



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

**JUL 28 2015**

TO ALL PICK-SLOAN MISSOURI BASIN PROGRAM--EASTERN DIVISION  
TRANSMISSION CUSTOMERS AND OTHER INTERESTED PARTIES

Enclosed for your information is the *Federal Register* notice placing formula transmission and ancillary services rates for Western Area Power Administration's (Western) Pick-Sloan Missouri Basin Program--Eastern Division (P-SMBP--ED) into effect on an interim basis effective October 1, 2015, upon transfer of functional control of eligible Western-Upper Great Plains Region (Western-UGP) transmission facilities to Southwest Power Pool, Inc. (SPP). These formula rates will remain in effect until September 30, 2020, pending approval by the Federal Energy Regulatory Commission (FERC) on a final basis or until superseded. Notification of the transfer of functional control and the effective date of the formula rates will be published in the Federal Register. These formula rates will be recalculated annually using updated financial information from Western-UGP and submitted to SPP to provide and bill for services under the SPP Tariff. The Western-UGP revenue requirements for 2015 for the individual services are outlined in the following table:

**Provisional Western-UGP Transmission and Ancillary Services Formula Rates**

Service	Rate Schedule No.	Provisional 2015 Annual Revenue Requirement <sup>1</sup>
Transmission	WAUGP-ATTR	\$ 123,816,622 <sup>2</sup>
Scheduling, System Control, and Dispatch	WAUGP-AS1	\$ 11,384,293 <sup>2</sup>
Regulation and Frequency Response	WAUW-AS3	\$ 294,308
Operating Reserves - Spinning and Supplemental Reserves	WAUW-AS5 and WAUW-AS6	\$ 232,291
Energy Imbalance	WAUW-AS4	i) For deviations within +/- 1.5% (minimum of 2 MW) of the scheduled transaction, 100% of average

<sup>1</sup> The new provisional formula rates and rate schedules will take effect on the first day of the first full billing period beginning on or after October 1, 2015, upon transfer of functional control of eligible Western-UGP facilities to SPP.

<sup>2</sup> ATTR estimate based upon facilities that Western-UGP has proposed to be included per Attachment AI of SPP's Tariff and feedback from SPP regarding Attachment AI qualifying criteria. The list of Western-UGP facilities proposed for inclusion is available on the Web site at [www.wapa.gov/ugp/rates/default.htm](http://www.wapa.gov/ugp/rates/default.htm).

		<p>incremental cost<sup>3</sup>;</p> <p>ii) For deviations greater than +/- 1.5% up to 7.5% (or greater than 2 MW up to 10 MW) of the scheduled transaction, 110% of incremental cost when energy taken is greater than energy scheduled and 90% of incremental cost when energy taken is less than scheduled;</p> <p>iii) For deviations greater than +/- 7.5% (or 10 MW) of the scheduled transaction, 125% of incremental cost when energy taken is greater than energy scheduled and 75% of incremental cost when energy taken is less than scheduled.</p>
Generator Imbalance	WAUW-AS7	<p>i) For deviations within +/- 1.5% (minimum of 2 MW) of the scheduled transaction, 100% of average incremental cost<sup>3</sup>;</p> <p>ii) For deviations greater than +/- 1.5% up to 7.5% (or greater than 2 MW up to 10 MW) of the scheduled transaction, 110% of incremental cost when energy taken is greater than energy scheduled and 90% of incremental cost when energy taken is less than scheduled;</p> <p>iii) For deviations greater than +/- 7.5% (or 10 MW) of the scheduled transaction, 125% of incremental cost when energy taken is greater than energy scheduled and 75% of incremental cost when energy taken is less than scheduled.</p>

<sup>3</sup> Western-UGP's incremental cost will be based upon a representative hourly energy index or combination of indexes. The index to be used will be posted on the applicable SPP Web site and/or SPP's Open Access Same-Time Information System (OASIS) at least 30 days before use for determining the Western-UGP incremental cost and will not be changed more often than once per year unless Western-UGP determines that the existing index is no longer a reliable price index. Data used and the charges resulting from using this formula will be posted on the applicable SPP Web site and/or SPP OASIS.

If you have any questions concerning the Western-UGP Transmission and Ancillary Services Rates, please telephone Linda Cady-Hoffman at (406) 255-2920.

Sincerely,

A handwritten signature in black ink, appearing to be 'L. Linke', with a long horizontal line extending to the right.

Lloyd A. Linke  
Vice President of Operations  
for Upper Great Plains Region

Enclosure