

**UNITED STATES DEPARTMENT OF ENERGY  
WESTERN AREA POWER ADMINISTRATION  
DESERT SOUTHWEST CUSTOMER SERVICE REGION**

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

Effective:

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

Available:

In the area served by the Western Area Lower Colorado (WALC) Balancing Authority (BA).

Applicable:

To all customers in the WALC BA taking transmission service under Western's Open Access Transmission Tariff. The customer must purchase this service from WALC, unless the entity has a separate generation agreement to supply Reactive Supply and Voltage Control from Generation Sources Service (Voltage Support Service) to WALC.

Character of Service:

Voltage Support Service is needed to maintain transmission voltages on all transmission facilities within acceptable limits. To accomplish this, generation facilities under the control of the WALC BA are operated to produce or absorb reactive power.

Formula Rate:

The charges for Voltage Support Service are based on the following formula rate:

Rate Schedule DSW-RS3  
Schedule 2 to Tariff  
(Supersedes Schedule DSW-RS2)

$$\text{Voltage Svc Support Rate} = \frac{\text{Total Annual Revenue Requirement for Service}}{\text{Load Requiring VAR Support Service}}$$

The revenue requirement for the service is the sum of the service for each generation project in WALC, determined by multiplying the generation revenue requirement by one minus the power factor for the supplying plants.

The load requiring Voltage Support Service equals long-term firm transmission reservation data for both P-DP and that portion of Colorado River Storage Project (CRSP) located in WALC, and subtracts for those reservations by entities with generation agreements to supply Voltage Support Service to WALC.

Rate:

The rate to be in effect October 1, 2013, through September 30, 2014, is:

Monthly: \$0.046 /kW-month  
Weekly: \$0.011 /kW-week  
Daily: \$0.0015 /kW-day  
Hourly: \$0.0633 mills/kWh

This rate is based on the above formula and on FY 2012 financial and load data, and will be adjusted annually as new data becomes available and will go into effect October 1 of each year.

The Desert Southwest Customer Service Region (DSWR) charges for Voltage Support Service may be modified upon written notice to the customer. Any change to the charges for Voltage Support Service shall be included in a revision to the rate schedule promulgated under applicable Federal laws, regulations, and policies and made part of the applicable service agreement.

DSWR shall charge the customer in accordance with the rate then in effect.