

**Rate Schedule L-AS4
SCHEDULE 4 to OATT
(Supersedes Rate Schedule L-AS4 dated
October 1, 2011, through September 30, 2016)**

**UNITED STATES DEPARTMENT OF ENERGY
WESTERN AREA POWER ADMINISTRATION**

**ROCKY MOUNTAIN REGION
Loveland Area Projects
Western Area Colorado Missouri Balancing Authority**

ENERGY IMBALANCE SERVICE

Effective

The first day of the first full billing period beginning on or after October 1, 2016, and extending through September 30, 2021, or until superseded by another rate schedule, whichever occurs earlier.

Applicable

This rate schedule applies to Loveland Area Projects (LAPT) as the Transmission Service Provider (TSP) and to Western Area Colorado Missouri Balancing Authority (WACM) as the Control Area operator. WACM provides Energy Imbalance Service when a difference occurs between the scheduled and the actual delivery of energy to a load located within the Control Area over a single hour. Energy Imbalance Service is calculated as resources minus obligations (adjusted for transmission and transformer losses) for any combination of generation, scheduled transfers, transactions, or actual load integrated over each hour.

The LAPT TSP must offer this service when the transmission service is used to serve load within WACM and the Federal Transmission Customers must purchase this service from the LAPT TSP or make alternative comparable arrangements with WACM to satisfy their Energy Imbalance obligations. By default, WACM, as the Control Area operator, provides Energy

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Imbalance Service to all entities within its Control Area footprint. All entities who serve load inside WACM must enter into separate agreements with WACM which will specify the terms of the Energy Imbalance Service.

Formula Rate

Imbalances are calculated in three deviation bands as follows. The term “metered load” is defined to be “metered load adjusted for losses.”

1. An imbalance of less than or equal to 1.5 percent of metered load (or 4 MW, whichever is greater) for any hour is settled financially at 100 percent of the WACM weighted average hourly energy price.
2. An imbalance between 1.5 percent and 7.5 percent of metered load (or 4 to 10 MW, whichever is greater) for any hour is settled financially at 90 percent of the WACM weighted average hourly energy price when net energy scheduled exceeds metered load or 110 percent of the WACM weighted average hourly energy price when net energy scheduled is less than metered load.
3. An imbalance greater than 7.5 percent of metered load (or 10 MW, whichever is greater) for any hour is settled financially at 75 percent of the WACM weighted average hourly energy price when net energy scheduled exceeds metered load or 125 percent of the WACM weighted average hourly energy price when net energy scheduled is less than metered load.

Pricing:

All Energy Imbalance Service provided by WACM is accounted for hourly and settled financially. The WACM aggregate imbalance determines the energy pricing used in all

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deviation bands. A surplus dictates the use of sale pricing; a deficit dictates the use of purchase pricing. When no hourly data is available, the pricing defaults for sales and purchase pricing are applied in the following order:

1. Weighted average sale or purchase pricing for the day (on- and off-peak).
2. Weighted average sale or purchase pricing for the month (on- and off-peak).
3. Weighted average sale or purchase pricing for the prior month (on- and off-peak).
4. Weighted average sale or purchase pricing for the month prior to the prior month (and continuing until sale or purchase pricing is located) (on- and off-peak).

Expansion of the bandwidth may be allowed during the following instances:

1. Response to the loss of a physical resource.
2. During transition of large base-load thermal resources (capacity greater than 200 MW) between off-line and on-line following a reserve sharing group response, when the unit generates less than the predetermined minimum scheduling level.

During periods of Balancing Authority operating constraints, WACM reserves the right to eliminate credits for over-deliveries. The cost to WACM of any charge assessed by a reliability oversight agency due to a violation of operating standards resulting from under-delivery or over-delivery of energy may be passed through to Energy Imbalance Service Customers.