

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

OPERATING RESERVE - SUPPLEMENTAL 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 supplemental reserve service from the Desert Southwest Customer Service Region (DSWR) for the WALC BA.

Character of Service:

Supplemental reserve service (Supplemental Service) is needed to serve load in the event of a system contingency; however, it is not available immediately to serve load. Supplemental Service may be provided by generating units that can be synchronized to the system within 10 minutes and loaded within 30 minutes. The transmission customer must either purchase this service from the Western WALC BA, or make alternative comparable arrangements, satisfactory to Western, to meet its Supplemental Service requirements.

Rate Schedule DSW-SUR3
Schedule 6 to Tariff
(Supersedes Rate Schedule DSW-SUR2)

Formula Rate:

Supplemental 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 Supplemental Service on a pass-through cost basis at market price, plus a charge that covers the cost of procuring and supplying the service. The transmission customer will be responsible for the transmission service to get Supplemental Service to the designated point of delivery.

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

The Operating Reserve-Supplemental Reserve Service compensation may be modified upon written notice to the customer. Any change to the customer compensation for Supplemental 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. in accordance with the rate then in effect.