



Department of Energy
Western Area Power Administration
Watertown Operations Office
P.O. Box 790
1330 41st Street SE
Watertown, South Dakota 57201-0790

June 27, 2008

Dear Transmission Customers and Other Interested Parties:

On April 30, 2008, Western Area Power Administration sent the Integrated System (IS) Transmission and Ancillary Services Rate Calculation to be effective May 1, 2008. Since then Western has received revised revenue requirement data and has updated and changed the annual revenue requirement and transmission rates. The revenue requirement and transmission rates were changed prior to the calculation of the bills for May service. Therefore, the bill you received for May service included these adjustments and no future adjustment will be required based on these changes. The rates, which are effective for May 2008 and subsequent service, are as follows:

<u>Service</u>	<u>Rate Schedule</u>	<u>Rate</u>
Network Transmission	UGP-NT1	Load-ratio share of 1/12 of the Annual Revenue Requirement for IS Transmission Service of \$149,086,191.
Firm Point-to-Point Transmission	UGP-FPT1	Maximum of \$2.97/kWmonth
Non-Firm Point-to-Point Transmission	UGP-NFPT1	Maximum of 4.07 mills/kWh
Scheduling, System Control and Dispatch	UGP-AS1	\$55.98/schedule/day
Reactive Supply and Voltage Control from Generation Sources	UGP-AS2	\$0.07/kWmonth
Regulation and Frequency Response	UGP-AS3	\$0.04/kWmonth
Energy Imbalance	UGP-AS4	For negative excursions outside of 3 percent bandwidth, the Upper Great Plains Region reserves the right to charge 100 mills/kWh. Positive excursions outside the bandwidth will be lost to the system.
Spinning/Supplemental Reserves	UGP-AS5 and 6	\$0.13/kWmonth of customer load

Enclosed are pages from the IS Transmission and Ancillary Services Rate Calculation which have been revised. Please substitute the enclosed pages for the ones you received earlier.

The IS Transmission Loss Factor effective May 1, 2008, is 4 percent and unchanged from the previous 2-year period.

If you have any questions concerning the IS Transmission and Ancillary Services Rate Calculation, please telephone Lloyd Linke at (605) 882-7500.

Sincerely,


for Lloyd A. Linke
Operations Manager

Enclosure