

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

OPERATING RESERVE - SPINNING RESERVE 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 receiving spinning reserve service from the Desert Southwest Customer Service Region (DSWR) for the WALC BA.

Character of Service:

Spinning reserve service (Spinning Service) is needed to serve load immediately in the event of a system contingency. Spinning Service may be provided by generating units that are on-line and loaded at less than maximum output. The transmission customer must either purchase this service from the Western WALC BA, or make alternative comparable arrangements, satisfactory to Western, to meet its Spinning Service requirements.

Formula Rate:

Spinning Service will not be available from DSWR resources on a long-term basis. If a customer cannot self-supply or purchase this service from another provider, Western may obtain the Spinning Service on a pass-through cost basis at market price, plus a charge that covers the

Rate Schedule DSW-SPR3
Schedule 5 to Tariff
(Supersedes Rate Schedule DSW-SPR2)

cost of procuring and supplying the service. The transmission customer will be responsible for the transmission service to get Spinning Service to the designated point of delivery.

Cost for Spinning Service = market price + cost to procure service.

The Operating Reserve-Spinning Reserve Service compensation may be modified upon written notice to the customer. Any change to the customer compensation for Spinning Reserve Service shall be included in a revision to this schedule promulgated pursuant to applicable Federal laws, regulations, and policies and made part of the applicable service agreement. The DSWR shall charge the customer in accordance with the rate then in effect.