

# **FERC Transmission Tariff Formula Change**

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# FERC ORDER 898 Background

- Similar to the Fuel and Purchase Power Formula, the OPPD Board approves the formula for revenue recovery in order for OPPD to provide transmission service to interested customers
- OPPD's Formula Rate Template establishes its transmission revenue requirements and rates for SPP transmission service
- Using the Board approved formula, OPPD populates the Template for use each year
- The formula is located in Attachment H of the SPP Tariff, and the annual update is publicly posted on OPPD's OASIS and SPP's member postings website
- The Template contains worksheets with specific, itemized cost types using the Uniform System of Accounts (USofA)



## FERC ORDER 898

FERC is revising the USofA to accommodate changes in technology and resource mix in the energy industry

- First significant modification to USofA since 2013
- Goal is for uniformity, consistency and transparency in accounting amongst utilities
- Adds functional detail for the accounting of wind, solar, battery storage, renewable energy credits as well as hardware, software and communication equipment
- Currently USofA does not have specific accounts for wind, solar, and battery storage, but instead groups these into "Other"



# FERC ORDER 898's Impact on Rate Template

Using 2023 Actual Financial & Operating Date for Operating State of Production   Description   Total OPPD   Adjustments   Adjust OPPD   Adjustments   Adju														
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#### Formula Rate Template

- FERC approved formula includes all O&M, Depreciation, and Amortization Expenses
- Production, Distribution, and Customer are allocated 0% to the Transmission Revenue Requirement
- Updated accounts through FERC 898 are functionalized to Production and Distribution

#### **Anticipated Effect on Transmission Tariff**

• Today, minimal to no impact



## FERC ORDER 898

### Impact on OPPD Accounting

- Order 898 identifies those accounts to be adopted
- Majority of accounts do not currently relate to OPPD, but implementation now will proactively
  prepare OPPD for its changing resource mix in the future

### Amendments to Transmission Formula Rate Template

- Rate template will require amendments to incorporate only those accounts impacting OPPD's transmission rate
- Changes to the rate template will not impact the rate charged to transmission customers
- Nominal number of inputs will be bucketed differently

### Next Steps:

- Receive OPPD Board approval
- File Amended Transmission Formula Rate seeking approval from FERC by October 15, 2024
- Implement by January 1, 2025

