



June 30 2010
FILED
12-06-10
04:59 PM

Draft

LADWP OASIS

PRODUCT OFFERINGS

AND

GENERAL BUSINESS PRACTICES

Each Transmission Customer is required to register with OATI and have in place a Transmission Service Agreement prior to requesting transmission services from DWP via the OATI webOASIS.

To register with OATI, please go to: <http://www.westtrans.net/registration.html>

To execute a short-term service agreement with LADWP, please go to http://www.oatioasis.com/LDWP/LDWPdocs/Procedure_to_Execute_a_service_agreement.doc

TRANSMISSION AND ANCILLARY SERVICES

Product Offerings and Tariff Rates for Point-to-Point Transmission Service:

	Transmission Service Point-to-Point	
	Firm	Non-Firm
Yearly	\$ 46,680 / MW	N/A
Monthly	\$ 3,890 / MW	\$ 3,890 / MW
Weekly	\$ 900 / MW	\$ 900 / MW
Daily	\$ 150 / MW	\$ 150 / MW
Hourly	\$ 9 / MW	\$ 9 / MW

Firm Transmission Service is Point-to-Point Transmission Service that is of the same priority as LADWP's firm use of the Transmission System and that is reserved and scheduled from the Point(s) of Receipt to the Point(s) of Delivery.

Non-Firm Transmission Service is Point-to-Point Transmission Service provided by LADWP on an as-available basis, and is reserved and scheduled from the Point(s) of Receipt to the Point(s) of Delivery.

Non-firm transmission includes unscheduled transmission released after preschedule and in real-time that has previously been reserved for native load and existing Transmission Customers. Customers with firm reservations retain the right to modify their schedules prior to the real-time scheduling dead-line.

Due to frequent capacity change on the PDCI and PACI, and the last minute reclaim of the firm capacity by its firm customers, any unscheduled release and non-firm hourly capacity will not be resold more than once. In other words, even if there is no energy (e-tag) applied to the reservation, it will not be released again as ATC.

All transmission Schedules require two bundled ancillary services provided by LADWP:

- Scheduling, System Control and Dispatch Service
- Reactive Supply and Voltage Control from Generation Service

They are described below.

Ancillary Services:

Ancillary Services are those services listed by the Federal Energy Regulatory Commission (FERC) as Ancillary Services under Order No. 888 and other associated services listed by the North American Electric Reliability Council (NERC) as Integrated Operations Services. These services include Scheduling, System Control and Dispatching Service; VAR and Voltage Support from Generation Service; Operating Reserve-Spinning Service; Operating Reserve-Supplemental Service; Replacement Reserve Service; Regulation and Frequency Response Service; and Energy Imbalance Service. These services are categorized as bundled and unbundled services and are further defined below.

Bundled Ancillary Services:

Bundled ancillary services are those services that must be purchased from and provided by LADWP when a Point-to-Point Transmission Service is purchased. They are: (1) Scheduling, System Control and Dispatching Service; and (2) VAR and Voltage Support Service. They are further defined below.

Scheduling, System Control and Dispatching (MANDATORY):

This service is defined as the scheduling and accounting of energy, capacity, and transmission service on a pre-schedule and real-time basis, including adjustments made necessary by transmission system outages, interruptions, and contingencies. This service is required for the operation of LADWP's Transmission System and generation resources to accommodate and implement energy, capacity, and transmission Schedules.

This service can be provided only by the Control Area Operator of the Control Area in which the transmission facilities used for transmission service are located. This service is to be provided directly by the Transmission Provider (if the Provider is a Control Area Operator) or indirectly by the Transmission Provider making arrangements with the Control Area Operator that performs this service for the Transmission Provider's Transmission System. The Transmission Customer must purchase this service from LADWP.

Scheduling, System Control and Dispatching	
Each Transaction	\$ 134.39

A Transaction is defined as each Schedule occurring within a single calendar day which utilizes a specific combination of a Delivering Party, source Control Area, Point(s) of Receipt, Point(s) of Delivery, provider(s) of Ancillary Services, and hourly energy component. A schedule which is broken up into more than one NERC transaction tag is considered to be more than one transaction- i.e., one Transaction per tag. Modifications to the hourly energy component of the Schedule made prior to 1300 hours (Pacific prevailing time), the Business Day before service is to commence, will not be considered as a separate Transaction. Any modification to a Schedule from the initial transmission service request which changes the Delivering Party, source Control Area, the Point(s) of Receipt, the Point(s) of Delivery, or provider(s) of Ancillary Services, is considered a separate Transaction. Any modifications to the hourly energy component of the Schedule made after 1300 hours (Pacific prevailing time), the Business Day before service is to commence, is considered a separate Transaction.

To summarize, a transaction is a Schedule occurring within a single calendar day which utilizes a specific combination of a Delivering Party, source Control Area, Point(s) of Receipt, Point(s) of Delivery, provider(s) of Ancillary Services, and hourly energy component.

VAR and Voltage Support from Generation (MANDATORY):

This service is defined as the reactive power control (leading and lagging VARs) necessary to support and maintain (regulate) the transmission system voltage schedules and scheduled energy transfers between Point(s) of Receipt and Point(s) of Delivery on the LADWP Transmission System. VAR and Voltage support from generation must be provided for each Transaction on the Transmission Provider's transmission facilities and will be determined based on the reactive power support necessary to maintain transmission voltages within limits that are generally accepted in the region and that are consistently adhered to by the Transmission Provider. This service is to be provided directly by the Transmission Provider (if the Transmission Provider is the Control Area Operator) or indirectly by the Transmission Provider making arrangements with the Control Area Operator that performs this service for the Transmission Provider's Transmission System. The Transmission Customer must purchase this service from LADWP.

VAR and Voltage Support from Generation	
Hourly*	\$ 0.33 / MW

(For every hour of energy scheduled.)

The two bundled Ancillary Services discussed above will be offered to all Transmission Service customers and for each energy schedule.

The five unbundled Ancillary Services are: Operating Reserve-Spinning Service, Operating Reserve-Supplemental Service, Replacement Reserve Service, Regulation and Frequency Response Service, and Energy Imbalance Service. These are offered separately from the Point-to-Point Transmission Service. Please call our OASIS Helpline or wholesale trading staff (see our "[Contacts](#)" page) if you wish to purchase any of these unbundled ancillary services.

LOSS RATES

Transmission Customers are responsible for losses associated with delivery of the energy they schedule. The OASIS loss rates are:

- 6.2% for any path using the Pacific DC or Intermountain DC segments.
- 6.09% for any path using the Pacific AC (COI) segments.
- 5.89% for any path using the Palo Verde and Sylmar segment.
- 4.8% for all others.

For paths using a combination of segments above, the highest loss rate will apply. For example, for NOB-PV, the loss rate is 6.2%.

Customer can return losses concurrently, or settle losses financially. The simultaneous real power loss return (net delivery) option may be elected at the time the reservation is made or any time up to 60 calendar days prior to the time the energy is scheduled. A loss schedule account and changes to the DWP scheduling system are required to accommodate concurrent return. Weekly, daily, and hourly schedule with a short lead-time may require financial settlement.

In the event that the Transmission Customer fails to designate a method of loss reimbursement, financial settlement will be the default.

For financial loss settlement, the simple monthly average Dow Jones energy indexes (on- or off-peak) for California-Oregon Border (COB), and the associated price at the ANPP High Voltage Switchyard (Palo Verde Nuclear Generating Station) will be used. Please refer to the LADWP tariff for more detail.

TRANSMISSION RESERVATION TIMELINES

Long-Term Firm Transmission Service

Requests for transmission service shall be submitted at least sixty (60) days in advance of the calendar month in which service is scheduled to commence.

Short-Term Firm and Non-Firm Transmission Service

Preschedule:

Requests for transmission service shall be submitted **no earlier** than: sixty (60) days for **Monthly** service, fourteen (14) days for **Weekly** service, and seven (7) Business Days for **daily** service, and one (1) day for **hourly** service before service is scheduled to commence.

Requests for transmission service shall be submitted **no later** than 1200 hours for firm service and 1400 hours for non-firm service (Pacific prevailing Time) of the Business Day before service is scheduled to commence. Requests received after that will be accommodated, if practicable.

Real-time:

Requests for hourly service for the same day shall be submitted at least 60 minutes in advance. Requests received after that will only be accommodated if time permits.

RESERVATION PRIORITY

Requests for transmission service will be processed in the following order, from highest to lowest priority:

1. Long-Term Firm Point-To-Point Transmission Service, on a first-come, first-serve basis.
2. Short-Term Firm Point-To-Point Transmission Service conditionally based on the length of the requested transaction. Competing requests will be prioritized based on whether the request is pre-confirmed, its duration, and price. Transmission Customers that have a confirmed shorter-term service have the right of first refusal to match any longer term reservation before being preempted during the conditional period.
3. Non-Firm Point-To-Point Transmission Service from designated Point(s) of Receipt and/or Point(s) of Delivery based on service duration, with longer terms of service receiving higher priority. Competing requests of equal duration will be prioritized based on the highest price offered. Transmission Customers that have already reserved shorter-term service have the right of first refusal to match any longer term reservation before being preempted.

RENEWAL OF EXISTING LONG-TERM FIRM SERVICE CUSTOMERS

Existing firm service customers with a contract of two or more years (subject to NOPR RM-25-000 long-term service provisions) have the right to continue to take transmission service when the contract expires, rolls over or is renewed. The renewal right is subject to LADWP's native load needs, and to the Los Angeles City Council approval. The price for such service is subject to negotiation in accordance with the applicable tariff provisions.

REDIRECT

Yearly and Monthly firm Transmission Services Customers have the right to request non-firm hourly Secondary service on other paths, if ATC is available, during preschedule and real-time. The sum of the schedules on the original reservation and the amount of redirect on the hourly secondary service cannot exceed the original reservation.

Customer may modify or cancel the non-firm Secondary Redirect by submitting a reservation of the type RELEASE.

SALE OR RE-ASSIGNMENT OF TRANSMISSION SERVICE

Subject to the Transmission Provider's approval, a Transmission Customer may sell, assign, or transfer all or a portion of its rights under its Service Agreement, but only to another Eligible Customer (the Assignee) subject to Schedules 7 or 8 of the Tariff, whichever is applicable. Please refer to the LADWP tariff for more detail.

CURTAILMENT PROVISIONS

Firm Point-To-Point Transmission Service and Network Integration Transmission Service may be curtailed for reliability reasons. Non-Firm Point-To-Point Transmission Service may be curtailed for reliability reasons or interrupted for economic reasons. Curtailment shall be based in the following order:

Non-Firm Point-To-Point Transmission Service from designated Receipt and/or Delivery Point(s) based on duration of service, with shorter durations curtailed/interrupted first. Firm reservations will be curtailed pro-rata based on customers' reserved capacities.

Non-firm Point-to-Point service may be interrupted to accommodate a request to schedule on an existing firm reservation, up to 20 minutes before the next the operating hour. If the path capacity is reduced due to reliability reasons, non-firm Point-to-Point service can also be curtailed at any time based on NERC priorities and queue time.

Curtailment credit will be given when the non-firm reservation is curtailed or interrupted. No credit will be given to firm service or non-firm secondary service.

All Curtailments will be made on a non-discriminatory basis; however, in case of emergency, LADWP reserves the right to curtail, in its sole judgment, any schedules that would relieve such emergency in the most effective manner. The Transmission Provider will notify all affected Transmission Customers in a timely manner of any scheduled Curtailments.

ENERGY SCHEDULING PROCEDURES

LADWP requires a scheduling account built specifically for the OASIS customer before we can accept a tag or a schedule. Limited numbers of generic scheduling accounts are available for non-firm hourly schedules for some popular paths. Prior to purchasing the transmission, please call us to discuss the paths you want to purchase, and accounts you need to be created.

All hourly Schedules shall be in whole megawatts.

- Energy schedule submission timeline:

Energy schedules for firm and non-firm **Monthly, Weekly, Daily and Hourly** Point-To-Point and NERC tag(s) shall be submitted no later than 1300 hours (Pacific Prevailing Time) of the Business Day before service is scheduled to commence. Real-time schedule shall be submitted no later than 30 minutes prior to the hour of the schedule.

- Method of schedule transfer:

Hourly, Daily, Weekly and Monthly Schedules for firm and non-firm energy shall be submitted to LADWP via NERC tags. All applicable NERC business practices shall be observed.

- Energy schedule modifications/confirmations:

Energy schedule modifications/confirmations and NERC tag(s) should be submitted by 1400 hours (Pacific Prevailing Time) of the Business Day before each day of scheduled service. LADWP will not guarantee that Schedule and NERC tag(s) submitted after 1400 hours will be pre-scheduled. Hourly Energy Schedule modifications may be made in real time up to 30 minutes prior to the hour of the modified Schedule.

- Schedule verification:

LADWP will verify all Schedules with affected adjacent Control Areas, as well as with the source and receiving Control Areas. In the event LADWP is unable to verify a Schedule, the Transmission Customer will be contacted and shall be responsible for verifying the Schedule among the various Control Areas. At no time will LADWP allow an unverified Schedule through the LADWP Control Area.