

**Reactive Supply and Voltage Control Service (DSW-RS4)
FY 2018 Rate Calculation**

Rate = Annual Revenue Requirement for Service / Transmission Transactions Requiring VAR Support

The numerator consists of the generation revenue requirement multiplied by the percentage of resource capacity used for providing the service. That percentage is based on the nameplate power factor (one minus the power factor) for the generating units supplying the service within WALC. The denominator consists of the transmission transactions within WALC that require this service.

	Boulder Canyon Project	Parker-Davis Project	Total
Generation Revenue Requirement (1-Power Factor)	\$76,910,193 0.025	\$16,459,270 0.032	
Annual Revenue Requirement for Service	\$1,922,755 78.50%	\$526,697 21.50%	\$2,449,452 100.00%
Transmission Reservations Requiring Service			3,208,390
	<u>Charges for VAR Support Service:</u>		
			\$0.76 /kW-Year
			\$0.064 /kW-Month
			\$0.015 /kW-Week
			\$0.0021 /kW-Day
			0.0872 Mills/kWh