

SCHEDULING, ACCOUNTING, AND BILLING PROCEDURE

BETWEEN

CITY OF GILLETTE, WYOMING

AND

UNITED STATES  
DEPARTMENT OF ENERGY  
WESTERN AREA POWER ADMINISTRATION  
ROCKY MOUNTAIN REGION

LOVELAND AREA PROJECTS

1. INTRODUCTION: This Procedure between the Western Area Power Administration (Western) and the City of Gillette, Wyoming (Contractor), sets forth the Scheduling, Accounting, and Billing Procedure (SABP) to Contract No. 15-RMR-2633 (Contract).

2. PURPOSE: To identify the SABP for the Contract for Contractor. The SABP is intended to implement the terms of the Contract but not to modify or amend the Contract.

2.1 SCOPE: The SABP is subordinate to the Contract, as it may be amended, and to applicable Letter Agreements.

<u>CONTRACT NO.</u>	<u>TYPE</u>	<u>TERMINATION DATE</u>
15-RMR-2633	Loveland Area Projects (LAP) Firm Electric Service	September 30, 2024

2.2 REFERENCE: Post-1989 General Power Marketing and Allocation Criteria; Pick-Sloan Missouri Basin Program-Western Division (51 FR 4012).

3. TERM: This SABP shall become effective on April 1, 2015, and shall remain in effect until superseded by a revised SABP or upon termination of the Contract listed in Section 2.1.

4. DEFINITIONS:

Accounting Month: The Rocky Mountain Region (RMR) accounting month is a normal calendar month.

Balancing Authority: Balancing Authority (BA), previously known as the Control Area, is a region of integrated generation and transmission operations controlled by a single operator which is

responsible for scheduling interchanges with other BAs and with balancing supply and demand within the BA. The BA may include the service territories of one or more utilities.

**Billing Period:** The Billing Period for LAP power is a normal calendar month.

**Contingency:** Contingency means the sudden loss of generation and/or contingent capacity dedicated at that time to meeting the Contractor's own network load. For purposes of this SABP, "Contingency" is substituted for "Emergency" as set forth in the Contract.

**EMMO:** Western's Energy Management and Marketing Office located in Montrose, Colorado.

**Hourly Schedule:** The Hourly Schedule requested by Contractor in accordance with its Contract. The Contract specifies the minimum hourly energy delivery as well as the monthly capacity not to be exceeded in any one (1) hour except for rounding (see Section 5.3).

**LAP Delivery(ies):** Delivery of LAP firm energy and pumped-storage energy.

**Load:** Contractor's load within the area served under Western's Post-1989 General Power Marketing and Allocation Criteria.

For purposes of this Procedure, onpeak and offpeak hours shall be defined by the North American Electric Reliability Corporation (NERC) criteria, or as modified by future NERC communication, as follows:

**Onpeak period:** Hour Ending (HE) 0800 – HE 2300 MPT\* Monday through Saturday.

**Offpeak period:** Monday through Saturday: HE 0100 - HE 0700 MPT\*; and HE 2400 MPT\*; Sunday and NERC designated holidays: HE 0100 through HE 2400 MPT\*

\*Mountain Prevailing Time, which is Daylight Savings or Standard Time, whichever is prevailing in Colorado.

**Scheduling Area:** Loads grouped in such a manner that no constrained transmission path or BA boundary divides the loads within the area. The Scheduling Areas listed below encompass the delivery points listed in Exhibit A to the Contract. Scheduling

by Scheduling Area may be required sometime in the future and will be coordinated with the LAP firm electric service customers prior to implementation.

SCHEDULE ID #	NAME OF SCHEDULING AREA	SCHEDULE AREA CODE	BALANCING AUTHORITY	LOCATION RELATIVE TO CONSTRAINED PATHS	
				TOT 3	TOT 4B
1	Colo-E	WACM-T3S	WACM	S	E
2	WYO-E & NE-WECC	WACM-T3N-T4SE	WACM	N	E
3	WYO-NW	WACM-T3N-T4NW	WACM	N	W
4	NPPD (NE-MAPP)	NPPD-T3N	NPPD	N	E
5	PSCO (east slope)	PSCO-T3S	PSCO	S	E
6	PACE (Wyo-E)	PACE-T3N-T4SE	PACE	N	E
7	PACE (Wyo-NW)	PACE-T3N-T4NW	PACE	N	W
8	Aquila Networks – WPK (Mid-Kansas Electric Power Corporation)	WPEK	WPEK	N	E
9	Kansas City Power & Light Co.	KCPL	KCPL	N	E
10	Midwest Energy	MWE	MWE	N	E
11	Sunflower Electric Power Corporation	SEP	SECI	N	E

## 5. SCHEDULING PROCEDURES:

5.1 Contractors shall identify and provide individual Hourly Schedules for all LAP Deliveries, Support Energy and pumped-storage return energy. Western reserves the right to adjust Hourly Schedules to comply with the Contract and this SABP.

5.2 The Hourly Schedules will be shown in whole megawatts to accommodate standard industry practices. The schedules shall be rounded up or down to whole megawatts and applied to the individual schedules. The total scheduled megawatts will not exceed the maximum CROD by more than one (1) megawatt, or fall short of the minimum CROD by more than one (1) megawatt. Further, the total energy delivered for the month shall not exceed the monthly energy obligation.

5.3 Initial Schedules. Using the Western Web Scheduler application, Contractor will provide the EMMO an Hourly Schedule of LAP capacity and energy in accordance with the Contract and the following procedures:

5.3.1 Pumped-Storage Return Energy. Contractor will provide Hourly Schedules for pumped-storage return energy by 2:00 p.m., two (2) business days prior to the requested day of delivery. Western will

sum all customers' pumped-storage energy schedules and determine if any reduction in pumped-storage energy schedules are required due to Mt. Elbert limitations or outages.

- 5.3.1.1 If Western requires reductions to pumped-storage energy schedules due to Mt. Elbert limitations or outages, the pumped-storage energy schedules will be revised pro rata by multiplying each customer's pumped-storage energy schedule by the ratio of pumped-storage available to the total of all customers' pumped-storage energy requests.
- 5.3.1.2 If Western does not notify Contractor that Western has reduced the pumped-storage energy schedule by 3:00 p.m. two (2) business days prior to the requested day of delivery, that schedule is accepted as originally requested.
- 5.3.1.3 If Western notifies Contractor that Western has reduced the pumped-storage energy schedule by 3:00 p.m. two (2) business days prior to the requested day of delivery, Contractor may increase its LAP firm energy schedule by 5:00 p.m. that same day to compensate for the pumped-storage energy schedule reduction.
- 5.3.1.4 If Contractor does not notify Western by 5:00 p.m. of increases to its LAP firm energy schedule, LAP firm energy schedule increases will not be accepted.

5.3.2 LAP Deliveries and Support Energy. Contractor will provide Hourly Schedules for LAP Deliveries and Support Energy by 5:00 p.m. two (2) business days prior to the requested day of delivery. If Contractor does not provide schedules prior to the deadline, Western will provide only the LAP firm energy schedules at the Contract-specific minimum deliveries.

5.4 Schedule Changes. Contractor may change its Hourly Schedules after the schedules have been submitted in accordance with Section 5.3 subject to the following conditions:

- 5.4.1 In the case of a Contingency, Contractor may request a change in its LAP firm energy schedule up to the full monthly entitlement for that time period after operating reserves received by Contractor have been exhausted. For example, in the case where an operational reserve group (or designated reserve supplier) replaces Contractor's loss of generation for a period of up to two (2) hours, the LAP Contingency would be defined as beginning in the third hour. For purposes of LAP scheduling, no other load resource change will be considered a Contingency except for a forced, unplanned outage as addressed in Section 5.4.2.

- 5.4.2 For an unplanned outage, Western will make every effort to accommodate changes to the scheduled LAP firm energy service.
- 5.4.3 With at least ninety (90) minutes advance notice (e.g., by 8:30 a.m. for the HE 1100), Contractor may change its LAP firm energy schedule, for any hour, by up to five percent (5%) or two (2) MW, whichever is greater, of its monthly LAP capacity entitlement.
- 5.4.4 With at least ninety (90) minutes advance notice (e.g., by 8:30 a.m. for the HE 1100 ), Contractor may request a LAP firm energy schedule change(s) in an amount exceeding what is allowed under Section 5.4.3, provided that, the change(s) is for the sole purpose of meeting changes to Contractor's load within the area served under the Post-1989 General Power Marketing and Allocation Criteria, and provided further, that the change(s) cannot be made to respond for intermittent resources, and provided further, that upon acceptance by Western, the schedule change(s) must be supported by documentation indicating that Contractor's load changed by at least the same amount, and in the same direction, as requested in the schedule change(s).
- 5.4.5 Contractor will, by the close of the next business day following the day in which a change(s) was made pursuant to Section 5.4.4 above, submit to Western's EMMO load information for each hour that the change(s) was made.
  - 5.4.5.1 Upon Western's review, if the information supports the need for the change(s) to the schedules pursuant to Section 5.4.4 above, the schedule change(s) will be considered to be power delivered under Contractor's Contract.
  - 5.4.5.2 If, however, in Western's sole determination, the change(s) was not justified by change(s) to Contractor's load, the schedule change(s) will be considered to be power delivered under Contractor's Contract, and Contractor agrees to pay Western the cost, as solely determined by Western, of any purchase power unnecessarily incurred due to the change(s) in Contractor's schedules, or for any revenue lost by Western caused by Contractor's schedule change(s). Western shall promptly notify Contractor of its determination and shall include any assessed charges in Contractor's monthly power bill.
- 5.4.6 Pumped-Storage Energy and Pumped-Storage Return Energy. For Contingency and/or unplanned outage purposes only and with at least ninety (90) minutes advance notice (e.g., by 8:30 a.m. for the HE

1100), Contractor may reduce its pumped-storage energy and pumped-storage return energy schedules.

- 5.5 Western reserves the right to limit a schedule change that may negatively impact water or transmission system operations.

6. ACCOUNTING PROCEDURES:

- 6.1 The accounting period for capacity and energy use shall be the calendar month. The monthly check outs will be shown in whole megawatthours and megawatts in accordance with standard industry practices.

- 6.2 Contractor is responsible for losses associated with delivery of all Federal power beyond the Federal Point(s) of Delivery.

- 6.3 Power Factor Accounting and Compliance Procedures. Western will measure and monitor Contractor's power factor to determine whether it is complying with the power factor provisions of Section 12 of the Contract as follows<sup>1</sup>:

- 6.3.1 Western will use hourly data to compute whether the power factor is in or out of compliance:

6.3.1.1 If the averaged monthly power factor is less than .95 leading or lagging, it is considered out of compliance for that month.

6.3.1.2 If the monthly average is within compliance, but the number of hourly power factor readings is out of compliance (less than .95 leading or lagging) more than 25 percent of the time, it shall be considered out of compliance for that month.

- 6.3.2 Western will provide to Contractor summary compliance information for out of compliance conditions on a regular basis.

- 6.3.3 Western will notify Contractor when it is out of compliance for a period of three (3) consecutive months, at which time Contractor will be required to correct the power factor problem. From the time Contractor is notified, Contractor has three (3) months to develop a power factor correction plan and to submit it to Western. The plan will include Contractor's proposed remedy and the date when the remedy will be implemented. Contractor will have three (3) months to correct the power factor problem.

- 6.3.4 If the power factor problem is not corrected to Western's satisfaction, Western may, at its sole discretion, begin billing Contractor monthly for power factor non-compliance. Funds collected for correcting the

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<sup>1</sup> Prior to beginning power factor monitoring, Western will coordinate with the LAP firm electric service customers how Power Factor compliance will be measured and monitored.

power factor problem will be credited monthly to a Trust Account established by Western for Contractor.

6.3.4.1 The total amount to be collected and billed by Western for power factor non-compliance shall be based on the estimated cost Western will incur to manage, provide and install the power factor correction equipment to Western's system. The estimated cost will be collected over a time period of not more than two (2) years.

6.3.4.2 If the power factor problem is subsequently corrected, Western will return the remaining Trust Account funds to Contractor without interest as soon as the necessary voucher can be prepared; provided that, Western shall be under no obligation to return to Contractor any funds advanced which were expended to correct, or begin to correct, Contractor's power factor problem.

6.3.4.3 If the power factor problem is not corrected, Western will use the Trust Account funds to implement Section 12 of the Contract.

## 7. BILLING PROCEDURES:

7.1 Firm Capacity. The number of kilowatts billed as firm capacity in any Billing Period shall be the seasonal CROD. The CROD shall be billed monthly according to applicable rate schedules.

7.2 Firm Energy. Energy shall be billed monthly. The number of kilowatthours billed monthly as firm energy shall be the lower of the Monthly Energy entitlement listed in Exhibit A of the Contract, or the scheduled energy.

7.2.1 If Contractor underschedules its Monthly Energy entitlement, Contractor will be billed for the underscheduled amount according to applicable rate schedules.

7.2.2 If Contractor overschedules its Monthly Energy entitlement, Contractor will be billed for its Monthly Energy entitlement according to applicable rate schedules. For energy scheduled over and above Contractor's Monthly Energy entitlement, Contractor will be billed at that month's average energy purchase price as determined by the EMMO.

7.3 Pursuant to Sections 5.4.4 and 5.4.5 of this SABP, Contractor will be billed Western's cost, as solely determined by Western.

7.4 Power Factor Non-Compliance. Contractor will be billed monthly for power factor non-compliance in accordance with Section 6.3 of this SABP.

8. METER POINTS: N/A

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