Valley Electric Real-Time "Fat Boy"

CAPS:
Submit under VEA counterparty in CAPS
Inc Load in SP15 (ECTRT)

EnPower:

- Buy from Valley Electric
  Index-Forward
  Counterparty: Valley Electric
  Use ISOHASP15 as the Index, and -.25 as the Offset
  Delivery Point: Mead 230 Kv

- Import into California:
  Buy/Resale
  Counterparty: EPMICALPOOL
  From: Mead-230 Kv
  To: SP15

- Sale to California Imbalance
  Forward (No price, as all CalImbalance deals are)

Communication:

NEVADA POWER:
WAPA (LOWER COLORADO) / CONTROL AREA @ MEAD: (602) 352-2511

- Call Nevada Power (t) to give them a "heads up" VERY EARLY as to what you are planning. We are increasing hydro to serve load and re-direct the pre-scheduled energy to the ISO. **It is very important NOT TO SAY "Increase our HYDRO gen & send it into the ISO."!!**
- **Create a NERC tag that indicates which hours are re-scheduled in (WAPA, NEVP & ISO all receive this tag) -- you can use tag# 556Z in the CA tag directory to copy from.**
- **Communicate Final Schedules for each hour to NEVP & WAPA**

***** **WE WILL EVENTUALLY GET A LARGER, FIXED OFFSET. VOLUME MGT WILL HANDLE SETTLEMENT OF THIS DEAL!!**

Calculation of Monthly Energy Costs and Re-Marketing Value for Valley Electric

1. Finalize VEA's & NTS's Hydro allocation, VEA's metered demand, Market Resources scheduled into NPC's control area. These volumes need to be checked out with Nevada Power (NPC) and NPC will also provide their average system incremental costs for this month. CRC will provide the finalized numbers for the Hydro allocation. Once all this data is available, energy imbalances will be calculated as follows:

   Energy Imbalance:
   + Metered Demand
   - VEA & NTS Hydro Allocation
   - Market Resources scheduled into NPC

   If the number is positive VEA owes NPC this volume multiplied by the NPC's system incremental cost. If the number is negative NPC owes VEA this volume multiplied by the NPC's system incremental cost.

2. Chris Stokley will run the settlements model to get the volumes and prices sold and bought from the PX and ISO on behalf of VEA. He will provide an estimate of the revenues and costs on the invoice to VEA for the term energy sale which will be billed 5 days after the close of the month. Chris will send an invoice to VEA when the prices and charges are actualized, 45 days after the close of the month for PX activity and 90 days for ISO activity. When these numbers are finalized they will be used to calculate the Remarketing Value to Enron. The following is the fomula to determine VEA's actual energy costs:

   Actual Energy Costs:
   + Term Energy Purchase Costs
   + Costs from Mead Purchases
   + PX Energy Purchase Costs
   + CAISO Energy Purchase Costs
   + Unaccounted for Energy
   - Revenues from Mead Sales
   - PX Energy Purchase Sales
   - CAISO Energy Purchase Sales
   - CAISO Capacity Revenues
   -/+ Imbalance Energy Revenues/Costs

   This total will be divided by the MWh associated with these activities to derive the per MWh cost. All CALPX and CAISO prices will be at the LC1 index and its costs and revenues respectively will be net of charges. These volumes will be less a $0.25 per MWh scheduling fee and will also apply to Mead sales and purchases.

3. To determine the Baseline Energy Cost VEA's actual metered energy requirements are met with the Term Energy Purchase and load shaped Hydro allocation. If there is an excess amount of energy for any given hour it will be sold at the PX index at LC1(minus $0.25 scheduling fee and losses) and if there is insufficient energy for a

given hour it will be bought at the PX index at LC1 (plus exports and other charges). The Baseline Energy Cost formula to determine the Remarketing Value to Enron is as follows:

Baseline Energy Costs:	+ Term Energy Purchase Costs
	+ PX Energy Purchase Costs
	- PX Energy Purchase Revenues

This total will be divided by the MWh associated with these activities to derive the per MWh cost. The following is the formula for determine the Remarketing Value:

(Baseline Energy Costs – Actual Energy Costs) * the above MWh

There will be no Remarketing Value if he above formula becomes negative. This amount will be paid to the Cash and Real-Time desks when the California numbers are finalized.

Attachment A
January 2000 Monthly Energy Cost & Remarketing Value

1. Energy Imbalance

		Volumes (Mwh)
+ Metered Demand		40,760
- VEA Hydro Allocation		13,079
- NTS Hydro Allocation		1,784
- Market Resources scheduled to NPC		28,190
Imbalance owed to VEA		(2,293)
NPC Incremental Cost	$	23.56
Total Due to VEA	$	54,013

2. Actual Energy Costs

		Dollars	Volumes (MWh)
+ Term Energy Purchase Costs	$	1,029,200	33,200
+ Costs From Mead Purchases	$	44,146	1,315
+ PX Energy Purchase Costs	$	-	-
+ CAISO Energy Purchase Costs	$	-	-
+ Unaccounted for Energy	$	-	153
- Revenues From Mead Sales	$	-	-
- PX Energy Purchase Revenues	$	178,572	6,324
- CAISO Energy Sales Revenues	$	5,929	154
- CAISO Capacity Revenues	$	-	-
- Imbalance Energy Revenues	$	54,013	2,293
Total	$	834,832	25,897
Actual Energy Cost per MWh	$	32.24	

3. Baseline Energy Costs

		Dollars	Volumes (MWh)
+ Term Energy Purchase Costs	$	1,029,200	33,200
+ PX Energy Purchase Costs	$	-	-
- PX Energy Purchase Revenues	$	133,553	6,137
Total	$	895,647	27,063
Baseline Energy Cost per MWh	$	33.09	

Remarketing Value:

Baseline Energy Cost per MWh	$	33.09
Actual Energy Cost per MWh	$	32.24
Cost Savings to VEA	$	0.86
Baseline Energy Volumes (MWh)		27,063
Total Remarketing Value	$	23,228
Enron's Percentage Share		40%
Remarketing Value Due to Enron	$	9,291

NERC-Transaction Information System - Interchange Transaction Request Form

Region
on

Transaction Days: ☐S ☐M ☐T ☑W ☐T ☐F ☐S

Start Date: 01/12/00
Stop Date: 01/12/00

Time Zone: PS

Interchange Transaction ID No.				
SCA	PSE	Unique #	Revision	RCA
NEVP	EPMIWE	555Z	001	CISO

Purchasing/Selling Entity (code)	EPMIWE	Enron Capital and Trade
PSE Deal Reference #	555Z	
Transaction Revision Number	001	
PSE Contact Name	John Forney	
PSE Phone Number		
PSE 24 hr Phone Number	800-684-1336	
PSE Fax	(503)464-3740	
PSE Email	westtags@ect.enron.com	
Source Generator Name	Valley Electric	
Source Phone		
Sending Control Area (code)	NEVP	Nevada Power Company
Sending Control Area Phone	(702)451-2026	
Sending Control Area Fax	(702)862-7113	
Sending Control Area Email	sysopr@nevp.com	
Load Or Sink Entity	CISO	
Receiving Control Area (code)	CISO	CAISO
Receiving Control Area Phone	(916)351-2484	
Receiving Control Area Fax	(916)351-4486	
Receiving Control Area Email	Prescheduling@caiso.com	
Remarks or Key Info:	REAL TIME TAG!!! Interch ID # CISO_MRHAPPY. EPMI IS SC	

Energy Profile (at source) (Use Start/Stop time only; NOT Hour-ending; colon ":" is required for all time values)				Ramp Info	
Start	Stop	MW	MWH	Ramp	Ramp Duration
0:00	1:00				
1:00	2:00				
2:00	3:00				
3:00	4:00				
4:00	5:00				
5:00	6:00				
6:00	7:00				
7:00	8:00				
8:00	9:00				
9:00	10:00				
10:00	11:00				
11:00	12:00				
12:00	13:00	13	13		
13:00	14:00	13	13		
14:00	15:00	13	13		
15:00	16:00	13	13		
16:00	17:00	35	35		
17:00	18:00	~~36~~	~~36~~	Cut to 24	
18:00	19:00	24	24		
19:00	20:00	19	19		
20:00	21:00				
21:00	22:00				
22:00	23:00				
23:00	24:00				
		Total:	~~166~~		

Transaction Path					OASIS
CA	TP	PSE	Path (POR/POD)	Product	Resv # or Contract #
		~~VEA~~ NEVP	Valley System	G	
	Nevada Power Co	VEA	Valley System/Mead230	f:fs	GF
		EPMIWE	md2	FS	
	CAISO	EPMIWE	md2/iso System	f:fs	ciso_mrhappy
		EPMIWE	Load ISO System	L:FS	epmi is sc

Loss Accounting				MW @	MW @
TP	Start	Stop	Losses	POR	POD

(Loss Accounting may be required at TP option)

INISTRATIVE	(For Control Area Use ONLY)	DATE	TIME
est Received			
oved / Denied			
iled:			
eled:			
inated:			
rseded by:			
on For Denial:			
plate Version:	TRUE		

To: ~~Bo~~ Revise:

Open Tag file Archive

proceed? 4

File name 001r open

Rcvd 1145 - Alex

VAlley Electric

Input Y/N "CISO_ Mr happy #5 Cong

Hour Ending	Energy Available	
100	0.00	
200	0.00	
300	0.00	
400	0.00	
500	0.00	
600	0.00	
700	0.00	
800	0.00	
900	0.00	
1000	0.00	
1100	0.00	
1200	0.00	
1300	13.00	✓
1400	13.00	✓
1500	13.00	✓
1600	13.00	✓
1700	35 ~~36.00~~	✓
1800	36.00	Cut to 24mw's in finals
1900	24.00	✓
2000	19.00	
2100	0.00	
2200	0.00	
2300	0.00	
2400	0.00	
Total		

"mike"

① Call NeVP (T)

② Call Smitty "WAPA"
602-352-2411 fax
2552

③ Hrly tag

④ Ramp up hydro

⑤