

UNITED STATES DEPARTMENT OF ENERGY
WESTERN AREA POWER ADMINISTRATION
ROCKY MOUNTAIN REGION
Loveland Area Projects

OPERATING RESERVE - SPINNING RESERVE SERVICE

Applicable

Spinning Reserve Service (Reserves) is needed to serve load immediately in the event of a system contingency. Reserves may be provided by generating units that are on-line and loaded at less than maximum output. The Customers (Loveland Area Projects Transmission Customers and customers on others' transmission system within Western Area Colorado Missouri Balancing Authority (WACM)) must either purchase this service from WACM or make alternative comparable arrangements to satisfy their Reserve obligations. The charges for Reserves are shown below. The amount of Reserves will be outlined in the service agreement.

Effective

The first day of the first full billing period beginning on or after March 1, 2004, through February 28, 2009.

Formula Rate

No long-term Reserves are available beyond internal WACM requirements. At a Customer's request, Western may purchase Reserves and pass through that cost, plus an amount for administration. Additionally, the Customer would be responsible for providing the transmission to deliver the Reserves.