

**UNITED STATES DEPARTMENT OF ENERGY
WESTERN AREA POWER ADMINISTRATION
ROCKY MOUNTAIN REGION
Western Area Colorado Missouri Balancing Authority**

**REACTIVE SUPPLY AND VOLTAGE CONTROL FROM
GENERATION OR OTHER SOURCES SERVICE**

Applicable

To maintain transmission voltages on all transmission facilities within acceptable limits, generation facilities under the control of the Western Area Colorado Missouri Balancing Authority (WACM) are operated to produce or absorb reactive power. Thus, Reactive Supply and Voltage Control from Generation or Other Sources Service (VAR Support Service) is provided for each transaction on the transmission facilities. The amount of VAR Support Service supplied to the Customer's (Federal Transmission Customers and customers on others' transmission systems inside WACM) transactions will be based on the VAR Support Service necessary to maintain transmission voltages within limits that are generally accepted in the region and consistently adhered to by WACM. The Customer must purchase this service from the WACM operator.

Customers with generators providing WACM with VAR Support Service may be excluded from the application of this rate. Any such exclusion must be documented in the Customer's service agreement.

**Rate Schedule L-AS2
SCHEDULE 2 to Tariff
October 1, 2011**

Effective

The first day of the first full billing period beginning on or after October 1, 2011, through September 30, 2016.

Formula Rate

Total Annual Revenue Requirement for Generation = TARRG
Percentage of Resource Capacity Used for VAR Support Service = % of Resource

$$\begin{array}{l} \text{VAR} \\ \text{Support} \\ \text{Rate} \end{array} = \frac{\text{TARRG} \times \% \text{ of Resource}}{\text{Load in WACM Requiring VAR Support Service}}$$

Rate

The rate to be in effect October 1, 2011, through September 30, 2012, is:

Monthly: \$0.305/kW-month
Weekly: \$0.070/kW-week
Daily: \$0.010/kW-day
Hourly: \$0.000418/kWh

A revised rate will go into effect October 1 of each year of the effective rate period based on the formula above and updated financial and load data. Western will notify the Customer annually of the revised rate before October 1.

Any change to the rate for VAR Support Service will be listed in a revision to this rate schedule issued under applicable Federal laws, regulations, and policies and made part of the applicable service agreement.