Time once annually to a time no earlier than 2:00 p.m. CPT and no later than 3:00 p.m. CPT. The name of the new rate schedule will be P-13A to reflect the fact that a new section was added.

The Southwestern 2013 PRS indicated that rates prescribed by P-13, Wholesale Rates for Hydro Peaking Power, as approved in Docket No. EF14-1-000, for the period October 1, 2013, through September 30, 2017 (and extended through September 30, 2019), are sufficient to meet repayment criteria and will have no impact on the amortization or status of repayment forecasted in the Southwestern 2013 PRS and will not require rate changes. Revenues based on current rates remain sufficient to meet repayment criteria.

The Southwestern Administrator has followed title 10, part 903, subpart A of the Code of Federal Regulations (10 CFR part 903), "Procedures for Public Participation in Power and Transmission Rate Adjustments and Extensions," in connection with the rate schedule revision. The public was advised by notice published in the **Federal Register** (84 FR 8851), March 12, 2019, of the proposed rate schedule change and of the opportunity to provide written comments for a period of 30 days ending April 11, 2019. No comments were received.

Information regarding this rate proposal, including studies and other supporting material, is available for public review in the offices of Southwestern Power Administration, Williams Tower I, One West Third Street, Tulsa, Oklahoma 74103. Following review of Southwestern's proposal within the Department of Energy, I approve Rate Order No. SWPA-73.

Dated: June 7, 2019.

**Bruce J. Walker,**  
*Assistant Secretary.*

UNITED STATES OF AMERICA  
DEPARTMENT OF ENERGY

DEPUTY SECRETARY

In the matter of: Southwestern Power  
Administration Integrated System  
Hydro Peaking Power Rate Schedule

Rate Order No. SWPA-73

ORDER CONFIRMING, APPROVING  
AND PLACING REVISED POWER RATE  
SCHEDULE IN EFFECT ON AN  
INTERIM BASIS

(July 1, 2019)

Pursuant to Sections 302(a) and  
301(b) of the Department of Energy

Organization Act, Public Law 95-91, the functions of the Secretary of the Interior and the Federal Power Commission under Section 5 of the Flood Control Act of 1944, 16 U.S.C. 825s, relating to the Southwestern Power Administration (Southwestern) were transferred to and vested in the Secretary of Energy. By Delegation Order No. 00-037.00B, the Secretary of Energy delegated to the Administrator of Southwestern the authority to develop power and transmission rates and the Federal Energy Regulatory Commission (FERC) was delegated the authority to confirm and approve on a final basis or to disapprove rates developed by the Administrator under the delegation. By Redelegation Order No. 00-002.10D authority to confirm, approve, and place in effect such rates on an interim basis was delegated to the Assistant Secretary for Electricity of the Department of Energy. Pursuant to that delegated authority, the Assistant Secretary has issued this interim rate order.

#### BACKGROUND

In July 2013, Southwestern completed its review of the adequacy of the current rate schedules for the Integrated System and finalized its 2013 Power Repayment Studies (PRS). The 2013 PRS indicated that the proposed rates would meet cost recovery criteria for the Integrated System. The Federal Energy Regulatory Commission's (FERC) confirmation and approval of the Integrated System rate schedules, including Rate Schedule P-13, Wholesale Rates for Hydro Peaking Power, was provided in a FERC order issued in Docket No. EF14-1-000 on January 9, 2014,<sup>1</sup> for the period October 1, 2013, through September 30, 2017 and subsequently extended for a two-year period effective October 1, 2017 through September 30, 2019 by the Deputy Secretary of Energy. Based on operations under the approved rate schedules, the Administrator determined that adding a new section to the existing P-13 Rate Schedule, together with the corresponding definition of "Peaking Energy Schedule Submission Time" added as new Section 1.9, will provide a single instrument and procedure for establishing and making limited adjustments to its Peaking Energy Schedule Submission Time. A new section 4.2 provides a shift of its Peaking Energy schedule submission time from 2:00 p.m. Central Prevailing Time (CPT) to 2:30 p.m. CPT and a procedure by which the Administrator may adjust the Peaking Energy Schedule Submission Time once annually to a

time no earlier than 2:00 p.m. CPT and no later than 3:00 p.m. CPT if deemed needed.

The designation of the rate schedule has been revised from P-13 to P-13A to reflect that a new section has been added.

Southwestern followed Title 10, Part 903 Subpart A, of the Code of Federal Regulations, "Procedures for Public Participation in Power and Transmission Rate Adjustments and Extensions" (Part 903) in connection with the proposed Rate Schedule P-13A. An opportunity for customers and other interested members of the public to review and comment on the proposed rate schedule was announced by notice published in the *Federal Register* March 12, 2019, (84 FR 8851), with written comments due by April 11, 2019.

#### DISCUSSION

Established by the provision in each customer's power sales contract, Southwestern's current requirement is that customers submit Peaking Energy schedules to Southwestern on or before 2:00 p.m. CPT of the day preceding the day for delivery of Peaking Energy. The existing power sales contracts permit a change to the Peaking Energy schedule submission time provided the time change is specified in Southwestern's in-effect Rate Schedule for Hydro Peaking Power. Southwestern's customers requested that Southwestern consider shifting the Peaking Energy schedule submission time later in the day, which allows Southwestern's customers to best incorporate Federal hydropower in their energy resource portfolios and better align with regional energy market considerations. Southwestern performed studies to determine if a change to the submission time would create any operational or financial issues. At this time, there are no significant issues identified with changing the Peaking Energy schedule submission time from 2:00 p.m. CPT to the proposed 2:30 p.m. CPT. Southwestern's customers have expressed support for such a change. Therefore, Southwestern determined that it would pursue shifting its Peaking Energy schedule submission time from 2:00 p.m. CPT to 2:30 p.m. CPT.

For customers that schedule Peaking Energy with Southwestern, the customers' power sales contracts contain a provision for submitting Peaking Energy schedules to Southwestern on or before 2:00 p.m. CPT of the day preceding the day for delivery of Peaking Energy, *unless otherwise specified in Southwestern's in-effect Rate Schedule for Hydro Peaking Power*. However, the in-effect P-

<sup>1</sup> 146 FERC ¶62,016

13 Rate Schedule had no provision for establishing or adjusting the time for customers to submit Peaking Energy schedules. The Administrator determined that adding the new Section 4.2 to the P-13 Rate Schedule, together with the corresponding definition of "Peaking Energy Schedule Submission Time" added as new Section 1.9, implements the desired change in Peaking Energy schedule submission time most efficiently. Additionally, the new Section 4.2 provides a procedure by which the Administrator may adjust the Peaking Energy Schedule Submission Time once annually to a time no earlier than 2:00 p.m. CPT and no later than 3:00 p.m. CPT. The name of the new rate schedule will be P-13A to reflect the fact that a new section was added.

#### **COMMENTS AND RESPONSES**

No comments were received.

#### **AVAILABILITY OF INFORMATION**

Information regarding this rate schedule change is available for public review in the offices of Southwestern Power Administration, Williams Tower I, One West Third Street, Tulsa, Oklahoma 74103.

#### **ADMINISTRATOR'S CERTIFICATION**

The revised rate schedule will repay all costs of the Integrated System including amortization of the power investment consistent with the provisions of Department of Energy Order No. RA 6120.2. In accordance with Delegation Order No. 00-037.00B, effective November 19, 2016, and Redefinition Order No. 00-002.10D, effective June 4, 2019, and Section 5 of the Flood Control Act of 1944, the Administrator has determined that the proposed Integrated System rate schedule is consistent with applicable law and the lowest possible rates consistent with sound business principles.

#### **ENVIRONMENT**

No additional evaluation of the environmental impact of the proposed rate schedule change was conducted since no change in anticipated revenues has been made to the currently-approved Integrated System rates which were determined by the Southwestern National Environmental Policy Act (NEPA) Compliance Officer to fall within the class of actions that are categorically excluded from the requirements of preparing either an Environmental Impact Statement or an Environmental Assessment.

#### **ADMINISTRATIVE PROCEDURES**

The Administrative Procedure Act (5 U.S.C. 553(d)) prescribes that the required publication or service of a substantive rule shall be made not less than 30 days before its effective date, except (1) a substantive rule that grants or recognizes an exemption or relieves a restriction; (2) interpretative rules and statements of policy; or (3) as otherwise provided by the agency for good cause found and published with the rule. For the reasons stated in the paragraph that follows, the Department of Energy finds good cause to waive the 30-day delay in effective date because a 30-day delay would be unnecessary.

Specifically, in this action, Southwestern updates its submission time for Peaking Energy schedules from 2:00 p.m. CPT to 2:30 p.m. CPT. The change provides an extended time during which Southwestern's customers may submit their Peaking Energy schedules to Southwestern, thereby allowing the customers to best incorporate Federal hydropower in their energy resource portfolios in a manner providing more value, as the timing better aligns with regional energy market considerations. There are no additional contractual or operational changes required by Southwestern or its customers to effectuate the Peaking Energy schedule submission time change provided for in P-13A. Commenters raised no concerns during the public comment period for the P-13A rate action.

Furthermore, the P-13A rate schedule change effects no change in anticipated revenues. It is considered a "minor rate adjustment" pursuant to Southwestern's regulations at 10 CFR part 903, subpart A, and Southwestern has treated it as such in the rate actions to date. A "minor rate adjustment" is defined as a rate adjustment that (1) will produce less than 1 percent change in the annual revenues of the power system; or (2) is for a power system that has either annual sales normally less than 100 million kilowatt hours or an installed capacity of less than 20,000 kilowatts. 10 CFR part 903, subpart A, (as amended in *Federal Register* (84 FR 5347)) provides that the effective date of rate schedules put into effect on an interim basis by the Secretary or his or her designee may be sooner than 30 days after the Secretary's decision "when appropriate to meet a contract deadline, to avoid financial difficulties, to provide a rate for new service, or to make a minor rate adjustment."

#### **ORDER**

In view of the foregoing and pursuant to the authority delegated to me by the Secretary of Energy, I hereby confirm, approve and place in effect on an interim basis, effective July 1, 2019, the Southwestern Integrated System Rate Schedule P-13A which shall remain in effect on an interim basis through September 30, 2019, or the FERC confirms and approves the rates on a final basis.

Dated: June 7, 2019.

Bruce J. Walker,  
*Assistant Secretary.*

#### **UNITED STATES DEPARTMENT OF ENERGY**

#### **SOUTHWESTERN POWER ADMINISTRATION**

#### **RATE SCHEDULE P-13A<sup>2</sup>\*\***

#### **WHOLESALE RATES FOR HYDRO PEAKING POWER**

#### **Effective:**

During the period October 1, 2013, through September 30, 2019\*\*, in accordance with Federal Energy Regulatory Commission order issued January 9, 2014, Docket No. EF14-1-000.

#### **Available:**

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

#### **Applicable:**

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

#### **Character and Conditions of Service:**

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

1.

#### **Definitions of Terms**

##### **1.1. Ancillary Services**

The services necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation of the System of Southwestern in accordance with good utility practice, which include the following:

<sup>2</sup> Supersedes Rate Schedule P-13.

\*\* Extended through September 30, 2019 by approval of Rate Order No. SWPA-72 by the Deputy Secretary of Energy.

**1.1.1. Scheduling, System Control, and Dispatch Service**

is provided by Southwestern as Balancing Authority Area operator and is in regard to interchange and load-match scheduling and related system control and dispatch functions.

**1.1.2. Reactive Supply and Voltage Control from Generation Sources Service**

is provided at transmission facilities in the System of Southwestern to produce or absorb reactive power and to maintain transmission voltages within specific limits.

**1.1.3. Regulation and Frequency Response Service**

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

**1.1.4. Spinning Operating Reserve Service**

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

**1.1.5. Supplemental Operating Reserve Service**

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

**1.1.6. Energy Imbalance Service**

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

**1.2. Customer**

The entity which is utilizing and/or purchasing Federal Power and Federal Energy and services from Southwestern pursuant to this Rate Schedule.

**1.3. Demand Period**

The period of time used to determine maximum integrated rates of delivery for the purpose of power accounting

which is the 60-minute period that begins with the change of hour.

**1.4. Federal Power and Energy**

The power and energy provided from the System of Southwestern.

**1.5. Hydro Peaking Power**

The Federal Power that Southwestern sells and makes available to the Customers through their respective Power Sales Contracts in accordance with this Rate Schedule.

**1.6. Peaking Billing Demand**

The quantity equal to the Peaking Contract Demand for any month unless otherwise provided by the Customer's Power Sales Contract.

**1.7. Peaking Contract Demand**

The maximum rate in kilowatts at which Southwestern is obligated to deliver Federal Energy associated with Hydro Peaking Power as set forth in the Customer's Power Sales Contract.

**1.8. Peaking Energy**

The Federal Energy associated with Hydro Peaking Power that Southwestern sells and makes available to the Customer in accordance with the terms and conditions of the Customer's Power Sales Contract.

**1.9. Peaking Energy Schedule Submission Time**

The time by which Southwestern requires the Customer to submit Peaking Energy schedules to Southwestern as provided for in this Rate Schedule and in accordance with the terms and conditions of the Customer's Power Sales Contract.

**1.10. Power Sales Contract**

The Customer's contract with Southwestern for the sale of Federal Power and Federal Energy.

**1.11. Supplemental Peaking Energy**

The Federal Energy associated with Hydro Peaking Power that Southwestern sells and makes available to the Customer if determined by Southwestern to be available and that is in addition to the quantity of Peaking Energy purchased by the Customer in accordance with the terms and conditions of the Customer's Power Sales Contract.

**1.12. System of Southwestern**

The transmission and related facilities owned by Southwestern, and/or the generation, transmission, and related facilities owned by others, the capacity of which, by contract, is available to and utilized by Southwestern to satisfy its contractual obligations to the Customer.

**1.13. Uncontrollable Force**

Any force which is not within the control of the party affected, including, but not limited to failure of water supply, failure of facilities, flood, earthquake, storm, lightning, fire, epidemic, riot, civil disturbance, labor disturbance, sabotage, war, act of war, terrorist acts, or restraint by court of general jurisdiction, which by exercise of due diligence and foresight such party could not reasonably have been expected to avoid.

2.

**Wholesale Rates, Terms, and Conditions for Hydro Peaking Power, Peaking Energy, Supplemental Peaking Energy, and Associated Services**

Unless otherwise specified, this Section 2 is applicable to all sales under the Customer's Power Sales Contract.

**2.1. Hydro Peaking Power Rates, Terms, and Conditions****2.1.1. Monthly Capacity Charge for Hydro Peaking Power**

\$4.50 per kilowatt of Peaking Billing Demand.

**2.1.2. Services Associated with Capacity Charge for Hydro Peaking Power**

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

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

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

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

**2.1.3.2.** The non-Federal energy transmitted under such secondary service is delivered to the Customer's

point of delivery for Hydro Peaking Power;

**2.1.3.3.** The Customer commits to provide Real Power Losses associated with such deliveries of non-Federal energy; and

**2.1.3.4.** Sufficient transfer capability exists between the point of receipt into the System of Southwestern of such non-Federal energy and the Customer's point of delivery for Hydro Peaking Power for the time period that such secondary transmission service is requested.

#### **2.1.4. Adjustment for Reduction in Service**

If, during any month, the Peaking Contract Demand associated with a Power Sales Contract in which Southwestern has the obligation to provide 1,200 kilowatthours of Peaking Energy per kilowatt of Peaking Contract Demand is reduced by Southwestern for a period or periods of not less than two consecutive hours by reason of an outage caused by either an Uncontrollable Force or by the installation, maintenance, replacement or malfunction of generation, transmission and/or related facilities on the System of Southwestern, or insufficient pool levels, the Customer's capacity charges for such month will be reduced for each such reduction in service by an amount computed under the formula:

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

with the factors defined as follows:

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

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

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

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

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

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

## **2.2. Peaking Energy and Supplemental Peaking Energy Rates, Terms, and Conditions**

### **2.2.1. Peaking Energy Charge**

\$0.0094 per kilowatthour of Peaking Energy delivered plus the Purchased Power Adder as defined in Section 2.2.3 of this Rate Schedule.

### **2.2.2. Supplemental Energy Charge**

\$0.0094 per kilowatthour of Supplemental Peaking Energy delivered.

### **2.2.3. Purchased Power Adder**

A purchased power adder of \$0.0059 per kilowatthour of Peaking Energy delivered, as adjusted by the Administrator, Southwestern, in accordance with the procedure within this Rate Schedule.

#### **2.2.3.1. Applicability of Purchased Power Adder**

The Purchased Power Adder shall apply to sales of Peaking Energy. The Purchased Power Adder shall not apply to sales of Supplemental Peaking Energy or sales to any Customer which, by contract, has assumed the obligation to supply energy to fulfill the minimum of 1,200 kilowatthours of Peaking Energy per kilowatt of Peaking Contract Demand during a contract year (hereinafter "Contract Support Arrangements").

#### **2.2.3.2. Procedure for Determining Net Purchased Power Adder Adjustment**

Not more than twice annually, the Purchased Power Adder of \$0.0059 (5.9 mills) per kilowatthour of Peaking Energy, as noted in this Rate Schedule, may be adjusted by the Administrator, Southwestern, by an amount up to a total of  $\pm$ \$0.0059 (5.9 mills) per kilowatthour per year, as calculated by the following formula:

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

with the factors defined as follows:

ADJ = The dollar per kilowatthour amount of the total adjustment, plus or minus, to be applied to the net Purchased Power Adder, rounded to the nearest \$0.0001 per kilowatthour, provided that the total ADJ to be applied in any year shall not vary from the then-effective ADJ by more than \$0.0059 per kilowatthour;

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

EST = The estimated total dollar cost (\$13,273,800 per year) of Southwestern's System Direct

Purchases used as the basis for the Purchased Power Adder of \$0.0059 per kilowatthour of Peaking Energy;

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

SALES = The annual Total Peaking Energy sales projected to be delivered (2,241,300,000 KWh per year) from the System of Southwestern, which total was used as the basis for the \$0.0059 per kilowatthour Purchased Power Adder.

## **2.3. Transformation Service Rates, Terms, and Conditions**

### **2.3.1. Monthly Capacity Charge for Transformation Service**

\$0.46 per kilowatt will be assessed for capacity used to deliver energy at any point of delivery at which Southwestern provides transformation service for deliveries at voltages of 69 kilovolts or less from higher voltage facilities.

### **2.3.2. Applicability of Capacity Charge for Transformation Service**

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

## **2.4. Ancillary Services Rates, Terms, and Conditions**

### **2.4.1. Capacity Charges for Ancillary Services**

#### **2.4.1.1. Regulation and Frequency Response Service**

Monthly rate of \$0.07 per kilowatt of Peaking Billing Demand plus the Regulation Purchased Adder as defined in Section 2.4.5 of this Rate Schedule.

#### **2.4.1.2. Spinning Operating Reserve Service**

Monthly rate of \$0.0146 per kilowatt of Peaking Billing Demand.

Daily rate of \$0.00066 per kilowatt for non-Federal generation inside Southwestern's Balancing Authority Area.

**2.4.1.3. Supplemental Operating Reserve Service**

Monthly rate of \$0.0146 per kilowatt of Peaking Billing Demand.  
 Daily rate of \$0.00066 per kilowatt for non-Federal generation inside Southwestern’s Balancing Authority Area.

**2.4.1.4. Energy Imbalance Service**

\$0.0 per kilowatt for all reservation periods.

**2.4.2. Availability of Ancillary Services**

Regulation and Frequency Response Service and Energy Imbalance Service are available only for deliveries of power and energy to load within Southwestern’s Balancing Authority Area. Spinning Operating Reserve Service and Supplemental Operating Reserve Service are available only for deliveries of non-Federal power and energy generated by resources located within Southwestern’s Balancing Authority Area and for deliveries of all Hydro Peaking Power and associated energy from and within Southwestern’s Balancing Authority Area. Where available, such Ancillary Services must be taken from Southwestern; unless, arrangements are made in accordance with Section 2.4.4 of this Rate Schedule.

**2.4.3. Applicability of Charges for Ancillary Services**

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

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

**2.4.4. Provision of Ancillary Services by Others**

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

Subject to Southwestern’s approval of the ability of such resources or third parties to meet Southwestern’s technical and operational requirements for provision of such Ancillary Services, the Customer may change the Ancillary Services which it takes from Southwestern and/or from other sources at the beginning of any month upon the greater of 60 days notice or upon completion of any necessary equipment modifications necessary to accommodate such change; *Provided*, That, if the Customer chooses not to take Regulation and Frequency Response Service, which includes the associated Regulation Purchased Adder, the Customer must pursue these

services from a different host Balancing Authority; thereby moving all metered loads and resources from Southwestern’s Balancing Authority Area to the Balancing Authority Area of the new host Balancing Authority. Until such time as that meter reconfiguration is accomplished, the Customer will be charged for the Regulation and Frequency Response Service and applicable Adder then in effect. The Customer must notify Southwestern by July 1 of this choice, to be effective the subsequent calendar year.

**2.4.5. Regulation Purchased Adder**

Southwestern has determined the amount of energy used from storage to provide Regulation and Frequency Response Service in order to meet Southwestern’s Balancing Authority Area requirements. The replacement value of such energy used shall be recovered through the Regulation Purchased Adder. The Regulation Purchased Adder during the time period of January 1 through December 31 of the current calendar year is based on the average annual use of energy from storage<sup>1</sup> for Regulation and Frequency Response Service and Southwestern’s estimated purchased power price for the corresponding year from the most currently approved Power Repayment Studies.

The Regulation Purchased Adder will be phased in over a period of four (4) years as follows:

Year	Regulation Purchased Adder for the incremental replacement value of energy used from storage
2014 .....	1/4 of the average annual use of energy from storage × 2014 Purchased Power price.
2015 .....	1/2 of the average annual use of energy from storage × 2015 Purchased Power price.
2016 .....	3/4 of the average annual use of energy from storage × 2016 Purchased Power price.
2017 and thereafter .....	The total average annual use of energy from storage × the applicable Purchased Power price.

**2.4.5.1. Applicability of Regulation Purchased Adder**

The replacement value of the estimated annual use of energy from storage for Regulation and Frequency Response Service shall be recovered by Customers located within Southwestern’s Balancing Authority Area on a non-coincident peak ratio share basis, divided into twelve equal monthly payments, in accordance with the formula in Section 2.4.5.2.

If the Regulation Purchased Adder is determined and applied under Southwestern’s Rate Schedule NFTS-13, then it shall not be applied here.

**2.4.5.2. Procedure for Determining Regulation Purchased Adder**

Unless otherwise specified by contract, the Regulation Purchased Adder for an individual Customer shall be based on the following formula rate, calculated to include the replacement value of the estimated annual use of energy from storage by Southwestern for Regulation and Frequency Response Service.

RPA = The Regulation Purchased Adder for an individual Customer per month, which is as follows:

$$[(L_{Customer} \div L_{Total}) \times RP_{Total}] \div 12$$

with the factors defined as follows:

$L_{Customer}$  = The sum in MW of the following three factors:

- (1) The Customer’s highest metered load plus generation used to serve the Customer’s load that is accounted for through a reduction in the Customer’s metered load (referred to as ‘generation behind the meter’) during the previous calendar year, and
- (2) The Customer’s highest rate of Scheduled Exports<sup>2</sup> during the previous calendar year, and
- (3) The Customer’s highest rate of Scheduled Imports<sup>2</sup> during the previous calendar year.

<sup>1</sup> The average annual use of energy from storage for Regulation and Frequency Response Service is based on Southwestern studies.

<sup>2</sup> Scheduled Exports and Scheduled Imports are transactions, such as sales and purchases respectively, which are in addition to a Customer’s

metered load that contribute to Southwestern’s Balancing Authority Area need for regulation.

$L_{Total}$  = The sum of all  $L_{Customer}$  factors for all Customers that were inside Southwestern’s Balancing Authority Area at the beginning of the previous calendar year in MW.

$RP_{Total}$  = The “net” cost in dollars and cents based on Southwestern’s estimated purchased power price for the corresponding year from the most currently approved Power Repayment Studies multiplied by the average annual use of energy from storage, as provided for in the table in Section 2.4.5, to support Southwestern’s ability to regulate within its Balancing Authority Area. The “net” cost in dollars and cents shall be adjusted by subtracting the product of the quantity of such average annual use of energy from storage in MWh and Southwestern’s highest rate in dollars per MWh for Supplemental

Peaking Energy during the previous calendar year.

For Customers that have aggregated their load, resources, and scheduling into a single node by contract within Southwestern’s Balancing Authority Area, the individual Customer’s respective Regulation Purchased Adder shall be that Customer’s ratio share of the Regulation Purchased Adder established for the node. Such ratio share shall be determined for the Customer on a non-coincident basis and shall be calculated for the Customer from their highest metered load plus generation behind the meter.

**2.4.6. Energy Imbalance Service Limitations**

Energy Imbalance Service primarily applies to deliveries of power and energy which are required to satisfy a Customer’s load. As Hydro Peaking Power and associated energy are limited

by contract, the Energy Imbalance Service bandwidth specified for Non-Federal Transmission Service does not apply to deliveries of Hydro Peaking Power, and therefore Energy Imbalance Service is not charged on such deliveries. Customers who consume a capacity of Hydro Peaking Power greater than their Peaking Contract Demand may be subject to a Capacity Overrun Penalty.

**3. Hydro Peaking Power Penalties, Terms, and Conditions**

**3.1 Capacity Overrun Penalty**

**3.1.1. Penalty Charge for Capacity Overrun**

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

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

**3.1.2. Applicability of Capacity Overrun Penalty**

Customers which have loads within Southwestern’s Balancing Authority Area are obligated by contract to provide resources, over and above the Hydro Peaking Power and associated energy purchased from Southwestern, sufficient to meet their loads. A Capacity Overrun Penalty shall be applied only when the formulas provided in Customers’ respective Power Sales Contracts indicate an overrun on Hydro Peaking Power, and investigation determines that all resources, both firm and non-firm, which were available at the time of the apparent overrun were insufficient to meet the Customer’s load.

**3.2. Energy Overrun Penalty**

**3.2.1. Penalty Charge for Energy Overrun**

\$0.1034 per kilowatthour for each kilowatthour of overrun.

**3.2.2. Applicability of Energy Overrun Penalty**

By contract, the Customer is subject to limitations on the maximum amounts of Peaking Energy which may be scheduled under the Customer’s Power Sales Contract. When the Customer schedules an amount in excess of such maximum amounts, such Customer is subject to the Energy Overrun Penalty.

**3.3. Power Factor Penalty**

**3.3.1. Requirements Related to Power Factor**

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

**3.3.2. Determination of Power Factor**

The power factor will be determined for all Demand Periods and shall be calculated under the formula:

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

with the factors defined as follows:

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

kWh = The total quantity of energy which is delivered during such Demand Period to the point of delivery or interconnection in accordance with Section 3.3.4.

rkVAh = The total quantity of reactive kilovolt-ampere-hours (kVARs) delivered during such Demand Period to the point of delivery or interconnection in accordance with Section 3.3.4.

**3.3.3. Penalty Charge for Power Factor**

The Customer shall be assessed a penalty for all Demand Periods of a month where the power factor is less than 95 percent lagging. For any

Demand Period during a particular month such penalty shall be in accordance with the following formula:

$$C = D \times (0.95 - LPF) \times \$0.10$$

with the factors defined as follows:

C = The charge in dollars to be assessed for any particular Demand Period of such month that the determination of power factor “PF” is calculated to be less than 95 percent lagging.

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

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

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

**3.3.4. Applicability of Power Factor Penalty**

The Power Factor Penalty is applicable to radial interconnections with the System of Southwestern. The total Power Factor Penalty for any month shall be the sum of all charges “C” for all Demand Periods of such month. No penalty is assessed for leading power factor. Southwestern, in its sole judgment and at its sole option, may determine whether power factor calculations should be applied to (i) a single physical point of delivery, (ii) a combination of physical points of delivery where a Customer has a single, electrically integrated load, (iii) or interconnections. The general criteria

for such decision shall be that, given the configuration of the Customer's and Southwestern's systems, Southwestern will determine, in its sole judgment and at its sole option, whether the power factor calculation more accurately assesses the detrimental impact on Southwestern's system when the above formula is calculated for a single physical point of delivery, a combination of physical points of delivery, or for an interconnection as specified by an Interconnection Agreement.

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

4.

**Hydro Peaking Power Miscellaneous Rates, Terms, and Conditions**

**4.1. Real Power Losses**

Customers are required to self-provide all Real Power Losses for non-Federal

energy transmitted by Southwestern on behalf of such Customers under the provisions detailed below.

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

$$ML = 0.04 \times NFE$$

with the factors defined as follows:

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

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

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

**4.1.1.** The Customer shall schedule and deliver Real Power Losses back to Southwestern during the second month after they were incurred by Southwestern in the transmission of the Customer's non-Federal power and energy over the System of Southwestern unless such Customer has accounted for Real Power Losses as part of a metering arrangement with Southwestern.

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

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

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

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

**4.2. Peaking Energy Schedule Submission Time**

Southwestern's Peaking Energy Schedule Submission Time is on or before 2:30 p.m. Central Prevailing Time (CPT), as adjusted by the Administrator, Southwestern, in accordance with Section 4.2.2 in this Rate Schedule, of the day preceding the day for the delivery of Peaking Energy. The Peaking Energy Schedule Submission Time supersedes the Peaking Energy schedule submission time provided in the Customer's Power Sales Contract, pursuant to Section 4.2.1 of this Rate Schedule.

**4.2.1 Applicability of Peaking Energy Schedule Submission Time**

The Peaking Energy Schedule Submission Time shall apply to the scheduling of Peaking Energy. The Peaking Energy Schedule Submission Time shall not apply to the scheduling of Supplemental Peaking Energy or to Contract Support Arrangements.

**4.2.2 Procedure for Adjusting the Peaking Energy Schedule Submission Time**

Not more than once annually, the Peaking Energy Schedule Submission Time of 2:30 p.m. CPT, as noted in Section 4.2 of this Rate Schedule, may be adjusted by the Administrator, Southwestern, to a time no earlier than 2:00 p.m. CPT and no later than 3:00 p.m. CPT.

**4.2.2.1 Determination of Need to Adjust the Peaking Energy Schedule Submission Time**

The Administrator, Southwestern, will make a determination on the need to adjust the Peaking Energy Schedule Submission Time based on Southwestern's studies involving

financial analysis, regional energy market conditions, and/or operational considerations.

**4.2.2.2 Notification of Peaking Energy Schedule Submission Time Adjustment**

The Administrator, Southwestern, will notify customers of the determination to adjust the Peaking Energy Schedule Submission Time in writing no later than 30 calendar days prior to the effective date of the Peaking Energy Schedule Submission Time adjustment.

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**DEPARTMENT OF ENERGY**

**Western Area Power Administration**

**2025 Resource Pool—Sierra Nevada Customer Service Region**

**AGENCY:** Western Area Power Administration, DOE.

**ACTION:** Final power allocations from Central Valley and Washoe Projects.